GROWTH

EXPAND WITHOUT BREAKING WHAT WORKS

New territory, a new trade or an acquisition. Each one tests the company you already have.

ASK WHETHER YOUR CORE IS READY

Expansion takes your best people and most of your attention away from what's making you money today. Before you add anything, check the basics. Are you profitable? Is your answer rate strong? Is someone other than you running daily operations? Do you have enough cash for a slow start? If not, expanding usually multiplies the problems.

OPTION ONE: GO DEEPER WHERE YOU ARE

The cheapest expansion is more share in the area you already serve. Tighter routes cost less than longer ones. Look at your customer map by ZIP code. Where are you strong, and where are the gaps close by? More density means less drive time, stronger reviews and more trucks being seen in the same neighborhoods.

OPTION TWO: A NEW TERRITORY

Good signs:

- Enough existing demand that you're already driving there
- A local leader who can run it
- Permits and licensing you understand
- Room for a truck to be full within a reasonable time

Warnings: Long drives eat your margin. Different jurisdictions may require separate licenses and permits. Local reviews have to be earned. Your dispatch team also has to

learn new geography. Start with one truck based there and a clear break-even target before signing a lease.

OPTION THREE: A NEW TRADE

A second trade lets you sell more to customers you already have. Raymond James notes that companies which began in one discipline are increasingly diversifying, and that buyers view this as value-adding.

It's harder than it looks:

- You need a licensed, respected leader for the new trade.
- You need a separate price book, training plan and marketing.
- Your booking team needs to learn how to handle new call types.
- Your insurance will change.
- Your dispatchers will need new rules.

Hire the leader first. Give the new division its own profit-and-loss statement, so that you can see whether it stands up on its own. Introduce it to your existing customers before you spend money on strangers.

OPTION FOUR: BUY A COMPANY

Buying can give you a team, a license, a customer list and a reputation all at once. In a tight labor market, the team may be the most valuable part.

SBA 7(a) loans can be used to acquire a business, up to $5 million, and they can combine with 504 financing up to $10 million where qualified. Consider a seller note, which keeps the seller invested in a good handoff.

Look hard at:

- Real cash flow after paying someone to do the owner's job
- Customer concentration
- Whether technicians will stay
- Who holds the license, and whether it can transfer
- Warranty and maintenance liabilities
- The condition of trucks and equipment
- The customer data itself: is it usable?

An illustrative example: a shop shows $400,000 in profit, but the owner works 60 hours a week. Replacing that owner costs $120,000. The real earnings are $280,000. At the same multiple, that's a very different price.

PLAN THE INTEGRATION

Most acquisitions struggle after closing, not before it. Decide before the deal closes:

- What changes on day one, and what doesn't
- How you'll introduce yourself to the team
- How pay plans will come together
- When to move customers and jobs into one system
- What happens to the brand

Keep the local name for a while if it carries goodwill. Move systems early, because running two sets of books and two schedules hides problems. Before you move data, clean it.

FUND IT PROPERLY

Expansion tends to take longer and cost more than the plan says. Model a slow case with half of your expected revenue for the first six months. Add working capital. See which kind of money fits the need.

DECIDE YOUR EXIT FROM THE EXPANSION

Before you begin, write down what would make you stop. A set date and a number make it far easier to admit that something isn't working. Successful owners close bad locations quickly, and they use what they learned on the next one.

Sources: Raymond James, HVAC M&A market; SBA 7(a) terms; SBA, $10 million combined limit; Service ProCall program guidance. Worked examples are illustrative.

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BEST PRACTICES: THE OWNER IS THE BOTTLENECK

MAKE IT A HABIT

What good looks like

> The business runs for 30 days without you.

> Each key job has a written process and a person who owns it.

> You spend more time on the business than in it.

The habits

1. Write down the jobs only you do today, and hand off one a month.
2. Put processes in writing: booking, dispatch, sales follow-up and billing.
3. Give people numbers to own, and review them weekly.
4. Hire or outsource the work that ties you to the phone.
5. Keep clean books and records a buyer or lender can trust.
6. Plan your exit years ahead, even if you never sell.

Signs it's time to get help

- You answer customer calls at night and on weekends.
- Nothing gets decided when you are away.
- Your best people wait for you to make every call.

How one shop did it: Rogers Heating, Cooling, Electrical (Lynchburg and South Boston, Virginia). Spent a year hiring, training and building processes, and put a trusted leader over the call center. The company's vice president took a July 4th weekend off in peak season and the calls were handled without her. She notes it took more than one false start with hiring to get there. Contracting Business, August 17, 2026

Where we fit: Service ProCall takes the phones and the follow-up calls off your plate, and ProCall Field puts the processes in one system.

More on the owner is the bottleneck