

Still 'wowing' the customer' 60 years later

Family-run Hobaica Services has loyal following in heating/cooling business

By Georgann Yara

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Solar water heaters and atrhome wine cellars were not part of the job when Paul Hobaica's father started the family's heating and cooling business in Phoenix 60 years ago.

Much has changed since Hobaica Services launched in 1952, when basic home air-conditioning was a rarity.

But Hobaica and his brothers, Louis and Mike, have sustained success using the same philosophy that worked for their father decades ago.

"We were a new generation... we modernized the business," said Paul, who, with his brothers, purchased the company from their father in 1990. "But the bottom-line philosophy remained the same — treat people the way you would want to be treated. That's what he instilled in us."

This value carries over to employees, Paul said. Customer feedback, positive and negative, is encouraged, and there are incentives for good reviews.

"Our employees share the mentality of wowing the customer every time," Paul said. And in an industry haunted by reports of questionable ethics practices, this attitude has created a loyal following that includes second- and third-generation, clients and is generated mostly by referrals.

Occasionally, the company attracts the attention of a prospective customer who turns into a longtime client.

When Phoenix homeowner Alan Davidson sought a firm to handle the heating, cooling and

ductwork for the remodel of his historic home 10 years ago, he submitted a large binder of needs and expectations to many companies. Most turned him down, but the Hobaicas did not.

As the project got under way and unique problems arose, Davidson said Mike and his crew were able to resolve them quickly.

"Everything that could go wrong did with our remodel. Every time, Mike and his people figured out how to solve it quickly," Davidson said.

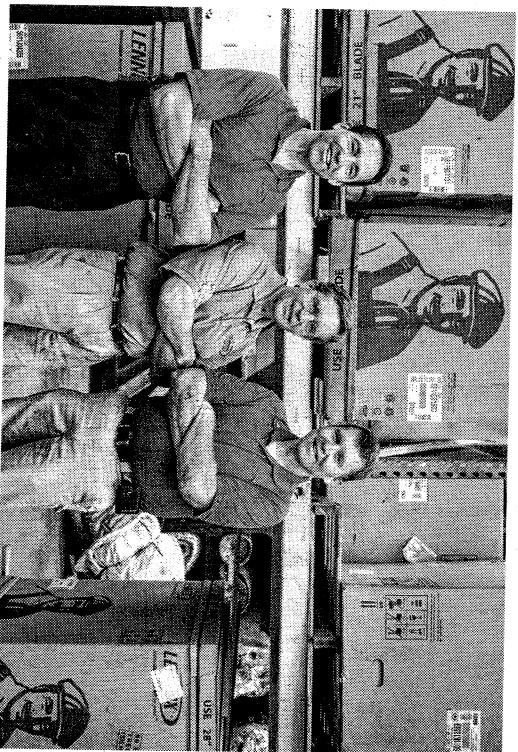
"With HVAC people, the question is not how they do on a good day but how they do on a bad day."

Since then, Davidson has used the Hobaicas for regular maintenance and other services. The fact that everyone from sales personnel to technicians is knowledgeable about the industry and is able to keep track of specific details, like the number of air filters that need to be kept track of in his house, are pluses.

"That's something that you find only when you keep people for a long time and everyone is comfortable with everyone," he said.

The Hobaicas' father, Paul S. Hobaica, is the son of immigrants from Lebanon who moved the family to Phoenix when he was 6 months old. At the time, residential cooling consisted of hanging wet sheets on the porch to catch the breeze. Paul S. attended trade school and enrolled in classes for a new industry called refrigeration.

After starting his business, Paul S. did food-and-beverage refrigeration systems for restaurants and grocery stores.



Hobaica brothers (from left) Louis, Paul and Mike took over the family's business from their father, Paul S. Hobaica. MARK HENLE/THE REPUBLIC

Through the 1960s, Paul S. converted evaporative coolers into home air-conditioning units, a new product at the time.

Work surged, as did his reputation around town. Yet Paul S. continued to keep his business manageable so he could run every aspect.

His five sons and two daughters worked in the shop while growing up. When his sons took over, they wanted to expand the business, something their father had been hesitant to do.

"Our father always had a hand in all aspects of the business," Paul said. "It was great for him, and he did very well that way. But we aspired to grow the business from there."

About 15 years ago, Paul noticed a trend in upscale clients wanting aesthetically pleasing refrigeration systems to create wine cellars in their homes.

But the company was not recession-proof.

In 2008, Paul said, they started to feel the economic pinch. To combat this, they added solar hot-water system installations

and sales to their lineup.

However, an idea launched during his advertising manager's slumber deserves some credit for helping weather the downturn.

The manager had a dream that the company put the remainder of that year's marketing dollars into helping those in need.

"He told me, 'You're probably going to laugh,'" Paul recalled. "I thought it was a grand idea, but it's really not helping us. But I felt I had to go along with it. If he has an idea like that, it's going to work somehow."

And thus the BEGIN (Business Entities Getting Involved in their Neighborhoods) program was born.

Since then, the Hobaicas have installed systems for eight homeowners each year, totaling a value of \$148,380, completely free. They have gotten suppliers and other local businesses on board to donate products and ductwork.

Goldstein is a beneficiary of the program and received a new system last year.

When her old system stopped working efficiently, Goldstein had to spend more of her Social Security check on utility bills and less on food and other staples.

But the Hobaicas changed that, and she is grateful.

"Now, I don't have to worry because I can pay the bills. They are the salt of the Earth and will do anything for you," said Goldstein, who met the whole Hobaica family during the installation. "It stunned me that people have such compassion in this day and age. I can't say enough good things about them."

In 2010, business picked up again, and 2011 ended up being the company's best in 59 years, Paul said.

But it's the BEGIN program that has been the most rewarding.

"I never thought that would be one of the great things to come out of that time," Paul said.

"When you're helping to improve the lives of people, it touches everybody."

HOBICA SERVICES

Where: 10636 N. Cave Creek Road, Phoenix

Employees: 42

Interesting stats: Family-owned businesses account for 64 percent of the gross national product and employ 62 percent of the workforce in the U.S., according to the Family Firm Institute, a Boston-based family-enterprise association.

Details: 602-995-0387, hobaica.com.