Where Business Vacuums Get Filled

Kentucky's Bill Bell Has Moved Into a Couple of Unserved Areas and His Non-Union Company Has Literally Taken Off

A couple of times now he's seen a vacuum—and both times he moved quickly.

The result is that William A. Bell, of Lexington, KY, is now chief executive officer of two construction companies, Drywall, Inc. and Panel Tech., Inc., both of Lexington, and partner in the distributing company, Drywall & Building Supply Company, Inc., also of Lexington.

To the 43-year-old Bell, the rapid development of his construction business in the past decade is simply the extension of his belief that if you do things the best you can, pay attention to fundamentals—and sell hard and often—success will arrive.

Headquartered in an attractive one-story block and brick structure which houses a 4,500 square foot office facility and a 22,000 square foot warehouse and panel factory, the Bell construction operation alone does some $3,000,000+ in volume. Its services range from drywall and Dryvit to acoustical ceilings, metal framing, insulation, floor covering and carpentry work.

The supply company, operated by his partner, Clifford A. Winter, rings up another $3 million a year in sales.

All in all, not too bad for a former US Gypsum salesman who came into the construction business to help one of his customers revive a dormant drywall company.

Born in Scottsville, KY, son of Elsie Hobdy Bell and the late William Bell, Bill obtained a degree in economics and sociology from Western Kentucky University before starting his business career as a stock salesman for an insurance company. Then followed a stint as a sales rep for US Gypsum Company.

Offered a chance to revive the dormant Drywall, Inc., Bill took the offer and one year later bought out the original owner. For the next half dozen years he operated as a non-union contractor with a primary emphasis on residential and apartment construction with some light commercial work.

But in the light commercial market he noticed there were no non-union
“The advantage that I—as well as other open shop contractors—have is that I can control my work situation . . . situate people where they are most productive . . . move them around from job to job, in and out of town . . . I don’t have to contend with a lot of silly jurisdictional squabbling.”

operatives. Quickly, Bill shed the residential business and moved into the vacuum where a ready demand was waiting. A year later, in 1978, he went into the successful partnership with Winter on the building supply business—now the largest drywall and acoustical supply company in Kentucky.

Shortly thereafter, a distributor introduced Bill to the wonders of exterior insulated panel systems and Panel Tech, Inc. was soon involved in the bidding wars of the area.

Bill and his wife, Joyce Reed Bell, a native of Coral Gables, FL, live in a two-story traditional brick home in suburban Lexington with their two children Allison, 17, and Leslie, 14. To Bill Bell, Lexington is about the perfect location to have a growing construction business. The city took a long, hard look at itself recently and launched a massive rebuilding program.

New companies and people are moving into the lush rolling countryside and opportunity abounds. A member of AWCI since 1980, Bill has also taken out membership in the Associated General Contractors, the Construction Specifications Institute, the National Homebuilders, and the Ceilings and Interior Systems Contractors. Recently elected vice chairman of AWCI’s Southeast Conference, he will now function as a Regional Vice President for the Association.

DIMENSIONS: For a long time, non union contractors stayed in the residential markets. Now, more and more open shop contractors are taking aim at the bigger, more lucrative type job.

How and where has the situation changed for you? Once upon a time you had manpower—skilled manpower—problems? How did you solve them?

BELL: It took a long time to solve them; everyone knows that. As open shop contractors we fast needed to build a base and then retain that base as we build a bigger, better trained workforce.

DIMENSIONS: So you couldn’t afford to let anyone go, is that it?

BELL: Well, yes. We wanted our kind of workforce: the same as any other contractor—but the main objective was to establish a good, veteran and loyal group of employees. You don’t do that by giving them one week of work and then a week of layoff.

To get the kind of workforce I have, a contractor must first recruit good employees; second, treat employees fairly; third, keep them working the year around; and fourth, pay appropriately.

DIMENSIONS: It’s been said by union supporters that the only advantage an open shop contractor offers is the one arising from being able to pay people less. Do you go along with that assessment?

BELL: Of course not. The advantage that I—as well as other open or merit shop contractors in North America—have is that I can control my work situation. I can situate people where they are most productive; I can move them around from job to job, in and out of town. I don’t have to contend with a lot of silly jurisdictional squabbling.

And if you don’t think that owners, developers and financiers just love the idea that there isn’t going to be a lot of trouble and bickering on a project, then you don’t understand fully the difference between open shop and union construction.

DIMENSIONS: Yet, it’s true, isn’t it, that some of your employees are union craftsmen whose cards are in their pocket?

BELL: That’s right. The important thing to note is this: they stay with our company. I have a fellow working for me and his brother does the same work for a union contractor at $34 more an hour. My employee made $7,000 more income last year than his brother—and my employee elected himself to take off two weeks to go hunting. He worked fifty weeks—and could have worked the two weeks off had he wanted to.

DIMENSIONS: What, in your opinion, creates such a difference? Union contractors are just as concerned about maintaining a solid reliable workforce, aren’t they? After all, they’ve been successful an awful long time and will continue to be a powerful element in the industry.

BELL: A union hiring hall functions, in effect, as a personnel department for a union contractor so they’re used to operating in a different manner. They bid a job, do it and go on to the next. If they need more men they hire them—and then return them to the hall when they’re finished.

An open shop contractor, without that manpower availability, has needed to stress a continuous, ongoing approach with emphasis on advertising, promoting and selling jobs rather than just bidding. It’s not so much how many bids you’ve got working but what the average business volume over a period will be.
Once you begin looking at work—and selling from a time span viewpoint, it becomes a reflex to gear your manpower requirements on a longer-term basis versus the next job. For example, during this recent alleged depression our work volume continued to increase. We worked; others did not.

**DIMENSIONS:** You’ve mentioned the new panel business coming on rapidly. Do you see this as a trend for future construction?

**BELL:** The trend has set in very strongly. Truth is, as a drywall contractor I wasn’t all that interested in exterior insulated walls until a Dryvit distributor came to me and showed me how we could get into it.

We had two employees with hawk and trowel knowledge, so we gave it a go—and the business simply took off for us. The market is ready for this technology; it’s as simple as that. As a matter of fact, we’ve designed—and built—a system for Arby’s restaurant chain.

**DIMENSIONS:** Speed in grabbing a market? Is that the key?

**BELL:** Not completely. With a diversification move, we study things pretty thoroughly. With the panel system I arranged a visit with a Michigan contractor. On the visit I took two management people so we could have a match-up of people in finance, inside and outside supervision, and marketing.

Panelization is manufacturing first and construction second. We wanted a full grip on what we were getting into because you absolutely must generate volume to feed the animal.

**DIMENSIONS:** What do you mean? The factory line must continue to operate while construction is more of a stop-go type process?

**BELL:** Manufacturing is a continuing process. You gear up for a factory and you can’t gear down as quickly
without a financial penalty. The big mistake a lot of people make in the panel business is that they don’t recognize the cost involved. I know because I underestimated.

You can’t build a jig operation and then produce panels intermittently.

**DIMENSIONS: So that involves a different approach and emphasis on marketing? But you’ve been a sales type individual for a long time, haven’t you?**

**BELL:** Yes, and furthermore, I like to sell. We’ve done a number of jobs and I’m proud of each one of them—but we need more because volume means profit. For that reason, a contractor must be committed to panelization to succeed.

**DIMENSIONS: But what about your move in marketing management? Did you make any shifts that were more appropriate to the panel business?**

**BELL:** I realized that my own selling efforts would need to change—and that design professionals were the primary target. There’s still an aura of mystery and romance about fabricating panels in a factory and moving them to the job site where you can have a building in a day or two.

**DIMENSIONS: So what did you do?**

**BELL:** In 1981 we hired Mark Nabity, now our director of technical services. He is a graduate architect with a background in steel framing. He engineers and supervises all the shop drawings for Panel Tech. And he speaks the language of the engineer and the architect. They can get answers from him, answers that are couched in the language and format that they want. Mark and I make an average of two promotional calls a day.

Also, we have a standing offer to provide free information on panels to any designer who wants it. Design and engineering are essential components of this business and we make every effort to provide it—with the backup support of such companies as IN-RYCO, AMICO, and US Gypsum.

**DIMENSIONS: —and stamping plans? Who does that?**

**BELL:** We don’t stamp plans. We’re contractors. And we have no desire to compete with the architects and engineers we service. But we are bona fide consultants and we can go over plans and specs for customers.

**DIMENSIONS: How do you go about selling your services? You mentioned that you have a rather integrated approach to negotiating work?**

**BELL:** Again, it revolves around fundamentals, nothing too fancy. But we work at it steadily. As I mentioned, Mark and I religiously make two calls a day so everyone knows we’re out there constantly beating the bushes for work.

We, of course, get the Dodge reports and the local AGC reports. A growing list of satisfied customers are often making contact with us. This produces direct leads and often gives us a good lead on some project development that is in the talking stages.

**DIMENSIONS: How about backup materials? Advertising? Promotion . . . that sort of thing?**

**BELL:** These are the items that strengthen our personal selling efforts so the answer is an emphatic “yes.” We created a special booth on the Dryvit and panelization business and then exhibited at the CSI convention and other construction meetings in the area.

Our brochures have been professionally done and they get mailed out on a regular basis. We have a large file of color photographs of the jobs that we’ve completed. You saw a number of them in our lobby when you came in—

**DIMENSIONS: And it was a most attractive and well designed lobby, too—**

**BELL:** —thank you. We tried to get a good feeling and appearance.

**DIMENSIONS: Bill, how about steel . . . and load hearing? Are you**
into this technology in a big way?

BELL: Our first load bearing job was a multi-story hospital—a real toughie. Yet, the job came off beautifully. We leaned hard on the engineering know-how that INRYCO made available to us for this job. They really came through for us.

Steel framing is a technology that is exploding. It’s quick, clean, and profitable for any contractor who watches what he’s doing.

DIMENSIONS: You’ve obviously came on fast in the past five years—recession or not. Where to from here? What do you see happening in the next five years for you and for the industry?

BELL: I really see an explosion in the exterior business for wall and ceiling contractors. What you see now is merely the tip of the iceberg.

DIMENSIONS: Do you see a shift into less labor intensive technologies?

BELL: A lot of talk about labor intensive applications is just that: talk. We put back-up panels on an office building and the brick layers finished. Our work took one week—and the brick layers did it in two. The entire job was highly competitive with so-called less labor intensive systems.

DIMENSIONS: How about asbestos abatement? That seems to be a good opportunity?

BELL: Don’t ask me why, but we just decided not to get into that business.

DIMENSIONS: One last question. What do you think is the best emerging business opportunity for wall and ceiling contractors?

BELL: Right now?

DIMENSIONS: Yes, the one coming on fast.

BELL: To me, that’s an easy one. CAD. That means Computer Aided Design. All the majors are in it now and contractors will have to get these computer units just to stay with the market.

Today—and it’s moving incredibly fast—computers will design, take-off, estimate a job. You can shop half-a-dozen options together with their costs in five minutes. That’s better than a week’s work, isn’t it?

Communications is still the biggest problem human beings have. The CAD system goes a long way toward eliminating this. And the technology is such that a contractor can telecommunicate his bid options right into the bidding authority.

This is a field that AWCI has begun to emphasize in both conventions and seminars. The recent office seminar was on CAD—and really opened some eyes. If you need a reason for joining AWCI these educational breakthroughs are almost reason enough.

Times are changing rapidly. I think every contractor realizes that—and the computer is speeding things up. A lot of contractors are now out of business because they couldn’t—or wouldn’t—shift to new things.

You can’t afford that luxury now anymore than you could in the past.