Metal Framing His Specialty,

GARY JOST, CHAIRMAN, AROK INC.

Construction Is in His Genes

“We’ve done many different things—painting, acoustical tile, sprayed fireproofing and plastering. We’ve taken on a few general contracting jobs too, but our real expertise is in drywall, especially in difficult metal framing jobs, those are really our specialty,” says Gary Jost, chairman of Arok Inc., headquartered in Phoenix, Ariz.

One of Arok’s most challenging projects was the 2,000-room Flamingo Hilton Hotel in Laughlin, Nev. This $12-million job done in 1989 (probably worth $20 million at today’s rates) was completed in just 12 months. “At our peak we had 316 employees on the site. We sent out W-2s to 900 people in 40 states from that job,” recalls Jost.

Another large, rough job was the Silver Legacy Hotel in Reno, Nev, in 1994 and 1995, with 1,800 rooms in a 40-story “Y” shaped tower. This job, with a contract bigger than the Flamingo Hilton, was done in 12 months. Dan Jost, Gary’s oldest son, was project manager on this fast-moving, difficult but successful job. “Dan got eight years of experience in 12 months in Reno,” says his dad.

Arok’s job history shows all kinds of projects, including some of the most challenging types of jobs our industry experiences. The list includes contracts on six separate Intel facilities in two states, a Micron Technologies project in Lehi, Utah, and an $8 million Hyundai Microchip Plant in Oregon. More than 120 hospital projects are on the list.

In some cases the biggest problem in metal framing work is being able to get to it to build it. For instance, on one of Arok’s first big shopping mall jobs, they were to build a “cloud” ceiling above open mall areas, 40

By Thomas G. Dolan
ative. Any company can do normal ceiling work, but it takes some knowledge and expertise to handle special shapes and obstacles that you have to work around. If you know what you are doing, you do find opportunities to save your customer time and money on jobs by suggesting the use of components or techniques other than those designed. Of course, we can only make those changes if they are approved by the professional designers.”

**Construction Genes**

Construction is in the Jost genes. Gary’s grandfather was a general contractor in Illinois. When he passed away suddenly, Gary’s father took over the business and 60 employees at the age of 17. His father continued his construction business after moving the family to Arizona in 1947 for health reasons.

Jost graduated from high school in 1958, then spent six months on active duty with the Army Reserve. He entered Arizona State University in 1959, majoring in construction management. In the spring of 1960 he started a summer job as a laborer for a Phoenix general company, with responsibility for all company projects in California and Nevada and a peak work force of 600 employees. In June 1972, Gary returned to Arizona to start Arok.

**Naming Names**

So how did Jost come up with the name Arok? Well, he didn’t, but the way it came about is interesting.

When Bob Pierce and Howard Walker of Pierce Enterprises formed a corporation to do one job in Nevada in 1969, they named it Arok. Arok was inactive when they approached Jost in 1972 to do a $1.2 million drywall job on Harrah’s Hotels’ first high-rise building in Lake Tahoe, Nev., which Jost says, “was a pretty good sized job 28 years ago.” Jost brought in Jesse Cooper as a fourth partner. They made a deal to do the Nevada job and also to open an office in Phoenix, where they would try to get more work. Jost and Cooper would get the jobs and run them, and Pierce and Walker would provide the financing. Each partner would own 25 percent of Arok.

“We used the name Arok because the corporation was already licensed and didn’t have to go through that process again,” Jost says. “When people ask us what it means, we usually say it is short for ‘Arizona Sheetrock,’ but actually, Rob was from Arkansas and Howard was from Oklahoma, so that’s where the name originally came from. We said we would change it to something we liked better when we had rime; that was in 1972, and we still haven’t had time.”

Two years after starting in business, in 1974 Jost and Cooper bought out Pierce
and Walker, continuing as equal partners until Cooper retired in 1985.

**Know Your Limitations**

It is now a family business, with Gary’s son, Dan, 36, as president of the Southwest Division in Phoenix. When he was still in high school, he started by working in the field.

The Cooper influence is still in the company too. Jim Cooper, Jesse’s son, is president of the Northwest Division, with offices in Bellevue, Wash. “Jim has spent all his working life with Arok, starting as an apprentice and working up to the responsibility he has now,” Jost says. “He’s as good as his dad was, and that’s a big, big compliment.”

Charles Wilson ran Arok’s successful Los Angeles office for 14 years. It was close in 1988 as the economy turned drastically downward in that area. Wilson, after a stint as chief estimator in the Washington Office, opened a Denver area Arok office in Littleton, Colo., in 1998. As this is written, the company has a good
size work force employed there and expects to continue successful operations in that area.

“Overall the company will do about $30 million in sales this year,” says Jost, “up from just over $25 million last year. We don’t want to be the biggest company working in any area. The biggest guy is usually the cheapest guy. We’re being pretty selective with our work. In this hot economy, we don’t have to take high-risk jobs, especially with customers who don’t run a good job or don’t pay their bills as they should. When we do too much, we start being reactive instead of proactive, the jobs run us instead of us running them.”

“Sometimes I’m not sure whether we’re ‘a big little company or a ‘little big company,‘” Jost continues, “but I like the level of no more than 500 employees on the payroll at one time and no more than 200 working from one office at a time, Beyond that, except for some unusual single projects, you get to the point of diminishing returns.”

“Competitors ask me when I’m going to retire,” Jost says, “an tell them I want to stay around until I hear a bunch of drywall contractors brag about how much money they’re making instead of how many men they’re working and how many millions of dollars worth of work they’re doing. If I stick to that, I’ll probably be around for a long time.”

All We Have to Sell Is People

The point of diminishing returns Jost refers to comes from not being able to provide a quality work force. “Our people and their performance is all we have to sell,” Jost says. “Good ones are hard to find, and when we do find them, we make every effort to keep them. You do that by making them a part of the company, recognizing their importance and giving them a good place to work. We feel that we are a family and we act like one.”

A lot of companies talk about teamwork. Arok has talked about
the Arok Team since the day they started in business. Each year, each Arok office has three company functions, two dinners and a big family picnic. Shirts, jackets, belt buckles and watches with the Arok Team logo on them are worn with pride by many long-time employees who are proud to be a team member. Quarterly cash bonuses don’t hurt anything either.

Arok has a big problem in common with other AWCI members, and that is the need for competent workers in our booming markets. Jost feels that the growth of the Hispanic work force is an answer. He says, “At this time, when American kids want to make millions on stock options in a dot-corn company and retire at 30, we had better treat these new people right. They are our industry’s future.”

Arok’s work force in Phoenix and Denver is 70 percent Hispanic, in Seattle it is about 40 percent and growing. Jost estimates that about 80 percent of those employees don’t speak English yet, and he emphasizes the “yet.” He states that most of the people are good, hard working family people with the courage to leave their own familiar country to try to find a better life. Arok tries to provide that opportunity, helping their labor problems at the same time.

Arok has been working to break down the language barrier through techniques as simple as employees being furnished translation cards with English phrases on one side and Spanish on the other. The company offers voluntary classes in Spanish for
English-speaking workers and in English for the Spanish-speaking workers. And Arok is always on the lookout for bilingual employees.

One clear payoff from the work Arok does to surmount labor problems and to train and provide a quality work force is that an amazing 90 percent of their work is done on negotiated jobs rather than in the public bid market. Jost feels that their success in the negotiated job market stems from the company’s basic philosophy, which is to “get enough money for the job to do quality work within budget and on schedule. If we can’t get enough for the job to do it that way, we don’t want it,” he says. Following that belief has led to Arok completing hundreds of millions of dollars worth of work on more than 2,000 jobs in 11 states over the last 28 years. Following that philosophy also has allowed the Arok Team to work again and again for many of the leading general contractors and owners in the construction industry.

“We do a good job,” Jost says, “so the customer wants us on the next one. That spells success.”

The Next Generation

“Dan’s in Phoenix doing a good job, Jim Cooper can handle anything Washington throws at him, and Chuck Wilson is doing great in Colorado. John Pape, our secretary-treasurer since 1973 and my good friend since high school, does a much better job of our complex multi-state administrative operations than I ever could,” Jost says. “I’m very proud of all of them and the company they’ve helped to build. This thing wouldn’t be very big if it was as big as me.”

At age 60, Gary is working a bit less at Arok and a little more on his golf game. He and Georgia, his wife of 39 years, are enjoying spending more time together and with their six grown children and 10 grandchildren, watching as the next generation prepares to take the Arok Team into the 21st century. He’ll be there to help if they need it; it is in his genes.