

Ready for What's Next?

7 Trends Driving Contractor Growth in 2026

A man with a beard, wearing a blue polo shirt and a blue baseball cap, is focused on his work. He is wearing black work gloves and using a black and orange cordless power drill to work on a wooden surface. The background is slightly blurred, showing what appears to be a construction or renovation site with white cabinets and a washing machine.

*Insights for
Contractors
Ready to
Lead, Not
Just Keep Up*



A Message from Service Nation

You didn't enter this field to spend your days reacting to every headline or chasing the newest trend. You chose this because you're skilled at what you do, you care about your customers, and you want to build something that lasts. But after working with thousands of contractors like you, we've seen that the difference between those who grow with clarity and those who burn out isn't how hard they work. It's how they see what's coming and how prepared they are to lead through it.

This guide is for 2026, highlighting the major shifts impacting home services, what's at stake for your trade, and how to respond. In the pages ahead, you'll see how these trends are emerging and how to handle them.

Built for contractors ready to lead, not just keep up



Section 1:

Macro Trends Reshaping the Home Services Landscape

Click to jump to a topic

1. AI Adoption Moving From Experimentation to Integration
2. Labor Shortages, Hiring Challenges, and Workforce Evolution
3. Customer Expectation Shifts Toward Speed and Trust
4. Pressure to Systemize Operations Instead of Scaling Chaos
5. Marketing & Digital Presence Becoming a Revenue Engine
6. Economic and Regulatory Headwinds
7. Sustainability & Brand Expectations



1

AI Adoption Moving From Experimentation to Integration

What's Happening

Service professionals aren't debating whether to use AI any longer; instead, they're focusing on where it fits. Contractors who've woven it into daily operations are seeing the payoff in tighter response times and less effort wasted on administrative tasks. AI is shifting from an experimental tool to a useful resource for contractors.

What This Changes in Day-to-Day Operations

If quoting, follow-ups, and scheduling remain manual, your team is wasting time on tasks a system could automate. This isn't a technology issue; it's a capacity problem. Contractors using AI for routine tasks are securing jobs faster, handling after-hours calls without hiring additional staff, and calculating margins before pricing a project. Most contractors didn't know where to start with AI without disrupting what already works.

A recent survey of U.S. contractors found that

85%

expect AI to reduce time spent on repetitive tasks.

75%

believe it will help them learn from past projects using historical data.

Leadership & Succession Reality

Second-generation leaders and successors are often the ones advancing AI adoption, while founders hesitate. If you're inheriting a business or stepping into leadership, this is your chance to introduce structure and efficiency without altering long-standing practices. Begin with one tool and one process, and demonstrate their value before expanding further.

How Top Contractors Are Putting This to Work

- **Begin with a single high-impact task**, like scheduling or customer communication, before attempting to overhaul everything at once.
- **Training** should occur prior to implementation to ensure smooth adoption and minimize resistance.
- **Monitor** your time saved and revenue generated, then use those results to justify the next investment.
- **Peer connections** are important; learning from contractors who have already gone through implementation reduces trial and error.

Looking for trade-specific benchmarks and implementation roadmaps for AI tools in HVAC, plumbing, electrical, and more? We'll send you bonus deep-dive insights when you [download this guide](#).

Trade-Specific Impact



HVAC

AI-powered diagnostic tools help technicians troubleshoot more quickly and suggest appropriate equipment upgrades. Chatbots manage after-hours inquiries and schedule maintenance appointments.



Plumbing

Automated follow-ups help turn more estimate requests into actual jobs. Pricing tools use real-time cost data to update flat-rate pricing based on location, job complexity, and material costs.



Electrical

Predictive scheduling tools assist in balancing service calls with project work, compliance checks, and permitting documentation. This decreases downtime and increases technician utilization.



Roofing

AI helps identify and prioritize homeowners with high intent, allowing sales teams to focus their efforts. Meanwhile, image recognition tools accelerate roof inspections and damage assessments.



Recurring Revenue Trades

Route optimization software reduces drive time and fuel expenses while boosting daily stops per technician. Churn prediction models identify at-risk customers before they cancel.



2

Labor Shortages, Hiring Challenges, and Workforce Evolution

What's Happening

Skilled labor remains one of the toughest challenges in home services. The construction industry alone needs to attract approximately 349,000 workers in 2026 to meet demand. Many veteran technicians are nearing retirement, and fewer younger workers are entering the trades. As a result, companies are forced to invest more in retention, training, and smarter workforce deployment to maintain current capacity. Growth is even harder.

349K

construction workers needed
to meet demand in 2026.

How This Impacts Growth and Profit

Staffing remains the current obstacle. Hiring has always been tough, but in 2026, it's slowing contractor expansion. The top companies are now creating structured career paths and investing in apprenticeships. They're building workplaces where technicians want to stay.

Rising labor costs are cutting into margins everywhere. If you're not intentional about retention and productivity, you'll spend more time and money replacing employees than growing revenue. And if the business shuts down when you step away, that's not scaling. That's a liability.

Leadership & Succession Reality

If you're stepping into leadership, you're inheriting teams that grew up with the founder. Earning their trust while implementing new systems requires patience and good judgment. The goal isn't to rewrite history; it's to fix what's breaking while keeping what works.

What High-Performing Shops Are Doing About It

- **Hiring happens year-round**, not just as a panic reaction when someone leaves.
- **Structured onboarding** with 30-, 60-, and 90-day milestones provides new hires with a clear understanding of what success looks like.
- **Compensation** is based on the right behaviors: callbacks, customer reviews, maintenance plan sales, not just hours.
- **Apprenticeship and mentorship programs** provide young workers with a genuine pathway from helper to lead technician to supervisor.

Trade-Specific Impact



HVAC

Technician skill gaps with new refrigerants, heat pumps, and smart systems mean training is no longer optional. Seasonal demand swings make staffing unpredictable, stressing cash flow and morale.



Plumbing

Emergency jobs demand quick responses, but irregular schedules tire out skilled technicians. Companies find it hard to ensure consistent service quality because plumbers work in varied ways.



Electrical

Following safety codes and compliance means you can't afford to cut corners on training. Weak residential marketing makes it harder to keep crews busy between commercial projects.



Roofing

Sales-focused models can hide operational issues until you lose a key crew leader. Seasonality causes feast-or-famine staffing challenges.



Recurring Revenue Trades

High technician turnover disrupts route efficiency and damages customer relationships, directly affecting lifetime value and retention.

Searching for recruiting scorecards, onboarding templates, and retention playbooks customized for your trade? Check out [Service Nation's member resource library](#) for ready-to-use tools.



3

Customer Expectation Shifts Toward Speed and Trust

What's Happening

Homeowners are selecting contractors based on response speed and professionalism. According to a [February 2026 report](#), 73% of homeowners cited response speed as the main factor in choosing a contractor, with online reviews and clear pricing following closely behind. Reputation and digital presence have become key influences on purchasing decisions.

73%
of homeowners cited
response speed as the
main factor in choosing
a contractor.

Mobile search and local SEO now dominate how customers find you. A slow mobile site, an unoptimized Google Business Profile, or a two-hour response time will cost you jobs.

What It Means for Your Customer Experience

You can be the best technician in your market, but if customers can't find you online or you take two days to return a call, they'll choose someone else. Speed and trust are now basic expectations, not features that set you apart.

The contractors who succeed in 2026 are the ones who have built systems focused on quoting and scheduling, ensuring nothing is overlooked. They're responsive after hours, even if that's automated. Most customers won't remember the exact price; they'll remember whether you made the process simple.

Leadership & Succession Reality

If you're running a business based on the founder's reputation, you need to shift trust from an individual to the company brand. That involves creating a customer experience that remains consistent regardless of which team member is on the call or handling follow-up.

How Leading Companies Respond

- **Online inquiries** receive a response within 30 minutes during business hours. After hours, automated messages set appropriate expectations.
- **Local SEO, Google Business Profile optimization, and review generation** are viewed as ongoing investments rather than one-time setup tasks.
- Every team member, from CSRs to tech, is trained to **communicate clearly and professionally**.
- **CRM tools** automatically manage follow-ups, appointment reminders, and post-service check-ins. Nothing is overlooked.

Want step-by-step guides on local SEO, review generation, and customer communication systems? Service Nation members gain access to ready-to-use templates and coaching tailored to home service trades. Learn more about membership benefits [here](#).

Trade-Specific Impact



HVAC

Homeowners expect same-day or next-day service for breakdowns, especially during severe weather. Clear pricing (including rebates and financing) builds trust and accelerates close rates.



Plumbing

Emergency calls can be stressful. Quick response and reassurance are just as important as fixing the issue. Clearly communicating costs before starting helps avoid disputes and leads to better reviews.



Electrical

Safety concerns make homeowners cautious. Providing detailed explanations, written scopes, and proof of licensing and insurance helps reduce friction and builds confidence.



Roofing

Long sales cycles mean trust is essential. Homeowners want clear timelines, warranties, and progress updates, not a salesperson who vanishes after signing.



Recurring Revenue Trades

Subscription fatigue is real. Customers stay when they see consistent value, clear communication about what's included, and responsive service when issues arise.



4

Pressure to Systemize Operations Instead of Scaling Chaos

What's Happening

The companies succeeding in 2026 aren't just hiring people and hoping for the best. They're systematizing processes for sales, dispatch, payroll, CRM, and customer follow-up to prevent growth from turning into operational chaos. What separates

sustainable growth from revenue that evaporates is documentation and financial visibility. Knowing your unit economics, cost per lead, cost per job, average ticket, and margin by trade gives you the controls to manage growth.

Why Systems Are Now Non-Negotiable

You can't scale chaos. When processes exist only in people's minds, and no one tracks which channels generate revenue, adding more work only worsens the chaos.

Limited visibility into financials means you're flying blind. Being busy and being profitable are different things. Your highest-volume tech might have the worst margins. You might be spending \$500 to acquire a customer worth \$300. Without systems and data, you'll never know.

Limited visibility into financials means you're flying blind.

You might be
SPENDING \$500
to acquire a customer
WORTH \$300.

Leadership & Succession Reality

If you're inheriting a business, you often inherit processes that exist only in the founder's mind. Your task is to extract that knowledge and create systems that enable the business to operate without constant owner intervention. This is how you develop transferable value and give yourself the room to lead instead of just manage.

How Mature Operators Run the Business

- **Every key process is documented:** sales, dispatching, invoicing, and follow-up. New hires learn faster, and the business no longer relies on any single person.
- **KPI tracking occurs weekly instead of monthly or quarterly.** Dashboards identify problems early, before they become bigger issues.
- **Regular financial reviews** evaluate cost per lead, job profitability by trade or service type, and technology performance.
- **Operational tasks are delegated.** Owner time focuses on strategy and growth instead of firefighting.

Service Nation's coaching programs and Advisory Boards provide a structured way to develop these systems with peer accountability and expert guidance. Schedule a consultation to find out which tier suits your business.

Trade-Specific Impact



HVAC

Pricing complexity (rebates, financing, tiered options) requires systemized quoting, so technicians aren't improvising. Tracking callback rates and warranty costs helps identify training gaps and equipment issues.



Plumbing

Flat-rate pricing only works if it's based on accurate cost data and applied consistently. Inconsistent upselling leaves money on the table.



Electrical

Project-based work needs precise job costing to prevent margin loss. Poor systems lead to change orders, scope creep, and disputes.



Roofing

Sales-driven growth can conceal operational weaknesses until cash flow collapses. Documented production processes and job tracking help prevent chaos during busy seasons.



Recurring Revenue Trades

Route density and service consistency drive profitability. A lack of systems leads to inefficient routes, inconsistent service, and higher churn.



5

Marketing & Digital Presence Becoming a Revenue Engine

What's Happening

Mobile search and local SEO now drive how customers find service providers. For contractors who measure and optimize it, marketing has become a real revenue driver.

The contractors winning online are investing in Google Business Profile optimization, review generation, and conversion-focused landing pages. They're measuring cost per lead, lead-to-close rate, and customer lifetime value by channel.

According to a [recent report](#),

87%

of homeowners search
online before hiring a home
service provider.

72%

of homeowners won't
consider a contractor with
fewer than 50 Google reviews.

How This Affects Your Lead Flow and Close Rates

If you're still depending on word-of-mouth and truck wraps, you're missing 80% of your potential market. Homeowners are searching right now, often on their phones during an emergency. If you're not in the top three local results, they won't find you.

Most contractors face a conversion issue, not a lead generation problem. They also fail to track whether their marketing expenses really generate profit. Without proper tracking, they'll waste thousands on ineffective channels while underfunding the ones that deliver results.

Leadership & Succession Reality

If you're taking over a business that depends on the founder's relationships and reputation, you need to develop a marketing engine that produces consistent, scalable leads without relying on any one person to create genuine, transferable business value.

What Winning Marketing Teams Focus On

- **A Google Business Profile** is claimed and maintained with current photos, posts, service descriptions, and regular review requests.
- **Automated review generation** encourages happy customers to leave feedback within 24 hours of service.
- **Every lead source is tracked.** The main metric is cost per booked job, not just cost per lead.
- **Paid traffic goes to dedicated landing pages and conversion-optimized forms,** not generic home pages.

Service Nation members gain access to ready-to-use marketing templates for ads, emails, and social media, along with coaching to track what's working. No agency fees, no wasted spend. Proven tools built for contractors.

Trade-Specific Impact



HVAC

Seasonal search spikes (extreme heat, cold snaps) demand optimized paid search and quick response systems. Review generation and local SEO distinguish top players from the rest.



Plumbing

Emergency searches (burst pipe, leaking water heater) mean speed wins. Google Business Profile optimization and mobile click-to-call are critical.



Electrical

Poor residential marketing leads to missed opportunities. Contractors who enhance local visibility secure retrofit, panel upgrade, and EV charger jobs that others miss.



Roofing

Lead costs are increasing rapidly, particularly in competitive storm markets. Contractors who optimize landing pages, follow-up sequences, and sales processes achieve higher ROI.



Recurring Revenue Trades

If your customer acquisition cost exceeds your lifetime value, the business model doesn't hold. Digital marketing and referral programs fix the math when they're built and measured correctly.



6

Economic and Regulatory Headwinds

What's Happening

Inflation, regulatory complexity, and digital transformation are all adding overhead and forcing owners to make harder decisions about where to invest scarce resources. Labor laws, tax requirements, insurance costs, and regulatory compliance are more complex than ever, and the penalty for getting it wrong is steep.

Half of U.S. companies are bracing for turnover surges in 2026, with the average cost to replace an employee now exceeding \$4,500. Add rising wages, benefits expectations, and compliance requirements, and the pressure on margins is real.

Average cost to replace an
employee now exceeding

\$4,500.

Where This Squeezes Your Margins

Staying compliant isn't optional, but most contractors lack HR departments or in-house legal teams. This means you're figuring it out as you go, hoping you don't face audits or compliance penalties. Managing rising wages while staying profitable requires strategic thinking about pricing and value, not just cutting costs.

Digital transformation (new software, automation, customer portals, payment systems) is necessary to stay competitive, but it requires upfront investment and change management. Ignoring it means falling behind. Chasing every new tool wastes money and confuses your team.

Leadership & Succession Reality

Second-generation leaders often inherit compliance gaps and informal financial practices that worked when the business was smaller but pose risks as the company grows. Implementing proper financial controls, HR processes, efficient operations, and legal safeguards helps protect the business and boosts its value.

How Savvy Owners Stay Ahead of This

- The bookkeepers, CPAs, and HR consultants they hire **understand home services**. Generalists who don't know the trades aren't good enough.
- **Pricing gets updated proactively** based on real costs, not held flat until the business is already underwater.
- **Technology investments** focus on scheduling, quoting, and payment processing. You want tools that address real problems, not just trends.
- **Peer groups and trade associations** help them stay ahead of regulatory and market changes before those changes develop into crises.

Service Nation partners provide specialized support ranging from fractional finance and CFO guidance to outsourced bookkeeping, HR, and marketing services, so you can focus on running your business instead of figuring out compliance in your spare time.

Trade-Specific Impact



HVAC

Equipment cost inflation and supply chain disruptions require smarter inventory management and pricing adjustments. Refrigerant regulations add compliance complexity.



Plumbing

Rising material costs (copper, PEX, fixtures) squeeze margins unless pricing is updated regularly and systematically.



Electrical

Code changes and permit requirements vary by jurisdiction, adding complexity. Compliance missteps can halt projects and damage reputation.



Roofing

Insurance claim complexity, financing regulations, and labor compliance requirements increase administrative burden and risk.



Recurring Revenue Trades

Price increases are necessary, but poorly communicated price hikes drive churn. Transparent, proactive communication is key.



7

Sustainability & Brand Expectations

What's Happening

Even in B2C trades, homeowners increasingly appreciate companies that show responsibility, from eco-friendly practices to transparent pricing. For home services contractors, sustainability is less about environmental policies and more about demonstrating accountability and keeping your promises.

"...younger homeowners are more likely to choose brands that

ALIGN WITH THEIR VALUES

even if those brands cost slightly more."

According to research on consumer behavior in 2026, customers, especially younger homeowners, are more likely to choose brands that align with their values, even if those brands cost slightly more. That includes everything from offering energy-efficient

options to reducing waste on job sites to being upfront about pricing and warranties.

What This Means for Your Brand and Reputation

Trust and reputation have always been important in trades. What's different now is that customers have more tools to evaluate you before they even make contact. Contractors who communicate clearly and provide solutions that genuinely help the customer build long-term loyalty.

Balancing sustainability with cost and operational demands is challenging, especially when margins are already thin. The good news is that many of the same practices that cut waste and boost efficiency also enhance profitability.

Leadership & Succession Reality

Younger leaders and successors often bring fresh perspectives on sustainability and branding that resonate with modern customers. This is an area where next-gen leaders can differentiate the business without undermining what the founder built. The goal is to modernize positioning while honoring what made the company credible in the first place.

How Standout Brands Approach This

- **Energy-efficient and sustainable options** are presented with every estimate, emphasized as better solutions rather than upsells.
- **Company values** appear on the website, on social media, and in every customer interaction. That consistency is what builds trust.
- **Job site waste is tracked and reduced**, not just for environmental reasons but also because inefficiency costs money.
- **Rebates, tax credits, and financing options** are explained to every customer, making it easier to say yes to sustainable choices.

Service Nations training and workshops help you stay ahead of emerging trends, including how to position your business around values that matter to modern customers without sacrificing profitability.

Trade-Specific Impact



HVAC

Offering heat pumps, high-efficiency systems, and IAQ solutions positions you as forward-thinking. Educating customers on energy savings and rebates builds trust and increases close rates.



Plumbing

Water-saving fixtures, tankless water heaters, and efficient repipe materials appeal to eco-conscious homeowners and reduce long-term costs.



Electrical

EV chargers, solar tie-ins, and energy-efficient lighting are growth opportunities. Positioning your company as a partner in electrification and efficiency sets you apart.



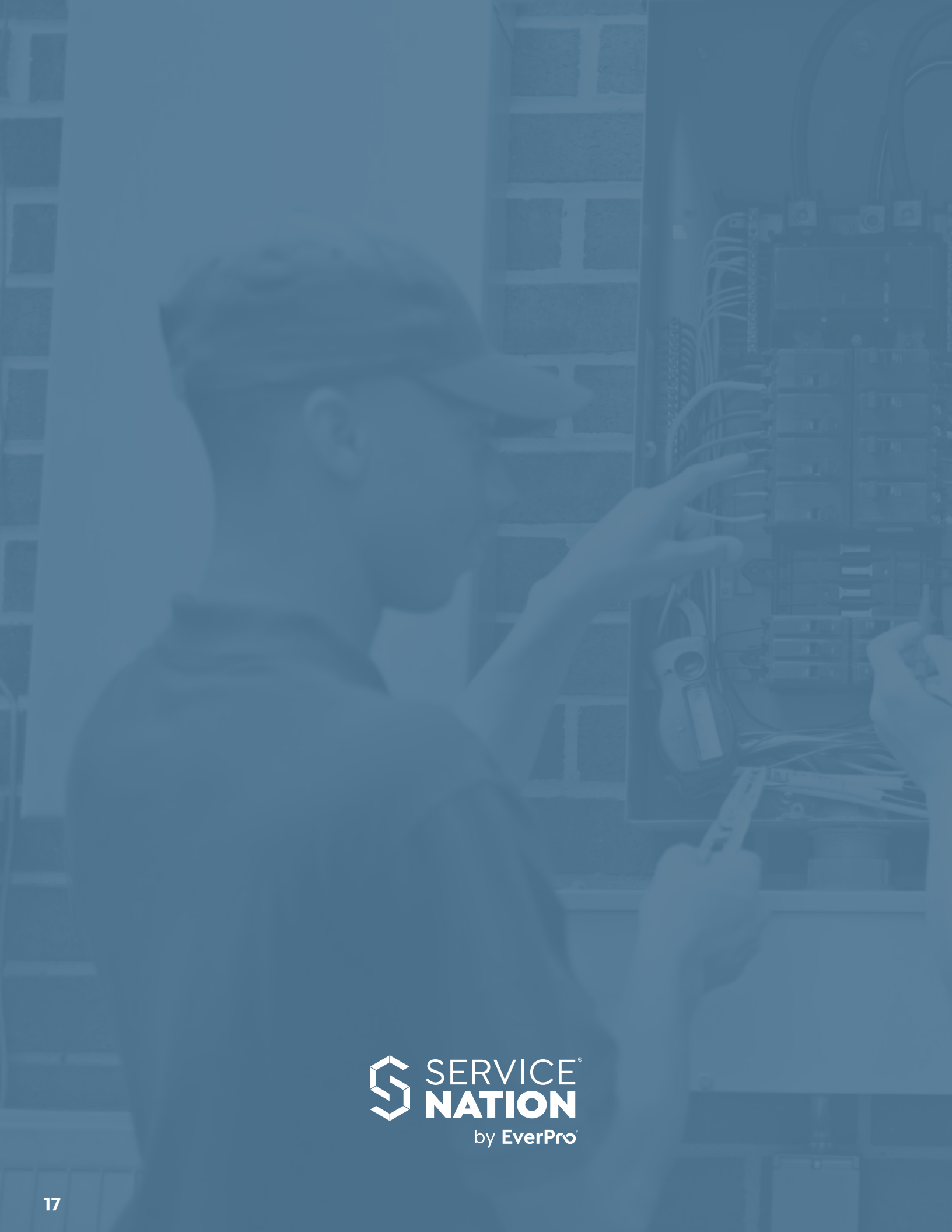
Roofing

Sustainable materials, recycling programs, and energy-efficient options (cool roofs, solar-ready installs) appeal to environmentally aware customers.



Recurring Revenue Trades

Eco-friendly products (organic lawn care, low-chemical pest control, energy-efficient pool equipment) attract premium customers and reduce regulatory risk.



The background image is a blue-tinted photograph of a technician wearing a hard hat and safety glasses, working on a brick wall. The technician is holding a bundle of electrical wires. The overall tone is professional and industrial.

Section 2:

Trade-Specific Deep Dives

Click to jump to a topic

HVAC

Plumbing

Electrical

Roofing (Project-Based Exterior)

Windows, Siding, Exterior Remodeling

Recurring-Revenue Trades (Pest, Lawn Care, Pool Service, Cleaning)

Cross-Trade Leadership & Succession



Deep Dive

HVAC

3 Shifts We're Seeing Most in HVAC

1. Shift from one-time replacements

to long-term value: More HVAC companies are leaning on maintenance plans and IAQ add-ons to grow predictable, recurring revenue instead of waiting on big change-out jobs.

2. IAQ, heat pumps, and efficiency

move to center stage: Incentives, rebates, and consumer demand are pushing high-efficiency systems,

heat pumps, and better air quality from extras to standard talking points in sales calls.

3. Consolidation is squeezing

margins: As OEMs and distributors consolidate, contractors have less room to negotiate, so they're getting sharper about inventory strategy, pricing, and building strong vendor relationships.

Biggest Challenges

- **Pricing complexity** due to rebates, financing, and equipment cost inflation.
- **Technician skill gaps** with new refrigerants, heat pumps, smart thermostats, and diagnostics.
- **Seasonal demand volatility** stressing staffing and cash flow management.

Leadership & Culture Notes

If you're stepping into an HVAC business, you're inheriting real complexity: multiple revenue streams (service, maintenance, change-outs, IAQ) and customer types, along with wild seasonal swings. Leading well here means keeping growth and revenue on track while shoring up systems, and creating a culture where techs feel supported when it's slow and appreciated when it's slammed.



2026 Readiness Checklist

- **Make sure every tech** is comfortable with SEER2, regional efficiency rules, heat pumps, and your go-to IAQ options.
- **Review and update your pricing** to reflect today's equipment costs, higher labor costs, and where you want to sit in the market.
- **Put a simple, consistent process in place** for selling maintenance agreements, clearly explaining the value, and automating renewals.
- **Clean up inventory** so you're not overstocked in the slow times or scrambling for parts when it gets busy.
- **Keep a year-round recruiting system** by building apprenticeships and clear paths for helpers to grow into full tech roles.

Service Nation Roundtable Takeaway

"The companies that win in HVAC over the next five years won't be the ones who just install boxes. They'll be the ones who solve comfort, efficiency, and air-quality problems while building predictable, recurring revenue. That means training your team to sell solutions, not equipment."

– Service Nation HVAC Roundtable Discussion, January 2026



Deep Dive PLUMBING

3 Big Changes for 2026

1. **Aging systems are driving more repair work:** More plumbers are seeing steady demand from repipes, sewer line replacements, and water heater upgrades as older homes start to show their age.
2. **Moving from T&M to flat-rate options:** Shops are shifting away from time-and-materials and toward clear, flat-rate, and options-based pricing,

so homeowners know the price up front and feel better about saying yes.

3. **Faster, clearer communication:** Homeowners expect quick response times, straight answers, and professional behavior, and the plumbers who deliver on speed and transparency are the ones standing out.

Biggest Challenges

- **Upsells** aren't happening the same way from tech to tech, so results are all over the place.
- **Marketing** often lags behind HVAC, so good plumbing work isn't getting enough exposure.
- It's tough to maintain **service quality and pricing consistency** when you have multiple technicians in the field.

Leadership & Culture Notes

Many plumbing successors step into a business built on the founder's name and "call me anytime" responsiveness. That kind of trust doesn't automatically transfer, so the real task is to put systems in place that deliver the same reliable experience, no matter which tech shows up.



2026 Readiness Checklist

- **Roll out a simple flat-rate pricing system** with clear "good, better, best" options for your most common repairs.
- **Train every tech** in consultative selling so they can confidently identify and explain larger needs, such as repipes, water heater upgrades, and filtration.
- **Put a real emergency response process in place**, with clear communication steps and automatic follow-up after the call.
- **Strengthen your digital presence** with local SEO, a well-optimized Google Business Profile, and a steady flow of reviews so you can stand toe-to-toe with HVAC competitors online.
- **Create straightforward SOPs** for your most common jobs to ensure consistent quality, no matter who runs the call.

Service Nation Roundtable Takeaway

"Plumbers are some of the best problem-solvers in the trades, but we're not always great at marketing ourselves or asking for the upsell. The gap between what we're capable of and what we're capturing is huge, and closing that gap is where the opportunity lies."

– Service Nation Plumbing Roundtable Discussion, February 2026



Deep Dive

ELECTRICAL

Top 3 Trends

- 1. EV, solar, and smart panels are opening new doors:** Demand is growing fast for EV chargers, solar tie-ins, battery systems, and smart panels, giving electrical contractors more residential revenue streams beyond standard service calls and remodels.
- 2. Moving from pure construction to service + retrofits:** More shops are shifting away from low-margin, project-only bid work and leaning into higher-margin service, upgrades, and add-ons in existing homes.
- 3. Higher bar for safety and compliance:** Code enforcement, permits, and insurance expectations are tightening, so staying current on standards and documentation is becoming a core part of the job, rather than an afterthought.

Biggest Challenges

- Too much revenue still comes from **low-margin bid work**, where it's hard to control pricing and protect profit.
- **Branding and residential marketing** often trail behind HVAC and plumbing, so many homeowners don't think of the electrical company first.
- **Service agreements** are often weak or nonexistent, leading to missed opportunities for recurring revenue.

Leadership & Culture Notes

Successors in electrical businesses face many compliance and safety risks, where mistakes can have serious consequences. Leading well here means baking accountability, training, and quality control into the culture, not treating them like box-checking. Many successors also must steer the business away from low-margin project work and toward more profitable service and retrofit work over time.



2026 Readiness Checklist

- **Build a clear residential marketing plan** centered on panel upgrades, EV chargers, smart-home work, and generator installations.
- **Train techs** to conduct simple, consultative safety assessments at every visit so they can confidently identify and explain upgrade options.
- **Roll out a straightforward service agreement** (annual inspections, priority response, and modest discounts) to create recurring revenue.
- **Implement a consistent compliance and safety training program** to reduce risk and improve quality.
- **Intentionally shift more revenue from bid work into service**, retrofit projects, and maintenance contracts over time.

Service Nation Roundtable Takeaway

“Electrical contractors have an enormous opportunity right now with electrification and smart home trends, but most of us are leaving it on the table because we’re stuck in the bid-work mindset. The contractors who break out of that and build residential service brands are going to dominate the next decade.”

– Service Nation Electrical Roundtable Discussion, January 2026



Deep Dive

ROOFING (PROJECT-BASED EXTERIOR)

3 Roofing Realities for 2026

1. Lead costs up, storms less reliable:

Digital leads are getting more expensive, and storm-driven work is harder to predict, so roofing companies can't rely on "one big hail season" to make this year.

2. Homeowners want clarity, not surprises: Clear scopes, timelines, and warranties are becoming must-haves. Contractors who

explain the process well stand out from the "here today, gone tomorrow" operators.

3. Insurance is slowing deals down:

More complicated insurance approvals, depreciation questions, and adjuster delays are dragging out sales cycles and testing homeowner patience.

Biggest Challenges

- Margins are getting squeezed as **material and labor costs rise**, even when revenue appears strong.
- **A strong emphasis on sales** can conceal issues with production quality, crew consistency, and rework.
- **Cash flow swings** during storm seasons and slow months make it difficult to plan and invest.

Leadership & Culture Notes

Successors in roofing face a world of volatility and ongoing sales pressures. The key to leadership is to calm the roller coaster by stabilizing cash flow, developing systems that withstand storm events, and combining a strong sales culture with precise operational execution.



2026 Readiness Checklist

- **Optimize digital marketing and follow-up** to get more booked jobs from every lead you pay for.
- **Implement production management tools or processes** to monitor job status, crew performance, and material costs in real time.
- **Offer simple financing and payment options** so homeowners can say yes with less friction.
- **Standardize your communication** of timelines, delays, and warranty details so customers understand what to expect.
- **Add maintenance-style services** like inspections and gutter cleaning to stabilize seasonal cash flow, rather than relying solely on large replacement jobs.

Service Nation Roundtable Takeaway

“Roofing is a great business when it’s managed well, but it’s a nightmare when it’s not. The difference is systems: production systems, financial systems, sales systems. If you’re relying on chaos and hustle, you’ll burn out or go broke. If you build systems, you’ll build a real company.”

– Service Nation Roofing Roundtable Discussion, February 2026



Deep Dive

WINDOWS, SIDING, EXTERIOR REMODELING

3 Trends Shaping Exterior Remodeling

- 1. High-ticket sales under more scrutiny:** Homeowners are better informed and less tolerant of high-pressure sales playbooks, so aggressive tactics are getting more pushback.
- 2. Financing and close-rate become real levers:** Simple financing options and a more consultative sales approach are making the difference on big-ticket jobs, especially when budgets are tight.
- 3. Brand trust beats one-off promotions:** Reputation, transparency, and follow-through matter more than flashy discounts, especially for multi-thousand-dollar exterior projects.

Biggest Challenges

- **Sales cycles** tend to be lengthy and often involve several contacts, quotes, and follow-ups.
- **Cancellations and messy change orders** diminish both revenue and margins.
- **Maintaining consistent installation quality** across multiple crews is challenging and affects reviews and referrals.

Leadership & Culture Notes

Successors in exterior remodeling often inherit a sales-first culture that chases volume. The challenge is maintaining strong revenue while tightening production, reducing cancellations, and protecting the brand. That means building trust and consistency at the same time, not simply pushing harder on sales activity.



2026 Readiness Checklist

- ***Train sales teams*** to sell consultatively and build trust, rather than relying on pressure tactics.
- ***Offer clear, straightforward financing options*** to make it easier for homeowners to move forward.
- ***Put quality control steps in place*** to ensure installations are consistent and callbacks drop.
- ***Standardize how you handle project updates, delays, and change orders*** so customers aren't left guessing.
- ***Make review generation and reputation management*** a regular practice to build trust and encourage referrals.

Service Nation Roundtable Takeaway

“The old-school, high-pressure sales model is dying because customers are too informed and too skeptical. The contractors who win now are the ones who educate, build trust, and make it easy for customers to say yes on their timeline, not ours.”

– Service Nation Exterior Remodeling Roundtable Discussion, January 2026



Deep Dive

RECURRING-REVENUE TRADES

(PEST, LAWN CARE, POOL SERVICE, CLEANING)

3 Trends Every Subscription-Based Trade Feels

1. Subscription fatigue makes retention

the real game: Homeowners are trimming subscriptions and looking hard at monthly bills, so keeping the customers you already have matters more than ever. Research shows a growing share of consumers feel “subscription fatigue” and are actively canceling nonessential services to cut costs.

2. Route density and efficiency determine

who makes money: Profit in these trades depends on how many stops you can

make in a day and how much windshield time you eliminate. Tight, well-organized routes are separating profitable companies from those just staying busy.

3. Price increases must be managed

carefully: Inflation means you can’t keep prices the same as they were a few years ago, but rushed or unclear price changes can lead customers to cancel. Clear, early communication is now just as important as the new prices themselves.

Biggest Challenges

- **Churn** eats into customer lifetime value, forcing you to spend more on marketing just to stay in place.
- **Technician turnover** disrupts routes and weakens relationships with long-time customers.
- **Owners get caught up in daily scheduling and customer issues** instead of focusing on strategy and growth.

Leadership & Culture Notes

Successors in recurring-revenue businesses inherit a model that only functions when customers remain loyal, and routes stay stable. High churn and frequent tech turnover quickly disrupt the calculations. Leadership must focus on improving retention and maintaining consistency while building a culture in which dependable service is the standard, not the exception.



2026 Readiness Checklist

- **Put simple retention play in place**, like quarterly check-ins, helpful seasonal tips, and value reminders for existing customers.
- **Tune routes for density** so techs hit more stops with less drive time and lower fuel spend.
- **Create a clear plan for annual price changes** and explain the “why” in advance, rather than surprising customers.
- **Invest in tech retention** with visible career paths, fair performance bonuses, and regular recognition.
- **Track churn, customer lifetime value, and acquisition cost** every month so you can spot problems early and adjust.

Service Nation Roundtable Takeaway

“In recurring-revenue businesses, retention is everything. Acquiring a new customer costs five times as much as keeping an existing one, yet most of us spend all our energy on acquisition and almost none on retention. Flip that ratio, and your business transforms.”

– Service Nation Recurring-Revenue Roundtable Discussion, February 2026



CROSS-TRADE LEADERSHIP & SUCCESSION

Trade-Specific Reality

Leadership and succession challenges show up differently depending on the trade:

- In **HVAC and plumbing**, successors take over complex, growing businesses with multiple revenue streams, various customer types, strong seasonality, and demanding technical requirements.
- In **roofing**, successors handle volatility, storm-driven swings, an aggressive sales culture, and inconsistent cash flow.
- In **electrical work**, successors face greater compliance and safety risks, with code errors and documentation gaps being costly.
- In **recurring-revenue trades**, successors live and die by retention, route efficiency, and keeping enough techs to run the model.

Core Pain Points for Successors

- **Leading teams** who “grew up” with the founder and may be slow to embrace change.
- **Rolling out systems and processes** without sparking a cultural backlash.
- **Earning trust and credibility** without tearing down the founder’s legacy.
- **Respecting what got the company here** while still pushing it where it needs to go next.

2026 Readiness Checklist for Successors

- **Capture the founder's knowledge and relationships** before they leave. Document key workflows, vendor contacts, and what you know best about your customers.
- **Achieve true financial visibility** with live dashboards, clear KPIs, and a solid understanding of unit economics, not just total revenue.
- **Build a small leadership team** and begin delegating daily operations so you can focus more on strategy.
- **Join a peer group of other successors or second-generation leaders** who have already gone through this transition.
- **Invest in sales, marketing, and business development systems** so the company's growth relies less on the founder's personal reputation and more on a reliable engine.



Service Nation Roundtable Takeaway

"Succession involves transferring ownership and trust. The teams, customers, and community must believe in you just as they did in the founder. Achieving this requires time, humility, and a dedication to honoring past successes while preparing for what's ahead."

– Service Nation Leadership & Succession Roundtable Discussion, January 2026

You Don't Have to Figure This Out Alone

If you made it this far, you're thinking strategically about your business, and that's what separates contractors who grow sustainably from the ones who burn out or plateau.

The trends in this guide aren't going away; pressure from AI adoption, labor constraints, rising customer expectations, and economic headwinds is only increasing. You don't have to tackle all of it at once.

Service Nation gives contractors the community, tools, training, and support to run better businesses. Thousands of contractors across HVAC, plumbing, electrical, roofing, and recurring-revenue trades use Service Nation resources to grow their businesses and build real value.

Service Nation connects you with contractors who've navigated the same challenges, gives you ready-to-use business tools and marketing templates, and offers one-on-one coaching and vendor rebates that help offset membership costs. There's a membership tier for where you are and where you're headed.

Ready to Go Deeper?

If you're serious about growth and want structured support (peer advisory groups, coaching, training, marketing tools, and vendor rebates), let's talk. Service Nation offers tiered membership options designed for contractors at every stage, from solo operators to multi-location companies.



Book a Free 1-Hour Assessment

Our team will assess where you are and what you're aiming for, then guide you to the appropriate membership tier. No pressure. Just an honest conversation about what works for you.



Download Your Trade-Specific Bonus Pack

The best contractors in the country are part of Service Nation, sharing what works and building businesses that can scale. That's what the community is for.

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