

BRIDGE TO SUCCESS

Construction firm faces a bright future after inking big U.S. Army deal

BY MEREDITH MacLEOD

Sometimes a contract comes along that changes the face of a company.

That happened to Bermingham Construction when they inked a three-year, \$20-million deal with the U.S. Army to manufacture 128 pile drivers to build temporary bridges to move troops in the field.

Bermingham suddenly became a manufacturer, rather than a construction company that built its own equipment.

"It completely changes our monthly billings," said company president Patrick Bermingham.

"All our machines and overhead are paid for by this one contract. But what interests me is what remains at the end of this job. What will be different about our company once we're done?"

The answer is just about everything.

The company had to completely change its quality control system and build a new fabricating area.

Military specifications are tight. Every machine, also called a military hammer, has to be precisely the same.

"Almost every aspect of the plant was modified and improved. Before, we did custom manufacturing, a lot of one-offs," said Bermingham.

The company knows some units have made their way to Iraq, Costa Rica and likely to hurricane-devastated regions of the southern U.S.

Bermingham produces four to five U.S. military hammers a month and expects to finish the contract in 2007. Bermingham is now concentrating on improving its distribution network — especially in Europe, the U.S. and perhaps the Middle East — in the hopes commercial jobs will take up the slack once the military deal runs out.

The army contract will go a long way to bringing potential dealers on board, says Bermingham.

"A lot like our products but they've been unsure of our deliverability and reliability. I think those issues are behind us now."

The contract has tripled the average output of Bermingham's manufacturing facility, said plant manager Niels Christensen.

A busy year before would have meant 20 hammers for commercial jobs. Now the plant is pumping out more like 65. That's meant doubling the shifts in the machine shop and moving from a double shift in the fabrication wing to 24-hour shifts.

Manpower has jumped 60 to 70 per cent and Bermingham's subcontractors are busier, too, said Christensen.

The military hammers are packaged in giant steel boxes — green for the jungle, tan for the desert — that can be parachuted into the field. They include step-by-step instructions to assemble the equipment and all the necessary tools, nuts and bolts.

Bermingham said he has folded the manufacturing and construction divisions of the company together to form a synergy.

"A great sale or a great construction job is a success for everyone. There is no more us and them."

About 150 employees are equally divided between working at the company's head office and construction facility on the Hamilton waterfront and construction jobs in the field.

The office is a quaint barnboard cottage, its paneled walls filled with pictures of the company's projects, equipment and past three presidents, all Berminghams. The company was begun by Bermingham's great-grandfather in 1897 in Kingston. His grandfather moved it to Hamilton in 1947.

Bermingham has anchored many local landmarks, including the Skyway Bridge, many of the docks in the Hamilton Harbour, much of Stelco and Dofasco, the Hamilton Eaton Centre, the fed-



Bermingham president Patrick Bermingham, left, and plant manager Niels Christensen stand in front of a pile driver used by the U.S. military to build temporary bridges around the world.

eral government's Discovery Centre, about 70 bridges along Highway 407 and many of the bridges and overpasses at the Toronto International Airport.

Bermingham was also a contractor on some mega-projects, including an unloading dock for a massive liquid natural gas plant in the Gulf of Mexico. Next year, they'll work on a similar project off Nova Scotia.

Patrick Bermingham is also an inventor. It used to take engineers up to a week to stack tons of weights on foundation piles to test their integrity.

Bermingham designed the Statnamic, a device ranging from the size of phone booth to a silo, which delivers a controlled explosion to simulate a very high load. Its been used to test some of the tallest buildings in the world and to simulate earthquakes and a barge striking a bridge.

Now, after four generations of family ownership,

Bermingham has led a shift to management-ownership. Fourteen key employees are also owners of the company.

"The odds of a company heading into a fifth generation of family ownership are slim," said Bermingham, whose two children are still young.

"A lot of our employees have great insight and skill sets. They are a better bet on keeping this company going than are my children."

At about \$35 million in annual revenues, Bermingham is satisfied with 8.5 per cent growth.

"Ninety-five per cent of contractors go out of business because of too much work," he said. "They don't have enough resources to execute jobs well and they start to lose money."

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Keys to Bermingham's success

Biggest challenge:

"Is to grow the company and to supply adequate resources to supply that growth. Some of the resources are financial, some are human. I see my job as being the one who supplies resources to allow people to do their jobs properly. The challenge is to keep everyone supplied with what they require."

Biggest surprise:

"Once you break a barrier — maybe it's making a million dollars — it's broken and you can't do it again. Then you're on to the next one. You can set big goals and you can break them. I set goals three years ago that were way out in outer space of making sales of \$5 million. Then we beat it."

Best decision:

"To eliminate and collapse the divisions of manufacturing and construction and blend the company into one entity, Bermingham Foundation Solutions. Every success we have, whether it's in the construction field or getting a great sales order, is something everyone has a part in. It's a success for the whole company. It's not about them and us and that's reduced internal strife."

Worst decision:

"It was entering into a joint venture with a much bigger European company with the belief it would take us into new profitable offshore markets. I discovered it was a mistake because we didn't have enough financial control over their expenditures. They quickly outspent us and we became a diminishing partner. We ended up exiting the venture. I would do it differently next time."

Best advice given:

"Someone once said to me, 'You can make more in one year than you can get for your company today.' There is no consistency. One year can be the worst ever and the next year, it's your best. The key is tenacity. Just hang in there and good things will happen. Sometimes you might feel like your company isn't worth anything and the sky is falling in. Stay calm and see it through."

Best advice to give:

"I went to a management course which taught me to concentrate on my unique abilities. If you work on your weaknesses, all you get are really strong weaknesses. I decided to stop trying to be everything to everyone. I fired myself as GM and hired a really good GM. As a company, we make a really good hammer, so instead of trying to find a great new product, we're concentrating on what we're good at and doing that more."

Learn the most:

"I learned the most about what we do in the sandbox before I was 6... About leadership, I learned a lot at summer camp. And I learn here every day."

Secret to success:

"We are, as a company, adventurous. We try new things, often first. We're not afraid to make some mistakes. It's enabled us to stay modern and current."