LESTER M. PURCELL:
Tough-minded
Management

Lester M. Purcell, of Salem, Oregon, is the kind of contractor who not only practices what he preaches—he teaches it, too.

As a matter of fact, no one yet has figured out the precise junction where Les Purcell the teacher ends and Les Purcell the tough-minded management theorist begins.

It's just as well, because everyone—with the possible exception of wall and ceiling contractors bidding against him—are the better for it.

The 49-year-old head of L. P. Company, of Salem, has built a diversified $1,500,000-a-year wall and ceiling contracting business. In the process, he's demonstrated so well his grasp of advanced management theory that he's been invited to teach it.

In the winter of 1974-1975 he taught a management course at Oregon State Prison.

Nor does Les' penchant for teaching stop at the management level. As an Elder in the Church of Christ he teaches a young married class. Furthermore, Les and his wife, the former Wandaline Engle, a native of Pea Ridge, Ark., are the parents of a son, Donald, who is a teacher and professional musician, and a daughter, Carol, a teacher at the Hickory Tree pre-achievement school in Torrance, Calif. Carol is the wife of university instructor, Britt Anderson.

As much as Les, a native of Eugene, Oregon, enjoys teaching, his greatest accomplishments have come in the construction field and it is with his growing company that he has managed to apply good sound management principles with such productive results.

Getting there was something else. As a high school student, he apprenticed to his stepfather, Charles L. Norton, a lathing and plastering contractor. At the time, Les' main ambition was to get into the forestry service.

World War II interrupted and Les took his Air Force cadet training at Keesler Field, Miss., later serving on B-25s, B-24s and B-29s. At war's end, he was in the Philippines and with his honorable discharge enrolled in forestry at Oregon State.

The pressures of a wife and son sent him back to work for his stepfather as a hodcarrier. A short time later he made his commitment to construction, took a paycut to become a plastering apprentice and served his four years.

By 1952, Les had decided to go into business for himself.

At the time he was working for F. R. Barnes & Son, of Eugene. From the profits owed him plus $1,500 worth of equipment and a thousand dollars in borrowed capital, Les and another of his stepfather's employees, Lawrence Pohl, formed the new company.

The company, Pohl & Purcell, continued until 1962 when Les made the final break, setting up his own company, L. P. Company which today offers lathing and plastering, concrete pumping, drywall, demountable partitions, acousticals, fireproofing, insulation, access floors, curtain walls, and steel stud framing.

Les and his wife live in a suburban contemporary rancher type home in Salem's Keizer area. Characteristically, the home is constructed of Marblecrete and lumber, featuring a unique ski chalet entrance.

And when he is not busy with teaching or contracting, Les is active in industry affairs. A long-time member of iaWCC/GDCI (he was a member of both organizations before the consolidation), he also belongs to CISCA, and the Associated Interior Contractors of Portland.

He is a member of the Board of Directors for the Pension Trust Fund for Oregon and Southwest Washington, and also a Director for the Salem Contractors Exchange.
DIMENSIONS: Les, as one who held memberships in both associations how do you feel about the recent consolidation?

PURCELL: I’m really glad to see this consolidation happen. Personally, I think it should have happened earlier.

You can always direct yourself, but first you must know where you’re going. You need a strong industry association to find out and keep you aware of the many things that are happening in this industry.

DIMENSIONS: Knowing where you are and where you’re going, having a plan, sounds like a management principle of the first order. But you can exist without a plan. In your opinion, what are the most essential items in management, those you can’t do without?

PURCELL: Maybe you can exist without a plan, but I certainly wouldn’t recommend it. As for the essentials you can’t do without, I’d have to say they are communications and motivation.

DIMENSIONS: Let’s take those items one at a time. What is there about communications that a contractor should emphasize?

PURCELL: Well, first, there’s communications with yourself. We all hate to write letters but in business you’d better be able to write one because the shortest pencil is better than the longest memory. If I don’t write it down I forget it so a note to myself accomplishes two things: the other person sees it and so do I. You may have to read and revise it later but it does succeed in avoiding such verbal agreements as “we’ll settle up at the end of the job.” The contractor who keeps a record settles the best and without the least trouble.

DIMENSIONS: How about communications within the organization, with your foremen and superintendents?

PURCELL: I regard that as the second—but equally important—area for careful communications. You know, if you’re giving a job for a man to do you simply have to define carefully . . . to communicate . . . what it is he’s to do and then define the area of responsibility or accountability.

DIMENSIONS: Sometimes, though, that isn’t always practical, is it?

PURCELL: It’s never easy and often not practical. But the contractor’s intent and desire to try and achieve an acceptable level of understanding must always be there. If you give a man responsibility to do something, you have to back it up by giving him the authority or you’re not delegating—you’re tying his hands up.

DIMENSIONS: Earlier you mentioned motivation. How do you handle this constant challenge.

PURCELL: Motivation, of course, is tied in closely with communications. But there are three things especially that have to be kept in mind in communicating with and motivating your own organization and customers: quality, service, and price. And all three have to be kept in balance.

DIMENSIONS: What is it that you do to maintain this balance?

PURCELL: It isn’t so much what I think about these three areas as what my customers think. And what I do pretty much determines the thinking of my customers.

Efficient arrangement in his executive office matches the efficiency that Les Purcell seeks in project and work control.

Our prices are higher than the general market—and my customers know this. But we provide a service you won’t get from my competitors. We don’t break down on the job because we spend more on maintenance. Concrete pumping is dependent on equipment. We buy the best and the proper equipment and that costs more.

Consequently—and I’ve analyzed equipment results—we pump faster, further, and handle mixes that are generally considered marginal for pumping.

Now that’s quality and service. By and large, service is what contracting is all about. That’s what we are. And we sell our service and the quality of our work.

If you succeed in communicating that fact, your price can be higher—but only so long as the customer is convinced he’s getting value for his dollar. It’s the contractor’s responsibility to show, tell and convince his customer.

Just as an example of communications, if I give a credit to a customer for downtime I don’t just include it in the calculations and provide my customer with a total due. I show the full price and then I insert a “less credit for . . .” explanation. I want my customer to see what I’ve done—and that re-establishes and re-affirms value.

DIMENSIONS: Les, is there anything else you do to build and sustain motivation, especially among your employees?

PURCELL: Oh, certainly. We (Continued on Page 20)
have a profit sharing plan and this provides a monetary incentive. Everyone in my company shares and the criteria is minimal. That supplies the basic motivation, and then, too, there are other levels such as safety, self esteem, and personal gratification.

DIMENSIONS: It sounds as though you are echoing some of the principles of Maslov’s theory of hierarchal needs?

PURCELL: I am. You first satisfy a person’s basic need such as food, clothing and money, and then to keep that person motivated and moving you must satisfy the second level needs, then the third level, and so on progressively.

To achieve satisfaction of the need for esteem means that you recognize a person for what he or she is. I personally like to get to know my employees on a first name basis, and if a man has done a good job I tell him.

Also, if we do a good job and get a complimentary letter, say from a general contractor or an architect, I make certain the letter is posted on the bulletin board for everyone to see.

DIMENSIONS: Turning in another direction, you began diversifying shortly after you formed your own company, didn’t you?

PURCELL: Yes, I just felt that there should be other opportunities. When Pohl and I started out plastering was about 85 percent residential and 15 percent commercial. In 10 years, that ratio had just about reversed itself.

It took awhile for me to think of myself as a businessman rather than a plasterer. And as a businessman, I realized that people, capital, and management can be applied to anything so I started looking around.

DIMENSIONS: Why did you select concrete pumping as your first move?

PURCELL: Actually, another plastering contractor, Ted Millar, of Portland, who was selling pumps, convinced me to get into concrete pumping. I started with a Thomsen 600 pump.

DIMENSIONS: Has diversification done for your business what you hoped it would accomplish?

PURCELL: Yes—and then some. It was the cyclical nature of the business when I could offer only one service . . . and I could only bid one out of five jobs. Now I can bid every job I see and this gives me the luxury of being able to be a little more selective.

When I added drywall and acousticals in 1967 it increased my options even more.

DIMENSIONS: Do you see diversification as the wave of the future?

PURCELL: Diversification is valid right now—not just in the future. More and more the market is going toward the composite contractor who can do floors, ceilings, walls, even painting.

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This makes it easier for the general contractor, who really wants it that way, and thereby allows you to sell time and money. You also have more control when you’re selling the complete package.

**DIMENSIONS:** The package concept is all well and good, but how do you prefer to apply it—in negotiated work such as cost plus or in straight bidding?

**PURCELL:** Cost plus is nice work but the profits are somewhat limited. I’d rather do bid work. I know I run more risks but I feel I know enough about what I’m doing that the return is worth the risk.

Anybody almost can take off a job, do a quantity estimate. But the unknown is obtaining the materials, getting them to the job, and then getting them incorporated profitably. That’s the part that everyone wants to know.

**DIMENSIONS:** How do you handle the control and planning procedure after you get the job?

**PURCELL:** After we get a job we immediately do a quantity list of all the materials and give it to the foreman. He needs this so he’ll know what and how much he needs at every stage.

We use color coding on prints and plans, and the rule here is that we make it as simple as we can. So far as time is concerned, I believe you must let your people know how many hours are planned, and the goal must be realistic. If it’s too high they just won’t try—and I don’t blame them.

They have to know where they are and how they’re doing because if you wait until the end, it’s no good. And without good records, you’ll never know where you made your profits on any job and you won’t learn from each job.

**DIMENSIONS:** Les, a number of so-called “experts” are projecting a pretty sad construction future. How do you see construction’s future, say, in the next five years?

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PURCELL: I have no qualms about the future. There’s a pent-up market that must be met. The population profile is critical here. The 25-30 year age group is demanding right now. Money’s available. There’s still some uncertainty so the money is staying in savings, but it will break loose. Investors will start moving soon.

Maybe zero population growth is coming, but it’s not here yet and this pent-up market will have to be served.

DIMENSIONS: It sounds like your interests tend to range rather far outside the wall and ceiling specialty?

PURCELL: A businessman today must be aware of more than just his own specialty. We need to study and to observe these other developments because they do effect us. And if we do get involved we won’t be overwhelmed by seemingly rapid and unexpected developments in our own field.

DIMENSIONS: What specific changes do you detect right now in the wall and ceiling industry?

PURCELL: Well, walls and going more and more toward prefinished and pre-decorated. Costs alone are now making it possible for vinyl pre-decorated board to compete with traditional steel studs and boards to finish.

There are other changes taking place and today’s contractor has to keep a close watch on them and then react accordingly.

DIMENSIONS: Are you suggesting diversifying or some such tactic?

PURCELL: Not at all. I think every contractor should do what he does best. Conservatism isn’t a bad word in business.

I know I’ve been accused of being a conservative contractor. Well, maybe I am—but I’m still here and I’m healthy.