

Francisco Díaz-Massó - President, BLDM, Puerto Rico



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Established 57 years ago, Bermudez, Longo, Díaz-Massó (BLDM) has played a key role in the rapid urbanization and industrialization of Puerto Rico, and today is the top specialty electrical and mechanical contractor in the Caribbean. Its president,

Francisco Díaz Massó, explains how BLDM has fostered continued growth by diversifying its business and building partnerships with customers, the ways in which its project with Romark has helped speed up product time-to-market, and post-Hurricane Maria recovery efforts.

Could you start by introducing the activities of BLDM?

The firm was established back in 1962 by two electrical engineers, Juan Bermúdez and Adriel Longo, as Bermúdez & Longo. It started as a small electrical contractor in housing development projects during a period of rapid urbanization. The company then diversified into transmission lines. As more and more companies established manufacturing operations on the island, the company naturally moved into performing electrical works for new plants. In the 1980s, during the pharmaceutical manufacturing boom in Puerto Rico, the company opened its mechanical division, doing utilities for the pharma industry. Moreover, the infrastructure to satisfy the needs of the pharma industry had to be built, so we started our hydro sanitary division to build and service water and wastewater treatment plants. In the early 2000s, we diversified into telecommunications which has grown to be our largest unit, surpassing the electrical and mechanical divisions. We are now entering the 5G space.

Puerto Rico is an island with a relatively small economy, but we have managed to grow consistently by diversifying our operations and maintaining good relationships with clients, developers and our employees. Today, we are one of America's leading specialty construction companies. This year, we were ranked the 161st specialty contractor firm in the US by Engineering News-Record, up from 302nd a year earlier. Taking into account subcontractors, our workforce exceeds 2,500 people, a large business for a small island.

Four years ago, we started expanding in South Florida in our water infrastructure business. We have been careful to do things right, taking calculated risks, building a deep market understanding and the right team. We will keep investing in this expansion plan.

What makes you a partner of choice for the pharmaceutical industry?

We have been working hand-in-hand with the pharmaceutical industry for the past 40 years. As a result, we have accumulated the expertise necessary to meet the stringent requirements of the regulatory industry. Personally, I grew up with this industry. I started working for Bermúdez & Longo back in 1990 as a project mechanical engineer and everything I did was pharma. I worked on projects for BMS, Merck, GSK, and many others. We focus on quality, safety and speed as time-to-market is critical.

One of our latest projects was with Romark. The Florida-based pharma company acquired a warehousing space and transformed it into a manufacturing facility, which required the installation of brand-new mechanical and electrical systems. We provided our integrated electrical and mechanical services, handling the electrical power, HVAC, plumbing work, and so on. For this project, we partnered with CMA, an architecture and engineering firm, CIC Construction, a large construction company, and Pharma-Bio Serv, a validation firm, to provide a turnkey solution. As the project moved along, the required documentation was provided to the FDA. By involving the validation process since day one, we were able to reduce time-to-market by about a year.

Despite an unfavourable economic landscape, BLDM has been able to ride the storm successfully and managed to continue growing. What is the secret behind the company's resilience?

I would say diversification, along with building strong relationships with our clients. As Puerto Rico is a small island, reputation is everything. We want to grow with our clients, and for them to come

back to us because we always deliver on our promises. Life is all about relationships, and relationships are built on trust. You establish trust with transparency, knowledge, experience, quality and safety.

One of our biggest goals is to ensure complete customer satisfaction. Our clients have retained the firm's services on subsequent projects due to the quality of work as well as the cost-saving measures we offer. Moreover, our strong relationships with local developers boosts our standing as a reliable firm that provides quality work.

One of the main challenges for manufacturers in Puerto Rico is the high cost and unreliability of electricity supply. How do you help them reduce their energy bill and increase their energy independence?

We are seeing the business community in all sectors taking control of their power utilities, and we are involved in these projects. Pharma companies, in particular, are building their own combined heat and power (CHP) plants or solar farms. The more control they have on their utilities, the more control they have on the manufacturing process and their products.

On the public side, the Puerto Rico Electric Power Authority (PREPA) has a robust plan to rebuild the power grid into a more resilient system and shift to renewable energy, with the vision to build large solar farms. Puerto Rico enjoys sunlight 12 months a year, seven days week, and it makes sense for the island to power itself through solar energy.

How do you drive sustainability in your own operations and the operations of your clients?

Environmental stewardship is an integral part of our philosophy. We have invested more than USD one million in a leading-edge renewable energy system here at our headquarters. With the capacity to generate 113 kilowatts, it consists of photovoltaic panels controlled by a special computer array that maximizes output. It was designed by our own engineers and constructed within 90 days.

Outside our walls, we are partnering on the development of solar- and wind-powered projects, and our Green Energy Division is actively involved in the planning and development of biofuel processing facilities, where plants and other natural materials are converted into fuel. We are also participating in the gasification of refuse, in other words turning trash into gas for energy.

Moreover, many of our pick-up trucks run on propane gas instead of regular gasoline. We have our own storage tanks where we filter the propane for the company's use. We also have a recycling program involving reclaiming unused materials.

In Puerto Rico, our environment is one of our most precious assets, and we need to take care of it.

How have you contributed to the recovery efforts after Hurricane Maria?

We have contributed immensely, in every part of the business: electrical power lines, mechanical, telecommunications. We performed a lot of work for pharma manufacturers, the PREPA, the *Puerto Rico Aqueducts and Sewers Authority* (PRASA), as well as all the telecom carriers. At one point in time, our workforce exceeded 3,000 associates. We were able to go and help the community, Puerto Rico and our clients because our main office, our warehouses and equipment shop suffered very little damage. We also had electricity, water and fuel. As a result, we were up and running the next day, and were able to move our troops around to reconstruct.

Everybody thought that energy and water were the priorities, but we learned that it was actually telecommunication. Without communication, you cannot coordinate the other recoveries. Maria taught us that to build resilience, we need to start with communications. A lot of money has and is still being invested in laying fibre-optic cable underground, so our telecommunications system is now more resilient to hurricanes. However, building the underground power infrastructure has not really started yet as we are still waiting for federal funds.

Many young professionals are leaving the island, making it harder for every industry in Puerto Rico to find talent. How do you attract, retain and empower talent at BLDM?

Talent development is often neglected in Puerto Rico, but not at BLDM. We have an attractive talent development program in place. In addition to providing good benefits, we invest in training and provide opportunities to our employees. We have been in business for 57 years, and we have 40 employees who have been with the company for over 30 years. Last year, we had an employee retire after 50 years with the company. We want to provide people with a place where they can grow and give them all the necessary tools to do so.

It is true that a lot of young professionals are leaving because of economic instability. They are well-educated and are value-added anywhere in the world. As a result, the population of the island

has been decreasing for several years and is ageing rapidly. That is the biggest challenge Puerto Rico is facing. A decreasing population means less tax revenue and less federal funding. We have to stabilize the economy now. I think the pharma industry needs to be revitalized. The example of Romark shows the attractiveness of Puerto Rico as a pharma manufacturing location, as companies have access to talent and a dense network of suppliers and service providers. We need to let others know.

Do you have a final message?

Our talent is our most important asset. Puerto Rico has more than 40 years' experience in pharma manufacturing, and, as a result, the people have accumulated a depth of knowledge and expertise unlike anywhere else. We also provide attractive tax incentives, but that is not enough. Other places provide tax incentives too. Without the right talent, you will not be able to put quality products on the market in a timely and efficient manner.

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