ENERGY & TECHNICAL SERVICES CONFERENCE

SAVE ENERGY & REDUCE CARBON FOOTPRINT OMNI ORLANDO RESORT AT CHAMPION'S GATE, ORLANDO, FLORIDA. SEPTEMBER 7-10, 2008



Technician Shortage – Find, Train, and Keep the Best

Take away great strategies for recruiting, training, and retaining technicians. Hear best practices and tried and true tactics from both retailers and contractors.

John Lollar, Richmond Refrigeration Dan Steffen, AAA Refrigeration Jonathan Perry, Director, Energy and Maintenance, Farm Fresh, LLC

Technician Shortage – One Retailers Perspective

We are a division of Supervalu approximately 2500 store chain
Farm Fresh is 46 stores in VA and NC

We operate our own designbuild construction and maintenance department
We operate our own central alarm monitoring office

Jonathan Perry, Director, Energy and Maintenance, Farm Fresh, LLC



Technician Shortage

•Farm Fresh Maintenance has 11 office staff in Central Monitoring, Billing, and Management

- •9 Refrigeration Technicians
- •2 Deli / Bakery
- •2 Front end
- •1 Plumber
- •1 Electrician

•Farm Fresh Construction has 6 office staff for management and administrative

- •4 Superintendents
- •13 construction
- •2 CADD
- •10 Electricians
- •6 Painters / Cabinet shop

How do the best technicians know that a retailer is a good place to work?

- Word of mouth at supply houses
- Advertising in newspapers
- Online advertisements
- Advertisements in trade magazines
- Trade organizations

How can a retailer become the business of choice for the HVAC technician?

- Get name recognition in your area
- Make sure you have a good reputation in the industry.
- Define that you intend to be the best and work consistently to be the best

Lack of Name Recognition

- Technicians that would be interested assume you are being serviced by contractors and won't call on you for positions because they aren't aware you exist.
 - If you don't have a good reputation, they will not apply.

- We have a partnership with ATI (Advanced Training Institute)
 - ATI is a 2 year training institute that produces HVAC technicians
 - We host 1 night of their class and show them our Central Monitoring Center and our Motor rooms and stores. Then, we have a discussion about what they should expect if they were to work at Farm Fresh.
 - 180 students a year see our operation from ATI alone

- We have a partnership with HVAC Controls School
 - Farm Fresh gives this school a class room. They teach their technicians out of our home office
 - Farm Fresh gets benefits of training our people and an open relationship with a leader in our industry
 - Farm Fresh gets exposure as a place to consider working (Approximately 100 techs per year)

- We have put our chain out in the industry
 - We have joined GreenChill
 - We have joined FMI
 - Both of these relationships have put our companies name in the forefront of technicians minds who read the articles about how we are participating
 - The best technicians are reading these publications.

Local Seminars

- Management personally attends all the seminars in our area where we feel current and future supermarket technicians are in attendance
- Management purposefully talks to promising techs and ask questions during these seminars announcing what company they are with to generate presence.

- Motor rooms
 - Ground floor (Not lugging tools to roof)
 - Spacious and Clear
 - Quiet





- Motor rooms
 - Entrances are kept cleared
 - Doors are alarmed
 - Air-conditioned
 - Locked
 - Clean





Roofs

- Ladders to roofs are kept clear
- There are no roof top units or houses
- There are only 2 condensers / 1 receiver on the roof for all AC and Refrigeration
- All fans have breakers not fuses

Motor Room Exhaust only runs in Emergency

- Eliminates 20,000 CFM of air moving through to cool the equipment.
 - This eliminates dirt and dust accumulations
 - Allows a technician to keep the motor room spotless

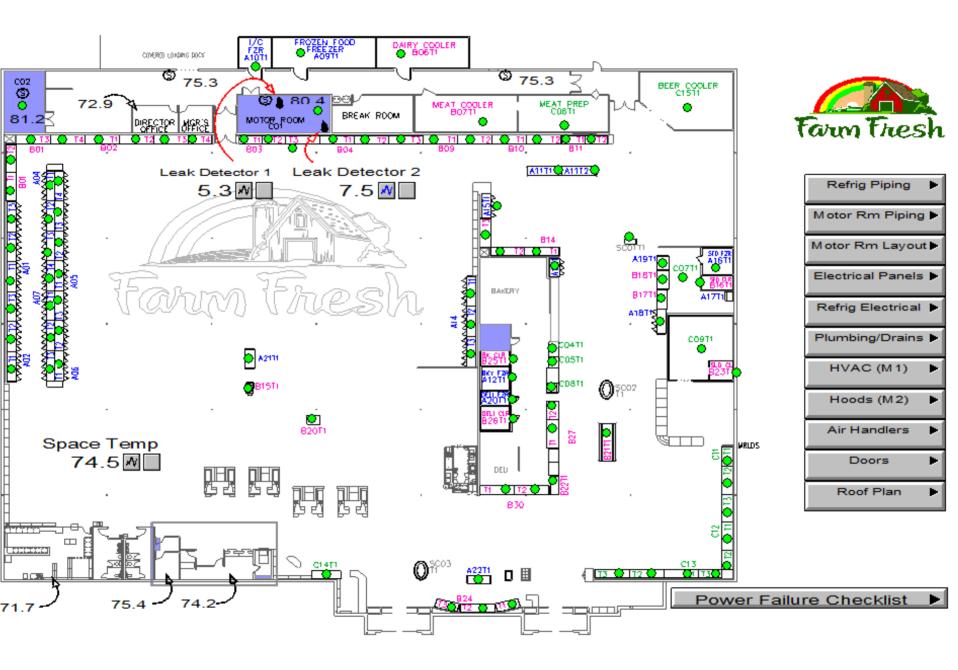
The only other equipment to service is exhaust hood fans

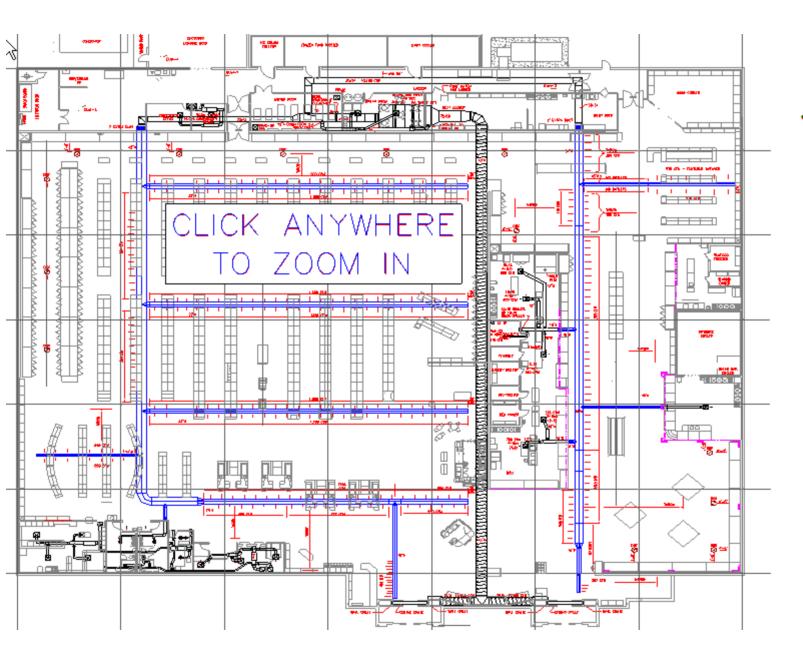
• Live As-builts

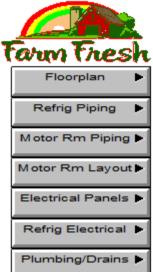
- Access to building automation on a computer
- There are live circuit drawings (virtual walkthrough drawings of electrical, mechanical, plumbing etc.)
- Site specific information





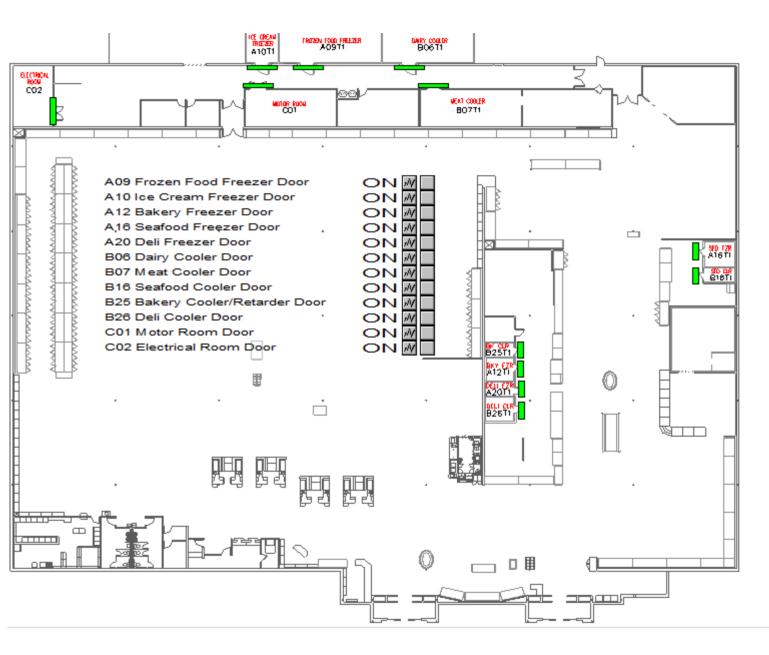






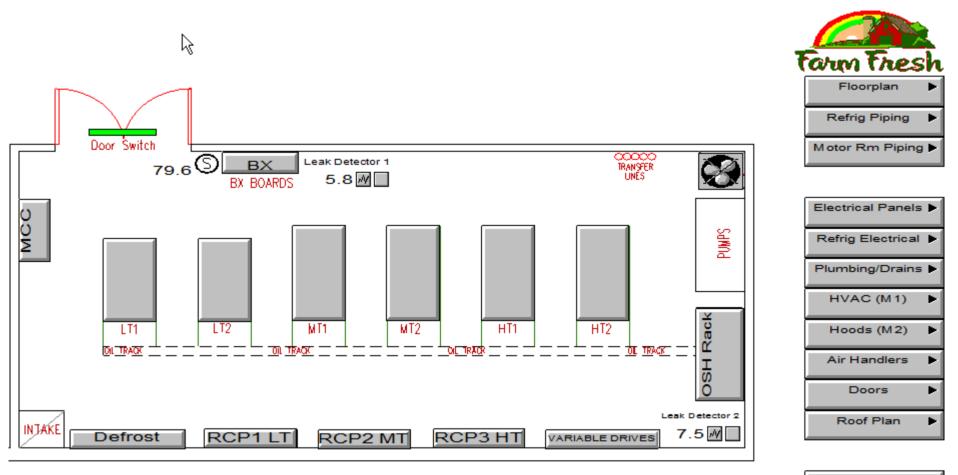
Hoods (M2)	•
Air Handlers	•
Doors	•

HVAC Specs 🕨
Equipment Specs
Duct Sox

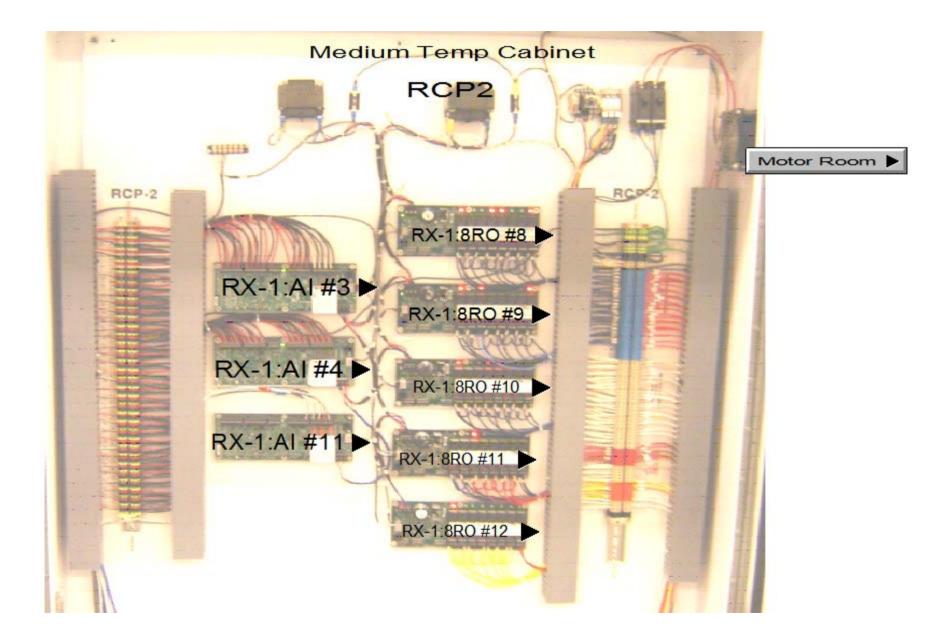


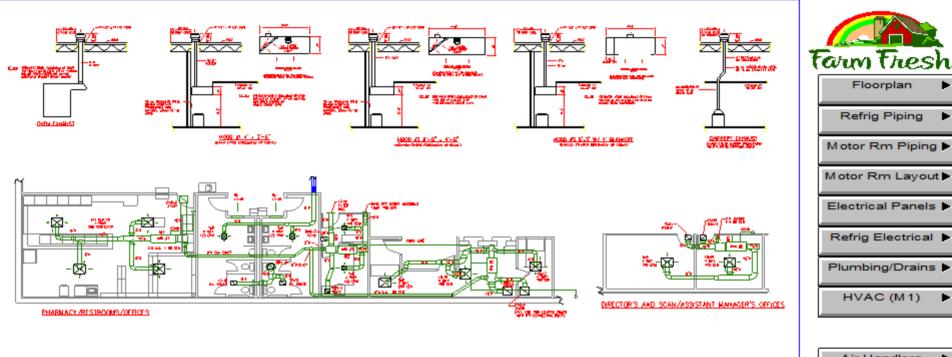


Roof Plan



Dimensioned







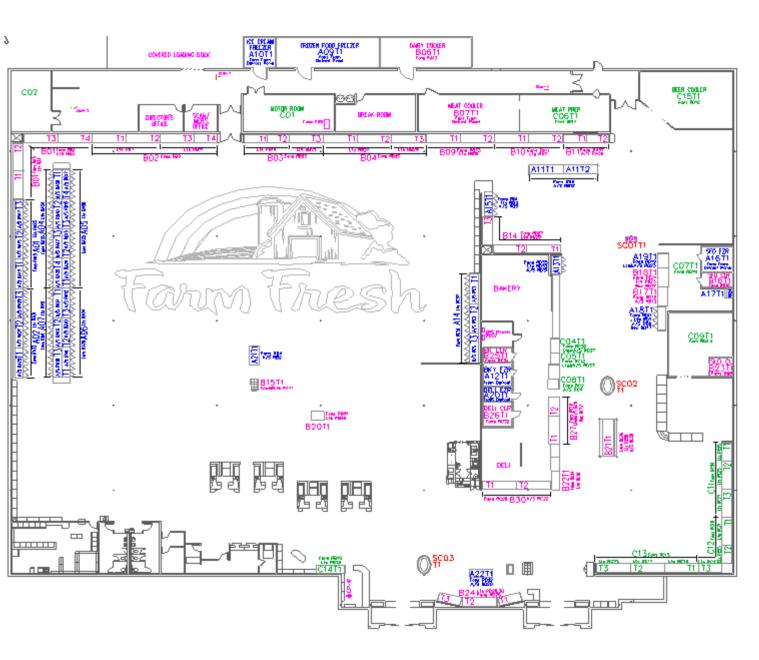
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TOTAL	5,161 CFM	5,260 CF

HVAC (M1)	Ŧ
Air Handlers	Ŧ
Doors	•

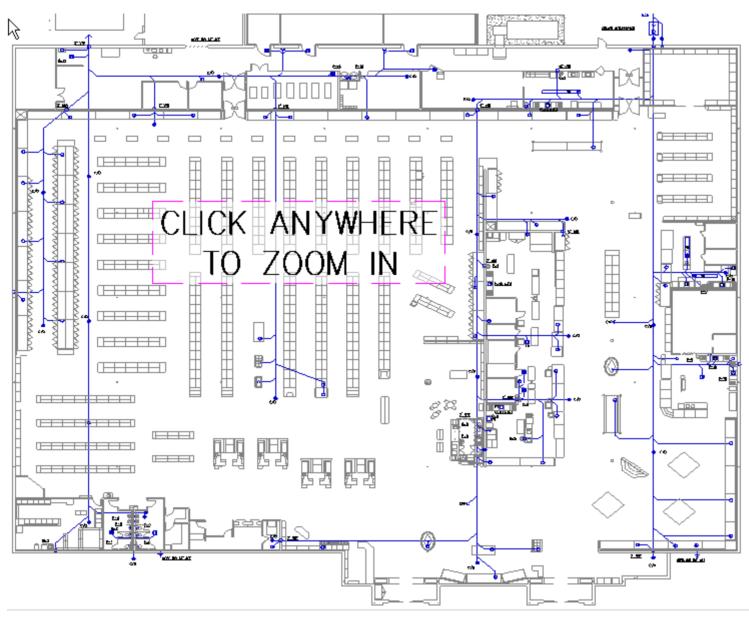
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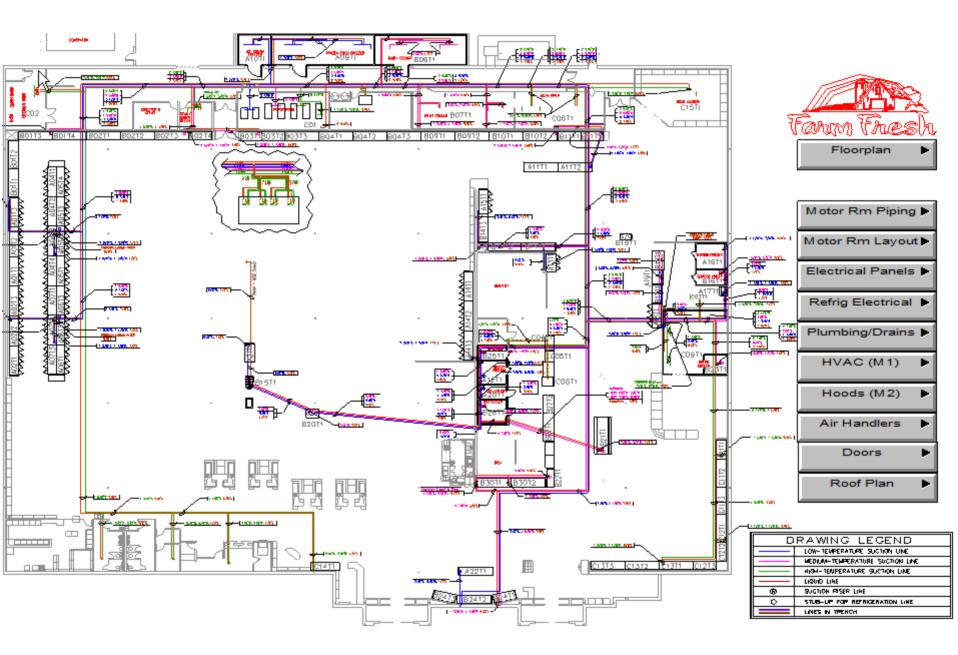
Plumbing/Drains	۲
HVAC (M1)	۲
Hoods (M2)	۲
Air Handlers	۲
Doors	۲
Roof Plan	•







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Central Monitoring

• Dispatch and Alarm monitoring center manned 24/7/365

- Technicians have someone to call in the middle of the night
- Increases training on Building Automation
- Central Monitoring screens bogus store calls reducing calls
 - Case is in defrost
 - Walk-in doors need to be shut
 - Plumbing calls go to plumbers, etc
- Walk stores through obvious issues such as case iced up. (store needs to clean)
- Cuts down on middle of the night non-priority calls
 - This reduces call outs of on call technicians

The Retailers Advantage

- As a Retailer you can train your technician without creating a competitor.
 - If your technician leaves your company and starts his own business you may have lowered your rates. If a contractor trains a person and he leaves then they have a competitor.
- You can pay your own associates more than a contractor and still break even because you don't have to make a profit
- You can offer better benefits than most smaller sized contractors because of the size of your organization.
- Contractors cannot control the building they install. So, you can have a better work place than a contractor
- Contractors have to find work to keep their techs busy. Retailers have an over abundance of work to do



Who We Are







Who We Are

Celebrating 72 Years of Quality Service to Supermarkets, Warehouses And Food Retailers in the Northeast.







Operating Out of 3 Offices With Over 80 Trucks to Provide Service to 5 States Including: NY, NJ, CT, MA & Rhode Island.





Headquarters Bronx, New York



Services include: Engineering / Refrigeration & HVAC Computerized Refrigeration Monitoring • 24/7/365 Service Relrigeration Construction & Installation Door Repairs Online Store History Reporting



A Unionized Shop Whose Business Model Is...

75% Refrigeration Service







Contractor of the Year

A Third Generation **Business Most Recently Recognized** by "Contracting Business" As the 2008 Commercial Refrigeration Contractor of the Year.





Recruiting -One Contractors Perspective

Technicians As Opposed to Mechanics







Recruiting -**One Contractors Perspective** In Addition to Refrigeration Knowledge...

Certificate of Completion This is to certify that **Daniel Steffen**

> Handling, Service, and * R-410A Refrig

INTERNATIONAL COMF On this 10th day of Jam

As presented United Refrige An authorized distril

- Electrical
- Plumbing
- Carpentry
- Computers
- Communication
- EPA Certification (Type I II)



ENERGY &

ECHNICAL SERVICES

Recruiting -One Contractors Perspective HOW DO WE ATTRACT OR FIND TECHNICIANS TODAY?

- AAA is truly a family business consisting of multiple second and third generations.
- AAA creates a sense of pride that one has in the organization and is transferred to other family members which attracts top AAA candidates.
- AAA treats all of their people the same, "Treat people as they want to be treated and with respect"



Recruiting -One Contractors Perspective THE TOP 3 WAYS ARE...

3) Testimonial

- Internal (associates)
- External (customers)
- Industry (competition)
- Supply Side (vendors)

2) Industry & Trade Associations

- Local Trade Schools
- Advisory Boards
- Job Fairs



Recruiting -One Contractors Perspective 1) Nepotism...

It's a good thing if you do it right!

Proven Results!

After 72 Years by Investing in Education, We Have Managed to Retain Good People and Employ Second and Third Generations of Family Members. Included Are Those With Over 30+ Years of Achievements.

Concerned With the Future?

We Monitor the Average Age of Our Team. At 39 Years, We Fall Well Under the Industry Average.



Introduction

Richmond Refrigeration Service, Inc. was incorporated in 1954. We are a second generation family owned business. Present management has been in place for 12 years.

Richmond Refrigeration Service Inc

10984

We are a full service contractor who offers Refrigeration, HVAC, Food Service, General Maintenance and Installation to the Grocery & Convenience Store Industries.

We currently have 58 trucks on the road consisting of approximately 55% service and 45% installation. Maintenance Contracts are approximately 50% of our service work.

Recruiting

>Although we still occasionally have to resort to placing an ad in the paper, we are able to recruit and retain much better employees through EMPLOYEE REFERRELS.

We offer our employees **BONUSES** for bringing on recruits. They receive \$250.00 if the recruit is employed with us for a 90 day period and an additional \$250.00 if they stay for 6 months.

≻Our employees know our VALUES and what is expected from each person on our TEAM. This helps weed out those who probably wouldn't work out and saves a lot of time and money.

▷ Benefits - One thing that helps us recruit new employees and retain long term is our benefit package. I'll explain in more detail this subject under the retention slide. I would like to mention though one very important benefit that helps us draw in recruits. Our PROFIT SHARING/401(K) plan. Over the past 15 years we have contributed over 2.5 million \$\$ into our plan. Each eligible employee has received an average of 11% of their salary.

We are known for many attributes that help attract potential employees.

↔We treat our employees with respect.

♦ We don't ask them to do anything we wouldn't do ourselves. Most of our Managers, including my wife Cindy and me, work on jobs or in problem areas when we get stretched out. On the job sites we will help clean-up, set shelving, organize materials or anything it takes to help ease the burden on our crew and to also assist to bring the job in on time and of high quality.

Recruiting continued.....

> We are a proud company and known for high quality work. This helps attract people who also care about what they do and distracts those who like to cut corners.

> We don't sit still. We are moving forward toward a paperless system involving *Toughbook* Laptops. Our Technicians will have access to history for each service call that has been assigned to them. They will be able to look up the equipment at that location, they can create their own service ticket and are able to type in their own notes, labor, parts, etc. for each call that they are dispatched. The Technician is also able to pull up manuals on equipment or go to the website of the manufacturer for quick information.

We take on Cutting Edge Technology. We installed 2 of the 1st CO2 Secondary jobs in Supermarkets. We also installed some of the 1st *Bitzer* screw stores that utilized *Jet Kool* instead of fluid coolers and had inverters on the lead compressors. Best of all.... WE made them work! Now that's called TEAMWORK!!

Continuous Education

- Partnership with schools
- Weekly safety/training meetings
- Give them time to discuss calls among themselves daily
- Seasonal seminars like Sporlan / Emerson / FMI Tech
- Encourage magazines subscriptions RSES, AC&R News
- Organizations RSES
- Encourage Certifications
 - We raise a person \$1.00 for a journeymens card and another \$1.00 for a masters card no matter the current pay
 - We are considering the same raise for RSES CM, Nate, or HVAC Excellence programs
- We are have tested 50% of our techs with NATE Commercial Refrigeration Installation Beta Test

Continuous Education

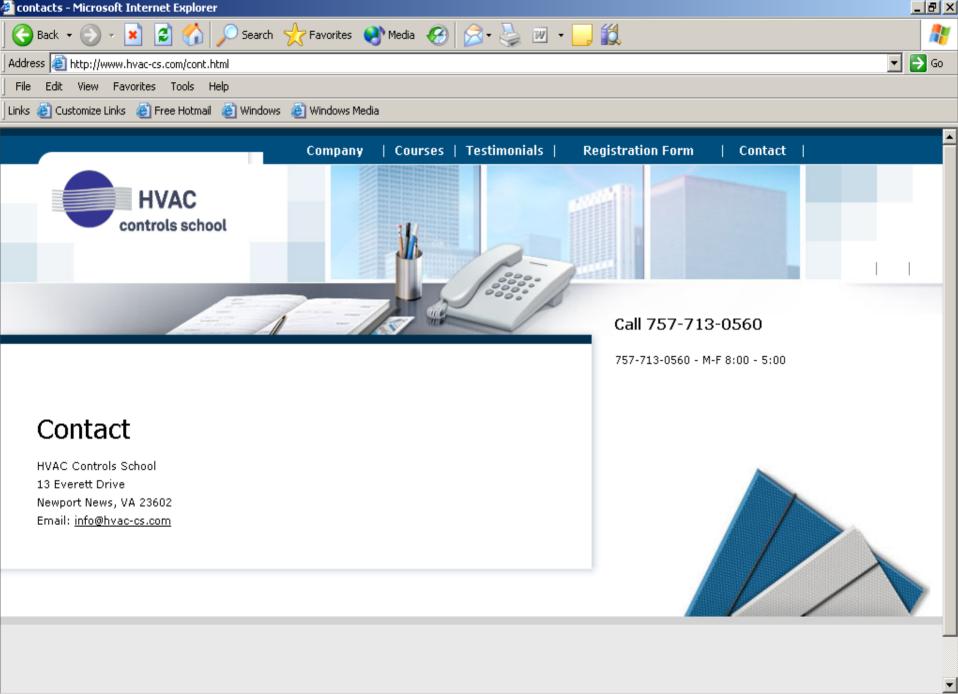
- Courses in the field of the technicians trade are paid for in advance as are books.
 - The person is required to get a C average or better. If they do the course is paid for in full and they keep the books.
 - They have to repay the course if they leave the company within 1 year of the end of the course.

Continuous Education

- We have a partnership with HVAC Controls School
 - Farm Fresh gives this school a class room.
 They teach their technicians out of our home office
 - Farm Fresh gets benefits of training our people and an open relationship with a leader in our industry
 - Farm Fresh gets exposure as a place to consider working

HVAC Controls School

- 10 week trade school taught in Farm Fresh's Home Office Training Room
- Courses offered
 - HVAC Controls
 - Building Codes
 - Boilers
 - Fuel piping



ど Done

😨 Internet

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Education -One Contractors Perspective WHAT ARE WE DOING TO TEACH OUR TECHNICIANS?

APPRENTICE PROGRAMS

- Two Saturday's a Month for (9) Months, Sept.-May
- Summer Curriculum Development Special Focus Economic Times Will Dictate Hiring, but Education Can Never Stop.







Education -One Contractors Perspective

APPRENTICE EDUCATIONAL PROGRAMS

- Urban & City Logistics (expanded knowledge base required)
- Energy Management Systems
- Physical Plants and Manufacturers

Equipment









Education -One Contractors Perspective APPRENTICE EDUCATIONAL PROGRAMS

- Supervisors Volunteer Time to Prepare Classes and Teach Assigned Subjects
- Assigned to "Select" Senior Technicians for 6-12 Months
- Company Policies, Procedures
 & Pride
- Apprentice Education
 Averages About <u>\$100,000</u>





Education -One Contractors Perspective

ALL AAA'S TECHNICIANS AND SUPERVISORS ARE REQUIRED TO STAY-UP WITH EDUCATION.

CONTINUAL EDUCATIONAL PROGRAMS

•Manufacturers Equipment Seminars

•Up to 24 Seminars a Year, One to One Educational Interaction With Equipment Representatives

•Equipment Manufacturers Opportunity to Properly Train the Service Providers



Education -One Contractors Perspective

CONTINUAL EDUCATIONAL PROGRAMS - Cont'.

- AAA Developed Curriculum
- AAA "Training the Trainer" (specialist by field, by manufacturer)

• Weekly "Share Group" Team Meetings by AAA "Zones" (Policies, Procedures, Updates, Idea Exchange)



Education

>We perform a tremendous amount of **IN-HOUSE TRAINING**.

➤We have 2 different training areas at our office. In one area we teach the basic fundamentals of refrigeration and electrical and the other is the lab located in our shop where we train our Techs on electrical, self contained equipment, ovens, safes, ice machines, computer systems, and rack control circuitry. These 2 areas together make it easy for us to bring in factory reps to train and certify us. They are able to start in the classroom and finish in the lab for hands-on training and then back to the classroom for testing. We use the classroom from October through May to train. We have 2 different classes, basic refrigeration and supermarket refrigeration. We will bring the Techs in on a Thursday or Friday afternoon (usually between 1-5 when they are still on the clock).

≻This is major... They don't lose time away from their families and/or personal interests.

>During each class we switch the employees between the classroom and the lab so they won't lose interest. Best of all, they are being trained by one of our Managers who have field experience.

Education continued....

Again – this training is taking place during normal business hours – we are paying them to learn.

> We also use the Lab year-round for food service classes on items like safes, ovens, coffee brewers, roller grills, etc. We bring in a lot of self-contained equipment that customers want to dispose of to use for training. This allows the junior techs the opportunity to work on equipment without the pressure of being at the customers location.

> Again – this training is taking place during normal business hours – we are paying them to learn.

Each of our divisions have a dedicated working Field Supervisor that trains Techs in the field on a continuous basis. All new Techs work at least 1-2 full weeks in the field with a dedicated trainer that way we are able to find out quickly if the Tech really knows what they claim they know and whether or not they have the skills to be a part of our Team. Our Apprentices also spend a lot of time with our dedicated Trainers, along with selected Technicians who we know can train them.

Respect HVAC&R as a profession

- Don't think of it as a trade where the people did not make it to college
- Don't think of the people who do it as laborers.
- HVAC&R professionals are one of the most technical career paths with multiple skill sets involving, plumbing, electrical, refrigeration, airconditioning, electromechanical controls, computer controls, computers, networking, government regulation with significant fines for not complying at any given time of the year usually during the worst of weather, and multiple certifications in dangerous work places.

Demand respect of your HVAC&R professionals from Operations

- Don't allow stores to junk up motor rooms
- Don't let the access to motor rooms and roof hatches be blocked.
- Don't let managers tell the technician to "come back later" or "we aren't going to pull a case you pull it."
- Don't let managers swear at technicians when technicians bring problems in the stores up to the maintenance managers.
- Don't allow the stores to not clean the equipment

On Call

- Seasoned techs are more capable of maintaining a store than a journeymen
- They get to a point in their life where they still would like to work with their hands, but don't want to be on call because it is disruptive to their personal life. (They now are not single and have kids. They make good money and want quality of life.)
- So, they start looking for somewhere else to advance where they can work standard hours.
- The seasoned technicians are older and don't like to climb up and down ladders all day.

On Call

- We pay the person on call 40 hours minimum
- They do not work during the day at all
- They only take emergency calls from 3:30 PM to 7:00 AM Sunday to Saturday
- We average 15 to 20 hours a week year round including drive time (45 stores)
- The incentive is to do the work during the day and not have to go out at night
- This way they get time at home and the cost is straight time.

Have technicians managed by a person who is capable of teaching them refrigeration and HVAC.

- You want the best technician
- Technicians who want to be the best, have to learn from the best. You need the best people to train your team.
- Accountants, Store managers, or Mechanical engineers who just end up being facility managers are not capable to being refrigeration managers without constantly striving to learn refrigeration and HVAC.
- People without technical background cannot determine if their staff had a good training program or not.

Pay Chart

Hourly rate	15.00	20.00	25.00
Benefits	5.25	7.00	8.75
Truck	7.00	7.00	7.00
Truck stock	0.43	0.43	0.43
Gas	1.00	1.00	1.00
Cell phone	0.29	0.29	0.29
Uniform	0.33	0.33	0.33
	29.30	36.05	42.80

The Experienced Technician Advantage

- Can complete most calls diagnosing the actual problem the first time.
- More efficient with time
- Truck stocks, and supply house knowledge.
- Less drive time.



Be An Innovative Company

- Innovative companies attract the best and the brightest Technicians
- Technicians that enjoy new challenges



Retention -One Contractors Perspective EDUCATIONAL #1 PRIORITY = RETENTION

Stability and Year Round Employment

- 24 Hours a Day, 7 Days a Week, 365 Days a Year
- Reliability & Responsive to Our Customers Needs



"Teach People Properly, Give Them the Proper Tools, and They Will Stay"



Retention -One Contractors Perspective AAA OFFERS CAREERS, NOT JUST JOBS! Internal Promotion to Supervisor Positions

The Majority of Our Supervisors Were Once Out in the Field and Developed Into Their Supervisory Roles.



"Teach People Properly, Give Them the Proper Tools, and They Will Stay"



Retention - One Contractors Perspective

Sense of Pride in Their Work

•Commitment to Preventive Maintenance & Fixing the Problems.

Internal Competition &
 Measurement Through Zoning.

•Teach People Properly, Give Them the Proper Tools, and They Will Stay

 Long Term Relationships with Associates & Customers

Investing in the Future.





Retention -One Contractors Perspective

Relaigeration

6.00



Quality of Life & Family



Retention

We have a great TEAM at Richmond Refrigeration. We provide fantastic service to our Customers. Every employee has an important role in the effort to give the most that we possibly can. There are a lot of key items that we do for our TEAM that keeps them with us.

Training, as noted in the previous slide. This is HUGE. We pay them while they train and they are trained by well seasoned, experienced supervisors.

➢ Profit Sharing/401(K) – our employees have received an average of 11% of their salary for the past 15 years for Profit Sharing and 25% match for their 401(K). When our company makes a profit EVERYONE receives a slice. It helps motivate and before they realize, provides them with a retirement fund that will help take care of their FAMILY.

► Large Bonuses at the end of the year. Our Techs receive performance bonuses ranging from 1-5 times their weekly salary.

Life Insurance – we provide our employees an insurance policy that matches their base salary.

Vacation 1 week after 1st year
2 weeks after 3rd year
3 weeks after 10 years
4 weeks after 20 years

Retention Continued...

>Hospitalization – We pay for the employees coverage. We also offer Dental & AFLAC at a group rate.

Christmas Party – We honor the hard working efforts put forth during the year and provide a comfortable atmosphere where everyone can be themselves then putting them up in a 4 star resort for the night. We provide 2 shuttle buses to transport them back and forth from the party and back to the resort.

≻Intangibles –

RESPECT, RESPECT, RESPECT!!! Our employees are treated with dignity. We do not yell, scream, or abuse them in any manner. We are all part of the TEAM so everyone is treated the same way.
 Flexibility - If an employee needs a change of work environment we can move them to another

division. We have done this with several employees and it works out well.

Compassion – We also work with employees when they have personnel issues that may cause them to have restricted hours or fall on hard times.

♦ Personal Tool Account – Each employee can purchase tools on our company account and have it deducted out of their pay each week for a low percentage with no interest.

♦Tool Replacement – if tools are damaged while using on the job we replace them for free.

✤Time of Need – In case of a hardship, our employees are allowed to withdraw money from their profit sharing account.

ENERGY & TECHNICAL SERVICES CONFERENCE

SAVE ENERGY & REDUCE CARBON FOOTPRINT OMNI ORLANDO RESORT AT CHAMPION'S GATE, ORLANDO, FLORIDA. SEPTEMBER 7-10, 2008

