Harley E. Krone never said that small is beautiful.

But all of the economic philosophers proclaiming the beauty and consistency of not getting too big would find a firm believer — and doer — in the 52-year-old Washington wall and ceiling contractor.

The founder and owner of H.E. Krone Drywall of Kent, Washington, Harley has seldom seen his annual profit figures etched in anything but the deepest hue of black ink.

It’s been that way for the soft-spoken California native ever since he went “back on the beach” in 1948 and three years later started his own construction business.

That business is a small, proud creation of his own that is well known in the Northwest for quality work, meeting completion dates, and service. His customers know him and getting a job is a matter of negotiating the best terms for him and for his customer.

“With reputation,” he observes, modestly, “you can have everything. A good reputation, how can you lose? With a bad one, it’s easy — and certain — you’ll lose.”

The reputation enjoyed by Harley Krone is good enough to have won him the prestigious William C.
Cambell Memorial Award last year. The award, given annually to the most outstanding person in the drywall and wall and ceiling industry in the Northwest, was presented to him at the Northwest contractors’ association convention in Port Ludlow, Wash. Not one dissenting voice was heard when the winner was announced.

Born in Redding, Calif., Harley moved with his parents as a two-year-old to Tacoma, Wash. His first job was working in a shingle mill. Later, in 1944, he went into the maritime service as a cook/baker and spent the war years making the runs to Europe, Alaska, and the South Pacific.

At war’s end, he became a carpenter’s apprentice, but opted again for the sea in 1947-48. The series of maritime strikes, though, soured him and in Dec. 1948 he went “back on the beach” and into construction. He’s never cast a backward look.

He worked as a carpenter for a general contractor until the winter of 1949 at which time he went to work for a drywall contractor. The next step came in 1951 when Harley set up a drywall business. He’s been small and profitable ever since.

Harley and his wife, Vivian, have been married 17 years and their collective family consists of six children and two grandchildren.

He is the immediate Past President of the Northwest Drywall Contractors Association, and is a member of iAWCC/GDCI

At the time CONSTRUCTION DIMENSIONS caught up with Harley Krone he was busy with the inter national drywall apprentice contest in Portland. But with a business to run, a contest to monitor, Harley did what he usually does with a full schedule: he sat down for an inter view about himself and his industry, then got up and started finishing the next item on his to-do list.

DIMENSIONS: You mentioned the spate of maritime strikes in the late 40s as having sent you “back to the beach.” Do you see anything similar to that happening in the construction industry?

KRONE: They lost a sense of cooperation in the maritime industry. The whole basis of any industry is cooperation between management and labor: when you lose that, things seem to fall apart. I don’t think we’re even remotely close to that kind of situation in construction’ in our area.

DIMENSIONS: Unionism represents the organized element of employee aspirations in construction. Why has unionism fallen into such bad times vis a vis the merit or open shop?

KRONE: A lot of people are criticizing unions right now. It’s fashionable and the pendulum has swung that way. It’ll swing back. Here in the Northwest, we have good relations and they are getting better each year as we get together and try to work out our problems.

DIMENSIONS: Are you saying there is no viable competition between the union and the non-union movements here?

KRONE: I didn’t say that at all. There is competition, to be sure.

DIMENSIONS: Harley, you are obviously no anti-union employer. What is wrong with the craft unions in North America today? Why are they in so much trouble?

KRONE: Fit, I don’t think they’re in that much trouble. But I do believe that unions have gotten a bit sloppy in their management in the last 20 years. Their current problems are of their own doing.

And they certainly need another approach to union membership. They should offer the membership something more for their dues other than the opportunity to pay dues.

DIMENSIONS: For example?

KRONE: Well, for one thing, they might consider life insurance paid partially from dues. There are other services. After all, management associations need to justify the dues obtained from members — over and above negotiating contracts.

I think the unions should sit down and think out what kind of comparable services they can provide their members.

DIMENSIONS: Jack Craig is a fierce supporter of apprentice programs. What are your feelings on apprenticeship programs?

KRONE: If we direct more attention and effort — on a joint basis — toward good apprentice training it’ll be better for everyone concerned. and that’s what it’s all about.

A good program provides two advantages: first, it gives the industry better trained, better qualified people, and second, a stronger and better performing union is possible with better people.

DIMENSIONS: It’s been said that you don’t bid jobs, Harley. How did you get yourself into this position?

KRONE: We don’t bid a lot, that’s true. Once in a while we bid. But mostly all of my work is negotiated because I’ve been successful in selling the fact that my company will perform good service and do a better job within the terms agreed upon. Continued on page 22
DIMENSIONS: But you must have utilized some unusual approaches to have work come to you? Usually, the sub is running after the work?

KRONE: I honestly didn’t go out to do anything spectacular to put myself in this position. I just insisted that my employees work to provide the quality job that I worked to achieve, too. We try to avoid delays; we work with other subs to keep everything coordinated; we man up when it’s necessary, and we work on a budget.

Whatever the job turns out that’s what they get billed for — no more and no less. That might get some cynical smiles — but integrity and honesty in my dealings is paramount to me. And I very seldom go over budget . . . now, of course, drastic changes in the basic plan is a different story.

DIMENSIONS: You mean changes, delays, that sort of thing?

KRONE: Certainly. A change costs more and any competent general contractor knows that. Delays on the job cost money, too, but we still try to help as much as we can. And my customers know this about me.

DIMENSIONS: How many prime customers do you have — and how do you handle collection problems with the close relationship you have built up?

KRONE: I handle collections very simply. I submit on the 10th of the month and my customers pay me on the 25th. For the last 8-9 years it’s worked that way and I’ve had no problems.

DIMENSIONS: It’s actually that easy?

KRONE: I deal with people who pay their bills; it’s that simple. We know each other so well that much of the collection problem that other contractors encounter, we miss.

I got burned real bad in the early 60s when a customer went bankrupt before I could collect. That was the famous Seattle depression when Boeing started massive cutbacks.

DIMENSIONS: Harley, how do you keep control of a job . . . your costs? That’s the key, isn’t it?

KRONE: I know how many hours it should take to do a job. I know my people, what they can do, and how much in an hour is reasonable.

When it’s time to move men from one job to the next, I generally arrive on the job when they’re ready to move. I believe that knowing the capacity of your workforce is a key to good management, and in my company we seldom disappoint one another. Work and productivity are reasonably consistent, and there must be a strong reason for a significant fluctuation.

DIMENSIONS: Still, the lifeblood of any company is new business, new customers. How do you handle the constant need for your company to have a new customer — and how do you know his business ethics will match the ones you already have?

KRONE: First, I learn of a general contractor by his reputation and then if I want to develop a relationship with him, I’ll bid a job to him.

Then I’ll give him good service, a good job, keep his job organized by coordinating with the other subs. I’ll prove that I’m not out to bury them and I don’t expect any burying attempts by them.

You know, you have to show concern for the other fellow, too.

DIMENSIONS: What happens, though, to your philosophy when you must travel to another area? You don’t know the lay of the land so well there?

KRONE: You have to know the labor market — even when you go into a new area with a GC you know. Years ago I took a firm’s distribution center job in the Portland, Oregon area. I checked first with the local union people and management; told them the kind of job we intended to do and told them we were quality conscious and that I wanted good people.

We manned the job with good people, enjoyed a harmonious relationship with everyone, and came out below budget.

DIMENSIONS: Do you have any company brochures, literature, pro-
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motional materials . . . that sort of thing to promote your business?

KRONE: No, I don’t need that. My work is my brochure.

DIMENSIONS: The word “control” keeps coming up when you talk. You place great emphasis on that aspect, don’t you?

KRONE: I — and every profit making contractor I know — places emphasis on control. You control your costs or you sink.

DIMENSIONS: Briefly, give me your step-by-step approach to controlling a job.

KRONE: Every job differs, but the first rule, I think, would have to be: don’t get started on a job before it’s ready.

Often the GC or the owner wants men right on the job immediately, even insist on it, and you must resist. A mechanic will start dogging it; it’s the nature of the thing, and it’s almost impossible to get things turned around.

Secondly, you must work with and coordinate with other subs on the job plan — and try to avoid taking problems to the GC’s man. Work them out yourself.

And, finally, get good craftsmen and supervision on the job. Your man in charge has to be a good diplomat, get along with people.

DIMENSIONS: How about job visits and your personal control?

KRONE: That’s understood. I try to make the rounds of my jobs at least once a day, and I make a weekly analysis of my operation.

Every morning I have a conference with my foremen, They head for the jobs and about 11 AM I’m usually cleared away so I can start my rounds, too. job visits, sales calls on GCs and design professionals.

DIMENSIONS: You’ve been in this business since the 40s, Harley. Where do you see the business going in the next three to five years?

KRONE: I don’t really think there will be any major changes in technology or the market. Steel studs will come on well because it’s the coming thing for application of drywall. I think more drywall contractors will get into insulation — just as I’m doing.

I moved into insulation because my operation is sometimes delayed when it’s not in. To expedite our own jobs we now include it.

DIMENSIONS: Some contractors are subbing the insulation?

KRONE: Every contractor has his own opinion on subbing. In my case, I’d just as soon do it myself as long as I’m responsible.

Every contractor is responsible for his own reputation. I’ve spent too much time and hard work building my company’s name, and — as I said before — it’s hard to earn and one bad job can do irreparable damage.