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Brothers follow in Dad's footsteps without question – or regret

Talking with ... Jack and Jim Scalo

By Joyce Gannon
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At age 13, twin brothers Jack and Jim Scalo began working for their father's business, Burns & Scalo Roofing, on the roof crews and in the warehouse. Jack is now president of the roofing company and Jim is president of Burns & Scalo Real Estate Services. Their father, John, and his partner, Richard "Duke" Burns, who founded the company in 1956, retired in 1997.

Q: Did you grow up with the idea you would make your careers at the family business?

JIM: It was ingrained. It was never even discussed or questioned by either party.

JACK: It was our destiny. I never thought of doing anything else. It was just understood. It wasn't pressure. The message was we were going to college to learn ways to make the business better. The message at home was always positive.

Q: So when the time came to join the business full time, did you feel ready?

JIM: Yes. I graduated [from college] Friday and started Monday. I had the weekend off. My father and Mr. Burns had a small portfolio of apartments. They had invested in real estate for retirement. They really needed somebody to put their arms around it. I took all the real estate courses in college and knew I was going to come out of college and reorganize the portfolio, which is exactly what I did.

JACK: I did have some cold feet right at the last minute coming out of college. That's why I did work somewhere else [for one year]. I got a little uneasy about putting my roots down knowing once they were down, they were down for good. I was unsettled with that.

Q: The company was founded 50 years ago in a rented garage in the BonAir section of the city and thrived for years as a residential roofing company. Is residential still part of the business?

JACK: It's still a very important part of our business. But as a percentage of revenue, it's 10 percent overall. When I [came on board



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Twin brothers Jack, left, and Jim Scalo run different parts of the 50-year-old Burns & Scalo businesses.

full time], we were primarily a residential roofing company and light commercial. My role was to create and establish the commercial division.

Q: How big is the roofing business now?

JACK: We have four operating companies: Burns & Scalo Pennsylvania, B&S North Carolina, B&S Ohio, and Cuddy Roofing. Cuddy is my wife's nickname; it was set up as a woman-owned enterprise and my wife owns 51 percent of it. It was created to reach a different market -- the union market. And we have Scalo Inc., the support services company for the four operating companies. There are a total of 250 employees and approximately \$25 million in revenues.

Q: How big is the real estate side?

JIM: We actively own and/or manage 3 million square feet of property. Most of it is suburban office space in all four quadrants of

the market. Some of the major places: Southpointe, Washington County, 700,000 square feet; Foster Plaza, Green Tree, about 300,000 square feet; and Bursca Business Park, Bridgeville, about 250,000 square feet. There are 17 employees.

Q: Do you have the same management style?

JIM: I think we both delegate well.

JACK: I tend to micromanage more than Jim would. That's probably due to the number of people I'm responsible for. I think Jim is a little bit more of a free spirit. I don't mean that negatively.

Q: You work out of different offices. The roofing company is based in Thornburg; the real estate business in Foster Plaza, Green Tree. Do you talk frequently in a normal work day?

JIM: We e-mail a lot. It's rare we don't

James Scalo

Job: President, Burns & Scalo Real Estate Services

Age: 47

Hometown: Peters; resides in Fox Chapel

Education: Bachelor's, marketing, Indiana University of Pennsylvania, 1981.

Career: 1981-85: property manager, Burns & Scalo Real Estate; 1985-90: director of development, Burns & Scalo Real Estate; 1990-present: president, Burns & Scalo Real Estate.

Jack Scalo

Job: President, Burns & Scalo Roofing

Age: 47

Hometown: Peters; resides in Collier

Education: Bachelor's, business management and marketing, Ohio University, 1981.

Career: 1981-82: assistant executive secretary, Sigma Chi fraternity, Evanston, Ill.; 1982-87: commercial division manager, Burns & Scalo Roofing; 1987-94: vice president, Burns & Scalo Roofing; 1994-present: president, Burns & Scalo Roofing

communicate every day in some way.

JACK: Day to day it's mostly e-mail ... and cell phone. Our attitude is we want to help each other.

Q: Do you end up talking a lot of business at family gatherings?

JIM: We try not to, but we do.

JACK: It's usually like I pull him aside. We kind of hide, kind of sneak or take a walk.

Q: Did other family members join the business?

JIM: We have a sister who has her own business; she is an interior decorator. Mr. Burns had three daughters. None came into the business.

Q: What is the biggest obstacle you've faced?

JACK: Clearly the people side of the business is the most challenging.

JIM: [Real estate] is not labor intensive so my greatest challenge is market control. We can't control rents, for example. Or whether the market is oversaturated with a particular product type.

Q: Why have you succeeded?

JIM: One of the true ways it worked is that Dad and Mr. Burns gave us enough rope to hang ourselves. Most of the stories you hear are when the dad is the dominant figure and the sons can never do it well enough, or right enough. That's when the son feels squashed. And we have very supportive wives. That's a

huge part of our success.

JACK: They [Dad and Mr. Burns] were smart enough to step aside. I think they saw talent. They saw what they were looking for and they trusted us ... with far fewer controls than I have on my staff.

Q: Do you think children should work for someone else before they join the family business?

JACK: I thought it was a good experience for me to travel and do something else. My Dad did not like that. I interviewed with some construction companies and thought it would be best to make my mistakes on someone else's tab. I thought I could learn with the thought of always coming back. But he didn't want to hear it. He thought he was losing me. He said to me, "You know that Chevy Blazer you had your eye on. Why don't we go down and get that and make it a company car?" And it worked.

JIM: A lot of it is about managing the entitlement value maybe some children assume they have. Maybe you should go out there and get smacked around a bit and ultimately learn something you can bring back to the organization. Quite frankly, we learned everything on our own. Everything's self taught.

Q: So will you encourage your own children to work elsewhere?

JACK: In fact, I will. I think it's important to know what it's like to be an employee with

out your father owning the company. You learn how to think like an employee. They think differently than owners.

JIM: I think there's no risk in that at all.

Q: Do you have role models?

JIM: No question: my Dad, and Mr. Burns, too.

JACK: Yes. They taught us partnership. Mr. Burns was never the front guy. He was more operations; my Dad was sales. They never fought. Even if they didn't agree. I'm proud of that. They were able to maintain a long-standing partnership.

Q: Is there anything you would have done differently?

JACK: I've never really asked myself that. Now you really have my wheels turning ...

JIM: I can tell you I learned more from the deals we didn't make money on than from the ones we did. Those are the greatest lessons.

Q: What advice do you have for businesses with a new generation in line to take over?

JIM: The smartest thing [Dad and Mr. Burns] did was put us each in separate businesses. There was column A and column B. It's harder when you're inside the same business. There are wonderful family businesses with five or six people in the same thing. The key there is they have to be content and not keep score on everything.

JACK: If the family is big enough, spread it out so they have their own areas of responsibility.

Q: How do you see the future shaping up for your business and the region?

JIM: We're continuing a mission to invest in this market to the extent I've aggressively attracted out-of-town capital to invest. I have 15 projects on the board. I can't disclose them ... the aggregate value is nearly \$100 million. We really are committed to this town and really want to make a difference and make this town more valuable. In order to sustain longevity, you need to continually reinvent yourself. That's the challenge of running an organization long term. It's not like hey, your dad started this company so you work here and you're just riding it out. That's a joke. To continually reinvent these respective organizations every year or every five years is really what it takes. As a leader, it's like being Lawrence of Arabia. You've got to see it coming across the desert before it hits you in the face.

JACK: We meet quarterly outside the office with our senior staff just to talk about tomorrow. When we're here in this building, it's all about today. We have to pry ourselves out. I feel like we're in a locker room and it's halftime and we have another half of our careers left. We make all the investment in the first half and hopefully we can harvest. We're hoping to build something that's going to outlast us. We want to share this common vision, the Scalo vision, that plays outside of our business, more into the community. ... to improve the region with jobs, beautiful buildings and retaining younger people. That's a real large challenge that I think we have.