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BRINGING HIS A-GAME: THE PROCESS OF BETTER BUILDING



Jake Bruton has always craved just a little more time to make his projects better. It's that same drive to find a better way of doing things that has since found its way to his construction company, Aarow Building.

"Since taking over Aarow Building 11 years ago, I have strived to set our company apart by using better products and processes," Bruton said. "I take pride in the work I do each day, and I want to provide homeowners with a house that is better built, will last longer, and will be healthier and more comfortable to live in."

Jake brings 20 years of carpentry to the job each day, which starts as early as 4 a.m. and involves constant collaboration.

"We handle problem-solving as a team so everyone involved can learn and take that practice to the next job." For Jake, it's not always about rushing to meet the deadlines. With a consistent focus on quality, he leads his teams to consider the details and be purposeful each step of the way.

"I decided by focusing on quality I needed to allow myself to go, 'well, it's OK it's going to take a little bit longer to go the last five steps.'"

> **"I decided by focusing on quality I needed to allow myself to go, 'well, it's OK it's going to take a little bit longer to go the last five steps.'"**
>
> Jake Bruton, Owner
> Aarow Building

Ultimately, Aarow Building is focused on making homeowners happy by bringing its best work to every job, no matter the size.

"Whether it is a bathroom remodel or a newly built custom home, our work brings joy to the homeowner when it's finished," Bruton said. "The only way to ensure that happens is to pay attention to the details and take pride in the work we are doing each day. This is something that varies significantly from old-school methods of construction."

To build better, more durable and energy-efficient homes, Jake spends time developing relationships with quality subcontractors and product manufacturers so he has a like-minded team he can trust.

"We work with manufacturers like Huber Engineered Woods because they not only provide us with high-quality products, but they also provide us with quality service. Being granted access to reps who help us solve issues is hugely beneficial to us as a company, and it goes above and beyond the type of support we receive from other manufacturers."

A-game builders like Jake Bruton bring their best to every job.

Watch his full story at **AdvanTechAGame.com** or by scanning the QR code below.



Open your smartphone camera app to scan QR code for video link.

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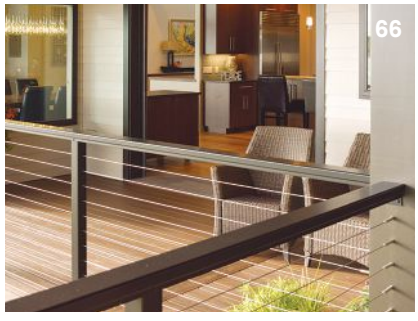
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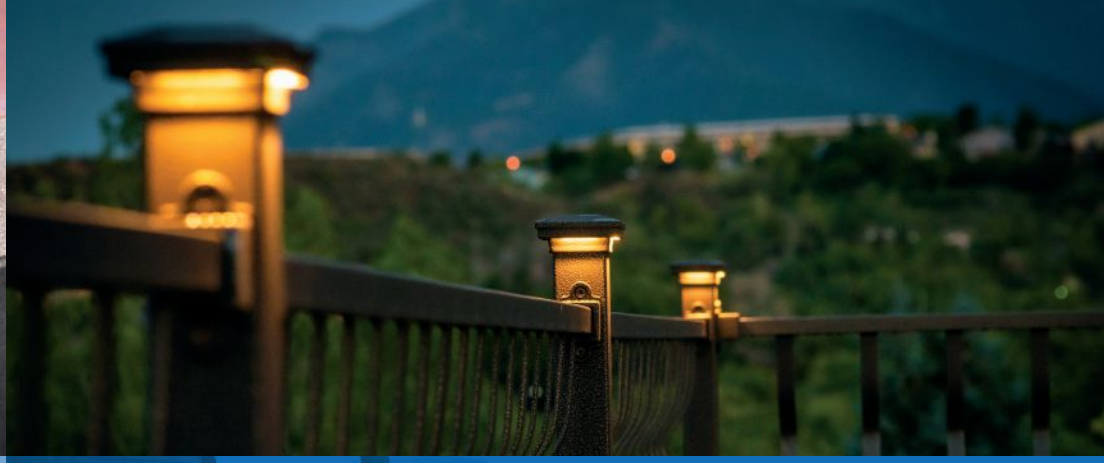
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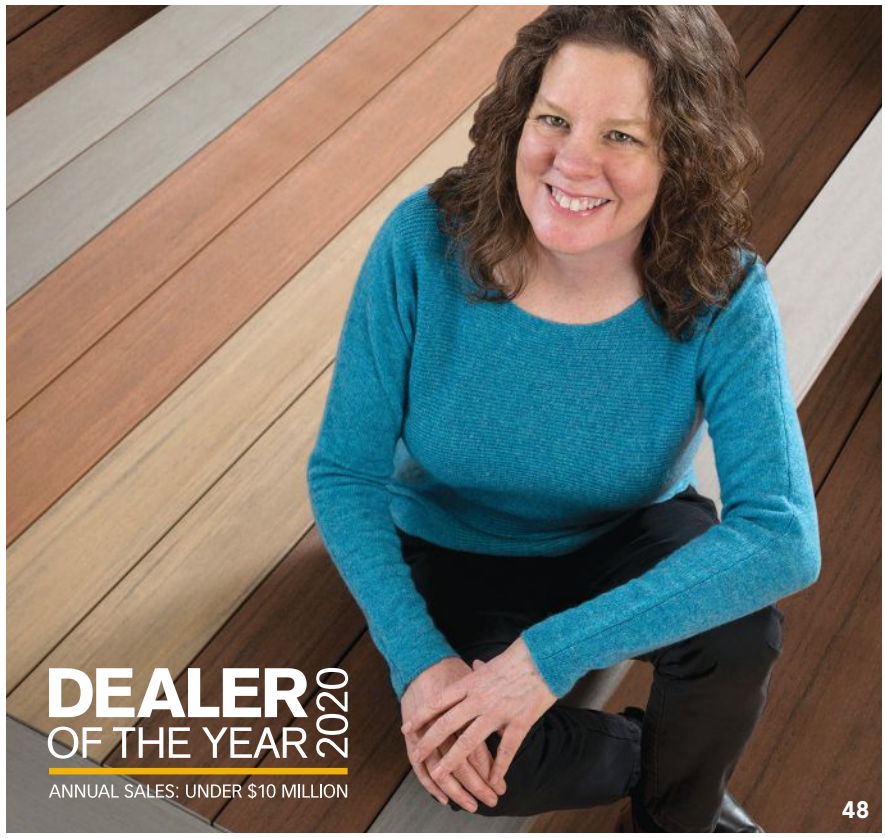
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Stronger together

BY RICK SCHUMACHER



IN A SHOCKINGLY SHORT PERIOD OF TIME, we've gone from hearing about the coronavirus hitting Italy and China, to experiencing its impact in virtually all areas of our lives. As I write this on March 25, the situation is changing daily, and I've no way of knowing how the landscape will have changed by the time you read this. Hopefully COVID-19 will spike quickly, so we can get back to normal. But it's always wise to hope for the best and prepare for the worst. For now…

"Job one" for all of us to keep our families and colleagues safe and healthy. The Centers for Disease Control and Prevention website (www.cdc.gov) is a rich source of updates and information. I urge you to rely on this site when looking for the latest facts on this historic health crisis.

"Job two" is working together to ensure that our companies navigate this crisis. Here at *LBM Journal*, we've been hearing from and responding to industry pros looking for insights and answers. In fact, so many businesses are looking for information that we expanded the bandwidth on LBMJournal.com to accommodate the sudden increase in online traffic.

We don't have all the answers. However, as the leading media company serving the lumber and building material distribution channel, *LBM Journal* is uniquely positioned to serve as a clearinghouse for the latest news, information and insights to help you and your company weather this storm. We take that responsibility very seriously. To that end, here's what we're doing:

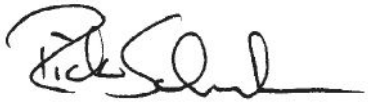
Actively seeking the latest practical information and insights from LBM dealers, distributors, wholesalers, manufacturers and service providers.

Making that practical information available to you as quickly and efficiently as possible, whether that's online at LBMJournal.com, in the LBM Journal Daily enewsletter, via social media, or live webinar.

Encouraging you to reach out to us if you have questions about what to do, suggestions based on something you tried (that worked, or that didn't), or stories about how you and your customers have worked together to find a solution to the very real, "street-level" problems as they emerge.

Here's what I know. The LBM distribution industry that we belong to is one of the oldest, proudest, and strongest industries in the world. We, and those who came before us, are no strangers to catastrophic events including severe economic recessions/depressions and world wars. If you're reading this, you're a member of an industry that's a cornerstone of every city and town in the U.S. It's not just an industry…it's a community. Working together, we will survive this, and we'll be here tomorrow to help the people in our markets move forward with their lives. Because that's what we've always done, and what we'll continue to do. It's in our DNA.

Please don't hesitate to reach out to anyone on the *LBM Journal* team if we can help. Here's to working through this together. ■



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Codes and customer trust

KNOWING THE CODE IMPLICATIONS AND INSTALLATION DETAILS ABOUT THE PRODUCTS YOU SELL IS A CRITICAL STEP TO BUILDING TRUST WITH YOUR CUSTOMERS.

BY GLENN MATHEWSON, MCP

In the past decade, decks have gotten serious recognition in the International Residential Code. While many may regard this as bad news: "more regulation of decks," it's quite the contrary. Codes standardize the baseline value of construction. They strike a balance between safety and affordability, while offering maximum design freedom. In the historical absence of model deck codes, government authorities across the country had to develop their own... and "freedom" is not always the first thing on the government's agenda. This localization of standards drives a distrust from the public, when in one location a product or practice is permitted, but in another they are not.

The majority of new deck codes have provided pre-engineered design tables and methods of construction. Referred to as "prescriptive design," they eliminate the need for a design professional (engineer or architect). However, the deck industry is dominated by proprietary products that the IRC is not designed to address directly. Installation requirements for these products don't come from the code, they come from the manufacturer, and are validated by testing or engineering. This is where material suppliers come into play. The materials you sell will perform only as well as they are installed. Like a lawsuit, where anyone associated often gets named for liability, such is the human nature when a product fails to perform. The product, the supplier, the builder, even the inspector... all are bruised.

Help us all avoid that. Material suppliers are the link in the chain between the product and the installer. To provide only the product without vehemently providing the installation instructions and testing validation is as ineffective and potentially dangerous as selling a homemade car to an unlicensed driver. Research the testing, instructions, and implications of code related to all the products you offer and then encourage the same of your customers. Don't wait until asked.

You don't have to be a sales expert to know that it's much easier to close the deal when your buyer trusts you. The most direct route to trust is demonstrating your understanding of the products you sell by knowing (and sharing) the code implications, as they are indeed the legal implications. Know your products, and know your buyers, and earn their trust by providing more than just storage and transportation of the physical matter you sell.

Okay, those are broad lessons, so let's zoom into a couple examples.

Metal connectors: Standard metal connectors are only coated to G90 weight of galvanization and do not provide sufficient thickness of protection in an exterior, wet environment, *regardless of whether the lumber is preservative-treated or not* (read that last part again). When determining where a connector is permitted, many have turned to new preservative treated lumber providers for guidance and have been notoriously told, "You can use G90 connectors with our lumber." Wrong. The IRC requires the connector manufacturer to specify the appropriate protection, *not* the lumber provider. In my research, G90 protection is never permitted in an outdoor, wet environment with untreated wood. In absence of manufacturer guidance, the IRC specifies G185 galvanizing or stainless steel.

Design: A trend for many suppliers is to offer design and material take-off assistance. In the deck industry, everything you have come to know about design methods of spans and sizing members over the last decade is changing. If the new deck design tables haven't been adopted in your region yet, it's only a matter of time. Joists, beams, and posts can now all be sized from pre-engineered design tables. However, structural design for decks is not simple to pre-engineer due to the variety of shapes decks are built in. These shapes create unique load paths, many of which can be provided for prescriptively, but others still require a design professional. If offering design assistance, know the limits of prescriptive code design.

So, where do you begin? You already have. Now seek out the information. If you need more help or guidance on how to do that, reach out to me and I'll try to help. ■

Glenn Mathewson has served as technical advisor to the North American Deck and Railing Association (NADRA) since 2011. An experienced tradesman, contractor, consultant and building inspector, Glenn is the founder of BuildingCodeCollege.com, an ICC-approved online school that dives into the "intent and purpose" of code provisions and addresses the realities of applying them in the field. Learn more at BuildingCodeCollege.com or email Glenn@BuildingCodeCollege.com.



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UPDATES

PEOPLE

Kelly C. Janzen has joined **BlueLinx** as senior vice president, CFO, and treasurer.

Eastern Engineered Wood Products has promoted **Brian Johnson** to a newly created position of sales manager (mid-Atlantic) and business development manager.

John Sieggreen was named **Orgill**'s executive vice president of retail. **Chris Freader** has been promoted to vice president of merchandising services.

Grabber has hired **Jason Roxburgh** as the company's new director of innovation.

The *Pittsburgh Business Times* has named **84 Lumber**'s President **Maggie Hardy Knox** as its annual Women of Influence 2020 Career Achievement Award winner.



ROXBURGH



HARDY KNOX



ABBOTT

84 Lumber has hired **Jim Abbott** as vice president of EWP.

Biewer Lumber has named **Shannon Kita** to the role of chief operating officer.

Trex has announced the election of **Bryan H. Fairbanks**, currently executive vice president and chief financial officer, to the positions of president and chief executive officer and board member beginning April 29.



KITA



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HOUSING STARTS DIP IN FEBRUARY, AND UNCERTAINTY LIES AHEAD

Total housing starts decreased 1.5% in February from an upwardly revised January reading to a seasonally adjusted annual rate of 1.60 million units, according to a report from the U.S. Housing and Urban Development and Commerce Department. Meanwhile, overall permits declined 5.5% to 1.46 million.

The February reading of 1.60 million starts is the number of housing units builders would begin if they kept this pace for the next 12 months. Within this overall number, single-family starts increased 6.7% to a 1.07 million seasonally adjusted annual rate, the highest level since June 2007. The multifamily sector, which includes apartment buildings and condos, decreased 14.9% to a 527,000 pace.

"Housing starts were strong at the outset of 2020, as builders started production of homes to meet consumer demand at the beginning of the year," said Dean Mon, chairman of the National Association of Home Builders (NAHB). "While these are solid numbers, the report is backward looking. Challenges lie ahead due to broad economic weakening stemming from the coronavirus crisis."

"AS INDICATED BY SOME OF THE SOFTENING IN BUILDER CONFIDENCE IN MARCH, HOUSING CONSTRUCTION FACES SIGNIFICANT HEADWINDS AS WE ENTER THE SPRING SEASON"

– ROBERT DIETZ

"With a rising number of economic sectors on a partial or full pause due to coronavirus mitigation, housing demand and the ability to continue full construction of homes is at significant risk," said NAHB Chief Economist Robert Dietz.

Regionally in February, combined single- and multifamily housing production increased 16.7% in the Midwest and 15.2% in the South. Starts fell 41.4% in the Northeast and 18.2% in the West.

Overall permits declined 5.5% to a 1.46 million unit annualized rate in February. Single-family permits increased 1.7% to a 1 million unit rate, while multifamily permits decreased 18.3% to a 460,000 pace.

Looking at regional permit data, permits dropped 25.1% in the Northeast, 8.2% in the Midwest, 1.6% in the South and 2.5% in the West.

NEW HOME SALES START 2020 STRONG

Sales of newly built, single-family homes rose 7.9% to a seasonally adjusted annual rate of 764,000 units in January, coming off an upward revision in December, according to data by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. The monthly number is 18.6% higher than the January 2019 rate and the highest monthly sales pace since July 2007.

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 January reading of 764,000 units is the number of homes that would sell if this pace continued for the next 12 months.

Inventory fell to a 5.1 month supply, with 324,000 new single-family homes for sale, 6.6% lower than January 2019. Of that total, just 76,000 are completed, ready to occupy. The median sales price was $348,200. The median price of a new home sale a year earlier was $305,400.

Regionally, new home sales are 30.3% higher in the Midwest, 23.5% higher in the West and 4.8% higher in the Northeast. Sales are down 4.4% in the South.

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UPDATES

INDUSTRY

Do it Best Corp. has launched the **Do it Best Foundation** to distribute grants to organizations that align with its giving pillars and generate the biggest impact in their communities to help them be great places to live, work, and play.

Simpson Strong-Tie has donated $10,000 to the **American Red Cross** Disaster Relief Fund following the Tennessee tornadoes of early March.

Oldcastle's **Belgard** and **Techniseal** have joined **MoistureShield** in the Contractor Rewards Program.

DISTRIBUTION

Palmer-Donavin, a building materials distributor and door fabricator in the Midwest is now stocking **ColorMax** by **Allura USA**.

Wausau Supply is now distributing **DuraLife** in Colorado.

Hall Forest Products will distribute **Fortress Building Products**.

Atlantic Plywood, a wholly owned subsidiary of **Parksite** will be the exclusive Formica distributor Southeast markets.

MERGERS & ACQUISITIONS

Kodiak Building Partners has acquired **Medallion Industries**, a distributor based in Portland, Oregon.

Mans Lumber and Millwork, based in Trenton, Michigan, has acquired **Legendary Millwork**, a manufacturer of custom millwork, trim and doors.

Oldcastle APG has acquired dry mix manufacturer **US MIX**.

Lansing Building Products has acquired the distribution business of **Harvey Building Products**.

American Construction Source has acquired **Homewood Holdings LLC**. Homewood will continue to operate under its existing local brand names of **Homewood Lumber**, **Evergreen Lumber**, **Eagle Creek Siding**, **Custom Choice Door**, and **The Door Mill**.

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BUILDER CONFIDENCE DECLINES IN MARCH

Builder confidence in the market for newly-built single-family homes fell two points to 72 in March, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI). Sentiment levels have held in a firm range in the low- to mid-70s for the past six months.

"Builder confidence remains solid, although sales expectations for the next six months dropped four points on economic uncertainty stemming from the coronavirus," said NAHB Chairman Dean Mon. "Interest rates remain low, and a lack of inventory creates market opportunities for single-family builders."

"It is important to note that half of the builder responses in the March HMI were collected prior to March 4, so the recent stock market declines and the rising economic impact of the coronavirus will be reflected more in next month's report," said NAHB Chief Economist Robert Dietz. "Overall, 21% of builders in the survey report some disruption in supply due to virus concerns in other countries such as China. However, the incidence is higher (33%) among builders who responded to the survey after March 6, indicating that this is an emerging issue."

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 index gauging current sales conditions fell two points to 79, the component measuring sales expectations in the next six months dropped four points to 75 and the gauge charting traffic of prospective buyers also decreased one point to 56.

Looking at the three-month moving averages for regional HMI scores, the Midwest fell two points to 66, the South moved one point lower to 77 and the West posted a one-point decline to 82. The Northeast rose two points to 64.

NEW SINGLE-FAMILY HOME SIZE CONTINUES TO FALL

The National Association of Home Builders reports that single-family home size trended lower during the final quarter of 2019 as interest rates remained low and builders seek to add additional entry-level supply.

According to fourth quarter 2019 data from the Census Quarterly Starts and Completions by Purpose and Design and NAHB analysis, median single-family square floor area ticked down to 2,252 square feet. Average (mean) square footage for new single-family homes increased to 2,511 square feet.

On a less volatile one-year moving average, the recent declines in new home size is indicative of a trend. Since cycle lows (and on a one-year moving average basis), the average size of new single-family homes is now less than 6% higher at 2,505 square feet, while the median size is less than 9% higher at 2,280 square feet.

The post-recession increase in single-family home size was consistent with the historical pattern coming out of recessions. Typical new home size falls prior to and during a recession as home buyers tighten budgets, and then sizes rise as high-end homebuyers, who face fewer credit constraints, return to the housing market in relatively greater proportions. This pattern was exacerbated during the current business cycle due to market weakness among first-time homebuyers and supply-side constraints in the building market.

In contrast to single-family patterns, new multifamily apartment size is down compared to the pre-recession period. This is due to the weak for-sale multifamily market and strength for rental demand.

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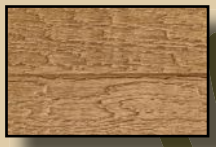
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MULTIFAMILY BUILDER AND DEVELOPER CONFIDENCE REMAINED UNCHANGED IN FOURTH QUARTER

Confidence in the market for new multifamily housing remained unchanged in the fourth quarter of 2019, according to results from the Multifamily Market Survey (MMS) released by the National Association of Home Builders (NAHB). The MMS produces two separate indices. The Multifamily Production Index (MPI) remained even at 49, while the Multifamily Vacancy Index (MVI) also remained even with a reading of 40.

The MPI measures builder and developer sentiment about current conditions in the apartment and condo market on a scale of 0 to 100. The index and all of its components are scaled so that a number below 50 indicates that more respondents report conditions are getting worse than report conditions are improving.

The MPI is a weighted average of three key elements of the multifamily housing market: construction of low-rent units–apartments that are supported by low-income tax credits or other government subsidy programs; market-rate rental units–apartments that are built to be rented at the price the market will hold; and for-sale units–condominiums. The component measuring low-rent units increased two points to 53, the component measuring market rate rental units rose six points to 50 and the component measuring for-sale units dropped four points to 46.

The MVI measures the multifamily housing industry's perception of vacancies in existing apartments. It is a weighted average of current occupancy indexes for class A, B, and C multifamily units, and can vary from 0 to 100, where a number under 50 indicates more property managers believe vacancies are decreasing than increasing. With a reading of 40, the MVI has remained unchanged for the past three quarters and well under 50, indicating vacancies are improving.

"Demand for apartments has been strong for the past several months, especially for apartments that are more affordably priced," said Barry Kahn, president of Hetting-Kahn Holdings in Houston and chairman of NAHB's Multifamily Council. "We are seeing an increased need for affordable housing in most markets around the country."

Historically, the MPI and MVI have performed well as leading indicators of U.S. Census figures for multifamily starts and vacancy rates, providing information on likely movement in the Census figures one to three quarters in advance.

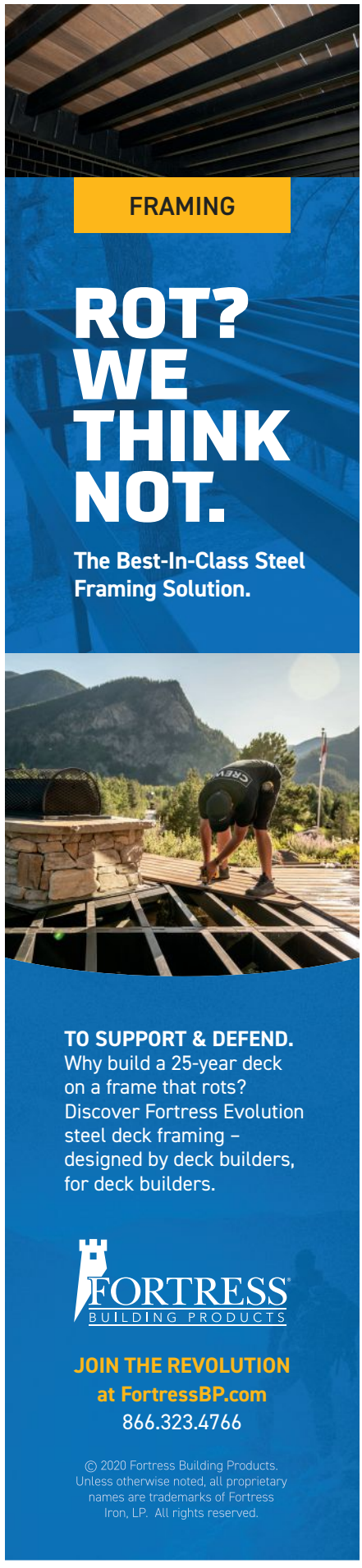
MORE THAN 60% OF A HOME'S SALES PRICE GOES TO CONSTRUCTION COSTS

NAHB's latest Cost of Construction Survey reveals that 61.1% of the average home sales price consisted of construction costs in 2019, up from 55.6% in 2017 but similar to the 2013 and 2015 breakdowns of 61.7% and 61.8%, respectively.

The finished lot cost was the second largest cost at 18.5% of the sales price, down from 21.5% in 2017.

Survey respondents broke down construction costs into eight major construction stages. Interior finishes, at 25.4%, accounted for the largest share of construction costs, followed by framing (17.4%), major system rough-ins (14.7%), exterior finishes (14.1%), foundations (11.8%), final steps (6.8%), site work (6.2%), and other costs (3.8%).

These total construction costs accounted for $296,652 of the average home sales price of $485,128. It should be noted that these survey results are national averages, and the survey sample is not large enough for a geographical breakdown. However, the construction cost percentages in the survey serve as a useful yardstick as these component shares are relatively comparable for other average home prices. For example, the sales price of a $300,000 home would likely factor in construction costs of around $180,000, or 60%.



2020 EVENTS

AUG 26
LMC HARDWARE EXPRESS 2020
Las Vegas, NV | lmc.net

AUG 27-29
ORGILL FALL DEALER MARKET
Las Vegas, NV | orgill.com

SEP 1-30
FREE REGISTRATION FOR NAHB'S INTERNATIONAL BUILDERS SHOW
(to be held Feb. 9-11, 2021)
Orlando, FL | buildersshow.com

SEP 11-14
DO IT BEST FALL MARKET
Indianapolis, IN | doitbestonline.com

SEP 16-18
FBMA CONVENTION AND GULF ATLANTIC BUILDING PRODUCTS EXPO
Orlando, FL | fbma.org

SEP 23-25
LBM STRATEGIES CONFERENCE 2020
Boston, MA | lbmstrategies.com

SEP 26-28
TRUE VALUE FALL REUNION
Philadelphia, PA | truevaluecompany.com

OCT 4-8
WORLD MILLWORK ALLIANCE (WMA) 2020 CONVENTION & TRADESHOW
Mobile, AL | worldmillworkalliance.com

NOV 4-5
2020 INDUSTRIALIZED WOOD-BASED CONSTRUCTION CONFERENCE (IWBC)
Boston, MA | iwbcc.com

NOV 11-13
LMC EXPO 2020
Philadelphia, PA | lmc.net

NOV 16-18
ECI CONNECT USER CONFERENCE
Las Vegas, NV | ecisolutions.com

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TOUGH CALL ANSWERS

ANSWERS TO OUR FEBRUARY TOUGH CALL SURVEY:

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MOVE ON. The loss of a dedicated rep shows how little the vendor cares. You have no choice but to leave and find a vendor who values your business.

4.9%
STAY PUT. Like it or not, the recorded voice telling you to hold is the new reality. If you want the convenience of your nearby wholesale distributor, get used to waiting.

58.2%
SQUEAKY WHEEL. Ask for a sit-down meeting with the vendor's GM, explain your situation and your frustration, and ask to be treated like a valued customer.

9.7%
CASH IN. The market for established, profitable lumberyards has never been stronger. Maybe your frustration is a sign that it's time to consider selling your business.



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



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DESPITE LOW MORTGAGE RATES, CORONAVIRUS IS SLOWING THE HOUSING MARKET

In a typical market, low mortgage rates would be expected to continue to boost demand—the most recent reading on home sales in February was strong, suggesting that buying demand remained healthy at the start of the year despite a historic shortage of inventory, in part because of low mortgage rates that make monthly payments more affordable.

But today's market is, of course, anything but typical as some jurisdictions have mandated or recommended citizens remain at home in an effort to slow the spread of COVID-19. The effect these recent mortgage rate movements are having on the housing market has been overshadowed by broader economic factors, and the most prominent impact may have already come to pass with the temporary boom in refinances.

One sign of analysts' reading of the market is Bank of America's ratings downgrade for some of the nation's largest homebuilders, suggesting the bank believes COVID-19 will harm consumer sentiment and slow home building. If correct, that dive in consumer sentiment would presumably slow sales activity regardless of mortgage rate movements, as some would-be buyers turn down their risk tolerance and stay out of the market. Early data suggests this may be the case as real estate showings have dropped off steeply since March 11.

BY THE YARD

NEWS FROM LUMBERYARDS
AROUND THE COUNTRY


MORGAN

NEW CEO AT ASHBY LUMBER

Ashby Lumber, a family-owned business providing the Bay Area with building materials and supplies for more than 50 years, has announced that Emily Morgan will be the new chief executive officer. Dan Easley, the company's president for the past 30 years, retired March 10.

DREXEL BUILDING SUPPLY GOES OFFSITE

A pair of Wisconsin companies are joining forces. Drexel Building Supply will acquire Blenker Building Systems, an offsite construction company. The deal will be finalized April 30. The merger will take advantage of factory-setting construction in a controlled environment, allowing for more efficient building with minimal waste. The announcement says that advanced engineering practices can be maximized to make homes more energy efficient and stronger, using less materials.

NATION'S BEST EXPANDS

Nation's Best has acquired Groom & Sons', a three-location retail hardware, home center, and contractor lumberyard, founded in 1948, with locations in East Dallas, Mabank, and Athens, Texas. This follows the recent addition of Lambert Lumber and Home Center, founded in 1996, and based in Broken Bow, Oklahoma. Nation's Best also acquired Bridgeport Building Centers, with five locations serving Dallas-Fort Worth and surrounding areas.

TAL HOLDINGS ACQUIRES CHELAN BUILDING SUPPLY

TAL Holdings LLC, a nine-store chain of retail building material centers in Oregon and Washington, has acquired Lake Chelan Building Supply (LCBS) in Manson and Chelan, Washington.

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HOW HACKMANN LUMBER AND HOME CENTERS STAYS AHEAD OF THE COMPETITION.



"You must have great product, you must have great people—but as a lumber dealer, price is king." That is how Brian Mundy, president and general manager of Hackmann Lumber and Home Centers, sums up his successful business approach, and why he knows that Do it Best is the LBM Total Solution for his business.

Hackmann Lumber and Home Centers, a third-generation, family-owned business, serves pro builders and homeowners in eastern Missouri from two major locations. Brian relies on his co-op's buying power and market savvy to help him stay competitive in a volatile market.

In addition to a wide range of vendor and mill relationships, Brian has access to strategically located reload centers and expansive on-the-ground inventory levels. This gives him the ability to buy lumber and building materials in almost any quantity, often lower than current market price, and have them available to sell almost instantly.

"The reload centers are one of the best things about Do it Best," says Brian. "The ability to buy variable quantities at good prices, and receive it in a matter of days, gives us a real competitive edge."

To maintain that edge, Hackmann Lumber and Home Centers has to meet the needs of a wide range of customers. While the largest part of their customer base is professional builders, area homeowners and do-it-yourselfers provide steady sales as well. Brian has access to a deep selection of high-quality, in-demand products with the independence to custom build a product mix that meets the unique needs of his business.

"In other buying groups, the majority pays for the services that only a few need," says Brian. "But Do it Best has been really smart about lowering my costs by letting me buy just the things that are best for my business."

As Brian looks to the future, he is confident Do it Best will be there every step of the way. "Our industry is constantly changing. Look at the last couple of decades, and you'll see that suppliers come and go—even the big names," said Brian. "But Do it Best has been working to do what's right for LBM dealers like me every day. They're the one consistent force that I can count on to drive my efforts as an independent lumber dealer." ■

"The reload centers are one of the best things about Do it Best. The ability to buy variable quantities at good prices, and receive it in a matter of days, gives us a real competitive edge."



Rules that minimize inventory shrinkage

BY BILL LEE

IN MY BOOK: *Gross Margin: 26 Factors Affecting Your Bottom Line*, minimizing inventory shrinkage is Factor #7. When attempting to raise gross margin, my observations have been that our industry's efforts are often more focused on trying to buy better than they are to stop gross profit dollars from falling through the cracks.

Here are what I consider to be common causes for inventory shrinkage:

- Inventory write-downs
- Theft, both internal and external
- Shipping more material than called for
- Undocumented substitutions of material
- Sloppy inventory-receiving procedures
- Inattention to detail among those charged with counting inventory

CYCLE COUNTS

I believe it's important that the General Manager of the business hold someone accountable for performing cycle counts. The higher the level of inventory on a particular SKU, the more frequently that particular SKU should be counted. For example, studs might be counted once a month, while cabinet hardware might be counted once or twice a year.

The accountable person would perform two tasks following the cycle count:

- Turn over every stone to determine where missing SKUs might be located
- Inventory must be adjusted in the computer system to reflect the actual count

Incoming shipments of new inventory must be received against the quantity and price that appear on the company's purchase order, with variances immediately adjusted in the company's computer system.

Whenever possible, an inventory specialist should physically receive incoming shipments. That means someone who is sufficiently familiar with the inventory items on this particular delivery, at least familiar enough to recognize them.

RETURNED MATERIAL

Returned material should be brought back to the yard and placed in an area designated for returned merchandise. A qualified employee should be designated to examine the returned material to make sure it is resalable. That individual will document that the material has been credited to the customer and returned to its proper warehouse location. Under no circumstances should a salesperson or an unauthorized employee be allowed to make the decision to issue credit to the customer.

DAMAGED MATERIAL

Damaged material should be documented and placed in an area designated for material that is not resalable. The damaged material will be written off to give it a cost of zero. To recover a portion of the cost, I have found it to be a good idea to pay the sales force an unusually large commission for any of this material they are able to sell.

MATERIAL LEAVING THE YARD

A designated individual should examine all material leaving the yard in either a company delivery vehicle or a customer's vehicle, making sure that each item has been invoiced.

ALTERED MATERIAL

It's not unusual when out of stock on certain lengths or widths, for operations personnel to substitute the out of stock items with sometimes longer pieces of the same width and thickness, such as cutting 16' boards in half if 8' boards are out of stock. That's what filling out the little slip of paper we used to call an *inventory modification form* is for, to advise the company controller that material was modified to fill an order for a SKU that was out of stock. Rigid adherence to these procedures is essential to minimize inventory shrinkage. Partial attention is insufficient, so the business cannot rely upon blind luck.

COMMUNICATION

All businesses pretty much use their own personnel to count, so consistently striving for a high level of accuracy is a critical piece of the puzzle. With this in mind, it cannot hurt to show all counting teams the mathematical consequences of inattention to detail. ■



Bill Lee is a respected sales and business consultant in the LBM industry. For more information, contact Bill at leeresourcesinc@gmail.com



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Face the resistance

BY RICK DAVIS

YOU DON'T HAVE TO "overcome objections." This is the conclusion I reached many years ago in spite of the standard sales doctrine which insists it is a vital step in the sales process. The traditional philosophy for overcoming objections infers you should expect them as a normal course of business dialogue.

I've observed hundreds of sales occur without resistance or drama. Lots of buyers are cooperative and willing to do business when treated fairly. Moreover, if you've brought valuable resources that can help them succeed, they will actually look for reasons to do business with you.

Sales advice: Proactively seek out buyers who are not resisting your offer—i.e. expressing "objections." Prospect for customers who are cooperative, loyal, and profitable.

Another problem with objections is the salesperson who makes the proverbial mountain out of a mole hill, a situation I recently observed during a coaching session with a salesman.

A buyer stated that pricing had to be competitive. The comment sparked a highly reactive response by the salesman who quickly offered to "run price comparisons" of commonly used SKUs by the buyer. As a matter of coaching demonstration, I calmly said to the buyer, "The prices are competitive and you'll see when we eventually deliver our proposal." The buyer smiled and said to the salesman, "Good. That's what I needed to know." No price comparison or drama. The salesman made more of the casual comment than intended.

Sales advice: Don't sweat the casual comment. Do less than you think you need to do or nothing at all and move forward.

Another reason I shun "overcoming" objections is that sometimes you just can't…or shouldn't. This is the multi-billion dollar gorilla in the LBM Industry. A demand for immediate delivery is an objection to standard service. A request for special payment terms is an objection to normal protocols. An offer to buy a highly specialized product you do not normally carry is an objection to buying your standard product offering. Our industry and your company loses millions of dollars each year responding to the irrational objections of buyers.

Sales advice: Sell what you got. If it isn't a fit for the buyer, then find one who can adhere to your business model.

Before all the e-mails flow and comments remind me that sometimes we must, in fact, overcome resistance, I get it. But instead of using the outdated tactics (expressed by my heroes and legends in the business like Earl Nightingale, Zig Ziglar, and Tom Hopkins), use modern techniques. The old method is to a) seek clarity, b) ask a "test close" question, c) resolve the issue and then d) go for the close. Great theory, but not a realistic practice, particularly in modern business-to-business selling. If you have to go out of your way to satisfy an objection or demand, get paid for it.

Sales advice: If you encounter an objection that calls for special consideration on your part, raise the price to justify the additional attention and costs of doing business out of the norm.

The resistance you face is often self-induced. I'm all for resolving objections and overcoming resistance, but more in favor of not being the one to escalate problems unnecessarily. Face the resistance with courage and allow buyers and associates to express their concerns freely. You'll discover that your willingness to listen is often enough to overcome the challenge. Calm in the face of the storm yields the most rational responses. ■



Rick Davis, president of Building Leaders, is a premier sales trainer in the building materials industry. His latest book, *Sales Economics: The Science of Selling*, is now available at buildingleaders.com. Rick can be reached at rickdavis@buildingleaders.com

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A focus on e-commerce can strengthen your business during uncertain times

BY BOB HEIDENREICH

AS LUMBERYARDS ARE ADJUSTING to the impact of the COVID-19 pandemic, many are pivoting to online retail as a means of continuing to serve their local markets while practicing all of the safety guidelines established for essential service businesses.

For anyone who doesn't yet have a web presence established with at least a few retail items available, you can set one up in a relatively short amount of time using a pre-packaged service such as Shopify. You can instantly buy into a software service like this and start putting items online for sale. However, know that a quick jump into a service like this allows for only a barebones setup. Still, even that small presence can set you on the way to serving local contractors looking for quick ordering and pickup or delivery options.

The most important thing you should have on your website right now is a quick and easy way for contractors to get in touch with you. I recommend a chat option and a phone number that is easily transferred to an employee's cell phone. Either of these two customer service tools can then be easily managed by a staff member who is working from home.

Keep in mind that running an online store is in many ways just like running a brick and mortar business. You have to pay to build it, staff it, and market it. You can't take your website to a tradeshow and get customers, but instead you take it to Google and work to get noticed there. Just like premium space is available for a fee at the trade shows, the same goes for Google. You might want to pay for more exposure, but know that if you're not doing enough to build your customer base organically, then that exposure is going to go away once you stop paying for it.

No matter what stage of online retail you may have been ready for, the sudden pivot that this global pandemic has placed on us means that we're likely to see some changes in how businesses operate even after the various restrictions have been lifted.

I suggest getting something up and running on your website as soon as you can that allows at least your local market customers to find you via search and communicate with you via chat or telephone. Once that is set up, start focusing on small products that you can sell online and ship or set aside for safe customer pickup. You can gradually get those products added to your site and offer a larger shipping area once you are comfortable with that. Again, the focus on your local market will allow for contractors and homeowners who search for lumber products and your town to find you via search. Since you will come up as the local provider of the products they want, these customers can contact you to arrange for ordering, payment, and delivery all while maintaining the proper social distancing guidelines.

The important thing to remember during times like this—when this pandemic causes us to operate our business differently while we're best taking care of our communities—is that sometimes things look different at the end of a downturn. Certainly, we don't operate the same now as we did before 2008, and it's completely likely that this current COVID-19 scenario will change some things for us in the future. By getting a leg up on online sales now, we can hope to be in a better position in years to come. ■



Bob Heidenreich, owner of The Deck Store and thedeckstoreonline.com in Apple Valley, Minn., has been selling decking and home improvement projects for nearly 40 years. Follow Bob on Twitter: @TheDeckStore

















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Two interview tricks to help avoid hiring mistakes

BY RIKKA BRANDON

WE'VE COVERED various best practices for interviewing, including the type of questions to ask (and what not to ask!). Here are two more pieces of advice to consider that can drastically improve your chances of making a great hire.

1. DIG DEEPER

Standard interviews are a series of questions and answers. They're mildly effective, but everyone who has interviewed enough knows that when the interview turns into a conversation, the candidate has a much better chance of being asked back.

I am a big believer in "functional" interview questions in the first stage (see my June 2018 column for more details on these questions). Functional questions will help you determine if a candidate can do the job you are hiring for. They are focused on what the individual has done in the past. Unfortunately, many people stop there.

But strong interviewers understand that the single most powerful interview question is "the follow up question." This is the question you ask to dive deeper into their experience and understanding. For example:

- Interviewer: Have you ever led a sales team?
- Interviewee: Yes.
- Interviewer: Who was on the team? Which roles reported to you? What were outside sales reps responsible for at [that company]? (This is important because it can vary greatly from company to company.) How did you track their activities?

By probing into key answers, you'll be able to leave the interview with a much better feel for whether they see the process the same way you do and if they have the knowledge and expertise they need to succeed.

2. AVOID TUNNEL VISION

One of the best tricks I use to reduce hiring mistakes is to avoid relying on snap judgments of candidates and always consider "contrary evidence."

Often, interviewers make up their minds about a person within a minute of the interview. They think, "Oh, I really like this person; they're a great fit." This can create tunnel vision, and the interviewer spends the rest of the interview stacking up evidence to prove they're right—that the candidate is a great fit for the team, for the position. The interviewer may gloss over key things the candidate says, even potential red flags, simply because everything else feels so good.

If you find yourself interviewing this way—when you start to sense that you've made a decision already ("Oh, I love them; they're perfect,")—use contrary evidence to challenge yourself to disprove your theory or to verify your intuition. Make a conscious effort to dig deeper into what their weaknesses might be—What type of manager do they work best under? What is their work style?

For example, perhaps a candidate quit several previous jobs due to having micro-managing bosses. And you know you have a reputation for being a micromanager (though you're working on it). Suddenly, that hit-the-ground-running candidate grinds to a halt because they leave soon after being hired.

This is equally true for when you've decided, "Nope, they're not a fit; they're too green for the job." Instead of proving to yourself that you're right, flip the script in your mind. Start thinking: "What fresh perspective could this person bring to this position; perhaps there is something I am missing here? Sure, they're fresh, but that means I can train them in my way."

Searching for contrary evidence against what you're feeling can give you a 360-degree view of the candidate and their potential with your company. The alternative, starting with an answer and simply validating yourself, is a waste of time.

Using contrary evidence during the interviewing process is a very powerful trick that could mean the difference between a hiring mistake and a hiring win. It takes time to practice, but it's worth it. ■



Rikka Brandon, a recruiter in the LBM industry since 2001, is a building products recruiter with Building Gurus. Reach her at rikka@buildinggurus.com

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Pigs get fed, hogs get slaughtered

BY RUSS KATHREIN

IN OUR INDUSTRY, we often set up our pricing in three tiers. The lowest is for new customers to get our foot in the door. The middle level is for our normal customers. The highest level, and most profitable, is for our best customers who appreciate what the salesperson and our company do. It is to this highest level that many salespeople struggle moving their customers. They feel that it is counter-intuitive that we charge our best customers our highest prices. This is when I invoke my "Pigs get fed, hogs get slaughtered" analogy, and we take an in-depth look at our relationship with our customer.

The idea behind the analogy is that there is nothing wrong with being satisfied or profitable, but if one is too greedy or too ambitious, it can lead to ruin. If we are doing nothing extra for the customer, if we are providing no additional value to the transaction or relationship, and if we charge more because the customer is not paying attention, we may be acting like hogs.

However, if we are satisfying a need for the customer, like mitigating their risk by fixing a design flaw, is it wrong to charge more and be a pig? If we keep them informed on the latest products and make their business more competitive, is it wrong to charge more and be a pig? What about when we make their job go so smoothly by acting as their de facto project manager, is it wrong to charge more in that scenario and be a pig?

Too often, our salespeople do not recognize the value they provide. When you pressure them to raise their gross margins, they immediately fear that the customer will feel that we are being hogs, when in fact the customer probably values our services more than we think. Our best customers don't question our prices. What they question is when we fall down on offering the consistent value that we typically provide.

Where I see the hog side of things, it usually comes from a demanding customer. I once had a customer who was a master of obfuscation when it came to our relationship. The customer came to my attention when he asked to pay off his account, using a personal credit card. It was a rewards credit card that would have cost us in excess of 3% in fees. So, what I did was start examining all of the aspects of our relationship with this customer. Over time, he had insisted on a model home financing program, marketing funds, a rebate program from us and manufacturers, and of course, at all times, we needed to be competitive with whatever bid he presented from a competitor.

It became painfully apparent that while this customer was clever, he had become a hog in our relationship. He accounted for almost 60% of the location's business, but we actually were losing money servicing him. We also pointed out to his salesperson that while this customer took up more than 70% of his time, his other customers accounted for most of his commissions. In the end, we parted ways with the customer, and sadly, the salesperson left us so he could continue to sell the customer. Needless to say, we were more profitable and happier without the customer who insisted on being a hog.

It is said that a healthy relationship is where both parties give 60% and only take 40%. In these relationships, you are focused on making your customer successful, and your customer does not mind that you and your company are profitable, because he or she is also profitable as a direct result of your salesperson's efforts. I like to think that there is a reason there are pigs, but no hogs in the nursery rhymes we grow up with. They teach us that there is nothing wrong with being pigs. The one thing they don't tell us is the rest of the story about the last pig who went wee, wee, wee all the way home—with a big, fat commission check. ■



Russ Kathrein is the president and CEO of Aurora, Ill.-based Alexander Lumber, which operates 12 locations throughout Illinois, Wisconsin and Iowa. He is also chair-elect of the National Lumber & Building Material Dealers Association. Reach Russ at russ.kathrein@alexlbr.com


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Beware of financial engineering

BY JOHN WAGNER

WE TOOK A SUCCESSFUL, growing company to market recently, and a buyer quickly stepped up with a verbal offer to pay a premium over what the owners expected for their company, while asking that it be taken off the market. The buyer wanted to stop the offering altogether, offering a market-clearing price. Their underlying motive was to avoid competing with other acquirers in bidding wars that might emerge in a controlled auction.

Make no mistake, this offer (a.k.a. a "preempt") had a wow factor. The sellers liked the price. We invited the acquirer to reveal the deal structure. That's when it started to unravel.

For this example, let's say that this potential acquirer wanted to pay $20 million for the target company on a cash-free/debt-free basis. Let's also assume the target company was operating at a $2 million EBITDA. The company's projections were attractive and realistic, showing $2.5 million in EBITDA in the current year, moving to $3 million and $3.5 million EBITDA in the subsequent two years.

But the offer depended on some clever "financial engineering." First, it's common for acquirers to ask sellers to stay with the company, and to put some of the equity back into the new company. Let's say that the acquirer asked the sellers to leave behind 10% each, totaling 20%. Right away, the potential acquirer reduced the cash required at close by 20% of their $20 million offer, leaving $16 million to come up with.

Next, while working to minimize their cash requirements, the acquirer then offered to put down $7 million in cash-at-close. Based on the target company's strong balance sheet, most of the $7 million would have been raised through senior debt and mezzanine financing, which would end up on the balance sheet of the company post-close. In effect, the buyer had to put up very little of their own money to buy the company for $20 million valuation.

But with $7 million in cash, that still means they had to make up the "missing" $9 million of the offer.

Ok, just to recap, the potential acquirer offered $20 million, minus the owners' equity, so $16 million was required. Then, deduct the $7 million cash-at-close, and just $9 million was required. Where would that come from?

The potential acquirer then proposed paying $9 million over three years, an earnout, in this manner (tied to performance metrics): $2.5 million in the first year, $3 million in the second year, and $3.5 million in the third year, for a total of $9 million. You'll note that these figures are identical to the projected EBITDA.

DOES THIS LOOK FISHY?

Yes, it does. Here's why: The potential acquirer was using financial engineering in an attempt to obtain a $20 million company by risking very little of their own money. After the sellers give up their equity in the new company, the potential acquirer is essentially paying for the business out of the future proceeds of the business.

What's off here is that the sellers are really getting only $7 million in "guaranteed money," *plus* the future value of their equity, but that's in a company they will no longer control. In the clear light of day, you realize that the sellers are being asked to allow money they would have taken as disbursements (three future years of EBITDA) to pay themselves for their own company…all while giving up ownership!

Further adding to the risk profile of this offer, the buyers would likely put covenants in the purchase agreement that state the earnouts will be made only if certain performance metrics are met. Whereas the seller should always tie that performance to top-line revenue, or gross profit dollars, buyers typically want it tied to EBITDA. However, EBITDA is the line item that can be easily manipulated, and EBITDA could easily be driven below the threshold where the earnout payment is triggered.

Make no mistake, the potential acquirer is being quite clever. These types of structures are common, but they are common for companies that are distressed, or are cornered by debt, or are desperate to sell. For successful, growing companies, there is simply no need to allow an acquirer to pay you with your own money. In a case like this, we would advise that you "walk the deal," and find another structure that has less risk and more cash at close. ■



John Wagner is a managing director at 1stWest Mergers & Acquisitions, which offers a specialty practice in the LBM sector. Reach John at j.wagner@1stwestma.com

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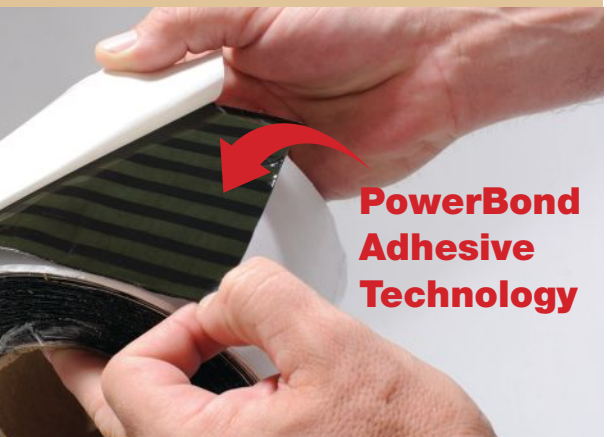
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Double dipping credit card discounts

BY THEA DUDLEY

Dear Thea,
We are considering an announcement to our customers that credit card payments will be exempt from their early-pay discount. Unfortunately, because we absorb the credit card fees from our third-party vendor, we can't continue to allow the customer to also take a 2% discount if they opt to pay with a credit card. We are looking at a couple of options for sharing the news with our customers.

1. **Notify our customers that payments made by credit card will be exempt from any discount. Giving them this option, they still get 30 days to pay and can pay by credit card if they choose.**
2. **Notify our customers with credit terms that they can only pay by check, not credit card. If they want to pay by credit card, we will convert them to a credit card customer.**

What's the best way to present this change?
—Tired of Being Double-Dipped

Dear Double-Dipped,
Normally I like double-dipping. It works great for ice cream, wine, and the sales rack at Nordstrom, but not when it comes to discounts and fees. From your customers' perspective (and I am not saying it is right) it sounds like a *you* problem, and not a *them* problem.

Some argue that credit card fees are the new cost of doing business. Maybe they are. If that is truly the case, then it should be factored into the cost of doing business when the quoting is presented. The fact is that credit cards are not going away and many people and businesses use them as a standard part of business. Let's swing our attention back to how to present this new reality to your customers.

It is all in the presentation. You are appealing to businesspeople who may not like it, but chances are they will understand it.

Something to the effect of: *"As of _____date, accounts paying by credit card will be ineligible for any discount offered. We apologize for any inconvenience this may cause, but doing so allows us to keep pricing competitive. You may still pay by credit card with no discount."*

Yes, you will get complaints and push back. Customers will threaten to take their business elsewhere, and they may. If they do, most come back. They may also be testing to see how serious you are about this policy. Stick to your guns, because customers can smell weakness. If you waver, you are basically the weak gazelle at the back of the pack. Easy take down.

Focus the conversation on keeping costs down for the customer and not on how much credit card fees and discounts are costing your company. In a nutshell: no one cares about your problems. Keep the focus on how this is helpful and a benefit to your customer.

The real challenges you are going to face are not your customers but your own company. Sales reps will ask for a "mulligan" or free-pass for this one very special customer. One customer turns into six and before you know it you have achieved nothing and should have never started down the slippery slope of fees and discounts.

Tracking is another challenge. Which customers are paying by credit card and taking the discount and who is addressing it and at what point? If you have a payment portal the answer may be as simple as some programming to remove the discount if paying by credit card. Not everyone is comfortable telling a customer they can't have something. This comes from years of "the customer is always right" training. Truth be told, not all credit people are okay dealing with conflict.

Turning away a payment is tough. Allowing a one-time pass as customers get used to the new norm is an option. Keep good notes on who has used that free pass because it will be like a replay of *Wedding Crashers* with freebies all the time.

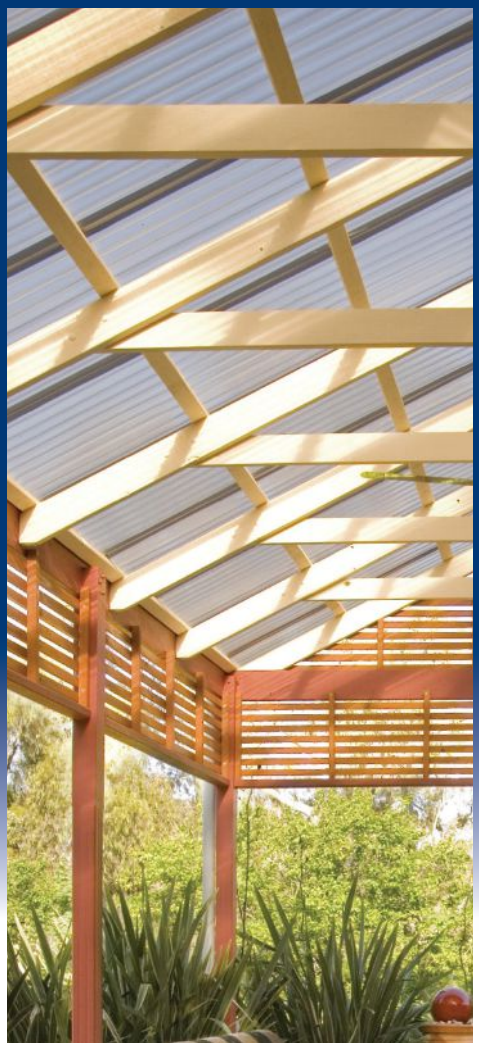
There is no easy way to "let someone down easy." Take a gentle approach if you can, but realize the kindest way may be to rip that Band-Aid off in one quick action. It's painful at first, but it is over quickly. ■

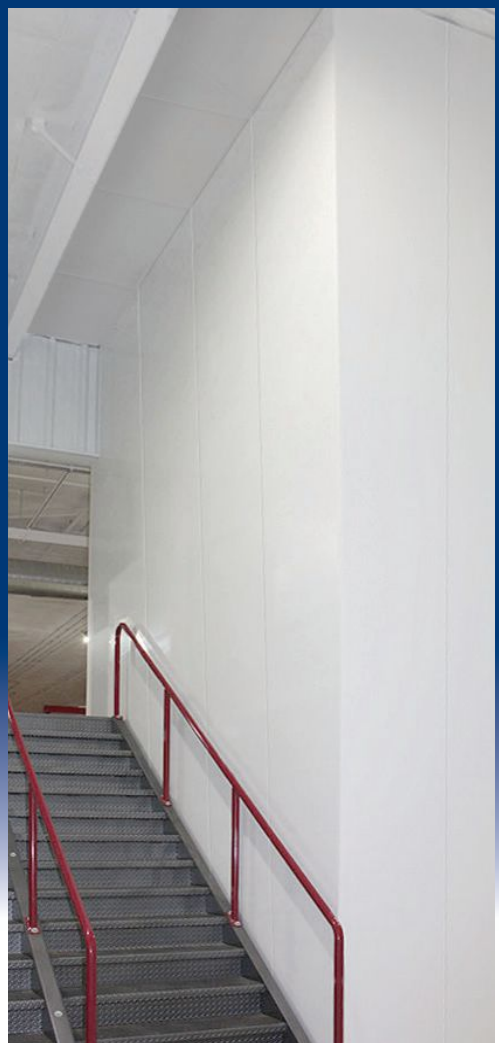


With more than 30 years of credit management experience in the LBM industry, Thea Dudley consults with companies on a wide range of credit and financial management issues. Contact Thea at theadudley@charter.net

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WITH... JEFF WEDGE, HENRY COMPANY



As vice president of sales, residential and light commercial, for Henry Company, Jeff Wedge offers insight into what building industry professionals want from weatherization materials and how Henry helps builders and dealers find the solutions they need.

Q: With strong confidence among builders and homeowners, what do you see as the biggest opportunity for LBM dealers?

A: Providing products that make the builder's job easier, such as a system that enables them to easily mix and match components to suit the specific requirements of their project. Most builders don't want a "one size fits all" weatherization solution. They need to be confident that whatever components they select are effective and compatible for the climate, cladding, code requirement and construction type for each particular project.

The Fortifiber 1-2-3 Moisture Control System from Henry provides builders with the ease to save time and cost. It is a simple way to select all products within the system, such as Henry weather-resistive barriers, flashings and sealants. With these compatible components, the selection process is error-free. Our customers find that this simple, customizable approach lets them be more efficient, do the job once, and do it right.

Q: The flipside of that question—what do you see as the biggest challenge?

A: One of our biggest challenges is protecting buildings from moisture intrusion. Industry data show that 69% of construction litigation involves moisture-related defects in building envelope systems. These defects include mold, rot and water leakage, making the prevention of moisture intrusion the critical benefit of a weather-resistive barrier system. Traditionally, builders had no simple way to address specific envelope needs, taking into account regional building practices, construction type and weather patterns. If a builder chooses to mix and match components from different suppliers, there's a chance those materials won't be compatible. Incompatible products can result in call-backs, loss of trust and even litigation. LBM dealers can boost their credibility in the builders' eyes by helping them avert this type of disaster. Dealers will also benefit from the protection that the warranty provides.

Henry Building Envelope Systems for residential and light commercial applications are designed, tested and guaranteed to be compatible when installed and used as recommended.

Q: From your experience, what separates dealers who sell more of these products from the rest?

A: Successful dealers have discovered the benefits of directing their customers toward a set of solutions they've vetted for themselves that do the best job for the end user. Merchandising this three-step system enables the dealer to manage shelf space more effectively: inventory fewer SKUs and provide a more streamlined look. Plus, they are offering their customers a simpler way to make product selections.

Q: Now that Henry and Fortifiber recently joined forces, what can dealers look for from the combined company?

A: Both the Henry and Fortifiber legacies date back more than 80 years each. We're committed to fostering our industry relationships and providing the excellent service that we've become well-known for. With our combined portfolio of products, our system offers a breadth like no one else. Our sales team supports dealers and their customers, helping builders use our products and ultimately driving dealer sales growth. ■

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In today's highly competitive world of construction supply, well-trained people can make the difference between growth and stagnation...or worse. The question is, where can an LBM dealer find the training needed to ensure that their people are equipped to move the company forward?

BASIC TRAINING & BEYOND

BY LBM JOURNAL READERS

THIS MONTH'S QUESTION came from a dealer in Texas whose company is growing and successful, and they want to keep it that way by making sure their new and existing employees have the right training. As we do each month, we built a very brief (in this case, two-question) survey around this question and emailed it to the *LBM Journal* subscribers who've opted-in to receive our email communications. A big thank you to the 160-plus readers who took time to weigh-in. ›

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THE QUESTION

HOW WOULD YOU ADVISE THIS DEALER?

"Training is a problem for us, whether it is retail or sales to pros. To compete effectively and expand our operation, it's critical that we have knowledgeable employees in all areas—whether it's in-store sales, outside sales, or answering a phone and giving information. Our challenge is providing the right training for new and existing employees. What resources do other dealers rely on to get their people the training they need to compete—and win?"

"Use your in-house resources, lean on knowledgeable employees to provide on-the-job training. Look for courses taught by outside entities, such as lumber and building material associations and manufacturers."

"We have multiple locations, so we conduct basic and advanced training. Training is a must in our company, sales and product."

"We have internal trainers, webinars, and a self-study training center."

"Mentoring programs with detail checkoff sheets to assure training gets done. Some of the state/regional lumber dealers associations provide very good sales, estimating and leadership training. Most local chambers of commerce offer some leadership classes. And the National Retail Hardware Association has very good modules for basic product training."

"I think that one of the biggest resources that we don't use the most is the knowledge of the employees that we already have. Our employees have many years of knowledge but still we bring in trainers from outside of the company instead of using people we already have."

"You can get more in-house from those who know your customer base. Start with the basics and then expand slowly. This industry is the most diverse with product offerings."

"We identify our key employees who have the greatest success in our retail and wholesale environment and have them mentor junior employees."

"It's mandatory training, bring in the vendors. And lots of on the job training."

"The answer lies in experience—wherever you find it. First, utilize to the maximum extent the knowledge base that already exists in your company. Make sure you dig deep to find out who knows what and then share that information.

"Dealer roundtables. While competition is fierce, there can be a meeting of the minds where local LBMs put forth their best people to share techniques. It would be touchy, but ultimately would work out for everyone.

"Books and videos on storytelling. Most salespeople do not utilize this time-tested method for helping people get what they want. 'Tell to Win' by Peter Guber is an excellent starting place. Get it on Audible to listen while on the road or sitting around the house.

"Of course, the old standby—hire the best talent available. I would recommend that employers stop being so concerned about getting a 25-year old that they think will stay with them for 40 years and rather, consider folks like me that are 60+ with over 30 years of experience, able to train and may have 10+ years of good service left in them. The advantage of the older over the younger, is that that the older probably won't be looking to move 'up' in 24 months and leave the firm, whereas the 25-year old will always be looking to move up (and out) to get the money he/she thinks they so richly deserve!"

"When hiring, we struggle with the same issue. We are currently blessed with a seasoned sales staff. We lean on our staff to mentor new hires because classroom training is a rarity."

"I'm in the same boat. I've contacted our regional association on their training program with no luck from them (so far) on how to use what they offer."

"Co-op training programs are useful to streamline, schedule, and track basic training. There is no better experiential training than having a trainee shadow a seasoned veteran. This is where application is made real. Your best, most culturally significant team-member has a tremendous amount of knowledge and should be used as a training resource."

"We are fortunate to have a director of training on staff who works with all new employees at some point shortly after they are hired to get the basics of how we do things. We also assign someone at the branch the new hire is working at to oversee their initial training in their specific job function. We have also instituted online and in-person training through our HR department to include customer service and all HR related topics (sexual harassment, etc.). Each new employee also undergoes safety training when going over the HR training. Finally, we utilize online training resources such as BSCiLMS as well as sending people to industry events and training opportunities through our regional dealer association (BMSA). We strive for continuous learning and use as many resources as we are able."

"We use several Ace training components. Ace has spent a great deal of money developing their training program and we take advantage of it. We are an independent branded Ace dealer but their content is very good for the Ace dealer and Independent branded dealer."

"We rely on our vendor partners to bring us expertise with their specific products. Also mentoring to younger employees from the more experienced older employees."

"Training is an ongoing process that involves all senior management and sales staff. It is imperative that senior sales staff be engaged to glean their accumulated knowledge base and pass it on to junior staff. At the same time, those senior staff members should be allowed to further their knowledge and understanding base by exposing them to the newest and most respected building and construction journals that are available for free online. We constantly strive for tangible results via sales results but, in fact, those senior sales staff can be more valuable in dispensing new and accumulated knowledge to and through the junior staff pipeline. There should be one mantra that is adopted by all members of the sales staff. That is to make sure their company has the most respected and knowledgeable staff in the marketplace."

"Take advantage of all suppliers and manufacturers' training classes. Invest in your people."

"Every attempt is made to hire qualified help. This is not always possible in today's employment market. To help new employees we try to have the new employee shadow an existing employee for a period of time. We set up monthly vendor/employee product information seminars for both new and existing employees. We also take advantage of the POS sales training material as well as our local associations we belong to for training opportunities."

"We use our buying group heavily for education and training, we use our vendors, and we use our more experienced people to lead classes, or do one-on-one work with newer people."

"We rely on the resources from our co-op, Do it Best and also the resources available through the NRHA. Through those two affiliations we have been able to network with other dealers in our industry and that I have found to be the most valuable. Out of all the seminars I've ever attended, nothing has been more beneficial than a round-table meeting or one-on-one conversation with fellow industry owners." ›



FROM WHOLESALE DISTRIBUTORS:
"Most distributors have specialists for the different products that they sell, as do the manufacturers. Use them. Their job is to train. Tie it in with a breakfast or lunch & learn for your employees and your customers. This is one of the things that I do for our company. It's amazing how many dealers turn us down when we offer free training opportunities."

"We currently have a range of training available to allow these employees to get to their potential. I know that knowledge is power, so alongside these training resources, that all our dealers have or can purchase for a nominal fee, I would stress to speak with sales representatives for product knowledge sessions. Nevermind how to sell the product, you really need to know what you are selling first. Trying to sell product blind will never increase sales. You will look unorganized and not willing to sell the right product to the right customer."

"We are constantly looking to educate our people. We have two on-staff trainers whose sole purpose is to develop our talent. They get together with manufacturer reps and design learning experiences and curriculum for our employees and our customers. We do a lot of training in the winter months when business is a little slower."

"It's a great question and I am looking forward to the answers others provide. We do a poor job of training our sales and customer service people."

FROM MANUFACTURERS AND SERVICE PROVIDERS:
"I would put pressure on my buying group and trade groups to provide dealer specific training. Second, I would reach out to my vendors and ask them to develop brief modular training. Next, I would document policies and procedures within my business and use those to create inhouse training. I would also establish a relationship with a leadership training facility and send all of my supervisors, managers and leaders to it over time. If the dealer is an ADP payroll customer, ADP has a host of online training courses attached for pure business skills, along with an 'on-boarding' program built into their system which can allow you to track people's progress. We have 160 employees. Last year, our spend on training was over $250k. That doesn't include the full time talent development manager that we have on staff."

"Break it down into two buckets—new hires and on-going employee development. New hires should have a clear on-boarding process where they have a good mix of specific training activities and hands-on experience working alongside a mentor. On-going training should be done on a regular basis with heavy emphasis on the off-season and being ready for the upcoming building season. Visiting a manufacturer's production facility always seems to pay dividends as it helps employees build a bond and a narrative on the products they are selling."

"Look both inside and outside of your company. Utilize tribal knowledge of long-term employees—realizing that just because they have knowledge does not make them a good educator. Many lack the patience to teach. Invest in industry experts to come into the company to provide specific education and knowledge. An upfront investment can yield major benefits. Manufacturers are not always the best resource, as we have the same challenges dealers do."

"The first thing leadership has to acknowledge and embrace is that training is an ongoing process for the individual and can be accomplished internally and externally. This takes a lot of time and effort because training and sales management go hand-in-hand, and each associate needs an individualized program as everyone has different strengths and weaknesses. A dealer that sends associates to outside training must understand and buy into what the training is supposed to accomplish and be prepared to reinforce it once the person returns. Sending someone to training to avoid having to do some heavy lifting yourself is not the way to train an associate. The expense alone of sending someone to training should encourage leadership to reinforce and facilitate the training.

"Internal training is great as well and dealers should have a file of job duties, responsibilities, best practices, helpful hints, etc. It should go without saying that leadership should be modeling the behaviors and activities they want their associates to emulate. In-store training should be all the new associate attends until they have been with the company 12-18 months. You want to be relatively sure they will stick around or are in the right position before you send them to expensive offsite training. Inside help benefits the most from inside training while outside sales associates should have intensive inside and outside training. You never stop training and learning in this business or you are lost."

"I believe it starts with a core group of individual employees, throughout all phases of your business. Whether managers/supervisors or just a key employee. These people need to completely understand the values and beliefs of the company and its ownership. Investing in the training and education of these individuals is vital to keep the culture in place and give the other employees a high standard to model their role after. It is also in my opinion crucial to have written policies, procedures, and standards for initial training and that can be referred to for a refresher or if needed for disciplinary reasons."

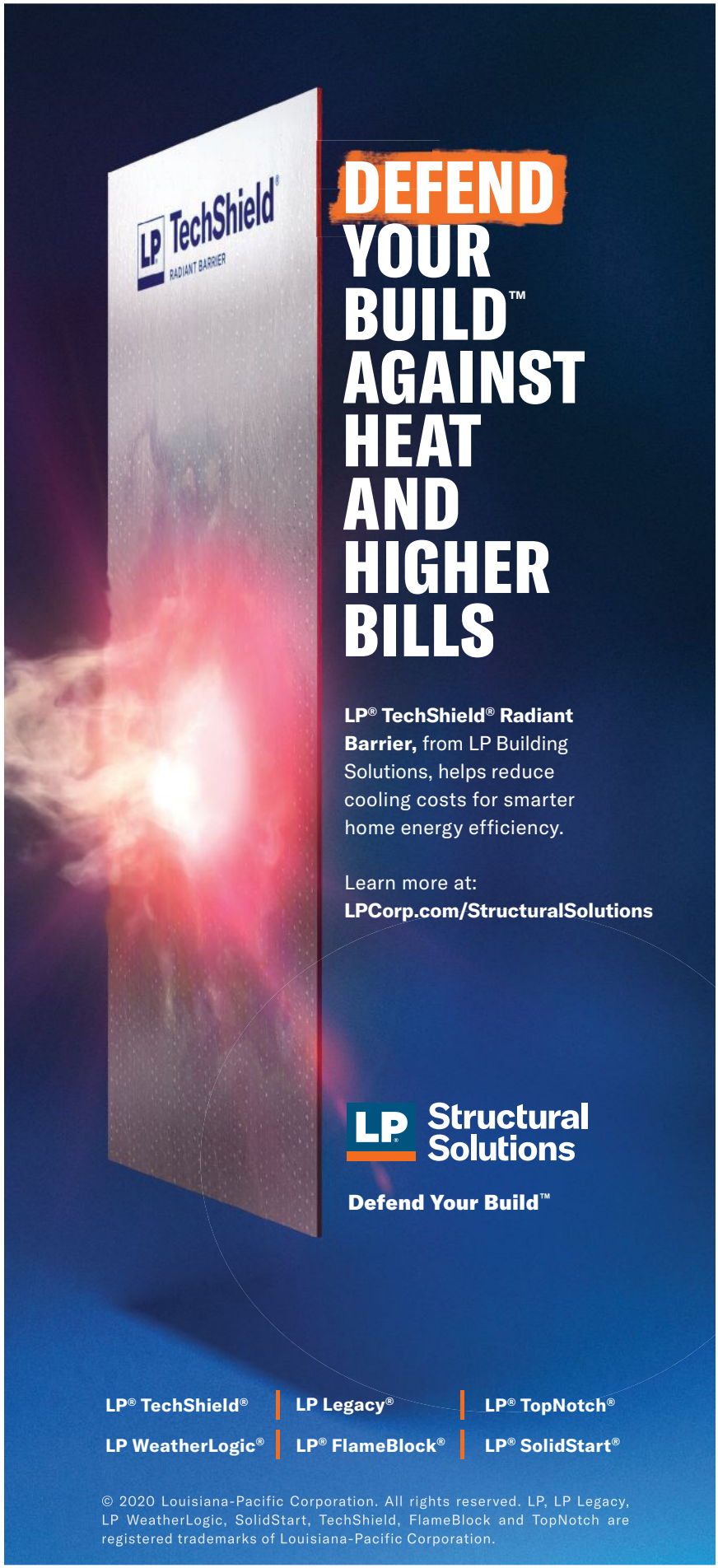
"We have an in-house director of training. He uses in house 'experts' on different subject matter to provide training to our people. We also use our vendors and manufacturers, resources provided by the NRLA, and our local community college. There are times when we outsource the training to outside experts."

"We have a very seasoned staff, so rely heavily on on-the-job training with new staff. We use the training modules for our software. We also bring in vendors on a regular basis for product training. We have also utilized our association training."

"Start with clear guidelines. How to answer phones. How to greet customers. Make sure they are followed. Long-term employees must follow guidelines. New employees works with experienced employees. Use vendors for frequent product training. Send to seminars and vendor locations. Send to manufacturer. Travel with outside sales. Help measure jobs. Establish procedures for loading trucks. Help customers. Spend time on product training for yard. Good training is impossible if management doesn't put policies and procedures into practice."

"Shadowing employees, actual hands-on installations and seminars."

"We have the same problem. We are working to create training manuals that use all resources available to us. This would be PK meetings and online training offered by vendors, YouTube videos where applicable, shadowing experienced employees for a while and ride-alongs with outside sales reps and sales manager. That being said we do not have the resources to commit to getting this done right away, so we are working at it slowly. Our end game is to have a process to walk all employees through that is regimented and laid out in our manual. We are also looking at sales training outside our company for inside and outside salespeople. Everyone who comes in learns quickly how to be an order taker but teaching them to be salespeople is also a challenge."



FROM MANUFACTURERS AND SERVICE PROVIDERS:
"Industry trade shows still provide training and access to trainers. Lumberyards should bring their teams as often as possible to hands-on building events so that they can learn about the anatomy of building practices and building science. With so many new employees working at lumberyards, they lose the advisory role that they used to possess to guide their builders and remodelers. Ask your distributors and manufacturers to provide training, not only for lumberyard personnel, but also for your new builder clients. Many manufacturers provide 'systems' approaches to building materials, which sometimes provide warranties. If the lumberyard personnel are not aware of these, they become missed opportunities to make their new builder customers more successful."

"Lack of training or the perceived need for training can often be a mask for employee disengagement. Engaged employees self-teach, seek out coworkers or find other ways to be good to excellent in their roles. Formal training programs are numerous, but creating an environment where employees want to be the best is the first challenge. Additionally, there are probably veteran employees or management that need to engage new hires and show them the ropes, teach the basics and lessen their dependency on formalized training sessions."

"Association training seminars. I learned a lot of technical skills from association training when I was young. Take advantage of what is offered. Encourage your employees to take those classes. Support employee adult learning at technical schools and community colleges. Offer in-house training using vendor experts to teach product knowledge. Establish a mentor program using your senior staff to teach new hires."

"As an educator in one of the leading wood science programs in North America, our programs teach students about the forest products industry from the forest through the entire distribution chain. Many of our students go into forest products manufacturing and distribution. Some of them have gone to major retail chains. Our largest challenge is to get high school students interested in this profession as a career. This is where we need your help. We need employers to promote the profession to their staff so they will tell their children and children of families and friends about the great opportunities that exist.

"Now to address your question. I know that many of your employees may not need a four-year college degree. So I suggest the following ways to train employees. 1. Work with your associations to create common certificate programs either on-line or in person in specific areas that the company pays for and rewards the employee for completing. This can be an incentive program where the employee gets a raise for completion. 2. Work with your local high schools or community colleges to provide evening classes that will train employees in specific areas and reward them for attending. 3. Bring in outside experts to the stores on a regular basis. I worked with a major trader that had a monthly free lunch meeting where they brought experts in to discuss different subjects. 4. Work with your local four-year universities to develop programs in retail management for construction."

"Make it mandatory that when a vendor sets up a training, your people are required to attend. As a manufacturer's rep, it grinds my gears that the 'outside sales' people are 'too busy' to learn about products. It is then the same people that have issues in the field because they sold a product incorrectly later in the year and claim they didn't know that the product had changed, been modified, or improved."

"Lately, our new hires have come from a local competitor. They are used to the questions that come over the phone or sales counter. If we have someone totally new to our business then we put them with a seasoned employee and hope the knowledge will rub off on the new hire."

"Without a strong training program, everyone fails. The key to sales of any kind is knowledge, and it starts at the top. Would you want to buy a car from a salesman that can tell you about the engine, safety features, and all aspects of the car, or the salesman that can only tell you that it is blue and has four wheels? First, sit down with your most knowledgeable people and get their insights on what new hires need to know for each position. You might be surprised that what you think and what they experienced are different. Then build a timetable with that info. Week 1, week 2, week 3, etc. Once you have your training 'curriculum,' reach out to vendors for their help with either the rep coming in for one-on-one training, videos, or other options

"You are selling their products so they will want your people to know their product and get the most sales. The first few days, your new hire should be side-by-side with a more experienced team member to be shown the ropes. Even if it's just someone who will only answer the phone, they should have at least a few days on the floor for the general knowledge. Just make sure it is someone who has that 'training gene' or it may defeat the purpose. General knowledge is also vital. Possibly invest in how-to videos for them to watch. People are visual, if they see it being done, they will learn and understand it better than if they just read about it. Ultimately, it is up to you. Stop sitting there wondering what to do and do *something.* Anything is better than nothing. Are you the guy that makes it happen, watches it happen, or later wonders what happened?"

"We are a big box store. Training is mostly boiler plate for all employees and then mostly 'learn as you go' on the floor. Occasionally a vendor will offer a workshop."

"We use online browser training before work starts and slow periods."

"I suggest an intense in-house training program designed to start a new employee off at the basics but be able to branch into specifics for each job title and position. This would include a brief job description of expectations, challenges, and goals for each position. This would also outline a basic procedural training guide and schedule for said training. This could entail everything from manuals, on-site, live training, and online computer training. I think it's very important to have your personnel well-trained and knowledgeable to be successful."

"Take advantage of web-based training."

"Mentoring and hands-on training for employees' current job is critical. Then look for long-term programs offering constant training and learning. Then set goals and measure progress/knowledge."

"We have various stores in our chain. We send new employees to other yards and or train from within to make them more valuable within the company."

"Online learning."

"We try to grow our own. A good warehouse person knows all the customer's people who work on the jobs by dealing with them when they pick up material. The warehouse person is our first choice to move to an inside sales position. We try to promote our inside salespeople to outside sales. Over the years I have had a number of people who started in the warehouse actually make it to the store manager position. Those people have a very rounded knowledge of the business from the ground up. The problem now is finding the person to put into the warehouse position who will apply themselves and see the big picture." ■

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LBM JOURNAL'S DEALER OF THE YEAR awards recognize four LBM companies of different sizes that epitomize the entrepreneurial spirit. By our definition, a Dealer Of The Year describes a company in which leadership excels at identifying underserved—or emerging—markets, satisfying customers, and constantly working to grow and improve business. Our 2020 winners—Kuiken Brothers, Gillman Home Center, Lang Building Supply, and R.T. Griffis & Sons—represent vastly different operations. The common thread in these companies is their fierce commitment to finding ever better ways to serve their customers and their communities.

R.T. GRIFFIS & SONS

SUSTAINABILITY DRIVES GROWTH

BY JAMES ANDERSON

Like many children of lumber dealers, Susan McNamara grew up around the family business. She worked for the company during high school and college, and after taking time to raise her children, took on the business operations full time in the mid-1990s.

Now the sole owner of the single-location lumberyard in Montrose, Pennsylvania, McNamara employs three others: Angie Frystak, a bookkeeper and operations specialist; Brooke Weidow, who handles inside sales; and Silas Chance, a yard manager. In a tight-knit operation such as hers, it's often all hands on deck, and McNamara wouldn't have it any other way.

"We all do sales," she says. "All four of us. We don't have a separate outside sales force. I'll occasionally go to job sites, but we don't have a separate sales force."

In a tight labor market where there is a nationwide push to recruit more women into the industry, hiring more women isn't something that McNamara and her four-person team think much about, because three fourths of the team members are female.

While one might think the fact that a mostly female staff in a male-dominated industry would be a frequent topic of conversation, McNamara says it rarely comes up.

Frystak agrees, "It maybe has its challenges sometimes, but any of us will just go out in the yard and we'll help customers get materials if Silas isn't around."

Maybe a family member will fill in now and then if the yardman is on vacation, but McNamara said that while her husband, a builder by trade, helps out occasionally with deliveries and building maintenance, his role is better described as "a good customer."

SERVING THE BOROUGH

The name R.T. Griffis & Sons has served customers in Northeastern Pennsylvania for 76 years, and the company is now headed up by McNamara, who is a fourth-generation family member to run the full-line lumberyard.

Purchased by her great grandfather, H.D. Griffis and her grandfather, R.T. Griffis, the company had formerly been a sawmill and is still sometimes referred to in the small borough of Montrose as "The Mill."

Of the four sons who make up the R.T. Griffis and Sons name, none are still active in the business. McNamara's father, Stanley Griffis, is technically retired, but still stops in from time to time. "He developed the retail part of the business," McNamara says. "He was the driving force in expanding beyond just lumber and paint."

With a population just under 1,500, the residents of Montrose turn to R.T. Griffis for not only lumber and building materials, but hardware, electrical and plumbing supplies, paint, garden supplies, and more. Focusing on the needs of the community means about a 50/50 split when it comes to professional builder/contractor and DIY retail customers.

"Traditionally, we had been pretty contractor-based," McNamara says. "But it has evolved into being both. It wasn't anything we controlled, it just kind of happened."

Recognizing that need, the company has been bringing in more merchandise to appeal to the retail customer, says Frystak, including vacuum cleaners, cast iron pans, and cleaning supplies.

"We're pretty rural and small-town. But now we officially have two blinking stoplights instead of just one," Frystak jokes. ›



In a tight-knit operation, it's often all hands on deck. The four-person staff at R.T. Griffis & Sons includes, from left to right: Angie Frystak, bookkeeper and operations specialist; Susan McNamara, owner; Silas Chance, yard manager; Brooke Weidow, inside sales.

While R.T. Griffis serves a small, rural community, that doesn't mean the company is immune to competition. In recent years, two other independent lumberyards have begun serving the R.T. Griffis area.

SUSTAINABILITY DRIVES GROWTH

With about $500,000 in revenue last year, McNamara says the company is resilient and plans to steadily grow on that base. Still, she says, it's not the revenue the company once brought in.

"It's about half of what we traditionally had done before the downturn," she says, adding, "and before the internet."

McNamara says the company is sustaining and still growing and operating in a different mode than prior to the Great Recession. She says a focus on quality products and efficient operations through sustainability is what sets her company apart from the competition, and what bolsters her focus on the future.

As a rule, the company keeps waste to a minimum, she says, "we're really good recyclers. We reuse everything."

McNamara adds that she always purchases higher-quality lumber, even if it's a bit more expensive. As a result, builders are coming to her for quality products. "There are a lot of craftsmen who are working on higher-end summer homes and vacation homes that are an important part of our customer base," McNamara says.

Moreover, she says, it's her staff that keep customers coming back. "Our whole staff is college educated," she says, and it shows in how they're able to help problem solve anything from building codes to business operations for their customers. The staff is just ingrained in the industry.

"Everyone who works here is knowledgeable about building. Every one of us has built our own homes or are in the process of remodeling or building our own places. Because of that experience, we do a lot of special ordering for people," McNamara says. "We can get really good stuff and not have to stock everything such as doors, windows, and flooring. We don't have to stock a lot of excess."

LOOKING AHEAD

As McNamara and her staff look to the future of the company, they're getting more involved with the digital side of the business. The team is exploring online retail, with plans to sell products online soon.

"Already we're getting calls from places we normally wouldn't. The internet is our biggest opportunity that we're just starting to take advantage of," McNamara says. The team at R.T. Griffis is also devoting more resources to social media and have noticed that it translates to more foot traffic in the store.

As the store's customer base has shifted toward retail, the building itself has changed to reflect the growing needs. At 77 years old, the buildings are being updated. A recent reset to the showroom has doubled the company's floorspace.

"We use the space like a true display," McNamara says. The whole building contains building products and windows that are available to customers. The store contains a small kitchen display featuring products available for sale.



With a population just under 1,500, the residents of Montrose turn to R.T. Griffis for not only lumber and building materials, but hardware, electrical and plumbing supplies, paint, garden supplies, and more. Focusing on the needs of the community means about a 50/50 split when it comes to professional builder/contractor and DIY retail customers.













"Even the wood on the walls is available in our yard," she added. "We really show how our products can be used."

As the community of Montrose changes, the local lumberyard is adapting to meet new needs that come along. Most recently, McNamara says, she's made the decision to fill a community need for gardening products and nursery supplies.

"Part of what makes our gardening supply services so special is that we're geared toward serious gardeners and farmers. Our seeds are organic and heirloom," McNamara explains.

As she's updated both the facility itself and the merchandise she carries, McNamara says, the changes have contributed to sustainability and efficiency that has improved not only the retail environment, but the company's bottom line. ■

GET TO KNOW R.T. GRIFFIS & SONS

FOUNDED:	1943
LOCATIONS:	ONE
OWNERSHIP:	FAMILY
EMPLOYEES:	FOUR
SALES SOFTWARE:	EPICOR EAGLE
BUYING GROUPS/CO-OPS:	EMERY JENSEN TRUE VALUE
TOP THREE PRODUCTS SOLD:	ABC METAL ROOFING PPG PAINTS RUSSIN LUMBER

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DECKS

WHILE DECKS BECOME MORE SOPHISTICATED, MANUFACTURERS SEEK WAYS TO SIMPLIFY.

BY MIKE BERGER

BEFORE WORKING ITS WAY into late Middle English, the term originated from the Middle Dutch words *dec*, meaning a covering or roof, and *dekken*, meaning "to cover." Originally denoting canvas used to make a covering, the term eventually came to mean the covering itself, and later a solid surface instead of one covered in canvas. Early incarnations were nothing more than small, economical square replacements for stone or concrete patios, and it wasn't until the early 1980s that decks truly started to come into their own as true outdoor living spaces. Since then, decks have proliferated the outdoor building scene and have become the single most desired outdoor structure.

Last December, Fannie Mae predicted 1.35 million U.S. housing starts for 2020 along with 6.17 million total home sales. As well, research and industry indicators (such as Principia Consulting) predict a growth rate for the decking market of 6.5% by volume into 2021, and these numbers have manufacturers smiling. "The segment is strong," says Jase DeBoer, senior marketing director for Deckorators, "and we anticipate another year of steady growth for the industry, and for Deckorators to continue exceeding industry growth."

Toby Bostwick, vice president of product and brand for Fortress Building Products, also sees a rosy future for the deck industry. "As homes continue to age," he explains, "the remodeling and replacement market remains strong and the optimism grows for re-decking applications and complete replacements. Innovative efforts have also been made by alternative decking manufacturers, such as composite and PVC, to provide more cost-effective decking solutions within the segment. This will continue to drive opportunities for conversion and volume growth in wood-alternative decking markets."

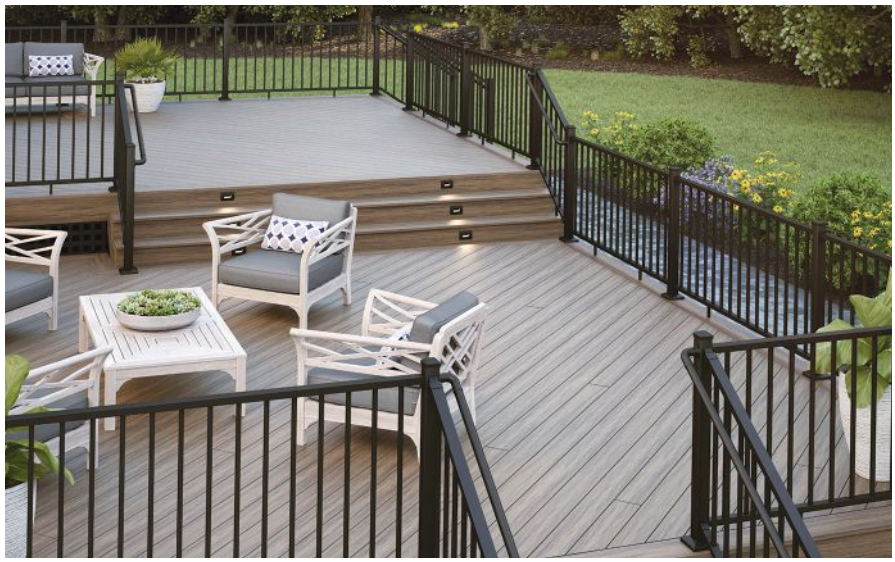
And while wood continues to hold its crown as the product of choice and as such will see decent growth in the coming year, more and more consumers are turning to alternative decking products, resulting in those options maintaining a 19-21% market share according to a recent Principia Consulting study. "Consumers are very interested in upgrading their decks to composite technology," says Jim Stange, senior product manager for Fiberon. "Manufacturers are working to meet that demand. We see a very positive trend towards both PVC and PE Composite decking in all channels."

"The watchwords for 2020 are the same as 2019: cautiously optimistic," says Rob Pongonis, brand manager for YellaWood. "There are certainly trends pointing to 2020 being a good year for decking, but at the same time there remains a lingering concern about an impending recession."

OUTDOOR LIVING CONTINUES TO BOOM

For the past few years there's been an increasing trend towards outdoor living, and it's a trend that manufacturers see as continuing to grow. Especially due to the fact that the U.S. economy is remaining strong and homeowners are staying in their houses longer, consumers are seeing the benefit of expanding their living space beyond the exterior walls of the home. "A deck is one of the most economical ways to add living space and value to a home," explains Molly Werner, senior brand manager for MoistureShield (a division of Oldcastle APG). "As homeowners are generally staying in their homes longer (11 years compared to a prior average of 8), having that outdoor entertainment space or oasis is now, more than ever, extremely desirable. And, with equity being at an all-time high, they can better afford these improvements."

"Homeowners are continuing to extend their indoor living spaces to the great outdoors," says Juliana Rumbaugh, marketing communications manager of wood protection for Lonza. "In recent years we've seen an influx of kitchens and living areas added to decks and that trend continues as decks are being constructed around pools and into under-deck patios to create multi-level living spaces. Homeowners realize the investment of their homes and go to great lengths to ensure they utilize space to create a more livable, homey environment both inside and outside." ›



LEFT: Royal Building Products has added a new color—Hickory—to its Zuri decking line. Hickory is a rich mid-tone brown, and rounds out the current color offerings of Chestnut, Walnut, Pecan, Brazilia and Weathered Gray.

RIGHT: For 2020, Deckorators has expanded its Voyage decking with a new color dubbed Khaya (shown here). Voyage decking is available in five colors and in 3.5", 5.5", and 7.25" widths.

Chase Moritz, decking and marketing specialist for Envision Decking, sees similar trends in regard to outdoor living. "Much like interior trends of creating multi-functional open spaces and 'great rooms', outdoor spaces are being designed to accommodate more day-to-day activities like cooking, eating, and even watching tv," he says. "Because of that, we're seeing the overall size of decks increase quite a bit. The standard square deck off the back of a house is no longer enough; today's outdoor living requires space for entertaining with all the comforts of a living room and an expansive outdoor kitchen. That's being accomplished by adding multiple levels or unique designs with much more square footage."

YellaWood's Pongonis agrees. "More and more homeowners seek to expand living space beyond their four walls and look to outdoor spaces as an extension of their home," he points out. "Their decks now serve as more than just an observation post. It's also their kitchen, dining room and den as they cook, eat and even watch movies or sporting events while enjoying the backyard."

COLORS AND STYLE BECOME MORE REFINED

Not that long ago, you would have been hard-pressed to find a deck that incorporated more than one color—a deck was gray, or it was brown, and that was it. These days, the one color, traditional deck is going by the wayside in favor of mixing and matching boards, often to create patterns or inlays. As well, consumers are shying away from glossy finishes and are gravitating towards a matte, more natural appearance. "Traditional grays and browns are not going anywhere, but the way we use these colors is changing," says Deckorators' DeBoer. "Likely the biggest color trend is the use of multiple colors on a project. Two-tone decks have been increasing in popularity, and some are now incorporating more colors.



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

BELOW: Sanctuary Decking from Fiberon features multi-tonal colors and rustic embossing that is backed by a 40-year manufacturer performance warranty and a 40-year stain and fade warranty.



This use of multiple colors is not coming from a mere desire to expand a color palette or be more flamboyant; rather, homeowners are seeking out a more sophisticated look for their outdoor spaces, one that is inspired by the sleek, upscale looks found in modern hotels and restaurants. "More sophisticated looks and fashion are being incorporated into the outdoor space," explains Fiberon's Stange. "Customers are inspired by home shows, magazines and what their neighbors are doing in outdoor spaces. We see this as a great opportunity to inspire and complement what the homeowner is thinking and guide them through that journey."

Leslie Adkins, vice president of marketing for Trex, agrees. "As homeowners increasingly find inspiration for their outdoor spaces in commercial settings, there is a growing shift toward sleek, contemporary designs and materials, larger expanses of glass, smooth surfaces, and clean lines."

And it's not simply about using a unique product; style has as much to do with creating a brand for the contractor as it does with the products used. "We believe contractors are always looking for ways to set themselves apart, explains YellaWood's Pongonis. "A simple way to do this is by offering clients a higher-grade of deck boards over standard decking. For example, YellaWood SuperSelect brand products are more budget friendly than even the cheapest composite decking, and contractors can give their clients a beautiful deck with a virtually knot-free appearance and low tolerance for wane." ›



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With high style, however, often comes a higher price, and it's a factor that manufacturers are painfully aware of as they look for ways to reduce the overall cost of decking while balancing homeowners' desires for sophistication. "With wood still controlling the largest market share, wood-alternative decking manufacturers continue to focus on closing the price gap between manufactured decking and treated lumber," says Toby Bostwick, vice president of product and brand for Fortress Building Products. "With lower price points in mind, higher volume can become a driving factor. However, this can lead to a value vs. volume growth in the segment becoming the real question, and at what cost? The trend has been to design decking profiles differently, and in some cases make formulation changes, in order to drive the manufacturing costs down and be able to close the gap with wood."

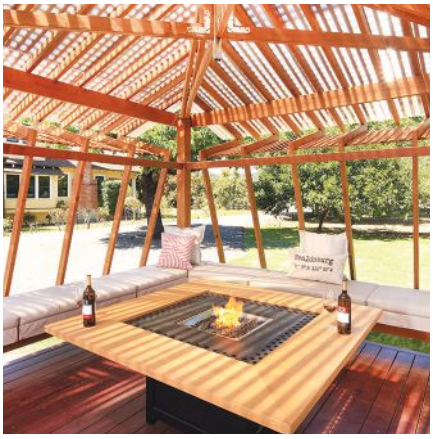
SUSTAINABILITY STILL IMPORTANT

While the notions of low maintenance and environmental friendliness are not new to the decking category, they remain a strong component in the consumers' decision-making process. "Segments of the population, often those that have attained higher education levels, prefer more sustainable materials," points out Jessica Hewitt, director of marketing for Humboldt Redwood. "We have a strong sustainability story to tell in Humboldt Redwood. With certification to the standards of the Forest Stewardship Council (FSC C013133), Humboldt Redwood has additional environmental benefits such as carbon sequestration far in excess of the alternative decking products. Redwood is half carbon by weight; therefore, the average deck will store a half a ton of carbon."

But native products aren't the only ones with their target set on the sustainable U.S. decking market; bamboo is poised to make significant inroads in America. "People don't just want to have a natural product, but also want the touch and feel of natural wood/bamboo," says Avery Chua, CEO of dassoUSA. "With tropical wood supply, quality and reliability becoming harder to predict; therefore, customers are switching over to fused bamboo decking which has the feel-good factor, the green aspect and yet at the same time, with a proven track record where it is being used in major high profile projects worldwide."

MoistureShield's Molly Werner echoes Chua's comments in regard to interest in sustainability. "There is a cultural move again toward sustainability," she says. "We were pioneers in wood-plastic-composite manufacturing, starting back in 1988, and our make-up of 95% recycled and reclaimed materials resonates with decking contractors and their customers as something they can feel good about it, without sacrificing beauty and performance."

Leslie Adkins, vice president of marketing for Trex, shares Werner's views. "Sustainability is definitely a consideration factor—and selling point—for today's homebuyers," she says. "There is growing interest in eco-friendly alternatives to wood products that contribute to deforestation and leave a heavy carbon footprint. Trex decking is made from 95% recycled material, making it an environmentally friendly choice for eco-conscious consumers. It outperforms wood and has fewer harmful environmental impacts. In fact, our carbon footprint is 56% lower than pressure-treated lumber."

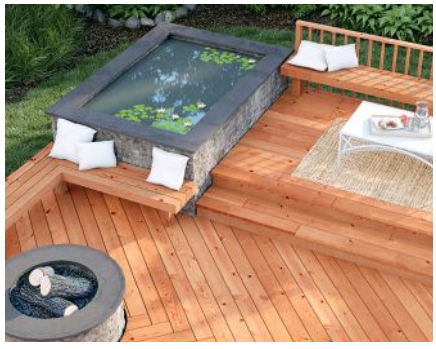


LEFT: Humboldt Redwood is currently working to reintroduce Redwood decking in markets outside the Western U.S. where it was available years ago and is now a viable option once more.

BELOW LEFT: Trex Enhance was launched in 2019 and is targeted at budget-minded consumers who may have previously eliminated composite decking from their consideration set due to price.

BELOW: ProWood Dura Color is treated with an EPA-registered waterborne wood preservative system to protect against termite attack and fungal decay. It's color-infused, so pigment is driven deep into the wood fibers to stand up to the elements for years.







LEFT: New for this year is a fused bamboo decking board called Epic Cognac. As part of the dassoXTR product line, this new board is lighter in color, allowing customers to stain it to match their project needs.

TIME SAVINGS IS KEY

It should be no surprise that manufacturers keep a close eye on what customers are most looking for in decking products, and when asked what is most important to the contractor almost all of them responded with the same answer: create a product that saves time, whether it is through ease of installation or by significantly reducing callbacks. "Builders want error-free decking products," says Chua, CEO of dassoUSA. "It has to not dent, scratch, twist, buckle, or warp under any circumstances before the project is a handover. And if mistakes were made, they need the single plank to be easily replaced without going back to step one. They want an easy installation, less work, less on-site cutting or painting. Mistakes should be easily fixed. In other words, a no-hassle installation."

The ability of a product to save time should be obvious. According to the latest American Community Survey from the U.S. Census Bureau, more than a million fewer people now work in residential construction as compared to before the Great Recession. And the U.S. Bureau of Labor Statistics reports 300,000 job vacancies since this time last year—a number that's expected to grow to 747,000 by 2026. Naturally, contractors are looking for products or methods that speed installation and require fewer people.

Manufacturers are keenly aware of this need, and they are quick to develop solutions. "Builders are looking for value and availability, with a focus on value-add because of labor issues including a shortage of labor overall, particularly when it comes to qualified/skilled workers," says Jessica Hewitt, director of marketing for Humboldt Redwood. "Natural wood decking, like Humboldt Redwood, requires no special tools or clip systems for ease of installation, a particular benefit for those builders operating in the affordable housing space."

Says Envision's Moritz, "Speed of installation is key. If contractors can build a project without worrying if they sorted boards correctly or if the wood grain is facing the right way, that's a huge benefit to making a project move quickly. Various fastening methods are also a consideration with speed of install. Finding materials such as Envision Distinction decking that are compatible with multiple hidden fasteners can increase the speed of installation while reducing the training time spent with installers."

In regard to callbacks, few things can be as draining on time and resources as repeat visits to a jobsite because of a product that has not performed as promised. It is vital, therefore, for contractors to know that their LBM distributor is selling them materials that will deliver consistent performance. "We recognize that no contractor is happy about being called back to a job," says MoistureShield's Molly Werner, "so MoistureShield has kept innovation at the forefront of our product development. At the foundation of every MoistureShield board is our Solid Core Technology—the way we manufacture creates an impermeable barrier that fights damage from moisture, rot, insects, weather and wear." ›

MoistureShield's new Elevate decking is a capped composite product that is scalloped on the bottom to help reach a competitive price. According to the manufacturer, while regular pressure-treated pine is still lower in cost, there isn't much difference in price between Elevate and KDAT wood (Kiln Dried After Treatment), which makes this composite more price competitive.





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BUILDING PARTNERSHIPS

There's more to the success equation for LBM distributors than merely stocking proven decking products, however. It's about being what the big box stores can't be: a trusted ally with whom the contractor can develop a long-term partnership. "Contractors have a strong relationship with their dealers and are looking for that something extra they can't find at large retail outlets," explains Envision's Moritz. "Maybe it's a larger selection of unique products or a knowledgeable resource to talk with. This industry, like many others, continues to find success in meaningful relationships. Contractors tell us they want to hear from people they trust when talking about building materials. This is a great opportunity for dealers to showcase their unique value to contractors and build loyalty."

Likewise, distributors need to embrace knowledge so that they can sell across all of their deck product lines. "The more knowledgeable a store associate is on the decking products they're selling, the happier the customer will be, thus ensuring repeat business and referrals," says Lonza's Rumbaugh.

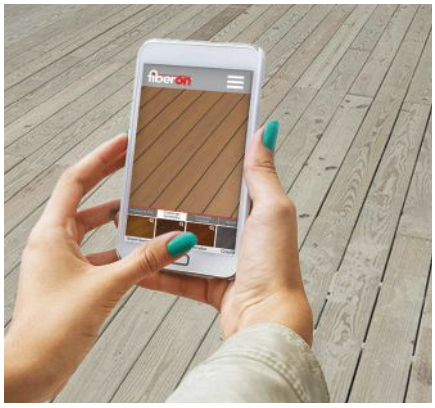
Humboldt Redwood's Hewitt agrees. "Promoting the full breadth of decking options available, including natural wood decking, is vital," she explains. "While the latest and greatest technology may make for a splashy PR campaign, some products are tried and true, again, thinking of natural wood decking like Humboldt Redwood. Understanding how a product will be used, the final application, is important in helping that customer choose the best product. Sometimes the latest and greatest thing isn't the best choice. Understanding the application and making the best recommendation based on the application should be the holy grail for LBM dealers."

Deckorators' DeBoer echoes Hewitt's thoughts on product knowledge. "Having a staff that is truly educated on the many decking options is key," he says. "The differences in material and technology, the differences in price points and what features you receive or forfeit at each price point, the nuances of how the product installs, or the pros and cons of competing products in different outdoor scenarios... truly being a knowledgeable resource to both builders and homeowners."

It's product knowledge, passed from manufacturer to distributor to contractor, that ultimately enables that contractor to have a meaningful discussion with his or her homeowner clients. And those meaningful discussions result in increased sales. As MoistureShield's Werner explains, "Taking advantage of a manufacturer's selling tools to help contractors sell to the homeowner across the kitchen table—tools such as dealer locators, easy-to-navigate websites, mobile apps, samples, literature—enables contractors to close the deal." ›

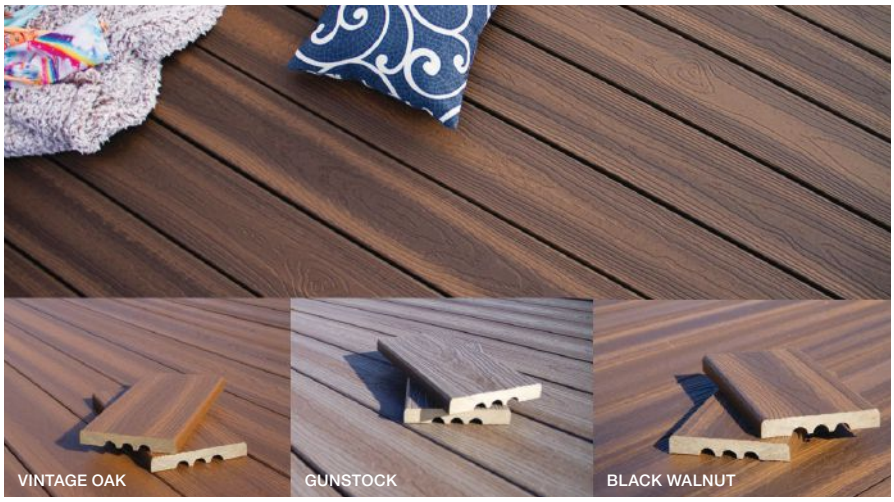






ABOVE: Evolution Frame is a complete framing system from Fortress. Made from light-gauge steel, Evolution framing is uniform and straight, so pieces are simple to square and, according to the manufacturer, won't twist, warp, rot, crack or burn like wood. The interlocking joist and ledger system requires less labor than traditional framing, and the powder-coated finish provides increased corrosion-resistance.

LEFT: According to Fiberon, its Discovery Deck Design Tools help take the guesswork out of planning outdoor living space projects and provides the resources needed to navigate the deck design journey from start to finish.



ABOVE: The Ridge Premium fluted profile composite decking collection from Envision Decking is available in three colors: dark brown Black Walnut, light brown Vintage Oak, and cool grey Gunstock. According to the manufacturer, it is a lighter weight option for budget-conscious customers who still want the high quality and low maintenance of composite decking but at a lower price point.

And how does an LBM dealer amass that needed product knowledge? According to manufacturers, it's through taking advantage of as many of their training and education programs as possible—and there are plenty of choices. Besides online videos (both on the manufacturers' websites and on their YouTube channels) and a slew of downloadable digital product information, manufacturers go to great lengths to put resources in the hands of their distributors.

For example, Deckorators and UFP Industries offer certification programs with options for both in-person workshops or through online learning modules, while Humboldt Redwood offers free product knowledge programs for LBM dealers as well as continuing education units approved by the American Institute of Architects (AIA). In addition, its staff visits 20-30 architecture firms annually to present courses in-person.

In the end, it's in the best interest of the manufacturers to make training as accessible as possible. As MoistureShield's Werner explains, "We are in the process of enhancing and streamlining our training program to maximize time. While it was successful to bring deck builders and channel partners to our plant, we are working on ways to make our training program (dubbed MoistureShield U) more 'mobile' from a training perspective. As we grow our network, we know that being able to train and educate our partners in a timely manner throughout the channel is extremely important. We're looking to build on that platform in a more user-friendly way that is easier to access without a large commitment in time and travel."

With so many resources available to the LBM distributor, and with products continuing to evolve at a rapid pace, the decking segment is one that's poised to deliver significant returns.

"THERE'S MORE TO THE SUCCESS EQUATION FOR LBM DISTRIBUTORS THAN MERELY STOCKING PROVEN DECKING PRODUCTS, HOWEVER. IT'S ABOUT BEING WHAT THE BIG BOX STORES CAN'T BE: A TRUSTED ALLY WITH WHOM THE CONTRACTOR CAN DEVELOP A LONG-TERM PARTNERSHIP."

Lonza created educational videos and collaterals designed to educate the lumber sales associate in regard to the most frequently asked questions from contractors concerning pressure treated lumber. And in the case of Trex, it operates a dedicated training center in Winchester, Va., called Trex University. The 10,000-square-foot facility provides an immersive educational experience where dealers and distributors can learn all about Trex. It features interactive touchscreen presentations, museum-style exhibits and a hands-on product "playground." As well, its TrexPro program provides installation and sales training to installation professionals. TrexPro-certified contractors complete comprehensive product and installation training on all Trex products, ensuring homeowners that the contractor they work with is fully versed in the product.

By embracing product knowledge and becoming more than merely a person behind a counter, dealers should expect success not just in the short term, but in the long run as well.

As Envision's Chase Moritz puts it, "The decking category as a whole is one of the fastest growing in the building/remodeling segment. As homeowners are staying in their homes longer, decks are a great way to extend or grow their living space while adding some unique design elements to their home that really expresses their personality. They're looking at a deck as a quality, long term investment." ■

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

RESOURCES

Companies highlighted participated in this article.

Avon Plastics (Armadillo Decking):
armadillodeck.com

AZEK:
azek.com

CertainTeed:
certainteed.com

DassoXTR:
dassoxtr.com

Deckorators:
deckorators.com

DuraLife:
duralifedecking.com

Envision Decking:
envisiondecking.com

Fiberon:
fiberon.com

Fortress:
fortressdeck.com

Green Bay Decking:
greenbaydecking.com

Humboldt Redwood:
getredwood.com

Koppers:
Koppers.com

Lonza:
lonza.com

MoistureShield:
moistureshield.com

New Tech Wood:
newtechwood.com

ProWood:
www.prowoodlumber.com

Royal Building Products:
zuri.royalbuildingproducts.com

TAMKO:
tamko.com

Thermory:
thermoryusa.com

Tiger Deck:
tigerdeck.com

TimberTech/AZEK:
timbertech.com

Trex:
trex.com

Viance:
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WHAT EXACTLY DOES IT MEAN TO BE GREEN?

BY BELINDA REMLEY, LONZA WOOD PROTECTION

GOING GREEN. We hear that a lot these days. As a matter of fact, being green is not a novel concept, just a new spin on a very good idea. For decades, we have been encouraged by our parents, our teachers, our employers, our government to be good stewards of our environment—to be green. We are more responsible people if we are green. Food and other products just seem to be better if they are promoted as being green.

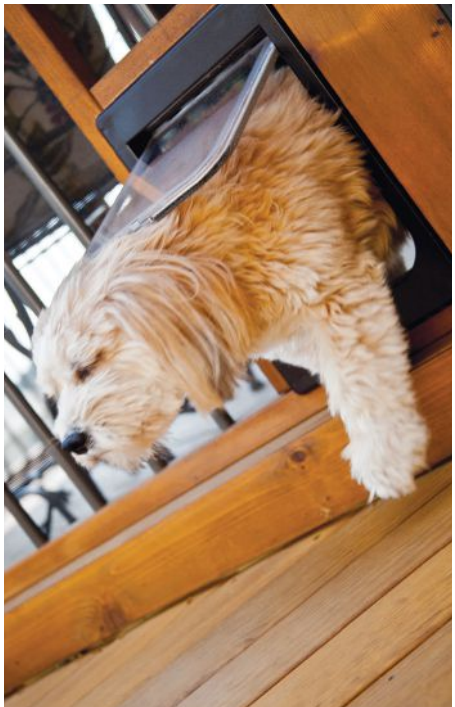
But, what does it really mean to be green?

According to Internet gurus, going green covers many avenues, but a few include: reducing, reusing and recycling; not littering; living sustainably; conserving energy and materials; being carbon neutral; growing crops organically; and the currently very popular lifestyle of 'living off the grid'. Being green has been expanded to include fair trade sourcing and ethical production.

ACTUALLY BEING GREEN. "We all have grown up with the notion of being green and caring for our environment," says Juliana Rumbaugh, Marketing Communications Manager for Lonza Wood Protection. "But when you are in the wood industry either as a farmer, a sawmill, a treater, or a dealer, being green takes on a different level of commitment beyond simply separating your recycling from your other refuse.

"Wood is the most renewable resource in the building industry," Juliana adds, "which is why we refer to it as 'nature's sustainable building block.' It is, in itself a green product that is grown and harvested from managed forestlands.

"Studies show that contractors and builders understand that preserved wood is an excellent building material that offers the flexibility and functionality of real wood but with active ingredients designed to enhance its longevity," explains Juliana. "Plus, preserved wood is much more affordable than alternative outdoor building products."



Studies show that contractors and builders understand that preserved wood is an excellent building material that offers the flexibility and functionality of real wood but with active ingredients designed to enhance its longevity.

COMMUNICATING GREEN. Lonza has worked hard to help debunk misconceptions about the stewardship of wood, such as the idea that whole forests are being cleared to source wood for construction.

"Over the past few years, Lonza has developed several programs such as our Why Wood campaign to help educate dealers, contractors, and consumers about the sustainability and workability of wood as well as the abundance of forest lands and how through the whole process from tree to treated wood everything is used or recycled," says Juliana.

CERTIFYING GREEN. In another effort to educate consumers how committed the pressure-treating industry is to the environment, preservative manufacturers have teamed with treaters to adopt green certifications for their products that are then promoted through advertising, point of purchase materials, and posted on their websites.

"We have submitted wood treated with our preservatives to environmental certifying bodies who perform extensive testing to see if the wood meets the stringent requirements used to define green, or environmentally friendly products," says Juliana. "There are several choices for green certifications for the treated wood industry and each company partners with the certification that best suits its finished product."

Each sustainability certification has established standards that are imposed voluntarily and help consumers understand that the treated wood products have gone through a third-party verification process.

Lonza green certifications are Ecospecifier and NGBS Green Certified. Wolmanized® Outdoor® Wood is verified as an Ecospecifier eco-preferred, healthy product. This program guarantees that all key manufacturer health and environmental claims are third-party verified and assessed in a rigorous, scientific manner using a Life Cycle Thinking (LCT) analysis.

Additionally, Wolmanized® Outdoor® Wood is certified by Home Innovation Research Labs as meeting requirements for termite-resistant materials in the National Green Building Standard.™ In this strict program Lonza was required to provide appropriate third-party evidence to Home Innovation Research Labs proving that their products meet the criteria for recognition.

"In an effort to educate consumers about the environmental benefits of treated wood, Lonza promotes the certifications it has earned by using the Home Innovation and Ecospecifer logos on its printed collateral as well on its website and social media. We use the logos earned from our green certifications as another reminder that we are good stewards of the environment," says Juliana. "We want retailers and dealers, contractors and consumers to see how we value responsibly using our natural resources."

NATURALLY GREEN. In an industry dedicated to being responsible in the care and use of our natural resources as well as in the creation of our products, it is necessary to offer certification reminders of just how green we are—naturally.

Belinda Remley is a Marketing Communications Professional for Lonza Wood Protection. She has been promoting the use of wood products—especially treated wood—for more than 26 years.



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DECK RAILINGS & ACCESSORIES

RAILINGS AND ACCESSORIES PROVIDE DISTRIBUTORS AND CONTRACTORS ALIKE WITH PROFIT-TURNING POTENTIAL.

BY MIKE BERGER

THE FAMOUS fashion designer Giorgio Armani once said, "Elegance is not standing out, but being remembered." Believe it or not, that quote applies just as much to the world of deck railings and deck accessories as it does to high fashion. After all, a deck without railings or other elements of style is nothing more than a slab of horizonal lumber. Likewise, a deck that a builder has meticulously crafted but failed to kit out in aesthetically pleasing railings or other accessories is like wearing a brown belt with black shoes.

And if you think the opportunity for railings and accessories to have a big impact on your business is low-yielding fruit, think again. According to the

industry research firm IBISWorld, deck and patio construction amounted to $783 million in total revenue in 2019 alone. "We continue to see an upward trend in outdoor living, which naturally creates growth in the decking and outdoor building products market," says Brad Adsit, director of product development for Feeney, Inc.

Lindsey Fox, product and marketing manager for RailFX, agrees. "Decking hasn't seen a lull in the last 15 years, and it will continue to grow in 2020, from refurbishing decks that are more than 25 years old to consumers expanding their outdoor living areas in both warm and colder climates."

KEEP IT STYLISH. KEEP IT SAFE.

When *LBM Journal* examined this category last year, a growing demand for increased aesthetics, coupled with homeowners' continually increasing demand to move the indoors to outside, were the driving factors for new product development. Looking forward into 2020, those trends aren't going anywhere. "There's still a desire to expand the inside to outside, with bigger decks, adding covered spaces, entertaining, outdoor kitchens and relaxation areas," explains RailFX's Lindsey Fox. "With that, homeowners (and builders) are generally upgrading their decking projects from their deck boards to hidden fasteners to railings that are aesthetically pleasing.

The evolution of railing options has changed quite a bit. Generally, railing was seen as the last thing you add to the decking project, and it would come down to cost. Now, it's part of the overall aesthetics of the deck and outdoor space."

While wood continues to control the largest segment of market share when it comes to railings and other deck accessories, to achieve an upscale aesthetic, homeowners are turning to options such as cable railings, stainless steel and aluminum systems, along with decorative elements such as more sophisticated infield panels and incorporated lighting. "While composite decking innovation often means building out features to make boards more robust, deck railing innovation has become more about simplification," says Jase DeBoer, senior marketing director for Deckorators. "New railing options with clean lines and contemporary finishes simplify design, while new pre-assembled railings simplify installation."

"Cable railing continues to generate a huge amount of interest from contractors and homeowners," points out Heather Bowman, marketing manager for Superior Plastic Products, parent company of Key-Link, "and that's related to the desire for modern looks, unobstructed views, and the kind of building materials and appearance that customers are looking for."

Aesthetic trends, however, are not the only factor spurring new railing and accessory products. As codes evolve and change to incorporate more stringent safety requirements, railing systems are likewise evolving to keep pace. "We are seeing some code impacts on the railing side of the market and this plays into the need for extended development time in design," explains Toby Bostwick, vice president of product and brand for Fortress Building Products. "Deck safety and proper building practices are also driving positive change in new codes to ensure long-term performance of the deck in relation to the attachment mechanism with the house." ›

OPPOSITE PAGE: ALX Contemporary Cable Railing from Deckorators delivers a clean, minimalist style that will not obstruct views. The system's heavy-gauge aluminum components are available in four colors: Textured Black, Textured White, Weathered Brown and Bronze. A powder-coated finish resists scratches and corrosion. 316 stainless steel cable and hardware kits are available in 5, 10, 15, 20, 25, 30, 40 and 50 ft. cable lengths with anodized aluminum cable spacers.

BELOW: Pure View Glass Railing System from Fortress aims to deliver elegance and style without compromising the view. According to Fortress, the ease of sliding the tempered glass panels into pre-slotted Pure View Rails provides an easy experience in the installation process. The beveled edge of each glass panel is designed to bring additional flair and sophistication to an outdoor sanctuary.



RailFX's Lindsey Fox has similar thoughts regarding codes and their impact on the deck railing segment. "New building codes within our industry play a significant role in new product development. Our team of engineers stays on top of any new code requirements, as well as the timing of new codes, to ensure our products are meeting safety features in all our designs. New codes may force a redesign or new designs of existing products, providing an opportunity to develop products with improved safety for our customers. As a result, all new product development projects are engineered to meet or exceed any new building code regulations that apply to our industry."



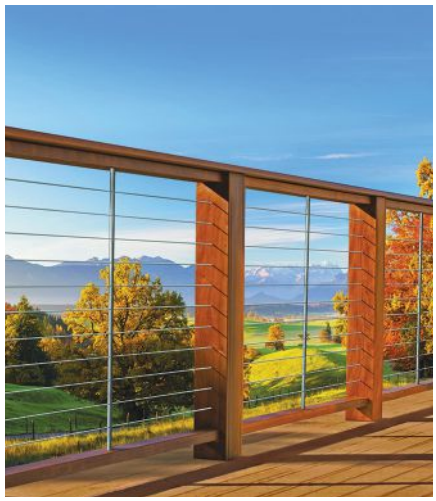
RIGHT: The Arabian series horizontal cable infill system and the American series vertical cable infill system from Key-Link are constructed from 316 grade stainless steel cable and give today's homeowners an upscale aesthetic with easy installation.

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.





ABOVE: RailFX has introduced additional components for its FlexFX system of lag fittings that allow for the shoulder to hug the composite sleeve of a post without drilling two different size holes. Other fittings are available for wood, metal, and now composite sleeved posts.



RIGHT: Feeney recently introduced Stainless Steel Picket Kits for its CableRail system when installed in wood frames. According to Feeney, these pickets provide additional cable support between the main posts and a sleeker, more open look than you get with other picket options.

It's a synthesis of looks and overall product performance, says Superior Plastic Products' Bowman. "Our goal, at least for our railing, is always to meet requirements for all use groups, both residential and commercial. When developing new products, we tend to overengineer the prototypes, and then scale back until we get the final product that best balances safety, performance, and appearance."

BECOME THE GO-TO EXPERT

So how can LBM dealers best serve their customers when it comes to deck railings and accessories? Ask the manufacturers, and they'll say it's through providing problems to real-world solutions and by being a knowledgeable product resource.

Obviously, builders are looking for products that help their homeowner clients achieve that afore-mentioned sophisticated aesthetic. But just as important are products that allow for quick and easy installation. In a world where labor shortages continue to be a thorn in the side of any contractor, speed of installation is just as important as style. Deckorators' Jase DeBoer points out, "As a shortage of qualified workers continues to challenge the decking industry, the value of any labor-saving solution is elevated. Builders are looking for products that combine ease of installation with on-trend looks. A couple of good examples are sleek pre-assembled railing systems that come to the site with the top rail, bottom rail and balusters already installed together, and lighting options with simple wiring."

DeBoer also sees overall product knowledge as vital for a dealer's success. "Having a staff that is truly educated about the many decking and railing options is key," he points out. "There are differences in material and technology, differences in price points and what features you receive or forfeit at each price point, nuances to how the product installs, and pros and cons to competing products in different outdoor scenarios. Truly being a knowledgeable resource to both builders and homeowners is extremely valuable." ›

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RailFX's Lindsey Fox also sees being a problem solver as key to any distributor's success. "There are so many decking and railing products that have come to the market than there were just a few years ago," she says, "so it is important, from our perspective, to have an understanding of types of railing products available—from lower to higher, more specialty offerings, material choices and pricing. Listening to the customer and matching their needs to the appropriate solution (or manufacturer) is key, as is bringing the representative into the discussion as needed to help with the sell."

Says Fortress Building Products' Bostwick, "Knowledge and education are key, and has to be driven by the manufacturers to the LBM dealer base. Truly understanding and educating your customers on the key differentiators and performance factors of the products you are selling will build trust and provide a long-term business relationship between you and your customers."

But what, exactly, is the best way for an LBM dealer to become a top-notch problem solver in the railing and accessory space? According to Superior Plastic Products' Heather Bowman, it's through keeping up with technology. "Anything that dealers can do, technology-wise, to make it easier for their customers to order is huge," she says. "An online ordering site or an app are ideal. Dealers could also provide design technology, which would give customers a way to plug in their project dimensions and requirements and get a list of the needed products with part numbers. The technology is there, but we're not all taking advantage of it."

And the technology is most certainly there. For example, Feeney offers a wide range of technical and educational documents, including data sheets, specifications and drawings, and 3D models as well as a number of step-by-step installation videos on its YouTube channel. In fact, all the manufacturers interviewed for this feature offer a wide variety of online installation videos, technical information and design help. ›



The Fortress AI[13] aluminum railing system is an affordable option that, according to the manufacturer, is easy to install and is virtually maintenance-free. It offers the contractor multiple customization options for their residential customers without compromising quality.



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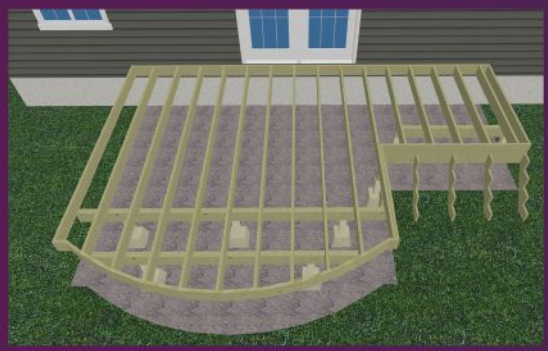
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Plus, new technology-based training and education tools are constantly being released by manufacturers to help distributors stay ahead of the game. For example, Feeney recently unveiled its new VisualBuilder tool, which enables professionals and homeowners to design a deck with Feeney railings in a wide variety of configurations. Users can create their own deck from scratch or use one of seven pre-built templates, Online tools within the app help eliminate any guesswork while allowing the user to explore a variety of different looks.

This is not to say that traditional hands-on training is dead. Rather, many manufacturers use it extensively, and successful LBM dealers are taking advantage of the opportunities as much as possible. "The old-fashioned hands-on and in-person methods still resonate and show to be the most beneficial," says Fortress Building Products' Bostwick. "Technology has brought many different avenues to deliver information; however, there is something to be said for truly understanding the business model of a builder or distribution partner. Once you take the time to understand the individual business models, as the manufacturer, you can directly train and educate your channel partners on how the entire structure becomes scalable so that all may experience profitable growth."

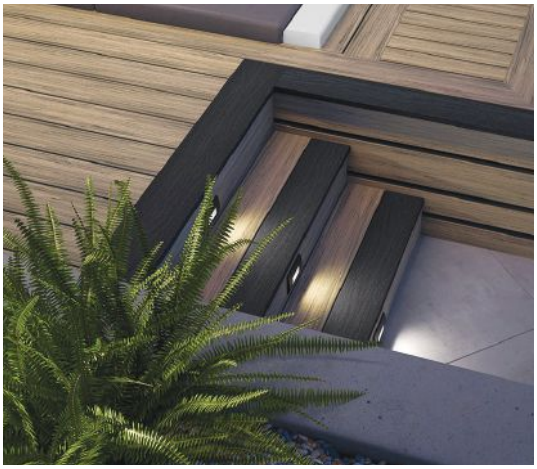
So what is the right path for the successful contractor and LBM distributor? It's staying abreast of new products, knowing when and how to implement them, and never settling for what's been previously done. If indications hold true, the 2020 market is a promising one for deck railings and deck accessories, and distributor and contractor alike should be poised to take advantage of it. ■



RIGHT: At this year's International Builders Show, Feeney launched its DesignRail Top Rail in three powder coat wood grain finishes that meet the AAMA 2604 specification. According to Feeney, these realistic finishes mimic the organic look of natural wood while eliminating the ongoing maintenance requirements.

BELOW RIGHT: Superior Plastic Products recently upgraded several parts of its Placid Point lighting system. It made the LEDs brighter and completed a software revamp for its control hub.

BELOW: Deckorators has added two new options to its line of Deckorators by Hinkley Lighting for outdoor living. A 2-1/2" Luna post cap in Weathered Brown and a 12-volt LED Luna step light in Black (shown here) are now available. Both come with a five-year LED and manufacturing defects limited warranty.





RESOURCES

Companies highlighted participated in this article.

AGS Stainless:
agsstainless.com

Atlantis Rail:
atlantisrail.com

Aurora Deck Lighting:
auroradecklighting.com

AZEK:
azek.com

BW Creative Railings:
bwcreativerailings.com

CertainTeed:
CertainTeed.com

Color Guard Railing Systems:
colorguardrailing.com

Deckorators:
deckorators.com

Digger Specialties:
diggerspecialties.com

Dolle:
dolleusa.com

Fairway Architectural Railing Solutions:
fairwayrailing.com

Feeney.:
feeneyinc.com

Fiberon:
fiberondecking.com

Fortress:
fortressrailing.com

i-lighting:
ilightingled.com

MoistureShield:
moistureshield.com

RailFX:
railfx.net

Regal Ideas:
regalideas.com

Superior Plastics Products &
Key-Link Fencing & Railing:
superioroutdoors.com

Trex:
trex.com

Ultra Aluminum:
ultrafence.com

UltraLox:
ultralox.com

Versatex:
versatex.com

Walpole Outdoors:
walpolewoodworkers.com

Wild Hog Railing:
wildhograiling.com

Wolf Home Products:
wolfhomeproducts.com

Simpson Strong Tie's Deck-Drive DCU composite screws are a premium line of deck fasteners designed for surface installations of composite and PVC deck boards. They are available in color-matching, exterior-grade Quik Guard coatings (11 colors), as well as in Type 305 and Type 316 stainless steel providing high- and severe-corrosion resistance, respectively.

DECK FASTENERS

THEY MIGHT BE HIDDEN, BUT THE IMPORTANCE OF DECK FASTENERS IS FAR FROM INVISIBLE.

BY MIKE BERGER



IT WASN'T THAT LONG AGO when nails were the de facto fastener for deck construction. Along came screws, and builders thought they were a pretty neat idea, so construction methods changed. But wait, thought the screw manufacturers; let's invent new screws, designs made from materials that better withstand corrosion, with threads that cut easier and heads that strip less. Once again, builders rejoiced, as these advances increased speed and efficiency of construction. But then came hidden fasteners, systems that were designed to vanish from sight and deliver clean, elegant installations, and once again the industry changed.

What does this little narrative mean? Simply this: the world of deck fasteners is constantly evolving, and distributors and builders alike need to be prepared for the latest consumer and industry demands.

GROWTH IS COMING

This past December, Fannie Mae predicted 1.35 million housing starts for 2020 in the U.S. housing market along with 6.17 million total home sales. Likewise, the Mortgage Bankers Association predicted 1.30 million, with 6.26 million in total home sales. As well, research and industry indicators (such as Principia) predict a growth rate for the decking market of 6.5% by volume into 2021.

Predictions aside, a boost in new home sales at the end of 2019 has manufacturers preparing for growth this year in the decking segment. "We expect decks will be built at a faster rate than new home starts similar to what we've seen in recent years," said Mike Nelson, product portfolio manager for MiTek Builder Products. "We're also seeing more remodel spending as the housing market continues to be strong, home prices continue to appreciate, and homeowners choose to settle in and invest in upgrading what they have."

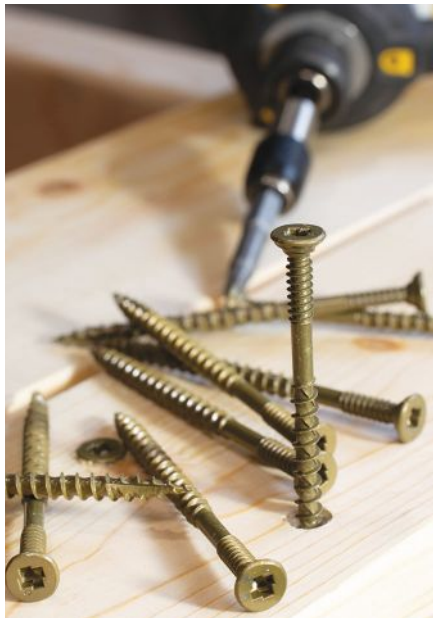
Melanie Bisson, national sales manager of Grabber Construction Products' LBM program, agrees with Nelson. "Not only are national marketing research firms indicating 2%–5% growth in decking," she says, "but we see it in the shift in real estate trends where younger families are staying in their first homes longer and putting investments into low-maintenance exterior spaces." Phil Lail, president of Sure Drive USA, also sees good things on the horizon. "We are budgeting 8%–10% growth with our Sure Drive USA/Mantis decking business segment for 2020. This will come from organic growth with current customers and additional sales of our hidden deck fastener lines plus our Big Timber construction lag and fastener line."

EFFICIENCY IS KEY

It stands to reason that, if deck construction grows, the fastener segment will be coming along for the ride. That does not mean, however, that all types of fasteners will grow at the same rate. While there will always be the need for traditional fasteners, trends such as the growing demand for hidden fastener systems and for non-wood deck products, plus the need for a safer workspace, and faster, easier, more productive installation methods are spurring product development. As Jim Miller, president and CEO of Screw Products, Inc., explains, "Homeowners are continuing to demand environmentally friendly deck products. They are also taking elements like multicolored decking, lighting options, heating and fan options and outdoor kitchens. Today's fastener manufacturer has to be ready for multiple fasteners to be used outdoors."

"The increasing demand for decorative deck construction, including hidden deck fastening, has driven the further development of Simpson Strong-Tie Outdoor Accents, EB-TY Premium Hidden Deck-Fastening Systems and DCU Screw Plug Solutions," explains Brandon Ward, fastener product manager for Simpson Strong-Tie. "These products allow builders and customers to enjoy the premium, precise perfection of a visually stunning outdoor living space. Our fastener delivery systems are built to last and are designed to make the installers' job safer by reducing jobsite hazards such as ladders, heavy-duty equipment, hoses and ballistic tools; easier by providing simplifying installation processes; and less physically taxing by designing tools that are ergonomic and less demanding on legs, knees, arms and back." ›





ABOVE: Screw Products Inc. recently introduced 316 stainless steel screws to its PICO (finish head), EPIC (trim head), and AXIS (Countersinking head) lines. According to the manufacturer, slight curvature of the heads offers a more elegant, professional result, while deep-cut turbine ribs under the head quickly cut into the wood.

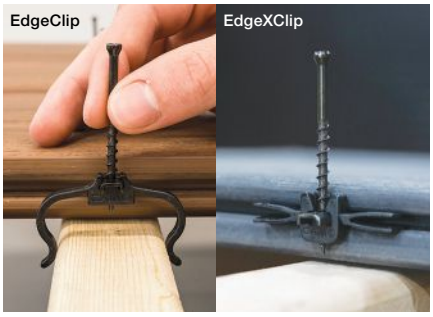
RIGHT: Grabber's new wood screw, the UltraPro, launched last spring and incorporates the benefits and features of existing wood screws into one performance-driven screw that, according to the manufacturer, improves drive times and delivers a consistent, flush look with no strip-outs or popped heads.

LEFT: Deckorator's Stowaway Hidden Fastener discreetly secures deck boards to joists with a single stainless steel, color-matched screw, resulting in a virtually fastener-free deck surface. The Stowaway screw comes preloaded, making the installation process faster. According to the manufacturer, deck boards are automatically spaced at proper intervals, and the needs for predrilling and countersinking are eliminated.



ABOVE: The CAMO DRIVE collated stand-up fastener installation tool was awarded Best Outdoor Living Product at the 2019 International Builders' Show, and according to the manufacturer is five times faster than traditional fastening methods. It features three end guides to fasten CAMO Edge Screws, CAMO EdgeClips (for grooved boards) or traditional face screws—all using the contractor's drill.

BELOW: CAMO's EdgeClip is designed for 90-degree installation and hugs the joist, while its EdgeXClip sits in the groove of the board and allows for angled installation patterns. Both are designed to stand up on their own with no partial installation required, thus allowing the installer to lay several boards at once and then fasten them to the joists.





The SplitStop Screw Fascia installation system from Titan Metal Werks is engineered to create an oversized pilot hole in a deck's composite fascia material, which the manufacturer says prevents buckling, oil-canning and broken screws.

Trends, however, can create confusion for both the homeowner and for the contractor. "In years past, there were not many options for what type of material deck boards were made from that a consumer had to choose from," explains Roderick Kabel, marketing director for DeckWise. "At the present, there is a wide array of different types of deck boards; pressure treated, hardwoods, composite, and thermally modified to name a few, and options are expanding more and more due to new technologies, colors and plastic materials to choose from. Consumers may now have too many options."

CODES CONTINUE TO EVOLVE

Because of the development of so many alternative decking materials, fastener manufacturers have been forced to work quickly to keep pace and develop fastener systems that meet increased safety codes. "The demand for increased safety and structural stability is at the forefront of all production and future innovation," says MiTek's Nelson. "We know there is increased demand for stability against extreme and unpredictable weather. Shifting weather patterns and the recognized need for stronger decking structures is creating some focused attention on decking codes. MiTek provides the builder and consumer assurance with decking hardware that has the highest structural values in the industry and are code approved. Additionally, our range of anti-corrosive treatments, such as our Gold Coat, help ensure that deck stays strong and beautiful for many years."

As Phil Lail, president of Sure Drive points out, fastener manufacturers work closely with code organizations to ensure their new products meet safety standards. "Building codes are becoming stricter in certain areas in regard to the testing required for structural connections," he says. "Our company is a charter member of NADRA and our organization is very involved in participating with advisory boards that set some of these new standards. We are having our entire Big Timber product line certified this year to help gain access to new markets and opportunities in code specific areas."

In the case of Simpson Strong-Tie, in order to meet requirements as spelled out by the American Wood Council's DCA 6, The Prescriptive Residential Wood Deck Construction Guide, it conducted significant testing to determine minimum loads required to create various deck connections using fasteners as alternatives to traditional hardware connectors. As a result, Simpson Strong-Tie has published a series of Engineering Letters describing new fastener-centric connections for guard posts, guard rails, guard rail infill, stairway stringers, notched post-to-beam and diagonal bracing assemblies.

Likewise, in an effort to meet stricter codes and make decks safer, National Nail recently had its EdgeClips tested by an independent firm, and they were found to be 88% stronger than competitors, which is vital to the overall deck's integrity.

In light of these changes, fasteners that can ease confusion for contractors will be a sought-after commodity, as will those that demonstrate reliability in performance and ease of installation, and LBM distributors need to have these types of products on hand to best meet builders' needs. When it comes to fasteners, builders want products and systems that aid in the productivity and profit for their sub-contractors and aid in the longevity of the building structure," explains Grabber's Bisson. ›

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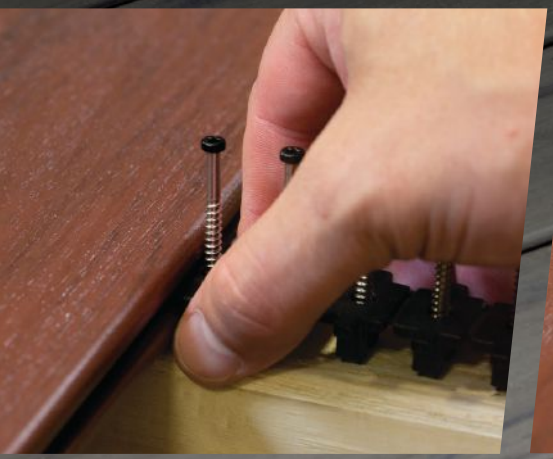
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Each TurboClip stick includes sixteen universal hidden deck clips plus one grip clip at the end of the each stick – ensuring there are no wasted deck clips.

Jase DeBoer, senior marketing director for Deckorators, says "Helping contractors save on time and labor is key. Pre-assembled railing panels, tools that install fasteners faster, and other solutions that remove the guesswork provide incredible value. For example, in 2019 we approved CAMO's EdgeClip and EdgeXClip fasteners for use with our grooved composite deck boards to offer builders what they wanted: more installation options and a better installation experience."

Quality and performance are also at the top of contractors' lists of must-haves. "One main goal we fixate on is repeat business and we see installers coming back to our products," says DeckWise's Kabel. "They know the quality of our USA-made deck fasteners and they continue to use them on project after project. Builders want a fastener that they know will not cost them additional time and money on call-backs."

Simpson Strong-Tie's Ward shares Kabel's thoughts on providing products that have a track record of quality. "Builders are realizing that premium fastening products are a necessity in building stronger, safer decks," he says. "Investing in premium fastening solutions results in higher-quality, longer-lasting decking projects. This results in greater customer satisfaction, better service ratings and increased business for the builders."

MEET CUSTOMERS' NEEDS

Perhaps once upon a time it was sufficient for LBM distributors to merely stock boxes of fasteners on their shelves, relying on their customers to find for themselves what they needed.

The successful distributor, however, cannot afford to look at sales individually. Instead, they need to see the entire picture of a job and provide solutions for the scope of the project.

As DeckWise's Kabel explains, LBM distributors need to sell the whole job. "Quite a few companies spend a lot of their efforts focusing on their big sellers and main elements for their bids," he explains. "They lose sight of the smaller items that gain additional profits for their company. We have spoken with multiple building material sales reps and purchasers who say 'they don't know,' or 'they are not interested' in what other components such as wood finishes or cable railings are being used on a job. This leaves the homeowner or builder left searching for these additional products elsewhere and permits the contractor/installer to fill in the gaps with possibly lower end components."

The key to seeing the "big picture" is to be as informed and educated as possible on your product lines, points our Deckorators' DeBoer. "LBM dealers can create value for contractors in a variety of ways. Having a staff that is truly educated is key. There are differences in material and technology, differences in price points and what features you receive or forfeit at each price point, nuances to how the product installs, and pros and cons to competing products in different outdoor scenarios. Truly being a knowledgeable resource to both builders and homeowners is extremely valuable."

Grabber's Melanie Bisson agrees. "There is an abundance of information available in regard to new products and technology that contractors need and often have a difficult time keeping up with themselves," she says. "In this manner I think it is wise for the LBM dealer to be the go-to expert in all segments and channels and at least the first source of direction and information for the contractors since many dealers have direct access to manufacturers. It is sometimes easy to ignore this need with the busyness of day-to-day tasks, but I think it is the area of improvement for dealers to build relationships that forge a barrier with their competition."

BECOME A PRODUCT MASTER

In order to provide the solutions that contractors and homeowners alike are looking for, it's not enough to have an intelligent plan behind what you're selling; the most successful LBM distributors are taking advantage of every opportunity to become as intimately knowledgeable about the lines they are selling as possible—not just to sell more product but to be a knowledge base to their customers.





ABOVE: 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.

RIGHT: Simpson Strong-Tie has recently released several DWP Wood stainless steel screws as Strong-Drive structural screws. According to the manufacturer, they are tested and load-rated in accordance with ICC-ES acceptance criteria AC233, making them ideal solutions for exterior, engineered structural connections such as framing, ledgers, stair treads and guard rails. They feature a unique "box" thread with raised-ridge technology that reduces driving torque by 35%, allowing more screws to be driven per single battery charge.

According to the manufacturers we interviewed, one of the best ways for a distributor to start building a knowledge base is by developing a close relationship with the manufacturers themselves. As DeckWise's Kabel explains, "When building material professionals and consumers contact us, it really is us. Calls and online chats go direct to our seasoned sales reps and not a robot or untrained person. We make ourselves available and ready to discuss, train, and educate anyone who has questions about our products."

Manufacturers highly encourage getting hands-on with their products, and most provide a plethora of opportunities to do just that. For example, Sure Drive hosts training sessions with its distributors and independent lumberyards on how its products work and perform. Grabber regularly encourages dealers to participate in lunch-and-learns and product knowledge sessions to educate staff on the features and benefits that matter to their customer and help anticipate what their customers will be asking in regard to product application and performance. Huttig offers in-store training not only to LBM distributor staff, but also holds contractor events to educate the builder and consumer alike.

Likewise, Simpson Strong-Tie provides both informal and formal on-site training for builders, distributors and their customers. "Educating the public is key to them gaining knowledge as to what inspectors and specifiers are looking for regarding load-rated, code-listed fasteners," explains Simpson Strong-Tie's Ward. "As end-users gain such knowledge, an awareness of how their structures are built for quality, durability and safety reinforces the demand for premium fastener solutions."

And while few training methods are as effective as hands-on learning, let's ❯



TurboClip by Avon Plastics is engineered to work with all major brands of composite decking boards. The manufacturer says TurboClip's innovative design can help reduce installation time by up to 60%.



not forget technology. Many manufacturers are offering unique tech-based learning solutions—from online materials to YouTube training videos to downloadable apps—that can help inform distributor, builder and consumer alike. For example, Simpson Strong-Tie provides downloadable product information from its website along with videos, literature, engineering drawings, and training courses on numerous topics. It also provides several online applications that assist in selecting the appropriate fastening solution for the appropriate application (such as its Fastener Designer and Fastener Finder apps), as well as aids in designing structures (such as Deck Planner software).

Likewise, MiTek presents a variety of videos and materials to builders, distributors and customers offering guidelines on installations and best practices. Its MiTek Builder Products App has the most up-to-date code reference, load values, and installation guides for all of its builder products. Items are searchable and sortable which makes the app valuable on a jobsite, and when prepping for a job or creating a bill of materials. Says MiTek's Nelson, "We also have a variety of videos on our website and the MiTek YouTube channel that walk through common issues and step-by-step guides for installation."

What this all boils down to is that fasteners for decking are no longer a foregone afterthought. What once was a one-option choice is now a sea of many options. "Builders are realizing that premium fastening products are a necessity in building stronger, safer decks," says Simpson Strong-Tie's Ward. "Investing in premium fastening solutions results in higher-quality, longer-lasting decking projects. This results in greater customer satisfaction, better service ratings and increased business for the builders." ■



RESOURCES

Companies highlighted participated in this article.

BlueLinx:
bluelinxco.com

DeckWise:
deckwise.com

Fasco America:
fascoamerica.com

Faspac:
fastapscrews.com

FastenMaster:
fastenmaster.com

Grabber Construction Products:
grabberman.com

GRK Fasteners:
grkfasteners.com

Huttig Building Products:
huttig.com

Intercorp:
intercorpusa.com

Invisi-Fast:
invisifast.com

Maze Nails:
www.mazenails.com

Midwest Fastener:
fastenerconnection.com

MiTek Builder Products:
mitek-us.com

National Nail:
nationalnail.com

Outlaw Fasteners:
outlawfasteners.com

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phillips-screw.com

PrimeSource Building Products:
primesourcebp.com

Screw Products:
screw-products.com

Simpson Strong-Tie:
strongtie.com

SPAX USA:
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Sure Drive USA:
panamericanscrew.com

Tiger Deck:
tigerdeck.com

Titan Metal Werks:
splitstop.com

TurboClip by Avon Plastics:
turboclipusa.com

U2 Fasteners:
u2fasteners.com

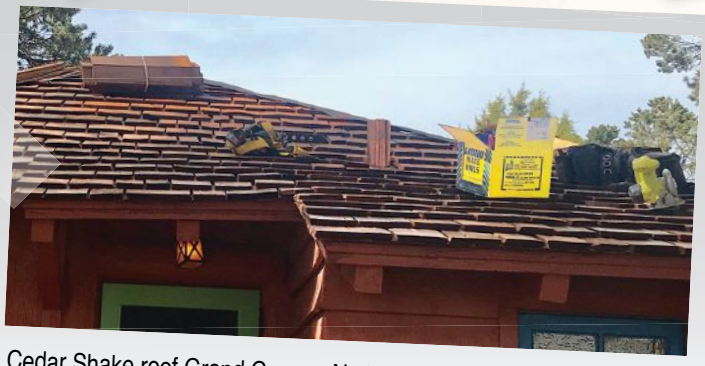
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Cedar Shake roof Grand Canyon National Park, circa 2018



Redwood fencing, circa 1998

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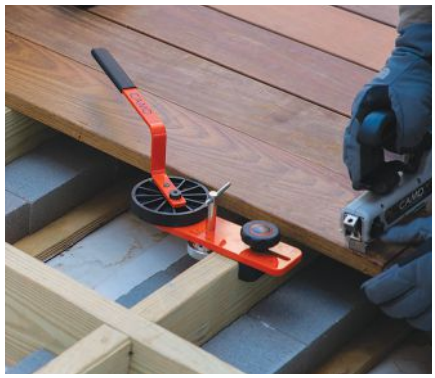
Deck Safety Awareness is an effort to promote outdoor living in a beautiful and safe environment.

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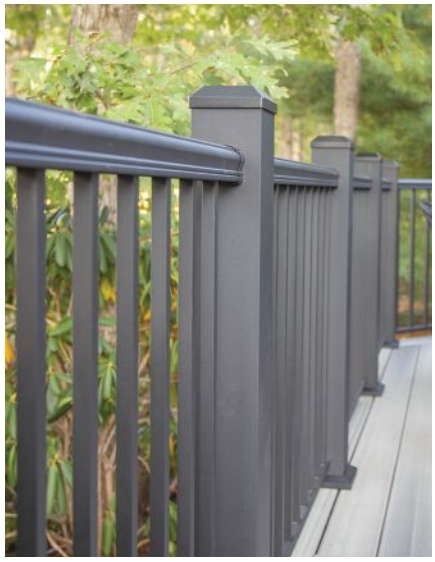
Royal Building Products PVC Column Wraps in Sand Dune
Royal Building Products, a Westlake company, has introduced a new color to its line of PVC Royal Column Wraps. Sand Dune is a neutral beige tone and is available in Traditional, Craftsman, and Contractor styles. In addition to Sand Dune, the column wraps are available in a ready-to-install white finish that can also be painted with vinyl-safe paint to complement a home's exterior color palette. Made from cellular PVC, Royal's Column Wraps are designed to be resistant to moisture, preventing issues found in traditional wood columns, such as warping, rotting and insect damage. Backed by a limited 25-year warranty, Royal's Column Wraps are available in four widths to fit around 4x4, 6x6, 8x8 and 12x12 structural posts, and two standard lengths—8'6" and 10'. Royal has also added a new 12' length available in 6x6, 8x8 and 12x12 column wrap size, that is available in white in all styles. To ensure the columns are protected during the installation process, the product is wrapped in a protective film that can be removed after installation.
royalbuildingproducts.com

CAMO LEVER tool



CAMO's board bending solution, CAMO LEVER, was developed to bend, straighten, or align deck boards to speed up deck installation. Without time-consuming set-up, the manufacturer says LEVER sets in one turn to lock boards in place for fastening with no strain, no hassle. In addition to straightening warped boards, CAMO LEVER also speeds up grooved decking installations by locking rows of boards and CAMO EDGE and EDGEX Clips in place. The tool adjusts to single, double, and even steel joists, and the gap can be incrementally adjusted while holding the board in proper fastening position. According to the manufacturer, contractors can build decks five times faster when LEVER is used with innovations like CAMO EDGE and EDGEX Clip for grooved boards, which can be hand-fastened with the Never-Miss Guide included in each pail of clips, or with CAMO DRIVE, the cordless stand-up tool. **camofasteners.com**

New aluminum top railing from DuraLife



DuraLife now offers two top railing design choices for its Nantucket aluminum railing product: a flat-top version called Salem, and a contoured, Cambridge style (shown). Both are available in level and stair rail kits with three color options; Matte Black, Matte Bronze, and White. The Salem Deck Top Rail Adapter allows users to install a matching DuraLife deck board top to create a flat drink-top rail. The powder-coated aluminum finish is tested to over 10,000 hours of salt spray, and is designed to withstand the harshest outdoor weather conditions.
duralifedecking.com

Mantis hidden deck fastener
The Mantis hidden deck clip system is designed to install grooved composite decking. The product is said to be easy to install for the average homeowner or professional deck builder. Built to enhance the beauty of a deck by providing a safe, fastener-free surface that makes decks look like a hardwood floor, the Mantis clip system automatically spaces the deck boards 3/16" to allow for adequate drainage. Four profiles are available to ensure a secure fit to the deck boards. The product carries a 30-year limited warranty against loose deck boards.
panamericanscrew.com



Lonza Wood Protection

Lonza Wood Protection provides innovative technologies developed to improve the performance of wood, making it resistant to termites, fungi, fire, mold, and moisture. Lonza manufactures wood protection products for use in backyards all over the world such as Wolmanized Outdoor Wood, preserved with Wolman E Copper Azole with BARamine technology. This enhanced, patented technology was developed to provide improved penetration, broad moldicide protection, and improved resistance to certain aggressive copper-tolerant fungi that will help outdoor projects last longer.
wolmanizedwood.com



RDI Excalibur Steel Railing

RDI's MetalWorks Excalibur Steel Railing product line now includes MetalWorks Excalibur with the introduction of the Serpentine and Mosaic (shown) level panel designs. These two new styles are designed to allow customers to create a custom look without it needing to be a custom job. RDI's MetalWorks Excalibur steel panels are factory welded and pre-assembled, providing both strength and security in steel railing. They're now available in two textured finishes that can be paired with composite products. As the Pro Dealer arm of Barrette Outdoor Living, RDI services two-step distributors and LBM dealers.
rdirail.com





Simpson Strong-Tie Pergola Planning Software

Simpson Strong-Tie has launched a free online Pergola Planner Software, designed for fast, easy design of outdoor spaces for contractors, lumberyards, and homeowners. Featuring 3D software, design guides, and an in-app user tutorial, the free web-based design software allows users to upload home photos, select shapes, modify dimensions, and choose from various lumber and hardware options. The Pergola Planner Software web-based app offers lumber and building material dealers a design and takeoff tool for providing contractor and DIY customers with in-house, value-added services.
go.strongtie.com/pergolaplannersoftware

PrimeLinx Vintage Shadow Gap from BlueLinx

The addition of Vintage Shadow Gap to the PrimeLinx family of products is designed to offer the look of reclaimed wood in two distinct styles: 1/8" self-spacing shiplap and authentic narrow line. Complete with splits, knots, and nail holes, Vintage Shadow Gap is said to give homeowners the look they desire without the lead paint, chemicals, and insects sometimes found in reclaimed wood. It is reversible and comes factory primed and ready to paint. Made from 100% radiata pine, Vintage Shadow Gap is moisture-resistant and has the strength to hold heavy objects.
bluelinxco.com/primelinx



TurboClip

TurboClip is a universal hidden deck clip that works with all major brand composite decking boards including Trex, TimberTech, Fiberon, and more. Users simply insert the TurboClip into the side groove of a deck board, drive the preloaded screw through the TurboClip and into the deck support, then snap off the remaining TurboClip stick. The process is said to cut deck board install time by 60%, allowing builders to save labor time. Limited lifetime warranty.
turboclipusa.com





DekPro Prestige Aluminum Railing Systems
DekPro Prestige Railing features all aluminum components constructed with durable, finely textured powder coat finishes in four colors: Absolute Black, Cocoa Bronze (shown), Dream White, and Maple Cream. Complementing the DekPro Prestige railing is DekPro EFFEX lighting with matching finishes in band light caps, down light caps, step lights and posts lights all utilizing high performance LED bulbs and Quick Connect wiring designed for ease of installation.
absolutedist.com



Meridian Brick's Authintic Brick
Meridian Brick is relaunching Authintic Brick, which combines the sophistication and warmth of brick with a thinner, lightweight profile that is designed to allow for easy installation and versatility. According to the manufacturer, Authintic Brick is made with real fired clay and can be installed nearly anywhere—interior, exterior, new construction, or remodels. Authintic Brick is offered in a selected color palette of 23 ready-to-ship colors and is available in Modular (7-7/8" x 2-1/4"), Queen (7-7/8" x 2-3/4"), and King (9-5/8" x 2-5/8") sizes.
authinticbrick.com



Armadillo Composite Decking
Armadillo Composite Decking is wrapped on all four sides with a polyethylene protective shell to create a natural wood grain finish and protect against fading, weathering, stains, mold, and mildew. The decking is now available in five new colors, bringing the total number of color options to 11. Armadillo Composite Decking is available in three product lines: Lifestyle, Heritage, and Essential. Available with a limited lifetime warranty.
armadillodeck.com

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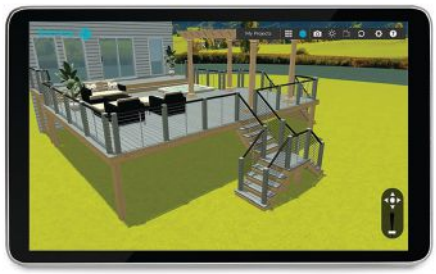
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Feeney VisualBuilder deck and railing design tool

Available for desktop and mobile applications, Feeny's VisualBuilder offers an interface that enables users to create their own deck from scratch or use one of seven pre-built templates as a starting point. The deck can then be customized to fit the user's specifications. Decks can be viewed in either 2D or 3D representations, and features such as click-and-drag sizing tools and "smart" icons are included to make it easy to change dimensions, add stairs and additional tiers, and modify the shape of the deck. Users can choose from a variety of deck materials and add walls, windows and doors to replicate the facade of a home or commercial building. A short video tutorial guides first-time users through the online deck design process. In addition, users can take snapshots of their completed deck project and save, edit and share the designs, as desired. **feeneyinc.com/visualbuilder**



DAP Premium Wood Filler

DAP's latest addition to the wood filler category, DAP Premium Wood Filler with Chameleon Technology, is a 3-in-1 filler and sealer offering contractors, woodworkers, heavy DIYers, as well as hobby and craft enthusiasts the option to utilize it as a wood filler, grain filler, or sealer coat. The unique water-based formula features Chameleon Technology, developed to provide users the ability to mix stains or pigments directly into the wet state for an exact custom color match. DAP Premium Wood Filler is designed to accept all stains and pigments. The formula has a two-hour dry time, cleans up with water, and is low in odor. The filler accepts all types of top coats and finishes once cured. **dap.com**



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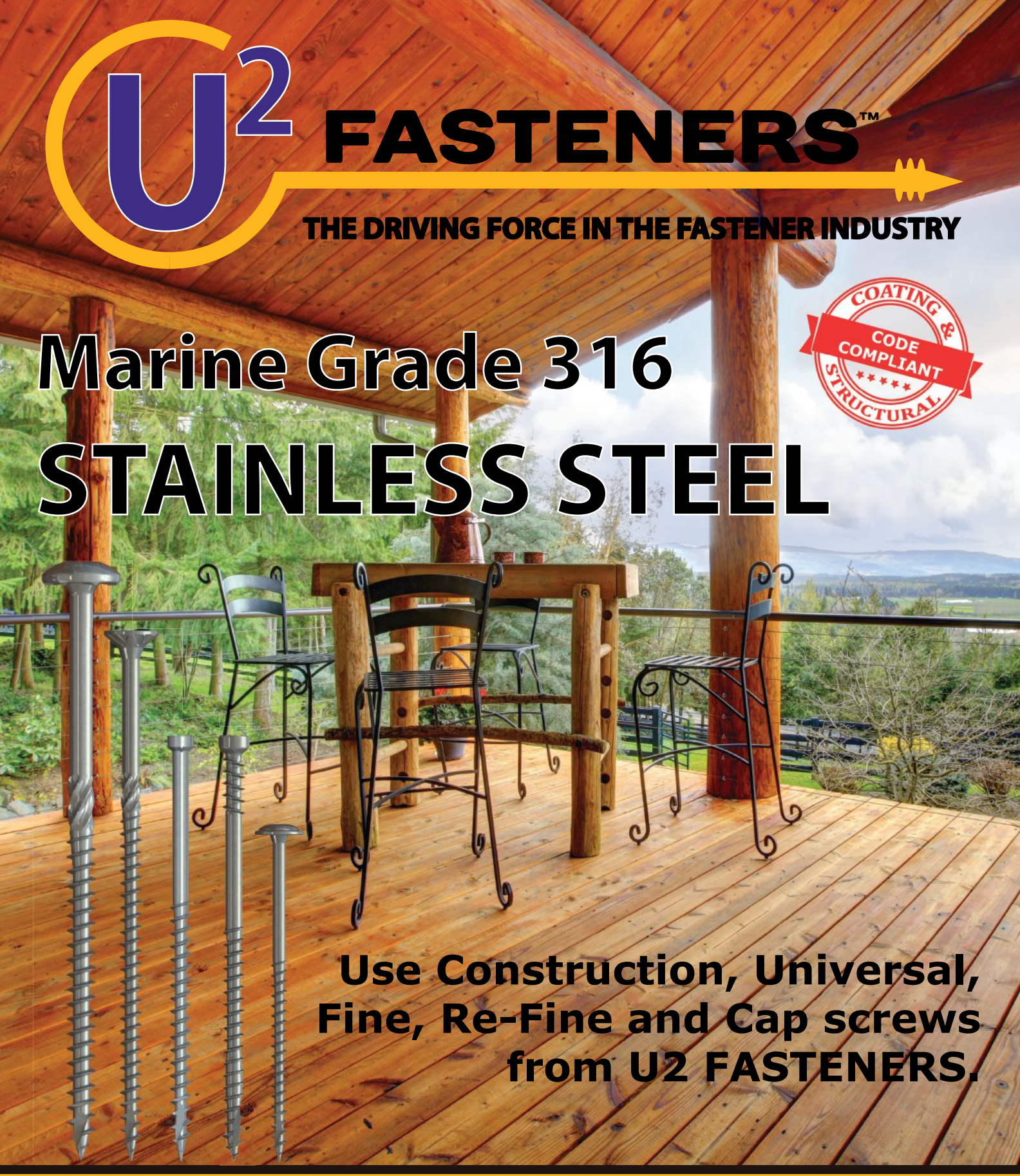
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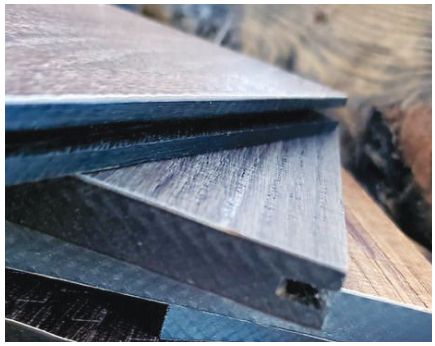
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DeckWise Hidden Fasteners
DeckWise Ipe Clip Hidden Fasteners automatically space deck boards at 3/32", allowing for the expansion of width of air-dried woods. Manufactured from polypropylene with stainless steel black oxide insert, the fasteners are produced for use with air-dried hardwood, as well as composite or PVC decking. The product is designed to allow for more tolerance in grooved side profiles while increasing hold-down area. Available in Extreme, Extreme4, ExtremeKD, and Standard versions. DeckWise Ipe Clip Hidden Fasteners are UV-resistant and feature a limited lifetime warranty. **deckwise.com**

MonaDeck from Monarch Technologies
Manufactured in 12" wide planks, MonaDeck from Monarch Technologies utilizes the same manufacturing technology as skateboard ramps that is said to provide durable, long-lasting, and environmentally-friendly decking. The patent-pending line is developed for the residential market. The planks are designed to resemble century-old barnwood, are produced in 12" widths, and are Class-A fire-rated. MonaDeck incorporates a proprietary bio-based resin system to bind recycled FSC-certified wood fiber and bamboo fiber in a sustainable, wood-simulating composite that, according to the manufacturer, has a hardness rating that rivals Ipe. MonaDeck is available in three deep cross-cut teak- and walnut-like finishes. **monarchtechnologiesllc.com**

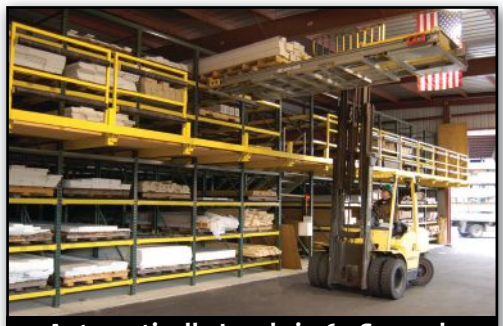


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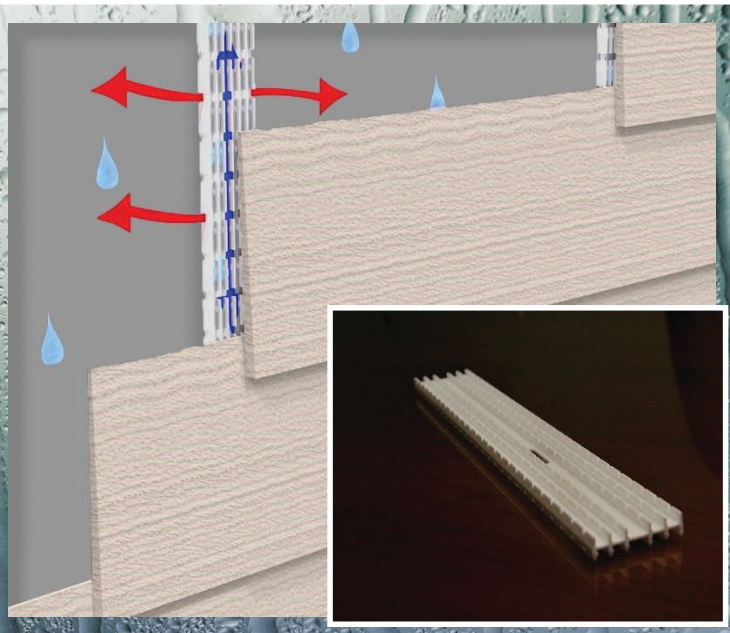
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DEWALT new charging solutions

DEWALT has announced the 12 Amp Fast Charger (DCB1112) and 6 Amp Charger (DCB1106) for efficient charging. The 12 Amp Fast Charger has the highest charge rate supporting the DEWALT 20V MAX and FLEXVOLT lithium ion battery systems, charging a DEWALT FLEXVOLT Battery (DCB609) to 80% capacity in under 45 minutes, DEWALT says. The 12 Amp Fast Charger comes with Stage 1 and Stage 2 LED indicators which communicate more to the user about the state of charge of their batteries than DEWALT chargers without these indicators. The 6 Amp Charger charges a DEWALT 5.0Ah Battery (DCB205) to 80% capacity in under 45 minutes. Like the 12 Amp Fast Charger, the 6 Amp Charger also features the Stage 1 & Stage 2 LED format, through-hole mounts, secure latching, double insulation and is compatible with batteries in the DEWALT 20V MAX and FLEXVOLT systems. **dewalt.com**



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INSTRUCTOR PROFILE
GLENN MATHEWSON, MCP

Glenn was a tradesman in the 90's before becoming a city inspector. On top of the city job, he was teaching, writing, and consulting "on the side", and it became his full-time work in 2018. He has published over 100 articles, wrote an ICC book, and teaches across the country and online.

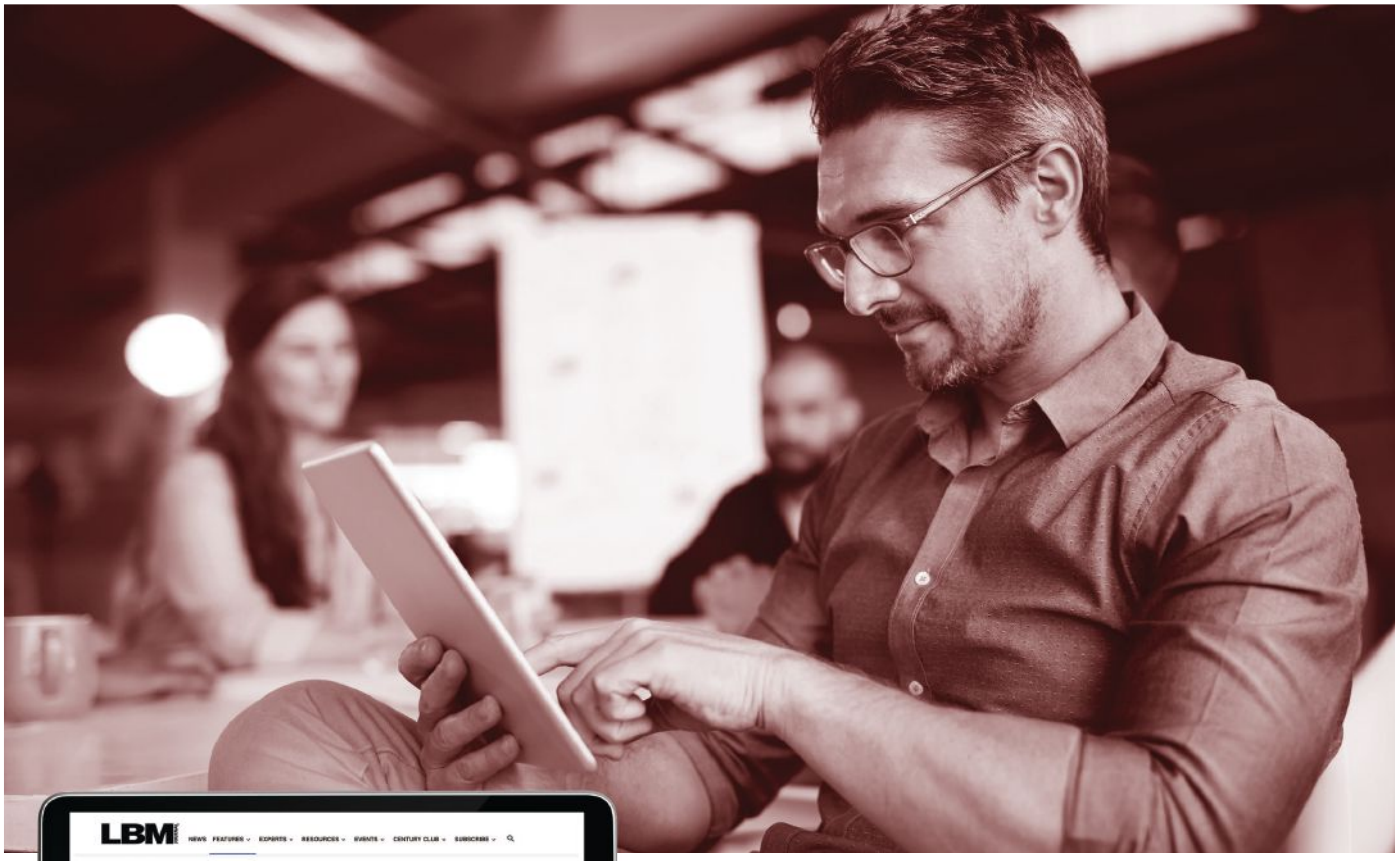
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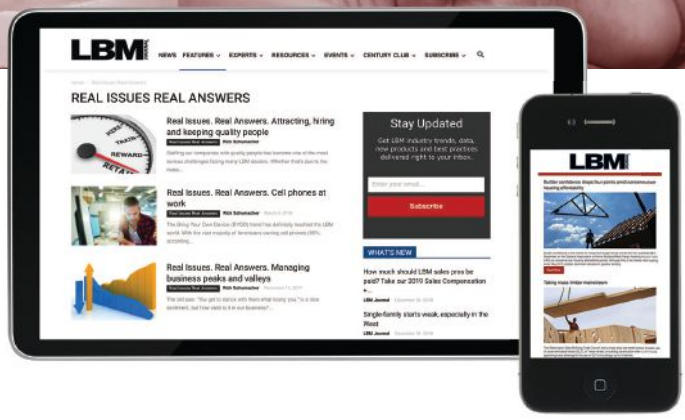
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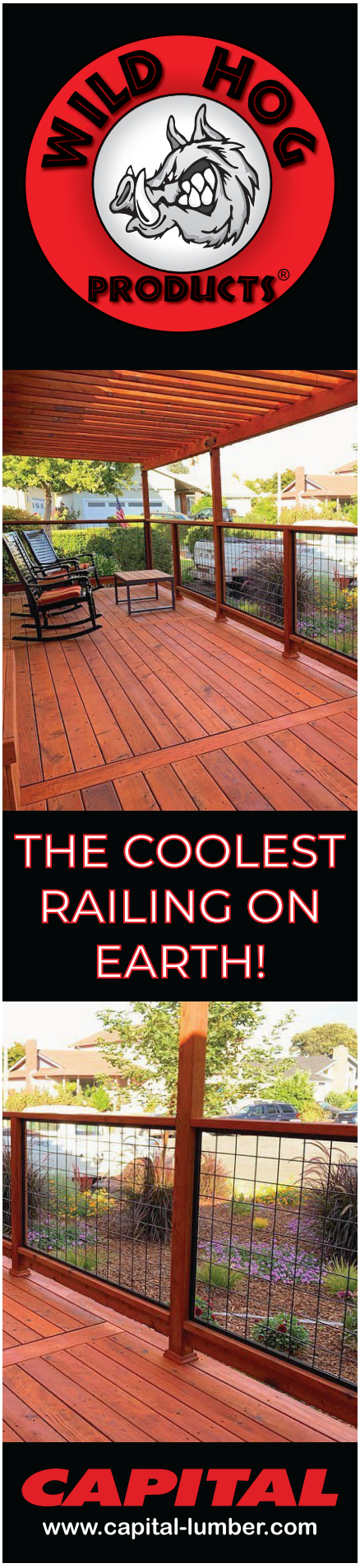
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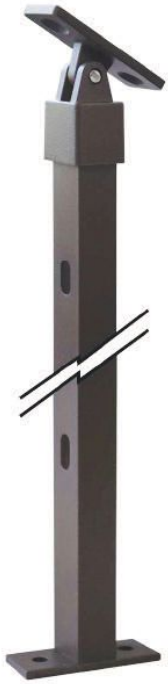
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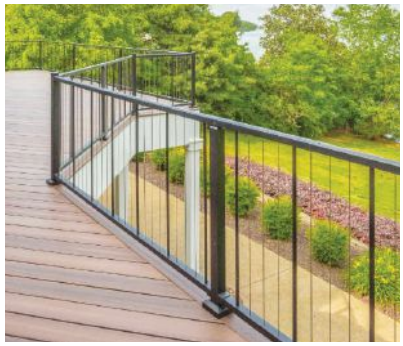
Atlantis Aluminum Stair Stabilizer
Made from aluminum and powder-coated in the following color options: Black, White, Bronze, and Metallic (Silver), the Atlantis Aluminum Cable Stabilizer is designed to be field cut to size and surface mounted using the supplied wood screws. The new Aluminum Stair Stabilizer (A0908-XX60-ST) is sold as a kit, which includes all hardware and fasteners needed for installation. Atlantis Rail Systems is a manufacturer of premium stainless steel cable and glass railing systems. Their prefabricated, modular railing systems are designed for assembly using a collection of patented railing fittings and components. Their systems are produced for commercial and residential, indoor and outdoor applications. **atlantisrail.com**



DeckWrap PowerBond waterproofing membrane from MFM
DeckWrap PowerBond is a 25 mil polymer film surface membrane that is coated with MFM's patented PowerBond Adhesive System developed for aggressive adhesion in temperatures as low as 25°F. The membrane is designed for use on structural components such as ledger boards, joist ends and tops, and posts to protect from water damage to extend the life of these support elements. DeckWrap PowerBond is available in three roll sizes and comes labeled and wrapped for retail display. **mfmbp.com**



Westbury VertiCable aluminum railing from DSI
DSI's Westbury VertiCable railing features thin vertical stainless-steel cables rather than larger bulky infills. Westbury VertiCable railing comes in pre-assembled sections, and the stainless-steel vertical cables come pre-tensioned to minimize the need for adjustments during the process of completing the railing section. Available in multiple standard colors and textures. According to the manufacturer, VertiCable railing can be installed in up to 60% less time than horizontal cable railing systems. Covered by a lifetime limited warranty. **diggerspecialties.com**



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WHO IS RESPONSIBLE WHEN HUMIDITY DAMAGES FLOORING PRODUCTS?

BY BLAKE NELSON

Material suppliers that sell flooring products know that humidity levels can be a big issue. If a floor fails and humidity was a factor, the parties often point fingers at each other to avoid liability. The customers blame the installer, the installer blames the supplier, and the supplier blames the manufacturer. But who is ultimately responsible? The following are three real-life scenarios.

Nobody told me



The facts: A customer hired a remodeling contractor (GC) to perform work that included new wood floors. The GC purchased the flooring from a lumberyard and hired a subcontractor to install it. The floor began splitting and cracking, which was determined to be the result of low humidity levels in the home. The manufacturer's website and packing materials contained installation, maintenance and warranty guidelines. The customer admitted being told to monitor relative humidity (RH), but did not receive the manufacturer's materials or any information about humidity levels. The GC provided a "Home Care Manual" at project completion, but it contained no information about RH levels or maintaining the floors. No written agreements between the parties contained a disclaimer or waiver of liability language, but the lumberyard's packing slips and website did disclaim all warranties beyond those from the manufacturer.

The result: The manufacturer rejected the warranty claim based on low humidity conditions in the home. The lumberyard also denied liability based on its packing slips and website disclaimers. The GC, installer and customer ultimately agreed to equally share the costs to tear out and replace the flooring.

The law: Since the humidity guidelines were not followed, the manufacturer was justified in denying the warranty claim. The lumberyard was also off the hook since its packing slips and website limited its liability to only the manufacturer warranties. Ultimately, the "buck stops" with the GC as it relates to the customer. The customer hired the GC to supervise and properly perform the work and the GC should have made sure the guidelines were followed and educated the customer about the required RH levels.

NOTE: The GC was advised to start signing agreements that required the installers to hold the GC harmless for the installers' failure to follow manufacturer guidelines.

Customer caught in the middle



The facts: Several planks began splitting only seven months after an engineered floor was installed. An inspection showed that the RH levels in the home were slightly low but that the splitting was happening because moisture levels in the flooring were too high when manufactured. The customer received no floor care instructions, but was verbally told to "watch the humidity" and did have a properly working humidification system.

The result: The manufacturer first denied the warranty claim based on improper moisture conditions when the flooring was installed, claiming the installer had not allowed the flooring to properly acclimate before installation. However, the installer's records showed that proper acclimation had occurred. The manufacturer then asserted the customer had failed to properly maintain the correct RH levels, but

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the facts and expert reports showed it was very unlikely that the homeowner contributed to the problem because the splitting was too severe. The manufacturer eventually agreed to replace the flooring, but refused to pay for any labor because its warranty covered only replacement product and disclaimed labor costs. The customer ultimately paid for the extra labor expense.

The law: The manufacturer was liable to replace the product but could legally disclaim liability for the labor costs. The installer's contract with the customer disclaimed liability for manufacturer defects, so while seemingly unfair, the customer was forced to pay for the labor to tear out and replace the defective flooring.

Material supplier suffers

The facts: A material supplier in a very dry area of the U.S. published its own guidelines regarding installing and maintaining flooring in that climate. The supplier's suggested RH levels differed from those published by some of the manufacturers. A floor failed, and the manufacturer denied the warranty claim because its own stated RH levels were not maintained. The supplier asserted it was not liable because the customer failed to maintain the product per the manufacturer's specifications (even though the customer had followed the supplier's guidelines).



The result: The supplier eventually replaced the product and covered the labor costs.

The law: This was the correct result based upon these very specific facts. However, the supplier could have avoided responsibility if its own guidelines had stated that its suggested parameters were only meant to be general information, and were not intended as a substitute for the product specifications, and disclaiming liability if pertinent manufacturer guidelines were not followed. ■

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.



MAXIMIZE YOUR ESTATE PLAN AND POTENTIALLY SAVE MILLIONS IN TAXES

BY LEE RESNICK AND TERRY RESNICK

The 2017 Tax Cuts and Jobs Act has provided substantial opportunities for LBM business owners and other wealthy individuals. Based on current tax law and depending on business/estate size, it is possible to literally save millions of dollars in future estate taxes if planning is done correctly.

First a brief review and how we got here.

The federal estate tax which was enacted in 1916, is imposed on assets that are transferred at death to anyone other than a surviving spouse or qualified charity. Although technically every United States citizen's assets are subject to the federal estate tax at death, only a relatively small number of individuals (estates) have actually paid or will pay it because of the amount of assets that are legally allowed to be exempt. Starting back in 1997, the amount of assets that could be sheltered from federal gift/estate taxes was $600,000; however, through changes in tax law the amount incrementally increased and topped out at $5,000,000 in 2011. Further the amount increased yearly through 2016, as it was adjusted for inflation.

Which brings us to where we are now.

The aforementioned 2017 Tax Cuts and Jobs Act enacted a whopping increase in the amount of assets that can be exempted for federal estate, gift and generation skipping transfers (collectively, the federal exemption). Currently, in 2020, the federal exemption amount is $11.58 million per individual or $23.16 million per married couple. This total amount can be transferred at life or at death. Many times business owners will transfer some assets during their lifetime and use the remainder of the federal exemption amount at their passing.

Even if an LBM business owner previously maxed out his/her federal exemption amount based on previous tax law there is still the ability to transfer the difference between the amount already gifted and the current amount of $11.58 million per individual without incurring any type of gift tax. As a point of understanding, gift tax is paid by the individual that gives away assets while living, not the recipient of the gift. Donors, under current tax law are able to make annual gifts in the amount of $15,000 and the number of donees is unlimited. Furthermore the federal exemption amount is eligible to be used at life or at death (or a combination). However, any of the exemption amount used during a lifetime will be deducted from the amount remaining at death. For example, under current law if an individual gave away $5 million today, at death the remaining amount that can be sheltered would be $6.58 million. Additionally, annual gifts do not reduce the federal exemption amount available.

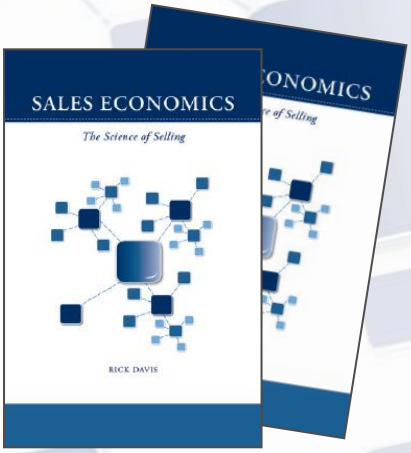
This is where the opportunities arise and possibly only for a short period of time. Unknown to many LBM business owners is that the current federal exemption amount is not guaranteed to increase or even stay the same. In fact, quite the opposite—unless legislative action is taken, beginning Jan. 1, 2026, the exemption amount is scheduled to sunset and effectively be cut in half placing it back where it was during the previous tax act with some inflationary factors built in. Additionally, given the nature of politics and fiscal realities there is no guarantee change won't be made even prior to Jan. 1, 2026.

The point is if your goal is to further reduce your future federal estate tax liability, there is a relatively short window of time to utilize the increased exemption amount. Simple math tells us that at a 40% federal estate tax rate (the marginal brackets previously were as high as 55%-60%) that by shifting $5 million of assets today means a future tax savings of $2 million not even taking into account the appreciation of the assets and higher taxes owed had the asset remained in the estate.

Furthermore, if you're transferring interests in your LBM company and perhaps real estate you may be able to take advantage of significant discounting if the interests are minority pieces that won't have a legitimate possibility of being sold on the open market for a fair market value price. Typically a combined discount for minority interests and lack of marketability can be 30%-40%, sometimes more. This, of course, effectively allows an LBM business owner to transfer an even larger amount with the asset still being valued at the discounted amount for tax purposes. ■

IT SHOULD BE NOTED that although tax savings is a huge incentive to transfer assets, a transfer should only be made if the transferor is comfortable actually doing it. Regardless of how good the tax play is, assets should only be given away if it meets your objectives. The tax tail should never wag the dog.

Lee Resnick and Terrance K. Resnick are partners in Resnick Associates, a nationally recognized business succession, estate planning and life insurance advisory and implementation firm with offices in Kansas City and Harrisburg, Penn. They work with many LBM-related co-ops and their individual business owner members across the U.S.
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NLBMDA and the federal COVID-19 response

BY KEVIN MCKENNEY

NLBMDA has been working diligently at the federal level during this time of incredible uncertainty and adjustment. Our goal, as it always is, is to best represent the lumber and building material dealer (LBM) industry as the government implements drastic steps to respond to the COVID-19 pandemic. NLBMDA has been active in both Congress and the Executive Branch to ensure the industry is front and center in all negotiations and actions.

Recently, the U.S. Department of Homeland Security's (DHS) Cybersecurity and Infrastructure Security Agency (CISA) published a memorandum regarding "essential critical infrastructure workers" (CISA Guidance). The CISA Guidance's purpose, which is non-binding and purely guidance, is to assist both state and local officials when making decisions regarding essential workers in their own jurisdictions. NLBMDA scored a win when CISA designated the distribution of wood products as essential and has been in close contact with the agency to ensure that any subsequent revisions protect the LBM industry.

Because the CISA Guidance is meant to be "overly inclusive," states or other jurisdictions may apply narrower definitions of "critical infrastructures" and "essential workers." Employers should refer to their state's guidance and executive actions to ensure they are complying with all required directives.

THE CISA GUIDANCE LISTS FOURTEEN CATEGORIES OF "ESSENTIAL CRITICAL INFRASTRUCTURE WORKERS"

1. Health Care/Public Health
2. Law Enforcement, Public Safety, First Responders
3. Food and Agriculture (recommends the protection of the distribution of wood products)
4. Energy
5. Water and Wastewater
6. Transportation and Logistics
7. Public Works
8. Communications and Information Technology
9. Other Community-Based Government Operations and Essential Functions
10. Critical Manufacturing
11. Hazardous Materials
12. Financial Services
13. Chemical
14. Defense Industrial Base

This CISA Guidance provides only insight regarding which employees may be permitted and/or required to work regardless of broad isolation, quarantine, or "shelter in place" orders. However, during the COVID-19 pandemic, state and local governments have been creating specific sets of guidelines that apply within the appropriate jurisdictions. As mentioned, businesses and other organizations should be sure to review state and local guidelines relating to broad isolation, quarantine, or shelter in place orders as they may differ from the CISA Guidance.

In addition, Congress has been working on legislation to provide relief to workers, businesses and the economy. NLBMDA has been an active participant in congressional negotiations, and has focused on several priorities that would be beneficial to members. Specifically, NLBMDA is lobbying for the following measures:

- Establish a minimum 4% Low-Income Housing Tax Credit (LIHTC) rate
- Temporary payroll tax elimination
- Increase the Small Business Administration's (SBA) 7(a) loan program by $50 billion
- Allow investors to utilize FHA 203(k) loans
- Qualified Improvement Property (QIP) Fix

These provisions would assist businesses recover from the economic downturn, in addition to help support workers. NLBMDA will continue our work to protect the industry and ensure lumber and building material dealers are represented with federal lawmakers. ■

Kevin McKenney is director of government affairs for NLBMDA in Washington, D.C. For more information, visit dealer.org.

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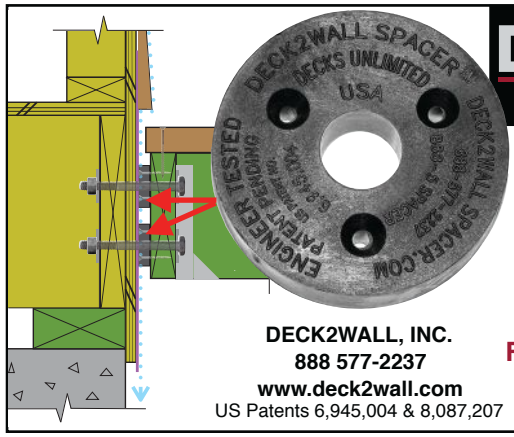
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SEE HOW YOUR JUDGMENT COMPARES WITH OTHERS AT **LBMJOURNAL.COM**. RESULTS WILL APPEAR IN THE BUZZ SECTION OF THE JUNE 2020 ISSUE.

RISK VS. REWARD

A BUILDER WANTS YOU TO EXPAND HIS CREDIT SO HE CAN AGGRESSIVELY GROW HIS BUSINESS DURING THIS CRISIS. WHAT WOULD YOU DO?

Back in February, you viewed the coronavirus as just another overblown health scare that was unlikely to affect you or your market. Unfortunately, this public health crisis is real, and by late March had already seriously impacted almost all areas of the U.S. In your market, most sit-down restaurants and small retailers closed. LBM dealers were named "essential businesses," so you weren't forced to close. However, many builders and remodelers were on lockdown. You were technically open for business, but with traffic down to a trickle, the only thing continuing were some deliveries for existing jobs.

Most businesspeople you knew were in a cautious wait-and-see mode. Bob from Unstoppable Homes, however, is not most businesspeople. In the 20 years you've known him, he consistently looks at what other builders are doing, and he does the opposite. Sometimes it works, sometimes it doesn't. Instead of building his business slowly and sustainably, he's always looking for a big score.

For example, when it was clear that there was a need for rental properties in your market, he went all-in on multifamily construction. At first it was great with landlords snapping up the apartment buildings, and Unstoppable Homes appeared, well, unstoppable. Bob was hiring like crazy, planning to grow his company and expand into other regions, and become one of the big builders on the cover of a magazine. Until the tide turned, and the local rental market was overbuilt. Then Bob was forced to backtrack, lay people off, downsize his operation, and focus on the fundamentals.

You were his supplier during that time, so you were in the front seat with Bob during that crazy rollercoaster ride. You were forced to write off some of the business when it was clear that he was over-extended. Fortunately, the extra margin earned upfront cushioned the landing.

Bob, being Bob, sees this latest crisis as an opportunity—and wants to take full advantage of it. But to do so, he needs a supplier who's willing to roll the dice with him. "There's a lot of opportunity right now for bold companies to grab market share," he exclaims. "And that's exactly what I intend to do. But I can't do it without my supplier at my side, rolling the dice. After all, no risk, no reward."

Bottom line: he asked you to expand his credit and relax the terms. When you hesitated, he was quick to state that if you weren't with him on this, he'd go to another supplier. You don't want to lose his business, but you don't want to go on another wild ride—which could end up being the smartest thing you ever did or, if it went poorly, could be catastrophic for your business. What would you do?



▶ CAST YOUR VOTE ONLINE AT: LBMJOURNAL.COM

- **GO ALL IN.** As Bob says, no risk, no reward. You know that many companies' fortunes are made during times of great disruption. This opportunity doesn't happen every day.
- **JUST SAY NO.** You've gradually built your company into one of the strongest LBM dealers in your market. Don't risk it all by gambling it all for a big score.
- **SLOW IT DOWN.** Tell Bob that you'd like to work with him, but can't risk your company's future on a big gamble. Decide how much risk you're willing to take, then walk forward together.
- **MAKE IT WORK.** Reach out to product manufacturers who may be willing to take on some of the risk, in exchange for a nice possible payoff. Spreading the risk is the smart move forward.

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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