



Dynamism at Dryvit

Providence's Frank Morsilli Knew He Had a Winner on First Look—And Then Proceeded to Prove It

With a father and three uncles in the trowel trades, Frank Morsilli understood the implications of the invention instinctively: it was a potential bonanza.

Furthermore, as one with an avuncular dislike for knee-jerk reactions, Morsilli knew that the stucco-like product which its inventor was twisting—without a single hairline crack—could be his to provide North American construction with a bit of future shock. That's why the Providence, R. I.-born businessman sealed an agreement with the inventor, the late Edwin Horbach, with a handshake—then went home and created Dryvit System, Inc.

It would be nice to say that construction greeted Frank P. Morsilli and his new Outsulation idea with the excitement that occurs at a historical junction. Fact is, the reaction was 'show me.'

And show them he did . . . with geometric leaps in company growth. Starting in Cranston, R.I., with a one-story 2,000 square foot building, Morsilli and his company kept plugging away with an outside-insulation concept that exists on 40 percent of all European buildings and is utilized on 80 percent of all buildings that are retrofitted.

With the '73 oil embargo and the

consequent fuel shortage crises, the impact of making buildings energy-efficient came on full force—and with it came the Dryvit surge. Today, Dryvit is still rapidly growing with factories in Warwick, R. I., Tulsa, Okla., Columbus, Ga., and a fourth scheduled for completion and operation this year in Woodlake, Ca. A fifth factory is already on the drawing boards.

For Frank Morsilli the last few years have meant full cycle—and a new phase of opportunities. Born in North Providence, son of master plasterer, Peter, and Clementina Iafrate Morsilli, both of N. Providence, Frank came into the construction industry via a business administration degree from University of Rhode Island and a full hitch in the U.S. Navy as a Surface Warfare Officer. Discharged in 1957, he opted for a full-length Naval reserve commitment while building his private business career. He just recently retired after 23 years in the reserves, with the rank of Captain.

In private life he went to work as a brick salesman and distributor, gradually buying out his employer, P. L. Monroe & Son, Inc. A series of acquisitions and mergers finally produced the Dryvit Company—but not until Frank's constant search for a new approach to old problems finally

produced the Horbach breakthrough . . . the primus mesh and finish over foam.

That competitors—observing the huge wake which Morsilli's Dryvit operation is making—have shown up, even with possible patent infringements, comes as no surprise. What might be surprising is that Morsilli's full-steam-ahead business philosophy leaves no room for inhibiting the competition with time-consuming, expensive strategies as patent infringement suits.

"The only people who get the money then are the attorneys," Frank explains, "so we can spend money on making the product better."

A member of AWCI right from the start, Morsilli won the recent AWCI membership contest. He simply told his applicators that if they took out a membership in the association, Dryvit would pay the first year's dues. Tall, forceful, Frank Morsilli is constantly on the lookout for ways to break his own and his company's modus operandi—and to keep his company out front.

DIMENSIONS: Frank, you make such an emphasis over avoiding knee-jerk reactions, changing the MO—or method of doing things—change. Is it

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that much a part of you . . . or your company?

MORSILLI: Everything is changing constantly . . . people, conditions, business. The early days of Dryvit Systems were, frankly, a gamble. It had a 20-year history of proven value, yet in North America it was perceived as new and risky.

That meant a lot of people in the construction industry had to adapt. They had to change. Here were a lot of fine wall and ceiling contractors who were doing things in their own, traditional way—and they were making money. Then we came along and told them to change.

DIMENSIONS: And they did?

MORSILLI: A lot of them did, obviously—and they’re making

money building an industry. You know, the devil we know is more acceptable than the devil we don’t know. Contractors can be going under and be fully aware of it—yet sometimes they won’t change their method of operation even to save themselves, because they fear the devil they don’t know.

Each of us, as a businessman, has to analyze himself and work to oppose the tendency to react with a knee-jerk. We have to change because everything is changing around us. There’s a limit, though. Not too much change. Too much of a good thing is no longer good.

DIMENSIONS: But wasn’t it really the ’73 oil embargo and the

resulting energy crisis that put Dryvit on the map, so to speak?

MORSILLI: We were coming along at a very good pace prior to 1973. But, yes, the ’73-’74 energy crunch and the subsequent oil-fuel-energy syndrome gave us a tremendous spurt. It put energy consciousness into the forefront of the elements demanding change.

Also, don’t forget that the construction features of the Dryvit System still represent a greater selling feature than the insulation. Stucco cracks: everyone knows that. You accept hairline cracks. Now, suddenly, you have a flexible product—and it’s crack resistant. That’s what I saw when the inventor, Edwin Horbach, showed it to me for the first time in Switzerland.

DIMENSIONS: So now you have a company that is literally taking off? And competitors are arriving on the scene?

MORSILLI: Yes, to both parts of your question. We are growing and right now it is geometric growth. But you can't sustain that kind of growth in any industry, and eventually it will become arithmetical growth . . . and that last kind is vital.

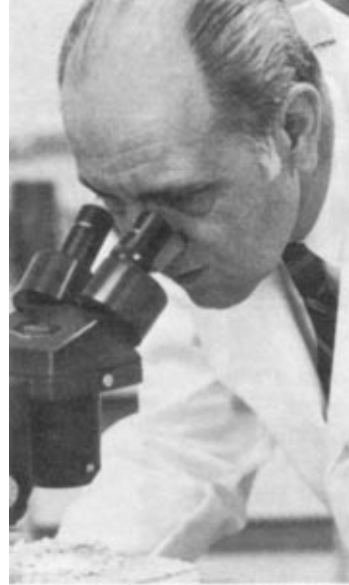
As for competition, that's the American way. My attitude toward competition is well known. I welcome it because it helps our industry and keeps us sharp. But what I want from my competitors is a good product, one that will help our industry advance.

DIMENSIONS: Why, then, did Dryvit step back when the exterior insulation companies formed their own association?

MORSILLI: We may have stepped back; we didn't step away. We never slammed the door shut on that organization. We merely said, "not now." Our testing and development work has far exceeded what these companies are proposing and until there is a viable benefit for us to be members, we will continue in the "in review" stance.

DIMENSIONS: A moment ago, Frank, you referred to the fact that wall and ceiling contractors are getting too little of the action. Would you mind defining that criticism?

MORSILLI: I was merely trying to show that a wall and ceiling contractor can increase his portion of avail-



The moment Swiss inventor Edwin Horbach showed Morsilli the stucco-like invention that would neither split nor crack, the New England business executive knew he had a winner. Meticulous quality control keeps it a winner.



The exclusive Dryvit coating formula is mixed at all five company factories and Frank Morsilli checks production flow with Warwick, R.I., plant manager William J. Strom.

able project money when he starts going after the exteriors, too. The curtainwall concept was already there for many wall and ceiling contractors, but it was largely limited to those who wanted to concentrate on exteriors.

Now, we have married the drywall technology to the plastering technology and almost any good contractor can open up his opportunities. And remember, if you do the outside, it certainly opens up the door to the inside . . . the traditional market.

Do you see what I mean by challenging your MO? All your business life you've attacked interior work by going directly for it. Now you can

attack it—but by using the exterior as a wedge or as a component in a package.

DIMENSIONS: That would require some selling, some marketing? Are you suggesting that selling is gaining in importance?

MORSILLI: I've always contended that selling is important, and no right-thinking contractor will take offense at the observation. Bidding will always be important but, on a relative basis, selling is indeed gaining.

This whole topic came up at AWCI's Albuquerque session for chief executive officers. No subcontractor today can afford to sit back

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and wait for jobs to come in off the street. Promotion is now the game, the kind of marketplace where you help customers solve problems by telling them how best to do the job for the best price.

DIMENSIONS: That would hold particularly true for retrofit jobs, wouldn't it?

MORSILLI: Yes, but it holds true for new work as well. Work doesn't wait; and the market is changing. Work is down, depressed right now, so it stands to reason that a company or a contractor must change the way they're doing things . . . if only slightly.

Many contractors are still operating with the memory of the boom years up to 1973. That's when the bubble

burst—and it's been a new ball game for 10 years. Those individuals who haven't caught on, who are still holding back, may just be selling out in the near future.

DIMENSIONS: Let's concede that fundamental changes have taken place—but the options are still mighty attractive, aren't they? That is, a contractor doesn't have to give his entire company and way of doing business a total upheaval, does he?

MORSILLI: At this point, I'm just asking the contractor to see that change has taken place. The United States still needs—according to expert opinion—some 2.6 million housing units a year.

Now, obviously, we haven't hit that in a couple of years. That's pent-up

demand. Furthermore, the cost of land and construction, aggravated by high—probably continuing high—interest rates makes the prospect of a single house market problematical. But single houses aren't the end-all.

With the reservoir filling up and with tremendous pent-up demand likely when the break comes, does that mean a change in housing . . . say, to multi housing? Europe has gone that route for years.

Now, are you going to insist that a contractor doesn't need to take a look at the old, tried-and-true traditional ways? I certainly hope not. Change is constant and change is relative. You change with it or stand still as the change goes on around you . . . change is occurring, isn't it?

DIMENSIONS: People in the construction industry use the word Dryvit to mean exterior insulation system using a primus mesh and finish. Now that identification doesn't hurt your company at all, but the Dryvit system does indeed marry existing technologies in new ways, doesn't it?

MORSILLI: That recognition of yours is what I mean by fundamental change. We have as many drywall contractors as applicators as we do plastering contractors—because we've managed to marry the drywall and plastering elements.

What makes this an approach for the future lies in Dryvit's ability to stretch across so many heretofore different disciplines. Look at pre-cast concrete exteriors. They're good, hard, fine, stable—but apply to commercial, large-scale structures.

Cedar shakes? They're fine—but strictly for houses. Brick is fine for two-story garden apartments but definitely not for 60-story buildings or for use on facia, soffits, spandrels.

I'm not knocking any of these construction systems. They're all excellent but each requires a specialist and has very definite restrictions on its use.

A Dryvit System can accommodate any of these uses. You name it—including residential work. Our applicator don't have to back away from anything. They can do it all.

DIMENSIONS: Given the state of construction, is there all that much done in the home building area? It would be a very hard business to penetrate, wouldn't it?

MORSILLI: It's true that we haven't done all that much in individual homes. But we really haven't tried yet. Home building is big, fragmented, largely non-union—so it's tough to get a grip on. But eventually it'll come.

DIMENSIONS: Your company operates largely on what is referred to as "pull through" type marketing. Do you see this changing in the future; that is, turning over the job of opening up markets to the contractors?

MORSILLI: It's always opened up by the contractors. But we do emphasize "pull through." We do a lot of advertising and we're processing thousands of inquiries.

But, you know, many contractors have an uneasy feeling about our own salesmen. They see them as opponents, and this is most unfortunate.

That salesman out in the field, bird-dogging for work and jobs, is a boon to the contractor. A good salesman will sell the owners, the architects, the inspectors, the officials, and the specifiers.

DIMENSIONS: Togetherness—is that the idea?

MORSILLI: Absolutely. It costs about \$180 for every call a salesman makes these days, and a good salesman will make five calls a day. Pull-through is expensive, and our collective success is pegged to a collective ef-

fort. Any contractor would be well served to go out of his way to work along with a salesman for our company—and any of the others.

That's how things get done.

DIMENSIONS: That would call for a change in the modus operandi for some, wouldn't it?

MORSILLI: See? If you keep banging away at an idea, it'll fall. That works with selling, building—and changing opinions. Just keep at it—and a little change-up'll produce that third strike.