
THE PAYOFF FOR DIVERSIFICATION

In Troy, NY, Burt Fisher Has Parlayed a Series of Companies and Services into a Construction Company Capable of Nearly Any Job, Any Place



To say he broke the mold would be inappropriate: he simply went out and fashioned his own.

Because what Burton Fisher, 62-year-old chief executive officer of Davis Acoustical Company, 4 Tyler St., Troy, NY, does is do things—in profitable terms — like few other specialty contractors. Furthermore, after three decades of undiminished success, he shows no signs of altering his favorite business patterns.

He really is different.

In an era when conventional wisdom warns against the money hemorrhaging dangers of travel, he'll pick up and go, often within 24 hours.

He shuns bid work to the extent that a disproportionate amount of his companies' \$85-million-a-year volume represents negotiated jobs.

He's not the least bit reluctant about taking on work or customizing a package with elements in which his company has no previous experience.

And his reputation for service and excellence with some of the major hotel and department store chains, and developers is so well honed that competitors would be puzzled—and hard pressed—to wedge him out.

Truth is, it's always been a bit that way with Burt, whose first job in construction was a success resulting from a misunderstanding. Born in Brooklyn, NY, son of the late Mar- ris, an aeronautical engineer, and

Tillie Lessner Fisher, Burt moved to Newark, NJ, as a small boy where he was raised by an aunt and uncle.

After high school graduation in 1942 he managed to get in one semester at the Newark College of Engineering before called into the Air Force's weather service for World War II. Discharged in Sacramento in 1946, he dabbled for awhile buying and selling war surplus goods before the entrepreneurial urge settled into a building and plumbing supply business.

The West Coast lost its attraction, though, when Burt paid a 1950 visit to Newark. There he re-met—then quickly married—a high school sweetheart, the former Joan Rottmann. They've now been married 35 years and are the parents of two children, Jill, wife of Hudson, NJ, attorney Barry Sack, and Bradley, a vice president of Davis Acoustical.

It was shortly before their wedding that Burt misunderstood his way into an estimating/sales job with an insulating contractor. In a job interview, Burt heard the contractor wrong, and thought he was going for an installing job. Shortly thereafter he hired on with an acoustical tile contractor. Then in 1954 came the big break.

Accepting a whopping pay cut in exchange for a promise at profit sharing and a right to buy into the business, Burt joined Paul Davis' acoustical contracting business. His first assignment was to open up the Albany, NY, office which, at the time, consisted of Burt at a rented desk in a private home whose owner had rented out three other desks downstairs to complement the income from tenants upstairs. His total overhead, rent, and answering fee was \$25 a month.

With determination, skill, and luck, Burt turned an \$11 profit the first fiscal year. By the late 50s, that little Albany office was sufficiently attractive that, as per the original agreement, Burt bought the Albany and the Hartford, CT, operations from the Davis-Fetch Company, by then one of the true acoustical giants in the industry. Retaining the Davis Acoustical name, Burt ultimately established himself as the premier area contractor for acousticals, chalkboard/corkboard.

Recognizing a loss of business because of his lack of packaging ability, Burt quickly filled the gap, moving into folding doors, demountable partitions, and carpentry. It was this readiness to invest in and add

new services for customer convenience that prompted the creation of other contracting companies who could follow clients anywhere in the U.S. It also promoted a growing involvement with his own realty speculation and development.

Through it all, Burt has kept a steady focus on the industry as a whole. Paul Davis had been instrumental in Davis-Fetch's organizational efforts in starting up the National Acoustical Contractors Association (now known as CISCA) and he also organized the Albany chapter of the American Subcontractors Association, serving as ASA President in 1978, and then as New York State ASA President.

A long-time member of the Association of Wall and Ceiling Industries—International, Burt currently serves on the AWCI executive committee as Treasurer and will move "through the chairs" to one day serve as AWCI President, too.

Physically big and soft spoken, Burt's management style, by his own admission, is easy, loose—but close. He pins his own success to his ability to find and hire good people . . . and then give them the freedom to operate . . . while maintaining a steady information flow. In the rambling 40,000 square foot headquarters/warehouse complex nudging the Hudson River, Fisher's well-appointed office is the model of quiet decorum—until 9am every morning . . . and then Burt Fisher's phone screams and another workday begins.

DIMENSIONS: As a starter, Burt, how do you make a success at traveling . . . going into strange geographical areas where you're not familiar with the labor/management environment . . . and making a profit when other contractors say that's the hard way to make a construction living? Yet you seem to thrive on it, pursue it?

FISHER: It takes a bit of preparation. But we've developed key people who are oriented to travel and we spend a lot of time and money developing list—call it a "manpower inventory" if you wish—of good mechanics around the country.

We're not going in blind . . . never have. By now, of course, we've



worked in many places and we know the players and what it takes to be profitable.

Let me give you an example: One of our customers had three jobs go bad in Virginia and needed someone to step in quickly. Some of our key people spent a Tuesday, Wednesday and Thursday looking the situation over.

We came in Friday, negotiated a contract, then mobilized over the week-end. On Monday morning, we had a 35-man crew on the job—

DIMENSIONS: —your people or a local crew?

FISHER: It was our own crew including some of our out-of-towners and our management.

The project was successful for the customer and also for us: we made a profit.

DIMENSIONS: Most contractors hesitate about traveling because of the stretched out management obligations, with personnel they don't know . . . that sort of thing? How come?

FISHER: Look, we're not successful every single time. And I'm not saying we always do everything right. But the pluses outdo the minuses by a considerable margin and that helps the bottom line.

DIMENSIONS: The key? What's the key for a company like yours? You have permanent offices in Troy, Fort Lauderdale, Hartford, Detroit, and Los Angeles not to mention, apparently, your willingness to set up temporarily just about anywhere? How do you make a consistent profit at it?

FISHER: We start with good supervisors. We have home office visitations to our jobs on a regular

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basis. Plus I’m usually at least in telephone contact every day with the main regional offices and other project offices.

We’re computerized and all job information is processed daily.

As you’ll notice I’m just talking basics, fundamental management—but that’s the kind of management that makes consistent profits, isn’t it? You don’t have to be cute, just be consistent at what and how you work your plan.

As for a job going sour: well, we’ve had jobs that go sour right here

in Albany. So that’s nothing new.

DIMENSIONS: It’s not difficult for a job some distance away to go bad. And many subcontractors complain that the supervision on big jobs is getting worse. In your experience, what are the principle reasons?

FISHER: They can go bad anywhere for similar reasons. They go bad in your own backyard. Once in a while it’s a bad estimate. Mostly, though, it’s a whole job that goes bad: it’s sour from the top right down.

We usually aren’t the only ones

having a bad time on a particular job. Any number of factors can apply: poor supervision by the GC, or the owner, some mechanical trades not performing, lots of changes . . .

DIMENSIONS: I should imagine that you have a strict company policy on changes, don’t you? I mean, they can make some jobs profitable—and wreck the accounting on others?



FISHER: We try to keep good records on changes. The lawyer calls it a “paper trail” and we make certain that we have a “paper trail.” The one thing that I absolutely insist on is good, current records in that area.

A contractor’s not minding the store when he doesn’t keep a record of delays and changes out of sequence . . . and make his customer aware of changed conditions.

Only when we have a good case and records are we really prepared to sit down and negotiate on claims. Keeping our own good records is only half of it: we must keep our customer aware of what’s going on so we can make our position clear.

On a big job, that “paper trail” is vital.

We’ve never gone to court on these issues. Because we make a strong case we can resolve it. Truth is, I don’t think a sub can win in court.

DIMENSIONS: Even if you had to go to court, you’re in better shape than most subs. Your son, Brad, is a lawyer and also your son-in-law, right?

FISHER: Yes, and both do everything they can to avoid going to court because they're smart lawyers.

DIMENSIONS: Let's get back to traveling for a moment please? You emphasized earlier, I believe, that you go to the local hiring hall for your workforce except for supervision and a few key mechanics. I wonder if you'd expand on that?



FISHER: Well, our key people have our company's interest at heart. If we happen to get some mechanics who are less than what we'd want, our key people can assist appropriately, give leadership to the way we want things done.

I've found, though, that most business agents don't try to load me down with bad personnel: they really try to give us good people. In major cities we've been pleasantly surprised at the high calibre mechanics we get from the local union.

DIMENSIONS: When you bring in top mechanics, that sort of forces the local tradesmen to match the pace? Is that the idea?

FISHER: People are human, aren't they? Mechanics, like most people, really want to earn their pay.

If we're a contractor working in another area and we organize our job properly, these mechanics recognize it and react accordingly. When we bring in good lead people of our own, the local tradesmen know we have control on the job and they know we want decent performance.

DIMENSIONS: Your main regional offices are located in predominantly union stronghold areas, aren't they? Is most of your work still union . . . and has the shift from union to non-union subsided?

FISHER: Oh, I don't think the union vs. non-union shift is anywhere near being over. Union work, with a

few major exceptions, continues to diminish and non-union contractors continue to move into market areas that have traditionally been union.

We obviously have a big stake in union work and, let's admit this fact: the union tradesman is generally a superior mechanic to his non-union counterpart. However, unions are still losing their markets.

The problem with the union mechanic is that he's mighty expensive—sometimes too expensive for the skill advantage differential that he brings to the job.

DIMENSIONS: But many people in the industry feel that the dollar wage factor isn't all that great between union and non-union. What's the difference then: management control?

FISHER: To a large extent, yes. The right to manage reflects itself in costs other than wages because the two aren't the same thing. A well managed non-union project can



usually be brought in for considerably less money than a union project because the contractor can manage the former more efficiently.

DIMENSIONS: Then the double-breasted or non-union contractor are the best prospects for long term survival?

FISHER: No, no, I won't bite on that one. That's a point that every contractor must decide for himself.

I won't even state or imply such a conclusion.

I want to point out that we have a residential company . . . one that works on single family homes . . . and by its very nature it's a non-union operation. Why? It's always been that way because a union contractor admittedly can't compete in the one family residential market.

DIMENSIONS: And light commercial? What are its prospects?

FISHER: The non-union element is moving in very strongly, that's true. More and more, we see non-union companies competing for the bigger jobs—and doing it successfully.

The move has been made. The unions have allowed them to get a grip — and now they're getting stronger and stronger.

DIMENSIONS: But hasn't union leadership made a determined and noteworthy effort to blunt the non-union movement? There's been some mighty big concessions lately?

FISHER: I have a strong hunch that the mighty big concessions you're referring to might be a matter of "too little too late." It's really hard to tell at this stage because the concessions have certainly slowed down the tide. But they haven't stemmed it by a long shot. We still find that unions are strong in certain metropolitan areas and when we move to the suburbs we find non-union strength. What's got the unions off balance is that the suburbs are moving closer to the cities.

DIMENSIONS: **Accounts receivables is a nice subject. With projects all over the country, you must run into some interesting "it's in the mail" situations. Are collections and retentions much of a problem for you?**

FISHER: It's a problem and we are constantly working to refine the process.

On major jobs, our project people handle the receivables and I've always got an aging report on my desk. We do have fulltime collection people but this isn't the total answer. As I said, we're always trying to improve our record.

With something like receivables, you must condition your response to the market. On government for instance, we know it will be slow pay so we call and ask for our money—there's usually no big danger or risk involved.

In other cases, it's a matter of letting them know clearly, ". . . yes, we're emphatic about collecting our money." With smaller, riskier accounts, after 30 days you begin coming on strong.

DIMENSIONS: **What's your management philosophy on launching a new company or new construction service . . . particularly one where you've not been involved before?**

FISHER: The whole key to any business venture is good people. With the right person in the right job you can accomplish nearly anything.

If we want to try a new venture, we hire people who understand it. As an example, we tried to crack the residential building market some time ago with existing personnel and the results weren't all that successful. Then we formed a company with experienced residential people—and let them run the show—so it's taken off.

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DIMENSIONS: You moved into asbestos abatement strongly, too, didn’t you?

FISHER: Actually we got into asbestos abatement some five years ago. When the insurance controversy hit, we got out of it and then we moved back about a year ago. A number of our old customers are happy that we’re back because they know our reputation for quality work.

DIMENSIONS: How did you enter? Hire experienced people?

FISHER: That’s right. We hired an



individual with experience in interiors and in asbestos abatement, gave him management responsibility—and support—and the business is taking off again.

DIMENSIONS: Where do you see the next big market surge for wall and ceiling contractors, Burt? In what areas should a contractor be looking for expansion?

FISHER: I’ve always been reluctant to tell another contractor what to do? I’m not all that certain about the future myself.

I do feel, though, that the exterior insulated wall market . . . and panelization . . . are becoming very promising. We’ve seen some huge projects using the panel approach—and for good reason. The technique is fast, light, and dependable.

We’ve just purchased a building in Michigan to build panels.

DIMENSIONS: The system is made to order for rehab, isn’t it?

FISHER: Yes, sometimes. And I don’t think Albany is much different from other cities. We have lots of old buildings that need and could be modernized using the insulated panel approach.

We’ve already done a few so the designers and owners appreciate what the possibilities are.

DIMENSIONS: Exteriors would pretty much complete the cycle for you as a contractor, wouldn’t it? I mean, your companies already specialize in complete interiors, carpentry, and acousticals.

You do residential work. You’ve involved yourself in speculative development. You do general construction, and you’re ready, willing and able to move around the country as efficiently as any design and construct firm. Sounds more and more like a turnkey type of company.

FISHER: It does sound that way, doesn’t it? But you should include one more important element.

DIMENSIONS: And what is that?

FISHER: We try to do all this profitably.

