

Willie Barnes

Goodman Distribution

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Student Signature: _____

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Internship Signature: Willie Barnes

My third and final Internship experience is currently taking place at Goodman Distributions. I have been granted the role of Branch Manager Trainee, where I am tasked with learning all of the roles of a Branch Manager and then using them to run my own branch. The training program can take anywhere from 6 to 18 months, the decision to promote a trainee is based on their progress and the availability of branches in the area. Most areas or regions like to keep their trainees and move them into branches within the region. There are two regions in Texas; I am in the one that also constitutes parts of Louisiana.

Goodman was founded in 1975 by Harold Goodman in Houston Texas; he started his company by selling flexible Air Duct and Plastic Register boxes. The company moved onto creating and selling HVAC equipment. The company focused on selling low priced air conditioning equipment known as Janitrol. Goodman Distribution as a whole is spread across the country as well as Canada where they have branches in Vancouver, Montreal, and Toronto. Goodman currently manufactures their own equipment and many of their aftermarket parts. There are plans in motion to move some of their manufacturing to China in the near future in an effort to become more cost effective.

Goodman currently sells a wide range of air conditioning products including condensers, air handlers, coils, furnaces, and air conditioning accessories. There are a number of different models for each system these systems are broken into three different categories. The categories are broken up by the quality of the product the first brand is known as a builder's model. All of the builders or value models include only a five-year warranty on parts. The builder's models can be matched with coils from the other

categories to increase their efficiency. The second category is Goodman models they will usually start with a G and are capable of receiving a 10 year parts and labor warranty. These models start at a 13-seer level and move to a 15 seer. The seer rating is the rating for efficiency of the model. Efficiency is important in these large condensers and air condition units as they take up a lot of energy when used. The third and final category is Amana. Amana is the flagship category for the company containing condenser and air condition units with the highest seers and efficiency. Amana goes from 14 to 18 seer, and if paired with the correct air handler and Aspen coil it can qualify the owner for a tax credit. All of these models are broken up into size by the tonnage they can produce from 1 ½ tons to ten tons. Singular Condensers tonnage ends at 5 tons, while package units containing the condenser, air handler, coil, and heat kits can run up to 14 tons. These units are usually used for commercial work and require a large amount of time to construct. The wide variety of products offered by Goodman allows the company to service large companies like ARS and John Moore, as well as mom and pop air conditioning companies.

Goodman's largest competitors in the industry are Trane, Carrier, and Friedrich. These companies all compete with each other some use their reputation for quality like Trane, while Carrier prides itself on innovation. Goodman competes on its progressive warranties and customer service. When the company was known, as Janitrol it's nickname became Junkitrol, because of it's poor quality. The press on the products was so bad that the company thought the best move they could make was to change their name to Goodman. To fix their quality problem Goodman began to offer their customers extended warranties. Their first promotion was a five-year warranty that no one in the

industry offered, soon other companies caught on and began offering their own warranties. Goodman currently offers a 10-year warranty on their two higher quality categories of products. One of the major factors that affect the air condition industry of course is the weather. The company is highly cyclical as different products are needed at different times and the quantity purchased also changes. In the summer the company is at it's busiest. This is because in Houston the heat can be staggering at times which will of course drive the need for air conditioning. This time of year the amount of business at a branch can slow greatly. During this time of year the Goodman sells mostly furnaces and the parts needed to repair them. One of the most noticeable things about working at the branch is the effect that day-to-day weather has on business. On a rainy day the business at a branch is virtually nil, some customers will come in to shop in the morning and the amount of traffic will die down as the day goes on. The fact of the matter is simply that contractors cannot do business in the rain, as most units in Texas are located out side the home. This is different in areas in the Midwest and other regions where codes for electricians and contractors are different.

Goodman is broken down into regions, and then into branches within the regions each branch is given a specific budget based on their previous business and the size of accounts they are given. The branch that I am located at is in Jersey Village their budget was \$ 7,189,000 for 2009. The budget is then broken down into a month-to-month basis. The budget at jersey Village was almost cut in half from they year before as they had some of their larger customers reassigned to our flag ship store. The monthly budget is based on the time of year and season, which will be discussed later. For example the budget for May was 678,000 the branch exceeded that number by making 1,005,378

dollars that month. Next year the forecast for May will be higher too match what the branch can achieve. In a city like Houston where the winters are not harsh, it means Air conditions and for some people furnaces are not needed. This leads to a smaller budgetary number in January the weather in the city is nice so the budget is just 419,000. Even though Jersey Village exceeded that number they quickly feel under their budgeted requirements in February and March. The seasonality of the company can be easily seen in these numbers.

As spoken about earlier my current job assignment is Branch Manager Trainee. As a Branch Manager Trainee I am needed to be able to perform the day-to-day responsibilities of anyone in the branch. At my branch this means being able to be a CSR, warehouse employee, and Branch Manager. The CSR is known as a counter person there task is to take the orders from the customers and help them to solve simple problems. As a CSR we are not supposed to answer and technical questions the customer has as it may cause a liability issue for the company. CSRs are trained on the MinCron system that houses all the data on the available Goodman products.

The job of Warehouse employees is to retrieve the orders and help deliver them to the customer. Some branches have delivery trucks, but our branch does not. All warehouse employees are forklift certified, as am I. I am also able to train employees on the forklift and certify them. Warehouse employees are also tasked with stocking the warehouse and receiving stock orders in the morning.

The manger at a branch is responsible for all of the above task and more. The manger control cycle counts, which help the company, keep track of inventory and Exception reports which tracks sales. Each manger is given a yearly budget, which is how

they are measured along with a company scorecard. The company scorecard ranks the branch based on efficiency, completed task, and effective up keep of inventory. This week I am currently in charge of the Jersey Village branch as my manager is on vacation. This role means I am in charge of all the daily decisions at the Branch from ordering, to transfers, to warranties, and price adjustments in damaged materials.

My supervisor is currently Steve Pena, who I see on a daily basis. Steve is the branch manager and holds the same position I'm currently being trained for. Steve worked at Trane before coming to Goodman most branch managers in Houston on the other hand came from Carrier. Our Regional Operational Manager is Darrin Walts he goes to each Branch in the region and checks on their progress using what is called a Visit Guide. The Visit Guide checks to make sure that the Branch Managers are following all the rules and regulations set for by Goodman. Darrin also does his own check of the equipment in the warehouse he is tasked with finding and reporting any missing equipment there might be. Darrin was once a branch manager in California and also ran his own air condition company, which gives him a special type of experience. Darrin understands how a Branch works giving him insight on to what is going on at the Branches. Above Darrin is Frank Baldwin who runs Texas and Louisiana; Frank was previously doing his current job as well as Darrin's before Darren arrived. Frank comes to the Branches to take a personal look at the daily going ones of the company, but mostly he does his work away from the branches. Before I arrived there were two other trainees, both of them were let go from the company. This means that as of now no Branch Manager Trainee has gone on to run their own Branch from our region. I am currently in place to run the Alexandria, Louisiana branch in January of 2010. The

branch is a smaller one and will have a 3.3 million dollar budget for 2010. The former manager has left and the branch did not reach their budget so there will be some changes that need to be made in the New Year.

Goodman Distribution may not be as racially diverse as some companies in the number of African Americans they have but they do make up for it in other areas. For instance at my Branch the Manager and a Warehouse employee are Hispanic, we have Vietnamese Counter Man as well as a Senior citizen. Also inside our branch we have a number of Salesman two of them are Hispanic while one of them is White. Goodman does not have a true professional dress code as most employees wear the Goodman Uniform. The company has employees wear Goodman Polos, Kakis, and Steel Toe Boots for uniformity and safety. It is important for each person who steps into the warehouse to wear their steel toes as they could easily be injured by heavy equipment. Employees not working directly at the branch have a looser dress code, as they are only required to be dressed in business casual wear. This also goes along with making the dealers feel comfortable, as they are usually blue-collar people who are always on the move doing installation jobs. Most of the people under the management level do not possess college degrees, but everyone above that level possesses one. The social environment of the company is very laid back at the branch level. As some employees transfer between branches the working level between branches is usually cordial. It is also important to have a good working relationship with the other branches, as they will handle your transfers, as well as your customers if you don't have the product they need.

I travel from my home in Sugar Land to Jersey Village, which is located in Houston. The trip takes 40 minutes on a good day while it can take up to an hour and a

half on a bad day. The trip is easily traveled on the toll road; it takes four tolls for me to make it from my house to the branch. There is a branch in Sugar Land, which would be an easier trip from my house that is located in the area.

Overall this has been a wonderful experience for me in terms of being an internship. I have been given a fulltime position by the company, which gives me stability as I transition smoothly from college to the real world. The people I work with have all gone out of their way to make my job easier and to help me learn the industry. The fact is with their help I have learned enough to be entrusted with my own branch in 2010. With a promotion and a move in my future I can have nothing, but positive remarks for this last internship experience.