

20 QUESTIONS >> with **MICHAEL** Carlo

Terry Tanker met with Michael Carlo, managing partner of Innovative Air Solutions in Mt. Vernon, N.Y., a 2016 Tops in Trucks Fleet Design Contest winner. The two discussed starting a business from scratch, learning on the job and evolving as a marketer.

1. How did you initially get involved in the industry?

I've been around the business my entire life. My father worked for a wholesale distributor and still does. My brothers and I worked in the warehouse during the summer. We learned how to drive forklifts and eventually made deliveries to job sites. One year, while on college break, my father said, "I think you should try something different this summer; would you like to take a crack at installs?"

2. Who did you go out with?

He had a contractor friend who needed help. He had a lot of work in diners, catering halls and restaurants. We were exposed to a lot — furnace replacements, duct work, transformers ... a little bit of everything.

3. Is that when you knew you wanted to own your own contracting business?

My brother, Matthew, and I never had any intention of owning a contracting firm. In fact, after we graduated we opened retail stores, selling phones, pagers and electronics. The big carriers like Sprint and Verizon were getting into that business so we sold out just before 9/11. It was a timely decision.

4. Did you use the proceeds of the sale to start Innovative Air Solutions?

Yes, but it took some time to come to that conclusion. In the end, we thought we could capitalize on our past experience and all of the contacts my father had. Matthew and I started in the basement of our mother's house — we each own 50 percent of the company.

5. What were your responsibilities then?

We got busy quickly. All of the sudden, you find yourself in a van with tools in your hands. It was bittersweet. I went to college and thought, "I don't want to be in an attic." But, we always held the concept that to explain it, sell it and manage it, you have to do it.

6. How long were you out on the road?

Five years, then we graduated to the next level. In fact, many from the first wave of hiring we did are still with us today, 15 years later.

7. What type of work were you doing?

Almost 100 percent was installation. We didn't start doing service work until later. Installations were straightforward and we were sticklers for leaving a job better than we found it. The install had to be straight, level and plumb and before we left everything needed to be cleaner than we found it — shoe covers, drop clothes ... everything.

8. So you didn't really have formal training as an HVACR technician?

That's correct, but I read a lot of books then. I'd burn out a transformer and then go home and read a book. Over time, between the books and being on site, I learned a lot about what to do and what not to do. Eventually, I had formal training, attended classes and became licensed in all of our surrounding counties and the state of Conn. I'm also NATE certified.

9. When did you start to become such sophisticated marketers?

We were late to that party. It wasn't until a few years ago that we started to even think about marketing. Word of mouth was what kept fueling our growth. We hired a consultant to help us in 2012 and she really opened our eyes.

10. Is that when you decided to get serious about your fleet design?

Yes. We hired a firm to design a logo for us and we drove the guy nuts with changes, but in the end it turned out great. And the color palate is actually the Detroit Tigers' colors. Many think it looks like the New York Mets' colors, but it's the Tigers.

11. How many do you have on the road?

Ten Fords Transits and Ford Transit Connects, all wrapped. We recently switched over from Chevys. We ordered the Transits with a lot of extras — back-up cameras, larger mirrors on the side, Bluetooth ... I wanted our technicians to really want to drive the vans and be proud.

12. Do you use GPS tracking?

Yes. The guys know they are getting tracked on speed, idle time and efficiency.

13. What other marketing are you doing?

We're close to launching a new website. It's been a lot of work, but I'm happy with what I've seen and we're excited about getting it launched.

14. How are you selling maintenance contracts?

We just changed it, we were billing monthly and it wasn't working. Obviously, it's a small bill for the

customer but it really was a lot of work. Because of new cards being issued, security chips, etc., we were chasing customers for monthly memberships. So we canned that, and went to one flat rate fee that covers everything behind the front door.

15. Do you specialize in any type of work?

Yes, the Unico high velocity systems and Trane. They are perfectly suited to the buildings we have here in Westchester, Conn. and Manhattan. Our rep from Unico systems helped us install the first couple of jobs. Trane is known for reliability, dependability and strong structure in research and development and their commercial line. I felt they were the right brands and equipment for us.

16. So you also do commercial work?

Yes; Matt handles those jobs. He has all the plans in his office. We have a \$200,000 LG job right now in Manhattan; it's a brownstone. The total project will be worth \$16 million when it's done!

17. How did you get that job?

We were contracted through the general contractor. Matt has been handling all aspects — meeting with the GC, the project management team, foreman and the homeowners. Obviously, we'll handle any warranty work but we want the maintenance agreement too.

18. How do you like to manage the business?

I'm hands-on, but Matt and I share all the responsibilities. I handle any customer issues, the financial end, paperwork and permitting. Matt handles daily operations and management of our technicians. And, of course we both still sell.

19. Do your technicians sell too?

Yes, they do. They act as a filter. For example, they might say, "Mike, this is the situation ... this is what the customer has, this is what they need — could you put together a proposal? I'm sitting with them right this second, they are without heat, they're AC isn't working or they're out of hot water." This selling system works well for us.

20. What's your favorite thing about running the company?

I enjoy being the guy behind the curtain, working on strategy. I don't enjoy the tactical stuff nearly as much. I enjoy getting out of the office every once in awhile, breaking up the day, but if I could be buried in the office working on advertising, finance, the website, putting together systems and structure ... that's my passion.

