It’s important to keep in mind that he was there at the beginning—the one who got it all going, actually—and now he’s orchestrating the entire industry.

The individual, of course, is Doug C. Creed, 42-year-old Executive Vice President of Marketing for Synergy Methods, Inc., of 1367 Elmwood Avenue, Cranston, RI, and the industry is the whole exterior insulated systems phenomenon.

To say that exterior insulated systems is a new technology that’s currently riding the crest of acceptance and popularity is to repeat the obvious. Not quite so obvious but certainly rational is the observance that it wasn’t always so easy.

These days Creed keeps his own company on a rapid upward sales incline while serving as President of the Exterior Insulated Systems Association—which is making certain that the entire industry maintains its 30% increase annually. Only 16 years ago, though, Creed was busy with Frank Morsilli, at that time a New England brick distributor, along with a Hartford, CT colleague, Ken Fanning, then a regional engineer for the Structural Clay Products Institute, forging Dryvit into a viable corporate entity.

In 1969, Creed was serving as executive director of the Institute. A tip from the famous German corporation, BASF, concerning a new German development in building exteriors snagged the interest of the three New Englanders and they built Dryvit from the ground up. The rest, as they say, is history.

Born in Pittsburgh, PA, son of the late Randolph R. Creed, a career Navy man, and Mary Stocker of St. Petersburg, FL, Doug completed high school in Pittsburgh then obtained a civil engineering degree at Lehigh University. He worked a couple of years with the U.S. Steel Company’s American Bridge Division before going to work as a residential house painter for his father-in-law in Philadelphia. In 1967, he went with the Structural Clay Products Institute as an engineer, moving up a short time later to the top position.

From September, 1969, when he helped organize Dryvit, until 1979 Doug Creed had established himself as the premier marketing figure for the external insulated system. The 1979 junction saw him and two other top-level Dryvit executives—Joe Vuono and Paul Pattek—form their own...
"We knew that architects would like the idea of a monolithic appearance that wouldn’t crack or leak. We were right and this is what made the product."

currently chairman of the AWCI public relations national committee, having served earlier on the manufacturers liaison, membership, building and exteriors technical subcommittee and the Continuing Study Council.

He serves, too, as President of the Exterior Insulation Systems Association while remaining active with the National Roofing Contractors Association, the Single Ply Roofing Institute and the Construction Specifications Institute.

Doug and his wife, the former Gail Gesner, are the parents of six children, and live in a rambling ranch home on a 22-acre site that features a trout stream, lots of trees, and quiet. For Doug Creed, the horizon is constantly shifting-upwards-and he sees solid growth ahead.

DIMENSIONS: What made you focus your attention on this new German innovation—a mixture of foam board, primus mesh and a plasticized coating? What made you think it would work in this country?

CREED: Surprisingly enough, the big virtue I saw in the external insulated system turned out to be the weakest. I thought the insulation factor—remember this was in the late 60s and early 70s when the oil crisis was starting up—would be the element that revolutionized the industry.

Instead, it was the other values—lightness, flexibility, and good tensile strength. Architects would like the idea of a monolithic appearance that wouldn’t crack or leak. Versatility and flexibility is what made the product.

DIMENSIONS: But there were other monolithic finishes that possessed these virtues, weren’t there? Such as thin coat?

CREED: That’s true enough, and thin coat was coming on strong from a promotional standpoint at that same time. The big impetus really came from the emergence of light gage steel and the use of steel studding.

They were trying to put stucco on steel studs in Florida and it just wasn’t doing the job on steel with the same efficiency as it was over concrete block. The transfer of technology just wasn’t working attractively. Our new system matched perfectly with the lighter strategy.

DIMENSIONS: A light surface of strength and flexibility on a light structure, right?

CREED: That’s it — and the architects saw and liked the final appearance. A nice light, strong exterior surface without shadowing and color mismatches.

DIMENSIONS: It would be stretching a point to say that the exterior insulated system took off. Why didn’t it move faster, where was the difficulty in getting it specified?

CREED: People liked stucco. They were frankly a bit afraid of this new system. In the Boston area, architects wanted the monolithic look—and the ability to achieve unique designs—but we just couldn’t break into the big buildings at that time.

There was this normal lag of new product acceptance, and it wasn’t until some time later that we were getting into the bigger building market. For the first few years we had to be content with the small job, the building that went three stories high, sometimes as high as five.

DIMENSIONS: But there was a lot of that kind of building going up in the north and elsewhere, wasn’t there?
CREED: Yes, we had good opportunities—and we went after them, too. Remember, too, that we were a small company with only two or three people out there beating the bushes. We didn’t have the multi-million dollar advertising and promotion budgets.

People hadn’t heard of and weren’t familiar with our company or our product. Perhaps a bigger company would have made a bigger splash earlier — but then it would have missed a few things, too.

DIMENSIONS: Why, though, Doug? What made this system so popular! Why is it enjoying such a marvelous increase every year?

CREED: The answer is the same simple one we offered from the beginning. We offer a superb appearance, at a highly competitive price, and it will save energy in the short and long run.

Keep in mind that this system provides insulation on the exterior of the building. That’s where it’s most efficient on a building. Wouldn’t you rather put on an overcoat on a cold day than have a cup of hot coffee. If the heat’s in the building, try to keep it there—don’t buy more heaters.

DIMENSIONS: But in the beginning, you all didn’t see this product as an extension of light gage steel, did you? It was a match-up with somewhat fortuitous timing, wasn’t it?

CREED: Yes, it was a case of two excellent technologies coming together at just the right time. You have to recall just how effective and intense was the marketing job done by INRYCO, Wheeling Steel, and Keene. They really did a super job and quickly latched on to the possibilities for the product we had to offer. We weren’t all that familiar with steel stud technology in the beginning: actually, we were out to clad concrete block. Within 12 months, we and the steel people had discovered each other and started working together closely. Steel needs insulation, and light steel needs...
a light system. We were made for each other.

DIMENSIONS: But your marketing penetration was through the plastering contractor. He didn’t know anything about steel either, did he? How did you get the wall and ceiling contractor doing both routes?

CREED: Plastering contractors were watching their market disappear to drywall technology and they were into thin coat as a counter. They were also quick to see the possibilities as a chance to compete.

DIMENSIONS: It really is a plasterer’s technology, isn’t it?

CREED: When it comes to the final coat, yes. You can use less than top skills on the insulation board and the initial coat, but when it comes to the finish coat there has to be a skilled mechanic at work or it will show.

DIMENSIONS: Where did the real impetus come from? The contractor . . . the owner . . . the architect?

CREED: Oh, it was the architect all the way. He liked this material all the way. It has enormous design capabilities and provided a neat, flexible, monolithic finish. Furthermore, we brought government housing jobs in under the budget.

You have to remember that steel doesn’t really work all that well with the claddings available at the time—brick, stucco which was prone to cracking and shadowing. Steel moves, and these new materials would allow that: they have elasticity. When you put on C/A board with matrix and stone, using epoxies and aggregates you have a pretty stiff panel with no insulation.

DIMENSIONS: The big obstacle with any product — not just a new one—is the installation. As a manufacturer you can make the finest product in the world but if it isn’t installed with proper quality control, the owner gets something else. How does the exterior insulated systems industry go about getting some handle on quality delivery in the field?

CREED: We get it by making every effort to obtain or train good applicators—and then continuing to work closely with them. When we first started selling this, each of us could put it up.

We could go out on the job and, not just correct the contractor, but pick up a towel and smooth out a finish and any of the other hundred little elements that go into a professionally done job.

We all continue with our seminars to train applicators. Everyone in EIMA (Exterior Insulated Manufacturers Association) places high emphasis on knowing their product and putting it on right. We have no intention of killing the golden goose.

DIMENSIONS: You’ve already mentioned that sales were limited to small jobs, that you had to show ap-
applicants yourself how to do it, and that the market opened up in small segments at a time. When did you know or feel that the market was a legitimate one . . . that you were established sufficiently to be on the way?

CREED: Well, in 1976 sales for the first time hit 3 million square feet. That year, too, competitors came on the scene and they helped expand the market.

DIMENSIONS: Most of these competitors were German firms establishing North American facilities, right?

CREED: It was in the mid 70s that the coating technology changed from European to U.S. Remember, though, that Dan Dota and InsulCrete were making this same product—or ones similar to it—in the early 70s.

Almost all of the materials used in North America now are made here. The mid and late 70s is when it all started to jell. We’d all pretty much worked out the applicator details. Our biggest problem—water penetration—had been worked out and technicians could handle the detailing problems around windows and roof lines.

We’d been doing our share of good buildings, but we started to get the big project now and then as architectural awareness improved. There was lots of C-2 construction at that time and it kept us on the growth track.

Add to all of that the similar improvement and growth in the metal framing business along with the introduction of the top quality distributors—once they saw these systems had a good market acceptability they came to us—and you can see why the industry has been one of good, solid growth.

DIMENSIONS: What’s the criteria for selecting a contractor to handle your product? Are you more picky now?

CREED: We’ve always been a little picky, and now that we are offering a five-year labor and material warranty we must exercise even higher control. Not all of our applicators are licensed for the labor and material warranty.

We want a contractor who can control the product so it’s really difficult to specify how bad a contractor would have to be to disqualify. In any event, our industry’s attitude now is that somehow we have to get a look at all of the potential applicators.

DIMENSIONS: What’s to stop these systems from becoming commodity items . . . something that virtually any contractor can get into? That happens when a market matures, you know.

CREED: I’m adamant against stocking up these systems in a lumber yard.

DIMENSIONS: But you may never reach the full single house residential market with your present marketing distribution set-up.

CREED: I realize that there is now almost a complete absence of plastering contractors in most of the residential markets. Carpenters put up houses—not plasterers—and the big developers just don’t have plasterers working anymore, not when they can hang drywall.

But where there’s no shortage of plasterers or labor, Atlanta as an example, we are strong in the residential market.

We must do better in the residential market, though. I expect growth in California and Texas but promotion and marketing will be the only answer in areas that are lagging.

DIMENSIONS: Let’s talk about contractors. Is this still a good market to get into right now? It’s been said that the early entrants are the profit
makers so can a contractor still find opportunity?

CREED: This market certainly hasn’t flattened out and won’t for some time. The insulated business is growing at 30% a year and it’s the hottest thing in construction. Of course, fast growth means fast change but when you’re now doing 10% of all C-2 construction in the country, you’re really moving.

In the next two years, profit margins may change but a contractor has to make a decision as to whether to low ball or go high quality. It’s no secret that if you low ball an exterior job, it ends up not looking good. You can low ball a steel framing job and it’s hidden: an exterior job isn’t hidden so the low balling is obvious.

DIMENSIONS: How does a contractor work best with a distributor?

The complaint is that the distributor is interested only in selling the job and then throws the installation to anyone interested? Thus prices are under constant downward pressures?

CREED: Let’s look at another industry for the answer to that: in 1979 there were three manufacturers of rubber roofing and rubber sold at 70¢ a square foot with roofers installing at $2.50-$3.50 a square foot.

Today? There’s 12 manufacturers with sheets at only 30¢ a square foot and the contractor installing for $1.50 a square foot.

In that case, the manufacturers were dumb — and the contractors were dumber. They both let the market deteriorate. Distributors are job creators and they sell product. A quality contractor can pick his jobs, maybe let some go that don’t provide the margin. But going direct to the manufacturer will give you the same situation that ripped up the rubber roofing opportunity.

DIMENSIONS: How best, then, can a contractor work with a distributor?

CREED: Most of your good contractors already have the answer to that one: you cooperate with them. A contractor should work with a salesman at creating work — and honestly inform everyone if he intends to bid the job.

The worst thing that can happen to a sales manager is to find out that the contractor he counted on didn’t bid the job at all.

You have to keep in mind a sales principle: rarely does a single individual sell a job. Everyone has an input—the sales manager, manufacturer, technical people, contractor, and association executive.

After all, if a distributor comes through the door with some jobs and the contractor won’t play straight with him, he won’t see that person again.

DIMENSIONS: How helpful has EIMA been to the growing market?

CREED: It’s been very helpful. Our primary goal is to combat the view of exterior wall systems manufacturers as a group with no standards who fight each other all the time.

That’s not true. We represent 95% of the North American industry and we’ve just published a genuine specifications document for the industry. We’ve taken strong positions on sheathing and insulation and we’re now on a two-fold thrust:

First, we’re close to commissioning a professional performance study to be conducted over the last 16 years to track and measure how our systems have performed, and

Second, we are working with AWCI to finalize an established installation standard which involves doing something about assuring a flow of qualified labor to make the installations.

DIMENSIONS: As one who has viewed the exterior insulated systems industry from its inception, what do you think has been the most significant development in the last decade?

CREED: Oh, it would have to be our ability to show that these systems are viable. These products have been used and used again on all types and classes of construction with a wide ranging variation of installation. Now, we just don’t need to work all that hard to prove to specifiers that these systems work and can be depended on.

DIMENSIONS: As a wrap-up, Doug, what’s the biggest challenge in the next decade?

CREED: Retrofit, pure and simple. We just aren’t doing all that can be done—and we certainly don’t do as much of the work as we could or should. There are new, light systems coming on stream and their backers are doing a powerful selling job.

We’ve got to go out and capture that market—do better than we’ve been doing.