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STRATEGIES FOR LUMBER/BUILDING MATERIAL DISTRIBUTION PROS LBMJOURNAL.COM

APRIL 2019 $10 U.S.

THE DECK ISSUE

THE LATEST PRODUCTS AND TRENDS IN DECKING, RAILING, ACCESSORIES AND DECK FASTENERS

OUTDOOR LIVING LEADS THE WAY

FOCUS ON DECKING HAS MADE MCCABE LUMBER A REGIONAL POWERHOUSE

STEVE BILLINGSLEY, SALES MANAGER
MCCABE LUMBER

INSIDE:

SPECIAL WHITE PAPER

THE HUMAN ELEMENT OF FLEET SAFETY: MANAGING SAFER DRIVERS

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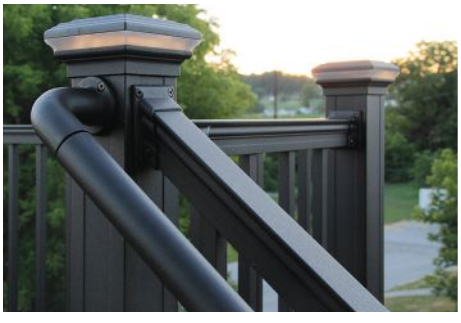
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FOCUS ON DECKING HAS MADE MCCABE LUMBER A REGIONAL POWERHOUSE.

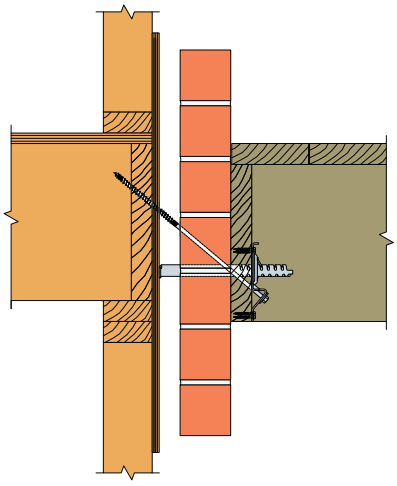
In Loveland, Ohio, McCabe Lumber is bringing the outside in. The company's continued focus on decking products has led to a 15% increase in sales in the outdoor living category, and Inside Sales Manager Steve Billingsley says he doesn't see the rise in customer interest in decking abating any time soon.
BY JAMES ANDERSON

OPPORTUNITY KNOCKS FOR WOMEN IN LBM
An LBM industry more inclusive of women offers advantages to employee and dealer alike. We asked several industry veterans to weigh in with advice for those considering a career—as well as those companies that stand to benefit.
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AGING OUT
What's a dealer to do when several key, long-term associates are nearing retirement, and young pros aren't exactly lined up to take their place? That challenge, suggested by two readers for our most recent survey, has no easy answers.
BY RICK SCHUMACHER
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A key vendor is marketing product—and prices—directly to a big builder customer, taking pricing control away from you and killing your margins. What would you do?
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The safer way to attach a deck through brick veneer.



Tie deck ledgers directly to framing with the BVLZ brick veneer ledger connector.

Connecting a wood deck ledger to a home that has a brick or masonry veneer requires a solution tested for strength and safety. Our new BVLZ ledger connector kit installs directly through the mortar into structural framing and eliminates the need to remove large sections of brick veneer.

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— **Cherié Jacobs**
Design Production & Implementation Supervisor

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For consumers, the process of picking the right paint color can be overwhelming and intimidating. The depth and breadth of color and finish choices – combined with an often-corresponding lack of in-store help and expertise – can lead to lasting regret over the wrong color and an unsatisfying experience.

Likewise, for LBM dealers, the process of getting into the retail and pro paint category can seem daunting. Whether it's updating an existing assortment or introducing a new department altogether, finding strategic, customized solutions can provide real challenges for dealers.

That's where The Color Bar comes in. Developed and launched by Do it Best, The Color Bar makes it easy and extremely affordable for LBM dealers to provide their customers – from DIYers to the pros – with the ultimate paint shopping experience. Designed to inspire, The Color Bar helps dealers connect with customers in a whole new way with a highly memorable, modular system that's affordable and scalable and paints them as the go-to source for color inspiration and paint supplies.

It's already proving its value by driving sales increases and positive results for dealers around the country. Hilltop Lumber, a family-owned LBM dealer with five locations throughout central Minnesota, enhanced the color experience at its Alexandria, MN, location in 2018 by implementing The Color Bar – and its sales impact has been significant and sustained.

The combination of Hilltop's expert paint team and the scalable nature of The Color Bar has helped drive a 39% increase in paint sales during the first nine months after its implementation. In addition, paint sundries sales jumped 11% during the same period. The ability to quickly and easily create an exceptional in-store paint experience is what most appealed to Hilltop's leadership team, according to General Manager Brian Klimek.

"It's been a valuable resource for both pro and DIY customers," Klimek explains. "Our customers are really enjoying this new experience. Not only is it making the paint selection process easier, they're getting inspiration for new colors and ideas to beautify the inside and outside of their homes. The Color Bar helps our customers focus on what's most important – color – and instills confidence to find the right product every time."

"The Color Bar™ has helped drive a 39% increase in paint sales during the first nine months..."

The Color Bar is the perfect solution for LBM dealers looking to implement or expand their on-site paint experience. ■



» Contact Do it Best at sales.support@doitbest.com to learn how you can grow your paint sales today.



EDITOR'S NOTE

Growth on deck

WHEN I FIRST GOT STARTED in the LBM industry in the early 1990s, virtually all residential decks were made of wood, either pressure-treated pine, redwood, or cedar. I remember clearly when the first wood-plastic composite decking hit the market. It made quite a splash, and the industry wondered how it would perform—and what kind of impact it would have on the decking industry.

A quarter-century later, it's tough to imagine a wood-only decking market. While real wood decking still dominates and continues to evolve, the range of choices in composites, cellular PVC, and other alternatives has exploded. A look at the size of the decking market makes clear just why this category is so competitive. In their most recent decking study, The Freedonia Group forecast the U.S. demand for decking products to grow 1.8% per year, reaching $7.1 billion by 2020. And that's just the decking itself. When you add in fasteners, railing, lighting, framing, etc., it's obvious why so many dealers have worked to establish their stores as a decking products destination in their markets.

As the market has grown in size and complexity, the need for our annual April Decking issue has become that much more important. In three separate features, journeyman journalist Jonathan Sweet shares the latest product trends and insights on decking, deck fasteners, and deck railing and accessories. Whether your company already sells a lot of decking, or you're thinking of expanding, I encourage you to spend some serious time with this issue. Even better, make these articles required reading for your sales team, and use it as a jumping-off point for a company meeting. (Note: subscriptions are free to industry pros, so encourage members of your management and sales teams to sign up at LBMJournal.com/subscribe).

While decking does represent an enormous opportunity, there's much more to this issue. Here are some highlights:

- **Opportunity knocks for women in LBM** (pg. 42). In a recent Tough Call called The Wooden Ceiling (September 2018), a builder customer stopped buying materials from a lumberyard once the owner's daughter took the reins of the company. That article generated many responses and turned up the volume on the conversation about women in LBM. In this feature, seasoned industry journalist Katy Tomasulo explores this issue, talking with women LBM pros about their experiences, their views on the topic, and the opportunity for women as well as companies.
- **Real Issues. Real Answers. Aging out** (pg. 46). The problem of valued, experienced team members retiring or leaving the industry is complicated by the difficulty many dealers face in attracting, hiring and retaining young workers. Learn how widespread this problem is, with strategic insights from readers.

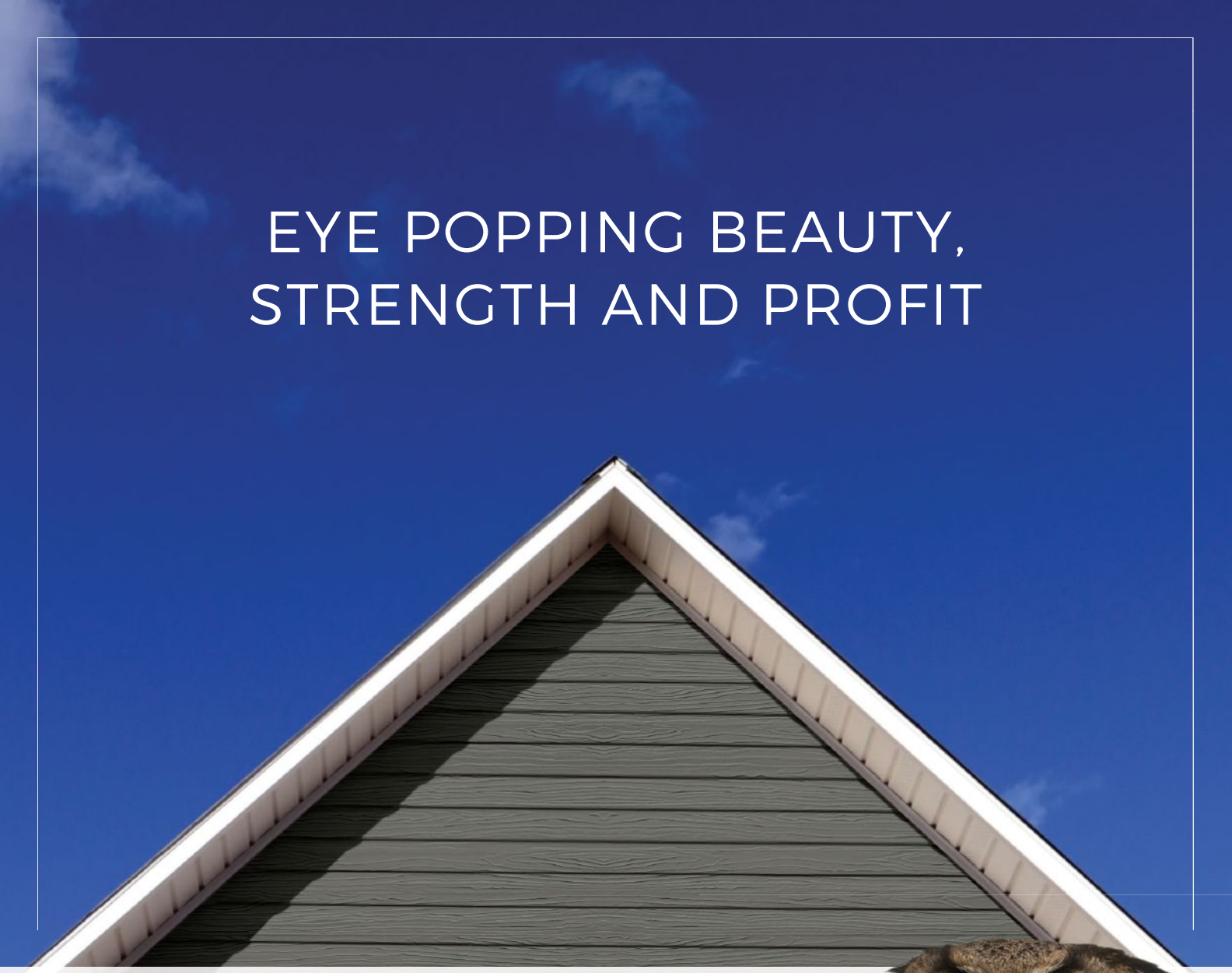
I know you're busy. We all are (knock on wood, or your decking material of choice). Thank you for investing time with *LBM Journal* to help you grow your sales, your business, and your brand. ■





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UPDATES

PEOPLE


SANDSTROM

Derby Building Products Inc., manufacturer of the **Tando** and **Novik** brands of exterior cladding, has hired **Tom Sandstrom** as territory sales manager-Midwest region.


BRUNO

Russin Lumber has announced the promotion of **Jason Bruno** to New England architectural sales manager.


BAILEY

The AZEK Company has announced the recent appointment of **Sallie Bailey** to its board of directors and chair of the company's audit committee.


SCHMIEDEL

Do it Best Corp. has named three of its senior sales and business development leaders to new roles. **Rob Schmiedel** now serves as the company's sales operations manager, **Greg Fuller** is the national sales manager and **John Wade** is the strategic account manager.


FULLER


WADE

Pennsylvania Lumbermens Mutual Insurance Company has announced the hiring of **John Kennealy** as vice president of claims.

Mid-State Lumber has named **Gina Langel** as the company's new marketing manager, and **Jennifer Eannucci** as purchasing agent.

The **Northeastern Young Lumber Execs** (NYLE) presented **Tony Shepley**, founder and owner of **Shepley Wood Products**, with the Robert J. Horne Jr. CHIPS Award at this year's LBM Expo in Boston.

Viance, LLC has announced the appointments of **Aaron Sooter** to the position of customer service manager and **Dave Jones** to the role of national account manager/environmental health and safety (EH&S) specialist.

BMC Stock Holdings, Inc. has announced the departure of Chief Operating Officer **Mike McGaugh**, effective immediately. The company has said that it is eliminating the position of COO.

Soft-Lite Windows recently introduced **Craig Russell** as its new regional sales manager for the Mid-Atlantic region.

BUILDER CONFIDENCE HOLDS STEADY IN MARCH

Builder confidence in the market for newly-built single-family homes held steady at 62 in March, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI).

"Builders report the market is stabilizing following the slowdown at the end of 2018 and they anticipate a solid spring home buying season," said NAHB Chairman Greg Ugalde, a home builder and developer from Torrington, Conn.

"In a healthy sign for the housing market, more builders are saying that lower price points are selling well, and this was reflected in the government's new home sales report released last week," said NAHB Chief Economist Robert Dietz. "Increased inventory of affordably priced homes—in markets where government policies support such construction—will enable more entry-level buyers to enter the market."

However, affordability still remains a key concern for builders. The skilled worker shortage, lack of buildable lots and stiff zoning restrictions in many major metro markets are among the challenges builders face as they strive to construct homes that can sell at affordable price points.

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

The HMI component charting sales expectations in the next six months rose three points to 71, the index gauging current sales conditions increased two points to 68, and the component measuring traffic of prospective buyers fell four points to 44.

Looking at the three-month moving averages for regional HMI scores, the Northeast posted a five-point gain to 48, the South was up three points to 66 and West increased two points to 69. The Midwest posted a one-point decline to 51.

NAHB REPORTS FLAT CONDITIONS FOR CUSTOM HOME BUILDING

The National Association of Home Builders analysis of Census Data from the Quarterly Starts and Completions by Purpose and Design survey indicates custom home building was effectively flat over the course of 2018.

There were 36,000 total custom starts for the fourth quarter of 2018. This was down compared to the final quarter of 2017 (40,000). Over the course of 2018, custom housing starts totaled 170,000. This was a 1.2% decline compared to 2017 (172,000). Note that this definition of custom home building does not include homes intended for sale, so the analysis uses a narrow definition of the sector.

As measured on a one-year moving average, the market share of custom home building in terms of total single-family starts is now 19%, down from a cycle high of 31.5% set during the second quarter of 2009.

The onset of the housing crisis and the Great Recession interrupted a 15-year-long trend away from homes built on the eventual owner's land. As housing production slowed in 2006 and 2007, the market share of this not-for-sale new housing increased as the number of single-family starts declined. The share increased because the credit crunch made it more difficult for builders to obtain AD&C credit, thus producing relatively greater production declines of for-sale single-family housing.

Recent declines in market share are due to an acceleration in overall single-family construction, especially in spec home building. As this part of the market cools due to declining affordability, the market share for custom homes will likely stabilize.

















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UPDATES

ASSOCIATIONS

Lumberman's Association of Texas (LAT)'s Legislative Committee, co-chaired by Meagan McCoy Jones, president at McCoy's Building Supply, and Tim Moore, chief legal counsel at Cassity Jones Lumber and Building Materials, released its 2019 legislative priorities to coincide with LAT's 2019 Legislative Action Day in Austin on Wednesday, Feb. 27. Dealers from across the state met with over 30 legislators and staff, including meetings with Governor Greg Abbott, Speaker Dennis Bonnen and Comptroller Glenn Hegar.

Tom Luce, founder and chairman of **Texas 2036**, will keynote the **Lumbermen's Association of Texas**' (LAT) 133rd Convention & Expo in San Antonio, Texas on Thursday, April 18.

BUYING GROUPS & CO-OPS

Orgill announced a new e-commerce platform through its partnership with **Unilog** to help dealers establish an e-commerce presence.

Members of **LBM Advantage**, vendors and staff convened in Orlando, Fla. Feb. 18-20 for their annual Convention and Shareholders Meeting. With a theme of "Blueprint for Success," the cooperative offered seminars on sales, contracts, partnerships, as well as networking.

True Value Company has announced an investment of $150 million in a new distribution center in Hanover Township, Penn.

MERGERS & ACQUISITIONS

Boise Cascade Company will acquire **American Lumber Distributors and Brokers, Inc.**, in Birmingham, Ala. American Lumber is a wholesale distributor of lumber as well as plywood, OSB, James Hardie siding and engineered wood products.

International Wood Products has acquired **Nu Forest Products** in Cloverdale, Calif. Nu Forest is a re-manufacturer and lumber distributor covering the Northern California market.

SRS Distribution Inc. has acquired **Roofing Products & Building Supply**, a distributor of residential and commercial roofing products and accessories, siding, and brick in Jefferson, La.

HARVARD STUDY: AS HOMEBUILDING LAGS, REMODELING PICKS UP SLACK

The home remodeling market in the U.S. expanded by more than 50% since the end of the Great Recession, according to Improving America's Housing 2019, a new report by the Harvard Joint Center for Housing Studies. The 20th anniversary report in the series produced biennially by the Center's Remodeling Futures Program finds that, as homebuilding struggled to meet the nation's growing housing needs, spending on improvements and repairs to both owner-occupied and rental properties hit a record of nearly $425 billion in 2017.

The steady uptick in house prices in many markets and the aging population are also driving increased spending on home improvements and repairs. Rising prices mean growing home equity, which provides owners both the incentive and the means to undertake more and larger projects. Additionally, older households have higher homeownership rates than younger households, and many have the resources to afford major renovations, including accessibility modifications that allow them to remain safely in their homes as they age. Households 55 and over account for half of all improvement spending by homeowners today.

Although younger households have struggled to gain a foothold in the homeownership market since the housing crash, the number of owners under 35 is finally showing signs of a rebound, and so is their remodeling spending. In particular, younger households contribute significantly more to local improvement spending in many metros across the Midwest and the South, where owning is more affordable than in high-cost metros on the coasts.

With homeownership recovering, almost 7 million rental and vacant units were converted to owner occupancy in 2016 and 2017, and their owners invested $50 billion in improving their condition. Additionally, homeowner spending on repairs following natural disasters totaled about $30 billion, accounting for 6% of national home improvement expenditures in 2016–2017.

To pay for home improvements, homeowners relied largely on savings, even for major projects; more than half of projects costing $50,000 or more in 2017 were funded by cash. Expanding the ability of owners to pay for improvement projects over time—whether through home equity loans or lines of credit, cash-out refinances, or contractor-arranged financing—would not only generate considerable growth in the remodeling industry, but also help to preserve and modernize the nation's aging housing stock.

NLBMDA SUPPORTS RELIEF FROM ELD COMPLIANCE

The National Lumber and Building Material Dealers Association supports recent action taken by Reps. Collin Peterson (D-MN) and Greg Gianforte (R-MT) to introduce the Small Carrier Electronic Device and Exemption Act (H.R. 1697), which would exempt businesses that operate 10 or fewer commercial trucks from the Federal Motor Carrier Safety Administration's (FMCSA) electronic logging device (ELD) requirement.

For over two years, all drivers with a commercial driver's license who are required to keep a Record of Duty Status (RODS) must use an ELD to document compliance with Hours of Service rule, which is designed to eliminate the type of driver fatigue that can lead to crashes. Exemptions from the ELD requirement do exist for drivers who operate under the short-haul exception, or use paper RODS for not more than 8 days out of every 30-day period.

The Association acknowledges the need for the ELD requirement, but believes motor carrier safety regulations should promote safety without imposing unnecessarily high cost and compliance burdens on employers and small businesses. Additionally, NLBMDA supports the ELD exemption for short-term truck rentals of eight days or less.

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UPDATES

INDUSTRY

Derby Building Products' Beach House Shake has received a Notice of Acceptance (NOA No. 18-0716.05) from Miami-Dade County.

Ply Gem is leading the Home for Good project in 2019 for a fourth consecutive year. Two of country music's rising stars, **Jon Pardi** and **Lauren Alaina**, will serve as the 2019 ambassadors for the Ply Gem Home for Good project to help build homes across the U.S. with **Habitat for Humanity**.

Atlanta-based **Georgia-Pacific** announced it will spend approximately $30 million to purchase and install new equipment at its Rome, Ga.-based Rome Lumber facility in the coming months. The company said the investment will enable the facility to produce 20% more lumber.

Simpson Strong-Tie has launched the High-Performance Solutions for High-Wind Forces online resource center to provide contractors, inspectors, specifiers and homeowners with customized resources for safeguarding the structural integrity of homes and buildings during hurricanes, tornadoes, and other high-wind events.

MFM Building Products has reached an agreement with Chalupnik Sales Group LLC to represent MFM in Southern California.

DISTRIBUTION

Cameron Ashley Building Products, Inc., formerly Guardian Building Products, Inc., has opened a new distribution center in Columbia, S.C.

Vista Railing Systems Inc., has expanded its distribution network with the addition of **Capital Lumber**'s branches in Salt Lake City and Woodburn, Ore.

Princeton Forest Products has announced a strategic distribution agreement with **Mid-State Lumber** to distribute PRIMELOCK in the New York and Mid-Atlantic regions encompassing New York, Long Island, New Jersey, Delaware, and Pennsylvania.

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

GYPSUM PRICES DOWN 10% SINCE 2018 PEAK; LUMBER PRICES UP

The downward trend in prices paid for gypsum products continued in February, as prices declined 5.1% (seasonally adjusted) according to the latest Producer Price Index (PPI) released by the Bureau of Labor Statistics. Prices paid for gypsum products have fallen 8.6% and 9.8% since the start of 2019 and August 2018, respectively. The trend is notable as prices have fallen five of six months since the most recent peak last August. In addition, the year-to-date decrease is the largest in nearly a decade, the National Association of Home Builders says.

Overall, the price of goods used in residential construction increased 0.8% in February (not seasonally adjusted)—the first increase in five months. Softwood lumber (+2.3%) and OSB (+4.3%) offset the large decline in prices paid for gypsum products.

TOUGH CALL ANSWERS

ANSWERS TO OUR FEBRUARY TOUGH CALL:

ATTACK OF THE LOW-COST COMPETITOR

A supplier from another market has moved into your territory and is using low pricing to capture business from your long-time customers. What would you do? Here's how readers would handle this Tough Call survey.



YOUR VOTES ONLINE AT LBMJOURNAL.COM

19.5% **HOLD STEADY.** The prices you charge are fair, and the lowcost competitor's strategy isn't sustainable long-term. In no time, they'll raise their prices and you'll be able to earn that business back.

2.6% **SLASH PRICES.** Like it or not, you've been drawn into a price war. Your only choice is to cut your prices to match the low-cost competitor. Once they see you're serious about keeping your customers, they'll back off.

29.2% **DRILL DOWN.** You know the cost on these products, and you know that the margins the competition is earning are razor thin. Talk to the manufacturer and see if they're buying better.

48.7% **NEGOTIATE.** Tell your customers that you value their business but can't match the competition's prices and still deliver excellent service. Ask what you can do to recapture their business.

ONE READER'S RESPONSE

"I would suggest some middle ground. First I am calling the supplier to be sure I am paying the same price for the product as my new competition. If I am, then I call my longtime customer and offer him a 10% discount on the items. I will explain that as someone who has been in business for a long time, I have seen these type of competitors come and go. When they go they tend to leave you holding a bag you don't want to hold alone."

— Kent Hintermeister, Master Lumber Inc., Evansville, MN.

THANKS TO EVERYONE WHO VOTED ON THE FEBRUARY SURVEY. SEE PAGE 104 FOR THIS MONTH'S TOUGH CALL.

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INTEREST RATES ON CONSTRUCTION LOANS ROSE IN 2018

Interest rates on loans for residential acquisition, development, and construction (AD&C) generally increased throughout 2018, according to results from NAHB's fourth quarter AD&C survey. For the fourth quarter, builders and developers responding to the survey reported a median interest rate that varied from 5.75% on loans for pre-sold single-family construction, to 5.88% on loans for land development, to 6.00% on loans for both land acquisition and speculative single-family construction.

Compared to the third quarter, the median rate was slightly lower on development loans, 25 basis points higher on pre-sold construction loans, and unchanged on loans for acquisition and spec construction. Earlier in the year, however, interest rates had been consistently drifting upward. As a result, the median interest rate on the various types of AD&C loans was 37 to 75 basis points higher in the fourth quarter of 2018 compared to the first quarter (when the AD&C survey began collecting data on loan terms).

Also in the fourth quarter of 2018, lenders charged a median of 1.00 points on the loans for acquisition, development, and speculative construction; 0.63 points on the loans for pre-sold construction—all up from the third quarter.

RESIDENTIAL REMODELING SPENDING CONTINUES TO GRADUALLY GROW

Spending on residential improvements will continue to grow over the next two years at a gradual pace, according to experts at a press conference hosted by the National Association of Home Builders (NAHB) Remodelers during the International Builders' Show in Las Vegas. Professional remodelers from across the country agreed with the forecast, citing increased consumer confidence and demand.

NAHB predicts that remodeling spending for owner-occupied single-family homes will increase 1.6% in 2019 and another 1.1% in 2020.

NAHB ANNOUNCES BEST OF IBS PRODUCT WINNERS AT 2019 INTERNATIONAL BUILDERS' SHOW

The National Association of Home Builders (NAHB) named the winning products in its seventh annual Best of IBS Awards during the NAHB International Builders' Show (IBS) in Las Vegas. The awards were presented during a ceremony on the final day of the show.

This year's Best of IBS Awards received more than 300 entries. Decided by a panel of 31 independent judges made up of attending reporters and building professionals, the awards were given in nine categories, plus an overall Best in Show award. Awards were given to exhibitors with a product or line that shows the best combination of design, functionality and innovation, as well as its usefulness to consumers and/or home builders. The winners were:

- **Best in Show Winner:** Easy Connect Joining System by Andersen Windows, Inc.
- **Best Kitchen Product:** Cafe 4-in-1 Oven with Advantium Technology by GE Appliances
- **Best Bath Product:** Redi Your Way by Tile Redi USA, LLC
- **Best Energy Efficient Product:** POWERHOUSE 3.0 Solar Shingle by RGS Energy
- **Best Green Building Product:** Heatlok HFO by Demilec Spray Foam Insulation
- **Best Home Technology Product:** Leviton Load Center Wi-Fi enabled Circuit Breaker by Leviton Manufacturing Company
- **Best Indoor Living Product:** Heat & Glo Foundation Series Luxury Gas Fireplace by Heatilator, Heat & Glo and Majestic (Hearth & Home Technologies)
- **Best Outdoor Living Product:** CAMO DRIVE by CAMO Fasteners and The Soho by Hampstead
- **Best Window and Door Product:** Easy Connect Joining System by Andersen Windows, Inc.
- **Most Innovative Building Material Product:** NTI GF200 Combi-Furnace by NTI Inc.

EVENTS

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 Lumbermens 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.

NEW HOME SALES END 2018 UP 1.5%

Sales of newly built, single-family homes posted a yearly gain of 1.5% in 2018, according to newly released data by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. The December sales numbers rose 3.7% to a seasonally adjusted annual rate of 621,000 units after a downwardly revised November report.

"The slight gain for 2018 new home sales reflects solid underlying demand for homeownership," said NAHB Chairman Greg Ugalde. "Housing affordability remains a challenge across the country, but conditions have improved in early 2019, as illustrated by the recent uptick in builder confidence."

"Despite a period of weakness in the fall, new home sales ended the year with a small gain," said NAHB Chief Economist Robert Dietz. "While the December sales pace improved on a monthly basis, the current rate of sales remains off the post-Great Recession trend due to housing affordability concerns made worse by the rise in mortgage interest rates at the end of the year. We expect lower mortgage rates in the early months of 2019 will lead to additional new home demand."

A new home sale occurs when a sales contract is signed or a deposit is accepted. The home can be in any stage of construction: not yet started, under construction or completed. In addition to adjusting for seasonal effects, the December reading of 621,000 units is the number of homes that would sell if this pace continued for the next 12 months.

The inventory of new homes for sale continued to rise in December to 344,000 homes available for sale. A year prior, new single-family home inventory stood at 294,000. The median sales price increased in December to $318,600, although it is lower than a year ago when the median sales price was $343,300. This is primarily due to the rising use of price incentives and a slow change toward additional entry-level inventory.

Regionally, on a total year basis for 2018, new home sales declined 16% in the Northeast and 1% in the West. Sales rose 4% in the South and 6% in the Midwest.

BY THE YARD

NEWS FROM LUMBERYARDS AROUND THE COUNTRY

Brand Vaughan Lumber Company named Best Place to Work

A Georgia lumberyard has been named a Best Place to Work by The Atlanta Journal-Constitution. Brand Vaughan Lumber Company, with 158 employees, ranked 27th on the list of top 55 Places to Work in the Atlanta area. Brand Vaughan Lumber has five locations in Georgia.

National Lumber promotes Oliveira to project executive



National Lumber has promoted Maykon "Mike" Oliveira to project executive of the company's Turn-Key Framing department. Since joining National Lumber in November 2010, Oliveira has been with the Turn-Key Framing division, starting as project manager, then senior project manager.

Spahn & Rose Lumber Co. acquires Wisconsin's Dunn Lumber

Spahn & Rose Lumber Co. has acquired Lake Geneva, Wisconsin-based Dunn Lumber. Spahn & Rose, a member of the LBM Century Club, has been serving the professional contractor since it opened in 1904. The company has 24 locations throughout Iowa, Illinois and Wisconsin.

Melissa Luna named GM at Higginbotham Brothers' Post, Texas store

Melissa Luna was recently named general manager at Higginbotham Brothers' Post, Texas location. The Post location still operates out of the same building since opening its doors in 1920. Today, Higginbotham Brothers & Company owns and operates 38 lumberyard and hardware stores throughout the state of Texas.

Mans Lumber & Millwork to open Ann Arbor showroom

Mans Lumber & Millwork, based in Trenton, Mich. is opening a new location in Ann Arbor. The company plans to fill a need for a lumber and building materials supplier in the region since Fingerle Lumber announced late last year that it will close in 2019.

Gordon Lumber consolidates locations, expands component operations

Gordon Lumber Holdings Company has consolidated two retail operations into Gordon's surrounding contractor yards, as well as expanded its component operations. As a result, the operations at its limited service Bellevue and Bowling Green lumberyards will be consolidated into full-line contractor and retail lumberyards in Fremont, Genoa, Huron and Port Clinton. Erin Leonard, president of Gordon Lumber has announced the following executive promotions:

- Derek Cowen becomes vice president and general manager of Gordon Components.
- Justin Tracy becomes vice president operations at Gordon Lumber.
- Michael Kuntz becomes vice president sales of Gordon Lumber.

Stenerson Lumber announces staff changes

Stenerson Bros. Lumber Co., with three Minnesota locations, has added two members to its Board of Directors: Stephen Hagen and Rebecca Hanson. Hanson will also be serving as vice president of finance. Les Stenerson, president of Stenerson Lumber, will lead the company after the recent retirement of General Manager John Stenerson. Sarah Borders has been promoted to manager of the Moorhead location.

New McCoy's store managers

McCoy's Building Supply has named two new store managers at their Texas locations. Will Fritzlan will manage the Pasadena, Texas store and Doc Sikes is manager of the Orange, Texas facility.

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.

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Building the Labor Force: One House at a Time

Attracting, Hiring and Retaining Top Talent

Rick Davis: Performance Metrics for Salespeople...That Work

M&A Update: Insider Secrets for Successful Deals in Today's Volatile Economy

Bradley Hartmann: The Future of LBM Training & Team Building

Women in LBM, panel discussion moderated by Dena Cordova-Jack

Gross Margin Strategies that Build Your Bottom Line, panel discussion moderated by Bill Lee

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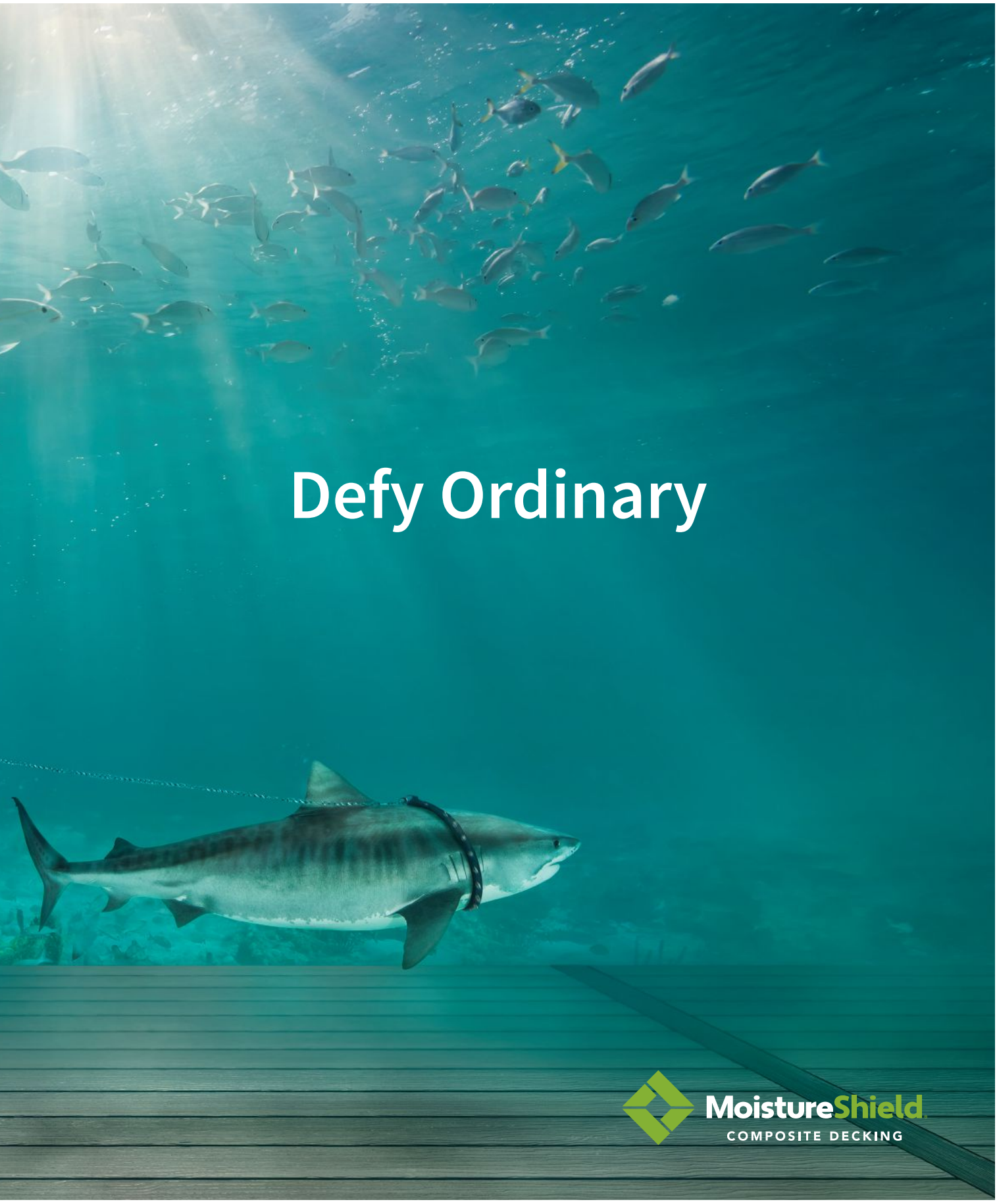
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5 QUESTIONS

WITH JASON BLAIR, SENIOR DIRECTOR OF STRATEGIC ALLIANCE ACCOUNTS FOR TRUE VALUE

1

Q: There's no shortage of challenges facing lumber/building material dealers. In your view, what do you see as their single biggest challenge?

A: Labor, particularly CDL truck drivers. Dealers may need to look for unique solutions as there is no end in sight to this problem. At True Value we partnered with Ryder Logistics in 2015 to handle our deliveries, allowing us to leverage their pool of drivers, making seasonal and business cycle adjustments much more manageable. Dealers that can creatively manage this shortage and deliver the product to the jobsite when the customer wants it are best positioned to gain market share.

2

Q: The flip side of that question: what do you see as their single biggest opportunity?

A: In the end, this is a relationship business and I believe dealers have an opportunity to leverage relationships with their customer base to be unique in their market. I have found past success in listening to feedback from both customers and my sales teams, finding gaps in the market and smartly investing in those opportunities. At True Value, we utilize a powerful analytics tool to help identify opportunities for existing dealers looking to grow into new businesses and those looking to expand into new markets, we can even leverage the dealer's own data to customize the model to best suit their business needs. Take risks! Having a multiyear plan that attacks market gaps by leveraging a dealer's power of being fast and nimble can absolutely be a game changer in any market.

3

Q: Consolidation, among LBM dealers as well as wholesalers and manufacturers, continues to redefine our industry's landscape. What is the impact on True Value's growth strategy?

A: Most retail-focused industries and those that provide products and/or services to those industries are being impacted by consolidation. This continued consolidation is inevitable and the key to continued growth during these times is a flexible sales force. At True Value, we have several divisions within our growth organization that are designed to embrace the retailers' needs and independence; whether that be a rental retailer with one location or a lumber dealer with over 100 locations, we have teams in place to handle their needs. Dealers need to ensure they are leveraging every resource to its fullest, particularly their sales team.

4

Q: How do you view the future of the independent lumber dealer?

A: Dealers that are not afraid to embrace change have a very bright future. It is often easy to become comfortable with daily routines, particularly when business is as good as it has been recently. LBM dealers need to challenge their teams to look for and embrace change, from ecommerce strategies to optimization of their supply chain, putting them in a position to not just meet the customers expectation but anticipate future expectations.

5

Q: With the partnership by ACON Investments in 2018, how is True Value positioned to help drive value for LBM dealers into the future?

A: ACON, as our financial sponsor, has allowed True Value to accelerate our strategic plan and to be a more flexible supplier and service provider. Just this year alone, we'll be infusing over $100 million for new distribution capacity, which will help accelerate the modernization of our supply chain. In addition, we plan to continue to focus and make significant investments in technologies to support our customers in areas such as: pricing tools, omnichannel solutions/ecommerce and innovation in marketing with our new digital packages.

Another great example is the launch of our new Pro Yard at our 2019 Spring Reunion in Dallas. True Value's experienced merchandising team has created Pro sets leveraging national brands designed to meet the LBM dealer's professional customer's hardware needs. This program is 100% warehouse supported, eliminating the need to deal with multiple vendors to support these categories, thus helping LBM dealers be more efficient with their hardline replenishment needs. ■



As senior director of strategic alliance accounts at True Value, Jason Blair is responsible for the growth and management of nearly 40 strategic accounts comprised of over 700 stores. He has been in the hardline/LBM industry for more than 25 years and has vast experience managing multiple unit home centers, lumberyards and truss manufacturing facilities.

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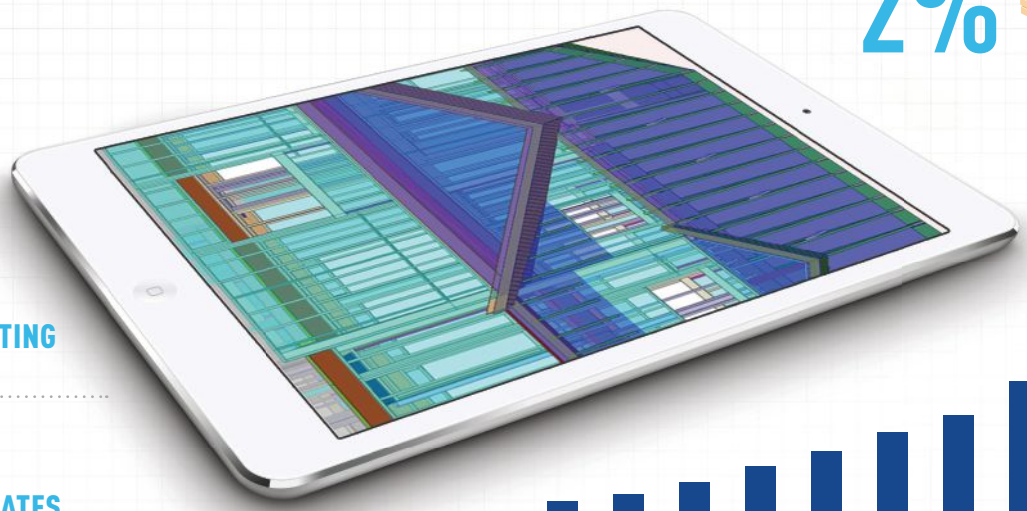
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ZIP SYSTEM® PANEL REBATE FOR FIRST TIME USERS AND RETAIL SALESPERSON INCENTIVE

January 1 - December 31, 2019

ZIP System™ SHEATHING

$5 PER PANEL REBATE

7/16" panel thickness



Rebate is good for $5.00 per panel on up to 150 panels of 7/16" ZIP System® sheathing

SAVE UP TO $750

ZIP System™ SHEATHING

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Rebate is good for $5.00 per panel on up to 150 panels of 1/2" or 5/8" ZIP System® sheathing

SAVE UP TO $750

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$5 PER PANEL REBATE

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January 1 - December 31, 2019

BUILDERS CAN RECEIVE A REBATE ON ANY PRODUCTS LISTED BELOW THAT HAVE NOT BEEN PREVIOUSLY PURCHASED

$5 PER PANEL ON UP TO 150 PANELS OF 7/16" ZIP SYSTEM® SHEATHING

7/16" Panel Count: # _____

Application: ☐ ROOF ☐ WALL ☐ BOTH ☐ N/A

☐ OTHER (Please Specify): _____

AND

$5 PER PANEL ON UP TO 150 PANELS OF 1/2" OR 5/8" ZIP SYSTEM® SHEATHING

1/2" Panel Count: # _____

Application: ☐ ROOF ☐ WALL ☐ BOTH ☐ N/A

☐ OTHER (Please Specify): _____

5/8" Panel Count: # _____

Application: ☐ ROOF ☐ WALL ☐ BOTH ☐ N/A

☐ OTHER (Please Specify): _____

AND

$5 PER PANEL ON UP TO 150 PANELS OF ANY ZIP SYSTEM® R-SHEATHING

R-3 Panel Count: # _____

R-6 Panel Count: # _____

R-9 Panel Count: # _____

R-12 Panel Count: # _____

Builder / Remodeler Registration Form: (must be completed in full for eligibility)

Builder/Remodeler Contact Name: _____

Company: _____ State Contractor's License or Federal Tax ID #: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Email: _____

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Lumberyard Name: _____ Salesperson #/Initials: _____

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The Huber Engineered Woods LLC ("Huber") ZIP System® Panel Rebate for First Time Users and Retail Salesperson Incentive is only available to professional building companies that have not purchased Qualifying Products (defined below) prior to January 1, 2019 ("Qualifying Building Company") and retail salespeople who are permitted to participate by their employers. **REBATES CANNOT BE ISSUED TO INDIVIDUALS or HOMEOWNERS.**

ZIP System® Panel Rebate for Builder: Qualifying Building Company can receive rebates based on the following products ("Qualifying Products") not purchased prior to January 1, 2019 and per the quantity limits listed below.

- >> $5 per panel rebate on up to 150 panels of 7/16" ZIP System® sheathing
- >> $5 per panel rebate on up to 150 panels of 1/2" or 5/8" ZIP System® sheathing products
- >> $5 per panel rebate on up to 150 panels of any ZIP System® R-sheathing products (R-3, R-6, R-9, and/or R-12 thicknesses)

Retail Salesperson Incentive: All retail salespeople are eligible for the incentive unless his/her employer prohibits participation. Retail salespeople can receive $1.00 per panel on up to 450 panels of Qualifying Products sold to a Qualifying Building Company. There is no limit on the number of Qualifying Building Companies for which a salesperson can submit.

Participation and Payment Details: Qualifying Building Company must buy Qualifying Products for the first time between January 1, 2019 and December 31, 2019 and submit the completed registration form above along with invoice(s) showing Qualifying Products purchased. After submitting the initial registration form, Qualifying Building Company and/or retail salesperson should continue to submit additional invoices of Qualifying Products purchased through December 31, 2019 up to the maximum dollar limit allowed on rebate. All invoices must clearly indicate Qualifying Building Company name, name of Qualifying Product purchased, date of purchase, and total price paid for each Qualifying Product. All registration forms and/or subsequent invoice submittals must be postmarked or faxed within 30 days of the purchase date listed on the invoice and received within 45 days of purchased date listed on the invoice to be eligible for rebate/incentive. Purchase must be made by Qualifying Building Company to be eligible for rebate payment. **PURCHASES MADE BY HOMEOWNERS ON BEHALF OF THEIR BUILDER CANNOT BE ACCEPTED.**

Please choose from the following submittal options:

- >> Mailing Address: 2019 AdvanTech and ZIP System First Time User Rebate, PO Box 1919, Memphis, TN 38101
- >> Fax Number: 901-348-9666
- >> Online Submittal: www.acbpromotions.com/huberrebate **(Note: must be able to scan invoices and upload documents to submit online)**

Payments to the Qualifying Building Company and/or retail salesperson will be issued within approximately 60 days after receipt of completed registration form and valid invoices.

Additional Rules and Regulations: Rebate and/or incentive is not available outside the United States. Eligibility for the rebate and/or incentive may be independently verified at Huber's sole discretion. Rebate and/or incentive cannot be combined with any other promotion. The maximum rebate per Qualifying Building Company is $2,250. Retail salesperson maximum incentive is $450 per Qualifying Building Company, with no limit on the number of Qualifying Building Companies for which an incentive can be earned. Huber is not responsible for lost, misdirected, mutilated or postage due mail. All rebate checks will be issued to the building company rather than to the employee-purchaser. Huber is not responsible for failure of retail/lumberyard salesperson to properly submit rebate materials. All rebate information is processed by a third party fulfillment company.

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BILL LEE

How much personal value-add can you deliver?

THERE ARE TWO separate and distinct types of value-adds that customers and prospects consider when deciding where to buy: the first is the one that is talked about the most, the value customers perceive they will receive from their supplier. The second is the one the salespeople are personally responsible for providing, and that is the value they are able to add over and above that of their respective company.

As a young salesperson just starting out, I knew for a fact that decision-makers were not giving me the attention and respect they were giving many of the veteran salespeople I competed against. The reason was two-fold: First, I hadn't been on the job long enough to build a personal relationship with the buyers I was calling on. Secondly, I had no industry knowledge that would benefit buyers, owners and managers.

I made my sales calls. I asked for the order. I took my customers to lunch. I settled product complaints when they occurred, but quite frankly there was nothing beyond these basics that I knew how to do. Every salesperson I knew relied almost exclusively on personal relationships. As the new kid on the block, I figured it would take me years to beat my competitors at that game. I needed something beyond relationships, something more tangible and more valuable.

There are many moving parts to your customers' businesses and few contractors are experts at all of them. To name a few: purchasing wisely; avoiding hiring mistakes; expense control; gross margin control; sound contracts; inventory control; controlling jobsite waste; employee training; designing employee compensation programs, etc.

When I joined my old company's computer division, Tom Woodson, the man who taught me how computer hardware and software systems worked, once said to me, "Bill, you can't take a pill and learn all of this."

The same is true in operating a business. If you know enough about business to show decision-makers how to put more money on the bottom line, how to be more successful and how to solve their most pressing business problems, they will do business with you just to have access to your knowledge.

Contractors don't need your lumber. While they do need lumber to build houses, they don't need *your* lumber. If you, however, possess knowledge and expertise your contractors need and don't have, they will buy from you if you will share your knowledge with them.

Several years ago I had a client in the mountain states whose top salesperson generated $20 million in sales. At the time, that was the highest sales volume I had ever witnessed. Intrigued by this salesperson's level of success, I began to quiz him, ride with him, and observe him interact with his builder customers. While he carried the title of salesperson, in reality he was more of a business consultant than he was a salesperson.

He analyzed his customers' financial statements, conducted sales training programs for their sales personnel, showed them why jobsite waste was out of line, value-engineered their models, etc. He converted builders who were barely breaking even into builders who were earning top dollar.

Some consultative salespeople I have observed put together best practices checklists for their customers and rated their efficiency levels, all the while keeping their eyes open for where money was falling through the cracks.

One such salesperson shared with me that the first place he learned to look for lost profits was in changing order policies and procedures. "If I can persuade my customers to meticulously follow my documented change order procedures, I can almost always boost their bottom line by 25% to 30%."

Try this: Do something tangible for your customers without asking anything in return, and watch how rapidly their respect for you (and their purchases from you) grow. ■

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.



RICK DAVIS

A salute to the uppercase Order Taker

DON'T UNDERESTIMATE THE ORDER TAKER. It took me a while to accept this valuable idea because, early in my career, I kept feeling guilty after clients handed me orders. I kept hearing the term "order taker" being hurled as an insult and concluded that orders were supposed to be harder earned, yet I was getting a lot of them. Today I still take a lot of orders from clients, but no longer feel guilty about it.

So the logical question is: If someone gives you an order and you take it, why do we embrace the term "order taker" as an insult? It is because there are two kinds. One is an "Order Taker" with a capital OT; the other is a lowercase order taker.

Lowercase order takers are sales reps who work in situations where unearned orders are given. Some managers and business leaders call this type the "last person standing" because they are the sales rep who inherits accounts, passes the buck of administrative responsibility, and lacks the networking (i.e. prospecting) skills necessary to originate orders from newly developed relationships.

Uppercase Order Takers are sales professionals who prospect assertively, sweat the details, and demonstrate the staying power that causes people to seek them out and give orders at fair margins willingly. The irony is that we value Order Takers as "Order Makers" and still completely misunderstand what it really takes to create lasting sales success.

An Order Taker is a relationship builder, not a transaction maker. The transactions are the outcome of long-term relationship development and earned trust. If you want to become (or build) an Order Taker, try these ideas:

1. **Start the long-term dialogue.** Young salespeople lack the wisdom of years and veterans sometimes lack the insight to determine why they have become so successful. Instead of starting a dialogue to generate a transaction, instigate a conversation that could last years or even decades. *The order taker is trying to close a deal while the Order Taker is opening a relationship.*

2. **Focus on the client's favorite subject.** The process of discovery should focus on your buyers' larger challenges, not merely the process of "qualifying" them to make a sale. Stop pressuring buyers to fill out credit apps, describe their "pain" with suppliers and find hot buttons. Instead try to understand their larger vision. *The order taker determines ways to supply products better while the Order Taker seeks to become a better consultative provider of services.*

3. **Take the order when the timing is right.** The biggest difference between order takers and Order Takers is timing. A desperate salesperson strives to get immediate gratification by obtaining instant orders; in other words, the order taker is focused on his or her personal timing needs. A successful salesperson realizes that the buyer changes suppliers when something goes wrong with the previous one. *The order taker is always pushing for an order while the Order Taker recognizes that the most profitable relationships come when the timing is right.*

Build the relationship by tapping into the dreams and desires of your prospects and customers. The Order Taker is not interested in a single transaction and, perhaps more importantly, has the courage to recognize that the time for buyers to provide an order is when the timing is right for them. It's not about taking an order; it's about getting the first one of many. If someone gives you an order, take it! Aspire to be an Order Taker, not an order taker, and you'll have achieved a level of career security of which most people can only dream. ■



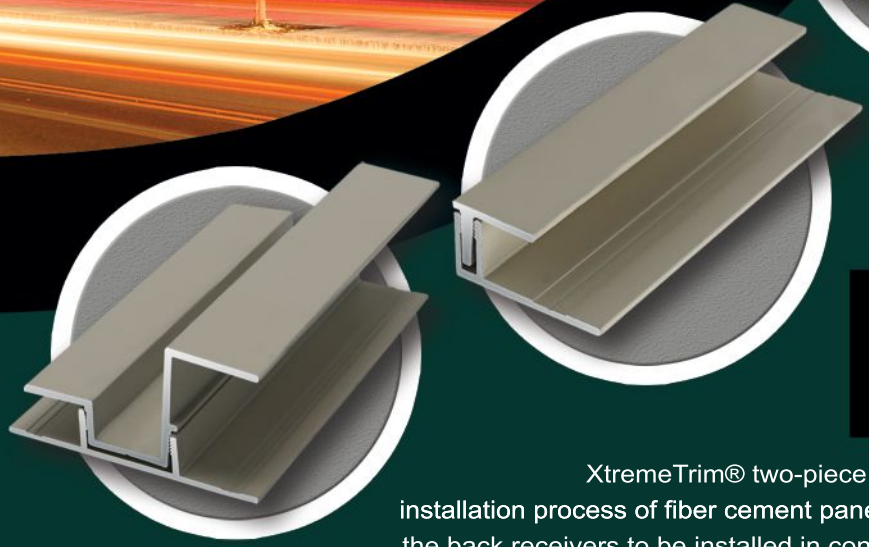
Rick Davis is president of Building Leaders, the leading supplier of sales training to the construction products industry. Rick can be reached at rickdavis@buildingleaders.com or 773.769.4409. buildingleaders.com.

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BOB HEIDENREICH

Make sure your deck components and accessories are quality-compatible

IN THE PREVIOUS MONTHS' COLUMNS, we've talked about getting all of our inventory organized, and the planning of the new decking season that most readers experience in the spring months. Now that we've made sure that products are ordered, inventory is in place, and staff is trained, we need to work a bit on educating the first customers that come in. These customers are coming out of hibernation in April and are eager to get their decks built so they can enjoy the summer months.

Too often, these customers are focused primarily on cost. They'll come in to the store, ask for an estimate, and also get estimates elsewhere. When they receive an estimate from us at The Deck Store, I make sure that our staff knows to explain to customers why quality decking products need to be installed with quality components and accessories.

We know that customers are price-driven, and we don't blame them for that. But when these customers go to our competitors (big box stores and other less-knowledgeable retailers) and come back with lower cost estimates, it is important that we have already explained why our estimates might be seen as a bit higher.

Your customers should receive a professional estimate with components that all work together, and it's important to explain why these components work together. A lot of manufacturer products will require certain fasteners be used for the deck build. If your customers think they're going to save money by purchasing materials from you and fasteners elsewhere, they need to know why that isn't a good idea, and why their deck will likely not pass inspection. Let's face it, a lot of retailers in this industry have not invested the time to obtain the knowledge that is necessary to really understand not only decking products, but also the building codes.

It's important to make sure that your customers understand why you've assigned these products for their project. For example, a Kiln Dried After Treated (KDAT) board is going to cost more than a typical treated piece of lumber. So, of course, a consumer can buy treated lumber at a lower cost, but do they understand the difference between that and KDAT lumber, and why KDAT is priced higher? If not, then chances are they'll be buying from your competitor.

With composite decks especially, regular treated wood framing is more likely to undulate. Or, customers may decide to take the route of metal framing with steel or aluminum framing with composites, and they get a bid for some inexpensive, ordinary treated lumber, of course they're going to be different prices. But it's our job to educate them on why the prices are different, so that we not only maintain our customer relationships, but help to build our reputation as knowledgeable retailers who recommend quality products.

With composite decking especially, there are different grades, kinds, types. So many times, I've had contractors come in and they've sold their customers a "Brand X" deck. It doesn't specify if it's the good, better, or best version of Brand X decking. It just says Brand X. Then we have to work with the customer and explain that not only are not all brands the same, but different product lines within the same brand are also different, and of differing quality. Many brands have multiple price levels of product. It's important for the consumer to see that we're bidding apples to apples on products. A competitor store's Brand X "good" product is considerably less expensive than our Brand X "best" product.

Frankly, we don't recommend the good version of the product right off the bat, because we're concerned more with quality than price point. The situation is that we're presenting the best quality products and our competitors are showing the lowest quality products and the consumer doesn't know the difference. It's our job to educate them. This is our opportunity to take the education we've gathered and make sure that the consumer knows why we pick this particular product for their project. There may be less expensive options, but they're not going to perform as well. It's up to us to explain why.

If a customer is going to insist on a lower price, then I tell them we'll have to make a trade. I like to say something like, "We can cut costs, but I'll have to assign one of our new builder crews. They don't have much experience." Of course they won't want to do that to cut costs, and that is your opportunity to remind them that quality is worth paying for. ■

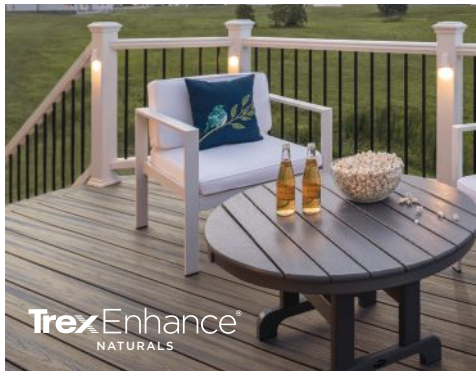


Bob Heidenreich, owner of The Deck Store, in Apple Valley, Minn., has been selling decking and home improvement projects for 30 years. Follow Bob on Twitter: @TheDeckStore.









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RIKKA BRANDON

Hate networking events? Here's how to make small talk work for you

FEW EMPLOYERS ENJOY NETWORKING. You might envision business card pushers or folks who won't take no for an answer. But if you're looking to grow your team or your business, you have to learn to embrace networking.

Here are a few tips and tricks to make networking events less painful—and much more productive.

Set your intention. As with most things in life, your attitude determines your results. If you approach networking as a "necessary evil" it is unlikely you will ever be very successful at it. When you head out to a networking event, go with the intention to connect people. Connecting people is the number one way to build your social capital.

Make your goal about connections. Don't try to talk to everyone. If you have identified key people you want to talk with, seek them out. Otherwise, mingle intentionally, seeking people who you can create a genuine connection with.

Be curious. Curiosity is the key. By simply asking questions and listening to the answers, you will learn everything you need to know.

Use strategic small talk. This is the key to undercover recruiting. By asking simple and common questions, we can learn everything we need to know about a potential hire. You will find better hires, make better connections, and learn more (and likely have more fun) if you spend networking events asking questions and listening to the answers. Here are a few sample questions and how the answers can tell you what you need to know:

- *What brought you to the city? Have you always lived here?*
  This way you learn if they're local, went to school in the area, etc.
- *How did you get into sales/IT/HR?*
  Most people will be happy to tell you how they landed in their current role, and chances are good you'll be able to tell if they are happy or not by their answer. This leads to easy, natural conversation about their career history but doesn't feel like an interrogation or an interview.
- *What brought you to XYZ company?*
  Again, this is a curiosity-based. Another "Tell me a little bit about yourself" question that will invite someone to share all sorts of information. And they're likely to be more forthcoming since it's just talking, not an "interview." If they already work in the industry this is another way to learn about your competitors.
- (Conversationally) *Why did you leave your last company?*
  Ask this as a follow-up question to how they landed with XYZ company.
- *Is it awesome to work for XYZ company? I hear they have an amazing benefits package!*

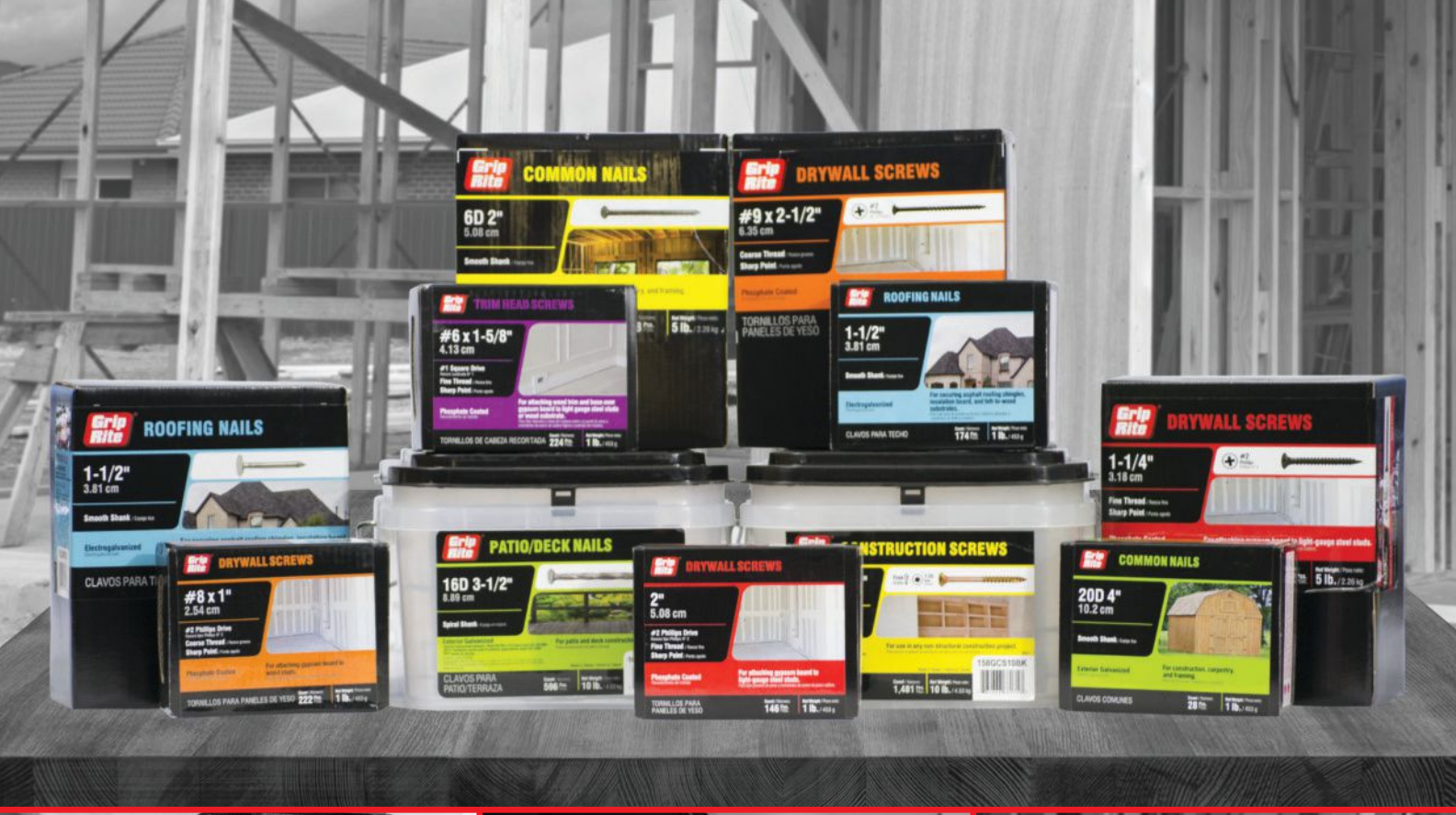
Feeling brave? Here are additional questions for those candidates you really want to learn more about.

- *Do you love your job? Would you ever think about making a change?*
  Then shut up and let them answer! They're probably going to be surprised by your question, but nine out of 10 people will say they're always open to hearing about new opportunities.
- OR: *"I think you have a tremendous amount of talent. Do you ever think about making a change?"*
  If they say, "No, not really." You say, "Well, if you ever decide you want to learn about another opportunity, I'd love to talk to you about working with me. Feel free to give me a call or email me." If they say, "Well, I am always open to learning about new opportunities." You say, "Great, let's set up a time to go to lunch or at least chat on the phone."

Hand them your business card and either make plans to connect again or simply say, "Well, here is my card. If you ever decide you want to talk about different opportunities, don't hesitate to reach out to me." ■

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. To learn more tips for crushing networking events, download the free course at www.buildinggurus.com/network.











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RUSS KATHREIN

You can't judge what you don't measure

MY WIFE THOUGHT I WAS CRAZY when I told her the reason that I majored in finance in college was because it was the one area of business where I did not feel naturally strong. My logic was why go to college to get a business degree and study subjects I was already comfortable with? While I didn't graduate magna cum laude, I did leave with the ability to put on my analytical finance hat. It has served me well throughout my career when I have had to make decisions that were surrounded by a mountain of subjective data and opinions.

As leaders, we often have to make decisions with few facts and not enough time. After a while, we become adept at sorting through what little information we have and making a decision with our gut. Successful gut decisions advance our careers, unsuccessful gut decisions leave some scars, and really unsuccessful gut decisions often result in a person "pursuing other opportunities." The paradigm we create from our successful gut decisions is that we become more comfortable with "using our intuition," rather than setting up tools that will give us objective data that could steer us much better toward the right decision. How many times have you been given information that uses words like "never" and "always" to help justify a position? These words immediately tell us that it is a subjective opinion, but in the absence of factual objective data, what else is there to go on? The Reagan doctrine of "Trust, but verify" was used in reference to denuclearization talks with the Soviets, and it holds up in business, too. Trust your instincts, but verify with objective facts.

Taking the time to establish some good, measurable benchmarks can seem like a lot of work, but once you get them in place and start using them over time, they often can give you data that challenges your intuition. For example, with established benchmarks, "He's a good salesperson" gets replaced by "He has a 38% close rate." This information by itself may be good, if all your other salespeople have lower close rates, but it may be bad if this is the low man on the totem pole. What if this salesperson had a close rate of 60% last year? Now you have data that tells you that you may have a problem.

We all use some objective data to measure performance, such as sales volume, gross margin percent, or on-time and in-full. But what if we started looking at all of the areas of our business and tried to establish objective measuring tools? At Alexander Lumber, we use Service Level Agreements (SLA) in many of our departments. We then measure and report their performances against the established SLA. I like using percent current to assess my customers and my credit people. Suddenly, a "good customer" (because of a high sales volume) may not be so good if only 25% of their balance is current. Another good measuring stick is how does your total payroll and benefits match against the gross profit dollars produced? I have rarely seen a lumber company not make money if this ratio was under 50% (unless they had really high occupancy costs), but I also have rarely seen a lumber company that had a payroll to gross margin ratio of higher than 60% make money.

Be creative and try to think up ways to measure the more difficult areas of your operation. Even if the statement of the measure may be confusing and difficult to visualize by itself, like one's weight, it can be useful when measuring the results from one period to the next. Just be careful when establishing measurements of what you decide success to be. There is a concept called survivorship bias that happens when we come to overly optimistic beliefs because we ignore failures or fail to take all things into account.

A favorite example of this type of bias occurred in WWII. The Allies were losing a tremendous number of bombers on runs over Europe. The Center for Naval Analyses extensively studied every aircraft that returned and diagrammed where the damage was. Its conclusion was to add armor to the areas that had the most damage. A statistician named Wald countered that they were only considering the aircraft that survived their missions. His answer was to add armor to areas on surviving planes that showed the least damage—in this case around the pilot, since no planes were making it back that showed damage in these areas and therefore that was what was probably causing them to crash.

Challenge your people to come up with ways to measure success. Don't strive for perfection; rather, you want to aim for consistency and continuous improvement. Start by setting objective benchmarks and evaluating them over time. Remember: You can't accurately judge what you don't measure. ■



Russ Kathrein is the president and CEO of Aurora, Ill.-based Alexander Lumber, which operates 20 locations throughout Illinois, Wisconsin and Iowa.

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JOHN WAGNER

Don't discount (too much) at the top

IN A PAST COLUMN, we covered customer concentration, and we pointed out how crucial it is that you inform potential acquirers what percentage of your business is concentrated in your top 10, or even top 25 customers. That kind of report is fairly standard during the acquisition process. Having looked at dozens of LBM businesses, it no longer surprises us to see how many operations have as much as 40% (or more) of their business concentrated in just a dozen high-volume customers.

Is that all bad?

Not always. Some types of large customers can be less-costly to serve, and they deserve discounts. Large customers tend to have access to better technology for delivery scheduling, and they may even pay faster, since big companies have easier access to credit lines and capital. That said, as a rule of thumb, keep this in mind: No one customer should represent more than 10% of your business.

COMPANY HEALTH CHECK

Here's another "company health check" that a prospective acquirer will run. It focuses on how well you maintain discipline to protect your Gross Profit Margins (GPMs) across your customer base. While your income statement shows your average gross profit margin for the business, it should also include breakouts for the various pricing discount structures, while showing the GPMs you achieve for the various product lines that you sell. The reason is that an aggregate GPM statement won't reflect how the GPMs vary widely by product category, with lower GPMs achieved for commodity items, and higher GPMs for your value-adds. Obviously, higher margin product categories are a positive and will be viewed as value added services by the acquirer.

When a potential acquirer looks at a GPM report across your entire customer base, in various categories, they are not just expressing idle curiosity. The acquirer wants to see if you are discounting too heavily with your biggest customers. Yes, in reality, everyone discounts for their biggest customers, under the assumption that they'll "make up any loss on volume." (That business cliché is so old and so funny, it's a joke we all hear in the workplace.) But if you are discounting too heavily at the top of your customer list, the lower GPMs will stick out like a sore thumb to anyone looking over your business.

Now, as just mentioned, you can't possibly maintain the same gross profit margin you get from a "truck and pup" buyer who swings for $100 of lumber, when compared to a large-volume buyer who's buying truckloads of windows and cabinets. The small guys pay top prices. The big guys get a break.

But it's a slippery slope when you start giving increasingly steeper discounts to keep the biggest customers happy. So, you should determine a balance between discounts and your costs, so you know the "inflection point" when it stops making sense to discount further. If you're not watching the store, and not using a dispassionate, data-driven analysis, it's remarkably easy to lose sight of when you're selling materials at no profit, or at nearly no profit. You may even find you're losing money on each sale for those steeply discounted customers, if you have not accounted for all-in costs of carrying that customer. We have seen this blind spot occur in some of the largest and most-sophisticated businesses we have consulted with. It's remarkably common.

Does lack of gross profit margin discipline affect your value in an acquisition? Yes. Big time.

The value of your entire company will suffer with some rather cruel accounting if an acquirer spots a customer who is either unprofitable or on the bubble/near the bubble of profitability, because clearly that customer is not materially contributing to your EBITDA.

On the other side of the coin, if your gross profit margins are around the same at the highest volume as they are for your down-list customers, that shows you run a tight shop. Indeed, it's a leading indictor of a well-run business.

As an exercise, before you're asked to do so by a prospective acquirer, calculate your customer concentration today. Then, assign a gross profit margin for each of the top 25 customers, or even your top 50. You'll find this instructive. And if you are preparing to sell your company, make adjustments now, as far as you can, so an acquirer doesn't find anything suspect when they run that same report. ■



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.

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BOISE CASCADE® RELAUNCHES 2.1E VERSA-LAM® LVL WITH HIGHER MOE GRADES

DAN CHENEY, P.E. – SENIOR ENGINEERING MANAGER, BOISE CASCADE COMPANY

For designers and specifiers who work with engineered wood products (EWP), calculating deflection is critical for predicting the performance of structural members. Modulus of Elasticity (MOE) indicates how much a product will bend under load, which can impact everything from sizing an efficient roof beam to how beams beneath the floor provide stability for the entire structural frame.

From the architectural firm to the lumber yard, it's important for everyone involved in EWP specifications to know how beams will perform.

Traditionally, the EWP industry has been split between utilizing two acceptable methods — True E and Apparent E — to determine MOE values for structural wood beams. The inconsistency can create confusion when comparing similar products for an application. This can result in call-backs to the builder when a beam delivered to a jobsite has lower design values than the specified product.

To reduce the chance of a mix-up, Boise Cascade has relaunched Versa-Lam LVL (laminated veneer lumber) beams and headers with higher MOE values, to reflect True E deflection calculations. 2.1E Versa-Lam LVL showcases superior design values, while helping lumber yards reduce the risk of inadvertently substituting beams with lower design values where Versa-Lam LVL is specified.

Boise Cascade will roll out its new product this summer. This includes plans to update its software design engine with the new grades in April and begin shipping 2.1E Versa-Lam LVL with increased MOE grades in early summer. In the meantime, Boise Cascade will publish Versa-Lam LVL product code reports with both True E and Apparent E values, allowing designers and specifiers to use either calculation method.



Migrating to True E will help simplify how lumber yards select the right beams for projects. Rather than having to research various catalogs and online resources to determine Versa-Lam design values against competing products, this consistency ensures comparisons are truly "apples-to-apples" and products selected perform to expectations.

Simplifying EWP selection is just one way Boise Cascade supports its customers on the front end, so they aren't met



> *"From the architectural firm to the lumber yard, it's important for everyone involved in EWP specifications to know how beams will perform."*
>
> — DAN CHENEY, P.E.
> SENIOR ENGINEERING MANAGER,
> BOISE CASCADE COMPANY

with unexpected costs later on in the building process. Boise Cascade's engineering and software teams are available to provide technical support for questions about correctly sizing Boise Cascade Engineered Wood products.

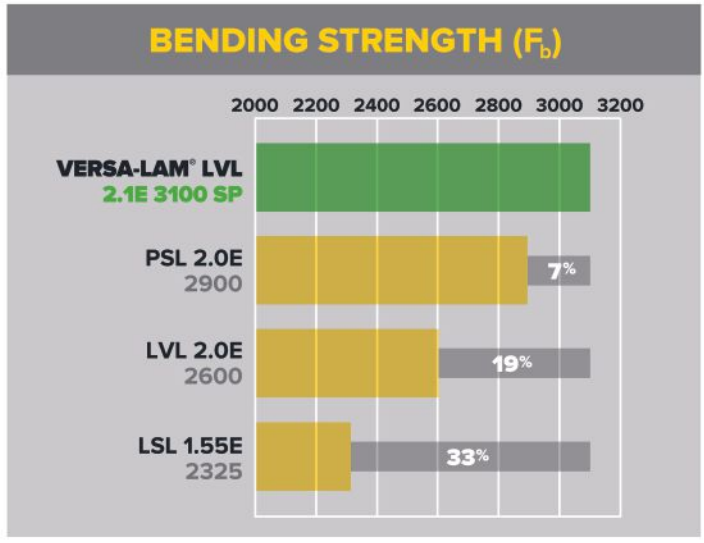
This common approach to calculating deflection will reduce confusion and potential liability for everyone in the EWP supply chain.

Simplified beam selection — another way Boise Cascade is easier to do business with.

To learn more about 2.1E Versa-Lam LVL, visit www.bc.com/apples.







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HOW TO LIMIT RISK AS A MANUFACTURER, SUPPLIER, AND CONTRACTOR

BY BLAKE NELSON

Risk is like the flu—no one wants it. Most contract negotiations involve seeking to reduce risk and liability. This particularly applies to suppliers in the construction industry, where the players attempt to shed their liability when they hand the product to a company further down the supply chain. Manufacturers, suppliers, general contractors (GC), installers and property owners may all limit their liability through published policies or written agreements.

MANUFACTURER LIABILITY

A manufacturer can most easily limit its liability because it only makes and sells products and does not provide labor or other services. Product sales are generally covered by the applicable state's version of the Uniform Commercial Code (UCC). Under the UCC, a manufacturer may limit its liability through published limited warranty policies, even if the end user did not sign anything and never read them. Manufacturers usually disclaim implied UCC warranties through terms and conditions on their websites, on packing slips, or in other literature included with the product. In contrast, limiting liabilities and warranties for labor or other services requires a signed written agreement stating those limitations, and some statutory warranties for labor cannot be waived.

Manufacturers almost always disclaim liability for the labor to replace a defective product. They will supply new or replacement product but will not pay for labor to remove the bad product or install the new product.

SUPPLIER LIABILITY

A supplier (such as a lumberyard) that purchases product from a manufacturer or other wholesaler and resells it to the public is also covered by the UCC and owes implied warranties unless those are limited or disclaimed in writing. A supplier's warranty extends to any person who may reasonably be expected to use, consume or be affected by the goods. For example, one court held that even though the GC was the purchaser, a lumberyard's limited warranty was binding on the engineer and architect working on a project. Like a manufacturer, a supplier may limit its warranties and liabilities through terms stated on its website, on packing slips, or in other documents enclosed with the product. Also like a manufacturer, a smart supplier will limit its warranties to the material itself and disclaim responsibility for labor. Any credit or supply agreements should contain warranty waivers and disclaimers.

Despite any written disclaimers, a supplier's verbal representations can also become part of the bargain. I once handled a matter where a lumberyard sold siding to a GC for a home in Minnesota. It turned out the siding was not designed to withstand Minnesota's weather, but the yard's representative had told the GC and the homeowner the product was fit to install in Minnesota. Despite having disclaimed implied warranties on its website and packing slips, the yard was still potentially liable for the labor costs because the other parties had relied upon the yard's verbal representations about the product's suitability. The yard eventually agreed to pay for the labor because of the uncertainty about the alleged verbal warranties.

WHERE DOES THAT LEAVE EVERYONE ELSE?

Who is responsible to pay for the labor to replace defective product if both the manufacturer and supplier disclaim responsibility? The answer depends on how well the GC, installer and customer protect themselves at the beginning of the transaction.

Since installers provide services and not products, they must require customers to sign a document containing waiver and disclaimer provisions. A company installing products should obtain a signed document clearly stating that 1) it disclaims responsibility for defective materials; 2) it is not responsible for labor costs to remove or replace defective materials; and 3) the customer (whether a GC or property owner) must pursue claims for product defects directly against the supplier or manufacturer. If indeed the problem is defective materials and there are no workmanship issues, a properly worded disclaimer document will be enforceable to protect the installer.

Obtaining a signed disclaimer document can be difficult for a subcontractor working for a GC, who will often refuse to sign anything but its own agreement. In turn, a GC's own subcontractor agreement form almost always shifts as much liability as possible to the subcontractor. These scenarios can create a "tug-of-war" to shift responsibilities and liabilities for potential problems.

Simply put, all parties in a construction project should review their own stated warranty policies, procedures and agreements to make sure they are adequately protected. ■

Blake Nelson is an attorney with Hellmuth & Johnson in Minneapolis and concentrates his practice on advising and representing clients in the construction industry. He can be reached at bnelson@hjlawfirm.com.

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BY KATY TOMASULO

OPPORTUNITY KNOCKS FOR WOMEN IN LBM

AN LBM INDUSTRY MORE INCLUSIVE OF WOMEN OFFERS ADVANTAGES TO EMPLOYEE AND DEALER ALIKE. WE ASKED SEVERAL INDUSTRY VETERANS TO WEIGH IN WITH ADVICE FOR THOSE CONSIDERING A CAREER—AS WELL AS THOSE COMPANIES THAT STAND TO BENEFIT.

Dena Cordova-Jack has been a part of the LBM industry for more than 25 years, starting as a credit manager at Georgia-Pacific and shortly after becoming one of the first women to work the trading floor in the early '90s. Over the years, she's held multiple roles across the industry, including serving as regional sales director at Foxworth-Galbraith Lumber and her current position as executive vice president at the Mountain States Lumber and Building Material Dealers Association.

Ask Cordova-Jack about the challenges of being a woman in the male-dominated, perceived rough-and-tumble lumber industry, and her answers immediately veer toward the positive—toward the opportunities her career track has afforded her, the people she has had the privilege of working with, and the deep commitment rooted in nearly three decades of doing jobs in which she has thrived.

Other women, veterans and rookies alike, paint similar pictures. Yes, the LBM industry has been slow to increase its ranks of women. Yes, pockets of the industry may have been, and may still be, less than welcoming to women. And, yes, more work needs to be done. But the descriptions and clear passion that unfold when you ask these women about their experiences are largely encouraging—enough to make you wonder why more aren't lining up to fill the multitude of vacancies and why more dealers aren't making a bigger effort to get them on board.

A RANGE OF OPPORTUNITIES

Now more than ever, LBM has much to offer women—and any job seeker for that matter—with opportunities that are only expanding as the industry continues to evolve and innovate.

The diversity of potential roles in the industry is vast, from not only the warehouse or truck cab but also IT, finance, and showrooms. Options abound to try different positions, learn on the job, and create a career, not just get a paycheck.

"When I first started in the industry, I wasn't sure what path I wanted to take," says Cordova-Jack. "Thankfully I was afforded a broad horizon as to where I wanted to go, so I built my career intentionally, trying to work within the multifaceted arena of this industry. I didn't want to spend my entire career in one segment. I wanted to understand how they fit together."

Kate Woodson Borroni agrees: "There's always something new to do, new to try."

Woodson Borroni always knew that she wanted to work in the family business, Woodson Lumber, which is currently helmed by her mother, Ann Woodson Yager Chapman. But it was the ample opportunities that drew her back faster than she'd planned. A medieval art history major in college, Woodson Borroni took on a temporary role coordinating a historic marketing campaign for the dealer's 100th anniversary. "I became enamored with the business, got sucked in hook, line, and sinker; six months in, I knew I wasn't going anywhere."

Today, Woodson Borroni is a jack of all trades, with roles in marketing, HR, and finance as well as managing a retail center for the Caldwell, Texas-based dealer. She says the people, the constantly-changing rigor of the business, and the chance to take on new projects in different departments are some of the reasons she loves the work.

She also had a great example to follow. "My mom was a big trailblazer. She took on a lot of those societal and cultural shifting viewpoints, [tackling] a lot of that before I got into the business. I was very fortunate in that regard."

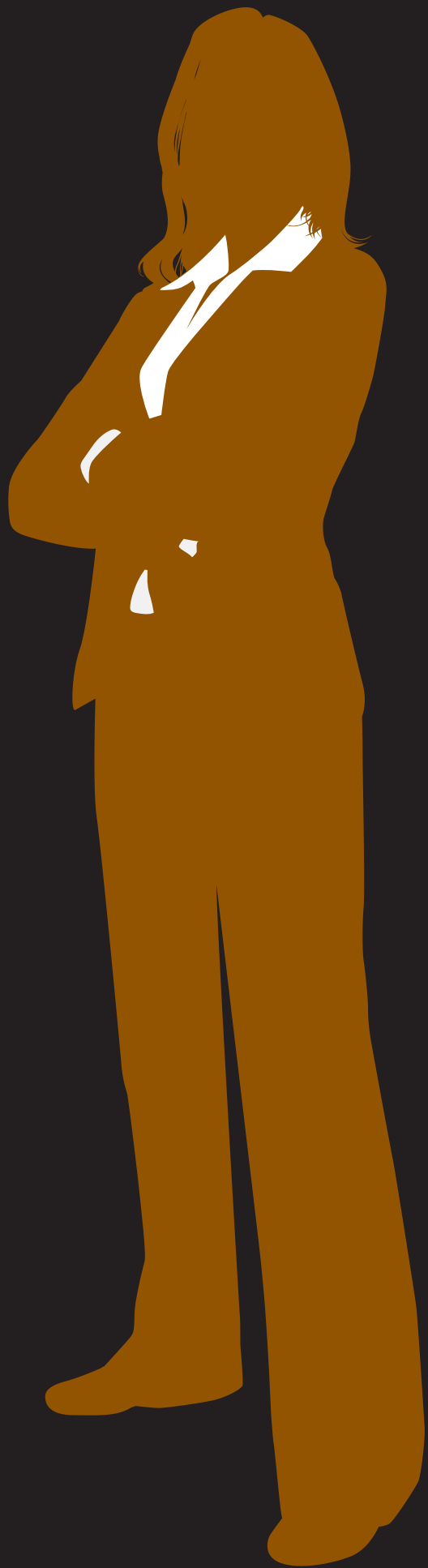
Like Cordova-Jack, Maria Fratiello also started in the industry, with Sherwin Williams, right out of college. She moved over to Somerville Lumber, where she worked in purchasing and contractor sales, and eventually was the contractor sales manager. Since 1996, she's been with Mansfield, Mass.-based National Lumber, first as an inside salesperson, then a trainer, and now in her current role as

director of human resources. "Don't be afraid to change departments," Fratiello says. "You can literally change careers within the same company."

"There's definitely no two days that are the same," says Fratiello, who was recently named the 2018 Rhode Island Lumber Person of the Year by the state's lumber and building material dealers association. "You never know what's going to happen next. There are a lot of great people, smart people."

Indeed, "the people" is a common theme among the reasons the industry is so appealing. "It's a very genuine industry," says Natalia Dittmer, marketing director at TAL Holdings in Vancouver, Wash. "The way you can build and sustain relationships in this industry, you get sucked in; it's hard to get out because you don't want to."

Like her more veteran peers, Dittmer has quickly developed a measurable passion for LBM. "It feels good, it's genuine, it's real people, and people you've dealt with for years," she notes. "The connectedness is something I really value about this industry." ›



"UNDERSTANDING THE MARKET IS A VALUABLE SKILL. I ALWAYS ENCOURAGE WOMEN IN THE INDUSTRY WHO WANT TO DO SOMETHING DIFFERENT, THERE'S NOTHING YOU CAN LEARN THAT'S NOT GOING TO BE TRANSLATABLE TO OTHER AREAS OF THE INDUSTRY. WHO KNOWS WHERE IT WILL TAKE YOU."

— DENA CORDOVA-JACK

ADVICE FOR WOMEN

Even with the multitude of advantages, no one will claim it's a breeze, for women or for men, and some companies and roles have evolved faster than others. Strategies for success are much like they would be for any gender and for many industries. Here are a few tips for women to consider to help ensure they thrive:

Expand your knowledge: "Understanding the market is a valuable skill," says Cordova-Jack. "I always encourage women in the industry who want to do something different, there's nothing you can learn that's not going to be translatable to other areas of the industry. Who knows where it will take you."

"I challenge myself to try new things," she adds. "Like my current role, I had to figure out how to do it, and how to make it evolve to meet the needs of our members."

Seek out a mentor: Having someone to bounce ideas off of, to help with goal setting, to lend advice is crucial for any job. And your mentor doesn't have to be a woman, Cordova-Jack says, noting that she didn't have that option because of the dearth of women in the industry during her early days on the job. "If you want to be outside sales, CEO, whatever, find someone who you think has the integrity and core competencies and the heart that you want to emulate, and watch that person and learn from them," she advises.

Don't limit yourself: Women often get pigeonholed into certain roles, and it's up to the individual to be proactive in ensuring that doesn't happen. "Being open to new things, new ideas, bringing innovation to the table is good for anybody who's looking to accelerate their career," says Woodson Borroni.

"If you want to really grow your career, try on a lot of different shoes and see what fits," Cordova-Jack concurs.

Make yourself heard: "Some people, regardless of gender, can be afraid of being a squeaky wheel," Woodson Borroni notes. "I encourage everyone to remind their supervisor when they're getting their job done and when they're ready to take on more."

"I do think it's helpful to be outgoing and forward," says Dittmer. "If you walk in timid and meek and don't start to set your path, that could be a lot harder. This industry is full of big personalities. But they're big personalities with big hearts. If you're willing to put yourself out there and set your path, people are willing to come alongside and help."

"BEING OPEN TO NEW THINGS, NEW IDEAS, BRINGING INNOVATION TO THE TABLE IS GOOD FOR ANYBODY WHO'S LOOKING TO ACCELERATE THEIR CAREER."

— KATE WOODSON BORRONI

ADVICE FOR LUMBERYARDS

Like greater society, the lumber industry has been making strides to eschew the seemingly men-only culture of old. Challenges do remain, as seen in *LBM Journal*'s recent Tough Call article, in which a builder customer switched suppliers when a daughter took over the family lumberyard **(see sidebar on next page for responses.)** But those dealers that make the effort will be rewarded with a deeper pool of qualified candidates who may become long-term loyal team members. Here are a few things to consider:

Beware of unconscious bias: As humans, we often make assumptions about people without even realizing it, and this can lead to managers overlooking qualified women—their mind simply doesn't go to them for consideration. Make sure you're making a conscious effort to look at the entire playing field. The same goes for new hires. When screening resumes, don't look at the names, look at the background and skills, including what skills are transferable from other industries.

Shut-down "locker room talk" and promote a culture of respect: Even though the industry is changing, inappropriate behavior does still occur. Building a more inclusive culture starts from the top down, with policies against discrimination and harassment, along with education and leading by example. "The stuff that used to be acceptable isn't acceptable anymore. It has gotten better over the years, but there's still room for improvement," says Fratiello. "The more you train people and make them aware of what can happen or how they should be behaving, the better it will be."

"Being welcoming to all groups is beneficial," adds Woodson Borroni. "I've seen so much progress in LBM in general. I can tell the difference from when I went to conferences in 2010 or 2011 and now. I think representation and inclusion and making a welcoming environment is better for *everyone.* When you do that, you'll have more diversity."

Create an atmosphere of inclusion: Nurturing a more respectful work culture also calls for building a workforce that reflects society as a whole. "There are things we can do to have more representation and inclusion, which I think are two low-hanging fruits this industry can focus on," Woodson Borroni says. "Showing and representing more women and minorities in executive positions, in retail positions, and really focusing on how you can grow internally."

"We should absolutely go the extra mile in providing a career path for those we are interested in developing," says Cordova-Jack.

Promote the industry: The LBM industry overall needs to do a better job at marketing itself as a great place to work—for any gender—if there's any hope of easing the labor crunch. "Someone's first impression of our entire industry might be based on something we are sharing with them—through Facebook or our website, or in newspaper ads," says Dittmer. "Is what they are seeing creating a positive or negative image

of our industry? Are we marketing ourselves in a way that makes our industry an attractive one to work in?"

Outsiders may not understand the diversity of opportunities across the lumber industry, much less the career potential. One way to showcase this, Dittmer recommends, is to promote your people and their jobs in your marketing outreach. Show the faces of an LBM career.

And keep in mind that impressions span far beyond job ads, she advises. "In [all of] my marketing, I'm always cognizant of the approach we're taking because what we're sharing is something someone might see that makes them want to work for us."

GET INVOLVED

Along with direct mentorship, women in the LBM industry have more opportunities than ever to seek each other out as a way to share advice and build confidence. Women's groups and events are sprouting up across the industry, including panel discussions at conferences. At the Western Building Material Association, Cordova-Jack launched a roundtable last fall, a mix of women from all facets of the industry coming together to discuss career components and share guidance. Dittmer founded a Facebook group, Women in LBM, that is open to both women and men.

"Those things are most important," Cordova-Jack says, "finding a mentor/role model, finding opportunities for education, and finding your tribe of other women working and wanting to do the same things."

"I look at myself 10 years ago and now, and my tribe 10 years ago was all men," she adds. "When I look now, I'm pleased my tribe is more inclusive of women. ...There's huge power having both men and women in your tribe. I encourage young women in the industry to have both. That education is invaluable." ■

Katy Tomasulo is a Seattle-based freelance writer, editor, and content marketer with 19 years of experience covering the LBM industry.

A recent *LBM Journal* Tough Call article: THE WOODEN CEILING (September 2018) asked readers to respond to a situation in which a builder customer named Bobby stops buying materials from a lumberyard once the owner's daughter takes the reins of the company. Here are a few responses that were sent in to the staff at *LBM Journal*.



"My approach would be to offer a different key leader or sales person that would match his need for a different contact person within the company. I wouldn't want to lose business. Offer him a different person in your company to be his primary contact, you probably already know who he gets along with. Ask him to try that arrangement for a month or three months, if he's not satisfied with the pricing, service, or quality of products from your company, then you'll understand."

— Ann Woodson Yager Chapman, Woodson Wholesale, Inc.

"In response to this article, and my opinion on what I would do if Bobby wanted 'things the way they used to be' and he was not certain that a woman could take care of his business needs. My response would have been to ask him if he valued the relationship that he had with my father before he retired. If so, I would have to tell him that my father put his faith and trust in me to run the business, should he not be willing to do the same? I would also let him know that I was confident that I could handle his business as both a fill-in supplier as well as his primary supplier should he choose to allow me to take on his business.

"I would assure him I would continue to meet his needs moving forward with hopes that he would allow me to earn his business, just as my father had faith in me to run the business. I would also point out that his current primary supplier was costing him time and money by not being able to fill his needs from the beginning. If given the opportunity to be his primary supplier, I would streamline his job and lower his costs associated with having to split the business."

— C.J. Warner, Orgill, Inc.

"No pun intended, but I suggest you raise the ceiling. Go to Good Old Days Homes and offer to guarantee your material list. If your competitor is doing it, then Good Old must be back-charging them for the deliveries you are making. If so, this gives you the opportunity to raise prices without impacting Good Old."

— Harry Fishleigh, III

"I read the article The Wooden Ceiling in *LBM Journal* and decided to offer a different response. First of all gender bias exists and will probably exist for a very long time. I have been working in LBM for almost 20 years and I don't waste a minute worrying about gender bias. I accept that it exists and I focus my energy on things that I have the power to influence and change. My goal with any customer is to provide the best possible customer service by doing my best to build rapport, grow relationships and form alliances.

"My experience has shown that the customer will choose who they want to buy from, and if you put your best foot forward you know you have done your best and have no reason to feel bad about it. Nine out of 10 customers will choose to buy from me because they know I have their best interests at heart. So the next time Bobby has an emergency, remember the values that grandpa had in mind when he started the lumberyard. You may not be everyone's first choice, but you are in business to provide a service and help 'make dreams come true'. Bobby may or may not come around but that decision is up to Bobby."

— Angela Nevers, Do it Best Corp.

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What's a dealer to do when several key, long-term associates are nearing retirement, and young pros aren't exactly lined up to take their place? That challenge, suggested by two readers for our most recent survey, has no easy answers. In fact, judging from the results of our monthly Real Issues surveys, attracting, hiring and retaining young pros is one of the toughest issues facing our industry today. While frustration is evident in several answers—"Sell the business before it's too late," and "Lower your standards and quit drug testing"—many others shared practical insights that can help you face this challenge head-on.

AGING OUT

In one form or another, the problem of attracting, hiring and retaining young pros is consistently the most commonly shared challenge to our Real Issues surveys. For this month's Real Issues feature, we combined what two readers shared—difficulties attracting and hiring young people with the problem of experienced team members retiring. Both readers who submitted this challenge will receive *LBM Journal* Prize Packs (polo shirt, mug, cap, pen and more).

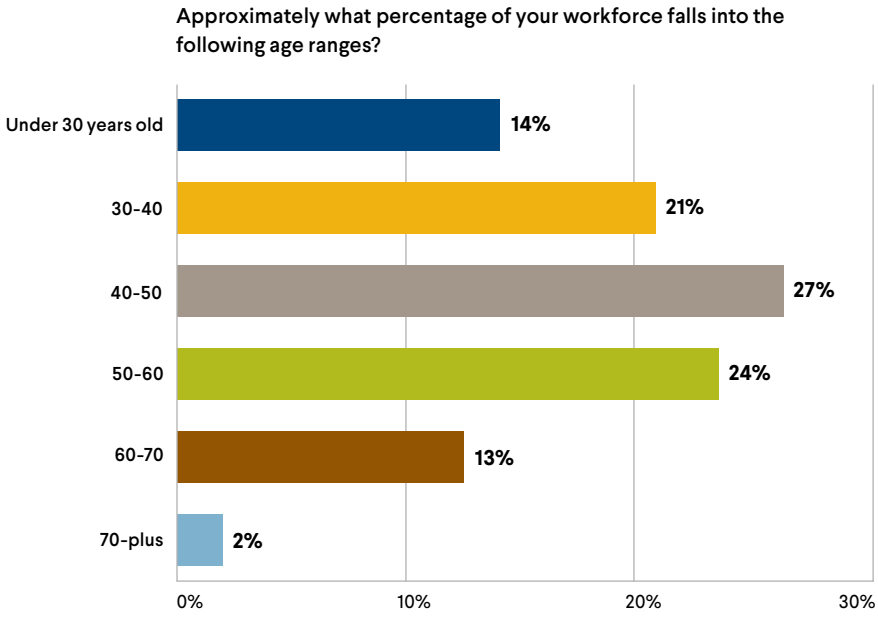
Here's their combined question, which effectively reflects a very real issue facing dealers from across the U.S. "Great people in positions throughout our company are aging out and retiring or leaving the industry. This includes people in sales, warehouse, operations, and more. We're having problems recruiting new talent into our workforce—especially those in their 20s and 30s. Our pay and benefits are competitive, and once people come aboard, they tend to stay for years or decades. It's a good place to work, but still we struggle attracting young talent. What can we do to attract new blood?"

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As we do each month, we built a very brief survey around that question and sent it to the subscribers who've opted in to receive email communications from us. A big thank you to the 200-plus readers who took time to share their insights and experiences. If you'd like to participate in future Real Issues surveys, drop me a note at Rick@LBMJournal.com, and we'll get you added to our opt-in list.

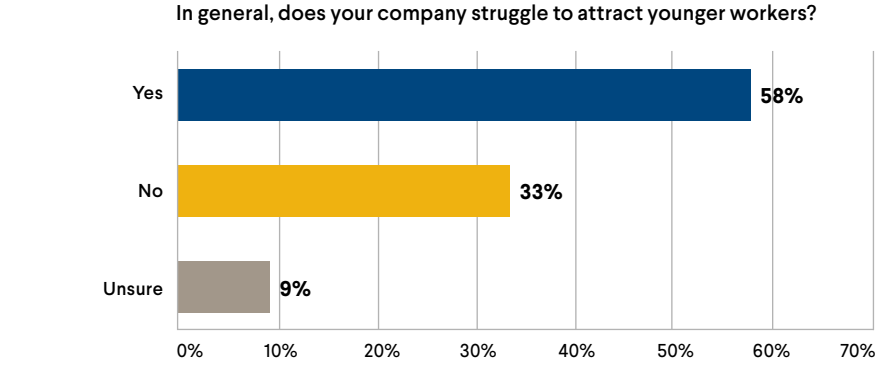
QUESTION 1

First, we wanted to get a feel for how the age breakout of team members applied to the respondent companies, so we asked: "Approximately what percentage of your workforce falls into the following age ranges?" As the chart shows, the majority of employees at the respondent companies (51%) are between 40 and 60. Among respondents to this survey, the percentage of employees under 30 (14%) is almost identical to the number of employees over 60 (15%).



QUESTION 2

Next, we wanted to gauge how many respondent companies are struggling with this problem, so we asked, "In general, does your company struggle to attract younger workers?" While exactly 1/3 of respondents said no, nearly six out of 10 (58%) said yes. This confirms the anecdotal evidence that most LBM dealers are having a tough time attracting younger workers.



QUESTION 3

"Great people in positions throughout our company are aging out and retiring or leaving the industry. This includes people in sales, warehouse, operations, and more. We're having problems recruiting new talent into our workforce—especially those in their 20s and 30s. Our pay and benefits are competitive, and once people come aboard, they tend to stay for years or decades. It's a good place to work, but still we struggle attracting young talent. What can we do to attract new blood?"

READERS' RESPONSES:

"We recruit graduating college and community college students for our intern program as well as our Manager in Training program. We have had great success with this. Five of our nine managers are under 30."

"Offer existing employees financial incentives for recommending friends who may want to work for the company. Participate in local job fairs."

"Advertise with social media, also advertise for help within your market."

"Start looking in the high schools, especially shop class."

"Recruit from local community college construction management programs. Also, major universities, however those graduates are often more prepared for a superintendent position with commercial builders. Promote the opportunities for growth within your company and the benefits you provide. Make them understand they'll be entering into one of the largest industries in the world."

›

"1. You have to advertise your business. It seems like a no-brainer, but you have to go to the talent, not wait for the talent to come to you.
2. Always be on the lookout. If you are out to eat on the weekend and have a great, hardworking, personable waiter, extend a business card and ask if they might be interested in a career and set up a meeting.
3. No one's going to like this but… raise the starting wage/salary/benefits package. Everyone works to make a living. The unemployment rate is low, and it's competitive to find top talent. If you are in the top 20% in the industry in compensation, you should be able to attract the top 20% of talent. Same goes for the bottom 20% in compensation."

"Work the family and friends network. For sales and management, look to local colleges and universities and their career planning departments. Another good source to look into is vocational training centers."

"We rely on referrals from our employees. Our employees are happy and engaged, so they make some of the best talent scouts."

"How's your brand message? And your facilities? Is your company inviting for younger people to consider working there? Can they see themselves working in your company? Do you tell a compelling story of how they can have a career with you? We always remind ourselves that nobody dreams of working in a lumberyard unless it's their family's business. You need to reach out, recruit and tell a compelling story of how this can be a rewarding place to be."

"Give them incentives to come aboard. Health insurance, 401k, longer vacation packages, bonuses, and family time, especially with small children. Be flexible and committed."

"You need to offer more perks, commission, etc. Stress the teamwork attitude. Younger workers are interested in flexibility also. Maybe look at doing a four-day work week or working off-hours instead of a rigid schedule."

"You have to make a value proposition to potential hires. This industry gets a bad rap, sometimes deservedly so, for being very conservative, not tech-savvy, with limited advancement opportunities, especially at small companies, and working conditions that are not appealing to all types. This is, however, an industry where you can make a very good living if you are ambitious, willing to learn, and have a solid work ethic and healthy set of values.

"You don't necessarily need to have a college degree in order to secure advancement. You need to attend the same types of functions that the trades are attending to recruit staff. You need to develop relationships with high school guidance counselors and building trades teachers. There are young people who enjoy aspects of the building trades, but may find it more rewarding to work on the supply side of the equation."

"Reach out to local vocational schools to help discover strong entry-level candidates. Another strong strategy is to identify good workers in customer-service jobs in other industries and recruit them."

"Groom people within the organization, look for strengths in people, not weaknesses. There is always someone wanting more in their life. Often, it's those people who represent the future for our companies."

"Create an appealing place to work. People need to be proud that they work for you. Instead of five-day work weeks, consider four ten-hour days, to give them three-day weekends."

"You need to hire young people capable of moving up the ladder and promote them as soon as possible. Have them interview the new applicants, to include them in the process. If young people see the potential in your company, one that doesn't mean they have to reach 50- or 60-years old to get ahead, they will want to join. Ask yourself how a young person would view your company. Keep recruiting. Look outside the industry. There are plenty of young people looking for a good opportunity."

"Partner with a local college or university and try to recruit people."

"Most young people live and breathe technology, so it's important that you have up-to-date technology tools. If a twenty-something comes to your offices and sees green screen computer terminals, the odds of bringing them on board just went way down. You need to be technologically advanced in your business, and it's helpful to be all over social media."

"I encourage everyone in this industry to read the piece by Rick Davis called: 'Construction Supply: The Opportunity Industry'. [p. 44, February 2019 *LBM Journal*]. It has great information to sell our business to young people. If you were to use it at a high school or community college job fair, I think you could turn heads. I would give a copy to prospective employees to read over and think about. A sharp, ambitious, hardworking individual has limitless opportunities in this industry. We have many examples here at our company, myself included."

"We keep trying to recruit entry level positions from that 18-25 range. When we get a good one, we actively empower him to make good decisions and train him to be more valuable. Most of our employees like training that makes them feel more valuable. We also actively try to hire early retirees in the lumberyard. They tend to be reliable and, given the right material handling tools, they can do the work."

"Increase your presence on social networking sites that are visited more often by younger individuals. Target local high schools and trade schools. Leverage an internal employee referral program."

"Try to create a fun and passionate atmosphere."

"Reach out to community and four-year colleges and sell the benefits of your business. We're in a noble profession, providing housing and shelter to our fellow citizens." ›



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"We use a contract labor/head hunter agency. This has worked well for us."

"Maybe try college recruiting or tech school recruiting, and place job ads online (Indeed, Monster)."

"Time-off is a deal-breaker for a lot of this generation. Our company believes they offer a decent program, but compared to many other companies, the amount of time-off we provide just isn't competitive."

"Reach out to different recruiting platforms, community colleges, offer recruiting bonuses."

"Try everything. Job fairs at high schools, colleges, unemployment offices, etc. Craigslist, social media, etc. Once you do attract a prospect, train them. Involve them. Make them feel like an important part of your team."

"Start with internships and offer additional programs for continuing education. Be seen in the community—in all types of events, charitable and otherwise, to raise your brand's profile. Show applicants a future, a career path—not just a temporary stop."

"Million-dollar question."

"Younger employees value flexible schedules and time-off almost as much as compensation. They also need to feel like they can make a difference. Consider how your culture supports these needs."

"I have a great connection with one of my employees who is a high school wrestling coach. Most of my summer help comes through that. I also work with other teachers in the area to find good kids. I would suggest contacting local tech schools."

"Use temporary labor companies like PeopleReady for on-the-spot auditions when it comes to general labor. If it's clerical work/keeping track of calls, dates, etc., outsource to virtual assistants. Find a software that allows your customers to interact and build their own orders and automate things more because there is no one out there that wants to work. That's just the way it is now. Everyone needs to quit crying about it and stop trying to attract anyone because they do not exist."

"Don't know, looking for answers. It's tough getting younger people who want to do physical labor."

"We are very diligent in our search for smart, personable people. Age does have its boundaries, and limitations at both ends of the spectrum, but a keen interest for the industry is what we first look for." ›



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"Social media works well for us. Employees started sending out the word on Facebook and word gets out there. When the word about openings comes from employees, it has more credibility because people are more apt to believe an employee that it is a good place to work."

"Understanding that the new generation of workers have different priorities than the previous generations."

"No idea. The problem I notice is that the entry level positions aren't the 'glamorous' jobs. It takes a lot of time and hard work to get to that point and most leave first. Promote when promoting is due. Don't leave someone deserving of a promotion in a lesser position because they are good at their current job. Give them the opportunity they've earned."

"Sell the business before its too late."

"Build a timeline with your older leaders of projected retirement, then begin using your own team to help recruit early—well before that projected retirement. Consider a signing bonus for current employees who recruit someone new. Look at your customer base as a place to recruit from as well. Often, the people working in the field have no benefits and no regular hours. This could be a great place to find new employees."

"Utilize the senior members of your staff to acquire talented younger members and then have them mentor them with free reign to pass on their successful traits and processes."

"Engage your current employees and customers."

"High school high-achievers who don't want to go to college."

"1. You will have to adapt. Learn what they're looking for in perks, benefits, career paths, etc. Start thinking about what you might have to change.
2. If you are not already, start using social media at work. Today's work force is online daily. Do you want to reach them? Get out there.
3. The days of baby-boomers chiding millennials is gone. If you don't change, you and your operation will be left behind. All aging yards should really look at their approach to the younger workforce. They're interested in careers that do not require exorbitant student loans. Maybe the perks they're asking for aren't that far-fetched. Maybe the short-cuts they take aren't 'lazy' but 'working smarter, not harder.'"

"We keep postings up all the time on multiple job boards. We also keep our Facebook page and website up-to-date and fresh." ›

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THE HUMAN ELEMENT OF FLEET SAFETY:

MANAGING SAFER DRIVERS

Whitepaper Sponsored by: Pennsylvania Lumbermens Mutual Insurance Company

On roadways ruled by sensors, GPS devices and telematics, one variable still stands to improve safety and reduce the risk of crashes: the driver. But why should lumber and building material dealers be concerned about hiring and training safer drivers—and how can they manage employees for fleet safety? Here, Michael Zdrojewski, Senior Loss Control Representative with Pennsylvania Lumbermens Mutual Insurance Company, makes the case for a company focus on the human aspects of safe driving.

PENNSYLVANIA LUMBERMENS MUTUAL
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BUSINESSES ACROSS THE COUNTRY HAVE A DRIVING PROBLEM

Cars and trucks are safer than ever before, with advanced safety features like automatic braking. Anti-distracted driving campaigns are omnipresent, reminding us through billboards and bumper stickers not to text and drive. For many workers who drive as part of their jobs, motor vehicle record (MVR) reviews are a standard part of the hiring process. Plus, the number of people killed in motor vehicle crashes has fallen 15 percent since 2005, according to the Insurance Institute for Highway Safety (IIHS).

Considering these trends, it may surprise you to learn that driving is a dangerous task for employees. In their most recent Census of Fatal Occupational Injuries, the Bureau of Labor Statistics found that transportation incidents caused 40 percent of occupational fatalities—more than any other type of incident. Additionally, large trucks—like the box trucks, boom trucks and flatbeds operated by lumber and building material dealers (LBMs)—are a frequent source of losses, causing 1 in 10 highway deaths, according to IIHS, and truck-related fatalities have risen as overall motor vehicle fatalities have fallen.

Though keeping employees and others safe on the road is a priority, auto accidents are often costly for businesses as well. Over the past five to 10 years, the insurance industry has tracked an increase in the cost of commercial auto insurance claims. It is thought that increases in healthcare costs are increasing the severity of bodily injury claims, while the severity of physical damage claims has risen due to the incredible technological complexity of modern vehicles.

For businesses, these losses can have a number of direct and indirect financial costs. For many LBM auto losses, equipment and materials beyond the vehicle can be damaged in the accident and need to be repaired or replaced. Plus, auto losses increase your insurance premiums. Consider also the lost productivity of a worker involved in a claim and the administrative time spent on filing a claim and coordinating repairs. Further, a large, injurious accident can damage a business's reputation, with its logo splashed along the side of a crumpled vehicle.

In this shifting automotive safety landscape, at least one critical fact remains true: 94 percent of accidents are due to driver error. Businesses have a responsibility to their communities to hire, train and manage safer drivers. That provides the LBM industry an opportunity: we can help drivers adopt safety-oriented behaviors to help reduce accident incidence and severity.

BUILDING A FLEET SAFETY CULTURE

Addressing driver behavior begins not on the road but on paper by creating a formal fleet safety policy. Around 59 percent of businesses do not have a formal safety program in place, according to risk management software maker SambaSafety. Yet a fleet safety program codifies the expectations, policies and procedures that guide driver behavior.

Fleet safety policies will vary from company to company, but LBM dealers will want to consider the following critical elements:

- *A safety mission statement*
- *Policies on the hiring, screening and selection of employees*
- *Policies and procedures for the operation of vehicles*
- *Defensive driver training information*
- *Accident review protocols*
- *Details of driver observations and electronic monitoring programs (e.g., GPS and telematics)*
- *Accountability for drivers and supervisors in the event of an incident*
- *Drug and alcohol screening*
- *Rules on personal use of vehicles*
- *Safety guidelines for load securement, shifting and falling cargo*
- *Cell phone use and distracted driving policies*
- *Motor Vehicle Record (MVR) review policies*

Consult your insurance partners or professional associations on what fleet safety planning resources they provide.

CHOOSING SAFE DRIVERS

With policies in place, operating a safe fleet starts with hiring safe drivers. Past driving behavior is one of the best indicators of future driving performance. For positions with driving duties, review a candidates' driving history during reference checks of previous employers. Also review the candidate's motor vehicle record (MVR) and ensure they have a valid driver's license and/or commercial driver's license (CDL) if necessary.

In addition to a suspended license, there are several red flags to look for when reviewing MVRs. These include reckless driving, frequent preventable accidents and speeding tickets, as well as citations for driving while intoxicated (DWI), hit and run accidents and driving with a revoked license. These and other moving vehicle convictions and citations identify high-risk drivers.

Driver qualifications also need to take into account requisite federal and state driving regulations. Ensure drivers operating trucks that require it meet the Department of Transportation CDL regulations or, if necessary, meet the requirement of the DOT Federal Highway Administration Federal Motor Carrier Safety Regulations.

Also, employers must maintain clear records of their qualifications in compliance with DOT standards. In the event of an accident and insurance claim, it can prove your due diligence in hiring. Each employee driver's file should include:

- *Written application, reference checks and interview notes*
- *MVR review*
- *Physical examination and medical exam certificate*
- *Road test and written test results*
- *Copy of driver's License and CDL*
- *Documentation that the driver has reviewed procedures prior to permission to drive*

Specific hiring procedures and requirements will vary from company to company and state to state. What is universally important is identifying drivers with a history of safe driving behaviors.

SAMPLE FLEET SAFETY POLICY

Download a sample policy for your reference at www.plmins.com/loss-control/loss-control-guides/

Policies and procedures are only as good as their enforcement. Trained drivers typically are aware of the right procedures, even if they fail to follow them and cause an accident. How do we ensure drivers follow proper protocol and use their training? This is where company culture comes in.

Policies and procedures must be an integral part of how the organization operates. In businesses with safe driving cultures, managers observe driver behavior, provide feedback and attend to warning signs like speeding tickets. Often, businesses do not want their employees to lose driving privileges– but not enforcing consequences for accidents and tickets reinforces negative behavior. To that end, it is better to tell employees you have a goal of zero motor vehicle incidents in a year than to tell them you would like to reduce incidents by 25%. It is essential to create a culture where accidents are unacceptable.

TRAINING AND DRIVER SUPERVISION

Once a qualified driver has been brought on board, maintaining their skills and commitment to safe driving is important. There are several tested and proven safe driving trainings available, including the Smith System and the National Safety Council's Defensive Driver Training program. Look for trainings that cover basic safe driving practices, such as maintaining a safe following distance, as well as the dangers of driving under the influence, handling fatigue, navigating dangerous road conditions, and distracted driving.

Like fleet safety policies, training is only worthwhile if drivers are held accountable to practice what they have learned. There are several ways to monitor, observe and remediate drivers. Supervisors should conduct routine driver observations, which can happen through ride-alongs or through modern telematics tools and dashcams.

"How am I driving?" programs, like that offered by Driver's Alert, are another effective driver monitoring strategy that provides ongoing visibility. A simple, reflective decal on the back of a company vehicle gives other drivers the opportunity to report unsafe driving behavior to supervisors.

Another form of monitoring is an MVR review, which typically occurs on an annual, point-in-time basis. However, yearly monitoring is not always sufficient. Though a fleet safety policy may specify that drivers should report to their supervisor a moving violation or suspended license, this does not guarantee a driver will do so. An employee with a revoked license could drive a company vehicle for months—which leaves the company with a huge liability exposure should the driver have another driving incident. Continuous MVR monitoring tools like SambaSafety and iiX notify supervisors if an employee's driving record changes in real time. Not only does this keep a potentially unsafe driver off the road, but it provides the business an opportunity to remediate the driver with additional training.

PREVENTING DISTRACTED DRIVING

Though we associate it with texting these days, distracted driving is any behavior that removes the driver's attention from the primary task of operating the vehicle. That means making phone calls, eating, applying makeup, programming a GPS and talking to passengers are all distractions that are cause for concern. Preventing distracted driving is covered in the trainings mentioned above, but there are ways managers and supervisors can encourage employees to act against distracted driving.

Supervisors can help drivers adopt a pre-trip routine. This involves adjusting all mirrors, climate control and radios, as well as programming GPS navigation. Discourage employees from conducting business on the road; sales people, in particular, may be tempted to make calls while stuck in traffic. Supervisors can reinforce this by refraining from calling employees when they are scheduled to be on the road. Finally, empower drivers to speak up and advocate for safe driving—they should know they can refuse to take calls while driving and take the time to pull over if they need to program a new GPS destination.

RESPONDING TO ACCIDENTS

Though managers are seeking to prevent all accidents, the fact of the matter is they are likely to happen at some point. The immediate aftermath of an accident is a critical time for addressing liability concerns, and how drivers respond makes a difference. After moving vehicles to safety, drivers should contact the local police or call 911. The employee driver should get contact details from the other driver(s) and vehicle occupant(s). They can record that information on an accident reporting form, which should be stocked in every company vehicle. The driver should take as many pictures as possible of the accident scene utilizing their cell phone. At this point, it is critical that employees do not discuss liability with any party and do not admit fault, other than what is required to communicate with police and first responders.

All adverse driving incidents are a learning opportunity. That's where accident review committees come in. Comprised of upper managers, supervisors and employee drivers, this committee reviews accidents with a driver involved in an incident. This is done not to punish the driver but to identify and equip them and other drivers with measures to improve the company's overall driving performance and prevent future accidents.

GETTING SUPPORT THROUGH BUSINESS PARTNERS

Today, there are more digital tools and resources available than ever before to screen, monitor and train safer employee drivers. But one more human resource is available to support supervisors and managers: your insurance partners. From regularly updated risk management guides to their loss control team, resources are available from your business's insurance company.

Pennsylvania Lumbermens Mutual Insurance Company has been insuring LBM dealers for 124 years—which means we have seen it all when it comes to driver safety. That's why we work closely with insureds to encourage safe driving. We offer discounts for continuous MVR monitoring through SambaSafety and iiX, and our loss control team is always just a phone call away.





"For starters, take a look at job descriptions, job functions, job titles. Which positions are flexible hours-wise, where people could work from home. Punching a clock at the place of business (think rat race) is something many of the next generation of workers don't like. Secondly, go to college job fairs, talk to a diverse cross section of 20-somethings. Find out what they're looking for and adjust your job descriptions appropriately, if possible."

"Job fairs have proven to be a great way to connect face-to-face with people looking for a job. We've found several good young people who we've had conversations with at job fairs who had no interest or experience in working at a lumberyard. But once they talked with us—and we always try to have a young member at our team with us as well—they learn that it can actually be a great job that can turn into a great career."

"Ask your employees if they know anybody that would be a good fit. Offer your employees a bonus if their suggested recruits join your company."

"Lower your standards and quit drug testing."

"Our best source for new employees is using referrals from our current employees. Asking customers and their families has also been useful."

"Building supply is not viewed as a 'sexy industry' to work in, because people think that it relies on lots of old school thought and tech. It also requires physical labor. We need to break that mold and redefine how people view our industry in order to attract talent. This is especially frustrating for those of us who just love being part of this industry. Maybe communicating your love and passion for the industry will help?"

"It's important to get in the schools and engage the students."

"Recruit local trade/tech schools and universities with construction management/forestry. Keep your eyes open at the local supermarket, landscaping companies, big box stores etc. We once recruited one of our best from the local gas station. Have the rest of the staff recruit also, offer a cash bonus for a successful hire. I don't think we are alone, other industries suffer also."

"Do not lower your standards, just keep looking." ■

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MANNING BUILDING PRODUCTS

BY JAMES ANDERSON

OUTDOOR LIVING LEADS THE WAY

FOCUS ON DECKING HAS MADE MCCABE LUMBER A REGIONAL POWERHOUSE.

In Loveland, Ohio, McCabe Lumber is bringing the outside in. The company's continued focus on decking products has led to a 15% increase in sales in the outdoor living category, and Inside Sales Manager Steve Billingsley says he doesn't see the rise in customer interest in decking abating any time soon.

"It's a huge category for us for our inside sales-related activity, especially from April to October and even November," he says.

Billingsley, along with his 12 inside sales specialists, have grown to be the premier decking retailer in Southwest Ohio, including the Cincinnati region. Their success has been spearheaded primarily by the company's annual DeckExpo.

DECKEXPO

Each April, McCabe Lumber showcases the latest in deck design and product innovation for pro and DIY customers alike. While a high percentage (85% overall) of customers are pro contractors including deck builders, it's actually the homeowners who end up driving the bulk of the sales, says Jerry Tepe, McCabe's sales manager.

"There's a lot of DIY activity in the selection of this product category, but that doesn't mean they're going to install it. While we're marketing and advertising and consulting with the homeowner, they'll still have it all professionally built," Tepe says.

With the largest lumberyard in the region, and a significant showroom, McCabe's DeckExpo has drawn the attention of not only decking customers, but manufacturers, distributors and other vendors. Specialists from key manufacturers are on hand for the DeckExpo each year to answer product questions. The DeckExpo often draws representatives from throughout the outdoor living category, including grill manufacturers.

The DeckExpo fuels a large amount of the company's outdoor living product sales. Tepe says the company sees about 3,000 visitors during the annual event it holds in early April. "About 1,000 of them are decision-makers," he adds. The DeckExpo takes over the location "inside and outside," and includes a discount voucher for purchases up to one month after the expo for those who have to give a product or design some additional consideration. ›





"WE'RE SELLING EXTENSIONS OF LIVING SPACE. IT'S REALLY AN EMOTIONAL PURCHASE. WE TELL PEOPLE THAT THIS MAY BE THE LAST DECK YOU BUILD, AND WE ENCOURAGE THEM TO LIVE A BIT. WE ASK WHAT THEY ENVISION DOING ON THE DECK, HOW DO THEY SEE THEMSELVES MAXIMIZING THEIR LIVING SPACE."

— STEVE BILLINGSLEY

"It really kicks off the deck season here in Cincinnati," Billingsley says. "The show is geared to educate the customers on what products are current, and on trend. There's a new group of buyers every year who are in the market for decking and deck-related remodeling."

Major decking brand displays are set up in multiple locations throughout the facility and a local radio station broadcasts live from the event.

While decking is a seasonal focus for McCabe Lumber, Billingsley says, "it never really stops." Not letting it stop has elevated McCabe Lumber to its position as a destination retailer in a region that covers from Cincinatti to Northern Kentucky and parts of Indiana.

"Our sales tools are key," Tepe says. "We have 8' wide displays featuring specific product lines including railings and accessories. We focus on the displays and make sure we have plenty of samples for consumers to take home. They're impressed with our literature and our highly-trained salespeople. We make sure they leave with color selector guides and install guides and everything else they need. Manufacturer samples surely drive that. Professional deck builders in the area all say to their customers 'Go to McCabe Lumber and let me know what you want.' "

At McCabe, customers find 39 colors of composite decking, four species of wood for decking, lighting, and "more railing options than we can list," Billingsley says. To put the breadth of railing in perspective, he added that McCabe carries three different cable railing options in stock.

With that much decking selection available, there's no wonder McCabe is seen as a leader in the market. But it's not just inventory that draws in customers, it's the expertise that McCabe Lumber's sales staff offers.

"Most of our customers who shop the sales floor aren't just looking for 10x10 decks anymore," Billingsley says. "We're selling extensions of living space. It's really an emotional purchase. We tell people that this may be the last deck you build, and we encourage them to live a bit. We ask what they envision doing on the deck, how do they see themselves maximizing their living space. Is it dining? Relaxing? We talk to them about our different options."

Tepe agrees, and stresses that the key to deck sales at McCabe is the knowledgeable sales staff. "We don't just sell people decks. We are their consultants. If someone comes in and asks what's the best thing, we tell them that the best thing is the product that best suits their budget and lifestyle. We have what they want, we just need to help them discover it."

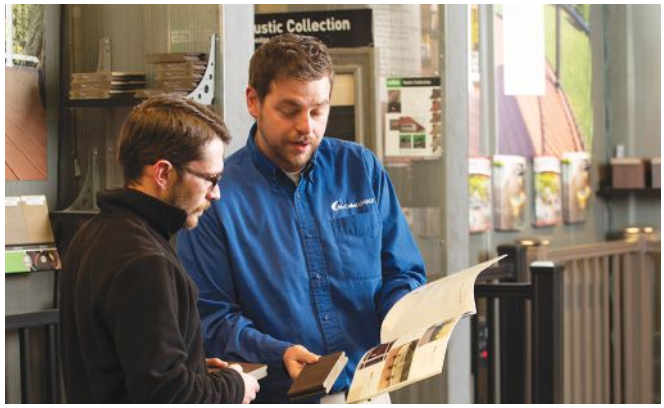
A big added value at McCabe is that they not only know decks and accessories, but they know how to quote a deck project. "We make sure they have the right amount of fasteners, decking, and all the details to make sure the install goes as seamlessly as possible." Tepe says. Beyond that, it's just getting the materials to the jobsite.

"We deliver probably 95% of the decks that we sell," Tepe says. "Because of that, it's paramount that we get it right the first time."



Billingsley, along with his 12 inside sales specialists, have grown to be the premier decking retailer in Southwest Ohio, including the Cincinnati region. Their success has been spearheaded primarily by the company's annual DeckExpo.

















McCabe Lumber employs 110, of which 30 to 40 at any given time are working in the manufacturing side of the business that builds trusses and wall panels, and a millwork department that pre-hangs interior and exterior doors. Others are involved in installing windows and doors in new construction. Another 10 are outside sales representatives.

BEYOND DECKS

When McCabe Lumber was founded 45 years ago, the home building and remodeling industry wasn't nearly as focused on the concept of outdoor living. The company started as a hardware store and developed one branch into selling more lumber. From there, McCabe Lumber was created in the 1990s. There are still remaining McCabe Do it Centers in the market, but they are operated entirely separate from McCabe Lumber, Tepe says.

Today, the family-owned company employs 110, of which 30 to 40 at any given time are working in the manufacturing side of the business that builds trusses and wall panels, and a millwork department that pre-hangs interior and exterior doors. Others are involved in installing windows and doors in new construction. Another 10 are outside sales representatives. Tepe says the current labor climate has meant hiring more than ever at McCabe and a good portion of his job is helping to ensure that the right people are in the right roles within the company.

With $48 million in revenue last year, a balanced approach to sustainable sales growth is first and foremost, but Tepe says that decking is leading the way. The company had seen an upward trajectory since 2011 up to last year. While there were "six or seven years where the increase was from 5% to 15%, decking probably grew 12% to 15%," he says.

Billingsley is happy to keep growing in the decking category. "This year we started with 72' of display, and added another 32' of decking display," he says, "just because we're bringing in new and different models."

Last year for the first time the company built an outdoor kitchen into the showroom, and the category is continuing to grow. With a recent introduction of Trex outdoor furniture, the showroom has grown to include even more outdoor living display space.

"The people here, the showroom, and the inventory are our value proposition in the market," Tepe says. "Our customers love the depth of our inventory and how well our salespeople are trained to guide them and answer specific product questions." ■

GET TO KNOW MCCABE LUMBER

FOUNDED:	1974
OWNERSHIP:	FAMILY-OWNED
LOCATIONS:	ONE
EMPLOYEES:	110
SALES SOFTWARE:	EPICOR BISTRACK
PURCHASING GROUP/CO-OP:	DO IT BEST LBM ADVANTAGE
TOP THREE BRANDS:	ANDERSEN WINDOWS AZEK BUILDING PRODUCTS JAMES HARDIE

DECKS



BY JONATHAN SWEET

GROWING PROJECTS MEAN OPPORTUNITIES FOR DEALERS.

WITH OUTDOOR LIVING PROJECTS growing in popularity and size, decking represents an attractive category for dealers. At the same time, that strength also means plenty of new products and options for dealers to choose from to meet the demands of their market.

Trex foresees continued growth in the decking segment this year, especially on the renovation and remodeling side, says Vice President of Marketing Leslie Adkins. "We think 2019 can be very, very positive going forward, particularly as we go after a newer segment that's all about converting wood," Adkins says. "That opportunity has a lot of legs because no matter what the economy does, if you've got a wood deck, I can guarantee you it's degrading every single year and it's not going to be timed to an economic cycle as to when you have to replace that."

Deckorators also expects strong performance in the replacement market. "Remodeling is going to remain strong as people are staying in their homes longer," says Chris Camfferman, managing director of marketing for Deckorators. "Also, there is pent-up demand for outdoor projects based on the volatile weather we had in 2018. We had a short spring and a very hot summer in many parts of the country, both of which are not ideal conditions for building decks." ›



Vertical grain variegation is designed to give Deckorators Voyage, an ultra-low maintenance composite, the trend-forward appearance of the highest-quality wood. Voyage comes in four colors: Sierra (dark gray), Tundra (gray), Costa (golden brown) and Mesa (red brown, pictured).

Homeowners want more than a simple deck, says Jase DeBoer, senior category marketing manager for Universal Forest Products/ProWood.

"They're no longer just a simple add-on, people are truly looking at decks as another room on their home," he says. "So they're taking time to plan for the way they intend to use the space, whether that be to entertain, to cook, to make it their quiet escape."

From a design standpoint, builders are becoming more creative.

"Rather than laying deck boards across joists and having the open ends exposed on the sides of the deck, we're seeing a lot more builders add blocking around the perimeter of the framing so that they can picture frame the deck," DeBoer says. "Whether the builder uses mitered corners or otherwise, adding a picture frame around deck boards is a beautiful way to add design and a finished look to the deck. On larger decks, they're even adding the picture frame through the middle of the deck, which adds to the design aesthetic, but also can act as a seam giving a clean look by reducing butt joints."

YellaWood CMO James Riley agreed with that sentiment.

"They want their decks to be the focal point of a larger outdoor experience," he says. "They're incorporating space for movie projectors and using screens to break the space into different 'rooms' and other unique ways to make the space uniquely theirs."

One of the primary drivers of this trend is the growing number of millennials entering the housing market, Riley says. "With young kids at home, this generation places an emphasis on quality family time and the memories that can be made in their own backyard," he says. "This means creating a playground oasis for the kids and expanding the square footage of their homes with outdoor dining areas and kitchens for entertaining friends and family. In addition, Boomers are choosing to age in place and are often looking to replace existing decks or are searching for new ways to invest in their homes."

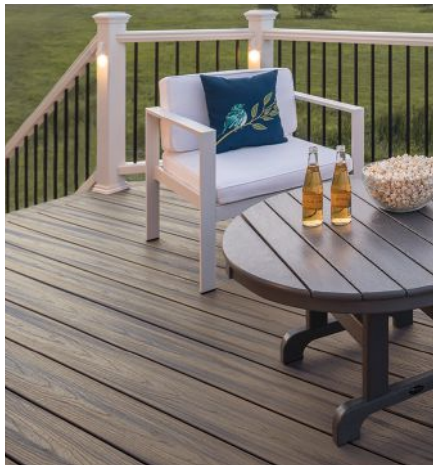
MoistureShield is seeing similar desires from consumers, says Senior Brand Manager Joey Peters.

"We've talked to a lot of homeowners who really like that idea of being able to flow in and out and enjoy the space from the inside to the outside," he says. "Another thing is that it increases the profitability of a home when they're trying to resell it. Obviously, there have been studies and the Remodeling Index and things like that really indicate that outdoor living spaces and decks are very desirable. I think it just gives a unique differentiation."

The trend of bringing the feeling and comfort of inside to the outdoor living space continues, says Juliana Rumbaugh, marketing communications manager for Lonza.

"Deck designs are more elaborate including multiple levels, kitchens, water and fire features and all the amenities you'd typically find in an indoor living room and kitchen. Decking color preferences tend to remain neutral but the accessories on the decks have bright, vibrant colors and often reminisce of days at the beach, relaxing on the deck looking over the water," she says. "There is an ever-growing desire among men and women of all ages to maintain balance and restore inner peace. When you have a comfortable spot to enjoy fresh air and relax, you can achieve that feeling."

There is a big movement with homeowners and designers wanting to create truly unique outdoor spaces, says Patrick Barnds, AZEK Building Products senior vice president of product management. ›



Trex Enhance Naturals composite decking includes five contemporary, multi-tonal hues that feature the streaked looks of natural wood. The new shades of Foggy Wharf, Rocky Harbor, Toasted Sand, Coastal Bluff and Sunset Cove are designed to look like wood, but not rot, warp, crack or splinter.



Vision Decking from MoistureShield is engineered to mimic the look and feel of hardwood floors in an outdoor environment.



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"They have been doing it in interior flooring now for years and those same trends continue to move outdoors," he says. "So, we are seeing much more interest in wide-width products, mixed-widths, patterns and mixed/blended colors. These range from the more subtle (three colors of brown) to the more extreme (charcoal, light gray and white). In addition, curved decks continue to gain in popularity."

NEW OPTIONS, NEW SOLUTIONS

With the segment growing, it's no surprise that manufacturers are introducing a bevy of new products. Many are designed to address the growing demand for lower-maintenance products.

"Homeowners today want balance in their life, they don't want to come home from work and have to keep working on the home. Low maintenance products fit the new lifestyle trends, and those that blend in naturally with their surroundings allow the finished project to really raise the appeal of the outdoor space," says Steve Booz, vice president, marketing, at Royal Building Products, which produces Zuri Premium Decking. "Low maintenance is at the heart of today's homeowner—no one wants to put in a new outdoor living space and then have to maintain it year after year."

Zuri decking is designed to replicate the beauty of a real hardwood floor but be easy to care for.

"The authentic look of real hardwood makes Zuri different," Booz says. "All other composite decks attempt to add a variety of 'streaks' or 'swirls' to get close to what real wood looks like. Only Zuri is a photographic print of real wood."

That desire for decks that are easy to care for is also a significant driver of new products from AZEK and its TimberTech brand this year. Vintage Multi-Width Decking, previously available only in a 5-1/2" width, is being expanded to narrow (3-1/2") and wide-width (7-1/4") options.

"In addition to a dramatic, wide-board visual, the 7-1/4" wide version speeds-up installation for contractors by reducing the install time by up to 30%, along with reducing the number of fasteners," Barnds says. "The 3-1/2" narrow board brings high-performance, capped polymer decking into the traditional deck market which is virtually all wood today."

Wider boards are also now available in the Vintage Porch Collection, launched in 2018, with 5-1/4" boards joining the standard 3-1/8" format.

"While narrow width porch boards remain the standard in traditional applications, as we've seen in interior flooring, homeowners and designers have given us feedback that wider-width formats are where the trend is headed," Barnds says. "This product is perfect for all types of indoor/outdoor and exterior porch applications and matches the designs of these same colors in our Vintage decking line. So, homeowners can seamlessly transition from the Vintage deck boards used on the outside deck to the Vintage Porch products used on the porch."

TimberTech EDGE offers homeowners a lower-priced product that still delivers TimberTech quality, Barnds says.

"TimberTech EDGE Decking uses the same high-performance materials as our existing TimberTech PRO products but in a three-sided capped board format," he says. "This type of board has been the standard for lower-cost products from others in the industry for many years, and is a new option to our line-up, as our TimberTech PRO products are capped on all four sides. The elimination of the protective cap on the back of the product allows us to reduce costs without sacrificing long-term performance on the face of the boards, which is what many people care about the most. TimberTech EDGE Decking employs a new linear, quarter-sawn texture, which is not only beautiful but it also hides minor surface wear and scratches much better than many of the more heavily embossed, artificial wood-grain patterns out there today." ›





ABOVE: Zuri Premium Decking from Royal Building Products is designed to replicate the look of a real hardwood floor, combining the aesthetics of wood with low maintenance.

RIGHT: AZEK's TimberTech Vintage Multi-Width Decking, the first-of-its-kind, advanced, capped polymer deck, introduces narrow (3") and wide-width (7-1/4") options to the Vintage Collection, which was previously only offered in the traditional 5-1/2" width.

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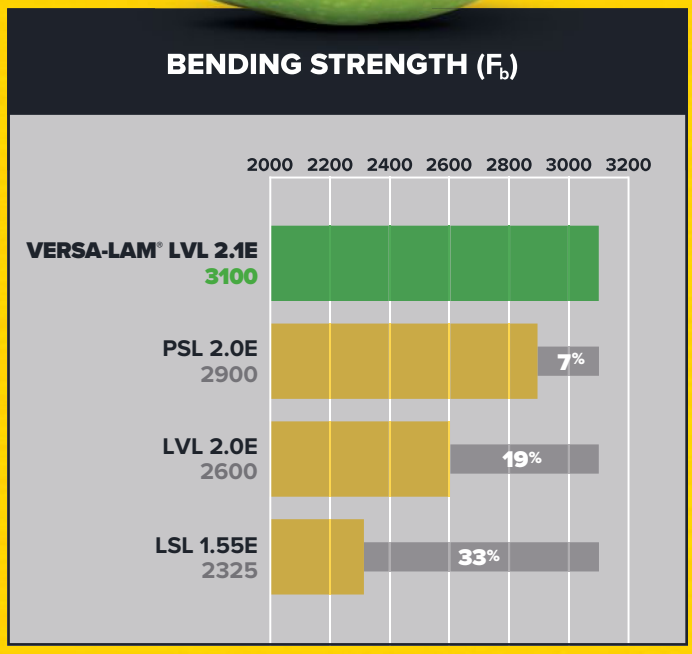
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2.2E 2.3E



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DuraLife has focused its efforts on making the process easier for dealers, contractors and homeowners by simplifying its offerings.

"A troubling trend is that many decking manufacturers are now offering too many color options and that simply adds to confusion among homeowners and added stress and cost for distributors and retailers as they are now being asked to hold additional inventory SKUs and therefore incur additional inventory costs," says Marketing Manager Mike Descoteaux. "Just how many selections of grey or brown do you need? In 2014 we chose to simplify things for homeowners, contractors and our distribution partners by offering eight standard colors across all of our profiles."

In 2018, DuraLife introduced its Step-Clip fastening system, which it says offers up to 50% faster install times.

"We expect to have substantial growth with that product innovation in 2019 as more contractors continue to adopt this groundbreaking installation method, now that those hesitant to try something new have seen and heard about the benefits that early adopters have experienced," Descoteaux says.

This year, Deckorators is introducing a new line of decking using its patented Eovations technology, first released in 2016 in the Deckorators Vault composite decking product line.

"It's a completely different way of making composite decking, from the actual ingredients to how it is manufactured," Camfferman says. "It's a polypropylene and mineral filler product that's extruded and then stretched, almost like taffy. That brings some unique elements to the decking industry. It's very strong, very similar to wood plastic composite, but it's also lightweight, which is very similar to PVC. Additionally, it has very little moisture absorption, and it's extremely stable." ›

"HOMEOWNERS TODAY WANT BALANCE IN THEIR LIFE, THEY DON'T WANT TO COME HOME FROM WORK AND HAVE TO KEEP WORKING ON THE HOME. LOW MAINTENANCE PRODUCTS FIT THE NEW LIFESTYLE TRENDS, AND THOSE THAT BLEND IN NATURALLY WITH THEIR SURROUNDINGS ALLOW THE FINISHED PROJECT TO REALLY RAISE THE APPEAL OF THE OUTDOOR SPACE."

— STEVE BOOZ, ROYAL BUILDING PRODUCTS





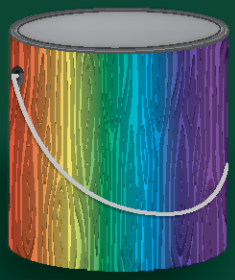
Why WOOD is BETTER than Composites

WOOD is EASIER to USE

WOOD is MORE AFFORDABLE THAN COMPOSITE PRODUCTS

Wood IS MORE ENVIRONMENTALLY FRIENDLY

When you build with WOOD your color options are UNLIMITED



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Lonza

Now, with its Deckorators Voyage composite decking, the company has a decking product that replicates the linear streaking of true tropical hardwoods. It is available in four colors: Mesa, Sierra, Tundra and Costa.

"Voyage also has textured embossing that provides 34% or greater surface traction than other leading brands of composite decking, so it's very slip-resistant," Camfferman says. "It's ideal for applications around water, like lake houses, pools and spas, and any other areas where you may have needs for added traction."

Another new product from Deckorators is its Sleeper System, made for use on floating decks, rooftop decks, ground level decks or a concrete patio.

"They are two-by-two strips that can be laid out like a grid for a rooftop deck; our deck boards are placed on top of the grid and then they are fastened to the Sleeper System," Camfferman says. "Because it doesn't absorb a lot of moisture, the product is perfect for situations where you may have standing water issues, like on a flat roof."

Last fall, Trex extended its Enhance decking line with two new products, Enhance Basics and Enhance Naturals. Both products are focused on attracting customers who would otherwise build with wood decking.

"Our Enhance Basics line is a monochromatic composite board, at an unprecedented price point from a branded offering from Trex," Adkins says. "We estimate that retail price to be around $1.75 a linear foot, so that's really intended to be sort of the catalyst for converting, because with the erosion of quality of wood decking overall, we think having that price point suddenly opens up the door for more homeowners to consider composites."

Also new from Trex is the Enhance Naturals product line, introducing the lowest-price streaked product from the company. The company's customer research shows that consumers prefer a more natural streaked appearance, but simply don't want to spend too much time on upkeep, she says.

"And they have a real sense, I think, of what the faults of the wood decking are, and how that impacts the actual enjoyment of their spaces," Adkins says. "With these products, I think that, coupled with the lower maintenance and then that sense of design and color options, that seems to be a really big thing."

Armadillo is also seeing more demand for enhanced colors and increased streaking, says Armadillo Brand Manager Karen Stoos. The company first rolled it out with a few colors and has now expanded the more prominent streaking to its entire Lifestyle line.

"We were one of the first to come up with the enhanced colors," Stoos says. "And now we've just brought it out even more. We've always had streaking in our lifestyle line. Now we just brought out more of the streaking and our lower price."

With many homeowners opting for two-tone decking and picture framing, Armadillo has also released a new darker brown Walnut color which has prompted positive feedback from its distributors, Stoos adds.

Armadillo also offers cap stock on all four sides of its boards, something not available from other companies at their price point, Stoos says.

The latest products from MoistureShield focus on capturing the trend of bringing the indoors outdoors. The company introduced its Vision decking in 2018 and is rolling it out to its full dealer and distributor network this year.

"Vision is a different board than you would see from our competitors in that it really does mimic the feel of hardwood floors and that's conducive of a trend that we started picking up on last year, that we continually heard from the builders and from homeowners that they really love the outdoor living space," Peters says. With the development of Vision, MoistureShield wanted to create a product that had the color and texture of real hardwood, with the



durability to handle the outdoors and keep those vibrant colors.

"We came to market with a new coating that we're calling Diamond Defense, which is something new for 2019," Peters says. "The Diamond Defense is really the coating and the cap that goes around the board and it's an extremely durable product that really gives an added layer of protection and helps retain that color."

DON'T FORGET ABOUT WOOD

Composites, PVC and other alternatives may get a lot of buzz these days, but the majority of decks are still being built out of wood. Natural wood offers many advantages that other materials can't match, proponents say.

"We continue to see increased demand from both homeowners and contractors for top-grade products that offer a unique combination of beauty and strength," Riley says. "Increasingly, this demand is focused on the deck where homeowners want a surface that looks like wood but with a more refined finish that doesn't carry the hefty price tag that comes with the composite options. That's when they turn to us for our YellaWood Select, YellaWood SuperSelect and MasterDeck brand products all of which were created to make the deck even more beautiful and ensure long-lasting quality."

All lumber is not created equal, and consumers are becoming increasingly aware of that.

"When it comes to decks, one of the major shifts we're seeing is in the increased demand for higher grades of treated lumber," Riley says. "Consumers have done their homework and know that higher grade boards are available and often they're willing to pay a premium price to get boards with fewer knots and no wane."

Viance is constantly innovating its formulas for treatment and preservatives to be more environmentally friendly and more effective, says Director of Marketing Edie Kello.

"I think that's where we differentiate ourselves," Kello says. "Our EcoLife product is an above-ground product, but it doesn't have a metal preservative in it. It's a better formulation, you don't have to have the ground contact retention levels in above-ground product, because it's getting the heat from the sun and water."



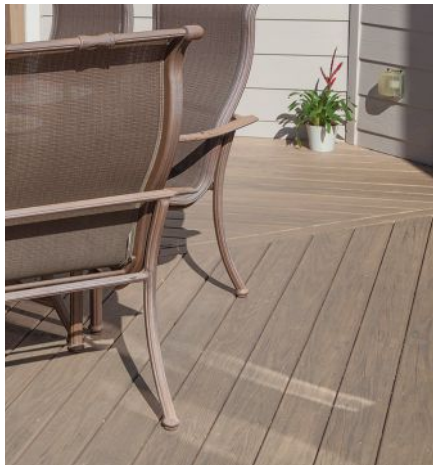






PHOTO BY ZEKE RUELAS / COURTESY HUMBOLDT REDWOOD

TOP LEFT: Armadillo's new Walnut color offers a darker brown for homeowners looking for more vibrant choices for accent colors or even a full deck.

MIDDLE LEFT: Lonza offers Wolmanized Outdoor Wood with BARamine technology, a patented innovation that provides improved penetration, broad moldicide protection, and improved resistance to certain aggressive copper-tolerant fungi.

MIDDLE RIGHT: YellaWood has found that homeowners are increasingly looking for decks that offer a higher grade of treated lumber.

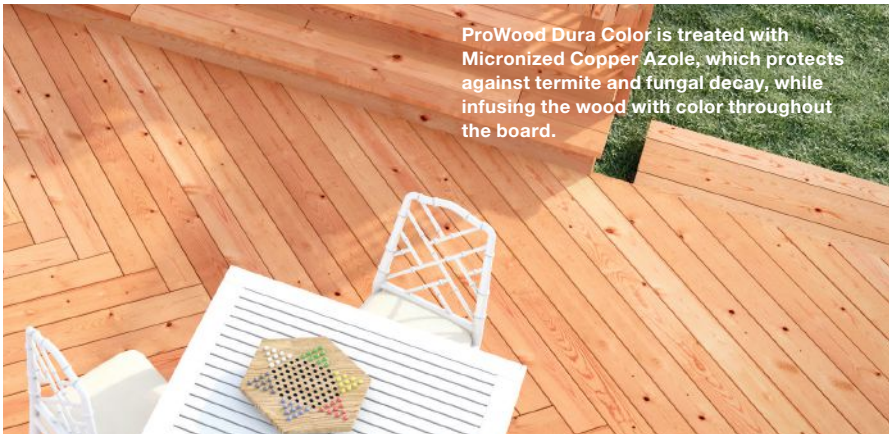
LEFT: Humboldt Redwood offers ease of installation and natural beauty for homeowners looking for simplicity, and a natural touch and tone.

Treated wood offers the advantage of simply being real wood, Kello says.

"A lot of people just want real," she says. "They want real stones, they want real wood, when they're putting this on their homes. And this is what the composites try to emulate, is the beauty of wood. So we do have the real thing, and of course we have the different preservatives that we offer for exterior product, to help preserve that beauty longer."

Another innovation is Viance's DesignWood, which is pre-colored treated wood with the color impregnated into the wood during the pressure-treating process.

"We have long-lasting colorants that we know are the best in the industry," Kello says. "And it provides long-lasting color and protection against fungal decay and termite attack. But it's built-in color, so that people can have a project that's finished from the start. And especially when it's above-ground, it's got our water repellent in it, that makes it definitely long-lasting." ›



ProWood Dura Color is treated with Micronized Copper Azole, which protects against termite and fungal decay, while infusing the wood with color throughout the board.

ProWood is also expanding its color-infused Dura Color line to more markets in 2019. The Southern Yellow Pine that ProWood predominantly uses is the best wood for accepting both treatment and color, DeBoer says.

"ProWood Dura Color has color infused throughout the board," DeBoer says. "So if you were to cut that board at any point, you're going to see that cedar tone or redwood tone throughout the middle of the board. Even on end cuts. So that's a huge benefit. And also, because it's infused it really lasts quite long."

Dura Color gives homeowners the look of natural cedar or redwood without the natural fading.

"In addition to a lifetime limited warranty on rot and decay, ProWood Dura Color offers a color assurance warranty. However, the color tends to last far beyond the warranty, and well beyond natural cedar or redwood," he says. "We've noticed it actually tends to get better with the sun. So instead of fading, it actually tends to set the color in."

Wood also offers a more attractive price point for homeowners, DeBoer says.

"It's more approachable for them to take on that project when you have treated lumber decking that's under a dollar a foot," he says. "And despite some opening price points for composite decking coming in near the two dollar a foot mark, that can be a significant jump for homeowners considering they can get beautiful, natural, long-lasting color-treated decking at a lower price point."

Wood offers a familiarity and simplicity that homeowners and contractors appreciate, explains Jessica Hewitt, Humboldt Redwood director of marketing.

"One of the things that people are drawn to is the simplicity of it, the ease of installation, how it can be installed pretty easily with just regular woodworking tools," she says. "Redwood is largely a west coast product, it's largely a California product. There's certainly a labor shortage here as there really is throughout the country, so that is certainly an advantage of redwood, pretty much anybody with a hammer and some nails can put a redwood deck together or put a redwood fence together. So that's certainly an advantage."

Humboldt is seeing many homeowners expand their outdoor spaces with shade structures to offer more protection from the elements.

"If someone is wanting to build a deck, a fence, a shade structure, maybe even garden boxes or arbors … redwood can fit the bill for all those things," Hewitt says. "It's not necessarily a one-trick pony where it's best for decking or it's best for shade structures, it really can be used across the board. I think a lot of dealers know that, but I think it's helping them understand that, but also to educate their customers that you really can use it for all of those different applications." ■

Jonathan Sweet is a Minneapolis-based writer and editor who has covered the construction industry for both consumer and trade publications for more than 20 years.

INTERNET INFORMATION

Companies highlighted participated in this article.

Armadillo:
www.armadillodeck.com

AZEK:
www.azek.com

CertainTeed:
www.certainteed.com

Deckorators:
www.deckorators.com

DuraLife:
www.duralifedecking.com

Fiberon:
www.fiberondecking.com

Fortress Deck:
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Green Bay Decking:
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Humboldt Redwood:
www.getredwood.com

Koppers:
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Lonza:
www.wolmanizedwood.com

MoistureShield:
www.moistureshield.com

New Tech Wood:
www.newtechwood.com

ProWood:
www.prowoodlumber.com

Royal Building Products:
www.zuri.royalbuildingproducts.com

TAMKO:
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Thermory:
www.thermoryusa.com

Tiger Deck:
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TimberTech:
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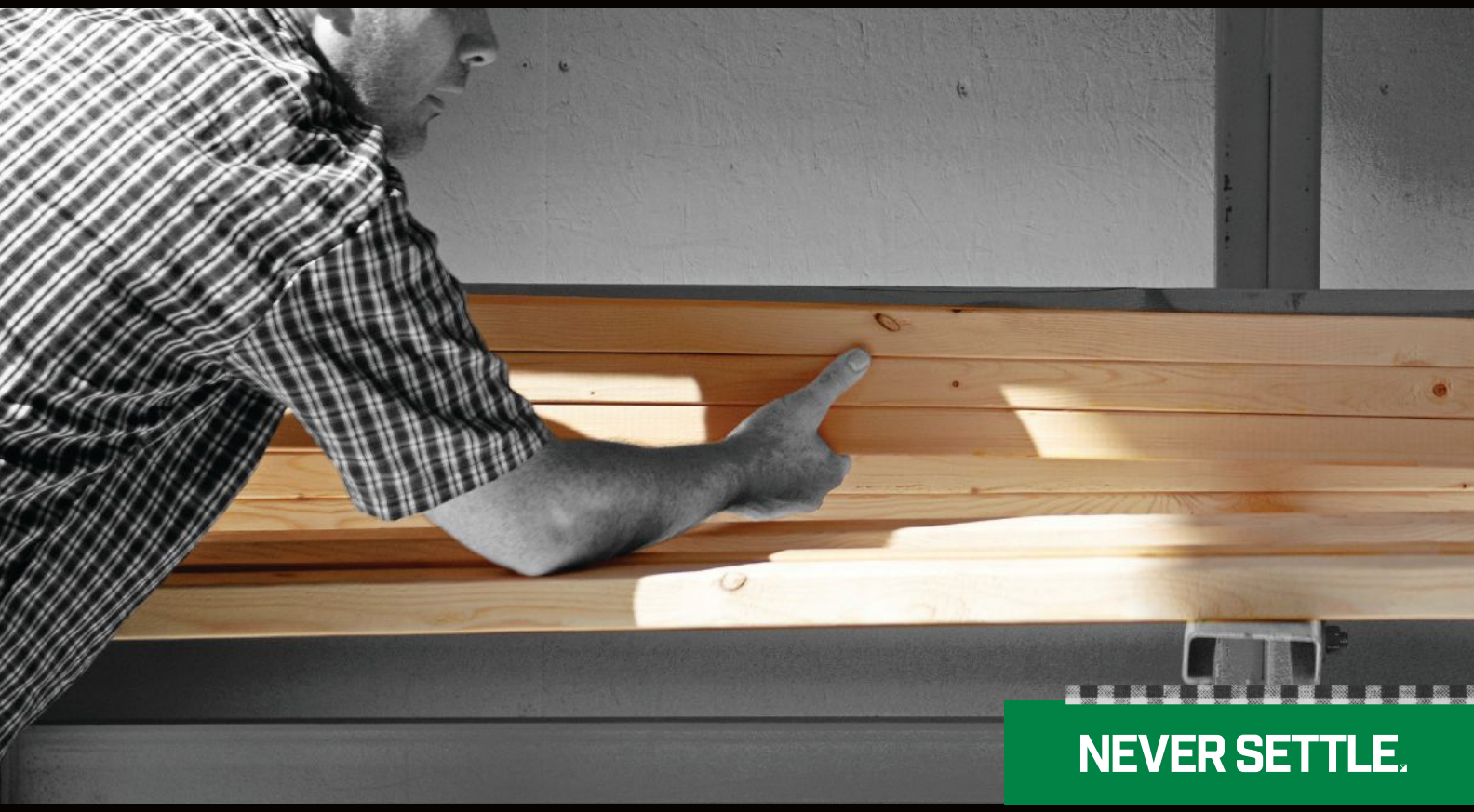
Viance:
www.treatedwood.com

Wahoo Decks:
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BY JONATHAN SWEET

DECK ACCESSORIES

RAILINGS, OTHER ACCESSORIES CAN HELP DECK PROJECTS STAND OUT.

THE AVERAGE DECKING and other outdoor living projects are getting larger and more extensive, so it's no surprise that the demand for railings, lighting and other accessories is growing as well. Homeowners want the wow factor that an impressive railing system or extra trim options can bring to a project.

"People who want to be outside and who are building homes with views want to truly feel like they're outside and part of nature, as opposed to separating themselves from it with bulky, obtrusive railing," says Melanie Hess, Key-Link Fencing & Railing marketing coordinator. "Uncluttered, clean and simple looks (both interior and exterior) are definitely trending."

Customers are looking for the ability to customize their outdoor projects, just as they would a kitchen or other interior remodel. "People are no longer satisfied with cookie cutter solutions," says John Moss, RailFX national sales manager. "They want to be able to create a deck that blends in with their home and fits their lifestyle."

At the same time, contractors are looking for solutions that will make sure a deck lasts as long as the new alternative decking and railing options on the market. With that in mind, Fortress Building Products has introduced its Evolution Steel Framing.

"Most alternative decking and railing materials have 25-year to lifetime warranties while a typical wood frame has a life of about 12 years," says Marketing Programs Supervisor Alyx Armstrong. "The steel framing will stay perfectly straight without warping, crowning, twisting or rotting. Additionally, the Evolution Steel Framing system allows you



SHOWN: The new Key-Link aluminum handrail is ADA-compliant and can run along a guardrail or on its own.

to span farther than wood, resulting in less post and footers that block the views of the deck." Steel framing is the natural evolution of the demand for low maintenance products that started with alternative decking and railing products, Armstrong says.

"From our research, the deck builder who is an early adopter of steel framing is looking to offer something different from the competition, looking for a product that looks and installs like wood and is looking to eliminate fasteners and speed up installation," Armstrong says. "We have provided all of these attributes to the Evolution Steel Framing system. Additionally, because the joists stay perfectly straight, the contractor will get less call backs due to the wood shifting, warping and rotting allowing them to save on time and labor." ›

AN EXPLOSION OF OPTIONS

The demand for improved aesthetics has resulted in a number of new products this year and last, as manufacturers look to offer new railings and other options.

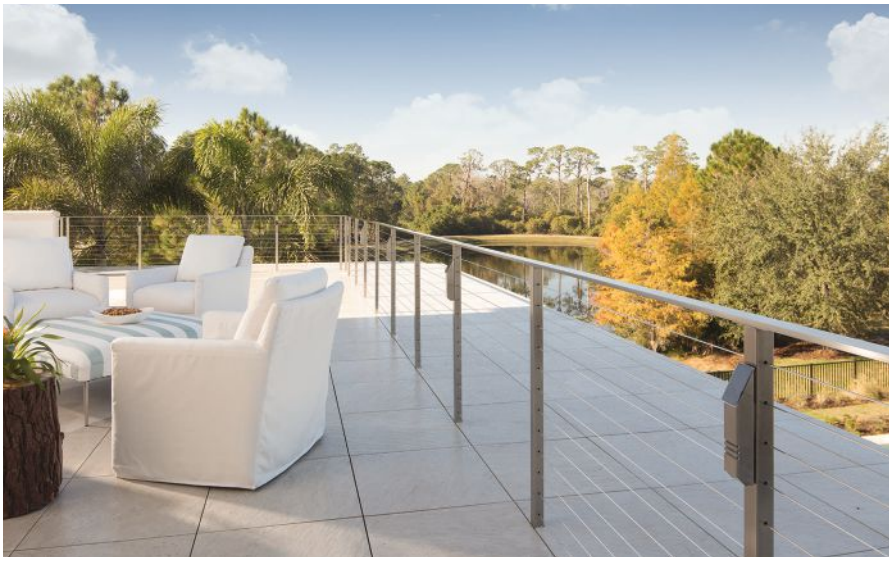
Feeney is rolling out three new panelized infill systems for its Design Rail aluminum railing systems in the second quarter of 2019.

The infill panel options will include laser-cut aluminum panels, available in a variety of designs, including custom patterns. Other options will include stainless steel mesh panels and resin panels with organic materials, such as leaves and branches, embedded in the material. The steel and aluminum panels are for exterior and interior use, while the resin panels are for interior projects only.

"We were really looking for ways to expand the diversity of Design Rail and what you can do with it," says Brad Adsit, director of product development. "We wanted to see what types of materials are out there that we can incorporate into our existing pre-engineered frame. And just offer more selection for our customers and for designers and for contractors, but still keeping in mind the ease of ordering and installation of that product."

The mesh option has been an especially common request. In the past, says Feeney Chief Product Officer Andrew Toimil, contractors would have to work with a custom metal fabricator to get a product like that. Now, there is a stock option that makes it easier and less expensive to deliver that solution. Feeney sells its railings in both 36" and 42" heights, so the panels will be stocked in those heights.





RIGHT: As part of Feeney's new panelized infill systems, the laser-cut, powder-coated aluminum panels are available in a variety of designs or with custom patterns.

BELOW: Dealers can capture business that would have previously gone to a metal fabricator by using AGS Stainless's design services and just-in-time manufacturing.

"The only thing that the installer might have to do is trim the width, depending on the spacing of the posts," Toimil says. "But the height will be pre-determined because we know our top and bottom rails are at a fixed height, so we can control that. There is not going to be lead time, custom design, all the stuff that goes with something like that."

AGS Stainless is also working to make railing options simpler for contractors and dealers by making it easy to deliver a high-end, custom look without tying up money in inventory.

"We do all the cutting, welding, and polishing. We number all the components," says Kevin Harris, director of sales & marketing. "When we ship the rails out, they're ready to be installed. And what that does is give the dealer the ability to capture a part of the railing market that would normally not come their way."

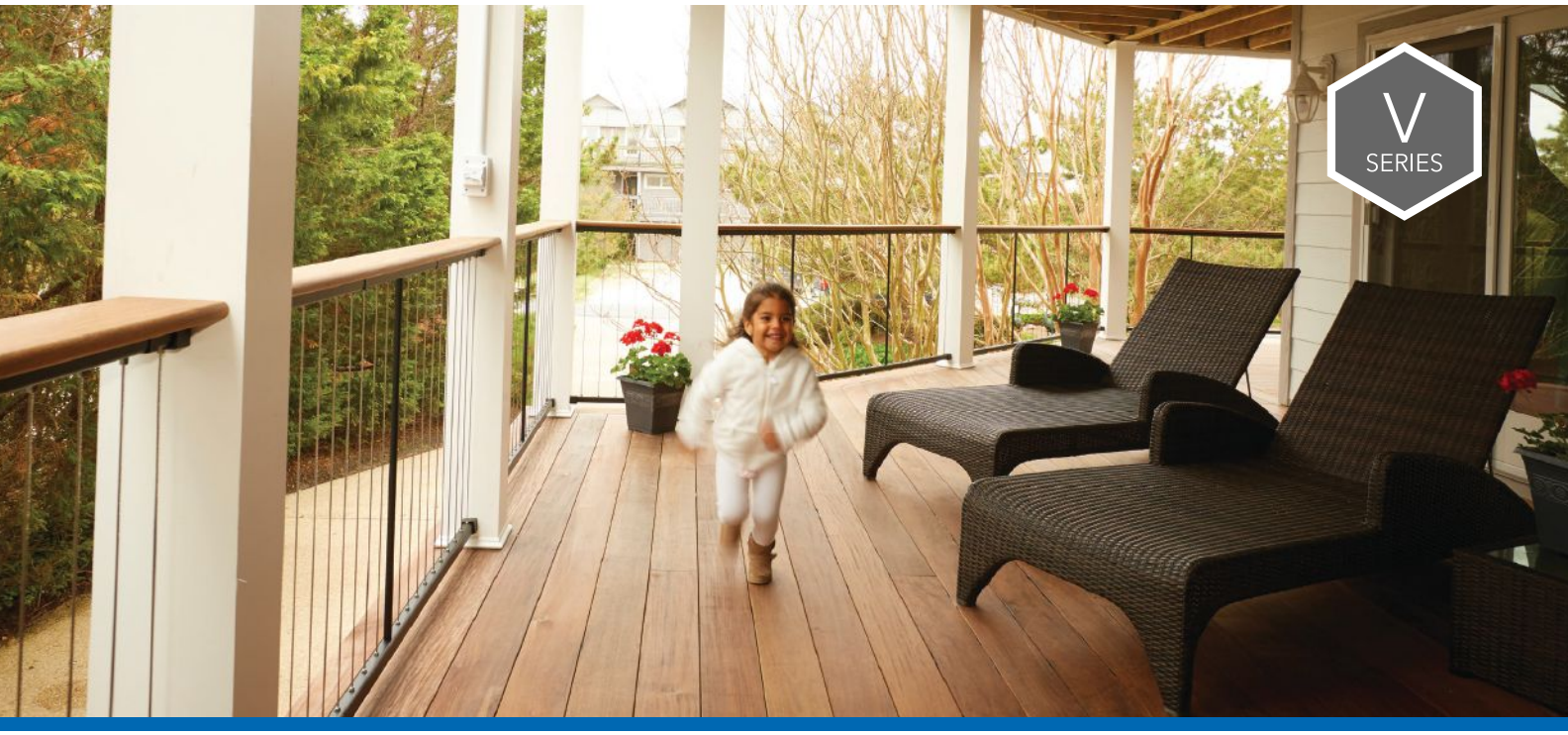
Instead of having to send that work elsewhere, dealers can capture that business because AGS Stainless will do all the fabrication on behalf of the lumberyard.

"The builder comes in, he gives the plans to the desk, they send that information over to us, we work up the estimate, send it back to them, they present it to the dealer, the dealer presents it to the builder, the builder says, 'I'm in,'" Harris says. "A few weeks later, the rails show up at the store. Everything's cut, welded, polished, numbered, and there are clear installation instructions."

That simplicity of installation has become only more important with many contractors struggling to find and keep their best employees.

"To the extent you can use products that are pre-built, designed for your project, but everything's built off-site, you reduce the skill level of the people that you need on-staff to install the product," Harris says. "Because with our product, we've captured all the measurements, everything's cut, polished, numbered. When we ship it out, the least-experienced person on the builder's team can install our rails, and it will look gorgeous." ›





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Atlantis Rail Systems has developed the Spectrum System, a new stainless-steel square post cable railing system featuring pre-drilled square posts and fittings to surface or fascia mount posts and mount customer supplied flat handrails. Cable infill offers a choice of 1/8" or 5/32" cable with HandiSwage Studs. The powder-coated, stainless steel posts are available in standard colors of black or metallic silver and special colors of pure white, pebble grey, light brown and dark brown.

"Previously Atlantis Rail didn't offer color options, posts other than a tubular shape or flat handrail mounting options," says Marketing Manager Carey Hicks. "The Spectrum System fulfills all these requests. With the multiple color options that will blend more easily with a customers' color scheme, a sleeker, square post with mostly hidden fittings and mounting options for a flat handrail, customers can choose which options work best for their individual needs."

Atlantis Rail also introduced the NOVA II System, an off-the-shelf aluminum post and rail cable railing system that features powder-coated aluminum posts, handrails and foot rails with horizontal cable railing infill. The posts and rails are offered in black, white and bronze.

The NOVA II System was developed as a more cost-efficient cable railing option than its stainless-steel cable railing systems, while also providing a simplified approach to a complete cable railing system as the NOVA II post and rails come in kits with everything needed for installation. Post mounting hardware, cable and cable mounting hardware are sold separately.

"PEOPLE WHO WANT TO BE OUTSIDE AND WHO ARE BUILDING HOMES WITH VIEWS WANT TO TRULY FEEL LIKE THEY'RE OUTSIDE AND PART OF NATURE, AS OPPOSED TO SEPARATING THEMSELVES FROM IT WITH BULKY, OBTRUSIVE RAILING. UNCLUTTERED, CLEAN AND SIMPLE LOOKS ARE DEFINITELY TRENDING"

— MELANIE HESS, KEY-LINK FENCING & RAILING



RIGHT: Atlantis Rail's new Spectrum System features pre-drilled square posts and fittings, available in standard colors of black or metallic silver or special colors of pure white, pebble grey, light brown and dark brown.

BELOW RIGHT: Evolution Steel Framing from Fortress is designed to address the need for a substructure that has the same life as the composite and PVC decking options on the market.

BELOW: Featuring stainless steel posts and cable, the new Deckorators SLX cable is designed for outdoor views. The 2-3/8" posts are available in 36" and 42" heights. Predrilled intermediate InvisiPosts come in 36" and 42" heights, while 1/8" cable is available in lengths up to 50 feet.





"We have engineered our systems in such a way that they can fit every design situation," Hicks says. "We give our customers a variety of options and styles to choose from, including post, rails, colors, cable size, cable hardware and lighting. Our RailEasy cable railing hardware line features a compression fitting which allows for easy installation with simple hand tools which eliminates the need for expensive swaging tools. Our cable is sold by the roll versus in preset lengths which enables the cable to be cut in the field, removing the hassle of miscalculation and reducing cable waste."

Customers are gravitating toward low-profile, high-quality materials, Hicks says.

"We've seen the most growth in aluminum railing and our cable infill, which is a pretty clear indicator of that," she says. "Black, white, and bronze continue to be our top colors."

Key-Link recently introduced a new ADA-compliant aluminum handrail to run either alongside a guardrail, or on its own, as well as a new underdeck bracket, which is a simple, code-approved way to install post mounts to wooden decks. Both of those products address the needs of customers to have simple, well-designed products, Hess says. ›

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"We look at the little things that can save time and we build those features into our product," she says.

The key trend Wild Hog Railing is seeing in the market right now is that homeowners want products that are simple and don't obstruct their vision. People want to enjoy the view, not their railing, says Product Specialist Craig Smalley.

The company has added Hog Track to its offerings, allowing for a finished look to a rail, fence, arbors or other projects. The aluminum Hog Track is available in 6' or 8' lengths and black or white finishes.

"It makes for a much easier install for the builder, a high-volume installer or a DIY that's not familiar with how to install this type of project," Smalley says. "Our product is fully customizable. It can be a rail, an arbor, a fence, a trellis, a privacy screen. It's the one product that allows the builder to create whatever they want."

Nationwide Enterprises, the parent company of The Cable Connection, recently acquired RailFX, LLC. That means dealers will now be able to source RailFX and Ultra-tec products from one company.

"RailFX with Ultra-tec cable railing is one example," Moss says. "It combines the durability of aluminum with innovative design details to ensure lasting beauty, structural integrity and ease of installation all while reducing long term maintenance expenses."

All of the rails and posts are made from high-strength 600-aluminum extrusions and can be cut to length onsite and assembled using pre-engineered components that easily snap and screw together. Dealers don't have to keep the product in inventory because it is available on a 48-hour quote turnaround, with a drop ship program to the lumber dealer.

"A key differentiator between our products and others is its ease of installation," Moss says. "Everything is included right in the box, from the rails and posts to the fasteners. There is no need to source anything prior to assembly."

The company also provides flexibility in colors, realizing there is not just one particular trend for all markets.

"Whether we're matching metal siding or providing pastels for a coastal region, our goal is to give the customer the look they desire," Moss says. "We also offer three different railing systems. Approximately 85% of what we sell is cable, but we understand one size doesn't fit everybody."

With homeowners opting for more low-maintenance options on their decks, Versatex is also seeing more demand for PVC trim products.

"These aren't your 10' x 12' decks any more, these things are outdoor living spaces and they want functionality, but they want aesthetics," says Rick Kapres, vice president of sales. "They want beauty and low maintenance."

The Canvas series of PVC cellular trim was originally launched in a WP4 profile in three colors (Macore, black cherry, and walnut) with amber added in 2018 and weathered grey in 2019. ›



LEFT: Wild Hog's aluminum Hog Track is available in 6' or 8' lengths and black or white finishes, allowing for a finished look to a rail, fence, arbors or other projects.

BELOW: RailFX with Ultra-tec cable combines the durability of aluminum with innovative design details that the company says provides, structural integrity and ease of installation.

BELOW RIGHT: The Versatex Canvas series is available in five colors (walnut is pictured), in both a WP4 profile and a stealth beadboard.





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Versatex also introduced Canvas on its stealth tongue-and-groove beadboard this year in response to demand from its contractors, Kapres says.

"One of the things that we're seeing the Canvas series used for is obviously the porch ceiling," Kapres says. "But a lot of deck builders are using it in conjunction with Trex RainEscape. Say you [have] a second story deck and a walkout basement and want that to be a usable area. They put the RainEscape on there to keep the rain from dripping through, but it doesn't look all that good aesthetically so they're covering it using the Canvas series."

Versatex sees a lot of opportunity with deck builders to expand the use of Canvas.

"They're using low maintenance materials, be it composite or PVC, or what have you, so why introduce any maintenance at all if you don't have to, to your exterior porch ceiling?" Kapres says. "You can get the look of mahogany or a real high-end wood but you don't have to stain it. You're not going to be out there staining your deck and your rail. Why stain your porch?"

Deck builders are also using the company's VersaWrap one-piece post wrap

"It's such an easy thing to install," Kapres says. "You've got the treated member coming up there, so you can just cut it to size, whatever size your newel post is. You just wrap that treated post and snap it shut and now you've got a beautiful white sleeve there for your rail system." ■

Jonathan Sweet is a Minneapolis-based writer and editor who has covered the construction industry for both consumer and trade publications for more than 20 years.

INTERNET INFORMATION

Companies highlighted participated in this article.

AGS Stainless:
www.agsstainless.com

Atlantis Rail:
www.atlantisrail.com

Aurora Deck Lighting:
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AZEK:
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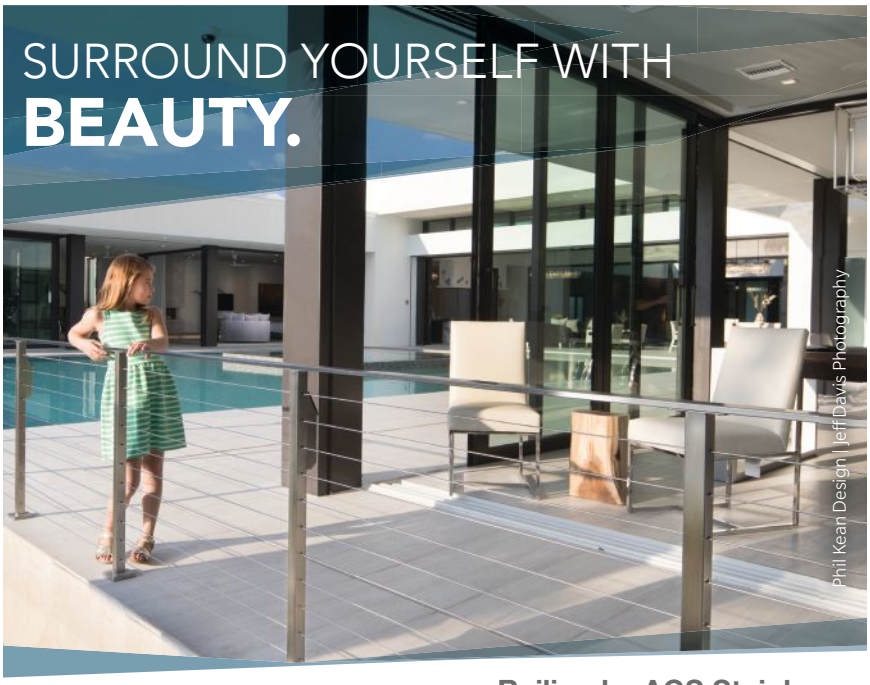
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Walpole Outdoors:
www.walpolewoodworkers.com

Wild Hog Railing:
www.wildhograiling.com

Wolf Home Products:
www.wolfhomeproducts.com

Woodway/LWO Corporation:
www.woodwayproducts.com



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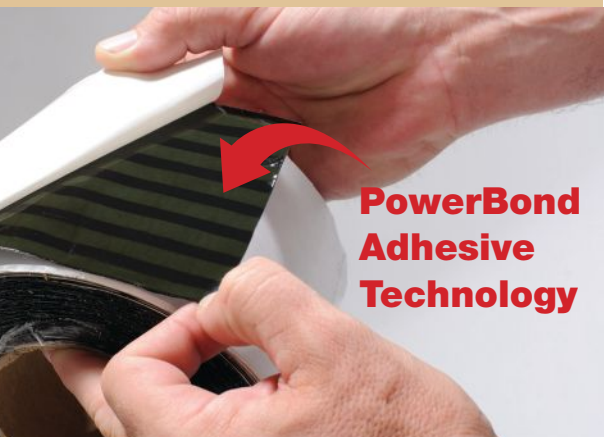




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DECK FASTENERS

DEMAND FOR EFFICIENCY DRIVES INNOVATION.

BY JONATHAN SWEET

THEY'RE OFTEN OVERLOOKED, BUT THE RIGHT DECK FASTENERS ARE KEY TO A SUCCESSFUL DECK PROJECT. NO MATTER THE MATERIAL A BUILDER USES, THE WRONG FASTENERS CAN RUIN ANY OUTDOOR LIVING PROJECT.

"Many of the popular decking and siding products now offer 50-year and lifetime warranties, so how those products are fastened makes all the difference to the contractor and homeowner," says Maze Nails Marketing Director Kim Pohl. "Remodelers and builders look to their lumberyards for expert advice on best practices for applying building products."

Dealers play an important role in making sure their customers select the right product.

"One of the more common misconceptions is that all fasteners are created equal, that a nail is just a nail and a screw is just a screw," says Simpson Strong-Tie Product Marketing Manager Robert Shirley. "It's important to select a fastener material and/or a coating suitable for the intended application, the materials selected, and the environment. Failing to consider the impact of the local environment, in particular, can lead to problems."

Simpson Strong-Tie has recently introduced several new products for the decking market.

Its new Deck-Drive DCU screw plugs allow contractors to install decking without visible screw heads, leaving a clean, professional finish.

"The plugs are made from popular decking and trim materials for an exact color and grain match, are designed for use with our Deck-Drive DCU Composite screws, and can be installed either by hand or with the labor-saving Quik Drive auto-feed screw driving system," Shirley says.

The Simpson Strong-Tie Deck-Drive DSV Wood screw and DCU Composite screw are both available collated for use with the Quik Drive PRO300S decking system. The DSV Wood decking screw features a variable thread design that reduces torque, making it Simpson Strong-Tie's easiest screw to install into wood decking. It's available in tan, red and gray, and in lengths ranging from 1-1/4" to 4". The 2-3/4" DCU Composite screw can be used in both composites and PVC decking products and is available in 11 colors. Simpson Strong-Tie also has redesigned the EB-TY Hidden Deck-Fastening System by integrating a stainless-steel reinforcing plate to provide additional hold-down and pull-through capacity for the fastener, maintaining a secure connection when seasonal contraction and expansion occur.

TIME-SAVINGS KEY

With a labor shortage that shows no signs of abating, it's more important than ever that deck fasteners be easy to use and quick to install. Those twin desires are the impetus behind many of the new fastener products on the market.

"We talked to contractors and we said, what kind of products do you need? What do you need out there?" says Greg Palmer, National Nail Corp. marketing director. "And they said, 'Well, first of all, we need something that's really fast. It's got to save us time.' Because with the labor shortage that's going on right now they need something that's really fast that they can go from job to job to job."

Contractors also want a product that's easy to use and is affordable. The new CAMO Drive standup tool from National Nail Corp. is designed to meet those needs and can handle edge, clip and face fastening, all with the contractor's own drill, Palmer says.

"The way we're marketing it is you can install your deck up to five times faster," Palmer says. "It's crazy fast. We had some contractors come in and see the product and their jaws dropped. They said they'd never seen anything move so quickly, especially with clips, because clips are so cumbersome anyway." ›

OPPOSITE PAGE: The new CAMO Drive stand-up tool from National Nail Corp. can perform collated fastening edge, clip and face-fastening, allowing contractors to install decks up to five times faster, the company says.

BELOW LEFT: The MiTek Pro Series Washer Head is an alternative to traditional lag screws and through-bolts. It is said to be easy to install and reduces labor on the jobsite. The large, flat washer head allows for less interference after installation.

BELOW: Simpson Strong-Tie's new Deck-Drive DCU Composite screw can be used in both composite and PVC decking products. It's available in 11 colors and a length of 2-3/4".





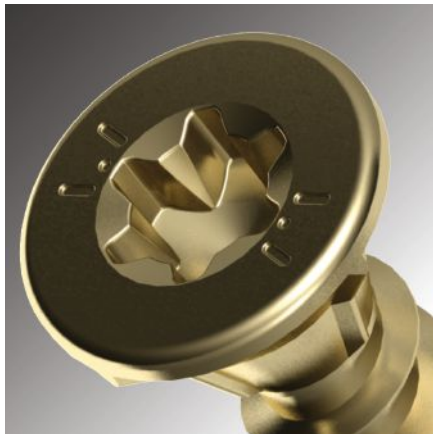
"ONE OF THE MORE COMMON MISCONCEPTIONS IS THAT ALL FASTENERS ARE CREATED EQUAL. IT'S IMPORTANT TO SELECT A FASTENER MATERIAL AND/OR A COATING SUITABLE FOR THE INTENDED APPLICATION, THE MATERIALS SELECTED, AND THE ENVIRONMENT. FAILING TO CONSIDER THE IMPACT OF THE LOCAL ENVIRONMENT, IN PARTICULAR, CAN LEAD TO PROBLEMS."

— ROBERT SHIRLEY, SIMPSON STRONG-TIE

National Nail has introduced two new clips in conjunction with the CAMO Drive. The Edge Clip, for 90-degree decking patterns, hugs the joist and requires no partial drilling. For builders who choose not to use the CAMO Drive, every pail of Edge Clips comes with the "Never Miss Guide" to guide the drill head and allow quick installation. The new Edge X Clip hugs the inside of the grooved deck board and works for any angle.

"We also had these clips tested by an independent company against our competitor's clips [and] our clips are 88% stronger than theirs," Palmer says. "That's the other argument people have had about clips, is you put them down and then the board would slide and move. These won't move. There's a little gusset that digs into the groove of the deck board that holds them in place."

GRK's next generation of it's R4 multipurpose framing and decking screw has also been redesigned to improve contractor productivity, with a nod toward the tight market for skilled labor.







RIGHT: The Lightning decking screw from The Phillips Screw Company features six points of innovation: a Stick-Tight drive, low-energy threads, a super sharp instant-start tip, threads that roll all the way to the tip, under-head, and upper and lower threads for a strong plank to joist bond.

BELOW: Grabber developed the new UltraPro screws to help take the hassle out of driving screws so contractors can concentrate on the job.

BELOW RIGHT: GRK redesigned the R4 to provide professionals increased speed for improved productivity, with several new features: a fast-bite tip, a precision-fit star bit head, a W-cut and optimized thread length.

"Anything we can do from a product perspective to ensure that the product is installed quickly and with quality, so that [contractors] don't have to come back to it, after it's been installed," says Jacek Romanski, marketing director, ITW Construction – Residential and Renovation. "That is what we've been identifying as a big trend in the marketplace."

The new R4 includes several features designed to boost productivity: a fast-bite tip to eliminate the need for pre-drilling; a precision-fit star bit head to reduce wobbling and eliminate the need to hold the fastener; a W-cut to reduce installation torque; and optimized thread length to improve clamping force and drawing power.

When The Phillips Screw Company was getting ready to launch a new line of deck fasteners, it talked to contractors and identified three major frustrations with those on the market: slow starting, slow driving, and dropped screws. The company's new Lightning line of deck fasteners is designed to address all three of those problems, says Todd Ruehs, vice president of business development and brand strategy.

"When you think about those three problems, they all have to do with speed," Ruehs says. "If a guy drops a screw and he has to keep going back into his belt, he's wasting time. If he's having a screw that sits there and spins before it catches, he's wasting time. If it takes a long time to drive it, he's wasting time. Time is what he doesn't have right now."

Lightning screws feature six points of innovation, including the patented non-magnetic, Stick-Tight drive system to stop dropped screws and allow one-handed installation. With Stick-Tight, a precision-engineered bit matches with the recess for a stable interaction between the bit and screw.

The company also created low-energy threads designed to start faster and drive more quickly than a traditional thread, a super sharp instant-start tip and threads that roll all the way to the tip for faster starts, under-head ribs for perfect countersinking, and upper and lower threads for a strong plank to joist bond. ›

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ABOVE: The new SPAX USA exterior/deck screws feature HCR-X coating, which is code recognized for use in pressure-treated lumber and has been tested for use in coastal building condition 4.

BELOW: The proprietary U2 Gold coating consists of a multi-layered coating with multiple films, formed by thin layers of a silver base and golden top coating.



ABOVE RIGHT: Maze's hot-dipped fasteners have a thick coating of zinc on the nails said to provide long-term rust-resistance.

RIGHT: The Huttig-Guard Platinum series offers a lifetime limited warranty and features a star drive, type 17 point, double countersink flat head and knurled shank.

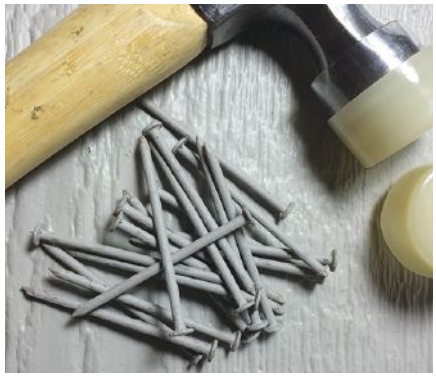
Another new fastener designed with ease of use in mind is the new UltraPro Wood Screw from Grabber Construction Products. The UltraPro is designed to be best-in-class in each of six areas: Ease and speed of driving, ability to draw wood members together, flush seating, shear strength, corrosion resistance, exterior and interior options, and drive time.

Featuring the proprietary Grabber LOX recess, the UltraPro screw has eight points of contact with the drill bit, while the QuickGrab type 17 point makes for an easier start with no pre-drilling. The screw's lower Ultra-Cut threads reduce the pressure needed to keep the screw engaged and the upper DrawTite threads draw the wood together.

Code changes are also prompting new products in the fastener market.

"The U2 Construction Screw is the next generation of construction screws that are replacing lag screws," says U2 Fasteners President Uli Walther.

The U2 Construction Screws are available in lengths from 1-1/2" to 20" made of hardened steel, and in lengths from 2-1/2" to 6" made of 316 Marine Grade Stainless Steel. The screws are structural & ACQ treated lumber code compliant in IAPMO report ER-454.





U2 added more than 40 types and sizes of fasteners in 2018, and is always innovating, Walther says.

"Our proprietary U2 Gold coating consists of a multi-layered coating with multiple films, formed by thin layers of a silver base and a golden top coating," he says. "The coating material does not contain any Chrome 6 or other chemical amounts listed on California Proposition 65. Chrome 6 is a common ingredient in corrosion-resistant fasteners and we found a way to be code compliant with AC257 without the chemicals known to cause cancer, birth defects or other reproductive harm."

Building codes are also driving the demand for hot-dipped galvanized nails versus electro-galvanized nails, Pohl says.

"Hot-dipped fasteners are preferred because of the long-term rust resistance they provide with the thick coating of zinc on the nails," she says. "Electro-galvanized nails have the thinnest coating of zinc and are not recommended for most exterior building applications."

Maze is the exclusive manufacturer of double hot-dipped galvanized nails, marketed under the Stormguard name.

"Builders and remodelers can be assured that when they use Maze they are getting top-quality nails all proudly made in the U.S.," Pohl says. "Maze is one of the last remaining mills still making nails here in our country."

Selling higher-quality products can mean better margins for dealers, something Huttig has tried to capitalize on with its Huttig-Guard Platinum Deck Screw.

"Customers absolutely love it," says Brad Strosahl, vice president, national accounts and Huttig Xpress. "It's not a huge upcharge in cost, but it's an up-sell for them for their contractors and their contractors are loving it. They are selling a better screw at a higher price and making more margin and having happier customers."

The screw has several benefits for the contractor as well. ›

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The Deckorators Stowaway Hidden Fastener discretely secures deck boards to joists with a single stainless steel, color-matched screw. The Stowaway screw comes preloaded, making the installation process faster, the company says. Deck boards are automatically spaced at proper intervals, and the need for predrilling and countersinking are eliminated.

"It's a star drive bit so it's got the most positive drive in the market," Strosahl says. "It's got a twelve-point contact recess. It's got a double countersinking head, so the head actually seats inside the wood better than a typical deck screw. It does have the type 17 auger point which is a self-drilling point and the serrated threads. But the biggest benefit is the knurled shank and that knurled shank helps bore out the wood and so there is less drag on a tool when you are driving it in so it drives easier and better and cleaner."

Huttig's packaging also offers a benefit to the dealer by making it easier for the customer to find what they are looking for.

"One of the unique features of our package line is the boxes we have and the window on the box," he says. "We have the biggest window in the market in the boxes and you can actually see what's inside of the actual product. With other brands, you have to open the box or you see a little window on the side that you really can't get a full picture of what the full product is. But with our packaging, it really makes it easier for a customer or contractor to choose the right product."

Screw Products Inc. is also making changes it hopes will help customers better identify and find their products at the dealer with a rebranding effort.

"We're taking the different product families and we're branding those families under specific names to make it easier for the consumer to be able to call those screws out, in particular at the store level, to be able to buy them," says General Manager Steven Wahoviak. "If we brand that correctly, it just narrows it down to one product family right out of the gate and makes it easier to identify the product. Plus, with our store displays, instead of it all melding into one product, it's going to differentiate the products on the shelf to make it easier to identify that way as well."

The five products include four-star drive screws: Axis, a counter-sinking wood decking screw; Epic, a trim head wood decking screw; Pico, a small-head screw that can be used for wood, PVC or composite decking, or concealed fasteners; and Nova, a flathead star drive lag screw. The fifth screw, Yukon, is a hex head lag screw.

As part of the rebranding, Screw Products Inc. will also be updating its product literature and training to highlight specific applications for the fasteners. That information will help dealers better train their salespeople on the uses of each fastener, says President/CEO Jim Miller.

"Product knowledge for the store's employees is so important, and it enables them to sell so much more," Miller says. "You go into a box store, nobody knows what it is. You go into a locally owned lumber or hardware store and those employees are educated about the products that they sell. The customer will most likely come back to that store, because they're going to get the correct answer and walk out with the right product." ■

Jonathan Sweet is a Minneapolis-based writer and editor who has covered the construction industry for both consumer and trade publications for more than 20 years.

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Companies highlighted participated in this article.

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www.tigerdeck.com

Titan Metal Werks:
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PRODUCT PICKS

STAFF REPORT

FEW CATEGORIES OF BUILDING PRODUCTS, IF ANY, HAVE EVOLVED AS MUCH AND AS FAST AS DECKING, RAILING AND ACCESSORIES. EACH APRIL, WE PROVIDE A SNAPSHOT OF THE LATEST PRODUCT INNOVATIONS FOR THE UPCOMING OUTDOOR LIVING SEASON. HERE'S OUR PICK OF THE ONES TO WATCH, ALONG WITH SOFTWARE, TOOLS, AND MILLWORK.

CertainTeed EverNew Railing Balusters



The new aluminum balusters from CertainTeed are now available for Kingston and Oxford EverNew vinyl railing systems. The dark balusters are designed to give a more dramatic look to deck or patio areas. The contemporary, 3/4" round aluminum baluster infill option is available to accompany all six EverNew rail colors white, almond, clay, warm spice, rustic rose and black—in 3' and 3.5' tall, flat or stair applications and either 6' or 8' lengths. The rails are routed to accept the 3/4" round baluster, and the bottom rails feature pre-installed foam tape to prevent rattling. The new baluster is offered in rail and baluster packs and gate kits. EverNew vinyl and composite railings can be installed with any decking material. Vinyl railings are backed by a lifetime limited warranty with 5-year SureStart parts and labor protection, and composite railings are backed by a 25-year limited warranty with 2-year SureStart parts and labor protection. **www.certainteed.com**

Westech Building Products Forest Collection



The new variegated-fencing profile from Westech is designed to mimic the look of real-wood fencing. The new line of 100% vinyl fencing combines the durability and low maintenance of polyvinyl chloride (PVC) with a unique coloring process, yielding a multi-dimensional finish. Each system is tested for wind load stability, weathering performance, structural performance and code compliance, the company says. The first two colors released are Rustic Birch and Driftwood. The Rustic Birch profile has an almond base with a deep brown grain, and Driftwood is an aged grey base with dark grain. **www.westechbp.com**

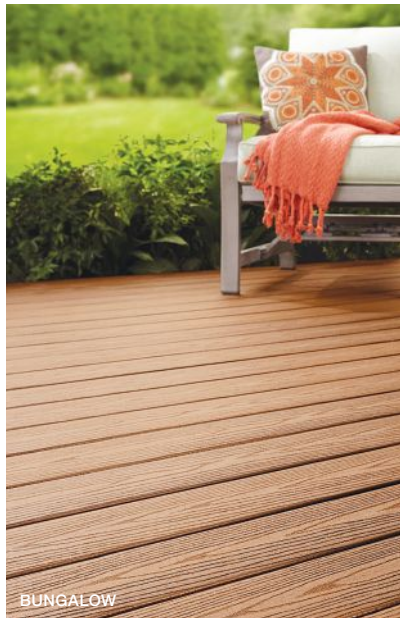


Quickscrews Exterior Decking & Fencing Screw

The decking and fencing screws from Quickscrews feature a square drive, flat head with nibs, Quickcutter thread, Type 17 point, with Ultra Guard finish. The Ultra Guard finish has been developed to protect the screw against the ACQ chemical treatment. This preservative, which replaced CCA in pressure treated lumber for residential use, causes standard fastener coatings to rust rapidly, the company says. **www.quickscrews.com**

New Fiberon colors

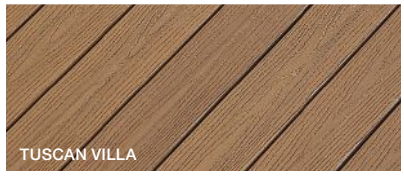
Fiberon has introduced three new multi-chromatic colors in its Good Life collection: Bungalow, Beach House, and Tuscan Villa. Fiberon's Good Life Multi-Chromatic Collection is designed to feature an authentic look of traditional stained decking with a strong composite core that won't splinter, crack, 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 with a 25-year stain, fade, and performance warranty. **www.fiberondecking.com**



BUNGALOW



BEACH HOUSE

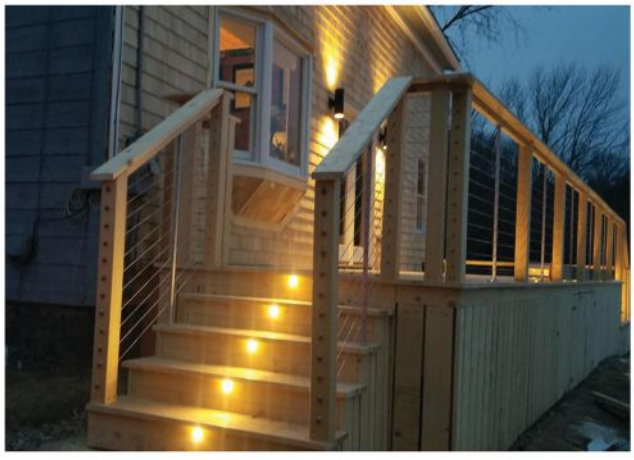


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DuraLife Merrimack Railing System

The Merrimack Railing System from DuraLife is made of a non-wood PVC composite. Available in a bright white finish, the traditional classic railing design is intended to complement any home style. Merrimack features a contoured top rail, a hidden fastening rail connection system and an optional drink rail deck board adapter allowing contractors to easily match the top of the railing to any DuraLife decking color. Designed to be easy-to-install, the deck board adapter fits securely on top of the rail, creating a flat surface for deck board installation. Available in 6', 8', and 10' rail kits (36" and 42" heights), and 6', and 8' stair rail kits, Merrimack also has matching post tops that can be ordered with or without LED lighting. **www.duralifedecking.com**



Phantom retractable screens

Phantom Screens has introduced a retractable screen for multi-panel doors, sliding, stacking, and folding glass wall systems. The screens are designed to disappear out of sight when not in use. The screens feature customized stopping points along the track and an integrated quick-release thumb latch to provide easy in-and-out access. The screen system covers doorways and openings up to 24' wide and 10' high. Screens are available in a variety of mesh options for insect and solar protection. Threshold adaptors are designed to fit virtually any doorway. Available in five standard colors and wood finishes: Classic White, Rideau Brown, Mineral Bronze, Anodized Silver, and Phantom Black. Screens are professionally installed by factory-trained installers, and available with a limited lifetime warranty. **www.phantomscreens.com**



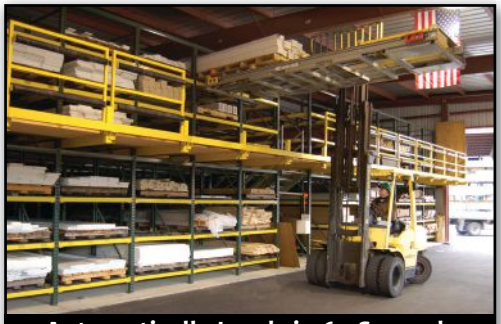
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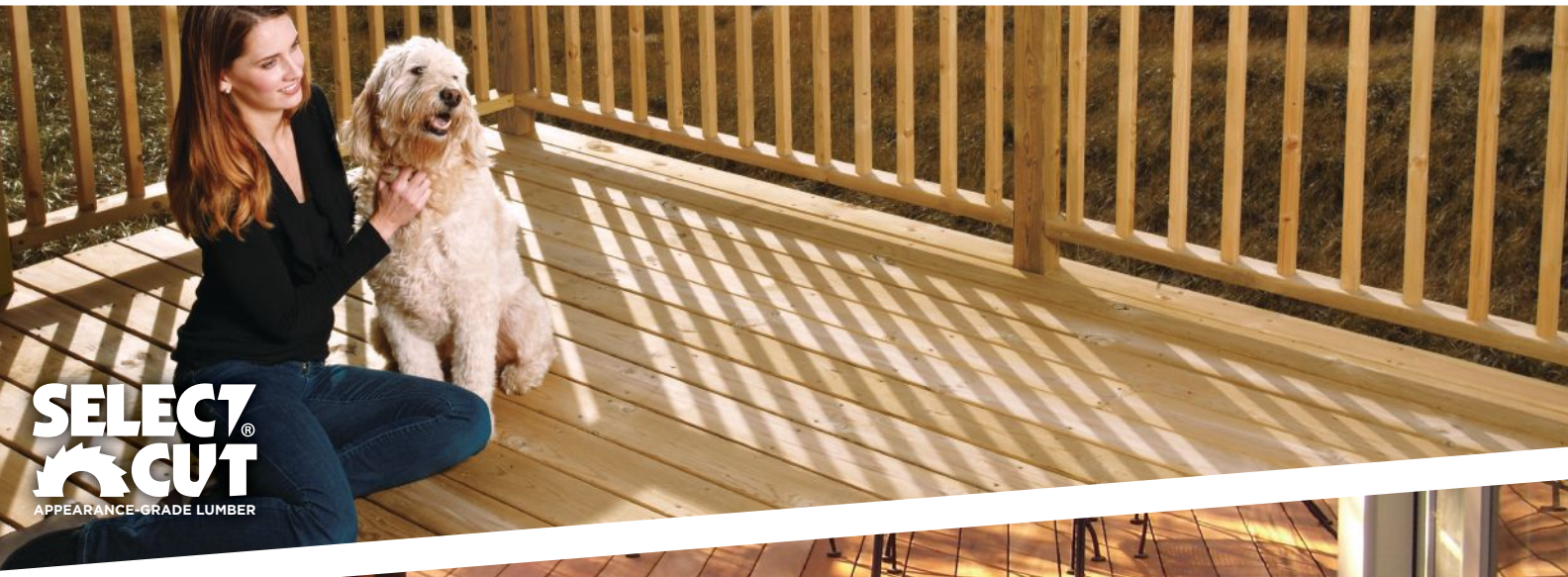


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Seljax 3D Deck software

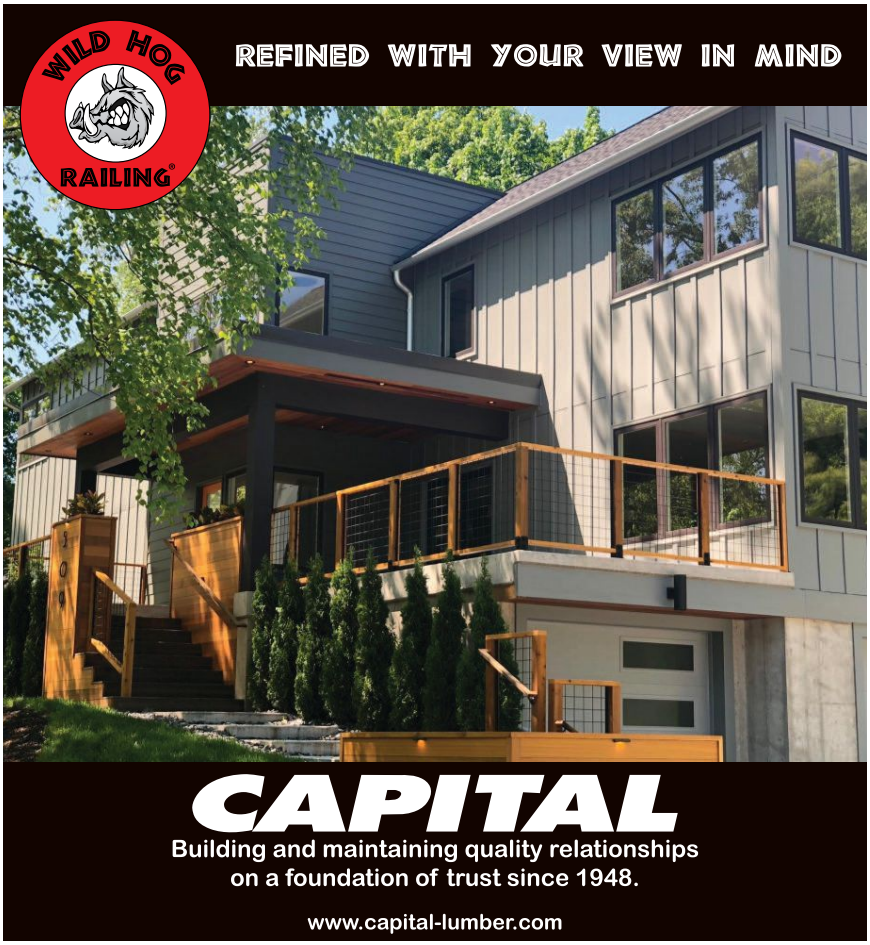
Seljax is launching a new 3D Deck software this spring. The software allows for the creation of deck projects in 3D imagery. The software accommodates plans for decks that are attached to a house, free-standing, ground level, wrap-around, and multi-level. Users can customize designs including deck style, shape, patterns, skirting, railing pergola and other features and accessories. 3D visualization allows users to see their exact deck to scale, zoom in for detailed perspective, look under deck, fly over top of deck, and walk around the deck's surface. The software provides modifications to formulas and users can print working drawings and estimates. **www.seljax.com**



Bosch 18V Connected LED Area Light

Bosch has introduced the GLI18V-1200C 18V Connected LED Area Light with Bluetooth. The light offers users the ability to turn the light on and off remotely, dim the light to the desired brightness, put it on a timer and even check the battery—all from the free Bosch Toolbox App. Along with the area light's protective roll cage, the tool's IP64-rated cover is resistant to dust and water damage, the company says. Plus, it has five setup positions to find the ideal angle to effectively illuminate a large work area. The light produces 1,200 lumens and is designed to be compact enough to be a carry-along area light. It also has a fade-in function, allowing the light to slowly increase to full brightness to lessen the chances of temporary "flash blindness." The light works with the rechargeable Bosch 18V system. **www.boschtools.com**





Tintable wood stain from Sherwin Williams' Minwax

The new Minwax Performance Series tintable wood stain from Minwax can be tinted in a wide variety of colors. In addition to a new 48-color palette announced along with the tintable wood stain, the product is available in custom and stain-matched hues. It is designed to be recoated in two to six hours, compared with 18 to 24 hours for conventional stains. The thicker formula has been developed to provide a long-lasting finish and causes less dripping. The new Minwax tintable wood stain is also available in a lower VOC version. **www.s-w.com/minwax-performance**




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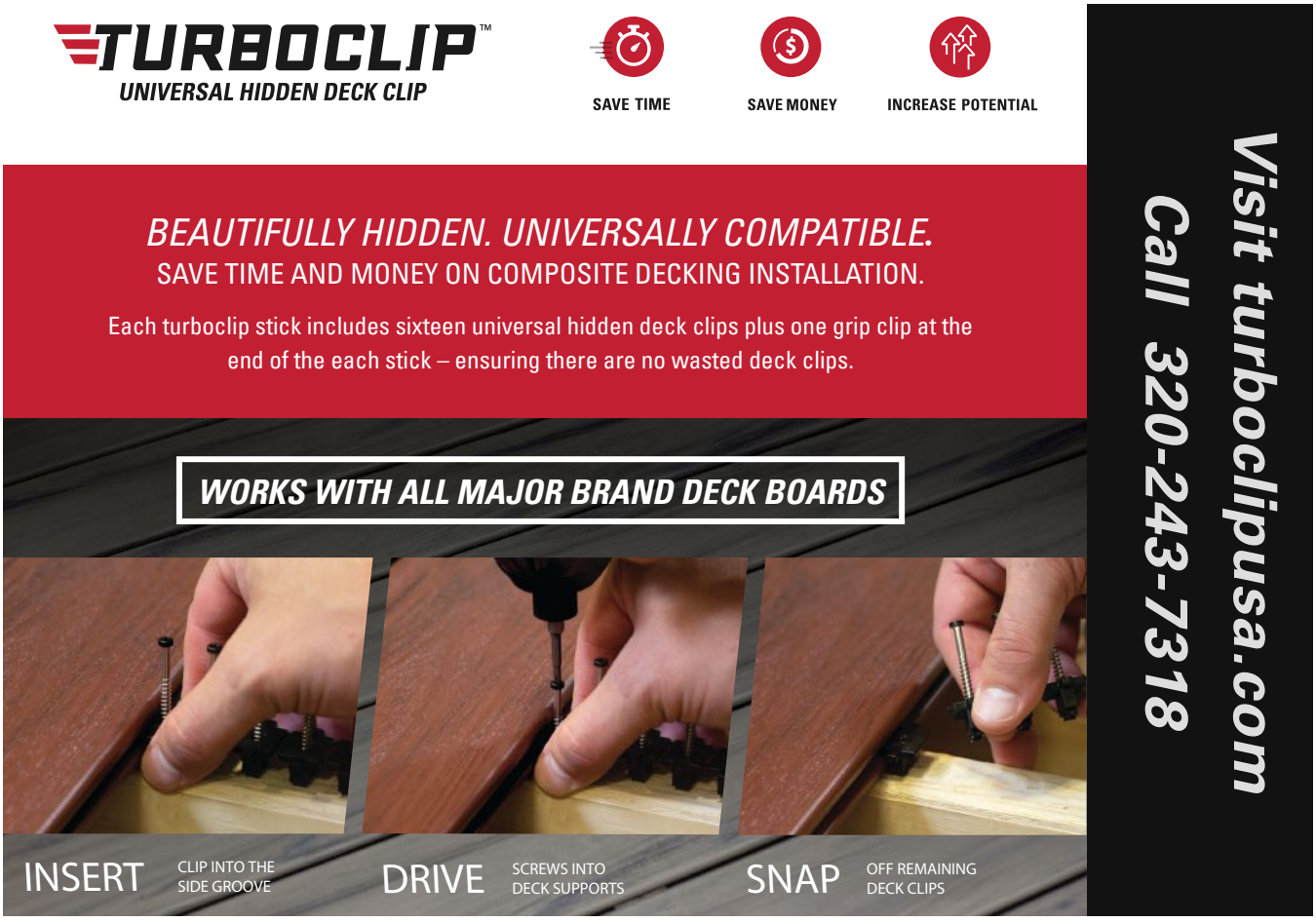


This new online tool from Boral allows pros and consumers to visualize a completed house project with Boral siding, trim, and shutters across the full palette of available colors. To use the tool, homeowners or contractors can upload a photo of an existing home or select a similar house from an online gallery. Using the program's product interface, the user then selects from Boral's siding, trim, and shutter lines, including Versetta Stone, Kleer Lumber, TruExterior Siding & Trim, and Mid-America Siding Components; the image updates in real time, revealing how the exterior will appear with each product and color selection. Virtual Remodeler offers the ability to save multiple projects. For a fee, users can have their image professionally mapped by Boral, which will increase the accuracy of the rendering's appearance. And once a finished look is chosen, Virtual Remodeler will generate a product list for easy ordering through Boral dealers and distributors. **www.boralbuildingproducts.com**

IRWIN VISE-GRIP Next-Gen Fast Release Locking Pliers



IRWIN has launched its VISE-GRIP Next-Gen Fast Release Locking Pliers designed to provide more comfort and control than the brand's prior version of locking pliers. The hand span in the open position (the position most difficult to grab and operate a locking plier) is reduced by 20% in the latest model. The pliers are designed to be more comfortable to use because the end-user is not forced to open their hands wider than their natural span. The reduced hand span also allows one-handed operation, leaving the other hand free for the user to support themselves on a ladder or while working under a vehicle. Six new models available. **www.irwin.com**



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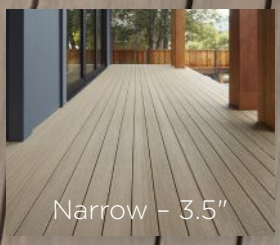
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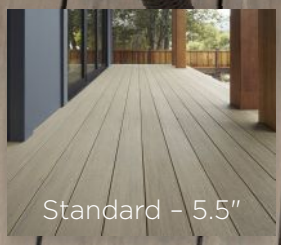
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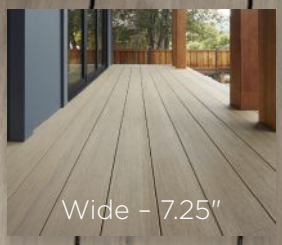
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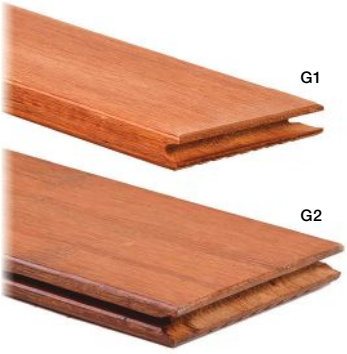
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dassoXTR's Epic Cognac line

dassoXTR's new Epic Cognac color is lighter than the company's Classic Expresso color and is available in decking, siding, soffit, and panels for all types of exterior applications. Only two decking profiles are needed for exterior decking application, the company says. A single grooved G1 plank is used as starter and ending plank and the G2 for the deck itself. All dassoXTR's deck planks also include the company's exclusive tongue-and-grooved end matched system designed to attach the planks seamlessly together. **www.dassoxtr.com**







MiTek ProSeries

MiTek has unveiled new packaging for its ProSeries. The ProSeries includes: MiTek Bugle Head, MiTek Washer Head, and MiTek Hex Head structural wood screws designed for use in a variety of wood-to-wood and wood-to-metal applications. These screws are designed to be used in numerous framing applications in lieu of traditional lag screws where a hex head drive is desired. MiTek Washer Head structural wood screws (exterior finish) offer an alternative to traditional lag screws. The large, flat washer head offers a low profile (for less interference) after installation. These screws are ideal for deck ledger attachments and other wood-to-wood connections. Specifically designed for multi-ply EWP and dimensional wood connections, MiTek Washer Head structural wood screws (with a yellow zinc finish) allow for one-sided connections on 2-, 3-, and 4-ply beams and truss girders. And, MiTek Bugle Head screws are available in lengths from 2-1/2" to 10". These screws are designed to offer a high-strength alternative to traditional lag screws. **www.mitek-us.com**

24" FootingPad from AG-CO



A new code-compliant product from AG-CO is designed to make deck and post frame construction easier. FootingPad is a composite footer that supports load-bearing posts used in decks and post-frame buildings. FootingPad has added a 24" diameter version to join three other sizes (10", 12", and 16"). This newest footer supports over 9,300 lbs per post, and is designed to be used in large buildings and in areas with high snow loads. FootingPad has been certified as code compliant (ESR 2147) by the International Code Council – Evaluation Services (ICC-ES) for Type V construction under the IRC and IBC, making it acceptable in almost any jurisdiction. **www.footingpad.com**



Crescent Lufkin tape measures

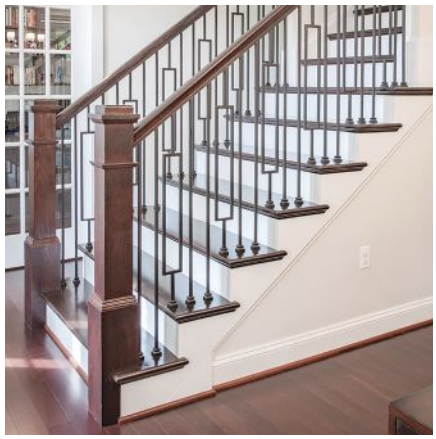
Crescent Lufkin Shockforce and Shockforce Nite Eye tape measures feature a patent-pending two-sided blade design and 14' of standout. The compact design features metal "roll bars" to protect the lock button against drop impact damage, while the simulated diamond-coated end hook is said to provide 50% more hook grasp to prevent surface slippage. The dual-sided print combined with enhanced print size are designed for superior legibility for quicker measuring. The Nite Eye offers the same features, but with a high visibility green-on-matte black blade designed to be seen in any light condition. Crescent Lufkin Shockforce tape measures are available in 16', 25', and 35' options. **www.crescenttool.com**

Deck2wall Spacers



Deck2wall Spacers are polypropylene spacers designed to be installed between a deck and house. This allows water and debris to flow between the ledger and the house, promotes circulation and drying, and helps prevent rot. The spacers are designed to be easy to install, rugged, durable and non-corrosive. They are available in two sizes and were tested with a variety of bolts, lags and structural wood screws, the company says. Other applications include shade structures, fence and rail posts, stairs, landings, and more. **www.deck2wallspacer.com**

Contempo Collection by L.J. Smith Stair Systems



L.J. Smith now offers the new Contempo Collection of iron balusters. The iron balusters come in multifunctional styles with straight lines and open spaces. Available in either a low sheen black or matte nickel finish, the iron balusters come in four different styles: straight line, rectangular vertical feature, oblong vertical feature and ladder design. The balusters can be installed with complementary newels and rails. Within the Contempo Collection, L.J. Smith also offers a Flat Bar Baluster style that is 1/2" x 1-1/2" and is often used with the 1/2" x 1/2" straight bar baluster. With this addition to the collection came complementary flat shoes. The Flat Bar Balusters can be paired with wood newels and metal newel caps to create unique looks. The flat bar balusters and flat shoes are available in low sheen black, matte nickel, oil rubbed copper and satin black finishes. The flat shoes also come in oil-rubbed bronze for the 1/2" x 1/2" straight bar baluster. **www.ljsmith.com**



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BY BEN GANN

Department of Labor revisits overtime eligibility

THE DEPARTMENT OF LABOR (DOL) released a proposed update to overtime eligibility. As proposed, the salary level under which full-time salaried "white collar" employees qualify for overtime pay would change from $455 per week ($23,660 annually) to $679 per week ($35,308 annually). DOL is accepting comments on the proposal. DOL's goal is for changes to to take effect in January 2020.

Under the Trump Administration, DOL has sought to update rules regarding overtime eligibility for employees. The overtime rule has not been updated since 2004, and most employers acknowledge the need for an update. During the Obama administration, DOL attempted to make dramatic changes to overtime eligibility; however, a federal court suspended, and later blocked, implementation.

DOL is using the methodology from the 2004 update in its proposal to increase the salary threshold. Specifically, it sets the standard salary level at approximately the 20th percentile of earnings for full-time salaried workers in the lowest-wage census region (South) and in the retail sector. DOL estimates that 1.1 million additional workers will gain overtime eligibility under the proposal.

NLBMDA agrees with DOL that the 2004 methodology is the most appropriate method to use as a justification for an increase in the salary threshold. This method would be the most likely approach to preserve the salary levels as the bright-line test for determining overtime eligibility.

That bright-line test has worked well to ensure those employees whose salaries fall below the threshold levels are automatically eligible for overtime, while those whose salaries are over the threshold can be categorized as exempt only if they meet the criteria established under the duties tests.

Employers should continue to focus on the duties test for overtime compliance, which was not changed as part of the proposal. NLBMDA supports the continuation of the duties test established by DOL to determine overtime eligibility.

The three basic tests that a worker must meet in order to claim a white collar exemption are the following: 1) the employee must be paid on a salary basis not subject to reduction based on quality or quantity of work ("salary basis test"); 2) the salary must meet the applicable threshold amount ("salary level test"); and 3) the primary job duty must involve work associated with executive, administrative, or professional employees ("standard duties test").

There is still a general exemption from the rule for outside sales professionals provided the following criteria are met: 1) the employee's primary duty must be making sales or obtaining orders or contracts for services or for the use of facilities for which compensation will be paid by the client or customer; and 2) the employee must customarily and regularly be engaged away from the employer's place or places of business. A general exemption also exists for drivers of commercial trucks involved in interstate commerce.

Highly compensated employees (HCE) performing office or non-manual work remain exempt from the Fair Labor Standards Act (FLSA) if they customarily and regularly perform at least one of the duties of an exempt executive, administrative or professional employee identified in the standard tests for exemption.

As part of the new rule, 10% of the salary threshold for workers not classified as highly compensated employees (HCE) can be met by non-discretionary bonuses, incentive pay, or commissions, provided these payments are made on at least a quarterly basis.

The new proposal increases the total annual compensation requirement for HCE from the currently enforced level of $100,000 to $147,414 per year (which must include at least $679 per week paid on a salary or fee basis). That amount is based on the 90th percentile of full-time salaried workers nationally, and is higher than the Obama-era proposed threshold of $134,004.

Although there are not automatic updates in the proposal, DOL is seeking comments on conducting regularly scheduled rulemakings to update the salary threshold. The Obama-era proposal sought to automatically update the salary threshold every three years.

NLBMDA opposes any automatic adjustment to the salary threshold, as DOL does not have the legal authority to make such adjustments. In addition, DOL has historically revisited the salary level through the normal notice-and-comment rulemaking process.

The association submitted comments in 2017 regarding DOL's Request for Information (RFI) on updating overtime eligibility. An RFI is normally conducted prior to a formal rulemaking. In its comments, NLBMDA noted that "the salary level should continue to serve as the best single test of exempt status."

Dealers should begin to revisit the duties and salaries of their employees to determine what positions in their organization are exempt, and which ones are eligible for overtime. NLBMDA will submit comments to DOL, and is pleased that many of the employer recommendations for overtime eligibility have been incorporated into the proposal. ■

Ben Gann is vice president of legislative and political affairs for NLBMDA in Washington, D.C. For more information, visit www.dealer.org.

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Maze Nails	83	800.435.5959	www.mazenails.com
MFM Building Products Corp.	79	800.882.7663	www.mfmbp.com
* Mid-State Lumber	16	800.942.7776	www.midstatelumber.com
MiTek Builder Products	23	800.325.8075	www.mitek-us.com
MoistureShield	20-21	866.729.2378	www.moistureshield.com
* North American Deck and Railing Association (NADRA)	13	215.679.4884	www.nadra.org
Palram Americas	37	610.285.9918	www.palramamericas.com
Pennsylvania Lumbermens Mutual Insurance Company	WP (52-53)	800.752.1895	www.plmins.com
PrimeSource	33	972.999.8500	www.primesourcebp.com
* Princeton Forest Products	89	800.504.8044	www.princetonforestproducts.com
ProWood Lumber	69	616.364.6161	www.prowoodlumber.com
* Rollex Corp.	9	800.251.3300	www.rollex.com
Royal Building Products	61, 75	1.855.ROYAL85	www.royalbuildingproducts.com
Seljax	85	800.651.7955	www.seljax.com
Simpson Strong-Tie	5	800.999.5099	www.strongtie.com

COMPANY	PAGE	PHONE	WEBSITE
* Starwood Rafters	92	888.525.5878	www.starwoodrafters.com
* Superior Plastic Products	15	800.633.7093	www.superiorplasticproducts.com
Tamlyn	27	800.334.1676	www.tamlyn.com
Trex	29	800.BUY.TREX	www.trex.com
Turboclip	94	320.243.7318	www.turboclipusa.com
U2 Fasteners	87	855.895.7096	www.u2fasteners.com
Uline	64	800.295.5510	www.uline.com
Ultra-tec	3	800.851.2961	www.ultra-tec.com
Wild Hog Railing	77	800.221.7671	www.wildhograiling.com

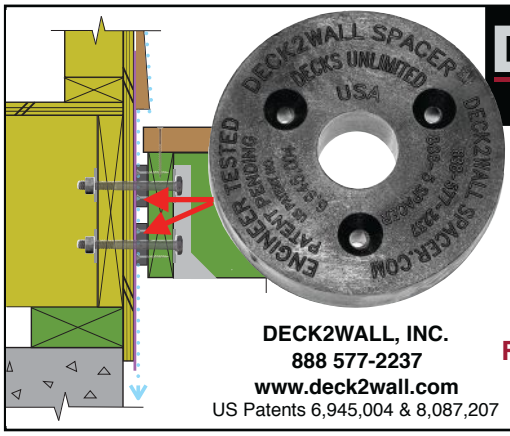
*Denotes regional distribution.
Note: last-minute changes will affect the accuracy of this listing.
IBC=inside back cover, IFC=inside front cover, OBC=outside back cover,
BB=belly band, INS=insert, PB=polybagged, WP=white paper

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THE UNWELCOME PRICE SETTER

A KEY VENDOR IS MARKETING PRODUCT—AND PRICES—DIRECTLY TO A BIG BUILDER CUSTOMER, TAKING PRICING CONTROL AWAY FROM YOU AND KILLING YOUR MARGINS. WHAT WOULD YOU DO?

As an LBM dealer serving builders of all sizes for more than 30 years, if you haven't seen it all, you're dangerously close. You've seen leading-name LBM dealers with a strong market presence suddenly fall due to poor planning or decisions. You've seen builders seemingly come from nowhere—one day, they're doing a couple of modest homes a year, then suddenly constructing dozens of high-end custom homes. And you've seen consolidation change the entire landscape—builders, dealers, wholesalers, and manufacturers. If you know one thing, it's that change is inevitable, and if you can't adapt, then you're in the wrong business.

Most changes you can roll with, but one of your leading vendors just threw you a curve ball, and you're not sure how to respond. Here's the story.

Big Build Homes is a regional production builder that your company has been working with for nearly a decade. As you and your team learned quickly ten short years ago, large production builders and small custom builders operate very, very differently. With custom builders, margins are better, but there's more service required for the lower volumes. With Big Build Homes, it's all about efficiency. "On-time and in-full" isn't a goal...it's a requirement. Time is money, and your team has gotten quite good at understanding Big Build Homes' needs—and delivering on them.

While the margins are thinner, the folks at Big Build have worked with your team to put systems in place to make life easier for you and them. It's true that the margins aren't where you'd like them to be, but they're still worth your while. They were, anyway, until you got a call from Big Build's A/P department. "Our latest invoice shows you're still charging us the old price on products from Manufacturer X, but when the manufacturer met with our buyers, they promised prices 11% lower," she said. "Should I short pay this invoice, or do you want to send a new one?"

This was news to you. Nobody from Manufacturer X said anything to you about charging lower prices—and they certainly didn't tell you that they're going to set prices with your customers. You hoped that a quick call would straighten it out. It didn't. "Yes, in addition to marketing directly to production builders, we're also setting prices—so everyone's charged the same. I hope that isn't a problem," they told you.

The fact is, it's a huge problem. The products from Manufacturer X comprise more than 20% of your sales to Big Build Homes. Your margins are already thin...cutting your prices by 11% is going to put Big Build near break-even. At that point, you're not sure their business is worth the effort. What would you do?



CAST YOUR VOTE ONLINE AT: LBMJOURNAL.COM

1. **PUSH BACK.** Tell Manufacturer X that they can't set prices on the products that you sell, unless they're willing to reduce the price they charge you by 11%.
2. **ACCEPT IT.** The last thing you want to do is go to war with a major manufacturer—especially one that's the source of much of your sales. Accept it and make up the margins elsewhere.
3. **REASON.** Tell Big Build Homes that you can't sell those products for any less, unless they're willing to accept lower levels of service. You both need to make a living, after all.
4. **TRANSITION.** If Manufacturer X won't budge and insists on enforcing the pricing they promise your customer, it might be time to meet with one of their competitors.

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

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