

From left to right:
Key Coker,
Ron Gafford



CLIENT:
Austin Industries

BANKER:
Key Coker

CHALLENGES:

- ▶ Tracking multiple operations
- ▶ Controlling and financing growth
- ▶ Complex financing needs

It's Only Natural

Austin Industries has built a \$2 billion construction juggernaut through strictly organic growth

Austin Industries has been around almost as long as Texas has been a state. It traces its roots to 1889, with the arrival in Dallas of George Austin as an agent for the George E. King Bridge Co. George was soon joined by his brother, Frank, and Austin Brothers Contractors began making a name for itself as a fabricator and installer of steel truss bridges.

The brothers also had operations in Georgia and in 1900 they hired Charles R. Moore to manage the Texas construction activities. Moore purchased the construction activities portion of the company in 1918, operating it as Austin Brothers Bridge Co. into the 1920s, when "Brothers" was dropped from the name.

Today's entity, Austin Industries, was formed in 1974. Moore's grandson, William T. Solomon established the company's employee stock ownership plan (ESOP) in 1986, transferring about 60% of Austin's ownership to its employees at no cost to them and setting in place a plan to make Austin 100% employee-owned by 2000, a goal that was achieved on schedule.

The modern Austin Industries is a holding company for three operating companies and a captive insurance company, all in the construction industry. "We operate primarily in the southern half of the U.S. and pride ourselves on our work with repeat customers," says Ronald J. Gafford, president and CEO. "We are most proud of our many landmark projects, such as the bridge over the Queen Isabella Causeway, Texas' longest bridge; the Bank of America Tower, Dallas' tallest building; and the American Airlines Center in downtown Dallas, to mention a few."

SCALING THE BUILDING BARRIERS

The biggest challenge Austin Industries has faced in recent years is controlling and financing its growth, all of which has been organic, not via acquisitions. "We have seized market opportunities to better serve our customers, and they have provided us with opportunities for geographic expansion," Gafford says.

The company's revenue has doubled to about \$2 billion over the past several years, and its employee-owner count has grown to more than 7,000. "The absolute key to that growth is having qualified, flexible leaders, managers and other employee-owners who can effectively and efficiently move where the work is," Gafford stresses.

Another important element of Austin's success formula is the relationship it has with Compass Bank. "Good banking relationships are as critical to our business as are our relationships with bonding companies, customers, subcontractors and suppliers," Gafford says. "Compass plays a key role in providing a wide range of banking services, particularly in support of our growth."

Key Coker, executive vice president at Compass Bank, has been working closely with Austin Industries for five years. "We're not just their financial services provider, we have a relationship with Austin on a personal and professional level," he says. "We socialize and share involvement in philanthropic and community affairs, talk about our families and what's going on in our lives."

Of course, the entry point to those discussions is most often a business interaction, and those are numerous. "Austin utilizes a vast array of our products and financial services," Coker says. Some of the services Compass provides to Austin Industries are cash management, letters of credit, merchant services, credit facilities and more. "One of the beneficial services Compass Bank provides is its online banking tool, e-Access," Gafford says.

Austin Industries' plans for the future are to continue to grow as new opportunities present themselves, while constantly adjusting to ever-changing market conditions, Gafford says. "We want to continue to adjust to the demands of our customers and continue to increase our value-added services."

Gafford also expects that Compass Bank will continue to play an important role in the company's future. "What impresses us most about Compass is that when we call, a real person responds, and that real person is professional, responsive and resourceful," he says. "We couldn't ask for a better relationship." ■