

# Birmingham is Builder's Launchpad

A major Florida healthcare builder launches a breakout expansion from its new Birmingham office.

INTERVIEW BY CHRIS MCFADYEN

Florida-based DeAngelis Diamond Healthcare Group chose Alabama as the base for an aggressive geographic expansion, setting up, in 2011, a regional headquarters in Birmingham, home-city to some of the largest healthcare construction companies in the country. The company is building a footprint in the shadows of some giant competitors. At \$110 million in company-wide revenues projected for this year, DeAngelis compares to \$974 million in healthcare revenue for Brasfield & Gorrie and \$468 million for Robins & Morton, according to the July 2014 national ranking of healthcare construction companies (2013 revenues) by Building Design + Construction magazine, which ranked Brasfield at number 4 and Robins at number 11.

Robert Young — named president of DeAngelis in 2011 — is a former top executive with two of those Alabama competitors, M. J. Harris and Robins & Morton. We asked him to describe his four-year campaign to stake out a claim in a highly competitive market.

**I had previously worked with our CEO, Reggie Morgan, at two different healthcare construction companies, and I was at a point in my career that I was looking for a new challenge, and the idea of a new office in Birmingham for a new company sounded exciting.** Reggie had always expressed an interest in expanding beyond our corporate office in Naples, Florida. I was living in Birmingham at that time, and Birmingham seemed like the natural solution. It's a great central location for the Southeast, and I had relationships with other clients in different areas of the U.S. and had

spent some time getting licensed in those other states, and we knew we needed to grow and needed a new office that was more centrally located, in spite of all the great competition that's already here.

**It was four years ago this month. The first couple of years were slower than we had anticipated.** No one knew us beyond, basically, the state of Florida. Then we worked the network of existing clients and began branching out. In the last two years, we have exceeded our goals for growth and revenue. We're changing offices in the same building, doubling our office size. And we've acquired some great clients. It's been a couple of really good years.

**This year we're right at 50 percent revenue growth in the healthcare group.** Our revenue projection for this year is \$110 million for both offices. It's possible that the volume of business out of the Birmingham office could eventually eclipse the Florida office.

**Trade shows and other forms of marketing have helped us, but the best marketing is word of mouth, in our relationships with architects and engineers and finance people and clients in other industries.** We've counted on existing relationships to carry us into some of these new territories. And the other part of the equation is keeping promises and doing what you say you're going to do.

**We have 11 employees, office staff, in the Birmingham office.** We started the Birmingham business four years ago with two office staff employees, and over the last two years we've added nine more. Then we've got other employees out of Birmingham who are working on site



Robert Young, president of DeAngelis Diamond Healthcare Group

on the projects: superintendents, project managers, assistant superintendents, project engineers. They live in the location of the project.

**We've hired a lot of our people in anticipation of getting the contracts, and when one job ends they go to the next project.** It's a little of a balancing act. These guys are full-time employees and some of them I've known in the industry for 12 to 15 years. If there is down time between jobs, they come into the Birmingham office and get the logistics ready and get preliminary scheduling done for the next job.

**We would really like to move westward, but our focus is on our clients, and we look to serve them wherever their needs might be.** So, we're active in Florida and throughout our company footprint, including San Juan, Puerto

Rico; Georgia; Virginia; Louisiana; Texas; Arkansas; New Mexico and Ohio. Several of our clients out of Nashville have multiple facilities and are constantly expanding — Acadia is one, another is HCA.

**You saw more of it during the recession, but there are companies that make their way into the healthcare segment, like any segment.** If you go from building one type of construction to another, you've got a learning curve, and with

hospitals the learning curve is a little bigger. Customers like to see previous experience in hospital work. That's one of the reasons we decided to focus only on healthcare and hire people with healthcare experience.

**The health care segment of the construction industry has been slowly building back.** The projects we are seeing are getting a little bit larger every year. During the recession there were a lot of

renovations and not many large green-field or replacement hospitals, and we're starting to see a little of that now.

**As the population ages, we are seeing a lot more outpatient and more specialty procedure centers, and more of the FSEDs (freestanding emergency departments) that are strategically placed near hospitals.** We are also seeing more assisted living and skilled nursing facilities and senior living facilities. One of our partner companies is involved in that.

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**Also we are seeing more IPD (integrated project delivery), some of the lean processes, prefabrication of building components, all of which increase efficiencies on the construction side.** More healthcare owners are looking for suggestions on how to improve the overall construction timeline. The processes have been around, we're just seeing more of a need for it now.

**Healthcare systems are trying to improve the facility for the end user, and for their staff and for their patient experience.** They're making sure their designs are ergonomic, saving steps for the nurses, and a lot of this is done on the design side, designing the facilities to save steps for the nurses, to make it a more efficient workspace for them to care for their patients.

*Chris McFadyen is the editorial director of Business Alabama.*

