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Cover Story

How a small drywall company grew into a mega drywall, painting, wallcovering, plaster, and specialties company.

Emily Howard Talks with Magnum Leaders

PHOTO: CRAIG COZART PHOTOS

MEMBER PROFILE

COMPANY LEADERS TALK ABOUT MEGA GROWTH, CREATING A WINNING TEAM, AND ACHIEVING THEIR HIGHEST STANDARDS.

WITH EMILY HOWARD FOR THE CPIA

“I just have a problem turning down opportunities,” said Gary Robinson, CEO of Magnum in California. This fall, Gary, along with fellow CPIA members and coworkers Jann Maxwell and Mark Lovato, walked me through how a small drywall company turned into a \$160-million drywall, painting, wallcovering, plaster, and specialties company; the challenges they faced; and the lessons they learned during a more than three-decade ride.

Emily Howard: Tell me about the history of Magnum.



Gary Robinson: I started in the field as a carpenter apprentice and moved on up. We built Magnum from the ground up. In the beginning, it was supposed to be a small drywall company — like a maximum of 35 to 45 people. But I just have a problem turning down opportunities. As an opportunity would present itself, we’d find a way to make it happen. It seems like from day one, when a challenge was put in front of us, we had to go prove that we could do it. And that still persists today. I think it’s fair to say it permeates through the company.

In the beginning, we wanted to be the Green Berets in a non-union world. It didn’t take long to realize that we had to go union if we wanted to work with the best general contractors.

That turned out to be a really good move for us, and we built great relationships with some of the best general contractors in the Bay Area. We ended up working on some of the most high-profile projects, probably in the world. We learned very quickly that we needed to deliver a top-quality product and top service, and you can only do that with good people.

PHOTOS: CRAIG COZART PHOTOS

This structure links the NVIDIA Voyager and Endeavor buildings. As multi-trade contractor for both, Magnum handled intumescent paint, painting, wallcoverings, acoustical panel systems, FabriTRAK acoustical track systems, ceilings, and specialties.





Magnum provided the wallcovering and perforated acoustical ceiling systems with integrated lighting for an area that seats between 300 and 600 people in the 18-story Adobe North Tower on their San Jose campus.

EH: What were some of the biggest challenges you faced in those 30-plus years?

GR: In the beginning, cash flow was a major challenge. As a matter of fact, I think for the first 20 years in business, I thought cash-flow challenges were just a part of business, because whenever we had money, we would leave it in the company and grow with it. It's just the nature of the construction industry that it's slow to pay you, and you always have to pay vendors and employees before you get paid.

It seemed like it was never going to catch up. I'm just thankful that so many people stuck with us, because people were saying, 'Geez, we keep working our butts off, but we never get anything for it.' It was such a nice feeling when we finally got to the point where we weren't so dependent on incoming cash, and we were able to start giving back. That made all that work worth it.

EH: You've also seen a lot of economic ups and downs during those decades. What was it like navigating those?

GR: When we started in the early '90s, we were just coming out of a down cycle. People were telling me, 'That's the worst time to go into business.' But I think it's the best time. Others were really scrambling,

but being as lean and aggressive as we were, we were able to compete and ride the wave up. There was a time when we seemed like we couldn't fail. Whatever we did, we would win.

But then the economy turned in the late '90s, and we were having to take work for lower prices. That almost put us out of business. Thank goodness we had good relationships with GCs; that helped us survive. We managed through that, and then we certainly learned from it because we've never been in that situation again.

Of course, during the pandemic in 2007 and '08, we were affected — there's no doubt about it — but we were able to tread water. We froze the wages, and everybody understood. We did what we had to do to get through it and came out of it fairly quickly. Now, I don't think that's 100% attributable to Magnum, but we had the opportunities in the Bay Area. The Bay Area has always been a bit of a microclimate.



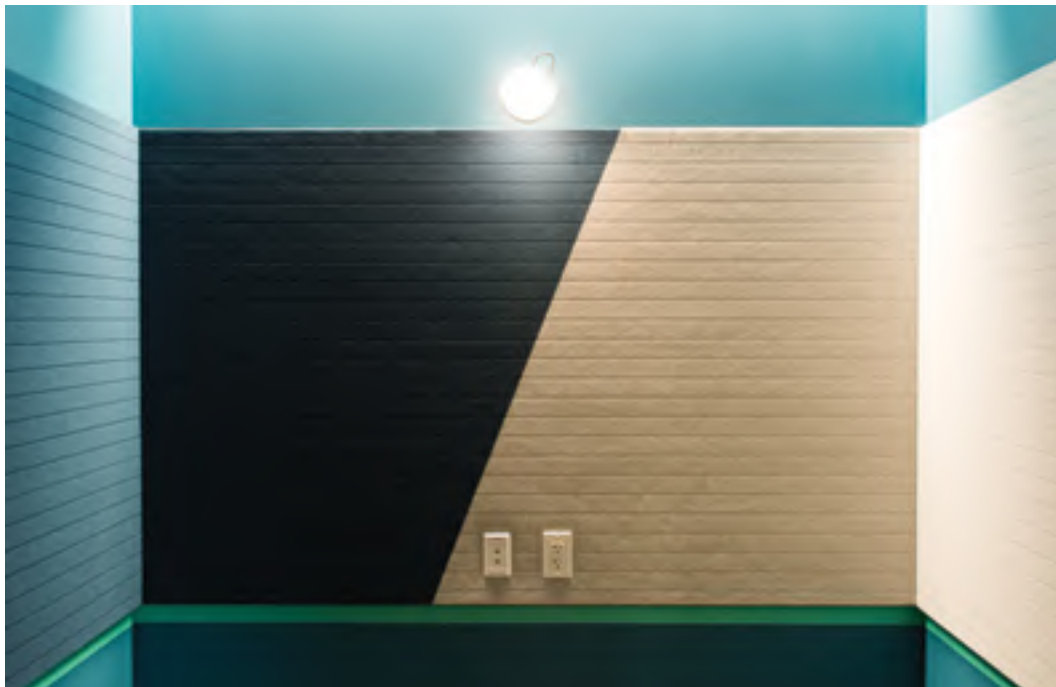
Jann Maxwell: And before the pandemic, we were really riding high. Our company had 700 employees in the field. We went down to 150

because California would only allow essential construction projects, so we could only



THE COST STRUCTURE FOR EACH DIVISION IS DIFFERENT. IN PAINTING, 85% OF OUR COSTS ARE LABOR AND ONLY 15% MATERIAL. SPECIALTIES IS THE REVERSE.

— Jann Maxwell



With 1.25 million square feet and a capacity for about 4,000 employees, the Adobe North Tower has more than 400 environments, including team neighborhoods, focus rooms and offices, collaboration zones, and drop-in desks. Vibrant colors help define the various spaces and floors.



In the upgraded suites and state-of-the-art press box accommodations at PayPal Park, Magnum provided the sandblasting, painting, antigrffiti coatings, and wallcoverings, as well as intricate finishes.

work on schools, hospitals, and government buildings. During that period, we lost employees, but we started back after the pandemic at about 300, and we're up to about 500 now. We still haven't gotten up to the 700, but we're actually exceeding our pre-pandemic work volume. I think it's because we're doing higher-end projects now.

EH: What kind of recruitment and retention strategies do you use to ensure you are building and keeping the best team?

GR: I have a lot of luck! A lot of people say that the bumblebee can't fly, but the bumblebee proves them wrong. And I think Magnum's been a bumblebee for a long

PHOTO: CRAIG COZART PHOTOS



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president So, it's about finding good people, finding their strengths, and letting them run with it.

Jann's another good example. Jann is very successful. He's a border collie. Just point him in the right direction, and amazing things happen.

Mark is certainly an example. Jann brought Mark in to take his place. So, always when one person is leaving their role, they are bringing somebody up. The fact that they still work together is a true testament to the culture and having the right people.

JM: You know, Mark actually came to us in an interesting way. When I first started in 2010, Mark was our Kelly-Moore paint rep.



Mark Lovato: I started off as an apprentice painter, became a journeyman, then a foreman, then an estimator, and then a project manager. I later

became a salesman for Kelly-Moore Paints, and I did that for quite a few years.

Magnum was not a paint company when I started. In fact, I helped Eddie Vargas provide an estimate for their very first paint job. I was also the only paint vendor to give them credit. After that, I worked with them for many years, and they bought nothing but Kelly-Moore paints. Even when I got promoted to district sales manager, I fielded calls from Eddie and would take care of their problems. I never really let them know that I was not handling their account; I would just make sure that they were taken care of constantly.

JM: That's Mark's character, those are his core values, and ours.

ML: When I sent in my resignation to Kelly-Moore, I sent Eddie a text giving him a heads-up. He said, 'I wanna see you in my office Monday morning at 10!' I think they offered me the job Wednesday, and I started Monday.

JM: Mark brings a much better knowledge of products than I have. And he is a much better manager of people than I am. My strengths are estimating and project management.



WE'LL LOOK YOU RIGHT IN THE FACE AND TELL YOU WE'LL MEET YOUR SCHEDULE. THAT'S ONE PIECE YOU WILL NOT HAVE TO WORRY ABOUT.

— Mark Lovato

time. I can't say there's a specific strategy. When we come across good people, we try to take care of them.

Eddie Vargas is somebody who's been with Magnum since he got out of high school. He has amazing street smarts and great intuitive skills with people, and he's worked his way up to become our



PayPal Park's suites, with stained wood entrances underneath the open steel structure (*above*), are positioned at field level with indoor and outdoor seating — placing fans only feet away from the playing field.

His management of people has been a fit because I think in two years, we've increased our painting staff by 40%, and Mark has just nailed it. Everyone loves him.

ML: I just do my best to navigate the business and their needs. I want people to know they are important, that things come up, and everybody's situation is unique. I know it's not a cookie-cutter deal. I try to be predictable and have boundaries, and to give them freedom and flexibility to navigate their life while still fulfilling their obligations in the workplace. That's very important, but it's also important not to be taken advantage of. So, if I do get a hint of that, I bring them in and have a conversation.

I treat everyone with respect. I don't come in and act as the know-it-all. I let them know that they are the pros then find their strengths and guide them towards them.

JM: We hire for core values, and we train for skills. Primary evaluations are on core

values. Of course, they need to have some of the skills for the position they are interviewing for, but if gaps are identified, we can train for those if the core values fit. So, when Mark came on, we had a staff that pretty much reflected the company's core values, and Mark has built on that when he hires.

EH: Now, let's talk about the work. What are some of your favorite projects over the years?

JM: We've done a lot of work out at the Facebook campuses. They have a lot of buildings, millions of square feet, and we were instrumental in their early years, painting a lot of the interior buildouts of their campus.

Adobe is another major player here. We just finished the Founders Tower last year, and that was a major project for us. Millions of dollars in contracts with multiple Magnum trades involved. We have drywall, ceilings, painting, wallcovering,

PHOTO: CRAIG COZART PHOTOS

specialties, and plaster; and three of those trades were involved in Adobe. We love multi-trade contracts.

Another major project for us has been NVIDIA's world headquarters. They have two buildings: one is 500,000 square feet, one is 750,000 square feet, and we finished both of those in multiple trades. Painting and wallcovering were among those.

Earthquake Stadium was also a big project for us. It seats about 30,000 and is all steel. That was a big steel sandblasting and painting job, and we had multiple contracts on that too.

ML: UCLA Medical Center is another one we're doing, as well as the Ontario Ballpark. And we're doing the Ontario Empire, which is a sports complex. So that's all in progress.

EH: Like you said, you love multi-trade contracts, and you offer five services, all very distinct from one another. What are some of the challenges and benefits of offering such a broad array of services?

JM: As we've grown, we've added divisions. We started out offering drywall. Ten years later, we added ceilings. Then, around 2007, we did our first paint job, and in 2015, the specialties division got added. Acoustical panels were added around 2014. The acoustical wall panels are handled by our Painting & Wallcovering Division, and acoustical ceiling panels are handled by our Ceilings Division. Finally, plaster was added around 2016.

The challenge is that we have five very different trades that have different needs. Specialties, for example, needs large warehouse space. It has a lot of toilet partitions, expansion joints, fire hose cabinets, fire extinguisher cabinets, and all of this hardware that goes into a building before it's occupied. It requires lots of warehouse space and a lot of financing, so you need to be financially strong, which Magnum is.

The cost structure for each division is also different. In painting, 85% of our costs are labor and only 15% material. Specialties is the reverse.

We've done a good job dealing with various needs, various divisions, and working together as one company. It's been

challenging, but our first core value is all one safe team, and that applies to the whole company.

A benefit has been that we've actually leveraged that for bidding. We leverage our best customers in one division and introduce them to other divisions so that we are helping each division grow. And that's been a really, really good thing.

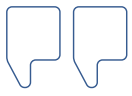
Another benefit is that Magnum has succeeded in cross-training different divisions. We can crew up easily. There aren't very many companies that have a wallcovering crew of over 8 or 10 people, which we do. We can crew up to 30 to 35 people on a job putting panels in, and get it done incredibly fast to meet schedules.

EH: There are some notably tight schedules required for the commercial market, especially in the tech sector. How do you navigate normal setbacks to meet timeline demands?

GR: We love it when customers come up with these ridiculous schedules and we figure out how to make it work. It's really a challenge. Even now, I still get excited.

Jann Maxwell and Mark Lovato collaborate on a project.





WE HIRE FOR CORE VALUES, AND WE TRAIN FOR SKILLS. PRIMARY EVALUATIONS ARE ON CORE VALUES.

— Jann Maxwell

JM: There have been instances where we've had a glitch. Let's say a material is stuck. This last winter, it actually happened. There was wallcovering that we were informed was stuck in Michigan on Thursday night, and we had to be done with that install by Monday morning.

Gary, who is a pilot, hopped in his plane, flew to Michigan, rented a truck, went to the warehouse, loaded it, went back, loaded it on his plane, and got it to our crews Friday night. They worked all weekend, and they got it done.

ML: Something we hang our hat on — Magnum as a company — is that we have the capability of meeting the schedule. We'll look you right in the face and tell you we'll meet your schedule. That's one piece you will not have to worry about. That's a good plus.

EH: What are some trends or changes in the commercial industry that you are keeping an eye on?

JM: One of our questions coming into this year was the effect that tariffs might have on our business. We haven't seen them too much, so that was a relief. Another challenge may be labor. As we go through the next couple of years, we'll see what impact that has on construction as a whole.

On the services side, I'm seeing a trend, I think, toward acoustics in buildings. There's a design style in buildings with exposed ceilings, hard concrete surfaces in offices, where you have reverberation of noise. There are only a few ways to mitigate that, and one of them is with acoustical wallcoverings. So that's where we've really focused the last few years, and we've grown that segment of our business.

We're partners and distributors with FabriTRAK. They're probably one of the leading companies for acoustical wall surfaces. They've been wonderful to work with, and we've done everything we can to pair the stellar product that they offer with our service.

Another trend I see is that, as remote work has taken hold, offices have become more focused, and so there are fewer nominally designed offices. The offices are well-designed. The architecture is intriguing, and

that plays right into Magnum's strengths. We love intricate and complicated designs.

EH: How have you leveraged your CPIA peer group and the association in general to help you navigate challenges?

JM: I've been a member of many organizations over the years, but for the larger commercial painting contractor, there was nothing out there until CPIA came along. It was just what I thought the industry needed.

The CPIA really flourishes with networking and how we help each other. Also the contacts I've made through CPIA have been incredible. I was just on the phone helping one of our peer-group members with advice. There are so many great companies in the CPIA — it really attracts the best.

Genuinely, I look at the CPIA's core values, and they're aligned with our core values.

EH: What's the future look like for Magnum?

JM: For the painting division, the goal is to at least double in size, and that's with drywall as well. When I first started in 2010, the painting division did \$2 million, and the overall company did \$22 million. This year, the painting division will probably hit \$35 million, and the company will probably hit \$160 million.

We also expanded into Southern California about three years ago, and it's taken off. There's a huge backlog down there of upcoming jobs and prominent jobs that we've worked on. We did the main train station at Disneyland, work at Dodger Stadium, and at UCLA.

Our growth was mainly with repeat customers, and as they grew, we grew. And we grew at a very good clip. Several years ago, we realized that we did not have a huge diversity of customers and wanted to expand our customer base.

Since then, a good number of new customers have become repeat customers. So that's really part of our growth too — not only adding divisions but expanding our customer base.

For information on the benefits of membership with the Commercial Painting Industry Association, visit thecpia.com.