More Than Just a Supplier

AMICO's
Bill Baird Supports Contractor Efforts and Keeps an Eye on Emerging Markets

(As a brand, spanking new graduate of the University of Alabama, Bill Baird's immediate problem wasn't so much if he wanted to go to work for U.S. Steel Corp.

What was taxing his level of consideration was whether or not he could afford the cut in pay to go to work.

It was the same problem attributed to some of the super athletes at the famed institution who could throw a football fast and accurate. For William Stanley Baird, though, the skill wasn't in throwing a football: it was his talent for throwing together a deal.

These days Bill is best known for his sales skills as Vice President of Sales of Alabama Metal Industries Corporation (AMICO) in Birmingham, Ala. He's so good at what he does at AMICO that twice — in 1971 and 1976 — iaWCC/GDCI has named him and his company to the coveted Most Outstanding Associate Member award.

Back in 1957 with a fresh business degree, Bill's early-honed business acumen wasn't earning him any international awards: it was getting him a pay reduction. By the time he'd finished college, he'd pulled together a fine income-producing operation in advertising sales for campus publications, printing sales from the college itself; flower sales to students and at athletic events, a laundry route . . . plus a few other little commercial entities.

To take the commercial sales trainee job in Fairfield, Ala. meant giving up these lucrative subcontract deals and living on a beginner's U.S. Steel salary.

Inasmuch as he was a third generation U.S. Steel prospect, and because he'd already demonstrated a happy proclivity for selling, the offer to accept less money won out.

For the steel industry — and for construction — it was a good decision. Within three years, Bill was a marketing division representative for the company's southern division, and was earmarked for another promotion and move to Pittsburgh by 1964.

It was at that juncture that Bill decided to join AMICO as a salesman and the rise to vice president and an equity position in the company began. The year he joined AMICO he was promoted to ad manager, then came promotions to manager of roof drainage products, to manager of metal lath, to manager of building products, to general sales manager, and, in 1976, to vice president.

Born in Bessemer, Ala, son of Vera Morse Baird, who has lived in the same Bessemer house since 1902, and the late William S. Baird, an ore mine supervisor for U.S. Steel, Bill grew up in a steel making environment. His grandfather, John Baird, had come to Bessemer originally from Minnesota's iron region to head up the U.S. Steel's Tennessee Coal and Iron Division construction.

Later, Bill's parents moved into the company house in Bessemer and, following his father's death, remained. Through high school and summers, Bill worked in the Union Supply, the U.S. Steel store in Bessemer.

If stories about company towns have any validity, they were certainly lost on Bill Baird. He simply recalls
the joy of living and growing up there and the high quality of the homes that U.S. Steel built for its employees — not to keep them enslaved as old lore and song has it but to assure a work force of a decent homelife.

“It was fun there as a kid,” Bill recalls, “and let’s face it where could you get for $13-a-month a home, lights, water, fuel, painted inside and outside every two years, a free gardener, and an immediate handyman anytime something went wrong — all included for the $13.”

Married to his high school sweetheart, the former Phyllis Cowan, of Bessemer, Bill is the father of two children; a son, John, a freshman at the University of Alabama, and a daughter, Leigh, a high school senior.

Bill and Phyllis who both play golf; are members of the Green Valley Country Club where Bill has served as President. He is also the Past President of the Metal Lath/Steel Framing Association which he helped organize, and is past chairman of the iaWCC/GDCI manufacturers Liaison Committee.

The first manufacturing member of the association’s Continuing Study Council, Bill was also a member of the Publications Editorial Board. A voracious reader of both fiction and non-fiction, he and his family make their home in a Birmingham suburb.

His schedule is a packed one what with AMICO involved in domestic and foreign sales and with branches in Birmingham, Los Angeles, Stroud, Okla., and Greenville, S. C., where the company produces cold finish bars. But to Bill Baird, construction is still a subject near and dear and he sat down with CONSTRUCTION DIMENSIONS to talk about some of the opportunities — and problems — facing the industry.

DIMENSIONS: Bill, let’s start with prices and inflation. What can a contractor expect in the way of steel prices?

BAIRD: Price is a reflection of what is truly taking place and when your basic costs rise so does your price. That’s fundamental.

Our biggest cost is product — steel. The contractor’s is still labor. With chronic capacity problems and the fact that inflation is built right into our cost structuring — the cost of regulatory compliance alone — means that contractors should realistically see a 5-10% annual price increase in steel.

DIMENSIONS: And you’ll be passing these on to contractors?

BAIRD: Admittedly, manufacturers have greater pass-on capability than a contractor who is locked into a long-term price on a job. That’s the nature of the beast. Unless the contractor somehow finds a way to build in escalation, he’s in trouble.

DIMENSIONS: Granting the difference in cost recovery ability, what can a contractor do to minimize the impact of inflation on his business?

BAIRD: There are a number of available strategies, but the most important, in my mind, is to tighten up the purchasing function. Where he can, he should combine jobs to order larger quantities so the manufacturer can make more economical runs and pass the savings on.

Job design, specs, and careful engineering also provide potential savings. The truth is, inflation can only be met with better management. And a contractor needs to look at the whole package delivery, supplier follow-up, engineering, service, supplier visibility and readiness to help with problems and complaints. That’s where true savings can be achieved.

DIMENSIONS: You earlier mentioned subs getting escalation. Don’t you agree that’s nearly impossible?

BAIRD: I don’t deny that, and I really don’t have a workable answer. We’ve tried to give our contractor customers a not-to-exceed price and when we buy steel for an order we can give some price protection.

DIMENSIONS: Other companies have contended that this doesn’t work, price protection?

BAIRD: Well, I honestly don’t know about them and I can’t answer for them. But as far as I’m concerned it can be done — and done to mutual benefit.

You know you build up a mutual trust with a customer over a period of years and you both learn to depend on each other. I believe quite firmly in loyalty between customer and supplier because, in the final analysis, we depend on each other for success.

DIMENSIONS: And that holds for new markets, cracking a new market, shifts in business demands, that sort of thing?

BAIRD: You’d better believe that. As the contractor follows his market, we must be with him, sometimes following, sometimes pushing. But neither of us can remain out of touch with each other.

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DIMENSIONS: Is it this idea that’s led to the rather rapid success of steel framing?

BAIRD: I would have to answer yes. There’s an awareness now on the part of the contractor, architect, and owner about steel framing and a flexibility in the system that provides what the market needs price, speed of erection, versatility, and the ability to work in inclement weather.

DIMENSIONS: Why has it caught on so swiftly in the Southeast and Southwest while lagging in other parts of the country?

BAIRD: The contractors in the south apparently recognized the value in this system and moved to it quickly. Plus, it’s so adaptable to both lath and plaster and to drywall technologies.

DIMENSIONS: Yet steel framing isn’t used all that much in single houses?

BAIRD: As contractors got bigger they turned to commercial and institutional markets with steel. The pure, non-diversified drywall contractor has stayed with single house markets and with wood construction.

DIMENSIONS: How about other profit-producing markets for steel? Architectural mesh, for instance?

BAIRD: We’ll, of course, move into it if it develops sufficiently as a market. We’re watching it now, but it still has a way to come.

DIMENSIONS: — and insulation?

BAIRD: We came quite close to buying a plant to make a type of insulation. The boom right now for the industrial, commercial, and institutional contractor is Styrofoam, placed between partitions.

The old highrise glass building is becoming too expensive to heat and air condition: it must be insulated better. This can be done easily by framing the building . . . at least up to 10 stories and then insulating the exterior to obtain the desired rating.

DIMENSIONS: Much of this work must be sold, though. And many subs have no easy entry to the people who must be sold — architects, engineers, building owners?

BAIRD: You’re talking about cracking a new market and the gypsum companies are masters at this.
They have the personnel to call on architects and designers who make these decisions.

But general contractors have a great influence and subs can sell them. Manufacturers are capable of planting the seed with architects. All things have to come together to develop a new market.

DIMENSIONS: The recent annual survey showed a disappointing number of contractors who were planning to get into insulation?

BAIRD: I’m sorry to hear that. I don’t see it as a windfall, but the potential can be enormous if it is attacked as a new market. And who is better equipped for this than a wall and ceiling contractor?

Framing is a technology with which he’s totally familiar and the board insulation materials should be only a small problem.

DIMENSIONS: Curtainwall should be improving, too, shouldn’t it?

BAIRD: Certainly it should because it’s appropriate for new construction and for remodeling. With the boom that’s expected in remodeling and retrofit, a contractor need only attach a frame, put in the insulation.

DIMENSIONS: You’re speaking of a future, developing market. What do you see coming up in the next few years in construction, Bill?

BAIRD: I think the trend in construction is up, especially nonresidential. From what I have seen on the drawing boards, healthy business will run through the third quarter, at least, for this year, and if there is a downturn it’ll be light, perhaps not even hit the commercial and institutional contractor. However, contracting for new work is bound to soften in 1979.

Single house starts are down and coming down farther so there’ll be a pinch here.

Multi-story buildings built in the last 10-15 years will undergo refit as energy costs climb. But as the population increases, or moves, construc-

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tion will keep pace. Yes, I’d say the future is still on an “up” trend.

DIMENSIONS: —and the emphasis on quality will increase?

BAIRD: Definitely. Contractors, I think, will need to develop more sophisticated selling capabilities. Manufacturers, too, will develop more comprehensive packages such as engineering and back-up to the product, both new and old.

Anyone can sell a truckload of steel building materials, but to provide service you have to be a visible company. When a contractor is in trouble he’s in trouble NOW and he wants and needs an answer. That means engineering and firm decision making. AMICO is visible and we’re going to stay that way.

DIMENSIONS: To the profit of all participants?

BAIRD: Is there any other way to go to market?