

FLUX

At 157 years old, door manufacturer Steves & Sons marks turning point

By Richard Webner
CONTRIBUTOR

At 157 years old, door manufacturer Steves & Sons — run by brothers Edward Steves, its CEO, and Sam Steves, its president — lays claim to being San Antonio's oldest family-owned company.

The brothers' great-great-grandfather, a German immigrant also named Edward Steves, founded it in 1866 as a lumber producer. They still have a wood sign bearing the company's name, which hung from a delivery wagon in the 19th century, on a wall of their lobby above an assortment of family photos. In the early decades of the 20th century, the company changed its focus to making windows and doors.

The brothers took it over in 1985. By then, it had expanded beyond the Lone Star State, making doors at plants in Tennessee and Virginia, as well as in San Antonio. They have since upgraded those plants, and this year they opened a new one in Utah that gives the company a nationwide reach.

Edward Steves pride in their company being the oldest in San Antonio that's still owned and managed by the same family.

"We're also the oldest millwork manufacturing company in the United States that's under the same ownership and management," he said.

The door making business has changed a lot over the last century. Steves & Sons now specializes in assembling molded doors — the kind of hollow hardboard doors commonly seen in the interiors of American homes. It sells the doors to homebuilders and has an exclusive relationship with Home Depot to sell them in stores.

The company is now building a 30,000-square-foot plant in Jackson County, Georgia, that could mark another turning point in its history. When the plant opens next year, the company will be able to mold the door skins itself for the first time. Up to now, it has had to rely on two U.S.-based manufacturers to supply the skins, the brothers said.

"They're pretty much a duopoly," Edward Steves said. "When we put our plant in, that's going to eliminate that and give more choice to our customers."

Once it's in operation, the plant should produce well in excess of 10 million door skins a year, the brothers said.

"It's more investment in equipment than our company has made, probably, since the beginning of time," Sam Steves said. "It's significant in scale, but the company's



Photos by Kin Man Hu/Staff photographer

Brothers Sam, left, and Edward Steves run Steves & Sons, one of San Antonio's oldest family-owned firms.

success and, frankly, survival is contingent on our doing that."

The brothers recently sat to discuss the company's history, their hopes for the Georgia plant, their thoughts on overseas manufacturing and their relationship with Home Depot. The following has been edited for brevity and clarity.

Q: How has your family kept the business going for so long?

Sam: Our dad was fifth of five boys. His father died unexpectedly upon his graduation (from the U.S. Naval Academy), so he or his brothers did not have the benefit of his father's leadership. We had that with our dad until 23 years ago. I think that was a piece of why we are where we are. Edward and I are equal partners in the company, but we're at a point in our life where we don't run as fast and jump as high anymore.

Edward: I think you have to get along with your partners. Sam would tell you that he's in charge of production and sales and I'm in charge of the general office and finance, but the fact of the matter is, we overlap. I could call on any customer, and Sam could take care of any banking issues. I think that closeness is pretty important.

Sam: We're never going to be the largest, nor do we want to be. We're not publicly traded.

Edward: When we took over, the one thing (our father) insisted on — but it was sort of an unwritten rule — was that we don't borrow any money. Consequently, while we had competitors who were getting larger and larger, we were staying where we were. Slow and steady finishes the race. We saw one of our two major competitors go

bankrupt and the other sell out. So we're kind of the only survivor of what used to be 40 different companies.

Q: Will the next generation take over someday?

Sam: Someday, just by default, they have to step up. It's complicated. There's not a lot of sizzle to the steak; you know, it's not real sexy. It's just that the volume is so high and the diversity in offering is so broad. You have to be able to manage that. And the speed to market is just unbelievable. A customer will buy a truckload of doors and expect it in five working days. Everything Edward and I have developed in the company — and we started at the ground up — is customer centric, focused on delivering the promise. The next generation is going to have to learn that.

Q: Do the two of you always work well together?

Edward: We've had our scrapes, but we're doing pretty good, I think.

Sam: We're brothers. I think there's a healthy tension sometimes. I will tell you this much: I don't do a big project without working with Edward, for two reasons. First, sometimes it's very help-

ful to get a dissenting view. Second, he knows this business. He might see an angle that I miss — and often does.

Q: Have you been careful with the next generation to instill those same values? Not borrowing money, keeping the company in the family?

Edward: I think they understand that. We're temporary stewards of this heritage that was given to us. I think we've done a fairly decent job of taking care of it.

Sam: I like to say our father taught us how to run the company and our mother taught us how to keep it. We lost her five years ago. Tutelage was important — maybe more important to her than to our dad.

Q: What are the molded skin doors made of?

Sam: It's like hard-

Edward: 85 percent.

Sam: The other percentage are a veneer, like birch or mahogany.

Q: So up to now, as you build the Georgia facility, you've had to rely on that "duopoly."

Edward: Actually, it wasn't always that way. Fifteen years ago, there

were three manufacturing plants. Then Jeld-Wen bought one of them, which created the duopoly situation.

Q: Has there ever been a temptation to bring your manufacturing overseas?

Edward: We have some products that we get from China that actually have been cut down now. Just a little, only because we couldn't make them here effectively. We also have an operation in Romania. We didn't buy a whole lot from China — we might have bought 5 percent of components from there. But it went from a (shipping) container being \$2,500 to \$2,800 to like \$25,000 during COVID. You just can't live with that. The fact of the matter is even at \$2,500, that's an additional expense. If you can make it here, ...

Sam: You've heard of maquiladoras? I'll just say, haven't worked for us. If we put a maquiladora at our closest Mexican border, which I think would be Laredo, and the labor were free, the delta — the difference between the free labor and the freight, just to get it to San Antonio — offsets the cost. Freight is our greatest single cost beyond material costs.

The Chinese, just to give them a little bit of credit, they've tried to knock these things off, and they can't do it. I think a larger threat to the United States interior door market is going to come from MDF — medium-density fiberboard. It might come out of South America, because they grow eucalyptus fiber down there like it's a weed.

Q: Tell me about your relationship with Home Depot.

Sam: By our design, we are exclusive to Home Depot.

Edward: We're part-

ners to them. We can't be partners in San Antonio with Home Depot and be partners with Lowe's. How do we support that? That doesn't make any sense at all. We were their vendor of the year for four years.

Q: I've read that manufacturers selling to big-box stores face relentless pressure to lower prices.

Edward: It was that way. What's changed with them is they've recognized that service and quality are more important than price. They want to be competitive; we want them to be competitive too, because we want to take the business away from Lowe's. Lowe's is our competition; Home Depot is our partner. So we make sure that we're competitive with high-quality products.

Sam: The way we'll do that is we'll be efficient. Being vertically integrated with this one product and other things that we're doing. They pay close attention to that. Price is critical to them, but we can't give them a consistent competitive price unless we're efficient.

Edward: For the longest time, we weren't nationwide. Even if we gave them a lower price, our competition would say, "They're not coast to coast. There's no reason to meet that." We are (nationwide) now.

Q: In building your factories in other states, it sounds like you've followed a strategy to build a nationwide network. Is that right?

Sam: The Rockies — they were as tough on us as they were for the pioneers.

Edward: The purpose of putting (the factories) in all these locations is to have additional productive capabilities. We could do that, maybe, in San Antonio — but then it's to save the freight. So it's an additional capacity and the freight.

Q: Have you ever felt pressure to sacrifice quality for cost?

Edward: No. I don't think you can do that. As a matter of fact, that plant that we're building, to build those things — the quality that we're getting right now is acceptable; that's going to be superior. We're not going to be able to make a dime more, but we're going to make better-quality product.

Sam: For pennies more per skin.

Edward: Our competition has tried to make (the doorskin) thinner to make it cheaper, and tried to put less paint on. They've done everything they could to take cost out. I don't want to say we're putting cost back in, but we're building quality in that product.



Augustine Contreras, right, is operations manager at Steves & Sons, based in San Antonio.