

LBM JOURNAL[®]

STRATEGIES FOR LUMBER/BUILDING MATERIAL DISTRIBUTION PROS

LBMJOURNAL.COM

MARCH 2019 \$10 U.S.

HOT PRODUCTS

EDITORS' CHOICE

2019 INTERNATIONAL BUILDERS' SHOW



IN DEPTH:

LUMBER AND STRUCTURAL PANELS

FOR THESE UNSUNG HEROES OF CONSTRUCTION,
STAYING FLEXIBLE IS THE KEY FOR DISTRIBUTOR
SUCCESS

REAL ISSUES. REAL ANSWERS.

THE PRODUCTION BUILDER QUESTION

The new shade of shiplap starts here.



Ready-to-install, prepainted nickel gap shiplap
at ufpEDGE.com/timeless.

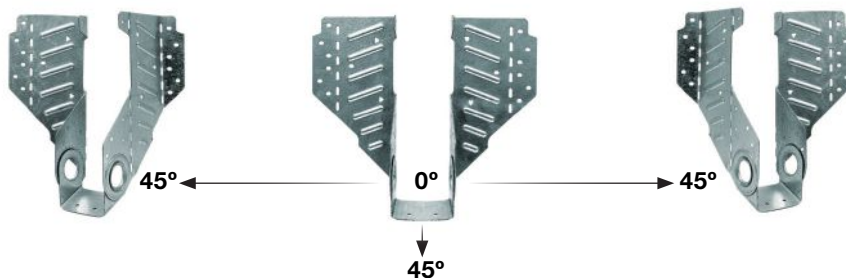
UFP
EDGE™
Designed To Be Seen

© 2018 Universal Forest Products, Inc. All rights reserved.
UFP-Edge is a trademark of Universal Forest Products, Inc.

9850lbm 12/18

It swivels. It slopes. It skews.

(Oh yeah, and it's retrofittable.)



Our LSSR slopeable/skewable rafter hanger has many new features to make installation quick and easy. Its hinged swivel seat adjusts easily, its flanges skew up to 45°, and it can be installed after (yes, after) all the rafters have been tacked into place.

Replace your LSSU hangers with the patent-pending LSSR. To learn more, visit go.strongtie.com/lssr or call (800) 999-5099.



CONTENTS

MARCH 2019

VOL. 17 | NO. 3

HOT PRODUCTS

EDITORS' CHOICE

2019 INTERNATIONAL BUILDERS' SHOW

The 2019 International Builders' Show (IBS), held February 19-21 in Las Vegas featured 2,000-plus exhibitors and covered more than 600,000 sq. ft. of exhibit space. Despite the backdrop of a rare desert snowfall, IBS 2019 delivered on its reputation as the place to see all the latest, greatest building products and technologies. While the majority of the 67,000 attendees are builders and contractors, IBS has also become known as the single biggest event for LBM dealers to connect directly with manufacturers and to learn about the latest product innovations. As we do each year, the following pages include a sample of products that our team believes may help make a difference for you and your company moving forward. The listings are in no particular order.

44

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.

30

The production builder question

BY RICK SCHUMACHER



IN DEPTH:

LUMBER & STRUCTURAL PANELS

38

For these unsung heroes of construction, staying flexible is the key for distributor success.

BY MIKE BERGER



4 EDITOR'S NOTE

Live and in-person

BY RICK SCHUMACHER

17 5 QUESTIONS

With Justin Clauer, senior regional sales manager for the Midwest, West, and Canadian markets of Palram.

18 SALES & MARGINS

Are your salespeople prepared for war?

BY BILL LEE

20 BUILDING SALES

The invisible inside sales rep

BY RICK DAVIS

22 SELLING THE DECK PROJECT

Preseason prep for lumberyards

BY BOB HEIDENREICH

24 RECRUITING & HIRING

The secret recruiting weapon you have but don't use

BY RIKKA BRANDON

26 LEADERSHIP

Go big or go home

BY RUSS KATHREIN

28 MERGERS & ACQUISITIONS

How earnouts change valuation multiples

BY JOHN WAGNER

60 NLBMDA

New OSHA requirements for crane operators

BY BEN GANN



TOUGH CALL

64

THE CASE OF THE POOR PROJECT MANAGER

A large, high-margin customer expects you to come to the rescue with immediate deliveries because of his poor planning. What would you do?

WHEN YOU COMPARE,
THERE'S NO COMPARISON.



OUR COMPETITION

For an incomparable outdoor living space, bring the design found inside your home outside with TimberTech's new premium AZEK Multi-Width Decking. Create something unique by mixing and matching widths, discovering new patterns and stretching your imagination further than ever before. Imagine the possibilities at [TimberTech.com](https://www.timbertech.com)

 **TimberTech**[®]
Go Against the Grain.[™]



Editor & Publisher Rick Schumacher
Rick@LBMJournal.com

Creative Director Richard Hart
Design@LBMJournal.com

Senior Editor James Anderson
James@LBMJournal.com

Contributing Sales Editor Rick Davis

Contributors Mike Berger, Rikka Brandon,
Ben Gann, Bob Heidenreich, Russ Kathrein,
Bill Lee, John Wagner

Controller Nancy Frazer
Nancy@LBMJournal.com

Director of Operations Michelle Fischer
Operations@LBMJournal.com

Administrative Coordinator Tina Saucke
Tina@LBMJournal.com

Circulation Director Vicki Blomquist
Vicki@LBMJournal.com

Production Director Cathy Branch

ADVERTISING SALES

NORTHEAST & SOUTHEAST

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

CENTRAL & WEST

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

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. 17 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 2019 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



EDITOR'S NOTE

Live and in-person

THERE'S NO QUESTION ABOUT IT: our reality is far more “wired” than ever before. The internet is a formidable tool that has transformed virtually every area of our lives. Search engines give us immediate access to unprecedented amounts of information, and email and text messaging enable us to reach others quickly and easily. Yet, as expedient as these technologies are, their convenience places them a distant second to face-to-face conversations and actually touching and testing new products and materials.

That's why the internet is a great resource to research products, but it pales in comparison to a physical, bricks-and-mortar showroom for letting builders and homeowners experience a product, live and in-person. And that's why tens of thousands of residential construction pros leave their homes behind and travel to the International Builders' Show (IBS) each year. Because not only do they get to see and touch the latest products, they get to learn about them in face-to-face conversations with the manufacturers.

One interesting fact about IBS is that LBM dealers from across the U.S. regularly take advantage of this once-a-year event. In fact, this year more than 3,000 of the 67,000 attendees were LBM dealers. If you haven't attended before, it's a great opportunity to see what's new—and possibly discover a product that's just what you need to serve your market in the coming year.

Whether or not you made it to Las Vegas, February 19-21 for this year's show, I encourage you to peruse our annual roundup of Hot Products from IBS, which begins on page 44. Since space restraints limit the number of products we can include in this issue, watch the Product Picks pages in upcoming issues of *LBM Journal* for even more notable products we saw at this year's show. And you may want to mark your calendar for January 21-23 to be in Las Vegas for the 2020 International Builders Show.

While products are a big focus of this edition of *LBM Journal*, here are some other highlights:

- **Real Issues. Real Answers. The Production Builder Question.** In our monthly survey addressing a reader's challenge, hundreds of readers share their insights and experiences regarding this high-volume customer segment, beginning on page 30.
- **The Invisible Inside Sales Rep.** Columnist and leading sales training guru Rick Davis gives an eye-opening assessment that may make you rethink the people in your organization who fill this critical role (page 20).
- **Go Big or Go Home.** In this month's column on page 26, Russ Kathrein, president and CEO of Alexander Lumber examines the leadership role and challenges the way we view commitment.

Speaking of “live and in-person,” both Rick Davis and Russ Kathrein have signed on to share their views at the LBM Strategies Conference 2019 this September 18-20 at the Sheraton Austin. While IBS is the place for new products, LBM Strategies is the place to be when it comes to connecting with other dealers and learning how to improve your business. Register now at LBMStrategies.com to lock in the lowest rate. ■

Rick@LBMJournal.com



FIRST CHOICE. BEST CHOICE.SM SUCCESS TAKES ROOT AT THE SPRING MARKET

At Do it Best, we're committed to keeping our focus on what matters most — helping our members grow and achieve their dreams. We continue to deliver the right products and the best programs to be the first and best choice for independent home improvement entrepreneurs.

The Do it Best Spring MarketSM is your opportunity to discover firsthand how our longstanding mill and vendor relationships, extensive reload network and pro/tradesman planograms can help you achieve long-term profitability. You'll meet the experts — Do it Best 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 Do it Best is supporting our members as their first and best choice for home improvement products and services.

2019 DO IT BEST SPRING MARKETSM

Indiana Convention Center, Indianapolis | May 17-20

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

First CHOICE.
Best CHOICE.SM



Do it Best Corp.

independentsdoitbest.com

Vince Slack,
Meeting and Market Planning Manager



UPDATES

PEOPLE

Derby Building Products Inc., manufacturer of the **Tando** and **Novik** brands of exterior cladding, has announced **Rachelle Shendow** as marketing manager.



SHENDOW

Parksite, Inc. has selected **Brandon Hopperstad**, commercial building product specialist, as the 2018 Specialists of the Year.



HOPPERSTAD

Kyle Schull has been named vice president of supplier relations for **Building Products Inc.**



SCHULL

Roy O. Martin president, CEO, and CFO **Roy O. Martin III** has been named a 2019 Louisiana Legend by Louisiana Public Broadcasting.



MARTIN III

Josh Brown, vice president of sales at **Bliffert Lumber & Hardware**, received the **National Association of the Remodeling Industry (NARI)** Professionalism Award and Presidents Award for 2018.



BROWN

Bryan Bardenett is the new territory manager for Northeastern Pennsylvania and Central New York for **Mid-State Lumber Corp.**

George Pattee, chairman of the board of **Parksite Inc.**, of Batavia, Ill., has been named chairman of the **National Association of Wholesaler-Distributors (NAW)**.

The AZEK Company, parent corporation to **AZEK Building Products**, **Versatex**, and other companies, has announced the recent appointment of **Sallie Bailey** to its board of directors and chair of the company's audit committee.

Woodtone has announced the addition of new board member **Wayne Guthrie**.

ABC Supply has announced new leadership for the company's Southeast and Southwest Regions. **Frank Marcoccio** has been promoted to Southeast region vice president, and **Jonathan Shepard** has been promoted to the role of Southwest region vice president.

Scott Gaskin has been promoted to president at **Capital Lumber Company**.

PENDING HOME SALES DIP 2.2% IN DECEMBER, INCREASE SLIGHTLY IN WESTERN REGION

Pending home sales declined as a whole in December, but for the second straight month the Western region experienced a slight increase, according to the National Association of Realtors.

The Pending Home Sales Index, a forward-looking indicator based on contract signings, decreased 2.2% to 99.0 in December, down from 101.2 in November. Additionally, year-over-year contract signings fell 9.8%, making this the twelfth straight month of annual decreases.

Lawrence Yun, NAR chief economist, cited several reasons for the decline in pending sales. "The stock market correction hurt consumer confidence, record high home prices cut into affordability and mortgage rates were higher in October and November for consumers signing contracts in December," he said.

All four major regions experienced a decline compared to one year ago, with the South sustaining the largest decrease.

Yun says so far, the partial government shutdown has not caused any obvious damage to home sales. "Seventy-five percent of Realtors reported that they haven't yet felt the impact of the government closure. However, if another government shutdown takes place, it will lead to fewer homes sold," he said.

GYPSUM, OSB, AND SOFTWOOD LUMBER PRICES DECLINE IN JANUARY

Overall, the price of goods used in residential construction declined 0.5% in January (not seasonally adjusted) according to the latest Producer Price Index (PPI) released by the Bureau of Labor Statistics. In contrast to December—when prices paid for building materials (except OSB) changed little—prices fell by an average of 2.9% in January.

Prices paid for inputs to residential construction (goods) increased 1.6% over the 12 months ending 2019, providing some relief relative to the 4.8% increase builders experienced between January 2017 and January 2018.

For the third consecutive month, OSB prices (NSA) declined the most in percentage terms (-6.1%). Prices paid for OSB have decreased nearly 30% since October 2018 and have fallen more than 40% since hitting their most recent peak in June 2018.

Softwood lumber prices remained relatively stable, falling 2.1%. Between June and November 2018, prices paid for softwood lumber decreased 21%. Since November, however, prices have declined just 0.8%.

The price of gypsum products continued to exhibit high volatility, decreasing 3.7% (SA) in January. Although the index for prices paid for gypsum products has only declined by 0.1% over the last 12 months, prices increased six of those months while declining in the other six.

NEARLY 24,000 RESIDENTIAL CONSTRUCTION JOBS ADDED IN JANUARY

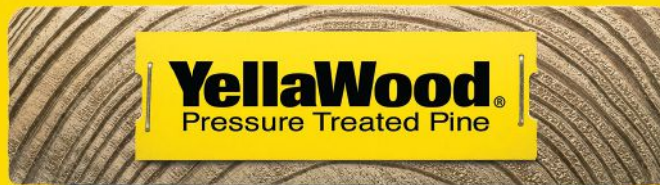
In January of this year, residential construction saw the greatest gain in employment since February 2018, following strong growth in December, the National Association of Home Builders reported on its NAHBNow blog. Jobs rose by nearly 24,000 in January to a total of 2.9 million residential construction jobs, comprising 835,000 builders and 2.1 million residential specialty trade contractors.

Unemployment in residential construction rose slightly to 4.7% from 4.6% in December, but remains historically low. Since the Great Recession, residential construction has gained 916,600 jobs.



THE BEST BUILDERS WILL SEEK YOU OUT. EVEN IF THEY'RE 2 FEET TALL.

YellaWood® brand pressure treated pine is sought after by all the best builders, especially those with leather tails, buck teeth and nature's highest building standards. Our proven reputation for having high quality products drives demand for the Yella Tag. The five-star service and unrivaled support of the YellaWood® brand puts dealers in position to meet their customer's specific needs. See how the YellaWood® brand delivers at YellaWood.com.



IF IT DOESN'T HAVE THIS **YELLA TAG**, YOU DON'T WANT IT.

UPDATES

PEOPLE

Versatex recently announced personnel changes that took effect in 2018 and early 2019. **Jake Hoffer**, is regional sales manager for the North Central Region.

Mark Edmondson is regional sales manager for the Eastern Region.

Dan Smith is territory sales manager in western New York, Ontario, and Quebec.

Chad Domrase, is territory sales manager Michigan, eastern Wisconsin and northern Illinois.

Tony Van Goidtsnoven is area sales manager for Virginia. **Craig Dawson** is area sales manager for Western Ontario. He joined the company in 2015. New Versatex market development specialists include:

Ricky Le, David Talarczyk, Miguel Tapia, Cole Hedlund, and John Chadwick, Sr.

DISTRIBUTION

Cameron Ashley Building Products, formerly Guardian Building Products, is opening its newest building products distribution center in Rocky Mount, N.C.

Vista Railing Systems Inc. has expanded distribution through **Mid-State Lumber** in the New England and Mid-Atlantic markets.

INDUSTRY

LP Building Products has introduced a new name that the company says more accurately positions its role in a changing industry: **LP Building Solutions**. The change “reflects LP’s goal to be the industry’s leading building solutions company,” according to an official announcement.

AZEK has rebranded its decking products under the **TimberTech** name. TimberTech will now be the umbrella brand for all decking, railing, porch, paver, fastening and lighting products. The trim and moulding business will be positioned under the newly branded AZEK Exteriors.

MI Windows and Doors’s MI Profiles extrusion facility in Millersburg, Penn. has received a recommendation from OSHA for the Voluntary Protection Program Star.

RoyOMartin has partnered with **Operation FINALLY HOME**, a group providing homes and home modifications for wounded, ill and injured veterans.

MORE HOMES NEEDED TO REPLACE OLDER STOCK

Over the 40-year span from 1961 through 2000, housing starts averaged a little over 1.5 million a year, but they have been nowhere near that high since 2006. As a recent NAHB study explains, one outcome of this shortfall has been a tendency for older homes to remain in service longer. Attempts to improve the stock of housing in the U.S. (for example, through new development standards or building codes) therefore make relatively little sense without a concomitant strategy to increase overall production.

More than one industry expert has reported on the production shortfall. In an April 2018 article, for instance, Laurie Goodman of the Urban Institute estimated that, in 2017, the supply of new homes fell about 350,000 short of the level needed to meet demand. Similarly, the NAHB study showed that the number of homes completed has been running below even the number of net new household formations. Whichever way you want to look at it, this shortfall creates pressure to keep older homes in service longer.

It should therefore not be surprising that data from the Census Bureau’s American Community Survey show that the number of homes built before 1970 has been declining at quite a slow pace. There were 52.83 million of them in 2014, and by 2016 the number had fallen only to 52.17 million.

HOUSING AFFORDABILITY HOLDS STEADY AT A 10-YEAR LOW

A modest increase in interest rates offset a slight decline in home prices to keep housing affordability essentially level in the fourth quarter of 2018 and still hovering at a 10-year low, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI).

In all, 56.6% 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 \$71,900. This is little changed from the 56.4% of homes sold in the third quarter that were affordable to median-income earners.

The national median home price moved down from \$268,000 in the third quarter of 2018 to \$263,000 in the fourth quarter. At the same time, average mortgage rates rose by 17 basis points in the fourth quarter to 4.89% from 4.72% in the third quarter. This was the fourth straight quarterly rate hike and the highest rate level since the second quarter of 2011.

“Builders are finding it increasingly difficult to build at price points most consumers need because they are struggling with burdensome regulations, higher material costs and shortages of lots and labor,” said NAHB Chairman Randy Noel. “Historically, housing has been the canary in the coal mine, and these ongoing affordability woes should serve as a wake up call to policymakers to take immediate action.”

“While solid job growth and rising household formations are fueling a demand for housing, home price appreciation has outpaced wage gains, putting a damper on housing affordability,” said NAHB Chief Economist Robert Dietz. “To keep housing moving forward, policymakers at all levels of government should make it a priority to address affordability concerns that are hurting home buyers and home builders alike.”

Youngstown-Warren-Boardman, Ohio-Pa., supplanted Syracuse, N.Y., as the nation’s most affordable major housing market. There, 92.7% of all new and existing homes sold in the fourth quarter were affordable to families earning the area’s median income of \$60,100. Meanwhile, Cumberland, Md.-W.Va., was rated the nation’s most affordable smaller market, with 94.9% of homes sold in the fourth quarter being affordable to families earning the median income of \$55,500.

Rounding out the top five affordable major housing markets in respective order were Scranton-Wilkes Barre-Hazleton, Pa.; Syracuse; Indianapolis-Carmel-Anderson, Ind.; and Toledo, Ohio.

RoyOMartin

Eclipse™

Weather Resistant Barrier



FOR MORE INFORMATION

visit royomartin.com

ROYOMARTIN KNOWS THE VALUE OF A DOLLAR

Even after successfully growing his business, our founder lived modestly and was notorious for his frugality at the office. He created a culture of savings that lives on and allows us to offer savings and lower costs to our customers to this day. Specialty products like our Weather Resistant Barrier OSB panels are surprisingly affordable. Price them on your next project and find out.

- ▶▶ Less expensive than traditional house wrap
- ▶▶ 180-day exposure rating
- ▶▶ New labor-saving method cuts installation time in half compared to traditional products
- ▶▶ FSC® certified and National Green Building Standard approved product



UPDATES

INDUSTRY

Versatex has announced the winners of the 2018 Versatexcellence Awards:

DEALER OF THE YEAR:

Scituate Lumber, Scituate, R.I.

BUILDER OF THE YEAR:

Pyramid Builders, Annapolis, Md.

DISTRIBUTOR OF THE YEAR:

Dixie Plywood & Lumber Co. of Atlanta, Atlanta, Ga.

FABRICATOR OF THE YEAR:

Décor Innovations, Oakville, Ont.

DISTRIBUTOR SALES REPRESENTATIVE OF THE YEAR:

Pat Backes, Parksite North Dakota, Fargo, N.D.

MERGERS & ACQUISITIONS

Hardwoods Distribution Inc. has, through its subsidiary **Hardwoods Specialty Products US LP**, purchased **Far West Plywood** for a total value of \$3.9 million.

Roseburg Forest Products and **PotlatchDeltic Corporation** have completed the purchase and sale of the assets of the PotlatchDeltic subsidiary Del-Tin Fiber LLC, including its medium density fiberboard (MDF) plant located in El Dorado, Ark.

BUYING GROUPS & CO-OPS

The **LMC Executive Education Program** brought 47 dealers from 20 states together in Philadelphia at the renowned Wharton School of Business at the University of Pennsylvania.

"The partnership with Wharton and the ability to offer this kind of program, not seen elsewhere in the industry, is part of the reason LMC dealers stand out," said LMC president John Somerville. "Since its inception in 2015, there has been high demand to be in attendance for this unique executive education experience."

The program includes an entire week of learning framed around an industry relevant case study that helps the attending dealers apply what they are learning to their own companies.

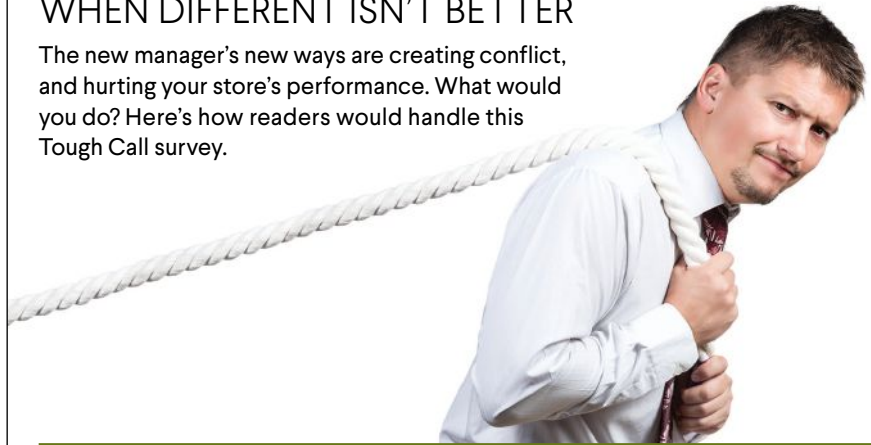
Send news and updates about your organization to James@LBMJournal.com

TOUGH CALL ANSWERS

ANSWERS TO OUR JANUARY TOUGH CALL:

WHEN DIFFERENT ISN'T BETTER

The new manager's new ways are creating conflict, and hurting your store's performance. What would you do? Here's how readers would handle this Tough Call survey.



YOUR VOTES ONLINE AT LBMJOURNAL.COM

- 9.5% STAY THE COURSE.** You hired Jeremy for some very good reasons, and six months is not long enough to judge his impact on your company. Tell him to carry on, but that you need to see positive results soon.
- 9.5% TURN BACK.** The systems and processes that were in place for years worked just fine. Tell Jeremy you appreciate the effort, but that it's not working and he needs to revert to the way it was when he arrived.
- 10.5% PROMOTE ARNIE.** Arnie has been assistant manager for almost ten years. He's not flashy, but he's solid, he knows your team and customers, and knows what works. He deserves to be promoted to manager.
- 70.5% ALL-STORE MEETING.** After hours one day, have an all-store meeting to talk about what's going on, to learn if there's another reason that Jeremy's changes aren't working, and to determine a path forward that makes sense for the company.

ONE READER'S RESPONSE

I find it concerning that Jeremy is seemingly oblivious to the decline in morale. He needs to frequently communicate with everyone individually at his location and have a better sense of how they are feeling. If the staff does not embrace the new ideas to some degree, the chances of successfully implementing these ideas with a positive result are very low. I would work with him in suggesting he talk to his team and ask for their help. I would coach him to share with them what he is trying to do and have him ask for their ideas on how to make it happen.

This sounds like a location with good people. They will most likely provide Jeremy a wealth of help. I would also advise him to incorporate their suggestions as much as possible into every new endeavor. We all just want to be respected and feel some control in what we are doing. If Jeremy embraces this pattern to implementing his concepts, the owner gets a great manager with new ideas and an energized engaged staff to make it happen.

— Steve Rickert, general manager, Hancock Lumber-Bridgton, Maine

THANKS TO EVERYONE WHO VOTED ON THE JANUARY SURVEY. SEE PAGE 64 FOR THIS MONTH'S TOUGH CALL.

Cindy Yoder helps fabricate vinyl windows at our Sugarcreek facility.



Vinyl Windows by ProVia: Built for Better Performance



Our unique blend of hands-on craftsmanship and leading-edge automated processes ensures the highest manufacturing standards and the highest degree of performance, 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 Performance—that's The Professional Way.**

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

Doors | Windows | Siding | Stone



UPDATES

ASSOCIATIONS

The Northwestern Lumber Association (NLA) recognized award-winning members at its Northwestern Building Products Expo, held January 28-29 in St. Cloud, Minn. Recognized as the personification of "service before self," longtime active NLA member **Ron Enter of Wright Lumber & Millwork**. **Dakota County Lumber**, Farmington, Minn., was named Dealer of the Year. **Steve Houle**, former owner of **Bob's Building Center**, Baxter, Minn. and current member sales manager with **LBM Advantage**, received the President's Award. **LBM Advantage** was honored as a 2019 Association Supporter of the Year.

Send news and updates about your organization to James@LBMJournal.com

EVENTS

MAR 21-23 LMC Annual Meeting
San Diego, CA • www.lmc.net

APR 1-3 NLBMDA Spring Meeting & Legislative Conference • Washington, DC
www.dealer.org

APR 17-19 Lumbermen's Association of Texas (LAT) Golf Tournament, Convention & Buying Show
San Antonio, TX • www.lat.org

MAY 17-20 Do it Best Spring Market
Indianapolis, IN • www.doitbestcorp.com

JUL 25-28 Building Material Suppliers Association (BMSA) Summer Management Conference
Myrtle Beach, SC • www.mybmsa.org

AUG 21-23 Florida Building Material Association (FBMA) Annual Convention and Gulf Atlantic Building Products Expo
Orlando, FL • www.fbma.org

AUG 22-24 Orgill Fall Market • Chicago, IL
www.orgill.com

SEP 11-13 Construction Suppliers Association (CSA) Annual Conference & Expo • New Orleans, LA • www.gocsa.com

SEP 18-20 LBM Strategies Conference
Austin, TX • www.lbmstrategies.com

OCT 3-6 True Value Fall Reunion
Chicago, IL • www.truevalue.com

OCT 18-21 Do it Best Fall Market
Indianapolis, IN • www.doitbestcorp.com

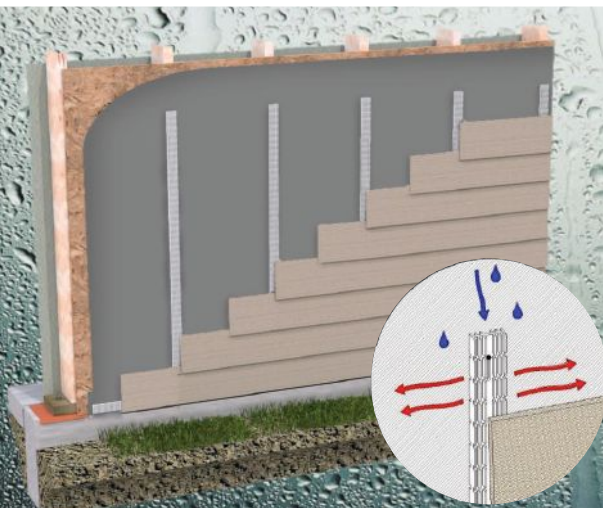
NOV 7-8 Mid America Lumbermen's Association (MLA) Annual Fall Conference
Kansas City, MO • www.themla.com

NOV 20-22 LMC Expo • Philadelphia, PA
www.lmc.net

Send information about your company's events to Rick@LBMJournal.com.

WATARVENT[®] FURRING STRIP

INTRODUCING OUR LATEST PRODUCT!



Recommended for use behind wood cladding, composite siding and clapboard siding.

- Solid core for structural stability
- Vertical channels for proper drainage and ventilation from the backside of the cladding to the front side of the sheathing
- Horizontal channels allow for cross ventilation

We have re-designed the traditional furring strip to function in the current building environment.

MARCH MEANS BRACKETS



RAILING · FENCING · CABLE RAILING · ACCESSORIES · LED POST LIGHTING

Not the basketball kind. The Key-Link kind. These strong, sturdy brackets give your railing the secure connection you're looking for. And they can take you in any direction.

Level Mounting Brackets • Universal Swivel (0-50°) • Horizontal Swivel (0-40°) • Vertical Swivel (0-30°) • 45° Angle • Stair Rail Mounting Brackets (32° -36°) • and more!



LEARN MORE: KEYLINKONLINE.COM



55+ HOUSING MARKET ENDS Q4 STRONG

Builder confidence in the single-family 55+ housing market remained strong in the fourth quarter of 2018 with a reading of 66, up six points from the previous quarter, according to the National Association of Home Builders' (NAHB) 55+ Housing Market Index (HMI).

The 55+ HMI measures two segments of the 55+ housing market: single-family homes and multifamily condominiums. Each segment of the 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 rose six points to 72, expected sales for the next six months increased five points to 70 and traffic of prospective buyers jumped 10 points to 53.

The 55+ multifamily condo HMI posted a gain of three points to 47. The index component for present sales increased three points to 51, expected sales for the next six months fell four points to 49 and traffic of prospective buyers rose seven points to 38.

Two of the four components of the 55+ multifamily rental market went up from the third quarter: present production increased six points to 60 and present demand for existing units rose four points to 67. Future expected production and future expected demand both fell two points to 54 and 62, respectively.

OSHA ISSUES FINAL RULE ON INJURY AND ILLNESS REPORTING

The National Lumber and Building Materials Dealers Association reports that the Occupational Safety and Health Administration (OSHA) has issued a final rule that eliminated the requirement for businesses with 250 or more employees to electronically submit information for OSHA Form 300 (Log of Work-Related Injuries and Illnesses) and OSHA Form 301 (Injury and Illness Incident Report) to the Agency each year. OSHA states that the final

rule will allow the Agency to improve enforcement targeting and compliance assistance, protect worker privacy and safety, and decrease burden on employers. The rule took effect on Feb. 25.

Businesses with 250 or more employees, as well as businesses with 20 to 249 employees in designated high-risk industries, must still submit information from OSHA Form 300A (Summary of Work-Related Injuries and Illnesses). Please note that lumber and

BY THE YARD

NEWS FROM LUMBERYARDS AROUND THE COUNTRY

Hancock Lumber expanding in Southern Maine

Hancock Lumber has acquired 11 acres in Saco, Maine, where the company plans to build a state-of-the-art lumberyard and kitchen design showroom. Located near the corner of Route 1 and Cascade Road, this site is the hub of continued economic development, is highly visible, and offers access to Scarborough, Old Orchard Beach, Biddeford and I-95. The newest location will be Hancock's 15th, adding to its existing network of lumberyards and kitchen design showrooms, eastern white pine sawmills, truss manufacturing facility and home office.

BMC acquires Locust Lumber

BMC Stock Holdings, Inc. has acquired Locust Lumber, a supplier of lumber products and building materials primarily to custom homebuilders and professional remodelers in Charlotte, N.C. Established by Roy Huneycutt in 1952, Locust generated \$53 million in net sales for the full year 2018.

Busy Beaver opening Elkins, W.V. location

Pittsburgh-based Busy Beaver will open its newest home improvement store located in Elkins, W.V. on April 10, with a Grand Opening event scheduled for Saturday, April 27. The 33,000 square foot Elkins store will feature an outdoor lumberyard, and a farm and ranch department. The Elkins Busy Beaver will hire approximately 20 new full-time and 10 to 15 part-time employees.

Georgia acquisition

Griffin Lumber has announced the acquisition of Blake Builders Supply, a lumber and building material retailer and Specialty Structural Products, a roof and floor truss manufacturer. Both are based in Griffin, Ga.

Minnesota acquisition

Simonson Lumber has acquired Mathew Hall Lumber, in St. Cloud, Minn. Mathew Hall Lumber announced in a press release that the deal was completed on Jan. 31. Simonson, which already has two facilities in St. Cloud, will continue to operate all locations, Mathew Hall Lumber's press release said. Simonson Lumber was established in 1913, and opened its first St. Cloud location in 1927. Simonson Lumber has six locations, including the two in St. Cloud, Alexandria, Baxter, Crosslake, and Hutchinson in Minnesota. Mathew Hall Lumber Company was established in 1889 and up to the sale, operated at the same downtown St. Cloud lot.

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.

building material dealers are classified as a high-risk industry and subject to the stricter reporting requirements for OSHA Form 300A.

By no longer requiring submission of Forms 300 and 301, it greatly reduces employer concerns about employee privacy and identity. However, employers are still required to maintain these forms on-site as well as submit them on an as-needed basis during inspections and enforcement actions.

FROM START TO FINISH,
EVERY DETAIL COUNTS.

TamlynWrap
www.tamlynwrap.com

XtremeTrim
www.xtremetrim.com



1.5 mm spacers

This innovative product effectively eliminates excess moisture and mitigates the damaging effects of mold and rot. Its unique, **PATENTED DESIGN REMOVES AT LEAST 100 TIMES MORE BULK WATER FROM A WALL VERSUS STANDARD HOUSEWRAPS.** This is achieved through the gap created by 1.5 mm spacers bonded to a high performance housewrap.



XtremeTrim® profiles

In the multi-family market, Tamlyn knows that both **QUALITY** and **PROFIT** are important factors concerning any project. With the most options of design and detail, using XtremeTrim® ensures quality craftsmanship and low costs to maximize profit for all your building projects.

COUNT ON



BUILD STRONG WITH POWER BEAM®

BETTER, FASTER, STRONGER



POWER BEAM® FEATURES

- Strongest engineered wood product on the market
- Design values 3000Fb-300Fv-2.1E
- Wide width for faster installation - 3 1/2" and 5 1/2"
- Compliment to Mass Timber wood framing systems
- Sustainable Forestry Initiative (SFI®) Certified
- Excellent fire resistance
- Manufactured with superior strength southern yellow pine MSR Lumber
- Cost-efficient, high-strength solution for load-bearing structural applications



Anthony Forest Products is part of the Canfor Group of Companies

5 QUESTIONS

JUSTIN CLAUER / PALRAM AMERICAS

1

Q: With a continuing strong demand for housing and remodeling in most markets, what do you see as the biggest challenge facing LBM dealers?

A: Labor. In addition to the skilled labor shortage of builders and contractors, dealers are also greatly affected by the lack of available talent-for-hire. This deficit emphasizes the need for retaining existing, solid performers. If dealers can find and retain a stellar sales staff, they can create better value and deeper relationships with their customers and avoid the pitfalls of an “order-taker” mentality—which will go a long way in setting them apart from the competition.

2

Q: The flipside of that question...the biggest opportunity?

A: The willingness for both manufacturers and distributors to engage as true partners with their dealers. The top building products manufacturers realize the need to fully support and pull sales through the dealer. In 2018, Palram fully staffed a team of sales development specialists. The primary responsibility for this position is to pull sales through the channel by calling on architects, builders/contractors, and targeting projects. Dealers can take the opportunity to partner with those manufacturers that have the dedicated sales resources who act as an extension to their own sales teams to help drive business.

3

Q: What is the role of PVC and polycarbonate products in today's high performance buildings?

A: To address the pain points felt by contractors and builders. As a manufacturer, it's important to provide solutions to counter the negative effect that rising labor costs have on a project's profitability. This is why we were the first to market with a protective masking (EverClean) that allows the product to remain in pristine condition from production to finished construction. Punch lists are executed much faster when there is less time spent on the aesthetics of the product. And the next job can be started that much sooner.

Also, along with being recyclable, PVC and polycarbonate products offer long-term weatherability and UV protection. They provide maintenance-free care and are an excellent displacement for failed wood. End-users can avoid spending future monies on painting, repair or replacement costs.

4

Q: What can dealers do to boost their sales of moldings and other high-margin millwork products?

A: Talk with and educate their customers about all the value-added options available. For instance, using profiles, like Palight ProFinish, are proven to speed up installation on the job site. And now with sand and clay Color2Core trim options available, dealers can offer a paint-free solution that reduces the number of subs needed on a job site. This all adds up to savings for the contractor and higher margins for the dealer. I have found that once a contractor uses these value-add items once, they rarely go back to slower, more labor-intensive installations of the past. When they understand they will save time and money, it is a no-brainer.

5

Q: From your perspective as a manufacturer, what do you see as growth areas for PVC and polycarbonate products in the residential construction and remodeling markets?

A: Innovation as a solution-driven company first and a partner supplier to the industry as a close second is what will drive future growth in the plastic construction materials market. The ability to listen to the end-user needs and provide solutions that not only address the current requirements but inspire the next step forward. ■

Justin Clauer joined Palram in 2016, he currently serves as the senior regional sales manager for the Midwest, West, and Canadian markets. Clauer served in business development, operations, and finance in prior manufacturing and commercial banking roles. Clauer graduated from Arizona State University in 2005.



Are your salespeople prepared for war?

U.S. ARMY RECRUITS are required to attend Boot Camp before they are allowed on the battlefield. Fighting for your life, defending your homeland and learning to work as a team takes more than bravery. The Army spends 10 intense weeks preparing its recruits to become soldiers.

In a building supply business, however, it is not unusual for owners and managers to hire salespeople one day, and after spending a few weeks teaching them enough to know a 2x4 from a window unit, send them into battle with enough pricing authority to make multi-thousand dollar decisions. And we wonder why our industry's gross margins are anemic.

I earn a significant percentage of my living standing in front of raw recruits sitting side-by-side with battle toughened veterans to hone their skills at basically two things: persuading home builders to do business with their company and learning how to successfully negotiate building material packages that sometimes exceed a quarter of a million dollars.

Negotiating is a skill. When a buyer who has been classroom-trained as well as field-trained goes up against a relative newcomer to the negotiating arena, the results can be ugly. Too often, the poor recruit is simply ill-prepared for the big leagues.

Every year, perhaps at the International Builders' Show or in many local HBA chapters, negotiating seminars are among the most popular opportunities men and women making buying decisions have to develop the skills that will pay for themselves many times over. On the sales side of things, however, this is frequently not the case.

What I am trying to say is that if your salespeople have never had any formal training on how to quote and hold their prices, they are at a distinct disadvantage.

The builder wants a lower price with little concern for the profitability of the supplier. The salesperson wants an order, many times with little concern for the profitability of the sale. Sales skills influence who gets the order, but negotiating skills influence how much profit is made on the sale.

Even without being given any pricing authority, the salesperson remains the only person sitting at the negotiating table who is in any position to defend his or her company's flank. Let's face it, when money is at stake, buyer and seller alike are highly motivated to do whatever it is they have to do to close the deal.

Newbies are oftentimes extremely naive. They are unaccustomed to going up against professional buyers who are also highly trained, but they are rewarded when they are able to bring home the bacon.

I recommend that managers roleplay with their salespeople so they will be more confident when the freshly trained member of the purchasing team takes the field. If the salespeople learn what to say and how to say it in a roleplay, they will be more confident when they're negotiating for real.

HERE ARE THREE QUESTIONS ALL SALESPEOPLE SHOULD BE PREPARED TO ANSWER:

1. How does the competitor's material list compare to ours?
Are you really comparing apples to apples?
2. Expressed in measurable terms, what benefits will the builder receive when he does business with our company that he does not receive when he does business with our competitor?
3. What services will the builder receive from the salesperson that he will not receive when he buys from our competitor.

A well-trained and physically hardened opponent is no coward. Buyers—like soldiers—are masters at deception. They are trained to use intimidation when it is called for. I often call this the "head fake" objection. There's nothing illegal, immoral, or unethical about using a head fake on the sports field. The same is true in business. Do your people know what to look for? Are they prepared to defend their prices? ■

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.





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

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

ZIPsystemTM
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

The invisible inside sales rep

SERVICE MEANS completion and getting things done. Every LBM dealer proudly boasts of the service they provide to ensure the satisfaction of the customer. The thing missing is the recognition of the hard work of the Inside Sales Representative (ISR) getting so much done—the “invisible” performer.

The ISR is the front facing representative who contractors value as the fulfillment center for your company. They are the last stop in the chain of command to make sure all orders, fires, deliveries, and quotes are handled. In spite of all they do, they are not utilized as potential leaders, as each one is inside.

Yes, everyone agrees that the ISR is a vital player on the LBM dealer team. So why would I call them “invisible” performers? It’s because you see them, but fail to understand their world. You hear them, but don’t listen for new ideas. Mostly their performance is taken for granted.

THE TYPICAL DAY

On a typical day, the ISR arrives at the office and makes the first pot of coffee to start the morning. Before she can get her coffee, the phone rings from a customer wanting information while a contractor is walking in the front door. She signals with one finger that she’ll help the contractor “in a minute” just as a truck driver taps on her shoulder in need of an address or directions to a jobsite. The information could easily have been provided by the outside salesperson, but he figured the ISR would just “take care of it.”

The ISR gets the number and promises to call back the consumer on the phone and lets the impatient contractor know she’ll be with him as soon as she gets the address for the delivery. Her cell phone buzzes with a text from the outside sales representative who wants to know when his customer can expect delivery (yes, the one for which there was no delivery address). She notices her e-mail box filling up and peeks at two new files on her desk, left after she checked out the day before, with material lists to quote. While all this is happening, the branch manager pops his head out his office door with a look and a finger wag that says “...we have a problem.”

She is now fending off serious anxiety, but handles the walk-in, returns the consumer call, gives the driver directions, and addresses the manager’s problem. She returns the phone call to her sales rep, a time-wasting gesture serving only to prove to the salesperson she has done her job since she already spoke to the customer directly.

After these initial 45 minutes of unplanned activity, it’s time to start completing the tasks she had on her plate before the inbound tasks took over her morning. She takes

the opportunity to go to the break room and pour her first cup of the day where, don’t you know it, the darn pot was left empty by the person who took the last cup without the decency to make a fresh pot. She feels taken for granted at best, invisible at the worst.

If you think this is an exaggeration, I challenge you to ask your ISRs. Find out if they feel appreciated or dumped on. In countless interviews I have conducted regarding the day described above, the consistent ISR response is “that’s pretty much my life.” Even though you see the ISR every day, their performance challenges remain invisible to most onlookers.

AIR TRAFFIC CONTROL

The ISR takes orders, enters orders, does take-offs, deals with emergencies, provides quotes, answers phones, greets and satisfies contractor walk-ins, takes service orders from co-workers, deals with emergencies (yeah, I said it twice because there are a *lot* of them) and a few other things left off the list.

The ISR is busy completing tasks for others, but is rarely invited to provide input for process improvement, sales ideas, or task prioritization. They are seen as the “completion” department, the last stop in the supply chain to get things done while they should be cultivated as informational leaders taught to be part of the improvement process.

The real problem is that constant task bombardment for the ISR creates serious hard costs as well as opportunity costs. Emergencies create extra labor, fuel expenses, product replacement costs, and more. Disorganized communication creates opportunity costs when, for each failed attempt at crisis management, resources are poorly allocated or a customer has an excuse to shop with a competitor.

The world of the ISR is constant ASAP demands from co-workers, consumers and contractors each of whom presumes *their* task will become the top priority instantly. Much like the air traffic controller must land a non-stop flow of planes as they approach, the ISR is tasked with prioritizing tasks. Unlike an air traffic controller, there is little cooperation and less authority to make decisions. So ASAP pressure mounts.

ASAP IS NOT A TIMELINE

The worst part about the constant ASAP struggle is that your ISRs actually succeed! They meet irrational deadlines, thus reshaping expectations for more irrational demands. Nobody is sure how they get it all done (i.e. they are invisible), but as long as they do, everyone just keeps dumping tasks on their plate. So constant emergencies evolve to become standard operating procedure which tax your warehouse

staff, drivers and the ISR. The ISR cannot feel anything but emotionally stressed by the non-stop pressure to satisfy undefined, urgent deadlines.

If your company prides itself on telling contractors they can phone in an order and get it out in just a few hours, you either have a communication problem or underutilized delivery resources. Somewhere in the dialogue somebody should be allowed, required actually, to reshape expectations to a reasonable level. The real problem might be cultural because nobody expects the ISR to provide leadership, but instead follow orders

A PROBLEM OF HIERARCHY?

The problem was illustrated by Malcolm Gladwell in his book *Outliers*. He described the cockpit communication leading up to the crash of a Korean Air flight to Guam in 1997 that resulted in the death of 228 passengers. It was the culminating event in a long series of airline tragedies that plagued Korean air carriers in the 1990s. The cause of the crashes wasn't poor maintenance or weather. The culprit was politeness and respect for hierarchy.

The black box recorder of the Guam flight demonstrated that the co-pilot politely noted three times the impending doom with deference and lack of urgency. The pilot, acclimated to his role as the delegated authority in the chain of command, ignored the polite requests. Instead of urgently warning the pilot hundreds of people would die instantly, the co-pilot respectfully suggested, "Honorable Pilot, it is possible we might head into the hill and crash if we don't raise our altitude...but of course you know best what to..." BAM! Dead passengers because the hierarchy didn't provide for feedback *up* the chain, only down.

Korea made major changes by training the piloting team to overcome hierarchical bias of a millennia-old culture and erase ambiguity in communication. The ICAO, the civil branch of the United Nations, ranked Korea's safety standards by 2008 as the highest in the world. Does your organization encourage open dialogue up and down the chain of command? Are you proactively determining ways to streamline activity by involving all the brainpower of your organization?

FINDING SOLUTIONS

The leadership opportunity: The ISR is expected, while taking care of all the inbound demands, to keep pushing forward to cope with problems without participating in solutions. One of the smartest things an organization can do is to teach the ISR how to become a facilitator of change. This means proactively discussing the common challenges you face in your organization and developing solutions for performance and communication improvements. Call periodic huddles to discuss problem events as the brainstorming opportunity to prevent them in the future.

The "negotiate deadlines" opportunity: ASAP is an opinion, not a deadline. Your customers, as noted earlier, have grown accustomed to issuing constant ASAP demands. The key to customer fulfillment means turning ASAP demands into hard timelines that are negotiated up front. This is a process that must occur not only with contractors and consumers, but between co-workers. It's a skill worth teaching, specifically to ask, "If I can get that to you by this time, will that work?"

The retain your customer opportunity: There is an old saying that sometimes you need to "break some eggs to make an omelet." You need to let some bad stuff happen sometimes if you want to re-train your customers for reasonableness. It's a tough moment, but sometimes the ISR must say, "So sorry that we can't get that by your deadline. Here is what we can do and how we can help avoid this same situation in the future."

Your managers, outside salespeople and executives of tomorrow are the Inside Sales Leaders of today. The ISR should be given a voice and not treated as a junior team member designated as the dumping ground for constant emergencies due to the poor planning of others. The ISR is possibly the most productive return on labor investment in the construction industry supply chain and their performance, along with input, must become more recognized. They are the backbone of our industry who complete fulfillment tasks and the people who really know best what is happening in your organization. ■

Rick Davis is president of Building Leaders, the leading supplier of sales training to the construction products industry. Rick can be reached at rickdavis@buildingleaders.com or 773.769.4409. buildingleaders.com.



Preseason prep for lumberyards

IT'S THAT TIME AGAIN—I've used this analogy in these columns before, but it's worth repeating: Lumberyards need to treat the slow days of March like a Major League Baseball team treats training camp. Now is the time to get everyone in the right position and to fill the positions where you might be lacking. It's time to clean and press the uniforms and get the field in playing shape.

Even if you think you've got the strongest team of veteran pitchers and position players in town, you still need to get them in playing shape. If you're like me and look forward to a strong season of deck sales, that means you'll want to get plenty of training time in on things like project estimating. It's one thing to know that you have people who can sell boards off the rack, but can they sell complete deck projects? In order to do so, they'll need estimating skills and a refresher course on procedures. We all get rusty over the winter months and sometimes we forget. March is a good time to get everything down—from how to greet a customer to how to load the truck after the sale.

It's a good time to have team building company meetings. Let the team know you're looking forward to the season ahead and set the right tone so they are aware of expectations. A team plays best when everyone is in the right position and is happy about it. Team building activities can go a long way in strengthening the fabric of your staff. A team meeting is a great time to go over the rules as well. Make sure your team, whether they're rookies or veterans, are up to date on everything from store appearance to vacation policies and more.

For your newer team members, I suggest putting them in charge of stocking literature and sample racks (with plenty of supervision, of course). I've found that this can be the best way to get new employees thinking about products and speaking the language of products because they're handling the samples and have been reading about them in the literature as they keep these supplies stocked. Soon enough, they'll be product experts.

If you're still having troubles finding enough team members (as many lumberyards are these days), I suggest continuing your hiring efforts year-round, even in the off season. You should always be looking for starting pitchers even if you already have a full stable. You never know when you'll lose one and need someone to step in and fill the role. Any middle-inning reliever you hire should be looked at as a potential starter one day.

Spring is also the time to make sure everything is looking good. You'll want to make sure your company uniforms—shirts, hats, whatever your company uses—are clean and the nametags are polished.

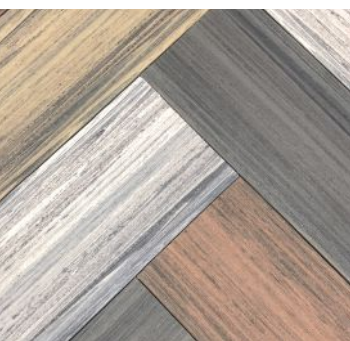
Getting things cleaned up for the season goes well beyond uniforms, however. You need to make sure your store and yard are in tip-top shape. After winter, a lot of items around your store may be due for a refresh, including window signs that are sun damaged and parking lot striping that has long faded. For someone who has never been to your store before, these things will be their first impression. While your staff inside may wow them, you can help set the tone even earlier than that by making sure the outside of your store is clean, attractive and welcoming.

There are even things you can't see that might need updating. One thing that I make sure to update each season is our automated phone messages. Make sure hours and directions are current. You'll also want to update your hours and any featured images on your Google business listings. We get so busy during the height of the season that we'll forget these things, so it's best to take care of them in the spring.

As you take these seasonal prep suggestions into account, remember another analogy I often use about deck sales: No one buys a Christmas tree in July. What I mean by that is at The Deck Store, we sell decks in Minnesota. It's important for my team to know that summer time is our Christmas season when it comes to sales. Until those sales come through the door, the best thing you can do is prepare and make sure you're ready for the season. ■



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.



**BEYOND ORDINARY PRODUCT,
BEYOND ORDINARY PARTNERSHIP**

DecKorators®
Go Beyond Ordinary

See what's new at DECKORATORS.COM

The secret recruiting weapon you have but don't use

DO YOU WISH YOU HAD a small army of people who were talking about you and your business and how great it is? Do you wish that when people have great customer service they'd tell the person providing that service that they belong at a great company like yours and should apply? Sounds dreamy, right?

What if I told you it's quite a bit easier to get this raving fan army than you expect?

Simply think about the people who care the most about you and your success. In most cases, it is your family and friends. These are people who are willing to work (happily) on your behalf to see you succeed.

Here's the catch: Very few people are "wired" to be recruiters. But you can turn even the most shy family member and friend into your own personal spokesperson if you provide the right tools and motivation.

It doesn't need to be complicated. First, be open and share your "pain"—why is this job opening causing you stress? It really helps to be willing to be vulnerable in order to inspire people to go outside of their comfort zone to help you.

HELP THEM HELP YOU

In order for family and friends to assist, you'll need to set them up with the right information. This is simply letting them know what you're looking to hire and what kind of background and experience would be helpful.

Here's an example:

"Who do you know that is a great salesperson? We love great salespeople, and we'd like to talk to them about joining our team. All you have to do is give us their name, and we'll reach out to them! Everyone loves to be recognized for doing a great job, so please give a shout-out to any great salespeople you know! Ideally, they'd understand construction, but we're willing to train the right person."

When you start the conversation with family and friends, you may get an immediate name from someone, but most of the ideas come long after the conversation is finished. That's why it's essential to follow up with an email, with a link to the job ad or job description. The email will serve as a reminder of the conversation and allows them to read the job ad and understand it in greater detail. Plus, by emailing them, you just made it easy for them to pass that job ad on to people they think might be interested.

Be sure to ask them to post to their social media platforms, as well.

Here's an example of a blurb you can provide that they can pass on or post to social media:

"Please share! XYZ Lumber is hiring. They're a great company, and my friend [insert your name here] is looking for a new sales rep. If you're a proven salesperson who is open to cold-calling and developing new business while taking care of existing customers, they want to talk to you! Here's a link to the job listing: [insert link]. If you understand construction or building products, it's a huge bonus (but not required). All responses are confidential—start the conversation by emailing [insert friend's email address here]."

You can post a similar message on your company Facebook page and pay to boost it to the location and people you're targeting. You should also post it on your personal page and ask your friends, family, and connections to share it.

Tag people who you think might know someone, so they can easily share with their friends.

No matter where you're sharing the job, success relies on an understanding of what you are looking for and on making it very easy for people to make referrals. Be clear about what type of person you're looking for and make sure to provide something they can easily read and share. ■

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 building products talent.





LISTEN TWICE. DELIVER ONCE.



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 rely on Weyerhaeuser Distribution to deliver what you need, on time, with a solid handshake. Call 888.453.8358 or go to Weyerhaeuser.com/distribution to find your closest distributor and product offering.



ALWAYS BUILDING

▲ Weyerhaeuser is a registered trademark of Weyerhaeuser NR. © 2019 Weyerhaeuser NR Company. All rights reserved.

Go big or go home

WHEN TALKING ABOUT COMMITMENT, there is a well-known comparison of the difference between ham and eggs. With regard to the eggs, the chicken is *involved*, but with regard to the ham, the pig is *committed*. When it comes to being a leader, you can't merely be involved. You have to be committed to the decisions you personally make, and to those of your organization.

Previously working in large organizations, I witnessed a number of leaders who would purposely distance themselves from a decision or new initiatives being done by their team so that they would not be tainted if the decision was wrong or the initiative failed; it would also give them the opportunity to blame their team for the failure. The only thing worse was a leader who was a micro-dabbler. Like a micro-manager, they immersed themselves in the details of the initiative at some point in the process (usually the beginning), then they disappeared from the process, as if it were a new toy they lost interest in. If they did reappear, it usually was at the point of success: They then would again immerse themselves in "their" initiative, usually screwing up things because they didn't understand what was being done, but they now wanted to be involved. A true leader takes credit for failures as well as successes.

Success is not always assured at the start of an initiative. One way to make sure your team is aligned is to think bigger than your initial plan and design your structure or your effort with the bigger plan right out of the gate. An example would be the decision to get into installed sales. I have personally seen many managers tentatively dip their toe in the waters when it came to installed sales by "hiring a guy" to install a product for a customer without a bigger plan in mind. They thought they would "figure it out" and grow bigger over time. If you don't have an endgame envisioned, how do you know if you are succeeding?

When I was managing operations in Colorado prior to the downturn, my team was exploring offering framing services.

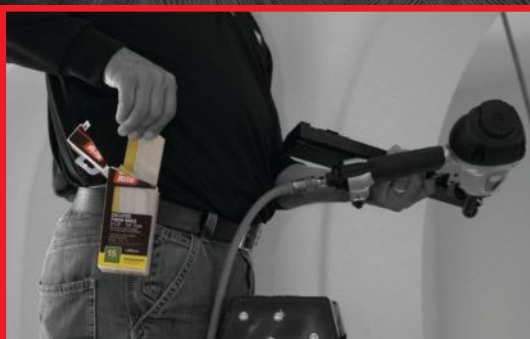
We determined that to be effective and to service the builder the right way, we had to frame more than a couple houses a month. So, we bought a local framing company that gave us the initial volume we needed to do things right and jumped in with both feet. Within a year, we were framing more than 1,000 houses annually. When we decided to offer installed millwork out of our millwork shop, again we committed to ramping up quickly so we could justify the cost of the services that we felt would differentiate our business from the competition. It was a big leap of faith in both instances, but our entire team knew what our end goal was and that we had to get there. If we had timidly entered the business, our team would not have been as committed to the success of the effort.

At Alexander Lumber, we recently made the decision to completely exit our smaller, rural markets, and concentrate on our builder strategy in our mid-sized and large markets. It wasn't that all of our small markets were bad or losing money. We could have easily shut down those that were not performing and run the others as mini cash cows for as long as they were profitable, while we concentrated on our new initiatives in the rest of the business. The problem is, we would have only been involved with the businesses in the smaller markets, not fully committed. In the end, we decided to make the change all at once, along with some internal structural changes that aligned with our strategy, so that our entire team knew on which part of the business we were committed and focusing all of our efforts.

As a leader, when you commit yourself and your team to an initiative, you provide clarity to all those involved and you take away much of the doubt. When you act timidly toward a new endeavor, you set the energy level low; people will pick up on it, which often ensures results that will be less than hoped for. So, don't be a chicken, and take the plunge. The only way to have epic success is to have epic dreams combined with epic effort. ■



Russ Kathrein is the president and CEO of Aurora, Ill.-based Alexander Lumber, which operates 22 locations throughout Illinois, Wisconsin and Iowa.



BUILD YOUR BUSINESS RIGHT BUILD WITH



Stock Grip-Rite®, the most complete line of fasteners in North America.

- All major categories, from Framing to Finish and everything in between
- Guaranteed to fit every major tool brand on the market
- Variety of packaging options, including bulk boxes, tubs, and belt packs
- Custom programs available

Grip-Rite WE BUILD AMERICA™

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

©2018 PrimeSource Building Products, Inc All Rights Reserved.
Visit www.Grip-Rite.com for details, warranty information and limitations.

How earnouts change valuation multiples

WHEN A COMPANY OWNER decides to go to market and seek an acquirer, he or she typically searches around for an investment banker (a.k.a. the seller's rep, or "broker"). It's recommended that you interview at least a couple of investment bankers. That way, you can get an idea of the success fees they charge, the retainer they charge, and their go-to-market strategy. If you engage in this process, you'll probably be struck by how different each firm can be, because each has its own personality, various levels of service, and different fee payment schedules.

In interview conversations like these, our firm is regularly asked about our fees and how we "shop a deal," but there is one other question that seems always to be asked in these early conversations: "What value do you think you could get for a company like mine?"

We can't always immediately answer with a dollar figure. Here's why: There are so many variables in terms of calculating a company's value that it's too early in the engagement to make a confident estimate on a first phone call. We need to at least see the financials of the company and look over the operations before rendering an opinion.

That said, we *can* discuss the contemporary "multiples of valuation" being paid for companies today. Most firms, ours included, subscribe to very pricey databases that show actual multiples paid for recent deals in our LBM, distribution, and manufacturing sectors. (As quick background: Those multiples are paid as a multiplier of EBITDA. For ease of math, if your company has \$5 million in EBITDA, and the going multiple for companies like yours is 6X, then your company is worth \$30 million.)

Now, it's human nature for sellers to overvalue their companies. And their houses. And their cars. And their gun collections, etc. So, a seller may choose to go with an investment banker who estimates the value of their company along the lines of the seller's expectations. Fair enough. The investment banker may be eager to land a new client, and he senses that a high value estimate will win the deal. But you must be careful to see if the banker is just telling you what

you want to hear. A reputable firm will always be prudent and realistic, carefully citing the going multiples, regardless of the the number the seller has in mind.

Many conversations we engage in contain exchanges like this: "You're telling me 6X EBITDA for a company like mine, but I just talked to an investment banker who said he can definitely get me 8X, or even 9X."

Well, maybe that broker can get that 9X, but here's how it would typically happen: The multiples paid that end up in these deal databases are mostly all-cash deals, and all-cash deals are risk free for the seller. Let's say that 6X is the going multiple, but a seller won't sell unless he gets more. If the buyer is really interested, he will use an earnout as a way to bridge this gap in valuation. That 6X figure may be paid at closing, and then a one, two, or even three-year earnouts can bring the seller more cash, if he shares some risk with the buyer. In other words, he takes 6X now, and sets performance goals that, if met, bring him more money over time.

The longer the earnout period, the higher the risk, and the higher the multiple ultimately paid, once everything is tallied up, years hence.

After all the earnouts are paid, the deal maybe indeed achieve a higher multiple than the average paid today, but you, the seller, have rolled the dice with a new owner. And in the process, you may actually lose control of the very company operations that will help you achieve those performance goals, like marketing budgets, hiring authority, product mix, and deal-making privileges.

Can you get 9X in a market where the average is 6X in cash? Yes, possibly, but over time, and at higher seller risk, because you simply can't predict the control you'll retain, nor the economy, nor even other companies that may be subsequently acquired and joined with yours.

Most people who've been around the block know that cash is king, and the reason that this old cliché is still spoken, is because it's so true: A bird in the hand is worth two in the bush. ■



John Wagner is a managing director at 1stWEST Mergers and Acquisitions, which offers a specialty practice in the LBM sector. Contact John at j.wagner@1stwestma.com. Learn more at 1stwestma.com.

THE HARSHER THE
ELEMENTS, THE MORE
BEAUTIFUL WE LOOK.



With our unique Euro Tech layered panel construction and engineered stiles and rails wrapped in solid mahogany, Glenview Doors offer you the durability to withstand the elements for lasting beauty you simply won't find in any other door. Find out more at www.glenviewdoors.com or call 877-379-3667.

*Glenview
Doors®*

For Dealer Opportunities Contact:
office@GlenviewDoors.com



REAL ISSUES. REAL ANSWERS.

When it comes to supplying material to high-volume production builders, there are clear pros and cons. On the one hand, the large volume of material they purchase is very attractive. On the other, thin margins and a perceived lack of loyalty can be a real deterrent. As with all things, perception is reality. But as you'll see from the answers to this month's real issues survey, dealing with production builders isn't always black and white.

THE PRODUCTION BUILDER QUESTION

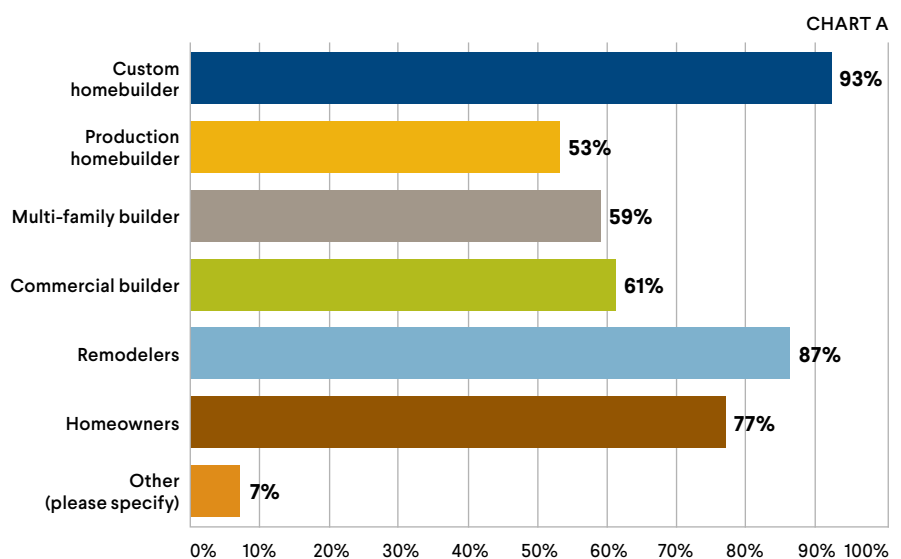
THIS MONTH'S REAL ISSUE on whether or not to pursue business with production builders was suggested by two different dealers. Both readers, by the way, will receive an *LBM Journal* Prize Pack.

Our combined version of their questions reads like this: "We are always wrestling with the dilemma of how much national/production building business to accept given their large volume (stress on resources), thin margins (reduced returns per sales dollar), and fickle history (will they pull the pin and write off millions in a struggling market and leave scorched earth behind?). What do other dealers do?"

As always, we used this question as the focus of a very brief survey sent via email to the readers who've opted in to receive our email communications. Thanks to the nearly 200 readers who took time to weigh in on this issue (the average time spent completing the survey was three minutes and two seconds.) If you'd like to participate in future Real Issues surveys, drop me a note at Rick@LBMJournal.com.

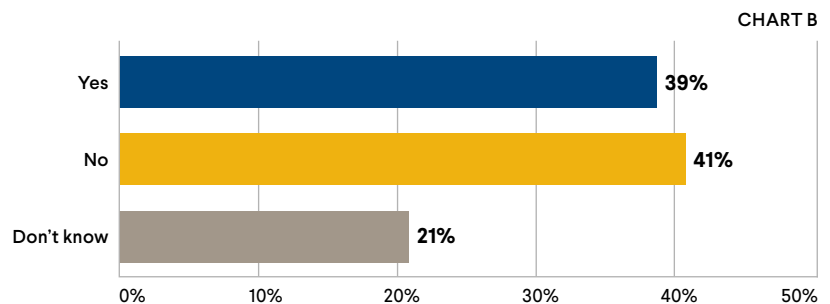
QUESTION 1

First, we wanted to gauge the percentage of readers whose companies currently supply materials to production builders, so we asked, "Which of the following customer segments does your company serve? Please choose all that apply." As **CHART A** shows, the top three customer segments served by *LBM Journal* readers are custom homebuilders (93%), remodelers (87%) and homeowners (77%). At 53%, production homebuilders came in last of six choices, behind commercial builders (61%) and multi-family builders (59%). Still, at 53%, more readers sell to production builders than not.



QUESTION 2

Next, we wanted to learn about our readers future plans, so we asked, "Moving forward, is your company going to target production builders?" As **CHART B** shows, with 41% saying no, 39% saying yes, and 21% unsure, there's no clear consensus. Instead, the clear division between yes and no, and the healthy share that doesn't know, set the stage for the mix of verbatim answers to the final question:



QUESTION 3

How would you advise this dealer? "We are always wrestling with the dilemma of how much national/production building business to accept given their large volume (stress on resources), thin margins (reduced returns per sales dollar), and fickle history (will pull the pin and write off millions in a struggling market and leaving a scorched earth behind). What do other dealers do?"

READERS' RESPONSES:

"Consider a percentage of your business that you are comfortable with. Often the fickle nature of production builder business allows for an off-and-on relationship with this segment anyhow. If targeting this market, look for the more financially stable, deep pockets or strong players in your region. This is usually national builders (public) versus large local or semi-regional players."

"We have been there, done that. You have to know as a company what your model is, what you're good at, and what you do really well. If your model has always been focused on the custom builder and remodeler, you will destroy all that you have built with that customer base by following your ego, rather than your heart. Stay with your model and focus on executing it really well." ➤

"Plunge forward, take on all comers."

"Be very careful. From our experience, that segment of business isn't worth it."

"Tract builders are approximately 9% of our pro business. While they are somewhat demanding, we find that they plan and schedule better than most of our custom home builders. We manage orders via calendars on their website and always have advance notice to order material and schedule delivery. We also do not have to do take-offs for material lists and we never pick up product once delivered. Our payments are received anywhere from three days to two weeks after we invoice. Considering all of these things, we feel the margins are more than adequate as a mix for these customers."

"As with any type of customer, always precede with caution. Maybe compete for a portion of the business to learn more about the company's operations and pay before jumping in with both feet."

"Our yard is located in a rural area, so our experience with large production builders is next to none."

"Limit your total volume with any customer to no more than 20%. Otherwise you become too dependent."

"Don't sell anything you can't earn margin on, or to anyone who may not be able to pay your invoices on time."

"Take them selectively as a slice of your pie. Never become dependent on them."

"You need to handle the national production builders' internal software, and all are different. If you don't have the right staff that is tech savvy, then find them. The information flow from the builder is much better and the pay is also better if you follow their criteria for getting paid. We supply every national builder in our market and have very few problems. Yes, they are cheaper, but it works because of the volume, information and pay we receive."

"Take the business and market share away from your competition if you can handle the low margins."

"We do not sell to production builders. Margins are too small. Let someone else have that headache over a few dollars. We try to find guys who value what we have to offer and are willing to pay it. We miss out on a lot of high-volume builders and re-roofers, but I think we are executing our strategy well."

"Only deal with one production builder at a time. Too much of anything isn't good. Stay in your wheelhouse. Production builders will try to get you to supply things that don't necessarily fit in your scheme of things."

"We target only higher margin products with them such as interior trim packages. Because they also demand dating terms when we quote commodity products, we include a price disclaimer which allows for a price increase when the markets move more than 5%. In that regard we have been unsuccessful winning any bids, but that very well may have been to our benefit."

"The added volume in business should help this dealer buy better and increase margins on smaller customers which should offset the thin margins on the production builders, i.e. economies of scale. I think it is important to always take care of smaller customers just in case the larger builder pulls the plug on you."

"Avoid them...there's no money to be made there."

"Sounds like you have a good grasp of the realities of working with the production builders. I would recommend drawing a strong line that limits the volume of business you accept in order to minimize the stress on resources and the financial damage when they drop you like a bad habit when a competitor goes low to try and gain their business."

"We don't sell to the production builder because it isn't worth the hassle for the margins you get."

"We deliver and install most of our products. Try and sell your product installed and try to increase your profit margins through your service."

"Only put a fraction of your business into production builders. It can be risky having to hold pricing for 90 days on volatile commodity items. On top of the stress, you can lose money for long periods."

"All comes down to communication."

"Stay away or enforce very strict credit terms."

"My company has a set minimum profit margin. If we can sell to them and not dip below this margin, it has proved to be a good thing. And seeing that this type of account takes much less time and effort (by drop-shipping from the manufacturer), we fare okay."

"We are far enough away from the production builders that we don't have to deal with them, thank God!"

"Attempt to carefully manage the process and develop an understanding/relationship so the rug isn't pulled out from under you. You need to be set up to serve, and serve well. Many dealers may not have or should not want to develop resources to serve production builders."

"We only sell items to the production guys that we can make money on, since we have enough good custom builders to service."

"I would stay away from the production/national builders unless they play by my rules, which would create a fair and equitable partnership. I need to protect my investment in my company which needs to make a profit. Generally, profit is a dirty word from the builder's point of view."

"Stick to your profitable margins or walk away."

"No matter who the customer is, make sure it makes dollars and sense."

"I cannot speak for this dealer's dilemma, but from our perspective, we deal primarily with specialty lumber products, so we tend to have some insulation from commodity-driven segments. But even in our business we will run across large quotes and do treat them differently than our normal day-to-day business. When it comes to those types of opportunities, we look at the total profit dollar per transaction and if it does not meet our threshold, we'll walk away. At that point, I have no regrets in losing the business. Lastly, despite the size of those types of orders and customers, we expect to be paid our normal terms. We will not carry extended terms for those types of customers."

"If we can do the business with our current staff and fleet without having to add to either, then we look at doing the business."

"Don't take the risk!"

"We avoid exposure to national/production builders for all of the reasons listed."

"The national/production building business was never our forte. We shy away from it due to thin margins and poor returns, plus fickle history."

"First, I would say the dealer probably has the wrong attitude with the perspective of 'leaving a scorched earth behind,' so they probably shouldn't chase a customer as complicated as a production builder. Yes, pricing is number one and it is the gatekeeper, but I think that with time you can build a relationship, improve overall margins by finding other products to sell to make up points. With the right sales team and structure, production builders can be profitable."

"We go after the business but hold a certain margin. If that pricing gets the job great, and if it doesn't, then it isn't worth the effort. It makes no sense to do all the work just to break even. If there's no money to be made, the smart play is to move on."

"We have had some luck with small regional production builders that better fit our culture of service."

"Focus on the national builders that have had a long-term presence in your market. Build a great relationship with their purchasing staff by becoming a back office that supports them. You will get more loyalty and last looks. From our experience the key is to bid the base low but add margin on options. Most homes have some options and it pushes your overall margin. Yes, they can be frustrating, but they can also be great customers and pay well." ➤

CRANE WORKS



HOUSTON
KANSAS CITY
DENVER
SAN DIEGO
BAKERSFIELD
NYC/NJ
ORLANDO
DALLAS FT WORTH
CALGARY

1-866-447-9496

Crane-Works.com/LBM

LIFT YOUR EXPECTATIONS

Drywall loaders from CraneWorks give you pinpoint control without breaking the bank. Easily handle your toughest projects, placing materials up to 78' away or through 8th story windows.

Affordable financing options

FASSI

PALFINGER



KINSHOFER

GORMACH

PALFINGER CRAYLER

IMT

For well-qualified buyers, freight and accessories extra. Offer applies only to select in-stock units. Chassis may vary. Contact CraneWorks for details.



Pricing starting at
\$3,998 /mo.

"Careful and constant contact with your production builder's management. Know the customer so you can see the signs of impending doom."

"We are a smaller operation and have not pursued production builders for the reasons named. We have enough margin pressure from our custom builders."

"Margins are thin, and the risk is high, but when approaching the deal, the stress on resources is key. For example, is this a drop-and-forget type with prompt payment, or do they require multiple shipments and a high level of service? There has to be a balance maintained so that both sides can develop a partnership no matter how long the relationship runs."

"Keep this segment at 10-15% of your company's total volume."

"We prefer to be their secondary supplier. That way, we maintain our margins, give them good service and same- or next-day delivery. Our loyal, core customer base is our priority and they know and appreciate it. We also try to get work in the developments for our local landscapers, fence builders, and maintenance contractors."

"Let others race to the bottom."

"You have to decide who you are in your market. Either the quality and higher priced store or the lower quality and lower priced store where the big volume folks want to shop. If you are only known for being cheap then the production builder will be your best friend, but it's all in how you go to market."

"Avoid high volume production builders. Lack of loyalty and thin margins are no way to do business."

"As the introduction states, there are pros and cons, with very real financial impacts. Long term, all sales and all customers' relationships need to be profitable. That is why the true cost to serve needs to be analyzed. You should know your projected or expected gross margins dollars created by the sale. Here are some items to factor in: Does their contract or purchase order include Hold Harmless or Pay When Paid sections? Customer A/R days...what is their pay history and the related carrying costs you will incur? Do they require special term discounts, or special volume discounts? What are the commission costs? Is this customer known for back-charges or invoice deductions? Will this require additional inventory or new inventory, and what are the related inventory carrying costs? Will the additional volume create opportunities for increasing gross margin dollars? Can you service this new business and maintain your existing customer relationships without adding supporting yard staff, drivers, and equipment? If not, what are those additional and new costs? Also, in the future, when those new project sales go away, what financial impact will there be from the additional staff and equipment? Is this customer high-maintenance, are they well-organized, how many deliveries are required for each sale, will there be material pick-ups, did you guarantee the list of materials?

"Selling to production builders can be a good thing and make financial sense. It does require a team and facility that is focused on very efficient operations. It also requires a seasoned sales person or account manager, to manage the account and its impact on operations. Support from the purchasing department, and those that manage the company's cash flow. One thing the addition of production sales will not do is fix a broken location or a company that is not already secure and financially successful."

"If you need the work, then you go get their business. If you can do without their business, save yourself the headache and move on to a more reliable contractor."

UltraPro™
ULTIMATE WOOD SCREW

Seven reasons why UltraPro is the BEST wood screw you will ever use:

- 1 LOX® Recess—Eight points of contact mean no more strip outs
- 2 Scavenger® II Head—Self-countersinks - clean and flush
- 3 Draw-Tite® Upper threads—Pull wood members together
- 4 Type 17 Point—No pre-drilling required
- 5 QuickGrab® Point—Grabs and starts fast
- 6 GrabberGard®—Lifetime warranty against corrosion
- 7 Ultracut® Threads—Drive faster and cleaner

GrabberGard®
Lifetime Warranty
Pressure treated lumber approved

HARPER — FASTER — SHARPER — BETTER — FASTER — SHARPER — BETTER — FASTER — SHARPER — BETTER — FASTER

1 2 3 4 5 6 7

www.GrabberPro.com/Ultrapro

GRABBER
CONSTRUCTION PRODUCTS
"The Professional's Choice"

www.grabberpro.com

UltraPro is the "Ultimate Wood Screw" — Grabber is "The Professional's Choice"



A Smarter Steel Framing System



Engineered for greater spans



25 Year Limited Warranty



Pre-spaced system for quick and easy installation



Provides a flat surface without crowning, warping, or cracking



Fire and insect proof



Compatible with any type of decking and railing



Designed to install like wood



Low maintenance over the life of your deck



Aesthetically beautiful under deck area



Steel is uniquely sustainable

"I let them go to bigger yards with more resources. Between the low margins and the slow pay, I am not interested in the stress."

"We remain comfortable in our own skin and realize who we are best capable of servicing well while maintaining acceptable margins and avoiding unnecessary bad credit risks."

"Before the Great Recession in 2007, we had the 'get it all' mentality. Since then, we've stiffened up our credit requirements, and do not discount products. We may offer an end-of-month rebate if paid in full within terms. If the customer does not want to follow our new, stricter rules of doing business, they can go elsewhere. As you stated if there is a hiccup in the market, they will leave you holding the bag and affect your business, your employees and your future credit negatively."

"I would keep the business with this customer group to a manageable percentage of your overall business. The volume can contribute to higher profits with other customers as a result of improved buying."

"Production builders are all about price and bids are sent out to a lot of competition. There is no loyalty and you will work on very low margins, praying there are no mistakes with a project. The upside is not as good as you think, and it is a lot easier to lose money."

"We service the local production builder and multifamily builders but not the national production builder. We partner with the local builders and can control cash flow better than letting the national builders dictate terms and pricing to our company."

"Do not chase the business."

"Our customer mix and strategy have been ever-evolving. I don't think there is one perfect strategy. The volume of the nationals is certainly appealing, but you definitely have to pick and choose who your team aligns with most closely in order to work deals that are mutually beneficial. The important thing is that you have a reason/strategy for choosing why your customer mix is segmented the way it is, and being able to capitalize on and execute whatever strategy is implemented."

"You have to know what you can handle and what you cannot. Stay true to your company's mission. Make sure that you can still live up to your current customers' expectations when you go after big business."

"We only go after this type of customer with specialty products that we can at least sell at acceptable margins."

**NEW
DESIGN
3in1**



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

"If you can't find a way to add value you're going to compete on price. The question comes down to whether you can develop a system to be more efficient than your competitors."

"Do not become a slave to volume unless that is your model. You end up no longer running your business. Your regular, profitable customers will blame every hiccup on their perception that they are now secondary to the nationals and they will seek alternate suppliers."

"Fortunately we have enough sales volume to avoid the production builders."

"We don't pursue that business at all. Occasionally we'll review a production builder's most recent purchase agreement and we're reminded why we don't pursue that business. Let the national suppliers take that risk."

"We have made the decision to not pursue this business, however we do deal with subs who purchase material, especially deck builders, that do work for them. We do some fill-in business and we have not had a problem getting paid or adding a lot of strain on operations."

"Make sure your cost to serve matches the margins you receive." ■

Hundreds of readers share their insights for this every-issue feature. Have a Real Issue? Contact Rick@LBMJournal.com.

THE READERS WHO SUGGESTED THE "REAL ISSUES" TOPIC RECEIVES AN LBM JOURNAL PRIZE PACK.

Includes: polo shirt, cap, mug, pen, and more.

Your Partner for Western Species

We own 440,000 acres of sustainably managed redwood and Douglas-fir timberlands in Northern California and operate two sawmills. In addition, our waterborne wood preserving operation is the largest in the Western U.S. We operate four wood preserving plants located in Coos Bay and White City, Oregon, Loveland, Colorado, and Washougal, Washington. Three distribution centers located in Fontana and Woodland, California, and Ferndale, Washington enable us to package and ship customer orders quickly and efficiently.

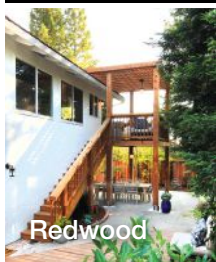
We invite you to learn more about our product lines, operations, and inspirational projects built with our wood. Please visit MendoCo.com.



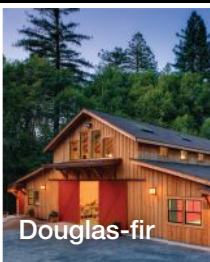
**Allweather
Wood®**



**Humboldt
Redwood™**



Redwood



Douglas-fir



Pressure
Treated

ULINE

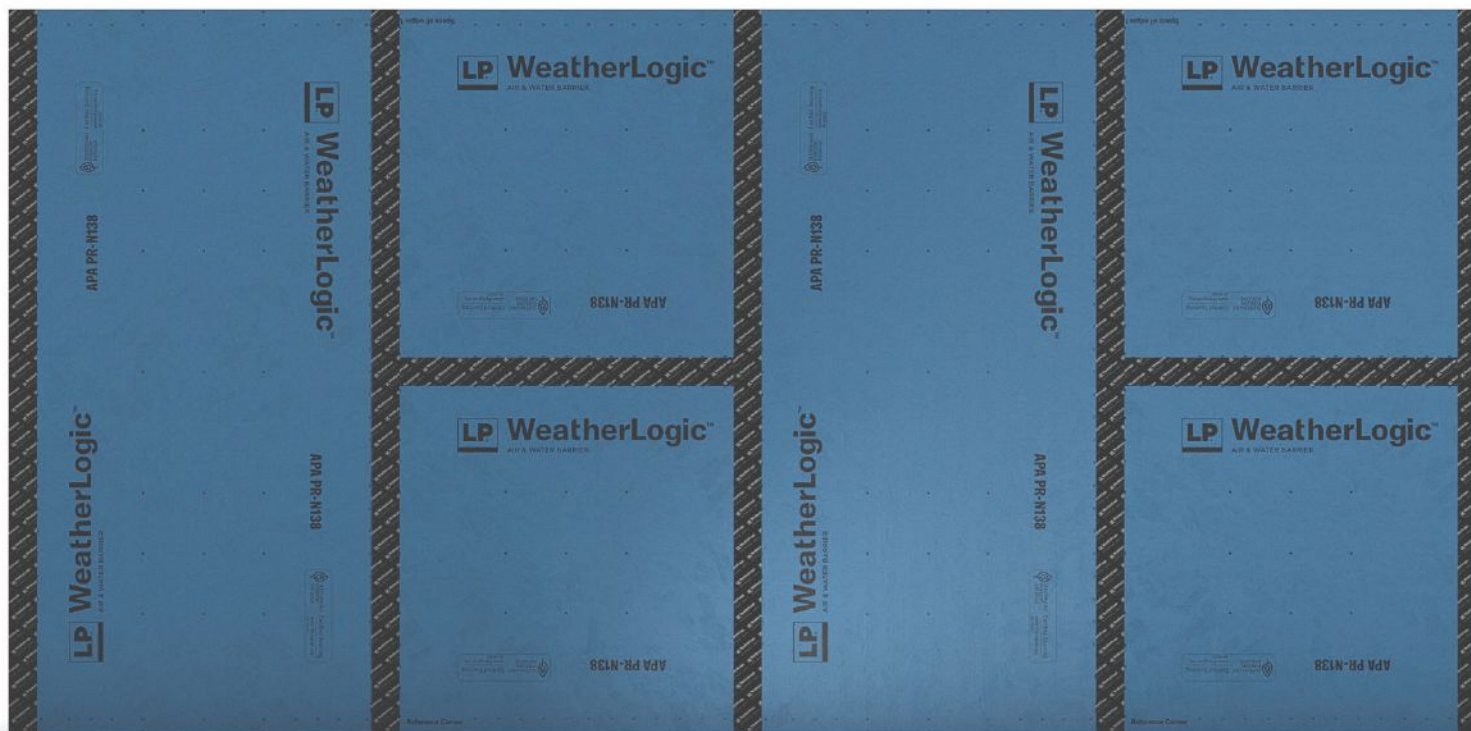
LET'S TALK TRASH

OVER 2,600
JANITORIAL PRODUCTS
IN STOCK



ORDER BY 6 PM FOR
SAME DAY SHIPPING

COMPLETE CATALOG
1-800-295-5510
uline.com



LUMBER AND STRUCTURAL PANELS

FOR THESE UNSUNG HEROES OF CONSTRUCTION, STAYING FLEXIBLE IS THE KEY FOR DISTRIBUTOR SUCCESS.

BY MIKE BERGER

Lumber. It's easy to not give it much mind, but it's the underpinning of nearly everything your customers create. Whether you're talking dimensional studs or structural panels, these products have major roles to play in today's construction. They need to meet energy codes, resist moisture, save labor costs and be easy to work with—no small shoes to fill.

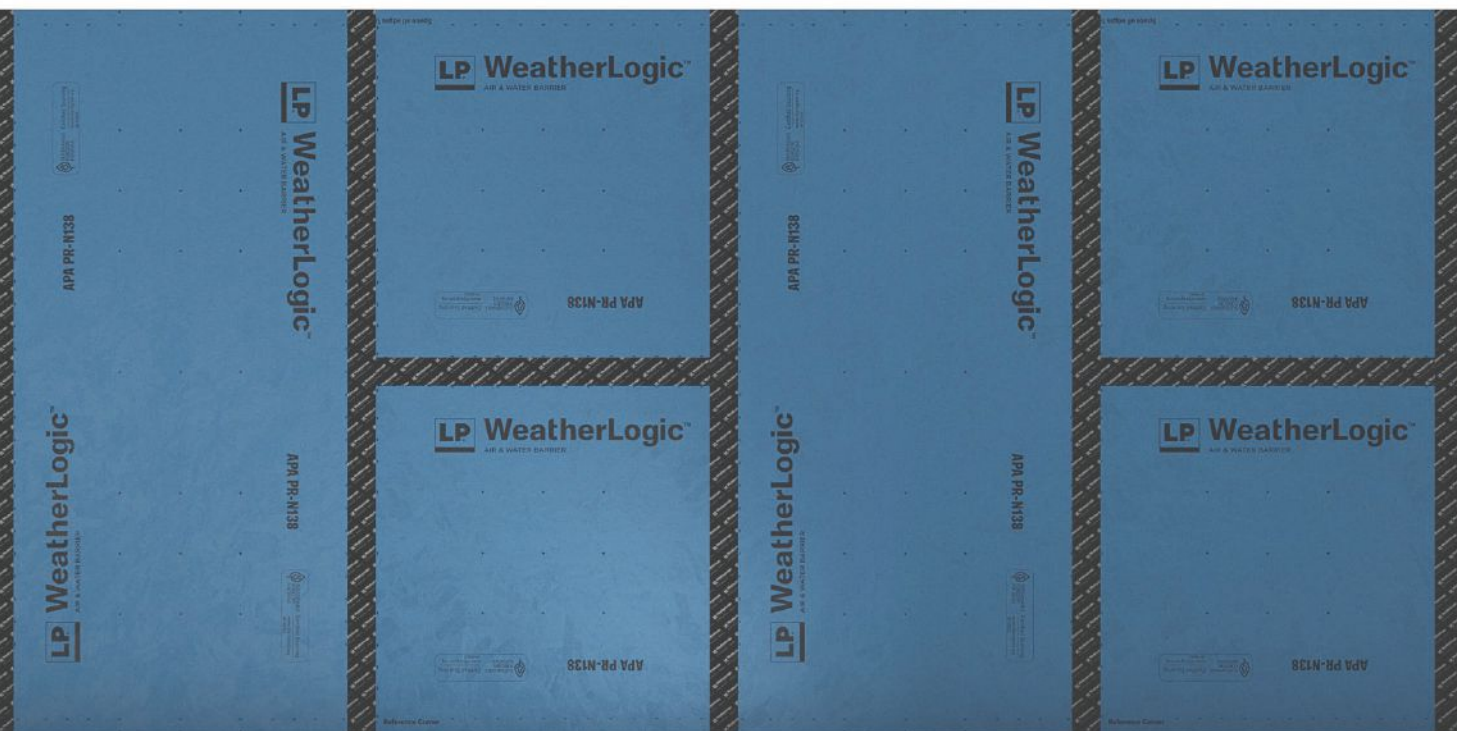
To help contractors achieve the most success, distributors need to be ready to serve as a true resource to their customers no matter what pricing or supply turmoil the market may bring.

UNDERSTANDING THE MARKET

The coming year for the lumber and structural panel market can be best defined by an equation that consists of two somewhat opposing terms: stability and fluctuation. The stability side of the equation can be found in the housing market, which many experts see as remaining stable for 2019. The National Association of Home Builders (NAHB) is forecasting 1.268 million housing starts for 2019. Of that number, 897,000 are predicted to be single-family starts, while 371,000 are multifamily. Fannie Mae's numbers mirror those of NAHB, although its

mix is slightly different. Of the 1.265 million housing starts it forecasts for 2019, 903,000 are predicted to be single-family, while 362,000 are multifamily. When compared against 2018 numbers from the U.S. Census Bureau that show a seasonally adjusted rate of 1.256 million as of November 2018, it appears on the surface that the market is poised to maintain—if not slightly increase—its rate of housing starts.

"We believe that the overall housing market will continue to expand in 2019 at a similar growth rate to 2018, with the single-family segment outperforming multifamily," says Doug Asano,



vice president of sales and marketing for Huber. “However, in recent conversations with our customers and builders, more of them are approaching 2019 with increased caution and uncertainty as compared to even six months ago. Recent economic and housing market measures seem to be pointing to a stall in momentum and, while none of us know why or whether it’s an inconsequential blip or a real trend, it has caught everyone’s attention.”

Others, however, see a potentially more positive future over the next 12 months. “The housing market for next year looks very strong,” says Tim Debelius, division marketing director, wood products for Boise Cascade. “By historic standards, interest rates are still low, which is an incentive for new buyers to enter the housing market. In addition to this, there are market segments in residential construction that are under-built, primarily in entry and first move-up homes. Many economists are taking a pessimistic view of the housing market, but everything we’re seeing tells us that 2019 will have higher housing starts than 2018.”

As to fluctuation, it’s all about price. That’s not necessarily a bad thing, as 2019 promises to be a friendlier environment than the previous 12 months (or the last few years for that matter).

Prices that rose steadily over the past few years have finally begun to dip south once again. Lumber prices, which according to Zacks Equity Research went as high as \$639 per 1,000 board feet in May 2018, are more reasonably now trading in the neighborhood of \$330 per 1,000 board feet.

For example, according to Random Lengths (part of Fastmarkets FIS), as of January 11, 2019, random lengths framing lumber composite price was \$327 per 1,000 board feet, compared to \$445 last year. For structural panels, it was \$366 per 1,000 board feet, compared to \$444 last year.

A major factor that has contributed to the increase in lumber prices in the past year is the imposition of U.S. import duties on Canadian lumber. However, the recent decline in lumber prices can be primarily attributed to a sharp increase in supply. Still, experts hesitate to make predictions.

“Both [lumber and panel markets] have experienced record price volatility in 2018 that surprised the entire industry,” says Huber’s Asano. “We believe that demand for lumber and panels generally tracks the growth of new housing stock, as consumption is primarily driven by new construction and less by the repair and remodel segment.

LP recently introduced its WeatherLogic Air & Water Barrier system, an OSB wall sheathing with an integrated weather-resistant barrier. According to the manufacturer, it eliminates the need for house wrap, which can speed the construction process and also provide a tighter home to meet energy code requirements.

But, with so much uncertainty about important factors such as U.S. trade policy, the economy, interest rates, home affordability, transportation and so many other factors affecting commodity building supplies, we are hesitant on any projections for 2019.”

RESPONDING TO CHALLENGES

Many issues have caused uncertainty in the LBM markets overall, and lumber and structural panels are no exception. And it’s only through being able to respond to these market challenges that distributors can succeed.

For example, the collapse of U.S. housing construction during the 2008 recession resulted in significant losses for wood product prices and production. Jobs were lost, prices dropped, and some distributors did not weather the storm. The ones that did learned to do more with less, and in order to move lumber, it meant developing new connections. ➤

“For decades, the building materials industry has relied on relationships between individuals to get things done,” says Boise Cascade’s Debelius. “When the 2008 recession hit, there was massive turnover and people with decades of experience retired or entered other fields of work, taking years of established relationships with them. The operations that survived are doing more with fewer hands, so developing, maintaining and nurturing relationships is more important than ever. It’s incumbent upon suppliers, dealers and distributors to find new ways to establish not just business connections with each other, but human connections. That creates trust, which makes it possible for everyone in the supply chain to succeed.”

Another issue that requires distributors to be as flexible as possible is the ongoing softwood lumber dispute between the U.S. and Canada. While it’s been a thorny issue for better than three decades, the dispute has intensified over the past few years.

At the core of the argument is the claim that, because most timber in Canada is owned by the provincial governments which, rather than through a free-market system, set the harvest prices administratively, the Canadian lumber industry is basically an unfairly subsidized government industry. U.S. industry interests argue that the Canadian system should be

subject to U.S. trade remedy laws in the form of countervailing duties to offset the subsidy.

Some experts point out that the prices of softwood lumber from north of the border drive up home costs. The U.S. accounts for roughly two-thirds of Canada’s softwood lumber exports, and Canadian lumber imports are the largest supplier to the U.S. softwood lumber market. According to the NAHB, tariffs on imported Canadian lumber are adding approximately \$9,000 to the cost of single-family homes and as much as \$3,000 to the average price of a multi-family unit.

One factor that may help mitigate Canadian prices is the fact that many Canadian mills are striving to diversify their markets, not just by expanding into European and Asian markets but through U.S. lumber mill acquisition. In 2010, the Random Lengths Big Book listed 19 southern U.S. sawmills that were owned by Canadian companies; by 2019, that number has risen to 44.

But it’s not just Canada that is cause for concern. Trade tensions with China and the debacle of the United Kingdom’s Brexit strategy are poised to cause instability in lumber prices, and dealers will need to stay as informed on these issues as possible so that they can be prepared to respond and meet their customers’ needs. “There continues to be a lot of uncertainty about relations between China and the U.S.,”

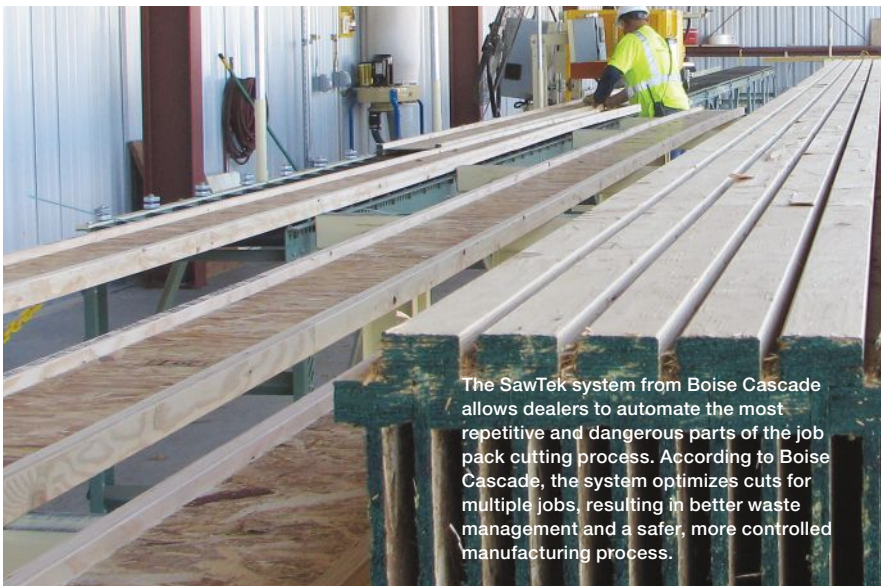
explains Debelius. “China is now the world’s second biggest economy, so tariffs and retaliatory trade between our two countries could negatively impact the U.S. economy. Additionally, a hard Brexit, one in which the United Kingdom leaves the European Union without some kind of trade agreement, could also disrupt international trade in Europe. The U.S. is experiencing a healthy economy at the moment, but increasing tension with China and the actions of the U.K. could impact consumer confidence and potentially reduce the demand for new homes.”

In the midst of these issues, it’s important for lumber distributors to not become so focused on potentially negative details that they lose sight of the bigger picture of being a resource for their customers. As Huber’s Asano explains, “Our industry can be myopic and focused on the short-term problems. Those manufacturers, distributors and dealers who can nimbly manage the short-term fluctuations of our industry while staying focused on providing the best in customer service and product knowledge and code education will continue to win in the market.”

WORKING SMARTER AND FASTER

According to the U.S. Chamber of Commerce, more than 90% of contractors are concerned about labor shortages. To combat the reality of this shortfall in trade labor, manufacturers are developing products specifically aimed toward being both easier and faster to install. And distributors need to be ready to provide these product-based solutions to their customers.

For example, Boise Cascade’s SawTek system allows dealers to automate the most repetitive and dangerous parts of the job pack cutting process, as it optimizes cuts for multiple jobs, resulting in better waste management and a safer, more controlled manufacturing process. These automation features allow big jobs to be processed more efficiently—an especially important factor for dealers operating with a limited staff. And anything that saves time—whether it’s at the lumberyard or on the jobsite—is a strong marketable benefit.



The SawTek system from Boise Cascade allows dealers to automate the most repetitive and dangerous parts of the job pack cutting process. According to Boise Cascade, the system optimizes cuts for multiple jobs, resulting in better waste management and a safer, more controlled manufacturing process.

"Panelization of components (e.g., roof trusses, wall panels and floor systems) is a growing trend that reduces job site labor and speeds the construction cycle" says Allan Burk, supply chain manager of OSB/EWP for LP Building Products. "For example, our OSB sheathing for wall panels is available in various lengths, reducing the need for splices. For townhome applications, our LP FlameBlock Fire-Rated OSB Sheathing can be used on pre-built wall panels to provide a two-hour separation wall that eliminates the need for gypsum shaft liner. For the builder, this speeds construction and reduces air infiltration. For the dealer, it provides them a margin opportunity and way to differentiate their product offering."

Huber's Asano agrees that saving time and simplifying installation is key to dealing with labor shortage issues—and to saving money. "Our ZIP System building enclosure products eliminate the need for loose-applied water- and air-barriers such as housewrap in wall assemblies and felt in roof assemblies," he says. "Ultimately, our panel-and-tape systems reduce installation steps and the risk of repairing layers that may get damaged on the jobsite and compromise water- or air- control."

EMBRACING CODES

Despite the fact that fewer than 13 states have adopted the 2015 International Energy Conservation Code (IECC), the 2018 IECC Residential Code continues to make energy efficiency a priority. As more builders strive to achieve energy efficiency, distributors need to serve as a resource by providing products that meet builders' energy efficiency demands. And while it may seem a little odd to be thinking of lumber and structural panels as being impacted by these codes, they play an important part in enabling builders to meet these energy efficiency demands. "Energy codes are changing the way the building envelope is conceived," says Georgia Pacific's Jeff Key. "Fewer air exchanges means spending more time on details around windows, material changes and connections between floors and from walls to roofs."

"THE DEEPER INSULATION REQUIRED TO MEET ENERGY EFFICIENCY STANDARDS SOMETIMES REQUIRES THICKER WALLS AND ROOFS. AS MORE BUILDERS SEEK TO BUILD PASSIVE ENERGY HOMES, SUPPLIERS MAY NEED TO CONSIDER OPTIMIZING THE FRAMING TO ACCOMMODATE STRICTER ENERGY CODES."

—TIM DEBELIUS, BOISE CASCADE

"Many builders are moving toward more energy-efficient and passive-energy homes, or homes that capture and utilize natural energy such as solar and geothermal energy," explains Boise Cascade's Debelius. "Double-paned windows, well-insulated attics, radiant barrier and LED lighting all go into the mix of making a home energy efficient. Framing materials also come into play. The deeper insulation required to meet energy efficiency standards sometimes requires thicker walls and roofs. As more builders seek to build passive energy homes, suppliers may need to consider optimizing the framing to accommodate stricter energy codes."

LP Building Products' Burk sees energy codes as a main driving force for product innovation and development in the coming years. "There are more stringent air infiltration requirements which are driving an increase in the need for sealing products," he says. "We are also seeing trends for encapsulated crawl spaces and attics. These can make sense, but builders must be careful not to create systems that trap moisture and ultimately lead to premature failure of the home. We believe radiant barrier roof sheathing, combined with proper attic insulation, is a more cost-effective way to meet energy requirements and mitigate potential moisture problems." ➤



Georgia Pacific's ForceField Air & Water Barrier System is an integrated air and water barrier that, according to the manufacturer, eliminates the need for house wrap. The product also helps prevent air infiltration and exfiltration to create a more energy efficient home and meet newer air exchange requirements in the building codes.



Huber Engineered Woods' ZIP System building enclosure products eliminate the need for loosely-applied water- and air-barriers such as housewrap in wall assemblies and felt in roof assemblies.

Boise Cascade's BC Connect web-based platform of integrated tools allows dealers and distributors to manage their EWP workflow. BC Connect gives customers a central place to manage projects, coordinate drawing services, import and manage material lists, create quotes, optimize job pack creation based on inventory, and store other project files from anywhere there's an Internet connection.



STAYING AHEAD OF THE COMPETITION

It should come as no surprise that, in order to stay successful, it is vital for dealers to stay as informed as possible about the product lines they are carrying. Whether it's technical specs, application, or installation benefits, dealers should avail themselves of the many resources at their disposal from the manufacturers. Says Georgia Pacific's Jeff Key, "Take advantage of any and all education opportunities. Stay educated through continuing education classes, product knowledge training, and self-study through websites, home builder associations, industry publications and other avenues. There is no shortage of opportunities to keep up with the latest trends that can keep you ahead."

"Technology is at everyone's fingertips," adds LP Building Products' Burk, "and I think it is easy to take product knowledge, building code and construction practices for granted. I think dealers with an educated sales force earn builders' confidence and ultimately their business."

When it comes to training, each manufacturer has its unique programs. In the case of Georgia Pacific, it offers training on air and water barriers to distributors, dealers, builders and subcontractors as well as an AIA-accredited continuing education course for architects on air and water barriers. Boise Cascade offers its dealer partners several in-person and on-line training programs for our software suite and SawTek system as well as offering product-based training at both dealer locations and jobsites. And

along with weekly "Tech Tip Tuesday" episodes offered on its Instagram feed by members of its marketing and product engineering teams, Huber Engineered Woods offers an educational incentive program to channel partners who complete periodic online training.

And speaking of Instagram, in today's connected marketplace where builders utilize social media to showcase their work, it's just as important for distributors to embrace these same social platforms. "Whether it's through YouTube, Facebook or Instagram, more and more builders and their customers are using social media to conduct business, and they expect manufacturers, distributors and dealers to have a strong presence online," says Huber's Asano. "If you are not already using these tools, we would strongly encourage you to do so."

In the end, it's all about being able to not simply deal with lumber market upheavals but to be able to thrive in them. All indications point towards a stable selling environment here in the U.S. for 2019. While issues such as trade spats with our cousins to the north or price fluctuations from a bungled Brexit may cause the pricing pendulum to swing, if you're prepared to be a true resource to your customers, then you're looking at a rosy future. "Because the industry is evolving at a rapid pace," says Debelius, "it is essential for dealers to be proactive in their acceptance and incorporation of new tech advancements to avoid being left behind by the competition. Even small improvements can have a major impact when amplified over time." ■

INTERNET INFORMATION

Companies highlighted participated in this article.

Allweather Wood:
www.allweatherwood.com

Anthony Forest Products:
www.anthonyforest.com

Belco Forest Products:
www.belcofp.com

Boise Cascade:
www.bc.com

Canfor:
www.canfor.com

CMPC:
www.cmpcmaderas.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

Kora Components:
www.koracomponents.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

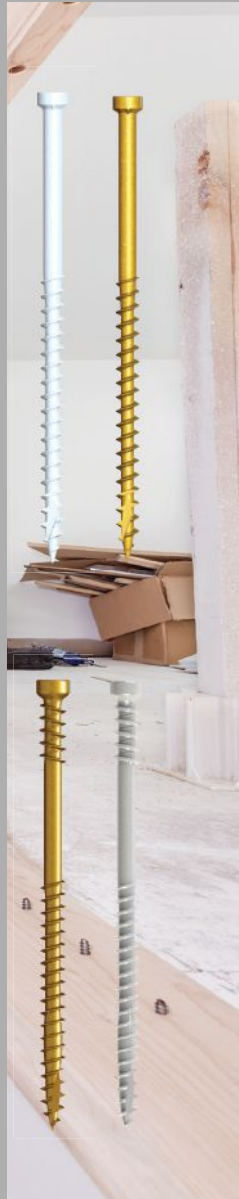
Sherwood Lumber:
www.sherwoodlumber.com

Stimson Lumber:
www.stimsonlumber.com

Universal Forest Products:
www.ufpi.com

Weyerhaeuser:
www.weyerhaeuser.com

Michael Berger is the former managing editor for HANDY Magazine and has been writing about home improvement and construction for the past sixteen years.



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



tf: 855-895-7096 | www.u2fasteners.com | sales@u2fasteners.com

HOT PRODUCTS

2019 INTERNATIONAL BUILDERS' SHOW

EDITORS' CHOICE

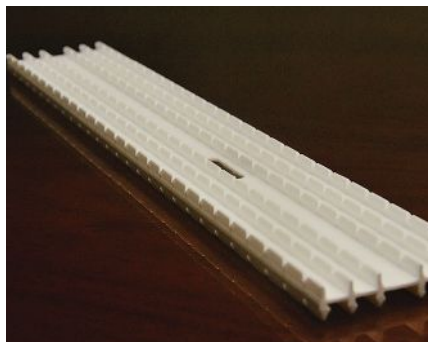
The 2019 International Builders' Show (IBS), held February 19-21 in Las Vegas featured 2,000-plus exhibitors and covered more than 600,000 sq. ft. of exhibit space. Despite the backdrop of a rare desert snowfall, IBS 2019 delivered on its reputation as the place to see all the latest, greatest building products and technologies. While the majority of the 67,000 attendees are builders and contractors, IBS has also become known as the single biggest event for LBM dealers to connect directly with manufacturers and to learn about the latest product innovations. As we do each year, the following pages include a sample of products that our team believes may help make a difference for you and your company moving forward. The listings are in no particular order.

— The Editors



Watairvent Furring Strips from Advanced Building Products

Advanced Building Products' Watairvent Furring Strips are manufactured using a mold-resistant and non-absorptive composite material designed to not become brittle and crack in cold temperatures or expand in warm temperatures. The patent-pending design has dual drainage and cross-ventilation channels on the front and back side of the furring strip and reduces the surface-to-surface contact found in traditional wooden furring strips by 86%, the company says. Watairvent Furring Strips can also be installed horizontally to create a starter strip. Available in white to match most trim work, or black for open cladding applications. www.advancedbuildingproducts.com



Atlantis Rail's Spectrum Cable Railing System

Atlantis Rail's Spectrum System features pre-drilled square posts and fittings to surface or fascia mount posts and mount customer supplied flat handrails. The cable infill offers a choice between using 1/8" or 5/32" cable with HandiSwage Studs. The posts are powder-coated stainless steel and are available in standard colors of black or metallic silver and special colors of pure white, pebble grey, light brown and dark brown. Additional features that can be added to the Spectrum System including handrail mounting brackets to add an ADA compliant handrail. For wide handrails and handrails that need additional structural support, there are reinforcing channels and wide mounting plates to accommodate each situation. Cable stabilizer kits are available when post to post spacing is over 4' (6' maximum). www.atlantisrail.com



TimberTech EDGE Prime and Premier Decking

TimberTech EDGE Decking features the same high-performance materials as its existing TimberTech PRO products but in a 3-sided capped board format. The elimination of the protective cap on the back of the product allows for reduced costs without sacrificing long-term performance on the face of the boards, the company says.

TimberTech EDGE Decking also employs a new linear, quarter-sawn texture on the face of the board, which is designed to hide minor surface wear and scratches. The TimberTech EDGE Premier Collection boasts a full-profile board that has the heft and visual appeal of traditional sawn-lumber decking whereas TimberTech EDGE Prime Collection's boards have a scalloped back profile that reduces weight and is said to make job-site handling easier for contractors. www.timbertech.com



CAMO Drive

National Nail's CAMO Drive is designed to install decks up to five times faster than traditional methods. CAMO Drive is a versatile, collated, ergonomic stand up tool that attaches to any drill offering three fastening methods: Edge, Clip and Face. The CAMO Drive is designed to be easy-to-use, versatile, and easy on your body because CAMO Drive gets contractors off their knees and in a standing position. No matter the deck board brand, CAMO warranties the installation even if the deck board company does not.

www.camofasteners.com



Fypon's Modern Farmhouse Shaker-style shutters

Fypon's new Modern Farmhouse Shaker-style shutters are said to deliver an authentic look with subtle elegance. This product line expansion pairs with both relaxed and formal variations and is designed for use throughout the home. Crafted from durable polyurethane, Modern Farmhouse Shaker-style shutters are lightweight and designed to be easy to install, and can be painted to complement a home's architectural design. Pair with Fypon Beam Mantels and Shelves to add a rustic look to the interior of any home. Fypon also expanded style options for Distinction Crosshead to include Dentil and Bottom Trim, offered in both ready-to-install and trimmable options to complement Victorian, Colonial, Cape Cod and Modern Farmhouse home styles. In addition, Fypon Rafter Tails are now available in five new profile designs to add a decorative touch to structural lumber. www.fypon.com



RailFX with Ultra-tec Cable Railing

Combining the durability of aluminum with innovative design details, RailFX with Ultra-tec cable railing is designed to ensure beauty, structural integrity and ease of installation all while reducing long term maintenance expenses, the company says. All rails and post are made from high strength 600-aluminum extrusions. They can be cut-to-length onsite and assembled using pre-engineered components. To simplify installation, posts are pre-drilled for cable fittings and conceal all hardware. To meet a variety of design needs, 20' continuous rails are available. No inventory is required for RailFX with Ultra-tec cable railing, and the product is said to be available on a 48-hour quote turnaround, with a drop ship program to lumber dealers.

www.thecableconnection.com/ultra-tec



Fiberon Good Life Multi-Chromatic Collection

Distributed by Weyerhaeuser, Fiberon's Good Life Multi-Chromatic Collection is designed to feature an authentic look of traditional stained decking with a strong composite core that won't splinter, crack, or decay. A three-sided cap layer is said to resist staining and fading. Made with 94% recycled content and no harmful chemicals, the product does not need sanding, staining, or refinishing. Available colors include: Tuscan Villa, Bungalow, and Beach House (shown). Available with a 25-year stain, fade, and performance warranty.

www.weyerhaeuser.com/distribution



Therma-Tru new door surrounds

New door surrounds from Therma-Tru Corp. are designed to add an element of style to Therma-Tru's complete door system, and help tie the entryway in with the rest of the home's architectural details. Featuring a hand-selected assortment said to complement virtually any door or home style, Therma-Tru door surrounds are available in a variety of versatile options from Traditional to Modern. They come primed and can be painted or stained to complement a home's architectural details. All door surrounds come ready to install, and parts can be trimmed to exact measurements in the field. The polyurethane construction is said to be low maintenance and deliver long-lasting performance. www.thermatru.com/elevate



Versatex Weathered Grey Canvas color

Versatex has added a new color to its Canvas Series of wood-toned PVC trimboards. Dubbed Weathered Grey, the new product was developed to closely simulate the pale color, matte surface and deep texture of upcycled cedar planks. Said to be wood-like in workability and highly resistant to sunlight, moisture and heat, Weathered Grey joins the existing color options of Amber, Black Cherry, Macore, and Walnut. Designed for easy installation and consistent appearance, Versatex supplies 1/2" x 6" Stealth T&G Beadboard and 1" x 6" WP4 profiles, with bed mould or 4" crown mouldings for each Canvas color. Canvas Series Stealth T&G Beadboard and WP4 profiles are sold in 18' lengths, while bed mould or 4" crown mouldings are sold in 16' lengths, all through Versatex distribution and dealer partners. www.versatex.com



LP SmartSide Smooth Trim & Siding

LP SmartSide's Trim & Siding is now available in a smooth finish. As the latest addition to the LP SmartSide line of high-performance products, LP SmartSide Smooth Trim & Siding is designed to offer the appearance of traditional wood with the advanced durability of treated engineered wood. LP SmartSide Smooth Trim & Siding is backed by a 5/50-year limited warranty and features LP's innovative SmartGuard manufacturing process. This process helps the products resist termites and fungal decay, for long-term strength and durability in a variety of weather conditions. www.lpcorp.com



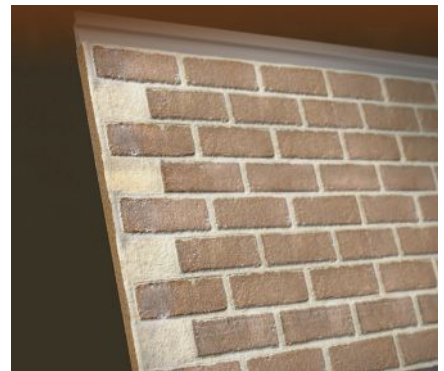
UltraPro screw from Grabber

Designed to take the hassle out of driving screws, Grabber's new UltraPro screws are available in an interior and exterior coating. The interior coating is yellow zinc and is said to install fast and offer more holding power than nails and most other wood screws. Yellow zinc coated UltraPro screws are designed for framing, fabrication, remodeling projects, and more. Exterior coating features GrabberGard Gold, developed for exterior projects like decking, fascia, brick mold, and fencing. UltraPro's GrabberGard coating is 1,500-hour salt spray tested and includes a limited lifetime warranty against corrosion. UltraPro screws feature LOX Recess precision fit, designed to keep the bit engaged with the screw. UltraPro's extra-sharp QuickGrab point engages and starts immediately into wood, which is said to make it much easier to stabilize the screw and to drive off angle and into tight spots. DrawTite threads were developed to pull wood members together as the screw seats, resulting in a tighter and more accurate connection. www.grabberpro.com/ultrapro



Royal Building Products Conceal column wrap

Conceal column wrap from Royal Building Products is designed for those who appreciate architectural details without extra maintenance. The Conceal 100% cellular PVC column wraps are designed to add a finished touch to porches and other exterior elements, while complementing any home or siding style. Its clamshell design creates a seamless appearance and comes in three kinds of distinction: Traditional, Craftsman, and Builder. www.royalbuildingproducts.com



Qora Cladding

Qora Cladding, manufactured by Arcitell, is a fiber reinforced polymer panel for use as a residential siding. With patented technology and proprietary designs, Qora panels are said to be easy to install, embedded with advanced building science features and are designed to be indistinguishable from traditional stone, brick and cedar cladding. Qora Cladding will be launched the spring of 2019 through select building material dealers. www.qoracladding.com



KLEERWrap 10" post wrap

Kleer Lumber added a 10" post wrap to its line of KLEERWrap porch and column wraps. The post wraps, also available in 4", 6", and 8" options, encase existing treated posts to create a finished look without the long-term maintenance hassles of wood. Each wrap comes with three sides preassembled; the installer applies adhesive to the joints of the three-sided piece and secures it around the wood post, then "snaps" the fourth side into place and fastens. Completing the custom look are KLEERWrap Outer Wrap Sets, which are milled to fit precisely around the post wrap to form a cap and base, and accompanying KLEERWrap Bed, Crown, and Base/Cap Mouldings. Like Kleer trimboards, KLEERWrap post wraps are made with expanded cellular PVC, offering the look of wood while remaining impervious to moisture and insects. They are backed by a limited lifetime warranty against splintering, rotting, delamination, and swelling. www.kleerlumber.com



BC Estimator from Boise Cascade

BC Estimator offers dealers a quick and efficient way to create accurate material lists and layout drawings when engineering analysis is unnecessary. Rather than relying on 3D models, BC Estimator lets estimators import a drawing and trace over members, a feature the company says greatly reduces the time it takes dealers to convert plans to material lists. The tool integrates with BC Connect to transfer material lists automatically, saving time and reducing the potential for mistakes caused by manually inputting data. With the help of BC Connect, BC Estimator users can manage projects from quotation to delivery. www.bc.com/software



New profile colors from ClipStone

ClipStone will debut two new colors this year. Osceola has long been one of the most popular colors in the Environmental StoneWorks' showroom, and has now made the move over to ClipStone. The profile is designed to simulate a clear, Arctic white with just a hint of blue that the company says is a "clean, sparkling beauty." The Teton Grey profile is the result of customer feedback from those looking for a universal, cool-toned color, the company says. Teton Grey profile is designed to match most siding as well as be practical and sophisticated in appearance. www.myclipstone.com



OSCEOLA

TETON GREY



DaVinci Roofscapes Hand-Split Shake Siding tiles

DaVinci Roofscapes has launched a new line of composite siding. Featuring the appearance of authentic cedar shakes, DaVinci Hand-Split Shake siding products are available in eight colors. Each tile in the siding line is 18" tall with a 5/8" thickness and comes in 8" or 10" widths. The 10" wide pieces have a simulated keyway to give the appearance of 4" and 6" width shakes placed together to provide a multi-width appearance. Made to withstand weather conditions on the roof, the DaVinci Hand-Split Shake Siding tiles are designed for the exterior walls of a home. Made of virgin resins, UV and thermal stabilizers plus a highly-specialized fire retardant, the siding is said to be resistant to expansion and contraction that can happen with fluctuating weather conditions and temperatures. The new maintenance-free composite shake siding is made with color throughout each piece and requires no painting. The tiles are recyclable and serve as an environmentally-friendly alternative to real wood shakes and plastic siding. www.davinciroofscapes.com

Decking

PVC Products

Fiber Cement

Railings

Accessories

Porch Flooring

Knotty Boards

A RELATIONSHIP YOU CAN BUILD ON YEAR AFTER YEAR AFTER YEAR.

Since 1976, Mid-State Lumber Corp. has earned a market-wide reputation as a trusted source of building material products for the retail lumber dealer. Over that time, we've built long-term relationships with only the top manufacturers in the building material industry, who provide the same standard of product quality and reliability that our customers have grown to expect from us. www.midstatelumber.com



Find us near you: Branchburg, NJ, Kingston, PA, Warwick, NY, and Marlborough, MA. Call our wholesale distribution number at 800.942.7776.

Clear Boards

Wood Siding

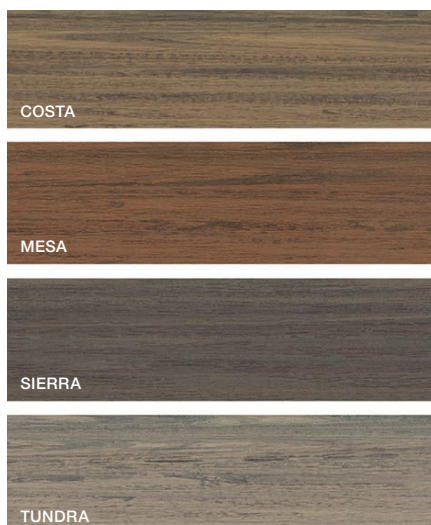
Stepping

Fire-treated Materials

Specialty Plywoods

Moisture Management





Deckorators' Voyage composite decking

Voyage, the new composite decking from Deckorators, features the company's patented Eovations technology, designed to deliver what is said to be the industry's best strength-to-weight ratio. Eovations also absorbs virtually no moisture, which is said to nearly eliminate thermal expansion or contraction. Deckorators says Voyage decking provides 34% or more surface traction than other leading brands of composite decking. Vertical grain variegation is featured to give Voyage a trend-forward appearance. Voyage comes in four colors: Costa (golden brown), Mesa (red brown), Sierra (dark gray), and Tundra (gray). Voyage will be available this year in 12', 16' and 20' solid and slotted-edge profiles, as well as 12' fascia. It is backed by a 25-year structural, 25-year stain-and-fade, and 25-year removal-and-replacement limited warranty that covers water and ground contact.

www.deckorators.com



Huber's ZIP System building enclosures

For easy-to-achieve, continuous air and water barriers in roof and wall assemblies, ZIP System sealing solutions include acrylic seam sealing and stretchable flashing tapes, as well as fluid-applied options. This year, Huber Engineered Woods, makers of ZIP System products, is announcing six new tape sizes and an enhanced formula allowing

flashing tapes a wider range of application temperatures. Expanded flashing options, when building ZIP System building enclosures, makes locking out water and air easier in hard-to-flash areas like pipe penetrations and roof valleys, the company says. With an expanded list of size and length options, teams can find the right high-performance tape for each application. Enhanced ZIP System flashing tape formula benefits include: Now warranted for application from 0° to 120° Fahrenheit; 180-day UV Exposure Guarantee; Acrylic bond continues to strengthen over time. www.zipsystemrevolution.com



Ply Gem West Pro Series 700 windows

The Ply Gem West Pro Series 700 casement and awning windows have been enhanced with dark vinyl exterior colors. Builders, remodelers, and architects in the Western U.S. can now deliver black and bronze designs in a window developed to be durable window to the weather and climate elements in this region.

The color technology created for the design and performance needs of the Western U.S. allows the specially-formulated dark exterior color to be coextruded over the core profile during the extrusion process. The West Pro Series 700 window is designed to reflect sunlight and simultaneously allow for UV light to pass through in order to limit heat absorption. The co-extruded dark layers are available with a white interior for interior design flexibility. www.plygem.com



SPAX Multipurpose Construction Screws

SPAX uses HCR-X coating for its multipurpose screws, for use in treated lumber and exterior, coastal environments. No pre-drilling is necessary with the exception of masonry and concrete. The Multipurpose Construction Screws are designed for use in a wide range of materials including wood, masonry, concrete, plastic and sheet metal. A patented MULTIhead countersinks screw head to flush finish (flat head design), and T-STAR plus Wafer Head is designed for increased surface area for draw down (wafer head design). A unique 4CUT point was developed to prevent splitting and requires no pre-drilling in wood. Heat treated to Grade 5 durability to guard against camming out and breaking. www.spax.us



James Hardie HardieBacker 500 Waterproof Cement Board

HardieBacker 500 Waterproof Cement Board is introduced as the first and only waterproof cement backer board. Passing ANSI 118.10 for waterproofness, HardieBacker 500 Waterproof Cement Board was developed to protect tile installations and wall cavities from moisture penetration, eliminating the need to spend extra time applying waterproof coating across the entire surface area of your wall project. Contains MoldBlock technology for superior mold resistance, the product is constructed of 90% Portland cement and sand, plus proprietary ingredients. Limited lifetime transferrable warranty. www.jameshardie.com



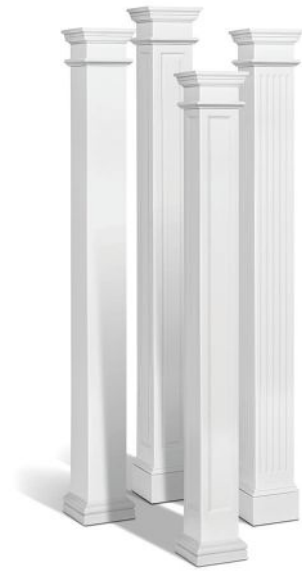
DesignRail Panel Infill from Feeney

Feeney's DesignRail Panel Infill is available in a variety of material options and styles. Materials include stainless steel wire mesh, laser cut aluminum panels with powder-coated finishes, and resin panels with embedded materials such as rice grass and fossilized leaves (for interior use only). Available for 36" and 42" railing heights, the panels can be mixed-and-matched with Feeney's other DesignRail infill options, including CableRail, glass, vertical cable and pickets, and can also be used with Feeney Post Accent Lights. Designed to be easy to install, the panels fit easily into the pre-engineered DesignRail frame and are fully surrounded on all four sides with a low-profile aluminum channel. www.feeneyinc.com



TrussLox truss bracing system

TrussLox is a temporary truss bracing system made up of a unique light-weight and hands-free spreader bar. TrussLox is designed to self-set and secure trusses 24" on-center while workers remain safely tied to the outside walls. TrussLox is secured to a truss while on the ground. A crane or lift then hoists the truss onto the roof section where the spreader bar snaps into place. Used as a system, TrussLox secures the roof trusses until sheeting, then they are detached and reused on the next project. Invented by a professional framer, TrussLox was named a Innovative Safety Program/Idea of the Year in the 13th annual NAHB/Builders Mutual Insurance Company Safety Award for Excellence (SAFE). www.trusslox.com



DSI Pre-Finished Architecturally Coated Columns

DSI introduced Pre-Finished Architecturally Coated Columns at IBS. The addition to DSI's full line of composite columns features ready-to-install prefinished columns, and sprayed finish that is designed to eliminate brush marks. Complies with ASTM D2247 and ASTM D4585 standards. Available for all DSI columns. www.diggerspecialties.com



Fortifiber Fortiflash 365

As part of its complete one-stop shop for building envelope systems, Henry is launching new Fortiflash 365. Fortiflash 365 is a year-round flashing. The flashing is designed to be installed any day of the year even in extreme cold or hot temperatures as low as 0°F. The reflective facer can resist UV exposure up to one year. The flashing comes in four widths: 4", 6", 9" and 12". Its aggressive adhesive features the latest in block co-polymer technology, and is AAMA 711 compliant. www.fortifiber.com

NextPhase Site Solutions from Weyerhaeuser

Weyerhaeuser developed NextPhase as a solution to improve crew productivity and jobsite safety. NextPhase Site Solutions is a comprehensive solution enabled by consultation from Weyerhaeuser advisors, customized services and fabrication equipment. The toolset is developed especially for Trus Joist ELP products and aims to capture efficiency within Weyerhaeuser dealers' operation and solve common jobsite problems. It can accommodate fully-panelized floor system components or pre-cut labeled and packaged materials designed to be identified and assembled on the jobsite faster than traditionally provided materials.

www.weyerhaeuser.com



New Moistureshield Vision composite colors

Two new colors, Mochaccino and Cathedral Stone, have been added to the MoistureShield Vision composite decking line. Vision features an advanced manufacturing method that was developed to create a modern, variegated appearance with a diverse pallet of trend-forward color options. The distinctive contemporary designs are said to resemble interior hardwoods. In addition to new CoolDeck colors Mochaccino and Cathedral Stone, MoistureShield's Vision comes in Smokey Gray, Spanish Leather and Sandstone. The deck boards are available in 12', 16' and 20' lengths with fascia boards in 12'. The decking comes in non-grooved square shouldered boards and grooved profiles for hidden fasteners. Vision decking is fully protected by a lifetime structural warranty, as well as a limited lifetime fade and stain warranty. www.moistureshield.com



TYPAR

CAPITAL

Building and maintaining quality relationships
on a foundation of trust since 1948.

www.capital-lumber.com



ULTRALOX Screen Rail System

ULTRALOX Interlocking Technology has introduced a Screen Rail System used to create three-season porch applications. The screen railing systems have been developed to be used for single-family homes and multi-family commercial applications. The screen rail is designed to offer the same quality and durability as the company's pre-assembled aluminum balcony railings. ULTRALOX Screen Rail and railing products are exclusively manufactured using the company's patented Interlocking Technology. www.ultralox.com

Train to Win **HUTTIG DELIVERS**



Weekly Prizes

1 winner each week
with choice of 1 of 3
prizes shown.



Unlock the Opportunities with Therma-Tru® and Huttig®!
Test your knowledge and earn chances to win great
prizes from now until April 30, 2019!

Visit www.unlocktheopportunities.com/huttig

HUTTIG
BUILDING PRODUCTS
Constructive Solutions Since 1885

BenBilt
BUILDING SYSTEMS
a division of HUTTIG BUILDING PRODUCTS

THERMA-TRU
DOORS

NO PURCHASE NECESSARY. A PURCHASE DOES NOT INCREASE YOUR CHANCE OF WINNING. Open to employees, managers or owners of entry door fabricators or door distributors, dealers, builders, remodelers or contractors, who are legal residents of the 50 United States, including D.C., or Canada (excluding Quebec), that are 18 and older (19 in AL and NE). Void where prohibited: See Official Rules at www.unlocktheopportunities.com for complete rules, prizes and odds. Sweepstakes begins on January 7, 2019 at 12:00:00 am ET and ends on April 30, 2019 at 11:59:59 pm ET. Sponsor: Therma-Tru Corp., 1750 Indian Wood Circle, Maumee, OH 43537.

Please verify with your manager or company policies that you are eligible to participate in this promotion.

Daily Prizes

3 winners each
day of \$25 VISA
eGift Card.



YOUR COMPETITIVE EDGE



MFM Premium HT Tile & Metal roofing underlayment

The new self-adhering roofing underlayment from MFM is composed of a high-grade, reinforced polyester fabric laminated to a high temperature asphalt adhesive system. The product features a 3" selvedge edge developed to ensure a secure, monolithic seal. The surface fabric offers foot traction and for stacking tiles during construction. UV exposure is 180 days. The product is designed to withstand the high temperatures created by metal and tile roofing with a high temperature rating of 250°F. The underlayment has a nominal thickness of 60 mils and is available in a 36" x 67' roll size. Product meets ASTM D 1970 and TAS 103-95 through independent, third-party testing, and has been submitted for product approvals. Premium HT Tile & Metal comes with a 30-Year Limited Warranty. www.mfmbp.com



Simpson Strong-Tie LSSR Rafter Hanger

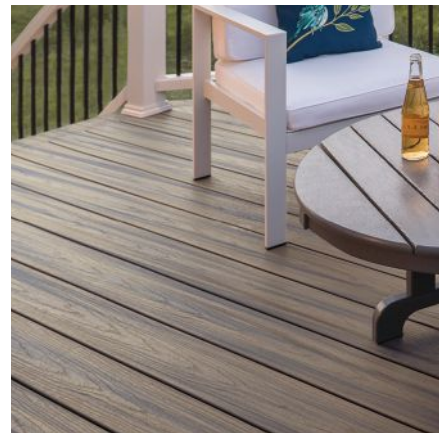
The LSSR slopeable and skewable rafter hanger is the first product of its kind designed to allow retrofit installation after rafter systems have been assembled in place, helping contractors accelerate job sequencing for improved productivity. The field-adjustable LSSR features an enhanced flange design allowing for skew adjustments from 0° to 45°, features an adjustable swivel stirrup that attaches to both sides of an I-joist. With the LSSR, installers can cut all the rafters and tack them into place, then use a retrofit approach to nail hangers onto the roof assembly. The new LSSR rafter hanger features a ZMAX finish for extra corrosion protection and is available off the shelf. www.strongtie.com



Trex re-engineered Enhance decking collection

The updated Enhance decking collection is part of Trex's 'good, better, best' decking line-up, all backed by 25-year limited residential and fade and stain warranties. Differentiating the reimagined Enhance line-up is a scalloped profile that is lighter weight, designed for easier handling and installation. The re-engineered series is available in Enhance Basics, and Enhance Naturals (shown).

Enhance Basics is available in three shades: Clam Shell, Beach Dune, and Saddle, featuring grain patterns. Enhance Naturals introduces five hues: Foggy Wharf, Rocky Harbor, Toasted Sand, Coastal Bluff and Sunset Cove. Just like Enhance Basics, Enhance Naturals is designed to not rot, warp, crack, or splinter. www.trex.com



MAX SN883RH3 SuperFramer

The MAX SN883RH3 SuperFramer is a 21" professional grade round head pneumatic framing nailer. The SN883RH3 can be used for framing, sheathing, decking and subflooring. This compact stick framer is 30% shorter than conventional tools, a design that is said to allow the user to easily fit the tool in between studs.

A nose magnet holds the last nail of the strip to prevent jamming. A maintenance free end cap filter is designed to prevent foreign substances from entering the tool. The filter has a self-cleaning feature that automatically ejects foreign substances when the air hose is disconnected. Pointy teeth on the contact arm allow the user to get a firm grip when toe-nailing. The framer weighs in at 7 lbs. and includes a factory installed sequential trigger and a contact fire trigger. www.maxusacorp.com



SALES BOOT CAMP FOR BUILDING LEADERS

➔ FROM ORDER-TAKER TO ORDER-CREATOR

Imagine a salesperson who passionately brings in new business at fair margins and sets the standard of performance excellence for your organization. Rick Davis, the leading sales expert in our industry, provides a comprehensive sales process to get predictable future results...*on purpose.*

➔ SUCCESS IS PROCESS, NOT AN OPINION

Success creeps up on you while you are busy sticking to a game plan. During this program, attendees learn the power of consistent performance and the science of measurement to achieve your annual sales goals...*on purpose.*

- Beat the Price Objection
- Prospecting Scripts that Get You in the Door
- Performance Measurements that Get Results
- Learn how to Stop Reacting to Irrational Demands
- Build Relationships of Unbreakable Loyalty

➔ THE OLD WAYS ARE STALE

Rick describes the modern "Concierge" sales model and ways top salespeople are embracing change. Sell more products to existing customers; leverage technology; build a team sales concept; onboard new customers successfully; and open new relationships without using price as a weapon. You will learn proven theories to measure the effectiveness of a sales call; organize and evaluate your pipeline; and build long-term relationships of unbreakable loyalty...*on purpose.*



MARCH 26-27

CHICAGO, IL

INVESTMENT:

\$1495 PER PERSON

**GROUP
DISCOUNTS
AVAILABLE**

**TO RESERVE
YOUR SEAT**

773.769.4409

BUILDINGLEADERS.COM

*Rick Davis
CSP, CDT
President*



U2 Construction Structural screws

The U2 Construction Structural screws designed for joining multi-ply LVL, LSL and PSL are now available in sizes 3/8 x 3-3/8", 3/8 x 5" and 3/8 x 6-3/4". The screws are structural and ACQ treated lumber code compliant in IAPMO report ER-454. U2's Tight Star Recess system is designed to grasp the U-Bit tightly and can be installed with one hand. Underneath the screw head, the Talon Grip is designed to hold the screw tight to prevent loosening and uses its nibs to dig into the material when countersunk. Below the smooth shank is the Reamer Thread, a feature designed to create a larger passage when drawing materials together and reduce tension on the screw head. The U2 Construction Structural screw is available in assorted lengths.

www.u2fasteners.com



NanaWall Systems WA67 doors

NanaWall's WA67 combines aluminum and wood, and is designed for performance and beauty with a unique aluminum-clad system—mounted on solid wood profiles to ensure durability—that is engineered to perform in heavy wind and rain environments. Featuring a 2-5/8" thick door panel with a rain-screen clad exterior and a solid wood interior, the WA67 is available in FSC certified wood species meeting responsible forestry standards. The WA67 is NFRC rated and certified for energy efficiency in all climates, and contributes to multiple LEED rating systems. An enhanced option is available featuring triple-seals, triple-paned glass, and deeper door panels for higher weather performance with a U-Value of .17.

www.nanawall.com



BEHIND YOUR BACK PODCAST

WITH **BRADLEY
HARTMANN**



ON-DEMAND IS THE NEW STANDARD.

AMAZON DELIVERS PAPER TOWELS ON-DEMAND. NETFLIX DELIVERS MOVIES ON-DEMAND. UBER DELIVERS YOU TO YOUR DESTINATION ON-DEMAND.

THE BEHIND YOUR BACK PODCAST IS AUDIO THAT DELIVERS LBM-SPECIFIC IDEAS AND INSIGHTS ON-DEMAND.

FEATURING GUESTS FROM LEADING HOME BUILDERS AND DEALERS ACROSS THE COUNTRY, CONSISTENTLY SHARING THEIR THOUGHTS AND WISDOM.

IT'S LBM-SPECIFIC AUDIO—ON-DEMAND.

PERFECT FOR YOUR DAILY COMMUTE.

SUBSCRIBE ON ITUNES OR YOUR FAVORITE PODCAST APP.



The new **LBM JOURNAL DAILY** e-newsletter is built for pros in the lumber/building material industry, delivering the latest news and insights on market trends, new products, sales and marketing tips and more into your inbox every business day.

This free daily e-newsletter complements the robust, recently reinvented **LBMJOURNAL.COM** website.

LBM JOURNAL is committed to using the latest technology to deliver information the way you want it: print issues, digital issues, daily e-newsletter, website, webinars, white papers, social media, and the live **LBM STRATEGIES CONFERENCE**.

Subscribe for free at **LBMJOURNAL.COM**, then browse, bookmark, share and interact with the most relevant and credible content and people in the market. Here's to building your sales, your business and your brand.

THANK YOU TO OUR PREMIUM PARTNERS:





BARN WOOD: SEVEN PINE



GREZZO: SABBIE NERE

New profiles from Environmental StoneWorks

Environmental StoneWorks recently completed the largest product launch in the history of the company, introducing several new profiles. Among the new profiles are Barn Wood, Ripiano, and Grezzo. Barn Wood is a wood-carved looking profile molded from antebellum Virginia tobacco barns. The profile is available in three new colors: Beaver Dam, Seven Pine, and Baton Rouge. Ripiano is designed to give a fresh new look to ledgerstone by incorporating smaller, thinner pieces into modular panels that stair-step to hide seams within a project. Profile colors include Star Dust, Eclipse, Lunar, Mystic, Orion, and Lyra. Grezzo is a new universal stone—clear cut and contemporary—that allows builders, designers, and architects the opportunity to develop unique patterns with stone veneer. Wide ranges of panel sizes allow for expanded customization options and design possibilities. Three colors are available now, taking their names from Italian beaches: Principe, San Domino, and Sabbie Nere. www.estoneworks.com



TandoShake Cape Cod Perfection shake

TandoShake Cape Cod Perfection from Derby Building Products Inc. is designed for resistance to extreme weather and available in five colors. Cape Cod Perfection features a 5" exposure, cedar texture, and clean lines for a look designed to be nearly indistinguishable from wood. Cape Cod Perfection is available in colors including Mariner Blue (shown), Classic White, Ashwood Gray, Slate Gray, and Wheat. Cape Cod Perfection is designed to be easy to install because it is lighter weight and comes in panels, not individual shakes that need to be nailed in. And, because it is said to not split, Cape Cod Perfection can be installed using a pneumatic nail gun. Designed to require little to no upkeep due to the moisture-resistant properties of polypropylene, the colors are said to complement a wide range of exterior products, providing mixed material finishes. www.tandobp.com



Dryerbox DB-480

The Dryerbox DB-480 is a recessed exhaust receptacle installed during new construction to prevent bends or kinks—problems that can lead to a home fire—in the flex duct hose. Designed to provide a higher level of home safety to their customers, the Dryerbox DB-480 safely collects exhaust hose no matter the size or style of appliance chosen by the homeowner. With the Dryerbox, the dryer can be placed flush to the wall without crushing the exhaust hose or otherwise restricting airflow. The result is said to be a safer, more efficient, and roomier home. www.dryerbox.com



Coeur d'Alene Wood's Accent Wall in a Box

Accent Wall in a Box from Coeur d'Alene Wood is designed to be a perfect way to break up a large room, to emphasize a particularly great architectural feature, or to liven up a wall in an otherwise ordinary space. With Coeur d'Alene Wood's patented aging process, which is VOC free with no paint or stains, distinct color and texture is said to make their Accent Wall in a Box the first wall you see when you enter a room. Each box contains 25 square feet of double-sided, textured (circular sawn and vertical band sawn) easy-to-install real wood that is designed to be safe for all interior applications. www.cdawood.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

New OSHA requirements for crane operators

LAST FALL, the U.S. Occupational Health and Safety Administration (OSHA) announced it was finalizing changes to the certification requirements for crane operators established in the 2010 crane rule. After extending the final deadline several times over the years, on Nov. 10, 2018, new certification requirements took effect. For dealers, this means that unless the crane operator is covered by the material delivery exemption, you must ensure the operator is certified to operate a truck mounted articulating boom crane.

As a refresher, to qualify for the material delivery exemption, a truck mounted articulating boom crane must be outfitted with automatic overload protection device, have a fork or cradle assembly attached directly to the end of the boom, and limited to hoists of sheet goods (such as drywall or plywood) or packaged goods (such as roofing shingles, bags of cement, or rolls of roofing felt). The current rule also exempts deliveries that are placed directly on the ground without aiding the contractor with subsequent lifts.

Some activities that do not qualify for the material delivery exemption include truss setting and hoisting prefabricated building components. The material delivery exemption does not allow companies to hold material in place or follow the construction activity with a hoist.

Assuming that a crane operator is not exempt under the material delivery exemption, it is important to remember that certification alone is no longer sufficient for compliance. Previously, OSHA viewed operator certification as sufficient for demonstrating competency. However, many employers pointed out that certification functioned as a “learner’s permit” and did not demonstrate that an operator was competent on the delivery of specific loads and materials.

Among the changes to the certification requirements, the revised rule changes a 2010 requirement that crane operator certification must specify the rated lifting capacity of cranes for which the operator is certified. OSHA determined that the capacity requirement is not necessary to protect workers. Compliance certifications that were already issued by type and capacity are still accepted by OSHA.

There are also new requirements for employers to provide ongoing training and verification of operators. Those new requirements took effect on Feb. 9.

The training and verification requirements focus particularly on ensuring that operators are trained and evaluated on the specific type, make, and model of crane, and specific tasks to be undertaken on the job. That means OSHA is

particularly interested in the type of materials being hoisted and the amount of materials being hosted.

Emphasizing training and verification acknowledges that employers are in the best position to evaluate an operator’s competency. Operator training and verification must be conducted by a person who has the knowledge, training, and experience necessary to assess operators. Employers have some flexibility in determining the level of knowledge and experience that the trainer must possess based on the skill level of the operator-in-training and the nature of the activity performed.

Once an operator has passed an evaluation on one piece of equipment, the employer may allow that operator to operate different equipment without further evaluation if the employer can demonstrate that operating that equipment would not require substantially different skills, knowledge, or ability to recognize and avert risk.

OSHA states that any evaluation must be documented and provide the operator’s name, the evaluator’s name and signature, the date of the evaluation, and the make, model, and configuration of equipment used in the evaluation. In addition, the employer must be able to make the documentation of the evaluation available on the worksite for as long as the operator is employed. Finally, in instances where an employer observes an employee operating a crane unsafely, the employer must retrain and re-evaluate that individual on the specific task that was performed in an unsafe manner.

NLBMDA has long engaged OSHA on the crane rule and the association was instrumental in having the material delivery exemption included as part of the rule when it took effect in 2010. More recently, NLBMDA submitted comments to OSHA as part of its proposal updating compliance requirements for the crane rule.

For dealers operating in one of 22 states that administer programs covering safety and health programs for private sector employees—rather than federal OSHA—it is important to check with the state agency to determine if they have adopted the federal rules or whether they have gone beyond them. Remember that state standards must be as stringent as the federal rules but can also be more stringent.

It is important to note that the updates assume employers already provide training and evaluation for their crane operators. Even for companies covered by the material delivery exemption, training and verification is an important part of determining operator competency. ■

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.

MiTek BUILDER PRODUCTS

The MiTek Builder Products division as part of our family of MiTek companies, was formed to unify our builder products teams to serve our customers with industry-leading products, software, support excellence and passionate commitment to customer success.

800-328-5934
www.mitek-us.com



As North America's largest and fastest-growing independently owned hardlines distributor, Orgill, Inc. offers its customers more than 75,000 products as well as industry-leading retail programs and store services.

800-347-2860
www.orgill.com



Palfinger leads the country and the world in the innovation and sale of truck-mounted cranes and forklifts for the building materials industry.

800-567-1554
www.palfinger.com



PLM is the premier insurance provider for the lumber, woodworking and building material industries. Founded in 1895, by lumbermen, for lumbermen.

800-752-1895
www.plmins.com



For 70 years Ply Gem has been an industry pioneer and we continue to lead and innovate through our unique ability to create The Designed Exterior. This complete solution combines materials, colors and textures for dramatic curb appeal.

919-677-4020
www.plygem.com



PrimeSource is one of the largest distributors of building materials in the USA offering the market leading Grip-Rite brand of fasteners and other proprietary products from 33 locations across the country servicing all national markets and strategic international areas.

800-676-7777
www.primesourcecbp.com



Our award-winning sales performance software delivers smarter selling to manufacturers, distributors and wholesalers. With complete visibility into the inner workings of your business, you'll have unmissable cross and up-selling opportunities on tap.

610-363-7815
www.sales-i.com



For over 65 years, Seven D Wholesale has provided innovative purchasing programs and unparalleled customer service tailored to the specific needs of our customers.

800-800-6894
www.7dwholesale.com



Simpson Strong-Tie supports NLBMDA members with a full line of field-tested and code-listed structural products, a nationwide sales force and customer technical/field support and training.

800-999-5099
www.strongtie.com



As the leading entry door brand most preferred by builders and remodelers, Therma-Tru offers a complete portfolio of fiberglass and steel entry and patio door systems, including decorative glass and components.

800-THERMA-TRU (843-7628)
www.thermatru.com



As the world's largest manufacturer of high-performance wood-alternative decking and railing, Trex offers a full portfolio of beautifully integrated outdoor living products for creating a dream outdoor living space.

800-BUY-TREX
www.trex.com



True Value is the only hardlines wholesaler offering access to an iconic, globally recognized brand and no stock requirement with over 70 years of experience serving the independent hardware retailers.

888-291-7229
www.truevaluecompany.com



Whether your business is locally owned or in the Fortune 500, it will immediately benefit from discounts and cost reduction programs negotiated by the experts at UPG.

801-784-8744
www.upg.org



Weyerhaeuser

Weyerhaeuser offers leading structural frame materials, software and technical support for residential, multi-family, and light commercial under the Weyerhaeuser and Trus Joist® brand names.

888-453-8358
www.Woodbywy.com



AZEK Building Products manufacture premium, low maintenance exterior building products including AZEK Deck, AZEK Trim, AZEK Porch, AZEK Moulding and AZEK Rail.

877-ASK-AZEK
www.azek.com



Boise Cascade

In-demand products;
Nationwide distribution;
Tools for the business of EWP;
Easy to do business with.

800-232-0788
www.bc.com/ewp



SCHWEISS

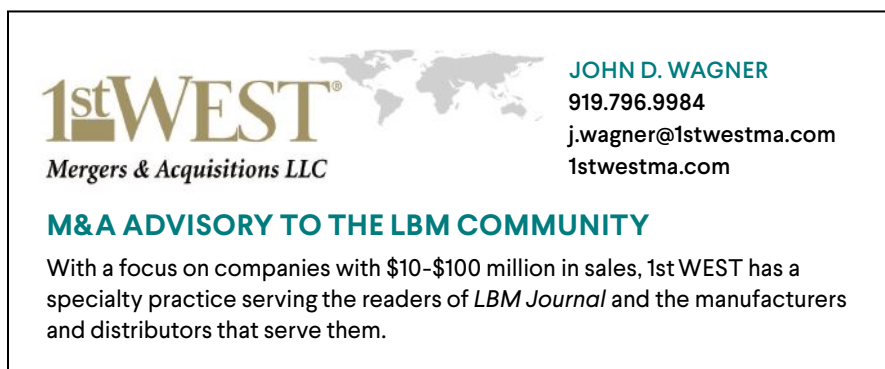
DOORS

HYDRAULIC — OR — BIFOLD

ONE-PIECE DOORS STRAP LIFT DOORS

SCHWEISSDOORS.COM 507-426-8273

THE DOOR LEADER



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.



REACH 40,000+ INDUSTRY PROS

CONTACT YOUR SALES REPRESENTATIVE TO ADVERTISE IN LBM MARKETPLACE.

Jodie@LBMJournal.com
Michele@LBMJournal.com

LBM JOURNAL



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	59	866.489.6604	www.1stwestma.com
* Advanced Building Products	12	800.252.2306	www.advancedbuildingproducts.com
* Anthony Forest Products	16	800.221.2326	www.anthonyforest.com
AZEK Building Products	3	877.ASK.AZEK	www.azek.com
* Biewer Lumber	49	810.329.4789	www.biewerlumber.com
Boral Building Products	OBC	248.668.6400	www.boralbuildingproducts.com
Building Leaders, Inc.	55	773.769.4409	www.buildingleaders.com
* Capital Lumber Company	52	602.381.0709	www.capital-lumber.com
CraneWorks, Inc.	33	866.447.9496	www.crane-works.com/lbm
Deckorators	23	800.332.5724	www.deckorators.com
Do it Best Corp.	5	260.748.7175	www.doitbestcorp.com
Fortress Railing Products	35	866.323.4766	www.fortressrailing.com
Glenview Doors	29	877.379.3667	www.glenviewdoors.com
Grabber Construction Products	34	800.477.8876	www.grabberman.com
Great Southern Wood Preserving, Inc.	7	800.251.0836	www.yellowood.com
Huber Engineered Woods	19	732.549.8600	www.huber.com
Humboldt Redwood Company	37	707.764.4253	www.hrcllc.com
Huttig Building Products	IBC, 53	800.325.4466	www.huttig.com
* LBM Century Club	53		www.lbmjournal.com/lbm-century-club
* LBM Strategies Conference 2019	12	612.888.5261	www.lbmstrategies.com
Manning Building Products, LLC - Perma-boot	36	919.662.9894	www.perma-boot.com
* Manufacturers Reserve Supply	BB, 9	973.373.1881	www.mrslumber.com
* Mid-State Lumber	49	800.942.7776	www.midstatelumber.com
PrimeSource	27	972.999.8500	www.primesourcebp.com
ProVia	11	800.669.4711	www.provia.com
* Rollex Corp.	9	800.251.3300	www.rollex.com
* RoyOMartin	9	800.299.5174	www.royomartin.com
Simpson Strong-Tie	1	800.999.5099	www.strongtie.com
* Starwood Rafters	52	888.525.5878	www.starwoodrafters.com
* Superior Plastic Products	13	800.633.7093	www.superiorplasticproducts.com
Tamlyn	15	800.334.1676	www.tamlyn.com
* Thermo-Tech Windows	16	877.565.0159	www.ttwindows.com
U2 Fasteners	43	855.895.7096	www.u2fasteners.com
UFP-Edge	IFC	616.364.6161	www.ufpedge.com
Uline	37	800.295.5510	www.uline.com
Weyerhaeuser	25	800.525.5440	www.weyerhaeuser.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 CASE OF THE POOR PROJECT MANAGER

A LARGE, HIGH-MARGIN CUSTOMER EXPECTS YOU TO COME TO THE RESCUE WITH IMMEDIATE DELIVERIES BECAUSE OF HIS POOR PLANNING. WHAT WOULD YOU DO?

Like LBM dealers in many markets, your 2019 is off to a solid start, thanks to a continuing demand for homes and a backlog of projects from many of your builder customers. Also like dealers in many markets, you're running lean—not by choice, but because you're having a tough time attracting quality candidates. Because you have limited personnel to get the work done, you understand that it's up to you to figure out how to help your team work more efficiently. You've begun dabbling in Lean processes, with some success, but it seems that each time you take a step forward with process improvements, a customer emergency takes you two steps back. Emergencies are a frustrating but very real element of the construction supply business. But all of your company's emergencies have the same source. And his name is Bob.

Bob has been buying from you longer than just about all of your customers. In fact, you encouraged him to go out on his own when he was working for a builder that was about to go under. What he lacked in business know-how he made up for in ability and charisma. With your encouragement and support, Bob had no problems selling projects and keeping his ever-growing crews busy. Where he struggled was with organization and project planning.

On his very first project, he called in a panic several times because his crews had nothing to do unless you could deliver next week's products today. You figured he'd learn to plan his projects better as time went on.

You figured wrong. It has kept happening. You let it slide during the post-recession years, because your team had plenty of time on its hands. But the reality today is that time your crew spends scrambling to cure his emergency is time that takes away from serving your other customers. It frustrates your team and costs your company money.

"We're going to start losing people over the stress that Bob's 'emergencies' create. When are we going to stop rescuing Bob and start making him be accountable for his poor planning?" your yard foreman asked. It's a fair question, and you don't know the answer, because it's not as simple as it seems.

What you know, and the foreman doesn't, is that you've been battling to keep Bob's business for years. Two other competing yards, one part of a national pro-chain and one independent that's aggressively working to grow into your market, have been wooing Bob. He's stayed loyal to you because you helped give him his start. And you've managed to maintain healthy margins on your sales to Bob—largely because of his poor planning.

You'd love to make your operation more efficient and reduce the stress that Bob's emergencies inevitably create with your team. But Bob is one of your biggest and highest-margin customers, and you don't want to lose his business over this. What would you do?



CAST YOUR VOTE ONLINE AT: LBMJOURNAL.COM

- 1 ACCEPT IT.** Though Bob's completely avoidable emergencies create havoc with your staff, it is what it is. It's time to accept that this is how Bob does business, and just move forward.
- 2 HELP HIM.** These emergencies hurt him and his crews as much as they hurt you and yours. Why not offer to help with his project planning, to help avoid these avoidable emergencies?
- 3 MAKE IT STOP.** In this tough labor market, you can't afford to lose good people over a customer. Tell Bob that his emergencies have to stop, and the other yards that want his business wouldn't put up with it either.
- 4 MONEY TALKS.** Sit down with Bob and help him understand that these emergencies cost you both money, and show him how much he could save by getting his act together.

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 an LBM JOURNAL mug.



Unique. Versatile. Timeless.

HUTTIG DELIVERS

The new Livingston™ door from Masonite® features unique, recessed paneling—the perfect detail to set it apart as an instant classic. It's right at home with many different interior themes and motifs. The full range of bifold and passage doors are offered in several varieties, including Safe 'N Sound®, all with an irresistible touch of class.

Visit www.huttig.com to learn more.

HUTTIG®
BUILDING PRODUCTS
Constructive Solutions Since 1885

 **MASONITE®**

YOUR COMPETITIVE EDGE

**AT FIRST GLANCE, IT
LOOKS LIKE WOOD.
ON SECOND
GLANCE, IT STILL
LOOKS LIKE WOOD.**

BORAL

KLEERLUMBER.COM

You're in the business of supplying the best possible building products. When it comes to trimboard, Kleeer is it. We back up our high-quality, low maintenance PVC trim products with a team of in-market installation and sales experts trained to help you grow your business.

