

Gaddy Construction

Achieving a completely referral-based business

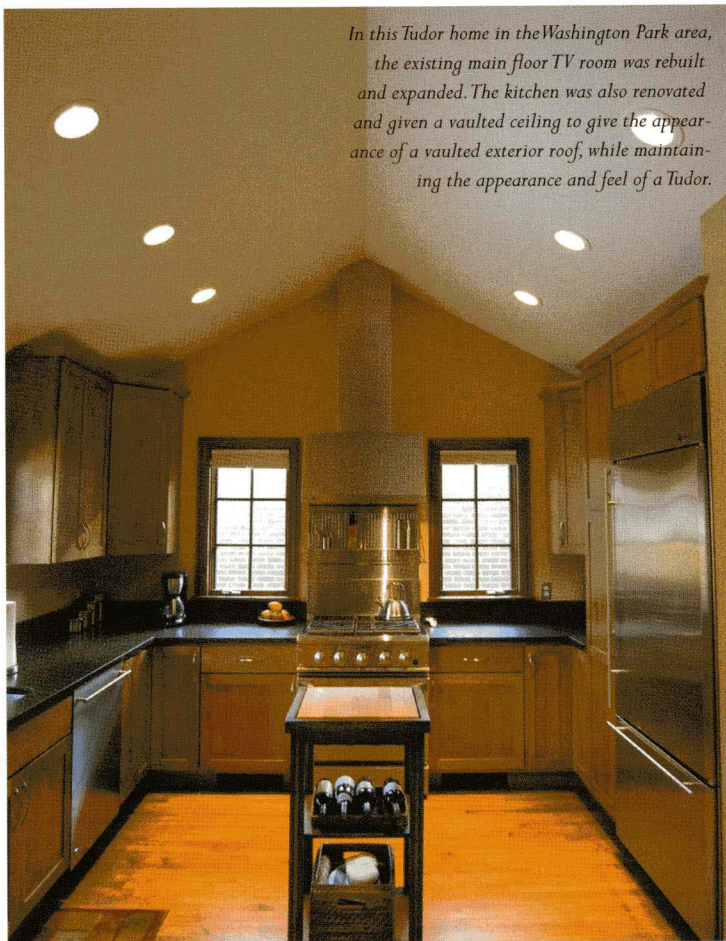
BY CHRISTOPHER CUSSAT

ROB GADDY, PRESIDENT OF GADDY CONSTRUCTION (GC), has built his successful contracting company upon the principals of high-quality and diversity of products, services, and experience.

GC has been providing superior renovations to the Denver area for 25 years, where the company has found a unique niche. Gaddy explains, "There is quite a demand for what we call 'pop tops'—that's where you take a one-story house, cut off the roof, and then add a second floor. It's a complex engineering procedure and we've been doing it from our beginning." To date, they have completed 60 "pop tops," and, according to Gaddy, these projects have been GC's "bread and butter." The company also does many traditional additions, including full-height basements, kitchens, custom homes, and whole-house renovations.

Gaddy's broad professional background in the housing market has helped him become a highly effective and successful construction business owner. "I sold real estate for 10 years—that's how I originally got into the buying and selling of houses." This expertise allows Gaddy to fully understand the market, and it gives him an insider's perspective on home values. "I'm able to guide my customers when I think they are getting out of control [with spending] and upside down in their house."

Experience, product excellence and great customer service define GC's competitive advantage. Says Gaddy, "We've been at it a really long time or, as I like to say, 'We know how not to do it.' We also provide a very high-quality product at an affordable price, as well as a very high level of service and availability."



In this Tudor home in the Washington Park area, the existing main floor TV room was rebuilt and expanded. The kitchen was also renovated and given a vaulted ceiling to give the appearance of a vaulted exterior roof, while maintaining the appearance and feel of a Tudor.

Gaddy explains, "Our goal is to not be one of these very expensive, high-end, boutique builders. We're more like the meat and potatoes—for people who just want a really nice product." The company's cadre of architects can design anything, and GC does everything from traditional to very contemporary work depending on the customer's needs. Gaddy adds, "We're not married to any particular architectural style—as a builder we just build what people want."

As a result of its diverse market experience, particularly in the areas of design work, real estate, and appropriate expensing, GC's business is 100 percent referral based. Gaddy notes, "We prefer to be personally referred because it gives us a little bit more credibility and our customers know what to expect."

Gaddy sees the current economic state as GC's biggest challenge, yet he also believes that much of what is going on

AT A GLANCE

LOCATION:
DENVER, CO

AREA OF SPECIALTY:
GENERAL CONTRACTOR SPECIALIZING IN "POP TOP" RESIDENTIAL RENOVATIONS

ANNUAL SALES:
\$1 MILLION+

EMPLOYEES:
4

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ROB GADDY, PRESIDENT

has to do with people’s perspective. “I believe the economy issue is primarily psychological. In Denver, we’ve been somewhat insulated from a lot of the economic debacle that exists elsewhere, but unfortunately most people here are still focusing on the national problems. As a result, many who really want to do a project have hit this psychological stumbling block and are choosing to wait and see what’s going to happen before they pull the trigger.”

In keeping with this challenge, GC has recently undertaken a complete redesign of its business model, which after a few years of adjustments is now fully in place. Gaddy explains, “We’ve restructured everything from corporate lines of credit to insurance, as well as how we designate ourselves and set GC apart from other companies. In other words, we’ve just turned the company inside out, stripped it down, and have gotten it to a place where we feel that we could weather this without too much trouble.”

Gaddy easily summarizes the three things he believes are necessary to run a successful business. “First, you must have very effective communication. Second, you should demand quality—we always look for ways to improve our product and make sure that we’re delivering the highest quality for the least amount of money. The last one is patience—I think of the three, that’s the most important.” ABQ



Custom home in the Crestmoor neighborhood built in the craftsman style, so that it would fit in with the homes around it. Working around the giant maple tree in the front provided a challenge in keeping the tree healthy while the house was built behind it.



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