

Week of March 29 - April 4, 2013

HANDS-ON HONCHOS

Tanya Rutledge, Special to
Houston Business Journal*Staying open to change keeps H&M Mechanical on steady growth track*

H&M Mechanical Constructors Inc. co-founders Larry Hogan and Dudley Masterson have been working managers ever since they founded the company nearly a quarter-century ago. And when Hogan's son, Brandon, joined the firm to help oversee the big picture, they insisted that he operate as a working manager, as well.

Despite H&M's constant growth, the three men wouldn't have it any other way.

While Larry and Masterson are designers and draftsmen by trade, Brandon has an engineering background. The three are constantly hands-on with client projects, while still managing to smoothly run the 100-employee company, which provides design, engineering, procurement and construction services primarily for existing oil and gas and petrochemical facilities in the Houston area.

H&M specializes in small-cap projects that typically entail modifications or expansions to existing facilities, jobs that range from hundreds of dollars to \$10 million in scope.

The company's offerings range from taking on small components of a larger job all the way to turnkey services for an entire project.

"We all wear lots of hats here," Brandon said. "My dad and his partner still run projects down to the nuts and bolts, while I've taken the role of creating a long-term vision for the company. The idea was for me to fill in the gaps, while still being involved in day-to-day projects myself."

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Brandon Hogan, operations manager at H&M Mechanical Constructors Inc.

Brandon joined the firm as operations manager five years ago after spending eight years in operations and management at a chemical plant, which has since become an H&M client.

Spending time on the client side helped him better understand what clients want during the process of expanding or modifying their plants, he said.

“It has really been an advantage to us since I was formerly a customer of these projects,” Brandon said. “I think it has really helped bring in some consistency.”

Indeed, Brandon has helped implement some big changes since joining the firm, including the addition of a sales department that also undertakes marketing, a piece of the puzzle that had been moved to the back burner over the years with H&M relying primarily on word-of-mouth and repeat business.

As part of a marketing effort that also crosses over into recruitment, H&M opened a craft, or field worker, recruitment office in Deer Park last year that has resulted in the hiring of hundreds of project-based craftspeople. The company also recently created an in-house professional recruitment department.

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“We no longer only look for talent when we have a specific job to fill,” Brandon said. “We are constantly looking for ‘A’ players to help us grow the business and hire them even if we don’t have a specific job for them because we know that ‘A’ players will find a niche and expand our opportunities.”

Those employees are helping fill out a new headquarters campus taking shape on 20 acres of land H&M purchased in Pasadena about a year and a half ago. With a new 10,000-square-foot fabrication facility set to open on the site in April, the company is working to consolidate all its operations from its former property in La Porte.

The new Pasadena site also includes two buildings that house the company’s engineering operations.

“The plan is to add several more shops on the site as we continue to grow,” Brandon said.

H&M is expecting the growth rate to pick up at an even faster pace, with 2013 revenue projected to hit \$20 million.

Brandon said his father and Masterson have been open to the changes he has suggested for H&M since coming on board, whether it’s making investments in new software and simulation technology, changing certain processes and procedures related to workflow, or creating new departments that focus on areas such as recruiting and sales.

“I have to seek approval for any ideas, but they have been very open to agreeing to try them,” he said. “It allows them to keep their fingers on the pulse and stay involved in their own projects. They believe that managers should always stay involved on projects and not lose sight.”

The partners have also made a conscious decision to keep H&M focused on the Houston market, rather than expand beyond their original boundaries — a decision they have stuck with even as revenue has expanded, he said.

Instead of opting to expand geographically, the company has worked on evolving into a turnkey provider of design, engineering, procurement and construction services that are offered in-house, rather than outsourcing certain portions of those tasks to contractors.

“We still have a lot of work to do to saturate the Houston market,” Brandon said. “Our home base has the best opportunities in the country for what we do.”

Tanya Rutledge is a freelance writer.