

Staying Afloat

With big projects on horizon, some companies find solace in smaller jobs

By Sarah Baker

Compared to the overall U.S. construction landscape, Memphis' position appears to be managing fairly well.

Within the last 10 months, the city has landed several heavy manufacturing projects – [Electrolux](#), [Mitsubishi Electric Power Products Inc.](#) and [Kruger Inc.](#), to name a few – in a time when, nationally, the manufacturing sector is stagnant.

But while these projects will be a shot in the arm for the local construction market, the majority of general contractor work will go to out-of-town firms, said [Joel Thomas](#), chief financial officer with [Montgomery Martin Contractors LLC](#).

“Hopefully, a local general contractor will have some type of strategic alliance, but the effect will be felt more in the subcontractor market,” Thomas said. “But even then, it’s going to be a limited effect, because they are such scopes of work, you’re talking about the biggest and the best subcontractors really being the only subs even qualified to do it.”

In reality, it’s the smaller-scale projects that help keep the local market afloat. For example, about 20 percent of Montgomery Martin’s volume over the last four or five years has been smaller projects.

“Whether that’s a \$50,000, go put up a door and a wall and go put new carpet down, or whether it’s a \$700,000 Family Dollar, they’ve been able to maintain a very competitive profit margin for the industry,” Thomas said.

Montgomery Martin is about to start six new Family Dollar developments at various locations around town. Other current projects include the Salvation Army Kroc Center, Advanced Eye Care & Optical in Collierville, Living [Hope Church](#) in Piperton, the Innovation Center at the University of Mississippi in Oxford, Van Vleet Flats, Shelby Recreational Vocational Services Group and work for Highwoods Properties at the Triad Centres.

And over the last two years, during a time of immense economic uncertainty, Montgomery Martin has been strategic about its areas of focus around town.

“Historically, there are certain areas of town that construction is always happening, no matter what the economy is doing – Presidents Island, Downtown, the airport area – including Memphis International and FedEx – and the Medical Center, we’ve been very intentional to acquire work in areas,” Thomas said.

[Meanwhile, Chris Woods Construction Co.](#) is also actively working on smaller deals like those of



Joey Woodard of general contractor Montgomery Martin Contractors LLC supervises construction of the 37,000-square-foot Living Hope Church at 345 Keough Drive in Piperton.
(Photo: Lance Murphey)

Goodwill Industries. When compared to massive projects like Electrolux, these developments may seem small, said company president Chris Woods, but are indeed the backbone of the local construction industry.



Maurice Davis of RCCI prepares panels for painting on the 37,000-square-foot Living Hope Church at 345 Keough Drive in Piperton on Thursday. Montgomery Martin is the general contractor on the project.

(Photo: Lance Murphey)

“These (major manufacturing) projects will pump millions of dollars into the construction economy, but they come and go,” Woods said. “But these smaller projects keep us prime hopefully for six months to a year in the \$2 (million) to \$4 million range.”

Chris Woods Construction has worked with Goodwill on every project for the past two years. It’s currently working on a 10,000-square-foot office complex for the nonprofit, and is about to start another job at Winchester and Ridgeway roads in the former Best Buy store, which all together will total about \$1 million.

About 30 percent of the firm’s work is with churches. Two areas of focus right now are building a sanctuary for First Baptist Broad Avenue and a family life center for First Baptist in Covington.

Most of Chris Woods Construction’s work is either negotiated or it’s a part of what Woods calls a “short

bid list” of six bidders or less. Wining those bids all goes back to customer service.

“Integrated project delivery, BIM (building information modeling) and all of that, they’ve really to me have been around forever anyway and they’ve just now decided to name them,” Woods said. “Integrated project delivery is the way that I’ve been doing business since I’ve been in it, and that’s delivering a project on time as quickly as possible. We don’t have any fancy names for it, we just work with our customers extremely well.”

While margin and project bids are getting lower and competition remains fierce, firms like [Inman-EMJ Corp.](#) apply an extremely cautious course of action.

“We try to assess each opportunity as to whether we feel we can get a reasonable fee on it and still be the low bidder,” said executive vice president Page Inman. “If there are factors which greatly reduce the chance to make a reasonable fee on it, we pass on the opportunity. Inman-EMJ greatly values our working relationships with the local subcontractors and suppliers and, due to this, are often able to receive better pricing than other general contractors.

“This is borne out through lower bids to our clients.”