The Greatest (Facilities) Story Ever Told

Books 1 and 2

Old Testament

Book 1

CHAPTER 1
It began in Gotham

"I'm a contractor not a friggin' computer geek!"
In 1986, Herb Natiss didn't know anything about software - but he knew air-conditioning. And Gotham Air, his commercial mechanical service business, was growing nicely. Everyone told him he needed to computerize. But he needed someone who knew computers and knew his business.

"Gottfried! What do you know about computers?"
Steven Gottfried was studying to be an engineer at George Washington University. He had also been interning for Herb for the past few years, learning the ins and outs of running a service business (as well as the difference between condensor coils and diffuser ducts). Fortunately Steven did know more than a little about computers and software. So when Herb asked, Steven dropped his toolbox and picked up a keyboard and started writing software that would become the backbone of Gotham's internal system.

Contractor Tech was born.
In 1989 Gotham Air was sold to Emcor, the largest mechanical contractor in the world who was rolling up smaller service companies left and right. Emcor management was impressed with the Gotham software system, that Steven had developed, and felt it would be great for all the other contracting companies that were in their portfolio.

We'll need a bigger boat.
Seeing the opportunity ahead of him, Steven placed an ad for a software engineer. Having just arrived in the U.S. and looking for work, Serge Lubensky promptly answered the ad. And the rest is history.

Together Steven and Serge built Contractor Tech into a nice little software company with more than 400 contractor clients by 1999. Everything was going great. The only problem was that Contractor Tech's contractor clients all worked for retail store customers who wanted more than just great service. They wanted information about that service - including invoicing, contracts, performance metrics, etc. And they wanted it the way they wanted it. Electronically.

So once again, contractors turned to Steven (and now Serge) for help. No other technology company had over 10 years of experience developing business software specifically for contractors. But things were different now.

Now there was the Internet.

CHAPTER 2
Life in the Swamp

In 1999 facilities management was a swamp of paper, processes and protocols with no standard way of communicating and capturing data. Contractors' customers all wanted data – and they all wanted it formatted specifically to meet the needs of their own back office systems. While this sounded like a lot of work for Contractor Tech, and more business for Steven and Serge, they both realized that with the onset of the Internet, technology had changed. But processes for contractors and their clients hadn't.

The old way was in the way.
So in 1999 with the simple idea of transforming how facilities management professionals and their commercial contractor partners collaborate. Steven and Serge, built their vision of a cloud-based service automation platform where all participants, regardless of size or technical sophistication, could connect, share information and collaborate efficiently – and all benefit from the experience.
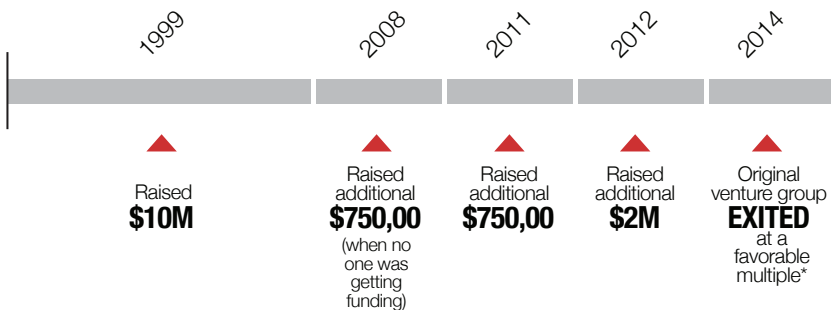
ServiceChannel was born.

With deep roots in the commercial contracting space and an eye towards an Internet-enabled economy, Steven and Serge were confident that if anyone was going to disrupt this space, it was going to be them.
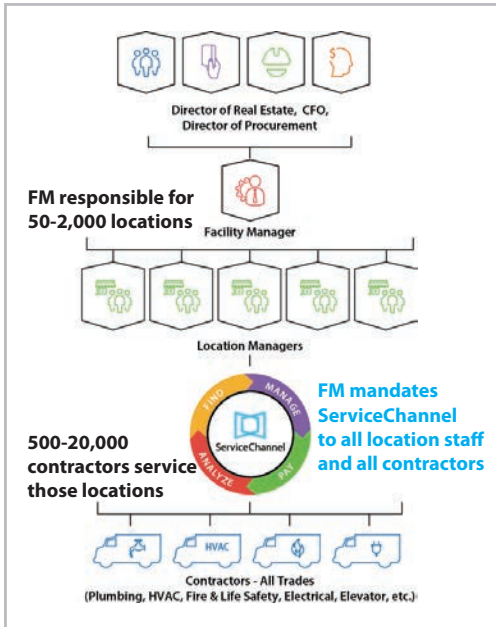
From Maintaining Success to Driving Performance
So in 1999 they raised $10M and for the next 17 years ServiceChannel grew, targeting the retail and restaurant industries, evolving into a robust database of repair and maintenance labor data including work orders, performance metrics and invoicing.

Why did ServiceChannel survive the Internet bubble? – we had experience running a service business.

1999	2008	2011	2012	2014
Raised **$10M**	Raised additional **$750,00** (when no one was getting funding)	Raised additional **$750,00**	Raised additional **$2M**	Original venture group **EXITED** at a favorable multiple*

*SC was the only company in the fund to survive

The distribution model was simple:

- A facility manager (FM) is responsible for 50 - 2,000 locations

- Each FM has 500 - 20,000 contractors (2,000 x 10 contractors per location)

- Once the FM buys into the SC platform, a "mandate" is issued, requiring all of his contractors to report into the ServiceChannel platform. Pretty sweet

But it didn't stop there.

Getting the mandate from retail/ restaurant client wasn't enough. We had to ensure that the contractors would participate – because enabling the contractor to participate in a digital economy is in our DNA. (Remember Herb at Gotham?) Understanding the needs and processes of the contractor was always the key to our success. So once a mandate has been issued by a retail client, and we got their list of contractors, we would then market to those contractors directly.

We clearly positioned ServiceChannel as a benefit to the contractor. By communicating that ServiceChannel is a platform to do business, and not a broker or outsourcer, we removed any barriers from contractor adoption of this new process. We even encouraged contractors to put their other clients on the platform to further streamline their operations.

Thinking Small –
(Restaurant ServiceClick 1.0)

In 2008 when the economy went south and the chain restaurant industry was desperate to control costs as in the past they only focused on food and labor costs, not repair and maintenance. We quickly became the leader in that space with large retail and restaurant chains and their contractors adopting the platform at a healthy pace. Things were going well and the opportunities were endless. As such, we were curious about how ServiceChannel could provide the same value to smaller restaurant groups and franchises, especially in urban areas.

In early 2009, we set out to grow our business and extend our reach into the small restaurant/franchise market. We sent Eric Schechter (a former SC client from Einstein Bagels/Ovation Brands) door-to-door in New York City to sell our software to smaller restaurants and help them manage their service contractors. We called it Restaurant ServiceClick. What we learned is that small restaurants didn't have any contractors to manage.

But we did.

In 2009, our database had information about hundreds of thousands of repair and maintenance transactions that were posted daily by hundreds of contractors. And we had information about who those contractors were - but not in a shareable form.

CHAPTER 3
Switzerland and the road to C-Harmony

Around the same time, retail and restaurant clients started asking us to recommend contractors when they needed to replace a vendor or opened a location in an area where they could not find a particular vendor in a specific trade. And why not? We had the largest database of commercial repair and maintenance contractors in the U.S.! Conversely, contractors, seeing the quality of the brands we had as clients - Apple, Nike, Walmart, to name a few - started to ask us to recommend them to these clients.

Sounds like the perfect match.

But there was one problem. As a software platform we had to be 'vendor agnostic', we had to be Switzerland. Our job was not to judge or recommend contractors. We just gave our clients the tools to evaluate their partners. The rest was up to them to decide. But here we were, with two sides of our marketplace looking to meet, and do business - through us - and there was no way to connect them without being partial.

We needed to Fixx that.

So we converted our Contractor Manager database – which, up until then, was where we manually updated information about each contractor on our system - into Fixxbook, a cloud-based credentials database that was to be maintained by the contractors themselves. Think Wikipedia for Service Contractors.

Fixxbook was the database where we captured and housed the business data of all of the contractors on the ServiceChannel platform. Fixxbook had the credentials - the insurances, licenses and certifications as well as service level agreements - of each contractor on our system. Fixxbook could also tell you contractors which were self-performing and which were sub-contracting. Fixxbook could event tell you which contractors where verified as diverse (minority owned) businesses.

Now we could confidently direct our FM clients who were asking for specific kinds of contractors, to "Find them on Fixxbook". And conversely, we could tell contractors looking to be "matched up" with a new client, to keep all of their business information with us. Because Fixxbook was now the place for contractors to get more work from other SC customers on the platform, as well as those, outside the platform.

But Fixxbook was more than a matchmaking database where FMs and Contractors found "C-Harmony".

Retailers had to reduce their overhead to meet their new significantly lower revenues and in looking at the P&L they saw line items related to facilities that were costing them a lot of money. There were personal injury and property loss claims. Staff, customers and tradesmen were getting hurt on their properties and these were resulting in huge claims. Non or underinsured contractors were performing faulty work that resulted in injury. Many times the claims could be not tracked back. This was the birth of Compliance Manager - a software application joined to Fixxbook for our

clients to verify, manage and monitor their contractors' credentials. Today Fixxbook is the #1 Google Search result for "Commercial Contractor Directory" and is the largest commercial contractor directory in the U.S. with more than 60,000 contractor company profiles. Powerful stuff.

CHAPTER 4
What kind of man are you?

As we've said, ServiceChannel was built to help commercial contractors be successful and meet the digital demands of their customers. We built Fixxbook as the place where contractors can get "found" by prospective clients searching for the right contractor partner. But if everyone has the same business credentials how can we help self-performing contractors differentiate themselves further? And how can we help the FMs to better evaluate their potential contractor partners?

Everyone contractor has two things: trucks and men, But what kind of men? If you were head of Apple Facilities and had invested in hundreds of Carrier air-conditioning units at all of your locations, wouldn't you be looking for an HVAC contractor that specializes in Carrier? And specifically the Carrier units you have in place? Of course you would.

But how would you find them?

You would put out an RFP. And you would get proposals from Contractor A and B. They both say they specialize in Carrier (after they both say they have trucks and men). But how can you be sure? And which one's better for you?

Wouldn't it be cool if Contractor A could show you, not only the credentials of his business, but the credentials of every man on this service staff? You could see where each one went for Carrier training, how many hours each one had fixing and maintaining Carrier equipment, and how recent each one's Carrier certification was.

It's really no different than a hospital saying they have doctors that specialize in cancer. Or a university saying they have teachers who teach calculus. You'd want to learn more about the skills of the individuals before choosing the right school or hospital for you.

That's the concept behind Tradesmen.

Tradesmen will further entrench ServiceChannel in the repair and maintenance delivery ecosystem by:

- Enabling FMs to better evaluate potential contractor partners
- Enabling contractors to find skilled labor
- Enable skilled labor to get compensation commensurate with their experience (think of LinkedIn for the service industry)
- Enabling tradesmen to use one background check for all ServiceChannel clients

Not to mention that Tradesmen could be a marketplace for a variety of businesses including training and certification programs, tool manufacturers, insurance providers, etc. You get the picture.

CHAPTER 5
To be great we had to get Good (Data)

By 2013 no company had more data about commercial repair and maintenance transactions, costs, equipment and service companies than ServiceChannel. From our origins as a provider of reports to retail clients, we had become the Equifax of the facilities management industry. A repair and maintenance data juggernaut with the ability to provide robust reports on a multitude of metrics. We were getting calls from the Wall Street Journal to provide data on repair spend across the retail industry. Nike even hired a data analyst to focus on the information we provide. Clients, consultants and the media were hungry for our information, and we had tons of it. But it didn't look great. And it wasn't being delivered in a format that we felt optimized it's value.

Enter Good Data
After overloading MicroStrategy with data, we partnered with GoodData (http://www.gooddata.com/), the leader in cloud business intelligence, who helped us deliver a state-of-the-art, big data reporting and analytics platform to our customers.

GoodData not only made our information interface look good visually but enabled us to commercialize and monetize it into data products, packages and enhanced analytics that we could sell to our clients, and others, at a premium.

Sample Screens - ServiceChannel Analytics
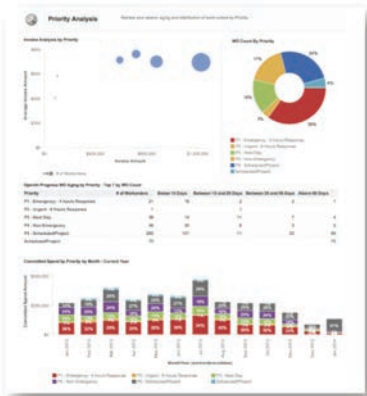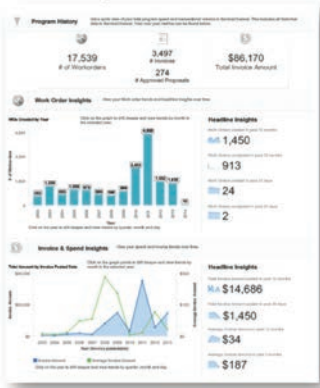
CHAPTER 6:

ServiceChannel today…and tomorrow

Today, more than 60,000 facilities professionals and commercial contractors at over 200,000 locations in 63 countries have conducted over $15B in business to date across our platform.

200+
Employees around
the globe

300+
Clients from
many industries

50K+
Commercial contractors
& suppliers

200K
Locations under
management

63
Countries using
service daily

$Millions
Work orders processed
per month

$Billions
Annual customer
spend processed

As the leading service automation platform in retail, restaurant and convenience store industries, ServiceChannel is poised to dominate even more new markets including hospitality, healthcare, parking, etc. Things couldn't be better. Or could they?

Our Man in Melbourne
Enter Bayard Capital. In 2014, Steven and Serge met the boys from Bayard, who also believed that the way to sell into the $500B Facilities industry was not top down but to come in bottom up, (their focus at the time being energy and facilities).

Some of the Bayard partners were themselves contractors and shared the ServiceChannel philosophy that you had to sell the contractors in the "swamp" and not only the C-Suite. You have to prove to the Top that it works on the Bottom.

New Testament

Book 2

CHAPTER 7
ServiceChannel Ventures - The Perpetual Startup

"We need to be the first to disintermediate ourselves."
Leveraging the expertise and success of ServiceChannel, we started ServiceChannel Ventures (SCV) as an incubator focused on accelerating innovation in facilities management. The plan was to put together a small think tank of leaders, who had built ServiceChannel, and task them with developing new ideas, new technologies and new opportunities in facilities management for now and in the future. What will facilities management look like in five years? Let's start building those solutions today!

These could combine the ideas and products of (external) entrepreneurs and startups, which together with the expertise of seasoned players in the facilities management space (us) could create the next generation of solutions for multi-location businesses.

The SCV Team:

Steven Gottfried*, Managing Director & Founder of ServiceChannel*
At SCV, Steven leads the way on identifying new ideas, new technologies and new opportunities for ServiceChannel and the Facilities Management Industry at large.

Eric Schechter, *SCV Executive Director*
Formerly EVP of Business Development at ServiceChannel (5 years) and President of Fixxbook, Eric was key architect of many program solutions for clients like Subway, Aramark, etc., as well as internal revenue drivers for the firm (SCP).

At SCV, Eric is focused on new Business Strategy, Product & Service Development & Evaluation, Go-To-Market Strategy and Product Management.

Steve Keltz, *SCV Executive Director*
Formerly CMO of ServiceChannel (was employee #4 in 1999), where he was responsible for development of all corporate branding, marketing, sales support and public relations.

At SCV, Steve is responsible for new Business Strategy, Brand and Creative Development, Go-To-Market Strategy, Identifying Strategic Partnerships and Acquisitions, Product & Service Development & Evaluation, and Market Research.

Dmitry Amelchenko, *Chief Technology Guy, Software Engineer*
Formerly VP of Software Engineering at ServiceChannel, where he was responsible for software development.

As head of Technology at SCV, Dmitry is responsible for:

- Identifying the best-suited technology stack for new systems
- Defining architecture that supports scalability and integration with existing systems and frameworks
- Ensuring Agile culture which allows for quick turn around and fast delivery for day to day infrastructure operation

SCV – New Markets, New Products

With the ServiceChannel focused on retail, restaurant and convenient store chains, SCV stood up new markets for ServiceChannel expansion. Our approach: Produce Vertical Market Opportunity Reports and then develop Vertical Playbooks that provide SC Sales and other internal staff with:

- Market Definition
- Vertical Intelligence
- Vertical Pitch/Messaging
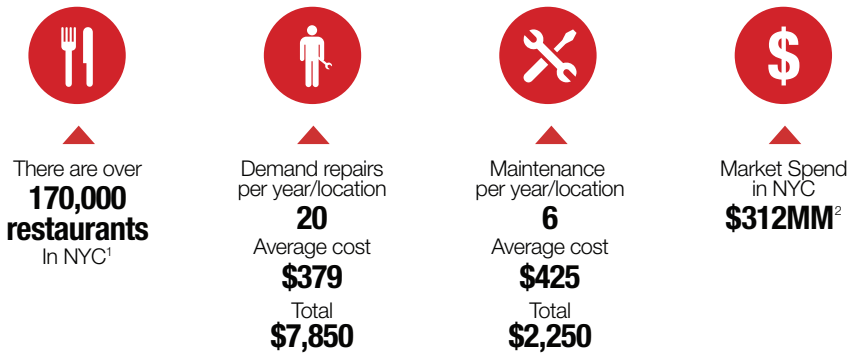- Vertical Awareness

CHAPTER 8
New Products

Restaurant ServiceClick 2.0

Back in 2009, we learned that ServiceChannel couldn't help small restaurants manage their contractors because they didn't have any contractors (remember *Restaurant ServiceClick*?)

The quality contractors on our platform didn't have any interest in working with smaller restaurants. (After all, they were too busy servicing the big chains, weren't they?)

And contractors who weren't on our platform and did have the interest to work for small contractors, didn't have the platform to work with them efficiently. (Or did they?)

We always knew there was an opportunity here. The size of the independent restaurant market was significant (see table on next page) and no one was addressing their repair and maintenance needs.

There are over **170,000 restaurants** In NYC[1]	Demand repairs per year/location **20** Average cost **$379** Total **$7,850**	Maintenance per year/location **6** Average cost **$425** Total **$2,250**	Market Spend in NYC **$312MM**[2]

[1]Source: NYC Open Data - https://data.cityofnewyork.us/Health/DOHMH-New-York-City-Restaurant-Inspection-Results/xx67-kt59/data
[2]Source: http://www.foodservice.com/blogs/trends/evaluating-the-independent-restaurant-industry-to-help-suppliers-pinpoint-opportunities/

But one thing was different now than in 2009; technology had changed again. And there was one tool that every contractor now carried that they didn't before - a mobile smart phone.

Uber Everything
OK, so innovative mobile technologies, apps and processes, like Uber, were providing new convenience to buyers and sellers of products and services and disrupting industries. Digital innovators and investors with deep pockets, like Kleiner Perkins, assumed they could 'uber-fy' the world with on-demand solutions that disrupted all industries.

Uber for...	Companies
Liquor Delivery	Saucey, Drizly, Minibar…
Uber for Cannabis Delivery	Eaze, Canary…
Errands	TaskRabbit…
Odd Jobs	GladlyDo
Hotel Rooms	HotelTonight
Beauty Services	Swan, Stylebee, StyleSeat, Manicube
Home Cleaning	Handybook, Homejoy
Car Repairs	YourMechanic
Babysitting	Urban Sitter…
Pizza Delivery	Push for Pizza…
Medical Equipment	Cohealo

Quiet Spaces	Breather
Vet (Home Visit)	VetPronto
Dog Sitters	DogVacay
in-home Massage	Massage, UnwindMe, Zeel, Soothe
Doctor House-call	Medicast, Pager
Doctor (Remote) Consultation	Doctor on Demand, dvisit
Courier Deliveries	Deliv, Postmates, Shyp
Locksmiths	KeyMe, KeysDuplicated
Childcare/School Run	KangaDo…
Dry Cleaning/Laundry	Cleanly, Dashlocker, Washio, Flycleaners
Hotel Dry Cleaning	Oliom
Mobile Repairs	iCracked
Removals	Moveline
Lawnmowing	Lawnstarter, Plowz&Mowz…
Restaurant Home Delivery	Seamless
Taxis	Lyft…
Home Maintenance	RatedPeople, HouseCall, RedBeacon
Home Decoration	PaintZen
Home Deliveries	Anyvan, Doorman, Instacart, UberRUSH
Dog Walking	Wortheem Swifto, Urban Leash, Trottr
Private Jets	BlackJet
City Parking	ParkingPanda, MonkeyParking, SpotHero…
Language Tuition	Cambli
Storage [Valet]	Caddy, MakeSafe, Boxbee
Bodyguards	Bannerman…

What Kleiner didn't know

As innovators with over 25 years experience in the commercial contracting space, we agreed that advances in mobile technology had created threats and opportunities for commercial contractors.

But we also know that delivering commercial repair & maintenance services is a complex process requiring careful coordination of skilled labor, equipment warranties, and parts procurement.

You can't simply displace a contractor dispatcher the way Uber displaces a cab dispatcher.

There are also real behavioral disconnects between small restaurants and service contractors:

The small restaurant/franchisee's problem:

- Restaurants can't afford service contract
- Don't want service contracts - want the service when they need it
- Can't attract attention of quality repair service contractors
- Many large service companies take advantage of small business owners and their lack of knowledge

The contractor's problem:

- Contractors only want new business when they have the capacity to accept the work easily
- Contractors are 70% efficient but won't go after small restaurants because:
  > They are set up for a service contract model - too costly to set up a one time event in their system, not set up to accept credit cards
  > Too risky/not creditworthy - fear they will not get paid by small guys
  > Don't have the ability to match their idling capacity with the demand/ credit-worthiness of a new customer

Bottom line - there are risks, complexities and costs involved in working with smaller chains & franchises. Contractors are hesitant to allocate resources, set up and service small, unknown businesses with no assurance of hassle-free payments.

If we could somehow remove the risk and the hassle of doing business with independent restaurants, chains & franchises, we could bridge the gap between these two groups and provide small restaurants with access to the same quality of service and fast turnaround that the larger chains enjoy.

CHAPTER 9
Meet SendaGuy Now

No one had more experience understanding the challenges commercial contractors face and insights into how they work. And now with mobile technology, we could also know where they work. We built SendaGuy Now as a free mobile app that matches the details of a restaurant's repair service request with the credentials of a qualified repairman working nearby.

By matching idling (contractor) capacity with nearby (restaurant) demand and facilitating the entire transaction, we believe we can successfully reach an untapped market while increasing our footprint and enriching our databases.

SAGN is the only app that matches idle capacity with demand and demand with qualifications and payment.

Testing our Theory: the Approach:
First – we assembled a team:

- Firefield – web and mobile app development (http://firefield.com/)

- Ladder io – digital marketing agency specializing in audience growth

And we built an app:

The product is an application with both web and mobile components that allow independent and franchise restaurants to request the services from registered, vetted, qualified contractors.

The trades that are deemed critical for the beta test are air conditioning, refrigeration, cooking equipment, electrical, plumbing, fire safety, junk removal, and handyman services.

We used a cutting edge technology stack (technology is our secret sauce):

- ReactNative for the mobile front-end (hybrid solution for IOS and Android invented and backed by FaceBook)
    - > Shared codebase for 2 platforms
    - > Quicker to deliver features and fix bugs (don't have to do it twice)
    - > Uncompromised Native user experience (no lag time which most other cross platform solutions have)
- Ruby on Rails backend and Web Apps
    - > Industry recognized solid architecture
    - > Proven by time
- Hosting on AWS Elastick Beanstack
    - > Infrastructure as a service
    - > Do not need to have an infrastructure team to manage it
    - > Wired for infinite scalability out of the box (when the time comes to handle million requests per second -- we do not have to do any additional work)

The SendaGuy Now ecosystem:

- The mobile app: 4 versions: Restaurant, Contractor, Tech, Admin
- SAGN Parts Web store and Mobile Warehouse - to increase first time fix rate, provide value to restaurants, make contractor more efficient

In order for the app to function, there are several user interfaces that have to be engaged with the customer and contractors. The customer must download the app from the Apple or Android store and set up an account with at least one location. The contractor must also set up an account to include insurance, licenses, banking and at least one technician.

And we created a brand:

Using LogoTournament.com we held a logo contest and got hundreds of submissions from graphic designers around the world.

The result – WifiGuy:

Tagline: *"QUICKLY SERVING RESTAURANTS"*

And we created our messaging:

For contractors : *YOUR NEXT JOB IS AROUND THE CORNER*

How the Contractor Benefits:

SendaGuy Now technology matches commercial repair contractors seeking new, high-margin service work with nearby paying restaurants that need repair services

- Help contractors not only get more work at a high-margin

- Helps address the problem of shortage of qualified technicians

- SAGN makes the techs contractors have more efficient (increase utilization, increase first time fix rate)

For restaurants:
FIND THE RIGHT REPAIRMAN, RIGHT NOW

NOW = Now or Whenever. Recognizing that not everything was an emergency, we gave the restaurant prospects the option for immediate repair service, or the ability to schedule service for a later date.

How the Restaurant Benefits:

- Let's face it, whether you're a full service, fast casual, or a quick service restaurant, if your equipment is not repaired quickly and correctly, you're losing business

And we got focused:
We met with select contractors and restaurants to test our message, refine our story, take the temperature of their interest.

Large hand sheet:
Contractor collateral sample

Small hand sheet:
Restaurant collateral sample

CHAPTER 10
Then we launched a Beta Test

SAGN launched June 20, 2016 (duration of the beta test is until January 1, 2017)

Why we did it:
SendaGuy Now is a software application that connects independent and franchise restaurants in dense metropolitan areas that traditionally cannot get the services from local qualified service contractors. These same contractors are seeking additional work when they have the resources available.

We built this piece of software to test the following hypotheses:

- Restaurants are looking for qualified contractors that traditionally will not work for them to repair their critical equipment in an expedient manner

- Restaurants will make a minimum of 2 service calls per month. (24 per year)

- Contractors are looking for additional work only when they have the capacity to do such work

- Contractors want to be paid at the time of service

- Contractors will only register their technicians in a system if that system provides them new work that they get paid for

- Both restaurants and contractors want first time fix. We have implemented and are testing a mobile parts warehouse

- Every 20 restaurants active in an area will require 3 contractors minimum for every primary trade we offer. We will have to learn what the proper restaurant-to-contractor ratio is by trade and geography

Beta Test Goals:
Overall goals:

Establish proof of concept –

- Will restaurants use this type of service for their repairs?

- Will contractors sign up and find value in our service?

- Will contractors add their technicans to our database and mandate they use their smartphone and have them on during the day to take this work?

- Is this a scalable business?

- What type of marketing works and what will it take to get this business off the ground?

- Get feedback - Optimize product, user experience, work out bugs

Restaurant goal: 10% adoption/use of the app would be a highly desired initial goal

Contractor goal: provide each contracting company, at minimum, with 2 new jobs a month.

Where we did it:
SAGN beta was in process in an area we defined as Union Square that comprises 331 restaurants (1st Ave to Sixth Ave/14th St to 23rd St.)

Why New York City? New York leads the nation with the highest percentage of independent restaurants with 82.1 percent of the state's restaurants being independent.* The five boroughs of New York City, particularly Manhattan, are largely comprised of unique restaurants.

How we did it:
We got to work acquiring Contractors and then Restaurants:

To build our hit list – we hit the streets:
Our acquisition of contractors and restaurants started with a process of identifying contractors that service this area by capturing photos of their service vans on the street.

Source: CHD Expert's Restaurant Database 2015

And the Web:
The Union Square Partnership listed 324 member restaurants in their online directory. (Our street teams revised this number to 331).

Then we reached out (online and offline) to discuss the benefits of SAGN:
Our short-term goal for the first three months was the acquisition and activation of contractors and restaurants within the USQ target area:

Ladder Digital helped us test various online channels and tactics over the next three months to acquire contractor prospects as well as optimizing the process by which each prospect is activated.

Strategy
Strategic focus included the following:

- Finding the highest quality sources of commercial kitchen equipment contractors who can service locations in Union Square, Manhattan

- Optimizing the pipeline at each stage

    > Prospecting >> Acquisition >> Activation

- Establishing a testing flow for testing SAGN's prospecting approach including:

    > Lead source testing (website scrape sources, list purchases, etc.)

    > List merge/purge - Compare with our House list

    > Audience testing (i.e. different prospecting flows for a contact's role)

    > Message testing (sales scripts, emails, online ad creative, etc.)

    > Process testing (time of day, day of week, etc.)

Challenges
- Educating contractors that they have capacity for high margin service work

- Establishing that SAGN is a trusted resource for high margin service work

- Reaching busy small business owners and contractors during business hours

Online Tactics:
Emailing – weekly drip campaigns,

CONTROL C1: On-demand kitchen repairs for {!venue} (i.e. the "Uber" of restaurant repairs)
T2: Now {!venue} can stop stressing about repairs
T3: {!venue} can get same day repairs without a contract

Week 1 Body Copy is same for all 3 emails (C1/T2/T3):

Hi {!venue},

Say goodbye to lousy restaurant repair service.

There's a better way for {!venue} to get quality kitchen equipment repairs quickly - whenever you need them.

Just tap on our app and we'll SendaGuy Now. No contracts, no kidding.

SendaGuy Now is the new must-have service for Manhattan restaurant owners and their staff. Download this free mobile app for iOS or Android to get on-demand access to top quality, licensed and insured service technicians (think of it as the "Uber" of restaurant repairs).

200+ NYC restaurants are already using this revolutionary app to order on-demand repairs for:
KITCHEN EQUIPMENT • HANDYMAN • REFRIGERATION • HVAC • PLUMBING • ELECTRICAL • JUNK REMOVAL • FIRE SAFETY

Even if {!venue} already has a guy - download our free app for iOS or Android and you'll always have a backup plan in case your guy is not able or available to fix what's broken.

Social Media Posting – launched #greatlittleplacesnyc campaign on Twitter, Instagram, Facebook which featured images and comments on EVERY restaurant in our target area.

Scraping – to build our hit list we scraped various online databases (LinkedIn, Yelp) for restaurant and contractor leads

Search and Social Media Marketing - tests were run with Google Adwords and Facebook Ads

Offline Tactics:

Street Teams - Minimal market budget requires a very hands-on approach and one tactic was to personally meet every restaurant as well as every contractor company for questions and training.

Outbound telemarketing - outsourced outbound phone outreach to restaurant/ contractor targets

Direct Mailing – postcards and flyers were mailed and distributed

SENDA PLUMBER
KITCHEN EQUIPMENT TECH
REFRIGERATION EXPERT
ELECTRICIAN
HVAC MECHANIC
HANDYMAN NOW

RESTAURANT
REPAIRS
ON-DEMAND

SENDAGUY
NOW

Faxing – many restaurants still use faxes to receive orders so we know they are looking here; low-tech contractors may check emails at the end of the day so we felt faxing would be more immediate and intrusive

Magnets – street teams stuck magnets on contractor vans with a referral offer in the hopes that techs would tell their bosses when they got back to the office (and claim the $100 referral reward)
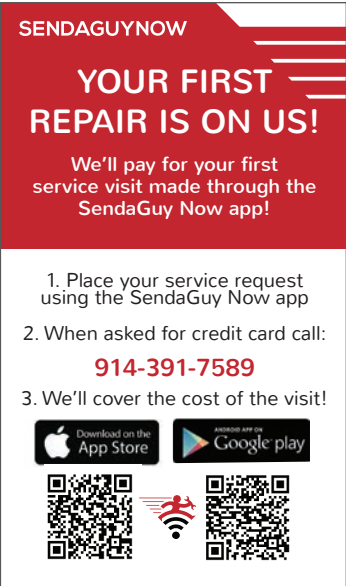
Partnering – with third party trade organizations would give us instant credibility as well as direct access/exposure to our NYC target audience: Union Square Partnership (beta area), New York CIty Hospitality Alliance (8000 member NYC), New York State Restaurant Association (NYC Chapter)

Promoting – offers included – Starbucks Card, $150 off; Free Service Visit

The Results - First Alpha, then Beta

Alpha Test: June 20

- On Demand service is a new concept – one restaurant owner placed calls and left on vacation assuming service would take weeks

- Our limited release – 3 waves of 25 invites - was too small

- Onboarding process for restaurant users was cumbersome, too many steps (invitation before you could download)

So we revised our programming and our messaging and re-submitted into Apple store and communicated the new message to our target

Beta Test : July 12

What we learned in the Beta:

Demand side overwhelmingly approved

Insights:

- 22% of restaurant target signed up before software went live
- 73 registered, 23 fully active
- Offer of free first service visit stimulated activity – drove early adopters
- OBTM - Early morning, late days/EOW
- Persistence pays off

Supply side accepted more readily by smaller, hungry contractors. Aside from a few early adopters, most larger contractors adopted a 'wait and see' approach

- 500% of contractor target signed up - 60 contractor signups in the system
- 23 companies active
- 111 technician users

Insights:

- Faxes get attention with smaller businesses, low tech contractors
- Persistence pays off
- OBTM - Early morning, late days/EOW

Why Us?

As mentioned, delivering commercial repair & maintenance services is a complex process. We knew that changing an entire industry that has been doing business the same way for the last 50 years would requiring changing the way both restaurants and contractors think about dispatching and settling payment for service. Kleiner Perkins underestimated this complexity, thinking that any bunch of coders with a case of RedBull could disintermediate any dispatcher. Not true. But with more than eighteen years experience in the contractor management software business, only we had the industry expertise and the insights to figure out how it could be done.

And we built it.

Chapter 11
SendaGuy Now Takes Manhattan

Our Union Square Alpha and Beta tests proved that a variety of Manhattan restaurant types did want on-demand repair service and that commercial contractors were willing to service unknown customers who request them through the SendaGuy Now app.

But did we have a business?

After reviewing the results of the Union Square Beta Test, the board was optimistic. On August twenty sixth, we had thirty two restaurants on the system with transactions steadily rising. Things were good, but was it a business? The board needed more convincing, so they gave us a new target: 200 restaurant locations on the SendaGuy Now platform by the end of 2016. To hit this number, we had to go beyond Union Square and offer service to all of Manhattan. Game on.

Hunting and Farming
The plan was to broaden our marketing reach beyond Union Square to all of Manhattan. This would enable us to warm a larger volume of

restaurant leads. But signing them up was going to be hand-to-hand combat. Marketing would supply the air cover, sales would be the ground attack. So on Sept 12, we hired our first fulltime salesperson, an aggressive foodie with a flair for schmoozing and a love of going out. Tamara G. was a tornado signing up eleven restaurants in her first week. This was working.

Next we increased our outbound telemarketing team to two operators who would each make 300 calls per day. Their focus: get restaurants to download the app while they were on the phone. If this didn't work, they needed to schedule a meeting with our salesperson, serving up a warm lead. We also added a new outbound telemarketer to call contractors as we needed to keep supply increasing as we drove demand. We added Stephen C., a new member of the team dedicated to onboarding all new contractors. Not satisfied with the responsiveness of our emailing partners, we brought this function in-house and had the marketing team manage all drip-campaigns internally.

But a funny thing happened on the way to 200 restaurants. We saw our locations increasing but transactions – service requests – weren't going up proportionally. If anything there were flat. Houston we have problem. It became quickly apparent that restaurants still needed a little help in setting up their profile and a nudge in getting them to place a service request via the app. Our challenge wasn't that restaurants didn't love the idea, they did, it was just that ordering repairs from an app was a new behavior for them. When they have a critical situation they fall back to old habits and SendaGuy Now was not on the front of their mind. We weren't seeing the numbers. We knew that more "hand holding" of the prospect together with more brand awareness and exposure was needed.

Bring on the Farm Team
Farming was the 'two' in the one-two punch that was Sales. Sales would sign them up and set up a meeting for the Farmer who would swoop in, usually that same day, to help walk restaurant staff through the app. Walking them through the app took a little more time which gave the Farmer a chance to build a rapport and survey the location. From there he could serve them up ideas for service requests. "Nothing broken? How about some handyman work? Yes we do that too. Can I take a look at that hood? Looks like it's about to clog – you may want to set up a cleaning before the holiday crush. Let me schedule that for you."

Having tag teams of sales people on the street might be counterintuitive to the idea of mobile app marketing but we were dealing with a variety of factors that made this practical. This was new behavior for most restaurant owners, many of who were not familiar with mobile apps. We had to reach a tipping point - when good experiences with our app caused good word of mouth marketing. And we weren't there – yet.

Web scraping (**web** harvesting or **web** data extraction) is data **scraping** used for extracting data from websites. **Web scraping** software may access the World Wide **Web** directly using the Hypertext Transfer Protocol, or through a **web** browser.

Web scraping - Wikipedia
https://en.wikipedia.org/wiki/**Web_scraping**

Scraping our way to the top

While the sales team was working the streets, marketing was working all other media channels including weekly emails, faxes, social media ads and postings on Instagram, Twitter and Facebook. We even got smarter about our scraping, going into the New York City Health Code database three times a week to see which restaurants in Manhattan had grades pending. This lead to a call from our OBTM team followed by a targeted email and a visit from Sales.

We also reviewed nine websites weekly to compile a list of new restaurant openings, all who received a *'Welcome to the Neighborhood'* mailer complete with a VIP card and a follow up visit from Sales that week. We began targeting millennials, who we found more likely to adapt to the new behavior we were proposing. Forbes and Zagats both put out their "30 under 30" reports about young restaurateurs in New York City. We followed them all and pointed our Marketing and Sales machine at them and the restaurants they operated.This has proven successful and gave us our early adaptors who drove interest in our asset tagging program. (More on that later).

The Networking Effect

We were disappointed with the Union Square Partnership association and it's lack of connection to local establishments. Now that we were targeting all of Manhattan, we were ready to start leveraging the relationships with New York's two largest trade groups – the New York City Hospitality Alliance and the New York State Restaurant Association. If we were going to look big and be credible to restaurant owners, and the larger hospitality groups they had as members, we needed to align our brand with the biggest, most respected organizations in the industry. Being members of these orgs paved the way for a variety of event appearances and exhibitions including the *Future Food Expo, NYC Wine and Food Festival* and *The NYC Restaurant Summit*.

A major turning point for us was a dedicated email that NYCHA sent, introducing SendaGuy Now to 8,000+ alliance subscribers three days before NYCWFF show at the Javits Center in October.

Not only did this email drive a lot of qualified traffic to our booth but it triggered *Quality Branded*, one of the most respected hospitality groups in New York City, to add ALL of it's restaurants onto our platform – without anyone speaking to them. Soon after, a NYSRA networking event yielded an introduction to Danny Meyer's *Union Square Hospitality Group*, which resulted in a pilot starting at *North End Grill* after Thanksgiving. We are now 'sitting at the table' with two of New York's premiere restaurant groups. More to follow.

Streamlining Supply
As we sought to reach higher end hospitality groups we needed to ensure the integrity of the contractors on our platform. We implemented a strict vetting process that yielded about 40% acceptance rate.

Driving Demand

By the end of October we were adding 20+ new restaurants per week. Most new jobs were for cooking equipment with handyman services second and refrigeration coming in third.

On November 8 we hit two hundred restaurants, almost two months before our deadline. We've had no chargebacks or refunds or any type of dispute and no one questioned our terms and conditions. We are able to say to the restaurants that we can offer a "Fair Price Guarantee" as we are monitoring what contractors are charging and if their fees are too high we work with them to lower their fees or we disable them from getting work. We clearly had the momentum, but our focus was changing.

Repair services is a numbers game. The more locations on the system, the more likely to have a repair request. To nudge this along we tried several offers to incentive the restaurant to try the service. Our current limited time offer of $150 off the first service visit is leading at helping Sales get sign ups but, as mentioned, sometimes nothing is broken. We needed to find a new way to create demand – to generate a different kind of transaction.

Maintenance vs. Repair
Initially due diligence resulted in our hypothesis that the most important service we could provide is on-demand repair service for a restaurant's critical equipment. We've since discovered that restaurants want a trusted source for knowledge and education, as well as a preventive maintenance solution, as their only option is the expensive service contracts.

- On-demand repairs represent about 37% of the work and 63% is maintenance

- Independently owned and managed restaurants that have used a large service company and had a maintenance contract feel it was a rip-off

- Hospitality groups, who generally use the bigger contractors and have maintenance contracts, also mostly think they are a rip-off

So these groups are overpaying for maintenance services they don't get or it's just not being done. Not doing preventive maintenance shortens the life of the equipment, causes equipment to not work as designed, increases energy usage (higher utility bills) and increases downtime.

We have an opportunity to be the educators/advisors to independently owned and managed restaurants and to create demand for scheduled and preventive maintenance.

CASE STUDY

Fleischers asked us to review their maintenance contract. The cost for 4 annual visits as a preferred customer was over $10,000 upfront fee for the year.

This contract allowed them also to bill an additional $500 each visit for additional work without approval.

Upon review of the agreement, there were items listed on the scope of work for equipment that was not even part of that restaurant.

Their maintenance contract was a rip-off and customer did not renew.

We showed Fleishers the items in need maintenance that they could perform and those that they could use us to dispatch a service company to perform themselves 4 times a year saving that restaurant about $7,000.

Similar to trade organizations like NYCHA and NYSRA that are the voice of the restaurant from a legislation standpoint, there seems to be an opportunity for SendaGuy Now to evolve into a more advisory role for these restaurants from a repair and maintenance perspective. We know from experience that larger restaurant chains relegate this role to the Facilities Manager. Independents don't typically employ that person, so they are left to their own devices and instincts.

So we pivoted, adding Scheduled Maintenance to our business plan, and set out to educate our consumers about how to properly maintain their equipment.

Education = Transactions

By educating restaurants on the importance of maintaining and repairing their equipment properly, what preventive maintenance they can do themselves and what they need a contractor for, SendaGuy Now will disrupt the traditional "maintenance contract" model.

Tapping into our FM Guys network, we can deploy restaurant maintenance consultants on demand (a different type of guy to send) who can physically come and do an equipment inspection. The FM Guy can then schedule the services for them and when service is due the app will dispatch contractors through the system utilizing the idle capacity of a technician nearby who can perform the service. We'll also know from our equipment database (Equip ID) what materials are needed and deliver them on-site, either via our Mobile Parts Warehouse or through other sources, to insure the materials are there when the technician arrives.

To start, we let our target audience know that SendaGuy Now is more than just Restaurant Repairs on Demand. In fact, handyman services is our #2 most popular service request category – so we turned up the marketing volume on that. Then we increased promotion of preventive maintenance services with Pre-Holiday equipment checkups and equipment surveys.

Our *"Christmas in October"* campaign was an example of efforts to raise awareness of the impending holiday rush and drive engagements/site visits and lay the groundwork for future transactions. Having a restaurant invite us in to do equipment surveys enables us to engage in asset tagging, which is a key part of the SendaGuyNow data strategy.

CorkBuzz Wine Studio, a high-end establishment on West 13th street, owned by Master Sommelier Laura Maniec, was the first to bite. Our survey of their equipment yielded four new service transactions. We have since become their trusted resource for both maintenance and repairs.

Equipment surveys are a great opportunity to talk about our Asset Tagging program.

Tagging assets provides the following benefits:

- Service technician can conveniently pull up service history about an asset before starting work to see what's been done and when

- Restaurant can view aggregated service history in real time of their equipment inventory

- Equipment surveys and asset taggings enrich the SAGN equipment database

- Asset tagging gets our brand name in more kitchens in NYC

Restaurants need a Little Push (Notification)
One of the new tools in our toolbox is AppBoy. AppBoy enables the marketing team to craft and schedule a variety of communications to those who have downloaded our app including push notifications and in-app messaging, based on a variety of behaviors.

For example:

- When a user completes a third service request they are prompted to review the app on the app store, as reviews drive our App Store Optimization efforts.

- We can push seasonal messages to drive preventive maintenance calls (pre-summer, pre-winter).

- We can also send reminders to clients who we can schedule services for:

Grease Trap Cleaning	2 - 4 times a year
Exhaust System Cleaning	2 - 4 times a year
Air Conditioning System	2 - 4 times a year
Fire Suppression System	1 time a year
Fire Extinguishers	1 time a year
Refrigeration	2 times a year
Ice Machine	2 times a year
Commercial Kitchen Equipment	2 times a year
Backflow Preventer	1 time a year
Cleaning Services	As needed

Adding The Easy Button

To further stimulate usage of our service we added a service request button to the website and positioned it as a 'free trial' to prospects who were still hesitant to download an app. We saw increased usage the first day. This would be the first step in developing a web-based version of the app, complete with dashboard access for clients, as we expand our reporting offering. Early adopters of asset tagging are asking for this.

We also implemented a referral program as well as increased use of testimonials in our marketing, which have been proven to increase adoption.

"I already have a Guy."

We heard this all the time. But when asked if their 'guy' could fix everything, restaurateurs were not so sure. No worries – we didn't

want SendaGuy Now to be perceived as an all-or-nothing solution so we included a "Send MyGuys" feature which would enable a customer to add their "favorite" contractor and direct service to them as needed. Conversely we launched messaging to contractors to become someone's 'favorite' incentivizing them to do a good job and bring more customers onto the platform.

Top of Mind
Starting in December 2016, our Thought Leadership initiative continued with the engagement of *Total Food Service*, metro New York's food service publication, with a monthly web and print column, e-blasts and ads. This will be a test of another industry channel to showcase our expertise in repair and maintenance to 18,000+ subscribers in the Tri-State area.

White Label Opportunities
SendaGuy Now technology is conducive to many industries where locating, hiring, dispatching and paying a sub-contracted or self-performing field work force are an integral part of service delivery. These include:

- Janitorial Services
- Waste Management & Removal
- Messenger Services
- Restaurant Delivery
- Disaster Recovery Services
- Verification Services
- Landscaping
- Mystery Shopping
- Carpet Cleaning
- First Responders
- Industrial Disinfection & Sanitization

SendaGuy Now is already in discussions with several companies in these target industries to develop white label programs. These include:

Clorox & ByoPlanet International® – The Clorox Company (NYSE: CLX) is a leading multinational manufacturer and marketer of consumer and professional products with about 8,000 employees worldwide and fiscal year 2016 sales of $5.8 billion. Clorox has strategically aligned with ByoPlanet International to develop and deliver a commercial sanitization service that can be deployed on-demand by a variety of customers. ByoPlanet is the industry leader in advanced induction charged mechanical delivery systems that is revolutionizing the way Cruise Lines, EMS, Corporations, Schools, Hospitals and Contractors view and treat public health.

BrightView Landscapes, LLC - provides commercial landscape maintenance services in the United States. The company's landscape maintenance services include lawn care, flower bed planting and care, tree and shrub pruning, leaf removal, grass mowing, bed edging, planting of grass, groundcovers, grading, weed and pest control, irrigation maintenance, fertilization, and mulching. It also provides snow removal services to its landscape maintenance customers. In addition, the company offers landscape design/build services. It serves various regional and national property owners and managers of office parks, hotels, corporate facilities, retail centers, industrial sites, schools and universities, hospitals, professionally-managed residential properties, municipal facilities, cemeteries, and sports facilities.

Universal Environmental Consulting – is a regional waste handling company that uses sub-contracted labor to provide a variety of service including waste removal and handling, temporary container services m right-sizing and service level auditing and consolidated billing.

ReleVue – is a professional services company aimed at revolutionizing the speed at which facility management companies document and communicate the progress, completion, and accuracy of services rendered to their customers. By using crowdsourcing as the means to satisfy the "I need it now" customer, Relevue delivers an enhanced understanding of properties at speeds and efficiencies not currently seen in the industry.

Learnings to Date

The old way is still in the way. (Habits are a hurtle.)
As previously stated, we are seeking to disrupt an entire industry that has been doing business the same way for the last 50 years. To change the way restaurants order and receive repair services and change the way commercial contractors accept, dispatch and service customers who they have no contracts with will take time. Old habits are a natural obstacle to new behavior.

"Just today we could've use your services but it is not yet intuitive for me to think that way. Reminders like these do help!"

- Brother Jimmy's BBQ

You can't improve what you don't measure
Each department of the SendaGuy Now Team is measuring everything we do in painstaking detail. Weekly status meetings and reports review metrics and inform agile strategy shifts in real time. Best practices, failures and learnings are documented in our SendaGuy Now Playbook which will act as an operational blueprint as we roll into other cities.

"The story continues..."