FROM TRADITION:
A FAST START

In Michigan, David Ricca learned from a famous grandfather that profits accrue to the contractor who both follows and serves the market’s demands.

If nothing else, following a grandfather and then a father into the wall and ceiling construction business brings one message home clearly: the construction industry changes acts swiftly and you’d better be prepared to swing with it—or perish.

That lesson was observed many times by 36-year-old David Ricca and his brother, James. From teenagers working for their grandfather, the late William Goodson, founder of Detroit’s famous Service Art Company, and later for their retired father, Al Ricca, who later headed Service Art, the two brothers have had a ringside seat to the contortions of construction business life.

Now that they are in the ring themselves with a multi-million dollar diversified firm, they practice each lesson diligently. Their company, now called Renaissance Interiors, Inc., specializes in drywall, lath and plaster, acoustical ceilings, fireproofing, and exterior insulated systems. As a possible diversification move, they are now eyeing asbestos abatement.

Both Dave and Jim were put to work early by their father and mother, Marleino Goodson Ricca. Along with their high school and college education, they worked summers in construction, Dave as a carpenter who ultimately earned his union card, and Jim as a plasterer tender.

After attending Eastern Michigan University, Dave moved into the office and refined the estimating and blue printing skills he’d learned from his grandfather. Following a similar route, Jim went for a business and finance degree at Central Michigan College, moving into accounting.

When it came time to make their
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own move in 1985, the two were experienced and prepared. Dave went in as president of the new company with Jim as a vice president with responsibility in the fireproofing operation. With the advice and help of their father, they quickly established their company as a comer in the Detroit area and it’s been a steady climb ever since.

Members of the Association of the Wall and Ceiling Industries-International, the firm is also a member of the Ceilings and Interior Systems Contractors Association of which Dave is also a Director. He has also been selected secretary of the Midwest Conference of Acoustical Ceiling Contractors.

When Construction Dimensions Magazine caught up with David and James Ricca they were in the midst of planning for further diversification to keep up with the rapidly changing marketplace,

DIMENSIONS: You mentioned that you wished to diversify your company into other fields. What is the motive behind this effort ... increased business or responding to changed conditions?

DAVE: Well, our major source of business right now is drywall and fireproofing plus considerable emphasis on our own type of acoustical ceiling.

It’s too easy these days for anyone to get into the standard acoustical ceiling business and this easy entry comes at a time when the glitter is off the business.

DIMENSIONS: What’s happened to send acoustical ceilings into a tailspin?

DAVE: Frankly, they’ve lost their architectural appeal. I think there have been just too many trends, too much diversification so that they became sophisticated and integrated to the extent that contractors had a hard time keeping up.

JIM: When you mix air handling, light fixtures, acoustical, and ceiling work you’re dealing in an area where jurisdictional difficulties are likely.

DAVE: Then, too, manufacturers came out with their second generation

David Ricca worked for his grandfather and father before starting up his own multi-million dollar company. That experience helps as he steers his company through Michigan’s mixed economy.
of ceiling designs—and it has been extremely difficult to obtain components for first generation systems already installed.

DIMENSIONS: So the jobs just aren’t coming out, right?

DAVE: That’s about the extent of it. Jobs are fewer, and the only remaining projects are usually government work.

DIMENSIONS: Are you saying too much technological development or not enough?

DAVE: There really hasn’t been anything new in ceilings in five years. The integrated ceiling was what I’d call a trendy item but that was based pretty much on an energy savings concept. During the energy crunch, sales were terrific. Then the oil shortage ended and with it went the incentive to specify those types of ceilings. The whole acoustical ceiling industry felt the crunch.

DIMENSIONS: So what is your basic strategy now?

DAVE: It’s the emphasis on new developments in other marketing areas. In the last year or so, designers have discovered the beauty and value of ornamental type plastering and special uses of plastering . . . cornice work, breaks, arches, columns, fiberglass forms and special shapes.

JIM: Hard ceilings, too.

DIMENSIONS: That’s a rather testy turn in the market given the status of ornamental plasterers. Are there enough good plasterers to handle this kind of work?

DAVE: It might be a trend, I’m not certain. Certainly more work of this kind has been coming out. And you’re right about the shortage of ornamental plasterers.

All the work isn’t coming out as plastering work. Because of the shortage and the loss of plastering apprentice programs, much of this work is coming out of a factory or plant. The kicker is that many of the pre-formed shapes coming out now are installed by carpenters and finished by tapers.

DIMENSIONS: Thus what had once been a hard application is now pretty much of a factory installed operation . . . molding, columns, that sort of thing?

DAVE: That’s exactly what it is. Architects are getting more design flexibility and are demanding these effects. For instance, columns are now a big thing and we have only a few good people who can truly do this kind of demanding work.

You could do a hard application 20 percent cheaper than the factory assembled pieces—but only if you have the right people.

DIMENSIONS: Does Renaissance have the right people?

DAVE: So far we do. We still do our own templates for cornices and still run the column. Look at it this way: it takes 12 weeks to get a piece from a factory.

DIMENSIONS: A number of contractors have their own setup for producing casted plaster pieces. They often make their own molds. Do you have such an in-plant capability?

DAVE: We mostly work on site. If it’s a straight plastering job we can make our own template and run it. But
we can’t make pieces in-plant. Such a setup is quite expensive and requires a different type of technology. It’s a fine capability but not something that we’re anticipating getting into.

**DIMENSIONS:** So as the acoustical business cools off in Detroit the more imaginative plastering work rises to take its place. That sum it up correctly?

**DAVE:** Well, a lot of trends are underway at any given time, but these two shifts have been noticeable. A lot of the activity we’re seeing today in cornices is the result of new design imagination. You can see that the competition in building space is driving the design engine.

**DIMENSIONS:** Does this competition for the tenant’s dollar stimulate the renovation market, too?

**DAVE:** With the cost of money, renovation is a viable alternative for building owners. They have to upgrade their building just to remain in competition. A beautifully renovated building not only retains existing tenants but attracts new ones, too.

**JIM:** A building owner can hardly survive in the market we have today unless that structure is modern, attractive, and competitive.

**DIMENSIONS:** Let’s get back to your own company’s diversification planning. You expressed some interest in taking a look at new opportunities. What did you mean by that?

**DAVE:** Well, we’re looking at the asbestos abatement market right now. My brother, Donald, went to California for an asbestos abatement seminar and we’ve been studying the possibilities from a number of viewpoints.
It has really interesting potential, I think.

DIMENSIONS: Have you made any firm decisions yet?

DAVE: Not really. Asbestos abatement is a market that we’ll want to take a long, careful look at before committing to any specific course of action.

Along with that great potential comes some dramatic liability problems.

DIMENSIONS: What got you thinking in that direction? Did you encounter it on a job... or has it merely come to your attention?

DAVE: We’ve done no asbestos work but we did run into it in a downtown commercial renovation job.

That’s what got us to looking. But as I said, we’re still looking at the liability exposure factors: things just must be done properly. Right now, we’re checking out insurance, bonding... that sort of thing.

If we do decide to enter this market, we’d probably be into it by the end of the year and it will be Donald’s operation—.

DIMENSIONS: —and operated as its own profit center?

DAVE: Oh, there are all kinds of ways to integrate it into our operations. As I said, though, Donald will be in charge of that portion of the business. I’ll review pricing and projects.

One thing is certain, it certainly is a labor intensive business.

DIMENSIONS: And with your experience in fireproofing, the replacement aspect would be most attractive, too?

DAVE: Perhaps.

DIMENSIONS: As a firm with deep experience in the plastering trades, what prospects do you see in the exterior insulation systems?

DAVE: As soon as we started up in business, we began working with this product. It has great potential here in Detroit where it’s brought back the plastering market even in retrofit.

DIMENSIONS: This is another plastering area, though, where trained manpower is vital. What is the situation for a fully developed market in Detroit?

DAVE: You need plastering skills to apply the coatings, no doubt about that. But these skills don’t necessarily need to be at the same level as traditional plastering so it doesn’t take that long to bring the average mechanic up to a professional skill level where he’s performing top quality work.

By the same token, there are some textures and finishes where you need a truly skilled plasterer.

DIMENSIONS: And the supply of these highly skilled plasterers, what is it?

DAVE: I presume it’s the same as in many other cities—terrible. Every capable plasterer right now is employed and there is no reservoir. Furthermore, no apprentice program is in sight.

DIMENSIONS: Looks like a good training opportunity.

DAVE: Absolutely. And the industry recognizes this. Every contractor wants and could support such a program but the key obstacle is getting a cohesive contractor group to sponsor a viable program. The unions are reluctant. Their attitude is: “you do it.”

DIMENSIONS: So what is the industry, contractors as well as unions, doing about it?

DAVE: Contractors who can are doing their own training. We’re one who is doing training. We recruit some sharp, talented young people who want to get into plastering and train them. Unfortunately, single company training is essentially for flat surfaces.

For teaching fancy work contractors lack the time, money, and talent to carry out good training. That’s where a good school is needed.

I realize technology makes many skills obsolete, but training is still a highly important element in the construction industry.

Take the lather and carpenter situation. A good lather can build domed ceilings, arches, cornices, covers, light pockets—you name it. The majority of carpenters don’t know how to do this work, yet the carpenters have done little in the way of lather apprentice training.

Today, there are lather-carpenters who can do such work, but with time and retirement the vacuum will appear here in the foreseeable future. And then what? Another vacuum?

DIMENSIONS: It’s not an easy question with an easy answer. The unions don’t want to train for a diminishing discipline despite tem-
porary surges, and the contractors don’t have the overall ability to conduct significant training.

What’s your response to the problem?

DAVE: It’s a matter of getting some inspiration at the local level from the international.

DIMENSIONS: Do you see the locals as unable to contribute alone to the problem?

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DAVE: In my opinion, the business agent could bring it off. All that needs to be done is to get some retired plasterers set up in a rented or leased facility. You don’t need lots of people to sustain such an effort. As for drop outs, that’s natural but even drop outs can be employed to tape or to patch houses.

It isn’t a question of help but of will. We’ve got the contractor support but the local unions are limited in their ability to respond.

DIMENSIONS: In another direction, Dave, where do you see the most significant changes in construction coming from?

DAVE: Expensive money puts a premium on speed and that means faster construction hence more fast tracking . . . shorter schedules.

This kind of an approach often produces sketchy drawings lacking details along with the desire for budget prices.

As long as time and money are vital you’re going to see the emphasis—backed up with penalty clauses—placed on the start time and the finish date. That alone often determines what you want to go after in a job.

DIMENSIONS: When people start asking for prices, even budget prices, before the plans are complete . . . well, you can easily do some free estimating for people on arrangements like that, right?

DAVE: I realize that. To stop someone from going to school on them, a lot of subcontractors respond to such requests by insisting on getting the job or a fee to figure it out.

Many GC’s figure their own costs, but the variables are what count. That’s where the subs help refine the initial figures.

DIMENSIONS: You started estimating as a teen-ager working with Bill Goodson, an acknowledged master of the art. What’s the basic approach you try to follow in estimating?

DAVE: It isn’t “try to follow” at all: I do it. I take off the job and price each item separately. I don’t believe in job conditions as such: for me, it’s item by item with a decision and determination for each one.

My grandfather said, “when you finish a set of plans you take the figures to bed with you—and work on them some more while you’re sleeping.” He was right.

DIMENSIONS: Each contractor has his own way to communicate ideas, tasks, etc. How do you distinguish one operation from another?

DAVE: I assume you’re referring to something like color coding. We do a lot of that. It’s communications, as you say, and the little bit of extra time to color code a set of plans keeps everyone on the same wavelength . . . understanding the same things in the same frame of reference.

It’s so easy to mis-communicate. Anything you can do to assure a better information flow is useful.

After all, everyone takes off differently. For us, colors mean for different tasks . . . shaftwall . . . 1-hour partitions . . . 2-hour partitions, etc., etc.

DIMENSIONS: How about computers? Have you switched over—or experimented—with computer estimating yet?

JIM: No, we still do estimating
manually.

DAVE: I follow the philosophy of “If it ain’t broke, don’t fix it.” We do accurate, fast, responsive estimating. Our ratio of bids entered versus bids won is acceptable: we don’t feel we’ve ever missed out on a bid by not doing it on a computer.

And when we’ve finished estimating a job, we know that job from beginning to end. After all, we’ve slept with it, too.

DIMENSIONS: It sounds like you feel you have a better subjective feeling about a job when you do it manually versus a machine operated type of data manipulation. Is that it?

DAVE: I think most contractors, like myself, are of the opinion that you develop a good or bad feeling about a job as a result of personal involvement. With a computer, you tend more to guess at situations and conditions—and there may just be one slight subjective element in that job that the computer with its hard and fast definitions can’t accommodate.

JIM: You tend to lose this subjective grasp with a computer. Usually, too, you must alter your own personal estimating style to conform to the manner in which the programmer wishes you to proceed. Often as not, some of these programmers aren’t estimators but instead are writing code as another estimator instructs.

As a result, an estimator can find himself being robotized, too. I’m talking about the feel of a job that a robot doesn’t provide.

DIMENSIONS: Many contractors have made a successful conversion and they’re happy with the results. Wouldn’t a computer be useful—at the very least—for such mundane tasks as adding, subtracting, extending . . . that sort of thing—where mistakes often happen? Not even accountants like to add.

DAVE: Not really. Performing those mundane tasks is where you lose the feel I was talking about.

JIM: Let’s face it. Material prices don’t change that much on a job to job basis. And what prices do change must be input into the computer so you have a lot of data updating to do—and that’s time away from estimating.

Pricing out and production can’t really be provided efficiently by a computer because you must suit your production to your people and organization which is constantly responding to the diversity of work.

This kind of constantly changing diversity of job and condition is hard to enter into an off the shelf or even a customized computer program. Construction is a dynamic situation, always changing.

DIMENSIONS: Do you ever see yourselves bringing in a computer and using some sort of electronic assistance in the office or in estimating?

JIM: We’re doing our accounting manually right now but we’ll be into computer management of that operation soon. That’s where a computer can definitely make a contribution.

DAVE: We’ll need to see some better systems in computerized estimating before we’ll make a move in that direction.

DIMENSIONS: What’s the future for your firm . . . where do you see yourselves going in the next few years?

DAVE: Everyone in this industry must change constantly. To do anything else is to stagnate. We’ll probably move into asbestos abatement to take up work slack. Still, that market isn’t forever either and ultimately we’ll be making more changes.

If the goal is to increase volume, the primary objective is to assure that the bottom line is first served.

This industry has changed a lot in the few years that we’ve been involved—and it will continue to change. So will we . . . it really is “go with the flow.”