

Winner Trains All, Gets Employees Young

by Barb Checket-Hanks

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PHELPS, N.Y. — When you think about the qualities that make a contractor a great company to work for, Halco Heating and Air Conditioning has got what it takes: steady work, plenty of training opportunities, the chance to advance, prime benefits, and community spirit.

In fact, you could say this 2009 *NEWS* Best Contractor to Work for in the East created a blueprint other contractors could follow if they want to attract and retain some of the best techs the industry has to offer, or if they want to grow their own.

Steven Hegel has been with Halco three and a half years. He was hired as a service tech, and started on a commercial job as a helper in the installation division. Through education and opportunities, he has rapidly worked his way up to residential heating field manager.

TRAINING ADVANTAGE

"I've had some great opportunities," Hegel said. Owner and president Hal Smith provides excellent education and training; "we're always on the cutting edge of everything new coming out," Hegel said. "Besides schools and seminars, we do a lot of in-house schooling." Hegel graduated from high school and did two years at Fingerlakes Occupational School.

"Since coming here, I've learned a lot of different things," he said. "There's all types of equipment out there, and becoming proficient in any one of them is tough."

The company's training reaches deep into the community. President Smith developed and built an in-house training center for displaced and under-employed workers who are motivated to attain the skills required to enter the HVAC trades. This training center, Halco Mechanical, Electrical, Plumbing, and Sprinkler (MEPS) successfully completed its first semester in June of 2008 and has been going strong since.

"The Halco MEPS training center is unique due to the fact that the hands-on portion of a student's training is for the actual prefabrication of HVAC/plumbing/sprinkler assemblies which will be installed on construction projects and in customers' homes," said service manager Heidi Westfall. "Typically, hands-on training within our industry has been limited to equipment which is then scrapped or disassembled for the use of future classes."

The advantage to the contractor, of course, is being able to skim off the cream of each class. "We hire the top three or four," Westfall said. "It becomes like a six-month interview." Receiving training does not guarantee employment at Halco.



Hal Smith, owner and president of Halco Heating and Air Conditioning. (Feature photos by Duane Pancoast)



Students learn about the prefabrication of sheet metal at the Halco Mechanical, Electrical, Plumbing, and Sprinkler training center.

There is a full-time instructor, and registered apprenticeship training in four different aspects, held four nights a week, in HVAC, sheet metal, plumbing, and electrical disciplines. Outside funding comes through a workforce investment board, made possible because the displaced students typically are on unemployment. The contractor partners through Monroe Community College; “they hire us to run the course,” said Westfall. The classes qualify for the New York State Department of Labor apprenticeship program.

The contractor uses the facility to conduct internal training as well. Over the last 12 months, employees have spent an average of 41 or more hours in training. The training for employees is free for those willing to make the time commitment to the classes, Westfall said.

For employee advancement, Halco has developed clear career ladders with multiple levels. Each level has specific knowledge, skills, tools, training, and certification requirements, Westfall said. “Team members receive regular reviews, but they can also receive a pay increase at any time for a number of reasons. Halco team members use the career ladders to see where they are now and what they need to obtain in order to get to the next pay level.”

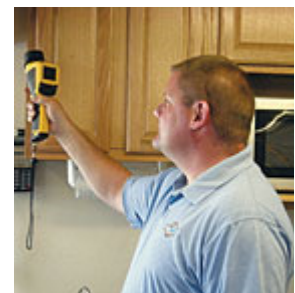
The company keeps its eyes open for promising young people. “One of my peers is a lot younger than me,” said Hegel. “He started with Hal when he was 14 years old.” With all the training the company provides, and by taking college HVAC courses four nights a week while he was still in high school, “he actually graduated from college before he got out of high school.”

Westfall also came in young. “I have been with the company for 11 years,” she said, “beginning part time in customer service while I was still in high school, advancing while in college, and working my way up to my current position of service manager. I have been given many opportunities to further my education and experience within the HVAC industry through affiliations with groups such as ACCA (Air Conditioning Contractors of America), ISL (International Service Leadership), and Women in HVAC.”

TRUST AND BENEFITS

The ability to make independent decisions is something else our Best Contractors excel in. “In my position right now,” Hegel said, Smith tells him, “‘Steve, I trust your decision and what you’re doing.’ I can go into a customer’s house and start to finish, I seal the deal, do the sale, and I’ve got the opportunity to install the equipment.

“If I go into a customer’s house, my job is to diagnose a problem,” Hegel clarified. “But start to finish, if I was to sell a piece of equipment, it’s my responsibility to size that.” The quality of the installation goes beyond the requirements of ACCA Manual J. “We’ve got some sophisticated software that we use. It’s my responsibility



David Smith, Halco home energy auditor, using thermal imaging camera to detect

to use it.”

insulation deficiencies.

With this kind of responsibility comes an accountability that provides a natural weeding out of nonperformers and those who don't work in the team.

To prevent technician burnout during the busy season, the company uses rotating scheduling, on-the-job lunches and breakfasts, rewards, and reward dinners for the technician. Using the varying work shifts has multiple benefits. In addition to preventing burnout, it helps eliminate on-call scheduling and provides service to customers “seven days 'til 9 p.m. with no overtime,” said Westfall.

“The only time we need on-call with this program is on holidays,” she added. “These schedules allow the technician to plan their lives and eliminates burnout.”

The customer attraction is obvious. “We've been able to actually gain a lot of customers calling on weekends and late, and we have people to answer the phones, never a machine,” Westfall said. “Customer service is the foundation of our business.”

MAINTAINING A WORKLOAD



Greg White, MEPS field manager, completes the installation of a commercial boiler system.

Halco generates a steady workload for technicians year-round, predominantly through the use of maintenance agreements. “We have worked very hard for years making our Halco Discount Clubs the most important part of our company culture,” explained Westfall. “We balance our workload with our 3,500 maintenance agreements that create guaranteed non-emergency work during our slow times.

“Our EZ pay method has streamlined our Discount Clubs by removing the renewal process from the agreements,” she continued. “The automatic monthly payment continues until the customer cancels in writing. This creates consistent monthly revenue that we are adding to greatly each month.”

Customers who have signed up for this program pay \$10-\$20 a month. “When we come in to do the tune and clean, they don't have to get their checkbook out,” she said. There is an automatic transfer from their checking account or credit card. Customers sign an authorization form and choose whether they want the payment made on the first or 15th of the month. “We've had tremendous luck at it,” Westfall said. “We're adding about 100 customers/month to that plan. If we lose one a month that's a lot, and usually it's because they've moved or something.”

The maintenance agreements have helped even out the company's work schedule, which is typically heaviest during the heating season. “What used to happen was, everybody wanted to wait until September to get their furnace serviced,” Westfall said. “But everybody wanted to wait, and when we showed up, they had to write a check. Now it's already paid for. That allows us to totally level out our business.”

The company now reserves its formerly heaviest months for new customers. “We've got our existing customers already done,” Westfall said. “By the end of August, we have all

our maintenance done for the year.”

DEDICATED OWNERSHIP

As you might expect, the Smiths (Hal and Tammy) both have an open door policy for collecting employee suggestions. “They are very much involved in the day-to-day operations and have made it clear they are always available for employee concerns, comments, and suggestions to improve,” said Westfall. “We also created a suggestion box for team members to share their ideas; these are read at monthly management meetings.”

These owners founded the company 25 years ago in their home and have worked it up to the \$13 million revenue business it is today. “They have committed their life to the growing of this business,” said Westfall. “From the beginning both had a strong belief that excellent customer service is first and foremost. They have spent years teaching and instilling this belief into their team.

“Tammy always refers to employees as a part of the Halco family,” she continued. “Hal has taught us the benefits of giving back to the community and how to be a respected member of the business community.”

In addition to this award from The NEWS, ISL presented Halco with its Pathfinder Award for 2008. The Phelps Chamber of Commerce honored the company with its Pass the Torch Award, as well as the chamber’s Business of Distinction award for community service. In 2008, the Rochester Business Alliance named Halco one of the fastest growing, privately held companies in Monroe and adjacent counties. And the Finger Lakes Workforce Investment Board (FL WIB) honored Halco as the February 2008 “Business of the Month,” an award that cites companies for their contribution to the local economy and strong workforce.

Promoting HVAC employment and getting involved in energy efficiency work is “the right thing for the country,” said Smith. “One of the things that we preach with our business is to help them reduce the energy that they use.”

Smith said the amount of education the company offers to its employees is its outstanding benefit. “We keep them abreast of anything new.” This includes NATE certification, National Comfort Institute training, and involvement with the Building Performance Institute (BPI). “Our techs want to constantly do the right thing for the customer.

“The days of the heating contractor going in and looking just at the furnace are gone,” he said. “We’re very involved in energy audits, we pride ourselves on doing the right thing for the customer. What we try to teach our technicians is, if you go to the doctor and tell him your shoulder hurts, he will send you for testing before he prescribes or sends you for surgery. Let’s do an X-ray of the home. It’s our job to help the customer prioritize the business.”



Todd Martin, lead home energy auditor, testing airflow using a balometer.

Just the Facts: Best Contractor To Work For

CONTRACTOR: Halco Heating & Air Conditioning

OWNERS: Hal and Tammy Smith

LOCATION: Phelps, N.Y.

YEARS IN BUSINESS: 25

BULK OF MARKET: Residential

TOTAL SALES FOR 2009: \$16.7 million

TOTAL EMPLOYEES: 100

TOTAL SERVICE TECHS AND INSTALLERS: 50

AVERAGE HOURS EMPLOYEES SPEND IN TRAINING: 41-plus

BENEFITS BEYOND MEDICAL/DENTAL INSURANCE: For childcare, the company makes special arrangements when employees with children have a day off from school; flexible work schedules. Additionally, 401(k) is offered to all employees after one year of employment (50 percent match, up to 5 percent of the employee's pay). There is an automatic \$30,000 life insurance policy after 90 days of employment. An Employee Assistance Program offers professional, confidential counseling for personal or work-related issues. Employees also receive 40 hours of paid sick/personal time and up to four weeks vacation after five years. Baseball games, picnics, and holiday parties are provided as well.

INDUSTRY ASSOCIATIONS AND CONTRACTOR GROUP MEMBERSHIP: ACCA, ISL

THE NEWS SELECTED THE CONTRACTOR BECAUSE: Halco's emphasis on continuing education helps it attract and retain top techs in the area. The company's shift schedule accommodates both employee and customer needs without overtime expenses (except on holidays). The contractor also is using technology to facilitate customer pay, and is following energy-saving trends to maintain growth and keep the workload steady for its staff.

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