

MBE/WBE Company Spotlight

What would you do in the midst of a struggle to have your business recover from a severe economic recession? Craig Bingham decided to help a friend who was unhappy with his work and as a result took on the biggest challenge of his career.

"We took a hit, a big hit, during the downturn. A number of contractors went belly up on us and it was a hefty number," recalls the ex-Steeler linebacker. "The easiest thing I could have done was to shut the doors; then I would have been relieved of all the stress with the people. That's not how I operate. It's a noble way of doing things but [it] can also kill you."

Bingham is the owner of DCI Logistics, a concrete supply company that he founded in 1986. DCI worked on CONSOL Energy Center and kept busy landing work throughout the slowdown that followed the financial crisis. But, like many in the supply chain, the company had clients that struggled or failed as the recession dragged on. Bingham was determined to work through the difficult times. As he managed that turnaround, he was presented with an unexpected decision.

"God is an interesting God. In the midst of all the stuff with DCI in 2011, somebody comes to me with this opportunity," Bingham says. "He was in the sprinkler business and his wife and my wife are really good friends so we hung out a lot. He had always entertained the thought of going into business for himself. He asked my thoughts on that and I said he should go ahead, that I would help him any way I could. Maybe I could help point him in the right direction and help him avoid some of the mistakes I've made in business."

Bingham's friend began his due diligence and was encouraged to look for an existing company that would consider selling. He was directed to All Systems Fire Protection in Bethel Park, whose owners were indeed

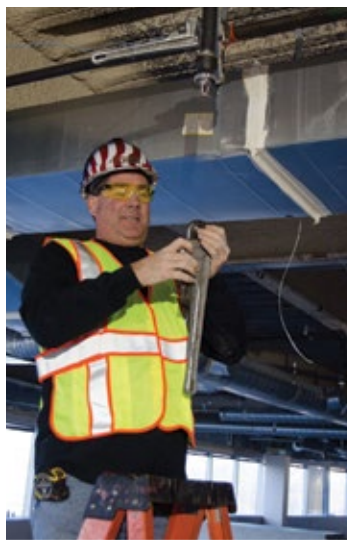
interested in selling their company. At that point the opportunity was presented to Bingham, who was willing to get involved, although Bingham was also clear that his involvement would be limited to supporting his friend.

"I didn't know the first thing about fire sprinklers. Zip. Nothing," Bingham notes. "We had a few meetings back and forth with All Systems and then we came to terms on a number."

Thinking his involvement would be limited, Bingham was surprised when his friend pressed him to become the business's owner. With Bingham as majority owner, All Systems could become certified as a minority-owned business, a circumstance that might help with business development. Bingham reiterated that the role he had planned was that of a supportive friend but it became obvious that without Bingham's backing, the new company couldn't get off the ground. Then after Bingham agreed to finance the purchase of All Systems Fire Protection and signed the papers, his friend hit him with a bombshell, admitting that his circumstances had changed and he wouldn't be able to join the company after all.

"The only other thing I could do is just take this and run with it. That was 2012. It's been a ride," he jokes. "I was fortunate that there were two really good guys there – and they are still with us – that helped make All Systems what it had been before I came on board. The two men – Bob Mahon and Jim Jenkins – are such hard workers and they had almost a competition between them to see who could do the most work. That was something I really liked."

That bench strength was critical to the transition since Bingham admittedly had no experience in the sprinkler business and was still involved in running DCI Logistics. What he did have was more than 25 years experience in the construction industry and the working relationships that



Jim Jenkins

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came with that. He knew he could sell work but was going to rely on the existing staff to estimate and manage the projects.

In addition to Mahon and Jenkins, Steve Kovacs manages the estimating. Bingham expanded the responsibilities of Mike Crosby, DCI’s operations manager, to help with the field operations at All Systems too. Beyond the four-person office staff, All Systems has nine people in the field.

As he took over the management of the company, Bingham discovered that there were some obvious opportunities to improve the business and its sales. First, All Systems had managed to operate without most of its systems on computer. This precluded them from working for a number of contractors and created an inefficient office. Another opportunity was in service and maintenance work. All Systems Fire Protection worked almost exclusively as a subcontractor but had not leveraged its project work to pursue contracts to service the systems they installed.

“We realized that’s a revenue stream that’s not there so let’s see how we can try to capitalize on that,” recalls Bingham. “Unfortunately we couldn’t focus on that right away but little by little we’re moving into some of that and trying to grow that business. We’ve been fortunate to have been doing a lot of new work so now we have inspections and that kind of maintenance work.”

Some of the new work to which Bingham refers includes the new Pitt-Ohio Express facility in Harmar Township, the North Shore Holiday Inn Express and the Uptown Flats on Fifth with Massaro Corporation; Hot Metal Flats with PJ Dick; Blind and Vision Rehabilitation Services new building Uptown with A. Martini & Co.; and All Systems is working right now with Rycon on the 3 Crossings development.

Those new construction projects represent another of the opportunities for change that Bingham saw improving All Systems’ business model, which had focused more on smaller work.

“If you’re going to spend the same amount of time doing a \$100,000 project, why not do a \$400,000 project?” he asks. “You’re still going to need to do some of the smaller [projects] interspersed to help with the flow of work.”

Bingham is surprised that there aren’t other minority-owned fire protection companies within his market footprint and expects that fact to help All Systems’ sales as it grows. He is quick to point out that he is still learning much about the dynamics of the sprinkler business and is looking forward to the opportunities that will come

in the next few years. DCI Logistics is still operating and Bingham is looking to add some additional trucks to keep up with the growing demand. He looks back in amazement at the decision to acquire All Systems Fire Protection at a time when he was putting out fires every day in his business.

“There I was dealing with all the downside of the recession with DCI and all of a sudden I’m buying another business? That didn’t make a lot of sense,” he says with a laugh. “It seemed like it made more sense to focus on DCI and get it back up and running well, but it was somewhat cathartic in the sense that it was a distraction from that stress. I had a chance to focus on growth again.” **BG**



Mike Crosby (right) and Bob Mahon.

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