

AN XOi E-BOOK



Expanding Your Field Service Territory and Acquisitions

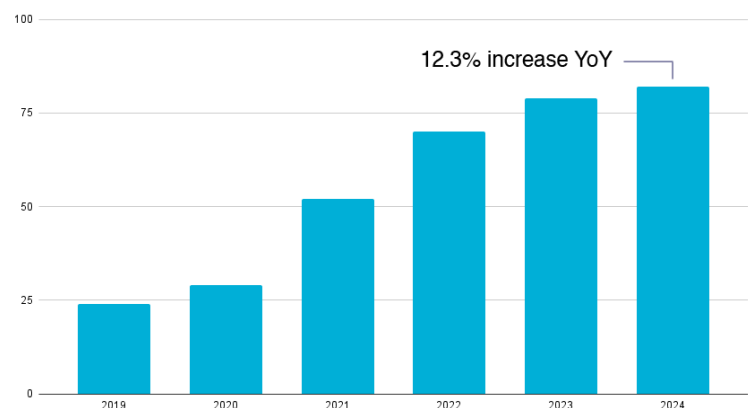
FOR FIELD SERVICE COMPANIES
CONSIDERING CONSOLIDATION



Introduction to investment in HVAC

Large field service companies and consolidators have ramped up their investment in smaller, mom & pop field service companies over the past several years, attracted by profitability, opportunities for recurring revenue, and their somewhat recession-proof business model - spending on repairing critical capital equipment, HVAC systems, and other assets is less vulnerable to macroeconomic trends.

HVAC consolidators, by year



HVAC sector in particular has drawn more attention from consolidators and PE firms, with the number of consolidators increasing, and the number of PE-funded deals growing over time. According to recent data from [Capstone Partners](#), there has been a **12.3% year-over-year growth** in HVAC services deals, with 64 such deals announced or completed by mid-2024, and private equity firms are deploying growth capital investments to support private strategic acquisitions in this market.

To maximize the return on investment in the field service space, there is ample opportunity for efficiency improvements that can increase technician productivity, reduce costs, and increase visibility into operational data in ways that can both help optimize and standardize processes and identify additional revenue opportunities.



Tech-driven Growth

Reducing expenses and driving top line revenue growth for consolidated companies.

For companies considering investment, how does XO*i* technology reduce expenses and drive top-line revenue growth?

Operational Efficiency

Using the XO*i* platform allows field service organizations to improve their efficiency across roles and domains. For field service technicians, jobsite efficiency can be enhanced via a number of features:

Time and Cost Savings

By enabling technicians to capture and share visual documentation of their work, XO*i* ensures high-quality service and reduces repeat visits. They can quickly confirm that they have completed all tasks with both supervisors and their customers while still on the job site, eliminating the need for additional truck rolls that can cost thousands of dollars. XO*i* also reduces downtime and increases technician productivity. This leads to less time spent on each job, time and cost savings.

Real-time Documentation

Automated, real-time documentation processes reduce the paperwork burden on the technician, so they can focus on service delivery. XOi makes documentation part of the natural workflow on the jobsite, and provides fast access to repair instructions, supporting documents, and customer information, right on their mobile device.

Knowledge Management

XOi provides tools for training and onboarding new technicians quickly and effectively, ensuring they are productive sooner. The knowledge management features of XOi help companies capture information from seasoned technicians, and make it available for training and support. Better-trained technicians perform more efficiently and provide higher quality service

Case Studies



83% decrease Customer Callbacks

Aire Serv® of Pasadena - saw an **83% decrease** in customer callbacks after deploying the system.

[Read the Case Study](#)



20% increase Senior Technician Productivity

Boulden Brothers used XOi to enable a **20% increase** in senior technician productivity.

[Read the Case Study](#)

Back-office and administrative operations are also improved using XOi.

Real-time Insights

Real time insights reduce administrative overhead. Paperwork does not need to be processed after technicians complete their shifts, because the information is automatically uploaded from the field throughout the day.

Employee Evaluation

XOi can make it easier to evaluate a roster of technicians to understand which employees are underperforming, and which are meeting or exceeding expectations. Supervisors know exactly who to train, and what to train them on. With that information, it is easier to send the right technician for the job to the customer location, so the problem gets fixed the first time. That not only saves time, but money.

Benchmarking Data

XOi provides comprehensive benchmarking data on asset performance by region, enabling contractors to optimize the performance of their equipment, based on actual usage data. This leads to reduced downtime for the customer and increased productivity for the service company.

Data-driven Insights

XOi empowers companies with data-driven insights for predictive maintenance, reducing unexpected breakdowns and extending the lifespan of HVAC units. This ultimately minimizes repair costs, while also reducing the number of emergency calls on the schedule, and encourages end customers to retain an active maintenance contract.

Compliance

The XOi platform helps ensure compliance with industry regulations through accurate and consistent documentation, reducing the risk of fines and legal issues that can impact cost liabilities. This is particularly important in the HVAC sector, where government rules with respect to refrigerant handling and disposal levy heavy fines and penalties against companies for improper disposal or leakage. Manually tracking and documenting compliance can add administrative costs to field service operations that XOi can eliminate via automation.

AI Insights

Artificial Intelligence can play a significant role in helping field service companies optimize costs. AI algorithms can analyze vast amounts of data quickly and extract valuable insights, as well as reduce a lot of the “busy work” that can bog down technicians with tasks like writing work summaries and searching for equipment manuals. By rapidly analyzing data and knowledge from disparate sources within the service organization, AI can help lead to faster answers and decision making for technicians on the job site. Optimizing tedious processes reduces downtime on site, and AI-based analysis and automation can fuel those efficiencies.

Optimizing operational processes is a crucial aspect of cost reduction in the field service industry. XOi tools reduce downtime and increase technician productivity, leading to cost savings and higher profitability.

Revenue Growth

In addition to reducing costs and improving efficiencies, XOi helps field service organizations increase revenue. In the field, improved data access and visibility, combined with automation, makes it easier for technicians to notice upsell or referral opportunities on the job, and then communicate those to the sales team via direct workflows.

In addition, XOi’s ability to provide predictive maintenance statistics facilitates the shift from episodic break/fix work to long-term contractual service agreements. This is a critical transition in the service sector where selling outcomes (i.e., reduced downtime) is a path toward reliable, recurring revenues. Increasing the predictability and stability of recurring revenue streams enhances financial stability and increases valuation.

In the office, implementing robust referral programs incentivized through the XOi platform can drive new customer acquisitions at a lower cost. The increase in customer base and subsequent long-term service agreements directly contribute to higher revenue.

By providing asset data to the technician as part of their standard workflows on the job site, XOi can uncover equipment in an asset universe that is approaching or has reached its end-of-life. Using these data analytics, contractors can identify and pursue upsell opportunities more effectively, increasing revenue from existing customers.

XOi tools increase revenue through market expansion, improved sales techniques, and strategic, data-driven asset utilization. This leads to higher returns and profitability for each shop.

Case Studies



Temperature Pro San Antonio used XOi to **grow its average ticket size by 62%**.

[Read the Case Study](#)



Anthony Plumbing, Heating, Cooling & Electric was able to **improve sales conversions to existing customers by 9%** with XOi, and **increased conversions for end-of-life replacements by 7%** with new customers.

[Read the Case Study](#)



Boulden Brothers saw a **24% year-over-year revenue increase** with XOi, and a **15% increase in service ticket value**.

[Read the Case Study](#)

Customer Trust and Retention

(Reducing Customer Churn)

A key trend in the field service sector over the past decade has been the transition from reactive break/fix service to long-term service contracts, preventive maintenance, and a generally more proactive engagement with customers. This has happened as a result of service evolving from a cost center to a revenue center among OEMs, and the need for service contractors to stabilize revenue streams that have traditionally been difficult to predict, or highly seasonal.

This transition has also been enabled by technology innovations in field service management that provide faster job site communication, more reliable dispatching, better visibility into equipment status/performance, and predictive modeling/analytics. However, these solutions have often been implemented piecemeal or in a highly siloed manner.

XOi helps solve this disparate data problem by providing a centralized way to share, manage and access data from the field. XOi helps contractors provide end-to-end transparency to their customers. XOi's photo and video capture capabilities give customers insight into job/project status that was not previously possible, which helps to build a high level of trust.



Superior service through transparency boosts customer satisfaction and retention rates. Higher retention leads to reduced churn, and a more stable and growing customer base.

XOi also facilitates improved communication between the contractor and the customer. Consistent, excellent communication leads to happier customers, and more success when it comes to upselling in the field and future referrals.

On an ongoing basis, data-backed advice on maintenance and replacement strategies will give customers more confidence in the service contractor's recommendations. This further facilitates the shift from a break/fix vendor to more of a long-term advisory role with customers.

XOi customer JM Brennan was able to increase customer satisfaction scores by 10x using the platform. Design Mechanical saw a whopping **80% improvement in customer satisfaction scores**, along with a **65% decrease in invoice disputes** and a much faster quote-to-approval cycle.

Positive customer experiences are a key part of retention strategies in markets that have often been driven by commodity pricing. Long-term contract strategies in service will only succeed if service providers can offer high-levels of service execution, unique service experiences, and competitive cost structures. XOi can help deliver all of these qualities.

Case Studies



JMBrennan, inc.
MECHANICAL CONTRACTORS

JM Brennan was able to **increase customer satisfaction scores by 10x** using the platform.

[Read the Case Study](#)



COMFORT SYSTEMS USA
Design Mechanical, Inc.

Design Mechanical saw a whopping **80% improvement in customer satisfaction scores**, along with a **65% decrease in invoice disputes** and a much faster quote-to-approval cycle.

[Read the Case Study](#)

Risk Management

XOi provides a centralized database for all equipment data, SEER/SEER2/EER ratings, refrigerant types, installation and manufacture dates, and other key pieces of information that are stored and easily accessible across the organization. This helps ensure businesses remain on track with meeting refrigerant phaseout deadlines, efficiency compliance requirements, while also helping them to manage warranty claims.

1

Compliance

XOi helps to reduce blind spots and compliance issues, which leads to better control of cost liabilities & understanding downside risk. In highly regulated markets like HVAC, risk mitigation is a key part of cost control and reduction efforts. As noted previously, refrigerant handling is subject to numerous regulations centered around proper handling and disposal of refrigerants, as well as the replacement of older refrigerants with more eco-friendly alternatives. There have also been changes to Seasonal Energy Efficiency Ratio (SEER) requirements from the U.S. EPA.

XOi provides a centralized database for all equipment data, SEER/SEER2/EER ratings, refrigerant types, installation and manufacture dates, and other key pieces of information that are stored and easily accessible across the organization. This helps ensure businesses remain on track with meeting refrigerant phaseout deadlines, efficiency compliance requirements, while also helping them to manage warranty claims.

2

Optimization

For warranty management and optimization, XOi provides documentation (including images and videos) to ensure products have been installed correctly. This can protect the company from bogus/inaccurate warranty claims without lengthy and costly research or investigation. XOi also tracks equipment types and produces bulk reports that can track warranty information and claims by manufacturer or model.

XOi can also provide quantifiable refrigerant management and EPA compliance benefits. With high inflation and frequent supply chain disruptions, HVAC companies need to be proactive in order to reduce the cost of regulatory enforcement. It's likely that if an HVAC company is attempting to purchase refrigerant once the new regulations roll out, the required refrigerant may not be readily available. XOi proactively tracks refrigerant types across the equipment universe of each consolidated company so that purchasing decisions can be made early, and companies can take advantage of bulk pricing.

That visibility will be even more important as standard refrigerant is phased out and OEMs begin creating their own alternatives. Understanding which pieces of equipment will need what specific refrigerant types allows for proactive planning and purchasing. Having this type of visibility across all assets and all companies not only drives efficiencies, but also provides a well-mapped plan of action for equipment updates/replacements that can boost revenue.

Learn more about XOi and regulatory compliance



3

Refrigerant Management

XOi also provides tools to help ensure technicians are properly trained on refrigerant handling and disposal, and can quickly access guidance if they have questions in the field. Refrigerants have come under close scrutiny by the EPA because the hydrofluorocarbons (HFCs) used in them are a much more potent greenhouse gas than carbon dioxide - potentially thousands of times more potent, in some cases. According to researchers at [Project Drawdown](#), one glass of HFC-134 has the same warming potential as a thousand pounds of carbon dioxide pollution.



Violating the HFC handling provisions of the Clean Air Act can result in tens of thousands of dollars in fines per day of violation, confiscation of the refrigerants, a loss of certification to handle the refrigerants, and even criminal prosecution. EPA compliance will be a huge cost driver in the HVAC sector. In other field service markets, workplace safety regulations, state-level compliance, and energy efficiency programs (like the rebates offered under the recent Inflation Reduction Act of 2022) present potentially costly administrative requirements to utility, electrical, plumbing, and energy service companies. XOi automates these compliance workflows while providing portfolio-wide visibility into these efforts.

That type of [asset congruence](#) is another key benefit of XOi in the service sector. Mandating that the companies you've consolidated use the same system of record will centralize data across all companies and customers. With the data plate information pulled into XOi, this provides a full picture of the installed equipment universe, including equipment age, recall status, and service bulletins. That data is a map to new revenue opportunities with existing customers. Having access to this centralized and consistent repository of data allows consolidators to make decisions that will impact efficiency and growth of those assets from the highest level.

Conclusion

Field Service is a \$2.2 billion North American SAM (Sellable Addressable Market); globally, it represents an **\$8.3 billion global SAM**.

Current market analyses across sectors point to a lot of growth potential in field service, and upside for consolidators looking to purchase smaller size shops. Consider:



19.2% CAGR Growth **in field service** **management**

According to Allied Market Research, the global field service management market size was valued at **\$5.2 billion in 2021**, and is projected to reach **\$29.9 billion by 2031**, growing at a **CAGR of 19.2%**.



\$133.7 billion **revenue** **in U.S. HVAC** **contractors**

The U.S. HVAC contractors market had revenue of **\$133.7 billion in 2024**, according to IBISWorld



6.2% CAGR Growth **in global air** **conditioning systems**

The global air conditioning systems market was valued at **\$106.60 billion in 2020** and is expected to expand at a compound **annual growth rate (CAGR) of 6.2% through 2028**.



\$91.4 billion in 2023
in U.S. plumbing and heating supplies wholesaling

The U.S. plumbing and heating supplies wholesaling market reached **\$91.4 billion in 2023**, and **employs more than 87,000 people**.

\$235 billion by 2030
in HVAC equipment

Dun & Bradstreet estimates the global market for HVAC equipment will reach **\$235 billion by 2030**. The U.S. HVAC manufacturing industry includes 1,700 companies with a combined **annual revenue of \$45 billion**.

\$46.4 billion in 2023
heavy equipment/machinery repair

The heavy equipment/machinery repair market in the U.S. reached **\$46.4 billion in 2023**, according to IBISWorld, and employed 225,000 people.

Field service presents a big opportunity for companies looking to expand their territory in a growing market, but these deals should be approached with value creation and operational improvements in mind. Deploying the XO*i* platform across smaller field service companies enables well-documented productivity improvements, cost reductions, and efficiency increases, while also providing opportunities to boost revenue. Consolidators gain asset-wide visibility into operations and installed equipment that can drive additional efficiencies and improvements.

XO*i* is the only field service platform built with jobsite efficiency and profitability in mind.

Contact us to learn more

