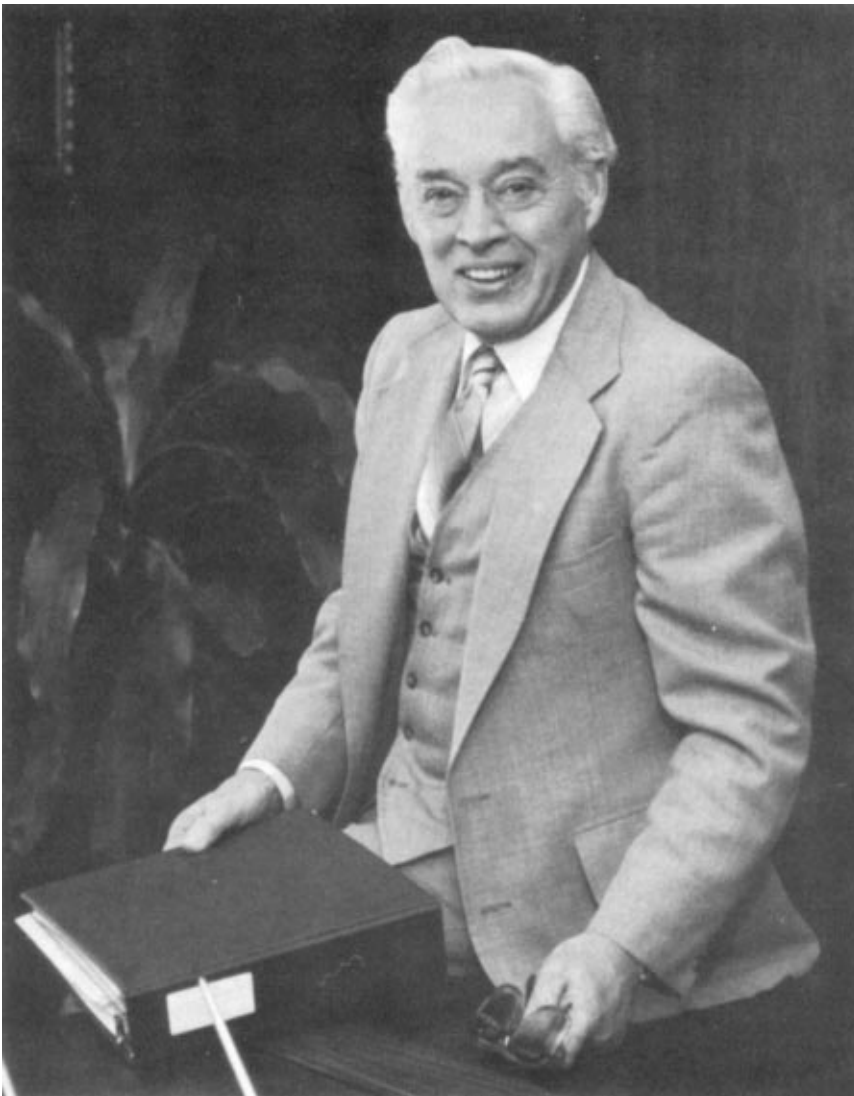


# Moving Ahead in Utah

## Wes Daw Combined Hard Work and Three Talented Sons to Form a Fast-Growing Construction Company



*Hard work and dedication—as he'll tell you—had a lot to do with it.*

*So did three talented sons who made their contributions.*

*Whatever the launching mechanism, J. Weston Daw has run the construction career gamut from non-union residential rock lathing piece worker to President of \$12,000,000-a-year Daw, Incorporated.*

*The Salt Lake City, Utah, businessman-contractor these days can sit in his modern, well-appointed office located in a two-story 24,000 square feet headquarters-warehouse complex on Salt Lake City's South West Temple Street. But a decade ago, he was operating out of his house, largely by himself*

*Now with his sons, Ron, a business*

*graduate of the University of Utah, as financial Vice President; Ryan, Vice President of Estimating, and Terry, Vice President of Sales, as the company's chief executives, the company is gaining business at the rate of \$2-\$3,000,000 a year.*

*In just the past 10 years, Daw Inc., has moved from a lath, plaster and drywall contractor to a total concept contractor capable of handling just about any scope of work within Section 9, including floor covering, acoustical ceilings, computer floor systems, doors, door hardware, painting, wall covering, open office furniture systems, demountable partitions, and lath, plaster and drywall. Furthermore, the company is taking dead aim on the lightweight exterior panelization business with synthetic plaster systems, a steel panel system, and a light pre-cast concrete panel system. When Wes and Ron took time out to chat with CONSTRUCTION DIMENSIONS, plans were going ahead for further diversification—and to make room for a fourth Daw son, Gordon, who is currently on a mission in Ecuador for the Church of Jesus Christ of Latter Day Saints.*

**DIMENSIONS:** Wes, it appears that your company, too, is making a serious commitment to the lightweight exterior panel business. Just how attractive is this new market?

**WES:** It's a combination of new technology and response to the need for faster, more energy efficient construction. Just how long this current concept will go on I can't say, but it does serve a number of advantages.

**RON:** You can predict and control your costs and man-hours better with a factory built panel. Also, the lighter weight of the panels means a lighter load bearing structure with no

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decrease in the flexibility of exterior systems; you can use various types of panels.

**DIMENSIONS:** Wes, a moment ago you referred to the benefits of doing work that guaranteed your continued presence. I believe you mentioned demountables?

**WES:** That’s right. The attractive aspect of installing a demountable partition system is that you have a continuing relationship on the interior of that building. Whenever a tenant wants an office configuration changed, you get the call—and you can work right around people already in the building with a minimum of difficulty.

**RON:** I wouldn’t say we went into these businesses just for the added profit it provides us . . . although we were not unaware of that benefit. The systems represent another way for us to be of better service to our customers . . . and we can do this at a profit to us. This way, everyone gains from the service.

The customer gets a neat, efficient, easily managed partition system that can be changed by a reliable contractor—and has that same contractor available to clean his dirty acoustical tiles quickly, efficiently, and at less cost than replacement.

**DIMENSIONS:** . . . sort of the professional way to go about customer service? Is that it?

**WES:** Professionalism. That’s the key word. In this day and age you simply must be professional about the way you do things. There are no excuses for anything less because when you talk about a continuing relationship with customers you talk about building confidence in your company and its ability to do things right.

**DIMENSIONS:** Where is your work . . . the market for total concept interiors?

**RON:** I would say the total concept interiors is in office buildings. That’s where we do most of our work and

where we can most successfully offer the entire interior package. In today’s market, the general contractor usually doesn’t have the interior in his contract so it’s a matter of us marketing our capabilities directly to the owner or developer.



**WES:** You see, we work directly with the tenants and keep everyone happy. To do this we’ve developed an entire negotiated sales concept to go with our approach. We want to be seen as professional interior systems contractors; not as a commodity or drywall contractor.

**DIMENSIONS:** What’s holding up further marketing penetration of demountables?

**WES:** It would have to be the normal, expected resistance to change. We had the same early prejudice in metal studs. They were driving in 16 penny nails and along we came with metal studs.

The result? Everyone said it was cheap—and we proved them wrong . . . just as we’re proving them wrong about demountables, which is a one-step operation.

**RON:** From a contractor viewpoint, too, it’s ideal. With demountables you have high material and lower manpower on the job—so you can control and predict. The length of installation is shorter, which in a period of inflation and high interest is important.

You can get your ceiling and the

HVAC system into place before the walls—to a great extent. No doubt about it; it's the way to go for many owners and developers . . . and the tax advantages overcome some of the higher initial installation costs, if any.

**DIMENSIONS: Are you meeting the same resistance to change in some of your exterior panel systems?:**

**WES:** A number of owners and lenders are a bit jumpy about some of the synthetic exterior systems—but most of the problems have been the result of improper installation . . . not the systems themselves.

**RON:** You'll always have some problems with a new system, but panelization allows you flexibility. We can do any kind of exterior system—and so can most contractors who are specializing in this construction technology.

**DIMENSIONS: Job control? What does Daw, Inc. do to assure that the number going into a job is reasonably consistent with the bottom line at job's end? A good estimator?**

**WES:** I don't think any professional contractor in the competitive world will disagree about the importance of good estimating.

Certainly that's where it starts. Then, too, you just have to know your own costs. That's paramount. It isn't so much your insight into how much the other fellow can do it for. He can only complete with you; you can wreck yourself by not knowing your own costs.

**DIMENSIONS: . . . but a good estimator is still money in the bank? Is that the answer?**

**RON:** Everything must be in balance. Yes, it begins with an estimator. Then, a businessman who knows what his costs are and how to apply them. Next, a risk taker who will bid a job competitively—and then finally a good construction team with an administrator who keeps the lid on and continues to count and measure accurately.

You just don't let the reality get out of touch with the plan—and if they do go off on divergent paths you better know why and where the money is coming from to pay.

**WES:** You really need a special person to do estimating. Not every good craftsman makes a good estimator, but the best, in my opinion, have come from the craft ranks. When the

head and the hand are both top notch, you have a real estimator.

**DIMENSIONS: What about buying? I haven't heard you mention the purchasing function.**

**RON:** We mentioned it, but as part of the estimating and cost knowledge. Purchasing is a technique meant to

produce savings. Good buying contributes as much to the profit line as good manpower utilization; that's fundamental.

**DIMENSIONS: How about your information feedback from the field set-up? How do you handle that?**

**WES:** Our foremen make regular

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reports and these go into our reporting system on a percentage of completion basis.

We're computerized-but we have developed our own computer software package. It wasn't easy or cheap to come by-but we just feel that our software must reflect our ways of doing things; not an alteration on a system someone else is using.

**DIMENSIONS:** With good reporting you should be able to maximize your cash flow. Do you have a regular system for this?

**RON:** Cash flow is extremely important to me: There is only on-time bill-

ing and prompt billing. The change orders are sent out as soon as they are approved. We simply can't afford to wait until the end of the month.

We have various accounts 30, 60 and 90 days and these are reviewed constantly. Each is followed up personally. We start moving when the 30-day deadline is passed.

**DIMENSIONS:** Wes, one can have all the fine systems in the world but there doesn't seem to be an answer to prompt final payments. Why is this?

**WES:** I think it's a matter of financing. Most office buildings are not public money so the owner or developer

only gets about 80%. By the end of the project, there's obviously a shortfall so the going gets sticky.

Usually, too, the developer has extended, making the situation even worse. They even sometimes go so far as to offer you another project . . . you know, the old "carrot trick."

**DIMENSIONS:** So we come to a problem of collection-and liens.

**RON:** Well, rule one is you never lose your liens. It's unforgivable to let them run out on you-but you don't like to burn your bridges either. It's a struggle. In the final analysis, though, you must expect to be paid

and your customers must know that you expect to be paid.

**WES:** The situation is improving a bit now that banks are more anxious—as a self-protection measure on the high cost of money—to take an equity position in buildings.

Banks are now partners and they don't like surprises either. They're great for establishing cash flow to pay for contracted work. Frankly, it's nice having them in the picture.

**DIMENSIONS:** As a final question, why all the current flack about union versus non-union contractors? Is the problem as severe as some would make it out to be?

**WES:** In one word, no. Oh, there may have been some incentives to work hard removed—but these were removed when times were good and contractors gave them away to keep the work and the profits and the good times flowing. Now there's a pinch and everyone is complaining.

Our job as contractors, as employers, is to manage. We know we have to work with people, materials and systems. When we do it perfectly then we can complain about an imperfect craftsman, but let's get our management down first.

**RON:** We have labor peace here. We know the good people and the not-so-good, and we're aggressive about keeping good, key people.

Right now, our company can compete successfully with any contractor in our area—union or non-union. Being union is no disadvantage at all because unions and their demands aren't the problem. The challenge is to get everything in balance and to manage well.

Of course, times and conditions change. Unions—like every other institution—will need to change.

**WES:** We know where we want to be in five years. Our philosophy is simple: "Work hard and pay your bills and keep your priorities in order."

**DIMENSIONS:** —and the priorities? What are they?

**WES:** First, your family. Second, your religious beliefs; and third, your business.

With those priorities you don't worry about problems. You challenge the future itself.



Wes Daw and his three sons, Ron, Terry and Ryan discussing construction estimates.