



PLUMBING-HEATING-COOLING
CONTRACTORS ASSOCIATION
Best People. Best Practices.

2016-2017 Annual Report

PLUMBING-HEATING-COOLING CONTRACTORS—NATIONAL ASSOCIATION

COLLABORATION Turns **REACH** into **IMPACT**



*Whether the collaboration is among PHCC members,
among local, state and national leaders,
or between PHCC and legislative and regulatory agencies,
real change happens when we get together.*

*Our top accomplishments in 2016-2017 are just some of the ways
we've joined forces to make our members' businesses stronger
and our future brighter.*

2016

NOVEMBER

- PHCC launched *Solutions* magazine, a quarterly publication providing contractors the information, trends and resources they need to be successful. Available free to PHCC members in both print and digital versions, the publication's initial issues focused on technology, business management and workforce development.

2017

JANUARY

- PHCC was a supporting organization for the fourth annual Design & Construction Week in Orlando, Florida, where members received special discounts and PHCC—National President-elect Laurie Crigler and PHCC Executive Vice President Michael Copp were among about 30 industry representatives participating in an executive roundtable. Throughout the year, PHCC has been building on partnerships established during that roundtable, extending our impact on crucial topics such as workforce development.

2017

MARCH

- PHCC partnered with Harrison Publishing House's CINX platform to launch the PHCC Labor Unit Database. Members can sign up for a free 30-day trial of this cloud-based comprehensive database that allows them to simplify their estimating process, prepare accurate bids, and become more efficient and profitable.

- Nearly 800 attendees at CONNECT 2016 in San Antonio brought positive energy and a true desire to join forces with their peers and industry partners on pressing needs, setting the stage for incoming PHCC President Patrick Wallner's theme of "Collaborate for Success." Among the conference highlights: a popular Workforce Development Exchange, during which contractors, chapter executives and industry representatives shared ideas on how to attract the next generation of industry professionals. Also at CONNECT, PHCC's Quality Service Contractors hosted QSC Business Excellence Day, a one-day track aimed at owners and senior managers and focused on service and repair topics.

- Together with the Educational Foundation, PHCC unveiled two career resources to attract young people to the skilled trades: a new two-minute career video that communicates the advantages of choosing a p-h-c career, and a new career website that showcases a modern, exciting and technologically connected profession.

- PHCC reinforced how sharing real-life best practices and lessons learned with specialized segments enhances the value of PHCC for members. At QSC, UAC and CCA events in February and March, these member segments learned how to tackle their unique business challenges with new tools, strategies and solutions.

OCTOBER

2016

DECEMBER

2016

FEBRUARY

2017

2017

MAY

- PHCC encouraged members and chapters to participate in the Department of Labor’s National Safety Stand-Down to prevent falls in construction. With safety a key focus for PHCC, we continued to partner this year with:
 - Federated Insurance in presenting programs on topics like cybersecurity, risk management and driver safety.
 - OSHA in delivering Injury and Illness Notice reminders, as well as sharing its updated Heat Safety App so employers can protect their workers during high heat months.
 - The Construction Industry Alliance for Suicide Prevention on building mental wellness and suicide prevention measures into members’ company programs and policies.

2017

JULY

- PHCC rolled out a new online Technology Business Interest Group. The microsite allows members interested in Technology to connect, access information and share best practices and latest trends that help diversify and grow their businesses. As part of the launch, PHCC partnered with CEDIA to present the site’s first webcast – “Increase Your Business By Building a Technology Integration Team” – which is still available for on-demand viewing and download.

2017

SEPTEMBER

- PHCC was part of a select group of p-h-c industry representatives who participated in a meeting at the White House to discuss the importance of tax reform, infrastructure needs, and most importantly, workforce development. The group stressed that p-h-c industry leaders are eager to be an integral part of developing and implementing solutions – and provided a forum for future discussions to address the skills gap.

As PHCC proceeds on initiatives included in the strategic plan, next phases include an important membership marketing research project that will identify opportunities to grow and enhance PHCC membership as well as market PHCC to a broader public. Also planned are a new online HVAC Business Interest Group, additional workforce initiatives, continued engagement with industry partners, diversification of revenue, and an updated – and more modern – PHCC website.



The collaboration continues as we work together to advance our industry...and to educate and advocate for all those who work within it.

- PHCC members continued to have access to free member webinars, including an April session led by a respected service business coach on the “The Shocking ‘Anchor’ That’s Holding Your Service Business Back.” More than 700 members tuned into 14 live webinars offered by the PHCC Educational Foundation this year.

- PHCC hosted back-to-back events, drawing members and chapter leaders to Capitol Hill for both the 2017 Leadership Conference and the 2017 Legislative Conference. During the first day of the three-day span, attendees learned how to maximize the impact of tools and resources that helped them strengthen both their chapters and their own development as business leaders. The two-day Legislative Conference brought contractors and association executives from across the country to convey a unified message on the need for tax reform, workforce development, and Energy Policy and Conservation Act reform.

Also in Legislative:

- PHCC supported successful Legislative Days/Days at the Capitol in several states, including California, Massachusetts and Washington state. It also ran several grassroots campaigns, including energy efficient tax credits (specifically geothermal heat pumps), reauthorization of the Carl D. Perkins Act (career and technical education), and legislation designed to make permanent Section 179 (business expensing).

- PHCC launched new 50-second, youth-oriented career video that gives potential workers “6 reasons to find your career fix,” sharing the reasons they should consider a career in the plumbing and HVACR industry. More than 50,000 people have now viewed the video, illustrating the power of PHCC’s enhanced social media efforts.
- In collaboration with state and local chapters, the association also kicked off a three-month National Membership Campaign designed to recruit and retain members.

APRIL

2017

JUNE

2017

AUGUST

2017

PLUMBING-HEATING-COOLING CONTRACTORS—NATIONAL ASSOCIATION

BALANCE SHEETS

as of June 30,

	2016	2015	Change
<u>ASSETS</u>			
Current Assets			
Cash – Checking & Savings	\$ 582,198	\$ 1,274,011	\$ (691,813)
Accounts Receivable	225,979	184,771	41,208
Inventory	41,310	52,827	(11,517)
Prepaid Items	95,249	180,761	(85,512)
Other – Intercompany	272,359	132,536	139,823
TOTAL CURRENT ASSETS	1,217,095	1,824,906	(607,811)
Investments at Market Value*	2,686,179	2,321,853	364,326
Fixed Assets – Net (Land, Building, FF&E)	1,072,413	1,224,847	(152,434)
TOTAL ASSETS	\$ 4,975,687	\$ 5,371,606	\$ (395,919)
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Accounts Payable & Accrued Expenses	\$ 219,869	\$ 298,479	\$ (78,610)
Deferred Membership Dues & Other Deferred Income	1,441,793	1,482,769	(40,976)
TOTAL CURRENT LIABILITIES	1,661,662	1,781,248	(119,586)
Net Assets			
Unrestricted			
Undesignated	2,857,225	3,133,558	(276,333)
Board Reserve	200,000	200,000	–
Building Reserve	250,000	250,000	–
Total Unrestricted Net Assets	3,307,225	3,583,558	(276,333)
Temporarily Restricted Net Assets	6,800	6,800	–
TOTAL NET ASSETS	3,314,025	3,590,358	(276,333)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 4,975,687	\$ 5,371,606	\$ (395,919)

*Change due to market fluctuation.

PHCC'S ENHANCED SERVICE GROUPS

As you can see from our accomplishments this year, being a PHCC member puts you on a path to countless resources and tons of opportunities. It also gives you **access to more targeted Enhanced Service Groups**, designed to meet the specialized needs in your industry segment. Get involved, and gain greater market insight into the specific challenges these segments face with additional networking opportunities and valuable member-specific information.

Construction Contractors' Alliance (CCA)



CCA serves a group of progressive, larger plumbing and mechanical contractors specializing in residential, industrial, commercial and institutional new construction.

2016-2017 Highlights:

- Brought together more than 30 business owners and senior managers at each of two CCA owners meetings (spring meeting in Park City, Utah, and fall meeting in Nashville, Tennessee). The meetings featured sessions on economic forecasts, construction technology systems, business transfer and exit strategy, as well as deep dive peer discussions to help business leaders improve profitability, operations and growth. "Contractor Spotlight" case studies focused on the challenges and opportunities facing member companies.
- Held a special conference for controllers and senior financial managers covering hot topics and best practices on software, financial dashboards, project management and communications, interaction with the field, and the evolving role of financial managers in innovation.
- Facilitated peer groups and contractor roundtables on hot topics in our industry, such as embracing technology, reaching millennials, developing new divisions and business lines, retaining employees and more.

Quality Service Contractors (QSC)



QSC helps service and repair contractors run their businesses

better and more profitably, serve their clients more personally, enhance their brand reputation, and meet the challenges of an ever-changing world. QSC does this by providing education and training, ready-to-use tools and resources, peer networking and world-class business coaching.

2016-2017 Highlights:

- QSC's Board of Trustees approved a new strategic plan focused on four key initiatives: serving more service and repair contractors; transforming more businesses through coaching; training more owners, managers, technicians and CSRs with fresh, updated classes and content, certificate pathways and delivery methods; and empowering QSC members digitally.
- Introduced a new membership model for QSC with three flexible options within reach of all PHCC service and repair contractors.
- Promoted "The Power of Q" with new marketing and promotional materials.
- Launched a new online site that brings a fresh, new hub to the QSC community and a new way to access resource libraries, online learning, discussions and other features.
- Brought together more than 200 service and repair owners, managers and suppliers at Power Meeting 2017 in Anaheim, California. The conference focused on The Power of People: Turning Generational Dynamics into Business Success.
- Held QSC's Power Meeting Special Edition at CONNECT 2017, offering business management education for owners and senior managers, along with networking and special events for PHCC's service and repair contractor community.

- Launched initiatives to create new business coaching tools, update QSC's most popular training courses, and develop certificate programs for technicians.
- Began publishing three new newsletters (*QSC Update*, *QSC eLearning* and *QSC QuickRead*) and updated QSC Toolbox Talks to offer QSC members more timely, relevant and digestible news and education.

Union-Affiliated Contractors (UAC)



UAC represents a unified voice for the signatory contractors within PHCC to ensure that their unique needs are presented. It is comprised of signatory contractors, association executives, and representatives of the United Association (UA) committed to addressing the special concerns of union-employed contractors and bettering the working relationship with the UA.

2016-2017 Highlights:

- Headed to the New York, New York Hotel in Las Vegas for this year's UAC "Unity" Conference, held on Feb. 27 through March 1, 2017. This annual PHCC enhanced group event drew nearly 70 UA signatory plumbing contractors, UA labor leaders, and PHCC association executives to openly discuss collective bargaining trends and market share strategies and to learn how to operate their businesses and local unions more effectively.
- Co-sponsored a field trip to Bradford White's Plant & Training Center in Middleville, Michigan, in June, allowing UAC members to tour and experience the company's state-of-the-art residential and commercial tank manufacturing facility first-hand.