

# Transcript

Krystal Hobbs 0:04

Welcome to Beyond the Tools, the podcast that helps contractors attract more leads, grow their business, and finally get off the tools. In each episode, you'll discover marketing tactics that work. You'll get actionable insights from other successful contractors, and connect with experts to help you grow. I'm your host, Krystal Hobbs, owner of a social media agency that helps contractors attract and convert more leads. Get ready to take your business to the next level so you can finally enjoy the fruits of your hard labor. Ready, let's go!

Hey, contractors, welcome to Beyond the tools. I'm sure many of you probably are in the throes of the cooling season, Things are hectic, maybe you're pulling your hair out wondering why am I doing this? If you feel that way, totally natural, but I hope today's episode provides a little bit of perspective, and also a reminder of why you do the work that you do. Today's guest Don Gulevich opened Coastal Heat Pumps in Victoria BC, in 2011, with his wife Joanne, and let me tell you, they were very intentional about the type of company that they wanted to run. It's family-owned and operated. And what's really cool, a wonderful story that Don shares with us today is how they started to do work in an indigenous community that was very remote and had all kinds of challenges that we often don't think about, and can take for granted. So if you're feeling a little frustrated today, I hope this episode is a breath of fresh air for you, and really shows the true impact of your work and why it's so important. And Don just shares this lovely story with us about some of his experiences. So let's get right to it.

Krystal Hobbs 2:18

I'm thrilled to introduce today's guest, Don Gulevich of Coastal Heat Pumps, Don, welcome to the show.

Don Gulevich 2:26

Oh, thanks, Krystal. Glad to be here.

Krystal Hobbs 2:28

So I love that Coastal Heat Pumps is a family business. Can you tell us a little bit about that our listeners always love to hear a backstory? So how did you guys get started?

Don Gulevich 2:43

We got started in Vancouver Island in 2005. We had a refrigeration company in

Canmore, Alberta, and it was called Heat Cool Refrigeration. And we sold that business in 2002, I believe it was, and we moved from Canmore to Vancouver Island and we actually moved to Comox. And we took a couple of years off work and we just tried to come up with the perfect business for us. And being in the refrigeration trade you wouldn't wear in Canmore, we get everything from walking coolers and walk-in freezers and furnaces. We worked in ski at the ski hills. We worked at golf courses and we set a variety of equipment and everything else. We were very intentional when we're starting up our business here. We didn't want to be on call 24 hours a day and seven days a week. With refrigeration business, Christmas Eve, seven o'clock, if Safeway calls up and they got some of their freezers going down, guess where you're going? So we wanted to have something a little bit more predictable, something a little bit more family life type thing, and something that we would have a life ourselves a little bit more. So we just started to zero in on our trade. I love our trade and we just came in basically we zeroed in on our target market with a laser pointer basically and said we want to do the residential HVAC heating and residential industry. We don't want to do anything else other than that, and that's our target market. We don't want to do any walking coolers or freezers. We want to just be the specialists in that in that area. So that's what we zeroed in on and it's worked out very well. It was a little bit of a dangerous move, but it's worked out very well. Somebody phones us and they want to walk in cooler walk-in freezer service, we just refer them to somebody else in our trade. And, this is what we do and all of our vehicles are stocked for the residential market and all of our technicians and installers. That's what they know and they know it very, very well.

Krystal Hobbs 4:55

I love that you're just kind of honed in on what it was that you wanted to do and really kind of dominate that space.

Don Gulevich 5:04

We just wanted to be when you think about heat pumps or you think about comfort in the residential market here in Victoria, we just wanted when somebody said heat pumps, we just wanted people to know our name, these guys that specialize in it. And it's worked out very well for us.

Krystal Hobbs 5:23

Amazing. So when you started, was it just Joanne and yourself? Or did you have a small team from the get-go?

Don Gulevich 5:30

No, it's just Joanne and I. Joanne looked after all the books, and you're gonna laugh at this, I wanted to do something catchy for service vehicles. And our first service vehicles, believe it or not, instead of driving around a big van, they were smart cars; smart cars pulling trailers. And we had three smart cars pulling three trailers. And basically, the trailer was their service van. That's where we kept all of our tools, parts, and components in there. And it was so funny, because one lady, she said to me, she said, "If those cars are so smart, why do you look so dumb driving?" which was hilarious but the funny thing is even back then you could have a 60 or \$70,000 service van, full of all your materials and everything else, it was just another service van. But when you're driving around a little smart car pulling a trailer, people stopped, and that lights they'd be taken pictures of it and stuff like that is really cool. And it sure was economical, especially today when I'm not sure what your price of fuel is there but right now here today in Victoria, it's \$2 and 23 cents a liter, and we're not doing the smart cars anymore. We were driving the vans but our fuel bills are horrendous. I missed the smart cars.

Krystal Hobbs 6:55

Amazing. What a way to get noticed.

Don Gulevich 7:00

And we've got green technology. And that's what the heat pumps are is green technology. And we definitely were being green with the smart cars.

Krystal Hobbs 7:09

So it started with you and Joanne, and what does your team look like now?

Don Gulevich 7:16

Today we've got, we're a team of 22 people. No, 24 people, I'm sorry, and we're still looking to hire more people. But it's 24 people with Joanne and myself. And it's been a lot of growth. And we got to a point about four years ago, we had to make a conscious decision. Do we want to cap it off at where we were or do we want to grow? And we invited our two daughters to come with us to Texas to a business boot camp. And Joanne and I were maxed. And, I guess I hate to say this now but, I guess we're kind of old school when it comes to technology and whatnot. And our two daughters came and they're both, my daughter, Lindsey, she was in the spa industry and our daughter, Ash, she was in the care line industry. And they came with us to the boot camp and it was like drinking business through a firehose, like, we were talking about different things like

KPIs and your breakeven days and different things and throwing an eye. Our hands are just going like, you know, but we decided we're going to grow the business. And as a result, our two daughters joined up with us and they're working with us today. So it's, it's a neat family. When I say dynamic, it's cool. But we're able to, when we get together outside of work, we're able to shut work off, and be a family.

Krystal Hobbs 8:47

I love that.

Don Gulevich 8:48

It's really cool.

Krystal Hobbs 8:50

So how have you infused those family values into the culture of the company? Or have you like, what does that look like?

Don Gulevich 8:59

Well, I guess right from day one, my core philosophy about business, and with Coastal Heat Pumps, is I just want to treat our customers in the same way that I want to be treated. How would I expect to be treated in this situation? And I'm always asking myself that question and it works. And not only does it work with customers, but it works with teammates, and people, like, everybody around us as an employee, how would I like to be treated in this situation? And it's worked out very well. Just having that one belief.

Krystal Hobbs 9:38

I love that. And how has it been, I guess now that your daughters are on your team?

Don Gulevich 9:46

Well, sometimes they sure get on my back.

Krystal Hobbs 9:50

We all need that sometimes.

Don Gulevich 9:52

And I say that in good humor. They certainly aren't in the business because they're the boss's daughter and they special treatment. They're working the business hard just like it was their own business and they really care about it. And they're making good calls and good judgment calls and the other teammates, they all respect them. And they realize that, "Hey, they're here not just because of the boss's daughter, they're here because they know more about business than the boss does." Truly, it's not me, it's our whole team. Everybody plays a key role.

Krystal Hobbs 10:32

And they both work in operations for the business.

Don Gulevich 10:38

My daughter Ashley is a pretty well operations manager. And my daughter Lindsey has more HR-type capacity.

Krystal Hobbs 10:49

Awesome. Cool. Well, that sounds amazing. And I know bringing those family values, that sense of community into a lot of the work that you do, tell me a little bit about the work you've been doing in Bella Bella, what that is and how that all gets started.

Don Gulevich 11:10

You're hitting a soft spot there. About six years ago, a gentleman by the name of Graham Anderson from the Ecotrust, contacted me and he said, Hey, I need to learn a little bit more about heat pumps and I'm working on a First Nations project. And he said I think heat pumps might be a really good application for them. And he asked if he could come out and visit me. He was from Vancouver and get a little bit more information and whatnot. He is going to bring some building plans and stuff. So he came out and I took him on to an installation that we had just completed. And I showed him the home, he saw the equipment. And he showed me some of his typical home plans and whatnot. And we just started working back and forth. And quite often a project like that, they never go anyplace, it's just sharing information. But this just kept on building and building and building. And probably we worked on it back and forth, Graham and I for probably two or three years. And then all of a sudden one day he says okay, we can do a pilot project. And it was 30 mini-split units that we're going to be doing. So we went out we installed 30 heat pumps, and it was two fellows and myself went out. And I think in seven days, we installed 30 heat pumps. And we were going gangbusters. And part of the project that I wanted to do is the only access to Bella Bella is either by water or air. And if you go by water, I believe it's a 12-hour ferry ride from Port McNeil into Bella Bella. So access is very, very hard and whatnot. And air freight, when you go up by air, it's always a challenge for commuting back and forth. So we did that installation. And what I wanted to do with the First Nations community is I told them that we want their people to work with us. And we would like them to be a very big part of the installation, aid and teach them what the heat pumps are all about and what the project is all about. But at the end of the day, when we come back to Victoria, if there's ever a problem, I want them to be able to be our hands and eyes out there. So that they can do some troubleshooting themselves. And that's been working out very well. When we go in to do

an installation now they have three guys with us. And they're a big part of the installation, we all work together. And even last winter, there were a couple of times that they would phone up and say, Oh, we have no heat in, in such a house. And, we just walked through it with them. And usually, it was a dirty filter or something like that. And with this equipment, it's some of the nicest on the market. But if it's not maintained, they're gonna have problems, and it doesn't make sense for us to take an airplane from Victoria to go all the way up to Bella Bella and go out and service all these systems. So we're trying to get them set up so that they can service their own equipment and look after the regular maintenance. It gives them a project and they can actually set up their own business doing it too. So it excites me to get that community involvement like that.

Krystal Hobbs 14:39

Amazing. So, Bella Bella is it's a First Nations community, obviously very remote. What was going on there before this pilot project, like how were they heating and cooling their homes at that point?

Don Gulevich 14:56

Well never cooling. But what they were doing is on our very first trip up there, we saw people that had their oven doors open and the oven was on. They had a fan in the kitchen blowing the heat around. They had stoves on and they had a lot of electric plug-in-the-wall electric heaters. There were some homes that had Oil Heat, expensive on the oil heat, just because all the oils got to come in by barge. And we installed a heat pump for this lady last year. She was in her mid-80s and when one of our fellows turned on their heat pump, she burst out into tears. And it was the first time in 20, I want to say 29 but it will just round it off and say 25 years, it was the first time that she had central heat in her home in 25 years. And I don't know Krystal, it touches me because what we're doing there is we're definitely improving their lives. It's so much more affordable for them to heat their homes. One lady said at the end of the winter, she had money left over and her BC Hydro account because she had been paying on the budget program all the time. And she says I couldn't dance the jig and because they have the heat and they have the air circulation in the house, the allergies are down, the mold is down. A lot of people were just because electricity and oil are so expensive up there. What they would do is, I call it corralling the heat, they would say that we're not using this bedroom. So they put a big woolen blanket over that bedroom door and that shut the heat off to that room. Well, you go into that bedroom, and the condensation on the bedroom on the window is just dripping. And then you look where the wall meets the ceiling. And there's a ridge of black mold. So I just say, "Hey, let's open this up, open

this bedroom up. Let's get a little bit of heat in there. Let's get a little bit of air circulation." And it's so much better for the home. But it gets rid of that stuff. And this lady, she said, "My children's allergies are gone, the sickness is gone." So, it's pretty special. And what I really like to do is I really like to circulate our crews, through there, I'll send two guys, well, it's a lot more involved than just sending a couple of guys up because we have got to coordinate our sheet metal with the installation, we have to coordinate our electricians, and just the logistics of making sure that we get everything out there is a big job. But I like our guys to rotate through. And I like each guy to have at least two trips up there. And it's not like just installing another heat pump, you come back with a really strong appreciation of helping could change a community. And improve somebody's life.

Krystal Hobbs 18:07

Amazing. And I want to dig into how your team has been affected by this but I am curious before that, after your first trip, like how did that change your perspective on your work?

Don Gulevich 18:24

That's a really interesting question. It's, I guess, I guess a way of saying it is, it's not like just installing a furnace in somebody's house and taking it for granted that they're going to be warm in the winter. There's so much more that we can do in days of old, it was one box, and we'll call it like a furnace being a box, it was one box in the center of your house. Now, if the heat pump, we can have many boxes in your house and create different zones and everything else. And we can design it for your home for your needs. And it's not taking comfort for granted. I'll say to people like air conditioning, say for instance, if if you go to spend the night in a hotel, and you're spending \$200 for the night, if that air conditioning system isn't running, you're gonna complain, you're gonna let the manager know that your air conditioning wasn't working. Meanwhile, people here in Victoria will spend a million dollars on a house without any air conditioning, and there'll be happy with it. Comfort is becoming more and more common and people are more interested in wanting to be comfortable.

Krystal Hobbs 19:44

And so your teams as you rotate your crew through there, what are some of the things that they've shared with you about how it's impacted them?

Don Gulevich 19:57

Well, they come back. One of our fellow's contracts he came back. And there's a lot of

dogs in Bella Bella, and they run around all over the place and whatnot. And hence, he came back with a puppy. And he named the puppy Bella. And so he's got a lifetime memory of Bella Bella right there just with his dog and a beautiful, beautiful dog. They're all lined up to go back on the next trip, everybody's like, can I make the next trip? And they are developing friendships up there with some of the local people and whatnot. Like last year, we installed 120 systems. And this year, we've got to do it before the end of September 120. So we're just gonna rotate the guys through and everybody's looking forward to the next trip. They realize they're not just installing another box. They're helping people out.

Krystal Hobbs 20:46

And do you think that's brought you closer as a team?

Don Gulevich 20:51

Absolutely. It was no question. We'll sit there and we have team meetings every Tuesday morning and everybody shares their experience from the week and whatnot. We talked about going up to the next trip about Bella Bella. And it's brought some jelly. And when the guys are going out to Bella Bella, they're side by side 24/7. And everybody gets along great. And in the evenings, they'll be playing cards or whatever, right? But they have a lot of fun.

Krystal Hobbs 21:27

Amazing. So tell me a little bit more about I know, you're talking about how you've gotten some of the locals involved and helped to set them up to be able to service the equipment, tell me more about how that came about and how you train them essentially.

Don Gulevich 21:45

Well, that is a work in progress, we're not totally there yet. We're at the place now, as we speak, where there are three or four guys that are very good at helping and working on buyer's sides, doing the regular everyday installation. The actual development of them and training them into the service end of it, I would say probably take about another six months, but we need dedicated people on their behalf so that we can work with them. We had a couple of guys last year that did a bunch of servicing of units. And with today's technology, Krystal, will never develop them into being refrigeration mechanics. But we can definitely train them to be heat pump technicians. And we're working very hard in Bella Bella to keep all the equipment the same. So the same model numbers and everything else so that if we need any parts, they're all the same parts. We don't have 10 different styles of units and we got you to have 100 different parts. If

we have one electronic board, that one board will work in 200 different units. So we're trying to keep it very standard in all respect. And with today's technology, everybody's got a cell phone. And if one of the guys, Harrison, or one of the guys up there has a problem, he's working on something he's not sure about, he can just FaceTime us and just a quick FaceTime call. And he knows all of our guys here. He doesn't have to get a hold of me. He can get a hold of one of his buddies that work with us that he's worked with before. You can say, hey, Connor, hey, Mitch, and FaceTime, call them and say, "This is what I got. What do you think?" And our guys will say, "Oh, change the filter." or something like that, and then walk them through. We have never had to make an emergency trip out to Bella Bella for a repair.

Krystal Hobbs 23:51

Do you see this as a model that other companies could do and other communities as well?

Don Gulevich 23:59

I would imagine. Logistically there's a lot of work that has to go into putting it together, and whatnot. But, I think it's a great model. It's certainly working for us.

Krystal Hobbs 24:13

Great. So what does the future look like for Coastal Heat Pumps in terms of work that you're doing in Bella Bella?

Don Gulevich 24:24

Well, I think probably next year that the majority of all the residences will be converted to heat pumps. And once we get to that place, then they'll just be maintenance and making sure that the local people can do the regular maintenance on the equipment. And, we'll be prepared to work with other First Nations communities at the drop of a hat. It's cool to be able to help out. With Coastal Heat Pumps ourselves, there's a big movement with the energy and focus on the using fossil fuels and reducing the consumption of fossil fuels for residential eating by 30% by the year 2030. So fossil fuels are renewable resources whereas here in British Columbia, hydro is, right? And we're blessed with some of the lowest hydro rates, believe it or not, in North America, and being a renewable resource, they want to decrease by 30% consumption by 2030. And come the year 2030, you won't be able to buy a natural gas furnace. So the best alternative for us here is definitely without a question the heat pump.

Krystal Hobbs 25:43

So that's a big shift in the market, which will obviously have a very positive effect for

companies like yours, but also, of course, on the environmental impact.

Don Gulevich 25:56

100%. And what's going on in the automotive industry right now is the switch from the gasoline-powered engine to the electric car. Major shift.

Krystal Hobbs 26:08

Absolutely. So I guess, Don, considering that you're a family-based business, you do all this incredible work in the community, how have you built the culture in your organization?

Don Gulevich 26:25

I wouldn't have to really give a lot of credit to my daughters, or to our daughters for that. I know, I've got my values and my principles as far as how to treat customers and how to treat everybody, and whatnot. But both of our daughters really care about everybody that works with us. And they're always coordinating different events that everybody takes part in. Christmas time we had, it wasn't just a Christmas party. It was at a cidery. And we had a chef come in, and he came in, and everybody had their own workstations. And we cooked our own Christmas dinner for our Christmas banquet. And it was just a fun time. And there was another event that we did last fall. And what we did, it was a ropes course. And we spent the day on this way up in the air and on a ropes course going from tree to tree. And, it was scary. But, it was really team-building. And the thing was, it was open to families like our employees, their spouse, and their children. And after that, we went for a beer and a burger. And I looked around the room and I'm like, Oh, my God, like there was a lot of us, and it was just one of those aha moments to realize, there's a real community here. And that was touching. And this weekend, we're in the Victoria Day Parade on Monday. And so we're going to have, we're going to have all of our families in the parade. And the little kids are going to be handing out candy and freezes and whatnot. And our fort, one of our granddaughters she's foreign. She goes, "Grandpa", she says, "Do I have to give away the candy?"

Krystal Hobbs 28:23

Amazing. I want to come to your next party.

Don Gulevich 28:37

Well, we're always looking for good people to work with us.

Krystal Hobbs 28:42

I hear. So Don, for any of our listeners, who are also in heating and cooling or the

service industry, any last parting words of wisdom when it comes to community work or creating these sorts of family values in their company?

Don Gulevich 29:01

Why are we in business? We're in business because we want to make money. Why does anybody work with us? Because they want to make money. Why does anybody go to work? Because they want to make money, like, we have to earn money to survive and whatnot. But we can be very good at what we do, and we can have fun doing it. We're all got that same common denominator, that we're here to make money. And let's just do the best job that we possibly can do and let's have fun. And we tend to do that a lot around here.

Krystal Hobbs 29:43

I love that. Fantastic. Well done. If our listeners want to connect with you want to learn more about Coastal Heat Pumps, what's the best way for them to discover more?

Don Gulevich 29:55

Oh, probably check us out online and it's [www.coastalheatpumps.com](http://www.coastalheatpumps.com). And you can read about us and see who we are and whatnot. And there's I think there are some photos of our team. And I think our team has grown since those photos. But, you can find out more about that. And then, if you want to find out more about Coastal Heat Pumps from there, don't hesitate, to give us a show.

Krystal Hobbs 30:21

Amazing. Thank you, Don. I really appreciate your time and being on the show.

Don Gulevich 30:26

It was a pleasure.

Krystal Hobbs 30:32

Thank you so much for listening to this episode of Beyond the Tools. If you liked what you heard, please subscribe, rate, and review wherever you get your podcast. I'd love it if you could also share this episode with a fellow contractor who is ready to get off the tools and grow their business. And if you want more leads, sign up for our email list at [reflectivemarketing.com](http://reflectivemarketing.com) where we share weekly marketing insights that you can't get anywhere else. I'm Krystal Hobbs and I hope you'll join me on the next episode of Beyond the Tools. See you next time!