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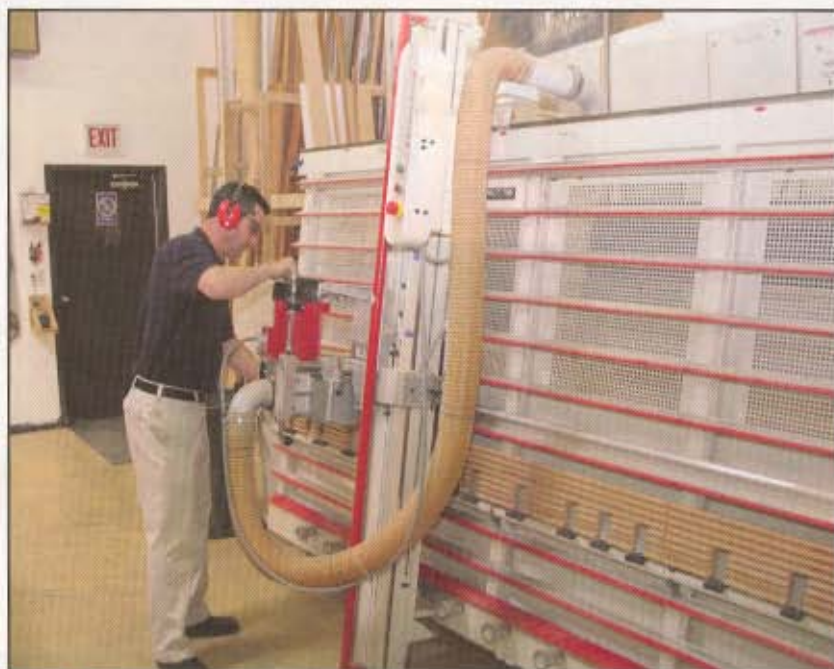
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CoverStory

Networking expands



Ready to cut — John Vargo sets up the Striebig vertical saw before cutting a panel.



Twice as efficient — Vargo says the Toola double line boring machine saves time and prevents mistakes that were common with the previous equipment.

Architectural millwork shop shows that square footage isn't an accurate gauge of capacity

Story and photos by George Lausch
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When prospective customers ask John Vargo, owner of Professional Millwork Inc. in Carol Stream, Ill., about his shop's size, he prefers to talk about his capabilities. "If I tell (them) 2,500 square feet, I get pigeonholed into a two-, three-man shop, and I know I have the capability of larger shops," Vargo says.

Shop Snapshot



Company: Professional Millwork Inc.

Location: Carol Stream, Ill.

Founded: 2001

Proprietor: John Vargo

Employees: four,

including owner

Annual sales: \$750,000

Shop size: 2,500 square feet

Product: commercial architectural millwork

Key equipment:

- ▶ Brandt edgebander
- ▶ Striebig vertical panel saw
- ▶ Toola double line boring machine

capacity

Shop Tour



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to take a complete shop tour

"I have the ability to expand to facilitate a large job without being a large shop."

Vargo's ability to tap into a network of smaller shops makes Professional Millwork an overachieving, four-man, 2,500-square-foot shop. "I know a lot of guys who have started their own business, who are working out of their garages, and I can use them to outsource and side-job the projects," he says. "I've been fortunate in keeping relationships, and networking has really paid off."

Another advantage of this approach is that Vargo can juggle several jobs without jeopardizing the four- to six-week deadlines the commercial market requires. "Deadlines are the most critical part of the job," he says, "and managing deadlines is my biggest challenge."

Network building

Vargo built his network during his career working at several large Chicago-area architectural millwork companies. He started as a draftsman, then moved on to project management, sales and supervisory positions. On his own time, he began taking on small jobs that helped him develop the shop skills he needed to strike out on his own.



With and without doors

— Professional Millwork manufactured these custom plastic laminate cabinets used by cable television technician installers.

True 32 system provides uniformity

Four years ago, owner John Vargo implemented the True 32 system for all machining done at Professional Millwork. "I noticed the difference immediately," he says. A former co-worker had introduced him to the system, and he thought he'd give it a try.

"Even though we're a custom shop and cabinet sizes are always different, I never have to change the location of a drawer slide or a setting on my hinge machine or a setting on any of my boring machines," Vargo says. The machining remains the same, regardless of the cabinet's size.

The uniformity is "huge" and helps streamline fabrication, he says.

"I always wanted to start my own business," he says. "When I was 19 and started drafting, I was looking at the guy I worked for and said, 'That's the guy I want to be.'"

He polled customers to see if they'd support his business. "I got a pretty good response from most of them, and most of them have stayed with me," Vargo says. "That took out a lot of the 'What If?' factor for me as far as who pays well, who doesn't."

In 2001, he started Professional Millwork Inc. in his garage. "I kept my overhead very small," he says. "I was very lean and mean in the beginning." He moved to two other buildings

continued ►

before settling into his current west suburban Chicago location, which is centrally located to work and suppliers, in May. He has three shop employees, with his wife Lisa handling the bookkeeping (see sidebar).



Consultation — *Lisa Vargo handles the shop's accounts payable and receivable, as well as the business and health insurance.*

General contractors

His direct customers are a dozen or so general contractors, who request bids on commercial projects ranging from hospitals and hotels to businesses and schools. About 60 percent of his projects are in Chicago proper; the rest are in the suburbs.

Vargo identifies the in-shop and outsourcing work when he reviews the specs prior to making a bid. He'll use any specified material and produce anything, from doors and moulding to cabinets and wall panels, but he also recognizes quantity limits. For example, if the job requires a lot of moulding, he knows he'll out-source it rather than try to make it. "I know who the big shops use for large moulding runs and who's out there that's top notch," he says.

"You do what you know you can do fast, the things you know you're profitable doing," Vargo says about

working in his shop. For example, he'll order laminated panels already laid up rather than trying to lay them up in the shop. "I can get my boards laid up cheaper than I can buy the material," he says.

Two years ago he hired a "very good" employee, and added two others since then. "As time goes on, our product is getting better, the punch lists are getting smaller and the jobs are getting larger." The employees also step up to meet deadlines. "I'm fortunate that my employees are available for overtime when necessary," he says.

Bid acceptance

Once he's awarded the bid, he and the contractor agree on a time frame and payment. Vargo then generates the shop drawings and, if needed, sample sheets for the veneer, laminate and finishes.

"I do have Cabinet Vision soft-

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Wife's background helps business

ware, which I will be implementing soon," Vargo says. "My original background was drafting, so I should be able to do that without any problem."

Once the customer approves the drawings, he orders materials, starts production and coordinates with the job superintendent to gain access to the site.

The cabinets are then fabricated. "One thing we really excel at is the fabrication of boxes," Vargo says. He outsources custom veneer lay-ups to one of three shops; he'll often tweak the panels before machining and assembly. When the job is complete, installation is scheduled.

Vargo handles installations whenever possible. "I would prefer to do my own installs because then I know it's in my guys' hands rather than someone else's," he says. "It's tough to get someone to care as much as the people who built it or have an

Lisa Vargo has worked with her husband since he started Professional Millwork seven years ago. She handles accounts payable and receivable, and the business and health insurance. "It's been a new dimension for our marriage," she says.

"Prior to the start of our company, I worked in commercial

interest in the company."

Key equipment includes a Striebig vertical panel saw, a Brandt edge-bander and a Toola double line boring machine.

The future

Vargo says his background sets him apart from other architectural millwork shops. "Most of the smaller shops I've seen have been started by guys from the shop," he says. "So I think I have a little bit of an advantage coming from an office background for the larger shop and knowing what the market bears."

property management, the industry that hires our customers, the general contractor," Lisa says. "My experience is helpful since I am familiar with the requirements that our customers have.

"When John talks about work, I understand the industry that he's in," Lisa adds. "I enjoy that."

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Colonial Saw Striebig panel saw.....	261
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His long-term plans include owning a building for his business. In the short term, he'd like to buy a dust collection system and a horizontal panel saw. □