This Nashua, N.H., contractor, an accountant by profession, keeps a careful watch on the pulse of his companies.

**RICHARD M. CONNOR: Keeping the Feel**

Rumor—no doubt originated by an Irishman—has it that God invented rules so the Irish would have something else to break.

And Richard M. Connor, Nashua, New Hampshire’s contribution to the wall and ceiling industry, is no Irish exception. Furthermore, he is the son of the late Francis P. Connor—no model himself for practicing things the conventional way.

While most men count success in upward increments, Dick Connor got tired of and walked away from a reasonably secure future as an accountant—so he could enjoy the happy luxuries of becoming America’s cheapest estimator.

That happened in August, 1952. And if being a $10-a-week estimator for his father’s lathing and plastering company seemed economy at its severest, the future prospects were something else.

Two years earlier, Francis Connor had started the company with little else than a display of Irish madness or absolute confidence—the viewpoint, of course, depending on whether or not you’re Irish.

He had no money. He had no assets. He was renting his house. And he had no collateral for the $600 loan that he coaxed out of an old Irish school chum at the local bank. The $600 was intended for the purchase of a Muller mixer and the first week’s payroll.

By the time Dick chucked an accounting career and threw in his lot with his father, the struggling company’s prospects were little improved. A residential firm in the beginning, Francis P. Connor & Son, Inc., moved from house to house—in a truck that Francis had borrowed from a French friend.

When work took them out of Nashua, likely or not, Dick would drive the family car to the job site, pick up the truck, and then handle the move to the next job. For the most part, though, the father-son combination found Francis handling the field, and Dick assuming the inside functions.

Today, things are a bit different. Francis P. Connor & Son, Inc. is part of a three-company conglomerate involved in acoustical tile, demountable partitions, drywall, fireproofing, exterior coatings, lathing and plastering, and steel framing.

The other two companies, in which Dick entered into a full partnership with Thomas J. McCartney are National Partitions, Inc., a drywall company, and Macon Construction Company, which handles masonry and steel framing.

The three companies produce an annual business volume of $3,000,000-plus. Headquarters, the third since the company was founded, is located in an attractive two-story wood frame structure on a one-acre lot at 18 Harbor Ave., Nashua. It features some 10,000 square feet of office and warehouse space and it’s from here that Dick and Tom carry out marketing efforts throughout New Hampshire, Maine, Vermont, and Massachusetts.

Dick makes his home with his wife, the former Connie Trombly, of Manchester, N.H., and two children, John and Catherine, in a recently completed sprawling brick and cedar rancher in an exclusive...
residential district outside Nashua. Dick is also the father of three daughters, Janet, Patti, and Nancy.

Born in Maiden, Mass., the 49-year-old construction executive moved with his father and mother, Jennie, still a company vice president, to Nashua as a small boy. While his father, a journeyman plasterer, went through a series of career shifts from factory shoe cutter, service in World War II, and post-war salesman, Dick was making his own separate way.

Stricken as a five-year-old with polio, he nonetheless became a sandlot baseball pitcher and scorekeeper and manager for the Nashua High School athletic teams. Following graduation, he attended University of New Hampshire, graduated from Nashua Business College in accounting.

In 1948, his father tired of the salesman routine and returned to plastering. That his legs were not yet back to plasterers requirements can be attested to by the need for his wife to kneed his 48-year-old muscles every evening so he could manage to walk to work the next morning.

Six months later he had his plasterers’ legs in shape. Eighteen months after that he launched his company. And two years later, Dick shucked employee status for entrepreneurship with his father, a venture that saw both men for a number of years take home combined less than a single plasterer’s pay.

While his father worked in the field, Dick took care of office administration, and studied estimating at night at Boston’s Wentworth Institute. Gradually, the two men moved into commercial-industrial work and by 1954 the company’s volume was about 80% in that area.

Through it all, both men hung to their starting principle: all profits go back into the company. That explains why Dick describes himself then as “the cheapest estimator in the country” and why, when he married in 1955, he was still only at $45 a week.

By 1965 the company had broken the $1,000,000-a-year mark, and has been growing ever since. The partnership with McCartney in 1966 proved a boon, providing the diversification strength that gave added volume and impetus.

Francis Connor, echo began phasing out in 1968, died last December. But the company he founded on hope, luck, and sound business principles is still alive and kicking under his son.

And Dick, an iAWCC member since 1960, plans to keep it that way. His penchant for good management and precision has given him a sound company and recognition in his industry.

He served as a director from the Northrust Conference from 1966-70, and as Northeast Conference chairman, and in Hawaii two years 

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ago he was named to the iaWCC Executive Committee, serving now as Treasurer of the iaWCC/GDCI. In 1973, he also was chairman of the influential Continuing Study Council. Dick is also a Rotarian, a member of the Nashua Chamber of Commerce, and serves as treasurer of Nashua’s Arts & Sciences Center.

Despite a contractor’s time schedule, he still found time to talk to CONSTRUCTION DIMENSIONS about his company, his industry, and where things are going.

DIMENSIONS: Dick, in response to some questions about your company you’ve shown an uncanny ability to put your hand into a file cabinet once and pull the precise folder and document out to provide an exact answer. Are you always this exacting?

CONNOR: Yes, I suppose I am. It’s my accounting background; I just want to know precisely where we’ve been, where we’re at, and, as much as possible, where we’re going to be.

DIMENSIONS: Where will you—and the industry—be, say in the next several years?

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DIMENSIONS: You mentioned masonry. What led you into the masonry business?

CONNOR: We were still looking for diversification possibilities to offset the plastering loss, and there was an opportunity here because of a lack of masonry contractors in the area.

Actually, until this year we’ve never been a big factor in masonry because we decided to pick and choose on the work. We’ll be expanding and bidding more jobs this year, not only to get up over the $250,000 mark but because many general contractors want us to do that work for them, too.

DIMENSIONS: Have you any other expansion plans for the future?

CONNOR: Well, most of the work we now do is bid work. And we expect to move more into general contracting on a negotiated basis with the owner rather than depend on bidding so much. We’ve already done an entire building so the change isn’t really anything new to us.

DIMENSIONS: In planning diversification moves, is there any set of principles that you try to follow?

CONNOR: You simply have to know, or find out, where the best profit potential is, and then know what you’re doing. I’m a strong believer that in any diversification move you’ve got to get someone who knows the field or learn from the bottom up.

With my partner, Tom McCartney, we had the perfect opportunity to get into drywall. His entire background was in drywall so with Tom we had the chance to start at the top the minute we opened our doors for business.

DIMENSIONS: Money—and collecting what’s due you—is still the big problem for many contractors. As an accountant-contractor, how do you handle this critical area?

CONNOR: There are two cardinal rules that I’ve always followed in collections: first, collect...
backwards, and second, don’t delege it.

I’ve learned that when you attempt past due accounts you should start at the newest past due and work backwards before these new ones get even further behind. For example, after we send out our June billings on the 1st of July, I check to determine who hasn’t paid the May requisitions that were due in June. Before I start to collect any old accounts I try to get these recent ones cleaned up before they can get farther overdue.

It’s the old rule: the older they are the harder they are. As for delegating the collection responsibility, my answer here is “No, I do that.” You can’t rely on employees or anyone else to collect receivables because they have a tendency to accept a run-around—and mostly because you’ll lose what I call the “feel” for the business.

Top management should bird dog the receivables. In 20 years of doing this I’ve got a “feel” and I can spot a put off. Some of our poor paying customers know I won’t put up with a run-around, and the others will soon learn it when they try.

DIMENSIONS: You sound rather hard-bitten about collections. There is a time to “play” with a situation, isn’t there?

CONNOR: Oh, certainly. Collecting successfully is like almost anything else. But you still have to get across that you won’t put up with run-arounds.

Even when I spot a put-off, I don’t do too much accusing. If it’s a bookkeeper doing it to me, I go directly to top management and I make an effort to give him a face-saving out, allow him to correct the problem. If I’ve verified that payment has been made to him and he starts giving me the business, then matters tend to get a bit rough for him.

DIMENSIONS: Are there ever any situations where an employee can collect?

CONNOR: To me, no. With an employee doing it, you ask, ‘Did we get any money in?’ and he answers, ‘Yeh,’ and what have you learned about your business? Nothing.

I always make a note of what was said and drop the note into a tickle file for later use. I personally enter every check that comes in into the accounts receivable journal. This way, I’m getting a feel for what’s going on; I don’t have to ask anyone. Plus, I’m getting a feel for a particular customer and I can often get a line on real trouble even to the point where I know I’ll need legal action.

DIMENSIONS: When it comes to legal action and attorneys, most contractors like to avoid both of them, don’t they?

CONNOR: Sure, to their own disadvantage. That’s another change that’s happened in the past 25 years. I personally don’t think you can operate today without an attorney given the trend toward complexity and general contractors moving out of general contracting.

DIMENSIONS: Most contractors retain an attorney?

CONNOR: Yes, but the main mistake of too many subcontractors is that they have one attorney to handle everything—collections, contract problems, personal business. I believe you should have a specialist for each of these areas. When it comes to collections you need an attorney familiar with construction, not retailing.

DIMENSIONS: A moment ago you mentioned GCs getting ‘out of general contracting. What did you mean by that?

CONNOR: More and more general contractors are doing less and less of the job, that’s what I meant. And with this further subbing out of specialty work has come a wor-

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sening job coordination situation.

That’s the reason many subs aren’t getting productivity or making money . . . it’s poor planning and job coordination by the general.

DIMENSIONS: Given that trend, job control by the subcontractor would be more important than ever, wouldn’t it?

CONNOR: Yes, and this must be done on a weekly basis. Control is only as good as the reports coming in from the field and they must have true production figures . . . manhours against the unit costing and the estimate, that sort of data, so you can make a determination.

We have our forms, but it still falls to the foreman in the field giving full information. And that’s the superintendent’s responsibility, to keep track of costing on a weekly basis.

DIMENSIONS: Good people are good people. How much emphasis do you place on picking good people?

CONNOR: The true meaning of management, as I see it, is delegating proper responsibility to all segments of the business, and that means picking the right man for the right job. So my answer is total emphasis. There are just too many decisions that need to be made and that I don’t hear about. You have to get good people—and give them the opportunity to make and learn from their decisions.

As a result, I can now travel and never have to call the office. On out of town trips, I never call the office, but I do notice other contractors doing it constantly. It’s like therapy to them; they’re nervous and want to be in on every decision so they keep calling.

DIMENSIONS: Dick, what is it about contracting that keeps you in it?

CONNOR: That’s easy. Every day is different; it’s impossible to get into a rut. And then there’s the challenge of making a profit. That’s what it’s all about, isn’t it?

IRS

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traditional battleground between the IRS and the construction industry. By providing detailed rules for the treatment of disputed items, the regulations eliminate the confusion and uncertainty of the past and provide the contractor with a firm basis for tax planning.

Severing and aggregating contracts. The new regulations state that an agreement may be severed (which means treating an agreement as several contracts) or aggregated (treating several agreements as one contract) depending on the facts and circumstances of the situation and customary commercial practice within a trade or business. The older regulation was silent on this subject.

Generally, an agreement will not be severed unless it contemplates separate delivery or acceptance of portions of the construction or there is no business purpose for entering into a single contract. However, separate delivery and acceptance of portions of the construction do not necessarily require severing of a contract. Agreements will generally not be aggregated unless they could be treated as one contract under customary commercial practice or no business purpose exists for entering into several agreements rather than one.

While they provide more guidance than the old regulations, the new rules allow some room for planning. The central point is that the contractor must be aware of these rules and take them into account early in the contracting process. In cases where the proper treatment is not entirely clear, the contractor should develop and maintain the information necessary to support the desired results at the time the contract is executed.

Other Methods

Contractors on the percentage-of-completion method can use certain techniques to ease conversion to the completed-contract method. A different method may be used for

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