

# Angie's List It's Not About Surviving, It's About Thriving Post-COVID-19

**PAYCHEX**  
Business  
Series

Coronavirus



**Gene Marks**

CPA, Columnist, and Host



**Angie Hicks**

Founder of Angie's List

## Full transcript

**Gene Marks:**

Hey everybody and welcome back to the Paychex Business Series podcast. I'm your host Gene Marks. I'm a certified public accountant and regular business columnist for a bunch of publications, including *Forbes* and *Entrepreneur*, but more importantly, I'm a small business owner of a financial and technology management services company. I've teamed up with Paychex, a leading provider of human resources, payroll, benefits, and insurance services to bring you real-life advice from real-life business owners and industry experts. In this podcast we'll talk about the complexities of running a small business and how business owners are handling the challenges that they face.

Today we've got a very, very special guest. It's Angie Hicks, who is the founder of Angie's List, which I'm sure you know if you're listening to this already, Angie's List is a U.S. home services website. Angie, I hope I'm explaining your business well, you founded it back in 1995, which was like 150 years ago it seems. And it's an online directory, right? It allows users to read and publish crowdsourced reviews of local businesses and contractors.

**Angie Hicks:**

Correct.

**Gene Marks:**

I'm a fan, and I'm a customer, and I'm thrilled to have you on. So thank you for joining us.

**Angie Hicks:**

Oh why, thank you. I really appreciate it. I'm looking forward to the conversation.

**Gene Marks:**

So this conversation is about the coronavirus. As we are speaking right now, it is the first week of May. We're having this conversation, and the country is still very much in the throes of dealing with the coronavirus. Your site, Angie, I mean your pros as you call them, are small businesses, independent contractors, that are providing services, correct?

**Angie Hicks:**

They absolutely are. And to give you perspective, when I say small businesses, I mean really small. So 90% of the pros that you would find on Angie's List or on our sister site, Home Advisor, have 20 employees or less, and 75% of those pros have four people or less. So these are small, small businesses that are faced with unprecedented challenges right now.

**Gene Marks:**

How many pros do you have that are providing services under an Angie's List, approximately?

**Angie Hicks:**

Sure. So across the two brands, we've got about 250,000 that are participating on the site, but Angie's List has ratings on millions of companies.

**Gene Marks:**

Got it. Now these are companies that, as you said, they can be very, very small or a little bit larger—10, 15, 20, 20 people. But a lot of the work they're doing is performed in people's homes, correct?

**Angie Hicks:**

Correct, correct. A lot.

**Gene Marks:**

That's an issue during this pandemic. How have these businesses been dealing with that?

**Angie Hicks:**

Right. That is one thing that I've been incredibly proud of how responsive these pros have been to the pandemic, because you are exactly right, they are in an industry that has been historically driven by face-to-face interaction, being inside people's homes. They were certainly thrown a curveball here, but I think a few things are important to keep in mind when you think about home services. For one, a lot of times, these services are essential to maintaining our homes. So if you think about if my roof starts leaking or my furnace stops working, those aren't things that can be put off for weeks at a time—those are things that need to be addressed now. So in that scenario, what we found across the country, a lot of the home services have been deemed as essential so that they could still be working during this time, but they still had to change how they do it, what they do, and how they're responding to consumer's feelings about the pandemic. So there's been a lot of changes going on, which has been really interesting.

**Gene Marks:**

What kind of changes?

**Angie Hicks:**

So what we found is nearly ... it was over 90% have made changes related to cleaning and sanitation and safety. So for example, whether it's adding extra sanitation, making sure that their employees are wearing masks and gloves and things like that have been really important. I was talking to a pro the other day who was even commenting that they would bring in disposable pens, writing pens, in case you had to sign a contract. That way you weren't sharing that with anyone else either. So they're really thinking about how to tackle that need for safety, because it's important for both their customers as well as their employees.

**Gene Marks:**

So you've been doing this for a while. You have dealt with many, many very small businesses, and you've seen good ones, and you've seen some not so good ones. If you right now, Angie, were running one of these companies—say you did some type of home services business, whatever it was—put yourself in their shoes. What would you be doing to navigate your way through this?

**Angie Hicks:**

Well, I think it's a time when we all have to think about how we're going to change our business. This pandemic could change the way we do business, period. So don't think about things as just how do I get through these next few weeks? The real smart ones are thinking about how do I evolve my business because some of these feelings might exist long after COVID, right? And how can I make my business better so I come out on the other side stronger.

So a couple of the things that I'm seeing from the pros would be, one, their adoption of technology. I think this was an industry that was very much word of mouth, paper and pencil, very old-school kind of approach in a lot of ways. They're starting to think about how can I make my business more efficient and at the same time be responsive to the customer's demands. So in our recent survey, we found that 40% of pros have started using video chat. I mean video chat's been around for a long time, whether you're using FaceTime or the like, but they're starting to use it to have those initial conversations, to go through estimates. And the interesting thing as I was talking to pros was they realized how much time they spend driving from place to place to give estimates. If they can eliminate and drive efficiency through that element right now because it's important to the consumer, it might actually turn out to be something that drives efficiency in their business over the long term.

**Gene Marks:**

Any other types of technologies you think these guys could be using? My experience with home, we recently had some plumbing work done in our house from a family-owned firm. When the work was done, I had to sign a work order and pay by check.

**Angie Hicks:**

Write a check, exactly.

**Gene Marks:**

And I literally felt like I was going back to 1975. Are you seeing that change? And is that having an impact?

**Angie Hicks:**

Absolutely. And I think a lot of consumers are asking for that. So a lot more digital payments are happening now. You see a lot more pros using tools or invoicing tools where you can pay online, which is great. I mean, again, these are important things for them to adopt because it allows them to get paid easier, quicker, less friction, so likely to be something that will stick around. So we are seeing that. And in fact, on our Home Advisor brand, we actually just rolled out a Home Advisor-specific digital payment tool. So you can pay right through the Home Advisor app as a consumer. So really looking at ways that we can be responsive on that front and be supportive because digital payments is a thing of the now and of the future. And this is just one more incentive for them to adopt.

**Gene Marks:**

Fair enough. Again, working with these companies for a long time, since you started the company in '95, you've been through your share of recessions and economic downturns, how does this compare to others in the past? Or does it?

**Angie Hicks:**

I think it's interesting. So when I've looked over the years, and you're right, I've been through the 2008 housing crisis, I've been through a number of turns. I think the one thing that's important for us all to keep in mind when it comes to home improvement and housing is that for most Americans, our house is our number one asset, so through are good times and bad, we want to make sure that we're protecting that asset. So what we saw in 2008 during that recession, for example, is it's not that people aren't spending, it's that they're spending differently. So instead of saying, "Gosh, I want to put in a brand new kitchen this year," they might be saying, "You know what, I can't afford a surprise so I'm going to make sure I am ahead of the game on all of my maintenance and repairs, because I want to take care of the things that I have."

So whether it's making sure you're getting your furnace and air conditioning tuned up to making sure you're cleaning your gutters so you don't have a flooded basement, at recessionary times you end up at a point where you're thinking, gosh, I can't afford a surprise and I don't want one. So it doesn't mean that business doesn't happen—lots of business actually happens. It's just the type of demand shifts.

**Gene Marks:**

That's great. I have some other questions that I want to ask on that same topic. Let me throw this out to you as well. I mean, if I'm in business right now, a lot of people are just trying to survive, but the smarter people that I know that have been doing this for a while, they look ahead six months to 12 months. And so let me ask you that if looking ahead six or 12 months, what opportunities do you think there are for the service business, particularly post-pandemic?

**Angie Hicks:**

Sure, sure. I mean, I think we're going to see a world that essentially just kind of looks different post-pandemic, right? Everybody's working out of their homes or going to school out of their homes. We're doing a lot of things out of our homes right now. It might start to make us think differently about what we want in our homes. So if you're holding your Zoom calls in a closet, because that was a spot you could find that was quiet in your house, with a cool Zoom background, you might say, "You know what? We don't need one office, we need two in our house. Maybe we don't need a dining room." It actually might make us think long-term differently about our space.

I mean, I was talking to a company, they do exterior work, and they do roofing, siding, and decks. And what was interesting to them was where they were seeing their spike in demand was on decks. So it was kind of like, oh, people didn't get to go on spring break like they might've wanted to do this year, and if they think they're going to be spending summer break or summer vacation at home, they might be rethinking how they have their family's space at their home. And that might turn into something like: you know what, I'm going to take those dollars and reinvest in a different way.

**Gene Marks:**

It's like what you're saying is that the smarter providers, the smarter business owners, are going to be looking at where we are now, where we're going, and adapting and changing, right?

**Angie Hicks:**

Right. Right.

**Gene Marks:**

Because this is not the way it was a year ago. And people are still going to have need for home services, but a different type of home service. There are going to be some companies though, Angie, that are going to fail, and you will have some of your pros that are not going to be around after this. And you're going to have plenty of your pros, most of them I hope, that will be around, that will navigate their way through, and they will succeed and even grow. Why do you think that is? In other words, why do you think some of your pros will succeed despite this? And why do you think some aren't going to make it?

**Angie Hicks:**

Yeah. I mean, I think it comes down to a couple of things. It's how are you thinking and getting ahead of things like we talked about? Are you able to look six months down the road? I think that stuff actually matters, but I go back to what we talked about at the very beginning. These are tiny businesses. These aren't companies that have a strategy guy sitting there thinking about where they should be heading—these are painters and plumbers and electricians that on a great day, they're spending all of their time painting, doing electrical work and plumbing. So they don't have that admin front office team that's actually strategizing, which is one of the reasons that we spent a lot of time on Angie's List and Home Advisor thinking about how can we support and advocate on these pros' behalf, because they need a voice.

And that's why it was important for us to make sure that they were being included and had an equal chance at getting the SBA loans that were going out, for example. Because these aren't big companies with big established banking relationships that they could go pull on. We needed to make sure these mom-and-pop companies could take advantage of those, because honestly, for some of these pros, they are a cashflow business. And so your question is the ones that survive and the ones that don't, those loans from the SBA could mean the difference of making it through a few weeks where they may not have any inflows coming in, because a few weeks could make the difference between them being in business or deciding to do something else.

**Gene Marks:**

Fair enough. Angie, that was great. Thank you very much for your time. I've been speaking with Angie Hicks who's the founder of Angie's List at AngiesList.com. For more information about what we discussed today and other coronavirus questions and topics, please visit the Paychex COVID-19 Help Center. The address is [paychex.com/coronavirus-resources](https://paychex.com/coronavirus-resources). My name is Gene Marks. Again, Angie, thank you.

**Angie Hicks:**

Thanks.

**Gene Marks:**

Thanks for listening everyone. And we will see you next time.