Forging Ahead in Houston

The W.C. Scott Company is only Nine Years Old
But Its Growth Keeps Pace With A Booming City

The placard that hangs in the company’s conference room reads:
“The bitterness of poor quality lingers on long after the sweetness of low price is forgotten.”

In short, it represents the operating philosophy of William C. “Bill” Scott, founder and president of the W.C. Scott, Co., of Houston, Texas, a $10,000,000-a-year dry wall, acoustical, and demountable partition specialty contracting company.

When Iowa-born Bill Scott wrapped up a corporate sales career by launching his own company on April 1, 1972, he did it with the idea that the company would not only be successful but operate along the lines of his own philosophy and thinking. That meant doing the job right so that volume and reputation would advance in lock step.

For a company that pegs its annual business volume largely on the skill of its aggressive sales team—and which piled up a 60% growth factor last year—the philosophy seems to be what the Houston market ordered. More than half of the Scott company business comes through repeats and is accounted more by sales than by the bidding route.

Born in Western, Iowa, Bill played football and basketball in high school in Des Moines before going to work as a sales trainee for Johns-Manville’s construction division. Two years later, at age 21, he was managing Iowa and part of Illinois, selling acoustical ceilings and movable partitions.

When the Communists elected to build the infamous Berlin Wall, Bill was interrupted for a year while he served as a staff sergeant (munitions specialist) in France.

Back in the U.S., he joined contractor Schwarz-Jordan in Houston and ultimately became Vice President and part owner, again selling demountables and drywall. Then in 1972, Bill decided on his own construction philosophy. With $10,000 savings, he started out in his living room, and the first year saw him ring up $900,000 in sales, completing $600,000.

Today, the Scott company is located in a sprawling office-warehouse building of some 25,000 sq. ft. on a 2.8 acre site in Houston’s Southwest section. Another 24,000 sq. ft. is scheduled for construction this coming year.

With his wife, Nadine Vernon Scott, a native of Des Moines, and their two daughters, Lisa, 16, and Cindy, 12, Bill makes his home in a 2-story semi-contemporary brick and wood home bordering on a golf course in Missouri City, Texas.

Active in industry affairs, Bill serves on AWCI national committees such as the Continuing Study Council, Publications Editorial Board (Vice chairman), bylaws, and also serves on the AWCI Board of Directors. He’s a former president of Dry wall Interior Systems Contractors Association, and member of the American Subcontractors Association.

Lee Kurtas, purchasing head, represents the company as ASA’s local board. Blake Shelly, field operations, and Bill Thode, Vice President-Estimating, are the other stockholders in the Scott company.

DIMENSIONS: Bill, that placard in your conference room says it rather succinctly. Can any construction company live up to such a creed—especially with so many competitors ready to “buy” a job?

SCOTT: I’m aware of the competition but I started this business on the basis that a job must be done right; that’s the way it is. We’re hired to perform as professionals—and that means doing it right.

I can’t stand—and won’t do—shoddy work. Yes, I can live up to that motto . . . and so can my company. We’ve done it.

DIMENSIONS: Your own sales background at J-M and later with Schwarz-Jordon virtually assured a sale approach for the W.C. Scott Co., didn’t it?

SCOTT: You do well what you know best. And we feel that to prop-

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erly do a demountable job, for instance, a customer has to be made aware of what such an approach can do for him. Then we need to sell the customer on who we are and what we can do.

DIMENSIONS: Some draw little distinction between selling and bidding, claiming that even a bid job requires some selling and/or negotiating.

SCOTT: —and they’re absolutely right. But the kind of selling we often do is straight selling. We birddog for the lead, go after it, and sell it. With this kind of approach, the bidding is secondary.

DIMENSIONS: That means that your approach to getting jobs is prospecting . . . going for the owner as much as the general contractor or architect?

SCOTT: On a demountable job we invariably go straight for the owner or the developer. Demountables require an explanation . . . by someone who knows what the concept is all about and how it is installed.

I don’t believe any demountable contractor can or should rely on the architect to carry the full story through to his client.

DIMENSIONS: How about other work . . . drywall or acoustical?

SCOTT: That’s what I meant when I said the selling, bidding, negotiating argument doesn’t break down that neatly.

You aren’t going to go in often and sell a new job on your price . . . with no bidding. Straight drywall and acoustical jobs don’t run that way.

But we often do sell coming back on repeat business because we treated that customer right and he knows who he’s dealing with. Reputation is so, so important in this business.

DIMENSIONS: Would most of the sold jobs be retrofit then?

SCOTT: Well, I’m saying that is I get a job from a contractor—bid, sell, negotiate . . . who cares—then I’ll likely do his next building, and the next. Now, he’ll keep me honest sometimes with another bid (I’d do the same thing), but you can bet that I’ll get that job all things being equal.

After all, some 60% of my company’s business is repeat business. So we must be following our own philosophy pretty well.

DIMENSIONS: Is selling an inherent function of the demountable business?

SCOTT: I think every successful contractor in the business would answer, “yes,” to that one. Too many contractors get into demountables because someone else is in it successfully and the profits look easy.

That’s not true. You darn well better be ready to sell . . . to go out and birddog jobs . . . sell hard . . . stick with it—and get into a service mode.

You also better be ready to make an investment in inventory because a customer wants service yesterday, not when your supplier can manage to get you some materials. All in all, demountables is a good business, but you have to take a long, hard, careful look at your own business practices first.

DIMENSIONS: In a situation where a number of tenants are involved, you’re bound to run into change order problems. How do you handle changes in the field?

SCOTT: We pretty much have a firm rule that you don’t change orders without written authorization. All our foremen are provided with standard company change order forms to expedite job changes and billing.

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DIMENSIONS: So you have a control. How do you go about keeping tabs on the entire job . . . bringing in the job consistent with quality and with the price so that the bottom line is attractive?

SCOTT: When this company lands a job, a file is opened immediately. An information sheet is prepared and everything—and I mean all information pertaining to that job—goes on that sheet.

Any other documents or data likewise are made a part of the file. This way, if the key man on that job is away, sick, on vacation or what—have—you, someone else can pick up the appropriate file and quickly and accurately familiarize himself with the job.

DIMENSIONS: -and meetings, conferences? Do you hold them on a regular schedule?

SCOTT: Absolutely. Every Wednesday afternoon we all sit down in the conference room and analyze jobs in progress . . . hours, materials, costs, problems, schedules. It’s a good opportunity for our field operations people and the salesmen to settle any differences they might have. We plan and schedule at least once a week.

DIMENSIONS: It’s been said that every job is grist for the mill to refine the estimating on the next job. Do you have a way of doing this?

SCOTT: You have to learn. Experience teaches, so we use the files and data from each job to keep updating constantly. Data keeps changing. Mistakes are discussed, analyzed and solved. Adjustments are made to eliminate them in the future.

DIMENSIONS: I saw evidence of your computer operation. Is the computer limited to administrative chores only . . . payroll, accounts payable and receivables? Or do you have other programming objectives?

SCOTT: Our computer was bought with the specific intention of using it as a central data base in future growth decisions. Of course, we use it for the administrative chores as you mentioned.

DIMENSIONS: Is the computer matching your expectations? Some contractors feel a computer is often more a status symbol than a business machine?

SCOTT: In many cases, those contractors are correct. We decided that the decision level for data processing was about $8 million—and we also realized that the computer doesn’t provide all the manpower savings its salespeople say.

It takes about a year to get the programs in and de-bugged so they’ll work for your company. You need people to feed information in and absorb it when it comes out. In the end, though, you’re managing your business information more efficiently and quicker . . . that’s the bottom line.

DIMENSION: Aside from your own company, Bill, where do you see the major changes during the past 10 years?

SCOTT: Here in Houston it’s been the height of the buildings—and the new management techniques . . . accelerated schedules, fast tracking, that sort of thing. With the growing cost of money, you need quicker schedules.

When I first came to Houston buildings here went up three to five stories. Today they’re true skyscrapers, 20 to 70 stories. High rise buildings require new techniques, better planning and supervision to survive.

DIMENSIONS: How about the next 10 years? Do you see the pace continuing?

SCOTT: I don’t know of anything
that will stop the current pace. Growth in the Houston area is, to say the least, spectacular. Not only will we have new construction, but the customized renovative type of work will be tremendous.

We expect to keep pace with things. From the beginning we’ve had planned growth by fastening our attention on a particular phase and them going after it.

It’s worked for nearly 10 years. And I expect that it will continue to work. I’ve never been one to worship the big the gross. The bottom line is the measure of a successful contractor.

**DIMENSIONS: . . . or of your company’s ability to adhere to the original founding idea?**

**SCOTT:** Without a doubt. This company has a good sales team with Ben Arning, Dan Clayton, Mike Pevoto. In addition we have Walter Howard and Les Doggett. Blake Shelly and Bill Thode who are part owners and believe in quality the same as I do.

In the technical end we have people like Harry McCann, Lee Kuktas, Gary Ruds, Melvin Smith, Ed McRoberts and Donna Nail. Our staff and field crews are professionals and fond of reputation as such. They won’t do a job except at their best.

Reflecting over the past nine years of growth is fun in spite of all the hard work. We’ve developed a fine group of personnel who help maintain our thinking and growth. As a matter of fact, we’re going to add another placard that reflects our philosophy.

It’ll read, “we’ve just begun.”