

BUSINESSBUILDER • FICTIONAL CASE STUDY

# Coolgardie

## Commercial Refrigeration

*From emergency call-outs to equipment that keeps running*



Coolgardie keeps the cool rooms and display fridges running for cafés, small grocers and a couple of pubs across a regional city. It has a good reputation, loyal customers and more work than it can comfortably handle—yet the harder its owner, Jason, works, the more the same pressures return. A planned-maintenance offer could change what customers buy. Whether the business can deliver it depends on relationships that currently run through one person's day.

Reactive call-outs .....  
Planned maintenance —

# Coolgardie Commercial Refrigeration

*From emergency call-outs to equipment that keeps running*

The fictional trades business that runs through The Founder's Trap, gathered into a single case

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## FICTIONAL CASE NOTE

Coolgardie Commercial Refrigeration, its owner Jason, its customers, suppliers and all figures are invented. It is the fictional business used throughout The Founder's Trap; this case follows the book's explanation and findings and adds illustrative arithmetic, applied consistently and excluding tax effects. It is not a real client, a market survey or a BusinessBuilder assessment.

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## MOVEMENT ONE

## Busy, but not getting anywhere

It is a little after nine on a Tuesday evening. The team has gone home and the phone has finally stopped ringing, but Jason, Coolgardie's owner, is still at the kitchen table doing the sums again. Revenue is up on last year. So are the hours, the staff and the jobs moving through the door. Profit has barely moved.

Jason is an experienced refrigeration mechanic, and the business has earned its reputation one rescued cool room at a time. Its customers are cafés, small grocers and a couple of pubs across a regional city—operators whose stock spoils within hours if the cold fails. That week, the largest customer, a small supermarket group, asked for keener rates. The distributor that supplies the compressors the team fits most often has quietly raised its prices, and there is nowhere else to turn in time.

The natural response is to discount a little more, chase a few more jobs and give up another week-end. It feels decisive. It usually deepens the problem, because the problem is not a shortage of effort. It is the way the business is built and the market it is built into.

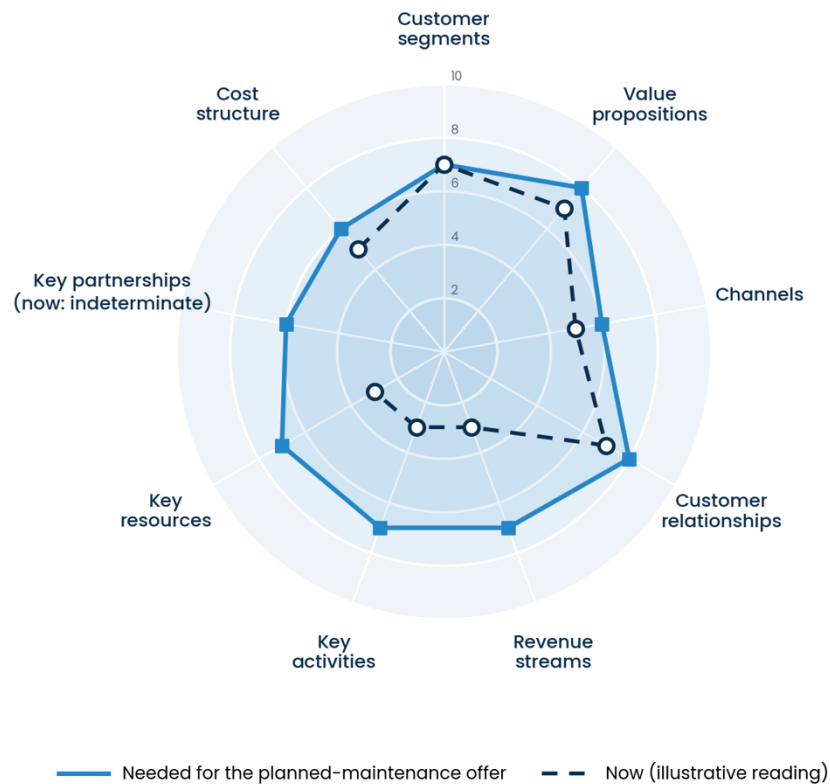
### Two questions hiding in one feeling

- **Is Coolgardie offering anything genuinely distinctive**—a reason to be chosen that isn't just a lower price? That is a question about the basis of competition.
- **Is the business built to deliver that offer, capture the benefit and survive a shock?** That is a question about structure.

They are different problems with different cures. This case takes them in turn: first what Coolgardie sells, then whether the business underneath could carry a better offer.

## The existing business on the BMC radar

The nine Business Model Canvas blocks describe Coolgardie as it stands today, alongside the support the planned-maintenance offer in Movement Two would need. The current reading follows the illustrative profile in The Founder's Trap. Both lines are narrative judgements, not measured scores or a completed BusinessBuilder assessment.



**Illustrative BMC profile.** The dashed line is Coolgardie now: the customer-facing blocks are supported, Channels and Cost Structure are mixed, and Revenue Streams, Key Activities and Key Resources are exposed. Key Partnerships is unplotted on that line, not zero, because the evidence on the parts-supplier dependency is missing. The solid line is the support the planned-maintenance offer would need. Illustrative 0–10 scale; all ratings are fictional, and the area of the shape is not a performance score.

## What the shape means

The customer-facing side reads as reasonably supported: Coolgardie knows who it serves, its customers trust it, and reliability is something they clearly value. The gaps sit inside the business. Revenue Streams, Key Activities and Key Resources read as exposed—the potential fingerprints of unpriced coordination work and reliance on one person—and those are exactly the blocks a planned-maintenance promise would lean on hardest. Key Partnerships is left unplotted on the current line: not drawn at zero, nor assumed to be fine, but shown honestly as unknown.

The shape is a summary, not the analysis. Nine points cannot show 36 relationships, and two businesses with almost identical shapes can carry very different dependencies between the axes. A larger shape is not a better business. Movement Four returns to the relationships that matter.

## MOVEMENT TWO

## Changing what the customer buys

### A market where every curve looks the same

Coolgardie's market looks like most trade markets. Every operator competes on the same handful of factors: hourly rate, the breadth of equipment they will touch, speed of call-out, and a fresh quote for every job. Their value curves sit almost on top of one another. To a café owner ringing around for a fridge repair, the operators are hard to tell apart, so the deciding factor becomes price—and Coolgardie is pulled into a rate comparison it can never win.

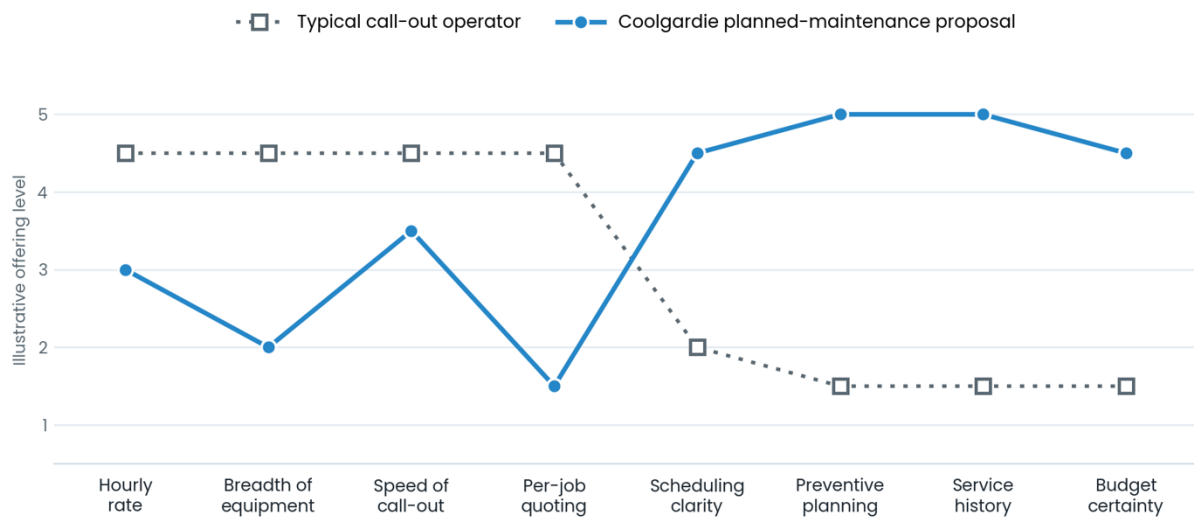
### What the customer is really buying

Jason keeps noticing the same pattern in call-outs. The customer is not really buying a repair. They are trying to avoid the disaster of a cool room failing over a long weekend with a fridge full of stock. What they lack is not another emergency number; it is confidence that the equipment simply keeps running.

That points to customers the market barely serves: small operators who buy nothing but emergency repairs, not because they want breakdowns, but because no one offers them a simple alternative. They are not lost to a competitor. They sit outside the market for planned upkeep altogether.

## A different value curve

The proposed curve is lower on breadth and per-job quoting, and higher on scheduling clarity, preventive planning, a usable service history and budget certainty. Preventive planning now has a practical tool behind it: small IoT temperature sensors on each covered unit that send an alert when a cool room or fridge starts drifting out of range—often hours or days before stock is at risk. Whether small operators value that combination enough to pay for it is a question for evidence, not a foregone conclusion—but the canvas turns a vague sense of pressure into a testable idea.



**Strategy Canvas.** Scale: 1 low to 5 high. A higher hourly-rate value means a higher customer price, not better value. Preventive planning includes IoT temperature monitoring of covered units. A lower point can be a deliberate reduction that funds what the target buyer values. All values are invented teaching judgements following the illustrative canvas in The Founder's Trap; this is not customer research.

| FOUR ACTIONS     | COOLGARDIE'S CHOICES                                                                                                                                                      |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ELIMINATE</b> | The fresh, adversarial quote for every visit, which trains customers to shop on price and eats unpaid hours.                                                              |
| <b>REDUCE</b>    | The breadth of equipment the business will touch: servicing anything spreads the team thin and blunts the brand.                                                          |
| <b>RAISE</b>     | Scheduling clarity and preventive planning, supported by IoT temperature sensors that flag a failing unit early, so customers know when the technician is coming and why. |
| <b>CREATE</b>    | A planned-maintenance arrangement for a defined set of monitored equipment, with a simple service history and a predictable annual cost.                                  |

In one plain sentence, the offer is **a planned upkeep service for a defined group of monitored refrigeration units, with clear visits, early warnings, a usable history and a predictable price.** That is a hypothesis to test, not a proven winner.

## Testing utility, price, cost and adoption

A value curve that looks different is not yet a strategy. The idea has to pass four gates in order—buyer utility, price, cost and adoption—and it earns each question only by passing the one before.

## Utility and price

**Utility** looks promising: avoiding a weekend cool-room failure is a real, felt benefit. **Price** is harder. A monthly fee has to feel affordable to a small café while still adding up over a year. For this case, assume a plan covering one cool room and two display fridges, each fitted with a temperature sensor, at an illustrative A\$220 a month, or A\$2,640 a year, with breakdown call-outs on that equipment included at no extra charge.

## Where the money goes

A plan site generates two very different kinds of work. **Scheduled maintenance visits** are the four planned visits a year: they happen whether or not anything breaks, so their cost is always paid. **Breakdown call-outs** are the emergencies the plan promises to fix at no extra charge: nobody knows in advance how many there will be. The table below follows one site through a year, with a column for each number of breakdowns.

It uses **contribution**: what is left from the plan fee after paying for everything needed to serve that site. Contribution is not profit; it still has to cover the business's overheads—vans, insurance, rent and administration.

| PER SITE, PER YEAR                                                  | NO<br>BREAKDOWNS | 1<br>BREAKDOWN | 2<br>BREAKDOWNS | 3<br>BREAKDOWNS | 4<br>BREAKDOWNS |
|---------------------------------------------------------------------|------------------|----------------|-----------------|-----------------|-----------------|
| Plan fee received<br>(A\$220 a month)                               | \$2,640          | \$2,640        | \$2,640         | \$2,640         | \$2,640         |
| Less scheduled<br>maintenance: four<br>visits, 10 hours at<br>A\$85 | -\$850           | -\$850         | -\$850          | -\$850          | -\$850          |
| Less parts and<br>consumables for<br>those visits                   | -\$250           | -\$250         | -\$250          | -\$250          | -\$250          |
| Less sensors and<br>monitoring, three<br>units                      | -\$120           | -\$120         | -\$120          | -\$120          | -\$120          |
| Less scheduling,<br>alerts and records: 4<br>hours at A\$85         | -\$340           | -\$340         | -\$340          | -\$340          | -\$340          |
| Less breakdown call-<br>outs at A\$280 each                         | \$0              | -\$280         | -\$560          | -\$840          | -\$1,120        |
| <b>Contribution per site</b>                                        | <b>\$1,080</b>   | <b>\$800</b>   | <b>\$520</b>    | <b>\$240</b>    | <b>-\$40</b>    |

Reading the first column: with no breakdown call-outs over and above its scheduled maintenance, Coolgardie receives A\$2,640 for the site and keeps A\$1,080 as contribution towards its overheads.

Each breakdown costs Coolgardie A\$280, so at four breakdowns on one site the plan loses money on that site—even before any overheads are counted.

**Where the A\$280 comes from.** An illustrative breakdown call-out takes two hours of a technician's time, including travel, at the same A\$85 replacement rate (A\$170), plus an average of A\$110 in replacement parts:  $A\$170 + A\$110 = A\$280$ . Labour throughout is charged at a replacement rate, including Jason's time, and the coordination line is real work: watching alerts, keeping the history and holding the schedule are what the customer is paying for.

**Cost is where the idea could quietly fail.** A fixed-price promise to keep equipment running exposes Coolgardie to unpredictable breakdowns. If the plan is priced on two breakdowns a site and a hot summer pushes the average to three, fifteen plan sites earn A\$3,600 a year instead of A\$7,800, before any overhead. At four, every site loses money. The sensors are meant to change that: an early alert can turn a weekend emergency into a planned weekday repair. Whether they actually reduce breakdown call-outs is the first thing to measure, and the plan may still need limits on covered equipment or a cap on included breakdowns.

## Adoption

The offer only works if customers commit to a schedule, and some will resist signing up to anything ongoing. Staff need repeatable visit routines and records that someone other than Jason can read—and someone has to respond when a sensor alert arrives at two in the morning. None of these gates is obviously fatal, but each needs evidence before Jason sinks time and money into it.

## The portfolio on the PMS Map

| PMS POSITION      | OFFER                                                                            | INTERPRETATION                                                                                                                               |
|-------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Settler           | Emergency call-out service                                                       | Competes on the category's accepted terms—availability, hourly rate, breadth of equipment. It pays the wages and keeps the vans on the road. |
| Migrator          | More organised planned-service work for regular customers                        | Scheduled visits and some kept history improve the conventional offer without changing the basis of competition.                             |
| Pioneer candidate | Planned maintenance for a defined set of equipment at a predictable annual price | Reaches toward buyer value the category does not currently combine, partly for operators who buy only emergency repairs.                     |

The Pioneer–Migrator–Settler Map classifies offers, not the business. The word *candidate* is deliberate: whether the planned-maintenance offer truly occupies the pioneer position depends on evidence Coolgardie does not yet have—that small operators value the

reliability promise enough to pay for it, and that the business can deliver it profitably. If the future depends on that offer, attention and testing should concentrate there, not on discounting the settler work harder.

## MOVEMENT THREE

# The three traps

## The Price Trap

The supermarket group's request for keener rates is the everyday face of the Price Trap. Consider a call-out that earns A\$100, with A\$70 of variable cost and A\$30 of contribution. A 10% price cut reduces revenue to A\$90 and contribution to A\$20. Coolgardie would need 1.5 jobs to keep the same A\$30—assuming costs and capacity are unchanged, which in a business already at capacity they rarely are.

The plan is not immune. A 10% discount on the A\$2,640 plan fee—a A\$264 concession—cuts the no-breakdown contribution from A\$1,080 to A\$816, because every cost stays the same. At two breakdowns a year, the site earns A\$256 instead of A\$520: about half of the contribution gone. Persistent discounting is a symptom, not a strategy; the escape is a reason to be chosen that isn't price.

## The Holdup Trap

Coolgardie has two holdup exposures that look like successes. The first is the supermarket group, which now books more of the team's hours than any other client. It pays reliably and the work is steady—exactly why Jason keeps saying yes. But as it approaches a third of billed hours, its requests become harder to refuse, and losing it would leave a hole the business could not quickly fill. (The one-third figure is a practical heuristic, not a validated threshold.)

The second is the parts distributor that stocks the compressors Coolgardie fits most often. Years of habit mean the team is trained around that one relationship, and no alternative has been trialled. Neither exposure is a mistake. Both are commitments whose terms are increasingly set by the other side, and both deserve a deliberate decision rather than another year of drift.

## The Fragility Trap

The most common glass jaw in a small business is the founder. Coolgardie runs on Jason's head: only they can scope a tricky job, judge which repairs to prioritise on a bad day, and reassure a worried publican that the cool room will hold. That capability is much of why the business has survived. It is also a single point of failure hiding in plain sight.

If Jason is sick for a fortnight, quoting stalls, scheduling frays, sensor alerts go unanswered, and the very customers a planned-maintenance offer would promise reliability to are left waiting. The exposure is not that the owner works hard; it is that specific, essential work cannot happen without one person, and no buffer stands behind them.

## MOVEMENT FOUR

## Looking inside the business

Jason wants to know whether the planned-maintenance offer rests on a foundation that can actually deliver it. A structural review starts with an observation in ordinary language, then holds it to the evidence.

### The observation

**Coolgardie's ability to keep its promises runs through one person's day.** Scheduling, scoping the tricky jobs and reassuring an anxious customer all depend on Jason personally. A business whose reliability rests with one person is selling a promise of reliability. That is not yet a judgement, and certainly not a diagnosis.

### The evidence, and what remains unknown

| EVIDENCE (ILLUSTRATIVE)                                                            | WHAT IT SUPPORTS—AND WHAT IT DOESN'T                                                                  |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| A customer list showing one supermarket group approaching a third of billed hours  | Supports a concentration observation; does not by itself prove the relationship is unsafe.            |
| A four-week diary in which Jason personally resolved every scheduling exception    | Supports observed founder dependence in that period; does not prove nobody else could learn the task. |
| Quotes and invoices that do not separately identify call-out coordination time     | Raises a revenue-versus-activity question; does not establish how much margin, if any, is lost.       |
| A single parts distributor named on most recent jobs, with no alternative trialled | Establishes a proposed dependency; leaves usable alternatives unresolved.                             |

The register's restraint is the point. An observation is a question to be evidenced, not a verdict to be reached.

### Why the blocks, one at a time, miss it

Inspect Coolgardie's blocks one at a time and each looks acceptable. Key Activities: the work gets done competently. Key Resources: there is a skilled owner and a working team. Revenue Streams: money comes in. The problem lies in the relationships between them—the activities depend on a single resource that does not scale, and the coordination activity may not be recovered in revenue at all.

## Recording the two relationships honestly

- **Key Activities × Key Resources.** Jason resolved every scheduling exception during the four recorded weeks. That shows concentrated responsibility in that period; it does not, by itself, establish that the activities are undefined or that no one else could do them.
- **Key Activities × Revenue Streams.** The invoices do not separately identify coordination time, raising a real question about whether that work is recovered; it does not, on its own, establish that it is not.

A responsible review records both as questions, with the evidence that would settle them. In the review's own words: "During the recorded four weeks, the founder resolved every scheduling exception. This supports an observation of concentrated decision responsibility across Key Resources × Key Activities. It does not establish that delegation is infeasible. Whether a larger maintenance portfolio can operate without proportionately increasing founder intervention remains unresolved." Stopping where the evidence stops is the method working, not failing.

## Growth can move several relationships at once

Founders rarely stand still. Four expansion moves are on the table, and each touches several of the 36 relationships rather than the single one Jason has in mind.

| MOVE                                                        | WHAT KIND OF MOVE                                             | THE DECIDING RELATIONSHIP                                                                                                   |
|-------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Buy a retiring competitor's customer list and service round | Horizontal: more of the same business                         | Key Activities × Key Resources—unless the round brings people who can do the work, every new job routes back through Jason. |
| Add kitchen-equipment servicing for the same cafés and pubs | Horizontal: an adjacent service for existing customers        | Value Propositions × Key Activities—refrigeration expertise is not appliance expertise.                                     |
| Become a compressor-and-parts agency                        | Backward integration: owning a stage of the supply chain      | Key Resources × Cost Structure—stock and storage become standing costs, and a second business lands on the same bottleneck. |
| Sell guaranteed cool-room uptime on a subscription          | A model shift (product-as-a-service), not forward integration | Key Activities × Key Resources and Key Activities × Revenue Streams—the two relationships already carrying the most weight. |

The plan already uses sensors to warn of trouble. Selling guaranteed uptime goes further: Coolgardie would own the outcome, with servicing driven by real-time condition data rather than a calendar. It is the move most aligned with the business Coolgardie wants to become—and the one that leans hardest on scheduling, already Jason's bottleneck, and on whether monitoring and failure risk

are recovered in the price. The evidence, not the label, decides whether it strengthens the foundation or concentrates the strain.

## The next Tuesday

Jason does not buy the competitor's round or set up a parts agency. Instead, he offers a twelve-week pilot to six existing café and grocer customers and records the evidence that would settle the open questions.

| QUESTION                           | EVIDENCE COLLECTED                                                                                | DECISION IT INFORMS                                                                                   |
|------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Do customers value it?             | Sign-ups, reasons for declining and what customers would otherwise have done                      | Whether the offer reaches operators who only buy emergency repairs, or mainly re-badges existing work |
| Does the plan pay?                 | Breakdown call-outs per site, all paid hours, including Jason's, parts used and coordination time | Whether contribution holds at the real breakdown rate, and what limits the plan needs                 |
| Do the sensors earn their place?   | Every alert, what it led to, false alarms, and breakdowns caught early                            | Whether monitoring reduces breakdown call-outs enough to justify its cost and the alert-handling work |
| Can someone else run the schedule? | Exceptions handled by a team member, and every time Jason had to step in                          | Whether a larger maintenance portfolio needs proportionately more of Jason                            |
| How exposed is the business?       | A trial order from a second compressor source; billed hours by customer                           | Whether supply has a usable alternative, and whether the supermarket group's share is rising          |

Twelve weeks cannot establish a full year's breakdown pattern, and a mild summer is not evidence that the plan is safe. No successful outcome is assumed.

On the next Tuesday evening, the question at the kitchen table has changed. It is no longer how to win the next rate comparison. It is this: **can Coolgardie keep its customers' equipment running for a predictable price—without the promise depending on one person's day?**

### FRAMEWORK AND SOURCE NOTES

Coolgardie is the fictional worked example that runs through The Founder's Trap. This case follows the book's explanation and findings; the plan economics, pilot and specific figures are added illustrations, invented for teaching and applied consistently.

Strategy Canvas, Four Actions, the utility-price-cost-adoption sequence and the PMS Map: Kim and Mauborgne, Blue Ocean Strategy (2005; 2015). Business Model Canvas: Osterwalder and Pigneur, Business Model Generation (2010). The three traps and the 36-relationship reading are BusinessBuilder's working method, not validated performance measures.

BEYOND THE CASE

# *What is happening beneath the surface of your business?*

Coolgardie is fictional. The pressures it depicts may feel familiar: revenue up, profit flat, a large customer pressing on price, and a business that still relies on its owner to hold everything together.

Creating distinctive value is one challenge. Building a business that can deliver it, capture the benefit and withstand disruption is another.

01

## **Explore the ideas in The Founder's Trap**

Follow Coolgardie through the whole book—the strategic tools, the three traps and the structural questions that help founders understand their business before deciding what to change.

02

## **Start with a Snapshot Review**

Establish a clear, evidence-based view of how the business operates, where pressure is concentrated and what remains unknown.

Visit [www.BusinessBuilderAu.com.au](http://www.BusinessBuilderAu.com.au) to explore the book, read example Snapshot Reviews in the Case Library, and view current pricing and how to get started.