

## ‘Fast will absolutely beat slow’



**Scott Coll, President and CEO Commercial Flooring Systems**

### **How would you describe the state of the construction industry in general terms?**

Credit remains tight for our industry, as it is with most, because most lenders continue to see rising loan defaults in commercial real estate. The amount of transactions and projects has diminished, causing more aggressive and assertive competition. There does seem to be a turn in activity and potential prospects on the horizon. However, this news can change week-to-week, if not day-to-day. Some of the growth opportunities over the last 18 months for Commercial Flooring Systems have come from government construction projects. However, we have also seen a slight decrease in those particular opportunities in the last several months.

### **Have you experienced a slowdown?**

As a commercial subcontractor, we experienced some of the effects of the economic downturn. Like most companies, streamlining our operations and cutting costs were important. Now that we have recalibrated, we are seeing a steady resurgence in overall growth and we are looking to invest in critical team members, ramp up our community relations budget and reward our employees who are going the extra mile.

### **As a result of the downturn, what changes have you made in your operations?**

We looked at everything from office supplies to inventory controls and, through a lot of hard work and some sacrifices, made the necessary adjustments. Undertaking these business corrections helped to maintain our financial viability and secure a number of multimillion-dollar projects.

### **Do you see an upswing in the near or far future?**

We are always optimistic about what the future holds for our industry. Don't get me wrong, it has been a tough year, but I think we made some very hard business decisions that will see us through this financial crunch. We did quite a bit of research to learn which industries are continuing to grow during the recession, and then worked hard to win contracts in such fields as healthcare, government and education, which are growing despite the tough economic conditions.

### **How has the industry changed in recent years?**

We have seen a rise in insurance coverage requirements by clients over the last few years. Insurance cost for individual jobs has dramatically increased to the general contractor, who in return passes some of the cost onto the subcontractor.

### **What do you see on the horizon?**

Tighter budgets and more cost-efficient techniques are at the forefront of most of our clients' minds, so we are seeing an increase in demand for modular carpeting, or carpet squares. This option allows a company the flexibility to replace individual squares and not the entire carpet. Another hot topic in our industry is sustainability. Commercial flooring manufacturers are doing more than just adding recycled content to their products. They have instituted programs individually and collectively to make them better environmental stewards and leaders in the green movement.

Maintaining and developing relationships is critical. Working with existing clients and staying in front of them is even more important during hard economic times.

Also, access to credit is critical in the commercial construction industry. You have to stay financially healthy so you can take advantage of opportunities now and in the future.

But understanding how to compete in all facets of a business and thriving on that competition daily is imperative. You cannot get paralyzed with fear.

*Commercial Flooring Systems provides flooring products and installation services to general contractors, architects, real estate companies and facility managers in Central Texas. The company specializes in commercial carpet, wood flooring, resilient flooring, ceramic tile and stone. –ld*

### **What are keys to being successful?**