

The Dagit Group Succeeds in Providing Sustainable Construction Solutions for Various Major Franchises Through Efficiency Innovations

**Business Services
Project Management**

**The Dagit Group
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**Timothy Dagit
President**

About The Dagit Group:

Specializing in innovative, sustainable construction solutions and focusing on client satisfaction has enabled The Dagit Group to make remarkable retail spaces a practical reality for store-owners, franchisees and franchisors, office complex developers, and business owners. For over 100 years, the Dagit family has been creating exciting construction projects and services in the Delaware Valley.



**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Dagit, what was the vision when you founded The Dagit Group and where are you today?

Mr. Dagit: When I founded the group, the vision was created by necessity. I had been successful in the construction industry in the home-building business, but when recession hit hard, the once flourishing market dried up. We were looking for markets of recurring revenue businesses, evolving from being the project or development owner into becoming a professional

service construction company. We decided to specialize in the very difficult and highly technical construction jobs that need to be done in record time within a budget to utilize the skills we refined in the home-building industry. We targeted companies that were recession proof, such as our biggest customer, McDonald's. We rebuild, refit, and remodel Quick Serve restaurant chains, retail stores, medical facilities, and all things that need to be done extremely fast and extremely courteously done with the customers remaining open or in adjacent spaces during the construction period. Most of our business is done as an alternative to knocking down and rebuilding existing buildings. We have built a sustainable model that is all about re-using and re-purposing existing buildings and structures whenever possible to save our customers time and money. To illustrate, to tear down and then rebuild an outdated McDonald's, it will typically cost around \$2 million and take between 90 and 120 days. We have devised and perfected a way to renovate the inside and outside of an existing building, recycling the building while making it look and feel entirely brand new, for a quarter of that cost and time. Our ability to safely and effectively keep stores open during construction presents an invaluable advantage to business owners who do not lose customers, revenue, or employees during construction. The economical, sustainable model has been hugely accepted by all of our big brands that would prefer to take an older building with perfectly good concrete foundation, plastic pipes, and metal trusses and make it great again. These renovated buildings are actually superior to new ones because the concrete has already settled and all defects are found and fixed in virtually

all of the infrastructure which has been tested through time. We are a service-oriented business; we often know the delivery schedule in the store as well as the owners to keep things running smoothly. We have so much experience; we know everything from our clients' goals for the space to what is behind the walls. We deal with what would be a challenge upfront rather than later. It is less expensive and less hassle to deal with the reality of the job issues sooner rather than later for everyone involved. We are reversing the model and negotiating all the particulars of the conflicts upfront so that our customers have a firm understanding of what they are getting.

CEOCFO: When did it come to you that this was the way to go?

Mr. Dagit: I realized that the general contracting business has done a horrible job of servicing their customers, as opposed to the home-building business where the consumer driver is much stronger about getting what they want. Our training in home-building make us uniquely qualified to deliver exceptional service at the commercial level, which sets us above and beyond our competition. As far as technology driven and sustainability I believe we are the only professional service provider in the construction industry.

CEOCFO: When you first started with the new model did your long history help?

Mr. Dagit: I had over seven thousand structures under my belt when I got my first commercial job with Supercuts Hair Salons, and they took the risk on putting me in a commercial business. However, we did our first store for them, without ever doing a commercial store before, in just four weeks, when their company average was eight weeks. We did their first remodel in four days when the company average left stores closed for three weeks. The way we did that was very simple. We approached the twenty-four hours in a day as three different shifts. No other contractor had approached those

projects that way. The most important thing to our customer in a renovation is time. While closed, they risk loss of income, customers, and employees. If I can get three days worth of work in one day, I am three times more effective than any other general contractor just by that alone. We may not do any one single operation faster than anyone else, but through utilization of technology, streamlining of process, and our reverse timeline scheduling practice, we make sure there are no opportunities lost or any time wasted.

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- Timothy Dagit

CEOCFO: How do you accomplish what you do?

Mr. Dagit: Again, we may not do any one single operation faster than anybody else. We would never sacrifice quality to shave off time. We strategically schedule trades to maximize efficiency. For example, as the drywall is completing, the tile team is right behind him. The normal contractor, who is not a professional contract service provider, would wait until the drywall is finished and then install tile. He would wait until the tile is finished and then he would start doing the fixturing and plumbing. We are different than that; we move the trades behind each other in phases, making sure there is

no wasted time. Our experience and technology makes this scheduling work for everyone and often cuts subcontractor times by cutting trips resulting in faster construction times and saved money, a win for everyone!

CEOCFO: How do you beat away all the business that is coming to your door?

Mr. Dagit: At this point, we have doubled the size and profit of our business every year. At the same time, we are turning down double that business because we cannot do not want to make sacrifices to the quality and satisfaction promised by the Dagit name. We are very conservative about maintaining our quality of service and delivery times while growing the company within its own cash. We will maintain our standards for our customers at the service level they have come to expect, period.

CEOCFO: Is it hard to find a qualified workforce and workers that are onboard with the concept?

Mr. Dagit: It takes a bit of retraining before one can perform at the level our customers have grown to expect from us. Our company is followed by the McDonald’s “Quality, Service, Cleanliness” program, and we teach our trades, for example, if a plumber, roofer, or electrician is in a parking lot and a littered napkin blows by, he has to pick

it up or he cannot work here. It is as simple as it is serious. It is very different having them understand the urgency of the customer. Everything we do is from the customers' point of view, not our point of view and not what is convenient for construction but what is convenient for the customer. This is a complete reversal of how they have been taught to do everything. It takes some training, but ultimately they all become proud of our difference. I literally get thanked five to ten times a day from our customers.

CEOCFO: What is your geographic reach?

Mr. Dagit: Currently we work from New York City down to Virginia, and in

all the states in between. We are adding our first Boston jobs as we speak.

CEO CFO: How do you stay on top of things as you go into new areas and ensure that what Dagit Group stands for is going to hold whether it is Virginia or Boston?

Mr. Dagit: Great question. We start in all new markets with core team members helping launch the new territory. About 50% to 60% of the new team is made up of existing star team players that teach the new team players how to do it our way in the new market. Once the core group is comfortable that the new players are keeping our brand promise, we wean them off that team and bring them back to our existing market, which we have back filled with more work. The new markets we are back filling with new workers that have been trained so that we can handle the growth at the appropriate service level in the new market in training.

CEO CFO: Do you foresee that franchising or working with partnerships to maybe get across the country?

Mr. Dagit: Several private equity groups that have been interested in our business and investors are talking about helping us grow nationwide.

With the right partners, we may choose to expand our services, which are desired by most of our major customers, would plan to help us grow nationwide soon. We would go to most populated areas in the country first, but there is little holding us back from expanding to wherever we could be provide our excellence in service.

CEO CFO: Are there types of buildings you would like to do or are there certain companies that have not yet found out about you that you are trying to reach?

Mr. Dagit: Any quick serve restaurant chain or nationwide store chains must find us, especially if the bulk of their buildings could use an extreme makeover. We make a perfect pairing with companies who have many buildings originally built in between the 60s and 80s.

CEO CFO: How often do the chains typically refurbish?

Mr. Dagit: McDonald's requires store remodeling and other changes every 5 to 15 years and has rebuild requirements for every 20 to 25 years. We are capitalizing on is the fact that the fast-food industry was basically built between 1965 and 1885 and all of the buildings from that boom are old now.

We believe the more responsible sustainable companies will take advantage of our technology and know how. Rather than rip them down and rebuild them, we would like to create an alternative for every one of those customers to get them the better building at a quarter of the price at tenth of the time.

CEO CFO: Why should the business and investment community pay attention to Dagit Group?

Mr. Dagit: We are changing a very broken model where the whole world hates contractors and new development. Contracting, Development and Construction are horrible words and everybody hates them. **'Sustainable', 'Technological' and 'Service' are words everyone likes, and that is us!** We show up with professional technological advanced service oriented people, tablets in their hand, schedules and plans done in the cloud with up-to-date information ready to perform. We conduct full research on the project before it starts to eliminate unnecessary surprises, which creates an exceptional customer experience. There is no need for Aspirin when working with us.



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