In Battle Creek, MI, the B.C. Schuemann Company Strives to Market and Install the Complete Package.

The place to be, he insists, is on the cutting edge. Without such critical positioning, a contractor sacrifices opportunity and profits.

That succinct piece of business philosophy is the driving element behind the B. C. Schuemann, Inc., of 110 Arbor St., Battle Creek, MI, where the emphasis on demountable partition work has not only rounded out the firm’s spectrum of work, but has led Schuemann to develop its own system of demountable partitioning.

Still headed by its founder and president, Ben Schuemann, the wall and ceiling business gains considerable impetus from Ben’s two sons, Richard L., the vice president of operations, and Jack B., the president of B.C.S. Services.

Like his brother Jack, whose technical background was refined with the Seabees as a frogman in Vietnam, “Rick” Schuemann started working for his father’s company as an eleven-year-old. Within four or five years he was general laborer and plasterer’s tender—and this kind of work continued to occupy his summers and free time right through high school and college.

A graduate of Lake Superior State College with a business degree, Rick came out of college in 1973 and moved directly into his operations management role. By that time, Ben had the company restructured to accommodate both sons and moving strongly in the diversification flow.

The Schuemann company offers lath and plaster, drywall, acoustical ceilings, demountable partitions, office furniture, exterior insulated systems such as STO, Dryvit and Synergy, along with light gage steel. Volume runs in the $5 million range.

A longtime member of AWCI ever since the company was formed in 1946, Schuemann is represented in AWCI by Rick who serves on the association headquarters committee. In a state that has sustained awesome economic blows in the last five years, the B.C. Schuemann company is moving along steadily. When Construction Dimensions visited, he was, as usual, figuring yet another job.

DIMENSIONS: First of all, Rick, I noticed that your company is also in the office furniture business. Is this part of the demountable partition section—or do you have a showroom?

SCHUEMANN: We don’t have a showroom, but we got into the office furniture business to do one thing: give our customers a complete interior package.

We operate a bit differently from most wall and ceiling contractors in that we are determined to remain on

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the leading edge of technology and service. The office furniture stores responded to the new less-than-ceiling-height office landscaping and we simply saw this business escaping us.

Plus, in order to provide our customers with the kind of quality and service that has characterized our business, we knew that we had to provide a complete package. Office furniture isn’t all that much of our business, but it does represent to customers our readiness to provide a total package.

DIMENSIONS: Then it’s merely an adjunct to the wall business, just as de-mountables serve that function, too. Right?

SCHUEMANN: Right. We offer quality products, good service, fair price, and a continuing interest. You need that kind of commitment to make it in office interior work—or any other work for that matter. Once you install a customer’s office facilities, you’re with that customer for a long time and anything that can install confidence right up front is worthwhile.

DIMENSIONS: Putting demountables aside for the moment, though, do you see this open office concept spreading? After all, the idea is attracting a growing number of critics—

SCHUEMANN: —and a growing number of supporters, too. Yes, it’s a growing market. The whole open plan theory is spreading. Kellogg headquarters, here in Michigan, is going that way.

About the only deviation I see is the increasing height of landscape partitions and work carols and once this issue is determined, the consideration moves directly to open landscaping versus demountable partitions versus floor-to-ceiling.

And why shouldn’t the customer take a careful look at the benefits the office people were offering. The tax advantage alone was hurting us. Now we offer the same services-plus expertise in installation.

DIMENSIONS: Under what circumstances do you emphasize de-mountable partitions?

SCHUEMANN: When—and only when—the economics and other benefits show a demountable partition system to be the best for the customer. We don’t need gold plating, but we can offer our customers a choice. In the
last three years, we’ve done the whole job and provided our customer with everything right down to the waste baskets.

We don’t need to do a “sales job” on our customers, not when we can perform all the options that are necessary anyway. Customers these days—or at least in our experience—want a single source not only for initial installation but for callback and maintenance and renovation, too.

We can now come into our customers and renovate an entire area for whatever needs exist... ceilings, light, partitions, furniture, office layout. You name it.

DIMENSIONS: When did the Schuemann company get actively involved in the demountable partition business?

SCHUEMANN: In the early 60s, we began development work. And we have our own proprietary system, one that we worked out using existing components—

DIMENSIONS: —sort of the B.C. Schuemann demountable partition system?

SCHUMANN: Well, we’re not that pretentious.

We offer the finest quality manufactured systems, but because we are a promotional type company we like to offer customers a good, economical system using applications that we’ve tested over the years and found appropriate.

DIMENSIONS: It gives a potential customer a nice alternative choice, too, doesn’t it?

SCHUEMANN: It certainly does and don’t think they don’t appreciate it. From the buyer’s standpoint, it’s nice to look at a less costly way to remodel.

The demountable partition system in general offers economics and convenience that no other system can match. To tear down a plastered wall and reinstall a new partition can be expensive, and especially so when the ceiling is involved.

With a demountable system, we can put in walls under the existing ceiling and not involve the mechanical systems. That’s saying a lot to a customer.

DIMENSIONS: There’s another element involved here. That’s office
“Our primary thrust is self-promotion. Promotion is part of the philosophy of this company. Demountables simply must be sold and when you can offer several grades — as we can — then your chances are better of landing the work order.”

layout. How do you handle it . . . computer . . . drafting . . . sketching . . . how?

SCHUEMANN: We have in-house layout capability. Each management individual here specializes and there is someone to back up that particular skill so—

DIMENSIONS: —but CAD . . . you know, computer assisted design. Do you have that?

SCHUEMANN: No, we don’t have a computer design system. There just isn’t that big of a need for such a device. We’ve gone to various office facilities seminars, such as the one conducted by Bob Vrancken (Note: Vrancken is a nationally known office interior designer who has also spoken at various AWCI conventions) and they were great. But we’ve found that we can still install these ideas with a non-computer approach. We still use a drafting table—and it works just fine for us, and most important, for our customers.

DIMENSIONS: As a specialist in this market, Rick, what do you find is the most popular partitioning system — from the customer’s viewpoint.

SCHUEMANN: A demountable or a pre-finished drywall system are the most popular office interior walls. Now that excludes the core walls, of course. An in-place wall is the cheapest when initial installation only is the criterion, but when life cycle costs are involved the demountable wall comes out ahead.

DIMENSIONS: What makes the demountable wall so attractive to you as a contractor?

SCHUEMANN: First of all, we like the complete packaging that’s available when selling a demountable system. Because of this element, the competition is effectively reduced to the point where you’re bidding against professionals. The system needs a promotionally minded company which is compatible with our approach to the market.

DIMENSIONS: You mentioned selling or promotion. What are the target markets for a contractor seeking to initiate a better selling profile? Who do you approach—and how?

SCHUEMANN: Initially we used to promote heavily to architects for the standard installation, but when it comes to proprietary items the most effective approach is to the owner or developer himself. For that reason, our promotional efforts to architects has dropped off somewhat.

DIMENSIONS: Getting back to your company’s proprietary system, how and why did you attack the market from this level?

SCHUEMANN: We went after this market with the same motive with which any profit seeking company attacks: we saw a need for an economi-
“We specify right up front what we want in the contract and then ask our customer, “When do you want billing and when and how will we be paid.”

cal demountable system. After developing our own fastening system, we combined existing components such as glazing, trim items and the like and combined them with pre-finished gypsum board and acoustical wall panels into an attractive, durable, economical wall system—field installed.

We find that our system is faster and more economical than most proprietary systems and after three years of experience we’ve been, you might say, very successful.

DIMENSIONS: What, in your opinion, is involved for a contractor to enter the demountable market?

SCHUEMANN: Economics is the key. If you’re going the proprietary route you’d better be ready to make a substantial investment. You need inventory in this business because a customer who wants service wants it NOW — not when you can arrange with a supplier to get a delivery however fast.

DIMENSIONS: And the promotion? How do you approach that end of the business?

SCHUEMANN: Our primary thrust is self-promotion. Promotion is part of the philosophy of this company. Demountables simply must be sold and when you can offer several grades—as we can—then your chances are better of landing the work order. To support our promotional efforts, we have available mock-up assemblies and existing sites of previous jobs where owners are proud to show off their installation. We take customers to successful existing sites as often as possible: it’s an effective way to show just what can be done.

DIMENSIONS: But demountables must be as volatile as other construction markets and can’t this be a bit chancey when a contractor is spending hardearned cash for surplus inventory?

SCHUEMANN: The answer to that is an unavoidable necessity. We have found that the premium and future recognition received from instant service justifies that investment. We’ve roller coasted, too. At start-up we had a large inventory because when you’re stocking pre-finished panels there’s always the problem of dye lots and matching.

We naturally demand consistency from our suppliers, but demanding and receiving aren’t the same thing, but we’ve found that going to fewer colors isn’t really the answer either. You just have to stock an adequate supply.

DIMENSIONS: Isn’t it the truth that owners don’t really move their partitions all that much — and that many panels simply can’t be utilized a second time?

SCHUEMANN: The benefit in demountables is the speed with which you can install and remove and replace. We sell the system as a demountable, but 80% of the panels or systems will never be moved during the product’s lifetime. Only an occasional panel needs replacement.

DIMENSIONS: With respect to the Schuemann company’s other construction services, you tend to think in terms of a system there, too, right?

SCHUEMANN: For us, that’s the only way to think . . . the complete system. Bid work is still important to
us, but promotional work is still our bread and butter. When things turned
down here in Michigan, we turned to
promotional efforts and this saved us.

We write our own specs, we create
a better product for our customers, we
advance system responses that are ap-
propriate to customer problems, we
operate this construction business on
a professional market oriented basis.

DIMENSIONS: That sounds a bit
like a turnkey operator?

SCHUEMANN: That’s quite cor-
rect. We’ve even done a number of
jobs as the Construction Manager,
with the end product being turned over
to the owner ready for occupancy.

DIMENSIONS: A moment ago you
alluded to the fact that you didn’t need
a computer for CAD work . . . that you
could do it just as effectively on a
drafting table. Have you made any
move toward computerization?

SCHUEMANN: We’ve looked at it
seriously, but with computers we have
two major concerns: first, cost effec-
tive memory, and second, appropriate
programming. In the past neither has
been sufficient to justify the cost.
Recently, though, the technology is
such that we’re very much in the
market, and we feel it’s possible to pro-
ceed with only, hopefully, one learn-
ing experience.

Our volume here is justified by a
move into electronic technology but I’d
just as soon avoid the horror stories
that I pick up from other contractors.

DIMENSIONS: For a company
that promotes and negotiates a lot of
its work, you must have come to grips
with the accounts receivables problem.
How do you manage this important
item to keep write-offs to a minimum?

SCHUEMANN: A collection policy
starts with the customer selection. Your
best collection technique is to review
customers as carefully as possible and
then track receivables according to the
time schedule that is established.

The same thing holds with reten-
tions. We, of course, prefer no reten-
tion or a tops at 5%. We attended
AWCI Counsel Mac Stokes seminar
on retainages and we follow Mac’s ad-
dvice. We’re extremely aggressive. Mac
said good management of retentions
can put an additional $100 thousand
in the average contractor’s pocket—
and he was right. You know, it’s sim-
ply amazing how much you can ac-
complish just by asking for it. Now,
we always asked for everything we want right up front—

DIMENSIONS: —and what is the response?

SCHUEMANN: Like I said, you often get what you ask for—or you can negotiate down. We specify right up front what we want in the contract and then ask our customer, “When do you want billing and when and how will we be paid.” We also bring up retention policy and get a firm agreement.

Dealing directly with owners on much of our promotional work we are able to negotiate corporate purchase orders that often include no retentions. Plus our company track record is such that our customers don’t feel they need a penalty to get us to perform.

DIMENSIONS: In general terms, Rick, what are the most significant changes in the wall and ceiling industry over the past decade and how have they impacted on your company?

SCHUEMANN: I feel a wide transition is underway, especially during the past five years. This has been an increased shift toward the non-union sector coupled with an increased shift of conventional general contractors into broker status which is contributing to more emphasis on the entire Section 9-Finishes area as a system.

This shift in our subcontractor specialty means that more and more wall and ceiling contractors will find the systems approach—coming to grips with the whole environment of finishes—will be more compatible with how the buyer wants it done.

DIMENSIONS: Then you see healthy, continuing growth for wall and ceiling contractors.

SCHUEMANN: I certainly do. I think the growth pattern will be a lot stronger for a company that gets into a true promotional profile. Bidding is still a viable segment of the construction market, but it takes promotion and strategy to go after the whole system. Call it systems, packaged bidding, promotional selling—the whole idea is to define your market and then put into place the methods you can use to accomplish your goal.

And that’s the name of the game in construction or any other business, isn’t it?