

## GULF COAST 500: Shallow Waters

By Mark Gordon | Deputy Managing Editor - Friday, August 13, 2010



Bill Krawczyk founded Port Charlotte-based Superior Pools of Southwest Florida in 2001 after a 30-year career selling used cars in Michigan. The pool construction firm had \$3.8 million in 2009 revenues, 78% off its peak of \$17 million in annual sales. Photo by Mark Wemple.

Business had gotten so slow at Bill Krawczyk's pool construction firm by the end of 2008 that he half-jokingly considered hanging a sign of mercy on the front door for 2009.

"Thanks for visiting us in 2008," the sign would say. "See you in 2010."

Krawczyk, however, stayed open and persevered through 2009. And from a straight revenues perspective, the year surprisingly turned out to be slightly better than 2008. Of course, better is a relative term when considering how much Krawczyk's Port Charlotte-based Superior Pools of Southwest Florida was utterly crushed by the recession.

"Quite frankly," says Krawczyk, "we feel like we are doing nothing because we are used to doing so much."

Indeed, the company, which Krawczyk founded in 2001 after a 30-year career selling used cars in rural Michigan, had \$3.2 million in 2008 revenues — 78% off the boom-time peak of \$17 million in sales it reached in 2005. The annual drop-off was steady, from \$17 million in 2005 to \$12 million in 2006 to \$6 million in 2007.

Superior currently has 15 employees, down from a high of 50 in 2005. In addition to its Port Charlotte headquarters on U.S. 41, which serves north Charlotte County, Venice and parts of Hillsborough County, the company has an office in Fort Myers, to serve Lee and south Charlotte County.

Revenues finally began to inch back up in 2009, rising 18% from 2008, to \$3.8 million. Krawczyk projects about the same in 2010 sales, although, like many small business owners and entrepreneurs on the Gulf Coast, he still waits for tangible proof that the recession is over.

While he waits, Krawczyk is in the middle of a recession-forced transformation at Superior, which started with the customer base. What was once a business 90% devoted to installing pools for new homes built by local and regional homebuilders is now a company with 90% of its work in building or repairing pools for existing homeowners.

The workload, no surprise, is significantly smaller. Gone are days where a Superior salesman could sell 57 contracts for pools in one day. Gone too, are the years when the company will build 250 pools, with permits for another 200 on backlog.

But Krawczyk has discovered two silver lining benefits from the transformation. For one, he says it has “allowed us to be really good at a smaller volume.”

And the company’s risk in the potential of unpaid accounts receivables has been mitigated now that it’s not tied directly to the well being of the region’s homebuilders. Krawczyk, for instance, recalls many nights during the boom when he went to sleep worrying about the \$1 million the firm had in outstanding bills for work it already had done.

With homeowners there is still a risk of not being paid, especially in a recession. But the scale is much lower, says Krawczyk.

The business model transformation has led to new opportunities, too. For example, Superior’s pool repair and renovation department, which includes repainting and re-molding pools, is Krawczyk’s most active and profitable department these days. “That’s where most of the phone calls are coming from,” says Krawczyk.

There’s also been a slight increase in new pool sales the past few months, which Krawczyk attributes to a big marketing push on his “19-9 in 33” deal: A 24-foot by 12-foot pool for \$19,900 that is built in 33 days or less.

Deals like that bring Krawczyk back to the 1970s in Imlay City, Mich., the small farming town an hour north of Detroit where he lived before he relocated to Florida. That’s where he ran a used-car dealership in a partnership with his friend John Kennedy, who ran the new car sales side of the business.

Kennedy moved to Florida in 1984 and launched Elite-Weiler Pools in Sarasota. After a few years of sun, Kennedy asked Krawczyk to join him in Florida in the pool business. In 2001, after Krawczyk’s kids were grown, he made the move.

Krawczyk’s firm was set up as a sister company to Elite-Weiler. Superior handles business from Venice south to Fort Myers, while Elite-Weiler focuses on Sarasota and Bradenton.

For a short time during the boom Superior also had an office in Sun City, to reach customers in Hillsborough County. Krawczyk closed that office in 2005 to focus on the two other locations, although the company will still do work there for previous customers.

Now Krawczyk’s focus is on recession survival. Like many other business owners, he sees the Gulf oil spill as yet another punch in the gut to a man already down. He offers little projections on how the next year will turn out.

“It’s a wait and see,” says Krawczyk. “I’d like to be optimistic, but there’s a lot of [economic uncertainty] out there.”