Steve Donnelly Is Satisfied If the Job Is Perfect—Nothing Less

HANDS-ON MANAGEMENT

By Michael J. Major

Most wall and ceiling contractors start out doing the hard manual labor and gradually work their way up to the executive offices. Not Stephen Donnelly, president of Stephen Donnelly Company, Bloomington, Minn. He started out at the front desk, but very quickly changed his suit and tie for hard hat and boots, and that’s the attire he’s worn to work ever since.

Here’s how it came about. The Donnelly family goes back in this industry a long way. Steve’s grandfather, Bill, started his stucco business in 1947. Steve’s dad, Bob, took over in 1954 and Steve’s brother, Tom, in 1967. Steve was working for Tom, but he wanted to strike out on his own. So he did so. He started his own business in 1981. He was 22 years old.

An Early Start

A daunting problem was the fact that, though Donnelly had worked as an estimator and salesman, he knew nothing about the actual mechanics of putting up stucco. Here his dad stepped in to help him out. (In fact, at age 81, he still comes in to do repairs around the shop.) Back then, however, Bob Donnelly called in favors to get some initial jobs lined up and hooked him up with a very skilled plasterer, Leo Pranghofer, who taught the younger Donnelly the hands-on part of the business. An experienced lather man, Al Koppi, also helped out. This two-and-a-half-man operation lasted for two years while Donnelly learned the trade.

“These two old guys would razz me out of bed at 5 a.m.,” Donnelly recalls.
“Before, I had never started work before 9 o’clock.”

The early rising habit stuck. In fact, Donnelly keeps The Weather Channel on through the night so he can wake at periodic intervals and re-adjust the crew schedules for the coming day in terms of changing weather conditions. He’s usually at work at 5:45 a.m. and works until 5 p.m.

The employees are early birds too. The foreman is there at 5:30 a.m. The four truck drivers are there at 6 a.m. so that all the equipment and materials will be at the jobs when the crews show up at 7:30 a.m. And Donnelly’s secretary gets to work at 6:45 a.m.

The Perfect Job

The company’s growth has been steady and, when asked how he did it, Donnelly replies, “We’ve grown by doing every job perfectly. Although I charge a fair price, I’m not the cheapest in town by any means. But we make sure we do it right. It’s not my employees’ job to make money for me. Their job is to do the very best work possible.”

Donnelly has several open accounts throughout town, so if an employee runs short of any tools or material, he simply buys them so that the work is done as efficiently and quickly as possible.

At a time when many wall and ceiling contractors are attempting to represent “one-stop shopping” for their customers, Donnelly remains an unapologetic specialist in the stucco/lathing/plastering arena. By remaining so narrowly focused on his area of expertise, Donnelly says he is able to “maintain absolute quality control.”

Usually when jobs involve any lathing or custom work, Donnelly is there early in the morning with the lathers, going over the work before the plasterers arrive. “I still spend three to four hours a week on the job,” Donnelly says. “The customers like to see me there.”

Industry Advisers

Donnelly doesn’t pretend to have any expertise beyond his area of focus. But he’s not complacent in even that arena.
“I have a very good carpenter who can answer any technical questions. Anything we’re uncertain of in terms of stucco, we can turn to Bruce Pottle at the Minnesota Lathing and Plastering Bureau, who has been very helpful.

“And I attend every AWCI convention. I usually bring four of my fellow plastering employees. Our mission is to what’s new in products and techniques, and we always come away rewarded.”

Although Donnelly stays within his area of expertise, he has found another way to relate to customers’ needs of integrated one-stop-shopping. “Most of our work is in the residential retrofit market,” he explains. “So when we show up to look at a

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home, we just bid the stucco, but say that though we can’t do the brick work, paint trim or carpentry, we’re very well connected to reliable contractors who can do the complete job. If there is a roof that has to be replaced, we tell the owner to forget about the stucco until the roof is done. We refer the roofer, then will follow up and invariably get the stucco job later. We talk with the concrete, roofing and other contractors three to four times a week, so we get the work done in a coordinated way so the customer doesn’t have to hassle with three or four different contractors.”

By sticking with his specialty but by coordinating his work with that of other contractors, Donnelly says he wins 72 percent of the bids he makes. “Besides, it’s much easier this way,” Donnelly adds. “We can crank out a stucco estimate in three to four minutes, whereas a general contractor can spend days estimating a job and still not get it right.”

**Specialty Is Stucco**

Most of Donnelly’s work is done with Portland cement stucco
over expanded metal lath. colored white Portland cement is utilized to get the right colors, and Donnelly does his own tints. “Most other states paint all their stucco, but Minnesota is different in that we tend to do our own tinting,” he says. There is a certain amount of silicone or acrylic enhancement.

All of Donnelly’s work is hand-applied. “We don’t use machines to spray anything,” he says. “I’ve seen jobs where when you spread new stucco over the old, the new tends to delaminate. And you can hide any repair work much easier if you do it by hand rather than by spray.”

Donnelly has done many large residences. One of the most important was a retrofit of the Purcell-Cutts home, originally done by a Frank Lloyd Wright understudy. This $90,000 stucco job was commissioned by the Minnesota Institute of Arts. “What was nice about this one was that we didn’t have to bid for it. They just said, we like what you’ve done, just do it.”

The home was built in 1912, and the challenge was to get a sand float stucco finish that would resemble more than 75 years of wear and tear.

“The color was an extremely dark rose, and when you get a home that old, the aggregate shows up,” Donnelly says. “So we had to acid treat the finish product to get the aggregate to appear as it was in the original.”

In other words, he had to make the new stucco look old, but, unlike the old stucco, not be in the process of disintegration. What made the job more complicated is that the Institute want-
ed to preserve as much of the original material as possible.

“If out of 1,000 square feet there were 100 square feet that were good, they wanted us to preserve that 100 square feet and tear out the rest,” Donnelly says. “Of course, it would have been much easier to tear it all out and stucco it anew.”

Donnelly reports that it took months of evolving samples before they got it right. But the effort was worth it. “We

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Donnelly does an annual volume of $1.3 million and has 21 employees. At a time when most of the industry is struggling to retain quality employees, Donnelly reports very little turnover. He attributes this to creating a comfortable, professional atmosphere for his employees, encouraging them to do their very best work while at the same time giving them the resources to do so. An incentive? He gives benefits such as insurance coverage during the off-season when people are temporarily laid off.

Although Donnelly works long hours as a hands-on manager, he’s learned to

**Strong Business Sense, Strong Staff**

Attention to detail is important to Donnelly, not only in the job itself, but also in the running of his business. “It helps to have a very thorough secretary,” Donnelly says. “I’m probably one of the last to go with computers, but now I have a laptop for all my appointments. Probably one of the most important things I’ve learned is to have a recap of every conversation that goes on in the field. This goes into the computer. So before the crew goes out on the job, I review all of the notes on file and get a copy of those notes to give to the supervisors. This allows you to stay on top of every job. If your crews know what needs to be done, they will do it.”

Good money management is also important to Donnelly. “When I first started out, my brother told me, ‘If you can’t write a check for it, don’t buy it’,” Donnelly says. “If I did all new construction, I wouldn’t be very successful. But I have a good mix of retrofit with new construction, which allows me to pay my bills within 30 days. This has gone real well. I’ve had to use my cred-

got a lot of referrals from that one,” he says.
delegate some authority, at least during the winter months, which he spends in Florida with his wife, Kim, and two children, Max, 7, and Chelsea, 9. His hobby is fishing off his 27 foot boat.

At the moment, however, he isn’t thinking about vacationing. “The last four weeks have been incredibly busy,”

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he says. “We’re booked for the season. But people are calling just to ask that we put them on the list, and we’ll talk about what it costs later.”

Is Donnelly going to respond to this demand by expanding his business? “I’ve thought about it, but decided not to,” he replies. “I don’t want to risk getting employees that can’t meet our standards. I have too many happy customers.”

About the Author
Michael J. Major of Anacortes, Wash., is a free-lance writer for the construction industry.