

SERVICE VIEWPOINT

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An Education: How to Pivot in Our Industry

Out of nowhere, through no fault of our own, we all have experienced a sharp decline in revenue due to COVID and our industry being targeted for shutdown. As I write this in Philadelphia, our restaurants are still not allowed to have any indoor seating. The same goes for my New Jersey customers. Simultaneously, the airline I fly most often has gotten rid of any limitations on seating and has resumed food and beverage service. So, you can eat and drink in a flying tube, but not in a restaurant?

Point made. That's the last complaint you'll hear from me. During these unprecedented times, I have found two types of business owners: those that whine and those that pivot.

I pivoted when our parts' sales were decimated by the internet and during the 2008 financial crisis. This is not my first rodeo. As a solutions-minded business owner, I immediately asked myself, how do we survive this latest industry crisis? Here are my seven tips to not only survive, but to remain viable and profitable.

1. **AUDIT.** You cannot identify solutions until you identify the problems. If you are not well-versed in your financials, you need to become so ASAP. Your payables should be no more than half of your receivables. Know what you have to bill per month, per day to break even or to make a profit.

2. **ADDRESS THE ISSUES.** Now that you have identified the problems start looking for solutions. If many restaurants cannot pay their bills, who can? Think of who has done well during COVID: grocery stores, nursing homes, Walmart, Costco, etc. They have more business than they know what to do with. Shift into business development mode and go after them.

3. **CASH IS KING.** Are you a bank? Why would you allow your customers to pay for your services 45, 60+ days late? Do you have a steak dinner and tell the waiter you'll send a check in two months? Stop extending credit and reign in your receivables.

4. **ASK YOUR STAFF DIFFICULT QUESTIONS.** If you get the answer, "Because we have always done it that way," chances are you have room for improvement.

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Spend this time reviewing your processes and fine-tuning to create better efficiencies.

5. **TIGHTEN YOUR BELT.** Have you finally sold that motor that was sitting in your inventory for the last eight months only to find your parts department quickly restocked? Focus on inventory and the number of turns, and you might be surprised that you've been overordering for years. Yes, this will increase cash flow.

6. **FOCUS ON TRAINING.** Take this time to further train your technicians and get them CFESA Certified. Get as many Master Certified as possible. When we are back to 100%, you will reflect on this downtime and know that you used the time wisely.

7. **COMMUNICATE.** Reach out to your reps, dealers, and manufacturers. Ask them how you can help. Inform them of the changes you are making/ brainstorm on how you can work together more. Reach out to your customers. Offer specials such as a restart-up program with a 10% discount on all parts and labor. Inform them of your offerings. Do your customers know that you clean ice machines, offer water filter systems and filter replacement, and offer factory certified installation? Talk to your staff. Ask them what other services we can provide our customer base without increasing our internal staff? Let them know you have a plan. Be transparent with your employees - you never know where a good idea might come from.

As you are pivoting, try to focus on the positive. The customers we are servicing now are getting the best service we've provided in years. Restaurants are reopening to find the steamer does not steam; the fryer does not fry, and the freezer is not freezing, and yes, we are on it. Why? Because we have the time to do things right. Remember, when we were all too busy - not able to keep up with the demand and not able to hire more talent? Disappointed customers, not happy with our level of service? Not anymore, and I want this level of service to continue.

Turn your lemons into lemonade. Focus on improvements that you have been neglecting for years, and you, your employees, and your customers will be the better for it when we come out on the other side.