

Leadership changes at SpawGlass promote continuity, opportunity

BY TRICIA LYNN SILVA

SpawGlass is undergoing a changing of the guard designed to ensure that one of the city's largest commercial contractors remains a key player in the construction industry in the years ahead.

Fred Raley, who has served as CEO of SpawGlass since 2002, will step down at the end of this year. Taking his place will be Joel Stone, who currently serves as vice president of corporate business development.

Raley may be relinquishing his CEO title, but he has no intention of straying very far from the company. He will stay on as the chairman of the board of SpawGlass — a position he has held since 2009.

"I've enjoyed my career so much," says Raley. "I don't intend on leaving SpawGlass. I will be here in some role."

At least initially that role will include helping Stone transition into his role as CEO, says Raley, "I'm going to make sure that this guy is successful."

Adds Stone, "I have some pretty big shoes to fill."

Stone's appointment is representative of a philosophy that has been a cornerstone of SpawGlass for almost two decades: Creating new opportunities for employees.

"Without opportunities, people will move," says Raley, who points out that there will be a "domino effect" once Stone takes the helm — including finding someone to take on Stone's current role as head of business development. "There are going to be new opportunities created," Raley adds.

The tenure of the management team of

SpawGlass

- **Founded:** In 1953 by Louis Spaw and Frank Glass
- **Offices:** Houston, Austin, Harlingen, as well as San Antonio
- **Signature projects include:** Corporate headquarters for NuStar; Union Pacific Railroad San Antonio Intermodal Facility; the Betty Slick and Lewis J. Moorman Jr. laboratory complex at the Southwest Foundation for Biomedical Research

SpawGlass speaks to the company's focus on creating opportunities. The newest employee of the team joined SpawGlass eight years ago. Then there are those like Raley and Stone, who have spent more than a quarter of a century with the firm.

And that institutional knowledge helps to support and service a strong base of business — which includes public-sector clients such as the U.S. Army Corps of Engineers and the University of Texas System as well as large private-sector customers like Valero Energy Corp. and the Methodist Healthcare System.

In 2010, SpawGlass earned the No. 9 spot on the Business Journal's list of Largest Commercial Building Contractors, with \$76.4 million in commercial billings for 2009. Total revenues for the firm last year came in at \$432 million, says Raley, who expects that 2011 performance to be in line with last year's numbers.

Where the clients are

The institutional knowledge and experience of the company's management has been key to keeping SpawGlass profitable even during the harsh economic climate,



CATHERINE DOMINGUEZ / SAN ANTONIO BUSINESS JOURNAL

(L to R) SpawGlass' Fred Raley and Joel Stone are building for the future.

company officials contend.

Indeed, the harsh economic climate of late is somewhat familiar territory to SpawGlass employees like Raley, who was with the company during the financial and real estate crunch that plagued Texas in the 1980s.

The private-sector work dried up, Raley recalls. SpawGlass did, however, find a steady flow of business within the public sector.

Since then, work with government and educational clients has been a part of SpawGlass' long-term strategy, says Raley, "Although we may have to look for work in (other markets). We go where the clients are working," he adds.

The other side

This recent economic downturn, howev-

er, has come with some unique challenges — including a growing pool of out-of-town firms flocking to San Antonio seeking to tap into on the local construction market.

And as the competition heats up, contractors are faced with having to do the same amount work at much lower fees.

"It's a very challenging time, no doubt about it," observes Steven Schultz, president of the South Texas Chapter of Associated Builders and Contractors Inc.

Some companies will succumb to the challenges, says Schultz, "That's an unfortunate fact about business," he adds. "There will be some (contractors) that don't survive."

Others, like SpawGlass, are poised to come out on the other side of the tunnel in a position to grow, Schultz says.

"SpawGlass is very well regarded in the industry, says Schultz. "They will survive."