

SERVICE-FIRST Philosophy

COLUMBUS CONTRACTOR PUTS PRIORITY ON PEOPLE AND FOSTERS
GROWTH BY PROVIDING CONVENIENCE AND QUALITY SERVICE

BY KEN WYSOCKY PHOTOGRAPHY BY AMY VOIGT

n the face of it, The Waterworks is one of central Ohio's largest commercial and residential plumbing and drain cleaning companies. But David Specht, the president of the Columbus-based firm, defines the well-diversified company from an entirely different perspective.

"We look at ourselves primarily as a service company," he says. "We strive to be the best service company around, not the best plumbing company or the best pipe relining company or the best drain cleaning company. This has been the philosophy ever since our founder, Tom Havens, established the company in 1986."

Providing great customer service informs virtually everything the company does, from how it trains employees and the uniforms they wear to the equipment and vehicles the company invests in – more than \$4.5 million worth and counting – and the growing array of services it provides. And it clearly is a key factor in the company's growth; since emerging from the recession, the multimillion-dollar-a-year firm (in terms of gross revenue) has experienced double-digit growth for the last four years, Specht says.

"We had our burps in 2009 and 2010 like everybody else, but we recovered by focusing on what we do best. We didn't compromise our quality or our pricing," Specht explains. "We stayed true to our core values and the way we operate our business. We let some customers [who wanted discounted pricing] walk. Dropping prices would result in dropping the level of service we provide, and we weren't willing to do that.

"It was a difficult and risky strategy," he says. "But after the recession, people were again willing to pay for value and dependable service."

PROFESSIONALISM COUNTS

The company was founded in 1986 when Havens bought a sewer cleaning business called ElectraBore Inc., established in 1935, and renamed it The Waterworks. At the time, the company owned just three service vehicles and one vacuum truck, and initially focused on industrial cleaning and hazardous and nonhazardous waste hauling, plus drain cleaning. In 1991, the company sold its environmental

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services division and concentrated on just commercial and residential plumbing services. Today, its business volume is split evenly between commercial and residential work, Specht says.

Waterworks builds customer loyalty by exceeding customer expectations, and that entails fostering a strong





profile

THE WATERWORKS, COLUMBUS, OHIO

OWNERS: 5 minority partners FOUNDED: 1986 (original com

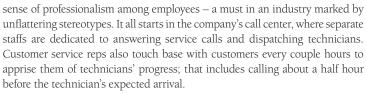
1986 (original company established in 1935)

EMPLOYEES: 12

SPECIALTIES: Commercial and residential plumbing and

drain cleaning; pipeline inspections; industrial services; flood restoration and mitigation; pipe lining/excavation

WEBSITE: www.thewaterworks.com



"We always want to be empathetic and sympathetic to our customers' needs," Specht notes. "We're starting to use texts and emails more often too. But we strive hard to respect customers' time. Our challenge is that we have 50-plus service trucks out there and running. It's a tough, tough task, but a very important one [to stay in regular communication with customers]."

To combat negative stereotypes, show respect for customers and differentiate the company from competitors, Waterworks technicians wear uniforms and put on shoe covers when entering customers' homes. The company also offers online scheduling to make it easier for customers to make service appointments.

"It's all about convenience - people don't want to make phone calls

anymore," Specht says. "They're using their smartphones for everything. It's how people operate and I think our industry is behind on that. We're trying to get more engaged in that process. But customers still get a telephone call back from us [to confirm appointments]."

The company also offers second-shift appointments for non-emergency work – from 4 to 7 p.m. Monday through Saturday – at no extra charge. That way, for instance, if a husband and wife both work, no one has to take time off to come home for a service call, Specht says.

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STAYING ABREAST OF NEW TECHNOLOGY

To better serve customers, Waterworks minimizes the chances for breakdowns in its fleet by changing out about 20 percent of its trucks every five years. Moreover, it continually invests in new, technologically advanced equipment to increase productivity, Specht notes.

Here's a breakdown of the company's main vehicles and equipment: More than 70 service and support vehicles, mostly Chevrolets; three trailer-mounted water jetters made by US Jetting; one Juggler pump truck from Labrie Environmental Group (for cleaning grease traps), built on a 2005 International chassis with a 3,200-gallon debris tank, a 1,000-gallon water tank and a blower made by National Vacuum Equipment Inc.; nearly two dozen RIDGID pipeline inspection camera systems; and one tractor-powered color camera system made by RS Technical Services.

The fleet also includes two Vac-Con combination vacuum trucks, built on International trucks – one with a 12-cubic-yard debris tank and the other with a 15-cubic-yard debris tank – and both equipped with hydroexcavating systems and pumps made by Giant Industries (4,000 psi at 50 gpm and 2,500 psi at 80 gpm); a 1994 Freightliner 3000 pump truck with a 3,000-gallon Cusco steel tank (a Wastequip LLC brand) and a pump made by Wittig (a Gardner Denver brand); a pipe-lining system made by Perma-Liner Industries; a trackhoe made by Kubota Tractor Corp.; and a front loader and backhoe manufactured by New Holland (a CNH Industrial N.V. brand).



Isaiah Henry, right, director of customer relations, handles customer service calls in The Waterworks corporate headquarters with his team from left: Sally Croce, Amy Lawson, Jessica Wilder, and Ursula Anderson.

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Waterworks is also equipping field technicians with Samsung tablets to achieve efficiencies through paperless invoicing and filing, as well as take photos to document jobs.

"Again, we want to exceed expectations in the marketplace," Specht says. "In the future, we'll email homeowners a bill. In addition, the tablets maintain our flat-rate price book and update it in real time, as opposed to printing one every quarter or so. If the price of copper changes tomorrow, for example, that will quickly be reflected in the field without changing the entire price book, which avoids doing jobs at the old cost and losing margin.

"The tablets will also give our technicians access to the Internet, which will boost productivity by allowing them, for instance, to take a photo of an unfamiliar part and send it to our head purchasing agent or a vendor," he continues. "We want to give our field technicians total access to email and the

Apprenticeship program fosters built-in labor pool

One of the biggest challenges faced by plumbing and drain cleaning contractors such as The Waterworks in Columbus, Ohio, is a lack of qualified young workers. The bottom line: Young people are less and less interested in pursuing skilled trades as a career.

According to the U.S. Bureau of Labor Statistics, the U.S. currently needs 29 percent more HVACR and 21 percent more plumbing technicians — a total of more than 100,000 skilled workers. Among the estimated 500,000 plumbers in the United States alone, demand is expected to rise 10 percent by 2016. But at the same time, more than one third of all plumbers — or approximately 167,000 workers — are expected to leave the labor pool.

The Waterworks is combating the problem by establishing an in-house apprenticeship program, where employees can follow a nationally accredited curriculum developed by the National Center for Construction Education and Research (NCCER).

In-house training is unusual in the plumbing industry, says David Specht, the company's president, noting that workers typically earn a license through a union trade school. But he believes that offering such a program under the company's roof represents a deeper level of commitment that resonates with and engenders loyalty from employees who see a company that's willing to invest in them.

"This will be one of our most important focus areas in the next several years — even more important than what services we choose to expand into," Specht says. "Our goal is to grow our own employees ... recruit young men and women interested in the trades and then educate them.

"When they finish, they'll have a nationally accredited journeyman's plumbing license in their trade that's valid nationwide," he continues. "We believe it's very important that these young people walk away with a degree in a blue-collar industry ... be able to stick a card in their wallets and feel good about it. We don't want to bring in laborers just to hump buckets and carry tools. We want to help these kids earn a sense of accomplishment."

Specht points out that the median income for plumbers at The Waterworks is around \$48,000, a solid wage that should be attractive to young people.

Waterworks plans to focus on hiring interns, then motivating them to take the roughly 600 hours of classroom education that's a prerequisite for the journeyman's plumbing license. "Then we can hire them [full-time] and catch them up on the 8,000 hours of actual work experience required to earn a license," Specht says.

Waterworks will soon be publicizing the program through school districts and newspaper ads. And while he concedes that providing employees with a journeyman's license carries a certain amount of risk, since it provides them with the means to leave and become independent plumbers, Specht says it's a chance worth taking – especially given the acute labor shortage.

"We offer good benefits and compensation, good leadership and so forth to keep them around," he notes. "Our company has singledigit attrition in an industry that probably pushes 50 percent [for employee turnover].

"The most important thing is growing talent," he continues. "We need to grow and invest in young people to continue to keep our trade what it is. Not everyone is cut out for [college] schooling. We need to get the word out that people can make a good living in our industry and support a family. That's our top priority right now."



The Waterworks Vice President Jim Mathews, President David Specht, Vice President of Operations John O'Connor and Restoration Division Director Jeff Foster (from left) stand in front of several of their company vehicles in Columbus, Ohio.

Internet to do research ... give them access to the world, not just a couple of index books they might shove into their truck. This also creates a perception of value-driven service."

The company is also converting to a Global Edge software system from Davisware, which will "basically run our entire company, from dispatching and customer relations management to accounting and purchasing," Specht says. "We're looking at a six-figure expense over the next 24 months ... and we expect to save money in administration overhead and reduced accounts receivable [through quicker billing]."

The investments in everything from business systems software to inthe-field equipment underscores another differentiating factor at Waterworks: Profits get put back into the company.

"Most companies distribute profits to the owners," Specht explains. "We never take money out of the company. We reinvest in the company – in technology and manpower and marketing. We don't use lines of credit to reinvest. In fact, I can't remember the last time we used a line of credit to expand a new facility or buy new equipment.

"This approach gives us more financial flexibility and helps us through tough times," he adds. "It enables us to be bold and grow the business and be a leader in the industry."

FURTHER GROWTH EXPECTED

Specht expects Waterworks to maintain its growth pattern, through both adding services and geographical expansion. A good example of the former is the recent addition of water and flood restoration services and pipe relining services. Both offer a complementary service that allows the company to leverage relationships built with existing customers. Moreover, it's more convenient for customers because they deal with fewer contractors.

"We have not grown geographically yet, but that's in the near future," Specht adds. "We also need to grow our heating and air conditioning unit,

which is our weakest and lightest segment. We need to grow through acquisition there. We also may get into the electrical service business and do more work with the same customers ... leverage the loyalties we've built." **c**

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