



William J. Sandbrook

EDITORS' NOTE William ("Bill") Sandbrook is a 1979 graduate of the U.S. Military Academy at West Point. After receiving his Bachelor of Science in management, he spent 13 years in the U.S. Army. His service included a four-year tour in Germany in cavalry and engineering units, three years as an Associate Professor in the Department of Mathematics at the Military Academy, and two years as the Army Program representative to Raytheon. While teaching at West Point, he also served as a social aide to President Ronald Reagan and earned his Professional Engineer's License (PE) in Industrial Engineering. In addition to his qualifications as an Army Ranger, Sandbrook earned four Master's Degrees while in the service. He received an M.B.A. from Wharton, a Master of Science in Systems Engineering from the University of Pennsylvania, a Master in Public Policy from the Naval War College, and a Master of Arts in International Relations from Salve Regina University. He joined Tilcon New York as Vice President in 1992 and became President and CEO three years later. In recognition of his efforts at Ground Zero after the September 11th bombing of the World Trade Center, he was named the Rockland County, NY 2002 Business Leader of the Year, the Dominican College 2002 Man of the Year, and the American Red Cross 2003 Man of the Year for Southern New York. Sandbrook was appointed President of Oldcastle Materials' West Division in 2003. In July 2006, he was promoted to CEO of Oldcastle Architectural. In June 2008, he was named CEO of Oldcastle's Americas Products & Distribution and, in 2011, President and CEO of U.S. Concrete, Inc.

COMPANY BRIEF U.S. Concrete, Inc. (Nasdaq: USCR) (us-concrete.com) serves the construction industry in several major markets in the United States through its two business segments: ready-mixed concrete and aggregates products. The company has 155 standard ready-mixed concrete plants, 16 volumetric ready-mixed concrete facilities, and 14 producing aggregates facilities. During 2015, U.S. Concrete sold approximately 7.0 million cubic yards of ready-mixed concrete and approximately 4.9 million tons of aggregates.

Quality Concrete

An Interview with William J. Sandbrook,
President and Chief Executive Officer, U.S. Concrete, Inc.

Will you touch on the history of U.S. Concrete?

The company was founded in the late 1990s as a roll-up of ready-mix businesses. Family-owned businesses were acquired throughout the country, but especially in New York City. In addition to ready-mix, the company also had operations in precast concrete and concrete blocks, which are low-margin businesses. Because they never established a disciplined strategy, they were unable to build out significant market positions in the sectors they operated in and they weren't well capitalized. Things peaked in 2006/2007 and building came to a halt. The debt couldn't be serviced and the company filed for bankruptcy in 2010.

I started in my role in August 2011 with a defeated team that hadn't had bonuses or pay raises in a number of years, and with a company that hadn't had any capital spend in three to four years. There was a lot of talent that permeated throughout our organization, and I knew I could get the company back on track, but in order to do that, I needed to win the trust of our employees. Therefore, I spent over 80 percent of my time on the road my first year, traveling the country to meet with as many managers and employees as I could and listen to their concerns. Part of being a great leader is listening more than you talk, and those first 100 days opened my eyes to a lot.

What I found was that the company suffered from a culture of a lack of accountability, where everything was micromanaged and very seasoned operating managers were not allowed to make even minor operational decisions on things like fixing equipment. All decisions were centralized in the corporate office in Houston and were made by financial guys who were more comfortable on Wall Street than in a concrete plant.

I knew that first and foremost, to turn things around, I needed to reinstitute the principle of accountability and empower our employees to make their own decisions. I wanted our people to know that it was okay for them to get their equipment fixed, and that they would know when they needed to ask my permission. It was a bit of an adjustment at first, but over time, they grew more and more comfortable. Now the employees would be held responsible for their decisions, which had a substantial positive impact on their own performance as well as the company's.

Another thing that I did not particularly care for was the location of our company headquarters in Houston, which was 200 miles away from our nearest concrete plant. Towards the end of my first year, I struck a deal with the city of Euless, which is just outside of Dallas, to relocate our corporate office. The city gave us incentives, which in effect has made our new home a profit center, and the move also made a difference from a cultural perspective. Our staff was now able to walk across the building and see a dispatch office where we're running the business out of.

I also implemented a more disciplined approach to our operations, and sold off our precast concrete and concrete block businesses. We then took the proceeds from those dispositions and made our first acquisition of a ready-mix business in San Francisco. That acquisition had a profound positive effect on employee morale, knowing that, just one year earlier, they were faced with losing their jobs and now they were working for an organization that was buying when no one else was. To date, we have made more than 20 acquisitions and this has solidified our ability to service large metropolitan areas and to partake of building booms in areas like San Francisco, New York, and Dallas.

Is innovation taking place in this industry?

For some ready-mix companies, yes. The ready-mix that we produced for 432 Park, the tallest residential tower in the western hemisphere, was a very specialized blend of concrete that needed very innovative chemical admixtures, specialty rocks, and special formulations that hadn't been done before and no one even knew if it could be done.

The ability to consistently use technology and innovation in materials is far advanced from where it was years ago.

How hard is it to differentiate in this space?

We can differentiate based on quality. We have a dedicated R&D lab in San Jose, staffed to bring out innovative products primarily in the green space. California is really focused on reducing the carbon footprint of the whole supply chain. We are able to do that in our space by taking cement out of concrete, while keeping the same structural characteristics. We substitute things like fly ash to reduce the energy our kilns use in manufacturing cement, which reduces greenhouse gases. We now lead in low CO₂ production. ●