

NEWS & VIEW3

Jan., 2023

The Pacific NW Heating Cooling Association
Serving Oregon and SW Washington



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Thursday, January 12th ORACCA meeting



ORACCA's January meeting will be a presentation dealing with two issues that may be on the minds of members now or in the near future. **Retirement!!**

The meeting will be held at the NW College of Construction facility, 8111 NE Holman St, Portland, OR 97218. Thursday, January 12, 2023, at 11:00am. Lunch and door prize will be sponsored by AIREFCO

For those of you who live to far from Portland to attend in person, the meeting will be available to view on zoom. Paste this ink into your web browser and join the presentation remotely.

Join Zoom Meeting
<https://us06web.zoom.us/j/81226832552?pwd=U3B1VERGM0ovaWZiejN2WmZRVHl2Zz09>

Meeting ID: 812 2683 2552
Passcode: 498402
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US (San Jose)

So if you are looking for reasons to attend the January ORACCA meeting, January 12, 2023, at the NW College of Construction, at 11:00AM. Here are some that might give you some incentive to join us.

The program will feature a roundtable discussion of two issues that might have an effect on your business. John Karasaki, PGE, will moderate this discussion, featuring Cory Streeter, Specialty Heating and Tim Burton, Ben's Heating. Cory will discuss consolidation and Tim will give his view on the pros and cons of taking over the family business.

Factors Driving Consolidation in the HVAC Industry

We're in the midst of what some in the HVAC industry are calling "The Great Consolidation," as large companies are buying up smaller companies at a pace not seen since the 1990s. The industry is a prime target for consolidation; there are over 50,000 enterprises in the U.S. alone, most of them smaller companies.

The HVAC industry is seeing consolidators invest billions and many plumbing and electric companies are bringing in HVAC to add to their service offerings.

According to ACHR NEWS, deal activity in the HVAC industry is on the rise, driven by increased investment from

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WHERE:

NW College of Construction facility, 8111 NE Holman St, Portland, OR 97218.

WHEN:

Thursday, January 12, 2023, at 11:00am.

WHAT:

The Idea of Consolidation and the Issues of Taking Over the Family Business

Oregon State approved CCB CEU credits for Contractors Business licenses by attending ORACCA Meetings

private equity. In a June 2022 article, ACHR News said “In 2011, only approximately 20 M&A transactions were completed. Fast forward to 2019, and there are more than 120 being done each year, according to Pitchbook.” The industry has a proven growth record and appears to be bullet-proof. Sales didn’t shrink during the pandemic – climate control is more important than ever when you’re at home 24/7.

What does this mean for your business? If you’re thinking about selling, it makes it a good time to pull the trigger – as long as you’re selling for the right reasons. If merging with a big company is a viable option for your exit strategy, you’re probably in the right place at the right time.

Also, keep in mind that now might be the best time to sell for a few reasons. One reason is what your last year looked like. We have talked with numerous contractors who have had record sales over the past 12 months. This would be the definition of selling high.

In addition, owners might be paying a lot more in capital gains in the near future. The current occupant in the White House has proposed a top federal tax rate of 39.6% on long-term capital gains. Currently, that tax rate sits at 20%. That is a lot of money you are mailing to Uncle Sam if you wait and sell at the wrong time. When thinking about that 39.6%, do not forget that some states have their own capital gains tax. For sure, consult with a professional.

For the younger contractors that are going to be competing against these big boys — play to your strengths.

Don’t forget that a large contracting organization will have trouble competing effectively with a nimble, local business that is run professionally. This is still a neighborhood and community business. The contractor can become an integral part of the community in which he operates. That is something a corporation can’t do.

Taking over the Family Business: The Pros and Cons

Starting your own business is a risky proposition. First of all, initial struggles often take years to sort out. You have to

build a clientele, secure suppliers and employees, and establish a foothold in the marketplace. Not to mention figuring out systems like accounting, information technology, customer relationship management and other infrastructure.

Inheriting a family business is kind of like starting to climb Mount Everest halfway up. It certainly takes hard work, diligence and some entrepreneurial spirit to keep the climb on track. But you’ve got a huge advantage on people who start from scratch.

When taking over a family business, all of the groundwork has been laid for you. As a result, you’re free to conduct “business as usual” while you explore new directions the company could take under your leadership. If you’re lucky enough to inherit experienced employees who understand the ins and outs of the business, you’ll have an easier time with your transition.

Now that you have a good understanding of the benefits and drawbacks of taking over the family business, the next step is to make an actual decision. And you and you alone can decide if it’s the right decision for you.

Here are two tips to help you weigh your options:

Draw up a mock business plan for the company under your management. The act of writing your vision will clarify your thinking and help you decide if you’re excited about the prospect of building on your family’s success—or if it feels like a burden you’d rather not take on.

Talk openly about potential challenges. Ask tough questions of your retiring family members. Some families even invest in family counseling to help with the adjustment.

So, plan to join us at the NW College of Construction facility, have lunch, mingle with your peers and hear and ask questions of the panel. This should be an interesting program.

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. TRAINING/ TESTING

On-Demand Training /Testing. This means the tests are scheduled with both your availability and that of the the Proctor in mind. Once you feel comfortable to take the test, a date and place are set up through the ORACCA office. Call 360-824-3805 for information.
These on demand trainng/testing sessions include the following:

EPA 608 CFC Training/Test - Now Available!

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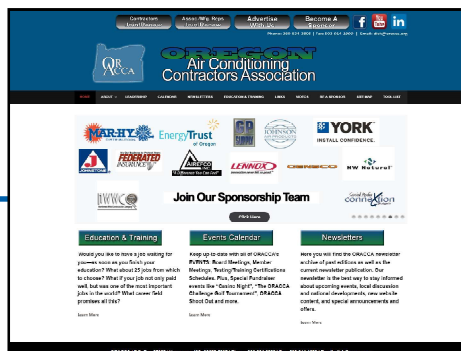
Brazing Certification Test,

March 17, 2023 at MarHy Distributing Facility. Tests start at 8:00 and continue hourly til done. Get your registration now to ensure you will have a spot.

Not a member? We'd love to serve you, too.

For additional information visit www.oracca.org or call 360-834-3805. Email dan@oracca.org

PRESIDENT <u>Mark DeFrancisco</u> Heat Relief 503/261-9915	<h2 style="text-align: center;">Planning Ahead</h2> <h3 style="text-align: center;">MEETING DATES 2023</h3>	BOARD OF DIRECTORS <u>Mark DeFrancisco</u> <u>Jason Breeze</u> <u>Tim Burton</u> <u>Amanda Jacobs</u> <u>Jim Klink</u> <u>Dan Pfau</u> <u>Travis Smith</u> <u>Richard Stilwill</u> <u>Loren Watts</u>
VICE-PRESIDENT <u>Dan Pfau</u> 360-4834-3805	January 12th - Hybrid Meeting - Consolidation and Family Succession- NW College of Construction (NWCOC)“ February 2nd - Hybrid Meeting - Tools for A2L, Rep Tabletop - MarHy Distributors““ March 17th - Brazing Test, Location MarHy Distributors“““ March 2nd- Hybrid Meeting - Utility Update - NWCOC““ April 6th - Hybrid Meeting - ETO Updates - ETO Facility““ May 4th - Hybrid Meeting Codes & Women in HVAC, NWCOC“““ May 13th - Shoot Out - Canby Rod & Gun Club “““ May 19th - Brazing Test, Location PCC , Swan Island“““ June 1st - Hybrid Meeting BrazingTechnologies - at NWCOC““ July 10 - Golf Tournament - Glendoveer Golf Course It is on!!““ August - No Meeting““ Sept. 14 - Hybrid Meeting BDR Presentation, at NWCOC““ October 5th - Hybrid Meeting TBD-, at NWCOC “ October 13th- Brazing Test, Location PCC , Swan Island““ Nov. 2nd- Hybrid Meeting TBD- , at NWCOC““ Dec. 7th - Meet at Lennox. Happy Holidays““ Dec. 15th - Brazing Test, Location PCC , Swan Island“““	
SEC-TREASURER <u>Loren Watts</u> Watts Heating 360-786-2858		
EDUCATION/ APPRENTICESHIP TRADE SHOW/ PROMOTION	All Monthly meetings qualify for NATE CEU (1.0), CCB CE (1.0) Visit our Website for information on the association’s activities. www.oracca.org	ASSOC. BOARD MBRS <u>Keith Barrow</u> <u>John Erickson</u> <u>Eric Falk</u> <u>Larry Johnson</u> <u>John Karasak</u> <u>Tom Newmani</u> <u>Jeff Schmidt</u>
		EXECUTIVE DIRECTOR <u>Dan Pfau</u> Association Management 360/834-3805 Fax: 503/914-1999 <i>"We Meet on Thursday !</i>



ORACCA

Oregon Air Conditioning Contractors of America
P.O. Box 1949
Vancouver, WA. 98668
360-834-3805

ORACCA
January 12th meeting

To: _____

Not a member? We'd love to serve you, too.

For additional information visit www.oracca.org or call 360-834-3805. Email dan@oracca.org