The Triumphant Return of Specialty Plastering
This Traditional Craft Is Making a Big-Time Comeback at Proformance Construction Group

Specialty plastering, once eclipsed by drywall, has been returning, in recent years, but generally as a small niche in the remodeling market. However, for John Dougherty, president/CEO, Proformance Construction Group, Inc., Orlando, Fla., specialty plastering is the driving force which gives him the quality edge in winning multi-million contracts on big new projects. Proformance runs 600-800 employees and brings in annual revenues of $50 million to $70 million.

In the 1950s and early 1960s, plaster dominated interior finishes. But then came the lower cost, easier-to-apply drywall, which pretty much pushed plastering to the side. Dougherty, born in 1959, started working in his father’s family business in Peoria, Ill., as a young boy, these changes taking place. He really got active in the business in 1974 at age 15. His father had him learn all parts of the business, from field installation to accounting and estimating in the office. By 1979, he was concentrating on estimating, and also took a seminar about exterior insulation and finish systems, which was just getting a name for itself, and which was his introduction to plastering. In 1980, when he was 21, his father died, and he then became the man of the family, which consisted of his mother and two younger sisters.

Dougherty’s uncle took over the management of the business. At the time, Caterpillar, the area’s largest employer, was on strike, and there was a recession.

Dougherty decided to strike out for Florida and start a satellite office there. Eventually, the original business was sold, and Dougherty started his present company, at age 25, in 1984, incorporating in 1985. During the last seven or so years of the Illinois 15-year old family business, annual revenues ranged from $1 million to $3 million.

But Dougherty, at his young and ambitious age, had more in mind than simply creating a small family business that could hold on from year to year. “In 1985, I wrote a business plan,” he recalls, “which I’ve upgraded every year. Its essence was cash flow management, which would allow me to make X number of dollars off of labor, and then turn those dollars into a cash flow that would grow the business.”

When he started in 1984, he had four employees. By 1988 he had 100 employees. “From 1984 to 1988 I provided the labor and material for installing EIFS,” Dougherty says. “That’s all I did.”

That’s all he had to do. He was growing at a rate of about 26 percent per year. “About 1989 I started doing a small amount of metal framing and drywall work,” he recalls. From 1988 to 1990, there

By Thomas G. Dolan
was, he says, “a tremendous growth spurt in central Florida. We were growing about 46 percent.” Dougherty says that he, as well as his competitors, had to grow in order not to lose customers. Those who did not grow fell by the wayside.”

Yet from 1990 to 1992 the market contracted, and business fell off to a 16 percent growth rate. “It was during this period that we knew we had to diversify,” Dougherty says. His EIFS business, his main offering, had fallen off considerably. So his new plan took him into two directions. The first was into the commodity arena of drywall. The second was that of specialty plastering, or, as says Dougherty, “veneer interior plaster, stucco, casting, Venetian plaster, anything you can imagine. The big thing we’ve done over the past two to three years is performing arts facilities, with gypsum plaster and veneer plaster over that, all different sorts of plastering, which are more specialized and skilled.”

Plaster’s the Advantage

As the result of these changes, the drywall addition resulted in about a 28 percent increase a year. The plastering did not increase that much, staying at about 16 percent, and what the specialty plastering did primarily is pick up where EIFS continued to drop off. Now drywall and framing making up about 60 percent of the business, and EIFS and plastering about 40 percent. Yet, though of drywall the commodity volume is necessary for him to maintain his volume, Dougherty explains that it is the specialty plaster that gives his company its distinctive edge.

“We started doing specialty plaster in about 1991, because no one else in the industry was doing it,” Dougherty says. As drywall took over from specialty plastering, the old-time plasterers stopped working at that trade and gradually retired. Meanwhile, as EIFS started to mature from the mid-1970s, another generation got into plastering, Dougherty being one of them. The same medium, but specialty plastering requires a higher skill set.

So where did Dougherty get his plasterers, especially on such a large scale? “We trained them, and we’ve done it through the manufacturers,” he replies. Not an easy task. “It’s takes three to four years of apprenticeship to be able to do all of the different kinds of plastering needed, and
even then people still have to take additional specialty training for different materials.”

What Dougherty has done, he explains, is build a training wall at the Orlando facility, 18-by-15 feet. “Apprentices actually build mockups and learn how the materials work,” says Dougherty. “One of the advantages we have is that we’ll invite the general contractor and architects down and build an actual mockup of what is wanted to see whether or not it works. Not many firms are doing that.”

Dougherty’s moving into specialty plastering came at the right time, for it dovetailed with the fashion trend of returning to this more traditional medium, with its greater flexibility, more aesthetic potential and better acoustics. Since 1992 Proformance has applied between one-half and one million square feet of plaster a year. This craft has also helped galvanize the opening of its new offices. In 1994, the changing of the law in Mississippi, which now allows for casinos on the Mississippi River, led to the opening of an outlet in Biloxi, Miss. In 1996 an office was opened in Pensacola to develop condominiums and hotels. An acquisition of a firm in Atlanta in 1999 opened up the Georgia market. Proformance’s market area now includes Florida, Georgia, Mississippi, Louisiana, Alabama, and North and South Carolina.

One of Dougherty’s many impressive plastering jobs includes the Schwartz Center for Performing Arts at Emory University in Atlanta. In this $7 million contract in an overall $25 million project, Dougherty says, “Specialty 1-foot thick gypsum-plaster with a veneer finish provided a special sound rating that allowed this center to mirror the excellent performing halls office 1930s and 1940s.”

Proformance had a $15 million contract for the overall $300 million Citywalk project of Universal Studios in Orlando. “This was a variety of different open entertainment complexes,” Dougherty says. “Basically the entrances to the Universal Island of Adventure had every conceivable finish.”

The company recently created the Beau
Rivage four-floor hotel and casino in Biloxi, a $13 million contract of a $600 million project. One challenge, Dougherty says, “was coordinating the cast stone pieces with the metal railings and exterior skin. Some of the building was built on a barge over the water, which is true of a number of projects in that area. So we had to build scaffolding on a barge as well.”

Proformance has just finished Gaylord Opryland in Orlando, a $12 million contract of a $500 million project, which, Dougherty says, “incorporated an EIFS finish simulating cast stone features on an exterior skin of 250,000 square feet.”

**Current Projects**

Currently the company is involved in a $15 million contract on the $300 million Georgia World Congress Center, which, says Dougherty, “is on a tremendous fast track. We have to be done with it in about a year.”

Proformance work falls into diverse categories, some are $100,000 to $500,000. The next category is $500,000 to $1 million, then $1 million to $2 million, and then $2 million up. “Based on the economy and what our clients ask us to do, we try to focus on the big jobs,” Dougherty says.

“I think the key to every successful organization is its staff,” Dougherty says. “We have a very talented staff. Among those he singles out for praise are CFO Lu Ann Giordana; Dave Chabut, Atlantic district manager; Gary Lance, Orlando operations manager; Basil Bishop, specialty project manager; James Mullikin, special project manager; and Olin Crabtree, Atlanta’s project manager, to name a few.

His staff, Dougherty says, “is highly trained, super-professional and have been with the company a long time. One of the keys to a company this size is getting repeat business. We have 100 percent repeat business. This is due to the consistency of our work, the turnover of the projects as outlined, and the setups of the projects the way they should be. We also self-perform with our own work force, or, if we subcontract out, are able to maintain a close control.”

**The Personal Side**

Dougherty has been married to his wife, Laura, since 1983. They have two children, a son, DJ, 18, and daughter, Katie,
17. He describes himself as “a kind of workaholic,” putting in 60 or so hours a week, often six or seven days a week. He tries to travel to every office at least twice a month. He likes to delegate authority, but says, “If I have to get involved, tend to be very hands-on.” One organizational feature he initiated as he started to expand, which he finds very helpful, is having a central finance subsidiary, called Financial Group, which handles all of the payroll, making it more efficient, as well as all of the buying, insurance and bonding. This allows those purchases on an economy of scale, which provides better buying and more uniformity.

In terms of his membership in the Association of the Wall and Ceiling Industries—International, Dougherty says, “It’s a good organization that provides good training seminars and creates a good healthy business atmosphere that allows for open conversations with your competitors. AWCI provides a good support system that helps me to formulate my business plan for the coming years.”