

Finding consistent growth through diversification

by Michael Reis
September 2, 2010

When Stone World first reported on Discover Marble & Granite in March of 2006, the company had two locations — one in Millbury, MA, and another in Ft. Myers, FL — and it was fabricating an average of 100 kitchens per week. Today, despite facing one of the worst recessions in history, the company has actually grown to four locations, and it has greatly diversified its operations.

“We opened a location in Orlando, FL, in late 2006, and we just opened a location in Wallingford, CT,” said Company President Victor DeOliveira. “Once the recession hit, we had to learn how to sell outside of our model. We started doing commercial and hospital work. One of our major projects out of Orlando was for the [NBA’s] Orlando Magic, which we did in Cambria. We are also doing work for Crave restaurants out of our Orlando location. From our Ft. Myers location, we are currently doing a high-rise project in Cape Coral.”



Discover Marble & Granite operates stoneworking facilities in Millbury, MA; Ft. Myers, FL; Orlando, FL; and Wallingford, CT. The Millbury operation (pictured) recently moved into a new state-of-the-art facility.



The Millbury facilities added two RoboCuts from USG Robotics. The machines offer 6-axis waterjet and saw cutting.

Dubbed the “Amway Center,” The Orlando Magic arena will be open in time for the 2010-2011 NBA season this October, and Discover Marble & Granite’s role is the fabrication of 15,000 square feet of countertops in the suites, concession areas, clubs and locker rooms. A combination of black, white and blue varieties of Cambria were specified, reflecting the Magic’s team colors, and 8,000 square feet of material is a custom color created specifically for the project.

Not only has Discover branched into commercial fabrication, but it has also changed the scope of its residential work. “All of our residential work is remodel,” DeOliveira said. “It used to be a mix of new and remodel, but that has changed. We have also diversified our client base;

we will do anything from a \$3,000 kitchen to a \$180,000 penthouse remodel.”

With the diversification in place, Discover Marble & Granite has not only weathered the recession, but it has managed to increase its business. “Our best year was 2008, and then we were down 12 percent across the board in 2009,” DeOliveira said. “Right now, we are up 20 percent over last year, which would make this our best year ever. April of 2010 was our second-best month ever, but we have been steady and consistent. We really haven’t had dramatic peaks and valleys, and that is definitely due to diversifying. Also, what helped us most with our growth were our people. They all worked extremely hard through these challenging times, and they are the main reason we have been able to weather this storm.”

Once DeOliveira made the decision to diversify Discover's operations, the company's entire staff needed to adjust its working model. "It is a lot of work," he said. "You have to compete in areas where you didn't before. We have gone outside of our original comfort zone, going after large-scale work and also lower-end work. Also, our working radius went from within 60 miles of our shop to anything within 100 to 120 miles, depending on the job."



"For certain edges -- quarter-bevel, roundover or pencil -- we can go straight from the waterjet to polishing," explained Victor DeOliveira, President of Discover Marble & Granite.

Kitchen and bath dealers represent Discover's top sales target, as it sells to 300 dealers through its four facilities. The company also fabricates for 160 Big Box retailers in Florida and New England, and it also recently closed a deal with Cosentino to supply SenSa granite and Eco recycled countertop material for some of its Big Box customers.

"We are also cutting stone for solid surface fabricators and granite installers," DeOliveira said. "Fab-only represents about 10 percent of our business."

In addition to natural stone, Discover Marble & Granite fabricates several quartz surfacing varieties, such as CaesarStone, Silestone, DuPont Zodiaq, LG Viatera and Cambria.

"We have been fabricating and installing DuPont's Zodiaq in numerous colleges and universities, such as Harvard, Yale, Boston College and a 45-slab job in Cloud White Zodiaq for Northeastern University," DeOliveira said.

Equipped for Diversification



Each RoboCut is equipped with a 50-horsepower waterjet pump and nozzle from KMT of Baxter Springs, KS, for precise cutting.

In recent years, Discover Marble & Granite made a number of investments in facilities and technology. This included a new state-of-the-art stone processing center in Millbury with a range of equipment.

"We added two RoboCuts from USG Robotics — one in June of 2007 and the other in January of 2008," DeOliveira said. The RoboCuts offer 6-axis waterjet and saw cutting. Each machine is equipped with a Saccardo 20-horsepower saw motor — using 16- to 18-inch blades — and a 50-horsepower waterjet pump and nozzle from KMT of Baxter Springs, KS, for precise cutting. "For certain edges — quarter-bevel, roundover or pencil — we can go straight from the waterjet to polishing."

The Millbury facility also has two Intermac Master Stone CNC stoneworking centers, a Sassomeccanica Flying Flat edge polisher for backsplashes, and two Matrix bridge saws.

Material is transported around the facility using overhead cranes from Gorbel and Mass Crane as well as Gorbel boom cranes, which are outfitted with Manzelli vacuum lifters from GranQuartz.

The Millbury facility also has ample indoor slab storage with overhead cranes, and material is carefully organized and classified.

In the Orlando facility, Discover operates two Matrix bridge saws, a CMS/Brembana Maxima CNC stoneworking center and a Sassomeccanica Flying Flat edging machine. Meanwhile, the Fort Myers shop has two Matrix saws, a CMS/Brembana Maxima CNC stoneworking center and a Sassomeccanica Flying Flat. The Connecticut facility, which began operations on July 15, has a Matrix bridge saw and an Intermac CNC stoneworking center.



The Millbury facility also operates two Intermac Master Stone CNC stoneworking centers, and a third one is in operation in Wallingford.

All four of Discover Marble & Granite's fabrication shops have an EnviroSystem from Water Treatment Technologies for recycling.

In addition to investing in large-scale equipment, Discover Marble & Granite has also moved into electronic templating. All templating is done digitally using the PhotoTop system as well as LT-55 laser templating units from Laser Products of Romeoville, IL. "Going digital has been very efficient, and we are saving money on consumables," DeOliveira said. "Our templaters are able to drive to the sites in a Toyota Prius or Matrix, and they have much less maintenance. We are saving about \$250 per month in gas for each vehicle, and they are templating 20 to 25 percent more per day."

The production rate in Millbury is 110 kitchens per week, while the Ft. Myers location can process 40 kitchens per week, and Orlando has a capacity of 30 kitchens per week — in addition to commercial work. DeOliveira added that production can be increased by 20 percent if needed.

In all, Discover Marble & Granite has 160 employees, and they have worked collectively to make the expansion as smooth as possible. "The biggest challenge was creating new systems of efficiency for each step," DeOliveira said. "We had to make sure the training was working, and we had to make sure we kept the quality and service up to our standards. We wanted to make sure we were always in the right position to grow the business."

To follow each job being processed in the company's facilities, Discover Marble & Granite uses the JobTracker system from Moraware of Reno, NV.

A Changing Marketplace



A Flying Flat edging machine from Sassomeccanica is used for processing backsplashes.

Although business for Discover has been on the rise, DeOliveira pointed out that the overall market landscape has changed for stone fabricators. "Through the downturn, we are adapting to a new world with less margins and jobs with less square feet — and we are traveling further for that job," he said. "We are seeing less upgrades in terms of edges and a tendency towards commodity stones. Three years ago, you wouldn't think that could happen. You figured that maybe some sales would go away, but not that people would stop doing upgrades. They're also doing simple counter replacements and not complete remodels."

Speaking on the stone industry itself, DeOliveira said that it remains a period of adjustment for fabricators. "Over the next 12 months, people will still be adapting to a new mode; they will still be trying to survive," he said. "The smaller fabricators will have their place, but some of the mid-sized ones are getting squeezed and may have to expand. Customers want to see a CNC and a waterjet in your shop. Cutting costs without efficient equipment is tough for a mid-sized shop."

Discover Marble & Granite

Millbury, MA, Ft. Myers, FL,

Orlando, FL, and Wallingford, CT

Type of work: kitchen countertops and large-scale commercial work in natural stone and quartz surfacing

Machinery (Millbury): two RoboCuts from USG Robotics, each equipped with 50-horsepower waterjet pump and nozzle from KMT; two Intermac Master Stone CNC stoneworking centers; Sassomeccanica Flying Flat edge polisher; two Matrix bridge saws; overhead cranes from Gorbelt and Mass Crane and Gorbelt boom cranes, which are outfitted with Manzelli vacuum lifters from GranQuartz

Machinery (Ft. Myers): two Matrix bridge saws, a CMS/Brembana Maxima CNC stoneworking center and a Sassomeccanica Flying Flat

Machinery (Orlando): two Matrix bridge saws, a CMS/Brembana Maxima CNC stoneworking center and a Sassomeccanica Flying Flat edging machine

Machinery (Wallingford): a Matrix bridge saw and an Intermac CNC stoneworking center

Technology (All Facilities): EnviroSystem from Water Treatment Technologies; JobTracker software for job tracking from Moraware; LT-55 laser templating systems from Laser Products; PhotoTop digital templating systems

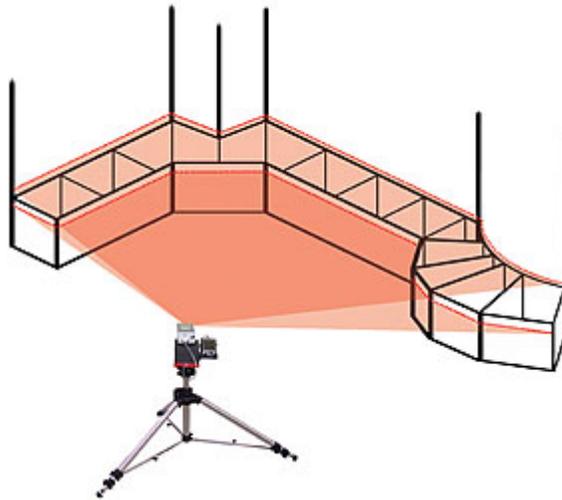
Number of Employees: 160 (in all facilities)



In all, Discover Marble & Granite has 160 employees, and they have worked collectively to make the expansion as smooth as possible. "The biggest challenge was creating new systems of efficiency for each step," DeOliveira said. "We had to make sure the training was working, and we had to make sure we kept the quality and service up to our standards."



All four of Discover Marble & Granite's fabrication shops have an EnviroSystem from Water Treatment Technologies for recycling.



In addition to investing in large-scale equipment, Discover Marble & Granite has also moved into electronic templating, including the use of LT-55 laser templating units from Laser Products of Romeoville, IL (an example of which is pictured).



To follow each job being processed in the company's facilities, Discover Marble & Granite uses the JobTracker system from Moraware of Reno, NV.



With the digital templating systems in place, Discover Marble & Granite has been able to invest in a fleet of cost-

efficient vehicles (pictured outside of the Millbury facility). “Our templaters are able to drive to the sites in a Toyota Prius or Matrix, and they have much less maintenance,” DeOliveira said. “We are saving about \$250 per month in gas for each vehicle, and they are templating 20 to 25% more per day.”



The Ft. Myers facility was the second of Discover's locations to open.



Discover's third location opened in Orlando, FL, in 2006, and it has recently been involved in processing 15,000 square feet of countertops in the suites, concession areas, clubs and locker rooms of the new Orlando Magic arena.



The Ft. Myers and Orlando locations each operate a CMS/Brembana Maxima CNC stoneworking center (an example of which is pictured).



The latest facility for Discover Marble & Granite is located in Wallingford, CT, and it began operations on July 15.



Discover completed high-end stonework for Crave restaurants.



*Michael Reis
michael@stoneworld.com
Michael Reis is the editor of Stone World.*