

Motivating Employees for Better Profitability

Techs Get Paid \$50K+ Via Incentive System

By Tom Wadsworth, Editor

I've been curious about Jack Curtis's approach to management ever since the 1980s when he was the general manager of Nevada Overhead Door in Las Vegas.

When he left there and started Raynor Fort Wayne (Ind.) from scratch in 1992, I was curious to see whether his management ideas would work in a fresh new environment.

They did. Starting with \$64,000 in total sales in 1992, he was poised to hit \$2 million by 1998. Now, 12 years later, Curtis's great experiment has faced a roller coaster economy, a full-blown recession, and a major stall in the construction industry.

A Productivity Machine

But his formula is still working. Annual sales have now reached \$3.2 million, his eight field employees make at least \$50,000 a year, and they each generate about \$400,000 in gross sales.

"Jack is very innovative in productivity," says John Zoller, an industry analyst who administers the IDA Dealer-Fit program. "He runs a very efficient operation."

In the 2010 Dealer-Fit survey, Zoller says that the average door business with \$2.5 to \$4.0 million in gross sales generates about \$296,000 per field employee. Raynor Fort Wayne's productivity numbers far exceed that.

To learn more about Curtis's incentive system, we travelled to Fort Wayne to interview three key employees: Jack Curtis (general manager), Jim Platt (commercial sales), and Michael Richards (commercial service technician). Our goal was to see how the system works from different perspectives.

Photography by Christopher J. Padgett



Jack Curtis, General Manager

Jack Curtis, General Manager

How would you summarize your incentive system for your field employees?

Our Productivity Pay System has nine pages of details. But basically, all field production personnel have an established hourly rate of pay. Their activities are rated to create additional pay incentives that can enhance their hourly wages by up to 40 percent. All these activities are designed to increase the company's efficiency.

What is the underlying principle behind your incentive system?

Of all the company's assets, we recognize that our people are best positioned to influence gross profit. So we determine the outcome we want, and we work our way backwards, providing incentives for the behaviors we want to encourage.

Our system is built to be a win-win-win situation: a win for the employee, a win for the customer, and a win for the company. I think many companies do it so that it's a win for the company, and the employee gets dumped on. Then the whole thing becomes an adversarial relationship and counterproductive.

If the employee really believes that you're looking out for his best interests, then the employee in turn will want to perform at a high level.

How significant are these incentives?

None of our field technicians makes less than \$50,000, and many make a lot more than that. Plus, at the end of the year we give our employees 25 percent of our profits as a bonus. It's another way that we constantly emphasize the importance of maximizing productivity.

So, a good portion of your motivation program is your compensation plan.

That's one component. It's probably 60 to 70 percent of it. Your ability, talent, and hard work dictate how much money you can make.

But another very important factor of the program is accountability. We have very high standards here, and we have accountability mechanisms in place to make sure that those standards are being met.

A guy can become so self-focused on how fast he can get things done and how much money he can make that the quality can suffer. So we provide detailed standards and make sure they understand our expectations without question.

We want them to get a lot of work done in the least amount of time as possible, but we still want this high level of professionalism—in workmanship and in customer relations. It takes a little extra time to make the customer feel like you care.

How do you encourage good customer relations skills?

All our employees know of our total commitment to customer satisfaction. In our bullpen where they gather every morning, we have a saying on the wall. It says, "Exceeding customer expectations one customer at a time equals success." They see that every day.

It's not just a slogan, it's a reality here. Our leadership keeps reminding our employees that this is our core value. This is how we built our business. This is what separates us. This is what keeps us growing.

It seems like your incentive system keeps the business running by itself.

It's true. With our incentive-based system, each employee has skin in the game. They all want customers to be delighted and the company to be profitable.

That desire can result in employees holding each other accountable. It's not just one set of eyes watching what happens. We each bring accountability to each other. They even bring accountability to me.

How do you fit into the daily operations?

I have an office, but I'm in it only about two percent of the time. I spend half of my time in sales and most of the other half is in the service area. We run about \$900,000 dollars worth of service here.

We have detailed floor plans for each service account, and we know the exact location of every door. Over the years, we learned how to market the program, sell it, and ultimately administrate it. It's a lot of detail, but we've got it down to a science.

When customers know that you're so on top of everything, they don't even think about

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talking to a competitor. You virtually lock in customers for life.

In this recession, your service work must be a major lifeline for your business.

It is. I think every door business should have service as 35 percent of the business as a minimum. If the bottom falls out of the residential new construction market, or if commercial new construction walks away from you, you can always downsize and stay profitable.

We've never seen commercial new construction as bad as it is now. We have about 280,000 people in this area, and I doubt if we could find six new buildings coming out of the ground.

Thanks to our emphasis on the end-user business, and thanks to our employees performing at such a high level, we're staying profitable.

Jim Platt, Commercial Sales

Note: Jim Platt worked in sales for another door dealer in Fort Wayne before coming to Raynor Fort Wayne in 1993.

What is a key difference between this operation and another door company?

Jack really strives to break down the barrier between the sales side of the business and the installer and service side.

Installers can get to thinking that the sales guys are in here drinking coffee and eating donuts all day. Conversely, sales guys can get to thinking that the installer's role isn't that significant.

But the reality is that I've got to have a competent installer to complete that sale. The installer is often the last impression that the customer gets of our company. So we try to break that down and look at us as a team.

The divide between sales and production workers is common in lots of industries. How do you break down those barriers?

Every morning, we (salespeople) sit down with the techs and go over the previous day's work and make sure there were no problems. Then we go over the new day's work. After we go over the paperwork for the day, we go out in the warehouse and help them load their trucks.

Wait a minute. You help them load their trucks?

Every morning. Sometimes I'll go with them to the job site and introduce our lead guy to the superintendent. I want to make sure they're fully prepared to do the job as it was sold to the customer.

We have a Raynor truck coming in today, and we all go out there and help those guys unload the truck. By doing that, we're saying, "We're not up here and you're down there. We're all in this together."

Do you help unload every time a trailer arrives?

Yeah, if you're here, you're expected to go out and help unload that truck. Even Jack helps. We get our gloves on and help unload.

The installers see that, and it sends a subtle message. They might think, "Yeah, those sales guys have the khakis and the polos, but they're out here helping us."

Do I sometimes think that I could be doing something more productive than unloading the truck? Probably. But it becomes a way of life around here. It's part of our culture to be a team.

Jim Platt, Commercial Sales

"WE'RE ALL IN THIS TOGETHER."

"WE HAVE GREAT PEOPLE"



Michael Richards, Commercial Service Technician

How does the incentive system apply to you? I assume you make a commission on your sales, but what can you do today to add to your normal income?

PLATT: We have a tiered system. I start out the year with the usual base salary and a certain commission. But through the year, when I sell enough to reach the next level, I earn a higher percentage of commission.

By the end of the year, if I've had a good year, I can start to see some nice checks. So, the more I sell, the more I'm compensated.

I understand that there are incentives for your installers to work efficiently. How does that work?

For example, my guys are out right now installing 18 20' x 12' retrofits. In a normal hourly system, there's no incentive to push and get it done quickly.

But our guys get paid by the square foot. They get so efficient, there are no wasted moves. By working hard, they can control how much money they make. I don't need to be out there watching them because they are motivated to get the job done quickly and get it done right.

That also motivates them to be sure their trucks have everything they need so there's no wasted trips in the middle of the day.

You also get year-end bonuses based on the company's profitability. But does that really motivate you on a daily basis?

To be honest, through our day-to-day business, we don't think too much about it. But we're all aware that our overall efficiency helps us in the long run. It makes the company more profitable.

I really think it's awesome that the company lets us share in the profits. It's another strong reminder that the company really wants us to excel.

In what ways is Jack a different kind of boss?

Jack is first and foremost a servant. He just wants to serve. He has high expectations, but he will absolutely do anything for you.

His style of leadership is, "Hey, here's the task, let's roll up our sleeves and get it done." He's right there with us all the way.

He leads by example. He doesn't consider any job to be beneath him. And in my experience, that's not a typical boss.

But the boss sometimes has to be the boss. Right?

Yes, sometimes he needs to pull rank. I know he doesn't like to do that, but he does it when he needs to. When I first started, we knocked heads some, but now he trusts me and lets me do what I do.

He gives me the freedom to essentially run my own business. I have a lot of freedom, and I think it's that way with everybody. Rarely does he interfere. He isn't constantly watching over your shoulder.

Plus, we have all the equipment we need to make our jobs as easy and efficient as possible. The techs have great trucks and scissor lifts. And the salespeople have digital cameras and laptops. It's a great place to work.

**Michael Richards,
Commercial Service Technician**

When did you start here?

I started here about six months after high school. I was 19 and had one other job before coming here. I grew up on a farm, milking cows, working in the field, and doing the usual daily chores.

How is this company different from your previous jobs?

Everyone here gets along really well. I could go out and do a job with anyone here. It's a good family to be involved with.

I looked at your pay sheet for yesterday's work. Since you're getting a percentage of everything you sell, some might say there's too much pressure to sell parts that the customer doesn't need. How would you respond to that?

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It goes back to your personal values and the company's values. We feel that if we fulfill the customer's expectations, they'll call us to come back.

So, if I'm making 20 percent for changing all the rollers on a door, yeah, I'm making good money on this call. But if the customer is being taken advantage of, they're not calling us back, and we'll lose much more than we made on the rollers.

So if you treat them fairly, you will have a customer for a long time.

When you're on the job today, what will motivate you to do a really good job?

We're all here to make money, so that motivates us. We understand that the customer could choose a lot of other door companies. So quality and fairness motivate us because we want to be their dealer for the long haul and have a repeat customer.

If I do good quality work and do it right the first time, I'll get compensated for that. Everyone has to warrant their own work. If I miss something, I'll have to go back on my own time and fix it for free. So it's in my best interest to do good quality work.

Our readers will wonder how much you make. Do you feel free to share that number?

Over the last five years or so, I averaged \$65,000. This year, I'm pushing \$70,000. But it's a lot of hours and a lot of hard work. You've got to be willing to put in the time and go the extra measure. That includes being on call for two weeks on and two weeks off.

It's never a set schedule. I might be out until 7 or 8 o'clock one night, and then home by 4 the next night. I've got a wife and three young kids, so it's hard to plan anything, but that's what it takes to make that kind of money.

My income depends on what I get done in a day. Yesterday, for example, I had only three jobs, but it included a lot of traveling. I make 30 percent of regular labor, plus trip charges, then 50 percent of labor after 5 o'clock. So we do get compensated and make good money after hours.

How could this job be better than it is?

(Pause) For me, it's been a fast nine years, so I can see myself doing it for another nine years with no problem.

There's not a day I have to drag myself to work. I make great money, they give us a truck to drive home, benefits, we have great people, and it's small enough to personally know everybody.

Does there get to be any competition or conflicts with other employees?

No. I'm the primary commercial technician, and Jeff floats between service and installs, and Joseph is primary residential service technician. I think that the salesmen do a good job of shuffling the good and bad jobs between the install crews so nobody gets burnt out.

We don't have much turnover here. We've all been here for some time now, so we don't get the bickering or arguing like you might get elsewhere. We all get along pretty good.

If you could give a recommendation to another door dealer about how to make the system work well for people like you, what would you say?

There's got to be an incentive. At the end of the day, we're all here to make money. With the right people, the system will work for any company.

Technicians have an important role in the system. We're the final impression the customer sees. So if I do a poor job, they're not calling us back, and we all lose.

So I'd recommend that you offer some incentives that work well for the customer, the technicians, and the company. That's the way it is here, and I think it works well. ■



TEAMWORK: Sales staff always help load trucks.
Pictured: Dave Lampkins, Residential Installer (left),
and Bryan Martin, Residential Sales.