

An Open Garage

BY: GULF COAST BUSINESS REVIEW

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Jess Fronckowiak, left, founded Venice-based J2 Solutions in 2002 with the goal of becoming a custom homebuilder. But with his business partner David Fouche, right, the company has developed a specialty in building detached garages.

"A young construction entrepreneur looks to basements for recession cure"

Even though dozens of small construction companies on the Gulf Coast are getting buried by the recession, Jess Fronckowiak's two-person operation is hanging on.

He's done it through a unique combination of being high-end in one niche and low-end in another. And while the company's annual revenues, in the low \$2 million range, are tiny compared to some of the region's big players, Fronckowiak is confident he is building a company that can both survive the recession and continue on during the rebound.

The company, Venice-based J2 Solutions, is technically broken up into three divisions: Commercial construction, residential construction and a home remodeling unit that focuses on building detached garages, what Fronckowiak refers to as a "Florida basement."

The latter is where Fronckowiak, 32, is trying to grow his company for the long-term. A native of Buffalo, N.Y. and the son of a homebuilder, Fronckowiak realized the Northern and Midwest transplants who fueled the housing boom were giving up one thing in coming to Florida: their basements.

So in 2002, soon after launching J2, he switched his focus from the hyper-competitive custom homebuilding market to building detached garages. Knowing that in essence he was only building a room with four walls, Fronckowiak took the high-end approach. The garages, at the base level, include features such as stucco exterior and top-level PGT windows.

Fronckowiak, who worked in project management for Murray Construction in Tampa after college, before starting his own company, marketed the garage as a cost-effective alternative to self-storage. He trademarked the term Florida Basement and bought the Web site under that domain name. He also offered a \$100 gift card to Home Depot or Lowe's for anyone who had a garage built through his company — an offer he has since upped to \$250 for some jobs.

The garage side of the business ran with the housing boom. Fronckowiak sold about \$300,000 worth of the Florida basements in 2003, a number that grew to more than \$500,000 by 2006.

The lack of home equity pinching many Gulf Coast homeowners these days, however, has been J2's downfall: Detached garage sales are down about 30% over the past year, Fronckowiak says.

Still, he says he won't bend on prices, which can range from about \$20,000 to as much as \$100,000 a job. He has thought about it though, considering that he says he's being underbid by as much as \$12,000 on jobs in the \$40,000 range — what he calls the telltale sign of a cash-poor, desperate contractor.

"We are trying to build a brand," says Fronckowiak. "I'm not trying to be the low priced guy."

But Fronckowiak concedes he has no problem being the low price guy when it comes to commercial construction jobs and bids, such as office build-outs or restaurant expansions in the Venice area. He says his limited debt allows him to bid low to get jobs, making J2 the "Wal-Mart of commercial construction."

Actually, Fronckowiak has gotten so many small jobs the past few months that his biggest problem hasn't been finding work, but finding customers who can pay, and pay on time. He says accounts receivables have been one of his biggest challenges of the recession, a problem plaguing other small businesses in a variety of industries.

Fronckowiak named the company J2 after his first name and that of his brother Josh, who has done framing work for the business.

David Fouche, Fronckowiak's business partner and fellow University of Florida civil engineering graduate, manages projects and subcontractors for the company.

In a post-recession world, Fronckowiak says he could see the company getting to the \$5 million annual revenue range within a few years. But he plans on being careful and deliberate about growth.

"I don't want to grow for the sake of ego," says Fronckowiak. "We have a good little niche going right now."