

La Crosse Area Chapter 1994- 1995

April 4, 1995

Mr. Harry (Hank) Sauer, Jr., P.E. Region VI Historian University of Missouri - Rolla Rolla, MO 65401

Subject:

Gold Ribbon and Log Book of TIME Award

13th Entry - History of a Company

Dear Mr. Sauer,

I am enclosing the La Crosse Area Chapter, 13th entry, for the Gold Ribbon and Log Book of TIME Award. The La Crosse Area Chapter is indeed happy to submit the History of a Company, The Winona Heating & Ventilating Company, a company that has nearly 100 years of HVAC contributions to ASHRAE principles.

Thank you.

Very truly yours,

James M. Ritter, P.E.

Chapter Historian

La Crosse Area Chapter

CHAPTER MAY NOT ACT FOR SOCIETY

HISTORY OF A COMPANY

WINONA HEATING & VENTILATING COMPANY

Succeeding in the small town commercial market - both with local customers and outside companies - can be greatly aided by forming a team of general contractor, engineer, HVACR contractor, and subs, including piping and electrical contractors.

That's what happened here in a Mississippi River city with a population of nearly 25,000. Winona Heating & Ventilating Company has taken a neighborly approach to assuring its clients of the best possible results, by providing input from all of the professionals involved in a job.

The team grew out of each member's respect for the other, says Leo Lemieux, head of Winona's HVACR Department. "These are all local companies and we all love our hometown. The idea took shape as we talked over coffee from time to time."

When a prospective client approaches any member of the group, the others are alerted and respond with individual expertise to the client's needs. Phone calls, idea exchange via computer, and group meetings follow.

"We're soon reaching the point where we will network by computer. Members are buying compatible software", says Lemieux.

NO GLITCHES LATER

This way, the group is able to prevent, at the planning stage, performance glitches later on.

Does the team concept save the customer a lot of money?" "Not a nickel," Lemieux says, cheerfully. "That's not what the team is about. We're not looking for ways to cut corners. What we do is deliver what the customer wants, problem free."

"Of course, there are operational and maintenance cost savings to be realized because the job has been analyzed from all professional points of view. Each of us knows our own field, including the equipment in that field that we have found to be the best."

Although the company is nearly 100 years old, it has gone through both evolutionary and, in the last year, revolutionary changes, as it doubled volume to \$6 million.

Michael Gostomski became President in 1993 when his partner and cousin, William H. Galewski, died. The cousins were close, attending school together, graduating from St. Mary's College in 1962, and completing sheet metal training as journeymen in 1966. They started work at age 12, in 1952, for the company William M. Galewski had founded.

The company was founded in 1902 by William M. Galewski. In 1938, his son, William A. Galewski, became president and H. W. Dunmore, became vice-president. In 1952, Daniel J. Gostomski became vice-president. In 1963, Daniel J. Gostomski became president and William H. Galewski became vice-president. Business progressed and, in 1976, William H. Galewski became president and, Michael Gostomski became vice-president. In 1993, Michael Gostomski became president of the company. Victoria Galewski is the sister of Daniel J. Gostomski and the wife of William A. Galewski. She is the mother of William H. Galewski and has been secretary of the company since 1938 and is a minority stockholder.

Mike Gostomski recalls that first summer, in 1952, very well. "The company had a contract to supply furnace and apply asbestos siding and shingles to a row-house project. My cousin and I prime-painted every piece of metal flashing and picked up all cardboard cartons when they were emptied, to sell at 1.5 cents per pound. We were each paid \$1 a day, except for the days we painted, when we got \$1.25."

Mike Gostomski's father, Dan, became William A. Galewski's partner, and the partnership passed to the cousins, with Galewski as president and Gostomski as vice-president in charge of roofing and sheet metal.

ROAD TO RICHES

Along the way, Gostomski's financial situation took an unexpected turn. A boyhood friend convinced him to become one of five founders of Fastenal Company, a supplier of industrial fasteners.

A modest investment of a few thousand dollars made him economically independent.

Today, Fastenal has 250 locations, grosses \$100 million annually, and is growing at 30% to 40% a year, both in sales and profits. In 1987, it went public and is "one of the most successful performers" in NASDAQ Exchange.

He serves on the board, but business hours (and many after-hours) find him in his tiny office at Winona, furnished with a battered chair that Lemieux urges him to replace for safety reasons, and the founder's ancient safe, which is empty except for a 1946 financial report, which Gostomski cherishes for its simplicity.

Why does he continue to work? "It's what I do," he says.

Far from a custodial approach, his presidency was marked by an immediate change in management style: an aggressive attitude about growing the business, and enlisting employee input and job responsibility.

"I firmly believe in employee participation. Business today is too complex for a company to operate without it," he says. The reorganization included both personnel assignments and plant equipment.

Roger Green was named head of the roofing division, which Gostomski had been supervising. Leo Lemieux was named head of the department. He operates it in somewhat of a committee fashion, bringing in other viewpoints, including those of Norm Paulsrud, who has been assigned estimating and bidding, and David Thoul, who heads up the recently established design drafting department.

HIRE YOUR COMPETITORS

Lemieux confides a hiring secret: Try to bring in the people you've competed with through the years. You know their strengths. Of Paulsrud, he says, "It had been my life's ambition to beat him by a buck in a public bid. I knew how good he is."

Recently the controls department was expanded substantially. "We wanted to be able to offer more services, a package. Most of our work is negotiated. We needed to be complete."

Also expanded was the service department, now headed by Joel Von Haden. Six new hires were added, and the service fleet was upgraded.

After attending a seminar by the Sheet Metal and Air Conditioning Roofing Contractors' Association (SMARCA), Gostomski decided to follow an idea about dividing employees according to their responsibilities.

Today there are the "get work," "do work," and "keep track" teams. Sales and estimating fall into the "get work" category. Heading the "do work" team is Tom Plachecki, who might otherwise be known as project manager. Susan Brown leads the "keep track" team, which has administrative and job-costing responsibilities.

Lemieux holds a certificate for both air and water from the National Environmental Balancing Bureau (NEBB).

The contractor has 80 employees, and operates within a 100-mile radius in the eastern Minnesota region. Work volume is 95% commercial, and the company does plan-spec only in sheet metal.

SMALL TOWN LOCATIONS

With computers, fiber optics, and all the communications aids that have become commonplace, it's possible for national companies to seek out small town locations for both economic and quality-of-life reasons.

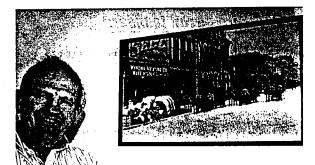


ST. STANISLAUS CHURCH is getting air conditioning, with the mechanical room 85 ft up in the large center dome.

n News

October 10, 1994

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MICHAEL GOSTOMSKI stands in front of photo showing a car-load of gravity furnaces being unloaded by the company's fleet of horse-drawn sleighs.



DISCUSSING UPGRADING MOVES are Michael Gostomski (right) and Leo Lemieux.

"Winona is a mix of colleges, small industries, and branches of large companies," says Lemieux. "Winona Canoe services an international market for racing canoes and kayaks. Sprint has a branch here, and the town has become a centerpiece for the composites industries - epoxies and exotics, such as carbon fibers.

"Our diversification includes tourism. It's full of historic sites and exhibits, such as the Polish Museum, and replicas of steamboats. Many retirees settle here."

One landmark is St. Stanislaus Kostka. "We're air conditioning the church, but we don't want anything visible, so the equipment room floor will be in the upper-most dome, 85 ft. high, with the air handling and ductwork going through two levels."

Gostomski dislikes mentioning his philanthropies, but from other sources, it's known that he is contributing the \$250,000 for the air conditioning improvement to the church.

His other gifts are harder to conceal. His name appears on the arena at St. Mary's College, and the Fastenal Foundation provides scholarships for all graduates of Cotter, a Catholic high school.

Next stop is the new EMD Company building.

"The company required 50% relative humidity throughout the entire plant," says Lemieux. "Space was too costly to spare even an inch, so there could be no boilers."

"We produced the desired result with air only, no sub-system. We used rejected heat from the refrigeration process to reheat the air. It was all done with three 120-ton rooftop units."

Lemieux points to the units. "They are grocery store units. McQuay doesn't manufacture them, but they were just what we needed for the job, so they dug out their old drawings and manufactured them for us. They're 55 ft. long -- we were just barely able to get them shipped."

The EMD building is an example of group-think, with team members discussing the building.

St. Teresa's campus, like many historic places in Winona, needs the upgrading of climate control and IAQ without jeopardizing the elegant beauty of its structures. Winona used hydronic heating and chilled water to effect the change.

Equipment was sound-insulated and installed in the attic. Shafts from attic to basement and soffits in the auditorium provided further concealment.

Lemieux is pleased with the unobtrusive installation. "The highest compliment an hvac contractor can get is, 'No comment,'" he jokes.

In the near future, the Winona Heating & Ventilating Company will move into a remodeled office building and plans to construct a 24,000 sq.ft. factory to meet the new challenges of the 21st Century.

Respectfully submitted,

James M. Ritter, P.E.

Chapter Historian

La Crosse Area Chapter