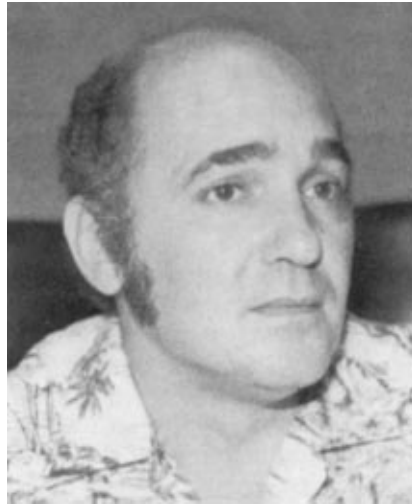


# Let Sam Do It



## Hawaii's Sam Galante is Making a Determined Bid to Change House Building in the Islands to Steel and Drywall

*His thesis is simple enough: steel can do it better, quicker, and cheaper.*

*Given a chance to prove it, Hawaii's Sam A. Galante will do just that. And with half a chance, Galante just might be the contractor who changes tradition and the way houses are built in the Hawaiian Islands.*

*A native of Jeannette, Pa., Sam came to the Islands in 1973 for what was intended to be a brief vacation with his family. Like so many before him, Sam decided to remain—and Hawaii's construction industry has been the better for it ever since.*

*Up to that decision, Sam had been on a fast executive rise. Following his 1960 discharge from the Marine Corps he had gone to work for U.S. Gypsum Company at their Mermosa metal plant in Chicago, later transferring to the Midway plant where he became assistant plant manager.*

*From there, Sam joined Bob Nickles of Nickles Drywall as a general*

*superintendent. A few years later came the Hawaiian move which found Sam working for Oahu Interiors as an estimator, general superintendent, operations manager and then vice president.*

*A short time later he organized Galante Construction, Inc., in Kailua, a small town on Oahu's East Coast, and with \$25,000 seed money took on the 44-story Hawaiian Monarch job. Other jobs came quickly and Galante Construction is now a well diversified firm in the \$5,000,000-a-year category.*

*The mainstay of the company, though, is still metal studs and drywall and Sam is making a determined bid to convert home building in Hawaii from wood to steel.*

*Married to the former Judith Finn, of Chicago, Sam is the father of a son, Sam, Jr., a freshman at Willamette College, in Salem, Oregon, where he is on partial scholarship as a former All-Hawaiian linebacker,*

*and a daughter, Tina, a junior at Kalaeo High School.*

*Sam came to national prominence a few years ago when he bid and won the world-famous MGM Hotel in Reno—at that time the largest dry-wall job in construction history.*

**DIMENSION: Sam, your background is in steel and now you talk of making a major commitment to change tradition in Hawaii away from wood to steel. What do you think your chances are?**

**GALANTE:** If didn't think the chances were good I simply wouldn't be doing it. But investing time and money into metal stud housing in Hawaii is a natural.

Remember, Hawaii must import most of its production materials, including wood and steel. But the coiled steel comes to the islands and there are two rolling mills in the city so the studs can be manufactured right here. That produces a savings

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of some 20% over wood. Then, metal studs don't require treatment for termites and they're easier to work with in all kinds of weather . . . well, I think the advantages speak for themselves.

**DIMENSIONS: If the benefits are this much greater, why hasn't more metal stud housing been built?**

**GALANTE:** I don't think that's too difficult to explain. Tradition. People tend to resist change—and, certainly, the old time contractors don't see things the way I do.

**DIMENSIONS: Can you give an example of success?**

**GALANTE:** We just finished late last year a 10-house job in the



Kuliomou Valley on a tract of impossible ground. I accepted the job from the developer just so I could prove to him and anyone else what

can be achieved with metal studs.

The tract was on the steep side of the hill so that our footings ran from zero to 86 inches. We put two bearing walls under the flooring and put in those houses—at 1,360 square feet each—at a profit.

Now I admit it was an experimental job—but that's the kind of thing you need to dramatize what can be done with light metal studs.

**DIMENSIONS: It was great showmanship and a good demo of technology. But did it lead to anything?**

**GALANTE:** It did—and it will lead to more. The houses in that development were all concrete block

with wood trusses for ceilings. Only the interiors were metal stud and drywall.

I talked them into moving 10 houses to all metal and we finished them on time—from August to October—and 20% under projected cost. You don't think that gets attention? There are 197 more houses to be done. You don't think I'll get listened to on the remainder?

**DIMENSIONS: Is this a commitment on your part or a strategy to develop business while the construction market is suffering inflation pains along with everyone else?**

**GALANTE:** The work opportunities are there in residential for Hawaiian contractors . . . no doubt about it. We've opened up a new market for ourselves—and we're going after it.



Remember, since 1960 metal studs have been used exclusively for high-rise interiors. We have the expertise and the craft skills so we're in a strong position to penetrate more of the commercial market and take over the residential.

In two-story structures the savings are even greater. Why? Steel is a relatively price stable item, maybe 5-10% a year. You can project cost increases accurately.

It's a different story with wood—and the mills don't even like the 2 x 4. They'd rather produce higher profit materials such as plywood, siding . . . that sort of thing.

**DIMENSIONS: So you're banking on availability and pricing problems with wood?**

**GALANTE:** So is everyone else. The problems with wood are well known. But right now we're working on a number of projects, trying to get them changed to all metal. One is for

240 units; another is 200 units, and still another is for 160 units. Some might not get off the ground were it not for the cost savings we can provide with metal studs.

**DIMENSIONS: Granting your admitted bias toward steel, do you see metal studs as the wave of the future?**

**GALANTE:** The only possible answer to that is, "yes." We're going out and making our own market. Traditionally, Hawaii has been maybe a year or two behind the mainland, but on steel framing

technology and development I think we're even or ahead.

**DIMENSION: What other trends do you see emerging from the current economic situation?**

**GALANTE:** More and more general contractors are looking for specialty subs who can perform four or five items as part of their contract. That means the need to diversify will increase so a sub can offer the time and coordination savings that the market wants.

**DIMENSIONS: Some contractors have insisted that the 80s will be the**

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**“... more and more general contractors are looking for specialty subs who can perform four or five items as part of their contract . . . that means the need to diversify will increase . . .”**

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**decade where management skills will spell the difference.**

**GALANTE:** They're right; I join them in that philosophy. For the 10-15 years you'll see management skills improving. The winning bid will be the contractor with a good grip on logistics, purchasing, planning, quality and time control.

You can speed up production workers for awhile with some artificial stimulant but everyone works at their own pace over the long run.

**DIMENSION:** But what's new? **Good management has been a primary factor long before the current economic crunch got everyone to talking about it.**

**GALANTE:** Economics has

always been the principle element. And communications—and I mean getting the work out to the entire industry. As members of AWCI we found out about Dryvit and this system is penetrating rapidly because it saves money and time—and provides a quality product.

**DIMENSIONS:** You mentioned communications and job control. How do you handle the task of keeping a job under control?

**GALANTE:** I let everyone know what's expected of them and then keep a close watch to see that we're all pulling together—in the same direction.

I walk our jobs. Our operations manager, John Joselin, walks our

jobs. Our general superintendent, Stanley Joseph, is on the jobs every day. That way, we can solve problems as soon as they come to our attention—and we know, without the weekly summaries, where we stand on any given job.

There just isn't anything that replaces your own knowledge and ability to monitor how a job is progressing.

**DIMENSIONS:** Sooner or later, though, there comes this need to delegate . . . to operate your business without the luxury of walking jobs yourself.



**GALANTE:** My business will have to grow awfully big before I'll concede to the need to feel its pulse through a computer printout sheet or a verbal briefing. Right now, I try to delegate as much as I can so that I'm left with time to solicit new business and collect on what work we've already done.

I know I can't work and walk on every job we do—but when a big one goes off track I certainly want in on that one.

**DIMENSIONS:** And collections? Do you keep in touch with your accounts receivable?

**GALANTE:** Every contractor should remain personally in contact with his accounts receivable and cash flow position. That's the heart beat, because a single missed payment can have extraordinary ripple effects.

**DIMENSIONS: What is your position on liens?**

**GALANTE:** Like most of the other elements in a construction business, the management of liens is a matter of common sense.

I've let lien rights expire—and I'll do it again in the future. Frankly, I'd rather compromise in most cases. When you lien you've played your final card; the bluffing is over after that move.

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

**GALANTE:** I prefer to do it that way. It's no secret that a good collections start with knowing your customer, but I have found that if you have a subordinate call on a late payment you get 12 excuses, starting with "my check is in the mail."

If you call yourself on a one-on-one basis, owner to owner or, better, owner to subordinate, you get results.

**DIMENSIONS: There isn't much traveling going on in the Islands. Why is that?**

**GALANTE:** Bidding construction work in the Hawaiian Islands is radically different from conditions on the Mainland. Hawaii is a difficult market and you have to learn about it first.

Travelers from the Mainland here have lost out because they don't know and understand how this market works. The freight alone in Hawaii is enough to knock out a contractor who doesn't figure it properly.

**DIMENSIONS: Freight and inflation. It appears that inflation is having its impact on Hawaii, too?**

**GALANTE:** Yes, and I worry about it. Right now, I don't feel that my own children will be able to afford a home with the current price running at \$150,000—and climbing.

A few years ago we had more than 7,000 carpenters in Hawaii. Now there are about 5,500. Where did they go . . .

**DIMENSIONS: . . . perhaps to non-union operations?**

**GALANTE:** Probably. The Islands are a union stronghold, but we are in danger here, too, of pricing ourselves out of the market. All of us, employers and employees have a stake in this thing.

The thought that non-union oper-

ators, will ultimately take over the Hawaiian Islands is pipe dreaming. It wasn't non-union people who went out and hired and set up training programs; it was the unions.

Still, though, we can't sit still. The Mainland priced itself out of the residential market—and that's possible here unless we all make a concerted effort to save it.