

Labors of Hercules

A Denver-based contractor builds upon its strengths—and those of SMART local 9—to successfully face off with the bear market.

By Cari Bilyeu Clark

WHEN THE ECONOMY TOOK A DOWNTURN A FEW YEARS BACK, Denver's Hercules Industries didn't. Instead, the wholesale distributor and manufacturer of HVAC sheet metal products and equipment leveraged its strengths to keep growing and thriving, opening branches in several states.

Not only did Hercules start producing duct sealants and adhesives, but also the company installed an upgraded steel processing line to provide new gauge range capabilities, opening up opportunities beyond HVAC.

What strengths enable family-owned Hercules to be so successful? "They treat their employees like members of the family," says Tom Keating, executive director of SMACNA Colorado. "I don't know of another employer that does as much for its employees."

Dan Grady, Hercules commercial branch manager and member of SMACNA Colorado's board of directors, says it makes sense to treat employees well. "When you take a step back and look at Hercules as a whole, our single biggest asset is our employees."

When business was really slow on the production side, Hercules management kept a majority of employees on-board. "Plus, they ensured people could work at least 25 hours per week to preserve health insurance benefits," says Eric DeBey, business manager for local 9.

Labor-management cooperation like this requires SMART local 9 and Hercules maintain an open dialogue. "Local 9 not only has union members' best interests at heart, but they also understand what contractors go through," Grady says.

"They're very creative in looking at ways and processes and methods to keep local work not only within the Local, but also within the union, which I think is really important."

DeBey agrees. "We work together. When Hercules has a need, we see what we can do to help out. And when SMART members have a need, Hercules does what they can to help us out."



Benefits of partnership are exponential, DeBey insists. “As Hercules has expanded into other parts of the state, the company has been able to help other signatory contractors benefit by reducing the cost of transporting supplies.”

Without cooperation from SMART, Hercules wouldn’t have been in the ballpark for supplying ductwork for the new veteran’s hospital slated for construction. “Working with us, they’ve been able to get some of their prices down, and it looks like we’re going to do the straight duct here in town instead of seeing it brought in from another state,” DeBey says.

Local 9’s Resolution 78 market recovery concessions allowing reduced shipping costs helped convince a general contractor to switch from a different supplier to Hercules.

Good communication is especially helpful when problems develop. (Though, according to DeBey, problems are rare because “Hercules plays it pretty straight.”)

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Blueprint for success

1. Focus on the basics. (Hercules Industries’ commercial branch manager Dan Grady stresses these four with his employees):
 - **Be on time.** “Come in with an understanding that other people are relying on you.”
 - **Work safe.** “Nobody should ever leave work in an ambulance.”
 - **Work hard.** “One of the things that the union stresses with their membership is eight hours of pay for eight hours of work.”
 - **Respect other people.** “There can’t be any segregation (e.g., salesman vs. union members).”
2. Cultivate an open dialogue between contractor and union.
3. Play to your strengths.
4. Do your research.
5. Don’t be afraid to take calculated risks.

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“Problems can be handled quickly,” Grady says. “Nothing is brushed under the rug. If something comes up, we talk about it openly and honestly when details are still fresh and achieve mutual understanding. Everything works itself out.”

SMACNA’s Keating believes another reason Hercules has been so successful is that the company provides excellent service. “They do what they say they’re going to do, they do it on time, and they do it with a smile.”

These characteristics make the company a pleasure to do business with, Keating says. “As a result, they’ve got a very loyal customer base that’s allowed them to grow—both within in the state and throughout the country.”

Beyond this, Keating says, Hercules management is willing to take calculated risks to expand into new markets and types of work. “They’re always upgrading their equipment and their facilities. They’re continually developing new products.”

Due diligence is required for any type of vertical integration or expansion into new markets and product lines, Grady says. For Hercules, that means taking into account company strengths, market size, market potential, distance from Colorado, and distance to Denver.



“It’s a matter of building upon a tradition of success,” Grady says, “through following principles put into place by the founder and improved over the last 51 years by the second generation and third generation.”

He’s pleased that his team members have responded beautifully to all situations presented to them. “When work or the market gets tight, they all respond brilliantly. We couldn’t do it without partnership.” ■

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Hercules Promotes Helmets to Hardhats

Many of Hercules Industries’ employees are veterans—and company founder, William E. Newland, was a devoted Marine. “Individuals who have served in some sort of military capacity have a certain power,” Grady says. “There’s a unique interconnection between purpose, work ethic, leadership and drive—principles that blend well within a manufacturing or fabrication environment.”

Hercules was honored with the 2013 Department of Colorado American Legion Employer of Veterans Award for the Large Business category. This award pays tribute to employers who have established outstanding records in the employment and retention of veterans.

“A majority of our competitors cannot bring this blend of talent to the table,” Grady says. “Our general foremen and shop supervisors who have that background are individuals who can make decisions quickly and accurately.”

Several individuals throughout the years have gone straight from the Navy metal department to local 9’s apprenticeship program. “Such apprentices bring discipline and leadership with them into the program,” says Eric DeBey, local 9 business manager. “They excel in training and the trade.”

