

State of the Contractor

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26

"Reputation, integrity and honesty are the keys to success."

"We always answer the phone, we do what we say we are going to do, and we surround ourselves with the best people."

Focus on customers and employees are vital to success

BY JIM SCHNEIDER

To get a pulse on the state of business and the industry for plumbing and hydronic contractors, *Phc News* surveyed a cross section of contractors and contracting firms all across the U.S. The results reflect the experiences of contractors of every size and from every geographic region. There are billion-dollar firms, as well as mom-and-pop operations working out of their trucks. Each has something to say about the general state of our industry and serves as an indicator of where things are going.

In examining the results of the survey, the overall sense of things is overwhelmingly positive. More than 80 percent of the contractors polled have seen their revenue increase from 2011 to 2012. Some of the increases have been pretty substantial. More than half of the companies we surveyed have added employees in the past year.

That is not to say that everything is all wine and roses. There are still plenty of challenges being faced by contractors around the country. While nearly every respondent acknowledged that the economy has improved, the slow recovery does still impact business for many. Some indicated less stability in their workload, with one describing the environment today as "a roller coaster economy." The jobs are there, but for many, they are less steady and reliable.

Materials and pricing were also on the

minds of many of the contractors surveyed. Rising costs and tighter budgets often put contractors in a squeeze. One described facing "tighter bids and less profit."

Another said, "market pricing is too aggressive and margins have suffered terribly."

In spite of challenges like this, nearly all those who responded to the survey believe that 2012 was better than 2011 and that 2013 looks to be better still. The recovery appears to be picking up steam, and the majority of those polled are preparing for still more growth in the year ahead. The economic downturn hit the industry hard,

but has resulted in leaner operations and increased efficiency.

In describing the past few years, one contractor noted, "We have experienced lower levels of profitability, but remain focused on efficient execution and cost discipline."

If there is an upside to tough economic conditions, it's that businesses often find a way to weather them and move into better times with improved operations and capabilities.

We also asked contractors to share what they see as the keys to their success. An overwhelming majority of those surveyed told us that their employees are the single greatest reason their businesses succeed, grow and thrive. People are the face and lifeblood of any company. As a result, the firms dedicated to hiring and maintaining the best people very often experience the most

positive bottom-line outcomes.

One contractor responded, "The most important key to success is transforming our team members from individual contributors into managers and finally, leaders."

Another said the key to success is, "Quality people and products, in that order."

The other main component to success noted by many respondents is customer relationships and service. In many ways, this intertwines with a focus on training and maintaining good staff. As one contractor put it, "We always answer the phone, we do what we say we are going to do, and we surround ourselves with the best people."

Another said, "Reputation, integrity and honesty are the keys to success."

According to many of the contractors surveyed, creating and maintaining good customer relationships are vital to growth. This brings repeat business, good word-of-mouth and establishes a quality reputation for any company.

Other important factors discussed included running an efficient and lean operation, remaining flexible to market fluctuations, and keeping up with the latest technology, such as BIM. Several contractors are also expanding their brands through the web and social media.

Phc News would like to thank those who took the time to respond to our survey. The data is encouraging and many signs point to increased growth and a positive uptick in 2013. We look forward to sharing still more good news next year in our 2014 State of the Contractor report. ●

➔ Continued on p 28

"The most important key to success is transforming our team members from individual contributors into managers and finally, leaders."

The 100

The following firms were surveyed for 2013 Phc News State of the Contractor report. The companies shown here represent all shapes, sizes and demographic areas, and are listed in order of reported total revenue in 2012.

\$1 billion+

1. EMCOR Group, Inc.Norwalk, Conn.
2. Wayne Automatic
Fire SprinklersOcoee, Fla.
3. Comfort Systems, USA.....Houston, Texas

\$100 million to \$999 million

4. AMC.....Albany, N.Y.
5. TDIndustries.....Dallas, Texas
6. Southland Industries*Dulles, Va.
7. McKinstry*Seattle, Wash.
8. Roto Rooter*Cincinnati, Ohio
9. MMC ContractorsKansas City, Mo.
10. **Harris Companies.....Saint Paul, Minn.**
11. Harder Mechanical
Contractors*.....Portland, Ore.
12. U.S. Engineering Co.*St. Louis, Mo.
13. J.C. Cannistraro, LLCWatertown, Mass.
14. JH Kelly*Longview, Wash.
15. Approved
Plumbing Co.....Broadview Heights, Ohio
16. Mechanical Inc.Freeport, Ill.

\$20 million to \$99 million

17. Letsos CompanyHouston, Texas
18. RK Mechanical*Denver, Colo.
19. Pierce Associates Inc.....Alexandria, Va.
20. WendelRoseland, N.J.
21. E.M. Duggan Inc.....Canton, Mass.
22. City of
St. Louis ParkSt. Louis Park, Minn.
23. Nashville Machine Co.....Nashville, Tenn.
24. CCI
Mechanical Inc.Salt Lake City, Utah
25. City of PhiladelphiaPhiladelphia, Pa.
26. Johnson & Jordan.....Scarborough, Maine
27. Robert Gibb & Sons Fargo, N.D.
28. CJ Erickson.....Mount Prospect, Ill.
29. Comfort Engineers Inc.....Durham, N.C.

\$5 million to \$19 million

30. ACIS.....McKinney, Texas
31. Halverson
Mechanical Inc.Ogden, Utah
32. CMW Inc.Wichita, Kan.
33. J.F. Ahern Co.*Fon du Lac, Wis.
34. H&G Systems LPGarland, Texas
35. Fitzgerald &
Sons Plumbing.....Peachtree City, Ga.
36. RKS Plumbing
and Mechanical*Glendale, Ariz.
37. Senninger
Plumbing Co.....Louisville, Ky.

38. Brown Mechanical
Contractors*Birmingham, Ala.
39. Bob Hamilton Plumbing, Heating
and Cooling.....Overland Park, Kan.
40. Schneider Heating
& Air ConditioningOnalaska, Wis.
41. Metzler's
Mr. PlumberIndianapolis, Ind.
42. Black Diamond Plumbing and
Mechanical, Inc.Crystal Lake, Ill.
43. Village Plumbing
& Home Services.....Houston, Texas
44. Belair
EngineeringUpper Marlboro, Md.
45. Robert H. Ranck Inc.Lancaster, Pa.
46. Lawrence
Plumbing LLC.....Vandergrift, Pa.
47. SimplexGrinnell.....Helena, Mont.
48. Larsen Plumbing Inc.....St. George, Utah
49. Jim Godbout P&H Inc...Biddeford, Maine
50. Mazzer Plumbing &
Heating Co.Saddle Brook, N.J.
51. Jim and Dude's Plumbing, Heating
and Cooling.....Albert Lea, Minn.
52. Twig Consulting
Engineers.....New York, N.Y.
53. Minnick's, Inc.....Laurel, Md.

\$1 million to 4.9 million

54. Vigilante Plumbing, Heating
and Air Conditioning.....Brooklyn, N.Y.
55. MJ Mechanical Inc.....Pflugerville, Texas
56. Gehrett Plumbing Inc.Chicago, Ill.
57. Early Services, Inc.....Decatur, Ala.
58. Archer
Air Conditioning.....Powell, Tenn.
59. Terry Plumbing, Heating
and Supply Co.Countryside, Ill.
60. Stack
Heating & CoolingAvon, Ohio
61. Cartwright's Plumbing, Heating
& CoolingSanta Fe, N.M.
62. Farrell's Heating
and Air Conditioning.....Sioux City, Iowa
63. Foley MechanicalLorton, Va.
64. Perfection
Contracting Inc.....Newton, N.J.
65. Master Craft Plumbing
Contractors Inc.....Daytona Beach, Fla.
66. Nixco PlumbingMason, Ohio
67. Taylor PlumbingWheeling, Ill.
68. Hinson Mechanical Co.....Monroe, N.C.

69. Craftsman
Plumbing.....San Antonio, Texas
70. MacKenzie Heating
& CoolingSeabrook, N.H.
71. Robison
Plumbing Service.....Bremerton, Wash.
72. Atomic Plumbing
and Drain Co.....Virginia Beach, Va.
73. John's Plumbing Inc.Birmingham, Ala.
74. AI Air LLC.....Frontenac, Kan.
75. Muirfield Mechanical
Services LLCBoxborough, Mass.
76. Armor Sheet MetalLa Junta, Colo.
77. Mr. Rooter PlumbingFridley, Minn.
78. Summers
Quality Services.....Philadelphia, Pa.
79. Dayton Tradesource.....Dayton, Ohio
80. Blackies Automatic
Engineering Co.....Tilton, Ill.
81. Bienvenu
Brothers PlumbingMetairie, La.
82. Pullman Heating
& ElectricPullman, Wash.
83. Alpha PlumbingPasadena, Md.
84. Mr. HVAC.....Lenexa, Kan.
85. Kogge Plumbing,
Heating and A/C.....St. Mary's, Ohio
86. Gator Plumbing Inc.....Bradenton, Fla.
87. Fejfar Plumbing &
Heating Inc.....Yankton, S.D.

Under \$1 million

88. Dixon's
True Value Hardware.....Kingman, Kan.
89. Allstar SpecialistsRockwood, Mich.
90. Drain Surgeon
Plumbing Co. Inc.....Slidell, La.
91. M3 Engineering Inc.....Chandler, Ariz.
92. Keaton Plumbing, Maintenance
& RepairManassas, Va.
93. Walton's
Plumbing.....Salt Lake City, Utah
94. Rayborn Plumbing Inc.....Austin, Texas
95. B&S
Plumbing Inc.Coeur D Alene, Idaho
96. York Technical College.....Rock Hill, S.C.
97. Archer
Plumbing LLCColumbia, Tenn.
98. Plumbing Masters
of GeorgiaAustell, Ga.
99. W.J. O'Neil Co.Livonia, Mich.
100. ARC Engineering.....Lakewood, Calif.

Top Contractors by Region

Based on reported 2012 revenue

East

1. EMCOR Group, Inc.....Norwalk, Conn.
2. AMC.....Albany, N.Y.
3. Southland Industries.....Dulles, Va
4. J.C. Cannistraro, LLC.....Watertown, Mass.
5. Pierce Associates Inc.....Alexandria, Va.
6. Wendel.....Roseland, N.J.
7. E.M. Duggan Inc.....Canton, Mass.
8. City of Philadelphia.....Philadelphia, Pa.
9. Johnson & Jordan.....Scarborough, Maine
10. Belair Engineering.....Upper Marlboro, Pa.

South

1. Wayne Automatic Fire Sprinklers.....Ocoee, Fla.
2. Comfort Systems, USA.....Houston, Texas
3. TDIndustries.....Dallas, Texas
4. Letsos Company.....Houston, Texas
5. Nashville Machine Co.....Nashville, Tenn.
6. Comfort Engineers Inc.....Durham, N.C.
7. ACIS.....McKinney, Texas
8. H&G Systems LP.....Garland, Texas
9. Fitzgerald & Sons Plumbing.....Peachtree City, Ga.
10. Senninger Plumbing Co.....Louisville, Ky.

Midwest

1. Roto Rooter.....Cincinnati, Ohio
2. MMC Contractors.....Kansas City, Mo.
3. Harris Companies.....Saint Paul, Minn.
4. U.S. Engineering Co.....St. Louis, Mo.
5. Approved Plumbing Co.....Broadview Heights, Ohio
6. Mechanical Inc.....Freeport, Ill.
7. CJ Erickson.....Mount Prospect, Ill.
8. Halverson Mechanical Inc.....Ogden, Utah
9. CMW Inc.....Wichita, Kan.
10. Bob Hamilton Plumbing, Heating and Cooling.....Overland Park, Kan.

West

1. McKinstry.....Seattle, Wash.
2. Harder Mechanical Contractors.....Portland, Ore.
3. JH Kelly.....Longview, Wash.
4. RK Mechanical.....Denver, Colo.
5. CCI Mechanical Inc.....Salt Lake City, Utah
6. Halverson Mechanical Inc.....Ogden, Utah
7. RKS Plumbing and Mechanical.....Glendale, Ariz.
8. SimplexGrinnell.....Helena, Mont.
9. Larsen Plumbing Inc.....St. George, Utah
10. Cartwright's Plumbing, Heating & Cooling.....Santa Fe, N.M.

Biggest Gainers

According to data supplied by companies participating in our survey, the following firms saw the largest increases in revenue from 2011 to 2012.

Company	Percent Increase (based on reported data)
1. Larsen Plumbing Inc.....	82%
2. Senninger Plumbing Co.....	75%
3. Foley Mechanical.....	70%
4. Craftsman Plumbing.....	67%
5. E.M. Duggan Inc.....	62%
6. Gator Plumbing Inc.....	55%
7. W.J. O'Neil Co.....	43%
8. Terry Plumbing, Heating and Supply Co. Inc.....	43%
9. Plumbing Masters of Georgia.....	41%
10. Jim Godbout Plumbing and Heating.....	40%

Company	Percent Increase (based on reported data)
11. Summers Quality Services.....	33%
12. Vigilante Plumbing, Heating and Air Conditioning.....	32%
13. Johnson & Jordan.....	31%
14. Atomic Plumbing and Drain Co.....	29%
15. Bob Hamilton Plumbing, Heating and Cooling.....	28%
16. Alpha Plumbing.....	25%
17. J.C. Cannistraro, LLC.....	25%
18. Fitzgerald & Sons Plumbing.....	24%
19. Metzler's Mr. Plumber.....	23%
20. Wayne Automatic Fire Sprinklers.....	22%
21. Dixon's True Value Hardware.....	20%
22. TDIndustries.....	19%
23. Master Craft Plumbing Contractors Inc.....	17%
24. Keaton Plumbing Maintenance and Repair.....	16%
25. Village Plumbing & Home Services.....	16%

Revenue Spent by Category

The following is a cross section of revenues by category reported by some of the largest firms participating in the PHC NEWS State of the Contractor survey:

Plumbing

Company	Revenue
1. Comfort Systems, USA.....	\$215,000,000
2. Approved Plumbing Co.....	\$122,008,400
3. MMC Contractors.....	\$120,000,000
4. J.C. Cannistraro, LLC.....	\$37,000,000
5. Harris Companies.....	\$34,188,000
6. E. M. Duggan Inc.....	\$27,119,034
7. Pierce Associates Inc.....	\$26,000,000
8. Johnson & Jordan.....	\$20,000,000
9. Wendel.....	\$20,000,000
10. C.J. Erickson.....	\$20,000,000

Piping

1. MMC Contractors.....	\$130,000,000
2. J.C. Cannistraro, LLC.....	\$90,000,000
3. Harris Companies.....	\$39,886,000

4. Wendel.....	\$30,000,000
5. Pierce Associates Inc.....	\$26,000,000
6. Nashville Machine Co. Inc.....	\$25,621,000
7. Mechanical Inc.....	\$24,650,000
8. Robert Gibb & Sons Inc.....	\$11,065,000
9. CCI Mechanical Inc.....	\$7,600,000
10. H&G Systems LP.....	\$5,000,000

Hydronics

1. MMC Contractors.....	\$222,000,000
2. Mechanical Inc.....	\$5,3180,000
3. Harris Companies.....	\$45,606,000
4. Johnson & Jordan.....	\$19,344,238
5. Halverson Mechanical Inc.....	\$8,500,000
6. CMW Inc.....	\$7,837,401
7. CCI Mechanical Inc.....	\$7,200,000
8. AMC.....	\$3,000,000
9. Jim Godbout P&H Inc.....	\$2,100,000
10. Foley Mechanical.....	\$1,650,000

Fire Protection

1. Wayne Automatic Fire Sprinklers.....	\$5,482,600,000
2. EMCOR Group, Inc.....	\$200,000,000

3. J.C. Cannistraro, LLC.....	\$20,000,000
4. Comfort Systems, USA.....	\$16,500,000
5. E.M. Duggan Inc.....	\$7,231,984
6. Wendel.....	\$4,000,000
7. SimplexGrinnell.....	\$3,500,000
8. AMC.....	\$700,000
9. Lawrence Plumbing LLC.....	\$224,000
10. Archer Plumbing LLC.....	\$50,000

Waste/Wastewater Treatment

1. EMCOR Group, Inc.....	\$120,000,000
2. Wendel.....	\$20,000,000
3. MMC Contractors.....	\$20,000,000
4. Mechanical Inc.....	\$12,560,000
5. Robert Gibb & Sons Inc.....	\$850,000
6. AMC.....	\$800,000
7. Johnson & Jordan.....	\$800,000
8. Craftsman Plumbing.....	\$200,000
9. Approved Plumbing Co.....	\$100,000
10. Robert H. Ranck Inc.....	\$40,000