

[CUSTOM SHOP]

A different twist

Millwork manufacturer
selects customer rather
than project

By Brooke Baldwin Wisdom

Keystone Millwork takes a different angle when deciding which projects to take on in its 20,000-sq.-ft. facility in Bryan, Texas. The manufacturer of custom architectural woodwork and retail and institutional casework attributes its success to a business philosophy with a little bit of a twist.

“We pick the customer rather than the job,” explains Bob Kraus, owner and founder of the 18-year-old company. “We have a tight list of requirements for our customers. We like to deal with professional companies that are organized and pay their bills on time. When we find a company that handles their business professionally, we want to do their work – whatever it is.”

That makes for a wide variety of projects, and Keystone Millwork has the flexibility in both personnel and equipment to run the gamut. “We do work for companies who only build schools, but they are very organized so we want to work with them,” he says. “We can handle the large volume. We have other customers, however,

for whom we might have done huge retail stores and then were offered very high-end museum work by that same company because they liked our work and the way we operate. It works both ways. General contractors want subcontractors who are dependable, reliable and professional who put out good quality products. Then they don’t have problems. There’s no reason why just because we can do a school that we can’t do a museum. We have the machinery to do both. Of course the school construction is simpler, but we have the ability to turn around and do a country club of all solid maple.”

A big part of Keystone Millwork’s market segment is architectural millwork and casework for medical facilities. “We probably do more hospitals than anything else,” says Kraus. “We do work for several large national corporations in the central Texas area. Our primary market territory includes Houston, Austin, Dallas and San Antonio. This region holds four of the top 10

Bob Kraus (right), president of Bryan, Tex.-based Keystone Millwork, strategizes over a project with Kevin Biasioli, vice president of engineering, and Wes Nebgen, project manager.

cities in the U.S., and they are within a couple hours drive, so we have about 20 million people in our market area.”

What are the challenges in the medical field? “It’s a higher end cabinet because hospitals have higher specifications,” answers Kraus. “A lot of times in school buildings, for example, the pricing is based on volume, and quality is somewhat secondary. But hospitals require higher quality, primarily AWI premium grade, even though it is laminate. Also, hospitals almost always have nice architectural millwork in the lobbies and a pretty fair bit of custom work for the nurses’ desks, for example. The trend is to have a lot of radius work. The jobs are generally pretty big, too, with a wide variety of work within the jobs. We do a lot of \$300,000 to \$1 million millwork projects for hospitals.”



Since 1989, Keystone Millwork has had an average annual growth rate of 17 percent.



Keystone Millwork depends on its Busellato JET 400Z RT CNC router to provide the flexibility needed to handle the variety of jobs it takes on.

Implementing equipment for flexibility

Bringing in the right equipment to handle the variety of projects Keystone takes on is another factor that Kraus attributes to his company's success. "We worked our way slowly into the CNC business," he says, "but now we use the CNC machinery whenever possible because it is so much more efficient and accurate. I first bought a Mayer PS9 beam saw. When it came time to buy the next piece of equipment I had a real good relationship with Delmac Machinery Group (which had since taken over representing Mayer) because its service department was really good and that is important to me. The Busellato nesting router was recommended to me by several other woodworkers that I called for advice. We bought a JET 400Z RT CNC router and then also a Fraval RX-5 edgebander. We use the CNC machinery quite a bit on our custom architectural radius work, and we cut all of the curved patterns on the CNC router. It allows us to put together a better quality product because of the accuracy of the machine.

"We have educated, skilled people in the office who try to maximize the CNC machines. We cut out quite a few of our parts, all drawn up for pre-drilling. Everything comes out with close tolerances. So it's speed, efficiency and accuracy that are the benefits. It takes a couple of years to realize all that you can do with CNC equipment. As you learn the machines, you also learn how to utilize them more."

A well thought-out plan for the future

Keystone Millwork has an extensive long-term growth plan. Since 1989, the company has had an average annual growth rate of 17 percent. "When I bought the property that we're using right now, which is six acres, I had the whole property master planned for a 100,000 sq.-ft. building," notes

Kraus. "We built the first of five phases at 20,000 sq. ft. I expect that we will be breaking ground on the next 20,000 sq. ft. in the next 24 months. The building is master planned so that when I add onto the building I won't have to shut down even for a day. The lines will just be extended versus being moved. The main electrical services and everything will stay in place. We are just going to add departments – a solid surface department and a finishing department. As we add on to the building, we will continue operations all of the time. By the year 2019 I have projected that we will have 80 employees, do \$20 million a year and have 100,000 sq. ft. of building, and I'm right on track with that plan."

Kraus has an "executive coach" with whom he consults about business operations or challenges. He also believes in hiring the best and brightest people that he can and then pay them more than his competitors. "One of the things you need to do to be versatile is to have quality people who are hard working, diligent, dedicated and loyal," says Kraus. "If you hire right, treat them with respect and give them an opportunity to grow, that will be a good return on investment. This year we'll do \$4 million in sales. Our

market is big enough so that if I keep a good reputation and our customers keep coming back, we'll have plenty to do. One of my greatest assets is the poor quality of my competition. Many woodworkers are what we call 'cavemen,' They don't have the latest up-to-date management practices or machinery or woodworking procedures. By having quality people, quality products and quality machinery, you can rise above the competition." **MW**

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Bob Kraus, president of Keystone Millwork, CNC equipment, such as this Fraval RX-5 edgebander, has brought increased efficiency and accuracy to his company's projects.