



AMERICAN HOME CONTRACTORS CELEBRATE 30 YEAR ANNIVERSARY



PRESIDENT/OWNER STEVE LOZINSKY TRANSFORMED A BAD EXPERIENCE INTO A 30-YEAR HOME REMODELING BUSINESS

One day you're on the path to becoming a lawyer, the next day you're the owner of a home remodeling business. It may sound like the premise of a Bill Murray flick, but there's nothing fictional about this screenplay. Thirty years ago, Steven Lozinsky, President of American Home Contractors (AHC), found himself in that exact predicament.

A year earlier, Lozinsky, a pre-law student at the University of Maryland, took a sales job with a local home improvement company for some additional income. He never anticipated that his quest for beer money would spark the eventual launch of American Home Contractors. But it wasn't just the work that motivated him to start his own business; it was the less-than-pleasant attitude of the owner.

"Although he was very bright, I didn't like the way my boss ran his company," Lozinsky recalled. "I thought I could do a better job."

So after less than a year's worth of experience in home remodeling—and still a student at U of M—Steve decided to launch his own contracting business. His already long nights grew even longer as he attempted to juggle college life with a blossoming business.

At the time, Steve still considered American Home Contractors a short-term venture. It wasn't until his first day of law school that he made the decision that would change his life.

"I went to University of Baltimore law school for one day and decided it wasn't for me," he laughed. "I felt like I was doing well financially and I was happy. I was burned out after four years of college, and to be honest, I really didn't want to carry those books. I just wanted to keep the business rolling and see where it took me. I never anticipated I'd be doing the same thing 30 years later."

Guess you never know what life's professors are going to throw at you. In Steve's case, the business grew so big that it tried to throw him.

"It grew much faster than I expected," he said. "Next thing I knew, all my friends wanted to come work for me. People I worked with at the old job quit and came to work for me. Soon, I had quite a payroll."

The transition from carefree high school living to adult responsibilities can be extremely overwhelming for many kids. One minute your mom is making you pancakes and folding your laundry, the next minute you're eating a microwaved waffle while trying to decipher temperature instructions on the side of a washing machine. Each stress-filled day is a learning process. That alone is enough anxiety for most people to cower at the thought of owning a business at just 20-years old.

Steve didn't even blink. That didn't mean he wasn't scared. It just meant he knew he had to get to work.

"I had no real experience running a business at that time," said Lozinsky. "I had to work on my people skills and learn to manage installation crews and my money. It was all on the job training. The behind the scenes stuff was the hardest to learn."

For the first 18 years, AHC thrived in College Park. Lozinsky and his business partner Ken Duncan—one of AHC's original salesmen—formed a solid relationship with the university and its students. They hired students for telemarketing and sales jobs and the location made commuting from campus a breeze. But as the university climate shifted from party school to academic institution, student employees became less reliable.

"Once academics became the focal point, a lot of parents wanted their kids studying during their free time, not canvassing door to door or answering phone calls," noted Lozinsky. "The kids didn't need money like they had in the past because parents were concerned about their education so they took care of them."

At roughly the same time, AHC's business model began to shift. Technology was growing at a rapid pace and the Internet was taking off. Suddenly cold calls and door-to-door



Heights are no match for David Silverstein, VP of Business Development, shown here installing a new roof for a customer.

sales weren't necessary. Customers could locate a reliable contractor with the click of a button. Steve decided they needed to move their marketing and sales efforts online.

"We took a leap of faith by adapting our business model to an online presence. We'd been very successful doing what we had been doing for quite some time. Most businesses fail because they don't adapt. We continued to see success, even during difficult times, because we didn't lose sight of the future.

Of course, when we switched to that business model, we didn't need the door-to-door sales guys and the telemarketers anymore, so there wasn't really a need to stay on campus. The traffic also started becoming unbearable as well, so we moved to Laurel," he chuckled.

The dawn of the Internet had other long-lasting effects, none more devastating to the reputation of shady business owners than instant access to information. Luckily, that wasn't something AHC had to worry about.

"Prior to the Internet, the homeowner relied on a professional contractor to educate them on products, installation, etc. The Internet came along and put all that information out there for everybody," Lozinsky explained.

"You were now dealing with a more educated consumer. There was less impulse buying and more shopping around, which worked out well for us. It became a much more competitive market, and in a competitive market, the cream always rises to the top. Reputation and credentials became very important to homeowners. We were always focused on the best products, the best service, and attention to detail,



Drone shot of a roof installation completed in early 2016.

so we just stepped up our credential game and became more affiliated with manufacturers."

The move to modern marketing has paid off, but Steve admits that those brilliant decisions wouldn't be worth a shingle if it wasn't for his dedicated employees.

"It's an entire team effort," Lozinsky bragged. "We don't have hundreds of employees, but everyone pitches in. We have quite a team of people here. Our gutter crew is still the same gutter crew we used in 1986. Our siding guys have been with us since 1989. It costs more to have experienced people, but you know what you're getting. There's a value to the confidence you have when you're working with the same people all the time."

Keeping his employees and clients happy is what motivated Lozinsky to start American Home Contractors in the first place. He wasn't trying to turn a quick profit or earn enough money to buy a yacht. He didn't choose to bail on a future in law because it was too much work. He just wasn't as concerned with proving someone was wrong as he was with doing something right.

"My old boss would say, 'Treat your employees like dogs.' That mentality blew my mind. He felt everyone was replaceable. His mindset was, 'Treat them horribly and get the most out of them while you can.' I didn't agree with that philosophy. I felt you had to respect your employees and customers and treat them the way you would like to be treated.

If you take better care of your people, they'll take better care of you. If you want to keep people happy for a long time, whether that's customers or employees, it pays to spend a bit more up front. In the long run, that philosophy is going to save you a lot of money."

Although that business model isn't revolutionary, it has become a bit of a rarity in today's corporate world where employee morale is often secondary (or unlisted) to the almighty dollar.

"Don't get me wrong, money's great," Steve added. "You gotta make money and provide for your family, but you also have to like the people you're working with. No one wants to go to work and hate their job and the people around them. I never wanted that kind of atmosphere at AHC. I wanted people to have confidence in their teammates and enjoy coming to work. I wanted them to take pride in doing well, and I wanted us all to share in those successes. I've never lost sight of that."

Yet even after all those years, Lozinsky still has no trouble reciting phone numbers and addresses from customers he had 20 years ago. He credits his memorization skills. He should probably also credit his skills of the service variety.

"We really do go out of our way to service each client," Lozinsky said proudly. "We truly believe in customer service. I try to talk to every client at some point during the project just so they know that it's not just one sales guy looking out for them. There's an entire company here standing behind them."



Before and After photos of a James Hardie installation completed by American Home Contractors.

"It's typical for most contractors to take 10% or 1/3 down, another 10% or 1/3 when they start the project, and the balance upon completion. Our business philosophy has always been different. We take a \$100 deposit on all projects, whether it's a \$1000 project or a \$25,000 project. We provide the materials. We provide the labor. When the project is completed, we have each project coordinator perform a walkthrough with the homeowner to make sure they're pleased with the job. We won't accept payment until the homeowner is entirely satisfied."

It puts the homeowner's mind at ease knowing they have that leverage. They feel good knowing that they don't have to make a payment until they're happy. There's no real risk. They only have \$100 invested in the project. When we tell customers, most of them don't believe us. You should see their faces. They're in complete shock. And you know what,

we've only been burned once in 30 years. Most people have no problem paying when they're pleased with the results."

That results-oriented approach is one of the main reasons AHC uses only in-house crews. No middlemen = no nonsense. In Steve's eyes, the additional insurance expense is well worth its weight in cement siding. You can always replace an employee, but you can never replace trust, reliability, and peace of mind. That's why each AHC crew is designated to task-specific renovations.

"Everybody we have is a specialist. Our roofing team only does roofing. Siding only does siding. I don't want people that say they can do it all. I only want specialists. Sure, it may take longer to complete a project, but the results speak for themselves."

That attention to detail and service excellence earned American Home Contractors the GAF's prestigious President's Club Award in 2015. Only GAF Master Elite® Contractors—an honor bestowed on less than 2% of roofing contractors nationwide—can compete for the residential President's Club Award. AHC was one of only two companies in Maryland to receive the President's Club Award in 2015.

Of course, none of this is news to AHC customers and employees. AHC has A+ ratings with the Better Business Bureau and the Maryland Home Improvement Commission to go along with their 4½ star rating on Yelp and an A rating on Angie's List.

"We always take care of our customers," said an enthusiastic Lozinsky. "Most problems don't pop up until at least two months after a project's completion. We want our customers to feel confident knowing that if something does go wrong that we'll take care of it. That's why we're a complaint-free company."

"It's not a perfect world. Things happen. Glass breaks. Caulk shrinks. But do you go out there and take care of it, or do you just hope it goes away? Ignoring it is only going to create more problems."

Sounds like the perfect metaphor for tackling all of life's challenges. Rest easy Steve. Your advice isn't falling on deaf years. There are 30 years worth of Maryland homeowners who never stopped listening ... and they have a guaranteed roof over their head.

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