Once upon a time, Dryvit began selling exterior insulation and finish systems when there were no distributors or middlemen. The competition for building cladding was spandrel glass, costing around $40 per square foot and precast concrete around $30 per square foot. At this time, the first of the environmental issues surfaced: heat loss and energy consumption. EIFS could address all of these items. You could have a low maintenance building exterior at a much cheaper price—$18 per square foot. You could have a new pleasing look and not only that, the cladding had an “R” value and could meet all building department requirements and codes. Dryvit sold for $90 per pail. Eventually, Dryvit opened new factories. Dryvit would even have huge parties for its customers at the drop of a hat, and things were good.

Other EIFS manufacturers soon joined in, and, eventually, competition emerged as two, three, five manufacturers sprung up out of nowhere. Today I’m not sure how many manufacturers are out there. Competition forces the lowering of prices, and even though the sales were skyrocketing, the profit margins began to decrease. The parties got smaller, the promo-
tional items got cut. Just ask for that T-shirt or hat from your favorite manufacturer today; they will laugh at you.

During this time, I don’t believe the formulations changed much. Then the government banned the use of mercury in all products in the United States. Mercury was a popular choice for a fungicide additive. Most products now had to be re-formulated. This is when I feel products started to become “over-engineered” by using more sophisticated chemicals. This change most likely lowered the amounts of the more expensive ingredients, and added one or two less expensive ingredients. BASE Rohm and Haas and others became increasingly more involved. Formulations were top secret and still are today. The only difference is that today you can get a generic formulation off the Internet, or from the Embassy of China in Washington, D.C.

The next milestone was when the manufacturers began to sell to distributors, resulting in staff reductions at the manufacture level. Manufacturers’ representatives decreased, technical representatives became almost non-existent and training seminars for applicators/contractors disappeared. It is hard to find an instructor in this industry now who can use his tools in front of a group of plasterers for fear of embarrassing himself. Where will the industry be in five years if this trend continues?

Most distributors hire salespeople to market many products but do not necessarily hire qualified EIFS representatives for these positions. Many of the sales and technical representatives for the distributors are not qualified to answer questions related to job problems, read plans or even be able to pick out the appropriate materials for the jobs they sell. The deterioration of the manufacturer’s sales and technical forces was the beginning of what could be the end of the EIFS industry.

So Who’s at Fault?

Do we blame the manufacturers for keeping their prices down by cutting down on field support, having fewer training sem-
inars for new applicators, or just cutting back on the quality of help to the field?

Do we blame the developers, owners and general contractors for demanding lower prices, or threatening to switch to other exterior products?

Do we blame the subcontractors for taking the job at a low bid just so he has cash flow and can feed his five kids and have a jet boat?

Do we blame the distributors for lowering their prices to get the contractor to purchase products from him, figuring they can always make up the price difference by working on a volume basis? (Does that really work?)

Do we blame the distributors for qualifying an applicator based on his recent low bid and award of a contract?

Do we blame the developers, owners and general contractors for demanding lower prices, or threatening to switch to other exterior products?

Do we blame all the EIFS manufacturers, including EIMA, for waiting too long to make a move in North Carolina?

Do we blame the subcontractors for taking the job at a low bid just so he has cash flow and can feed his five kids and have a jet boat?

Do we blame the lawyers for just being lawyers?

Do we blame the general contractors for eliminating the portion of the specifications where the manufacturers request an independent inspector because it adds to the cost?

Do we blame the lawyers for having a new Beamer payment?

Do we blame the manufacturers’/distributors’ representatives
The qualification standards for an independent inspector should require several years of experience in actual EIFS application, general construction experience, the ability to read plans and successfully pass a specific EIFS industry trade exam.

for their inexperience and lack of knowledge about what they are selling and how it should be applied?

Do we blame the manufactures for not working together at EIMA or anywhere, to save the industry?

Do we blame the brick industry for waiting around for the EIFS industry to cut their own throats, and are now dancing for joy?

Do we blame the caulking industry for not taking a more active role?

Do we blame the third party inspection program that the manufacturers acknowledge, but somehow refuse to use?

Do we blame “Dateline” for its inaccurate portrayal of the North Carolina problem?

Do we blame the manufacturers/EIMA, six years ago, for not listening to the boisterous contractors who voted to have mandatory third party inspections on all EIFS jobs?

Do we blame EIFS manufacturers for leaving EIMA because nothing ever gets done?

Do we blame Mike Tyson for being hungry?

Do we blame the contractors for cutting every corner possible?

Do we blame the manufacturers for being so afraid they might get stuck paying for third-party inspectors that they do nothing and wind up paying for lawyers?

I think it is obvious that there is enough blame to go around. Everyone needs to assume some responsibility, and others need to accept a lot more. We need to stop dwelling on the past, learn something and move forward.

Where Do We Go From Here?

Things that won’t help the situation are these:

- Keeping the status quo within the industry.
- The need to constantly drag other industries down with EIFS.

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Not all contractors create problem; however, inexperienced or unqualified ones spoil it for everyone else. This cannot be allowed.

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- Not taking any of the blame, even though we all know better.
- Waiting for this all to blow over.
- Blaming everyone else.
- Not trying to stick together as an industry, even though everyone does not agree.
- Trying to B.S. your way though the existing problems.

Now, here are some things that might help:

- Start acting in a proactive manner instead of reactive manner.
- Worry about the EIFS industry and not the brick or siding industry.
- Stop kidding ourselves about who’s to blame.
- Stop selling products to unqualified applicators.
- Manufacturers have to accept third-party inspections and not allow their material to be used without this process.
- All EIFS manufacturers need to join together to address these issues before the industry deteriorates further.
- Sell EIFS for what it is and not as some miracle exterior cladding system. All cladding systems have their place.
- If possible, split the EIFS residential market from the EIFS commercial market, so that if one market fails, the other market won’t go with it.

The EIFS industry right now is fighting an uphill battle. To rejuvenate the industry, changes will need to be made to the normal operating procedures and attitudes. One change that needs to be made is the insistence of independent inspections. Inspections are going to cost some money initially, but will eventually cause the industry to level out and take a strong foothold once again within the construction industry.

Not all contractors create problems, however, inexperienced or unqualified ones spoil it for everyone. This cannot be allowed. Self-regulation by contractors has never worked in the EIFS industry or the construction industry in general, or we wouldn’t have city inspectors as we do now. Also, self-regulation in sales has not worked, resulting in poor applications, dissatisfied customers and lawsuits.

The credibility of EIFS continues to suffer. Manufacturers must take responsibility for the actions of their distributors and ultimately the end product. It is no longer acceptable to say, “The application was done wrong, so we are not responsible for the warranty”

We have yet to see if the “magic wand” approach of the current independent inspection “factories” will work. Either it will work, or it will just get the industry into more hot water, losing further credibility.

Truthfully, I have not met many inspectors I would trust or would want to inspect any jobs I have. For example, there was a contractor, who was also a graduated, certificate-holding, badge-carrying inspector, who tried to contract a small EIFS job. He also has testified many times in court as an expert. This guy got himself into trouble on a particular job because he didn’t follow advice that he would have given as an inspector. He didn’t know how to achieve the standards he held everyone else to because of his lack of practical experience.

I feel the qualification standards for an independent inspector should require several years of experience in actual EIFS application, general construction experience, the ability to read plans and successfully pass a specific EIFS industry trade exam.

I think the EIFS industry can have a strong future. All parties—owners, architects, manufacturers, distributors, contractors, applicators and inspectors—must responsibly work together in the same direction and head the EIFS industry into the 21st century on a positive note. It can be done.

About the Author
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