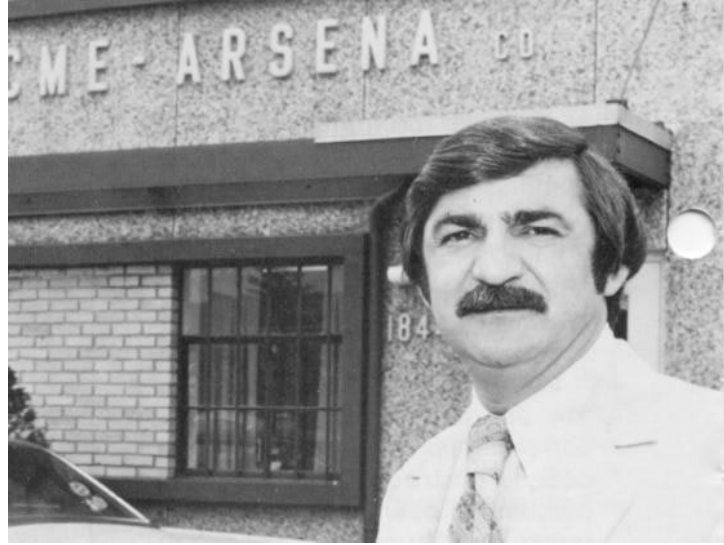


VITO J. ARSENA: working up to it

iaWCC's First Vice President Plans Carefully, Conservatively and His Cleveland-based Firm Enjoys Steady Growth



He is, by almost any standard, a man of distinct contrasts.

His contracting business began in the den of his father's home, moved to the basement, then shifted to the rec room of his own house where he and his wife did the billing after putting the children to bed.

Today, he presides over a diversified \$3,000,000-a-year wall and ceiling firm from an executive suite in his own two-story warehouse complex that has all the appearances of a modern shopping center.

At 5-foot 8-inches, 185 pounds, he is an impeccable dresser, wears his hair modishly long, is quick with a laugh or a handshake, and tends to spin off an aura of devil-may-care flamboyance.

Yet as colorful as he appears, when it comes to conducting his company's affairs he is acknowledged as the archetype of the very, very conservative businessman.

He is Vito J. Arsenas, the 45 year-old head of Cleveland's Acme-Arsena Company, Inc., which in the slightly more than 20 years under his control has moved from a residential lathing and plastering firm to a corporation offering lathing and plastering, drywall, steel framing, acoustical ceilings, integrated ceilings, fireproofing, access floors, interior carpentry, and demountable partitions.

In addition to his contracting business he is also a partner in the Cranwood Development Company, a building and development firm with 150,000 square feet of rentable warehouse space to go

along with the 30,000 square feet of space that Vito holds on his own. He also has an interest in Central Builders Supply Company, in Solon, Ohio, a Cleveland suburb where the Arsenas make their home.

Currently the first vice president of the international association of Wall and Ceiling Contractors and officer in a number of other industry groups, Vito is a native of Chicago and moved to Cleveland as a small boy in 1935 when his father, John V. Arsenas, went to work as a plasterer for a contractor cousin.

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Ten years later, Vito's father started the Acme Lathing and Plastering Company and in 1947 took on Vito as a 17-year-old plastering apprentice.

By 1950, the son was, in effect and fact, running the business and launching the company into diversification—with the happy and proud approval of his immigrant father.

Married to the former Camille Previti, of New York City, Vito and his wife are the parents of five children: John, 22, an estimator with Acme-Arsena; Victor, 19, a carpenter apprentice with Acme-Arsena; Frank, 16, who works in

the warehouse; Dina, 13; and Claudine, 7.

In his spare time, Vito plays golf, tennis, and hunts. He is a private pilot and a snowmobile enthusiast, even to having matching snowmobile suits for the entire family, including one now for their son John's wife, Michele.

He is understandably proud that his three sons, following the family tradition, have come into his business although he did not press them to do so. Recently, Vito talked about this to CONSTRUCTION DIMENSIONS . . . and about a number of other things that have made Acme-Arsena the dynamic growth company that it is.

DIMENSIONS: Certainly, diversification has played a major role in your company's success. When did Acme-Arsena first begin moving in this direction?

ARSENA: Well, we started to diversify in the early 50s because, as the saying goes, we saw the handwriting on the wall. But it wasn't until the early 60s before I finally decided that diversification was my true goal. That is when it came together that we were going to be a complete interior contractor and get away from the stereotype contractor type of thing. Prior to that, we were merely adjusting to market needs.

DIMENSIONS: Where was the first move?

ARSENA: The first move was into drywall. At that time I had a 5-year plan I was working on, whose basic objective was to take

on a new product in each B-year period.

I felt it would take at least two years to know and become competitive in the line, develop the know-how, the expertise, and start acquiring the proper mechanics. Then it would take another three years to make it a paying operation of the company.

DIMENSIONS: Did it work out according to schedule?

ARSENA: In less than a year I felt secure in the new drywall market. But whether it's drywall or any other new product line, I'd never take any job in the primary stages in excess of \$20,000 until I really felt that I could complete the project both properly and profitably.

I started by bidding drywall work, primarily on small commercial jobs because we were also at that time moving out of the residential into commercial markets. After six months of subbing it out we developed enough continuity of work to start our own crews. We put a general superintendent in charge of that division, and I constantly watched the market for availability of new materials, systems, and techniques.

We deliberately started small and kept impeccable job cost

records on every operation. At first we used known general industry figures but soon developed our own price scheduling.

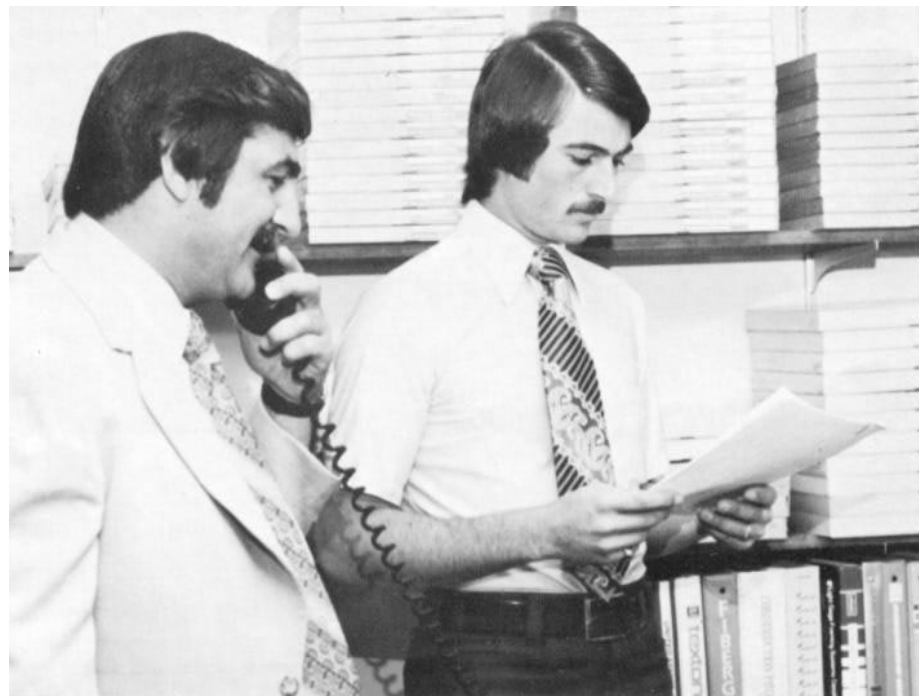
DIMENSIONS: Did you make any fundamental changes with the company as you took on more product lines?

ARSENA: In 1956 we changed the company name from "Acme" to "Acme-Arsena." This was done because we didn't want to lose the value in Acme's reputation in the lathing and plastering field, and being proud of our name we added it to bring in a fuller recognition.

To reflect the various markets that we're now in we changed the



Whether in his office or conferring (below) with his son, Estimator John Arseno, Cleveland's Vito Arseno is constantly on the look-out for ways to improve, expand his business.



company logo three years ago. I had a professional designer create a geometrical design to symbolize the space and dimensions of floors,

"Too many have been hurt by the money squeeze and deteriorating credit within the industry—and now is the time to prepare, not when you get the job."

walls and ceilings. Then we changed all the company's letterheads, truck signs, advertising—even job helmets have the company name and logo—to produce an image of a diversified interior contracting company.

DIMENSIONS: It sounds as though you plan everything down to the smallest detail?

ARSENA: You have to. Getting the job doesn't mean you've made a profit. That's only the start. On any job, a contractor needs to look around and see what he's required to do, including the general and special conditions of the contract.

We have a comprehensive checklist for use on all jobs and it even includes tiny items as well as scaffolds, heights, disposition of rubbish, cleaning, ease of material movements both in and out as well as vertical and horizontal, sufficiency of elevation, insurance, bonding—in short, anything that's required to complete the job successfully and profitably.

DIMENSIONS: What is your main procedure for maintaining job control from start to finish.

ARSENA: All three of our estimators — G. Douglas Jaffray, his son, Dal Jaffray, and my son, John Arseno, are all field oriented, so I can depend upon them for their knowledge and trade ability.

We funnel all information and technical data to each estimator according to his specialty and so each can be given greater responsibilities in his fields of expertise. Consequently, they're much more than mere unit. take-off men; they're

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also doing their own selling and closing. And then they're assigned to the office coordination of their own projects.

They know the job . . . they developed it from the start . . . they live with it . . . they'll occasionally get together with the job superintendent because they're the watchdog on it . . . any problem arising on their jobs gets related to them, not to someone who may have to spend a couple of days researching it.

At the same time, these estimators develop valuable long-standing customer relationships which, of course, accrue to the benefit of the company. And, believe me, this company liaison is extremely important with certain contractors and customers who become familiar with our estimators' talents.

DIMENSIONS: As one who has experienced considerable change

in the industry and has personally led his own company into the diversification movement, where do you see the wall and ceiling industry going, say, in the next 10 years?

“You have to be geared to what you can handle. You don't go after the Taj Mahal when you've been doing log cabins. You work up to it.”

ARSENA: What we've seen in the last 10 years is just the beginning of change. There is a whole new concept of contracting being formed and it's in its infancy . . . package bidding . . . total concept bidding . . . performance specs . . . a complete interior-exterior combined into one related area.

And the contractor who will excel will have a financially stable

company and be strongly bondable because packaging is creating larger contracts, dollarwise. Greater responsibility and financial capability will be the major criteria.

We're no longer in the old horse and buggy days of faith and trust. Too many have been hurt by the money squeeze and deteriorating credit within the industry-and now is the time to prepare, not when you get the job.

I know what my company's capabilities are and I personally have spent many hours in the last six months providing the groundwork for this new concept. I've been providing my bankers with the necessary data to extend my lines of credit, coordinating my banking, bonding and surety companies so they may increase the bonding capacity I feel will be necessary.

DIMENSIONS: Judging from your comments you place a great deal of emphasis on communications, both within and outside your company.



A firm believer in effective communications, Arseno was one of the first to install mobile radios in his company's cars and trucks.

How important is communications to Acme-Arseno?

ARSENA: It's of priority importance. For example, 11 years ago we had Motorola mobile radios installed in our cars, trucks, and a base station in our office. This not only gives us speed of communications, but whether I'm on a job or in the office I can keep close tabs just by listening to the conversations between vehicles. Even driving to work with my car's

mobile unit on, I can get an early read-out on what's going on.

I'm a great advocate of mobile communications, and wouldn't think of putting a truck or superintendent on the road without a radio unit.

To improve communications even further between the field and the office we color code almost all plans . . . and this is done even prior to take-off so the estimator will be more aware of different partitions and work involved. When we're the successful bidder, we get extra copies of the plans and coordinate the color coding of the field plan with the office copies.

As for the jobs, we are in constant communications, both personally and in written form. Most of my time now is spent in negotiations in one way or another as well as public relations to advance my company.

DIMENSIONS: With so many preparations that you have made for your own company's continued

growth, where do you see the biggest problems looming for wall and ceiling contractors in the period just ahead and what can be done to overcome them?

ARSENA: Pre-planning is the answer. It doesn't cost anything to plan except time but it certainly helps. Over-extension will be the biggest problem for the next five years. Men, money, and management are the essentials, with the legitimate contractors watching their work and knowing their limitations.

Our growth goal—now with my sons in the business—will be to increase each year approximately a half million dollars. Maybe it's slow, but it's solid growth.

Anyway, profit is not always in the volume. The biggest contractor isn't automatically the richest. Profit is the answer. You have to be geared to what you can handle. You don't go after the Taj Mahal when you've been doing log cabins. You work up to it.