

Branching out spurs growth at Olive Tree

BY JANE MEINHARDT
STAFF WRITER

TAMPA — Realizing when an opportunity crops up and capitalizing on it resulted in growth and a new subsidiary for Olive Tree Energy.

The company manufactures energy-efficient technology and products that reclaim wasted heat and cold energy to reuse it in water heating, HVAC and refrigeration systems in residential and commercial buildings. Olive Tree added two employees and diversified into service and maintenance with Pro Energy Systems LLC, a wholly owned subsidiary. Now, the company also can monetize its abilities to service and maintain energy-efficient and other heating and cooling systems.

"We've grown by adding a service division," said Jay Fechtel, a founder and president of Olive Tree. "While working in

OLIVE TREE ENERGY

NUMBER OF EMPLOYEES

2012: 16

2011: 14

2010: 6

the energy-efficient tech realm, we started working through some back door opportunities. What we found out is that our clients had needs in other areas."

One of Olive Tree's clients needed a complete reworking of its air-conditioning system, which added about \$75,000 to the initial contract and turned out to be more lucrative than the sale of

energy-efficient products.

The subsidiary is working with several construction companies to provide HVAC services in addition to selling them energy-efficient products.

Fechtel declined to discuss overall revenue, but said that in the last quarter, outside third-party work by the subsidiary resulted in \$250,000 in revenue for Olive Tree.

"It's a different niche for us, but it's paying off," Fechtel said. "We service other products and systems in addition to our own."

Josh Bomstein, vice president at Creative Contractors Inc. in Clearwater, said owners of large commercial projects typically have

some kind of contract and maintenance agreement with manufacturers or installers of HVAC and other systems, although some owners may be sophisticated enough to maintain systems to a certain degree.

"The arrangements can go in multiple directions," he said.

Creative Contractors is a privately held commercial construction business with expertise in green and sustainable construction. For some efficient-energy technologies in commercial projects, maintenance and service may require a unique skill set, Bomstein said.

MORE BREATHING ROOM

Olive Tree is expanding on the capabilities of its service and maintenance division.

The company is also using its subsidiary to promote Coil Plus, a new product created by the company that is easy to integrate in existing equipment to improve the quality of coils in air-conditioning and refrigeration systems, Fechtel said.

The success of its subsidiary in monetizing opportunities is giving Olive Tree some breathing room to market its technology and follow its business strategy.

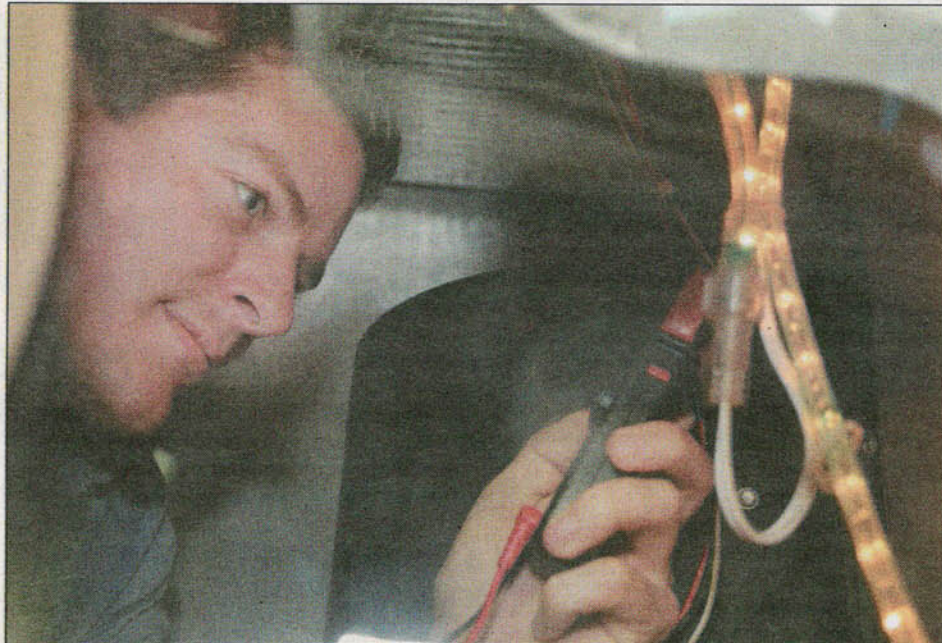
As of late December, the company's Zero Energy product is now being marketed on The Home Depot's website, which means Olive Tree technology has exposure in nearly 700 stores. The technology reduces greenhouse emissions and reduces water-heating costs.

Additional exposure means more branding and validation of its technology, both of which help position the company for attracting investment.

Olive Tree is debt-free. So far, it has been financed internally through personal investments as it creates a stable infrastructure, Fechtel said.

"We haven't officially offered participation in the company to anyone because we've really been focused on validating our products," he said. "This year, I hope we can go ahead and bring in some capital. Our goal is to grow through equity rather borrowing."

jmeinhardt@bizjournals.com | 727.224.2299



KATHLEEN CABBLE

At top, Olive Tree Energy engineer Robby Obenreder prepares the EER Max unit for an energy show in Miami. Above, Jay Fechtel, Olive Tree Energy president, said adding a service division to the company has helped boost profits at the technology company that specializes in energy efficiency.

Tips from the Editor

Tip #2: PEOPLE ON THE MOVE. Get your company's name on tampabaybusinessjournal.com or in print and reward an employee at the same time. Go to www.bizjournals.com/tampabay/potm/form/ and submit information - including a photo, if available - about the person just hired or promoted, and we'll help pat your employee on the back.

resident, launch sales manager. Summary: Fehel has more than 15 years of consumer and business banking experience.

of Purgatorio Florida Capital

hire - assistant manager Purgatorio 10 years of small business experience as well as being and

ICES

Partagera Energy low here - chief manager

and managed, a social media management program for Strategic Web Design. In addition to being social media manager, she also handles many additional responsibilities as interim coordinator and content writer.

NONPROFIT
Name: Carlis Miller
Employer: University Area Community Development Corporation
Position: New hire - grant writer
Summary: Miller will work to secure and expand funding sources for programs and services to support economic development. Funding allows residents, most below the poverty line, to purchase homes.

Hernandez
needs of the
REAL ESTATE

Headerson
with Senior V. Jack Hoshino dedicated to the community. He is a real estate professional and a member of the National Real Estate Association.

TAMPA BAY Business Journal