THE RIGHT WAY, THE WRONG WAY AND THE HARD WAY

The Success Story of Hard Drywall

You’ve heard of women who gave up a career to stay home and raise a family. Deborah Hard is one of those women. But she’s also a woman who, once she raised her family, then went on to (with her husband’s blessing) take over the family business, Hard Drywall, Inc. Windsor, Calif., and grow it into a resounding success.

Here are some stats: In 1997 annual sales were $500,000, which doubled to $1 million in 2002, and in 2003 will reach $12 million.

Wasn’t there a rumor about a recession in some parts of the country? Actually, there is one in Sonoma County, where the Hard business is located. “My suppliers tell me nobody has very much work but you,” Hard says.

By Thomas G. Dolan
“But we still turn away nine out of 10 jobs because we’re too busy.”

How Did It All Start?

Deborah’s father was a drywall contractor. Back in 1972, when she was dating her future husband, David Hard, he was then, she says, “thinking about a profession, a job where he could wear a three-piece suit. Dressing in laborer’s clothes didn’t appeal to him.” But, she adds, she and her father “converted him.” David went into the trade and in 1977, at the age of 23, he got his contractor’s license and started Hard Drywall. Deborah was 21.

It was a small family business with only one or two employees, just big enough to provide a comfortable living.

Deborah did the bookkeeping but basically stayed home with their two daughters, Cashanda, now 30 and working for the company, and Brenda, 27, who worked for the company for a time, but then decided to go to law school.

In the early 1990s, when the children were about grown, Deborah was planning to pursue a career. She had a college scholarship. But David suggested that instead of looking for an opportunity to work for someone else, she should consider taking charge of the family business, and they could work to grow it together. David, ironically, who

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first thought he wanted to go to work in a suit and tie, found that he was most comfortable in the field. But David recognized in his wife the talents, drive and ambition to really move the company forward—and had no ego problem in supporting her and taking the title of vice president while she assumed the title of president.

In 1992, the company hired its first new employee. “I started going out all day doing job site estimates, and the good part of being a woman is that if there were 10 guys bidding, I would be remembered,” Hard recalls. The first few years were the hardest. It was not until about 1999 when the company hit $2 million, she says, “When we began to see the light, and I could begin to do some basic things like hire a receptionist. What we found out is that you can get along being very small or being big, but it’s the in-between part that kills you. You need a CPA, a lawyer and all kinds of professional advice, but you can’t afford it. At one time I had eight checks I had written to myself in my purse, which I couldn’t cash because I didn’t have the money in the bank.”

But Hard has the money in the bank now. She reports revenues of $1 million in just the past month, and plans to soon double her staff of 150 to 300.

Here Is the Secret

What’s the secret of her success in being able to grow so rapidly, especially in a down economy?

The hardest thing is consistency,” Hard replies. “You have to say what you’ll do,
then do what you say. If you say you’ll be there at 8 a.m., you have to be there. If, for some reason you’re not—and in construction that can happen—you call and let your customer know before he finds out. I notice that with many of my competitors: They’ll perform well for a time then fall back, then regroup and do better again. But to really succeed, you have to be at your best every single day.”

Hard says she picks up many accounts because others don’t have the same standards. “We recently got a panic call from a builder with a project of 600 houses,” she says. “An irate homeowner was promised someone would come by for several weeks and stayed home from work three days, and it didn’t happen. We’ve ended up driving all over California doing work for that builder. I told him, ‘You could have had us at the start, but you went for the low bid, and now you’re paying the price.’”

Good estimating has been one of Hard’s top criteria. She builds into the bid what all the costs will be to do the job right, including follow-up services. She says about the builder who turned the 600 houses over to her, “[I] don’t believe he is even shopping price now. We get much of our business now by people who are willing to negotiate rather than have us go through the bidding process, because they just want us to do the work.”

The problem with contractors who pride themselves on quality work who undergo rapid growth is that the latter often erodes the former. Hard began noticing this slippage around the start of the new century, so she worked quickly to alleviate it. “We brought in outside consultants to analyze our business, which is something I strongly recommend,” Hard says.

“One of the main things we found is how to concentrate our resources where we could do our best work yet also get the most profit,” she says. Analyzed were the different segments of the work, repair, remodeling, single family residential, multifamily residential, and commercial. “We looked at how much manpower was related to return-on-
investment,” she says. “We moved toward what I call the Wal-Mart way of looking at profitability. Getting 200 percent mark-up on nothing is still nothing, but 5 percent of $1 million means something.

We found we were putting $100,000 in on repairs and getting $300,000 back, but we could do better by putting that $100,000 in multifamily and getting $500,000 back. The smart person learns he can’t be everything to everybody; find out what he is good at and can make the most profit at, and stick to that.”

The result was a dropping of some areas, diminishing repair and remodeling, and focusing on multifamily residential and the fledging commercial side.

“We are now the largest residential contractor north of San Francisco as well as in the top 3 percent in size of all drywall contractors in California, and we don’t go into San Francisco,” Hard says. “We do 80 percent of the residential work in Sonoma and Napa Counties.”

The Right People

Although this is a labor-intensive industry in which it is difficult to find and keep good labor, Hard has never had a problem. “We take people and train them,” she says. “We’ve found this is better than having people who have experience but who we have to re-train. We tell them that there is the right way, the wrong way and the Hard way.”

The company has always been open to people from every ethnic or social-economic background. “We take people who have a future of $10 an hour, and in a few years they are making $25 an hour, and they tell their family and
friends. People learn this is a good company to work for," she explains.

Much of the training comes from a company culture in which employees are encouraged to teach others what they know. “In this industry there is the tendency to say, ‘If I teach you what I know, I’ll have to break your legs because then you’ll take my job away,’” Hard says. “We think this is wrong. We tell people, ‘Your job is secure, but to make this company grow, teach what you know, and there will be room for you to move up in the company.’”

Caring for the employees; recognizing an Employee of the Month; giving superintendents a budget to give out little rewards for work well done; cards and gifts for employee yearly anniversaries; a strong safety program that has the obvious financial benefits of the costs saved from avoiding accidents but also conveys the message that the company does not want the employees to rush or take risks—all add up to loyal, hard-working employees, and no shortage of those who are eager to fill out applications. The same thoughtfulness extends to the superintendents the
company works for, who get small gifts of appreciation for their stressful jobs, and professionalism and consideration for others who, in turn, often recommend Hard Drywall for jobs.

Drumming Up Business

The Hards are active in the community supporting various projects from softball teams to Mothers Against Drunk Drivers. “We’re very active in branding our name,” Hard says, “everything from our trucks to uniforms to signs on the site to gifts. We may give of wine glasses with our logo on it to community event sponsorship. We promote our name on a two-tier basis: one to the construction trade, and the other to consumers who are going to ask, “Did Hard do this drywall?”

Hard constantly re-evaluates. “There was a time when our superintendents would say, ‘This is not in our scope of work.’ I sat them all down and we talked about that,” Hard says. “It might be cleaning windows, doing a walk-through, leaving scaffolding on site for the next trade to use. Our attitude now is, “Let’s talk about it. What do you want?’ Many times people are willing to pay extra just to get something done and not have to hire someone else to do it. It’s another way we can make a customer like our service.”

Hard concentrates on buying well. She estimates that by buying truckloads that that in itself pays the facility rental, and by paying for everything not only on time but taking all discounts, she estimates she saves about $100,000 a year.

One of the main lessons Hard says she and her husband had to learn was “how to get away. In the early years we would work 80 to 90 hours a week, but after a while, it pulls you down along with those who are working with you. So we’ve learned to delegate. Nobody is going to put 100 percent into your business, but if you treat them right, they can get pretty close. Now when David and I take time off to do what we want to do, we come back rejuvenated, see what can be improved, and what we can do to motivate our employees. Our motto is that we do drywall, but our business is people.”