



Maximizing Sales and Profits Using the Six Dimensions of C.H.A.N.G.E.

Ellen Rohr and [Kenny Chapman](#)

Ellen: Greetings, it's Ellen Rohr, the plumber's wife turned business makeover expert. Welcome to Business Makeover 2014. Twenty-one experts, 21 days – I think it's even going to be more than that. I was just so motivated to create this program to help me dream big, and the program keeps getting bigger and bigger, so hang tight.

This is our opportunity to release that which isn't working and embrace new, more productive thoughts and actions. Selfish me and good for you because I'm happy to share these rocking interviews with you. I put them together so that I could make this my breakout quantum leap year.

Thank you for joining me. Let's make it happen. Let's make our dreams come true, Business Makeover 2014. As the plumber's wife, I have a plumbing industry guest today and I'm super happy about that. Kenny Chapman will be presenting on Maximizing Sales and Profits Using the Six Dimensions of C.H.A.N.G.E.

Kenny has used his entrepreneurial spirit to build and operate lots of successful businesses, and he's dedicated himself to the study of personal development and leadership. He's well respected and he's a busy guy when it comes to touring and speaking. He even presents with motivational guru Les Brown, one of my all-time favorites.

He wrote the book *Six Dimensions of C.H.A.N.G.E.* and that's going to form the cornerstone of our conversation today, but hang tight because you never know where we're going to go because Kenny is also a BFF of mine. We love, love, love each other and this is such an awesome opportunity to spend a whole hour together. Hi, Kenny.

Kenny: Hi, Ellen. Thank you so much for having me. I'm super stoked to be here with you.

Ellen: We both have a lot of energy and we both love business and plumbing and all sorts of things. We love each other but we end up missing each other because we're both here and there and everywhere. Again, being selfish, I thought I could get Kenny all to myself for an hour on this interview, so thank you for saying yes.

Kenny: Absolutely. It's my absolute pleasure.

Ellen: You travel all over the world. I love Facebook. I love social media. It allows us to keep in touch when we're doing all these great adventures. You and your wife Kristi travel all over the world now. For you, business isn't just about top line sales and creating lots of profit – even though you're really good at that – but you also are all about the lifestyle.

Describe to me what you mean by lifestyle business or why that's important to you. Then we'll dig into some of the meat of our conversation today.

Kenny: Picture that in the front of the room I have two flipcharts – one on my right side and one on my left side – and you write business on one of the flipcharts and life on the other, I stand between the two and point at them and say one of these is serving the other one. Either your business is serving your life, or your life is serving your business. I'm a lifestyle guy. I love life first and foremost and I believe that business should be a part of that. We shouldn't be servants of our businesses.

I made a conscious choice many years ago that if I'm going to be in any kind of a business, it has to be one that enhances my life and those around me. We've created our businesses that way. We structure it that way and that affords us the opportunity to travel and do the things that we do to help other people.

Ellen: I love how present you were when you said that like let me just get this clear; I want to make sure you hear this. It is true that so many people give up their health, their relationships, their time and their lives for their business, for this forever elusive finish line that they think they're going to cross and someday be happy, and that's just not how it works. Thanks for a really nice start-off of today.

You started in the military once upon a time, and that had a big impact on you and what you wanted to create for your career. Start there and tell me a little bit about your journey.

Kenny: It really did. I dropped out of college and I was lost and I needed some direction, and I definitely needed some discipline and so I found myself in the military. It was a great experience. It really turned my life around and got me some fundamental tools that I needed as a man and as a human being, but one of the things that the military taught me the most was that I did not want to be in a career or in a business that didn't pay me for my performance specifically.

In the military it's all time and grade; however long you're there is how much money you make and over time you get promoted. I believe we should be promoted based on performance and we should be rewarded based on performance. So, that taught me early on that I had an entrepreneurial spirit that I wasn't aware of, and that was how I really began to start turning my business wheels, going what does this mean?

The ultimate way for me to be rewarded for my performance is to be an owner and an entrepreneur, so that was how I began going in that direction. I had no clue what it looked like or what it was going to be, but I knew that it had to be something along those lines.

Ellen: Let me ask you this because a lot of people are coming back from service and reentering the workplace, and it can be a time of being lost and not sure now how you're going to make a contribution or what kind of lifestyle you want to create for yourself. Do you recognize that? Do you remember that moment?

Kenny: Yes, tremendously. I mean I served in the first Gulf War myself. I only spent seven months in Iraq and Saudi Arabia when I was over there, but one of the big differences is if you go back to the Korean War or World War II and all these types of things, these guys were on ships for like 30 days on their way home, decompressing, getting with their peers and talking through those difficult things.

Now we bring them back and it's boom, in 12 hours you're reentering and supposed to go get a good job and be a contribution to society. My heart goes out to these guys because they've got

the discipline, they've got the things that we need, and we need to really help these guys out as they reenter.

Ellen: Thank you for your service and thanks for your good advice to veterans. This is an appropriate conversation for them as well as anyone who's looking at this New Year as a way to makeover their lives into something that they really, really want.

As you came out of the service and you decided that you wanted to figure out a way that you could create a lifestyle, not just work a dollar for an hour, what happened then?

Kenny: Then I just started studying. I started reading everything that I could and started to educate myself through books and other people's experiences. I sought out mentors. I was working at a lumber yard as a salesman and one of my clients had this little small drain-cleaning business that he used as a part-time job.

If he wanted some walking around money, he'd go clean a mainline, and I talked him into selling the little thing to me and I found myself in business for myself. As Michael Gerber, the author of *The E-Myth* says, I ended up working for a lunatic and that was me. I had no business in business. I didn't know what I was doing. I didn't know the trade and it was a very challenging time in my life, but a very necessary time in my life. That was how I got in. I had no experience. I didn't know what I was doing. I didn't even know what I wanted to do, but here was a business and I knew in my head that what I wanted was at least a business.

Ellen: I love that. You and I have as a common mentor Michael Gerber. When you read his book *The E-Myth*, did you feel like he was just talking directly to you?

Kenny: Oh yes. You and I have talked about this before. You think he wrote it for you, and I know he wrote it for me. I ate it up to a point that I flew to Santa Rosa and became a certified E-Myth consultant...

Ellen: I didn't know that. Wow.

Kenny: ... Directly upon reading the book. Yes.

Ellen: So, you got into it. Not uncommon with a lot of the interviews that I'm doing is this idea of self-study. I'm a college graduate and I was excited that my son graduated from college, but I'm going to tell you that the common denominator with successful people is not a college degree. Self-study is a common denominator.

So many of the experts that I've had on these interviews have said I started reading the books and listening to the tapes and you're like that too. You also have another mentor in common with me.

Tell me about your experience with Frank Blau. I talk about Frank Blau as the one who shook me up and who finally convinced me to raise my prices. What happened when you met Frank Blau?

Kenny: I met Frank in 1996. I got into the business in 1994 and I went to my first event in 1996 in Long Beach, California – the Pumper & Cleaner Show. Frank was doing his business contracting seminar and there were about 60 people in the room. I'm kind of three-quarters of the way back sitting in the middle of the room, and he's up there waving this seven-figure W-2, talking about how much money he makes and all this kind of stuff in his gruff way.

I'm just kind of like whatever. I lived in small town America, this isn't going to work. Then he hit this point. He said does anybody have any questions? I said yes sir, I do. I raised my hand and he said what is it? I said I get that it works in Denver, Chicago, Milwaukee where you're from or whatever, but I live in Western Colorado, a small town and it's not going to work there.

He just paused and he said young man, stand up for me. I thought that's kind of odd. I stand up and he points at me and says ladies and gentlemen, this is what a maggot looks like in our industry. I said what? He didn't even call me a slug. He called me a maggot.

Ellen: That's brutal.

Kenny: What I want everybody on the line to be mindful of is don't take the path that I took because I shut down. I said whatever, this is some crazy old man selling some magic potion stuff that's not for me, and I closed up my manual and left on the next break.

Five years later I raised my price and began following Frank's teachings, and today he's like a second father to me and he's taught me to be one to continue and carry his legend, but it cost me five years of my life. Don't allow that to happen to you.

Ellen: You just made me cry with that. I relate because the first words Frank said to me were, honey you have your head so far up where your head's not supposed to be, and I was really offended. He hurt my feelings and I called him back. I got through it. I tried not to take it too personally because I was so desperate and I knew I had to do something.

Kenny, not everybody knows this. It still took me almost two years to actually raise my prices. When I tell this story for the sake of time, I make it kind of fun and dramatic – I met Frank and I raised my prices – but I still sat on the fence for a while thinking it doesn't apply and I'm not going to be able to do it, and it was a total waste of time and energy.

Why do we fight it? Why do we make things so hard for ourselves? If we were making plenty of money, neither of us would have made a reach in that direction anyway. Why do we fight the things that can help us? What's wrong with us?

Kenny: What I believe and what I say in my own seminars a lot, Ellen, is that most of the time we won't trade unhappiness for uncertainty. Here we are in a bad spot in business, we're having a tough time and we can't pay our bills. That's unhappy but to raise my price puts me out on this uncertainty island and most of us in our culture now live with this victimitis virus all around us now.

It's like I'm afraid to do that. So even though I'm miserable here, I'm comfortably miserable here, so I'm going to stay. Fear is such a big driver and comfort zones are so destructive in our businesses. We're afraid to change.

Ellen: Let's talk about change. That's a nice segue to your book. You call it *The Six Dimensions of C.H.A.N.G.E.* and you spell it out. I like a mnemonic, something that helps us to remember things – C.H.A.N.G.E. Let's define those. I'm going to interrupt you as we go if I need a little clarity, but go ahead and start explaining what the six dimensions of change are, and then we'll go deep dish on some of the items.

Kenny: The six dimensions are:

1. **Clarity**
2. **Habit**

3. **Action**
4. **Never give up**
5. **Gratitude**
6. **Enthusiasm**

Ellen: That's lovely. Okay, break them down for us a little bit.

Kenny: First and foremost I've got to know what I want. I've got to know where I go. This isn't about you've got to set a goal and it's got to be a smart goal, and you've got to do this and that. I'm saying just get clear.

When I went in the military, I was in trouble. I was in a bad spot in my life and I didn't know what I wanted, but I was very clear about what I didn't want. I found myself in a jail cell in Lake Havasu City, Arizona and I went in front of a judge and he said you're on probation. I was 19 years old and he said you'll be on probation until you're 21, and if you step out of a crosswalk you're going back to jail.

I knew I didn't want that but I had no other option. I knew I didn't want to go back to jail. I said I know I don't want that but I don't know exactly what I want. Sometimes as business owners, we need to get clear about what we don't want in order to open a door of what's possible. Clarity has to be at the forefront. Whether it's relationships or business or anything, you've got to be clear first and foremost, so that's why we start with the C.

Ellen: I'm totally with you. With every one of my clients, the first question I ask is if everything that you really want came true for you, what would your life look like? They almost instantly revert back to I know what I don't want, and that's good as long we use that to springboard to what would you rather have? What would success look like?

I've got to think a billionaire has more responsibility than I might want to take on. I've thought about that. What's the upper limit of what I really, really want? A billion dollars looks like a lot of responsibility. Is that what I want?

Well, I think a deca-millionaire to have a net worth of \$10 million would be darling, so what is it for you? What is it for each of us to get clear on what we want and have it be compelling and juicy enough that we go after it, and perhaps not so ridiculous or big for us that it collapses us? That clarity is so important because how we get there could take all kinds of shapes, couldn't it?

Kenny: Absolutely. The thing is that it's okay if you want to be a deca-millionaire, and somebody else wants to be worth \$100 million or somebody else just wants to be worth \$500,000. All of it is all good. Just be clear.

As you know, a lot of the coaching and training that I do is in the home services industries. I remember going to meetings and having people say oh I'm \$5 million, I'm \$10 million. I thought to myself oh man I've got to get to \$10 million.

No, I can have a nice little \$3 million business that throws off cash and creates a nice life for myself that that's what I want now, and it affords me the opportunity to work with other people and help them. So, it's clarity at whatever level and, like you said, your clarity. Not what the world's telling you. Not what the shoulds are. Not any of that. It's about you and your life.

Ellen: I love it. Okay habits – words like discipline and habits when I was a know-it-all kid, I used to hate those words.

Kenny: It's so true. A lot of people that do what we do would say you want to eliminate habits, and I absolutely disagree with that. I believe habits are one of the greatest things that we have at our disposal, but we don't look at them and we don't challenge them. I think Warren Buffett said it best when he said habits are like chains that are too light to be felt until they become too heavy to be broken.

We just start doing things over and over and we don't challenge them. I think we need to look at that because the way that you run your business today is a function of habit, and that drives comfort because you get used to it and you don't stretch, and you don't get out there and you don't do something different. You don't try something because you're comfortable here, and this habit could totally be holding you back from what you want.

Ellen: The new habit may feel uncomfortable at first. If you're going to go golfing, the first time you golf even if you take a lesson and you've got a pro, it may not feel right or good. It takes miles to adopt a habit – 21 days, 21 experts. That was the idea. I've heard that 21 days is what it takes to even start to create a new habit.

Sometimes as we're getting rid of old habits, we don't give new habits long enough to actually start to feel comfortable and become chains that are too light to feel and lead us in the direction of what we want. I love that.

Kenny: I shared the stage with Paula Abdul several years ago, and she said something that struck me. I'm thinking she's some crazy judge on American Idol but she stood on the stage and she said successful people know how to become comfortable with being uncomfortable.

Ellen: Paula Abdul said something that amazing?

Kenny: Paula Abdul said that, so yes I was blown away.

Ellen: I take back everything I've said about Paula Abdul.

Kenny: The reality is that we've got to change those habits, and you're right that it's going to be uncomfortable and that's okay because that leads us to action – the A in C.H.A.N.G.E. It's about doing something. It's about massive action. We live in what I call victimitis virus, this society that we have around us.

We can look at it and whine and complain about it or we can look at it and say this is beautiful. Look how weak the competition is. Look how easy it is for me to accomplish my goals if this is the mindset of my competition.

Take massive action. You've got to do something. You can't win by sitting in the walls of your office and not going out and leading, and challenging yourself, and feeding your mind and doing things differently. My friend Les Brown says you have to be willing to do the things today that people aren't willing to do so that tomorrow you can do the things that you want to do. That's what it's all about.

Ellen: I love that. You can embrace the action and the work with joy. I'm almost loathed to use the word work anymore because that's simply a choice as to whether or not it's a grind or a joy. You've got to put in the miles. You've got to do certain things. The universe loves some action so that it can help steer or bring things to you so that you're not just standing still, but the action doesn't have to be a grind. Would you agree?

Kenny: Absolutely, and we're taught that it is work. Like you said, oh a four-letter word and blah, blah, blah. No, this is life man. This is just where you're choosing to spend a little bit of your time, so why not maximize it? We're taught to invest our money and invest in our health and all this. How about investing in our lives and doing something that we enjoy, and growing and building something and having fun in the process?

Ellen: Love it. Never give up is weird. Let me tell you why it's weird, and then I want you to jump into it. Sometimes people will say to me, you don't understand, Ellen how much I've put into this business, you don't understand that it has to work. I'm thinking it doesn't have to work. This may not work. Are you open to something else? If you get clear enough about what it is that you want and it's lifestyle, freedom and good relationships, this particular business is just a vehicle. You can get out of that vehicle and go get another vehicle.

Describe to me what never give up means and how we can use it in terms of not limiting ourselves, to beating our head against the same wall over and over again, but to the persistence that it takes to create the life that we imagine.

Kenny: Absolutely. I believe that systems need to run companies and people run the systems within the companies. Certainly never give up from my perspective and the way I wrote this book – which is a life book. It's not about business. It's not about industry. It's just overall how to change things in your life.

I say never give up and that's on the vision of your life. That's on who you are. That's your purpose. That's your primary purpose. That's what you're about. Don't ever give up on that. The path needs to change. It needs to evolve as you grow. What I'm saying is don't give up on yourself. Don't give up on the vision that you have for you in this world. It might be completely changing industries, which we see happen all the time. People end up so much happier. This recession did so many people so much good by forcing them to change careers or change business models or whatever.

Certainly there are times and our measuring systems will tell us if something's not working, not working, not working. Then change and move over here, but I still have my common goal. That's what I mean by don't give up.

Ellen: Well said. That was lovely. Okay, what's G?

Kenny: G is gratitude. I believe in gratitude. One of my mantras is always grateful, never satisfied. I'm very blessed. I'm very grateful for the wonderful life I live, the great team members that I have and the amazing colleagues that I have. I get the opportunity to share time with you and all of our listeners, but I'm not satisfied. I want more. We've got to focus.

So many people have so much. I've done more out of U.S. travel over the last several years. I've got clients all over Australia. I spend a lot of time over there, and it's amazing to me when I meet Australians that they tell you either when they've come to America or how bad they want to come to America. This is not some third world country.

Then you walk down the street in America, and it's like this sucks and I hate my life. It's like come on man, we have so much to be grateful for but we don't look at that. We always look at the less than mentality instead of abundance mentality. Get grateful because guess what. If you're on this line and you can hear us right now, you've got something that a lot of people would give anything to have.

Ellen: We've said this on another call too. You're not spending every day trying to figure out how I'm going to shelter my family, get fresh water, create some kind of heat and figure out food for

the day. Seventy percent of the world doesn't have indoor plumbing. If you have a toilet, you are ahead of the game.

We have so much to be grateful for and it doesn't mean that wanting more is at odds with that. To be grateful and never satisfied and always reaching is a way to really embrace life. Do you know why we love each other? I think we are very aligned philosophically. You say it in such an erudite sophisticated way that I'm over here just drooling. I'm already running out of pages in my notebook as far as taking notes. This is fun.

What is a discipline about gratitude in your life? How do you give thanks?

Kenny: I've got some 3 x 5 cards that I keep by my bed and I review those things. Some have goals on them and others have things that I'm grateful for. I make a conscious decision every single day to just review some things.

I remember when I was in Iraq. I said when I get back to the States, if I make it through this whole mess, I'm going to be grateful every time I take a hot shower because I went so long without a shower over there. What happens is we get used to it and here it is again, so I need little things whether it's flashcards or something that pops up in your Outlook or your calendar, something just to interrupt the pattern and say oh yeah I've got it pretty good.

Ellen: You just reminded me of something. Can I tell you a funny story about one of the things that I learned?

Kenny: Yes.

Ellen: Rhonda Byrne wrote *The Secret* and *The Magic* and *The Power*. *The Magic* is all about gratitude. One of her exercises is to take a little rock, a pebble that you can hold in your hand. These gestures, these disciplines remind you. When you hold the rock, the idea of the rock is to think about the best thing that happened to you today.

When you ask the question what was the best thing that happened to me today, you go through the litany – that was pretty great, that was really awesome – and you give thanks for all these little moments. It's a lovely exercise.

A lot of times I fall asleep with the rock in my hand under my pillow. The other day Hot Rod gets into bed and he finds the rock. This is my husband, by the way. He finds the rock and he says what's this rock doing here? So, I go through the story about it's a gratitude rock and blah, blah, blah. Then I said what are you grateful for? He said I'm grateful I got that rock out of my bed. Not everybody is going to embrace your particular path or discipline, and it doesn't matter.

That brings us to enthusiasm. Let's talk about enthusiasm.

Kenny: Enthusiasm – we look around and we think that we've got it so tough and we've got it so bad. You and I both hear from business owners all the time about how tough it is and you don't understand my situation. I say let's get fired up. When we look at sales and we look at profits and growing companies and things like that, you can't just be a wandering generality. You can't just mosey along.

People feed off of energy. They crave leadership so bad in today's world, and they don't have a lot of enthusiasm. It's like if it bleeds it leads on TV and it's all this negative junk. We've created all these fallacies – whatever they thought were reality shows. I believe they're scripted more than they're real for sure nowadays.

Ellen: I'm a big reality TV show fan, but I'll tell you what even plays on television. If you are going to share good news, you better bring it with some enthusiasm, with some energy. That's why the folks who get our attention are those who have presence.

Kenny, I would say in my career that the number one reason I'm successful is because I bring energy to the party. Let's invite Ellen and then we'll at least have some energy. It's true. It is contagious, isn't it?

Kenny: It is and that's the thing. That's why we made the E in C.H.A.N.G.E. enthusiasm. We just want to remember that and bring that to the party, like you said. It's fun and people crave it. Then the next thing you know is people start opening doors for you in business and they'll want to help you because you're energetic and you're fun to be around and they like that, and really good things happen from that and it's just a heck of a lot more fun.

Ellen: It takes generating energy too. People say oh you're naturally energetic. I am; however, I cultivate it. I try not to wind down so much. I try to recharge before I'm completely empty.

As far as engaging enthusiasm, do you have some disciplines that you use to face the day with fresh energy?

Kenny: For me it's physical. I've got to move. I need to work out. For me it's about what you put in your body is going to translate to what you're able to absorb in your mind. Some people start out with a smoke and a hangover or whatever your life is about. I'm saying for me I need movement in the morning and that gets me going. That wakes up my mind. It's far more than physical for me. It's as much mental as anything and that gets me fired up and excited.

I'm like you. I run out of energy. I get tired. We wear down because we operate at this high frequency. You've got to do it every single day though. You've got to get up and it takes a conscious choice. You can't just get up and start meandering through your day.

Ellen: I love that. I'm loving the structure of this interview because we discussed that format of C.H.A.N.G.E. Now I want to transition to your life and your story and how you grew this business. You've grown a lifestyle business, a business that runs so well without you that you don't even have an office at your business.

Kenny: That's correct.

Ellen: When you wander in, they're like oh great, be better pull up a chair next to somebody. Let's talk about that.

So there you are with this sewer and drain company and you're not a plumber. What happens? How do you break this thing out? How do you make it this lifestyle business that it is today?

Kenny: I started out just by realizing that to clarity's point, I wasn't a very good technician. I started in the field. I ran my own truck for two years plus before I hired my first team member and it just wasn't my thing, so I learned quickly that I'm not going to be a good technician. Therefore, I better become a good leader if I want to have this thing work.

That transitioned me to what does that mean? What does that look like? I don't have a college degree. I was raised in a world where the smart kids go to college and the dumb kids go to trade school or the military or whatever. So, I knew that I needed to educate myself on the street and I started seeking mentors.

I called the most successful realtor in town and I called the guy that owns all the Taco Bells. All I'm doing is saying is there any way I could take you to lunch? I don't want anything from you other than just to ask you some questions because success leaves clues, ladies and gentlemen, and you don't need to reinvent the wheel. People that are successful want to help you. They have abundance mindsets. They're not looking at I'm going to give you an idea and you're going to go steal it and do something with it.

Ellen: Somebody helped them. I think they're honor bound. Like, if somebody left me five messages, I'm going to call them back. God bless them. I'm going to celebrate the effort. I remember doing that. I'm going to respond to someone reaching out to me like that. I still do that but I respect the effort.

When you would ask them to lunch, what are some of the things that you learned from these mentors? What did the manager of the Taco Bells have to share?

Kenny: I finally got him to go to lunch with me after multiple tries. It's not one phone call. We didn't even have email back then. I said I want out of this thing. I hate what I'm doing. I don't like this business. There's no money in it. I asked him, how can I find what I want to do? He said I'm not going to answer that but I will tell you this. As long as you have this thing – you can get out of it, you can start making steps – but be the best you can be at it until you get out. That was 17 years ago and I still have same business.

Ellen: I have goose bumps from that. As long as you're in the business today, show up 100%.

Kenny: That's it. That was a defining moment that changed my life and changed my career because as soon as I began doing that, it became a little bit more fun. I started opening doors that I needed to and attracting team members that wanted to play the game that I wanted to because it was a lot more fun when you're bringing everything you've got to the dance every day.

Then I found *The E-Myth*, as we mentioned. It's a phenomenal book by Michael Gerber. I went through the philosophy and I became a consultant. I thought hey I'm going to help other people and "E-Myth" my business and systematize it. That was all great and hopeful because it was a lot of work to build the system, so I abandoned the coaching back then. I knew that I wanted to coach people but I had to build it first.

Ellen: I want to underline that a minute because I see that a lot too. When you start to develop your business, and suppose you reach out to the association and start hanging out with like-minded people, my counsel is to beware of becoming the president of that local association too soon because a lot of times until your business can run without you, if you don't get those systems in place you're going to abandon your business and do a lot of harm. Does that resonate with you, Kenny?

Kenny: Absolutely, Ellen. I see it all too often and I'm all about any education that people can get, but it sensationalizes a little bit to just plug in a few systems and you can walk away. I'm still seeking the title for what I do because I don't have an office in my building, but I'm incredibly connected to my company.

I attended our technician meeting yesterday from my computer just by video. I don't do it all the time but I wanted to go to the tech meeting yesterday and I'm 500 miles away. I'm not disconnected but I don't physically have to be there.

Most people say oh I've got a manager now, I've taught him or her what I want them to do and now I'm gone, and if anything happens give me a call. Then they go down in flames. As long as you own it, a closely held company, small businesses like what most of are running you've got to still have a hand in it. You can't just walk away.

Sure, I can leave for six months. I took a six-month motor home trip several years ago but I was engaged. I still had leadership meetings. I still had my reporting. In today's world, it's so much easier to do than it used to be but you still have to play the game of leading the business because your managers need to be led. Otherwise they wouldn't be managers.

Ellen: Let's talk about that. One of the reasons why I recommend people put a plan together is so that they can gain clarity and move from thought to physical form or written plan – it can be one page or it can be a binder or it can be in your iPad but have a plan – and also so that you could show it to somebody, so that you can engage one more person.

How did you start to develop this team? How did you sell the next guy or gal on this concept that you were developing at your sewer and drain company? Has it morphed into Peterson Plumbing? Is it the same company or is it a different one?

Kenny: No, it's the same. It was still the same. We've made several acquisitions over the years and now we're full service.

Ellen: Okay so it has grown, I just wanted to make sure that there wasn't a sale and a start over. So, you've taken that company to where it is today through acquisition and changing direction or adding to.

How did you get this team developed and how did you engage people to the vision?

Kenny: From the get-go, as you said, to have a vision and a plan, be willing to share the vision and the plan and then empower them, allow them to make decisions and allow them to make mistakes. I want mistakes made while you're there, while you're creating the system.

We create systems to run the business but then you've got to create systems that measure those systems. I don't like the word passive or remote but I'm physically not there much, and that excited the people on my team. They wanted that. Oh we're going to show him that we can do this without him. I love it. Cool. Show me. Let's go.

Ellen: Let me back up a second. What do you mean by systems to manage the systems? I get the idea of systems but what if the systems break down? Tell me more about this.

Kenny: You've got to have measuring systems in place to be able to know what's going on. Every single day, I get a dashboard on my cell phone, in my email or whatever, so I know specifically what's taking place there. I know how many leads we have coming up. I know what our opportunity is with recruiting and different things.

If there are breakdowns, then we've got to jump in and be able to ask why. Good leaders ask more questions than they tell people to do things, and my team's used to that. Now they'll come to monthly financial meetings with all the questions that they know I'm going to ask.

They already have the answers because we've gone through and we've trained it and we've built a system of knowing specifically what keys we need to watch and what indicators we're paying attention to, and if there's a breakdown we've got to catch it. You're not just going to go straight up. You're going to have a down month, a great month, an off day, a phenomenal day or whatever. That's all part of life and part of business, but the thing that's we've got to be mindful of

is when a system isn't working, how do we know it's not working? We can't just train it and walk away. As I said, you've got to still check in and follow up.

Ellen: You mentioned recruiting. Do you endlessly recruit?

Kenny: All the time, 24/7 and 365.

Ellen: I see so much of that – well we're full right now – but you're always looking for new team members?

Kenny: Always. We're constantly all over the place – on the Internet, in the newspaper, word of mouth. We're always looking for talent, absolutely.

Ellen: As far as an on-boarding process, do you look for people who have experience or will you train a green horn?

Kenny: We do both. Yes and yes. I love people with experience that have an open mindset. As you can get from Ellen and me, it's about a mindset and we operate at a different frequency than most people in our industry. I love it if you've got experience but if you don't and you've got the right mindset, then we'll teach you the technical side of what needs to take place in order to win in our organization.

It's both, because the bottom line is we're in the people business. In my world it just happens that our product is plumbing, heating and air-conditioning but we we're in the people business. Whatever industry you're in, get clear about that and start growing and developing people as much time as you put into your product and your offering, and watch really good things begin to happen.

Ellen: Speaking of that, let's transition to this topic a little. You're in a smaller town. You're in Grand Junction, right?

Kenny: Yes.

Ellen: The company is located in Grand Junction. For those of you who have never been to Grand Junction, Grand Junction ain't L.A. Outside of Grand Junction is a whole lot of God's country but not a whole lot of people.

Kenny: That's right.

Ellen: So, you have to really make the most of your recruiting efforts and the most out of your sales efforts. There are challenges everywhere. It's sometimes easier to be in a small town when it comes to getting known than it would be in L.A. The thing about L.A. or New York or Chicago is there is an endless stream of customers. There are millions of people that you could anger and still make a good living, but in Grand Junction you're not going to be able to burn your customers.

When it came to raising your prices and raising your standards, tell me about your evolution as a sales and marketing manager at your company. I know you probably wore and still wear both hats. Talk to me about that.

Kenny: The reality is that price and value are always going to be at war and one of them is going to win. If price wins, there's no sale. If value wins, there is a sale. Once I finally took Frank's medicine and got clear – okay here's my crazy price – and in my mind I'm going oh my God I've got to charge that and now how do I offset that by driving so much value beyond that?

That takes training. It takes ride alongs, it takes consistently dedicating yourself to training your team members nonstop all the time, and just when you think you've trained enough, you go back and train some more because you've got offset that value. That was my fear. I charge all this money compared to my competitors, but guess what. We do so much more from a value standpoint and we know who our customer is. We know who we are and we know who our customer is, and we spend all of marketing efforts in that direction.

Ellen: I know that you've got to do all these things at once. It's an engineering problem. There are a lot of moving parts in business. You can't just do one thing and then do another thing.

If you had to choose between gussying up your sales abilities and increasing your marketing, where would you go?

Kenny: You've got to go sales first. I know this because we bought a small company. The only thing we did is fix their price and implement our value system, and we tripled the company in one year.

Ellen: Without any additional marketing?

Kenny: Zero marketing. It was a little two-truck company. They came to me saying we just don't have enough calls; we don't have enough leads, so we want you to buy us. We bought them and didn't change anything and tripled the size of their business. You've got to get the most out of every opportunity first and then go get more opportunities.

Ellen: Let me just interrupt long enough to say if you are listening and I have told you to grow your company by helping a brother out and acquiring his company, Kenny you just made my point right there. Things change. There's debt, disaster, disability, divorce, life changes, death. In this industry businesses are going to come and go. They're like vehicles to serve your life. They're like cars. Sometimes they run out of gas or they are abandoned or somebody wants to sell one, and growing your company through acquisition is something that you've really embraced, isn't it?

Kenny: Absolutely. I think it's a great model. I think you've got to know what to look at. We won't get into all that here but yes when you have the right strategy of doing it it's a great way to grow your business.

Ellen: If you make it known that you are in the market if someone wants to sell their business, then someone will even approach you like this fellow did.

Kenny: Absolutely. That's right.

Ellen: When you're clear on what you want, the universe will conspire to lay all sorts of wonderful opportunities on you. You don't have to figure out every how. I want to talk a little bit about sales. Did I tell you I talked to Jeff Gitomer? He was one of our interviewees. I interviewed him.

Kenny: Fantastic.

Ellen: He's fantastic and he had some really great stuff to share. He had one thing that really hit me between the eyes. When it comes down to you and someone else, if you're the friendly guy, you're going to make the sale no matter how good that guy's PowerPoint was. If you made the friend, you make the sale. I absolutely love that.

Tell me how you learned sales yourself. I know that you teach it and you share it. Then tell me how you overcome that moment where someone comes to work for you and they say I did not get into plumbing because I wanted to be a salesperson? I'm a good technician but don't try that sales stuff on me. How did you learn to overcome it and how do you help others overcome it?

Kenny: For me, for many years I had I couldn't embrace the word sales because I don't feel that I'm a salesperson. I've kind of danced around the word and said great customer service because the reality is that everybody's in sales. I don't care what you do. I don't care if you're not even in business. If you're trying to get your kids to go to bed on time, you're selling, so get out of your head the fact that this is some big bad profession because everybody's in sales.

As soon as I realized that, I said okay I want to just help my customers and I want to just find out everything that's going on within their life and their situation that my products, goods and service might be able to enhance, and then I'm going to lay it all out for them and I'm going to explain what the benefit points are and the value behind it, and then I'm going to allow them to make a decision.

I never teach technicians or frontline team members to be pushy. We're not going to arm wrestle for the close at the end. The best way to close is to become a better opener. Just like you said or like what Gitomer says – you've got to be friendly. You've got to be yourself.

A lot of us didn't get into this to be in "sales" but the reality is we are. I mean what's the first line item on an income statement? It's sales, so we have to have that or nothing else happens. If you realize that going to bat for your customer, focusing on them and their wants, needs and desires and just lay it out, give them the options and allow them to make a good choice, then really good things happen.

You can take average technicians that don't anything about sales and give them the simple strategies of uncovering everything, offering everything with benefit statements and value behind it, allow customers to make a choice, and everybody wins.

Ellen: Describe a little bit about your training processes at Peterson. Give me a Reader's Digest version. If I come onboard and I'm going to work with you, what's the on-boarding process? What can I expect as a new member of the team?

Kenny: Now as things have evolved, I've got my own service sales success school that we put them through. John, my current general manager, sits them down and we go through and we teach them everything about our philosophy. If I'm in town, I sit down and give them a copy of my book.

We explain to them first and foremost the why behind what they're going to be doing because as long as somebody understands why, they're going to give you the keys to the castle. They're going to do anything and everything that you want them to do, but most of the time we don't educate them enough for them to understand.

So, we bring a technician on and we explain why we cost more. We explain why we're different. We explain our philosophy and then we get them into the specifics of how we're going to help them win. They're going to be in training for multiple days and then they're going to ride with technicians.

If you're in our industry and you're listening to this interview, don't bring a team member on and throw them with your top selling technician and think that everything's going to work because your

top selling technician is not doing anything that you're teaching them to do. They have a knack for what they're doing.

Ellen: Chances are very good. I love you saying that. I'll go to a convention and there's a group of guys around and somebody will say my guys always do this and as someone who a big part of my career has been riding along with people being quiet and watching what happens, they are not doing what you think they're doing. That is probably not happening. Do not have that kind of certainty because even if they're winning, it may be on their terms and not on your terms. I think that's really good advice.

How do you overcome that? Instead of putting them with your top guy, what do you do?

Kenny: We train them in a classroom in the morning and then half days with moving them around between different technicians and letting them see the different styles because I want authenticity with my technicians. I don't want them in a box trying to say the things that Kenny would say exactly.

We let them see all that and then we finally turn them loose on their own in their own truck, and then our service manager, general manager, sales manager – he wears a lot of hats around there and he's doing ride alongs with them and going out and creating a show me step. This is exactly how we want it. You've seen it from our text, this is how we want it and now you show me, and we ride some calls and then we turn them loose on their own. Then a week later he jumps back in and rides some more. You've got to inspect what you expect.

Ellen: I love that. Do you still hop in the truck when you come into town? Will you get in the truck?

Kenny: What's funny about that is my picture's on the side of my trucks. It's big and huge and for many years I thought I could not ride without getting seen, and here's a lesson for us all. After I did my first really intensive ride along series in Australian, I came back and went wow, look at what I was able to help our clients with. I'm robbing my own company and my guys. So, I put on the uniform and I looked just like I do on the side of the truck. I get in the truck and I ride along and I have not been made yet. Not once.

Ellen: When I ride along, I have a total advantage. It's a sexist industry. I'm a chick. No one turns to me and says Ellen what do you think I should do? It just doesn't happen. It's interesting that a lot of owners are afraid that if they go, they are going to end up becoming the fulcrum of the conversation, and you can turn it back over to the tech and say it's been a while since I've done this. What do you think? You can turn that energy back to the technician and be of service, but isn't it valuable to go out there?

Kenny: It's huge. If you're not doing that and you're in this industry, you're robbing yourself and you're robbing your team and your customers.

Ellen: In what industry wouldn't it be appropriate? I call it a ride along if you go in the truck, and it's a side-by-side if you're in any other environment. If you ride along with someone and that guy or that gal goes home and talks to their partner at the end of the day, and the partner says what did you do today, they say I rode along with the owner. That's going to be the first thing they say. It is so important for us as owners and leaders to spend time with the people who report to us. That's how you build the relationship.

Kenny: That's absolutely right.

Ellen: I'm so glad that you get that because there are so many people that dance around it, and it takes real courage to go in and ride along.

Kenny: It does and that's why most managers and owners won't do it because they're afraid they can't do it. That's the bottom line.

Ellen: They're afraid of what they'll see. I'm going to have to fire him. This is another thing I've adopted. Not everything is a fire-able offense. Clean, sober, on time, dressed right – you're going to lose your job if you violate those. If you're not sober, you're going to lose your job right away, but not everything is a fire-able offense.

A lot of things are coaching moments. Let's try something. Do you know what else I've learned about ride alongs is that I don't give them too many things? It's easy to go through a 20-point checklist and report card.

How do you feel about that? When you ride along, what do you try to share on that ride along?

Kenny: I don't coach at all on a ride along, never at all. All I'm doing is observing. I'm the helper. I'm the apprentice. I'm packing tools and carrying stuff. Then after the fact, I want to know what they thought. Here's the thing. Ask them first because they're going to beat themselves up way more than you are as a leader or a manager.

Totally we're in alignment there, Ellen. One or maybe two coachable moments or coachable points for them to use on their next one, but don't just go down your list and say oh you missed this, you missed this, you missed this. No, that's not what it's about because they're missing it every day anyway. You can only move a couple things at a time.

Ellen: That's so important. It would have happened anyway. The sky didn't fall. Some things are suggestions, some things are go to the wall nonnegotiable standards, but not everything is a go to the wall fire-able offense. Lighten up a little bit and help a guy get good.

Kenny, I could talk to you all day. I can't believe how fast this hour is going. Before we run out of time, I want you to describe the program you've put together. You know the rules dear listeners. It's got to be \$97. Why? Because I said I can't remember more than that.

All of our program offerings are going to be \$97 and then your job Kenny was to really pack in a nice offering of ways that we can learn more about you and work with you. What have you got for us?

Kenny: I put together a package, Ellen, which has several different things. The first thing is I'm going to include for everybody a downloadable version of a 21-day life improvement program that I recorded with a partner called Unleash Your Greatest Life Now. This is a guy that was my personal life coach. I went through a major change in my life and it helped me so much that we ended up starting a business together.

We recorded this series, so that's a part of it – 21 days with a complete journal and action guide. As you said, it takes time to create a new habit, so 30 minutes of audio and then follow that up. The other thing is my program called The Most Powerful Selling Secret Ever. The Unleashed Product is a life-changing product. The Most Powerful Selling Secret is an overall sales product. It's not based on any specific industry.

I recorded that at Les Brown's request. He wanted me to record that. He actually does the intro on it. It was a four-disc program. We're going to include that for you to be able to download over four hours of content there.

Another thing we've got is a frontline training meeting that's done for you. I do a lot of speaking and a lot of training, and one of the things I do is done-for-you training meetings for frontline team members. We're going to include one of those that would be work for any industry. It doesn't have to be just for plumbing, heating, air, electrical or whatever.

Because of that, we've got a lot of offerings going on here. What I wanted to put an exclamation mark on it with is I'm going to include a 30-minute consultation with me via phone. Just shoot me an email and we'll set up a time where we can spend a half an hour together and sort out any challenges you may have or training issues or sales issues. I just want to make this as valuable as I possibly can.

Ellen: You are so sweet. We were talking about this, and you just said I could get on the phone with them too, and I said that is so generous. I would love that. So, if you want to, you can click on the link right there on your screen. If you're listening to this via webcast, it's BusinessMakeover2014.com/Chapman.

Kenny, it's a very generous program and you are so helpful. You've been there and you've done that. You continue to grow your business while you travel the world, living the dream with your darling wife Kristi and helping so many people grow their businesses too.

Before we wrap up today, what did you come to the party with that you wanted to share that you have not yet shared, or are there any parting words you can leave with us today for a little dose of inspiration?

Kenny: The main thing I would say is just lighten up, everybody. It's not that hard. We make it so much harder than it is when it comes to business and life. Keep it simple. Have some fun. Enjoy the challenges. Enjoy the triumphs and remember this. It's not going to stay the same. If you're having phenomenal results, that's going to change. If you're really struggling, that's going to change, so we might as well enjoy both sides of the equation and do the best we can.

Ellen: That is so sweet. I've got a big smile on my face. This too shall pass. It will always be a good story. You could kill a man and that would be something that would haunt you forever, but other than that – not to make light of people's challenges but other than that, there are a lot of things we can redo or undo or do over and make over, and that is absolutely a wonderful thought to leave us with as we journey forth on our Business Makeover 2014. You are wonderful. You're one of my favorite people ever and always.

Kenny: Thank you so much for having me. I hope everybody gets a lot from this entire program. I'm honored to be a part of this, so thank you.

Ellen: You're a peach. I'm going to play the groovy outro music and we're going to say goodbye. I'll see you all tomorrow. Thank you for participating in Business Makeover 2014. Thanks, Kenny.