



# The Drywallers of Hawaii

## The Local Association in the Islands Keeps Growing by Promoting Themselves and Their Product

*(What makes it so interesting is that the drywall contractors promote hardest when times are worst.)*

For LinLoy Chang-Smith, executive director of the Gypsum Drywall Contractors of Hawaii, that means the heralding of the drywall approach is a non-ending task.

LinLoy is the third director of the Hawaiian drywall group since its formation in 1966. Bob Nasby ran the GDCH in 1976 and he was followed by Ernestine Fischer who departed in 1978. That's when the association directors looked around until they found LinLoy.

She'd been an office manager for the American Benefit Plan and had served for five years as contract administrator for the union trust funds. Things about construction were not entirely unknown to her.

The association now has 34 drywall contractors, and also counts in its membership roles two general contractors who are heavily into drywall work plus II manufacturers and suppliers.

In LinLoy's case the task of keeping the GDCH on course is made easier when you consider there are a total of 50 drywall contractors throughout the Islands—and her association's 34 members represent the bulk of all the work done.

*Economically, life in the Hawaiian Islands has not been all that outstanding for the past year. Inflation and other financial ills on the mainland have kept the flow of tourist and tourist-related dollars away from the normal flow. But the future is brightening, and LinLoy Chang-Smith is ready to do her part to help as her comments show.*

**DIMENSIONS:** LinLoy, the total number of drywall contractors isn't all that high, but what has the association done to achieve such a high penetration of membership?

**CHANG-SMITH:** It's done a good job for its contractor members; that's the easiest explanation.

Basically, the job here calls for letting the public and buying customers know the advantages of drywall and the economics that it provides. I call on professional contractors and invite them to our meetings. In almost all of the cases, once a visitor comes to a meeting and meets his colleagues the association winds up with another member.

**DIMENSIONS:** How is business here in the Islands?

**CHANG-SMITH:** Business is a bit depressed. Construction is down right now because of the lack of tourist travel, but we are hoping that things will turn around.

Many of the builders and developers are having trouble selling off finished properties so the risk capital simply isn't available in any abundance.

**DIMENSIONS:** Yet there is talk of many people building individual homes here? Is this business down, too?

**CHANG-SMITH:** Some builders are going into town housing, but a number of such planned developments won't really get doing until the previous units are sold. They are building unit by unit now and selling them the same way to avoid cash depletion.

**DIMENSIONS:** Much of the association's program is for the promotion of the contractors. Just what is being done to achieve that goal?

**CHANG-SMITH:** We participated in the Home Builders Exposition in Honolulu, outfitting a complete contractor booth with acousticals, texture types. I managed the booth but we arranged for contractor members to serve time in the exhibit and help to explain and describe various systems so answers would be both accurate and complete.

**DIMENSIONS:** . . . the international drywall contest will be held in Honolulu in 1982, won't it?

**CHANG-SMITH:** It certainly will.

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It was held here in 1976, and we are expecting some 15-20 contestants to participate in the 1982 contest. It's the tenth annual such contest—and preparing for all the arrangements is time consuming, to say the least.

**DIMENSIONS: Staying with promotion for a bit here, do you find the promotion of a group of contractors all that different than, say, a contrac-**

**tor seeking to promote his own business?**

**CHANG-SMITH:** Promotion is promotion, really. We advertise under the theme, “Drywall Does It All,” and the ads appear every month in the monthly trade publication of the Hawaiian Islands—the Building Industry Digest.

We try to advance the idea that using drywall is economical while affording versatility and reliability with low maintenance. The idea seems to have caught on.

Furthermore, we maintain an active guest speaker program and remain active on the contractor licensing board. I schedule the speakers for this and we've found it has made a great contribution to the acceptance of drywall and the contractors who do this work.



**DIMENSIONS: How about relations with the contractors' customers and other trades?**

**CHANG-SMITH:** Take standardizing bid proposals as an example. This always has been a problem—but nothing much was ever done about it. So we set up a building contractors committee between our association and the General Contractors Association to work out these problems.

Any problems, including bid proposals, can now be reconciled. The meeting is generally held at the end of the month for problems that have been sent it during the previous 30 days. So far, it's worked to everyone's advantage.

**DIMENSIONS: Have you anything new in the works?**

**CHANG-SMITH:** Yes, we're planning to publish a newsletter and we hope to send this out on a regular basis to architects, engineers, spec writers, general contractors, owners . . . in short, anyone with an involvement or interest in drywall.

It's a way of reaching more people than in the past. Despite the length of time that this association has existed and promoted, it's still surprising just how many people still don't know of our existence. Some of this, I think, can be attributed to the one-shot type of promotions that we did in the past.

Now, we're reaching for a sustained publicity and promotion program. It costs money to promote and this association—like almost all other associations—is limited in the amount it can spend. But we want continuity . . . to be repetitive.

And we want to be effective. That's what associations are for.

## AWCI BUSINESS VOLUME

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All in all, though, continued high interest rates are seen as the major factor in keeping a lid on construction expansion. ". . . forget new work because interest rates kill it, even though remodeling it still good," says California's Ralph McIntosh.

"A continued disaster for construction unless interest rates are lowered to an affordable level," adds Bob Nickles, Geneva, IL. Says Jim Keller, of Toledo, OH: "With HUD projects coming to a stop, this summer will really hurt. Interest rates are just too high for the developers of offices and malls, too."

### Selling Strong

Although commercial and residential construction appear headed for a decline generally, many wall and ceiling contractors are optimistic about their companies' changes.

Most of these optimistic contractors feel confidence in their marketing skills and strategies. Certainly, the sample respondents showed that selling or negotiating work is becoming more prevalent.

Still, most work in the industrial and commercial markets is bid work. Some 87% of the work obtained last year—\$667,009,200 among the sample contractors—was obtained in strict bidding.

These same contractors—84 of

whom said they detected more selling or personal negotiating activities in their work hunting—sold or negotiated 13% of the work their companies obtained . . . that's a whopping \$96,668,000 for only 141 contractors. It goes without saying that the bulk of these contractors were heavily involved in residential and/or remodeling work.

Says Michael Gorman, of San Rafael, CA, of changing markets, "Retrofit will be the heaviest area of increase . . . particularly the residential . . . and then commercial in the next couple of years."

This opinion is confirmed by Marshall Weld, of Gold Shield Industries, Kansas City, MO. "Always," he says, "if the economy is weak in new construction the possibilities of retrofit and remodeling are strengthened.

"We are finding that aggressive selling, customer referral and prompt service is producing increases in our exterior improvement business," he concludes.

In support of these opinions, numerous contractors in the sample indicated their diversification plans included entry into the remodeling market. This involved more work in the general contractor sense, but also such specialties as adding painting, carpentry, kitchen and bathroom remodeling.

For contractors committed to the commercial market, the opportunities are just as attractive. "Our business is growing because of expanded opportunities in panelized light gage framing and composite wall systems," explains

Bill Bell, of Drywall Inc., Lexington, KY.

"The marketplace is buying price and not quality," says Dennis Hopper, of Ora B. Hopper & Son, Phoenix, "so we will be concentrating on 'niches' in the industry that require high capital investment and low labor ratios—while requiring a strong sales approach."

In the previous year, new construction accounted for 82% of all the dollar volume in the wall and ceiling industry, with modernization representing a mere 18%. This past year reflects a significant increase in percentage and in dollars as modernization climbed to 18% of the total with some \$167,200,000 worth of retrofit work among the 141 respondents. New construction, at 78%, accounted for \$573,140,000 in dollar volume.

As in previous years, the data clearly show that AWCI contractors, are by and large, commercial contractors. Of the total dollar volume reported, the commercial market produced 91% of the dollars, \$666,471,000. The residential market, whose figures showed up mostly in smaller and non-union contractors, accounted for \$73,860,000 worth of business in the sample group, or a percentage of 9%.

It's this loosening of the commercial market potential that has most wall and ceiling contractors concerned. The usual time-lag between drawings and the arrival on the job of such "late" contractors as drywall and plastering specialists compounds the difficulty.

"It takes almost a year for our proj-

#### WHAT MARKETING APPROACH WAS USED:

		%
Work Obtained by Bid	\$667,009,200	.87
Work Sold or Negotiated	\$ 96,668,000	.13

#### CURRENT AND FUTURE BUSINESS PROJECTIONS

##### Current Backlog

113 Companies Report \$308,700,000 Work Backlog as of June 30, 1982

##### Backlog Comparison With Previous Year (By Reporting Companies) of \$313,100,000

- 73 Companies Report Current Backlog Less by \$28,000,000 Than a Year Ago
- 25 Companies Report Current Backlog Greater by \$7,400,000 Than a Year Ago
- 10 Companies Report Their Current Backlog is On Schedule and About Where The Contractor Desires It

#### Amount of Work Coming Up For Bid in the Near Future

- 15 Contractors Report Upcoming Bid Work Will *Increase* by \$14,800,000
- 75 Contractors Report Upcoming Bid Work Will *Decrease* by \$35,800,000
- 57 Contractors Report Approximately *Same* Volume of Business

#### Projections For Wall and Ceiling Contractors for 1982-83

- 22 Contractors Are Projecting Sales Volume *Increases* Next Year, Totaling \$18 million
- 51 Contractors Are Projecting Sales Volume *Decreases* Next Year, Totaling \$41 million
- 84 Contractors Are Projecting Sales Volumes to Remain *Essentially the Same* Next Year