Totally Drywall
In 1946, Leonard Eckstrom, a salesman for USG, saw the future in a new upstart product called drywall, so he founded California Drywall Co. In the mid-1970s he passed the business on to his son, Roger Eckstrom, and the husband of his daughter, Patricia, Calvin Bowles. About five years ago, these two brothers-in-law transferred the business to their sons, Steve Eckstrom and Kent Bowles.

The first generation worked the Santa Clara valley, doing mostly residential work, which included some of the prominent Eichler architectural homes in the 1960s. The second generation moved more and more into the commercial field, still concentrating in the Santa Clara Valley, but expanding to an extent to San Francisco as customers invited the company to move north with them. The third generation has

By Thomas G. Dolan
expanded the area of work to include Napa, Monterey and the Sacramento areas. The two current owners have shared the title of president at different times. For a period Eckstrom was president, but, since he lives in San Francisco and wanted to open a branch there, he relinquished the title to Bowles, who works out of the home office, and took the title of vice president. But, for all intents and purposes, they work as partners. And, though the business is expanding and otherwise changing, the primary focus of the third generation, as was the first, is drywall, now 100 percent commercial drywall, along with related metal stud framing and taping. Eckstrom says the company
has recently opened a door division, but that’s only because certain general contractors asked for it. Annual volume last year was $50 million.

“We know what we’re good at, and would rather stay with that rather than trying to become a jack of all trades and master of none,” Eckstrom says. “There’s a good market here for drywall, and we have no real need to enter other trades, especially when they would detract from our core competencies.”

One advantage to this orientation, Eckstrom says, “is that we do the full range of large, medium and small jobs. We’ve noticed that we have dif-
ferent competitors for the large and medium to small jobs. Most of our competitors, especially if they’re diversified, like to stay in the same size range. If they work large projects, they don’t like to adapt to smaller ones.”

Eckstrom believes this gives California Drywall an advantage, for most general contractors, as well as customers, are involved in projects ranging from large to small. “We’re never in the position in which we have to say, ‘Sorry, I can’t help you, that job’s too small for me,’” Eckstrom says.

He also says that, “Since we’ve been the largest drywall contractor in the area for quite some time, we’re able to run large crews, and in the past have had up to 550 employees, including carpenters and tapers, in the field. With this kind of manpower, we can aggressively hit schedules and get work done faster and more efficiently than others.”

Range of Experience

In addition to the expertise and efficiency that comes from working one trade over and over, all of the management team has had extensive hands-on experience in the field. Bowles worked as a drywall hanger, a framer, a foreman and superintendent, and then estimator.
and project manager. Eckstrom had a bit less, but still considerable hands-on experience. He worked all summer and other vacations through college, then worked two years in the field before becoming an estimator. Not only the superintendents, but also the dozen estimators have all had significant field experience.

“Managers don’t bring just an academic knowledge to the job,” Eckstrom says.

As a result, a system has evolved in which managers don’t simply supervise, but rather actively support the people in the field, allowing them a relief from paperwork and other extraneous duties, so they can concentrate fully on actually doing the job.

The more conventional situation in place before, Eckstrom explains, would typically involve a pair of superintendents, who would assign the jobs to foremen, who would then pretty much run the jobs on their own under routine supervision from the superintendents. The problem, Eckstrom says, “is we were not getting enough accountability from the foremen. They were not tracking the jobs closely, and it was hard for us to tell where we were making money and where we were losing money.”

Out of this realization grew the present system. “We came to understand that the foreman was under pressure to do too many things,” Eckstrom says. “So now the estimators and project managers work to take the load off the foreman on the job, so he can concentrate on running the crews rather than the paperwork.”

After a bid is awarded, the project manager makes a detailed material list, bud-
foremen achieve their goals, and, basically, make the project successful.

A similar support is offered by having, on large projects, a number of subforemen. Instead of having one foreman responsible for 50 to 60 men, there will be framing, a backing, a wallboard and other foremen responsible for running crews of six to 10 men. If there are five laborers, there will be one lead laborer. “These people will report to the general foreman so he doesn’t have to spend the full day walking the job,” Eckstrom says.

**Pricing the Job**

Along with breaking jobs down to specific areas of accountability, the company has also evolved a sophisticated method of pricing every aspect of the job.

“When my cousin and I were growing up in the business, it would seem that my dad and uncle, just like our grandfather, took some historical data, then threw a number at it for a unit price,” Eckstrom says. “That did not seem right to us. For instance, if you had a typical ceiling height wall, my father and uncle might say that’s $3 per square foot. We would ask where they got that number. They would say they found that number worked out—but we still didn’t know how they got there. What would happen if wallboard went up 10 percent, and metal stud framing went down 5 percent, while labor rose 15 percent and taping went up 7 percent? Where would the unit price go then? We never had an answer, so when my cousin and I took over, we started breaking it down.”

By then the computer had come along to help. But the cousins found that off-the-shelf software didn’t really work, so they evolved their own. For any type of activity there would be so much for the material, so much for the labor, the supervision, the overhead, and so forth, with so much left over for profit.

“This seems complicated, but once you get it down, you know what your costs
Eckstrom says, “We try to keep them as simple as possible. The reports have to be meaningful both to us and to the people in the field.” Once the budgets are broken down into specific tasks, those tasks can be compared against the budgets. “We don’t have to deal with
what is going right, only what is going wrong,” he explains. “Say we have a budget for 2,000 hours, and 1,000 hours have been used, so we know we should have 50 percent of that task done. If the foreman does his analysis on the specific tasks and only 25 percent is done, we know where to look.”

California Drywall has done a variety of jobs, but ones they thrive on have been the big high profile high tech jobs, such as the Oracle, Alza, Cisco and Sun Microsystems campuses. Other difficult large jobs have been in the biotech area for companies such as Chiron and Genentech.

Bowles, 50, is married, with three children. Eckstrom, 38, is engaged. They both are what Eckstrom calls “serial home remodelers.” They have both built four homes, and Eckstrom also attends furniture-making school. “If we can no longer work in the field, we find we still like putting on tools and actually building something,” Eckstrom says.

In this, the third generation is not that much different from the second or the first, along with the fact that the third generation, as did the previous two, still sees the future as drywall.