Manufacturing and Contracting EIFS Makes GRAYHAWK Corporation A Top-Notch Service Organization

Mark E. Nabity, President of Grayhawk Corporation
If you’re selling a commodity product, then whatever you do to market it appears to be more or less the same as everybody else. The trick is to find some way you can distinguish yourself from the pack. This is what the Lexington, Ky.-based Grayhawk Corporation has done as it moved from drywall to EIFS, and then took EIFS a step further by producing prefabricated EIFS panels. This has allowed the company to move from the status of subcontractor—one of several others receiving work somewhere along the line—to becoming a primary negotiator with the owner, and being involved at the start with the design and budget process, a situation that leads to negotiated rather than bid contracts.

This evolution was not immediate. To understand how it came about, it’s helpful to go back to the previous two companies that eventually merged into Grayhawk as it’s known today. Drywall, Inc. and Panel Tech, Inc. merged into Grayhawk Drywall, Inc., founded in 1967, was purchased by the present chief executive officer of Grayhawk, Bill Bell, in 1971. This first company started in residential drywall, slowly work-
Grayhawk is currently working on a job that combines a new addition and the reskinning of the existing brick veneer building.

As Dryvit began introducing EIFS into the Kentucky area in the mid to late 1970s, Bell got into it, but then took EIFS a step further by doing prefabricated EIFS jobs. He functioned not only as a contractor but also as a manufacturer. In 1981, he formed a separate company, Panel Tech, Inc., mainly so he could isolate the prefabrication work and to do a better job of tracking it.

Although the formation of this separate company served its purpose for a while, by the end of the 1980s it became apparent that the two businesses, working in a sister-company relationship, produced a number of redundant functions, such as two sets of books and two sets of consultants, and also was creating some confusion of perception in the marketplace. So, in 1990, both for economy and efficiency, the two companies again merged into the present organization using the new name, Grayhawk Corporation.

**Success in Unity**

Grayhawk Corporation has annual revenues that range from $7 million to $10 million. The company has 120 employees, and 55 percent of its business is
devoted to drywall and acoustical jobs, with the remaining 45 percent split between field-applied EIFS and EIFS panelization.

“EIFS is usually thought of as a field-applied business,” says Grayhawk President Mark E. Nabity. “So our panel

The Suburban Medical Plaza II in Louisville, Ky. has used Grayhawk Corporation for various EIFS jobs over the last 10 years.
business helps make us unique.” Nabity explains that while the company’s field operations are confined to Kentucky, their prefabricated panels have been shipped all over the Eastern three-quarters of the United States. Another advantage, Nabity adds, is that when the field EIFS operations are closed down during the heavy winter months, their 30,000-square-foot facility can be kept going, thus providing an ongoing source of income as well as a way to retain key personnel throughout the year.

Manufacturing and contracting are usually such different functions, involving so different an orientation, that they are best kept in separate hands. This is not the case here. In fact, it’s Grayhawk’s experience as a contractor that allows it to be successful as a manufacturer. “There’s only a handful of panel manufacturers, and the field, generally, has been in a state of decline, with many of the weaker players being weeded out,” Nabity says. “To a lot of people it looks like a gravy-train operation. They get into it, then quickly exit. We’ve seen that happen a countless number of times.”

The reason, Nabity explains, is the great number of design, engineering, shop drawing, detailing, transportation, erection and other issues involved in the making of EIFS panels. Grayhawk’s contractor experience with the actual nitty-gritty of making EIFS panels that are fully functional tells it what to look for when fulfilling an order.

“We’ve learned our lessons the hard way,” Nabity says. “But once you learn, you know. You don’t want to prefabricate something to ship across the United States only to find out that the details are wrong and the panels don’t fit. It’s a very costly operation to have the material recalled and reworked.”

Grayhawk avoids this unhappy scenario through careful preplanning and detailing. “Our shop drawings probably better define EIFS than the architectural drawings ever do,” Nabity explains.

Grayhawk, therefore, succeeds as an EIFS panel manufacturer because of the specificity it brings to an actual job through its experience as a contractor. But its manufacturing hat also helps it as a contractor. For, as Nabity says, “Unfortunately, the drywall industry has gotten to be a commodity business, but being a manufacturer helps us get contracts that tie together all the interior and other fabrication needs of a project; it’s our panel work that distinguishes us from the other guy.”

**Jobs of All Sizes**

Grayhawk is involved in jobs small and large, up to a 500,000-square-foot field-applied EIFS job at the Morgan County Correctional Facility in West Liberty, Ky. This was a straight bid job, but more interesting to the company are somewhat smaller but still significant jobs, such as the 65,000 square feet of EIFS panels applied to the Ritz Carlton Hotel in Arlington, Va. In jobs like these, Grayhawk gets in at the start of the project as a negotiated team member.

The company has long been involved with medical facilities, and has found interesting ways to create a synergy so that new construction and retrofit come together to create new work possibilities.

For instance, the company constructed 50,000-square-feet of prefabricated panels for the Hardin Memorial Hospital at Elizabethtown, Ky. Adjacent to this new building was the existing hospital, which was having a combination of material and workmanship problems with the original EIFS installed in 1986. So, Nabity says, “Once we completed the medical office building, we were hired to strip the hospital to its metal studs and reapply another 50,000 square feet of EIFS.”

While the additional work at Hardin came as an afterthought, at the Meadowview Regional Hospital, Maysville, Ky., Grayhawk was able to raise the subject during the initial planning for the new medical office building. The
result was a contract in which the company put up 35,000 square feet of prefabricated EIFS panels on the new medical office building, with an additional 45,000 square feet on the existing building being reskinned, both to solve existing problems and to give the complex a unified new look.

At the Suburban Medical Center in Louisville, Ky., Grayhawk Corporation has been involved in three interesting projects over the past 10 years. The first venture consisted of an addition to the existing hospital, with a combination of prefabricated EIFS/brick veneer backup. Five years later, when the original hospital’s brick support system was affected by water intrusion and the brick shelf support angles were deteriorating, the company was hired to reskin the outside of the hospital with about 110,000 square feet of panelized EIFS. During the past three months, a new medical office building has been completed with prefabricated panels that covered 40,000 square feet and tied the complex together with a unified look.

Currently, the company is in the early stages of work on the St. Joseph Hospital, Lexington, Ky., a 115,000-square-foot project that combines a new addition and the reskinning of the existing brick veneer building. Although the hospital does have a few minor problems with its brick system, its real motivation for the new work is to make the complex more aesthetically pleasing.

In projects like those, Nabity says, “We get involved early in the design process, system detailing and budget considerations, and help to bring these projects into being. We become specified as the panel manufacturer, which leads to a negotiated contract with the owner. This helps the owner get everything he thinks he’s getting. And it helps us get a reasonable and fair profit.”

Getting involved early in projects helps Grayhawk fulfill its basic philosophy, which, explains Nabity, is that of “being a topnotch service organization that offers a good product and establishes such a good relationship with customers that they want to come back and do more business with us in the future.”

For these reasons, Nabity says Grayhawk is a schedule-driven company, which means that if the company says a job will be done on a particular day, that’s the day on which it will be done. Considerable upfront work is done on a job, starting with a lot of computer-based estimates even before getting the job, followed up by a detailed breakdown of the manpower resources and material requirements to do the job.

The company doesn’t have a marketing department per se. The marketing is informally carried out by Bell, Nabity, and Jim Keller, who operates the successful branch in Louisville as well as, to some degree, all of the employees. “The job we do today sells the job we do tomorrow,” says Nabity. “We take the client out and show him what he can expect. The work we’ve done has become our best sales tool in getting established in the industry.”

**Membership Matters**

Grayhawk has long been involved with the Association of the Wall and Ceiling Industries-International: Bell, a past president, since 1980; Nabity, currently secretary of the executive committee, since 1982; and Keller also has been involved since 1980. “AWCI has been a really good story for Grayhawk,” Nabity says. “The money we’ve spent on the organization we’ve gotten back many times over, in both direct business and through personal contacts. We’ve been able to pick up work by networking with other AWCI members. And AWCI has provided industry training not available anywhere else. As I look around the industry, I can see no other organization that provides such a broad spectrum of services as does AWCI. They all, one way or another, add to our bottom line.”

**About the Author**

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