Direct Coil

Direct Coil manufactures commercial and industrial finned tube heat exchangers, as well as custom engineered refrigeration and heat transfer equipment.

Headquarters	5055 Taylor Kidd Blvd, Millhaven, Ontario, K0H 1G0
Year Established	2007
NAICS	333416 - Heating equipment and commercial refrigeration equipment manufacturing
Employees	85
Major Expansions	2011
Exports	US
Parent Company	N/A
Other Locations	N/A

Direct Coil is a prime example of a business that not only survived a transformation, but thrived as a result. Started in 2007, Direct Coil operates in the heat transfer and refrigeration market, producing commercial and industrial engineered heating and cooling coils that are used in a wide array of applications (furnaces, fridges, and practically anything involving air movement). Originally, Direct Coil was limited in its capabilities—it catered only to applications requiring smaller coils (an extremely competitive market)—and suffered in its early years as a result. With the future looking bleak, Direct Coil's saving grace came in the form of Pat Occhicone.

When Occhicone was approached by Direct Coil, he was looking to get back into the business world, having realized that retirement did not suit him. He had done business with Direct Coil in the past, and knew of the company's high-quality products. He immediately saw potential within the industry. Accordingly, Occhicone purchased Direct Coil in November 2010, at which time, the company had 11 employees operating out of a 7,000 square foot facility.

Wasting no time, Occhicone quickly began identifying production bottlenecks and other ways in which Direct Coil could become more efficient to achieve growth. The majority of this first year was focused on obtaining certifications, acquiring a larger facility, securing necessary equipment, and training employees—all of which required significant amounts of time and manpower. Due to these constraints, Direct Coil experienced slow growth during the first year under Occhicone; however, this focus on building a foundation for future growth and credibility would prove critical in the years to come.

In February 2011, Direct Coil made a huge acquisition by purchasing the vacant 190,000 square foot

Bombardier facility in Millhaven, Ontario. The move to the new facility saw a dramatic size increase from the original 7,000 square foot building, with the company now utilizing 85,000 square feet of the new facility. The larger facility has been a key selling point to sales representatives, who look to do business with companies that can meet demand and capacity, while also instilling confidence through the size of operations.

The benefits of the new facility extend beyond size alone; the building is located along the 401 corridor, which allows for ease of shipping (especially to U.S. markets, where proximity to the border has been particularly advantageous). Unsurprisingly, as Direct Coil grew in physical size and product offerings, so did its workforce. Originally employing 11 full-time workers, under Occhicone, this number has grown to over 85. Direct Coil knows that employees are the key to its success. One of the ways that management ensures product quality and attracts/retains talent is by offering profit sharing within the company. This incentive motivates the workforce and spurs company growth.

The improvements that Direct Coil has realized are also reflected through its revenue stream. Since Occhicone's acquisition in 2010, revenue growth has increased tenfold, and year-to-year growth has been a steady 43 per cent over the past two years, with similar growth projected for the current fiscal year. Fuelling this steady growth is Direct Coil's impressive customer base and dedication to customer care. Catering to the likes of the Beer Store, Toronto Zoo, Ontario Provincial Police, Princess Cruises, the University of Chicago, and Bank of America has established Direct Coil as one of the major players in its industry. Establishing these customers requires the ability to meet all of their needs, whether that means providing products under a strict schedule for a cruise line, or appealing to a "made in America" mentality by using raw materials that originated in the United States.

Realizing the huge potential that the U.S. market offers, Direct Coil exports 70 per cent of its total product to customers in the United States. Currently, the United States is the company's only export destination; however, Direct Coil is exploring new deals to export to the Philippines and the Caribbean. Always with an eye towards aggressive growth (and the physical space within the facility to do so), the company is unveiling new product lines and services, as well as software installations to streamline operations and increase efficiencies. With the tremendous growth already achieved and a vision for the future, there is no doubt that Direct Coil is headed for continued success.