A couple of decades ago when drywall, like a worm in the bud, was invading the purity of plaster, a Scottish wall and ceiling contractor, recently transplanted to the Washington, DC area, took a hard look at the new technology and decided to stay with the more traditional methods.

It wasn’t that Alfred W. Reilly, president of D. Compe Inc., 7900 Hill Park Court, Lorton, VA, had little faith in the potential of drywall. On the contrary, shortly after he came to the U.S. in 1959 as a carpenter working on an addition to the British embassy Al found himself picking up extra money as a moonlighting drywall estimator.

But once the embassy project was finished, Al gave up on his original intent to migrate to New Zealand, opting instead as an estimator and shop drawing specialist for a U.S. millwork contractor. The drawing part came easy to the Edinburgh native; he is a professional level artist with an imaginative and talented proclivity for acrylics. To earn extra money, he began moonlighting as a drywall estimator for the subs, actually taking a job as a drywall estimator. Later, when it came job hunting time, he had little trouble in hiring on with Dave Compe as a partner and chief estimator.

Compe, an unreconstructed plas-
terer, liked what he saw in the emerging Dryvit system and his company quickly became the first Dryvit applicator in the Washington DC market. Both partners agreed that the new construction technology could rescue them from the furious drywall bidding wars while offering a suitable challenge and reward for their design and marketing skills.

When Compe died in 1973 Al bought the company, then accelerated its shift to the company’s current status as a specialty applicator of the exterior insulated wall system. Located now in an attractive headquarters—panel fabrication factory in suburban Lorton, Compe limits itself to prefabricated panels featuring Dryvit and other materials including ceramic tile or aluminum finishes. The company has the ability to perform on site or with factory fabrication.

Further strengthening his position in the technology, Al is also president of Exterior Coatings, Inc., the distributor of Dryvit materials in the Washington-Northern Virginia-Maryland area.

A graduate of Scotland’s Heriot Watt Technical College, Al served two years in the Royal Air Force as an air traffic controller. He and his Scottish-born wife Dorothy Hislop Reilly, are the parents of a daughter and three sons, all born in the U.S. Their oldest son, Neal, serves as vice president for field operations for Compe.

Compe is a member of the Association of the Wall and Ceiling Industries-International, and his other company, Exterior Coatings belongs to the Associated Builders and Contractors. The increasing move toward lightweight wall systems has provided Compe with steady growth—but the real growth, Al believes, is yet to come.

DIMENSIONS: How do you satisfy the demands of a contractor doing Dryvit jobs on the one hand and selling materials to your competitors with the other? That’s a rather neat hat trick, isn’t it?

REILLY: It might appear so on the surface, but there’s actually no conflict. At Exterior Coatings we have three salesmen who go out and get our systems specified and then look for a specialty contractor who can do the work.

We all bid the job on an equal basis. Remember, too, that the portion of panel work versus on-site represents the smaller element—and we restrict Compe to panel projects. Rarely are we ever in competition for on-site work: I try to avoid it.

DIMENSIONS: Why would you restrict yourself to panel fabrication when the larger share of the market is still on-site? Is there that much work around?

REILLY: We have spent the last ten years developing the skills and equipment necessary for prefabrication—so it makes sense to take advantage of this.

DIMENSIONS: The exterior insulated wall system is a given element in today’s construction market. What, from a contractor’s viewpoint, is its real advantage—lightness?

REILLY: Yes, we’re finally coming to our senses. Lightness and speed are vital in today’s construction market. In the past, or in Scotland for instance where walls are up to two-feet thick, we needed this solidity for load bearing.

Today’s market is predominantly curtain wall hung on the building structure. This calls for an attractive lightweight, well insulated panel and this is what we can supply.

DIMENSIONS: By building 1 the panel in the factory you can carry a lot of building around in a truck, can’t you?

REILLY: I can easily build a 12’ by 25’ panel in my factory and then transport as many as ten on one trailer . . . that’s a lot of building, yes. Plus I can attach it with a minimum of difficulty to a structure appropriately designed for the much lighter panel. That’s a cost savings any way you look at it—and what today’s market demands.

DIMENSIONS: What’s an architect looking at . . . the design flexibility or the cost savings factor?

REILLY: A good architect will look at both. There’s no doubt they appreciate the design freedoms once these are pointed out, but the ultimate decision is often cost.
“We have the experience to design in light gauge framing: most engineers are accustomed to structural materials. It’s an added service which enhances what we offer and what we do so we take unit responsibility for that.”

That’s why contractors should investigate these external systems carefully. Until Dryvit was introduced, designers were limited to what could be done with brick, glass, aluminum, precast concrete. You had to design and build a support structure to accommodate these heavy materials.

Besides speed, lightness and the need for a lighter, more economical inner structure, the exterior insulated panels can provide the outer skin as well as a readiness to accept the interior finish, too.

Add to these features the fact that an architect has available to him a variety of colors, textures, and the opportunity to create extraordinary shapes at a reasonable cost. When complicated mouldings can be included in a designer’s work without cost figures skyrocketing, you’re talking about some pretty powerful inducements.

DIMENSIONS: Then add the thermal efficiency element and you have the makings of a rather strong marketing profile?

REILLY: That’s right. A lot of people thought the oil energy crunch in the early 1970s triggered the acceptance of these exterior insulation systems because the heating/cooling cost savings alone would pay for the skin.

The energy crisis helped, of course, but basically the financial and design communities saw exterior insulated systems as a viable alternative to concrete. We simply had demonstrated that we could put up a fine exterior quicker and cheaper.

DIMENSIONS: The biggest criticism is strength, impact resistance, isn’t it?

REILLY: Any system will have its detractors. I’ve seen architects take a ballpoint pen and stab it through the coating as evidence that it can’t take such abuse.

Yes, you can cause damage by driving a sharp pointed object full strength at the coating. You can damage traditional stucco or plaster doing that too. As far as impact resistance is concerned, though, we can add a reinforcing mesh for the close-to-ground areas where high impact is a factor—and you won’t get a hammer through that. Higher up in the building, you obviously don’t need such reinforcement.

The resistance that we encountered in the pioneering phase has been largely overcome. The experience in Germany where these systems have been in place for three decades has shown their durability and longevity.

DIMENSIONS: These are all good sales points, but how will they help a contractor land a profitable job? In the final crunch, that’s what a contractor is interested in . . . and the operative word is profitable?
"To make panelization profitable you must have the investment ability plus engineering skill."

REILLY: As a contractor I agree. But a contractor should keep in mind that when one of these jobs is specified, the first thing a salesman does is look around for contractors who can and will bid the job and its requirements.

DIMENSIONS: So the profit potential for exterior insulated systems is such that it still pays for a contractor to review seriously the benefits of getting into such specialty work?  
REILLY: Yes we have been able to keep working year round and the market is increasingly providing a good opportunity.

DIMENSIONS: —you’re talking about a rather extensive investment when you mention a panel factory, aren’t you?  
REILLY: You must make a rather extensive investment if you want to go the plant fabrication route because you’re talking about a large working area, a yard to hold the panels, lifting equipment, trucks, welding equipment. To make panelization profitable you must have the investment ability plus engineering skill.

But that’s the factory panelization route, and it’s not the only option. A contractor doesn’t need all that much in the way of investment if he goes the “wet” or on-site route. As a matter of fact, it’s little different from a contractor’s drywall experience.

DIMENSIONS: When you mention engineering skills, aren’t you possibly picking up some of the design liability problem for which the architect or engineer is traditionally responsible for?  
REILLY: Design liability is a two-way street. We do our own engineering on the panels in tandem with the design engineer. When we supply shop drawings, we also supply the engineering calculations: it’s a necessity.

DIMENSIONS: The design engineer must love that?  
REILLY: Well, we have the experience to design in light gauge framing: most engineers are accustomed to structural materials. It’s an added service which enhances what we offer and what we do so we take unit responsibility for that.

DIMENSIONS: The steel manufacturers also offer professional engineering assistance too, don’t they?  
REILLY: Absolutely. Their engineers come right in and assist the project team with the expertise that’s required.

DIMENSIONS: With this kind of work, I should imagine that pre-job consultations are a must. That is, you spend a lot of time with the designer before you even get the job—if you do get it?  
REILLY: I would estimate that 75 percent of our work has been realized as a result of our consulting with the designers prior to building.

If the owner decides to go with Dryvit, then they tend to call us in and we really go to work engineering the jobs, working with the steel manufacturer’s engineers, the project engineers, and our own staff. It’s a highly supportive relationship.

DIMENSIONS: Al, why hasn’t the exterior insulated system found a greater application in the single house residential market? Couldn’t more be done there?  
REILLY: You have to understand what we are competing with, ie., aluminum siding, textured plywood, etc. The cost of our system does not allow us to compete at that level. So you find that when our system goes into a home it’s one of the better, more expensive homes.

You won’t often find a Dryvit type application in a track house.

DIMENSIONS: The same would hold true for the rehab market, wouldn’t it? I mean, the single house wouldn’t be an attractive rehab market either, would it?
REILLY: The commercial rehab job is the way to go—and it’s generally a wet application unless you expose the frame of the building. Stripping off the existing exterior is usually too expensive.

DIMENSIONS: How do most jobs come to you: a separate contract or a sub bid to the general contractor?

REILLY: We bid with both the GC and the developers, in cases where we assist at the design stage. However, working through a good general contractor can make our job a lot easier.

DIMENSIONS: Why? How do you find payment these days?

REILLY: Deteriorating steadily with no relief in sight. Any improvement can only come from the subcontractors making a united effort to change the payment system.

DIMENSIONS: Do you have any ideas on how to correct the situation?

REILLY: What, you mean the late or delayed payments? I think it’s a basic flaw in the business that we subs allowed to develop. We allowed retainages and this is merely an extension of that contest. When subs say “no more” something will be done about it. I don’t see that occurring tomorrow morning.

Other businesses pay up front but in construction we allow retainages and the contract that says we get paid when the GC gets paid.

DIMENSIONS: How about federal government work? In the Washington DC area, you must have a good shot at these big projects.

REILLY: The federal government has moved slowly so far with exterior insulated systems. Their building systems are still wedded to the traditional structure, but it’s changing. It’s on a growth curve.

DIMENSIONS: What’s in the future here? Do you see accelerating growth for exterior insulated wall systems . . . or a continuation of the past five years?

REILLY: I believe we’ll see the growth curve turn up. We’ve just about eliminated early resistance and doubt about the system and now we’re even starting a move into interiors. It might be a bit much to project a replacement of paint and wallpaper, but exteriors—for all the reasons I’ve already mentioned—will continue growth in geometrical terms.

We’re right on the leading edge of it: where I’d like to be. But there’s plenty of room for more—and that’s good for the entire construction industry.