Raising the Organization

In Dallas, Contractor Ray Boyd Nurtured His Company Along Carefully to Multi-Million Status Dollar

(“You raise an organization just like you raise children — slowly, carefully, and with a lot of pride.”)

That’s how Dallas’ Ray Boyd, founder and President of Ray Boyd Plaster & Tile, Inc., describes the technique that he used to build one of the most successful multi-million-dollar-a-year wall and ceiling businesses in the country.

Ray’s business started out as a light commercial lath and plaster firm which pretty much specialized in school construction. Today, it is a diversified corporation with a full capability for handling just about any interior or exterior system.

Furthermore, he has two of his sons in key management positions assuring continued growth and succession.

And it was all accomplished with a quiet, easy going approach to problems and challenges that covers the sharp business acumen which has catapulted the Murphy, Texas, native from a Texas farm to the upper echelons of leadership in the wall and ceiling industry.

Ray is the newest member of the iaWCC/GDCI Executive Committee. Ray was named Second Vice President of the association and his presence “in the chairs” means he will in two years serve as President of his industry.

His appointment to the Executive Committee culminates a long history of service to his industry. Ray Boyd, earlier, had served two terms on the association’s Board of Directors and followed this up with service as chairman of such national committees as Safety & Insurance, National Affairs, Wall and Ceiling Political Action, the Plasterers Apprenticeship Program, and the Continuing Study Council.

In addition to his participation in national affairs, Ray also finds time to contribute to local industry affairs. He is a member of and has served in leadership roles in the Texas Lath & Plaster Bureau, the North Texas Contractors Association, and the local Associated General Contractors.

Son of Ruby Lee Turner Boyd, 91, and the late John F. Boyd, Ray worked on his father’s farm as a youth. Following his graduation from Murphy High School in 1936, Ray went to work as a 17-year-old plasterer for contractor Raymond Crockett.

The only break from the construction industry came in the World War II years 1941-1945 when he served as a mechanic with the 9th Air Force in England and France. After the war, Ray formed a partnership in Greenville, Texas, and this held until 1953 when Ray and his wife, the former Velma Henderson, of Whitney, Texas, formed their own business.

In that first year — starting as a commercial contractor and with journeyman craft credentials as a plasterer, lather, and tile setter — Ray and Velma turned $52,800 worth of business. But with Ray going for bigger volume and Velma backing him up as secretary-treasurer, they nurtured their company along slowly, carefully into the million-dollar level.

Velma remained active in the business for 28 years, and by 1977 their company had turned the corner of $3,000,000 annual volume.

These days, the Boyd company is a fully computerized corporation and Ray can call on his sons for top level management assistance. Mike serves as General Manager of the firm and heads up the lath and plaster division.

His other son, Pat, looks after the ceramic and quarry tile end of the business. Buddy Spicer manages the drywall junction.

For Ray and his wife of 32 years, the former Velma Henderson Boyd
a native of Whitney, Texas, the care and attention paid to building a successful business is still a constant. Ray's day remains a busy one but he nonetheless found time to talk to CONSTRUCTION DIMENSIONS about the state of the wall and ceiling industry and what makes it the exciting, challenging business it is.)

DIMENSIONS: Ray, how much has money — inflation — effected the wall and ceiling industry and your own company?

BOYD: Money has always been the major factor in construction. That’s why change comes about — to do a thing better and cheaper. Today, everything is built for mass production. There’s no time for craftsmanship as it’s been traditionally known.

DIMENSIONS: And this effects job management, too, doesn’t it?

BOYD: It certainly does. Money is so expensive that today you must get in and get out. The manufacturers have changed the industry radically and they’ll continue to change it with new products.

DIMENSIONS: To get the savings, many projects are going on accelerated schedules, fast tracking; construction management, direct bidding . . . new forms of management control. Have you experienced much of these changes?

BOYD: Oh, we all have come up against new approaches, but job control is still the key. What I want and need to turn a profitable job is a firm coordinator. Bidding isn’t all that important to me because the firm leadership needed on a job often isn’t there.

DIMENSIONS: Do you mean the benevolent dictator, a general contractor with experience?

BOYD: That’s right. Without a good coordinator, you can bid a job carefully and still lose. A successful job just has to have someone in charge who knows when he’s ready for you and calls you.

You need to keep your own eyes on the job and go look at it from time to time — but leadership on a project is still the best insurance against bad experience.

DIMENSIONS: Does your computer play much of a role in job control?

BOYD: We have regular weekly computerized printouts on labor and materials on all of our work. But these printouts are only management aids. You’ve still got to go to the job to know where you’re at, what the real percentage of completion is.

DIMENSIONS: With all the talk about inflation, rising material prices, and the like, do you, too, avoid the long term job because of unpredictability?

BOYD: I don’t avoid the long term job. Labor contracts are pretty much nailed down so you allow for a rate of increase, and you check the rates of increase on materials, make your estimate and submit the bid.

I bid the job and don’t even try to go back for more money. Those who say they won’t touch a long-term job because of the risk make me wonder how they view construction. It is a gamble. always has been.

DIMENSIONS: On the subject of labor contracts, some construction people see the new national agreement between the National Constructors Association and the building trades as a harbinger of the future. Do you agree?

BOYD: I’m familiar with that agreement, but I can’t see where they can control the local areas. The national unions, as far as I can see, have never been able to control their locals. That’s the major obstacle to any national agreement of this kind.

DIMENSIONS: Where do you also see advantages and disadvantages in the various national agreements that iaWCC/GDCI has negotiated with

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the various building trades unions?

BOYD: From a local viewpoint, the contribution isn’t all that great. For a contractor who travels — and this is happening more every day — the association’s national agreements do have value, especially in those areas where there is no local union.

DIMENSIONS: The North Texas Contractor group is a multiemployer bargaining group. How much value is there for a wall and ceiling contractor to join a bargaining group?

BOYD: These days, a union contractor is almost forced to bargain as part of a group. With interest and rental costs what they are owners won’t tolerate long strikes anymore. Bargaining groups get everyone to sit down as a unified group. The last time we had lockouts and strikes and everybody hurt. When we sat down this time, the union could see we were together and they sat down, too, and bargained. The day of picking us off one at a time by unions is over.

DIMENSIONS: There is increased interest and use of arbitration in disputes now. Do you see this accelerating in the construction industry?

BOYD: Arbitration has a place in management disputes. By that I mean subcontractor vs. general contractor, subcontractor vs. subcontractor. But for a major decision between management and the union, I don’t see it and I’m certain most contractors see it that way, too. Arbitration is binding, remember, and I may want to appeal. It’s the history of this nation to go to the next court if you feel the decision was improper.

DIMENSIONS: It’s been rumored that your company is outstanding when it comes to managing accounts receivable. Is the rumor true?

BOYD: We do have a reasonably good record on collections. Of some $500,000 in receivables, less than $10,000 is more than 30 days old, and also less than $10,000 is more than 60 days old.

DIMENSIONS: What’s the key to achieving that kind of performance?

BOYD: You simply have to know your customers. If you know them and you’ve worked with them you know when to let them go a bit — not too far, now — and when to start toughening up on your collections.
That really isn’t a key; it’s just good, sound business practice.

**DIMENSIONS:** It has been said, too, that the last 10 minutes in a bid are really the most important. Do you find that true here in Dallas?

**BOYD:** No matter where you are the last 10 minutes is when you find the answers. The last guy to look at a job is the one who usually gets it, if he wants it, that is. He’s the one with the hold card.

**DIMENSIONS:** How important is diversifying and bid packaging in today’s market?

**BOYD:** It’s very important to the contractor who will take the time to develop that capability. In any diversifying move by a contractor, I think he should pick a compatible project so that his extra services can be added to a job and thus enable him to package.

**DIMENSIONS:** Is diversification vital in today’s construction market?

**BOYD:** It is if you want to diversify and grow in that direction. The really vital thing, though, is to grow gradually. You have to grow into it if you expect to finance it.

You raise an organization just like you raise children — slowly, carefully, and with a lot of pride. The same thing holds with loyalty in an organization. You raise it, you earn it, you can’t buy it. If I can buy it so can the other fellow down the street.

**DIMENSIONS:** How about change. How do you handle that?

**BOYD:** Change is construction and you must change with the tide. If you don’t, you’re out.

**DIMENSIONS:** Government has taken an increasingly bigger part in the way wall and ceiling contractors conduct their business. Do you see any change here?

**BOYD:** As contractors, I honestly feel we might as well adjust to it because we aren’t going to get away from it. Truth is, I actually had to buy that computer of ours just to be able to fill out the government forms.

But look at it this way: how are you going to get rid of Social Security, unemployment compensation, and the like? If you’re in your right mind why would you want to?

Even OSHA has some good points. The only problem here is that so much of it is bad, bad, bad.

**DIMENSIONS:** As the newest member of the association’s executive committee, where do you see the value of association membership, Ray?

**BOYD:** You get out of something only in proportion to what you put in. If you go to a meeting of contractors and you talk and you listen you just have to come home with ideas that can make you money.

Then, too, there are the seminars, the special educational programs, technical and union assistance. there is a full package of services and support that an association makes available. If a contractor is serious about his business he should be exposed to this.

As I said before, you have to change with the tide or you’re out. Getting a jump on changes is what an association is all about.