

Castellano Named Contractor of the Year

Posted: July 10, 2006

Owner Cites Business Disciplines as Keys to Success



Tommy Castellano receives the 2006 ACCA Award for Excellence in Residential Contracting at the 38th annual Air Conditioning Contractors of America (ACCA) Conference in San Jose, Calif.

TAMPA, Fla. — What makes an award-winning HVAC contractor tick? What are the keys to his success? The answers can be found in a conversation with Tommy Castellano, owner of Castellano Air Conditioning and Heating Inc. Castellano was recently presented with the 2006 ACCA Award for Excellence in Residential Contracting at the 38th annual Air Conditioning Contractors of America (ACCA) Conference in San Jose, Calif.

ACCA president and chief executive officer Paul Stalknecht cited Castellano for achieving “the highest honor an HVAC contractor can aspire to.” Winning such a prestigious honor from a group of outstanding contractors came as a result of hard work and making a commitment to growing his business in a profitable and professional way. Castellano said that he has a lot of people to thank.

“When I joined ACCA, I got involved with a lot of really good contractors,” he said. “I knew the business before I joined ACCA, but by joining a Mix Group®, I was able to improve my management skills.”

Castellano said the hardest part of running a business is maintaining it “during its second 25 years.” But with the help of ACCA, he has been able to travel to a lot of different HVAC businesses across the United States and be quickly recognized by

his peers as a successful and mentoring contractor. "There are many places I can go in this country and see a familiar face to take to dinner," he said.

With his Mix Group, Castellano said he is able to interact with other members every six months at an on-site location. Each member has full access to the company's books and procedures. "It's like having a board of directors for your business," he said. "If you don't listen to them and take their recommendations, you might look like a horse's bleep."

KEYS TO SUCCESS

Besides the benefits of interacting with many other contractors, Castellano discussed other reasons why his business has been successful and now, award winning.

"We know that we can't depend on the phone to ring in order to be successful," he said. "In fact, we haven't had a Yellow Pages ad in two years. We have a large database of customers and we market to them.

"It is all a matter of timing. You can't wait for new customers to call. Many of the ones that do are looking for a low price and there is way too much low-price competition out there."

Castellano knows his customer base very well. He tracks the type of equipment they have and how old it is. With that information he sets up marketing to customers who may soon be in need of service or replacement work.

He also said he doesn't want his company to get into a bidding war with lowball competitors — people that he believes have no idea what their costs of doing business are. "You need to understand your overhead and not get into bidding without knowing your costs," he said. "I'd advise people to understand the accounting and business side of the operation. You have to know your breakeven point, when you've covered your costs and can begin to make a profit. There are some jobs that are not profitable and you simply need to walk away from them.

"Have a good accounting system and know the score."

WELL-TRAINED WORKERS



Tommy Castellano of Castellano Air Conditioning and Heating Inc. discusses his company's installation of a York condensing unit with a homeowner.

Another key to success is to have a well-trained staff, which is often the biggest concern of any HVAC contractor. Castellano knows that the talent pool has been shrinking for a long time, and he does his best to promote education in the community and among his staff.

He serves as chairman of the board for the Florida Chapter of ACCA, and as the professional careers co-chairman. In that role, he chose the Tampa Bay Vo-tech High School as a pilot program for high school teenagers.

"We also do a lot of in-house training in order to keep people here," he said. "There are not a lot of young people coming into the trade. Our people see that we are willing to invest in them and they don't want to leave. As their training and experience goes up, so does their salary."

Finally, Castellano gives a lot of credit to the Unitary Products Group of York — a Johnson Controls Company, the main unitary line his company sells. He said the manufacturer has a very good network of distributors throughout Florida and he has gotten excellent service from them. He is also impressed with the company's Internet tools. "York has some great ideas through its online business network," he said.

In a York UPG press release, Castellano was lauded for his ability to bring together students and the manufacturer to achieve common goals.

"We want to become mentors for the air conditioning program to encourage young people to become air conditioning entrepreneurs," Castellano said. "As mentors, we should provide them with a path that leads them to their own companies and businesses."

York UPG donated a heat pump condensing unit for the students to install and service. Castellano said he would like other HVAC manufacturers to join the effort, too. "More manufacturers should become involved in the training of our young people, because the future of HVAC is in the hands of the youth," said Castellano.

Castellano said he wants to leave a positive mark on the HVAC industry. He knows that other contractors can be just as successful if they follow the same business practices that he has.

"We, as an industry, owe it to whomever we leave it to, to be a better place to work, live, and play," Castellano said. "If we can do that and have fun, we have done our job."

Publication date: 07/10/2006
