

## The contractor-up close and personal

By Jim Hinshaw - columnist

SALES IMPROVEMENT PROFESSIONALS



I recently spent some time with Paul Hobaica, President of Hobaica's Refrigeration Co., Inc. Paul is from a large family; his dad, Paul Sr. raised 5 boys and 2 girls, put them all through college while running the family business which started in 1952. I asked Paul when he had decided to join the company. His answer was interesting, he said he worked at the business during grade school and high school, but wanted to be an architect when he got into ASU. He found that the school of architecture was not for him, switched to Mechanical Engineering. After a short while there, switched to General Construction. When he graduated, he felt guilty (his words, not mine) about not being involved with his Pop, and joined Hobaica's Refrigeration. He found it to be a rewarding career, and soon his younger brother Louis joined the company as well. Louis has a degree in business, and the two brothers compliment each other well. A third brother Mike is now involved in replacement sales.

They have some employees in the building now that have been there over 30 years. With a history like that, change can be hard. One of the pleasant surprises is the fact that the employees adapted better than the brothers imagined when they bought the business from their father. One of the unpleasant surprises that Paul discovered was how many details needed attending to; his father had made it seem easy. I asked Paul what advice he would give to someone starting out in a family business these days. He said that they need to do what they want, not necessarily what everyone expects them to do. It might be best for them to do something else for a while, perhaps a career separate from the company is in their best interest. Paul has a brother Matt, who is in commercial real estate with Lee and Associates, and does very well outside of the family business. Paul did say that a person today needs to get a well-rounded business education, just knowing the trade is not enough. One of the difficulties that Paul and Louis encountered after purchasing the business from their father was automating their records and putting everything on computer. It took a lot more than either estimated, it was a huge project.

Every time I do an interview like this, I learn something about the people involved that is good to hear. Paul told me when he and Louis decided to buy the business from their Pop, they asked him what it was worth, and that was the selling price. Fair

market value was the phrase they used. A great concept. One of the things Paul said could be a problem in a family owned business, is the issue of entitlement. The kids think they deserve the title without learning the job, and not working for it. Paul said that he and his brothers all worked in every phase of the business, so they know first-hand how difficult each task can be.

I also asked Paul how comfortable they were when non-family moved into upper level positions at the company. He said that was the case today, that they had to be sure security for all parties was in place, and that responsibilities and benefits were clearly defined, so that everyone knew what was required, and what rewards were to be given.

Paul and his wife Debbie have large family, comprised of six teenagers! Paul and Sarah, both 17, and Lynne, 15, are at Bourgade High School. Tommy, 14, and Jimmy, 12, are both at St. Gregory's. Richard, 13, is at Madison Meadows. With that many teenagers, there is no shortage of school activities and sports to watch. The family is involved in baseball, basketball, football, hockey, acting, choir, and Boy Scouts.

Louis and his wife Jane have 3 children; Dan, 14, at Bourgade High School, and Andrew, 12, and Steven who is 6, at St. Jeromes. They are involved in soccer, football, hockey and music.

One example of the creative thinking that Paul and Lewis have done is shown by the way they handled the conversion to a new computerized accounting system. There were a lot of details to be attended to, as well as many files to be inputted. One of the family members has ability in the computer area, and began the long task of inputting files. Except she wanted to work from home, not in the office. So they set up a system, and she inputs data from her home today, a true remote employee.

In 1998 Hobaica's joined Excellence Alliance, a group of independently owned HVAC businesses banded together to enjoy the leverage that belonging to a group can bring. They exchange ideas on marketing, sales, best practices, etc., with contractors from across the nation. It was designed specifically for the business owner who did not want to sell out to a consolidator,

yet needed the benefits of a large network of owners.

Today, the business is busier than ever, Paul said they did not have a slow season this last winter and this summer has proven to be good for them. They now have almost 30 employees and see a yearly growth of 15%. The air conditioning business has been very good for the Hobaica family, best of all; they enjoy what they do! □

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