At a time when the demise of his specially was supposedly underway, in a market that was shifting with dangerous speed, and in an environment which saw the other players running for cover, he launched his own business.

A lather by trade and with an earned reputation for bringing jobs in awash in black ink, 48-year-old David Cassidy, President and Business Manager of Cassidy Plastering Company, 218 Millwel Drive, Maryland Heights, MO, ignored the pessimistic declarations. In 1981, he started his own plastering company with an eye toward the shaky commercial office building market.

Today, six years later his company, located in a 10,000 square foot headquarters/warehouse complex operates from an industrial park of which he’s part owner and does a regular $5 million annual business. Furthermore, in the last few years he's been embarking on a diversification strategy which will remove his company a bit more from the strict bid market.

Cassidy Plastering, still a strong lath, plastering and stucco specialty firm, also does drywall, fireproofing, exterior insulated wall systems, and light gauge steel.

Born in Kirkwood, MO, son of William, a carpenter, and Helen Chott Cassidy, of Manchester, MO, Dave did the usual summer jobs—golf caddy, swimming pool life guard, construction gopher—through high school. He attended University of Missouri and
A solid job does represent a better profit situation . . . because it’s non-labor intensive and work that you’re totally familiar with as a specialist. Its the labor content that makes construction so cash intensive and introduces the control difficulty element.”

A member of AWCI from the beginning, he is vice chairman of the public relations committee and has served on the membership, plastering liaison committee, and several tech subcommittees.)

DIMENSIONS: The first obvious question that comes to mind is: wasn’t it awful risky to start up a plastering contracting business in 1981—right when so many contractors were being pushed down and out?

CASSIDY: Not really. There was a lot of work that I knew I could get and, frankly, I wasn’t all that worried about getting it.

I’ve been in this industry for 30 years and, yes, I’ve seen plastering go down from the level it was when I started. But we now have new products—such as the exterior insulated wall systems—to reinforce the old trade products. That alone has produced a renewed interest in the plastering trades.

DIMENSIONS: And the other markets for plastering skills? What might they be?

CASSIDY: For one—and a good one—there’s building restoration. An excellent market is developing for restoring plaster ornamentation and other basic ornate plaster work on churches, municipal and office buildings, public buildings.

DIMENSIONS: Are you referring to the maintenance type work?

CASSIDY: It’s not all maintenance. This ornamentation work hasn’t been available for many years but now they’ve got to do it—

DIMENSIONS: —or watch those old buildings crumple, right?

CASSIDY: Right. Plus, it’s not all ornamentation. Much of the work on these old buildings consists of flat wall plaster.

DIMENSIONS: Would you agree that the decline in plastering has just about ended?

CASSIDY: I don’t think there’s much doubt about that. We’re actually now in a re-building stage. Insulated wall systems are coming on very strong as basic design gets away from the pillbox appearance.

DIMENSIONS: Then you see much of the resurrection of plastering attributable to design?

CASSIDY: Of course. After World
War II we had a lot of building to do and design evolved into square corners, flat surfaces, and any unique design efforts such as an arch was limited by existing products . . . brick, stone, etc.

Now, we are experiencing a lightweight focus on construction. These new materials allow the designer to use more imagination in their designs. We’re seeing now sweeping turns, gables on large office buildings, atriums where the elevator lobbies just don’t conform to any previous standard.

DIMENSIONS: These are exciting times in construction, aren’t they?
CASSIDY: Yes, and we’ll see even more as designers move farther away from the strict north-south, east-west architecture and involve themselves more in the total view. The astronauts proved the world isn’t flat . . . so why should our buildings be that way.

DIMENSIONS: Yet you are now on a strong diversification movement? What’s behind this move?
CASSIDY: I’ve been listening to industry leaders over the past few years and all the talk has been about the value of diversification. The warning is: don’t remain in one element business. That makes sense to me, so we’re moving.

DIMENSIONS: In what direction? What new businesses are you taking on?
CASSIDY: We’re getting into new equipment and specialties . . . counter tops, cabinets, special equipment for labs, computer rooms, kitchens, and offices.

To minimize the cost start-up, we’ve hired Charles Buehrle to man the new operation. He’s a sales type and knows the business thoroughly so our initial efforts have been quite successful.

DIMENSIONS: What’s your pur-
pose . . . smooth out the volume dips or get away from bidding.

CASSIDY: A number of motives are involved, but smoothing out dips is part of it. The sales direction versus the hard bid certainly offers an attractive benefit. When you specialize in a particular product line and convince the buyer that your products solve his problems or design you'll get the job. You thus have a better chance of being profitable.

DIMENSIONS: And sold jobs represent a much better profit potential, right?

CASSIDY: A sold job does represent a better profit situation than a bid one, but not simply because you can load up the profit line. What's working in your favor is work that is non-labor intensive as well as work that you are totally familiar with and in which you specialize. That means you can control the work and the cash flow. It's the labor content that makes construction so cash intensive and introduces the control difficulty element.

Good control usually means profit.

DIMENSIONS: You talk about diversifying into less labor intensive work . . . the cash requirements of high labor content. Yet you remain a union contractor during a period when contractors are rushing to non-union status? Are you a diehard union contractor . . . or is your faith shaken occasionally?

CASSIDY: Oh, I'd say it's shaken almost daily. I have strong doubts that I can remain union and it all hinges on if I can remain competitive against the non-union operator.

One of the things that union people seem to ignore is that the contractor doesn't determine whether a project will go union or non-union: cost makes the determination. For heavens sake, our car makers scream about foreign imports but they're right over there building, aren't they. Why? The answer is: costs. When I say costs I'm talking about methods of operations, timeliness of completion, labor productivity . . . they're the key components.

DIMENSIONS: But don't today's union leaders and members understand this?

CASSIDY: I really don't think so. And it's not cost per hour I'm talking about. It's the cost per unit of completion . . . the punched out cost to the owner.

An inexperienced mechanic can install any item, but it's hard for that mechanic to get his work accepted at a cost that remains competitive.

DIMENSIONS: That's always been the union man's argument. And it's valid, isn't it?

CASSIDY: Right now, the non-union contractor can just about match a union contractor with a trained work force. The success of non-unionism will depend on their ability to maintain that quality level.

DIMENSIONS: Isn't much of this a supply of card-in-the-pocket union trained people in non-union ranks?

CASSIDY: The non-union contractor has picked up ex-union talent: they've had to because they aren't really training anybody. As long as they can convert, travel, and take our markets they'll grow.I would hope we can forestall further losses, that the
union trades we employ come to realize if our area is to remain union it’s dependent on them as much as on the contractors: we contractors have such little control, really.

Building buyers are the same as anyone else: they buy the least expensive package consistent with acceptable quality—and they aren’t married to the unions either.

DIMENSIONS: You mentioned cash a few moments ago. What’s your policy on cash management . . . accounts receivables . . . collections?

CASSIDY: I’m a hands on individual when it comes to collecting and watching the cash flow. I stay personally involved all the time, right up to making collection calls as well as basic inquiries. Remember, not every call is a hard nosed collection call. If a check is coming late I want to know why and how late . . . when will the payment be made?

From my point of view, collecting isn’t the bottom line, timely collection is. We all collect sooner or later: the “sooners” do well and the “laters” do poorly. The trick is to get all your receivables into the “sooner” column.

DIMENSIONS: And retentions? How do you approach this cash drain?

CASSIDY: With anger, same as any other contractor, and I don’t have an answer either. You can’t avoid them. Retentions are one of the most difficult management problems a subcontractor has to deal with. They’re so unfair. Why should I not get paid because of the shortcomings of another craft. That shouldn’t be the reason, but it’s the only leverage the owners have and they play it like a violin.

You can run a year behind on a retention and that can easily represent the profit—or more—in a job.

DIMENSIONS: Yet, the only response is unified action by subcontractors—and you’ll never get that, right?

CASSIDY: If all subs would band together just for one month or two they’d end the retaintage practice. Read the contract, they say: we’ll still need to stand together and we aren’t going to get it.

DIMENSIONS: Some contractors say, pick the general contractor carefully or work only with friends or GCs you know?

CASSIDY: That isn’t the answer either because you can’t always con-
trol that either. A GC can have a good track record for years and then suddenly get into trouble.

Let’s face it, if a GC doesn’t make a profit on a project you’ve got a dog fight on your hands to make it yourself: that’s a fact of contracting life.

**DIMENSIONS:** Are you talking about back charges, delay problems, and that great work “aesthetics?”

**CASSIDY:** That’s exactly what I’m talking about, especially aesthetics. More crimes have been committed against subs for aesthetics than we can count.

I’ve had walls rejected on color, finish, pm appearance vs. 4pm appearance, under lights, without lights, sunlight, no sunlight, moonlight—

 DIMENSIONS: You’re addressing a problem now for which there’s simply no answer: color is subjective and more a product of the viewer than the thing viewed.

**CASSIDY:** I realize that. But either we establish a standard, some sort of guideline, or start communicating with people. This expression, “why, anyone can see that!” is usually a joke punchline . . . not a legitimate description of color. We wall contractors deal in a visual, hand applied product—and our customers simply must understand that all products have limitations. When designers specify a “large unbroken surface” they have to realize what they’re asking for: that’s start to finish with no breaks in the work, and you must work continually to avoid “cold joining.”

Then when a job is unprofitable or going bad the squabbling over money and work is terrible . . . the back charges . . . the refusal to give full cost to a change order.

**DIMENSIONS:** Change orders have saved a lot of jobs, though, haven’t they?

**CASSIDY:** The day a contractor could bid costs and make his profit on a change order is over. Change orders are policed so completely that you really can’t make all that much profit on them.

**DIMENSIONS:** To wrap this up, Dave, you’ve seen plastering dip and now start a comeback, computers have entered into estimating, new management and technologies to deliver a finished building quicker. What do you see next?

**CASSIDY:** Well, the heavy, massive approach is on the way out. Lightweight and design capabilities are the future. I’m a manual estimator, but I’m right now investigating computer assistance, as I believe most other contractors either have converted or will be converting in the near future.

In the final analysis, it will all be cost driven. Economics is the order of the day and the buyer will go in the direction that allows him to have a fast, profitable building that is quality built, on time, for the lowest cost.