There’s A $300 Million Market Out There

Whether in New Construction or Retrofit, the Exterior Insulated Systems Market is Big and is Growing Fast for Wall and Ceiling Contractors

Exterior wall insulation and finish systems have come a long way since they were first introduced to the American construction industry almost 15 years ago. I have no doubt that the potential market for these products in the USA is so great that sales could easily triple in the next decade. If we in the industry all work together, it can really happen. No one knows the total sales figure for exterior wall systems in the United States, but an educated guess would put the total at $100 million or less. Without hesitation, I can say that we can look to a $300 million market within the next 10 years.

Now, obviously, this kind of increase can have a tremendous effect on the individual plastering firm, if it has the desire to make the most of it. Whether your firm employs two people or 200, a quality exterior insulation system can help you reach your sales goals and more. But you can’t just sit and wait for the phone to ring. For many of you, this is the first time you’ve ever had to think about marketing your firm in an aggressive manner.

To some of you, marketing is something those slick MBAs who wouldn’t know a trowel from a

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The author of this article, Frank P. Morsilli, president and chief executive officer of Dryvit System, Inc., Providence, RI, pioneered the exterior insulated system in North America.

Figure 1

A RELATIVE COST CHART

<table>
<thead>
<tr>
<th>Wall Type</th>
<th>Approximate Relative Cost Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td>Labor</td>
</tr>
<tr>
<td>4 in. face brick w/ 8 in. concrete block</td>
<td>1.7</td>
</tr>
<tr>
<td>4 in. face brick w/ 3 5/8 in. stud** drywall</td>
<td>1.6</td>
</tr>
<tr>
<td>2 in. Dryvit System w/ 3 5/8 in. stud** drywall</td>
<td>1.0</td>
</tr>
<tr>
<td>window/curtainwall single-glazing</td>
<td>6.4</td>
</tr>
<tr>
<td>window/curtainwall double-glazing</td>
<td>10.1</td>
</tr>
</tbody>
</table>

* 16-guage steel studs to meet deflection of 1/600 for brick wall.
** 20-guage steel studs to meet deflection of 1/240 for Dryvit System.

“Retrofit is a particularly good area in which to focus your marketing efforts during the ’80s, considering the slower market in new construction.”

really impress the architect, developer, builder or owner you’re trying to convince. They’re always looking for ways they can get a lower per-square-foot cost, as well as increase energy-savings and improve esthetics.

Now, from talking to plastering firms around the country, I realize that many of them find sales promotions a scary, even distasteful, concept. Many of them get their jobs from word-of-mouth recommendations because someone has seen the fine work they did on a particular project, or an architect or contractor recommends them to an owner, etc. But the world has changed; doctors, lawyers and dentists aren’t ashamed anymore to market their services; why should you

When you can take an exterior insulated system and transform the building fronts above into the AIA award-winning project below, you know there’s a big market out there.
be? Many of our communities aren’t the close-knit ones they used to be where everyone knew everyone else and knew who did good work; plus there’s a lot more competition in every field. The hard facts are that if you don’t take a more aggressive marketing stance, you may not be around in ten years. If you don’t like getting involved in the sales end of the business yourself, involve someone else; but make sure they not only know the product and how to sell it, but also know what sets your firm apart from the rest.

The First Western Savings’ Las Vegas headquarters is a good example of the design beauty that designers and owners seek—and it’s the exterior insulated system that makes such construction possible.

Retrofit is a particularly good area in which to focus your marketing efforts during the ’80s, considering the slower market in new construction. Become familiar with the benefits of retrofitting an old building with an exterior insulation and finish system. (Many manufacturers print literature on this subject and our company has recently released a new retrofit brochure.) Then set yourself a goal of 10 sales calls a week to retail-store and shopping-mall owners, office building managers, school superintendents, real estate developers and other decision makers in your community who may be interested in retrofitting their buildings.

And don’t forget the architect! Although many retrofit jobs often bypass the architectural process, remember the architect can be your
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best saleperson, he knows best how a building should be retrofitted and can save you and the owner time and money in the long run by knowing how to avoid problems. Furthermore, most architects are familiar with exterior wall insulation and finish systems. Our company has spent many hours and dollars familiarizing architects with the benefits of exterior systems. I’m pleased to see others have joined the effort. As a result, most architects today have confidence in these systems, and are more than happy to use these products, as well as convince owners and developers for you.

Exterior wall system manufacturers can be a tremendous factor in the success of your sales calls on architects, developers, owners and contractors. For instance, our own company invests heavily in a myriad of promotional aids, including a slide-type presentation specifically geared to architects’ concerns. We also have a slide-tape on retrofit and another on the training of a mechanic. All of the above are available to any plastering firm and are updated on a regular basis.

In addition, marketing-minded manufacturers of quality exterior wall systems encourage applicator training. We, and I assume others, hold training sessions all over the country. We call ours “cover-ups”. Many are attended by architects and developers as well as plastering applicators. You, the plasterer, should avail yourself of this training, take it seriously and believe, as I do, that one of the most important ingredients we have to sell is Excellent Workmanship.

At our company, when we hire someone new in sales, we make sure that person climbs the scaffolding, gets his hands dirty, and has the “hands-on” experience of putting the product on the wall. If you have sales personnel, make sure they do the same. The training courses that manufacturers offer are great, not only for the working mechanic, but equally as beneficial to those who have the responsibility of marketing and selling.

In a very recent edition of Business Week, focusing on “Homebuilding’s New Look” the following statement is made... “big corporate builders such as Pulte, Ryan and Ryland are aggressively pursuing rapid growth. In the process, they are changing everything from the type of houses they build to the way they construct and finance the buildings.”

The point is, change will not hurt you. It may very well be the key to greater success than you ever anticipated. Do not be fearful of change...
because even in the construction industry those that are bucking mediocre economic times and winning, successfully accept the challenge of change.

Exterior wall systems are very meaningful to the construction marketplace today. Their lower cost, their energy-saving characteristics, whereby they put the insulation to the exterior wall where it is much more effective, the by-product savings in floor space, size of heating or cooling plant, etc.—all are “music to the ears” of today’s costconscious builder.

What should your attitude be about the exterior wall business? I say move into it with a great deal of gusto. It’s now a tried and tested building concept, recognized by the codes and proven in thousands of projects around the country.

Pick a quality product. Make sure the manufacturer of that product will back you up not only with quality “in the can”, but equally important, with expert and intensive field service when you need it. Then go after that $300 million market. You, too, can take a ho-hum economy and make it very profitable for your firm.