Taking Profits in Texas

A Drywall Contractor Can Make Money in the Residential Market
And Texas’ Jurischk Brothers Are Living Proof

It’s a totally different experience from what most drywall contractors know—but residential contracting can be a fast, decision-needing way to profits.

Profits, that is, is you run this fast track the way it’s done by the Jurischk brothers of Houston, Texas.

As one of the South Texas area’s premium residential contractors, Jurischk Brothers Drywall Company is wall and ceiling proof that there’s money in residential work . . . if you know your market. And each of the brothers, Raymond M., company president; Robert L. and Albert J., vice presidents, knows his market.

They came up from teen-age apprenticeships, did every task involved in drywall work, and then launched their own company when their boss died. They’ve been making money ever since. Last year—admittedly somewhat of a depressed year for residential construction—the company’s gross sales still ran upwards of $4 million.

Born in Giddings, TX and raised in the Houston area the Jurischk brothers all worked for years for drywall contractor Bill Pampell. Ray served a U.S. Navy hitch from 1941 to 1945, then returned to Pampell following his discharge.

When Pampell died in 1955 Ray, Albert, and a fourth brother, the late Alfons Jurischk, started up their own residential drywall partnership. It’s been the Jurischk brothers ever since. A non-union company, the firm today conducts operations out of a sprawling four-acre site (two acres are concreted because Ray can’t stand water filled pot holes) which consists of a one-story metal building featuring 10,000 square foot warehouse with a 2,000 square foot headquarters building.

They moved to this new site on Frick Road, located in the northwest of Houston, four years ago. Previously, they’d been at Marcella Road but simply outgrew the facilities there.

The Jurischk brothers are members of AWCI, the Drywall Interior Systems Contractors Association of Houston and the National Association of Homebuilders, the Houston Apartment Association and a number of local associations. They are strictly a residential contracting firm, going after apartments, townhouses, singles, and repairs. The company’s specialties include drywall, steel and wood framing, texturing, acoustics and insulation.

By their own admission, they prefer to package up a drywall, insulation and texturing offer—and that’s where the bulk of business volume comes from. When CONSTRUCTION DIMENSIONS arrived for a talk, Albert “Boots” Jurischk was busy dispatching crews and materials, so Ray and Robert spoke for their company.

DIMENSIONS: Earlier, Ray, you mentioned that a residential drywall and a commercial drywall contractor were breeds apart. I wonder if you’d
In residential drywall contracting such as we do, profits lie in careful logistics. Even the city’s traffic flow patterns must be taken into account . . . because we have many deliveries of relatively small quantities with the material needs differing all over the place.”

draw out a few of the more dramatic differences?

RAYMOND: The way we view job sites is the major difference. With a commercial contractor, everyone knows where the major jobsite is located. It’ll be there for a predictable period so workers can go directly from their homes to the site.

Now with us, the jobsites are changing daily. We run—right now, about 100 men and most of them must come here to headquarters so we can shift them around the metropolitan area . . . where manpower is needed.

We change so much on job sites every day that it’s almost impossible to communicate individually. With the higher cost of gasoline and energy we are moving more to the telephone, but it’s still better that we dispatch from a central location.

DIMENSIONS: How about materials? Every job has to be serviced with the right materials in the right quantities at the right time? How do you match up your material requirements with personnel?

ROBERT: Half of our people own their own vehicles. All of them take out small materials—screws, cement, compound, small tools—when they go to a job.

On the bigger materials, we use our own truck fleet direct from our own warehouse to stock the job. We daily set up a schedule or route for each of the big trucks. The vehicle is loaded according to the drop-off schedule so the material is there when the men arrive.

RAYMOND: You have to remember that most of our employees are, in effect, subcontractors to us and working on a price we establish for each job—

DIMENSIONS: —you mean piece-workers?

RAYMOND: That’s right. We sub-contract most of our work by establishing a reasonable production rate. Each of us brothers has come up with the tools and we’ve spent years in the field doing this work—so we’re pretty familiar with what can be and can’t be done.

Our employees want this kind of arrangement . . . this kind of work.

DIMENSIONS: How about hourly people? You must have some of them, too?

RAYMOND: We do. We work hard to maintain a good balance between subcontract workers and hourly people. A good, hard subcontract worker can make very good money in this market.

DIMENSIONS: So they’d be rather miffed if a material delivery was late or had the wrong materials? With so many jobs all over the city, how do you manage prompt, on-time deliveries?

ROBERT: Every single job we have is visited regularly by one of us brothers. Robert handles the north-west section; Albert is in charge of the southwest and south section.

I pretty much remain in headquarters keeping a lid on things, but my infield responsibility is in big apartment and townhouse projects.

RAYMOND: With each of us keeping an eye on every job, we know precisely what the manpower and material requirements will be for the coming day. Because we are trying now more than ever to assign people to jobs nearer their home, we can often get the word out as to where they should go for their next day’s work—

DIMENSIONS: —and material requirements? Are they handled at the headquarters?

RAYMOND: Yes, we administer and ship all material from here. A lot of people around here still wonder how we three brothers have been able to work together for more than 30 years without bickering. We handle everything between ourselves . . . by talking, cooperating, and assisting.

In the office here, we just sit down and work things out between us, making certain that every little detail or problem is worked out. We each know our area of responsibility—and
we help each other. We don’t allow problems to fester; we solve them immediately before they back up into 10 other problems.

**DIMENSIONS:** Let’s touch on a problem that fascinates a lot of people about pieceworking. That’s the issue of quality control. A man working fast can get careless, can’t he? And what does that do to company insistence on good work?

**ROBERT:** When you have a man subcontracting, you do indeed lose some control. With hourly people, you have better control.

But we still keep a close eye on the work. If an individual continues to turn out sloppy work that must be done over by someone else, he won’t stay with us. We can’t have bad work because our customers won’t put up with it—and we’ve got the same builders as customers that we had 30 years ago. That says something about our ability to maintain quality and service.

**DIMENSIONS:** For years now you have worked for the same customers.

You say builders call you up and give you a starting time on new houses or subdivisions. What is your bidding process? How do you arrive at prices?

**RAYMOND:** We have in our possession the blueprints of every single floor model for every single customer with whom we work. When a builder calls in and wants a price for one or more houses, we get the floor prints out and give him a price—right down to the last screw?

**ROBERT:** One builder has 38 plans that he works from. We know each of these plans. All he ever needs to give us is the address and the plan: we have the rest locked in.

**DIMENSIONS:** And the rest of the
procedure, please? What happens after that. What process does that telephone call establish?

RAYMOND: We load up a truck with materials, stock the job so that our people can start right away. Time is money to everyone involved and none of us likes a delay.

ROBERT: We’ll get our men started as per the schedule. The day after the start, we put in the finishing materials and do the finishing.

DIMENSIONS: And you’ll visit that job every day?

ROBERT: Absolutely—every day. If one of the three of us brothers misses, you can be certain that the six superintendents we have out in the field won’t miss. That’s why we don’t miss a material delivery by more than 15 minutes.

DIMENSIONS: For a business doing $4 million a year, that’s an awful lot of detail to keep in mind—and changing daily. Are computers a big part of your operation?

RAYMOND: We don’t use a computer right now. We’re still looking though. The only thing that’s computerized in our business is the hourly payroll. We use a time batch service because it would be silly to do it manually. There’ll be a times when we will have to use more computer capability, we realize that.

As for running the business, we keep our eye on every job, talk it out between ourselves, and decide things promptly, decisively and agreeably.

DIMENSIONS: Certainly, a residential drywall contractor experiences the old problem of delays. How—

ROBERT: —we have plenty of delays. And almost all of them can be traced directly to inspections. We can’t move until the other trades are finished, so our starting times are often at the mercy of the inspectors for air conditioning, plumbing, electrical, the home owner representative inspection, insulation—

DIMENSIONS: Then will come, no doubt, a call for a hurry up by the builder to make up for lost time?

RAYMOND: The builder understandably relies on us to speed everything back up and get the house ready for the owner on schedule. We do what we must and what is reasonable. That’s why we have different size crews and hourly people.

DIMENSIONS: How about labor-only deals? Not all builders sub out all of the drywall package, do they?

RAYMOND: Most of the larger, older builders sub it out. Some of the tract builders buy their own materials and then hire journeymen direct to come in and hang board and finish. These so-called labor only contractors are usually the ones working out of the back of a station wagon or pick-up truck.

DIMENSIONS: At least they don’t have to stockpile materials. You must have some difficult inventory and warehousing problems with so many jobs and changes?

ROBERT: Not really. The key to profits in this kind of business is consistency. We put up all 12-foot board. We just don’t use different size boards in the same house because we want to avoid solving jigsaw puzzles on the jobsite.

RAYMOND: The only time we’ll put in an order for gypsum board that isn’t twelve feet is when the job forces us to use different sizes and types of board. If we need a special board, we can usually get the manufacturer to run it—as long as such a run is justified.

DIMENSIONS: Job site theft must give you some problems, doesn’t it? I mean, most large commercial jobs have fenced in areas, guards, that sort of thing. How do you get security over your materials in a housing subdivision?

RAYMOND: It’s almost impossible to store materials on a job site and not have things disappear. As an example, we stocked one house the day before and when the crew showed up the next morning, materials were missing.

In most cases, the losses are too small to file for insurance claims and you can’t usually prove who stole it.

DIMENSIONS: You’re not saying you simply eat the losses with no thought of a counter, are you?

ROBERT: No, we didn’t mean that. We now put the materials in charge of the crews and make them responsible for security while they’re on site. With a number of similar contractors in the same project, it’s an easy matter for someone who has run out of something to cross the street and replenish his supply.

We color code things now. As for
our joint compound, we had the manufacturer put our materials in a blue—white box—using our company colors—and imprinted with our name. On a job site those boxes stand out and when we see one you can bet there’ll be some sharp questioning going on.

DIMENSIONS: Because your jobs are individually smaller with a reduced quantity amount, your exposure may not be so great as the commercial contractor. But you don’t bid so far from the job start either, do you?

RAYMOND: A commercial dry-wall contractor often bids on a job that won’t start for a year or more. That means he’s doing some mighty tall guessing. If he guesses his materials and labor rates too high he doesn’t get the job; if he guesses too low he loses money on the job.

With us, we give a price and start the job within a few days. There’s not much that can damage your bid price with that short of a turn.

DIMENSIONS: How about the collection problem? In the home-building segment of the industry, that must have produced some interesting moments these past few months?

RAYMOND: The only interesting thing about our accounts receivable is that they’ve just kept coming in regular and in the right amount. We haven’t lost one—and that was so trivial it isn’t even worth mentioning—since 1971.

DIMENSIONS: C’mon now. This is the residential market, isn’t it?

ROBERT: We’re bone hard serious. We’ve been doing business with our customers for three or four decades. We just don’t have collection problems.

Furthermore, it’s easy to see why. We invoice for completed houses every Monday. The amounts run about $2,000 to $7,000 and we pick up checks for the invoices submitted the previous Monday.

If a builder hasn’t paid for last week, there can be difficulty in getting any additional work.

DIMENSIONS: And you’ve never had to work along with a builder in a cash bind.

RAYMOND: As always, you must use common sense in money matters. If there’s a temporary cash shortage, or an error—and we know the customer well—certainly we’ll cooperate.

DIMENSIONS: The way you make it sound, things are so healthy in Houston that there isn’t even any competition. Is that a true assessment?

RAYMOND: We’ve had furious competition here in the last year or so. Houston’s dollar volume in construction has increased—and so has the traffic of drywall mechanics coming into the area and cutting the profits out of work.

As the home building industry improves across the nation, though, we’ve seen some of these out-of-towners pack up and head back for more familiar surroundings.

ROBERT: —and we certainly want to wish them a happy and safe trip home. We also want them to remember that most of the long-term, reputable home builders in the Houston area were reluctant to get involved with them.

In drywall—or in any other kind of contracting—it’s good to work with people you know, with a quality of work that you’re accustomed to, and with a specialty contractor who will remain in the area long after he’s finished your job.

RAYMOND: We’ve been here a long time—and we intend to hang around a few more, too.