

LBBM JOURNAL[®]

STRATEGIES FOR LUMBER/BUILDING MATERIAL DISTRIBUTION PROS

LBMJOURNAL.COM

MARCH 2018 \$10 U.S.

HOT PRODUCTS

EDITORS' CHOICE

2018 INTERNATIONAL BUILDERS' SHOW



**IN DEPTH:
LUMBER AND STRUCTURAL
PANELS**

Specialty products help dealers and builders solve jobsite, code, and labor challenges

REAL ISSUES. REAL ANSWERS.

Cell phone policies

TESTED EXTREME:

Built to Ride Out the Weather.



Grin-N-Holler, Squamish, BC



58 jumps, 20 foot gaps



2 days of rain and mud

We put our sub-floor through one gnarly test. Our LP Legacy® sub-flooring is beyond tough—it's Gorilla Tough.™ What makes it so unique is our exclusive alliance with Gorilla Glue. We've packed more resin, wax and wood strands into every panel for maximum strength, stiffness and exceptional moisture resistance. With one of the strongest rated sub-floors on the market, we're so confident in LP Legacy, we've created an industry-changing "Covered Until It's Covered" no-sand warranty that covers you until your floor is covered. It provides no-sand coverage for as long as you need it.* Because when Mother Nature gives you her worst, we give you our best. It's our Legacy. To watch the dramatic Tested Extreme: Rainforest video go to www.testedextreme.com.



Made With Gorilla Glue Technology





HOT PRODUCTS

EDITORS' CHOICE

2018 INTERNATIONAL BUILDERS' SHOW

There's no better place to see the latest, greatest building products than at the annual International Builders' Show. This year's show, held January 9-11 in Orlando, featured more than 580,000 sq. ft. of exhibits, and more than 1,500 exhibitors. With manufacturers determined to deliver what you and your customers want, two overriding themes were products that can be installed faster and with less labor, and continuing advancements in technology.

58

WASTE NOT WITH LEAN PRINCIPLES

Incorporating Lean principles into your yard and manufacturing operation can improve efficiencies and boost your bottom line.
BY KATY TOMASULO

44

- 4 EDITOR'S NOTE**
Lean and agile wins the race
BY RICK SCHUMACHER
- 17 SALES & MARGINS**
What does "professional" mean in your organization?
BY BILL LEE
- 18 SELLING THE DECK PROJECT**
Train your customers for deck season
BY BOB HEIDENREICH
- 20 RECRUITING & HIRING**
Having trouble finding great job applicants? It might be you
BY RIKKA BRANDON
- 22 NEXT GENERATION**
How to effectively use Facebook Messenger in your business
BY ISAAC OSWALT

- 24 MERGERS & ACQUISITIONS**
Can your company be repriced after the letter of intent?
BY JOHN WAGNER
- 26 SELLING TO REMODELERS**
Q & A with David Howard, Modern Restoration & Remodeling
- 30 INDUSTRY SPOTLIGHT**
Key demographic trends and their effect on the wood products industry: PART I
BY LYNN O. MICHAELIS
- 76 NLBMDA**
Federal tax code changes raise questions for businesses
BY BEN GANN

THE BUZZ 6

The latest updates on housing production and people on the move. Plus, industry news briefs, updates from lumberyards across the country, event calendar, responses from our January Tough Call survey and more.

REAL ISSUES. REAL ANSWERS. 34

CELL PHONE POLICIES: It's a given that most everyone at your company has a cell phone of some kind. A growing number of companies are rethinking their policies regarding cell phone use—including who owns the phone that employees use to do their jobs.

BY RICK SCHUMACHER



IN DEPTH: LUMBER AND STRUCTURAL PANELS 48

Specialty products help dealers and builders solve jobsite, code, and labor challenges
BY KATY TOMASULO



TOUGH CALL 80

The velocity of change

You know technology will move your company forward. But is it too much, too soon?

DRIVEN TO BE THE BEST.

EXPERIENCE OUR DRIVE FIRSTHAND AT THE 2018 DO IT BEST SPRING MARKETSM

At Do it Best Corp., we are Driven to Be the Best in every aspect of our business. That drive is delivering game-changing opportunities that help our member-owners compete and win every day.

The 2018 Do it Best Spring Market is your chance to discover firsthand how our longstanding mill and vendor relationships, extensive reload network and pro/tradesman planograms can help you generate long-term profitability. You'll meet the experts—Do it Best Corp. leaders who are ready to share strategies to ensure your success in months ahead. And don't forget the thousands of jaw-dropping purchasing opportunities available only at this event.

Come see for yourself how Driven to Be the Best will drive your success too.

"The market gives us the ability to showcase the very best of Do it Best. It's the ultimate experience for prospects and members to leverage the purchasing power, resources and expertise of our co-op.—all in an easy-access location in a great city with world class amenities."

—Vince Slack,
Meeting and Market Planning Manager

2018 DO IT BEST SPRING MARKETSM
Indiana Convention Center, Indianapolis
May 18-21

**For registration information,
contact 888-DO IT BEST or
memberservices@doitbest.com.**

Do it Best Corp.
independentsdoitbest.com



Editor & Publisher Rick Schumacher
Rick@LBMJournal.com

Creative Services Director Richard Hart
Design@LBMJournal.com

Senior Editor James Anderson
James@LBMJournal.com

Contributors Rikka Brandon, Bob Heidenreich,
Bill Lee, Isaac Oswalt, Katy Tomasulo,
John Wagner

Web Developer Eric Aaland
Eric@LBMJournal.com

Circulation Director Vicki Blomquist
Vicki@LBMJournal.com

Controller Nancy Frazer
Nancy@LBMJournal.com

Operations Michelle Fischer
Operations@LBMJournal.com

Production Director Cathy Branch

ADVERTISING SALES

NORTHEAST & SOUTHEAST

Jodie Cook Redwood
Jodie@LBMJournal.com
Ph: 800.324.3492 Fax: 952.892.7816

AL, AR, CT, DC, DE, FL, GA, KY, LA, ME, MA, MD,
MS, NC, NH, NJ, NY, PA, RI, SC, TN, VA, VT, WV,
and Eastern Canada

CENTRAL & WEST

Michele Randazzo
Michele@LBMJournal.com
Ph: 904.310.9540 Fax: 952.892.7816

AK, AZ, CA, CO, HI, IA, ID, IL, IN, KS, MI, MN, MO,
MT, NE, NV, NM, ND, OH, OK, OR, SD, TX, UT,
WA, WI, WY and Western Canada

SUBSCRIPTION CHANGES

For subscriptions or address changes call
847.763.9580, e-mail LBMJournal@omeda.com
or visit www.LBMJournal.com/subscribe

BACK ISSUES & EXTRA COPIES

operations@LBMJournal.com

Vol. 16 No. 3 LBM Journal® (ISSN #1930-5516)

Published monthly with the exception of combined
November/December by Custom Built Publishing LLC,
10880 175th Court West, Ste. 240, Lakeville, MN 55044
952.892.7793.

Copyright 2018 by Custom Built Publishing LLC. Opinions
expressed are those of the authors or persons quoted.
Reproduction in whole or in part is prohibited without
written authorization. LBM Journal is sent free-of-charge
to qualified dealers and distributors of building materials.
Publisher reserves the right to determine qualification.
Non-qualified annual subscription rates: US, \$48;
Canada, \$60 (U.S.); Airmail to all other countries, \$120
(U.S.). Single copy price: \$15 + S&H. Periodicals postage
paid at Lakeville, MN and additional mailing offices.

U.S. POSTMASTER:

Send address changes to:

LBM Journal
10880 175th Court West, Ste. 240 Lakeville, MN 55044
Publications Mail Agreement No. 40742016 Return
Undeliverable Canadian Addresses to:
Express Messenger Int'l, P.O. Box 25058,
London BRC, Ontario, Canada N6C 6A8



Leading
Suppliers Council



Lean and agile wins the race

As I write this, the 2018 Winter Olympics are in the record books. Watching the highlights, I was struck with how often the difference between Silver and Gold came down to mere hundredths of a second. For example, when American's Kikkan Randall and Jessie Diggins won our nation's first-ever gold in cross-country skiing's team sprint, they did it by edging out Sweden by just .19 seconds. Think about that. The winner in a race that lasted over 15 minutes came down to a fraction of a second. That's just one of many examples from this year's Winter Olympics, and only one parallel between the world of sport and our business.

How does your company measure success? While there are many different metrics, one universal measure is net margin. Acknowledging the razor-thin margins that define the LBM business, even a modest increase or decrease in margins can have a dramatic impact. Let's say your company's revenues were \$20 million in 2017, with a net margin of 8%. That would mean your company put \$1.6 million on the bottom line. Bumping margins up 2% would boost your bottom line by \$400,000. That's a 20% boost! Granted, building margins isn't easy. But the growing number of companies who are making that their mission know that it's not impossible. Like being a world-class athlete, it takes tremendous discipline...and it takes a plan.

If you're drawn to the idea of having more money at the end of the year (to invest in bonuses, capital improvements, company expansion, etc.) from the exact same top-line sales, it's time to take a hard look at lean. We talked to three of our industry's top lean proponents—Scott Morrison, Ben Hershey and Jeff Tweten—for “Waste Not with Lean Principles” feature on page 44 of this issue. Lean was also the topic of an *LBM Journal* webinar held on February 22, and sponsored by Epicor. If you missed it, you can still watch the recording at LBMJournal.com/webinars.

Another key to being a winner, in the Olympics or at your place of business, is having the right tools and materials. Which brings me to the cover story of this issue, “Hot Products from IBS.” The products featured, beginning on page 58, represent the latest, greatest offerings that we discovered from the half-million square feet of exhibit space at the 2018 International Builders' Show. If you weren't able to make it to Orlando for this year's event, our recap will give you an overview of products we believe could help you help your customers in 2018.

Finally, my single favorite moment from the Olympics, was when Czech snowboarder Ester Ledecká shocked herself and the world when she won gold in the women's super-G in alpine skiing. She was expected to medal in snowboarding (which she did, taking home the gold in the parallel giant slalom), but ranked a lowly 68th in alpine skiing. Ms. Ledecká is a golden example of someone who paid no attention to what people said she couldn't accomplish. Instead, she went out and made it happen.

If that sounds familiar, that's because it's what companies and people in our industry do every day. Our stories may not be televised, but they're no less real. Here's to working together to do amazing things in 2018 and beyond. ■

Rick@LBMJournal.com





IN PREMIUM DECKING

ASK FOR THE BEST DECKS.
Ask for AZEK® or TimberTech®

ENGINEERED TO LAST BEAUTIFULLY



AZEK.com | TimberTech.com

Walpole Outdoors and AZEK®
Your outdoor opportunity.



Walpole draws on over 80 years of handcrafted excellence to offer your customers easy-to-assemble shower enclosure kits, mail and lantern posts, and other outdoor home accessories in AZEK.

To learn more, and for details on our New Dealer Program, call, 800-343-6948.

80+ years
Walpole Outdoors™
walpoleoutdoors.com

THE BUZZ

The latest industry updates, news and events.

BUILDER CONFIDENCE STAYS STRONG IN FEBRUARY

Builder confidence in the market for newly-built single-family homes remained unchanged at a healthy 72 level in February on the National Association of Home Builders/Wells Fargo Housing Market Index (HMI).

“Builders are excited about the pro-business political climate that will strengthen the housing market and support overall economic growth,” said NAHB Chairman Randy Noel, a custom home builder from LaPlace, La. “However, they need to manage supply-side construction hurdles, such as shortages of labor and lots and building material price increases.”

“The HMI gauge of future sales expectations has reached a post-recession high, an indicator that consumer demand for housing should grow in the months ahead,” said NAHB Chief Economist Robert Dietz. “With ongoing job creation, increasing owner-occupied household formation, and a tight supply of existing home inventory, the single-family housing sector should continue to strengthen at a gradual but consistent pace.”

Derived from a monthly survey that NAHB has been conducting for 30 years, the NAHB/Wells Fargo Housing Market Index gauges builder perceptions of current single-family home sales and sales expectations for the next six months as “good,” “fair” or “poor.” The survey also asks builders to rate traffic of prospective buyers as “high to very high,” “average” or “low to very low.” Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

The HMI component charting sales expectations in the next six months rose two points to 80, the index measuring buyer traffic held steady at 54, and the component gauging current sales conditions dropped one point to 78.

Looking at the three-month moving averages for regional HMI scores, the Midwest rose two points to 72, the South increased one point to 74, the West remained unchanged at 81, and Northeast fell two points to 56.

HOUSING PRODUCTION MAKES HEALTHY GAINS TO START NEW YEAR

A surge in multifamily production pushed overall housing starts up 9.7% in January to a seasonally adjusted annual rate of 1.33 million units after an upwardly revised December reading, according to newly released data from the U.S. Department of Housing and Urban Development and the Commerce Department. Multifamily starts rose 23.7% to a seasonally adjusted annual rate of 449,000 units. Meanwhile, single-family production posted a healthy 3.7% gain to 877,000 units.

Regionally in January, combined single- and multifamily housing production increased 45.5% in the Northeast, 10.7% in the West, and 9.3% in the South. Starts fell 10.2% in the Midwest.

Overall permit issuance rose 7.4% to a seasonally adjusted annual rate of 1.4 million units, which is a post-recession high. Multifamily permits registered a 26.5% gain to 530,000 while single-family permits edged down 1.7% to 866,000.

Permit issuance rose 92.5% in the South and 17.1% in the West. Permits declined 2.6% in the Midwest and 21.7% in the Northeast.

“DEMAND FOR OWNER-OCCUPIED HOUSING IS RISING DUE TO FAVORABLE DEMOGRAPHIC TAILWINDS AND A HEALTHY LABOR MARKET. INCREASES IN AFTER-TAX INCOMES SHOULD HELP PROSPECTIVE BUYERS SAVE FOR A DOWNPAYMENT ON A HOME. AS CONSUMERS CONTINUE TO ENTER THE SINGLE-FAMILY MARKET, WE SHOULD SEE BUILDERS INCREASE PRODUCTION TO MEET THIS DEMAND.”

— ROBERT DIETZ, CHIEF ECONOMIST, NAHB



**YOU BUILT IT.
WE'LL BOOST IT.**

We're not just another wholesaler selling you stuff. We use the strength of our national brand to help you reach and engage customers, increase foot traffic and build basket size—coaching you toward success.

When you're ready to reshape your business, we make it as quick and simple as possible: You keep your store name and choose the product assortments you want. And you're up and running in 45 days.

You've built a great business.
Now take it up a notch.

**READY FOR A TRANSFORMATION?
GIVE US A CALL AT 1-888-291-7229**

TRUEVALUECOMPANY.COM

©2018 True Value Company. All rights reserved. TVRD-13957



True Value

HOUSING MARKET MAKES MODEST GAINS EVEN AS PERMITS SLIP

Overall housing and economic activity in metro markets across the nation remained on a gradual, upward trend in the fourth quarter of 2017 even as permit activity remained a stubbornly lagging indicator, according to the most recent National Association of Home Builders/First American Leading Markets Index (LMI).

Markets in 195 of the 337 metro areas nationwide returned to or exceeded their last normal levels of economic and housing activity in the fourth quarter of 2017. This represents a year-over-year net gain of 25 markets. Meanwhile, 82% of markets have shown an improvement year over year.

Two of the three individual components of the LMI registered healthy readings. Employment is at 98% of normal activity and home price levels are well above normal at 158%. However, single-family permits are running at only 56% of normal activity.

Among smaller metros, Odessa, Texas, has an LMI score of 2.15, meaning that it is now at more than double its market strength prior to the recession. Also at the top of that list are Midland, Texas; Walla Walla, Wash.; Florence, Ala.; and Gadsden, Ala.

The LMI examines metro areas to identify those that are now approaching and exceeding their previous normal levels of economic and housing activity. Approximately 340 metro areas are scored by taking their average permit, price and employment levels for the past 12 months and dividing each by their annual average over the last period of normal growth.

IN AN ENCOURAGING SIGN, EMPLOYMENT LEVELS ARE AT OR ABOVE NORMAL ACTIVITY IN 128 MARKETS—A 8.5% RISE OVER LAST QUARTER. PERMIT LEVELS, ON THE OTHER HAND, ARE AT OR ABOVE NORMALCY IN ONLY 62 MARKETS AND DROPPED 7.5% FROM THE THIRD QUARTER OF 2017.

HOUSING AFFORDABILITY REMAINS FLAT IN 2017

Data for all four quarters of 2017 show housing affordability remaining essentially flat throughout the year, according to the NAHB/Wells Fargo Housing Opportunity Index (HOI).

In all, 59.6% of new and existing homes sold between the beginning of October and end of December were affordable to families earning the U.S. median income of \$68,000. This is just slightly up from the 58.3% of homes sold that were affordable to median-income earners in the third quarter, and effectively the same rate as in the fourth quarter of 2016, when the HOI stood at 59.9%.

The national median home price fell to \$255,000 in the fourth quarter of 2017 from \$260,000 in the previous quarter. Price changes in this series can sometimes diverge from other national measures due to the limited geographic scope of the underlying data. Meanwhile, average mortgage rates inched down four basis points in the fourth quarter to 4.06% from 4.1% in the third quarter.

Youngstown-Warren-Boardman, Ohio-Pa., and Syracuse, N.Y., tied as the nation's most affordable major housing market. In both metros, 88.3% of all new and existing homes sold in the fourth quarter were affordable to families earning the area's median income of \$54,600 and \$68,000, respectively. Meanwhile, Cumberland, Md.-W.Va., was rated the nation's most affordable smaller market, with 96.9% of homes sold in the fourth quarter being affordable to families earning the median income of \$53,900.

Rounding out the top five affordable major housing markets are as follows: Indianapolis-Carmel-Anderson, Ind.; Scranton-Wilkes Barre-Hazleton, Pa.; and Columbia, S.C.

UPDATES

PEOPLE

The AZEK Company has named **Jon Skelly** as the company's Senior Vice President of Business Development.

Edie Kello has joined **Viance** as Director of Marketing, reporting directly to **John Hussa**, President.

DISTRIBUTION

Weyerhaeuser Distribution's Easton, Penn. facility will now offer **Allura** fiber cement siding.

BlueLinx's Minneapolis facility will distribute **Versatex Building Products**.

INDUSTRY

Capital Lumber Company is celebrating 70 years in business this year.

Do it Best Corp. is hosting two Open Buying Days in 2018 to continue enhancing the selection of potential products it offers to its member-owners from domestic and international vendors.

Ply Gem Holdings, Inc., and Clayton, Dubilier & Rice (CD&R) have announced a definitive agreement under which CD&R funds will acquire all of the outstanding shares of Ply Gem common stock in a go-private transaction valued at approximately \$2.4 billion. CD&R has also entered into a definitive agreement to acquire **Atrium Windows & Doors** and combine the company with Ply Gem.

Weekes Forest Products has acquired **Snively Distribution**.

Versatex Building Products, LLC, has announced the latest winners of the national Versatexcellence Awards. Among the winners are:

Dealer of the Year:

TW Perry, Gaithersburg, Md.

Distributor of the Year:

BlueLinx Corp., Charleston, S.C.

Regional Award Winners include:

Hinckley Home Center, Norwich, Mass.

Siding Depot/Passaic Metals Group, Asbury Park, N.J.

Espy Lumber, Hilton Head, S.C.

Manning Lumber Co., Jacksonville, Fla.

Wilson Lumber, Wilmington, Penn.

Spring Arbor Lumber, Spring Arbor, Mich.



Think of TYPAR HouseWrap as an extra layer of protection to secure the building envelope. With TYPAR HouseWrap on the outside, homes feel more comfortable on the inside. TYPAR HouseWrap eliminates drafts in the wall, which helps reduce energy costs. And the TYPAR material itself will not support the growth of mold or disintegrate over time, for added confidence and reduced worries. TYPAR HouseWrap offers superior protection that you can count on. Our hands on demonstrations will show you why TYPAR is the best housewrap on the market. Call us for pricing and demos today!

Manufacturers Reserve Supply, proudly distributes
TYPAR HouseWrap and other great products
Call today: 973.373.1881 • sales@mrs lumber.com • mrs lumber.com



NAHB: SOFTWOOD LUMBER PRICES CLIMB TO RECORD HIGHS

Results of tariffs imposed by the U.S. Commerce Department and lack of negotiations among the U.S., Canada and Mexico have pushed the prices of softwood lumber imports up 30% since Hurricane Harvey hit last summer, the National Association of Home Builders says on its NAHB Now blog.

“This was the highest week-end futures price we have on record, dating back to January 1995,” said David Logan, director of NAHB’s tax and trade policy analysis. “There was a short reprieve for price increases following the hurricane, but prices have risen sharply this month.”

Unlike lumber, OSB prices had been steadily declining in recent months, NAHB says. However, those declines came to an end last week when prices jumped 6%.

TOUGH CALL ANSWERS

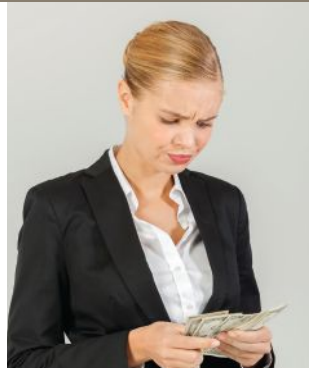
ANSWERS TO OUR JANUARY TOUGH CALL:

HOW MUCH IS TOO MUCH?

New owners want to cut your top rep’s pay, which would likely send her to the competition.

Your votes online at LBMJournal.com

- 22.73% BE HONEST.** Tell Patty that the new owners have instructed you to cap her pay at a lower level, and vow to do all you can to change it back.
- 39.77% PUSH BACK.** Ask the new owners if it’s worth losing your top rep and key accounts, over an arbitrary pay range.
- 13.64% MAKE IT WORK.** Figure out a way to cut other costs, so that you could secretly supplement Patty’s official pay—thus keeping her and the company whole.
- 23.86% MEET HALFWAY.** Ask Patty if she’d be willing to stay if you could get the company to meet her halfway. Then plead your case with the new owners and push for a yes.



Reader’s Response

“You have a highly motivated and progressive sales person. You give her goals and she consistently meets or exceeds them. The new company needs to realize if she goes, so will all of her contacts and the business she brings. This is still a people business. You either need to pay her or lose some big revenue which is hard to redevelop. She will work twice as hard in her new employment to prove a point. So either pay her her worth, put her in charge of your outside sales team to develop more top salespeople like her, or find her a top management position where she can reach greater heights for the company.”

– Phil Rico, BLDRS Supply & Home Center

“Promote Patty to sales manager and let her keep the customers she has. She now has more responsibility’s than sales so she can have a higher compensation rate.”

– LBM dealer in Alabama

Thanks to everyone who voted on the January Tough Call. See page 80 for this month’s Tough Call.

UPDATES

INDUSTRY

Parksite, Inc. has acquired **Atlantic Plywood Corporation**, a distributor of industrial wood products and accessories in the Northeastern United States.

More than 40 dealers from 22 states took part in the **LMC Executive Education Program** held in Philadelphia, at the **Wharton School of Business** at the University of Pennsylvania.

True Value members at the company’s Spring Reunion in Washington D.C. in February were encouraged to focus on local digital marketing. Cable TV advertising was going away, and will be replaced by local digital ad buys.

From the onset of President and CEO John Hartmann’s welcome message to the gathered General Session attendees, the focus of the address to members was that increasing numbers of new and existing customers are doing their research online before entering a local store. Hartmann said True Value is committed to helping member dealers bring those customers into their local stores.

More than 1,200 online products will soon be available in-store only, Hartmann said. The object is to direct customers to their local store to pick up the product rather than order it from TrueValue.com

According to Dave Elliot, Senior Vice President, Marketing, some 80% of customers will now visit a website before they visit a store. To take advantage of this shift in consumer behavior, True Value is re-launching its website in April, and the focus of the site will be to show local prices.

Using data from True Value’s Rewards program, the focus on local, digital marketing will include search engine and social media marketing. Teresa Jordan, Director of Digital Marketing & Social Media said that preliminary tests show that \$1 spent on local digital marketing, leads to \$16 in in-store sales.

The focus on digital marketing isn’t just for existing True Value stores, said Heath Ashenfelter, Vice President, Merchandising. True Value has a goal of opening 300 new stores in 2018.

Send updates about your organization to James@LBMJournal.com

©iStock.com/kadrajiserrep

Outdoor Accents®

Easy on the eyes. Easy to install.



Hangers



Gable Plates



Ties



Fasteners



Post Bases



Angles



Straps

Introducing the complete line of Outdoor Accents® decorative hardware. Your customers can easily add beauty and strength to their outdoor projects. The new Simpson Strong-Tie® Outdoor Accents line of structural connectors features an innovative screw and washer that together combine the ease of installing a screw with the look of a bolt. And, with a black powder-coat finish, this hardware offers style that's designed to last.

To see our full line of decorative hardware, visit us at go.strongtie.com/outdooraccents or call (800) 999-5099.



55+ HOUSING MARKET ENDS FOURTH QUARTER ON RECORD HIGH

Builder confidence in the single-family 55+ housing market remained strong in the fourth quarter of 2017 with a reading of 71, up 12 points from the previous quarter, according to the NAHB's 55+ Housing Market Index (HMI) released Feb. 1. This is the highest reading since the inception of the index in 2008.

There are separate 55+ HMIs for two segments of the 55+ housing market: single-family homes and multifamily condominiums. Each 55+ HMI measures builder sentiment based on a survey that asks if current sales, prospective buyer traffic and anticipated six-month sales for that market are good, fair or poor (high, average or low for traffic).

All three index components of the 55+ single-family HMI posted increases from the previous quarter: Present sales posted a record high, increasing 14 points to 79, while expected sales for the next six months jumped 10 points to 73 and traffic of prospective buyers rose seven points to 51.

The 55+ multifamily condo HMI posted a gain of three points to 54. The index component for present sales increased four points to 59, expected sales for the next six months rose five points to 60 and traffic of prospective buyers remained even at 40.

Two of the four components of the 55+ multifamily rental market went up from the third quarter: present production increased three points to 62 and expected future production rose four points to 61, while present demand for existing units fell four points to 71 and future expected demand dropped nine points to 67.

"The strong performance of the 55+ HMI at the end of 2017 is consistent with recent increases in broader measures of the housing market, including the NAHB/Wells Fargo HMI," said NAHB Chief Economist Robert Dietz. "We expect continued growth in the market for new 55+ housing in 2018 due to favorable demographics, rising home owner wealth and the current tight supply of existing homes on the market."

Pace of construction activity to accelerate through 2019

The most recent semi-annual Consensus Construction Forecast from the American Institute of Architects shows construction spending for nonresidential buildings is projected to increase 4% this year and continue that pace of growth through 2019. Labor shortages and rising materials cost will continue to limit growth.

ULINE
SHIPPING SUPPLY SPECIALISTS

OUR BOXES MEASURE UP
OVER 1,550 BOX SIZES ALWAYS IN STOCK

ORDER BY 6 PM FOR SAME DAY SHIPPING

1-800-295-5510

2018 EVENTS

- MAR 19-21** NLBMDA Spring Meeting & Legislative Conference
www.dealer.org
- MAR 21-23** LMC Annual Meeting, Tampa, FL • www.LMC.net
- APR 3-6** Lumbermen's Association of Texas & Louisiana (LAT)
132nd LAT Convention & Buying Show, San Antonio, TX
www.LAT.org
- MAY 18-21** Do it Best Spring Market, Indianapolis, IN
www.doitbestcorp.com
- JUN 14-15** East Coast Builders Conference, Nashville, TN
www.ecbcshow.com
- AUG 22** LMC Hardware Express, Las Vegas, NV • www.lmc.net
- SEP 19-21** LBM Strategies Conference 2018, Philadelphia, PA
www.LBMStrategies.com
- SEP 28-30** True Value Fall Reunion Denver, CO
www.truevaluecompany.com
- OCT 12-15** Do it Best Fall Market, Indianapolis, IN
www.doitbestcorp.com
- OCT 16-19** NLBMDA Pro Dealer Summit, Chicago, IL
www.dealer.org
- OCT 23-24** LMC Forest Products & Building Materials Expo, Philadelphia, PA • www.lmc.net
- NOV 5-7** ECi Connect Conference 2018, New Orleans, LA
www.ECISolutions.com
- NOV 7-9** NAWLA Trader's Market, Chicago, IL
www.NAWLA.org

Superior
Plastic Products

Wood Tone Vinyl Fence

Natural Looks
Lasting Beauty

**Available in Privacy Fence,
Classic Picket & Post & Rail**



White Pine



Seasoned Pine

LEARN MORE AT
SuperiorPlasticProducts.com

REMODELING MARKET TO MARCH HIGHER IN 2018

The coming year is expected to be another robust one for residential renovations and repairs with growth accelerating as the year progresses, according to the Leading Indicator of Remodeling Activity (LIRA) released by the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University. The LIRA projects that homeowner spending on improvements and repairs will approach \$340 billion in 2018, an increase of 7.5% from estimated 2017 spending.

“Steady gains in the broader economy, and in home sales and prices, are supporting growing demand for home improvements,” says Chris Herbert, Managing Director of the Joint Center. “We expect the remodeling market will also get a boost this year from ongoing restoration efforts in many areas of the country impacted by last year’s record-setting natural disasters.”

“Despite continuing challenges of low for-sale housing inventories and contractor labor availability, 2018 could post the strongest gains for home remodeling in more than a decade,” says Abbe Will, Research Associate in the Remodeling Futures Program at the Joint Center. “Annual growth rates have not exceeded 6.8% since early 2007, before the Great Recession hit.”

The Leading Indicator of Remodeling Activity (LIRA) provides a short-term outlook of national home improvement and repair spending to owner-occupied homes. The indicator, measured as an annual rate-of-change of its components, is designed to project the annual rate of change in spending for the current quarter and subsequent four quarters, and is intended to help identify future turning points in the business cycle of the home improvement and repair industry. Originally developed in 2007, the LIRA was re-benchmarked in April 2016 to a broader market measure based on the biennial American Housing Survey.

The LIRA is released by the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University. The next LIRA release date is April 19.

BY THE YARD

NEWS FROM LUMBERYARDS AROUND THE COUNTRY

SPAHN & ROSE LUMBER CO. NAMES NEW VICE PRESIDENT

Spahn & Rose Lumber Co. has appointed John Cook as its Vice President, Supply Chain. In his new position Cook will have overall responsibility for vendor and inventory management, purchasing, assortment planning and product distribution. Cook started his Spahn & Rose career at the company’s Monticello, Iowa location in counter sales in 1991 and was promoted to Assistant Manager after a few years there. He became the General Manager at Spahn & Rose’s Charlotte, Iowa yard in 1997 and served there until 2003 when he was promoted to the position of Sales Manager/Assistant Manager of the Dubuque, Iowa location in March, 2003. Cook became General Manager of the Dubuque yard in December, 2011.

NEW MANAGERS AT THREE MCCOY’S LOCATIONS

McCoy’s Building Supply has announced three new location managers. Robert Aranda has been named Store Manager of Southeast San Antonio McCoy’s Building Supply. Aranda began his career with McCoy’s 14 years ago working at his hometown store in Harlingen, Texas, when he was only 16. Shaun Chidester has been named Store Manager of Universal City, Texas McCoy’s Building Supply. Chidester joined McCoy’s two years ago as a part of the company’s Management Development Program. Tyler Louis has been named Manager of Hobbs, N.M. McCoy’s Building Supply. Louis joined McCoy’s just over a year ago as part of the company’s Management Development Program after graduating from the McCoy’s School of Business at Texas State University.

MAINE LUMBER DEALERS HOST GUBERNATORIAL CANDIDATE FORUM

With Maine’s Governor, Paul LePage, serving his final year in office, candidates for the state’s highest office came to the Retail Lumber Dealers of Maine’s (RLDAM) January meeting. The Jan. 24 event gave candidates an opportunity to meet with industry leaders from across the state to learn about the lumber and building material industry’s needs and how local, independent businesses can help the state prosper.

MCCOY’S BUILDING SUPPLY INDUCTS PPG AND LP STAFF IN PARTNER HALL OF FAME

McCoy’s Building Supply recently inducted Ralph Cross of PPG Architectural Coatings and Michael Murphy of Louisiana Pacific into the McCoy’s Partner Hall of Fame. Ralph Cross was recognized for his eight years of work as an Account Manager with McCoy’s. Michael Murphy was also inducted to the Partner Hall of Fame for his work with McCoy’s.

84 LUMBER OPENS NEW FLORIDA LOCATION

To meet a growing need for lumber and building materials across Florida, particularly after the devastation caused by Hurricane Irma last year, 84 Lumber has opened a new location in Big Pine Key. Located along the Overseas Highway, this retail store will be accessible to residents in Big Pine Key as well as surrounding areas connected by the highway, including Bahia Honda Key, West Summerland Key and Little Torch Key.

DEALERS, GOT NEWS? Send info on your company’s new location, anniversary, expansion, local recognition, honors and awards, new hires, promotions, or other news to James@LBMJournal.com.

WASTE LESS. SELL MORE. BUILD MORE.



SOLUTIONS THAT DRIVE HIGHER PERFORMANCE FOR YOU AND FOR YOUR CUSTOMERS.



POWERFUL, PRACTICAL SOFTWARE

SAPPHIRE® Supply - *efficient whole-house estimating tool, builds a virtual home.*

SAPPHIRE® Viewer - *differentiate your business with material take-offs visually traced to their source.*

MiTek® Specifier - *solutions and info on 3,000+ structural connections.*



INNOVATIVE STRUCTURAL CONNECTIONS

USP® Structural Connectors - *comprehensive code-compliant solutions.*

Hardy Frame® - *smart wind and seismic solutions*

MiTek® - *innovation in fasteners, adhesives and anchors.*



PRECISION-CRAFTED STRUCTURAL FRAMING

SAPPHIRE®-driven - *component manufacturing capability in every major market.*

BIM-driven, *integrated components that complement your materials packages.*

Bring a Total Solution to your builder customers.

MiTek® solutions optimize your accuracy, your business workflow and boost your sales volume.

See how McCabe Lumber reduced waste by 50%: [MiTek-US.com/stories](https://www.mitek-us.com/stories)

MiTek®

DELAWARE • NEW JERSEY • NEW YORK • PENNSYLVANIA • MASSACHUSETTS • CONNECTICUT • RHODE ISLAND

MID-STATE LUMBER HAS WHAT YOU NEED, WHEN YOU NEED IT!



BRANCHBURG, NJ
200 Industrial Parkway
Branchburg, NJ 08876

WARWICK, NY
270 Kings Highway
Warwick, NY 10990

MSL
MID-STATE LUMBER CORP.

KINGSTON, PA
181 Pringle Street
Kingston, PA 18704

MARLBOROUGH, MA
225 Cedar Hill Street
Marlborough, MA 01752

Wholesale Distribution • 800.942.7776 • Learn more at www.midstatelumber.com





SALES & MARGINS

BILL LEE

What does “professional” mean in your organization?

IS “PROFESSIONALISM” something that is in the eye of the beholder or are there basics that all professionally managed organizations have in common?

I believe most owners and managers would like to think their organizations are “professionally” managed and that their customer contact personnel treat their customers in a “professional” manner. But, my experience is that many managers don’t take the time to ensure that their people understand what is professional behavior and what is not.

I hope the following examples will provide some insight into professionalism:

Communication: Professional organizations strive to provide their people with clear communication. Managers owe it to their people to let them know where they stand, especially in areas surrounding performance. Employees should never have to guess what their supervisor thinks of their performance. If an employee has a shortcoming, communicate clearly what the employee must do to turn the liability into an asset.

Don’t talk behind people’s backs: It is unprofessional to “bad mouth” your boss or for supervisors to bad mouth their people behind their backs. If you don’t have something good to say about a fellow employee, say nothing at all. If there is something that for the good of the company management needs to know about, ask permission to speak to the manager privately. Make it your policy not to criticize an employee to your coworkers, which will earn you a reputation as a “gossip.”

Communicate detailed information in writing: The human memory is often convenient. Try to never communicate prices, specifications, numbers or detailed instructions verbally; put it in writing.

Close the loop: Make it a policy to ask customers, suppliers, service providers, coworkers, etc. to confirm they have received your messages. Don’t assume!

Follow up: If you promise to get back to someone—especially a customer—by a specific time, set an alarm and communi-

cate at or before the time you promised to get back even if you don’t yet have the information the customer is looking for. The professional rule is call the customer before the customer calls you, even if all you have to report is that you don’t have an answer yet.

How to earn an “A” Grade: Do all employees in your company know what they must accomplish to earn an “A” Grade? The “professional” rule is to communicate to each of the people in your company what they must accomplish in measurable terms to get a raise, earn an A Grade, receive a promotion, etc. Examples are: Complete some advanced education, reduce operating expenses in your area of responsibility by 5.2%, complete the Dale Carnegie course “How to Win Friends and Influence People,” complete an estimating workshop, etc.

Establish conditions of employment for each employee: In a professionally managed company, all employees should know what they must accomplish at a minimum to keep their job. And like earning an “A” Grade, management should make every effort to express conditions of employment in measurable terms. I like the words “Conditions of Employment” because they tend to get employees’ attention. We’re not talking about suggestions here, but something far more important.

Respect lines of authority: Managers in a professionally managed organization will not answer sensitive questions from workers who report to another manager. It’s okay to listen to a question an employee asks, but at the point you realize you would be violating lines of authority if you were to answer the question, respond with something like, “... it wouldn’t be fair to Bob if I were to answer that question. Let me suggest that since Bob is your immediate supervisor, that you run that question by him.”

The discipline to professionally manage your organization will pay handsome rewards in the areas of employee turnover, employee morale, ease of recruiting, and your ability to consistently achieve higher levels of productivity. ■

Bill Lee works with owners and managers who are looking for ways to put more money on the bottom line. For more information, you can contact Bill at 864.303.8366 or email him at LeeResourcesInc@gmail.com.



SELLING THE DECK PROJECT

BOB HEIDENREICH

Train your customers for deck season

OVER THE WINTER MONTHS, you've no doubt spent a significant amount of time determining which decking products your lumberyard will carry. You've reviewed your vendors and you've gotten rid of those that didn't perform. You've added new vendors and you've upgraded your product lines. With your product set for spring, don't forget to make sure your staff and your customers are up to speed with your offerings for this year's deck season.

There are a lot of new products coming out, especially new aluminum railings and upgrades on composite decking. If your store is anything like The Deck Store, there have been a number of changes. We've changed our decking lines, and we've changed our railing lines. Now it's time to let our customers know what we've done and why we've done it. We need to make sure that our employees are trained on how the product is priced and more importantly, how it's installed.

The biggest reason for product failure isn't that the product is defective, it's that it isn't installed correctly, or not installed according to manufacturer's specified instructions. Too many times, the end user—either the homeowner or contractor—doesn't understand how to install it correctly. If you can teach them before they make a mistake and install something incorrectly, you'll save everyone a lot of headache and trouble.

I recommend that each year, in the spring, you hold a training class. We do ours in late March or early April. This is your opportunity to teach your customers. We invite them in for lunch, we host them for maybe an hour, and we show them all the new products that we have. We explain to them the reasons why we switched to a new line or a new product. We show them how the new product is easier to install or is more cost-effective. Maybe the product just performs better and we want them to know that our store cares about that.

Often times, when you introduce a new product, it can come with new installation techniques. We want to make sure that each of our contractor customers is aware. Some decking needs to be installed differently than other decking.

Composites don't perform the same as real wood. PVC products don't perform the same as WPC capstocks. For instance, if you shift from WPC capstock to a PVC, you'll need to make sure all of your customers know that PVC is installed very differently than WPC would be. That kind of change needs to be relayed to the contractor customers and the DIY homeowner customers as well. If you don't do this, the contractor can get in trouble, especially on the first few decks, and that can really throw a wrench in all of the work you did bringing in these new product lines.

"I RECOMMEND THAT EACH YEAR, IN THE SPRING, YOU HOLD A TRAINING CLASS. THIS IS YOUR OPPORTUNITY TO TEACH YOUR CUSTOMERS. WE SHOW THEM ALL THE NEW PRODUCTS THAT WE HAVE. WE EXPLAIN TO THEM THE REASONS WHY WE SWITCHED TO A NEW LINE OR A NEW PRODUCT. WE SHOW THEM HOW THE NEW PRODUCT IS EASIER TO INSTALL OR IS MORE COST-EFFECTIVE. MAYBE THE PRODUCT JUST PERFORMS BETTER AND WE WANT THEM TO KNOW THAT OUR STORE CARES ABOUT THAT."

There are also a lot of new ways to finish edges, to hide the fasteners, and so on. You'll need to make sure your customers are aware of these. Also consider that there are new offerings in railings, and be sure you are familiar with recent or upcoming changes in building codes.

Product training is key for introducing new products and gauging how your customers will react. It's also a good teambuilding exercise for employees and customers to get reacquainted after the long winter season. I can't recommend enough that you hold training events. It's the best way to make sure your competitors aren't doing a better job of training your customers in or introducing them to new products. ■

Bob Heidenreich, owner of The Deck Store, in Apple Valley, Minn., has been selling decking and home improvement projects for 30 years. Follow Bob on Twitter: @TheDeckStore.

FORTRESSCABLE™ | H-Series

Growth in the cable railing sector continues to outpace other types of railing. That's why we're proud to announce FortressCable H-Series, a panelized horizontal cable railing system true to the Fortress legacy of innovation, quality and durability. Easy to install, H-Series panels offer modern styling with dependable welded construction and stainless steel cable and components that also coordinate with parts and accessories in our V-Series and Fe²⁶ product lines. | CABLE MADE. FORTRESS EASY.



- PRE-ASSEMBLED CABLES FOR EASY INSTALLATION
- 316 MARINE GRADE STAINLESS STEEL CABLE AND COMPONENTS
- PATENTED BRACKET SYSTEM
- QUICK AND EASY INSTALLATION FOR BOTH LEVEL AND STAIR APPLICATIONS
- EASY TO MODIFY PANEL LENGTHS

**FORTRESS™**
— RAILING PRODUCTS —
www.fortressrailing.com



RECRUITING & HIRING

RIKKA BRANDON

Having trouble finding great job applicants? It might be you

ARE YOU STRUGGLING TO FIND GREAT HIRES? Are the applicants crossing your desk less than stellar? Sure, it's easy to blame the tight labor market, and that certainly may be part of the reason. But it may also be you (or your company, at least).

If you're looking for answers, consider these potential internal factors that could be deterring quality candidates from taking the leap.

1. You're not getting the word out to enough people

How wide are you casting the net? Posting your opening to a single job board, and one that only gets a hundred visitors a month, will not reach a full, quality pool of potential candidates, including those only casually looking. Diversify your methods. This includes multiple job boards and groups, as well as asking for referrals from customers, employees, and the rest of your network. And don't forget social media, including organic posting on your Facebook and LinkedIn pages and groups, and paid job ads on LinkedIn.

2. You're being impatient

It's tempting to go after the low-hanging fruit. "Bob is a good guy. He's had some success selling cars; I bet he can sell windows," you think to yourself. "Plus, then I don't have to run an ad, respond to unqualified people, conduct uncomfortable interviews. So, I'll tweak what I need to fit what I think Bob can deliver." The end result is hiring someone and fitting the job to them rather than hiring someone who fits the job you need. And that can mean either quick turnover or years of dissatisfaction.

3. You're being cheap

The old adage is true: You get what you pay for. You can't expect an A-player if you're offering C-level compensation. Or if your benefit package is "meh" at best, with a paltry week of PTO—instead of the standard three weeks—and a \$200 stipend for health insurance (or nothing at all).

You may be putting this on display in other ways, too, by nickel-and-diming them during the interview process. For example, I had a client who asked final candidates to

drive five hours to their headquarters for an interview. The company didn't offer to pay mileage reimbursement unless the candidate asked.

Several candidates declined offers, and one candidate indicated it was specifically due to the feeling that if the company was this cheap, they'd be difficult to get expense reimbursements back from and to work for in general.

"YOU WILL LOSE GREAT PEOPLE IF YOU TAKE THEM FOR GRANTED, PARTICULARLY IN TODAY'S EMPLOYEE-FRIENDLY JOB MARKET. IF YOU'RE OFFERING 3% RAISES EVERY YEAR BECAUSE IT'S THE COST OF LIVING ADJUSTMENT, YOU MAY BE SAVING HUNDREDS BUT ARE RISKING LOSING THOUSANDS."

The same attitude can impact your overall turnover, as well. You will lose great people if you take them for granted, particularly in today's employee-friendly job market. If you're offering 3% raises every year because it's the cost of living adjustment, you may be saving hundreds but are risking losing thousands. At some point, the person you've been taking for granted will get a call from someone like me, and the difference in pay is going to get them interested enough to learn more. Even if they don't take that opportunity, once they realize they are underpaid, it affects their mind-set and often leads them to proactively seek better opportunities where they feel more valued.

4. You're forgetting to sell them

If your business isn't a household name (and in our industry only a handful of companies are), you may have to work harder to get candidates interested in your opportunity. Communicate what sets your company apart from others and why it's a unique and special place to work.

You may not need to do this for everyone—but for people with the right experience and personality, it's most definitely worth the effort. ■

Rikka Brandon is the founder and Chief Executive Recruiter of Building Gurus, a boutique executive search and consulting firm that works exclusively with building product manufacturers and distributors to find, hire, and retain top executive-level talent. She is also the best-selling author of "Hire Power: Everything Entrepreneurs Need To Know To Hire Awesome People."

YOUR SOFTWARE SOULMATE

In this together.

Introducing Building Results CRM: an integrated customer relationship management solution.

Our latest platform, Building Results CRM, supports customer relationships by streamlining everything sales representatives do: from managing contacts and appointments to comprehensive territory management, and travel planning. Building Results CRM is here so you can be there for your customers.

- Access customer data
- One-stop territory management
- Single source for information
- Full integration with Outlook Exchange
- Access comprehensive sales data
- Simplified log in
- Customizable to how you work





NEXT GENERATION

ISAAC OSWALT

How to effectively use Facebook Messenger in your business

I'M FIRMLY CONVINCED that communication is the pillar of any business—no matter what industry you're in. Of course, the products and services we provide are what ensures that invoices get paid, but at the root of each transaction is a relationship that was formed through many levels of communication.

Let's take a look at a sample office:

- Dave likes handshakes and coffee...he's gotta look into your eyes when he talks to you.
- Steve prefers emails and newsletters and watches the occasional webinar.
- Sharon digs videos on Facebook, YouTube, and is always sharing her favorite LinkedIn article.
- Henry can't leave the fax machine because he's convinced "the system" reads everything else.
- Becky loves a good phone chat while looking at a hard copy of a recent report.
- Darcy is super visual. She likes pictures to tell the stories. Instagram pics and Pinterest infographics resonate most with her.
- Luke prefers text messages and is constantly trying new apps to make life easier.

The examples above simply reflect people communicating in the manner in which they best receive information. Truthfully, the examples are a bit siloed as we all receive information in a variety of ways. While Luke might like text, he's certainly not against a handshake and a beer when the time is right.

I tell you all this to explain the various channels in which people communicate, learn and form decisions on products and services as well as who they will trust (a relationship). But don't rule out one other channel of communication that exists on the world's largest social network.

Studies show that 71% of people in the United States have a Facebook account. They spend an average of 35 minutes a day engaging with content there, and they check it on average eight times a day. Is every builder customer on Facebook? Is every homeowner that you could potentially work with on behalf of your customer on Facebook? No, not every one. But the majority are and that's the stats.

So, if they're spending 35 minutes a day on Facebook, wouldn't it be easy to be able to communicate and message on that platform that people are already spending 35 minutes a day on?

Facebook Messenger is a communication method, no different than texting or messaging. I strongly encourage that you set it up for your company. Whenever my company has set up Facebook Messenger, it has been wildly successful. Maybe that user or that person is not ready to call you yet or set up a meeting. Maybe they don't even want to switch over and click on your email and fill out a contact form, and then type an email then hit send. That is already eight clicks to find out more information on these windows. Eight clicks, in our society today, is too much work for people. Humans choose the path of least resistance, a trait which is extremely evident in online behavior.

Give them a way to send you a quick message with one click and start the communication. You've heard me say this before: it is your responsibility as a business and as businesspeople to communicate however your customers want to communicate. At the end of the day, if I'm going to build a relationship with somebody and a fundamental piece of a relationship is communication, then I am going to be completely on board with however they want to communicate.

It's easy to get started, just set Facebook Messenger up on your business Facebook page and get somebody in your office to watch it. Anyone at a computer most of the day can do this. Your response doesn't have to be instantaneous, but you can also make sure someone from your company is getting notifications on their phone, and they can respond to customers from anywhere.

Level two of using Facebook Messenger is actually being able to set automatic responses that are very contextual and also entertaining. So if you have a brand video or if you have your hours of operation or a cool project you just did, you can set those up to be able to automatically message with someone. It's a great way to communicate what you do, define your brand, and show some entertainment and a relationship nature to your business using Facebook as a platform. It's a way for you to not only be valuable and communicate the way customers want to, but also automate some of the valuable things that you've put together to communicate with them. ■

Isaac Oswalt is an entrepreneur, investor, author, speaker and marketer. He owns 21 Handshake, a sales and marketing agency in Ada, Mich., working across multiple industries to help businesses succeed. Reach him at 517.899.0123 or Isaac@21handshake.com.



Say goodbye to the accidental breakage and frustrations that can come with fiber cement siding. Switch to LP® SmartSide® siding for advanced durability and lap pieces up to **25% longer** and **39% lighter** than fiber cement.



LP SmartSide lap can be carried by one person without breaking



LP SmartSide strand siding resists impact better than fiber cement



LP SmartSide products cut and install with standard woodworking tools

**FIND OUT HOW TO BREAK FREE IN 3 SIMPLE STEPS
AND ASK ABOUT A FIRST-TIME USER REBATE:**

(855) 460-6908 switchtolpsmartside.com



MERGERS & ACQUISITIONS

JOHN WAGNER

Can your company be repriced after the letter of intent?

HERE'S A DREADFUL PROSPECT that you want to avoid. Let's say that you put your company on the market, and—for ease of math—you are putting up good numbers at the time of sale, say, \$2 million in Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA.)

Your investment banker (broker) sends the deal teaser out to prospects, you get some interested parties, and someone comes in with a Letter of Intent (LOI) that offers a nice price. Say they offer today's going multiple of 5.5x adjusted EBITDA. In this case, the offer would be \$11 million.

You like the price, so you turn away the other suitors, and agree to enter into the due diligence process and move toward a closing.

The LOI will often have a clause in the document that cites your projections for the amount of EBITDA you expect to book between the acceptance of the Letter of Intent and the closing date. To maintain that \$2 million EBITDA pace, you have to continue to put around \$183,000 in EBITDA each month on the bottom line.

Now what? Well, unfortunately, the due diligence process takes months. During that time, you're substantially distracted (as I've written about before) with a boatload of requests for information, information that you never dreamed someone would ever want to know, e.g. environment assessment of your various real estate locations, drug tests for your truck drivers, introductions to customers to interview...the list goes on and on. In fact, you're so distracted by the due diligence process that you miss your numbers, and you don't earn \$183,000 in EBITDA two months before closing. In fact, you miss your number by \$20,000. Then, the month before closing, you miss your numbers again, slipping \$25,000 below the \$183,000 projection.

These slippages off the pace of EBITDA are all reported to the prospective buyer on a monthly basis. That first month you miss your numbers, the buyers may have a few raised eyebrows, and they might even voice some mild concern. But that second month that you slip off the pace is trouble. The buyer may look at the two months as a trend, a downward trend...and they will surely vocalize their concern. The call starts out friendly, and goes something like this:

"Joe, I can't help but notice that you are not making your numbers. Any reason for that? I have to say that we are having some concerns..."

Joe says, "Well, heck Bob, I've been so distracted by all of your requests that I have not had time to focus on managing my sales team. Plus, I have not been able to make the calls that I typically make each month for our biggest customers."

"Is your business so unstable and your profits so fragile that a few hours of your time each week can cause the business to tank? I think we have to reprice the deal," Bob says.

Reprice the deal? That is a phrase that has sent many a seller to the medicine cabinet, scrambling for his heart pills, followed by an equally concerned investment banker who is trying to find out exactly how serious the buyer is about repricing.

"IRONICALLY, IF YOU EXCEED YOUR PROJECTED NUMBERS DURING THE DUE DILIGENCE PROCESS, THERE IS LITTLE CHANCE THE BUYER WILL REPRICE UPWARDS, TO GIVE YOU A HIGHER VALUATION. BUT NEGATIVE REPRICING IS ALL TOO REAL."

How would the buyer reprice? Well, the math is simple and rather brutal. Since they are paying on a multiple of EBITDA (e.g. 5.5x), they will apply that same multiple to the new EBITDA, adjusted downward, and calculated over a 12-month period. The \$2 million EBITDA that got you an \$11 valuation may drop to \$1.7 million, dropping the purchase price from \$11 million to \$9.35 million. (Remember, every dollar you drop in EBITDA can have a negative implication, x5.5.)

Ironically, if you exceed your projected numbers during the due diligence process, there is little chance the buyer will reprice upwards, to give you a higher valuation. But negative repricing is all too real.

The solution: Avoid distractions during the due diligence process; don't neglect sales, and consider bringing on staff that you can delegate parts of the due diligence process to. There's nothing worse than working a lifetime to prepare your business for sale, only to have a couple of months of bad performance knock a million dollars or more off your value. ■

John Wagner is a managing director at 1st West Mergers and Acquisitions, which offers a specialty practice in the LBM sector. To learn more, contact John at: j.wagner@1stwestma.com, or visit, www.1stwestma.com.



We Have a Caulk for That!

KITCHEN • BATH • WINDOW • DOOR • TRIM + MORE

White Lightning®, the choice of contractors and DIYers for nearly a century has a new look! Our complete line of caulks and sealants make it easy for your customers—and your store associates—to find the right product for the job. Whether your focus is Pro or DIY, White Lightning knows, it's all about the project!

From all-purpose to specialty, interior to exterior, you can count on White Lightning. We have a caulk for that!

CLEAR

WHITE LIGHTNING.

SILICONE ULTRA

PERMANENTLY FLEXIBLE & SCRUBBABLE

- Durable and Crack Resistant
- Low Odor vs. Other Products
- Cured Sealant is Mold and Mildew Resistant

KITCHEN / BATH

100% SILICONE SEALANT

EMR
Only Certified Resistant

WATER READY
24 HOURS

LIFETIME GUARANTEE

WARNING:
POOR HARMFUL TO EYES, SKIN, RESPIRATORY. Always use eye protection. Read and follow all instructions.

To learn more or to view our full line of caulks and sealants, visit wlcalk.com

White Lightning Products / Cleveland, OH 44115 / 1.800.241.5295

SELLING TO REMODELERS

Q&A

DAVID HOWARD

PARTNER, MODERN RESTORATION & REMODELING

Modern Restoration was started by Jacob Mode and David Howard out of a desire to offer a higher service than what was being offered in the community. Jacob began as a skilled painter in his company and over the years went on to become a remodeler. David had worked for a national homebuilder, then built and owned his own construction company before becoming partners with Jacob. They combined their talents and skills of 38-plus years to create their company.



COMPANY STATISTICS

MODERN RESTORATION & REMODELING
CHARLOTTE, N.C.

LAST YEAR'S SALES
\$750,000

YEARS IN BUSINESS
2

EMPLOYEES
5

SPECIALTY
Kitchen and bath, millwork, and
full house remodel

Q: What are the top three things you look for from a LBM supplier?

A: The top three things I look for are experience, quality of products, and knowledge and service of products offered.

Q: Describe your best lumber/building materials vendor and why they are the best.

A: We use two of them, both because of the salesperson and their knowledge. Jeff Jones with Carter Lumber, if he can't resource it or get it, nobody can. For most of our millwork needs we use Casandra Bulla with The Building Center. These folks have numerous years of experience in the industry and our local market. A lot of times we're trying to find or match something that was installed 25 or 30 years ago.

Q: When was the last time you changed vendors and why?

A: So far, we have not had to change vendors. We've been very fortunate to connect with the great people that we have.

Q: When and why would you accept a meeting from a new supplier/vendor?

A: We're always open to discussion, but it would have to be some kind of major shift in products that would cause us to change.

Q: What do you wish LBM suppliers understood about your business?

A: That we can't accept "it's not available or no longer made." Instead, we need solutions or alternatives.

Q: What products (if any) do you buy installed?

A: The building materials that we buy installed include plumbing, kitchen cabinets and tops, roofing, shower doors, and mirrors.

Q: What is the number one problem that keeps you up at night?

A: Finding a reliable labor source.

Q: What do you see as your biggest opportunity?

A: Teaching and training employees. Your company is only as good as the people you hire to work for you. Finding the right employees who are qualified to be your replacement is key. ■

The National Association of the Remodeling Industry (NARI), is the medium for business development, a platform for advocacy and the principal source for industry intelligence. NARI connects homeowners with its professional members and provides tips and tricks so that the consumer has a positive remodeling experience.





GRAMMY® is a registered trademark of the National Academy of Recording Arts and Sciences. Habitat for Humanity® is a registered trademark of Habitat for Humanity International, Inc. Ply Gem, the Ply Gem logo and Home for Good are trademarks of Ply Gem Industries, Inc.



At Ply Gem, we've spent the last 75 years making the quality building products that trusted professionals across the country use to build the homes that families love.

It's that passion that's driven us to create the **Home for Good project**. Together with project partners — GRAMMY® award winner **Darius Rucker** and Habitat for Humanity® — we've helped hundreds of families realize their dream of owning a home. And, we're committed to helping to build even more safe, affordable homes this year.

Get the facts and find out how you can help at homeforgoodproject.com.

PLY GEM HAS DONATED MORE THAN \$1.8 MILLION in PRODUCTS TO HELP COMPLETE

450 HOMES in 70 COMMUNITIES

"I'm honored to support the work Ply Gem is doing through the Home for Good project and see families experience the pride and joy of homeownership."

- Darius Rucker



SIDING + ACCESSORIES | WINDOWS + DOORS | STONE VENEER | TRIM + MOULDINGS | FENCE + RAILING | ROOFING

Get involved: HOMEFORGOODPROJECT.COM



@PLYGEM

#HOMEFORGOODPROJECT

IS YOUR LUMBER BUSINESS CONCERNED ABOUT SAFETY OR HIGH OPERATING COSTS?

How Sanford & Hawley Solved Their Business Challenges with Technology and Received Unexpected ROI.

Sanford & Hawley, a lumber and building supply company, is the oldest business in Farmington, CT, providing service to Unionville, Avon, Manchester, CT, and West Springfield, MA. Despite the many years that have passed, they take just as much pride in offering the same quality service. To better serve their customers and ensure the safety of their drivers and the people of their community, they knew it was time to incorporate technology that could help reduce risk, reduce costs, and improve efficiencies throughout their fleet operations.

Reducing Risk, Costs, and Unauthorized Use

Sanford & Hawley's primary concern was improving driver and public safety. They needed a way to communicate with drivers without distracting them with phone calls while they were out on deliveries. They also needed a safer way of providing directions to drivers. They knew it wasn't safe having them read printed maps or directions, taking their eyes off the road while driving.

Along with these safety concerns, Sanford & Hawley worried their challenge with fuel inefficiency was negatively affecting their bottom line. Fuel expenses were far too high and they needed to reduce fuel consumption. They knew that their drivers were idling excessively, resulting in plenty of waste, but they did not have a way of monitoring and reducing idle time.

Additionally, Sanford & Hawley needed to put an end to the unauthorized use of vehicles. Their drivers were using company vehicles to run personal errands far too often. This issue was increasing expenses and their risk of liability in the event accidents or other problems occurred when the vehicles were being used for non-business purposes.

Solving Their Business Challenges to Keep the Fleet on Track

After researching different technology options that could help improve safety, improve fuel economy, and prevent unauthorized use of company vehicles, Sanford & Hawley selected GPS tracking software as the right solution to solve these challenges. They chose the GPS Insight Vehicle and Asset Tracking Solution with Garmin integration. This configuration allows them to exchange data messages and send directions to their driver safely, without having them distracted by phone calls. The technology also provides safer navigation for their drivers, eliminating the distraction of looking at paper maps while driving.

Since implementing GPS Insight, Sanford & Hawley has experienced significant savings by reducing fuel consumption. The company uses the system to track idling through alerts and



reports, which helps them significantly reduce excessive idle time. "The system is set to give us notice of a truck idling after 15 minutes, and this allows us to substantially cut idle time," said Bob Sanford, President of Sanford & Hawley. "Our average miles per gallon (MPG) has increased 12% over the prior year, which I would attribute to decreased idling."

GPS Insight also helps curb unauthorized usage of Sanford & Hawley's vehicles. "We all know that drivers may make some personal errand stops, but we were amazed at the frequency that some were stopping at their homes and how far out of their delivery run they would go to stop at home. With GPS [Insight], this has become reasonable," said Sanford. Sanford & Hawley can now be sure that their trucks are staying out of areas where they are forbidden to be while on the clock.

Unexpected ROI

Along with solving their initial business challenges, Sanford & Hawley saw an immediate return on investment (ROI) when one of their vehicles was stolen from their yard and they had the ability to report its location to the authorities. "We had not had the GPS units in a week when we came in one Monday morning to realize that a truck was missing and that our soda machine had been smashed into. Thanks to GPS Insight, the police were able to immediately locate the stolen truck," said Sanford. In this instance, the GPS Insight system enabled Sanford & Hawley to avoid having to buy a new vehicle and replace any equipment that may have been taken, saving tens of thousands of dollars. Sanford finished with, "The payback is definitely there."

GPS Insight can help lumber distribution businesses like yours solve your specific challenges and deliver amazing results. Visit www.gpsinsight.com or give us a call at 877-477-2690 to learn more.

Drivers:

Dave 480-499-8654
Cliff 602-555-1234
Sam 623-789-4321
Jose 480-888-0123
Bill 602-303-3030

Find out why deliveries are taking so long

Look into ways to cut fuel spend.
vehicle tracking?!

Check odometer readings manually on all trucks

Y routes to next week

Who are my best/worst drivers?

Monthly Fuel Usage

| Vehicle | Odometer | Miles Driven | Fuel Cost |
|---------|----------|--------------|------------|
| 121 | 3854 | 88 | \$263.12 |
| 122 | 199 | 12 | \$35.88 |
| 123 | 32565 | 398 | \$1,190.02 |
| 124 | 10003 | 100 | \$299.00 |
| 125 | 49987 | 600 | \$1,794.00 |
| 126 | 97825 | 454 | \$1,357.46 |
| 127 | 44862 | 520 | \$1,554.80 |
| 128 | 32511 | 125 | \$373.75 |
| 129 | 9663 | 325 | \$971.75 |
| 130 | 279 | 0 | \$0.00 |
| 131 | 5544 | 123 | \$367.77 |
| 132 | 58962 | 0 | \$0.00 |
| 133 | 98123 | 410 | \$1,225.90 |
| 134 | 54287 | 385 | \$1,151.15 |
| 135 | 63555 | 460 | \$1,375.40 |
| 136 | 87111 | 288 | |
| 137 | 92546 | 171 | |

The old way doesn't work anymore.
Simplify Fleet Management.



Tailored GPS Tracking & E-Log Solutions

📞 877-477-2690

🌐 GPSINSIGHT.COM

Key demographic trends and their effect on the wood products industry

BY LYNN O. MICHAELIS

In recent *Monthly Macroeconomic Advisers*, Spotlights on Immigration, and in Forest Economic Advisors (FEA) Forum Presentations, we have been discussing the expectations for the younger adults (ages 20-34) as they enter the labor force, form households and eventually buy single-family housing units. There are two major population groups that will be important to housing demand levels and mix over the next 15 years. The first wave was the Baby Boom group that is now 56-70 years old. There are 61 million people in this group.

As seen in **Graph 1**, the next big population wave will be 20-34 years old by 2020. There will be about 69 million people in this age group in 2020 according to the Census Bureau's most recent Reference projections. Historically,

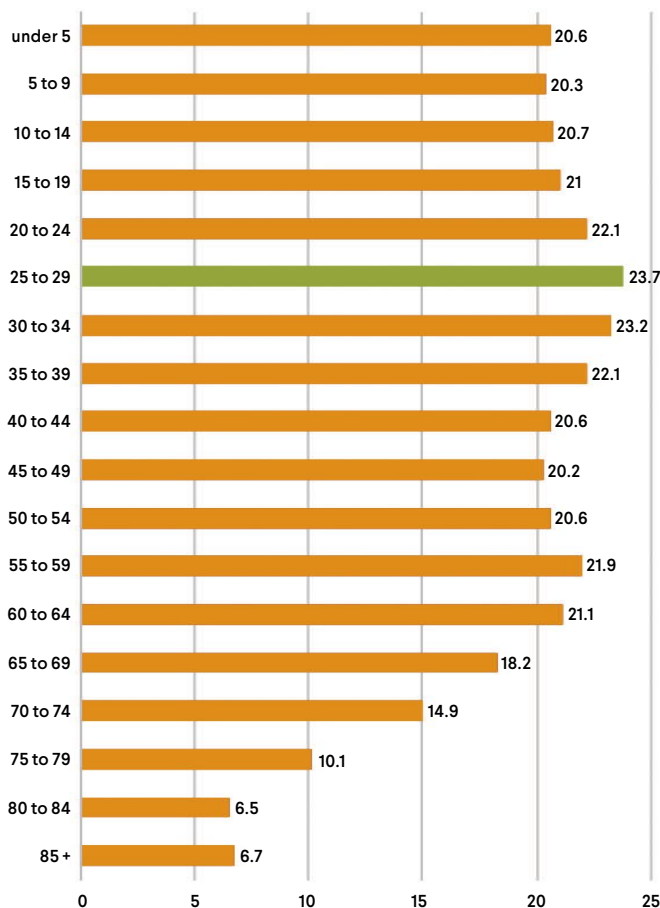
this is when young adults begin forming households and buying their first houses.

But, as with any forecast, the expectations for these young adults is based on what previous adults have done as they pass through age 30 and beyond. Unfortunately, there are developments that could alter the rate of household formations and eventually housing purchases for these young adults. The primary issue will be future income growth, especially the ability to save for a down-payment. The crux of the problem is that younger adults are not entering the labor forces at the same rate as their predecessors.

Because of the complicated relationship between employment and future life choices for this crucial demographic group, we will be splitting the discussion into three separate Spotlights. The series will be as follows:

GRAPH 1 SURGE IN YOUNG ADULTS IMPORTANT TO HOUSING OUTLOOK

Projected population by age cohort in millions in 2020



Source: US Census Bureau

Part I: This spotlight will focus on what is happening to the working pattern for younger adults, particularly for younger men, and how it is likely to affect their employment patterns later in life.

Part II: In the next Spotlight, we will address trends in the propensity for the 20-34 age group to form households and to get married over the next 10 years. We will discuss the range of potential household formations that includes both potential immigration reductions and the declining propensity to form households (the headship rate). Finally, the relationship between marriage and home ownership will be addressed.

Part III: In the last Spotlight, we will summarize the forecasted growth in households by age group. Because of the potential for even lower household formations among the younger age group, growth in household formations will be dominated by the over 65 age group. In the final spotlight, we will look at trends in the labor force for the older aged groups as well.

PART I

WILL YOUNG ADULTS (ESPECIALLY MEN) RE-ENTER THE LABOR FORCE?

The labor force participation rate (this is the ratio of everyone seeking work—both employed and unemployed—to the total population) and the employment rate (the ratio of adults employed to total population) remain below 2007 levels. Although the labor force participation rate (LFPR) has been declining since 2000, the rate of decline accelerated after the Great Recession and has not recovered.

A variety of factors have been at work. The two primary factors driving the decline according to a recent Brookings Institute study written by Alan B. Kruger have been the aging of the Baby Boom (65%) and the sharp decline in younger age group participation rates (25%). In fact, about 90% of the decline in LFPR is explained by these two factors. A quick overview of why the Baby Boom is having such a profound effect is discussed below.

The Kruger study also looked closely at the opioid crisis and its relationship to non-participation in the labor force. The study could not clarify whether drugs create the problem or people who don't want to work use pain and drugs as a way to get disability payments. However, the study did conclude that people that are currently out of the labor force and using pain drugs are unlikely to return to the labor force.

One reason to examine this trend so closely is to determine how tight the labor supply really is. A puzzle for most economists has been the lack of significant upward wage pressure despite unemployment dropping from 10% to 4%. The sharp decline in the male participation rate is of particular concern to the housing construction and wood products industries.

So let's take a closer look at what has been happening to LFPR by age group, but particularly younger males. Beyond labor supply issues, the declining LFPR has much broader social implications, such as ability to form households and the ability to afford a house.

LFPR FOR YOUNGER ADULTS: A MAJOR U.S. CONCERN

As mentioned above, after the aging of the Baby Boom, the sharp decline in the LFPR of younger adults is a major cause of the decline in the overall LFPR.

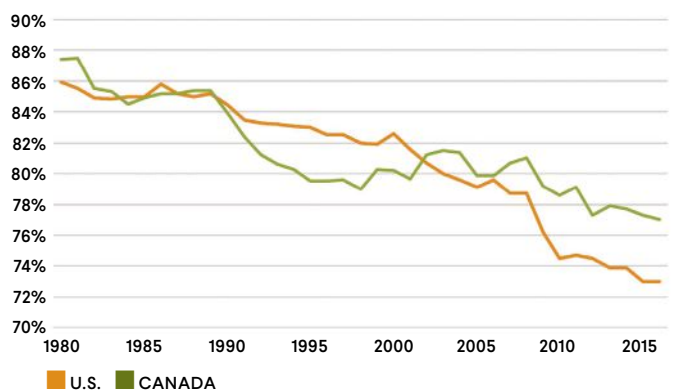
The decline in the male LFPR is primarily a U.S. problem, since the decline in the LFPR for men aged 20-24 has not been nearly as dramatic in Canada as in the U.S.

For the 16-19 age cohort, both male and female participation rates have plunged by 15%. The reasons include staying in school, drug usage and for men, playing video games. There is a glimmer of hope for this age group—the rate appeared to stabilize after 2010, but at a low rate of 35%. Also note that the participation rate is now identical for men and women.

For the 20-24 age, the decline in the LFPR has been particularly dramatic for men. It has been declining since 1990, but the rate of decline accelerated after 2000. Although the LFPR for young women fell about 5% since 2000, the LFPR

GRAPH 2 DECLINE IN LFPR PRIMARILY A U.S. PROBLEM

Labor Force Participation Rate for males (20-24)



for younger men dropped from 83% to about 73% in the same period. The bad news is that it is still declining. Young men are spending much more time playing video games or on a computer, rather than working. These two events outweigh staying in school. The decline in LFPR is particularly large for men without a college degree. In 1994 about 10% of non-college educated males aged 21-30 were not in the labor force. By 2015, 20% were out of the labor force!

What is disturbing in the study is the much higher level of disabilities and need for pain medicines for those that are out of the labor force versus either employed or unemployed adults.

The study also looked at the relationship between pain levels, drugs and employment status. Either because of disabilities or the need to qualify for disability insurance and Medicaid, men that are not in the labor force have much higher levels of pain and take pain medication as a treatment.

Which brings us to the really critical question: Will the sharp decline in the LFPR as young adults affect the LFPR as for this group as it ages? It appears the answer is yes.

One way to address the question for men is shown in **Graph 2**. Demographers use this type of graph to see patterns for an age group as they age and to compare one age cohort with another. What they are looking for is a pattern that begins at a young age and persists as that group ages.

For instance, the LFPR rises as that group ages, but a lower starting rate does affect the eventual peak level. For instance, men born in the 1952-61 had a LFPR near 60% when they were 16-19. By the time this group had reached 30, the LFPR hit 95%. But for young men born in 1982-86, their LFPR had dropped to less than 50% at age 16-19, and was less than 90% by age 30. ➤



INDUSTRY SPOTLIGHT

Bottom Line: Based on this pattern, the even larger drop in the participation rate for men less than age 24 (a similar, but not as dramatic message applies to women as well), would suggest that the LFPR rate for this group will remain lower than earlier age groups as they move into the crucial period over age 30.

Findings of the Brookings Institute also suggest that young men and women that are not currently in the labor force due to disabilities or pain are unlikely to return. The implication for housing demand and single-family starts will be addressed more completely in the Part II Spotlight.

AGING BABY BOOMERS AND THE DECLINE IN THE LFPR

As the table at right shows, the current LFPR rate for adults over age 40 are summarized. The LFPR peaks at age 40 and then drops sharply as people age and approach retirement. The front end of the Baby Boom group is now moving into the 65+ category. With 61 million adults moving past age

| LABOR FORCE PARTICIPATION RATES OF OLDER ADULTS | | |
|---|---|---|
| 2016 |  |  |
| AGE GROUP | MEN LFPR | WOMEN LFPR |
| 40 - 49 | 90% | 75% |
| 50 - 54 | 85% | 73% |
| 55 - 64 | 70% | 58% |
| OVER 65 | 24% | 15% |

56 and shifting towards retirement, that is why the group is pulling the overall LFPR down. However, unlike younger adults, the LFPR for this group is increasing. We will return to this group again in Part III of this Spotlight series. Look for parts II and III of this Spotlight series in the April and May issues of *LBM Journal*. ■

A partner with Forest Economic Advisors (FEA), Lynn O. Michaelis has nearly 40 years of experience in the forest products industry. This article was excerpted with permission from FEA's "Spotlight." To learn more, visit www.getfea.com

©iStock.com/men-kai19 / women-Juanmonino



**IWBC
2018**

Industrialized Wood-Based
Construction Conference

**October
24th - 26th**

Industrialized Wood-Based Construction Conference
Seaport Hotel & World Trade Center
Boston, Massachusetts

THERE'S A
**\$1.6 TRILLION
OPPORTUNITY FOR
CONSTRUCTION DISRUPTORS**

WELCOME TO THE GROUND FLOOR

www.IWBCC.com

IWBC@getfea.com





DO IT ONCE. DO IT RIGHT.

CHOOSE RELIABILITY.

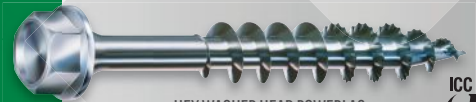


When you need a better option for construction fasteners, consider SPAX® Multi-Purpose Construction Screws and PowerLags®. Our German-engineered patented thread technology eliminates pre-drilling and helps make strong connections faster and easier. SPAX fasteners are even manufactured in a domestic, ISO9001:2015 certified facility for consistent quality and availability you can count on. Now that's reliable!

Take SPAX for a test drive to experience the "SPAX Advantage." For a free sample pack and information on the complete line of SPAX Construction Screws and PowerLags, contact us at testdrive@spax.us.

GERMAN ENGINEERED 
AMERICAN MADE 

SPAX.US



HEX WASHER HEAD POWERLAG



Code Recognized
Report No. ESR-1782



LOW PROFILE T-STAR WASHER HEAD POWERLAG WITH HCR™ COATING FOR TREATED LUMBER



T-STAR plus MULTI-PURPOSE EXTERIOR SCREW WITH HCR-X™ COATING FOR TREATED LUMBER



T-STAR plus MULTI-PURPOSE/CABINET SCREW



T-STAR plus MDF/HARDWOOD SCREW

SPAX Construction Screws and PowerLags are available in project-appropriate packaging, including 1#, 5#, Contractor Pack and Bulk Pail quantities.



REAL ISSUES. REAL ANSWERS.

The Bring Your Own Device (BYOD) trend has definitely reached the LBM world. With the vast majority of Americans owning cell phones (95%, according to the Pew Research Center), and 77% with smartphones, it's a given that most everyone at your company has a cell phone of some kind. Since everyone already has a phone with them all the time anyway, a growing number of companies are rethinking their policies regarding cell phone use—including who owns the phone that employees use to do their jobs. To learn more about how LBM companies are navigating this challenge/opportunity, this month's Real Issue focuses on...

CELL PHONES AT WORK

THIS MONTH'S QUESTION was suggested by two readers, both of whom are wrestling with the challenge of how best to navigate the use of cell phones at work (and both of whom will receive a *LBM Journal* Prize Pack). As with all Real Issues, there is no single right answer, but many different ways to approach the topic.

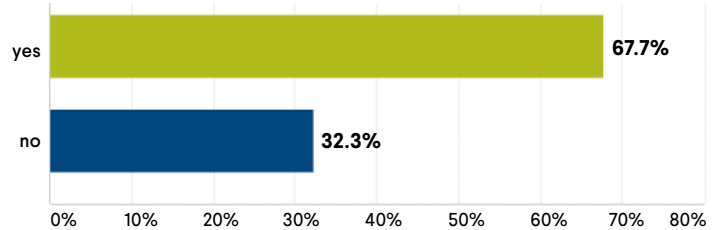
As we do each month, we sent an email survey to the readers who've opted in to receive our email communications. A big thank you to the 270 readers who took time to weigh in on this timely topic. If you'd like to participate in future surveys, please drop me a note at Rick@LBMJournal.com, and we'll get you added.

QUESTION 1

First, we wanted to get a feel for how many readers provide company phones to their employees. As **Graph 1** shows, just over 2/3 of readers' companies (67.7%) confirm that they do provide cell phones to salespeople and other employees.

Does your company provide cell phones to salespeople and/or other employees to use for company business?

GRAPH 1

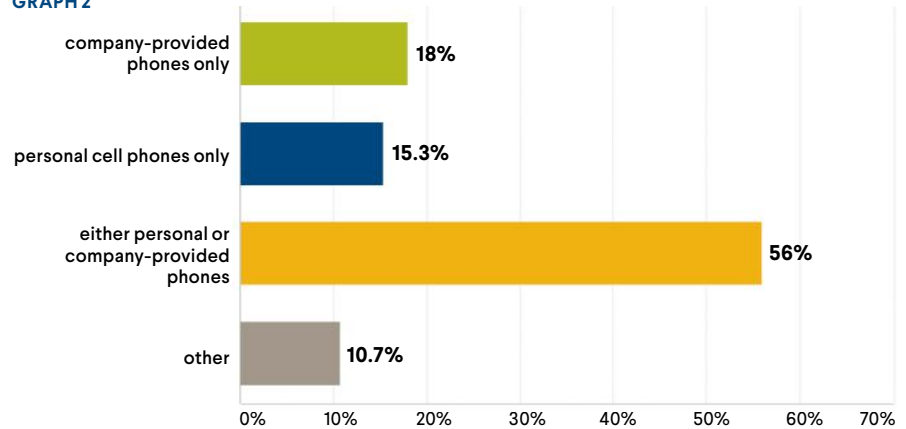


QUESTION 2

Second, we wanted to gauge how flexible companies are when it comes to using company phones vs. personal phones. As **Graph 2** shows, more than half of respondents' companies (56%) allow employees to use either personal or company phones for company business, while 18% require the use of company phones only, and 15.3% (clearly those with strong BYOD policies in place) require personal phones for business use.

What is your company's policy on cell phones used by employees for business purposes?

GRAPH 2

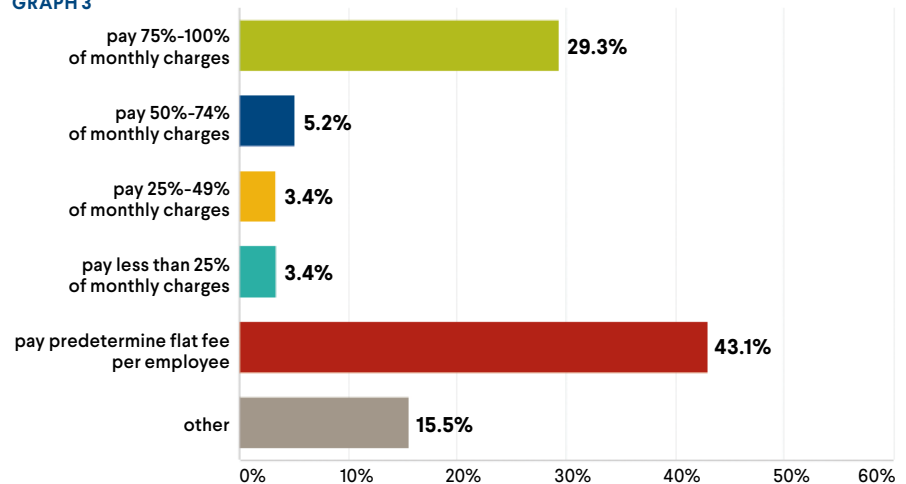


QUESTION 3

Next, we wanted to learn how companies compensate employees who use their own cell phones for company business. More than half (57.7%) of companies do not compensate employees for calls made conducting company business. Of those who do (shown in **Graph 3**), 43.1% pay a predetermined flat fee/stipend per employee, while 29.3% of respondents' companies pay most or all (75-100%) of an employee's monthly cell charges. Of the 15.5% who chose "Other," representative answers include:

How do you compensate employees who use their own cell phones for company business?

GRAPH 3



"Managers and department heads get their monthly charges paid for but must be on the company carrier network. Our outside salespeople get a flat predetermined fee towards their personal carrier."

"Outside sales reps and some inside people use their own phones for company business. We reimburse \$75-\$100 per month depending on the position of the employee."

"Managers and outside sales have 50% paid, other employees have no need to use a cell phone at work."

"We pay 75% of sales and management, and 25% of drivers' phone bills."

"We pay an allowance for personal phone use."

"Most we pay 100% of monthly charges. Others we pay a flat fee."

"We do not provide any compensation or reimbursement for personal phones as management and the sales force all have company-provided phones. Others that use their phones for company use only need to do so occasionally to make contact with customers to coordinate deliveries on site, etc."

QUESTION 4

Our company policy has always been to not allow personal cell phone use in the workplace, which is why we provide cell phones to salespeople and some other employees. We've been thinking of allowing employees to use their own device—then reimburse in part or in full. Along with productivity concerns, there are legal issues as well. How do other lumberyards manage this?

"Our company provides cell phones at no charge to the sales team other than a charge for excessive data use for streaming music. It works well. If a person wants to use their own phone they can, but we won't pay for it because they have the option to have us pay for one. I don't know of anyone that uses their own phone because the need to use work email on phones for business, would just be needlessly complicated."

"Sales representatives and yard management are provided with a company cell phone. That number belongs to the company as well as the employee email address. Drivers and others have their own personal phones, and can use them to coordinate with customers for deliveries etc. when necessary."

"We are switching to personal cell phones and we will reimburse. We have had company-provided phones but opted to go to personal ones."

"Store and yard staff are not to use cell phones on company time. Sales people use the company-provided cell phone which, in most instances, becomes their personal phone. This hasn't been an issue."

"No personal cell phones, only company-provided and paid for cell phones."

"We've become more flexible as phones are ubiquitous and expectations of being available for spouses and children have changed. We ask employees to limit personal use at work for productivity and safety reasons and deal individually if we see abuse of this privilege. We've had very few problems."

"Cell phones are only part of the larger challenge which involves social media, internet use, and the increasingly blurred lines between work and personal time."

"Employee choice, but no reimbursement for personal phones."

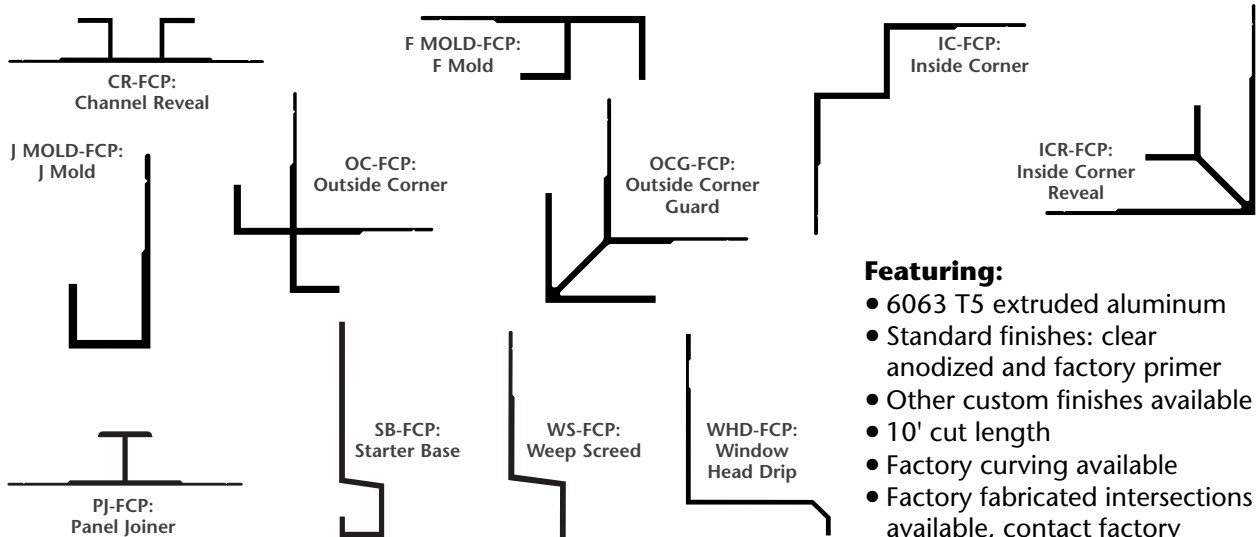
"We provide cell phones to managers, and inside and outside sales people if they would like one. The other option is our sales team can use their personal phones and we have a program in place that reimburses them a portion of their bill for business use." ➤



Fiber Cement Panel Moldings By Stockton Products™



Stockton Products™ offers a complete line of extruded aluminum moldings for use with 5/16" fiber cement panels.



Featuring:

- 6063 T5 extruded aluminum
- Standard finishes: clear anodized and factory primer
- Other custom finishes available
- 10' cut length
- Factory curving available
- Factory fabricated intersections available, contact factory

**Visit www.StocktonProducts.com
or Call 1-87-STOCKTON To Request A Catalog**

©2018 Stockton Products. All rights reserved worldwide.



**UNDER
WATER**



**IN THE
GROUND**



**LEADING
WARRANTY**



25
STAIN & FADE
25
STRUCTURAL
25
REMOVAL &
REPLACEMENT
LIMITED
WARRANTY

Deckorators® Vault and Frontier decking is backed by an industry-leading warranty that stands behind installations in, or in contact with, water or ground. Learn more at DECKORATORS.COM

DecXorators®
Go Beyond Ordinary

REAL ISSUES. REAL ANSWERS.

"I provide phones for key managers. They may use them as they wish. I have one manager who didn't want to get a new phone. I pay him \$25 per month for the company use of his cell phone."

"I know that some places offer a check for so much a month to reimburse for cell phones."

"The employee owns the phone and we pay a portion of the monthly bill. we explain that they need to limit their personal business on company time. and it helps to alleviate some of the legal aspects."

"We do not provide any cell phones to employees. If there is business usage, we will reimburse them a flat fee."

"I know of no legal issues, at least none have been raised in the 15 years or more that we have been doing this."

"We provide cell phones to salespeople, managers, and drivers (for GPS and signature capture). We don't police personal vs. business use. These phones in this era increase productivity and enhance communications far more than any distraction or cost from personal time concerns. We do have stringent policies regarding misuse (sexting, drug dealing, pornography etc.), and we retain ownership of all records of any conversations, texts, emails conducted on our equipment."

"For a long time, I wouldn't allow personal cell phone use during working hours period with the outside sales force being the exception. As the use of email and texting expanded within our customer base and became their preferred method of communication, it also became a necessity for our inside salespeople to use their phones outside of business hours if we want to survive."

"We try to limit personal calls to personal time, but they all sneak in a bit."

"Our company-provided phones are used as if they are our personal phones."

"Employee owns the phone, we own the number."

"Use personal only when needed and not too often."

"We discourage the use of personal phones for business and therefore do not compensate those employees."

"We provide cell phones to owners, outside sales staff, and service techs. We allow them to use these phones for personal use if they wish. Some of our inside sales staff and truck drivers use their personal cell phones for business, but it is very limited. The only person who has the drivers' numbers is our dispatcher. We do not reimburse our staff who use their personal cell phones for business, as it is very limited and most would rather not carry a separate phone for business."

"We have not run into any issues with cell phone use at work. Our employees have not raised any issues with using their own phones for business because, these days, most people have unlimited cell phone minutes anyways."

"Only drivers and management have company-paid phones. If a private phone is used, the company reimburses the employee for part of the bill."

"We are a small company in a community of less than 5,000 people. It helps our staff stay connected with the community and occasionally help customers with after-hours emergencies."

"We used to offer to provide cell phones, but the one employee who took advantage of it quit. Our current manager uses his own, an old flip phone, and says he only uses it at work. We've been paying the entire bill; the only minutes that show up are during business hours." >

TIE-MASTER™
The best **Structural Framing Fastener**

Wood to Wood • Decks • Docks • Boardwalks • Retaining Walls • Laminated Beams
Rim to Joist • Joist and Ledger • Underdeck Connections • Trusses

www.grabberman.com/tie-master

GRABBER CONSTRUCTION PRODUCTS
"The Professional's Choice™"
www.grabberman.com

Hand using a power drill to drive a Tie-Master fastener into wood.

Legendary Performance Turns 50
WHAT A RIDE IT'S BEEN
grabberman.com/grabber50

Mechanical Galvanized
Exterior Corrosion Protection

50 YEARS
1967-2017
THE PROFESSIONAL'S CHOICE

ES
ICC EVALUATION SERVICE
ESR 3531

Star 40 Drive

Draw-Tite® Shank

Performance Data:
Allowable tension strength for shear (1,046 lb) (27,275 psi)
Allowable tension strength for tension (1,492 lb) (33,181 psi)

OUTDOOR WOOD CONSTRUCTION, DECKING, PATIOS, LAWN FURNITURE, WINDOW BOXES, GENERAL WOOD TO WOOD, AND MUCH MORE



IT'S NOT A TREND. IT'S A REVOLUTION.

Visit ZIPRevolution.com to learn how easy it is to make the switch.

ZIPsystem[™]
SHEATHING & TAPE

© 2018 Huber Engineered Woods LLC. ZIP System, the accompanying ZIP System logo and design are trademarks of Huber Engineered Woods LLC. Huber Engineered Woods' ZIP System® products are covered by various patents. Please see ZIPSystem.com/Patents for details. HUB 16509 03/17

REAL ISSUES. REAL ANSWERS.

"Some of our employees will give their personal cell phone to a customer for the sake of professional communication or for sending a photo quick, so it does make it tough to ask someone to put their personal cell phone away when there is some business transactions happening with them without reimbursement."

"We have a written contract between the company and the sales person. We specify how much we will pay each month and that we will have access to their emails that come through for work."

"No personal cell phones. In an emergency situation, an employee is given a manager's phone. Allowing the use of personal phones has not worked for us. Customers call on employees' day off, or if an employee leaves employment, it is a sticky situation. Most people do not receive paper billing, so it's hard to figure what to reimburse."

"We do a little bit of everything, mostly company cell phones, some personal phones. Company phones we pay for, a few personal phones we pay a set fee per month, and some personal phones we don't pay anything. Overall, there is just too much that can be done with cell phones for us to say no to them. They are an extension of our business in a bigger way each year."

"Some company cell phones, some get paid \$25/month for them to use their personal cell phones for company use."

"Too hard to manage. If they choose to use their personal phone for company business, they do so knowing they will not be compensated."

"We don't use a policy, we trust our sales team to use a personal phone if needed to communicate for business reasons. We do not expect them to do so."

"We pay a flat, pre-determined fee for those who need to make/receive company-related phone calls via cell."

"Too complicated. We just provide employees with a company phone."

"Don't really have a policy on that other than if the employee gives their number out, it's on them. Most people now have unlimited data/phone usage. Not like 10-12 years ago when you had to pay for everything."

"It is cost-prohibitive to provide cellular devices for all employees. Most companies only do so for sales and management functions. In the past we had radios for drivers, now we ask that they use their phone to contact customers when necessary to coordinate deliveries. Since most plans have unlimited calls and or texts, it isn't really necessary to have devices for all employees. Every employee we have has a cell phone whether we provide it or not. Warehouse and yard personnel shouldn't need to use a cell phone for any part of their duties and as such are not allowed to use them in work areas or on any equipment for safety reasons primarily and productivity reasons as well."

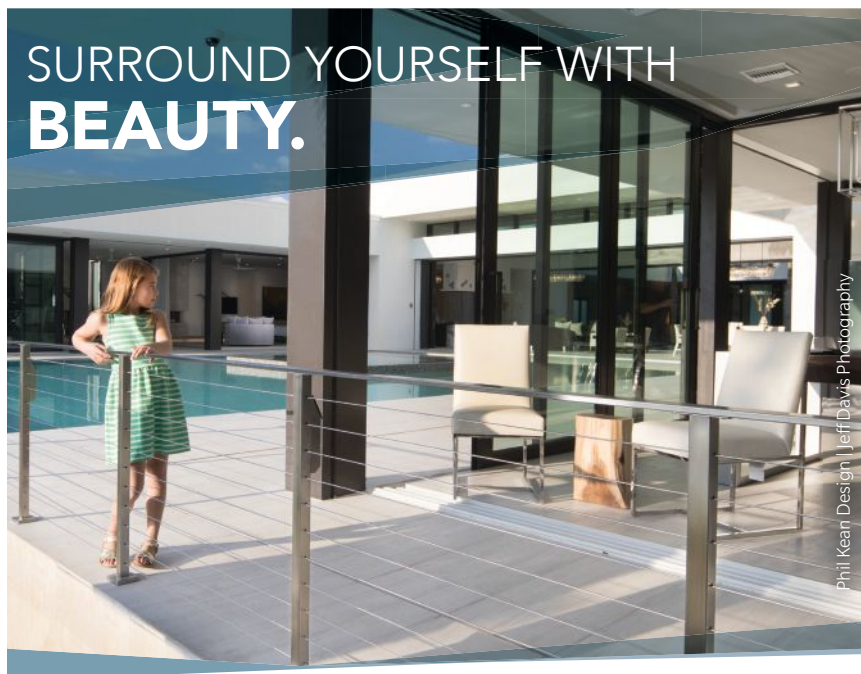
"Drivers are provided company cell phones. Salespeople have the option to use their own cell phone and be reimbursed or use a company cell phone."

"We compensate our sales people generously so that we don't have to issue company phones. We try to limit the use of cell phones but it's becoming an extension of peoples' lives."

"Most employees are given the choice. If they choose to use their personal phone, we offer a flat monthly amount that they are reimbursed."

"We allow personal and business use on personal cell use."

"All employees in sales, marketing or a management role use either a company or personal cell phone that is reimbursed at 100%." ➤



Railing by AGS Stainless.




Custom-designed, prefabricated and shipped to the job site ready-to-be-installed.

Dealer inquiries welcome!

AGSstainless.com/LBM | 888-842-9492

Copyright AGS Stainless, Inc. 2017

Rainier cable rail system with flat stainless steel top rail



Johnny Palmer helps test siding specifications at our Booneville, MS facility.



Siding by ProVia: Built for Better Durability

Our unique blend of hands-on craftsmanship and leading-edge automated processes ensures the highest manufacturing standards and the highest degree of durability, style and quality. At ProVia, our goal is to serve you, by caring for details in ways other won't. We continue to build our products and our company to last a lifetime.

Better Durability—that's The Professional Way.

Visit provia.com to find out how you can experience The Professional Way.

Doors | Windows | Siding | Stone



"We allow selected employees to be on a company plan since they do lots of business on their cell phones. Our company policy includes: no cell phone use on any equipment, personal use limited to: during 15 min. morning break, lunch, or 15 min. break in afternoon. No cell phone use while making a delivery."

"I don't see this as an issue. Even with company handsets, the employees have full reign. We are more concerned with what happens if the employee chooses to leave or is terminated. By controlling the phone number, we retain control in either situation. Even in an unforeseen negative separation, the phone number is our property and stays. Reimbursement may seem appealing as you don't have to maintain a company phone contract but in my opinion is more dangerous as you are left at the whim of your employee if you ever decide to part ways, especially in a more negative type separation. You keep the number chances are you keep the client. If you don't, you aren't even aware that someone may be trying to reach your company as that number is no longer in your control."

"Our company drivers use their own phones, and they do a lot of texting back to office. Since most have unlimited texting, I guess it's okay. Salespeople and managers get company phones."

"We allow our employees to bring and use their own phones. We trust that productivity levels will not be compromised and expect a level of professionalism in the workplace. Personal calls can be unavoidable and in some cases emergencies so we allow personal use as long as it is not consuming productive work time."

"First, we reimburse employees for company use of their personal devices—flat fee (modest). Second, drivers may not use personal devices while driving. Third, shop personnel may not use personal devices during work processes."

"There is no way to police all calls, so to think that there aren't any personal calls is foolish. Employees use their own phones and I reimburse a fixed amount."

"Our managers and outside sales team are provided with company phones. Our drivers choose to use their personal phones with no reimbursement. If they do not want to use their own, we supply a phone to use."

"Not sure what legal issues besides using a cell phone while driving, but we have a policy in place where the employee is terminated if we see it or is ticketed by law enforcement. Regarding productivity, if there is an issue address it with the employee who has the problem. No different than people at their computers surfing the internet."

"We don't provide company phones as people abuse them. They take better care of them if they have to pay for them. Also, they can get exactly what they want."

"In today's digital age, the expectation in many workplaces has become that exempt employees, especially, are on call at all hours. Safety should be a concern for cell phone use, whether at or away from work. Hands-free guidelines while driving, rules for safe cell phone use while in manufacturing environments, and internet-use policies, for example, should all be clearly communicated. Certainly, timekeeping for non-exempt employees can be a concern and must be monitored, with employees given specific instructions on how or whether to respond to company communications received via their mobile device during non-work hours. With regard to productivity, companies have a right to monitor an employee's internet use while he/she is using company resources, such as hardware and wi-fi. Many IT departments can track this activity and work with HR or the employee's supervisor to address issues. It is important to note that not all personal cell phone use at work is unproductive, however. In many work environments, cell phones have replaced two-way radios and other similar equipment. Studies have also shown that brief breaks throughout the workday, such as a time out to surf social media, can boost individual productivity."

"By providing the equipment and services it allows the yard to manage productivity more effectively. Setting proper standards or the desired level of expectations is a bit easier when you're not dealing with rules and requirements on the employees' personal property. Combining data usage and other information with activity reports or travel logs, for example, can enable the yard to monitor activities that directly impact productivity and implement corrective actions or directives as necessary. That is much easier to deal with than trying to draw lines between business and personal use."

"The problem we have are the personal cell phones that we do not reimburse for. Some employees are constantly on personal calls or listening to music or podcasts, Facebook, Twitter, etc. These are mostly warehouse people who really do not need a phone for work. I'd be curious to learn whether any companies have banned the use of cell phones that aren't supplied by the company or reimbursed for them?"

"We reimburse drivers, salespeople, and design staff. That way personal use of cell phones on company time does not cause an issue."

"We have employees that prefer to use their own number, so we give the option of a company-provided phone or reimburse the use of their own phone."

"We have a simple policy: Company cell phone only for work-related communications. We provide an iPhone, with the understanding that employees can use it for limited personal use. That way they don't have to carry two phones."

"We don't allow personal cells. If the employee leaves, we'd be chasing customers, or they won't get what they want fast enough and could leave." ■

THE READER WHO SUGGESTED THE "REAL ISSUES" TOPIC WILL RECEIVE AN LBM JOURNAL EXECUTIVE PRIZE PACK. Includes: a polo shirt, cap, mug, and pen.



INTRODUCING

Synthetic Floor Protection

- Absorbs Water and Paint
- Water Resistant Film Backed
- Non-skid Treatment
- Breathable
- Leaves No Residue on Flooring
- Reduces Scratches and Knicks
- No Adhesive Tape Needed
- Reusable



Recyclable Components



Works with Many Materials

Contact your PrimeSource sales representative for more information.

800-676-7777 • www.grip-rite.com • www.primesourcebp.com

Grip Rite WE BUILD AMERICA™

Grip-Rite Titan Floor Protection® is distributed by PrimeSource Building Products, Inc

©2018 PrimeSource Building Products, Inc All Rights Reserved.

Visit www.Grip-Rite.com for details, warranty information and limitations.



BY KATY TOMASULO

WASTE NOT WITH LEAN PRINCIPLES

Incorporating Lean principles into your yard and manufacturing operation can improve efficiencies and boost your bottom line.

On a given day, how much time do you spend searching for paperwork? How many extra steps do your team members take to stage 2x4s for loading? How much money does your company lose from damaged materials?

Even though it often comes in small doses, wasted time and money from doing extra work adds up and is likely putting a bigger dent in your profits than you realize. Implementing Lean principles may help.

Lean principles have been adopted by manufacturing companies and others around the world as a way of increasing efficiencies and reducing waste in ways that cut costs, improve profitability, and enhance customer service.

But while they are often associated with the likes of Toyota and other mass producers, Lean practices can prove beneficial for operations of all sizes and types, including lumberyards. In fact, Lean practices that eliminate waste, maximize time, and avoid mistakes are an ideal fit for an LBM industry that operates on razor-thin margins and lives by the mantra “on time and in full.”

©iStock.com/Oliver Le Moal

IDENTIFYING WASTE

The principles and practices of Lean are extensive enough to fill up books, conferences, and careers. Yet the overall approaches and concepts can be summarized simply: “It’s the systematic identification and reduction or elimination of waste,” says Scott Morrison, an industry consultant who helps lumberyards around the country get started with the process. Morrison explains how waste breaks down into eight categories:

- 1 **Overproduction:** Doing something too soon/before it’s necessary
- 2 **Overprocessing:** Rework
- 3 **Excess motion:** Taking too many steps, whether a physical step or an arm or hand motion
- 4 **Excess transportation:** A product or service is moving more than necessary
- 5 **Waiting:** Idle time
- 6 **Inappropriate inventory:** Too much or too little
- 7 **Defects:** Product defects, broken equipment, or data errors
- 8 **Loss of creativity:** Not tapping human capital, brainpower, or resources working in a process

Each of these elements, large or small, adds up to wasted time, wasted energy, and/or wasted material that, ultimately and over time, can contribute to wasted profit.

“The bottom line is you’re systematically identifying and eliminating and reducing waste,” Morrison says. On the manufacturing side, you’re finding ways to more efficiently produce—increasing production rate, improving quality, reducing downtime. On the service side, you’re seeking to turn trucks faster, pick product faster, and have staff complete tasks in fewer steps, among others.

And, ultimately, as you streamline processes and move materials through the yard more efficiently, it’s serving the customer more effectively, says Ben Hershey, owner of 4Ward Consulting Group. As part of the process, either initially or ongoing, you start to understand just how many times something is touched. “Once they see it, then they start to understand why they need Lean. A lot of people know they have issues, they just don’t know how to approach it.”

When Morrison first began working with Ballston Spa, N.Y.-based Curtis Lumber in 2016, the first steps were examining the current layout and functionality of the six stores that make up the dealer’s central district. It started with a big purge, says Lindsay LaRuffa, Director of Sales and Operations, filling countless dumpsters with old equipment, old displays, outdated inventory, unused furniture.

Next, they found a home for everything that was left. Every item in the store and yard now has a designated—and labeled—place, from a forklift parking zone marked with tape to an outline of a tool on a pegboard to a labeled cubby for paper clips under the sales counter. This process ensures no time is wasted finding an item, finding a place to put things, or moving things out of the way to get to something else.

During the initial reorganization, Curtis Lumber also studied each yard’s layout and product placement to stream-

line movement of people and equipment, including moving high-volume products closer to loading areas and grouping like materials together. They also brought back stock closer to point of sale. “At the end of the day, this has helped us to become more efficient and take fewer steps. It allows us to concentrate on our customers and selling,” LaRuffa says.

After the first full year, management is seeing the results in numbers, too—a decrease in shrink loss as well as an increase in profitability. Efficiencies and creating dedicated space for staging, as well as having trucks loaded the night before, are further helping to keep trucks fuller and better ensure on-time deliveries.

“Everything is so organized that the turnaround time for deliveries, staging, and loading is a lot quicker than it was in the past,” LaRuffa notes.

A key tool of Lean that Curtis Lumber also leverages is the concept of “5S.” “5S is a system for organizing spaces so work can be performed efficiently, effectively, and safely,” explains the website 5S Today. “This system focuses on putting everything where it belongs and keeping the workplace clean, which makes it easier for people to do their jobs without wasting time or risking injury.”

Originating with the Toyota Production System, 5S Today says, the Japanese acronym stands for Seiri (Sort), Seiton (Set in Order), Seiso (Shine), Seiketsu (Standardize), and Shitsuke (Sustain).

Along with the initial reorganization, 5S is part of Curtis Lumber’s everyday process of continuous improvement. This includes having cleaning stations throughout the stores and yards that have all items needed within a designated zone. Each employee is accountable for a certain area and devotes 15 minutes each shift to 5S in that area—cleaning, restocking, facing products, making sure everything is labeled and in its place.

“In the 13 years I’ve been with Curtis Lumber, I’ve never seen our yards look cleaner, more organized,” says LaRuffa. “It’s definitely more efficient for employees. The shopping experience is better for customers.” ▶

THE CONCEPT OF 5S IS A SYSTEM FOR ORGANIZING SPACES SO WORK CAN BE PERFORMED EFFICIENTLY, EFFECTIVELY, AND SAFELY. THIS SYSTEM FOCUSES ON PUTTING EVERYTHING WHERE IT BELONGS AND KEEPING THE WORKPLACE CLEAN, WHICH MAKES IT EASIER FOR PEOPLE TO DO THEIR JOBS WITHOUT WASTING TIME OR RISKING INJURY.



IMPLEMENTATION

Loran Hall, President of Mathew Hall Lumber, began working with Morrison to implement Lean practices after reading about another yard's success. "We were getting the job done, with good product, but it felt like we were missing something."

The team studied the flow of product through its truss plant, shifting to a system that runs as a pull through, not a push through, and eliminating pinch points.

Orders and lead times were among those pinch points. Previously, the shop claimed lead times based on all orders—an order was submitted, whether it was approved or not, and production space automatically held, thereby causing even at-the-ready orders to have a 12-week lead time. Now, only products designed and signed off on become an order.

These methods required a shift in mentality for many salespeople—they had to learn to trust the lead time. "If we declare a lead time, that's our lead time. And we'll live by it," Hall says.

The process also established requirements for shipping upon completion so that components don't sit in the yard, getting dirty and getting in the way.

Hall says the tactics are working: in one measurement, last year the company's sales were substantially up while overtime was substantially down.

Like Curtis Lumber, Mathew Hall Lumber also reexamined its layout, which had been the same since 1978. The company conducted a comprehensive review of fast- and slow-selling items and rearranged the yard to put frequent items closer to the loading area to help reduce footsteps and equipment trips.

5S is a regular part of the continuous improvement process at Mathew Hall Lumber, as well, though Hall admits it can be tough in a sometimes dirty, dusty setting. "You have to have it in the back of your mind the whole time."

ALWAYS ON

Keep in mind that Lean is not a one-and-done activity. It is an ongoing endeavor of continuous improvement. "You're always a little better than you were yesterday. You're always getting better. You never stop," Morrison says.

Along with incorporating 5S into daily routines and addressing efficiency issues during meetings, "Kaizen" events are a core method for continuous improvement. "These events are a tool that gathers operators, managers, and owners of a process in one place; maps the existing process; improves on the existing process; and solicits buy-in from all parties related to the process," explains the iSixSigma website.

It was during one such event that a client of Morrison tackled credit returns, which it had been discovered required involvement of eight different departments. As part of the Kaizen event, the team mapped out the process steps, creating a flow chart for each, then brainstormed areas to improve. What can be done faster? How can fewer people touch it? The solution might be a whole new process, eliminating unneeded steps, or perhaps implementing software. From there, you develop the future state and test it, the third part of what Morrison calls the "Plan-Do-Check-Act" (PDCA) Cycle. The process improvements in this case reduced involved departments down to four.

GETTING TEAM BUY-IN

Like any change, some employees may push back with a "We've done it this way forever" mentality, Hershey cautions.

First and foremost, ensure buy-in at the top—the management team must be fully on board for and enthusiastic about the long-term commitment of continuous improvement.

But just as important is giving team members ownership, making them part of the process. "The person doing the work is the one who has the best perspective on how to eliminate the issue," advises Jeff Tweten, a managing member of consulting firm WorkSafeWorkSmart. Their perspective and ideas will help identify problems and solutions going forward.

For example, an employee at Mathew Hall Lumber's truss plant who loaded materials onto cutting machines realized that his cart was configured in a way that forced left-handed users to walk around to open the door. As a result of this observation, a button was added to both sides of the cart, cutting out a few small steps that add up over the course of a day.

"It's amazing. Not only have employees found their lives less stressful, more efficient, our customers have made comments about their shopping experience," LaRuffa says. "The employees are proud of what they've accomplished, and when they get that feedback from the customer, it makes it all worthwhile—because it is a lot of work."

What's more, employees are feeling more empowered, she says, and are using creativity to improve efficiencies within their areas of responsibility.

"TEACHING YOUR WORKERS TO SPOT THE 8 WASTES IN YOUR PROCESSES AND EMPOWERING THEM TO ELIMINATE WASTE IS AT THE CORE OF THE '2 SECOND LEAN' PROCESS. THE CHALLENGE TO TEAM MEMBERS, IS TO FIND TWO SECONDS OF IMPROVEMENT IN THE JOB THEY PERFORM FOR THE COMPANY EACH DAY. THIS CHALLENGE CREATES A DAILY IMPROVEMENT PROCESS THAT ESTABLISHES A COMPANY-WIDE CULTURE OF IMPROVEMENT."

—JEFF TWETEN



This is particularly true of Millennials, says Tweten. “Millennials are looking for ownership,” he says. “They don’t want to be bogged down by a bunch of rules that don’t make sense. They want results and ownership and to be part of a winning effort or cause.”

Tweten is a fan of the concept of “2 Second Lean,” which was developed by Paul Akers, founder and President of tool and hardware provider FastCap. “Paul has simplified the Lean concept and made it easily accessible to everyone in your workforce,” Tweten recently wrote. “Teaching your workers to spot the 8 Wastes in your processes and empowering them to eliminate waste is at the core of the 2 Second Lean Process. Paul challenges team members to find two seconds of improvement in the job they perform for the company each day. This challenge creates a daily improvement process that establishes a company-wide culture of improvement.”

With all employees, emphasize that it’s not something that happens overnight and it’s also not something that has an endpoint.

Curtis Lumber reviews 5S principles during monthly team meetings, and LaRuffa herself is at a different location each week, conducting walk-throughs with the store manager, acknowledging employees, seeking ideas from them, and learning about any challenges that can be addressed.

“What I always encourage is that during your shift huddle, one of the questions you’re asking is where can we improve? Or ‘I saw this...’. Loop in everybody,” says Hershey.

Constant communication and forethought is key. He also teaches managers to spot-check metrics—What areas can be more efficient? What aren’t we able to achieve? Also, create a communication board to track Lean projects, ideas for improvement, and highlight 5S.

In an industry that competes on price with small margins within which to work, every small increase in efficiency can potentially impact the bottom line. “You can’t always go on price and survive,” Morrison notes. “You have to fit the market price, then improve margins by reducing operational costs.”

“A lot of people fear getting started in this. I really try to encourage them that it’s not as daunting as they think it is,” says Hershey. “The savings you’re going to get in the end are far going to outweigh the investment you’re going to make up front.” ■

Katy Tomasulo is a Seattle-based freelance writer, editor, and content marketer with 18 years of experience covering the LBM industry.



PERMA-BOOT®

Serious leak prevention
Serious profit margin!

The single best value in preventative maintenance and repair is also a major category driver. Perma-Boot® is the fast and permanent solution to safeguard plumbing vent pipes from failure due to sun damage and weather extremes.

www.perma-boot.com | 919.662.9894

MANNING
BUILDING PRODUCTS

BY KATY TOMASULO



IN DEPTH

LUMBER AND STRUCTURAL PANELS

SPECIALTY PRODUCTS HELP DEALERS AND BUILDERS SOLVE JOBSITE, CODE, AND LABOR CHALLENGES.

WOOD PANELS AND DIMENSION LUMBER MAY SEEM LIKE EVERYDAY ITEMS IN MOST LUMBERYARDS, BUT THANKS TO INNOVATIONS FROM MANUFACTURERS, THEY'RE ANYTHING BUT BORING.

Whether meeting energy codes, saving labor, or resisting moisture, the latest materials give dealers and their builder customers more options than ever to improve the performance of homes while saving time and hassles. Dealers seeking to make the most of these opportunities and be a true resource to customers should brush up on category knowledge and help builders learn about product and assembly options that meet the needs of almost any jobsite.

RESPONDING TO MARKET CHALLENGES

The stronger housing market has provided a boost for wood panels.

"On the demand side, the housing market is looking good," says Joe Elling, Market Research Director for APA-The Engineered Wood Association. "With respect to panel production, manufacturers are opening shuttered mills, and we should see a continued growth in production for OSB over the next 18 months. The structural panel market share is running at 80%."

Manufacturers also report that the robust multifamily market is impacting

their products and sales. "The mortgage market has influenced the increase in multifamily projects," notes Bobby Byrd, Director of OSB Sales and Marketing for RoyOMartin. "This dynamic change is driving new and different products for this unique segment of the housing market. For example, products are exposed to the elements for a much longer time than in traditional single-family construction. We, as manufacturers, must develop better installation practices and/or products to meet these challenging requirements."

One concern for dealers, says Ashlee Cribb, Sales Director for Solid Wood at Roseburg, is "assuming that there will always be an adequate supply of product available. With the growing domestic and world economies, product shortages in these categories could develop." She recommends establishing a presence and good relations with the various components of the supply chain. "In other words, get in the order file and maintain your place in it."

Cribb says that Western species log availability is a challenge, especially with weather and fire events last year, and that higher-grade Douglas fir veneers may be less available in the future.

EASIER INSTALLS

The strong housing market has brought on another labor crisis, with many

builders struggling to fill positions with qualified pros. Therefore, products that are easier and faster to install are catching on.

It's part of a larger movement toward products that do more. Gone are the days when structural OSB and plywood panels were merely a commodity. "Producers are making structural panels that are easier and faster to install, can withstand weather better during construction, and culminate with contractors having fewer callbacks to jobsites," notes Judy Haney, Plywood Sales Manager for Boise Cascade. ➤

OPPOSITE PAGE: LP Legacy premium subfloor panels are packed with more resin, wax, and wood fiber, and are made with Gorilla Glue technology, providing moisture resistance to prevent edge swell. The high density panels are ideal for installation under hardwood floors and tile.

BELOW LEFT: Roseburg offers dimension lumber in Douglas fir (shown), white fir, and hemlock. Most lumber is available FSC-certified on request.

BELOW: Eclipse Weather Resistant Barrier panels from RoyOMartin integrate housewrap and reflective insulation into the structural panel to take the place of housewrap. The panels work with a specially formulated tape and are suitable for commercial and residential use.



IN DEPTH

“Builders are looking for products that save time without increasing costs,” agrees Byrd. “As housing starts increase and the available labor shortage continues, building better, faster, and smarter is a trend in structural panels.”

A number of specialty wall panels are fulfilling these needs. For example, RoyOMartin offers solutions such as Eclipse Weather Resistant Barrier to replace traditional housewraps, thereby removing steps. According to the company, Eclipse Weather Resistant Barrier integrates housewrap and reflective insulation into a single structural panel, taking the place of tradi-

tional housewrap. The tape-and-panel solution has a 180-day exposure rating and a Class B fire rating, and is available in extended lengths.

Huber Engineered Woods’ ZIP System wall and roof sheathing products have an integrated weather resistive barrier; they install like traditional panels and seal with ZIP System tape.

Similarly, Georgia-Pacific offers ForceField, which also features an integrated air and water barrier to save builders a step. The company recently added ForceField Corner Seal to its lineup, which can be used to flash both inside and outside corners.

RIGHT: Georgia Pacific’s ForceField features wood sheathing with an integrated air and water barrier, eliminating the need for separate housewrap. The panels seal with ForceField seam tape.

BELOW: Huber Engineered Woods’ AdvanTech subfloor adhesive offers greater yield and easier application. When applied with the company’s new long-reach 28” gun applicator, installation is 40% faster than traditional polyurethane-based cartridge adhesive methods, Huber says.



LP’s FlameBlock fire-rated OSB sheathing features an ignition-resistant coating and is designed to meet code requirements as a component for fire-rated interior wall assemblies, exterior wall assemblies, and roof decks. The panels’ structural design values are not diminished by the treatment, so they can have the same load/span and shear design values as untreated structural panels, the company says.

FLOOR SHOW

Specialization and labor savings also can be found in new introductions in the subflooring category as well, as OSB manufacturers continue to up their game in the name of moisture resistance. Huber has been in the premium subfloor market for some time with its AdvanTech panel. The subflooring features a higher density and advanced resin technology that help it resist moisture while also making it strong and stiff. It carries a 500-day no-sand guarantee.

The company offers an accompanying subfloor adhesive that it says is easier to apply versus traditional cartridges, and at this year’s International Builders’ Show, introduced a long-barrel applicator gun that helps installation move even more quickly.

Recently both Weyerhaeuser and LP launched their own premium subfloor options, with similarly high strength and stiffness ratings.

Weyerhaeuser’s Edge Diamond is designed to be highly resistant to weather and features Down Pore self-draining technology to reduce standing water. Edge Diamond also carries a 500-day no-sand guarantee.

“Given the shortages in labor within the building industry, there is a trend toward products that will either reduce labor on the front end or more often reduce the need for time-consuming callbacks,” says Chris Degnan, Director of OSB Sales and Marketing for Weyerhaeuser. “This is seen in the growing use of enhanced OSB flooring like [Weyerhaeuser’s] Edge Gold and Diamond. Builders are investing a small amount up front to avoid issues later in the building process, and they are seeing value in that strategy.” ➤

PROJECTS CHANGE COMMITMENT DOESN'T



WEYERHAEUSER DISTRIBUTION

Your customers never stop building. That's why we distribute everything you count on to get the job done right. With thousands of in-stock products ready to ship, you can count on Weyerhaeuser Distribution to deliver what you need, on time, with a solid handshake.

Go to weyerhaeuser.com/distribution to find your closest distributor and product offering.



Weyerhaeuser

ALWAYS BUILDING



Edge Diamond From Weyerhaeuser is a premium subfloor panel the manufacturer says is engineered to compete with the best floor panels in strength, nail retention, and weather-resistance. It features tongue-and-groove for easy installation and Down Pore self-draining technology.

LP added to its subflooring lineup last fall with a premium panel called Legacy. The company says the subflooring panel, which contains more resin, wax, and wood fiber and features Gorilla Glue technology, has the highest bending stiffness and is one of the strongest subfloor panels available. The panels' premium moisture resistance prevents edge swell and allows for a "Covered Until It's Covered" no-sand warranty.

"We knew there was a market there," says Kayla Boyce, LP's OSB Product Manager. "The response from our customers has been great."

"The trend is clear, more and more builders are embracing the benefits of increasing OSB technology," Degnan says. "New products provide specific value, and builders are responding to that in this ever-tightening labor market."

MEETING CODES

Along with overall market trends, increasingly stringent building and energy codes are influencing product development and system installation.

For several years, APA has helped ensure that wood structural panels remain an accepted method for meeting code requirements for energy-efficient wall systems.

"Since taking large jumps in energy efficiency in 2010 and 2013, the residential energy code largely remains at the same high level of efficiency over the last five years," says Tom Kositsky, Field Services Director

for APA. "That being said, builders are still refining how they meet the higher requirements. According to the most recent (2016) Home Innovations Research Labs' Builder Practices Survey, builders' use of OSB and plywood wall sheathing remains at historically high levels. Builders reported that wood structural panels accounted for 82% of exterior wall construction, with OSB accounting for 68%, followed by 14% plywood, 8% concrete block/no sheathing, and 5% foam sheathing."

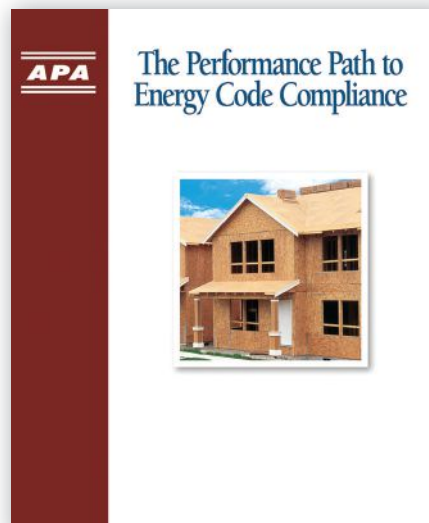
APA offers several resources to help dealers and builders meet energy code requirements. Late last year, the association published *The Performance Path to Energy Code Compliance*, a guide for builders looking for cost-effective alternatives to meeting code. It also recently updated its Build a Better Home section on its website, a

collection of resources for moisture-resistant foundations and roofs, and addressing mold and mildew.

Another code issue APA has been active on is the use of wood structural panels as a nail base for siding.

"Recognition of wood structural panels as a nail base for siding and trim was a big win for builders in the 2015 IRC," notes Byrd. "The code change permits builders to use structural wall sheathing (plywood or OSB) instead of framing members to secure cladding. This is especially important when flexible siding is used, like vinyl, which typically must be fastened more frequently than other types of siding and trim."

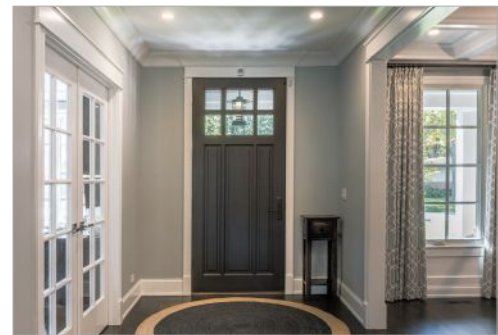
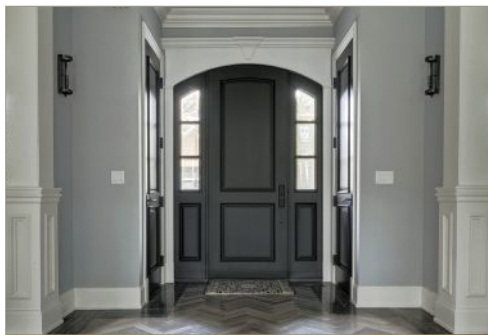
APA's guide, *Nail-Base Sheathing for Siding and Trim Attachment*, helps users determine the type and spacing of fasteners to meet code requirements. ▶



One of numerous publications from APA—The Engineered Wood Association, *The Performance Path to Energy Code Compliance* offers builders methods for creating cost-effective assemblies and systems that meet energy code requirements.

*Glenview
Doors®*

CUSTOM & IN-STOCK DOORS



www.glenviewdoors.com | 877.379.3667

Dealer Opportunities: Contact Office@GlenviewDoors.com

SYSTEM THINKING

Manufacturers and the APA also offer ample guidance for systems and assemblies—how products work together to create more durable, energy-efficient, and resilient homes. This is another opportunity for dealers to provide expertise to builders across multiple categories and to sell systems rather than just individual components.

“APA is identifying opportunities for builders with a number of different assemblies and approaches, including tall wood assemblies, radiant barrier roof sheathing, and solutions that address air infiltration,” says Kositzky. “Understanding air infiltration in the code takes some training, but it is a good topic for the building material supplier to understand.”

For example, in its publication *IECC Compliance Options for Wood-Frame Wall Assemblies*, APA provides design recommendations and wall assembly options for meeting R-20 or R-13+5 wall

insulation values required by the energy code while using wood structural panel wall sheathing.

LP offers several assembly recommendations for creating code-compliant fire-rated assemblies. One is U350, designed for creating partition walls without a shaft liner—thereby negating the need for a specialty trade while adding 4” per square foot back into the living space.

APA also is renovating its testing lab that “will expand [its] research and testing capabilities to support code provisions for taller wood walls and shear wall and diaphragm assemblies,” says Marilyn Thompson, APA’s Market Communications Director. “We’re looking forward to improving our capabilities for dynamic load testing, and testing of new and innovative engineered wood products. It is a significant investment that will deliver long-term results.”

LUMBER POWERS ON

On the lumber front, this past year the industry closely watched trade negotiations on Canadian softwood lumber. In a statement issued Nov. 2, 2017, the U.S. Commerce Dept. said, “While significant efforts were made by the United States and Canada, and the respective softwood lumber industries, to reach a long-term settlement to this ongoing

“LUMBER DEALERS ARE THE EYES AND EARS OF THE INDUSTRY THAT SERVE THEIR CUSTOMERS. AS THE BUILDING CODES CHANGE EVERY THREE YEARS, SO DO OUR PRODUCTS TO MEET THOSE REQUIREMENTS. IT IS VERY IMPORTANT TO KEEP INSTALLERS UP TO DATE WITH NEW PRODUCT ALTERNATIVES AND INSTALLATION TECHNIQUES THAT MAKE THE INSTALLER BETTER, FASTER, AND SMARTER.”

—BOBBY BYRD, ROYOMARTIN

trade dispute, the parties were unable to agree upon terms that were mutually acceptable. As a result, the investigations were continued and Commerce reached its final determinations.”

In doing so, the department locked in its combined antidumping and countervailing duties of up to 24%, depending on the manufacturer, according to *LBM Journal* reports.

Like panels, lumber products also are increasingly available in specialty options that save time and hassles.

Weyerhaeuser’s Framer Series, for example, is performance tested with a computerized grading system to help eliminate culling time and callbacks by ensuring every piece is straight.

Labor woes are impacting dimension lumber use, as well. “One key driver in housing is the lack of skilled labor,” says Gary Fallin, General Manager for Southern Pine Sales at Canfor. “There has been a very large push in using floor and roof trusses verses stick built on side rafters and floor joists. The result to the lumber market is higher demand for narrow lumber (2x4s, 2x6s, and 2x8s).”

Canfor expects demand for softwood lumber to increase since the U.S. housing market is well below the average number of new units being produced. ▶

BELOW: Canfor offers several species of dimension lumber, including Southern yellow pine, spruce pine fir, Douglas fir larch, and Canfor Red. SYP, shown here, is available in five sizes and six grades.



RIGHT: Boise Cascade’s Sturd-I-Floor plywood subflooring is available in Western fir and Southern pine species. It features a tongue-and-groove for faster installation and carries an Exposure 1 classification, which means it will resist the effects of moisture as may occur during normal construction delays.



**SQUEAK-FREE™
GUARANTEE**

OUR WORD IS OUR BOND.



With a unique foam-to-gel formula, NEW AdvanTech™ subfloor adhesive delivers a powerful panel-to-joist connection with a fast, easy application — even on wet or frozen wood¹. And when you combine it with the moisture resistance, strength and fastener-holding power of AdvanTech® subfloor panels, you get a subfloor assembly backed by the industry's only Squeak-Free Guarantee². And that's what makes AdvanTech® products the FLAT OUT BEST™ choice for a quiet, stiff floor.



See it in action at AdvanTechSFA.com.

¹ Exceeds ASTM D3498. ² Limitations and restrictions apply. Guarantee for panel-to-joist connection on an AdvanTech™ Subfloor Assembly. Additional limitations and restrictions apply. See SqueakFreeGuarantee.com for details. © 2018 Huber Engineered Woods LLC. AdvanTech and AdvanTech logos and designs are trademarks of Huber Engineered Woods LLC. HUB 17659 08/17

“Demand for MSR-graded lumber will expand as builders want confidence in the design and performance of the homes they are building,” Fallin says.

Canfor is seeing species substitution, with higher priced SPF being substituted with Southern yellow pine, as well as a higher use of machine stress rated (MSR) lumber. The company has expanded its production of MSR in SYP and SPF to meet the growing demand.

“There is far less species loyalty compared to just 10 years ago,” says Fallin. “Builders/consumers are looking for the best value. Recent trends in drying Southern yellow pine has provided a much more stable product which is easily substituted for species that held traditional markets.”

Also, he notes, “Design value changes, particularly in Southern yellow pine, made for wider lumber to be used for certain spans. The result to the lumber market is more demand for wide dimension (2x10s and 2x12s) also substituting #1 for #2 in some applications.”

Fallin recommends dealers align themselves with lumber producers that focus on shipping on time. A more efficient supply chain allows the dealer to reduce inventory.

EXPAND YOUR KNOWLEDGE

In both categories, successful dealers are those that can be a resource to customers both in overall product knowledge and in applications that can meet codes and save time and money.

“Lumber dealers are the eyes and ears of the industry that serve their customers,” says RoyOMartin’s Byrd. “As the building codes change every three years, so do our products to meet those requirements. It is very important to keep installers up-to-date with new product alternatives and installation techniques that make the installation better, faster, and smarter. For example, why would a savvy representative ship 9’ studs and 8’ OSB wall sheathing to a jobsite? The better, faster alternative is to offer 9’ OSB for installation on 9’ studs.”

Manufacturers and associations like APA offer numerous educational opportunities to help with everything

from product knowledge to meeting code requirements to installation best practices.

“I find staying involved and active in the education process is a great way to educate the supply chain,” Byrd adds. “Most distributors and manufacturers are more than willing to participate in training classes or lunch-and-learns, or offer accredited continuing-education credits for builders, engineers, and architects.

“Stay informed. Keep those important ‘boots-on-the-ground’ salespeople educated on the latest information, and offer more efficient building solutions,” Byrd continues. “Not only do they offer a better solution to their customers, a well-informed sales representative is a great asset to the manufacturer as well.”

With the continued introduction of higher-performing specialty products, it’s more important than ever for dealers to provide customers with expertise. “The more knowledgeable [they are] about the products they carry, the more options a dealer will be able to present to their customers,” says Haney. “A lot of suppliers are willing to help with product knowledge learning—including the pros and cons of products and suitable applications.”

Along with Boise’s own resources and those of APA, Haney recommends APA’s Performance Panels website (performancepanels.com), which provides base knowledge of different types of panels; ThinkWood, which highlights innovation in the use of softwood lumber; WoodWorks, from the Wood Products Council; and the American Wood Council, which provides information on codes and standards.

“Our industry has, and will continue to have, its unique challenges,” Byrd says. “Addressing the changes, new products, new technology, and installation techniques head on and getting ahead of them—that’s what makes you an industry leader.” ■

Katy Tomasulo is a Seattle-based freelance writer, editor, and content marketer with more than 18 years of experience covering the LBM industry.

INTERNET INFORMATION

Companies highlighted participated in this article.

Allweather Wood:
www.allweatherwood.com

Belco Forest Products:
www.belcofp.com

Boise Cascade:
www.bc.com

Canfor:
www.canfor.com

CMPC:
www.selex.cl

Coastal Plywood:
www.coastalplywood.com

Georgia-Pacific:
www.gpforcefield.com

Huber Engineered Woods:
www.huberwood.com

Idaho Forest Group:
www.idfg.com

Interfor:
www.interfor.com

LP Building Products:
www.lpcorp.com

Manufacturers Reserve Supply:
www.mrslumber.com

Mid-State Lumber:
www.midstatelumber.com

Norbord:
www.norbord.com

Rosboro:
www.rosboro.com

Roseburg Forest Products:
www.roseburg.com

RoyOMartin:
www.royomartin.com

Sherwood Lumber:
www.sherwoodlumber.com

Stimson Lumber:
www.stimsonlumber.com

Swanson Group:
www.swansongroupinc.com

Universal Forest Products:
www.ufpi.com

Weyerhaeuser:
www.woodbywy.com

ASSOCIATIONS

APA-The Engineered Wood Association:
www.apawood.org

Northeastern Lumber Manufacturers Association:
www.nelma.org

North American Wholesale Lumber Association:
www.NAWLA.org



THE NEW DRIVING FORCE IN THE FASTENER INDUSTRY



Get to know our quality products

**Construction Screw
Universal Screw
Fine Screw
Re-Fine Screw**



For all your fencing needs!

Fasteners that contractors and engineers agree on. Find out why!



tf: 855-895-7096 | fax: 807-623-6224 | www.u2fasteners.com | sales@u2fasteners.com

HOT

PRODUCTS

2018 INTERNATIONAL BUILDERS' SHOW

EDITORS' CHOICE

There's no better place to see the latest, greatest building products than at the annual International Builders' Show. This year's show, held January 9-11 in Orlando, featured more than 580,000 sq. ft. of exhibits, and more than 1,500 exhibitors. There is no better place for an industry pro to see brand new products, as well as plenty of incremental improvements on existing products. With manufacturers determined to deliver what you and your customers want, two overriding themes were products that can be installed faster and with less labor, and continuing advancements in technology. The following pages feature companies whose "something new" caught our eye. Who knows...maybe one or more of the products on the pages that follow will be the next big thing for you and your customers. The listings are in no particular order.

— The Editors





James Hardie™ Aspyre Collection

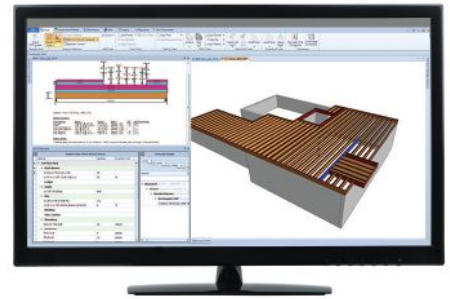
The newly-launched Aspyre Collection from James Hardie combines two product lines that can be used individually or in combination to provide industry professionals with numerous design possibilities. To create the Aspyre Collection, James Hardie paired the thick distinctive profiles of Artisan® siding with the smooth, geometric Reveal® Panel System, allowing architects and builders to create designs that range from traditional to ultra-modern. The 5/8" thick Artisan siding profiles cast deep shadow lines designed to create strong horizontal and vertical definition. Artisan siding features lower profile seams through lap and Lock Joint systems as well as six distinct profiles. The Reveal Panel System is a complete, customizable system of commercial-grade panels, trims and fasteners. Reveal panels can be installed horizontally or vertically, and can be cut to size on-site. The portfolio of products will be available nationally toward the end of 2018.

www.jameshardie.com



MiTek SAPPHIRE Supply software

MiTek has added new features to its SAPPHIRE Supply software solution, including improved functionality for its pro-dealer users. Designed specifically to meet the needs of lumber and building material dealers, SAPPHIRE Supply is a single-source software solution that combines complete, multi-category materials estimating and structural frame design. SAPPHIRE Supply also incorporates the building material supplier's product SKUs (and pricing) to create a complete "whole house" quote, while performing analysis and design on a range of structural products, including leading proprietary engineered wood products, dimension lumber, and metal connectors and hangers. Recent functionality added to SAPPHIRE Supply now allows multiple estimating jobs to be referenced together in a single file. Additionally, SAPPHIRE Supply's improved product selection interface allows a search and selection for MiTek Builder Product offerings, with quick access to product images, their MSRP, and what Code Report references may apply to the product. www.mitek-us.com



Ply Gem MaxView patio door

The Ply Gem MaxView patio door is available with an upgraded automated opening feature and is designed to deliver modern sophistication in high-end new construction and remodeling applications. The large aluminum three-panel, multi-slide door system covers a width of 20' and height of 10'. The minimalist frame design maximizes the glass viewing area, with vertical stiles of just 19mm (3/4") wide. The MaxView patio door is said to deliver exceptional energy efficiency through high performance glazing packages and thermally insulated aluminum construction on the frame and panels. Available in numerous design color options, the doors feature an electrostatically coated or designer anodized finish. www.plygem.com



MoistureShield® Vision™ deck and trim boards

MoistureShield has introduced Vision deck and trim boards, produced with an advanced manufacturing method said to create a modern variegated appearance. Vision decking is available with or without MoistureShield's CoolDeck® technology. CoolDeck technology optimizes heat reflection so the boards absorb up to 35% less heat than conventional capped composites in similar colors. Deck boards are available in 1" x 6" nominal size (1.0" x 5.4" actual), 12', 16', and 20' lengths. Available grooved for hidden fasteners and non-grooved Trim boards are 0.67" x 11.25" actual dimensions 12' length. MoistureShield Vision deck boards are backed by a transferable lifetime warranty, along with a lifetime fade and stain warranty. Vision decking also provides advanced scratch resistance. www.moistureshield.com



Masonite Cruz decorative glass

Masonite's focus for 2018 is to complement emerging trends, giving designers and homeowners more options for doors that fit their personal style while adding decorative elements that align with today's home styles. Cruz decorative glass is designed to complement the urban trend using smooth, sleek glass and clean lines to blend in with concrete, metal and industrial components. The opaque glass adds a level of privacy that is said to also allow light on functional spaces within the home. www.masonite.com



Signature Stain Shake by Tando

Utilizing a proprietary manufacturing process that integrates real semi-transparent wood stain into Tando's Rustic Cedar 6 Shake, the latest from Derby Building Products is designed to deliver a look that is identical to actual stained wood shakes without the upkeep. With a 50-year Performance Plus Warranty, Signature Stain products are available in three stain colors taken from nature: Fawn, Bark and Acorn. The lightweight design is said to be resistant to high winds, and can be installed by one person. Signature Stain Shake is available in 8' lengths in single course profiles. www.tandobp.com

Feeney CableRail Conceal Kit

Feeney's CableRail Conceal Kit was developed to provide a solution for customers seeking a more streamlined cable railing aesthetic. The end caps on the outside of the railing posts are thinner, and the fittings are shorter in length so they can be completely concealed inside the post. The CableRail Conceal Kit features a specially-designed tension fitting on one end and an automatic-locking Feeney Quick-Connect® fitting on the other end.

The kit is available in pre-fabricated assembly lengths ranging from 5' to 50' (in 5' increments) that can be trimmed to exact length in the field. Product accessories, including isolation bushings for harsher environments and decorative stainless or colored end caps, are also available and sold separately. www.feeneyinc.com



Dynaflex Ultra™ Advanced Exterior Sealant from DAP®

DAP Dynaflex Ultra is formulated with Weather Max™ technology for superior all-weather defense and powerful UV protection against color fading, yellowing, discoloration and damage from harsh weather. Dynaflex Ultra is designed to not crack, crumble, chalk or break down.

What's more, Dynaflex Ultra is said to stay flexible to endure expansion and contraction caused by sun, heat, cold, wind and rain. The product adheres to a wide variety of building substrates, including fiber cement, vinyl, aluminum, wood, stucco, brick, masonry and more. The advanced Dynaflex Ultra formula forms a tough exterior designed to resist dirt and dust pick. The hydrophobic surface also prevents water absorption for a weatherproof seal that DAP says won't swell, soften, blister or break down over time. Dynaflex Ultra is rain ready in just one hour, and carries a lifetime mold, mildew, and algae resistance guarantee.

www.dap.com



Fortress Evolution Steel Deck Framing

Evolution Steel Deck Framing from Fortress is an interlocking joist and ledger system that was developed by deck builders. Standard Evolution framing was built to support longer spans, reducing the number of footings and columns builders need to have in place. The powder-coated finish is said to provide increased corrosion resistance as well as a more finished look.

Evolution components are designed to serve the same shape and function as wood. Rectangle joist profiles are available in 12', 14', 16', 18', and 20' lengths and can be cut to size. The steel framing system supports composite, PVC, Ipe, or any wood deck board. Available with a 25-year limited warranty.

www.fortressframing.com





Fypon Beams.
Even The Experts Can't See The Difference.



It looks like wood. It installs like wood. But it performs like something much better.

Fypon polyurethane beams offer exceptional style with clear advantages in cost savings, strength and durability and material weight that's five to seven times lighter than wood.

Available in numerous styles and profiles, our beams won't warp, crack or split, and are resistant to moisture and anything that might try to eat them.

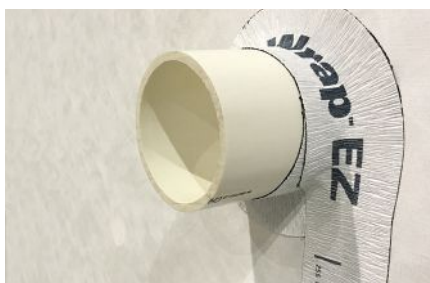
Learn about the benefits and advantages of Fypon polyurethane beams at www.fypon.com/beams.

FYPON
Where style meets performance



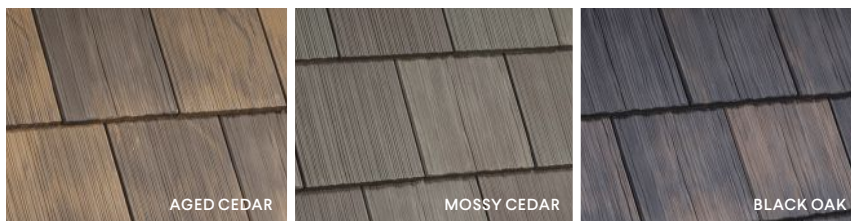
Therma-Tru Classic-Craft® American Style Collection™

The new Classic-Craft American Style Collection Shaker-style doors from Therma-Tru include designs both with and without glass, and are available in 6'8" and 8' heights. The new full-lite EnLiten™ flush-glazed doors and sidelites are designed to offer a simple, yet sophisticated look that can be customized with premium flat profile divider bars to complement a variety of architectural elements. The doors can be customized to match a variety of architectural home styles, from Arts and Crafts to Contemporary and Modern. www.thermatru.com



DuPont FlexWrap™ EZ

DuPont's new FlexWrap EZ, is a flexible flashing tape that according to the manufacturer creates an air and water tight seal around small shaped penetrations. It will be available in 2-3/4" x 15' roll lengths and ideal for sealing around plumbing pipes, electrical boxes, wires, etc. DuPont FlexWrap EZ is designed to facilitate an energy efficient building by sealing the building at its most vulnerable penetrations. www.dupont.com



DaVinci Roofscapes® Nature Crafted Collection

The Nature Crafted Collection of three composite shake shingle colors launched by DaVinci Roofscapes includes nature-inspired colors including Aged Cedar, Mossy Cedar and Black Oak. Each new color reflects different progressive aging processes found on real shake shingles. The DaVinci shake products have a lifetime limited warranty to not split, crack, curl or fade. Each tile has been crafted to resist fire and impact, along with high winds, mold, algae, fungus and insects. The composite tiles come in both wavy and straight grains throughout each shake tile, designed to simulate an authentic wood look. The Nature Crafted Collection is available on all DaVinci Multi-Width and Single-Width Shake composite roofing tiles. www.davinciroofscapes.com

LP Legacy® subfloor

Packed with more resin, wax, and wood fiber and made with Gorilla Glue Technology®, LP Legacy engineered subfloor boasts superior moisture resistance that prevents edge swell. Each wood strand in LP Legacy panels is coated with resins using Gorilla Glue Technology to ensure maximum moisture resistance. The resins bond wood strands at the molecular level, designed for premium performance. As a result, LP Legacy carries a class-leading "Covered Until It's Covered" no-sand warranty, as well as a Lifetime Limited Warranty that lasts as long as the home. Other features include RainChannel® notches on 4' panel ends to promote drainage, a unique, easy-to-install tongue-and-groove with a flat profile, and pre-printed fastener marks for precise installation. www.lpcorp.com/legacy



Fypon Craftsman Crosshead

The new Fypon Craftsman Crosshead design was introduced to enhance curb appeal and draw more attention to a home. Long linear lengths are said to eliminate the need for multiple jobsite visits, since the product can be measured and cut to exact requirements. The product is designed for easy installation, just measure and cut, then glue and screw. Multiple molding build-up is not necessary. The Craftsman Cove end caps overlap the breast board to conceal installation screws and eliminate the need for patching. Installation over large openings is said to be simplified as the long length reduces the requirement of placing two pieces together, then patching to cover the cut. Can be ordered to the exact measurement required for any project. www.fypon.com

LBM JOURNAL IS PROUD TO PRESENT



Created to recognize and celebrate lumberyards that have been serving their communities for more than 100 years.

THERE IS NO MEMBERSHIP FEE

A company that's been around for a century has already paid its dues.

MEMBERS RECEIVE AT NO CHARGE

- Recognition in LBM Journal and on LBMJournal.com
- Certificate of membership
- Press release for distribution to local media
- Special Century Club logo for your use
- Century Club member window clings
- Recognition at the annual LBM Strategies Conference

To nominate your company (or another dealer) for membership, and to see a complete list of members including an interactive map, please visit www.LBMJournal.com/century

SPONSORED BY

EPICOR



New stone veneer products from Environmental StoneWorks

Environmental StoneWorks, a national manufacturer and installer of stone veneer, has unveiled two new product lines: Barn Wood and Clean Brick. Barn Wood is said to combine the natural look of wood with the quality and installation ease of stone veneer. Clean Brick has been cut with a linear, modern look. The line is refreshed and is available in Slate Gray and Chalk Clean profiles. Clean Brick is paintable for a completely tailored and custom look. www.estoneworks.com

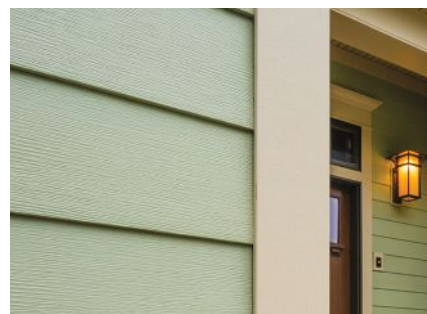


Ultra-Aire in-wall dehumidifier

The Ultra-Aire MD33, said to be the industry's first true in-wall dehumidifier, features a profile of just 5-3/4" deep, allowing it to fit inside 2" x 6" stud walls. The Ultra-Aire MD33 is Energy Star® Certified and runs independent of the HVAC system. The unit removes up to 33 pints of water a day, and features a digital RH controller behind a tamper-proof cover. Sized for up to 1,200 square feet, the unit can be hardwired into existing electrical or directly plugged into a 110v-outlet with the provided cord. It is designed to directly drain for a truly hands-off dehumidification system. www.inwalldehumidifier.com

Certainteed ICON™ composite siding

Certainteed ICON composite siding is designed to combine authentic-looking, wide cedar planks with moisture resistance to withstand harsh conditions. A thermoset, polyurethane composite cladding, ICON is engineered to prevent expansion and contraction. ICON is said to be lighter and more flexible than fiber cement or natural wood. ICON's extended-length, 16' panels can be installed without flashing or caulking and butted together tightly, preventing unsightly joints and seams. Certainteed's STUDfinder™ feature is said to identify wall stud placement, and the self-aligning Stack Lock ensures each plank is hung securely for superior wind load performance. In addition, a wide 7" reveal and hidden fastener system eliminates visible nail heads. Panels are primed and ready to paint. The product comes with a 30-year warranty. www.certainteed.com



Tricoya® from Accsys Group

The manufacturer of Accoya wood has introduced Tricoya. Made from wood fibers that have gone through a modification process called acetylation, said to make the wood more dimensionally stable, Tricoya is backed with a 50-year warranty. Tricoya is designed to be used on a variety of exterior applications that would not normally be considered ideal for MDF products including façades, cladding, fascia and soffit panels, window components, outdoor furniture, and more. It can also be used in wet interior applications such as wall linings in swimming pools, bathrooms, and wet rooms. Tricoya panels are said to prevent fungal decay, and be unrecognizable as a food source for insects and prevents fungal decay. www.tricoya.com



Trex Signature® railing collection

Trex Signature railing is designed to span long lengths for panoramic sightlines from decks, patios, balconies and front steps. The product can be installed with continuously graspable rail options for added safety and functionality. Available in three neutral colors—Charcoal Black, Bronze and Classic White—Trex Signature can be customized with cocktail railing options to pair with the Trex Transcend® decking collection. Trex Signature railing also features the functionality and aesthetics of the Trex Outdoor Lighting™ collection, with several design options to effectively add light into outdoor spaces. Trex Signature is available in pre-assembled horizontal panels, in 6' x 36", 8' x 36", 6' x 42" and 8' x 42" sizes. Backed by a 25-year limited warranty. www.trex.com





TYPAR

Weather Protection System

LOOK BEYOND THE SURFACE

WHY DO BUILDERS USE A BUILDING WRAP? Other than, “Because it’s code!”

- Protects sheathing before siding installation
- Guards homes against water and air intrusion
- Moisture Control – balances water hold-out and moisture vapor emission

WHY SHOULD BUILDERS USE TYPAR®?

- Tear resistance is 5X better than leading competition
- Performs UV Resistance on the jobsite up to 6 months
- Stands alone as a Type 1 air barrier product; others are not
- Optimal balance of water hold-out & breathability (10-20 perms)



You want hardworking products that will stand the test of time and provide the highest level of performance. Whether inside a wall, under the shingles, or beneath the surface of the soil, **TYPAR®** brand products will deliver on the construction site and well into the future.



a **pgi** brand

For more information, visit typar.com



NEW JERSEY
200 Industrial Parkway
Branchburg, NJ 08876

NEW YORK
270 Kings Highway
Warwick, NY 10990

PENNSYLVANIA
181 Pringle Street
Kingston, PA 18704

MASSACHUSETTS
225 Cedar Hill Street
Marlborough, MA 01752

Wholesale Distribution • 800.942.7776 • Learn more at www.midstatelumber.com

If you purchased gypsum wallboard **DIRECTLY** from one or more of the companies listed below, your rights may be affected by a class action lawsuit and class action settlements.

This notice describes a class action lawsuit (*In re Domestic Drywall Antitrust Litigation*, MDL No. 2437 and 13-MD-2437, pending in the U.S. District Court for the Eastern District of Pennsylvania) alleging price-fixing claims against certain manufacturers of Wallboard. “Wallboard” refers to paper-backed gypsum wallboard, also known as drywall or plasterboard.

• **THIS NOTICE IS TO INFORM YOU THAT:**

1. **A PROPOSED SETTLEMENT HAS BEEN REACHED WITH AMERICAN GYPSUM, EAGLE MATERIALS, NGC AND PABCO (THE “JOINT SETTLEMENT”).**
2. **PLAINTIFFS WILL FILE WITH THE COURT A PROPOSED PLAN FOR DISTRIBUTING THE PROCEEDS FROM ALL FOUR SETTLEMENTS REACHED IN THIS CLASS ACTION AND A REQUEST FOR ATTORNEYS’ FEES, EXPENSES, AND SERVICE AWARDS FOR THE CLASS REPRESENTATIVES.**

If you purchased Wallboard between January 1, 2012 and June 16, 2016, your rights may be affected. If you have not yet received the Mailed Notice (“Notice”), which more completely describes each of these topics in detail, you may obtain copies by visiting www.DrywallDirectPurchaserLitigation.com or by calling 1-888-706-3401.

What is the lawsuit about? Plaintiffs allege that USG Corporation, United States Gypsum Company, New NGC, Inc., Lafarge North America Inc., Eagle Materials Inc., American Gypsum Company LLC, PABCO Building Products, LLC, CertainTeed Gypsum, Inc., TIN, Inc., and Georgia Pacific LLC (collectively, the “Wallboard Manufacturers”) violated the federal antitrust laws by agreeing to fix prices for Wallboard. As a result, Plaintiffs claim that direct purchasers of Wallboard paid more for the products than they should have paid. Plaintiffs seek to recover damages, together with litigation expenses and attorneys’ fees. Defendants deny Plaintiffs’ allegations, and the Court has not determined who is right or wrong, except that the Court previously granted CertainTeed’s motion for summary judgment. However, the Court has found that Plaintiffs have submitted sufficient evidence to allow their claims regarding the alleged conspiracy to move forward against the remaining Defendants, American Gypsum, Eagle Materials, NGC, and PABCO (collectively, “Settling Defendants”).

Who is included? In August 2017, the Court certified a Litigation Class of persons or entities that purchased Wallboard in the United States from January 1, 2012 through January 31, 2013 directly from certain Wallboard Manufacturers or their subsidiaries. Subsequently, in December 2017, Plaintiffs reached an agreement—the “Joint Settlement”—to settle the claims against the Settling Defendants in exchange for payment of \$125 million. The Joint Settlement Class includes all persons or entities that purchased Wallboard in the United States during the period January 1, 2012 through December 31, 2013 directly from (a) any Wallboard Manufacturer and/or (b) L&W Supply Corporation or any of its subsidiaries or affiliates (collectively, “L&W”). The Joint Settlement Class excludes certain federal government entities and the Wallboard Manufacturers or their affiliates. If you are a member of the Joint Settlement Class, your rights will be affected unless you exclude yourself from the Class as described below.

A Notice was mailed to direct purchasers of Wallboard on or about February 16, 2018. The Notice describes in more detail the options available to potential members of the Joint Settlement Class, including regarding the proposed plan for distributing the settlement funds, and any request for attorneys’ fees, expenses, or service awards to the class representatives. If you did not receive the Notice, you may obtain a copy at www.DrywallDirectPurchaserLitigation.com or by calling 1-888-706-3401.

What claims have settled? Plaintiffs previously agreed to settlements with USG Corporation, United States Gypsum Company, and USG Corporation’s subsidiary L&W (collectively, “USG”), TIN Inc., and Lafarge North America Inc. If the Joint Settlement is approved by the Court, it will bring an end to the litigation.

Your rights may be affected. If you purchased Wallboard in the United States directly from any of the Wallboard Manufacturers from January 1, 2012 through December 31, 2013, you are a member of the Joint Settlement Class unless you elect to be excluded. If you wish to remain in the Joint Settlement Class, you do not need to take any action at this time; your interests will be represented by Plaintiffs and Co-Lead Counsel and you will be bound by any decision or judgment entered by the Court with regard to the Joint Settlement.

If you wish to exclude yourself from the Joint Settlement Class, you must submit a written request for exclusion, **postmarked no later than May 7, 2018**. If you exclude yourself from the Joint Settlement Class, you will preserve your right to file or maintain your own lawsuit against the Settling Defendants. If you exclude yourself, you also will not be able to collect money from the Joint Settlement. Excluding yourself from the Joint Settlement Class will have no effect on your rights with respect to the prior settlements with Lafarge, TIN or USG.

If you do not exclude yourself from the Joint Settlement Class, you have the right to object to the terms of the Joint Settlement. Your objection must be **filed no later than May 7, 2018**.

The Court will hold a hearing on **June 28, 2018** at 2:00 p.m. at the James A. Byrne United States Courthouse, 601 Market Street, Philadelphia, PA 19106, Courtroom 3A to consider whether the Joint Settlement is fair and should be approved. The Court may also consider whether to approve Plaintiffs’ proposed plan of distribution of the funds from all the settlements, request for attorneys’ fees and expenses, and request for service awards to the class representatives at that time. The hearing may be rescheduled without further notice.

Who represents you? The Court appointed the law firms of Berger & Montague, P.C., Cohen Milstein Sellers & Toll PLLC, and Spector Roseman & Kodroff, P.C. to represent you as “Co-Lead Counsel.”

Distribution of the settlement funds. If you purchased Wallboard in the United States directly from any of the Wallboard Manufacturers from January 1, 2012 through June 16, 2016, you may be a member of one the settlement classes in the case. The combined settlements in this case are approximately \$190.7 million. Co-Lead Counsel intends to ask the Court to distribute the settlement funds, after reduction for any court-approved attorneys’ fees, expense reimbursements, or service awards to the class representatives, to the members of the settlement classes. While the plan of allocation is described in more detail in the Notice, the settlement funds will generally be distributed *pro rata* based on Wallboard purchases from January 1, 2012 through December 31, 2013, plus some limited payments to class members who only purchased Wallboard after December 31, 2013. Co-Lead Counsel will also ask the Court to award attorneys’ fees of no more than 33 1/3 % of the combined settlements, reimburse expenses of no more than \$4 million, and pay service awards of up to \$75,000 for each of the class representatives. If you are a member of any of the settlement classes, you may object to Plaintiffs’ proposed plan of distribution, request for attorneys’ fees and expenses, and request for service awards to the class representatives.

More information on Plaintiffs’ proposed plan of distribution, request for attorneys’ fees and reimbursement of litigation expenses, and request for service awards for class representatives, including how to object, can be found in the Notice and at www.DrywallDirectPurchaserLitigation.com.

For more information. To obtain a copy of the Notice, or if you have questions concerning this litigation, visit www.DrywallDirectPurchaserLitigation.com, or you may call 1-888-706-3401. **Please do not contact the Court.**

Dated: January 29, 2018

BY ORDER OF:

Hon. Michael M. Baylson, U.S.D.J.
The United States District Court
for the Eastern District of Pennsylvania

Tamlyn XtremeBlock flashing system

Tamlyn XtremeBlock system leverages shingle-style water management principles. The system is designed so that water management capability is enhanced by an overlapping bottom drip edge, shingle-style component overlap, end dams that prevent water from running over sides (thus maintaining horizontal spacing from siding to prevent soaking), and an angled top with center dam to direct water flow away from wall and fixture. XtremeBlock flashing system offers a cellular PVC face said to provide superior screw holding capability, and is available in a variety of pre-cut options and sizes for a range of applications. The manufacturer uses its own paint line to ensure consistent color matching with all major siding manufacturers. www.tamlyn.com



Boral® TruExterior® Beaded Bevel siding

The Beaded Bevel siding profile from Boral is designed to combine authentic wood looks with the performance, moisture resistance, and durability of Boral's proprietary poly-ash material. The new Beaded Bevel adds a bead to the bottom of the company's 6", 8", and 10" Bevel profiles. The milled bead mimics a wood style, and is said to be historically accurate. Beaded Bevel is made with Boral's proprietary blend of polymers and fly ash. The formulation is said to provide a high level of dimensional stability for reduced expansion and contraction, and durability for resistance to warping, cracking, and splitting. The siding can be used in ground-contact applications. Boral TruExterior Siding carries a 20-year limited warranty. www.boraltruexterior.com



Proven Products Great Margins Rapid Turns

It's What We Do!

When you start a new program, you want it to grab hold quickly, turn easily, and become a profit center for your company. This is exactly how a Screw Products, Inc. display will perform in your stores, and precisely what the screws will do when used: start quickly, grab hold, finish strong and become a permanent fixture. It's impossible to specialize in many things, we specialize in screws.



SCREW-PRODUCTS.COM

TOLL FREE: 1.877.844.8880



Kleer Corner Trim with integrated nailing flange

Kleer Lumber has added an outside corner to its lineup of trim components with an integrated nailing flange. The system, which includes a flat trimboard, a J-channel brick, and the new corners, is designed to save installation hassles and ensures a clean, streamlined appearance. Each integrated nailing flange forms a 3/4" pocket to conceal end cuts, ideal for enhancing and finishing the look of vinyl siding and other panelized polymer systems, such as shake, shingle, and stone. Made with expanded cellular PVC, the trim components are said to offer the look of wood without the associated maintenance, and they will not splinter, rot, delaminate, or swell. Kleer trimboards cut and fasten with standard tools, and they can be installed in direct contact with the ground, masonry, and other potentially wet surfaces. www.kleerlumber.com



Marvin Lock Status Sensor

The new Marvin Lock Status Sensor indicates if a door or window is closed and locked or unlocked, without sacrificing aesthetics or performance. The automated Lock Status Sensor is a fully integrated, factory-prepped solution ready for wired or wireless connectivity. Every window and door equipped with the Lock Status Sensor is delivered to the jobsite ready to be integrated into whichever home security system a builder wants to work with. The installation process eliminates the need to drill into a new window to install a sensor system, potentially voiding the warranty and any benefits for window replacement. All the prep work is done in the factory, with sensors embedded, wires routed and radio locations identified for easy integration into a whole house system. www.marvin.com





MONO



GOTHIC ARCH



GAMBREL



TIMBER TRUSS



LAM-PLY TRUSS

- Spans up to 72 ft.
- Bird nesting control
- Up to 12 ft. spacing depending on desired load
- No feed alley post obstruction
- Additional ceiling height



Independence, WI

starwoodrafters.com • (715) 985-3117 • (888) 525-5878



National Nail STINGER® Cap Hammer

National Nail introduces its newly upgraded STINGER CH38-2 Cap Hammer, which won a 5th-Annual Pro Tool Innovation Award for 2017. The CH38-2 Cap Hammer is said to be fine-tuned for durability and performance, and is designed to be an economical, non-pneumatic cap fastener. It also eliminates the hassle of hoses and compressors, which also improves safety, the company says. The CH38-2 is designed for fastening house wrap, rolled insulation, and roofing felt. The upgraded model is said to have enhanced internal handle strength, an improved staple design, track and spring, stronger welds and features an added handle grip. www.stingerworld.com



1stWEST M&A has advised on the sale
of companies with a combined value of
more than \$1 billion.

With a focus on companies with \$10-\$100 million in sales, 1stWEST has a specialty practice serving the readers of *LBM Journal* and the manufacturers and distributors that serve them.

Valuations have never
been higher

Contact us for a
no-cost, no-obligation valuation
consultation

Read our monthly column in
LBM Journal



Contact: John D. Wagner | 919.796.9984 | j.wagner@1stwestma.com | 1stwestma.com

SERVING DISTRIBUTORS, MANUFACTURERS, AND LUMBER DEALERS



Contempo Collection from L.J. Smith® Stair Systems

L.J. Smith, the largest stair parts manufacturer in the U.S., has launched the new Contempo Collection of iron balusters. The iron balusters come in multifunctional styles with straight lines and open spaces. Available in either a low sheen black or matte nickel finish, the iron balusters come in four different styles: straight line, rectangular vertical feature, oblong vertical feature, and ladder design. The balusters can be installed with complementary newels and rails. www.ljsmith.com



Long-barrel Applicator for AdvanTech® from Huber

Huber Engineered Woods has introduced a 28" long-barrel, non-stick spray-foam applicator gun for AdvanTech subfloor adhesive application. The new applicator gun is designed to extend reach for adhesive application without having to step out onto joists or bend down for close application. The company says that a recent survey showed that with a Long-barrel Applicator, the subfloor adhesive process has been speeded up by 40% compared to conventional polyurethane-based cartridge adhesive methods. www.advantechsfa.com

Birkdale™ interior door from JELD-WEN

Featuring three equal-sized flat panels, the Birkdale interior door is designed to blend old and new home styles. The Birkdale, like JELD-WEN's other flat panel molded doors, features recessed panels with nonprofiled sticking. The design is intended to be reminiscent of traditional stile and rail wood door construction but with the performance and affordability benefits of a molded door. JELD-WEN molded interior doors are available prefinished or smooth, and they come primed and ready to paint. The doors are also available in a variety of standard sizes and core options, including ProCore The Quiet Door® solid core that may reduce sound transmission by up to 50% compared to a hollow flush door. www.jeld-wen.com



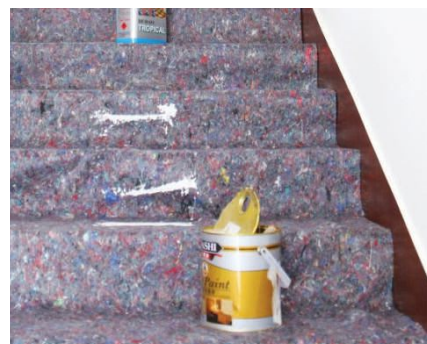
BC Connect® software from Boise Cascade

Boise Cascade has released updates to BC Connect, its cloud-based hub designed specifically for lumber dealers. This electronic toolbox is built for those working with Boise Cascade engineered wood products (EWP). BC Connect is an online hub with a suite of tools and resources that are designed to save time and money. BC Connect modules provide end-to-end project management from design to inventory and operational functions to reporting. The visibility into sales pipeline, project tracking, file storage and document management is all developed to make communication between sales, designers and operations easier. BC Connect Mobile enables sales reps to access projects from the field. Because BC Connect is a cloud-based platform, it doesn't require any hardware, software or special technical infrastructure. www.bcconnect.com



Grip Rite's Titan Synthetic Floor Protection

Titan Synthetic Flooring Protection is available in two sizes: 40" x 32' and 40" x 82'. The flooring cover is designed to absorb water and paint, and contains a water-resistant film backing that also contributes to a non-skid treatment. The product is developed to be breathable. No adhesive tape is required, and the backing is designed to leave no residue on flooring surface. The product is said to be reusable. Depending on size, Titan is available in 42 or 18 rolls per carton. www.grip-rite.com



MORE PLATFORMS. MORE NEWS.

Join us on social media using the hashtag #LBMstrategies



Our fully responsive website is updated with the latest news multiple times a day. Check it out at LBMJournal.com



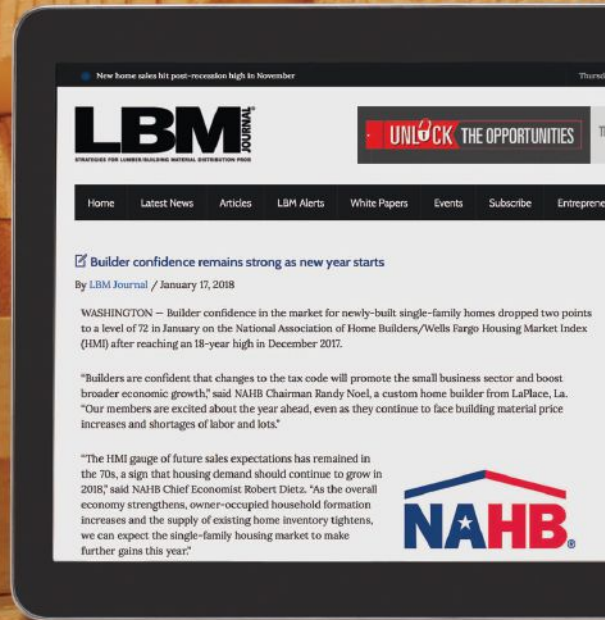
Join the conversation with thousands of industry pros at linkedin.com/groups/LBM-Journal-Group



Join 1,500+ pros who've "Liked" us on Facebook. facebook.com/LBMJournal



Join 3,500+ industry pros who follow our breaking news feed on Twitter. [@LBMJournal](https://twitter.com/LBMJournal)



SERIOUS ABOUT GROWING YOUR BUSINESS? WE ARE.

LBM JOURNAL®



Versatex Peel 'n Neat

Versatex now offers a new protective packaging option to preserve PVC trimboards. Peel 'n Neat is a clear film that can be factory-applied to 5/8", 4/4" and 5/4" boards, 4" through 16" wide, in 18' lengths. Peel 'n Neat protective film is designed to shed grime, splashes and smudges and is said to peel away in seconds. The removable protective layer augments standard slipsheets, corner protectors, wrapping, and banding at a small additional charge. The film is designed to strip away easily, leaving no residue, and can be ordered for both S4S and Timber Ridge Versatex boards. www.versatex.com



GP ForceField™ corner seal

Georgia-Pacific has added a new accessory to its ForceField air and water barrier system. ForceField corner seal is a 4" wide, semi-rigid polypropylene with what the company calls a "living hinge," that allows it to be used for both inside and outside exterior corners. Once installed, the ForceField corner seal is designed to protect against air and moisture intrusion. ForceField corner seal is available nationwide in 200' rolls and can be used in both residential and commercial construction. www.gpforcefield.com



Forte®WEB software from Weyerhaeuser

Weyerhaeuser has released a web-based version of its Forte software that allows users to input member information and design joists, beams and other structural members in a building project. From structural floors to roof systems, ForteWEB was developed to distribute the user input loads through and analyze each member using an integrated design engine to determine the best products and accessories for each framing condition. ForteWEB also provides hole design along with connector and multi-ply fastener specifications as needed for each joist or beam. Users can access ForteWEB job files from anywhere, as the software is designed to work on common web browsers and operating systems. Users can analyze beams, floor joists and wall headers, as well as share files for quick and easy collaboration. ForteWEB is free to use once a user account is created. www.weyerhaeuser.com/forte

Placid Point Lighting System

Placid Point Lighting System is a low-profile accent lighting system comprised of die-cast and powder-coated sealed component post caps that fit 2-1/2", 3-1/4", and 4" posts. The Placid Point Lighting System is designed for use on posts, stairs and decks. The low-voltage lights have been developed to be energy efficient, and come with a 10-year warranty. Available in accent lights, post cap lights, post cap downlights, and unlighted post caps. Accessories include wire extensions, wire kits, splitters, remote dimmer, power supply and photoelectric timer kits. www.placidpointlighting.com



MODERN CRAFT

EMERALD

PRAIRIEVIEW

Decorative Glass designs from Haas Door

Haas Door has created designs to match existing home styles and new construction homes. Decorative Glass options can be used to accent design detail of the home in Haas Doors aluminum and steel garage doors. The new Decorative Glass Collection features Modern Craft, Emerald, and Prairieview design styles available in four different types of glass. Decorative Glass Collection windows are offered in both tempered-insulated with two panes of glass, and tempered with single pane. Depending on the level of privacy desired, the windows can be ordered in Clear, Rain, Aqua and Frosted glass and may be combined to create a unique look. www.haasdoor.com

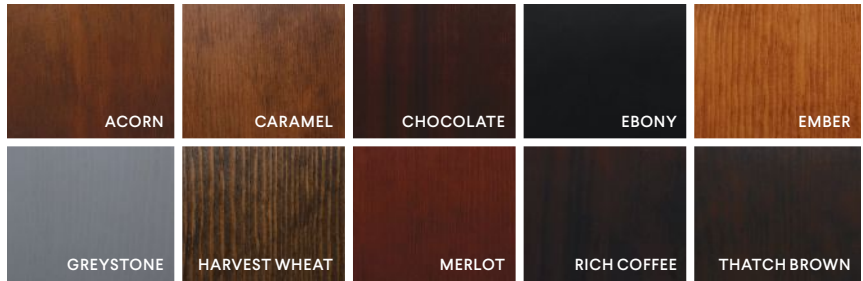
Dialogue layered glass from ODL

ODL's new Dialogue layered glass line was developed to complement a range of architectural styles and design aesthetics. Each of the six ceramic frit patterns change form and move depending on the amount of light coming through and depending upon the viewer's vantage point. The six translucent patterns offer dynamic privacy levels which change based on light and proximity and range from a moderate 3-5 to a high 8-9 on the privacy level scale. The glass is available in 11 sizes, nine of which are also available as severe weather glass designed specifically for hurricane-prone or high-wind areas. www.odl.com



ColorMax® new colors from Allura

Allura's premier fiber cement collection has officially partnered with PPG Paints to provide 32 new solid colors and five natural-wood stain colors. The specialized primer/sealer is designed to ensure premium weather protection, while machine-applied coats of ColorMax colors provide consistent coverage on all surfaces, and seal each piece for resistance to exterior exposure. Custom colors are also available. Factory-applied ColorMax is available in most markets and is backed by a 15-year warranty. Allura fiber cement products are backed by a 50-year transferrable warranty. www.allurausa.com



Weather Shield furniture-grade finishes

Weather Shield has introduced new finishes to its windows and doors. Now available are 10 new furniture-grade stain offerings from Sherwin-Williams®. The new finishes are selected with an eye for an appearance that reflects a fine, quality piece of furniture with a consistent finish throughout the window or door. A five-step finish application process is used to allow the stain to absorb at an even rate, helping to reduce blotchiness and color variations. A premium Italian polyurethane topcoat from Sayerlack is added to protect and enhance the appearance of the windows and doors. The new stain selections are available for the Contemporary Collection, Premium Series, and Premium Coastal product lines. www.weathershield.com

HOLDSaBIT from Screw Products

Screw Products has introduced the HOLDSaBIT, a product that allows drill users a simple way to hold multiple insert bit drivers, drill bits, screws, pencils and more on a drill. The HOLDSaBIT attaches, in seconds, to a drill. The product holds up to 16 1" bit drivers as well as thousands of combinations of bits. The HOLDSaBIT can slip onto a drill, or can be used to hold bits in a tool pouch, tool box, suspenders or belt. Made of a proprietary blend to provide strength and holding power. UV rated for outdoor use. Fits all full-sized cordless drills. www.screwproducts.com



Window and door surrounds from AZEK®

AZEK Building Products recently introduced six new window and door surrounds made from AZEK trim and moulding. AZEK designers have created a series of classic window and door surrounds to enhance any new build, repair or remodel project. Single-structure, pre-milled profiles are designed to eliminate costly carpentry and assembly steps. The surrounds are built with varying shadow-line compositions, visual weights and widths, then matched with complementary sill profiles. Styles include: Historic Rams Head, Stateside, Double Cross Head, Historic Back-Band, Clean and Simple, and Crowned Bandit. www.azek.com/surrounds



Digger Specialties, Inc. fiberglass columns

The new fiberglass columns from DSI are available in a variety of styles using both cast and pultruded manufacturing methods. Round columns are offered in tapered, non-tapered, fluted and smooth. Square columns are available in smooth, fluted, and recessed panel pedestal designs. Tapered (craftsman) columns are architecturally correct and available in a range of dimensions. These load-bearing columns are designed for both interior and exterior installations. Pultruded columns are available in square and smooth.

www.diggerspecialties.com



Prest-On Drywall Fasteners

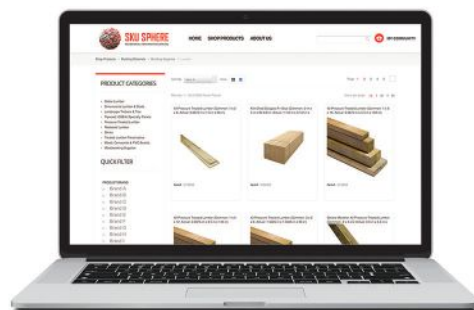
Prest-On Drywall Fasteners are designed to make wall, corner and ceiling installations and repairs easier, faster, and safer. The company offers three separate products: Corner-back fasteners are designed to eliminate wood or steel stud backup at corners and ceilings. The result is faster framing and faster, easier drywall installation. Framers-back drywall fastener is said to eliminate the need for wood blocking at interior drywall corners and ceilings. Insta-backs are designed to make removal and reattachment of any size piece of gypsum board quicker and easier. Fasteners attach to existing board to provide a solid back-up surface for reattaching the replacement piece.

www.prest-on.com

CORNER-BACK

FRAMER-BACK

INSTA-BACK



SkuSphere from Hyphen Solutions

SkuSphere is a residential construction data catalog and order translation service for builders and suppliers. It automatically converts builder details into supplier specific product numbers and builder packages into the individual products and quantities. By breaking down traditional data silos, SkuSphere is designed to eliminate supply chain issues while speeding order acceptance and supplier responsiveness. The application also enables many suppliers to accept orders directly into their order entry system. SkuSphere says the system provides BuildPro & SupplyPro users the most thorough product catalog in the home building industry. www.hyphensolutions.com

Composite Arch Lite double entry doors from GlassCraft

GlassCraft Door Company has introduced the composite Arch Lite double entry doors at standard pricing. The FiberCraft Arch Lite double entry doors are available with operable external wrought iron designs, SDL designs, or with textured glass panels. Impact rated option is also available as prehung units with a choice of several glass textures and not just clear glass. Complementing these composite entry doors are GlassCraft's prefinish options in Estate and Artisan Collection designed as authentic wood grains, with depth of color and details to look like real wood. Available at millwork distributors nationwide. www.glasscraft.com



Dow GREAT STUFF PRO™ Gasket & Gun

Dow's GREAT STUFF PRO Gasket is a water-based, one-component sealant foam technology designed to improve air sealing performance by creating a gasket between drywall and framing. The unique formulation is compressible when cured, allowing a flat plane when drywall board is attached to the wall frame. The flexible foam bead stays in place and is durable enough to withstand scraping and rubbing when drywall is slid into place. GREAT STUFF PRO Gasket is available in 18 oz. cans and in the U.S. only. Also comes with a specially-designed Gasket Dispensing Gun compatible with the water-based product. It also has a flow-control mechanism for variable bead size, allows for precise application of the foam, and is re-usable. www.dow.com



SPECIAL SECTION

PRODUCTS & SERVICES GALLERY

Welcome to our Products & Services Gallery, a special showcase featuring new and innovative building products and services.

Reach more than 40,000 readers for as little as \$795 per issue. To advertise in this special section, e-mail Jodie@LBMJournal.com or Michele@LBMJournal.com

Why paint trimboard if you don't have to?

WHITE SAND CLAY

PALRAM

PalightTrimboard.com

AS CLOSE TO REAL CEDAR AS IT GETS

Grayne Engineered Composite Shingles, available in 5" White Cedar and 7.5" Red Cedar, make it easier than ever to achieve an authentic cedar wood look. Featuring a high-performance, weather-resistant surface, Grayne shingles ensure the highest durability and lowest possible upkeep for beauty that withstands time and the elements.

GRAYNE.COM

GRAYNE
ENGINEERED COMPOSITE SHINGLE

DeckWise.com
MANUFACTURERS OF HIDDEN DECK FASTENERS & ACCESSORIES

Ipe Clip
Hidden Deck Fasteners

EXTREME Gap Spacing 3/32"
EXTREME4 Gap Spacing 5/32"
EXTREMEKD Gap Spacing 1/4"

(866)427-2547 info@deckwise.com
www.DeckWise.com

NEW NAVIGATOR STEEL SIDING - POWERFUL STATEMENT OF BEAUTY

High tech steel and Rollex's ultra-durable proprietary coating combine to create siding that will withstand the harshest weather and remain flawlessly beautiful for decades. Navigator Steel Siding is hail and wind resistant, won't fade and is virtually maintenance free. Navigator Steel Siding is offered in a palette of sixteen low-gloss luxurious colors on a beautiful woodgrain texture in six profiles.

Visit www.rollex.com for more details on Navigator.

Rollex

Superior Plastic Products

Wood Tone Vinyl Fence

Natural Looks
Lasting Beauty

Available in Privacy Fence, Classic Picket & Post & Rail

White Pine Seasoned Pine

SuperiorPlasticProducts.com

Kleer Trimboard with TruEDGE® technology is engineered to resist dirt and easily wipe clean. KleerPak® packaging helps both dealers and builders protect their product and their bottom lines. So, when they go up clean, they keep their brilliant white finish for years with very little maintenance.

KLEERLUMBER.COM

KLEER TRIMBOARD

We're building a home for 50 orphans in Haiti, and we could use your help.

ProVia has offered to coordinate this project and is seeking other partners to donate funds and building materials to provide more adequate living essentials for the children. If you have been looking for an opportunity to make a difference, please contact Joe.Klink@ProVia.com or visit www.nplhome.org

NO PLACE LIKE home

Legacy™ Steel Doors by ProVia

Built for Better Security.

ProVia
THE PROFESSIONAL WAY

Doors | Windows | Siding | Stone

www.provia.com

Federal tax code changes raise questions for businesses

BY BEN GANN

PRESIDENT DONALD TRUMP signed the Tax Cut and Jobs Act into law on December 22, delivering on a campaign promise and making major changes to the federal tax code for the first time in 31 years. This historic legislative accomplishment is causing businesses to reevaluate their operations and make sure they are prepared for the present and future.

Given the budget constraints that lawmakers had in enacting tax reform, most of the tax changes for corporations are permanent and most of the tax changes for individuals expire and return to current law after 2025. As lumber dealers file their 2017 tax returns, they should also speak to their tax advisors about the new tax law.

Notably, the income tax rate for all C corporations has been lowered to 21% starting in 2018. In addition, the Alternative Minimum Tax (AMT) for corporations has been permanently repealed.

There is also good news for businesses structured as pass-through entities such as LLCs, partnerships, and S Corporations. While pass-through businesses are still taxed at individual income tax rates, the new law establishes a 20% deduction. Keep in mind that pass-through businesses will also benefit from the lowering of individual income tax rates.

As businesses consider future investments to operations, they should note the changes made to bonus depreciation and Section 179. Accelerated bonus depreciation applies through 2022 allowing full and immediate expensing of short-lived capital investments. It phases out between 2023 and 2027 and returns to current law in 2028.

In an important change to bonus depreciation, the tax incentive applies both to new equipment placed in service or used equipment purchased and placed in service. Previously, bonus depreciation only applied to new equipment placed in service.

Businesses choosing the Section 179 will also benefit. The new law raises the Section 179 deduction to \$1 million with a phase-out starting at \$2.5 million. It also expands the tax incentive to include improvements made to existing nonresidential real property including roofs, heating and air-conditioning.

Small family-owned business will continue to have estate tax relief. The new law doubles the exemption levels (\$11.2 million for individuals, \$22.4 million for couples), indexes

for inflation, and maintains stepped-up basis. Congress will need to act in the future to preserve the changes as it expires at the end of 2025 and returns to the prior law.

Many businesses, including some lumber dealers, have issued one-time bonuses to their employees as part of the new tax law. Moreover, in January, the Internal Revenue Service published new withholding tables. That means employees should be noticing a small increase in their take-home pay.

Early in the tax reform process, Republicans in the House of Representatives wanted to reduce the number of individual income tax brackets and reduce the rates. Although they were unsuccessful on the former, they were successful on the latter. The current seven bracket structure remains in place but most of the rates have been reduced, including the top rate that is now 37%.

Fewer taxpayers are expected to itemize their tax returns as the standard deduction was nearly doubled. That will substantially reduce the number of taxpayers claiming deductions such as the mortgage interest deduction and state and local tax (SALT) deduction.

NLBMDA fought hard to preserve the mortgage interest deduction. The deduction cap has been reduced from \$1 million to \$750,000. Although the deduction for second homes remains, the \$100,000 home equity loan interest deduction has been eliminated, which could affect the remodeling industry.

The SALT deduction has been capped at \$10,000. It applies to state and local property tax and either state and local sales tax or state and local income tax. NLBMDA opposed changes to the SALT deduction as it could make it more difficult for employers in high-cost areas of the country to attract and retain employees.

Changes to the individual AMT may help alleviate some of the tax burdens for individuals living in areas where cost-of-living is high. Exemption levels have been raised to \$70,300 for individual filers and \$109,400 for married filers. The phase-out has also been raised to \$500,000 for individuals, \$1 million for couples, and indexed for inflation.

NLBMDA held a webinar for its members in January highlighting the changes to the federal tax code. Dealers should carefully evaluate their individual circumstances, and if needed, work with a tax professional of their choice to ensure that they can take full advantage of the changes. ■

Ben Gann is Vice President of Legislative and Political Affairs for NLBMDA in Washington, D.C. For more information, visit www.dealer.org.

SUPPORT THE COMPANIES THAT SUPPORT NLBMDA

Your National Voice in Washington, D.C.

NLBMDA's Manufacturers and Services Council (MSC) members are leading nationwide and regional companies that supply products and services to lumber and building material dealers and regional chains. MSC members are also buying groups, cooperatives, and other for-profit and non-profit organizations. By supporting NLBMDA's important work on national legislative and regulatory issues, MSC members show their dedication to promoting and enhancing the success of independent dealers and regional chains.



Combilift is a specialist 4-directional forklift and straddle carrier manufacturer producing a wide range of customized handling solutions, all designed for the safe, space saving and productive handling of products.

877-COMBI-56
www.combilift.com



Cox industries has been serving builders and home owners for more than 60 years, delivering the highest quality, best-performing, treated wood products in the industry.

800-476-4401
www.coxwood.com



Dealers Choice is the nation's fastest growing direct to dealer distributor of roofing, siding, gypsum, millwork, building insulation and accessories.

866-209-2552
www.DealersChoiceDistribution.com



DMSi Software provides a complete line of solutions for LBM dealers. With standalone CRM and Fleet Management solutions, as well the Agility end-to-end ERP, DMSi helps businesses optimize resources and grow profitability.

800-347-6720
www.dmsi.com



Do it Best Corp. is proud to be the only co-op that fully supports independent retailers with over 67,000 products across every category.

260-748-5392
www.independentsdoitbest.com



Dow Building Solutions

For 60+ years Dow has offered unsurpassed building science expertise resulting in reduced energy costs and protection against moisture while contributing to the reduction of greenhouse gas emissions.

800-232-2436
www.dowbuildingsolutions.com



As an industry leader, Emery specializes in bringing value and efficiencies to the supply chain. Our people deliver the logistics, technology, merchandising and customer service our customers need to succeed in a highly competitive market.

207-535-2653
www.emeryonline.com



Epicor Software serves over 2,000 LBM companies with our business management software solutions. BisTrack software is the preferred choice of inspired LBM pro dealers and distributors.

888-463-4700
www.epicor.com



Total needs risk management, customized insurance coverage, face-to-face service.

It's Our Business to Protect Yours®

800-533-0472
www.federatedinsurance.com



GAF has become North America's largest manufacturer of commercial and residential roofing.* Our success is a result of our pursuit of quality, industry-leading expertise and comprehensive roofing solutions.

*Source: Fredonia Group study

877-423-7763
www.gaf.com



Servicing pro dealers in the lumber and building materials industry through its network of 30 stocking distribution centers and an established direct-from-manufacturer business model, GBP is an industry leading two step building products distributor.

800-569-4262
www.guardianbp.com



Hiab is the world's leading provider of on-road load handling equipment. Hiab is a recognized leader in cargo and load handling solutions around the world. We are your one stop shop for Supply & Service of all building materials and delivery equipment.

800-852-2331
www.cargotec.com



Huber Engineered Woods offers specialty products such as AdvanTech® flooring and ZIP System® sheathing and tape.

800-933-9220
www.huberwood.com



James Hardie, together with their channel partners and installation best practices, are providing leading builders, contractors and owners a durable, low maintenance, engineered for climate exterior that will continue to look good over time.

www.jameshardie.com
www.hardielink.com (channel portal)



Since 1858, Johns Manville is a leading manufacturer and marketer of certified Formaldehyde-free™ fiber glass building insulation, foam board, and spray foam insulation.

800-654-3103
www.SpecJM.com



We provide specialist software, services and support to deliver fully integrated trading and business management solutions to distributive trade and retail customers, large and small. Our innovative approach ensures our customers partner with us for the long-term.

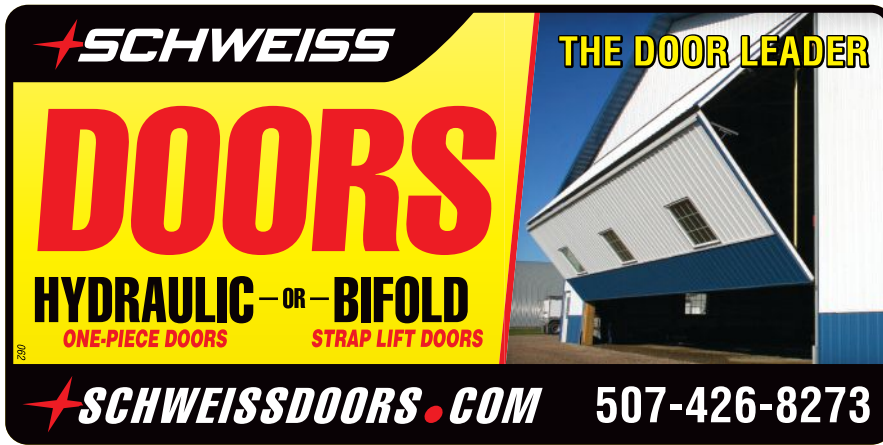
919-379-3800
www.kerridgecs.com

SCHWEISS **THE DOOR LEADER**

DOORS

HYDRAULIC — OR — BIFOLD
ONE-PIECE DOORS STRAP LIFT DOORS

SCHWEISSDOORS.COM 507-426-8273




REACH 40,000+ INDUSTRY PROS

CONTACT YOUR SALES REPRESENTATIVE TO ADVERTISE IN MARKETPLACE.

Jodie@LBMJournal.com
Michele@LBMJournal.com



1st WEST 
Mergers & Acquisitions LLC

JOHN D. WAGNER
919.796.9984
j.wagner@1stwestma.com
1stwestma.com

M&A ADVISORY TO THE LBM COMMUNITY

With a focus on companies with \$10-\$100 million in sales, 1st WEST has a specialty practice serving the readers of *LBM Journal* and the manufacturers and distributors that serve them.

You know your LBM business has big potential

I know how to find the executives who can turn your potential into PROFIT.

Connect with me when you're ready to recruit \$100K+ LBM Executive + Sales Leadership Talent. My info is to the right.



RIKKA BRANDON

Chief Executive Recruiter
e: Rikka@BuildingGurus.com
p: 701-361-4239
BuildingGurus.com

buildinggurus
EXECUTIVE SEARCH & CONSULTING FOR BUILDING PRODUCTS



| COMPANY | PAGE | PHONE | WEBSITE |
|---|--------|--------------|--|
| 1st West Mergers & Acquisitions LLC | 69 | 866.489.6604 | www.1stWESTma.com |
| AGS Stainless | 40 | 888.842.9492 | www.agsstainless.com |
| AZEK Building Products | 5 | 877.ASK.AZEK | www.AZEK.com |
| * Capital Lumber Company | 68 | 602.381.0709 | www.capital-lumber.com |
| Deckorators | 37 | 800.332.5724 | www.deckorators.com |
| DMSi | 21 | 402.330.6620 | www.dmsi.com |
| Do it Best Corp. | 3 | 260.748.7175 | www.doitbestcorp.com |
| Fortress Railing Products | 19 | 866.323.4766 | www.fortressrailing.com |
| Fypon | 61 | 800.446.3040 | www.fypon.com |
| Glenview Doors | 53 | 877.379.3667 | www.GlenviewDoors.com |
| Grabber Construction | 38 | 800.477.8876 | www.grabberman.com |
| GPS Insight | 28-29 | 877.477.2690 | www.gpsinsight.com |
| Huber Engineered Woods | 39, 55 | 732.549.8600 | www.huber.com |
| Huttig Building Products | IBC | 800.325.4466 | www.huttig.com |
| KCC | 66 | 888.706.3401 | www.DrywallDirectPurchaserLitigation.com |
| Kleer Lumber | OBC | 866.553.3770 | www.kleerlumber.com |
| LBM Century Club | 63 | | www.lbmjournal.com/century |
| LP Legacy | IFC-1 | 888.820.0325 | www.testedextreme.com |
| LP SmartSide Trim & Siding | 23 | 855.460.6908 | www.LPSmartSide.com |
| Manning Building Products, LLC - Perma-Boot | 47 | 919.662.9894 | www.perma-boot.com |
| * Manufacturers Reserve Supply | BB, 9 | 973.373.1881 | www.mrslumber.com |
| * Mid-State Lumber | 16, 65 | 800.942.7776 | www.midstatelumber.com |
| MiTek Builder Products | 15 | 800.325.8075 | www.mitek-us.com |
| Ply Gem Industries | 27 | 888.975.9436 | www.plygem.com |
| PrimeSource | 43 | 972.999.8500 | www.primesourcecbp.com |
| ProVia | 41 | 800.669.4711 | www.provia.com |
| * Rollex Corp. | 9 | 800.251.3300 | www.rollex.com |
| * RoyOMartin | 9 | 800.299.5174 | www.royomartin.com |
| Screw Products Inc. | 67 | 877.844.8880 | www.screw-products.com |
| Simpson Strong-Tie | 11 | 800.999.5099 | www.strongtie.com |
| SPAX U.S. | 33 | 419.630.2491 | www.spax.us or testdrive@spax.us |
| * Starwood Rafters | 68 | 888.525.5878 | www.starwoodrafters.com |
| Stockton Products | 36 | 877.862.5866 | www.stocktonproducts.com |
| * Superior Plastic Products | 13 | 800.633.7093 | www.superiorplasticproducts.com |
| True Value | 7 | 888.291.7229 | www.truevaluecompany.com |
| U2 Fasteners | 57 | 855.895.7096 | www.u2fasteners.com |
| Uline | 12 | 800.295.5510 | www.ULINE.com |
| Walpole Outdoors | 6 | 800.343.6948 | www.walpoleoutdoors.com |
| Weyerhaeuser NR Company | 51 | 888.453.8358 | www.weyerhaeuser.com/woodproducts |
| White Lightning | 25 | 800.241.5295 | www.wlcaulk.com |

*Denotes regional distribution.

Note: last-minute changes will affect the accuracy of this listing.

IBC=inside back cover, IFC=inside front cover, OBC=outside back cover,

BB=belly band, INS=insert, PB=polybagged, WP=white paper

The velocity of change

As a third-generation owner/CEO of a LBM business, you may not have been born with a silver spoon in your mouth, but you definitely have an opportunity to continue building on a rock solid foundation. Your grandfather created the company from nothing, and your father took the young company to its next level. By the time you took over the reins in 2015, 4G Lumber had established a reputation among local building pros for having knowledgeable people, and for selling quality materials at fair prices.

There's no doubt your dad and grandpa were successful, and very good at what they did. But, as a proud Gen Xer, you've always believed that you could do it a little better. After all, they had very specific ways of doing things, and of managing the business. Learning under their guidance, you realized that they saw things in mostly black and white, while you saw shades of gray. For them, if something worked, you almost always left it alone—even if presented with a better, faster way of accomplishing the same thing.

This was especially true when it came to technology. You remember when they grudgingly computerized the operation in the mid 1990s. As a kid, you thought this was so cool, and showed that your dad and grandpa were on the cutting edge. As it happened, that was the first and last time they ever invested in technology. When you talked with them about the potential of powerful management tools in emerging business software, they grunted and ended the discussion with “this computer works just fine.”

You swore that, if ever given the opportunity, you'd bring 4G Lumber into the 21st Century, and you've been true to your word. Since taking over less than three years ago, you've invested in a new, state-of-the-art ERP system. Delivery trucks are all outfitted with GPS, and salespeople are equipped with current model iPhones. An unexpected bonus of updating your technology has been the ability to attract

younger, tech-savvy people to join the company. Unfortunately, that “bonus” isn't all positive.

Changes that instinctively make sense to you and your rising young employees are creating conflict with your company's veteran workers and customers. “I understand the appeal of instant billing and delivery info, and I even agree with some of the new sales approaches,” explained Bob, your company's longtime General Manager. “The systems we're replacing may not be the latest/greatest thing, but they work. And our team and our customers are comfortable with them. Morale among our core people is taking a hit, and some long-time customers have told me that we're forcing changes on them that they didn't ask for, and don't want. I want 4G Lumber to move forward, but I'm concerned that the changes are too much, too fast.”

You know that Bob has a point. It's true that you've been pushing the tech upgrades, even though you knew that it'd create issues with some members of

your team. That was expected, though you were confident you could coach them through it. But you didn't know that these changes could alienate customers as well. What would you do?



Cast your vote online at www.LBMJournal.com

- 1 **KEEP PUSHING.** They're called “growing pains” for a reason. You know that the more you leverage technology, the more successful you'll be. Stay strong, and stay the course.
- 2 **TAKE A BREATH.** As much as you want to keep pushing forward, it may be time to let your team and your customers digest the changes made to this point, before introducing any more.
- 3 **GET BUY-IN.** Bob is right. Take time to solicit feedback from employees and customers about any future changes you're considering. Then, move forward only when you've got buy-in.
- 4 **PRIORITIZE.** It's clear that you need to find a balance between change and status quo. Work with your customers and employees to define that balance, then map a plan for the future.

SOMETHING ELSE?

If you'd take a different plan of attack, email your suggested solution to Rick@LBMJournal.com. If we publish your reply, we'll send you a LBM JOURNAL mug.

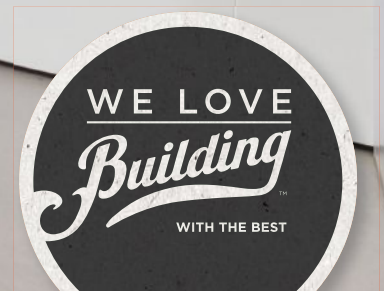
See how your judgment compares with others in the industry at LBMJournal.com. Final results will appear in The Buzz section of the May 2018 issue.

Sound-Reducing Design

HUTTIG DELIVERS

Masonite® Safe N' Sound® solid core Heritage Doors provide your customers stylish solid core doors that reduce noise and separate the calm from the chaos.

Visit www.huttig.com to learn more.





**UNIQUELY SEALED PACKAGING.
A DIRT-RESISTANT SEALED EDGE.
SIGNED, SEALED AND
DELIVERED FROM KLEER.**

Our new, smaller, easy-to-handle KLEERPaks
keep our trimboard cleaner even longer. And Kleer
Trimboard with TruEDGE® helps it stay that way
through installation. TruEDGE resists dust and dirt,
with a smooth finish that's easier to clean than
wood trim or PVC boards with no sealed edge.

Visit KLEERLUMBER.COM

