7 SECRETS LEARNED FROM MY MENTOR WHO BUILT TWO MULTI-MILLION TRADE BUSINESSES

AirVersant

Introduction

For nearly a year I met weekly with a mentor. He and his partner had built an electrical contracting business to over $100 million in annual sales. But due to health reasons he sold his interest to his partner and was retiring early.

The partners were best friends. His partner's father was running a small electrical contracting company and basically handed the keys of the business to the two of them. Both were only 20 years old with new contractor licenses.

1. Division of Labor



The first and perhaps best decision was creating a division of labor. One partner owned the sales and business development part of the business. The other handled operations and kept the wheels on.

Most small businesses have a very difficult time creating an effective division of labor. In HVAC, the owner often performs triple duty. They are the sales person, the manager and lead technician. This puts them at odds with themselves. The more they sell … the more work they create for themselves in operations and management. It is a recipe for burnout.

By creating a solid division of labor, the company could focus on growing sales and getting good at project delivery. It is also a good idea to have solid team members or virtual team members in marketing, accounting, finance, customer service as well.

2. Focus on Building Authentic Relationships



Unfortunately, many business owners see a sale as a transaction rather than the start of a relationship. This can be very near-sighted. It is an opportunity to make friendships and build deeper connections. Besides missing out on all the intangible benefits of friendship, they may completely miss out on add-on sales, referrals and other benefits that come from deeper trust and relationship.

My mentor intuitively understood this and built authentic relationships with clients. He called it “Relationship Selling”. And many would become life-long friends. And because they shared similar beliefs and values they built big businesses too.

There is a common belief that “time is money” and that we can make better use of our time by sorting through potential sales. There is some truth to this. But i would argue that most people don’t understand opportunity costs and that building great relationships comes with its own “compounded interest”. It should not be underestimated.

3. Find Ways to Stay in Touch

My mentor was a collector of quotes and wisdom and he began sharing them with clients and friends. He created a weekly newsletter nicked-named “Ponders” and began sending it out. There was a thought for each day of the week and sometimes there was a question or Baffler. Ponders grew in both popularity and circulation. Eventually, there were sending out over 20,000 newsletters each week… and that was the only “marketing” the company was really doing.

It’s hard to underestimate the impact Ponders had on the business. On one level it was a personal and self-development tool. Quotes often offer condensed nuggets of wisdom. Sending quotes was a brilliant, positive and uplifting way to stay in touch. And this was before Facebook, Linked-in and even prevalent email. Ponders were sent to famous people who were not good prospects for electrical contracting work. My mentor received hand written thank you notes from George HW Bush, Colin Powell, General Norman Schwarzkopf, Paul Harvey and Zig Ziglar.

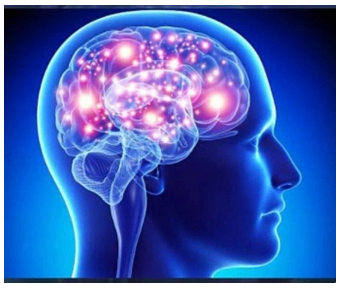


A second thing my mentor did that was fun was give out $2 bills. It was not uncommon for him to get $20K in bills and pass them out. The note features Thomas Jefferson but is relatively rare when compared to the one dollar featuring George Washington. Most recipients would choose to keep the bill in their wallets or purses rather than spend it. Everytime I opened my wallet I would see the $2 bill and it made me smile. The $2 bill was my mentor’s trademark … and it was a symbol of his big heart and generosity.

I have another friend who gives away miniature Louisville Slugger baseball bats. Being from Louisville my bat has special meaning to me. These bats are about 6 inches long and I vividly remember when I was presented with one.

Wharton professor Adam Grant has a book entitled “Give and Take” in which be makes the case that giving can be good for business. I’m sure that my mentor would agree.

4. Join a Mastermind Group



A mastermind group is a peer-to-peer mentoring group used to help members solve their problems with input and advice from the other group members. The concept was coined in 1925 by author Napoleon Hill in his book The Law of Success, and described in more detail in his 1937 book Think and Grow Rich. In his books, Hill discussed the idea of the Master Mind, which referred to two or more people coming together in harmony to solve problems.

Cooperation through the use of mastermind groups was one of the laws of success that Hill learned studying successful Americans including Henry Ford, Thomas Edison, Alexander Graham Bell, Theodore Roosevelt and Charles Schwab.

My Mentor was a member of TEC which later became Vistage International. Vistage is the Mercedes of mastermind groups. Members typically run $20 million plus organizations and are encouraging each other to new levels. I have personally belonged to several groups and consider them invaluable.

5. Manage First Impressions



There is a saying that you only get “one chance to make a first impression” and I have noticed that many successful business owners get this.

My mentor’s company had top quality branding and marketing materials. They had a fleet of blue and gold vans, a corporate brochure that cost thousands to design and print and a corporate space.

One day I was with him at the building and he reflected that when he turned the key to enter he knew he would need to generate over $30k that day to keep everything running smoothly.

First impressions are more than the quality of your marketing collateral. Customers and potential customers form impressions on many factors including how quickly and professionally you answered the phone, whether you were on time to the appointment, your business card, the speed and quality of your proposal and follow up. Jeff Bezos of Amazon and Phil Knight of Nike fully understand the power of branding.

My mentor taught me about “winning by a nose”. There is often little performance difference between the horse that wins the race and the one that places. But we live in a “winner take all” world. It’s the little things that can make a big difference.

6. Estimating is Both Art and Science

In contracting getting quotes right is key! During the recession there might be a dozen or more companies quoting on the same job. And actually winning the business was scary. You would have this nagging feeling that you underbid the job or left something out. But usually being able to produce professional and competitive quotes in a timely manner will get you more business!

7. Get Up Early



Early morning is a great time to reflect and get things done. It is the time of the day when people are most creative. My mentor got up early ...and was in the office early. I have learned that we all have energy cycles. I find that I have the most energy at the beginning of the day and plan and schedule my day accordingly.