Illinois' Ralph Schleifer Went to Work at No Pay to Learn Drywall Technology, Then Built a Successful Business by Diversifying into Nearly Everything Except His Old Painting Trade

From the beginning he’s done it his own way. When he watched a taping tool being used for the first time, he abandoned his job as a master painter and went to work—at no pay—for a Chicago contractor to learn the procedure. Three weeks later, he moved on to AMES Taping Tools for a set of tools and his company, Fox Valley Drywall, Inc., of Aurora, Illinois, was born.

As a painter, Ralph had tried to do taping by hand and realized that the future of drywall lay in mechanized assistance. He quickly learned something else, though. An industry brought up on lath and plaster just wasn’t happy with the appearance of drywall.

That’s when Ralph put his painter training to good use and came up with his own famous white coating which quickly grabbed the attention of homebuilders throughout the Chicago area. Making up the material in 300-gallon batches, Ralph mixed taping cement (for body), Joy soap (for slide) and latex base materials (for aesthetics) and coated the wallboard so the seams didn’t show.

The jobs came fast and furious to his small firm—and it’s been uphill ever since. To Ralph, it was a matter of his and his brother-in-law Jack McQue’s having the right formula. Today, three and a half decades later, Fox Valley does approximately $2.5 million a year specializing in drywall, demountable partitions, acoustical ceilings, light gage steel framing, doors and frames, and Dryvit.

What Ralph sought for his company, earlier than the competition, was complete interior turnkey capability. With it, he’s been able to steer his company on a profitable course through good times and bad. The company is located in an attractive, rambling one-story block and brick headquarters building featuring some 7,000 square feet.

Born in Kaneville, Illinois, son of the late Fred L., a grocer, and Chestie Beck Schleifer, Ralph went from...
the public schools into the U.S. Army where he saw World War II action in Africa and Italy. Upon his discharge in 1944, he resumed painting as a career in Aurora—until he made the move into drywall.

Construction isn’t his only interest. To test his business acumen in other areas, Ralph bought the well known restaurant, Fisherman’s Inn, a huge barn-like operation on a 50-acre site near his hometown of Elburn. Unfortunately, fire gutted the building last October just after a near 8,000 square feet addition had been completed. Ralph is now rebuilding.

Married to the former Anne Wilson, of Aurora, Ralph was a charter member of the Gypsum Drywall Contractors International (GDCI), and served as National President 1969-70.

Always a strong supporter of national trade associations, especially AWCI and its efforts to improve the entire wall and ceiling industry, Ralph likewise strongly advocates local associations. He is also a member of President Reagan’s Task Force, and has served six years on the board of directors of the Old Second National Bank, in Aurora. His son, Dan, operates Daniel’s, Inc., a material supply company.

For Ralph Schleifer, the growth curve is still on a strong up—and he’s already grooming his grandson, Trent Schleifer, for the time when the 63-year-old founder decides to pack it in. That time is not yet even in sight.

DIMENSIONS: Ralph, you’ve emphasized a number of times the importance of intelligent diversification. Have you pursued the range of services that your company offers, or has it sort of grown as opportunity presented itself?

SCHLEIFER: There is always opportunity waiting to provide new markets for you. But in this day and age, you’ve just got to be diversified, I think. At the same time, it’s important for a contractor to stay within his scope.

DIMENSIONS: Do you mean they go for a diversified status before they’re ready?

SCHLEIFER: That’s exactly what I mean. It took me 32 years to get where I am, but remember that I started with an old Packard, a few tools, and some cement and corner bead that I got in Chicago.

Many contractors have expanded faster than I have, of course, but I think we all specialize in one area and then grow into another. These days I just don’t think that one item or service can sustain the income and work for crews.

DIMENSIONS: Talk to five contractors and you get five opinions on the right way to expand your services. They either feel a contractor should have his own technical expertise or should hire a top man to run the operation. What’s your opinion?

SCHLEIFER: A little bit of both. You don’t need to know precisely every detail of a new construction field, but you should have some management capabilities. . . . know what you’re asking of people.

Also, it’s awfully tough to find good people. But when you do luck out, you should delegate accordingly—

DIMENSIONS: —in other words, let them apply their skills?

SCHLEIFER: Yes. It does no good to have talent and not use it effectively. Keep your management control, of course, but give good people room to work—and you’ll all profit by it.

DIMENSIONS: What were the steps that led you into Dryvit? This is more of a plastering technology than it is drywall, isn’t it?

SCHLEIFER: Frankly, I went into this new exterior insulated wall system with some caution. It isn’t exactly new, you know.
As a matter of fact, a few years ago the promotion boys came out with this entirely new system consisting of a plywood base, outside corners with bead, Fiberglas tape, with a synthetic plasticized exterior coating that was sprayed on and looked like stucco.

We installed a few jobs—and it was an unqualified disaster when the exterior broke down.

DIMENSIONS: And that kept you away from this technology for awhile?

SCHLEIFER: It certainly did. But I had noticed Dryvit at the AWCI convention and because of the product improvements I decided to give it a try. Our first job in 1982 was a 16-story building, Pheasant Run Lodge, in nearby St. Charles.

We fabricated the panels in our plant and stored them in the parking lot. From there, we hauled them to the site and installed them. The job went off beautifully.

DIMENSIONS: How, as an experienced drywall contractor, did you handle the plasticized materials? That needs a plasterer’s skills.

SCHLEIFER: That was the easiest part. I had a professional plasterer and he did practically all the finished work. It’s a business with a future, no doubt about that.

DIMENSIONS: Speaking of the future, I assume business is good right now, but have you made any emergency plan should there be a renewal of inflation?

SCHLEIFER: Well, I think inflation is on its way and if anyone can control it, it would have to be President Reagan. There’s precious little that any individual contractor can do to combat inflation, but we did learn from the last experience: be extra careful on long term bids.

When you give a hard dollar bid on
a job that won’t start for a year or more, you’re just asking for trouble.

**DIMENSIONS:** Much of that difficulty can be solved by the terms of the contract, right? Perhaps wall and ceiling contractors should get in the habit of reading—and changing—contract terms that are offered?

**SCHLEIFER:** The day when a specialty contractor would sign anything pushed in front of him is long gone, hopefully. If there’s something in a contract I don’t like, I pencil it out and initial it. If the general contractor objects to my changing the contract, that’s tough. Most GCs know that we have a business to run and we have to live, too.

**DIMENSIONS:** I’ve heard GCs comment that the best subcontractor is the one on the floor bleeding?

**SCHLEIFER:** Yes, there’s some of that out there, but not all GCs go in that closefisted. The best GC wants you to stay healthy . . . and finish the job in a quality manner. The old rule still holds: know your customer.

**DIMENSIONS:** It’s always nice to work with an old customer. But what about a new GC . . . one you’ve not heard of before? How do you handle this situation?

**SCHLEIFER:** Protect yourself at all times. I know a lot of GCs and if I come across a name that’s new to me a couple of telephone calls will fill me in on what I need to know.

That way I can go into a job with my eyes open . . . and play things carefully. Get the job running the way it should, get the billing out, and ride shotgun.

**DIMENSIONS:** Let’s change the subject. Why do contractors continue to get banged up over change orders, despite clearcut contract language?

**SCHLEIFER:** Poor documentation and communications. Your people in the field have to know precisely how you want change orders handled, and any changes must be properly documented.

We have a red ticket and our field people fill out the time, material and labor on a change and the GC’s supervisor must sign it before we proceed. Then we immediately follow up from the office with a change order showing the information on the red ticket and the price. The red ticket is actually his time card for that job.

It’s the only way to do it, I think. We all know that a week later it’s hard to get a change order signed. That’s what our red ticket is for, get it authorized immediately.

**DIMENSIONS:** The red ticket makes communications easier, too, doesn’t it?

**SCHLEIFER:** That’s why we do it, yes. The change order must be signed by a GC’s supervisor in the field. That isn’t hard to communicate and it avoids the administrative formalities and procedures that have no place in the field: they’re office items.

**DIMENSIONS:** Is the situation improved at all with respect to the capabilities of GC’s supervisors? Over the past few years, a number of con-
tractors have commented rather critically about superintendents who really need more seasoning.

SCHLEIFER: A good percentage of the incompetent ones have been weeded out, I believe. In this industry, you really have to know your trade to make money, and a 15-minute conversation will reveal what an individual knows.

Truth is, the construction manager approach introduced a lot of these so-called superintendents who didn’t know who, how or what to coordinate. The cost of construction quickly exposed the profit losses coming from these people.

DIMENSIONS: Are you from the old school when it comes to accounts receivables? That is, do you do your own collecting?

SCHLEIFER: I do it mostly myself. I get a printout from the computer every month that keeps me posted on aging accounts. The routine collections I leave to our accounting department, but when any kind of delay or problem comes to my attention I get into it myself.

DIMENSIONS: Where’s the market going, Ralph? In the next five years, how do you plan to maximize your company’s profits?

SCHLEIFER: I wish I knew where we were all going. If I did, I’d be a lot richer than any contractor in North America. So many possibilities exist that it’s largely a matter of making choices.

Products and systems are getting better. Contractors are becoming more sophisticated. Manufacturers are fine tuning their offerings and the market, whether new construction or retrofit, offers a wide variety of changes.

DIMENSIONS: What about retrofit? Has declining oil prices taken some of the shine off modernizing old buildings?
SCHLEIFER: Retrofit is a good market, regardless of oil prices. These old buildings must be made more energy efficient and their aesthetics must be improved if they’re going to continue to attract customers.

DIMENSIONS: That would provide a good opening, too, for more demountable partition work, wouldn’t it?

SCHLEIFER: You know, I can’t understand why demountables don’t do better than current market statistics show. We’ve been with USG Ultrawall for years and I don’t understand why any building owner or developer wouldn’t want a flexible system like a demountable system.

Every building built needs to be changed or altered in some manner. With demountables we can take our materials up in an elevator, install them—and never interfere with the people working in the building.

It’s a natural product. Furthermore, the contractor who makes the initial installation can have that building as a customer for years into the future—

DIMENSIONS: —but?

SCHLEIFER: But we can’t get this market really rolling. It’s not price or quality or installation time . . . I just don’t know what it is. And we’ve worked hard at selling it, too . . . the same as most other contractors. There’s this little lag in market acceptability that no one can quite put his finger on. Until we do, I don’t think demountables will hit their full potential.

DIMENSIONS: You mentioned price. I’ve heard more than one wall contractor say he can install a steel frame and drywall partition a lot cheaper than almost any demountable partition. There has to be a price element involved, doesn’t there?

SCHLEIFER: It’s a matter of current price versus life cycle costing. People don’t project their costs—that means changing partitions around—into the future. Demountables are less costly if you consider changes . . . and all buildings change, don’t they?

Over a period of years, demountables are more economical, but they aren’t cheaper in price NOW. However, they are competitively priced.

DIMENSIONS: Ralph, you’re 63, you don’t have to prove anything to anyone—and your new restaurant will be in operation again in a few months. Have you toyed any with retirement?

SCHLEIFER: Not seriously. Oh, I’ve thought about it now and then but I simply haven’t turned that corner yet. One of my grandsons, Trent Schleifer, works for me as a taper and finisher. He’s got talent in abundance and eventually I’ll bring him into the office and start grooming him.

For now, though, I’ve got it running well and I intend to have some more fun.