

Frank Carroll: a Tap on Human Resources

This Illinois Contractor Relishes the 'Constants' and
Encourages Contributions From His Employees



He came through the doorway, walking with quick, confident steps. Tall, strongly built, and almost ramrod erect, he dominated the small reception room at the headquarters of Decks, Inc., his \$5,000,000-a-year roof decking business in Rolling Meadows, Ill.

He smiled and his right hand shot forward with the same quickness, the same confidence.

"I'm Frank Carroll," he said, his speech flavored with a crisp New England accent. Within a few moments he had completed the amenities and was leading the way back through the door and into the spacious nerve center of his operation. Individual offices were large, well separated.

Plenty of Room

His arm swept around as he walked toward his own office. "You'll notice," he commented, "that there is plenty of room in the office areas. People need room to do their best work: I never like to see a bunch of small offices arranged like so many cubicles.

"We don't make a lot of noise and there's not a lot of unnecessary running around. We work quietly—and we work efficiently."

His own office is large and furnishings are neatly arranged around the central desk. An adjoining conference room with its inevitable long table and ring of chairs opens up directly ahead of his desk.

As he swung around the edge of his desk and settled into the high-backed chair, he smiled: "You have to work to maintain your own business. And when you do own your own business, it's merely a license to work a little harder."

Working a little harder—and a little more efficiently—has always been a Frank Carroll fundamental, an integral part of the business philosophy that he refers to as "body punching."

"In fiscal 1974," he observed, "we did about \$5,000,000. During the next few years I expect to be in that area—but I don't measure the success of this business on volume alone.

"A contractor has to keep his eye on the most important constant—the gross profit. You can do \$50-million volume, but if the profit's not there you haven't really accomplished anything. You've got to sell your overhead."

Sells Overhead

"In a 30-day period if we're not selling our overhead I want to know why and I start to ask questions." There was a slight pause, ". . . and after 60 days of not selling overhead it gets a bit testy around here."

The luxury of having even 60 days to get back on track wasn't always available to the Dorchester, Mass., native. A civil engineering graduate from the Massachusetts Institute of Technology, Frank returned there to complete his studies following his discharge in

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1946 as a first lieutenant in the U.S. Corps of Engineers.

After working as a sales engineer, he went to work for a large construction firm as their Minneapolis manager. Then in 1953, at the age of 30, he started his own business, Decks, Inc. That was in the middle of the winter, and Frank concedes, "It was rather tough the first year."

But by paying continuous attention to the fine details of a growing business—by body punching—volume, profits, and the reputation of Decks, Inc. grew steadily.

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Today, the company is headquartered in an attractive one-story building in an industrial section of Rolling Meadows, and boasts one of the largest paved storage areas in the Chicago area. And Frank presides over a business with four divisions—light weight concrete, poured-in-place deck, precast deck, and the metal deck and manufacturing division.

Patented Device

The latter division manufactures an innovative patented box section called the "Versadeck" Box Section Subpurlin for which Carroll Research, Inc. holds the patents. Carroll Research, Inc. was formed last July and is fundamentally a research and development company.

"We're really consultants in the roof deck systems business," he explained, adjusting his glasses. "And all of us follow the concept of innovative thinking. We put our heads together for the express purpose of coming up with breakthrough ideas.



"It works; it energizes our people."

Because he believes strongly in the value of tapping human resources, none of his employees are immune from the compliment of being asked by the boss for their opinion on a problem.

"I've got smart people working for me, and we're all what I call 'body punchers' . . . we stick to fundamentals . . . and we build, build, build . . . but we build on what we know best."

He rolled back a few inches in the chair and his fingers formed a steeple in front of his face. "You can think out a problem by

yourself—but most good ideas come from people from whom you'd least expect it . . . truck drivers, typists, clerks, journeymen . . . it's a resource that you simply can't afford to waste.

"At the same time, we do a lot of routine, drab work here. I insist on it because change for the sake of change is not growth. It's aimlessness. There is great joy in working the constants, learning to do better what you already do well now.

"But I like to challenge my employees with a 'what do you think of this?' If you discuss your problems with your people, you often get a creative approach."

His commitment to the need for keeping after business fundamentals, coupled with a demonstrated capability to respond creatively to problems, has not been lost on the customers of Decks, Inc., an awareness that stands Frank in good stead during the economic crunch.

Service Counts

Almost all of Decks, Inc.'s volume is bid work, but unlike so

many other contractors there has been no appreciable dip.

“We’re respected because of our service,” Frank explained, “and in these times of economic difficulties I just bid lump sum high and hope that I can recover the price increases. I tell my customers, ‘It might be high now, but you won’t have to re-negotiate an increase later.’”

“And we live up to a firm price—even if it is a little high—rather than going back in for more later. I tell them we’ll deliver on time—and we do.”

To assure the company’s financial condition of remaining healthy, division managers keep careful job control cost records relating to estimates and these are reviewed in detail every month.

“I don’t follow any phoney formulas,” he said. “Every 30 days I relate gross profit on the job to the labor expended on the job.”

“There is great joy in working the constants, learning to do better what you already do well now.”

Additional control and communication is provided by weekly staff meetings between Frank, field superintendent Eno Keto; Chuck Voeks, gypsum and light weight concrete, and Gary Maki, metal decking and the Versadeck manufacturing division.

Keeps Minutes

Regular minutes are kept of each meeting and these are reviewed and updated as required.

“We go over everything in as much detail as we feel is needed,” Frank said. “This includes work progress, percentage of completion, complaints, safety problems, new purchases . . . what we’ve done the past week . . . what we plan to do next week.”

Also, because he feels control is so essential in these times, Frank has discontinued going out of his market area for work.

“We used to work anywhere in the country, but no more. Your

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lifelines are too far and you can't control the job properly.

"Then, too, you need to deal with unfamiliar labor unions, and too many times you only get the job when you're lower than the local contractors—which probably means they know something about local market conditions that you don't."

Frank arose from his chair. "In managing a business there are two key words for me — exclude and delegate.

"The things I shouldn't be doing, I delegate. And the ones that no one should be doing, I exclude. The rest I do and I make a mental commitment to myself every day to find out what's going on."

The key technique for finding out the status of his business is to review daily the accounts receivable. Frank calls it his hobby.

"Receivables, you know, are a living thing, which is to say they're a function of time. So you should know the status of them. I don't

turn that job over to anyone because I wouldn't want it treated as routine. And it teaches you about your own business."

So far as collections are concerned, Frank takes a decidedly pragmatic approach.

"I don't try to play lawyer. On a no-pay, it's my lawyer's ballgame.

"You can do \$50-million volume, but if the profit's not there you haven't really accomplished anything. You've got to sell your overhead."

And if I miss my lien rights, that's unforgivable because I know I haven't made my best effort."

In Illinois, a contractor has 90 days to file a notice of lien with the owner. The collection procedure at Decks, Inc. is set up accordingly.

Red Flag Comes Up

"A receivable is red flagged at 65 days," he said, "and when that deadline is upon me, there are no ifs, ands, or buts. We lien. Really, we haven't the time to do otherwise."

Because the payments problem has been long standing in the unique difficulties posed to subcontractors, Frank takes an active role in the affairs of the American Subcontractors Association. A past president of the ASA's Chicago chapter, he is also a national director of the ASA and applauds ASA's recent victories in the retentions area.

"Retention is blatantly unfair. If a sub has done his work satisfactorily, the withholding of money seems a misuse of funds. There often isn't that much profit in a job and retention can destroy it. It's put many contractors out of business."

In addition to the ASA, Frank is also active in the Rolling Meadows Chamber of Commerce, is vice president and director of the MIT Club in Chicago; is a director of the Bank of Rolling Meadows, and serves on the Rolling Meadows Board of Health, Rolling Meadows Crusade of Mercy and the Construction Industry Affairs Committee of Chicago.

His other off-business hours are spent as a sports spectator and

reading, mostly philosophy. But Frank insists that his real hobby is Decks, Inc.

"In the morning when my family is still sleeping, I work. This is my hobby. I get great joy out of it."

Frank and his wife, the former Kathleen (Kathy) Dunn, have been married 28 years and are the

parents of four sons, Robert, Frank, Bryan, and Michael, and two daughters, Sheila and Kathleen.

Are any of his children interested in getting into the business?

Frank Carroll started for the door of his office. "No," he said, casually. "My wife and I have raised and educated them—and they can make their own choices. Of course, if one wanted to come in, I'd be glad to have him, but the children have to be free to make their own decisions. I won't push."

He paused, thought a moment, then continued: "There are two elements in running a business — respect and honesty. I try to promote mutual respect among my customers, suppliers, and employees.

"As for honesty. Well, that's the first fundamental of all."