Changeover
to a Systems Contractor

The first year Harry Carr spent in the family wall and ceiling business he was more impressed with what a goodsalesman can’t do than what he can do.

As the company’s outside salesman, Harry learned that in Rhode Island — as elsewhere — even the finest of selling talents can’t move a poor product. And by his own admission, at the time Harry was trying mightily to sell a manufacturer’s product that should have remained in the research stage.

It was a brutal lesson well learned and never forgotten. Today, the 39-year-old Carr is president of H. Carr & Sons, Inc., in Providence, a $6-million a year, diversified wall and ceiling firm with one of the finest reputations in the New England area.

The reputation didn’t come quickly or haphazardly. It started in 1929 when the late Harry Carr walked away from his job as plastering estimator and superintendent for another contractor and opened up his own commercial/industrial company. Within two years, his son, James, an engineering graduate of the University of Rhode Island, and his son-in-law, Vincent Hindley, also an engineering graduate, joined the firm.

All three men worked with the tools throughout the depression, turning to the inside work only in the 40s. By then the reputation of the H. Carr firm was well established in lathing and plastering work. Diversification began in the late 50s, and then became a full-blown management philosophy in the 60s under the careful guidance of Jim Carr and Hindley.

By that time, Harry had completed his year of outside selling and in 1962 went into the field to run the company’s outside work. It’s been a deliberately paced, profitable climb ever since, with Harry emphasizing the

This New England Contractor Has Made a Successful Diversification Shift
systems approach as soon as he’d earned a management voice.

Born in Providence, the son of James L. Carr, now chairman of the board, and the late Dorothy Sullivan Carr, Harry graduated from Pawtucket West High School and attended the University of Rhode Island, and Elon College, in North Carolina.

Starting at age 15, he worked summers as a plastering apprentice, yet still found time for basketball and sailing. As a competitive sailing enthusiast, Harry has skippered such internationally renowned events as the Newport-to-Bermuda Race, the World Championships in Australia in 1978, and the Olympic finals in 1964.

He’s also skippered some eight South Ocean Racing Competition (SORC) events, as well as a number of North American sailing competitions.

Harry was 21 when he joined the family business on a full-time, career oriented basis. After a year of selling and seven years of field work, he came inside and by 1974 assumed the presidency of the firm.

His brother, James, Jr., a graduate of Worcester Poly Tech, is also a partner in the business.

Under Harry’s steady leadership the company has continued to diversify — and to battle the old image of the H. Carr & Sons as strictly a one-service plastering firm. To do this, the company is one of the few specialty contractors in the country to conduct a regular advertising program in its local newspaper.

Besides his company responsibilities, Harry is a member of iaWCC/GDCI, on the Advisory Board of the Occupational Safety and Health Administration, a trustee in the Industry Advancement Fund, Past President of the American Subcontractors Association of Rhode Island, the YMCA, and the United Fund.

He and his wife, the former Jean O’Neill, of Attleboro, are the parents of a 10-year-old daughter, Wendy. Their home is located next to the fairways of the Wannamoisett Country Club where Harry and Jean are members and avid golfers.

Every day is a busy day for a wall and ceiling contractor. But Harry Carr showed that he can scissor in a two-hour magazine interview with CONSTRUCTION DIMENSIONS and then pick up his schedule again without a miss in the process called “management.” Following is two hours of Harry Carr unexpurgated.

**DIMENSIONS:** As one who came up via the sales route, would that make you what the industry calls a ‘selling contractor’?

**CARR:** I hope not. As I mentioned, the first year with the company I was selling and the product line wasn’t all that good even if it was new. I learned that however good a salesman you are you can’t sell bum products — or bad work.

**DIMENSIONS:** Many industry experts, though, feel that selling is the route of the future. That’s surprising that you put salesmanship so low in view of your own experience.

**CARR:** We’re right at the ratio I want us to be 75% of our work is strictly bid. I realize many contractors want a ratio of 60% negotiated work and 40% bid. I don’t; I want the reverse.

**DIMENSIONS:** Why?

**CARR:** This is a competitive business we’re a service, labor actually, industry and to achieve longevity you simply have to remain competitive.

With negotiated work, you can’t do that. When a job is sold everyone in the company knows it . . . the management, the supervision, the mechanics. As a result they tend to let down on the job. It’s a natural thing — and once you lose that competitive edge in a company it’s incredibly difficult to get it back.

**DIMENSIONS:** How about the trusted customer who just wants you to do the work and doesn’t even ask for your price?

**CARR:** Then I think of Rule One: Beware of the customer who doesn’t ask for a price.

**DIMENSIONS:** But don’t many of your customers come back? As repeat customers isn’t there considerable advantage to you as a known quality?

**CARR:** Yes, but nothing is all advantage. The disadvantage in repeat customers is that they expect more and more from you for less and less. With negotiated work as well as repeat negotiated work, you put too many eggs in one basket.

And, let’s face it, when times get tough that “good ole boy” relationship ends quickly.

I’ve strived to avoid both ever since. That year taught me how to take advantage of what a good salesman has to offer and to empathize with the salesman’s job, too.
CARR: For the most part, yes. With the fuel crunch and the need for most major cities to modernize the market has to expand.

Here in the Northeast, the federal government improved the potential with the 10% tax credit on buildings 20 years or older. The older areas will definitely be helped by the credits because a profitable company can finance virtually the entire renovation cost.

DIMENSIONS: Have you felt any repercussions from the fuel situation?
CARR: We’ve felt it a bit. The retrofit market is moving fast and you’ll have to keep a careful watch on it.

This company is in place and ready to go. I feel that of any company in Rhode Island we’re best known for our flexibility, our diversification, and our ability to do the entire job — and that includes design and build, too.

DIMENSIONS: That market awareness is largely attributable to your promotion planning and advertising, is that right?
CARR: We have now the image we wanted. Our primary task was to eliminate our reputation as only lathing and plastering. Our advertising has helped to achieve this changeover as we’ve backed up our claims with quality work. Now, our competition is starting to advertise and promote.

DIMENSIONS: How about insulation? Do you see that as a viable market for wall and ceiling contractors?
CARR: We, of course, install insulation. But I won’t invest all that much to develop it as my market, because I just don’t feel I can compete effectively with the pickup truck operator.

DIMENSIONS: What’s the basis of your lack of enthusiasm for insulation?
CARR: A legitimate contractor can’t compete effectively on an unfinished product — such as insulation. Residentially, the market has pretty much gone to the aluminum siding contractor.

In the commercial area, any drywall contractor is already in the insulation business, especially where he covers it. If a general contractor
wants to break out the insulation, you can’t compete in unfinished work. It’s low volume and high risk. I just think my money is better invested elsewhere.

DIMENSIONS: With a multi-million dollar volume, how do you handle the control and inflation problem?

CARR: Well, as far as inflation is concerned you do what you must: plug in the expected increase, add some for contingency and hope. There’s no such thing as escalation, and it’s very difficult to get compensated even for justified cost increases.

DIMENSIONS: Some contractors claim they back away from the long-term job. Do you?

CARR: Construction is a risk. It always has been, and it’s going to remain one. You can’t stay away from the long job because that’s construction.

DIMENSIONS: And control?

CARR: That’s the biggest problem for a contractor today, no doubt about it. Our system is manual. Our foremen fill out weekly cost control forms and these are assembled into regular reports every Monday.

I’m growing increasingly dissatisfied with our system and we’re now investigating more computer application. We have our payroll and monthly reports on computer now, but I foresee the need for faster, more accurate job reporting.

DIMENSIONS: On another subject, Harry, as a member of OSHA’s federal Advisory Board you must have some feelings about OSHA’s poor track record in the court system?

CARR: Although some people may think so, OSHA isn’t dead. Naturally, there have been some excesses, but anything that is still law is alive.

There’s an absolute need for job safety and if the situation had been adequate there would have been no OSHA. And as a member of the Advisory Board, I’m a little closer than most and, believe me, improvements are being made.

DIMENSIONS: Bureau of Labor statistics, though, show no measurable improvement in accidents or death. The accusation is that OSHA simply isn’t doing the job.

CARR: I disagree with the statistical results. OSHA is doing the job. As a teen-ager, I remember having to go hand-over-hand on a pipe scaffold. You wouldn’t dare try that nonsense today.

From a judicial viewpoint, yes, OSHA is improperly set up where it inspects, fines, and judges, too. This will be equaled out. But OSHA is here to stay.

DIMENSIONS: What do you see as OSHA’s major problems then?

CARR: The biggest right now are the lack of an appropriate judicial review mechanism and, of course, incompetent inspectors. But these problems are being worked on and they will be corrected.

DIMENSIONS: With inflation, fuel shortages, energy problems, what do you see in the future for wall and ceiling contractors?

CARR: I see bigger and better possibilities — for the alert contractor.

By that I mean a contractor must look out for what makes his business. A dentist looks after his tools; a lawyer looks after his lawbooks. A contractor should look after his manpower . . . and he must constantly go beyond mere contractual obligations.

Our industry — for better or worse — doesn’t have a lot of reputation. But the majority of contractors are tough, fair businessmen. The process weeds out the chiselers.

There’s a good future for any contractor willing to make the commitment.