In Search of a New Market

STO Industries Has Located a Vast New Marketing Opportunity in Response to the Deterioration of Concrete in Buildings and Statues.

The key, of course, is conveying a sense of quality — then backing it up.

In that goal, Jochen Stotmeister is reaping successes for his STO Industries, Inc., of Rutland, VT, now taking dead aim on the restoration market as a diversification move for its exterior insulated wall system line.

Unlike many of the other manufacturers of exterior insulated systems, STO through its parent company, STO GmbH in Stuehlingen-Weizen, West Germany, manufactures and markets a wide variety of synthetic resin coatings. With the exterior insulated wall system progressing on schedule, Stotmeister has now launched a major campaign to pursue the restoration and protection market. All indications thus far show STO’s careful cultivation of quality is paying off.

Behind the steady campaign is the quiet, methodical Stotmeister to whom quality is as dear as profits. Born in Stuehlingen, Germany, son of Fritz Stotmeister, founder and chief executive officer of STO, and Ingeborg Welschinger Stotmesiten, Jochen began his grooming early enough.

By age 14, his father had him at work unloading railroad cars, competing in physical prowess with Turkish laborers and not expected to come in second. In the city of Freiburg he attended a high school for economics, then served with the German army tank corps for 15 months.

Eventually, Jochen received his degree in economics from the University of Reutlingen, followed quickly by another apprenticeship at a spice mill for six months. His training then took him to Trinidad where he trained labor forces. By 1980, he was in manage-
“When the environment causes damage to cementitious surfaces, it creates new opportunities for STO Industries.”

It was the marble connection that brought Jochen to Vermont for what was originally intended to be a one-year U.S. stay. When STO decided to set up, though, using crushed Vermont marble in its synthetic coatings mix Jochen moved into the chief executive’s role—and the U.S. campaign has been his assignment ever since.

Married to the former Ulrike Mueller Stotmeister, of Marsberg, Westfalia, the 33-year-old Jochen is the father of two children, Katja and Kirsten, both born in the United States.

STO was one the founders of the Exterior Insulated Manufacturers Association. Members of the Association of Wall and Ceiling Industries—International, STO is also a member of the Construction Specifications Institute and SAME (Society of American Military Engineers).

To Jochen Stotmeister, the marketing opportunities are enormous for synthetic resin coatings, but success will come from discipline and the ability to steer a steady course toward the marketing goals that have been set.

DIMENSIONS: To many people in the industry, Jochen, the external insulated system is viewed as a renaissance of the plastering trades. Is the plasterer that au-important in the scheme of things?

STOTMEISTER: In a word, “yes.”

It takes no great stretch of the imagination to recognize that you can have the finest product in the world but if the application breaks down . . . if it isn’t applied properly . . . the quality just isn’t there.

The plasterer is the one who possesses the work skills we need and want. Even then we complement his existing body of skills with training and education in our materials and systems.

We take great pride in the quality of our products because if they aren’t applied correctly, textured properly, or if details are not followed, it is then no more than an exercise in futility.

DIMENSIONS: But what about the other trades? Can’t they find a fit in this market?

STOTMEISTER: We don’t ban anyone. Remember, our distributors are independent businesses and they know their local markets and the reputation of the contractors. A non-plastering contractor may very well be selected as an applicator—

DIMENSIONS: —and then STO takes over training obligations, right?

STOTMEISTER: STO sends training managers who will train the contractor/applicator. Our trainers will also give the practical and written tests which any applicator must pass in order to earn certification.

DIMENSIONS: Are the tests complete . . . that is, do they intend to check capability in related areas, too?

STOTMEISTER: We want quality we insist on it. That means we want to try and establish a quality reputa-
tion that surpasses our competitors here and with it in Europe, too.

DIMENSIONS: Where in your opinion did the market breakthrough occur? Was it the oil panic in 1973 that really got exterior insulated systems and synthetic resin coatings off the ground?

STOTMEISTER: Oh, the oil shortage may have helped because much emphasis was being placed on energy efficiency. But it’s of no particular help now.

Remember, in the 70s this system had no track record to speak of. There was also some inconsistency in the reputations of some systems used so no good or wide reputation existed. Many designers stepped back initially.

The gradual acceptance of the system’s benefits . . . light structure . . . prefabrication contributions . . . design flexibility . . . brought in other manufacturers and this competition has exerted a beneficial impact on the entire industry.

DIMENSIONS: The fact that your systems involve less structural requirements would perhaps put you into direct competition with traditional exterior wall systems . . . pre-cast concrete, metal panels . . . wouldn’t it?

STOTMEISTER: The pre-cast industry is in no danger from us. It has its place and we won’t replace as much as we will complement them—

DIMENSIONS: — complement them?

STOTMEISTER: Of course. You must recognize what the last 50 years of environmental pollution has done to the air . . . they call it acid rain but it’s actually “acidic” rain. The surfaces of concrete, buildings and statues, is rapidly deteriorating—and the rate of deterioration is increasing.

I think you’ll see similar concrete problems developing—

DIMENSIONS: — and a rapidly developing market for someone to take protective action against this deterioration?

STOTMEISTER: Exactly! The company that is already doing that is STO. Concrete protection — and restoration—will become more and more of a market for our type of coating manufacturers. That’s why I believe we should work with the concrete people: make them aware of the contributions that our industry can make to restore, protect, and enhance their product.

DIMENSIONS: And you insist that the product to achieve this protection is synthetic?
STOTMEISTER: It must be synthetic. Natural materials will break down. That’s what is happening to the concrete and other cementitious materials right now. Acidic rain is a real factor and it must be dealt with realistically right now. Great damage is being done to the in-place structure.

We have tested stucco and cement materials and have the microscopic evidence to show what has been happening. We’ve established comparative photographic evidence of structures from the period 1910-1929 and then again in 1966-1968.

The destruction on some of our buildings, sculpturing, and statues has been so great that you can no longer make out the details. Airborn chemicals are literally destroying the surface cells of these natural materials.

DIMENSIONS: But why your insistence on synthetic materials as the savior product?

STOTMEISTER: Come on, now. It is known that metric oxides and sulfur dioxides in our air combine with rain water to form acids which attack and deteriorate coatings and building materials. The higher the concentration of metric oxide and sulfur, the greater the danger to building materials which will allow the chemical reaction to take place. The mineral type materials are destroyed just as swiftly. Our tests — and the tests of others — have demonstrated that the synthetic materials when exposed to the same chemicals withstand it much more effectively. This is proven easily by an electron microscope.

DIMENSIONS: I realize that STO used its European experience with exterior insulated systems as the lever for opening up the U.S. market. Do you have experience that synthetic resin coatings protect as you claim?

STOTMEISTER: In Germany, STO has been using and developing these special coatings for some time. We used plasticized STO materials on the interiors of the Olympic Games structures in Munich. The exteriors were natural surfaces.

We are now restoring the exteriors with our concrete restoration and protection systems. Pollution has actually inflicted that much damage in only 12-14 years.

Our most prestigious job so far in the United States has been the New

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York City Hall. City officials recognized severe cracking on walls that had been built in 1812 with lime plasters and horsehairs as the binder.

Our distributor in New York obtained a sample area and we checked it, then recommended a protective treatment. We did the job in 1983 and today there isn’t the slightest evidence of cracking—and the job turned out beautifully.

**DIMENSIONS:** On the New York job, did you merely apply a plasticized coating or take out original materials?

**STOTMEISTER:** We took the plaster down to the load bearing substrats. After applying materials to treat the substrate we then built the walls up again and, in fact, redecorated. I don’t need to tell you that our customer is extremely happy with the result.

**DIMENSIONS:** From there, where?

**STOTMEISTER:** From that job we are now working up specifications for the same kind of restoration and protection on other jobs for the City of New York.

**DIMENSIONS:** Why the sudden surge into the protection market?

**STOTMEISTER:** You must keep in mind that we grew up in the restoration and protection business of very old structures in Germany. STO has developed all kinds of coatings for various applications.

Today, I can see any concrete building as a protection possibility. If it’s a new building, a coat of synthetic plaster is a natural, and look at all the old, beautiful buildings crying out for some restorative and protective work. It’s a very large market that we’re talking about.

**DIMENSIONS:** It’s a very tough market, though. You’ll really need an applicator with the smarts because he’ll be constantly running into different kinds of plasters, stucco finishes, cementitious materials?

**STOTMEISTER:** For this kind of work you really must have someone with a true artistic bent or aesthetic viewpoint—someone who wants to do superior work — and then be able to match that attitude with ability and talent.

In this kind of market, a contractor will constantly be faced with matching the looks of lime plasters and other natural materials, complicated by rather difficult working situations. For someone who really knows what to do with his tools, this could be a most satisfying market. With the range of products and coatings that STO has, we can back him/her up — and give the plastering trade a whole new outlook.

**DIMENSIONS:** Do you anticipate a major training involvement in this new market?

**STOTMEISTER:** We are training people right now on the proper use of these STO materials. Our technical advisors are on jobs with special requirements.

**DIMENSIONS:** What about the competition? Here you are outlining a whole new market and you must realize that the AWCI magazine will
spread the word? Aren’t you worried about competitor manufacturers leaping in?

STOTMEISTER: I hope they do. In 1982, STO came out with a brochure trying to promote interior coatings. Shortly afterwards, a competitor did the same, and we both benefited from the business increase. STO can’t possibly handle all the work that’s in this renovation market, but competitors can help make possible customers aware of what can and should be done. Then there’ll be more for all of us.

Competition is very good.

DIMENSIONS: Jochen, what in your opinion has been the major development in the synthetic coatings market over the past 10 years, and what can contractors expect in the near future.

STOTMEISTER: The major development has been the acceptance by the design community of the feasibility of synthetic resin coatings with or without insulation. They know now that it is a product that will fulfill expectations. Couple this, of course, with the advance in application skills and you have a winner.

The architect likes the design flexibility, the potential for a non-cracking product, and the aesthetically pleasing appearance. Today, craft skills and application techniques have caught up with the product.

DIMENSIONS: —and the near term future?

STOTMEISTER: It’s a matter now of wedging open the market, developing new opportunities not only in the exterior insulated market but also moving into the interior coatings market. I believe that restoration and protection will also become a viable market.

This will open up for us the chance to provide for a wide market for our other product lines. We are a coatings manufacturer and we want our coating systems recognized as allowing the use of plaster materials over any substrate.

A contractor has a tremendous opportunity in this new synthetic coatings industry. It’s coming on fast. Designers are recognizing its superior merits and owners and developers are calling for it.

To be an applicator in that kind of rising situation is to be, how do you say it, in the cat bird’s seat.