Once the quality of their reputation was, in fact and in deed, camouflaged . . . and their construction talents made them very good at it.

But no more.

The enviable reputation for outstanding work and service that marks their construction profile in the Southern California area demonstrates that the wraps are off on the Martin Brothers Plastering and Marco wall, Inc., 17104 So. Figueroa Street, Gardena.

Headed by brothers William L. "Bill" Martin and Richard C. "Dick" Martin, the old-line wall and ceiling firm is one of the top, fastest performers on the West Coast. With an average annual gross volume of $40-million and up, Martin Bros. and Marcovall, Inc., has settled into its marketing niche of interior cores and tenant work.

Born in Inglewood, sons of Adele Lansdown Martin, of South Bend, Indiana and the late William L. Martin, Bill and Dick were introduced to construction and hard work as teenagers. Under their Scot father's tutelage, Bill eventually became a card carrying plasterer and Dick a card carrying lather.

The Martin Bros. company itself was formed in 1946 by their father, a Scottish-born Canadian immigrant, and his brother, John A. Martin. Their lathing expertise stood them in good stead during World War II as camouflage experts. By 1956, Dick and Bill's father decided they'd absorbed enough field experience and put them to work full time in management.

Under the younger Martin brothers' guidance Martin Bros. has grown in-
“We offer demountable partitions—Ultraglass—but the major market is
still floor to ceiling fixed walls whether you’re dealing with a new
building or a renovation.”

to a major construction corporation. 
In 1964 they organized Marcowall, 
Inc., a firm specializing in drywall 
tenant improvements.

The 53-year-old Bill Martin is mar-
ried to the former Silver McClure, of Los Angeles, and is the father of two 
children. Dick, who is 51, is married 
to the former Hattie May Terry, and
is the father of three. His oldest son,
Richard G., 24, along with Brad Mart-
in, 28, (Bill’s son), build apartment 
houses and investment buildings for the firm.

Besides their commitment to wall 
and ceiling construction, the Martins 
play an active roll in industry affairs. 
As long time member of AWCI, the 
company is also a member of the 
Southern California Drywall and Plas-
tering organizations. Dick and Bill are 
directors and major stockholders in 
Westside Savings & Loan with 
$38-million in assets, and are actively 
involved in other types of construction 
orientated businesses.

From their splendidly defined two-
story stucco headquarters facility—located at the hub of Los Angeles’ 
road system—with its 12,000 square feet warehouse and 10,000 square feet office, Bill and Dick preside over the 
companies with an outstanding repu-
tation—and whose direction is up.

DIMENSIONS: In your earlier 
comments, you seemed to stress your 
primary interest in interiors. Did I 
understand you correctly . . . only the 
interiors?

BILL: Yes, we’ve changed with the 
market and according to our own 
needs. We’ve diversified into a number 
of interior products here, so Martin Bros. isn’t what it once was.

We specialize in office construc-
tion . . . fire proofing, lath and plaster 
and core drywall. For tenant work, we 
have Marcowall.

DICK: Keep in mind that we 
operate Martin Bros. and Marcowall 
as a single unit. Martin Bros. does the 
core work and sublets the drywall to 
Marcowall—

DIMENSIONS: —then Marcowall is a subcontractor to Martin Bros.?

BILL: Not really. Martin Bros. will 
bid the entire job and subcontract the 
drywall portion to Marcowall. But the 
latter also contracts total interior 
development consisting of tenant and 
movable walls, doors, frames and 
glass.

We have two general managers, 
Jerry Sherman, Vice President for 
Martin Bros. and Roy Keenan, Vice 
President for Marcowall. Jerry looks 
after the basic core work, and Roy 
handles the tenant development work, 
along with Steve Woody, Vice Presi-
dent of Field Operations for Marcow-
all and George Flath, Vice President 
of Field Operations for Martin Bros.

DIMENSIONS: Separate contracts?

DICK: I’m not all that certain how 
core work and tenant development is 
handled elsewhere, but here in Califor-
nia the owner usually lines up a second 
general contractor to handle his tenant 
work.

As a result, even when Martin Bros. 
does the core work we often end up
DIMENSIONS: I would assume from the range of services that you offer and your well-earned reputation that you have a core of general contractors for whom you work. Is that true?

BILL: We have many quality customers that represent nearly all of our core work, but we bid and negotiate most of this work.

DIMENSIONS: What about the new exterior insulation wall system? The application there is overwhelmingly exterior; aren’t you interested in dipping into such a growing market?

BILL: Yes. The city of Los Angeles is still working out some of these mechanical attachment problems.

DIMENSIONS: —outside L.A.?

DICK: It’s OK there, but this market is a fast growing one.

BILL: It’ll happen here, but the large jobs in L.A.—plus the architects tendency to stay with existing techniques and materials — means our market approach is still the correct one.

In other warm weather areas such as Bakersfield and Palm Springs they will use it a lot because of medium sized buildings and a wide thermal situation—cool in the winter and hot in the summer. The insulating advantage of these systems tips the decision there.

DIMENSIONS: So you stay in pursuit of the steel or concrete high rises... where the real business is?

BILL: That’s right. Ninety percent of the partition work on these structures is fixed drywall. We offer demountable partitions—Ultrawall—but the major market is still floor to ceiling fixed walls whether you’re dealing with a new building or a renovation.

DICK: We bid just about every job we do, core as well as tenant with a few exceptions of negotiation. We do private work only, and that means no public or city work and no government work.

DIMENSIONS: As neat and tidy as this all sounds, there certainly must be some tough competition for the existing work?

BILL: You can believe that. We have plenty of competition and it’s fierce. Many drywall contractors in this market specialize in core work.

DIMENSIONS: That’s where your reputation comes in handy, doesn’t it?

DICK: In construction—just as in every other kind of business that’s labor intensive—your readiness and ability to perform represent the difference. Service is the name of the game. When a general contractor calls and needs something, if you can handle it you get the work.

DIMENSIONS: Let’s talk about change orders. That’s where many of the problems arise and where profits can be quickly dissipated. Are you a company which insists on written authorization?

BILL: We insist on it... we emphasize it... but often must do the work and then get the follow up paper work. If an owner needs it quick, you often can’t go through the time delay process of approvals and authorization.

To do a change on a verbal means that I really know that customer well and then’s when customer relations really counts. Everything should be on paper, yes, but you want hard information before you go ahead on just about anything. There aren’t any secrets left in this business anymore.

DICK: I think what Bill has been saying is that you should do things by the book... the written authorization, etc... but sometimes it just doesn’t work that way. A GC has to get all the paperwork done for all the trades on a major change and for a sub to hold up pending authorization is to create an impossible situation.

We try hard to get the paperwork, but reality and the needs of the project sometimes get in the way.

DIMENSIONS: As you mentioned earlier, running a construction company is an exercise in fundamentals. If it’s all that simple, why all too often do some good companies lose on a job and a bad company turn a profit?

BILL: I never said a profit was guaranteed. No matter how well established and how careful you are
conditions exist that can ruin the most carefully managed jobs.

You can get into a bad relationship with the GC and the owner, and the architect. A few other bad subs can turn the job into a near disaster. There are so many contingencies—and you just can’t predict them—

DIMENSIONS: —and poor management personnel on the part of the general contractor, too. More and more specialty contractors are mentioning that.

BILL: Yes, that, too. The real problem is when you get the general contractor who is really a broker. He doesn’t have much committed to the job other than management, a few laborers, and a desire to maximize his own profits. That’s the bird you have to watch.

DIMENSIONS: How about outside contractors? I mean, what’s your strategy when a GC you don’t know asks for a bid?

DICK: We have a very fundamental strategy: we just don’t bid outside or unknown general contractors. We also don’t do multi-bid projects. We stay with private work and the GC’s who do this type of construction.

We do major hi-rise buildings for general contractors we know. We do our work well. We give good service. We collect on our progress and final payments—and we stay profitable.

BILL: The life of any contractor is cash management, keeping a good control on his cash flow. In a volume business, if the contractor doesn’t keep on top of his cash flow daily, a temporary crunch can be serious.

DIMENSIONS: When you talk about cash flow the subject of retentions invariably comes up. What’s your philosophy on retainages? Are they fair . . . indecent or is this another way for someone to pocket the interest income on a slow pay policy?

DICK: We live with it and try to work it out, but mostly we just view it as a given item in the industry.

DIMENSIONS: Isn’t that a bit of a shrug-off to a serious matter?

DICK: Not really because they really are a necessary evil for the GC—and not just to assure that a sub will do the work he’s supposed to or to get movement on an unfinished punch list.

When a job is bonded, I don’t feel retentions are necessary but from another standpoint retentions separate the good, financially sound subs from the “also rans.” A substantial contractor with a good reputation and finances can live with retentions.

To grow in a construction business you must have staying power and good financing. If you don’t have it then you must know where you can obtain it.

DIMENSIONS: Are you gentlemen saying “get to know your banker?”

BILL: That’s exactly what we’re saying. Any prudent contractor knows he must have good banking relations and spend time with his bankers because it’s vital. When a contractor is up against a cash crunch—for any number of reasons—you need your banker to get you through and back onto solid financial ground.

Be honest with your banker, explain your needs and future needs, give your banker the financial information about your business so he’ll have a good
understanding. Then, when you need to use the line of credit, it'll be there.

**DICK:** The same goes for your bonding company, too. For years, we rarely needed a bond. But when you want to go for a big job, a bond is almost a necessity. It really isn’t so much the fact that you have the bond as it is to be able to answer, “yes,” when you’re asked, “Are you bondable?” It’s "goodbye" for any other answer.

**DIMENSIONS:** Another aspect of cash flow management is managing your accounts receivable. How does a large firm like Martin Bros. and Marrowall approach this function? Do both of you get personally involved?

**BILL:** Both Dick and I get a cash report daily. Plus, we have a weekly and monthly aging report on our accounts receivable. To me, that’s minimum reporting; you need to keep your eye constantly on such a volatile element as accounts receivable.

We get our billings out before the 25th. We follow up with a call on the first of the month if the payment request is current, if there will be a change in the request, or if information for payment is requested.

On a 30-day cycle we should get our money before the 20th or 25th of the following month. Otherwise it goes directly into the 30-day aging account. At 30 days, we call and find out if a problem exists. After 45 days we threaten to pull out of the job, and at 40 we really put the hammer down.

**DIMENSIONS:** That sounds like rather tough conduct.

**BILL:** It’s meant to be. Our customers know they’ll get calls from accounting if they get behind on us. I believe a tough reputation is a decided asset in accounts receivable.

**DIMENSIONS:** Toughness aside, managing accounts receivable is also an artform in common sense, isn’t it?

**BILL:** Of course, you must use your own good common sense. Sometimes there’s an understandable explanation for a late payment. Any collection problem depends on circumstances. Still, though, no sub should give up his lien rights. If they expire, a contractors chances of collecting are impaired and perhaps he won’t be able to collect at all.

**DIMENSIONS:** What about the sub who is asked by a GC to sign the release so the GC can get paid? He’s giving up his lien rights—and won’t get paid unless he does, right?

**DICK:** Any prudent sub should know how to protect himself. If to get final payment a sub must release his lien then he should have his documentation in order so he can take action for any breach.

**BILL:** I think subcontractors are experiencing difficulty on payments more so than five or six years ago.

Remember, six years ago the interest rate provided strong motivation to hang onto the money as long as possible. Furthermore, it’s human nature to pay only when you must.

You don’t have the interest element now, and as for human nature, good customers pay because they’re basically honest.

**DIMENSIONS:** Just as a closing question, where does the wall and ceiling market seem to be going? Do you have any thoughts on direction?

**BILL:** I don’t think anyone can talk in specifics, but the trend toward speed of construction and lightness will probably continue.

You’ll see more development. A lot of contractors are specializing in panels . . . of site fabrication of panels in controlled environment . . . and then shipping to the site.

Construction has some major obstacles to efficiency . . . scaffolding, speed of erection . . . weather complications . . . need for heavy structures.

The new lightweight panels which can be fabricated in a contractors own factory, trucked to the site, and lifted into position on a skeleton that doesn’t need to be built as massive . . . well, that’s a pretty strong argument for panelization.

**DICK:** We’ve been in business for a long time. We started with our dad in 1953 and we’ve seen changes come fast. The speed hasn’t changed much, except maybe to increase a bit.

A lot of new construction needs to be done. The country has a lot of buildings in place, many of which need renovative work.

It’s always been a boom or bust business, but that’s the nature of the beast — and the beast has been good for us.