Facing the Challenges of 1993

Award Winners Speak

We asked six industry professionals what challenges they will face in 1993. Winners of AWCI’s highest awards, each has been recognized by his peers for leadership in various aspects of the wall and ceiling industry.

Here they share their concerns, propose solutions and offer some practical advice for their peers.

The Award Winners:

Gary J. Maylon

Gary J. Maylon was selected for the Young Member Achievement Award. This award is presented to the contractor or supplier member of AWCI under the age of 40 who holds an executive level position in his or her company and has actively participated in AWCI for at least two years.

Gary has been active in the marketing of light gage steel framing and metal lath and accessories for his entire professional career. He is manager of the Marketing Research & Development and a member of the technical services staff of Alabama Metal Industries Corporation (AMICO) where he has been employed for 16 years. Prior to joining AMICO, Mr. Maylon was employed by Wheeling Corrugating Company for five years.

Gary is active with the Metal Lath/Steel Framing Association (ML/SFA) and AWCI, currently serving as Chairman of AWCI’s Technical Subcommittee on Interior/Exterior Lightweight Steel Framing and is an officer in the Southeast Conference. He sits on the ASTM C-11 Committee and the

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plastering committee of the American Concrete Institute. He has written numerous articles pertaining to the metal lath and steel framing industry.

WILLIAM L. KNORR

William L. Knorr was named AWCI’s Supplier Member of the Year. This award is presented to the supplier member of AWCI who has contributed significant time and talent to AWCI and the wall and ceiling industry. Bill was selected for this award because he has given freely to AWCI committees, the annual trade show and sponsor programs. In fact, this year he donated supplies used in the drywall contest held at the AWCI convention.

Bill is President of the Knorr Steel Framing group of companies. He is a member of AWCI and a past chairman of the Technical Subcommittee on Interior/Exterior Lightweight Steel Framing. He serves on the Board of the National Association of Architectural Metal Manufacturers (NAAMM) and is Vice Chairman of that organization’s Metal Lath/Steel Framing Association division. A Board member of the Metal Stud Manufacturer Association, Bill is also active in the Northwest Wall & Ceiling Bureau and the Western Lath/Plaster/Drywall Industries Association.

Married in 1960 to Ann Colleen Knorr, Bill has two sons: Brett Knorr, age 28, who manages the Knorr plant in Kirkland, WA and Bill Knorr, age 29, who manages a Knorr subsidiary, WLK, offering computers and manufacturing equipment.

WAYNE JAMES

Wayne James was named AWCI Outstanding Association Executive in 1991 and again in 1993. He was selected for this award because he has gone above and beyond the call of duty in looking after this industry. Last spring, Wayne was instru—
mental in defeating proposed Texas regulations for scrap gypsum wallboard which would have resulted in high costs and hardship for contractors.

Wayne, a Certified Association Executive, has worked in trade associations for 35 years and has been the Executive Director of the Texas Lathing & Plastering Contractors Association and the Texas Bureau of Lathing & Plastering, Dallas, TX since January 1985. He is a member of the Western Conference of Lathing and Plastering Institutes, Inc., the International Conference of Building Officials (ICBO), the Southern Building Code Congress International (SBCCI) and the American Society for Testing and Materials, serving on the latter’s C11 committee on gypsum.

Wayne was the first to receive the Dallas-Ft. Worth Society of Association Executives’ “Award of Excellence” for his contributions to the profession of association management and leadership in the local association.

Wayne holds bachelors and masters degrees from Texas Tech University.

GERALD R. LIVINGSTON

Gerald R. Livingston was chosen *AWCI Outstanding Committee Chairman*. This award is presented to the committee chairman who has done the most outstanding job for the committee and for AWCI. Gerry was selected for the award because of the exemplary way he chaired the Continuing Study Council, providing leadership to this important group which evaluates issues affecting AWCI’s image and finances.

Gerry was employed by Eliason & Knuth in May 1964, having no prior experience in the construction industry. He became Manager of E&K’s Omaha operations in 1968. In 1976, he became a Regional Manager, responsible for establishing and supervising branch offices in several locations.

In July 1983, Gerry was elected to the position of President and CEO of all entities of Eliason & Knuth Companies, Inc. Shortly after this, with some encouragement from very good friends in the industry, that he became involved in an active manner with the AWCI.

Since then Gerry has served on AWCI’s Budget, Audit, Nomination, Financial Advisory and Exhibitors Committees. In addition, he has been a member of the Board of Directors and the Continuing Study Council, and is an ex-officio member of the Executive Committee.

STEPHEN BAKER

Steve Baker was named *Outstanding Regional Chairman* for his work in AWCI’s Southwestern Region.

He is President and owner of Baker Drywall Company. The company was started in 1974.

In 1975, Steve graduated from Texas Tech University with a BA in business and came to work at Triangle
Plastering, focusing his attention on building Baker Drywall. During the first year, sales were $50,000, growing to sales of $6 million this past year. Steve continued to be a part of both companies until 1983 when he bought out all the other stockholders of Baker Drywall and became sole owner.

Steve has been active in the North Texas Chapter of the American Subcontractors Association, serving as the chapter’s President and on its Board of Directors. He is a past president of the Dallas/Ft. Worth Acoustical and Drywall Contractors Association.

A busy husband and father of three, Steve is also very active in the regional board of Young Life.

JOHN POELLINGER

John Poellinger was selected for the “Unsung Hero” Award, which is presented to a very special contractor who has a record of strong, loyal support, attendance and active participation in AWCI functions. John is very active in his region, in AWCI’s Continuing Study Council, and is a longstanding and generous supporter of The Foundation of the Wall & Ceiling Industry.

He led the Wisconsin association (which was absorbed into the Great Lakes which merged with the Midwest regional group of AWCI) and later served as President of the Mid-Central Conference.

His 45+ years in the trade include teaching at vocational school and working as a journeyman plasterer. Poellinger took over the Ziehme Plastering Company where he had been working, adding new fields to the company’s services and later changing the company name to Poellinger’s Inc.

John obtained his bachelor’s and masters degrees at the University of Wisconsin-Stout.

QUESTION 1: WHAT IS YOUR GREATEST CHALLENGE, THREAT OR CONCERN FOR 1993, AND HOW DO YOU PLAN TO DEAL WITH IT?

GARY MAYLON: I perceive the greatest threat to the lath and plaster industry, today or in the near future, to be a lack of qualified mechanics. Many wall products used today require very little technical training in order to achieve an adequate installation.

Plaster and stucco, however, require technically trained installers in order to achieve a strong durable wall system that will endure for generations.

In years past, our industry’s system of apprentice programs took care of this need. Today these programs are nearly nonexistent, and we have not seen an alternative to this method of training arise.

It seems that our industry is so busy looking at today, that we may be neglecting a vital part of our future. Contractors, dealers, manufacturers and trade associations such as AWCI must address this problem now or a vital part of our industry will die.

Some contractor groups, as well as lath and plaster bureaus, have started to work with local trade schools in an effort to train mechanics. Through The Foundation of the Wall & Ceiling Industry we have begun to publish a series of articles extolling the virtues of metal lath and plaster. These articles will be organized into a metal lath primer to aid in the education process for this construction system. These actions will help, but they will not totally solve this problem.

The leaders of our industry and AWCI must commit to an all-out effort to save this vital segment of our business, and we must all lend our support to this cause.

WILLIAM L. KNORR: The metal stud industry must get ready to replace wood framing with steel framing in the housing market.
According to a November Wall Street Journal article, the US steel industry is going to grab 25% of the new home market in five years, up from practically 0, to create a $700,000,000 annual sales.

The Metal Lath/Steel Framing Association, the Metal Stud Manufacturers Association and AWCI have all worked to facilitate moving steel framing into residential construction. To accelerate this, the industry must agree on uniform standards for steel framing products.

WAYNE JAMES: My first challenge is to try to get a larger percentage of the shrinking construction dollar in Texas for our industry and TLPCA members in particular. The second is to continue to monitor both the Federal and State agencies and the State Legislature on items that are affecting the industry and our members and communicate these immediately to our membership.

The first we are working to put numerous standard specifications on computer disks that can be distributed to architects, developers, etc. The next step would be to incorporate these with details, etc. on a CAD program. This will help the industry better compete with other industries that have already done this. It will take the financial support of not only contractors but other groups that benefit from our industry — manufacturers, suppliers, labor groups, etc. The investment of time and money in doing this will pay dividends to all involved in the industry for many years by the greater use of the industry’s products.

My second concern is that contractors do not have the time in today’s competitive market to keep up with all the constantly changing OSHA regulations and those of other Federal and State agencies. By doing this for the contractors, the Association can provide a much needed service. Also, with our State Legislature being in session this spring and summer, we will be monitoring their actions and will be working with other construction groups and associations to promote legislation on a Construction Responsibility Act, Contingent Payment, Prompt Pay, Unbonded Public Works Projects, Revisions of Worker’s Comp, Sales Tax Clarification, and other items.

GERALD LIVINGSTON: I think that, as our business improves gradually and slowly over the next few years, attracting and keeping qualified people at all levels will be our greatest challenge.

Somehow we have to get the message out the there is opportunity in our industry. Schools don’t talk about careers in our industries as compared with so-called “white collar” jobs.

We need to work with our schools in getting the message to people coming out that there is a career available in our industry. And we must be assertive about it.

We’re going to have to commit time and dollars on

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our industry’s future to get good people. We must institute training programs. It’s going to take the cooperative efforts of contractors in their specific areas to make it work.

A second challenge we face is the plethora of government regulations—particularly in social legislation. The regulations are so very burdensome, especially for the companies that do try to operate legitimately. All the paperwork required to meet these requirements is burdensome, and I don’t seeing it changing for the better, only getting worse. It will be an ongoing challenge to keep up with and meet all the programs we have to follow.

STEVE BAKER: The greatest challenge facing our company and our industry is employee training. We keep hearing about the impending labor shortage, but I think it has already hit us, at least here in Dallas. We’ve suffered a steep drop off of work in Dallas since the mid 80s. But, even in the boom we weren’t getting the skilled labor we needed.

Our industry seems to be suffering an identity crisis. It’s a real image and PR problem. Young people want to go into banking or become lawyers. They don’t see our industry as a viable alternative to white collar careers.

We must address this problem as an industry—find a way to help young people—or any people, for that matter—be willing to consider construction as a career.

On a local level, a group of contractors is working together to solve this problem. We plan to set up booths at job fairs and career days and get involved in adopt-a-school programs.

As a national organization, we should produce a video or television spots to promote careers in our industry. I believe contractors and others would contribute to a promotional budget to get out the word that construction can be a good career.

JOHN POELLINGER: Here are the biggest challenges we face:

Using increased taxes as a means of curing most of the perceived problems of society.

Using the regulatory agencies of the EPA, DOT or OSHA (and the rest of the alphabet) to regulate business. Most people and contractors do not oppose the environment or occupational and transportation safety. Many people and most contractors do oppose the use of mandated fines and their severity as the means of regulation.
QUESTION 2: WHAT ADVICE, PRACTICAL OR PROFOUND, WOULD YOU LIKE TO SHARE WITH YOUR COLLEAGUES?

GARY J. MAYLON: In the last 10 years the quality of work being performed in the stucco industry has been deteriorating. It seems that in the interest of speed and profits, applicators have habitually taken shortcuts in standard installation practices. These shot cuts have now become second nature. As a result, quality of workmanship has suffered greatly. This has led architects and developers to look at other exterior finishes to replace lath and plaster.

Many of our contractors are still doing quality workmanship. However, it only takes a few bad jobs in a market to make a bad name for our industry.

We must be leaders who insist on quality, and we must spread the word to others in our industry. Hopefully some day soon, quality workmanship will be the rule and not the exception.

WILLIAM L. KNORR: It is my hope that the steel framing industry manufacturers will work even closer to standardize the industry and see the outside materials such as wood, brick and block as our competitors rather than each other.

The American Iron and Steel Institute (AISI) standard measuring the strength of studs is very confusing. By not agreeing on anything standard and trying to keep it all proprietary, we manufacturers focus on each other as competitors. It’s slowing the industry’s growth into these other markets.

Steel prices have been dropping for almost 40 months, leaving almost every manufacturer in the market in an unprofitable position. Converting the housing market to use steel (and if the whole economy picks up) could make metal steel manufacturers profitable again!

WAYNE JAMES: I think that the associations and bureaus must constantly strive to update the ways in which they promote the industry so that its products will be more competitive with those of other industries.

As more and more construction firms are downsizing their operations due to the present economy, the owners are becoming more and more involved in the day-by-day operations of their firms. As a result, they must depend more and more on the Association to keep them informed on the latest actions by both the Federal and State agencies and how they affect their firms.

Associations must realize the important role they have in seeing that their members are in compliance with the new and changing rules and regulations.
GERALD LIVINGSTON: We must work hard to improve our image as professionals—with general contractors and others. The subcontractor image has improved over the years, but we’re still in the position of not having the recognition we need. Finally, we must concentrate on profit, not volume. The sooner we change that mentality, the better.

STEVE BAKER: At the last two national conventions I attended, I heard and saw how discouraged younger contractors are getting during the economic downturn. They haven’t been in business 30+ years and are experiencing a serious downturn in their businesses for the very first time.

As someone who has seen a dramatic downturn in the 1980s, I’d like them to know that there is hope! You have to take the necessary steps to deal with the recession—downsizing or rightsizing.

In 1986 we saw a 30% drop in volume. And there’s certainly no market more fragmented than Dallas. We had to cut overhead. We pursued profitable work in other areas, looked into other niches to fill. The key to our success during the downturn was that we did not sacrifice profit for volume.

My advice is be fair and become more efficient in all areas of your operation. I’ve been amazed at the sacrifices people willingly make when they understand what it happening to the company; they see it as a short-term sacrifice for the long-term good of the company.

And, remember, there are others who have been in this industry a lot longer than me, and they’ve been through this before. They have firsthand knowledge. Times will get better.

JOHN POELLINGER: The best advice I can offer is to:

Review your mission and build your strengths.

Sell and deliver quality and service.

Show concern for the health and safety of your employees by encouraging and enforcing federal and state regulations.

Treat suppliers and salespersons as partners.

Join, contribute and participate in business and professional organizations.

Next Month: GABE REITTER, II, Recipient of AWCI’s “Winning Spirit Award,” shares his thoughts.