

DENNIS HOPPER: The Edge is Extra Effort

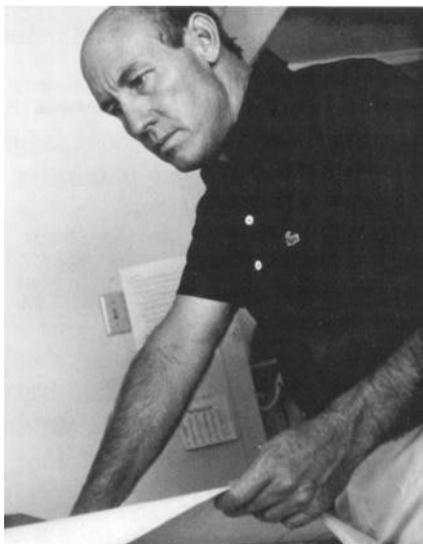
*This Diversified Phoenix, Arizona, Contractor
Goes in Early With Technical Expertise, Installation Competence*

It didn't come as any particular surprise in Phoenix, Arizona, that Dennis Hopper eventually qualified himself for membership in a group known as the Young Presidents Organization.

Prerequisites like being less than 40 years old, the president of a firm with certain financial attainment—these, plus a few other qualifications, and membership is virtually assured.

Dennis is now 40. He's also married to the former Julie Ann Kline, and is the father of two sons. He's president and chief executive officer of Ora B. Hopper & Son, Inc., 3007 East Madison Street, Phoenix, a diversified wall and ceiling contracting firm and a sales and distribution company representing Building Products of major manufacturers with a yearly volume of approximately \$5,000,000.

Fourteen years ago when Dennis bought into his father Ora's business as secretary-treasurer and general manager, Ora B. Hopper & Son enjoyed an annual volume of \$750,000 and a 25-year reputation in the lathing, plastering and poured-in-place gypsum roof deck business. Fresh out of the Army and armed with a degree in advertising from the University of Southern California, he had seemed destined only a few months earlier for a career with the J. Walter Thompson Advertising Agency.



But a talk with his father, a journeyman plasterer, who had started the business in 1938 and was still, in a classical subcontractor stance, operating from the "kitchen table" of his home, convinced Dennis that Phoenix held greater promise.

That was 1960. Today, Ora B. Hopper & Son is ranked as one of the outstanding firms in the Southwest, sports an attractive complex of low, white buildings, and runs a wide gamut of business specialties—lathing and plastering, dry-wall, roof decking, demountable partitions, metal insulated wall systems, and mineral panel products.

While Dennis Hopper recognizes the demands of a dynamic construction scene, he has thought out

the definitions of his business and determined what services should currently be offered and what services will be needed as our industry changes. And, on a recent Saturday afternoon, sandwiched between other appointments, he walked about the warehouses, loading ramps, buildings and equipment that make up the physical part of Ora B. Hopper & Son, and he talked to CONSTRUCTION DIMENSIONS about the non-physical parts.

DIMENSIONS: *Would you say that your formal training in advertising has had any appreciable effect on your way of doing business?*

HOPPER: *Yes, it has. You know, regardless of any service you perform you have to sell today more than ever. And in a market where so many people offer the same thing at essentially the same price, the razor's edge of difference many times is that "extra effort" made in selling yourself and your company that means a contract and new opportunities. The knowledge on "how" this selling is done in a business that historically was not geared to "merchandising" is where the background helps.*

DIMENSIONS: *Then you believe in going after business with a full sales effort?*

HOPPER: *Yes, I do. Some 80 percent of the work we're doing right now is bid work. But the jobs*



we're bidding on are the same ones where we've had a hand in creating details, concepts and helping on a consulting basis at the design stage.

DIMENSIONS: And you intend to increase and improve the specialist and consultant concept?

HOPPER: I think the contractor who waits to see what is happening in the weekly construction reports is already too late.

DIMENSIONS: Has this philosophy required any changes in your management and organization.

HOPPER: I think a specialty contractor first has to ask some key questions about himself . . . what kind of business he's really in and what services he wants to offer . . . He has to know his markets, where the market is and how to reach it. For example, we're not in the Yellow Pages for lathing and plastering because our customers—the kind we want—wouldn't think of looking for us there. However, on the other hand, we do have ads for Tectum, roof decks, glasweld, etc.

DIMENSIONS: Was your thinking behind developing individual profit centers developed to give you more time to personally sell the company and its services?

"We don't need a punch list to tell us if our work is acceptable."

HOPPER: Absolutely. We have two units—actually three—and each is expected to provide a reasonable return on investment. Donald Boehmer is vice president and general manager of the unit for lathing and plastering, drywall, mineral products, and demountables.

Our vice president for the roof decking operation and Binkley steel products is Ronald Von Linsowe. The third unit, under Wes Moore, is Hopper Sales & Lamination Company. It handles franchises for the products that we represent for manufacturers, sandwich panels and vinyl fabric lamination to gypsum board.

Each division works under the Hopper name and is provided administrative and financial support. Each manager is virtually independent and responsible for the division's success. You develop true incentives when you know as a manager you're going to share financially in your own success and that all the profit is not going to be absorbed by another division in the corporation that is unprofitable.

DIMENSIONS: Such a set-up sounds as though it allows you maximum flexibility in your own activities.

HOPPER: That was one of the goals of the restructuring. I kept thinking of singer Peggy Lee's line, "Is that all there is?" and after working many long hours for the past 14 years I wanted an environment where I could function more effectively, enjoy the business more and actually put some fun back in the "game".

As new construction systems and products are introduced, there

is a greater need for communication and distribution of information on installation know-how to the architect, general contractor and owner. Now I'm free to make the contacts, open the doors and allow my organization to follow up with the expertise.

DIMENSIONS: Pre-design liaison and consulting services are all well and fine, but it does represent an investment on your part. How do you guard against recovery on this investment?

HOPPER: Well, that goes back to my earlier statement . . . you must define your business and what services you'll perform or prefer to perform. We are specialty contractors—however, many times we bid conventional areas of lathing, plastering and drywall work on projects that also include franchised items. It is our policy that we usually do not combine or create package bids—unless the interfacing of products are so involved that it would be confusing

"The contractor who waits to see what is happening in the weekly construction reports is already too late."

to the general contractor if we didn't have a "complete bid".

We also help design jobs and merely provide the materials. On a large hospital job recently, we helped on the pre-design for conventional interior drywall systems and steel fireproofing and specified a poured-in-place gypsum deck. When the job went out for bid, we bid only the gypsum deck because of the location of the project and the large number of bidders for the other work and we had better odds on getting the gypsum deck.

DIMENSIONS: Did that surprise anyone?

HOPPER: I don't know if it surprised anyone or not—but it was a value judgment on our part, we knew the job had ample

Continued on page 22

HOPPER

Continued from page 13

coverage and our main concern was keeping credibility with the architect by bringing the roof deck in at the prices we projected at the budget stage.

DIMENSIONS: Were there other parts of that job that dissuaded you from bidding them?

HOPPER: Actually, jobs should meet certain objective criteria and answer the question: Is it our kind of job? For instance, in a straight drywall job (no lathing or plastering, etc.), we might back away because this work is so basic that competition usually won't allow an acceptable return on our investment. We'd be tying up capital and manpower in an area that wouldn't even give us the return we could get on certificates of deposit at the local bank.

DIMENSIONS: It sounds as though you're getting into the subject of risk management.

HOPPER: I suppose I am. Look at it this way: up to a volume of,



Dennis Hopper



Don Boehmer



Ron Von Linsowe



Wes Moore

say, \$2 million, you can pretty much stay on top of it and manage as an individual. But when that volume hits the \$3-\$5 million range, then management becomes a serious factor . . . you need to become aware of the management function of the organization, and you better organize accordingly. We have an on-going policy and procedure manual that's updated constantly . . . we have weekly office meetings, 6 times a year we have dinners for our foremen, I encourage association educational programs for our people, and we stress "communication" among other things.

DIMENSIONS: Then you obviously have a feedback process where you can keep a close watch on a job's progress, right? That is, you're apparently working on a plan of execution.

HOPPER: We work on a "formal" plan that is a two-part thing—cost control and good management. On the cost-control system, I've tried to structure it with the thought in mind of how could I keep up with a job if I was physically unable to visit the job site and have a system that provides a total awareness of what is happening.

First, we set up budgets for each item on the job. Then, time sheets are coded by trade. Next, the amounts are totaled each week, and finally, if the accounting print-outs show a budget is being exceeded it is red lined and corrective action is taken promptly.

DIMENSIONS: As much as you've thought, planned and organized for today's market situation, you certainly must entertain some opinions of where this industry is headed. What do you see as some of the principle

trends that are developing, say, in the next 5-year period?

HOPPER: "On site" construction will certainly prevail in our market—However, we will see more pre-engineered parts and pieces—structures will be more simplistic in design—labor will become a smaller factor in the cost even though carpenters will be making \$15 an hour. There will be fewer of them. I expect that I'll probably be more a manager of trained assemblers for manufacturers.

DIMENSIONS: You mean a sort of franchised installer?

HOPPER: No, really more than that, actually a technical coordinator between the manufacturers and the architect/designers. As systems are introduced, installation expertise becomes essential. I can show you a high rise building right here in Phoenix that was a costly headache because they hadn't adequately planned for system interfaces (where the materials come together).

On a recent high school job, for example, we helped to avoid that kind of a situation. We packaged the bid—interior, exterior, and the Zonolite roof deck—and gave the architect and GC one unit responsibility.

DIMENSIONS: And do you see more of this kind of bidding . . . going after the entire system rather than bidding to your own narrow specialty?

HOPPER: Well, I certainly see it for Ora B. Hopper & Son. But I see it across the industry, too. Because of cost, occupancy, codes and an abundance of other constraints, the architect is seriously limited in his choice of materials.

He needs technical advice more than ever—and he recognizes it. The specialty contractor is coming in early now . . . becoming part of the

team. Some of the new management techniques . . . construction management, fast tracking, etc., — are fine, but they're not cure alls. It depends on the team members. Professionals must solve problems before they're created—and the concept of the so-called “master builder” is giving way to the reality that one man can no longer keep up with all the advances being made by manufacturers for a modern structure.

DIMENSIONS: Those last statements of yours imply some serious changes in the specialty or sub-contracting industry.

HOPPER: I meant them to imply change, and with the role of the sub-contractor changing in the “chain of command” we definitely must prepare ourselves for a more important role in the construction process. Eventually, I think, you'll see larger sub-contracting firms rather than many, smaller ones. And they'll be geared to provide necessary services for owners who are more sophisticated, and, who are more aware of costs.

DIMENSIONS: Well, then, in the face of the changes you've discussed, do you see any alterations in your company philosophy?

HOPPER: No, not at all. It was the philosophy of high quality work on big or little jobs, a tradition I inherited from my father, that has built this company.

We don't need a punch list to tell us if our work is acceptable.

DIMENSIONS: You seem to be placing more and more emphasis on selling.

HOPPER: Yes, I suppose that's correct. I think it's an exciting time in our industry and it's very stimulating to be able to offer our skills in the market place that can run the gamut from intricate lathing and plastering designs for the Frank Lloyd Wright Taliesin Architects to relocatable framing systems from Westlake, Ohio for the Telephone Company.

And it's this type of environment that keeps you stimulated and puts the “fun” back in our business.