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# Upscale

## Remodeling

DESIGNING AND BUILDING AT THE HIGH END  
SUMMER 2008



# Design Edge

*Warner McConaughy's drive and strong design/build program serve Atlanta's upper-end remodeling market well.*

By Nina Patel



HammerSmith is known for the crisp detailing seen in this staircase (above). A freestanding tub and sleek stone pavers give this bath a spa-like quality.

**W**arner McConaughy's innate business and marketing sense helps him run his \$3 million company and fulfill the renovation needs of upscale homeowners in Atlanta.

Within three years of founding HammerSmith, he and his partner defined and created a true design/build experience — long before homeowners understood the term. "The building side is great, but the business side — marketing and helping customers — is equally interesting," McConaughy says.

The company has 14 employees, with a design staff of two — who have been with the firm for more than 14 years — a production manager, and four project managers who oversee a few carpenters and trade contractors. The team handles 10 to 12 projects per year.

HammerSmith has been in business for 18 years, and McConaughy is the sole owner, having bought out his partner in 2000.

His first foray into business was at age 14, working with the firewood supplier that his family used. He doubled the price that the North Georgia man charged for wood, ran ads in the local paper, helped the man deliver the firewood to local homeowners, and pocketed the profit. He worked construction jobs during spring and summer breaks in and after college, and then spent a few years working and traveling overseas before returning to Atlanta and starting his company.

Though he doesn't have formal vocational or business training, McConaughy says that in this industry, it might actually be better to gain work experience and then augment those skills as needed with formal training.

## IN-HOUSE DESIGN FROM THE START

During the first few years, McConaughy and his partner worked with outside architects. "The jobs were good, but we felt we could do a better job of designing and controlling projects," he says. "You create a whole relationship during the months before you start construction. It was hard to just walk in and start a job after having missed out on the beginning."

Even though he wanted more control, McConaughy thought it would be too expensive to bring design in-house. During the company's third year, his friend, designer Eric Rothman, convinced him that he needed to create a real design/build experience. "[Eric] was confident enough in the future of it," McConaughy says.

Rothman, now a minority partner and design director/general manager at HammerSmith, had seen how effective the design/build process was in commercial construction, resulting in happier clients. So while they evaluated the market for it, Rothman agreed to take on the double role of designer and on-site project manager. "I would pick him up from a jobsite wearing carpentry clothes," McConaughy recalls, "and while I was driving us to the sales call, he would put on a nice white shirt and switch from boots to nicer shoes. Then after the two-hour meeting with the client, he'd change back again."

At first the team had to educate clients about design/build. "Now it's become a buzzword, so it has lost its uniqueness," McConaughy says, noting that he is currently trying to set his company apart as "true design/build," especially since the firm works with clients for three to four months on just the design stage.



# Design Edge



This kitchen (far left) is part of a remodel that included a breakfast room, living room, and office. Brown granite countertops and a raised bar made of Silestone provide a contrast to the natural maple cabinets.

The stackable washer/dryer cabinet and in-wall laundry hamper (left) are part of an elaborate built-in dressing room in a master suite expansion.

## WINNING ATMOSPHERE

In 2004, the *Atlanta Business Chronicle* rated HammerSmith No.1 on its list of A+ employers with fewer than 100 employees.

McConaughy realizes that high-quality design/build work requires a high-quality team, and he has made the effort to create

He says that other firms in the area call what they do design/build, even if it's just getting a draftsman to draw a 16-foot-by-16-foot addition. "We look at the architecture of the entire house and try to address the client's needs. We talk about their lifestyle and how they want to use the house," McConaughy says.

"You're designing for now and for 10 years from now," Rothman adds. The team usually comes up with three ideas — the three best concepts that they feel will solve the client's problems with the original house. They then sit with the client and pull what they like from the three to create the final concept.

On one recent project, the clients came to HammerSmith asking for an addition. After reviewing the house, the team reconfigured the interior and added only a 3-foot bump out, "a design [that] was more energy-efficient and did not take up so much of the yard," McConaughy says. But, he adds, it would have been easier to just tell the client that a 16-foot-by-16-foot addition costs \$X. Saying, "We see your issues — let's work together to find a good solution," he points out, "is a much harder sell."

Part of McConaughy's reason for in-house design/build is for control of the selections process. "There is nothing more disappointing," he says, "than sketching an idea for a design, then having the client visit tile shops, cabinet places, etc., and have them start changing plans."

The HammerSmith team tries to get a feel for the client's style and to then present two possible interior design schemes. They use local showrooms, the Internet, and suppliers to finalize the list, and then mount the selections on a board to show all the elements in one place, including paint chips, door samples, and countertop samples. "We ask [clients] to let us take them through the entire grouping, so they can get a feel for the overall style and design," McConaughy says.

a supportive environment for his staff.

He says that beyond salary, employees appreciate flexibility. "No one punches a clock. If employees need to leave for doctor's appointments or for their kids or to work out in the afternoon, they can do that," he says. "It's not about hours you put in — it's about what you produce." Rothman says employees appreciate that McConaughy encourages life outside of work. "He believes a healthy, happy employee is more effective."

HammerSmith staff also like knowing how they fit with the whole and being part of a group. The company is open-book and has quarterly meetings to review its business plan and finances. The firm also hosts casual get-togethers, usually based around employees' birthdays.

To maintain the company culture, McConaughy invests time in evaluating job applicants. He asks them to take a personality test so he can see how they will fit with the other employees, and he has them meet with either the production manager, the office manager, or Rothman as well. Additionally, he asks applicants for carpenter or project manager positions to complete a three-page construction test.

To show how much he values Rothman's contribution to HammerSmith over the past 14 years, McConaughy made Rothman a minority partner in the firm several years ago. "He is a critical part of the company," McConaughy says. "It just made sense."

Rothman says that McConaughy has an energy that drives the company and its employees. The designer is also proud of the company's low turnover. "People have been here three or more years, which is unusual in construction," he says.

Over time, McConaughy has noticed that employees have gradually moved to live closer to the company's office. "Now, about half our employees live within a 5-minute drive," he says. "It is a vote of confidence for our company." ■■■