



# EXIT THE WAREHOUSE

THE 7-POWER CONTRACTOR<sup>SM</sup> APPROACH TO PARTNERING WITH PROFESSIONAL SUPPLIERS *By Al Levi*

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THE LAST THING YOU WANT to be doing is paying for excess inventory or stuff that gets “lost,” damaged, or goes out of warranty sitting on a shelf.

The same goes for deploying trucks that either are stocked too heavily or not stocked with the right stuff, causing your technicians to chase parts, waste time, and blow surefire opportunities for immediate sales and additional work.

If you’re reading this eBook, chances are you thought you could manage your in-house warehouse and save money. And I’m willing to bet that you’re tired of your shop looking more like you’re in the supplier business rather than the contracting business. (And if that’s the case, you’ve actually been running not one, but *two* businesses, and you probably didn’t even know it!)

Or maybe you’re fed up with the 5 o’clock stock emergencies, mysteriously disappearing parts, or the complaints of technicians who can’t find anything unless it’s in their own truck!

For contractors, running an in-house warehouse is a costly and stressful proposition, one I hope to convince you to delegate as much of as possible to professional suppliers as soon as possible.

Full disclosure: I don’t get any commissions from anyone for recommending you find a primary supplier and start taking steps to exit the warehouse business. The reason I recommend you do this is because, by far, all who have listened to me and taken the proper steps to get out of the warehouse business have found they can save time and money.

The goals of this eBook are to lay out for you all the steps you need to take to properly exit the warehouse business, and to show you the significant benefits of letting a professional supplier restock your trucks and run your warehouse for you — so you can run *your* business with less stress and more success — The 7-Power Contractor way.

*Let’s get started.*

### STEP ONE: ORANGE DOTS AND ORGANIZATION

THE FIRST STEP toward exiting the warehouse business is to find out what is actually *in* your warehouse.

If you're like most contractors, when it comes to the warehouse and their trucks, your technicians have free rein. When they need something, they simply walk into the warehouse and go get it and then find a place for it in their truck.

Similarly, techs who want to get rid of some old parts out of their truck bring them back to the warehouse and dump them wherever there's an open space.

The other problem most contractors have is they have no idea what stock is and isn't moving, much less how long each item they're stocking actually takes to sell — or if it even sells at all.

As you will see, your warehouse and truck stock are interconnected, but since you have to start somewhere, the place to start is definitely the warehouse.

#### ORANGE DOT STICKERS

A simple way to figure out what is moving (or not) in the



warehouse is to get some orange dot stickers and put one on every box or item stored there. Then in three months, repeat the exercise by putting another dot on each box or item. Three months later, go back and do it again. If an item accumulates more than three dots, it's time to reduce its quantity or get rid of it all together.

This first step is very telling and the key to getting a handle on what is and isn't moving.

### TEST IT, TAG IT, OR TOSS IT

The next step is to evaluate those parts you aren't using regularly so you can decide what should be done with them. Go through each shelf, part by part. Test each item.

1. **Does it work?** If not, can it be fixed? If yes, have a helper jot down notes on bright-colored tags and make a list of follow-up work needed to get the item back into salable shape.
2. **Can it be sold?** Contact your supplier and try to sell the overstock back, or take an exchange toward future materials.
3. **Should the item be tossed?** If you haven't used one in two years, toss it! Alternately, see if you can donate the stuff to a local trade school, especially if it's a good working part you don't need or the supplier won't take back. This helps the industry and gives you a nice tax deduction. Be sure to keep track of what you toss. Give a copy of the list to your accounting department. Damaged inventory is a legitimate business expense.

It's impossible to keep the right number and kind of materials in stock if techs can pull what they need and want from the shelves whenever they want. To keep this from

happening, you will need to secure the supplies within a fence and gate and limit access to this area to one or two key managers at your company.

### A PLACE FOR EVERYTHING...

The next step is to designate specific areas for everything in the warehouse. Create a map and labels. Place anything you can (wire nuts, etc.) into small sealed plastic bags and hang them on a pegboard. It's much easier to see what you have and don't have this way. This "a place for everything and everything in its place" structure is critical to proper ordering and tracking of stock.

A standardized layout also will help you avoid having to rely on one person to know where things are. People do get sick, or quit. They get fired and die from time to time. And every year, they just go on vacation!

This is also the time to end verbal orders with vendors whenever possible and instead email or fax orders so you can reduce errors. Work with the vendors to make sure all material pickups are by company employees in uniform and with a PO (purchase order) that's generated and tracked by your computer system.

### STEP TWO: STANDARDIZE TRUCK STOCK

THE BEST-ORGANIZED WAREHOUSE won't stay properly stocked if technicians are constantly riding around without sufficient parts on their truck or if their truck is packed with parts they think they might need "sometime."

The way to fix this issue is to make sure every truck is laid out the same way and contains exactly the same supplies based on a truck-stocking list you create with some input from your technicians.

The first step toward this goal is to have technicians clean everything out of their trucks.

One of my clients, Kathy Betlem, of John Betlem Heating & Cooling, Inc., in Rochester, New York, closed the shop for a day to make it happen. Here's what she says:

"One of my top projects was to organize our trucks and make everything the same for every truck, with everything in the same place. So if we had to put a tech in a different truck, it wouldn't matter because they would know where everything was.

"My inventory list also needed to be revamped, because my numbers weren't adding up all the time. I said: 'OK,

we're taking May 1 off. I'll cook lunch. All the trucks need to be in here.'

"We dumped everything out in the middle of the parking lot, and swept out the trucks. Then, our inventory guy handed everyone a list and said: 'This is what's going back in. Give me all your other stuff.' He ended up with buckets of extra stuff!

"This also meant there was a lot less stock on the trucks, and that scared the heck out of the guys.



“I said: ‘If there’s something you really need every day and it’s not there, let me know. I’ll check with others. If they need it too, maybe it’s an item we need to put back on the truck.’ Our approach was: ‘OK, this is our first step. Let’s see how this goes. Let us know if we need to fine-tune something.’”

Once the trucks are empty, provide techs with a list of what goes back in and optimally, a map of where it should be placed so all trucks are laid out exactly the same.

By the way, if your trucks are still vans, I urge you to convert to trucks your techs can stand up in, such as a Sprinter, a mini-box, or a full-size box truck. Otherwise it will be tough for them to stay organized in such close quarters! Plus, you’ll have a tough time spot-checking. The slightly bigger trucks can be rolling billboards, provided you’ve created an eye-catching design.

In deciding what to stock on each truck, pay close attention to what your technicians use about 80 percent of the time. Give each service technician a minimum amount of flexibility to customize his or her assigned vehicle, but don’t overstock. If your contracting business is seasonal, you can adjust the stock accordingly. Pulling up to 80 percent of the homes you serve with a truck and truck stock

will give your techs an 80 percent chance they’ll have what they need to get the job done that day.

### A FEW TIPS:

1. Lay out everything you think needs to be on the truck to meet that 80 percent goal on the warehouse floor.
2. Optimally, you’ll want to build the truck shelving on the floor of the warehouse first for easier stock location and shelving adjustment.
3. Once you like it, TAKE PHOTOS!
4. Install the shelving in the truck and begin loading in the stock.

Note: If the shelving is already in the truck, you can simulate the shelving on the warehouse floor for a shelving configuration that’s ready to go when you put the next truck on the road.

### HERE ARE A FEW ADDITIONAL GUIDELINES:

1. Keep the heaviest stuff closest to the floor for safety and stability.
2. Try to keep the biggest movers at eye level to hip level. Note: Supermarkets do this. They know it’s where we tend to look first.

3. Think about how you'd get heavy items off the truck and what this does to the stopping and safe operation of the vehicle.
4. Commit to which size bin you'll use, whether 24, 18 or 12 inches deep, and make sure bins are a good-quality plastic that can survive the abuse they'll get in the field.
5. Buy shelving rugged enough to take a beating and make sure it's adjustable metal shelving, not wood, because you'll likely want to readjust the configuration.
6. Build the bin areas and take digital photos of each of them because you'll be doing this again and again. You should build them two at a time so you can put the next truck on the road quickly.
7. Install the shelving and move the bins into place only after you've marked each column and each row with a marking pen. Example: Column A Row 2 or Column C Row 1. Note: This will be the quick-remember system that'll become part of the truck-stocking form.
8. Consider access to power tools and how they'll be both protected and secured for easy on-and-off loading. Consider building a Power Tool Center within the confines of your new smaller warehouse and having technicians sign tools in and out. Test the tool before it goes out and when it comes back to spot issues. It's no fun to drive an hour and find out the chopping hammer has no bits in the case!
9. Make sure a clipboard with a specifically numbered stock list and an attached pen or pencil is posted at the back of the truck where technicians jump on and off. Train technicians not to jump off with any parts that haven't been added to that list. No more waiting until the job is over — or worse yet, the next day — to figure it out.
10. Take a picture of the techs inside the clean truck in a clean uniform and let them know this is what they'll be held accountable to.

Well-stocked trucks are a sales and marketing advantage because they separate you from your competition. The trick is to make sure the customer knows why you stock the trucks the way you do by having your tech say something like this:

“It doesn't matter how good a technician I am if I don't have the parts I need, whether it's night, weekend, or hol-



iday. This is why my company goes the extra mile to make sure we have a rolling warehouse with pretty much all I'll need to help you out of a bind no matter when you call."

Once you have the model truck's shelving in place, you'll want to create an exact duplicate of the shelving in the warehouse. This will allow you to pull the inventory from these shelves and restock them to the minimum and maximum levels. Apprentices quickly learn where the material is on the trucks if they help in parts distribution. Plus, you can pull the stock quickly from these shelves and outfit a new truck.

You'll also want to create a shelving area where all job materials coming back can be placed daily. This way you can return them to your primary supplier, instead of constantly piling materials into your existing warehouse inventory and throwing maximums and minimums out of whack.

Having a standard stocking list and truck layout will not only allow your stock person to easily see how the technician is caring for the truck, it will allow another technician to step right into that vehicle when necessary. And because items will be stored properly, you'll find that fewer parts will get damaged.

The good news: Once you do this, you'll see an almost immediate savings of time and money, two things you and your techs used to lose by making unnecessary trips back to your warehouse or to the supplier!

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### STEP THREE: SELECT A PRIMARY SUPPLIER

*“We had a ton of inventory. We thought we had to have every part on the shelf so when a customer called we could be Johnny-on-the-Spot. We have sliced that way back. Our vans were loaded. Now we’re down to where each van has a list of what they have on it. We have a supplier that comes in, and our techs keep a list of what they use. At the end of the day they turn the list in, and the next day the supplier shows up with that list per truck, in a separate bin per truck.”*

*– Jeff Gerber, President, Homestead Fuel, Inc.,  
Hartford, Connecticut*

ONCE YOU FIND YOUR RHYTHM of purchasing materials, you need to review what you’re buying from different suppliers and look for ways to combine your purchases so you can have greater buying power.

Then, set up interviews with two or three suppliers who will compete to become your “primary supplier.” The right supplier will have the ability to partner with you when it comes to maximizing your warehouse shelving

and bins. This supplier can help you move out old stock and set the minimum and maximum stocking levels based on your buying habits.

The right supplier will enable you to achieve your goal, which is to transition the role of your warehouse from day-to-day restocking to emergency restocking only.

After meeting and selecting the primary supplier (or two primary suppliers if it’s not doable with just one), send a letter confirming what you want and what you promise to do. A sample is below:

[Put on Company Letterhead]

[Date]

Dear [Supplier Contact Name]:

I want to thank you for taking the time to meet with me about our new approach to both our in-house and truck stock needs. Our approach will be to partner with [pick “one” or “two” here] key suppliers. Each will help us exit the “warehouse business” and allow us to focus our energy on our plumbing business.

I'm sure you'll agree that this decision is beneficial to both you and me. To ensure you know what I'm expecting from you and what you can expect from me, I've written a set of guidelines for how this will work. This isn't meant to be a legally binding agreement, but rather the framework for helping us understand what to expect from each other. You or I may cancel this arrangement at any time and for any reason with no further obligations.

### WHAT WE WANT FROM YOU:

1. We want to reduce the current overstock and turn it into [credit? cash?] we'll use toward future material purchases.
2. We want to work with you to set both a minimum and a maximum stocking level for each item we'll continue to keep in our in-house inventory.
3. We want to agree on a quick and reliable system of purchase orders to restock the trucks based on what was used the previous day. You will box those materials individually so the tech can easily pick up his



materials the next day at our shop and replenish his truck stock quickly.

4. We want your help in applying the technology you are using in your own warehouse [e.g., bar-code scanning] to ensure we're accurately tracking our in-house inventory levels.
5. We want you to agree that to get your invoices paid you'll require and obtain a purchase order from us

for all deliveries and pick-up orders. And, when our techs pick up parts, he/she must be in uniform and show a current ID tag.

6. We may require weekend and after-hours access. Could we possibly arrange access codes and a key arrangement for this purpose? Or, can we contact someone from your company who will come in and open up for us after hours?

7. We want to leverage our buying potential to gain economies of scale that will lower our current pricing matrix.

**WHAT WE PROMISE YOU:**

- 1. We will limit the purchases of our material orders to two key suppliers.
- 2. We will email restocking requests to you by 4 p.m.

3. We will pay our monthly invoices by the [10<sup>th</sup> of the month as an example or some other agreed-upon terms] of each month.

Warm regards,

\_\_\_\_\_

Date: \_\_\_\_\_

Al Levi, President

Appleseed Business, Inc.

Please date and sign below to assure you understand what we expect:

\_\_\_\_\_

Date: \_\_\_\_\_

John Smith, President

XYZ Supply Company

With the primary supplier now in charge of keeping your warehouse and trucks appropriately stocked, you can focus your full attention on running your contracting business — after you complete the next two steps.

### STEP FOUR: GET TECHNICIANS ON BOARD

THIS IS ALL GREAT FOR YOU, but what's in it for your technicians and apprentices? After all, they will probably think it takes too long to keep their trucks clean and properly stocked. When I was an apprentice, I sure felt this way! The "old guys" were always nagging me about getting in the habit of cleaning out my van and storing my tools and parts where they belonged after each job.

What they knew, which I didn't know at the time, was that by keeping the right materials and tools where I could easily get at them, I was saving time by avoiding extra trips back to the shop or to the supplier. And, by neatly storing my tools, I found I was less likely to leave them on the job or lose them altogether.

When I speak with technicians at the shops I consult with nowadays, they understand the value of keeping their trucks up to snuff, but they often say it isn't practical during their busy season. Actually, the busy season is the most important time to do it.

Think about having to leave a job incomplete because a part that should have been on board hadn't been replaced.

What an enormous time- and money-waster! It was hard enough to get there the first time; now you have to make a follow-up appointment during the busiest time of the year. And it makes for an unhappy customer who feels inconvenienced not once, but twice.

There's one more thing you need to do: Share with the techs why you're doing what you're doing. Techs need to know the why and the WIIFM [What's In It For Me] for this program to have any long-term traction.

It's only natural for techs to feel that you don't trust them if they've had free rein over parts and power tools, and there's been no accountability. That's why you want to get ahead of it now vs. dealing with bruised feelings later.

A good way to do this is to share how frustrating it is as techs to get to a job without a part or power tool they can rely on. In fact, it's going to be a long, miserable day. Your techs will get it if you make it about them having a better day, and a better day is having parts they need when they need them, and a power tool in hand they can trust.

#### MAKING IT WORK: COMMITMENT IS KEY

The final element in getting techs on board is written documentation outlining the system and your expectations

## EXIT THE WAREHOUSE

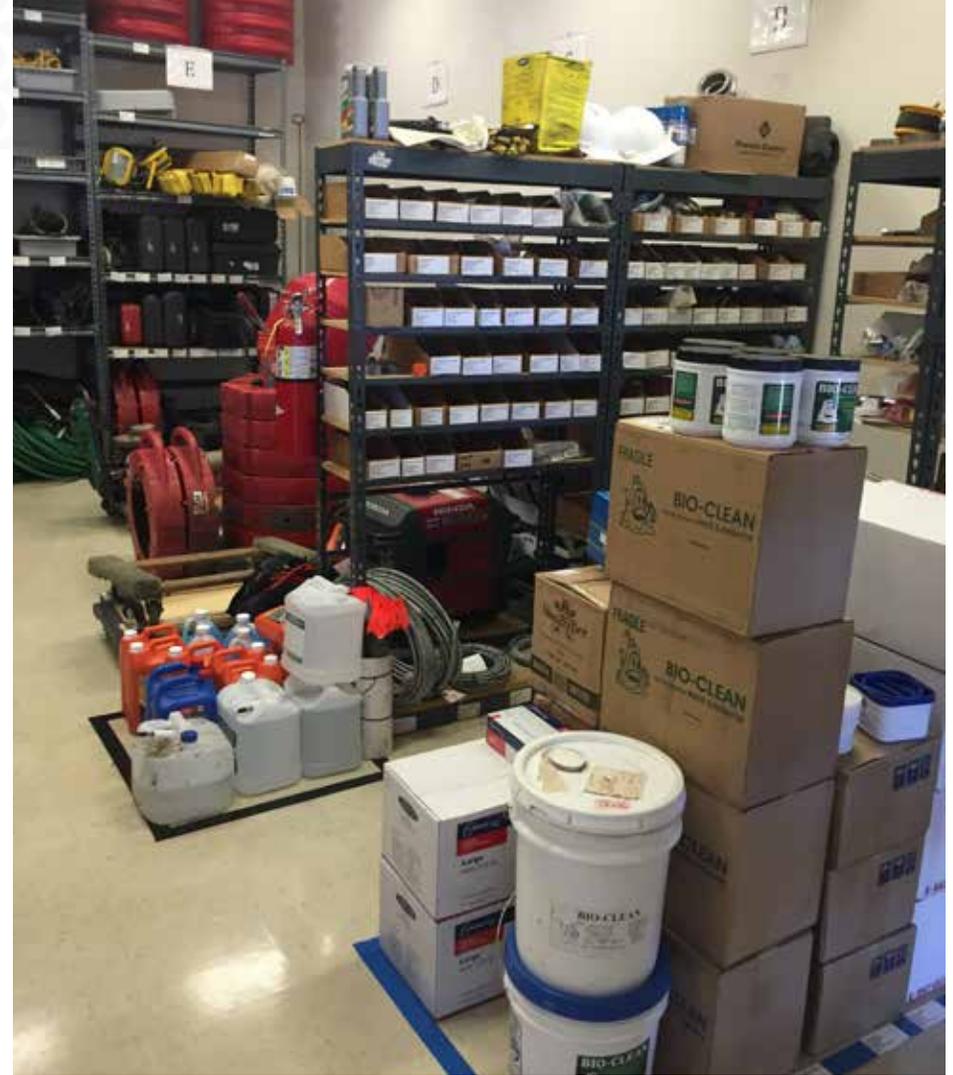
for compliance, followed by a required training session. Tell them what you're doing and show why you're doing it, and what the benefit will be to them (e.g., no more tools with missing or broken bits!). Once you go through this with them, let them know: "OK, now you're going to be accountable."

If you commit to revamping your parts warehouse and truck inventory systems, you have to be prepared to enforce the changes. This means spot-checking for compliance. Don't expect what you don't inspect. And believe me; the staff will quickly try to test your resolve.

If you aren't willing to spot-check and then discipline accordingly, don't begin the process. If you are willing to follow through, decide up front what the rewards and punishments will be. A positive way to implement the change is to give "Reward Points" for things such as the cleanest or best-stocked truck.

Your form of discipline can be progressive — for instance, the first time the inventory and truck conditions are unsatisfactory, you'll help the tech get them in shape. But the next time there's a problem, he's off the clock until both are able to pass inspection.

Then choose whether to suspend or fire techs if they continue to fail to meet performance standards. It's the



only way I know to emphasize how important this is to your business's success. And because it is, it should be important to your employees as well.

The roles of the technicians and apprentices are not the only ones you'll need to attend to, however. The addition of a primary supplier to the stocking equation means that the way the warehouse is managed will change as well.

### STEP FIVE: RE-VISION THE WAREHOUSE MANAGER

AS THE WAY THE WAREHOUSE IS MANAGED changes, it makes sense that the role your warehouse manager plays will change. For example, at many shops, warehouse manager is not a full-time position, especially for those who have implemented the Exit the Warehouse strategy fully. Here's a typical warehouse manager job description at a company that has secured a primary supplier that has enabled it to exit the warehouse business completely:

1. Manages the work activities of the other warehouse personnel and purchasing personnel.
2. Primary responsibility is to oversee the restocking and distribution of materials for service techs and installers through our primary supplier.
3. Physically counts the entire in-house inventory in the warehouse and updates the computer every six months.
4. Oversees the replenishment of truck bins daily from primary supplier.
5. Verifies and accepts shipments from suppliers.
6. Places stock in the warehouse and updates minimum and maximum stocking numbers for each item stored.
7. Supervises apprentices in coordination with the installation manager to perform the necessary tasks at the main facility, and acts as parts runner.
8. Assists the installation manager in initial training of each new apprentice, according to the apprentice training checklist.
9. Oversees the shuttling of emergency parts to the technicians and installers as directed by the service manager, installation manager, field supervisor, or service dispatcher.
10. Processes "special" material orders for non-stock items as instructed by the service manager, installation manager, field supervisor or service dispatcher.
11. Coordinates with purchasing the daily return of overflow material from jobs and warranty items from techs and installers to the proper vendors, and acquires necessary paperwork from vendors, monitoring return until proof of credit is issued.
12. Minimizes loss by restricting access to materials to only approved personnel in the warehouse.

13. Makes sure tools are signed in and out properly. Reports any losses in writing to owners immediately.
14. Enforces via a sign-in sheet the weekly policing of the main office, warehouse, and tech staging area by apprentices.
15. Preassembles packages of materials standard to common work done at least once every two weeks, to minimize time wasted with installers. Goal: A “pull” list for commonly performed tasks.
16. Brings the trucks in one by one and exchanges their entire contents every six months. Arranges for an audit of the returning stock from the individual truck; submits a report to service manager if 10 percent or more stock is missing.
17. Labels boxes to track sales.
18. Maintains individual truck-stocking list.
19. Bags and hangs small parts on a pegboard; monitors and maintains minimum and maximum restocking levels.
20. Ensures job materials returned by technicians are returned to the primary supplier, not added to existing warehouse inventory.
21. Makes all material purchases through purchasing department, in a coordinated effort to get materials to jobs in a timely manner and uphold minimum and maximum warehouse stocking levels.
22. Builds out new trucks; standardizes existing and new-truck shelving.

### WAREHOUSE MANAGER TRAINING CHECKLIST:

(Note: Have employees acknowledge their understanding of each point by recording their initials in the blank before each statement as they and their supervisor review this list of responsibilities.)

- I’m responsible for managing the work activities of the other warehouse personnel and purchasing.
- I understand that my primary responsibility is to oversee the restocking and distribution of materials for service techs and installers.
- I will conduct a physical count of the entire inventory of in-house inventory in the warehouse, and update the computer every six months.

## EXIT THE WAREHOUSE

- I must oversee the replenishment of truck bins daily from the primary and secondary suppliers.
- I'll verify and accept shipments from suppliers.
- I'll place stock in the warehouse and update minimum and maximum stocking numbers for each item stored.
- I will supervise apprentices in coordination with the installation manager to perform the necessary tasks at the main facility.
- I will assist the installation manager in initial training of each new apprentice according to the Apprentice Training Checklist.
- I will oversee the shuttling of emergency parts to the technicians and installers as directed by the service manager, installation manager, field supervisor, or service dispatcher.
- I know my normal work hours are 7 a.m. to 4 p.m. with one hour for lunch.

## WAREHOUSE MANAGER'S TYPICAL WORKDAY SCHEDULE

### 7 to 8 a.m.

- Helping the techs and installers load their trucks get out to the jobs on time; ensuring that power tools are signed out properly.
- Meeting with the installation manager about any special orders.
- Checking any pull orders or materials lists to make any fine-tune adjustments.
- Checking email for any material lists.

### 9 to 10 a.m.

- Communicating with the service manager, installation manager, field supervisors, and service dispatcher.
- Placing replenishment orders with purchasing for stock pulled from warehouse.
- Overseeing the return of materials to vendors.

### 11 a.m. to 12 p.m.

- Beginning the process of replenishing truck stock inventory into the appropriate truck parts bins.

### 12 to 1 p.m.

- Taking lunch.

### 1 to 2 p.m.

- Assembling any material orders for upcoming install work.

### 2 to 4 p.m.

- Arranging any tool maintenance or repair work.
- Overseeing the proper unloading of the trucks.
- Writing up any paperwork and reports.



I understand the process of “special” material orders for non-stock items as instructed by the service manager, installation manager, field supervisor, or service dispatcher.

- I must coordinate with purchasing the daily return of overflow material from jobs and warranty items from techs and installers to the proper vendors, and acquire necessary paperwork from vendor, monitoring return until proof of credit is issued.
- It's up to me to minimize loss by restricting access to materials to only approved personnel in the Warehouse, ensure that power tools are signed in and out properly, and to report any losses in writing to owners immediately.
- I will enforce via a sign-in sheet the weekly policing of the main office, warehouse, and tech staging area by apprentices.
- I will preassemble packages of materials standard to common work that is done at least once every two weeks, to minimize time wasted with installers.
- I'm responsible for bringing the trucks in one by one and exchanging their entire contents every six months, as well as arranging for an audit of the returning stock

from the individual truck and submitting a report to service manager if 10 percent or more stock is missing.

- I will label boxes to track sales.
- I will maintain an individual truck-stocking list.
- I will bag and hang small parts on a pegboard, and monitor and maintain minimum and maximum restocking levels.
- I'm setting up a "truck" inside the new warehouse. This means we'll be recreating the stocking for our model trucks so we have an exact duplicate of the shelving and stocking in the warehouse. We'll be pulling the inventory from these shelves and restocking them to the minimum and maximum levels. The benefit is that the apprentices quickly learn where the material is on the trucks if they help in parts distribution. And we can pull the stock quickly from these shelves and outfit a new truck and do the bin change-outs.

- I will create an area where all job materials coming back go daily if possible. We'll be returning material to the primary suppliers instead of constantly piling materials into our existing warehouse inventory.
- I understand that all material purchases are to be made through the purchasing manager. I need to work with him/her to get materials to the jobs in a timely manner and uphold the minimum and maximum stocking levels of the warehouse and trucks.
- I will oversee building out the new trucks and standardize the existing and new-truck shelving.

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Supervisor doing the training:** \_\_\_\_\_

**Date:** \_\_\_\_\_



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### STEP SIX: ADAPT AND REFINE THE SYSTEM

IN A PERFECT WORLD, all contracting businesses would have ready access to major suppliers so that the Exit the Warehouse business strategy could be implemented fully. However, if your business is located in a remote area, daily service from a primary supplier may not be feasible. Or, perhaps your contracting business doesn't use enough parts to warrant daily replenishment. The good news: Even partial implementation of this advice can produce significant returns on your investment.

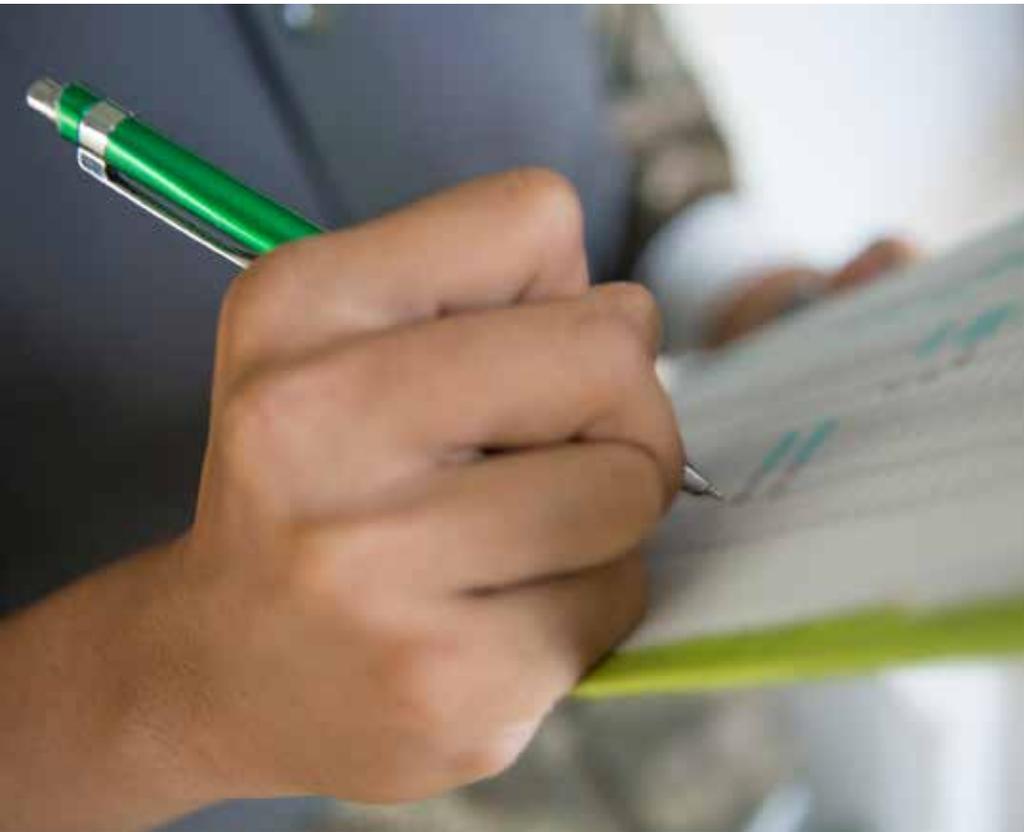
For example, Zoom Drain of Philadelphia has completely reorganized its warehouse and standardized its truck stock, but because the volume of replenishment is low, the company does replenish trucks bins with stock from the warehouse.

Once a week, technicians use a program to record the numbers of parts used, and print a list of parts needed to go back on the trucks. The warehouse manager then puts those items into a bin and into a replenishment locker specific to that truck. The technician has a key to that locker (not the whole warehouse) and opens it, gets the



bin, and locks the door back up. Once a month, a physical inventory is conducted, and a list of parts sent to the supplier, who facilitates the delivery.

The drain business uses a lot of very expensive machines and tools. So, for Zoom, creating a Power Tool Center where the technicians sign equipment in and out was especially critical.



Jason Criniti, service manager for Zoom Drain, says: “Right inside the warehouse, there is a clipboard with a form. Technicians know they have to sign their name, what tool they are checking out and the date they are taking it before the warehouse manager lets them take it. The tool is tested before it leaves the warehouse to make sure it’s working properly and it has all its parts. When

[technicians] are done with it, they bring it back to the warehouse, where the tool is signed back in and inspected again with the warehouse manager present. If it’s OK, it’s returned to its designated spot on the shelf, because the location of every tool is assigned and mapped out.

“Before this system was implemented, tools often came back broken, missing pieces, or at the very least dirty. Now technicians know that the tool needs to be returned clean, and if it is broken, they need to put a repair tag on it with what’s wrong, and make sure it ends up in the area designated for tools needing repair.”

Jason says it took a while to decide the best location for everything, both in the trucks and in the warehouse. “Technicians would ask: ‘What are the things we are grabbing all the time? What should we keep closer to the door? What’s most valuable?’ They would move things around until they found the optimal placement.”

The most important thing is to get into motion toward the goal of exiting the warehouse business, even if a total exit isn’t possible or a fit for your contracting business. An attitude of progress, not perfection, and the willingness to make tweaks and improvements all along the way is the path to success.

### STEP SEVEN: ENJOY THE REWARDS

REGARDLESS TO WHAT DEGREE the Exit the Warehouse business strategy makes sense for your business, the important thing to remember is that if you decide to take control (and I hope you do), you must take control of both the warehouse and the truck stock, or the system can't work its magic. If you only do one, the other will mess it up – guaranteed.

Also guaranteed: If you make the commitment and follow through with the process, not only will you experience relief from paying for excess inventory, and parts and tools getting “lost” or damaged, your technicians will recover precious time previously wasted chasing equipment. In addition, this system should increase technicians' ability to capture opportunities for immediate sales and additional work, because everything they need is always on the truck.

And if that's not enough, not only will your technicians thank you, so will your customers, because ultimately they'll benefit, too. Best of all, you'll be able to get back to the business of running your contract-



ing business with less stress and more success because you're leaving the warehouse business to the pros.

## ABOUT THE AUTHOR



AL LEVI is a business consultant, teacher, author, and a former contractor who worked for 25 years in every aspect of his family's Long Island-based HVAC/plumbing business. The systems Al put in place enabled him to sell his share of the business to his brothers and retire before he was 50.

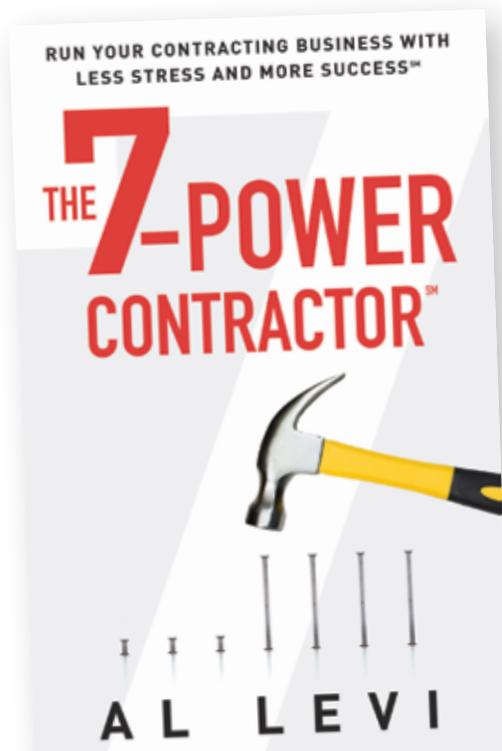
Al now helps other contractors learn to run their businesses with less stress and more success through consultations, workshops, and we-

binars, as well as via his new book, *The 7-Power Contractor<sup>SM</sup>: Run Your Business With Less Stress and More Success<sup>SM</sup>* and his long-running column in *Plumbing & Mechanical* magazine. An avid golfer who also does yoga and tai chi, Al resides in Scottsdale, Arizona, with his wife, Natalie.

For more information about Al's programs, please send an email to [info@appleseedbusiness.com](mailto:info@appleseedbusiness.com) or visit [www.appleseedbusiness.com](http://www.appleseedbusiness.com) and register to receive your free copy of *The 7-Power Contractor Guide to More Productive Meetings*. To purchase Al's book and get exclusive bonus materials, please visit [appleseedbusiness.com/bnp](http://appleseedbusiness.com/bnp).

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