



PHOTO BY LAURA KUDRITZKI

Sam Abbey photographed at the newly completed HQ of Eventbrite, the online marketplace for live events.

BUSY BODIES ALL AROUND

SAM ABBEY is the “S” in SC Builders Inc., which he and Chris Smither founded in 1999. SC Builders is a mid-sized commercial general contractor with offices in Sunnyvale and San Francisco. It has built corporate offices for Facebook, Intuit and Motorola Mobility, among others. Its portfolio also includes life science labs and data centers. Abbey has been in the construction business since he was 16, and the executive team has nearly 80 years of combined construction experience.

TR: *We love asking the construction companies how busy they are. How busy is SC Builders?*

ABBEY: 2014 was a strong year for our company. We don't have anyone sitting on the bench. Our offices in Silicon Valley and in San Francisco have continued to secure new business and grow. As a company, we tend to be very selective about the work that we go after, so although we are busy, we have not overextended ourselves. It is

important to us that our employees are engaged and focused on the work that we have, and that we are positioned for success with new opportunities while still exceeding the expectations of our existing clients. We are not willing to sacrifice our quality of work for quantity. We are committed to building in strong, smart, unique and positive ways, and it is hard to do that if everyone's hair is on fire.

TR: *How full is your pipeline into the next two or three years?*

ABBEY: The type of work that we do usually has a six- to 12-month runway, and 2015 is looking to be a great year for us. We have a 90,000-square-foot senior housing facility tenant improvement that is starting in Q1 of 2015 in San Mateo. We have a three-story (90,000 square feet) out-of-the-ground office building along



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with a one-story (35,000 square feet) lab building scheduled for the start of Q2. We also have projects slated at Stanford [University] during the summer break. These projects, along with our ongoing tenant improvement work with key clients like Xilinx, Genomic Health, Intuit and Qualcomm—along with a handful of confidential technology clients—have us looking forward to a strong 2015 and 2016.

TR: *How competitive is the market right now (for labor, materials...)?*

ABBEY: The market is very competitive regarding all supply lines for the construction industry. Some of the key areas where we are seeing issues affecting construction are in the MEP trades (mechanical, electric and plumbing). Labor demand is very high, and we believe this will continue to be a pressure point through 2015. We are not seeing material shortages causing issues at this time.

TR: *Your company works across a broad range of clients, from corporate office to institutional to mission-critical work. Is this what a modern construction company*

in the Bay Area has to have in order to be successful?

ABBEY: There are successful companies who operate in fewer market sectors, but we choose to invest in these core markets because we believe in diversification for the well-being of our company and, quite frankly, because it is really interesting to be in each of those markets. We would like our employees to have the opportunity to enhance their resumes in unique and

Passionate builders, efficient contractors

positive ways—working these key markets, as well as in life science, helps us keep our employees learning and growing as construction professionals.

TR: *How do you differentiate your work and product from others?*

ABBEY: Several things differentiate our work product from others: First and most importantly, we are passionate about

building. It is something that influences everything that we do, from the type of people that we hire, to the type of work that we pursue. Being a good builder is not about chasing every project for the sake of having more work. We want to do interesting, challenging and fun projects so that our teams are excited to come to work.

We are strategic about the work we pursue. We choose to focus on winning projects that are interesting and challenging, and then use our time executing the

work flawlessly. Our project teams are staffed with experienced builders. Our principals are actively involved in every project; we are builders and we ensure that our clients not only have an experienced project team, but also have direct access to the owners of the company. We focus on efficiency, and we believe that clean, safe job sites are essential to running an efficient job that results in time and money saved for our clients.



“We focus a lot of our time and energy in hiring and retaining the top 20 percent of the talent in the market.”

■ SAM ABBEY, PRINCIPAL, SC BUILDERS

TR: *There are companies that are not as successful as others, even in these times. What have they done to be in that position?*

ABBEY: I can only speculate on why others are not being as successful. I do know that our success is due to hiring the right people, having strong, consistent leadership, and not being afraid to take calculated risks.

We focus a lot of our time and energy in hiring and retaining the top 20 percent of the talent in the market. We want the right people on our team, and we want them to be a part of our team for the rest of their careers. We have very low employee turnover because we are very selective about who we hire.

We have strong and consistent leadership. One of our principals is involved in every project from start to finish. We not only lead the company through clearly defined company goals, we also stay actively involved in the operations, because we are builders and it is what we love to do.

We are committed to growing by seeking out new challenges, and we do this in a

way that is in line with our vision, which is to be strong, smart, unique and positive.

TR: *What concerns you about our market now? How is your company mitigating those concerns?*

ABBEY: The commercial real estate market is cyclical, and it has been going strong for a few years now, so the concern is similar to 2007—i.e., what goes up, must come down. At some point the market is going to turn again and, as Marc Andreessen said recently, “When the market turns, and it will turn, we will find out who has been swimming without trunks on.”

In the past few years the level of construction activity has grown tremendously, and clients want projects built faster and cheaper than it has been done before. These expectations really force us to think out of the box and collaborate with the design community as well as the subcontractor community even more closely to meet and exceed those expectations. New means and methods and pre-fabrication through BIM and other technologies have

been significant accelerators for our speed to market.

We have diversified our service offerings over the last several years and are a financially solid company. Our bonding capacity is over \$200 million, which says a lot about our financial strength. We have positioned ourselves so we can make smart business decisions independent of market fluctuations.

TR: *What hurdles do you anticipate in the industry in the next year?*

ABBEY: In addition to the ongoing challenge to find more talent to join our team, we are going to see some changes in where people are choosing to build. We are seeing more opportunities in the East Bay and the Peninsula than in the past, and we need to be able to service those markets efficiently. Technology will continue to evolve, and we need to stay abreast of the newer technologies and adopt them quickly. Hiring the top 20 percent of the talent in the market will become even more competitive than it is now. 📍