



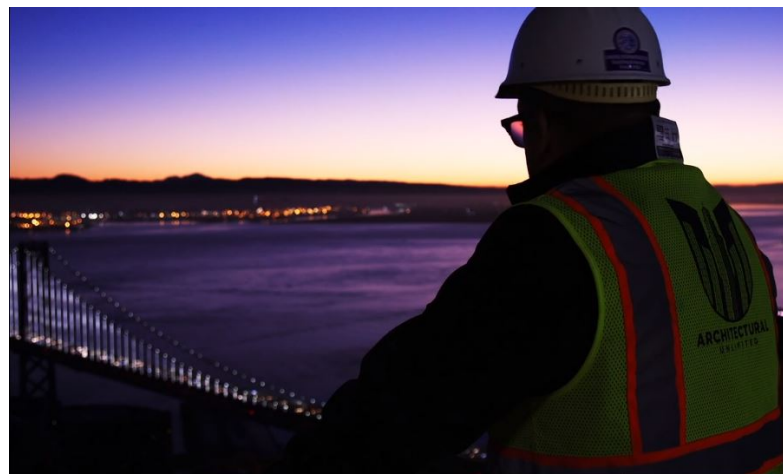
# Defying the Odds: How Architectural Unlimited Achieved Significant Growth In Five Years



*You must be prepared to go into business. IMPACT training courses give you necessary business acumen and help figure out if it's really for you. IMPACT's business fundamentals class made me a sound contractor. When you learn the rules, you can play the game better*



*– Richard Diaz*



## Executive Summary

Architectural Unlimited is a full-service contractor specializing in ornamental construction, including window wall, curtain wall, store front and glazing work, building structures in Los Angeles and San Francisco. The company has grown tremendously in a short time period since its establishment in 2013, averaging around \$15 million in annual revenues. The company generated 217,217 work hours for the ironworkers in the past 4 years.





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The principal of the company, Richard Diaz, attributes its success partly to resources and services available through Ironworker Management Progressive Action Cooperative Trust (IMPACT) in the early days of establishing the business.

Richard is a 30-year career ironworker from Iron Workers Local 433 (Los Angeles) and has a wealth of knowledge and experience in the industry. Richard founded the company when he was working as an ironworker superintendent on a project and a contractor entrusted him with supplying a crew for another project.

Richard's daily responsibilities include business development, bidding, managing projects, working with the company attorney on payment and contract issues, coordinating material deliveries to job sites, fulfilling duties as a field superintendent when needed, scheduling projects, controlling cost and managing finances, worker payments and benefits, among other duties.

Committed to delivering cutting-edge glass and steel modern construction, Architectural Unlimited is a certified Disadvantaged Business Enterprise (DBE) for glass and structural steel, licensed in California & Nevada. The company is also known for skilled Los Angeles County-certified welders.

## Challenges

As a Hispanic entrepreneur starting a business, Richard struggled with securing a line of credit and bonding. While he was knowledgeable about the industry and an experienced career ironworker, Richard lacked necessary business knowledge for daily operations. Richard and the company lacked a business plan, legal counsel, construction insurance, a system for accounting and managing finances, knowledge in construction contracts,





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established labor rates, how to get paid by general contractors, and a plan for business development.

Richard found insufficient project management skills to be the main hurdle standing in his way to success. Although he was an ironworker superintendent for many years, Richard lacked formal education and training as a construction project manager, specifically in scheduling, project control, document control, contract management, supply management, and more. While his project management knowledge has improved, the company needs an experienced and well-trained project manager for continued growth.

Richard wishes to acquire more equipment and consumables, including welding machines. He also needs project managers, field leaders, and financial resources. He wants to learn more about design-build processes and how to manage design-build projects.

## Actions

When Richard realized that managing projects as an ironworker superintendent didn't prepare him for operating a construction business with moving complex components, he turned to IMPACT in the early stage of establishing the business. Richard participated in one of IMPACT's most popular courses among aspiring ironworker contractors, Construction Contracting Business Fundamentals Academy: Establish Your Business (BFA), to learn the ins and outs of launching and operating a construction business. At first, Richard intended to find out if starting a construction contracting business was the right move for him and his family. After completing the BFA course, he felt confident in establishing the business and bidding on larger projects.





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I learned a lot in the business fundamentals class. It made me a solid, stable contractor. Once I learned the rules of being a contractor, I could play the game better and I could apply the knowledge to daily operations. Considering that many general contractors fear working with new contractors as they aren't very stable, it's impressive to be able to show them pre-qualification in a day.

– Richard Diaz

## Results

Richard strongly believes that every aspect of IMPACT's Business Fundamentals Academy course has been useful in daily operations of his business. Notably, he finds the business plan development, accounting, insurance, contracts, finding work, and getting paid components of the course to be the most useful and applicable. While getting the next job is challenging, Richard finds managing earned work to be more challenging.

Richard stated that the best examples of the BFA training's practical application is the business obtaining construction insurance. BFA taught him construction insurance basics and he was introduced to TrueNorth insurance company during the course. TrueNorth has helped Richard reduce insurance rates and get pre-qualified for projects.

The company's annual revenue has tripled from \$500,000 on the first project in 2013 to \$15 million in 2018. While it took some time for Richard to develop necessary business acumen, the company has seen phenomenal growth in just a few short years with sufficient working capital, equipment, and resources to deliver projects on time and on budget.

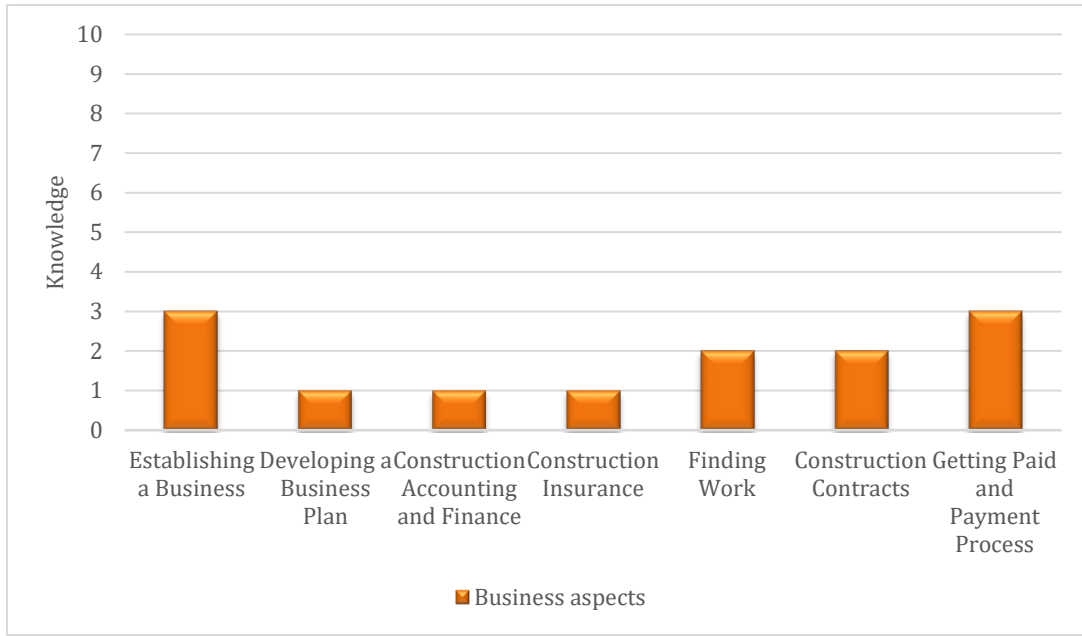


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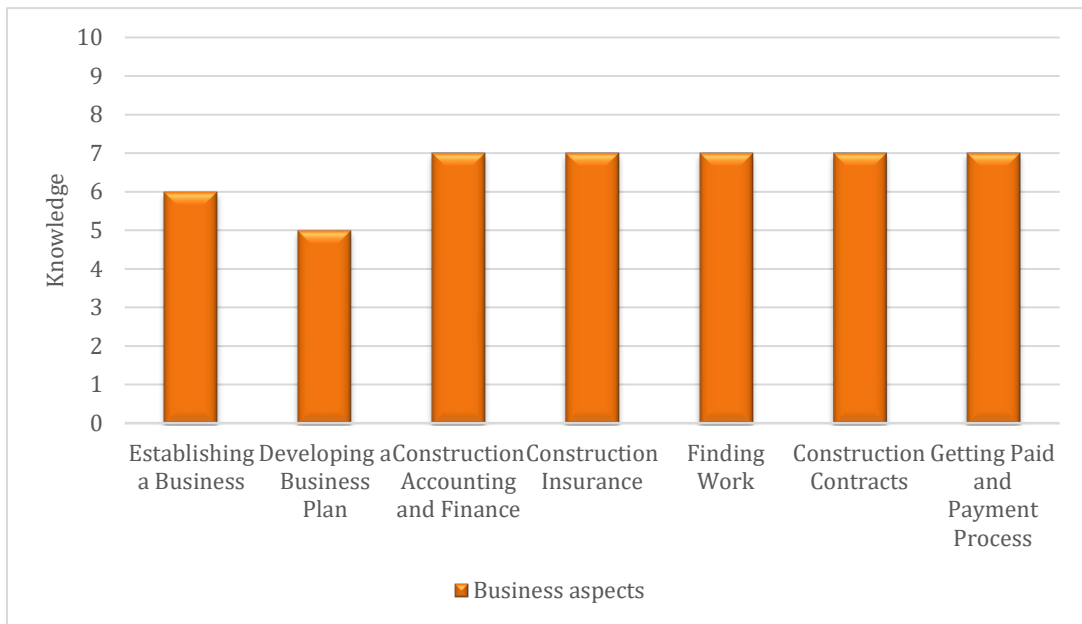
## How Architectural Unlimited Achieved Significant Growth In Five Years

The below charts identify how Richard's knowledge about business has changed due to the BFA course.

### Business knowledge before attending the BFA course



### Business knowledge after attending the BFA course





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### Follow-up

- Since completing the BFA course, Richard has taken the following actions:
- Obtained a business license
- Became certified as small and disadvantaged business enterprise (SBE and DBE)
- Retained an attorney and learned more about legalities of being a second-tier sub
- Obtained construction insurance
- Implemented a system for accounting, finance and payment process.

Actions completed or intend to complete since the BFA training	Completed before the course	Completed	Completed within 6 months	Completed within 12 months	Completed in more than 12 months	Do not intend to complete
Obtain a business license	X					
Develop a business plan					X	
Become certified as a small or disadvantaged business		X				
Obtain construction insurance	X					
Implement an accounting system		X				
Implement a payment process		X				
Establish a relationship with an attorney		X				
Bid on work	X					
Win work		X				

Outcomes resulting from taking the BFA training:

- Revenue tripled after completing the course: \$500,000 in the first year (2013) to \$15 million in 2017.
- A significant increase in confidence
- Continued support from IMPACT for problem solving and business issues





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- Access to IMPACT mentors, consultants, and staff members for assistance
- Bidding and winning more work due to greater confidence, increased capacity, and streamlining of processes, which helped increase revenue
- Employment of more ironworkers due to more projects
- Efficiency in managing and controlling costs
- Developing the skills and capacity to perform more tasks in-house
- Savings from construction insurance
- Implementing recommendations and products, which resulted in winning more work
- Negotiating more favorable contract and payment terms

Since the BFA training, Richard has implemented a system for accounting and finance and a billing process, which allowed him to focus on bidding on jobs. He has retained an attorney, obtained construction insurance, and plans to develop a business plan to support his goals. The company has a senior project manager and a superintendent on staff. Richard plans to hire another project manager to oversee ornamental projects and assist him with bidding.

Apart from IMPACT's continued support, Iron Workers Local 433 in Los Angeles and 377 in San Francisco, and Iron Workers Department of Ornamental, Architectural, and Miscellaneous Metals played an important role in the establishment and subsequent success of Architectural Unlimited. From the first project with Pankow, Michael Silvey, former business manager of Local 433, supplied Architectural Unlimited with skilled ironworkers. Skilled field workers and leadership are key ingredients for project success.

Iron Workers Department of Miscellaneous Metals Executive Director Ray Dean helped Richard get started and win work in San Francisco in coordination with Charlie Hernandez, business manager of Local 377.





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## Current Challenges

Richard identifies his lack of knowledge in project management as one of the primary obstacles hindering business growth. Although he was a top tier ironworker superintendent for many years, it didn't prepare him for the business side of project management. He wishes to sharpen his knowledge and skills in scheduling, project control, document control, contract management, supply management and more. While Richard has experience in those categories, he believes that classroom training in project management is very important for continued growth. Richard also plans to learn more about how to manage design-build projects and processes.

He hopes to improve financial resources, buy more equipment and consumables and hire more personnel, including project managers and field leaders. He also plans to develop a business plan.

## Solution



**I should have taken the BFA course much earlier, perhaps in 2013 when I accepted my first job. I had no plan and limited skills. I took on work without having necessary training.**

**– Richard Diaz**

Richard plans to complete more IMPACT courses focused on project management, business plans, document control, and other critical business aspects. He's confident that IMPACT







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courses will help him acquire more skills and knowledge on business operations where he lacks expertise. He also intends to have his staff complete more IMPACT training courses.

He is committed to helping IMPACT teach new business owners how to create wage rate sheets that are critical for the success of a construction contractor. He's willing to be a mentor and share his experience with aspiring ironworker contractors. He highly recommends taking IMPACT training courses for better business acumen.



**You must be prepared to go into business. IMPACT training courses will give you necessary business acumen and you will be able to figure out if it's really for you. You must be good at communicating, socializing, and making connections. You must develop good relationships.**

**– Richard Diaz**