

When Tom Colasanto got into panelized construction, the only mistakes he could learn from were his own.

On a Wall & a Prayer

Thomas Colasanto left the Air Force in 1955 after seeing action in Korea, and went to work as a carpenter. Over the next 20 years he worked his way up the ranks to become a superintendent—and then quit to start his own business.

“Actually, the decision to quit was made for me,” recalls Colasanto, “because employers closed the branch where I was working. So some co-workers and I scraped together about \$5,000, bought a couple of fifty-dollar used trucks, and started Dimension Ceilings.”

That was in 1974 and, though none of the partners had experience managing a business, “We had a lot of construction know-how, and knew a lot of contacts. Maybe things were run by the seat of the pants, but eventually we built up enough clients to generate some cash flow.”

In 1980, Colasanto’s company merged with Lamparter Acoustical, a company that was a “partial” competitor. With Colasanto’s skill in carpentry and wood framing, and Lamparter’s experience in lath and plaster, the new

company—Lamparter and Associates—was able to offer a broad range of services.

A year later the firm spun off a new corporation, Panelized Systems Ltd., naming Colasanto president and partner Neil Lamparter as chief financial officer. PSL calls itself “The Exterior Panel People,” and has seen its annual volume double each year from \$300,000 in 1981 to more than \$18 million today.

The company fabricates its own panels in 160,000-square-feet of manufacturing plants in several locations and performs some 10 projects each year with its 225 employees. Since 1987, PSL has opened branches in northern New Jersey (Panelized Systems Ltd of New Jersey) and Connecticut (Pantek, Inc.); a southern New Jersey branch is slated to open later this year.

Colasanto, 55, has been a long-time AWC member and twice president of his local wall-and-ceiling contractors association; he is also active in the American Subcontractors Association (ASA), and today is chairman and founder of the National Prefabricated

Exterior Wall Manufacturers (NAPE). He holds an association degree in construction from Purdue University.

Born and raised in Brooklyn, Colasanto is married and has three children, and resides in Commack, NY. His business interests include a sizeable real estate portfolio, several sporting goods stores, and an ice hockey arena now under construction for youth sports, concerts and special events. His interest in sports extends to the personal level, where Colasanto is both an avid golfer and racquetball player.

DIMENSIONS: Panelized construction is still fairly new in the industry, so there was nobody around to give advice when you started Panelized Systems Ltd (PSL) in 1981. Since your background is in carpentry and wood framing, and your partner’s background is in lath and plaster, how did you ever get ahead of the learning curve?

COLASANTO: It was quite a learning process, believe me! A lot of R&D, and a lot of T&E—or trial and error. Since PSL was breaking new ground, we couldn’t learn from others’ successes and failures, but had to learn from our own. But in all, I’d say the backgrounds of my partners and I have proven a good combination for panelized construction.

DIMENSIONS: What was the impetus for starting PSL?

COLASANTO: We just saw how panelized construction could fill a need in the Tri-State area of New York, New Jersey, and Connecticut. People almost never thought in the past of industrial buildings as having, or needing to have, any aesthetic character. But this has changed, and PSL’s ability to provide the materials and applications that are at the forefront of those changes is largely responsible for our success.

The growth of light and high-tech industries has also created a need for increased support services such as banking, insurance, transportation, hotels, and especially housing. But by offering panelized construction, PSL is uniquely able to meet all these demands.

Then, too, changing architectural tastes further increase the need for panelized construction. Every 10 or 15 years there’s a shift in the types of outer construction preferred—whether it’s

brick, concrete, glass, or whatever. Clients are interested in new products that are cost-effective, aesthetically pleasing and long-lasting. But here again, panelization gives our company the flexibility to change with the times and styles.

DIMENSIONS: How did you convince skeptical customers to give panelized construction a try over conventional building methods?

COLASANTO: Our first project back in 1981 was a \$250,000 building that was drawn up by the architect as a stick-built job. We took the plans, showed the customer how it could be converted over to panelized construction, and won the job.

That's still how PSL gets a lot of jobs—by taking stick-built plans and showing customers how the same thing can be done better through panelization. But what really got us off the ground was the first major housing project PSL performed.

The job was a 280-unit apartment complex, and the owner had to have the building completed in 14 weeks. About 3,000 panels later, we got the job done on time and on budget. Word got around pretty quick, and we were deluged with interested customers!

DIMENSIONS: You had to invest a quarter million dollars to build a facility

for manufacturing panels. With that much overhead, was it pretty hard going in the beginning?

COLASANTO: Any new business, of course, has some anxious moments. But PSL was fortunate to provide the right service at the right time. Our first year's volume was about \$300,000—but every year our volume has doubled until now, eight years later, PSL is performing 100 contracts a year worth

more than \$18 million.

We've even opened up branches in northern New Jersey and Connecticut, and expect to have a southern New Jersey branch open by the end of this year. In fact, PSL could go national—or even international—in the not too distant future through licensing.

DIMENSIONS: How does PSL obtain most of its projects, through bidding or negotiating on contracts?

By the turn of the century, Thomas Colasanto believes panelized systems could be the dominant method of construction in the United States



COLASANTO: About 90% of our business is with repeat or referral customers. So the great majority of our work is negotiated.

DIMENSIONS: Why not through bidding? Does it have something to do with the non-traditional nature of panelized construction, that you obtain most through non-traditional means?

COLASANTO: Very definitely. On the few jobs we bid, the building owner or general contractor isn't comparing apples to apples when he looks at panelized construction versus stick-built construction. PSL provides a much broader range of services than other contractors, so I'd say we're successful in bidding only about 15% of the time.

DIMENSIONS: Does PSL work primarily as a prime specialty contractor, or as a subcontractor?

COLASANTO: Usually as a subcontractor—but the term “subcontractor” is really a misnomer, and we try to avoid it. “Subcontractor” carries the connotation of the guy who's left at the mercy of the GC, waiting for his payments and for his retainage to be released.

Instead, we think of ourselves as “manufacturers who offer installation services.” Being a manufacturer is a whole different mentality than being a contractor—which is another reason why most of our projects are negotiated, since PSL offers mostly fabrication rather than installation.

About 90% of our contract work is done in our plant, and only about 10% of what we do is the actual field application. So to be most effective, PSL needs to be involved in a project from the design stage—another factor that distinguishes us from traditional contractors, and that tends to put our company into negotiated work.

DIMENSIONS: You mentioned offering a broad range of services . . .

COLASANTO: That's right, everything from stucco to granite, from about \$9 to \$60 per square foot for finishing. PSL builds a welded steel skeleton, and then customers simply decide what style of finish they want.

DIMENSIONS: Do you work like a homebuilder, showing customers your catalog of standard colors and finishes from which to chose?

COLASANTO: If only we could do that! Standardization of product would

be like a dream come true for us.

But in reality, we can't standardize because architects just haven't been trained to think in those terms. Maybe someday when panelization becomes the dominant form of construction, architects will get used to panels and think in terms of standard products. But for now all the buildings are custom designed, so all of our panels have to be custom built.

We've got to be flexible—and to do that, we've got to have a 160,000-square-foot manufacturing facility and employ about 225 people. But as I said earlier, the flexibility to accommodate all kinds of aesthetic styles is one of PSL's major selling points.

Just last year alone we did an office building with embossed exterior lettering, a plaza with round turrets, a hotel with raised feature bands in two colors, and so on and so on.

DIMENSIONS: So far you've described a process where most of your work is repeats and referrals, you negotiate contractors, you get involved at the design stage, and you build the skeleton while the customer chooses the exterior finish. But once the order is taken, where does PSL go from there? What are your in-plant procedures?

COLASANTO: Once we have a contract in hand, PSL has a standard five-step process.

1. Finishing up the paperwork.
2. Completing the shop drawings.
3. Scheduling the materials.
4. Scheduling the manufacturing.
5. Getting all the players together for job coordination of the field installation.

The materials we get from all over—bricks from Washington State, stone from overseas, and steel and substrates from throughout the Northeast states. And of course, PSL is an authorized applicator of most major EIFS manufacturers in addition to various stone and mosaic systems.

Altogether, our product lines include exterior insulation finish systems (EIFS), modified concrete, stone aggregates, stucco, granite, marble, thin brick, aluminum, ceramic tile, galvanized structural steel framing, full brick backup, and load-bearing partitions.

DIMENSIONS: So you do install EIFS?

COLASANTO: Yes, we do, and I'd say EIFS is easily our bread and butter. It accounts for about 85% of our work.

DIMENSIONS: What would you say is the long-term outlook for the



George Laurie, shown here with Colasanto, is the company's chief projects officer.

panelized construction industry?

COLASANTO: The current portion of panel installations vs. stick built applications has grown quite rapidly in the past decade. I foresee a continuing increase in the use of panelization in the coming years. By the turn of the century, it is quite possible that panelization will be the leading method of installation in our industry. This is primarily due to the fact that it is getting increasingly difficult to maintain qualified applicators in the field, and panelization lends itself to a more controlled year round labor force, better quality control and cost effectiveness.

DIMENSIONS: *That's quite a jump. Are the benefits of panelization really that overwhelming? What are the main advantages of panelization that would make building owners turn to it in such great numbers over traditional methods of construction?*

COLASANTO: First of all is the superior quality of work you can perform in a controlled environment. The temperature is controlled; you have a stable and productive staff; you get more accuracy; and there are no exterior pollutants. Because 90% of our work is done indoors at a heated plant, we can work year round and never have any down-time; and since most of the work is already done before we ever get to the actual jobsite, our field force is greatly reduced and we can erect in virtually all kinds of weather.

Completion time is quicker. In fact, I'd say PSL can do the work in one-third the time of conventional contractors—and that includes the manufacturing process, since we can fabricate panels at the same time the structure is being built. We don't have to wait until the structure is done before fabricating the exterior, like a conventional contractor would.

Another real advantage is the light weight of prefab panels. This means we can really downsize the structural steel and foundation requirements—and that way save customers a lot of money.

I've already seen that panels offer practically unlimited design capabilities. But another great thing about panels is they're tremendously energy efficient, with R-values up to 30. Also, panels are easily adaptable to retrofit applications. And there's lots of cavity wall for mechanicals.

DIMENSIONS: Surely, panelized construction can't be problem free?

COLASANTO: Of course, PSL has its problems. Probably the biggest barrier to getting started is the high cost of building a manufacturing facility, which I'd put at about quarter to a half million dollars. Also, storage is a problem, since panels fabricated must be stored on trailers. A great deal of open space is required.

There's a lot of overhead, since you've got to maintain a steady workforce rather than hire on a per-job basis. And heating the plant can be expensive in the winter months. But on the whole, I'd say the pluses of panelized construction far outweigh the minuses.

DIMENSIONS: *So what's ahead for your company?*

COLASANTO: I think our growth curve will continue to be very good. Even if a recession hits, I think panelization will remain strong. In fact, in a recession I think the benefits of panelized construction would be even more pronounced, since the need to reduce costs and completion times would become more important to customers.

PSL also continues to do a lot of research and development. We've got some patents now that are pending, and hope to apply for more. If we can get a lock on a particular process, PSL would really be in a position to go

places. I could see us going national through licensing agreements with other companies—and we've been in touch with some advisors about marketing ourselves in the foreign countries.

I myself look forward to building up the recognition and professionalism of panelized construction through involvement with various trade associations. And both my partner and I have sons in their late 20's who are in the business, and who we'll be training to take up the reins someday.

I'm firmly convinced the time for panelization has come, and that within the next decade it will be the dominant form of construction in the United States. 

Thomas Colasanto and Partner Neil Lamparter

