

# Business People

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Don Wells of  
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# DEW It Yourself

**Don Wells created his Williston firm, DEW Construction, out of a desire to have greater control over his destiny. In five years, he has grown it to its place as the state's fourth-largest general contractor, building 'everything but single-family homes and bridges.'**

by Jason Koornick

Ask DEW Construction president Don Wells how a construction company becomes the fourth-largest general contractor in Vermont after only five years in business, and he will tell you, "people, people, people." He is talking about the 94 to 115 employees who work for DEW at any one time, particularly the 14 superintendents of the company's projects. "I consider the superintendents to be the most important people in the organization," Wells says. "They oversee work in the field, running everything that happens on the job site."

He is not afraid to use a little self-deprecating humor when talking about the company's employees. "I have surrounded myself with a bunch of great people who can do things better than I can," he says with a laugh.

With sales totaling more than \$40 million, Wells expects 2002 to be the busiest of the company's five years. Since DEW was started by Wells, his wife, Karen, and a single employee in 1997, the company has built some of the region's most impressive buildings.

Chances are most people have been in a DEW building. Completed projects include the Adirondack Medical Center additions and renovations in Saranac Lake, NY (DEW's largest project); the Central Vermont Medical Center office building and lobby;

the new City Market supermarket in downtown Burlington; IBM; Bed, Bath and Beyond and PetsMart in Williston; the Pine Ridge School Activity Center in Williston; two office buildings on Water Tower Hill in Colchester; and many others. The value of the contracts ranges from \$100,000 to \$14 million.

Wells says DEW doesn't specialize in one type of construction project; it has built medical, manufacturing and industrial facilities. "Everything but single-family homes and bridges," he says.

Teams work closely with each building's owner to guarantee that the facility suits the need. "The focus is on the owner's business, not the facility," he says. "Being in the construction industry is interesting because you learn a lot about other businesses."

DEW Construction was formed out of Wells' desire to have greater control over his own destiny. He left Engelberth Construction after 13 years to start the company in 1997. Part of the reason for Wells' departure was his frustration with the decision-making processes in other construction companies. "Over the years of providing various services, I was frustrated with how many

of the decisions in the pre-construction process were made. From the beginning, I looked at ways to make better decisions with more accountability," he says.

He explains that the company employs what it calls "DEW



**After just five years in business, DEW Construction in Williston is one of Vermont's largest general contractors. The company's president, Don Wells (left), reviews plans with Jeffrey Davis, vice president of operations, whom Wells credits with creating the "DEW way" of getting things done.**

process" — a method of obtaining all the information about a project early in the work process. "It translates into the owner being included early on for good decision-making."

There are no secrets when DEW is on a job, Wells says. "Our preferred way of doing business is through the open-book approach. All the information is available for the owner to see, including our company's profits. Our number one responsibility is looking out for the owner's best interests. That involves making good decisions in every phase of a project," he says.

By the time Wells left Engelberth, he knew every aspect of the construction business through his experiences as an employee, manager and business owner.

Wells grew up in Putnamville in the town of Middlesex. One of 13 children, he quickly learned that if he wanted something he had to work for it. In high school, he chose to get a job rather than play sports after school. "I decided to work so I could get clothes that weren't hand-me-downs," Wells says.

His first job in the construction business was as a stock boy at Grossman's Lumber in Montpelier. He soon found himself doing estimating work that wasn't typical for a lad his age. "It came very naturally for me. It was easy to figure out what was needed for each job," he says.

Upon graduation in 1972, Wells was set to enroll in Champlain College in Burlington. He even sent in the deposit, but the summer after high school offered different plans. Wells and a friend worked as contractors and found themselves earning a good wage. "We decided to give the construction business a try," he says.

Wells' first construction enterprise lasted 18 months after which he took a job with Northern Design in Montpelier. The company did primarily residential construction. He worked as a carpenter, foreman, superintendent and estimator.

Wells and another employee purchased Northern Design in 1979. For the next five years, he oversaw many residential and light commercial projects, including construction of Sweetwaters in Burlington and The Shed in Stowe. Near the end of his stint at Northern Design, Wells experienced the perils of owning a business when a developer took advantage of the partners. Wells says he learned "an incredibly hard lesson that construction is a risky business."

Soon after, Wells joined Engelberth Construction. "I got into the estimating and business development side of the company," he says. In the mid-1980s the company was responsible

**DEW will have completed \$160 million in projects by the end of 2002. According to Mike Francis, chief financial officer, the company's growth has been daunting at times.**



for the Maltex building on Pine Street in Burlington and the Susse Chalet in Williston. When he started as a project manager, the company was generating \$5 million a year. By the time he left in 1997, Wells was a shareholder and vice president of business development of a \$60 million company. He met Karen during his time at Engelberth where she was head of information systems.

Exactly 13 years after Wells started at Engelberth on March 13, 1984, he left to start DEW Construction "Thirteen is my lucky number," he says with a chuckle. The nascent company moved into the front of a farmhouse on U.S. 2 in Taft Corners, which still serves as DEW headquarters.

The first two years were tough, Wells says. Under the terms of a non-compete clause with Engelberth, Wells couldn't approach any of his former employer's customers for two years. In addition, he says, DEW had a difficult time finding its own employees. As a new company, the team had to convince clients that they could handle a job. "We were off some lists for work that we were capable of because we were new," he says, "but an advantage at the time was that we didn't have the same level of overhead as the bigger companies. And we had information systems that were as good as any out there."

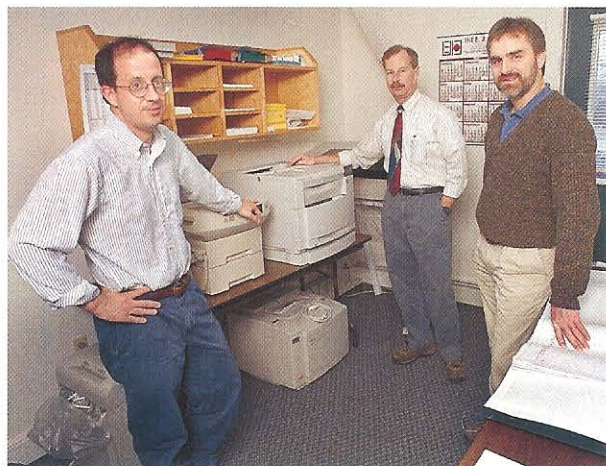
Wells says the strength of the early DEW information systems — the databases of information that are exchanged among team members — was paramount to the early successes of the company. Karen was responsible for integrating the accounting, estimating, technical and design software that allowed DEW to compete with the larger companies. "Without Karen's expertise, starting the company would have been pretty chaotic," he says.

"Our information systems have been a priority since the beginning," he says. Since there are up to 70 companies and subcontractors involved in a single project, the sharing of accurate information among parties is critical.

The company was awarded its first contract in June 1997 to build the PetsMart store in Williston; \$6 million of work was completed in the company's first six months. DEW saw \$19 million in revenue during its first year.

An early challenge for Wells and his growing team was to figure out the company's methods of getting things done. Wells says they worked on "foundation building" to solidify internal functions and processes. "The employees that came to us were from different backgrounds and cultures. We had to come up with the DEW way."

Wells credits one of the company's early employees, Jeffrey Davis, with establishing



**2002 is expected to be one of DEW's busiest years, with sales of more than \$40 million. Estimator Scott Carter (left), Al Frey, director of estimating, and Doug Young, estimator, pull together the numbers to make things work.**

## DEW Construction

DEW's environment of open communication and shared expectations. Davis, vice president of operations, started in July 1998. He came to DEW after 20 years at Pizzagalli Construction as an engineer and project manager. Like Wells, he was looking for a professional change.

"DEW was a start-up. It was exciting to be part of creating the direction and philosophies of the company as well as satisfying my entrepreneurial side," he says. Davis, who works closely with clients and superintendents, says he has nurtured the company's reputation for completing projects on time and on budget and meeting standards of quality, all while being fair to subcontractors and employees.

By the end of the second year, the management structure of DEW was firmly in place. "We haven't changed that much in the last three years," Wells says. "A lot of the top people have been working here since 1999." He points to the vice president of development, Mary Lintermann; the chief financial officer, Mike Francis; and the safety director, Doug Robie, as key players who came to DEW at that time.

DEW has grown at a steady rate. "Over the first 2½ years, we did a little better than break even," Wells says. "Since then we have been meeting our profit projections. If someone told me that I would be doing \$42 million in five years, I would have said they were crazy."

The company will have completed \$160 million in construction projects by the end of the year. DEW is the fourth largest general contractor in Vermont, according to the 2001-2002 *Vermont Business Magazine Book of Lists*.

Francis says managing the company's growth has been daunting at times. "This business has its ups and downs." One of the challenges is to hire the right number of employees for the number of projects. "The number of employees can fluctuate dramatically," he says. DEW employs 94 people in the winter and as many as 115 in the summer.

About half of the company's employees are craftspeople,



**Mary Lintermann, vice president of development, shown here with Wells, has been with the company since 1999.**

**Jennifer Nokes (left), business development coordinator, and Andrea Cronan, executive coordinator, are key to the smooth running of the office at DEW.**



most of whom carpentry specialists. The remainder are administrators, superintendents, managers and executives. DEW uses a small army of independent subcontractors as required by each project. "On any given job, 60 [percent] to 80 percent of the work is subcontracted," Wells says.

Subcontractors are hired for site work, masonry, steel, dry-wall, electrical, HVAC (heating/ventilating/air conditioning) and plumbing demands. Wells says the company is unique in hiring its own carpenters. Part of the company's expertise lies in the ability to assemble a group of subcontractors best suited to a specific project. Relationships with subcontractors and the company's coordination of their efforts on a job site are two reasons for the company's success, Wells says.

Jan Reardon, general manager of the Sports & Fitness Edge in Williston, is pleased with the company's work on the 58,000-square-foot facility. DEW fitted the structure with an Olympic-size pool, indoor sports area, dance studio, weight room, day-care facility and locker rooms with saunas. The \$1.5 million project was completed in August 2000.

"At the time, the labor market was tight," Reardon says. The construction was on a deadline due to a fall opening of the fitness club. "DEW was accommodating with the subcontractors and things went really well. They came in right on schedule when most businesses were far behind."

Reardon says the owners had a good relationship with the project foreman, who brought the project in under budget. "He was patient so that we could follow all the construction lingo. Everything was honest and aboveboard. They even tried to save us money after we had agreed upon a price."

"They seemed to take ownership of the facility," she says. "We wouldn't consider going with anyone else for our next expansion."

Wells is proud of DEW's involvement with the community. He mentions that the company was involved in building a residence in Winooski for the Special Olympics, which the organization sold for proceeds. The company was awarded the 2000 Corporate Sponsor of the Year by the organization for its efforts.

Lintermann says the company is also sensitive to environmental concerns. She points out that 785 tons of demolished materials from the Onion River Co-op/City Market project were recycled or re-used. It would have ended up in a landfill otherwise.

Projects that Wells and his team are excited about include an advanced technology facility for Northern Power Systems in Waitsfield, the Putney School Performing Arts Center and the Burlington Multi-Modal facility. Multi-Modal is a mixed-use transportation facility by the waterfront that will house a bus dispatch center, parking garage and retail space and offices. The \$10 million project will open in 2004.

Wells says the company will continue to grow and develop its most valuable resource: the employees. "There are many promotions within the company. We provide the opportunities for employees to learn and succeed." ●