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COVER STORY



Licensed plumbing apprentice Dylan Belfiore, an employee of Matt Mertz Plumbing, runs a Perma-Liner Stinger mini steam unit during the installation of a lateral liner at a home in Wexford, Pa., a suburb of Pittsburgh.

{ BY KEN WYSOCKY | PHOTOGRAPHY BY JOE APPEL }

BORN INTO THE BUSINESS

CLEANING, INSPECTING AND RELINING BECOME KEY COMPONENTS OF FOURTH-GENERATION PLUMBER'S BUSINESS SUCCESS

By almost any measure, Matt Mertz Plumbing Inc. in Wexford, Pa., is a successful business. What else can you say about a drain-cleaning and plumbing firm that generated more than \$6 million in revenue in 2014, employs 29 people, runs 27 trucks and owns about \$2 million worth of equipment, tools and vehicles?

But even a thriving company can always use a new revenue stream, especially if it can leverage an existing customer base. And that's exactly what owner Matt Mertz did almost three years ago when he started offering customers a new service: trenchless pipe relining.

Mertz was already familiar with relining because he periodically hired a subcontractor to do such work for his company. But after a while he decided he'd rather have that piece of the revenue pie instead of giving it away.

"The guy was charging a \$2,000 minimum fee, no matter how long the lining project was," recalls Mertz, 33, a fourth-generation plumber who established his company in 2004. "So when I saw what he was charging just to do, say, 10 feet of pipe from the edge of a property to a sewer mainline, I felt like I had to get in on it. Plus I already had a large customer base for it, with very few competitors."

So far the move into trenchless pipe repair — using a steam-curing system made by Perma-Liner Industries — has paid off handsomely. Pipe relining now contributes almost \$1 million in annual revenue to the company, or about 17 percent of its total 2014 gross revenue, Mertz says.

"We charge anywhere from \$70 to \$200 a foot, depending on the size of the pipe and the condition it's in," Mertz says. "A good rule of thumb is \$100 a foot. The profit margins are very high."

NOTHING VENTURED, NOTHING GAINED

Taking calculated risks on new equipment that can increase productivity and profitability is nothing new to Mertz, a master plumber who employs 12 full-time licensed plumbers and runs five sewer lateral rehab crews. Along with residential drainline cleaning, the diversified company also offers general residential plumbing services.

The company has grown substantially since Mertz struck out on his own. At the time he owned just a service truck, some miscellaneous plumbing supplies and tools, a pipeline camera and a drain snake — and had just \$200 in the bank.



Dylan Belfiore guides the Perma-Lateral inversion unit at the entry pit on a lateral relining job.



Matt Mertz, owner of Matt Mertz Plumbing, stands in a shoring box while installing a lateral liner for a residential customer.

profile

MATT MERTZ PLUMBING INC., WEXFORD, PA.

OWNER: Matt Mertz
FOUNDED: 2004
EMPLOYEES: 29
SERVICES: General residential plumbing, drain cleaning, residential lateral relining
SERVICE AREA: 50-mile radius around Wexford
WEBSITE: www.matt-mertz-plumbing.com



The company's transition from a one-man band to a thriving, large-scale plumbing and drain-cleaning operation reflects the power of a strong, relentless work ethic; Mertz still routinely works 60-hour weeks. "I've always felt that if I work way more hours than the time I take off, I can't mess up," he says. But it also shows how drain cleaners can benefit from constant reinvestments in productivity-enhancing equipment, establishing good credit, delegating some job duties and differentiating through great customer service.

"Things happened pretty fast," Mertz notes, referring to the company's early years. "I grew because I did a lot of little things differently than other guys. I wasn't afraid to go out late on jobs. I worked hard and was polite to customers. I did very clean work. I take a lot of pride in the finished product. I charged a fair price and worked quickly. And when I hired employees, I only hired guys who felt the same way about jobs that I do."

DEEP PLUMBING ROOTS

It's no surprise that Mertz became a plumber. His great-grandfather, grandfather and father worked as plumbers, and Mertz says he always had an affinity for the work. "It sounds cliché, but plumbing is in my blood," he says.

While working for his father, he earned a journeyman plumber's license in 2003 and a master plumber's license in 2004. (In Pennsylvania, only master plumbers can run a plumbing business.)

Mertz established his own shop in 2004. "I had no choice but to make it a go," he says. "I ran some ads in local newspapers and even pinned flyers on community boards in coffee shops. I did any work I could get and was charging \$50 an hour. I was willing to do anything I could to feed my family ... and finally things started to click. The phone finally started to ring. And all of a sudden I had \$30,000 in the bank."

TRENCHLESS PIPE RELINING PAYS OFF FOR CONTRACTOR

Like many drain cleaners, Matt Mertz, the owner of Matt Mertz Plumbing Inc. in Wexford, Pa., was initially a little leery about expanding into trenchless pipe relining. But once he saw how it's done — and the profits other contractors were making — he decided to invest about \$150,000 in a relining system made by Perma-Liner Industries. He says he's never regretted the move, which now contributes about \$1 million annually to his revenues with more growth expected.

Of course, that didn't happen overnight. Mertz says that even with great training provided by Perma-Liner, it still took about 100 jobs before he felt totally comfortable performing relining jobs, primarily for residential sewer laterals.

"It took a while to get off the ground, but now we're known for it," he notes. "We do relining jobs every week. An average project takes about a day to complete. We go out and remove the house trap, jet the line to remove any debris and televise the line to check its condition. If it's structurally sound, then we install a steam-cured liner.

"Afterward we televise the line again to make sure the liner conforms to the pipe — that there aren't any defects and the liner adheres properly," he continues. "We also burn the video onto a DVD so customers can see what the pipe looked like before and after the relining. I think it's a good idea to show them what they bought for their investment."

Offering relining services also benefits Mertz's company in another way: If a video inspection reveals that a sewer lateral is structurally unsound and not a good candidate for relining, the company — which also does conventional pipeline excavation and rehabilitation — already has a foot in the door to win that work.

Mertz still encounters many people who aren't aware that trenchless pipe relining is an option for ailing laterals. To convince skeptics, he shows them a section of relined terra cotta pipe. "I hand it to them, and once they can see inside it makes a lot of sense," he says. "They also like the fact that we don't have to dig up their yard. Plus we offer a lifetime warranty. We're very confident about our installations."

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Matt Mertz



ABOVE: Dylan Belfiore removes a section of pipe below the basement floor of a house before relining the lateral.

<< LEFT: Matt and Lisa Mertz, owners of Matt Mertz Plumbing, outside of their shop in Wexford, Pa.



Mertz gives a lot of credit to his wife, Lisa, the company's vice president. "I couldn't have done it without her," he notes. "She's always been there for me — she's extremely supportive, even though I put in long hours. She helped me get to where we are now. We're a really good team."

TONS OF TOOLS

Running a full-service outfit requires a large fleet of equipment, and Mertz has aggressively purchased tools and machines that improve efficiency and boost profitability.

The company has an arsenal of tools for cleaning drains, including 20 drain cleaning machines, the bulk of which are RIDGID K-60 and K-1500 sectional machines, along with four Spartan Tool Model 300 drum machines. Smaller drains are often cleared with one of a dozen Kinetic Water Rams or Super-Vee hand-held augers, both made by General Pipe Cleaners. For bigger jobs, crews turn to the

Spartan Model 727 (3,000 psi at 4 gpm) wheeled cart jetter, a General Pipe (3,000 psi at 4 gpm) portable jetter, or a Spartan 740 trailer jetter (4,000 psi at 12 gpm). Mertz outfits the business end of the jetters with Warthog and Lumberjack nozzles made by StoneAge and NozzTeq.

For inspection, Mertz relies on M-Spector 360 pipeline cameras from Milwaukee Electric Tool and RIDGID See-Snakes.

There's also a large stable of equipment dedicated to relining and lateral replacement. In addition to the Perma-Liner system, Mertz uses a Viper air compressor from Vanair Manufacturing for inflating liners, and two TT Technologies Grundomat pneumatic "pencil moles" for boring underground lines. Excavation is aided by a fleet of dump trucks, Bobcat skid-steers and mini-excavators, Canycom SC75 tracked hauling buggies, Brute jackhammers by Bosch, an Ingersoll Rand tow-behind air compressor and an assortment of other equipment.

Mertz sums up his ability to afford all this equipment in two words: financing and frugality. At first he relied on a line of credit from a local

Licensed plumbing apprentice Joe Pfifer (right) feeds hose from the Spartan 740 trailer jetter to Matt Mertz as he pulls it to the trench to clean and remove roots from a sewer lateral before relining.



bank and financing through a national loan company. He focused on making the loan payments on time and saving money.

“I’m a neat freak. It’s all about image. If you’re clean and organized, customers will think you’ll do a good job. We charge \$135 for the first hour of service, and it’s easier to charge that kind of rate if our guys go to jobs with a newer model truck that’s clean, well-stocked and doesn’t leak oil on the driveway.”

Matt Mertz

“I established really good credit,” he says. “No matter how much money I earned, I always made sure I saved some and made the payments. I was never afraid to buy the things I really needed, but I was smart about it, too — I didn’t get in over my head financially. I’d wait until a job required a certain tool or piece of equipment, but made sure I could make money with it afterward, too.

“Now I pay cash for everything,” he adds.

All Mertz Plumbing vehicles look the same: white with maroon lettering, which promotes consistent branding. Furthermore, trucks get checked every week to make sure they’re clean and well-organized, detect damage and determine if they require any routine maintenance.

“I check every truck every week and they sign off that it was washed,” Mertz says. “I’m a neat freak. It’s all about image. If you’re clean and organized, customers will think you’ll do a good job. We charge \$135 for the first hour of service, and it’s easier to charge that kind of rate if our guys go to jobs with a newer model truck that’s clean, well-stocked and doesn’t leak oil on the

driveway. Our guys are also required to be clean-cut, wear a uniform, greet customers at the door and put on shoe booties before they enter a house.”

While it may sound counterintuitive, Mertz says he makes money by offering customers free camera inspections on drain-cleaning jobs. “I’ll go out and inspect a line for free and make the customer a DVD,” he explains. “I get so much work by doing that. We clean 10 to 12 drains a day, and if we have to repair even just two of those, that’s \$12,000 worth of business. Sometimes

more info

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Master plumber Phil Arena uses a closet auger to open a clogged toilet at a private residence.

“I grew because I did a lot of little things differently than other guys. I wasn’t afraid to go out late on jobs. I worked hard and was polite to customers. I did very clean work. I take a lot of pride in the finished product.”

Matt Mertz

you give a little to get a lot.”

PLANNING FOR MORE GROWTH

What does Mertz see in terms of future growth? In a word: more. He plans to expand into heating and cooling services and recently hired two employees and bought two new trucks to get started.

On the plumbing end, Mertz’s goal is to eventually run 50 trucks, and after 11 years he’s more than halfway there. “It gets tougher to grow,” he notes. “It’s harder and harder to find good employees.

“But I definitely see more growth ahead,” he continues. “The market is here for the taking.”

No matter what lies ahead, though, Mertz says he’ll always rely on the most valuable lesson he’s learned in the last 11 years: Trust yourself — even if you’re down to your last \$200 in the bank.

“Never doubt yourself,” he emphasizes. “Don’t ever let someone say you can’t do something, because you certainly can. Just keep focusing on moving forward and don’t dwell on the stupid stuff.” **C**