

OCTOBER 1987

# *American* **Painting contractor<sup>®</sup>**



**GTA  
FEDS**

**INDUSTRIAL PAINTING**  
Story of one contractor who  
is growing into this market

# Managing Growth

**K**evin Oyloe, owner of Apex Painting in Owatonna, Minnesota, remembers a tough factory job he had one Thanksgiving, just a few years ago. This was during his second year of business.

"We contracted to sandblast and paint this ceiling, and I wanted the job. The original specs were to give it a brush-off blast cleaning and then regular dry fall paint.

"Within the last week before the Thanksgiving holiday, when they wanted the job done, they changed the specs. They wanted it totally cleaned, a catalyst acid wash, and epoxy paint.

"I felt pressed for time, and I didn't study it enough. I adjusted the price to what I felt would make up for the changes, but I had never done that kind of work before.

"So, I got the job, and we worked — hard. I put about 100 hours into that job in five days. We got it done before the Thanksgiving holiday weekend was over and before the

factory started up again. But we didn't get it cleaned up; that dust had gotten everywhere."

Oyloe said he learned from that job. One lesson was to seal everything to protect from the dust. A second lesson, even more important, was that, to do a job well, he had to have the proper amount of time.

"That was a hard job. We got it done, though, and it looks great."

During the last seven years, Kevin Oyloe has had other hard jobs. However, during this short time he has developed from a struggling contractor into an established contractor with a high reputation.

## STRATEGY FOR GETTING STARTED

When he graduated from high school, Kevin Oyloe thought he could always go to college if he did not find work that he liked





**Kevin Oylo (right) and Bob Caswell working on a sign at the GTA Feeds Mill in Sioux Falls, South Dakota. Caswell was one of the first employees Oylo hired. One specialty of Apex Painting is elevators. The Sioux Falls GTA Mill won an award as "Feed Mill of the Year" from the American Feeds**

**Industries Association and *Feed Management* magazine, in part because of the new look given to it by Apex. Apex is going after the elevator painting market in the upper Midwestern states. Because these states are in America's grain belt, this is a large market for Apex to tackle.**

doing. He went to work for another painter.

"I started with another painter, and the first year I was his helper; I wasn't painting very much. I thought about quitting, but I thought that if I would quit, everything I had learned about painting would go to waste.

"So, I decided to work a second year for him and to learn everything I could. At the end of the second year, I asked for a raise, but he wouldn't give it to me, and so I quit."

Oylo said they were doing mainly outside residential work, especially new track housing. "We did some inside work, but we

never worked winters. I starved my way through the winters."

Oylo started out on his own in residential painting. He had no money, little equipment, and a lot of hard lessons ahead of him. That was almost seven years ago.

One hard lesson was about the need for contracts. Oylo explained that he had been asked by a general contractor to do some extra work. "Around here, everything is on your word, not with signed contracts. I had been used to doing that with homeowners.

*(Continued on page 28.)*



## Growing Contractor

*(Continued from page 27.)*

With this contractor, I did not have all the work down in writing, and I lost about \$4,000. Those are the *losing* jobs."

Oyloe tackles painting jobs with a special attitude. "I like challenges. If something looks challenging to me, I focus on it 100 percent. I study all the angles and try to get the job."

If he gets the job contract, "then the challenge becomes trying to do the job ahead of schedule and under budget."

Apex Painting plans each painting job, but it has problems crop up on many jobs, just as other professional painting firms must face. "Not very often do things happen exactly the way we planned. We start doing a job the way we planned, but we find there is a better way to do it, and so we change our plans. We uncover the problems and solve them, and, before we know it, the whole job is done."

Besides having this positive attitude toward the work, Oyloe is a learner. He has sought out experts in company management, bookkeeping, advertising, and painting. This year he joined the Painting and Decorating Contractors of America, and he said he has learned a lot in his first few months through that organization.

Long hours was the hallmark of Oyloe's first years as a painting contractor. He was on the factory ceiling job for 46 hours straight, for instance, and there have been many 36 hour days.

"If I had it to do over again, I wouldn't do it that way. I would get the sleep." Now Apex is getting bigger and has the right equipment to do jobs more quickly. Also

Oyloe no longer feels the pressure to get jobs by promising quick completion in a short time. Instead, he can often negotiate with the owner on the time schedule.

"But if you commit yourself to that kind of thing, then you have to do it," he said. "You just have to drive yourself, even when you get that feeling of being worn out."

Today, Oyloe puts in about 60 hours per week in the office or with customers or at painting.

Six years ago, Oyloe's strategy was to begin the company as a small residential painting firm. Next he wanted to see it grow into commercial work. Now it is a much larger firm, with a commercial division and an industrial division.

Oyloe's original intention was to get out of the residential market. This direction seemed best because the commercial and industrial divisions had been doing so well.

However, lately he has had a heavy demand for his residential painting. Included in the work turned down were some large residential projects. So, Oyloe is looking into setting up a residential division.

The firm has been incorporated into Apex Industries. Apex Painting is one division. Another division on the drawing boards is a single-source industrial maintenance painting service. Apex crews have handled jobs in several states around Minnesota this season.

### WORKING ALL WINTER MADE THE DIFFERENCE

Apex Painting worked through the 1986-87 winter, doing inside work. This was

*(Continued from page 30.)*



## Growing Contractor

*(Continued from page 28.)*

the first winter that the company kept busy, and Oylo credits this year-round work as what turned him from a struggling contrac-



**Dave Huff, on the right, is a "work-horses" on the Apex crew, Oylo said, important to the crew's quality production. "Net worth and profit and loss are the most important part of the business end, because that's why we are in business — to make money and to grow," Oylo said. "If I have these under control, then I can build in quality. Quality is important because, if you get greedy, then you start cutting corners and have shabby work, which leads to a downward spiral."**

tor into an established contractor.

"During the first few years, I didn't spend as much time managing and selling; I was doing most of the painting.

"Toward the end of the summer and into the fall, I would be really swamped with (outside) work, trying to get it all done before winter. All of a sudden, the work was all done (and it was winter), but I hadn't spent any time in getting winter work."

Oylo explained that he began telling his customers he was available for inside winter work. By doing quality exterior painting for customers, he earned their interior work.

Also, as interior jobs were offered to him during the summer months, he negotiated to have these scheduled during the winter months.

At this point, Oylo realized that factories were the largest single source of inside winter work, and he began to focus on serving this market. Most of these factories have their own painting crews, but the owners realize that the jobs can be done more economically by Apex because Apex has the equipment to do the work quickly, with a minimum of disruption of factory production.

Incidentally, one of the most common surfaces Apex paints in these factories is ceilings. "We do a lot of ceiling work in these factories. The same job that stands out to me when I started . . . well, we got that down now!"

The main problem Apex Painting faces during the winter months is travel. An overnight snowstorm can leave 10 inches of snow on the roads. "If we have to be in a factory that is shutting down for us, then we have to be there at all cost."

That cost means engine heaters in the



## Growing Contractor

trucks, chains on the tires, and plenty of sand in the back for weight. It also means leaving a warm home early in the morning and braving temperatures that are often below zero, with a wind chill index that is 20 degrees lower than the temperature.

tors will under bid me on jobs, but they don't have the equipment we have. Then, once we do one large job for a plant, word gets around and other plants start calling."

By carefully investing profits back into the

*(Continued on page 32.)*

### FINANCIAL GROWTH

"I started out with no money and was doing all the work myself. I ran into some heavy debts, but the local creditors would carry me until that one big job. There was always that one big job that would come along and save us," Oyloe said.

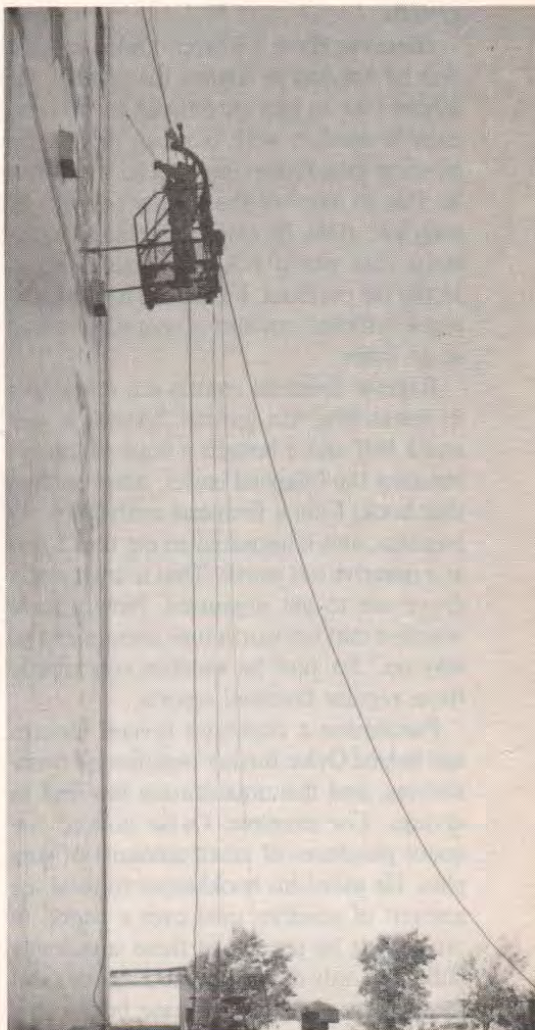
Apex Painting is almost eight years old, and last winter's work was the turning point in the company's growth. "Working last winter is when we really took off . . . not having that backlog of debts built up every winter that would take all summer to work off — and then it would be winter again."

"Working through last winter and getting some of the bigger jobs brought in enough profit," Oyloe said. A larger profit margin meant being able to buy more equipment.

Oyloe had been renting scaffolding. He showed his banker that what he spent in one year on scaffolding rental fees would buy the scaffolding. The bank loaned him the money to purchase scaffolding. Oyloe had already lined up a big job, and the profit from that job paid for the loan.

"Working last winter, though, is what really turned things around. That is how I have a new Bulldog pump, a scissors lift, and another truck.

The growth has earned him more jobs and larger jobs. "I use the fact that I have that equipment to sell the jobs. Other contrac-





## Growing Contractor

*(Continued from page 31.)*

company, Oyloe has been able to have the equipment needed to do jobs more quickly and profitably. Oyloe has noticed a spiraling effect: better equipment, bigger jobs, more profit dollars, and further company growth.

However, there is a catch. Oyloe stressed that he has had to *control* the growth. He cannot take on jobs too difficult for his company to execute well. Nor can he take on so many jobs at one time that he would not be able to monitor the quality of work at each job. Also, he cannot purchase equipment that would not see enough use to justify the purchase. Finally, he has to maintain a sufficient amount of operating capital at all times.

Regular financial reports are a key tool in monitoring this growth. "About a year and a half ago, I bought a book on understanding the financial basics. After reading that book, I did a financial analysis of my business, and it appeared to me that I was at a negative net worth! That is what really drove me to get organized. Now I have watched that net worth turn around and go way up." So, now he watches very closely those regular financial reports.

Purchasing a computer several months ago helped Oyloe further organize his bookkeeping, and this organization has led to savings. For example, Oyloe noticed frequent purchases of small amounts of supplies. He asked his bookkeeper to total the amount of sundries used over a period of time. Next he purchased these supplies in bulk. Not only did Oyloe get a big discount for the large quantity purchase, but he now

has a salary savings because workers are not frequently driving to the paint supply store to buy these supplies.

### GOOD WORKERS KEEP A GOOD THING GOING

"I have a good crew," Oyloe said. "They are pretty much the same ones who have worked with me off and on during the last few years; now they're all coming back," he explained.

"That is one of the things I have to attribute the growth to: I haven't had to spend any time recently training new painters. We have our helpers, but the main production is done by these guys who have been with me for a long time. It's a good team, and teamwork is where it's at."

Working around factory schedules often requires weekend work and night work. If a factory has shut down its operation for Apex, Oyloe may have to hire extra, temporary help. "But basically, with the crew I have, when it's time to pump out some work, they really do it!"

Oyloe acts as the field supervisor and the salesman and the estimator. When he is needed, such as on a weekend job, he will be painting with the rest of the crew. "If I'm not needed, I won't paint, because I work so much during the week that if I can have a Sunday off, I'll take it. I can trust the crew to get the job done and to get it done right."

Apex Painting has company policies for the workers. These policies have established a chain of command within the company and have spelled out guidelines for workers to follow. Some policies are simple like being at work each day on time and appearing



clean-shaven and in clean whites. Other policies deal with safety procedures and customer relations.

Files are kept on each worker. If a worker is not following a policy, that is recorded. If a worker is doing a good job, that, too, is recorded. Oyloe wants his workers to see him writing comments in their files, because then they will know how seriously he takes their performance.

"You can tell when a guy has a problem because he will try to get attention by breaking a few rules. When you confront him about it, he will tell you that he has a problem with something."

One policy states: "Keep our trade secrets secret. Your job is your meal ticket, and you must use discretion when you are speaking about work in public." Oyloe explained, "Some of the work we do is specialized. We have problems that we have solved, and I want to keep that solution a secret."

The problem in keeping the "tricks of the trade" secret often come when one worker is talking shop with a person outside Apex Painting. That person may work for another painting firm, and he may ask how such-and-such a problem was solved by Apex. "If the worker tells him, he just solved a problem for a competitor," Oyloe said.

The trade secrets policy and all the other policies have been developed gradually in response to specific company needs. In the future, as other needs arise, Oyloe will add new company policies to answer the new needs.

The Apex team is divided into different crews, working at different locations. To hold the team together, frequent meetings

(Continued on page 34.)

# PAINTERS

## Gain Paperhanging Skills to Earn More Money!

**MASTER PAPERHANGING** in ten weeks at the industry's **accredited** school and you'll expand your business by keeping the work you used to subcontract.

You'll turnover less jobs per year and earn more money . . . with very little overhead.

Get the facts now . . .

Call or write for your *free* catalog.



## UNITED STATES SCHOOL OF PROFESSIONAL PAPERHANGING, INC.

16 Chaplin Ave., Dept. P  
Rutland, VT 05701

802-773-2455

**Exclusive** in the U.S. School's training program—**WALL-TECH**, the industry's only custom computerized *paperhanging* program to help you become the **BEST AT THE BEST!**

One and Ten Wk. Courses  
Our Second Decade

### U.S. SCHOOL OF PROF. PAPERHANGING

16 Chaplin, Rutland, VT 05701

Please Rush Free Catalog About My New Career

Name .....

Address .....

City, State, Zip .....

CIRCLE 12 ON READER SERVICE CARD

APC OCTOBER 1987 33



## Growing Contractor



The public sees Apex working, and their impression of Apex Painting is crucial to Oylo. So, first, Oylo requires his workers to wear clean whites and to be clean shaven each day. If they are working in a dirty location, they wear coveralls while doing the job and take these off when they go to lunch. Second, Oylo makes sure that quality work is done. Customers are not given a chance to complain. Third, Oylo had all the company trucks and trailers painted the same color, with custom logos painted on each. He has a policy that trucks can not be used as "garbage dumps" by the workers.

*(Continued from page 33.)*

are held. This is the time to talk company policy, safety, and problem solving.

As more workers are added and as company crews travel further apart, Oylo is counting on dependable foremen, clearly stated policies, and frequent team meeting to help keep the company operating smoothly and focused on quality service to the Apex markets.

### KEEPING CLOSE TABS

As Apex Painting heads into its eighth year of business, Kevin Oylo will be monitoring company growth and performance by watching four key indicators.

He will continue to study the regular financial reports. In fact, he wants to learn how to better interpret the reports, how to graph them, and how to see the cause and effect between them.

The employees' attitude when they come to work will also be watched. He will listen to their complaints and take good care of his painters.

Another part of the business Oylo wants to watch is the public attitude toward the company. He wants to insure that the work done is of high quality so the company's reputation will be a positive one.

Finally, Oylo will be watching the company's organization. "This organization led to more profit which allowed me to go out and buy more equipment which in turn gave us more exposure which led to more jobs. We have a cycle going here, because now we have still more jobs and we are running short on equipment and help." ■