Consider these viewpoints:

"When you put a business proposition to someone on a something or nothing basis that's 'take it or leave it'—and you're trying to make the decision for a customer; it doesn't work very well that way . . .

"To allow a customer to make the decision you have to offer him a choice between something and something. That's true selling . . .

"We do a big bid business, too, but I realize that in a bidding situation our price is pretty much established by our competitors. When we sell a job, we can set the price for what it's worth to the end user and our competitors have nothing to say about it . . .

"... I had to be a salesman. I can't imagine what my business life would be like without the freedom to range . . . to move . . . to feel the special sense of achievement that selling provides."

The speaker?

He's 40-year-old Arnold Graham, president of GEMH, a diversified wall and ceiling construction firm in Newton Square, Pennsylvania, that counts a considerable contribution from the demountable/movable partition business in its multi-million dollar annual volume.

For Graham, who started out as a lab technician, the growing sales commitment by his company to the demountable/movable business is a natural. As a sales-oriented construction executive, he's doing what he wants, in the manner he wants, and the way he wants.

The requirement by demountable/movable partitions for a selling approach calls for the kind of profit-attracting exertion that Arnold is ready and willing to provide. As a franchiser and unabashed admirer of the Vaughan Walls line, it represents a happy addition to the more traditional construction services offered by GEMH such as drywall, acoustics, carpentry, field applied vinyl, painting, floor coverings, and an occasional general contracting project for regular customers.

Born in Philadelphia, son of Philadelphia policeman George and Elizabeth Albert Graham, both living in Philadelphia, Arnold attended a couple of colleges-Penn State, Temple, University of Pennsylvania-majoring in chemical engineering.

By his own admission, he wasn't comfortably attuned to the college bit and finally went to work as a lab technician for plastic manufacturer, Rohm & Haas. Two years later, he answered a newspaper ad by The
National Gypsum Company and abruptly found himself on a two-year training program in quality control.

When a transfer to California came up, he convinced his superiors to try him in sales and he was assigned to call on the major plastering contractors in the Philadelphia market. One finally hired him to help out with his new drywall business.

After two years, Arnold moved on—in 1969—to Hofner & O’Rourke. In 1976 when Hofner was ready to sell his business, Arnold bought it on July 1 (We really should have waited until July 4). The key employees remained with the new firm, some of whom now own stock—and it’s been a steady climb ever since.

Married to the former Helen “Honey” Weller, also a Philadelphian, Arnold is the father of four children: Todd, 11; Matt, 9; Kirstin, 7 and Doug, 5. A member of the Association of the Wall and Ceiling Industries - International, Arnold is chairman of the association’s Education and Conference Committee and vice chairman of the convention committee.

He has been re-elected President of the Interior Finish Contractors Association of Delaware Valley, and is also a member of the General Building Contractors Association, the AGC’s local chapter.

Headquarters is a sprawling 3-acre suburban site with three attractively stuccoed buildings.

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**DIMENSIONS:** Arnold, the company name is unique. What’s its basis?

**GRAHAM:** It’s really a difficult name and we’ve had some second thoughts about it because of the communications problem. It’s an amalgam of some of our key people: G-Arnold Graham; E-Ray Edwards, treasurer; M-John Meluskey, secretary; H-Ray Hamilton, Vice President of Operations, and H-Bill Holderness, Vice President of Sales.

**DIMENSIONS:** Your company’s reputation is growing swiftly in the demountable/movable partitions business. Is this your emphasis or is the business itself developing?

**GRAHAM:** It has to be a little of both. We keep a rather low profile on ‘horn blowing’ around here because our emphasis is on the bottom line, the profit line.

But in D/M, we have the capability to erect 5 different systems . . . from the top of the line—Vaughan Walls—to the simple, economical “people separator” lines.

**DIMENSIONS:** Is this capability what you mean by your “something or something” philosophy?

**GRAHAM:** It certainly is. We make an effort to locate customer needs and then recommend a demountable/movable system that fits these needs.

Usually, this means the Vaughan system . . . not because it’s the most high priced but for the more economical benefit of being the finest, most flexible and adaptable system on the market.

The vital element, though, is that we can offer a customer a choice of “this or that”—in other words, “something or something.” We don’t like to put customers in a position where they have to select a system or else. That’s “something or nothing” . . . take it or leave it.

**DIMENSIONS:** What do you find is the best approach to marketing demountable/movable partitions? How should a contractor best approach it?

**GRAHAM:** Well, it’s definitely a product that must be sold—and it’s best sold direct to the owner. He’s the one with the strong interest in the tax credits and depreciation advantages that D/M provides.

A general contractor isn’t interested; the architect/engineer is only slightly interested. But you have to get to the owner with a presentation if you want to sell the system.

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**DIMENSIONS:** How does a contractor go about that? How do you do it?

**GRAHAM:** Finding the owner, the person with the hot button, is what selling is all about. As an example, we have two office building projects here. We found out the identity of the architect and called him so we could get the name of the owner’s project manager. In the other case, there was an interior designer on the job so we asked him for the owner’s project manager’s identity.

Once we had the owner contact, we tried to set up a presentation on a D/M system. One said OK, and the other referred us back to the interior designer. It was a straight selling job from that point.

**DIMENSIONS:** It’s a far cry, certainly, from responding to a set of specifications. You’re more of a consultant, aren’t you?

**GRAHAM:** A specialty contractor dealing in demountable/movable partitions must be a form of advisor or consultant.

In addition to the tax and depreciation aspects, we also have to understand the relationship between our product and the final cost per square foot that a rental agent may be quoting on a spec office/building.

We even get clients who want us to advise them on color coordination of pre-finished vinyl gypsum board.

We’ve strived to achieve a posi-

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tion where we can accommodate ourselves to customer needs. Sometimes, frankly, the customer doesn’t recognize his own needs, and as a contractor we must provide different systems for different requirements.

That’s what we call offering “something or something.”

**DIMENSIONS:** How about the inventory situation. Doesn’t a contractor need to inventory the entire system?

**GRAHAM:** Service in this business is the key. If you’re in the demountable/movable market you must be able to do the job tomorrow. A customer can’t-and won’t-wait three weeks until you get a component or materials to change his partitioning system. He wants it done now.

**DIMENSIONS:** And GEMH² stocks for 5 systems?

**GRAHAM:** We stock all of our components for a minimum of 100 feet of partitioning for installation tomorrow. Actually, we could do 1,000 feet if we needed to.

We have a laminating machine and do our own shop applications of vinyl wall covering to drywall. We have a vinyl and blank drywall to produce 1,000 pieces of partition panels for delivery tomorrow morning.

If a customer wants a change in one of our systems, we can ask, “Do you want the work done tomorrow or the next day?” That’s something or something. You can’t let the manufacturer store or handle your inventory.

**DIMENSIONS:** High and low priced lines? Which is the easiest to sell and which should a beginning contractor start with?

**GRAHAM:** I’d have to say the top end of the line in response to both questions. Once an owner is made to see the visual and functional advantages of a good system, he’ll generally opt for the top line despite the cost differential.

We promote and sell Vaughan first—and we sell it the most because its obvious quality makes it easy to sell. — Plus, it has fewer competitors, none actually.

**DIMENSIONS:** For a contractor brought up on lowest bid is best, that’s strong salesman’s talk.

**GRAHAM:** Yes, but it’s true. And I believe most contractors know this instinctively. Certain kinds of acoustical screens are made by some 2,000 manufacturers. That’s a lot of competition—and the price is kept low.

In the top quality, top end of acoustical screens there are only a few manufacturers—and competition isn’t as price severe.

**DIMENSIONS:** What’s the future—the long term—offer a contractor?

**GRAHAM:** The demountable/movable partition business is a management type business vs. the traditional construction approach. You need to understand customer needs, to be able to sell a concept to an owner, and be able to move quickly.

But with inflation, the cost of money, the constant need to re-align office spaces, the future for the business is very positive. And once you’ve installed a system, you have a built-in customer flow; you’ll keep coming back to the job.

**DIMENSIONS:** That would be helpful, too, in a recession period such as the one forecasters say is coming along shortly?

**GRAHAM:** When things dry up, customers don’t call. We have the
experience and ability to go out and find business, find customers.

In the 74-75 recession the contractors with selling capabilities survived best. Strict bidding companies had a hard time of it.

**DIMENSIONS:** Is the service part of D/M all that profitable?

**GRAHAM:** The callback profits are a significant part of our income. We keep three trucks on the road constantly so we can offer “tonight” service if it's really wanted.

**DIMENSIONS:** How about cash flow, accounts receivables? Is there much of a problem there?

**GRAHAM:** We're dealing in an end user business. We work directly with insurance companies, refineries, owner/developers. We really don't have any accounts receivable problems with this category of business relationships.

In our traditional business, we keep close tabs, of course. I have a full list of customers who owe us money in front of me constantly. I get daily Xerox copies of all checks received and I personally cross out the delinquents.

I know daily what the accounts receivable status of this company is. I think every wall and ceiling contractor should have the same awareness.

**DIMENSIONS:** Do you make all the collection calls yourself?

**GRAHAM:** I'll ask for help on some accounts, but the full responsibility for collections remains mine. It's my money; I'm not ashamed to ask for it, so I tend to be a bit hard-nosed about past due accounts—subject, of course, to common sense in dealing with customers.

**DIMENSIONS:** How about contracts proffered to you from customers? Do you push for your own form?

**GRAHAM:** In the majority of cases we accept the offered contract and mark it up. Almost invariably, we modify the printed contract. Again, it's our money and we have to try to arrange more equitable conditions.

**DIMENSIONS:** Arnold, if a wall and ceiling contractor took a serious look at the demountable/movable market, what would you advise him?

**GRAHAM:** The first step is to specialize in the best system available to him. Then develop or hire sales talent; it's a necessity.

With demountable/movable partitions, the depreciation rate and tax credits are significant. An owner is sticking his head in the sand if he won't listen to the possibilities that you can offer.

Then be prepared to inventory the necessary components—and provide service. Whether selling or bidding, service is still the main key.