



PROGRESSIVE CONTRACTORS, INC.



ESOP APPROACH CREDITED TO COMPANY'S FINANCIAL SUCCESS

by Daniel Casciato

in the mid-1990s, the founders of Progressive Constructors, Inc., a general contracting firm in Little Rock, Arkansas, offered their business to those they trusted most: their employees.

After selling their share of the company's value through an Employee Stock Ownership Plan (ESOP), Progressive has maintained a bonding capacity in excess of \$100 million. Great care is taken by each employee to ensure that the company remains financially sound.

Above: Bix Warehouse

"This is a way for them to fully participate in the company and to share in the profits," says Mike Belt, President.

Progressive has always been deeply committed to building and maintaining good relationships with their employees.

"We're a tightly knit group of individuals," says Jeff Haun, Vice President. "We don't have much turnover. The average length of employment here is a little over 10 years."





PROGRESSIVE
CONTRACTORS
INC.



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PROGRESSIVE
CONTRACTORS, INC.
AT A GLANCE

LOCATION: Little Rock, AR

AREA OF SPECIALTY:
commercial construction

ANNUAL SALES IN 2007:
\$44 million

SALES GROWTH FROM
PREVIOUS YEAR: 3%

EMPLOYEES: 33

*Above left to right:
Shelby Oaks Warehouse;
Metropolitan Bank;
Kroger Little Rock*

A happy workplace leads to excellent customer service and, ultimately, repeat business. Progressive has maintained a stellar record of repeat clients since becoming an ESOP.

“Ninety percent of our projects come from repeat clients, so we try to maintain a good relationship with them to continue to earn their business,” says Haun.

Progressive is versatile in its construction capabilities, with projects including: commercial, municipal, big-box retailers like Wal-Mart and Lowe’s, grocery stores, industrial facilities, residential facilities, strip centers, and warehouses.

“We predominantly do projects that are within a 12-hour radius from Little Rock,” says Haun. “We are licensed in 21 states, but we do prefer to work in states adjacent to Arkansas.”

Haun says that when going after projects they don’t try to outbid larger general contractors.

“Most of the projects we bid on are between the \$5 million and \$20 million range, where there’s less competition,” he says.

From its founding in 1984 to the mid-1990s, the company worked on



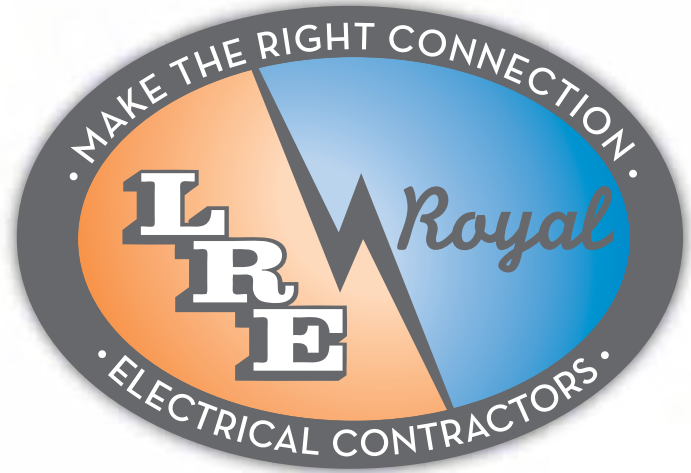


projects ranging from \$2 to \$5 million.

“We worked ourselves to death and didn’t make any money,” recalls Belt. “We cut back and now only manage mid-sized, larger budget projects.”

The company relies on value engineering, which Belt says helps them obtain projects that have otherwise exceeded the owner’s budget in the competitive bid process. Although they are usually the lowest bidder, they are able to construct the project within the owner’s budget.

“We are more budget conscious and schedule-oriented than our competitors,” he says. “We do whatever it takes to beat deadlines, even if that means working double shifts.” ABQ



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