

SMALL BUSINESS STRATEGIES

Building a business — one job at a time

Good reputation is key to success for award-winning electrical subcontractor

BY CURTIS LUM
PACIFIC BUSINESS NEWS

To say that Lee Lewis has come a long way since his days as a male stripper would be a gross understatement.

Lewis, 57, is the owner of Lewis Electric and is one of the top electrical subcontracting firms in the state. His business brings in \$3 million to \$4 million a year, and he has joined with some of the state's largest prime contractors on some of the biggest government jobs around.

He recently was named the U.S. Small Business Administration's subcontractor of the year for the SBA's Region IX, which includes Hawaii, Guam, California, Arizona and Nevada. He will travel to Washington, D.C., next month and compete for the national award.

Not bad for someone who didn't get serious about a career until he was 45.

"When I was younger, I was one of those run-around, didn't-care-about-anything kind of guys," Lewis said. "My motto was, 'I don't want to work, and if I don't want to work, I'm not coming to work.'"

That was back when Lewis was living in his hometown of Redding, Calif. He came from a long line of electricians, but didn't care to succeed as one.



TINA YUEN PBN

Lewis Electric

Electrical subcontractor

Manager: Lee Lewis

Address: 737 Bishop St., Suite 2920
Honolulu, HI 96813

Phone: (808) 548-5566

Website: www.lewiselectricllc.com

SMALL-BUSINESS ISSUE

Surviving as a subcontractor.

STRATEGIES

- Do good work and develop a solid reputation.
- Pay in cash, if possible, to avoid going into debt.
- Surround yourself with highly skilled people.
- Be able to do a wide range of work.
- Stress safety in the workplace.

In 1991, he planned to drive to Washington because there was a lot of work for journeyman electricians. But his car broke down and he never made it out of his driveway.

He called a friend to help fix the car, but the friend was taking the day off to float down a river and drink beer with a visitor from Hawaii. Lewis tagged

Working with Watts Constructors, Lee Lewis and his subcontracting firm, Lewis Electric, handled the electrical portion of the recently completed renovation and expansion of the Pearl Harbor Visitor Center. Lewis said he was able to complete the work while keeping the facility open to the public.

along, and after several beers and tequila shots, was convinced to move to Hawaii to find work.

But, it wasn't easy once he got here. He took on odd jobs as a nightclub bouncer, performed at a Waikiki strip club, and did private gigs at bachelorette parties.

"I had no job waiting for me here," Lewis said. "I found it quite hard to get a job."

While working as a bouncer, however,

he met a man who knew a guy who was remodeling two apartments in Honolulu and Lewis managed to land a job with the contractor. He was then told of a company called Nova Group that did a lot of government work and he hounded the firm for three months until they hired him as an electrician.

For the next eight years, Lewis worked on the military bases on Oahu. He went to the Mainland to do a big project in Maryland, and returned a year later to continue his work with Nova.

Then a company called Global Construction told him it needed a registered master electrician (RME), so Lewis got his contractor's license and was hired by the firm.

Lewis said he didn't know it at the time that the work that he was doing for these companies was preparing him for his future.

"Lo and behold, I didn't realize it that the whole time I was sitting out there at Pearl Harbor, Kaneohe Marine base, and all of the other bases, I was laying the footwork for my business," he said.

In 2003, Lewis spent \$2,000 to buy an old van from the Nova Group and launched Lewis Electric. He worked from home and put in 100-hour workweeks during the first three years.

But he had established a solid reputation with the large contractors and getting work wasn't very difficult. One of his early associations was with Denny Watts, who eventually would take over Miller Thompson and form Watts Constructors, which has won some of the largest federal construction projects in Hawaii.

The two formed a partnership and Lewis estimates that he and Watts have done more than 50 jobs valued at \$400 million over the years.

"They always say you create your own luck," Lewis said. "I always pre-

sented myself well and always with a lot of integrity, and people saw that in me and trusted me and they had no problems hiring me."

In addition to a good reputation, Lewis said a successful subcontractor must surround himself with highly qualified people. He has a staff of 35, including several foremen who have been with him since they were apprentices.

Lewis said he avoids going into debt by paying cash for everything. With no debts, he can go after as many projects as possible and bid as low as he can.

"I'm not here to make a whole bunch of money on one job. I'm here to make a tiny bit of money on a whole bunch of jobs," he said. "Every now and then we have to bite the bullet and take a loss on one little phase of the job to appease the prime contractor and keep the job on schedule. But, that's what it takes to be a good subcontractor."

Lewis said he believes another factor in his success is his company's safety record. He said he hasn't had an accident since he started the firm and that also keeps his operational costs down.

"You can't get insured if you've got a faulty safety record," he said. "And, if you do get insured, they charge you so much you can't be competitive on your bid."

Denny Watts has worked with many subcontractors and he agrees that reputation is the key factor in selecting a firm. He said low bids are important, but not if the subcontractor can't live up to its end of the contract.

"It's the one thing that you have going for you that sometimes transcends your balance sheets," Watts said of a solid reputation. "The lowest price in many cases is not really relative to the best price. It's reliability and it's the quality you're passing on."

Watts said that on some commercial

jobs, subcontractors make up 80 percent of the work, and he said his reliance on these small businesses is "absolutely paramount to success." He said he's pleased with the work that Lewis Electric has provided to his firm.

"They've done a good job on everything and we've been extremely happy to have them as a partner," he said.

Lewis said the recent recession hit many large Mainland firms hard and drove them to Hawaii and the plethora of federal work here. This has made it difficult for local firms to win contracts, he said.

When he first started, Lewis said he would get nine out of 10 jobs that he bid on, but in the past two years he has won just two out of 50. He added that the winning companies are bidding so low that they pass on the losses to the subcontractors.

"They come in, bid the jobs very low and then they beat down the subcontractors to come down to their price," Lewis said. "I have been offered a couple of times to do that, turn in numbers and they want to go lower, and I said, 'Sorry, I won't do it for that.'"

But Lewis believes that once the economy rights itself the Mainland firms will leave the Hawaii market. He said he doesn't think these companies will continue to come here and take jobs at such low prices.

For now, Lewis said he will continue to keep abreast of job opportunities on the state and federal levels. And, since he has been a serious worker for only 20 years, he said it's too soon to be thinking about retirement.

"When I got to be 45 or so, that's when I said it's time to settle down and start preparing for the future," he said. "That's when my old man finally said, 'I love you. For 45 years, I couldn't stand you.'"