TriStar Drywall Will Not Allow Itself to Grow Faster Than Quality Control

By Thomas G. Dolan
The design of Tristar’s new office and warehouse allows work and information to flow easily throughout.

“We don’t want to make the mistake of growing first, then trying to hire qualified people to do the job,” says Keith Callender, president of TriStar Drywall, Inc., based in Englewood, a suburb of Denver. “Our economy here would allow us to get more work, but our reputation comes first.”

Callender and his business partner, TriStar Vice President Dan Haltom, saw firsthand what can happen to a company that tries to grow too quickly. They had previously worked for a drywall contractor, Callender as general manager and Haltom as estimator/salesman, that “tried to expand nationally, very aggressively and fell in on itself. It went out of business in a short time,” Callender recalls.

Callender and Haltom started TriStar, of which they are co-owners, in March 1989. About a year later, Chris Walter, an experienced estimator and salesman, was hired as general manager. Walter brought the company much needed expertise in the single family home market; TriStar had been
working primarily in the multifamily apartment market.

In 1994, Dave Lawson, a friend who had worked previously with both Haltom and Walter, decided to join the TriStar team. Lawson had been running a large commercial drywall operation in Richmond, Va., He returned to Colorado to become co-owners with Callender and Haltom in establishing TriStar Commercial Drywall. Today, Lawson is the hands-on manager, running all office and field operations of the commercial business.

Since TriStar Drywall’s inception, the office has been run by only two people: an office manager, Judy Golightly, and an assistant. “That’s quite an accomplishment for a company our size,” Walter says. He credits Golightly with being extremely organized and efficient. One of her latest accomplishments was to work with the computer software company to refine the system and streamline job take-offs and budgets to a single worksheet. These breakdowns go to both the field supervisors and the supply companies, making everyone’s job that much easier.

The TriStar residential division, which averages about 145 employees, is devoted entirely to the installation and finish of drywall. “Our niche is in the multifamily market,” Walter says. “An apartment job was the first job the company landed.” He adds that the company has developed an expertise in the various codes and fire ratings. The breakdown of the work is roughly 40 percent single family, 35 percent condos and townhouses, 25 percent apartments and 5 percent large custom homes.”

The commercial operations, which employs about 15, include light gauge metal stud framing as well as drywall installation and finish. We will do acoustic tile ceilings, hollow metal door frames, insulation and other items requested by the contractor,” Lawson says. “However, we do those things as a convenience to the contractor, not generally in a competitive-bid situation.” TriStar Commercial continues to grow with a specialized work force. “We try to hire mechanics who are proficient in more than one discipline, either frame, hang or finish,” Lawson says. “That way, as we move through a project, they can work in whatever area is ready.”

Managed Growth

In the early years, the company principals knew the dangers of growing too rapidly, but the achievement of quality over growth did not happen automatically. “We had a rough time over the first two years as we struggled to build the right team,” Walter says. “We were not attaining the quality standards we wanted or getting our scheduling working efficiently. It was a question of getting the right people for the right job. When that began to click, then the reputation that comes from quality work and customer service became the ultimate issue, not volume.”

Volume did double for the first five years, but then it slowed to a more
manageable 10 percent yearly growth rate. Yet the company’s $8 million annual volume, coupled with the commercial division’s $1 million, is still sireable. But, says Callender, “with our local market being so hot, we could grow more, but until we find the qualified help first—particularly supervision—we don’t want more volume.”

The building boom, which is generally nationwide, brings more work, but it also brings material shortages. “The quarterly pricing increases have been tough to keep up with,” Walter says. “And the drywall shortage affects some of our scheduling. We don’t have to wait for weeks as is happening in some parts of the country, but we have had some delays.”

**Association Assistance**

Walter has been on the local AWCI board of directors since 1992, its president in 1994. He currently is the southwest regional representative on the board of the national organization, and is a member of the AWCI Education Committee. In terms of the national AWCI, Walter says he and his colleagues like it “because it gives us a chance to throw ideas around and learn how different contractors in different areas deal with similar situations. Plus, AWCI’s Government Affairs Committee pays attention to the congressional bills that affect our industry, such as lien laws, dealing with immigration problems and workers’ compensation. AWCI gives us the feeling that someone is looking out for us. I enjoy being part of that process.”

The main issue, however, is qualified labor. “The unemployment rate here is about 3 percent,” Water says. “If we don’t have experienced labor, we can end up with more work but only half as much profit.” The Colorado AWCI has been working with a training and apprenticeship program, which Water has been involved with. Since the work force is about 80 percent Hispanic, the association offers classes in both English and Spanish. “We’re working with issues of work force diversity to try to find the appropriate programs to support the Hispanic needs,” Walter says.

Since the TriStar work force is made up of many Spanish-speaking employees, there are also many cultural differences the company is learning to deal with. Recent measures that have been helpful, Walter relates, include a company orientation for a new employee, taking time to acquaint him with just what the job is about, showing him safety videos and providing him with a comprehensive handbook outlining all his benefits, just what’s expected of him and what he can anticipate.

The Colorado AWCI chapter has also been active in this area. It has found that Spanish-speaking employees are more likely to favor higher wages or incentives that lead to cash bonuses, instead of a benefit package with health insurance and other features. Also, the chapter offers classes in both English and Spanish. And the company’s safety videos, handbook and other materials are also done in both languages.

Callender, who is in charge of safety, says, “We make men aware of safety, and the latest OSHA requirements on a daily basis. And each supervisor gives a weekly toolbox talk on a different safety subject every week.”

One result, adds Haltom, “is that we’ve
made huge strides in the reduction of workman’s compensation costs. We were able to look ahead at see that the safety program would become a big issue, so we got a head start on it and implemented it in both English and Spanish a few years back.

Walter reports that “Over the past five years, a lot has changed and a lot of barriers among local contractors have gone down, thanks to AWCI.”

**Is It Perfect?**

Is there anything on which to improve? And, if so, how do you go about making that improvement? The answer is that the company goes about it in a number of different ways.

For instance, TriStar recently started a separate customer service department designed to both take care of customer complaints, such as warranty repairs, and also do collections for additional work authorizations. This department consists of only one man, but all of his time is devoted to billings and making sure the customer’s warranty work gets done promptly. “We’ve had a 50 percent increase in collected funds for these jobs, and satisfied customers,” Walter says.

Another change was that previously there was a single man in charge of operations for the entire Denver metropolitan area, and the job was too much for one person to do effectively. This person loved working in the field, however, so he was given the job of foreman of the northern area, with the operations responsibility then split between this foreman and the one running the southern area. This solved the problem, without the need to hire anyone else.

Still another change was that previously the field supervisors were in charge of material handling, but they were spending too much of their time on deliveries. So two men were hired to run a flatbed truck and do all of the scaffold and material deliveries. “This way the experienced supervisors could spend their time watching the men and monitoring quality as opposed to delivering materials,” Walter says.

**New Base of Operations for the New Millennium**

TriStar moved into a new facility built by Callendar and Haltom’s development company, KD Partnership, in October 1998. Previously, they rented a 3,000-square-foot office/warehouse facility The company now utilizes 6,000 square feet in the new 26,500-square-foot building, with the rest of the space rented to others. Walter observed that the previous location had been “like a maze,” but the design of the new office and warehouse allows work and information to flow easily throughout.

“We’re ready for whatever the next century brings us,” Haltom says. “Our goal is to control our growth and manage our future.”

Although the company continues to evolve, the four men involved in running the business can be easily compared to the four musketeers. Callender, Haltom, Lawson and Walter all work together, without rigid areas of control. “We have a very laid back management style,” Callender says. “Our responsibilities overlap; if something needs to be done or someone needs help, we just do it. We work in a fairly low stress environment. I think we work together as friends.”