In a business that often makes a sharp distinction between talk and action, Brendan “Ben” D. Murray has proven rather conclusively that he can do both.

As a salesman of his own company’s construction services he has gathered in just about every sales achievement award thrown in front of him. And as a contractor determined to build his still young company—Murray Insulation and Drywall, Inc., of Omaha, Neb.—Ben has fashioned a firm which does $4 million annual gross in such diversified services as insulation, drywall, steel framing, stucco, lath and plaster, acoustical ceilings, and fireproofing.

Not bad for someone who in 1960 went looking for a summer job and found a career in construction. That was the year Ben was hired on by contractor Vern Cagle and then remained for 70 years, learning the drywall business so well that he and his brother, James L., were ready to try their own hand by 1970.

In the preceding decade Ben had run crews on many of Cagle’s big jobs while brother Jim had signed on with the Omaha contractor as a drywall finisher in 1966. When the two brothers set up they went after single house residential work but soon graduated to commercial and institutional work.

As for insulation, Ben and Jim have pretty much established themselves as one of the most outstanding construction companies in the country when it comes to spotting a new business opportunity, promoting it, and then gearing up for a long, profitable involvement in a growing market.

Once the Murray firm itself had its financial feet on the ground another Murray brother, Duane, who had been employed with Western Electric Company in Omaha, joined them. A fourth brother, Bob, came with the company in 1973 and is currently running a 250-house project in Mission, S. D.

Because insulation represents so many problems not encountered by traditional construction activities, Ben and Jim attribute much of the success of this operation to their manager of insulation operations, Sam E. Lewis, a 39-year-old specialist in virtually all phases of insulation.

Sam had been the chief management man for a competing insulation contractor and had been in the business since 1960. When he became available, in 1975 he was quickly hired by the Murray brothers because this left Ben free to devote full attention to the sales promotion end of the business and Jim to oversee all management and technical operations.
Omaha’s Ben Murray shows that sales ability can turn a small construction company into a multi-million dollar comer

Ben and his brother, Jim, who co-founded their company, split up the management duties with Ben principally handling sales, and Jim the operations management. “Of necessity, though, we change roles often,” Jim says.

A native of Omaha, Ben and Jim are sons of Brendan P. and Mildred Sasek Murray, both of whom are also Nebraska natives. Ben at 35 is the oldest of the 7 Murray children and has worked since he was 11 years old, about the same age that Jim started working, too. Both men are graduates of Benson High School and boating, hunting, and fishing enthusiasts.

Ben is a director and former regional vice president for iaWCC/GDCI; chairman of the association’s national insulation committee, President of the Nebraska Gypsum Drywall Contractors Association, and a director of the Homebuilders.

When Construction Dimensions caught up to the Murray brothers in Omaha the first blizzard of the 1977-78 winter season was blowing in. That meant that potential customers would begin calling in for insulation and the work pace would step up considerably. But in normal, easy-going Murray fashion the brothers and Sam sat down to talk about construction, insulation, prices, shortages, and all the other elements that make construction so aggravating and so interesting.

Dimensions: Ben, a moment ago you said that “the moment it turns cold, the telephone calls start.” Is that the nature of the insulation beast?

Ben Murray: Yes, retrofit insulation is a much different ballgame than regular drywall and installation new construction because you’re dealing directly with the public... with the owner, not his representative.

Also, insulation is rough-in type of work, not finished work such as a drywall partition. Where many contractors have difficulty is in not recognizing that the customer can’t “see” your insulation job and then compounding this difficulty by not explaining carefully what will be done and what it will accomplish.

Dimensions: How do you handle this communications gap?

Ben Murray: What produces a successful sales operation is taking the time to explain what insulation is all about. Our salesman Bud Henderson and Swede Carlson know this and they make certain the customers know what’s involved. It’s the only way to gain the confidence of the housewife and homeowner.

Dimensions: You mentioned “housewife?” Why were you so specific about her rather than, say a “homeowner?”

Jim Murray: It’s the housewife in most cases who decides about insulating the house. She pays the utility bills and knows how much energy is costing, so she’s the one who generally makes the initial contact and must be convinced.

Dimensions: Aside from working directly with customers, what are some of the other advantages or differences in the homeowner insulation market?

Ben Murray: They are many. It’s a quick turn market, there are no retentions, you get an immediate cash flow, and insulation has no warranty work. In drywall we have three men who perform only warranty work.

Jim Murray: On this warranty thing, if you do the job right in the first place you never need to go back on insulation. With drywall, you can do a good job but still get cracks, settling, and that sort of thing. Consequently, you have to go back.

A contractor understands the need to go back-but the average housewife or homeowner doesn’t.

Dimensions: You’ve been talking about residential applications. Insulation has a commercial market of some significance, too, doesn’t it?

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MURRAY:
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Ben Murray: You’d better believe it. Actually, only 25% of our annual income from insulation is direct to consumers. The remainder comes from straight commercial construction—about 20%—and the remainder in residential and commercial rehab work.

Many commercial buildings constructed only 2-3 years ago are finding it almost impossible to operate profitably today because of the energy/insulation thing. Insulation is a vital element in any big project today, and it’s becoming even more important.

Dimensions: This gives your company a good chance to submit a package or alternative bid, doesn’t it?

Jim Murray: Yes, it does, and we take advantage of the opportunity, too. On two recent big apartment projects we gave package bids and then negotiated them out.

Ben Murray: I like it this way because on almost all bids we call in, the package bids makes it just about impossible for my competition to figure out my numbers. Of course, I’ll break out if I feel I absolutely must, but I’m very reluctant about doing it.

Dimensions: How did you break into the market? By design or by accident?

Ben Murray: Neither design nor accident. We saw the possibility of an opportunity and talked to our regular drywall customers. They saw how they could eliminate one more sub on the job and gain better coordination by giving us the insulation. Once we saw how easy it was to sell, we went into it seriously.

Jim Murray: That’s when we came up with the residential slogan, “One Call Does It All.” In the retrofit promotion we went with newspaper advertising, Yellow Pages, radio and television spots.

Lewis: We also used premiums such as match covers, panes, tablets. Owens-Corning has the best promotional materials and literature and we followed their plan carefully, following up at the Home Show and the Country Carnival here.

Dimensions: Where did you obtain your best leads and results?

Lewis: We had our office girls survey the calls coming in and the radio spots produced the best results.

Ben Murray: As a matter of fact, we used country western type radio commercials. With the housewives at home listening to the radio and watching their energy bills, you can see why our calls and contacts have been housewives.

Lewis: Now we advertise with a half-page in the Yellow Pages. We have enough satisfied customers out there that word-of-mouth references work well for us. Besides, with the utility companies and manufacturers all stressing insulation; the homeowner goes straight
to the Yellow Pages after deciding to look into insulating.

**Dimensions: How does insulation fit with the standard wall and ceiling type of work you do?**

**Jim Murray:** One type of work actually complements the other. When drywall work drops off in the fall and winter; the insulation starts up. It’s a nice balance.

**Dimensions: One of the biggest problems in the insulation industry right now is lack of material. How do you handle allocation and shortages?**

**Lewis:** We cry a lot—like everyone else. We just keep after our suppliers and try not to overstock at the job . . . just enough to keep the men busy—whether it’s insulation or drywall.

**Ben Murray:** I don’t see this shortage problem continuing for much more than 2 years. Some people talk of 5 years, but the major producers are moving fast to increase capacity, revamping their plants and that sort of thing. Also, new products are coming onto the market and these will help out.

**Dimensions: It appears that the insulation end of the business is truly a fast-changing one. What other shifts do you see coming?**

**Ben Murray:** The changes are coming so fast you can hardly keep up with them. HUD used to call for 20% doors and window openings and now they’re around 10%—and falling. Slope ceilings are being lowered.

You’re seeing Styrofoam sheathing on exteriors and 6-inch sidewalls in order to achieve the R-19 rating. Designs now are calling for fewer levels out of the ground to conserve energy. We’re looking right now at a foam product for around windows—and you’re seeing more Thermopane windows on the reduced window exposure area.

Then, too, utility rates have gone up to stimulate demand and to the extent that pay-out periods are shortened. If natural gas is deregulated, rates could conceivably jump 300%. Can you imagine what effect that will have on insulation?

In short, we haven’t seen anything yet.

**Dimensions: In the fact of material shortages, what about the other types?**

**Lewis:** Fiberglas is a proven product and has good, reliable, substantial companies like Owens-Corning behind it.

Other materials such as cellulose and ureaformaldehyde have some problems such as quality control, odor, shrinkage — that sort of thing — that haven’t been resolved yet. The controversy right now is over the lack of quality control and, for this reason, we are reluctant to use some manufacturer’s products.

**Ben Murray:** Reputation is everything in a service industry like construction. Once you give a bad image to your company it’s over . . . finished . . . done. You can’t very well recover from bad experience.

If you buy material from a manufacturer who doesn’t control the quality of his material and there is a fire it will be the installing contractor who is left holding the bag. No thanks to that kind of liability exposure.

**Dimensions: Your company obviously has enjoyed a good growth line with presumably good profits. Do you have an ultimate figure or goal in mind?**

**Ben Murray:** As I mentioned earlier, our reputation nationally is pegged on insulation. But as of now it represents only a portion of the total income derived from our construction activities.

Some contractors work on a major plan. We don’t do that here. We look for opportunities, something that will perhaps fit in well with what we are doing, and then we either take advantage of the chance or pass on it.

We grow as opportunity presents itself—not by fitting ourselves into a master plan. Anyway, volume isn’t—and never has been—the answer; profit is the name of the game.

As long as we can keep the profit line acceptable to us, we can face any problem now or coming up.