James A. Doll knows a good business when he owns it.

A dozen years ago the 42-year-old Louisville, Ky., contractor and his brother, William J. Doll, who operate the fully diversified William E. Doll Company, Inc., thought they saw a growing potential for Urethane foam insulation in their marketing area.

So they geared up for the business and began bidding jobs. Now that the energy conservation emphasis is at fever pitch, the Doll company already has position and Jim fully expects to do $1,000,000 in this business alone during the coming year.

Today, the Doll brothers are looking hard at developments in solar energy. When the business opportunity is right, they'll undoubtedly move again, and the company's present volume of $2,000,000-$3,000,000 a year may take another jump.

It has always been that way with the William E. Doll Company, ever since Jim's father, the late William E. Doll, set up the business in the early 40s as a non-union residential lathing and plastering firm.

From a one-truck operation, the company has been transformed into a union wall and ceiling firm offering lathing and plastering, drywall, painting, vinyl, carpeting, linoleum, full line acoustical, demountable partitioning, exteriors, roofing, curtain wall, steel studs, blown-in home insulation, and, of course, Urethane.

A soft-spoken 185-pounder, Jim went to work for his father as a 13-year-old plastering apprentice, working after school and summers. When his father died in 1951, both Jim and Bill had sufficient experience that their mother, Martha, could continue the business as a means of keeping the Doll family of three brothers and three sisters fully intact.

She remained active in the business until 1971, but by that time Bill and Jim were in solid control and growing fast. Jim had earlier completed an Army hitch, serving as a computer operator on an artillery accuracy and training range near Pusan, Korea.

During his absence, Bill had continued running the business and by the time Jim returned home following his discharge in 1955, the William E. Doll Company had become the first commercial drywall and steel stud contractor in the Louisville area.

Long a member of the international association of Wall and Ceiling Contractors, Jim is a past chairman and currently a Director of iaWCC's Southeast Conference. He is also a past president of the Southeastern Plastering Bureau.

A native of Louisville, he is married to the former Doris Moore, also of Louisville, and the father of three children: Jim, 18, a student at the University of Kentucky; Jeffrey, 14, and Julie, 12.

While he enjoys hunting, fishing, and Sunday golfing, Jim concedes that contracting is his vocation and avocation. The Doll company and three other corporations in which he has an interest make the six and one-half day work week a common occurrence.

And what other time is available is spent buying large farms on the outskirts of Louisville and breaking them into smaller farm parcels for profitable re-sale. This latter interest came about after Jim, who had always wanted to own a farm, convinced his wife to try farm life for at least one year on a 100-acre farm he had purchased.

The farm later grew to 250 acres, but after the one-year test, Doris advised her husband to make good on his promise. He did. But the profits that accrued from breaking the farm into 18 separate and quickly sold parcels were enough to stimulate Jim's on-going interest in such transactions.

These days, though, most of Jim's time is spent keeping his wall and ceiling business growing. He handles the purchasing and field operations functions for the company, but like many other contractors has lately been devoting more and more time to collection matters.

He recently took time from his jammed schedule to talk about these matters, and other areas of interest, to DIMENSIONS.
DIMENSIONS: One of the immediate concerns of most contractors is the current economic situation and how best, simply, to survive. You mentioned the collections problem. How has this effected your company?

DOLL: Well, in the past year, like almost everyone else we’ve seen a slowdown in collections. I’d estimate that 35 per cent of my time now is spent in collecting.

We used to have the office manager do it, but now I’ve gotten into it directly and when a payment is due and hasn’t arrived I make every effort to make the contact the “same day.”

DIMENSIONS: Do you have any special techniques or strategies that you follow in handling a collection problem?

DOLL: I just follow the fundamentals. I try to get a positive commitment when they’ll pay because, I think, that’s the cardinal rule on collections.

On regular payments I make arrangements for past due accounts and then use the opportunity to start pre-collecting the next payment. After such a contact, I’ll write a short note on the invoice to summarize or remind the customer what arrangements we made and, when necessary, I’ll “chew” too.

You have to be tough about collections, but at the same time you hate to threaten or lien a building where your better general contractor is involved.

DIMENSIONS: In addition to putting greater emphasis on collections, what other steps have you taken to bring your company into a better alignment with existing marketing conditions?

DOLL: Again, we’ve held pretty much to fundamentals. We’ve reduced overhead by cutting back on supervision, trimming the office staff, and even replaced our computer time sharing program with manually prepared reports.

At the same time, we’ve expanded our marketing area, and combined selective bidding and increased sales activities in order to reduce materials inventories. By selling jobs to fit our inventory we’ve been able to move acoustical tile patterns we had in stock, and reduce our metal stud inventory.

For example, we spray painted some of our studs and metal lath and were able to use it, and in other cases we’ve been able to convince the architect to use, say, a 3-5/8" stud—which we had in stock—rather than the 3" stud specified originally—which we didn’t have in stock.

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DIMENSIONS: From your comments, it sounds as though you place considerable importance on the selling aspects of contracting?

DOLL: I often think that too much is made of the issue over whether a contractor is a selling or bidding type. In my opinion, every job or project is a selling job. When you’re the low bidder you still have to sell your company. And out-of-state general contractors certainly have no loyalty to local subcontractors, so every job you get from them has to be sold.

DIMENSIONS: Many subcontractors are very reluctant to bid to unknown out-of-state general contractors. How does William E. Doll Company handle such generals?

DOLL: We’re a bit luckier here in Louisville than contractors in many other areas. Fort Knox is nearby and most big general contractors come into that market sooner or later and we can get a very good line on them with a few telephone calls.

We can usually get a good idea of what we’re dealing with by determining if they’re bonded, checking them out with Dun & Bradstreet and talking with other subcontractors who have experience with them.

DIMENSIONS: Being so widely diversified and with a number of companies to control, how do you keep things on schedule and reduce costly errors or miscalculations?

DOLL: We double check everything now. When we get a job, the superintendent gets everything he needs to run the job properly and this includes copies of the quantity sheets, man hours available, and the productivity rate we expect.

Time and material reports on every job and every trade are prepared weekly, and weekly meetings are held to review each job. Since we discontinued the computer service

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early this summer, the reports are now prepared manually and, naturally, are stripped to bare essentials. A sour job can usually be traced to an estimating error or poor job coordination. If it’s an error, you simply fight it out to the end and try to minimize your losses. On coordination, we’ll go out to the job, if necessary, and try to work things out.

DIMENSIONS: As one who offers many varied services, what is it that you look for in a new venture?

DOLL: Profits, of course. And the promise that profits will continue. We have profit centers on each product line, and a good percentage of time is spent separating the various lines.

In every case, you have to know where the problems are—and where the company’s profits are coming from. I have never put much emphasis on volume. A big job can make you a “big contractor” but not necessarily a big profit contractor.

Percentage of profit is where it’s at, so our biggest problem isn’t in having jobs to bid. It’s in selecting the most profitable jobs on the market ‘so we can utilize what we know based on our own profit centers.

DIMENSIONS: With a so-called money crunch coming, where do you think a contractor’s major challenges will occur, say, in the next five years?

DOLL: Well, first of all, the money crunch isn’t coming: it’s here. It’s taking longer and longer for money to get from the source to the subcontractor and then to those behind us—the suppliers and manufacturers. As this situation grows worse, the suppliers will have to adjust to their own cash flow situation and the subcontractor will be in the middle.

It will be the financially responsible subcontractor who keeps abreast of technical changes, new systems and management procedures, and who can motivate employees who will survive.

With wage and material costs climbing and more pre-finished materials coming onto the job—a beautiful example of this would be doors and demountable partitions—a specialty contractor will have to be progressive enough to adjust to change.

DIMENSIONS: Certainly, not all contractors will feel the same impact. Where do you see these forces hitting the hardest?

DOLL: Oh, I think the medium-sized contractor—one who runs maybe 50 men—is facing the most serious problem along with the one-service type contractor.

A very small contractor will control his work on a weekly basis and can adjust quickly to a problem. The big contractor can better spread his risks so he’s in a stronger position to absorb the tighter cash flow and credit problems. The medium-sized contractor often has neither of these advantages.

DIMENSIONS: What preparations do you think a contractor should be making right now for his future?

DOLL: Use this present slow period to tighten up his operation. I think he should join an organization such as the iaWCC because the changes are coming so fast that he usually can’t keep up alone. And he should be watching the construction scene carefully so he’ll be ready when the market does break.