

Unilux VFC

Owned by VAST Industrial Corporation, Unilux VFC is a manufacturer of vertical fan coil units, specializing in the design and production of these units for individual condominiums.

Headquarters	7930 Huntington Rd, Woodbridge, Ontario, L4H 4M8
Year Established	1972
NAICS	333416 - Heating equipment and commercial refrigeration equipment manufacturing
Employees	79
Major Expansions	2017
Exports	North America
Parent Company	VAST Industrial Corporation
Other Locations	N/A

The boom in high-rise condo development in the Greater Toronto Area has sparked strong growth at Unilux VFC, a manufacturer of vertical fan coil units. By specializing in vertical fan coil units that are manufactured for individual condo units, Unilux VFC has successfully established a reputation as a reliable and high-quality supplier of this niche product. Unilux VFC has developed strong relationships with developers, mechanical contractors and building managers, contributing to its rapid growth.

Unilux, which was founded in New York in 1972, originally manufactured boilers before adding fan coils to their product line. The New York location manufactured the boilers, while vertical fan coils were built in Toronto. Unilux supplied most of the North American market, including US cities like New York and Las Vegas. Today, significant transportation costs and expensive U.S. certification requirements have resulted in Unilux having a more difficult time penetrating the U.S. market. Rapid growth in the Canadian market led to a relocation in 2017 from its original Canadian facility, a 35,000 square foot facility in Woodbridge, Ont., to a 66,000 square foot facility, also in Woodbridge.

Unilux VFC is focused on increasing market share as well as customer loyalty through innovative product design. Their new facility boasts a large R&D area for new product development and testing. Their owner knows that their HVAC equipment needs to keep up with today's demands and those include incorporating as much technology for control and safety and working to create the most energy efficient unit possible.

Unilux VFC is owned by VAST Industrial Corp., an Ontario-based holding company that

strategically invests in the manufacturing industry to assist companies' growth, product innovation and continuous improvement.

Since it was founded in 2016, VAST has acquired Dasco Storage Solutions, GSS Lockers and Canada Stampings. Common ownership enables the companies to support each other's growth and establish reliable relationships. For example, GSS Lockers manufactures the access panels that Unilux VFC supplies with fan coil products.

Unilux VFC also benefits from the inter-company employees and resources that VAST provides to the four businesses. Examples of these resources include investment capital for equipment and additional labour when large purchase orders need to be filled. VAST employs marketing and information technology specialists whom it makes available to the four companies when they need them. This reduces costs for Unilux VFC and the other VAST companies.

More than 10,000 vertical fan coils were manufactured and sold by Unilux VFC in 2019 and the company is projecting sales of about 13,000 units in 2020. The company's flexibility and willingness to offer different and customizable features for its products is a major reason it has experienced successful growth. Unilux VFC understands what residents in a high-rise building might want because it works closely with developers. To improve and enhance the customer service aspect of its business by providing its customers with more real-time data, Unilux VFC is developing sensors, alerts and performance reports for its systems. Notifications and reports could either go directly to the unit residents or to a building supervisor. Unilux VFC has also developed its own thermostat that can be controlled from an app and is capable of connecting to a Google Home or Amazon Alexa.

As Unilux VFC continues to grow, it's constantly analyzing how its production process and workflow can be improved.

The company recently shifted its metal production in-house and adjusted the layout of its equipment on the production floor to streamline its manufacturing process. However, management at the firm acknowledges that there is still room to create a leaner process and implement automation technologies. A new enterprise resource planning system is also being considered to assist with process improvement. All work processes are being recorded and documented so that getting new employees up to speed is as seamless as possible.

Although the majority of Unilux VFC's sales occur in the GTA, the firm has experienced a recent spurt of growth in Western Canada. Despite having three major Canadian competitors in the industry, Unilux VFC holds approximately 60 per cent of the Canadian market. Unilux VFC believes the innovation it demonstrates in production processes and product development is appreciated by its customers. In addition, customers value the greater efficiency that Unilux VFC products offer through heat recovery ventilators and energy recovery ventilators.

Unilux VFC employs 79 people, of whom 11 work in the office and 68 who work on the shop floor.

Manufacturing employees include laser cutters, brake press operators and electro-mechanical assemblers. Four of the 11 office employees are engineers who are dedicated entirely to R&D, which helps Unilux VFC remain at the forefront of the industry. Unilux VFC also has office employees who are responsible for the sale of product parts, because customers have the option of replacing specific parts of their equipment if replacing an entire unit is unnecessary. The company understands the importance of investing in continuous education for its employees and has utilized the Canadian Ontario Job Grant in the past to subsidize lean training for its engineers.

Hiring new workers and decreasing the turnover of current workers has been a challenge for Unilux VFC amid the shortage of skilled labour in the manufacturing sector in Ontario. To address this challenge, Unilux VFC has implemented a referral program to attract new workers and has found the program to be successful so far. Additionally, the company welcomes co-op students from universities and colleges after one positive experience with a Waterloo University student who helped the firm streamline its processes. Unilux VFC has some employees who have been on staff for more than 20 years and plans to continue recruiting people interested in a long-term career. To assist with employee retention, Unilux VFC has created a bonus program that is related to profitability and meeting certain objectives. The company also highlights its positive workplace environment, willingness to listen to its employees regarding problems and desire to collaborate when discussing a solution.

Recently, Unilux VFC also entered into the vertical fan coils parts and service business. This standalone shop serves many of Toronto's high-rise HVAC service teams with quality OEM parts. The service division has a team of 5 technicians. The Unilux VFC technicians do everything from warranty work to semi-annual servicing to system upgrades. Residents in the GTA and online can feel comfortable buying factory parts from vertical fan coil experts.

Although long cash flow cycles that accompany being a supplier in the construction industry can be a challenge, Unilux VFC is managing its finances effectively and has the constant support of VAST. Unilux VFC plans to continue to engage in research and development projects to remain an industry leader. The firm is confident it will experience growth in sales by entering different geographic areas across Canada and expanding its product line.

Appendix: UniluxVFC Patents

1. Wi-Fi Vertical Fan Coil System
 - US Patent No. 10,094,588
 - CA Application No. 2,945,017
2. HVAC Apparatus with Dynamic Pressure Balancing
 - US Provisional No. 62/749,209
 - US Application No. 16/660,863
 - CA Application No. 3,059,735
3. Vertical Stack Fan Coil with Integrated HRV/ERV
 - US Patent No. 8939826
 - CDN Patent No. 2746405