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SEPTEMBER 2020 \$10 U.S.

IN DEPTH:
ENGINEERED WOOD
PRODUCTS

REAL ISSUES. REAL ANSWERS.
PLANNING FOR THE UNKNOWN

OPEN APPROACH

COMMUNICATION IS KEY
AT DAKOTA COUNTY LUMBER

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DAKOTA COUNTY LUMBER



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A PASSION FOR BUILDING BETTER HOMES

Not only is custom homebuilder Wade Paquin excited to go to work every day, but he also brings his A-game to every job.



Wade Paquin has always had a deep-rooted passion for the construction industry. If you ask him, he'll even tell you that he was born with sawdust in his blood. It's that love for craftsmanship and hunger to solve challenges that drive him to create high-quality, long-lasting homes for his Rhode Island clientele.

"I grew up in the industry," Paquin said. "My dad is an incredible craftsman, and I've always been wowed by his abilities. As a teenager and through college, I did a lot of work with framing crews. It was very challenging and therefore attractive to me."

Today, Wade takes pride in owning his construction company, WKP Construction, and building truly custom spaces for his clients — many of which end up turning their Rhode Island summer homes into primary residences.

"When I finish a project and I stand and look back at it, I get goosebumps sometimes," Paquin said. "The problem-solving, the satisfaction, the hands-on aspect of it with that reward at the end are incredibly addicting to me."

That satisfaction and passion for the work are feelings Paquin hopes will continue to change the industry for the better.

"The problem-solving, the satisfaction, the hands-on aspect of it with that reward at the end are incredibly addicting to me."

Wade Paquin, Owner
WKP Construction

"Even in the last few years, our industry has taken major leaps forward with everybody elevating their game and paying more attention to detail, execution and building science," he continued.

Those details go hand in hand with the use of innovative products such as AdvanTech® subflooring, a product WKP Construction has been using for decades.

"The innovation behind AdvanTech® products and having access to a team who is passionate about the product they are putting out there are infectious," Paquin said. "For years, the construction industry has had a bad rap, but the product innovation and attention to detail we're starting to see are a step in

the right direction to rewrite the story of builders and contractors."

When it comes to the future of building, Wade is unsure of where things are headed, but he says his story is just getting started.

"I feel more inspired and motivated now than I ever have," Paquin said.

For a behind-the-scenes look at how Wade Paquin and others live out passion for quality construction, [watch the BRING YOUR A-GAME™ video series at AdvanTechAGame.com.](https://www.advantech.com/resources/bring-your-a-game/)



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

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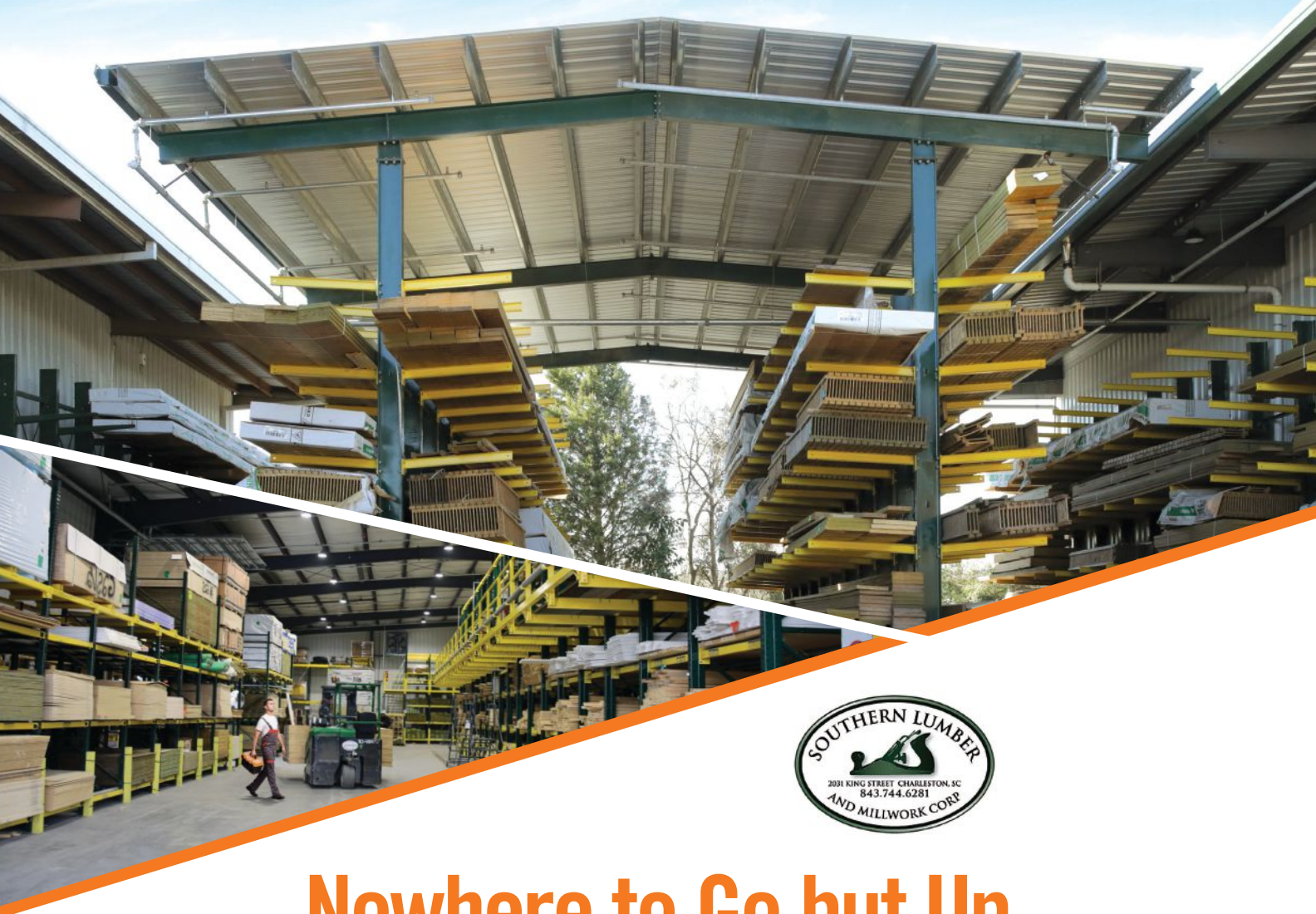
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» Watch the video at sunbelt-rack.com/stories



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How Southern Lumber's acreage went down, but its business went up.

The Challenge

Whoever coined the phrase "you can't stop progress" sure had it right. Just ask Southern Lumber and Millwork's Joye Shuler. After 75 years serving the Charleston area from their seven-acre King Street location, the "progress makers" at the Department of Transportation decided two of those acres would look much better as an interstate highway, thank you very much.

Southern Lumber and Millwork has been an institution in the South Carolina building supply industry almost since the first day Joye's father, Herman Albrecht, opened his doors at their King Street location. His bootstrap can-do spirit remains in the DNA at Southern Lumber today, where "can't" is a foreign word. Moving from the original location was never an option, so the Shuler family decided to embrace this unexpected challenge from the DOT.

The Solution

"We would consolidate and do the best we could with what we had left," said Joye. Their next call was to Clint Darnell, vice president at CT Darnell Construction. "It was just a godsend to find someone who actually understood not only what our inventory was – but how to manage it and store it." According to Joye, "There was no doubt about it, Clint was going to be our guy!"

In addition to the obvious inventory implications that come from reducing your storage space and workable footprint by almost one-third, CT Darnell was faced with essentially reinventing Southern Lumber's entire facility while maintaining a 100% working operation. "We were changing all four tires while zooming down the highway," mused CT Darnell's senior project manager, Brad Bedford.



The Outcome

During this time, Southern had the three best years in its history, and didn't miss a beat in its service standards.

- The facility operates more efficiently and safely than ever before.
- The site was reduced from seven to five acres.
- The project took three and a half years of planning and construction.
- There were four main phases of construction.
- CT Darnell provided seven new structures: three large pre-engineered buildings, one cantilever rack drive-thru building, two cantilever rack L-sheds, and one umbrella shed.
- CT Darnell also provided numerous rack systems, including Power Bin automated storage systems, cantilever racks, pallet racks, and A-frame racks.

Clint was thrilled. "When I heard that Southern Lumber had its biggest sales growth ever during the three years of this project, I couldn't have been happier!"

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A case study in crisis management

ON A NORMAL August day, the *LBM Journal* team and I would be doing double duty—working on the September magazine, and preparing to travel to the LBM Strategies Conference in late September. This year, the magazine part is the same, but instead of preparing to travel, our small-but-mighty team has been pivoting from an in-person conference to a virtual event. Without going into detail, suffice to say that it has been an adventure.

But we're not alone. 2020 has been an adventure for everyone in our industry. Instead of a fun, "choose your own adventure," it's been the type in which we expect one thing (a healthy year for business) and are hit over the head with something completely unexpected (global pandemic). Then, once we've wrapped our minds around that reality and prepared for a major slowdown, the market defies all expectations and takes off—leaving price spikes and material shortages in its wake. And it's not over yet. Who knows what surprises Q4 will bring?

From my perspective, one key takeaway has been the reaffirmation that our industry knows how to deal with a crisis. I talked with and heard from many dealers in March and April, and despite the thick cloud of uncertainty, there was decisive action. Dealers learned what was required and recommended by local and state authorities, followed CDC guidelines, and made the adaptations needed to serve their customers. It wasn't without sacrifice or pain, but it was doing what was necessary. And that's what our industry does.

Another takeaway from the adventure that is 2020 is how the pandemic has served as rocket fuel for e-commerce. The combination of online ordering capabilities and product delivery (ala Amazon) has made a material difference for LBM dealers who began the pandemic with e-commerce capabilities in place. We don't know how soon COVID-19 will be in our rearview mirrors, but there's no question that e-commerce has arrived. If you're not currently selling online, I encourage you to talk with your co-op or buying group to learn what options they offer and talk with your software vendor to learn how to get started.

You may have noticed that the magazine/media landscape is changing. One longtime industry magazine ended its print edition earlier this year. Since we know (because you tell us) that 70% of you still prefer print, we continue to produce a robust print magazine. Meanwhile, we're rapidly expanding our digital offerings to make sure we're wherever you need us to be. One fun example of how we have one foot in actual reality and one in the virtual world is the 200-plus LBM Strategies welcome boxes shipped to registrants of our virtual conference—packed with autographed books from Kevin Hancock, Rikka Brandon, and Rick Davis, plus Starbucks gift cards and healthy snacks for breaks, and lots more.

I've no doubt that 2020 will be forever known as a case study in crisis management. And witnessing how you've responded, I've never been prouder to be a member of this industry.



Rick@LBMJournal.com

– Rick Schumacher
Executive Editor & Publisher

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Communication, efficiency, and the new normal

AS I INTERVIEWED Sunny Bowman for the cover story on Dakota County Lumber here in my home state of Minnesota, the conversation often came back to one simple, yet incredibly important action that most Minnesotans aren't exactly known for doing well—talking about issues.

When Sunny, just a few years out of college, took on a role at her father's lumberyard, one thing she discovered early on is that people around the company weren't accustomed to expressing their feelings aloud. So she demonstrated an open approach to communication, and developed a culture that values an open assessment of processes and a team-wide approach to solutions. Clearly, Sunny's fresh outlook on interpersonal communication has transformed her business. Read more about how she's grown the company on page 48.

Sunny Bowman isn't the only one championing communication in this month's issue. Our Contributing Sales Editor Rick Davis has some great advice on page 26 about how to approach sales communications in this age of the COVID-19 pandemic. Long gone (at least for a while) are the days of just popping in for a chat at the jobsite, Davis says. In fact, he adds, the newfound world of social distancing and virtual meetings may have just pushed salespeople toward a more efficient and purposeful relationship with their customers. While we're all adjusting to a little less social activity in our lives, the defined purpose of today's business conversations are a benefit to both sides of the transaction.

That renewed sense of purpose in a business relationship is also expressed in Shane Soule's column on page 34. As Shane says, embrace your unorganized customers. With builders busier than ever during the pandemic, lumber dealers should take the opportunity to recognize that the frenzied builders are the ones you can help the most and, in turn, develop into loyal customers. Embracing these customers with a "yes we can" culture, as Shane calls it, leads to value shown through exceeded expectations, providing you with the opportunity to increase your bottom line.

On the theme of increasing your bottom line, Scott Morrison shares (page 36) actionable tactics that demonstrate how adjustments to the flow of trucks on your yard can minimize idle times between loads, and how a realignment of the way your yard operations staff works with drivers can optimize the truck turn process. The efficiencies that Scott outlines can expand your delivery capabilities and increase the profitability of your business.

There is no doubt that the way we do business is changing during the pandemic. We've been forced to find ways to be more succinct and purposeful in our conversations, and efficient in our operations. Whether we want to or not, we're coming up with new ways to do things that—even though they're different than what we've done before—might just stick around after we discover what the "new normal" is that everyone keeps talking about.

– James Anderson
Editor



A stylized, handwritten signature of James Anderson in dark ink.

james@LBMJournal.com



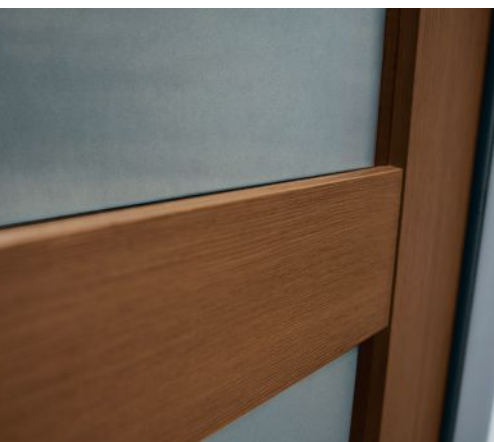
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UPDATES

INDUSTRY

Weyerhaeuser has updated its sustainability strategy, with a focus in three critical challenge areas: contributing to climate change solutions, helping provide sustainable homes for everyone, and helping rural communities thrive.

MoistureShield Vision capped composite decking has been approved for WUI zones in California.

Trex Company, Inc. recently published its 2019 Environmental, Social and Governance (ESG) Report in conjunction with the launch of a new Trex ESG Hub on the company's website.

DISTRIBUTION

BlueLinx will now distribute LP SmartSide and SmartSide ExpertFinish Trim & Siding in the Northeast.

MoistureShield has expanded distribution in Minnesota with BlueLinx.

Fortress Building Products is partnering with select online retailers to distribute its line of Outdurable Living Solutions products.

BUYING GROUPS & CO-OPS

Do it Best Corp. has entered a joint growth venture with **Nation's Best Holdings**, a family of 10 locally branded home improvement stores operated across three states by Do it Best Member-owner Chris Miller.

Do it Best Corp. announced record net profitability and record rebates for its member-owners. With total sales for the year at \$3.6 billion, net profit was up 12.6% over the prior year and rebates reached \$128.4 million.

Ace Hardware reported record second quarter 2020 revenues of \$2.28 billion, an increase of \$591.6 million, or 35.1%, from the second quarter of 2019. Net income was \$138.9 million for the second quarter of 2020, an increase of \$85.1 million from the same period of 2019.

PEOPLE

Doug Asano has been hired as director of sales excellence at **Roseburg**.

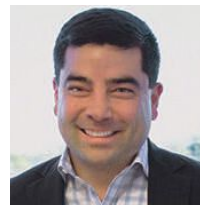
RoyOMartin Senior Director of Human Resources **Connie Baker** has been appointed by Gov. John Bel Edwards to serve on the Louisiana Women's Policy and Research Commission.

Laura Rygielski Preston has been named president of **Trex Commercial Products**.

Palmer-Donavin has promoted **Matt Butzier** to chief operating officer, a new role for the company.

Fortress has hired **Tom Leahy** to oversee 1-step sales, and **Tommy Junker** in the role of product manager, cladding & decking.

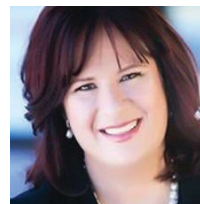
Con-Vey has hired **Brent Hensley** as a new product manager for its panel products.



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HOUSING STARTS AND PERMITS SURGE IN JULY

Single-family housing permits and starts expanded in July, a sign that the National Association of Home Builders says indicates that housing demand and construction remain a bright spot for the overall economy.

Privately-owned housing starts in July were at a seasonally adjusted annual rate of 1,496,000. This is 22.6% above the revised June 2020 estimate of 1,220,000, U.S. Census data shows. The July reading of 1.50 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 8.2% to a 940,000 seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 58.4% to a 556,000 pace.

Low interest rates and a renewed focus on home life have spurred housing demand. In terms of economic impact, NAHB says there were 503,000 single-family homes under various stages of construction in July. The count appears to be rising again, after declines in February to June. This does represent a 3% year-over-year decline, however.

Overall permits increased 18.8% to a 1.50 million unit annualized rate in July. Single-family permits increased 17.0% to a 983,000 unit rate. Multifamily permits increased 22.5% to a 512,000 pace. Looking at regional permit data on a year-to-date basis, permits are 3.2% higher in the Midwest, 5.4% higher in the South, 6.2% lower in the Northeast and 1.6% lower in the West.

NLBMDA: LEGISLATIVE INITIATIVE ON CREDIT AND COLLECTIONS IS BAD FOR DEALERS

In an email to members, the National Lumber and Building Material Dealers Association warned of an upcoming initiative in both the House and Senate that could severely affect the way LBM dealers extend credit and conduct collections, effectively designating them as debt collectors. The Small Business and Consumer Debt Collection Emergency Relief Act, recently introduced in the House and Senate (H.R. 6379/S. 3565), would negatively impact collections efforts for dealers across the U.S., NLBMDA said. NLBMDA appreciates efforts to address the pandemic and alleviate hardship for business and individuals. NLBMDA says this legislation does not accomplish that.

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BUILDER CONFIDENCE MATCHES ALL-TIME HIGH

In a sign that housing continues to lead the economy forward, builder confidence in the market for newly-built single-family homes increased six points to 78 in August, according to the National Association of Home Builders/Wells Fargo Housing Market Index (HMI). The HMI now stands at its highest reading in the 35-year history of the series, matching the record that was set in December 1998.

Derived from a monthly survey that NAHB has been conducting for 35 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.

All the HMI indices posted gains in August. The HMI index gauging current sales conditions rose six points to 84, the component measuring sales expectations in the next six months increased three points to 78 and the measure charting traffic of prospective buyers posted an eight-point gain to reach its highest level ever at 65.

THREE-MONTH MOVING AVERAGES FOR REGIONAL HMI SCORES:

Northeast jumped 20 points	65 ▲
Midwest increased 13 points	63 ▲
South rose 12 points	71 ▲
West increased 15 points	78 ▲

SURVEY: NEARLY HALF OF CONTRACTORS TRYING NEW SUPPLIERS

Early in the coronavirus pandemic lumber and building materials suppliers weren't sure what to expect as the building industry went into lockdown in some states, and into limited work as essential services in others. As lumberyards and wholesalers alike have discovered as the pandemic lingers on, materials are getting harder to come by, making it more difficult to meet delivery promises to builders and contractors.

Industry research firm The Farnsworth Group has surveyed contractors, revealing that 62% surveyed have tried a new brand in the past 2-3 months, and 45% have tried a new supplier. Farnsworth Group data over 30 years shows the number of contractors to have tried new suppliers is typically less than 20%. This comes as July data shows that more than 47% of contractors are expecting shrinking profit margins to come.

Contractors also revealed in the Farnsworth Group survey that the suppliers they used weren't necessarily brand new. 60% of those surveyed said they have used some suppliers more and others less over the past two months. The most common reason for using a new supplier is availability, and the number two reason provided was that the new supplier offered the opportunity for the contractor to place an order online.

FEA SURVEY SHOWS DEALERS REMAIN OPTIMISTIC

Additional positive news coming from the housing industry, combined with continuing near record low mortgage rates, and an increase in the number of buyers who are actively pursuing the purchase of a new or existing home, provided dealers responding to Forest Economic Advisors' weekly Builder Activity Survey more reasons to remain optimistic about their near-term business activity.

“Dealers continue to voice their concerns about the growing number of COVID-19 cases. However, to date, those numbers have not negatively impacted their contractor customers' jobsite activity. Mills are quoting production scheduled for the weeks of 8/24 – 9/7+ and prices on many items are closing in on, or have already surpassed previous historic high levels. Office wholesalers, pressure treaters and local 2-step distributors are also continuing to report a lack of quick shipping inventory,” FEA reports.

BUILDER CREDIT TIGHTENS WHILE RATES DECLINE

Builders and developers responding to the National Association of Home Builders' survey on financing for Acquisition, Development and Construction (AD&C) indicated that builder credit continued to become tighter in the second quarter of 2020, NAHB shared on its Eye on Housing blog. The net tightening index derived from the survey came in at 12.0, after reaching an 8 1/2-year high of 22.7 in the first quarter.

The index is constructed so that positive numbers indicate tightening of AD&C credit, negative numbers easing. The first quarter of 2020 marked the first time NAHB members had reported positive net tightening since 2012. Meanwhile, a similar index from the Federal Reserve's survey of senior loan officers also indicated net tightening of builder credit in the second quarter—and to a much greater extent than the NAHB survey. The Fed index jumped by more than 28 points, to a positive 80.9.

The top ways in which lenders were tightening credit during the second quarter, according to the builders and developers who reported tightening, were lenders simply ‘not making new loans’ and lenders ‘pulling back because of coronavirus concerns’ (each cited by 52% of respondents), followed by lenders ‘lowering their LTV or LTC ratios’ (48%) and ‘reducing the amount they are willing to lend’ (41%).

"There's no reason to miss that new nail zone."

— Mike Suarez,
George Keller & Sons*

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REALTOR DATA SUGGESTS HOUSING HAS RECOVERED FROM INITIAL PANDEMIC SHOCK

The U.S. housing market has recovered from the immediate disruption caused by the COVID pandemic and returned to January 2020 growth levels, according to realtor.com data for the week ending July 18. Despite this significant milestone, another few months of sustained growth and a significant increase in new listings are needed to make up for lost ground in the first half of the year.

For the first time since March 2020, the realtor.com Housing Recovery Index hit 101.0 points surpassing its pre-COVID recovery benchmark, clocking a 2.5% gain over the previous week. Demand from buyers recovered in early May, followed by price growth in early June. Now, the pace of sales has caught up to pre-COVID levels, too. Supply remains the critical missing piece. Growth in supply remains below

normal seasonal pace, but continues to improve as buyers anxiously wait for more sellers to put fresh new homes on the market.

Indeed, existing-home sales rebounded at a record pace in June, showing strong signs of a market turnaround after three straight months of sales declines.

"There is no blueprint for a pandemic-induced recession, but this recovery milestone is further proof that homebuyers will persevere through the biggest of storms," said Javier Vivas, director of economic research for realtor.com. "Housing remains a must-have during COVID times, and home sales have proven to flourish even under record low levels of supply. The spring season disruptions have given an artificial boost to the summer home-buying season, the real question will be whether the market will be able to sustain that pace through the rest of the summer and going into the fall."



STINE CELEBRATES FOUNDER'S BIRTHDAY WITH COMMEMORATIVE POSTER

As Stine Home + Yard celebrated the 102nd birthday of its founder, the company distributed commemorative posters free at its stores. J.W. Stine entered in the building industry with a childhood friend in 1946 after the two had returned from W.W. II as decorated fighter pilots. Starting out as homebuilders, J.W. later went his own way and opened a retail lumber business.

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HOUSING SHARE OF GDP AT 13-YEAR HIGH

Housing will lead the economic recovery, says the National Association of Home Builders' Chief Economist Robert Dietz. Low mortgage rates, a renewed focus on the importance of home, and a lack of for-sale inventory prove housing to be a relative bright spot as the overall economy struggles to establish a rebound, Dietz writes on NAHB's Eye on Housing Blog.

Due to this broader weakness (GDP declined at a -32.9% rate for the second quarter) and gains for residential-related economic activity, housing's share of GDP reached its highest mark since the third quarter of 2007, increasing to 16.2% during the second quarter of 2020. The home building and remodeling component—residential fixed investment—held at 3.3% of GDP.

Housing gains will continue as the consequences of the virus crisis are likely to lead to a reversal for declining home size trends and a greater need for additional home office space. For these and other reasons, home building and remodeling have demand-side potential that can help fuel a recovery in the labor market, given the widespread impact that construction has on the economy in terms of jobs and state/local tax revenue.

BUILDER CONFIDENCE IN 55+ HOUSING MARKET BOUNCES BACK

Builder confidence in the single-family 55+ housing market bounced back in the second quarter, jumping 27 points to 65, according to the National Association of Home Builders' (NAHB) 55+ Housing Market Index (HMI). The 55+ HMI measures two segments of the 55+ housing market: single-family homes and multifamily condominiums. Each segment of the 55+ HMI measures builder sentiment based on a survey that asks if current sales, prospective buyer traffic and anticipated six-month sales for that market are good, fair or poor (high, average or low for traffic).

TOUGH CALL ANSWERS

ANSWERS TO OUR JULY TOUGH CALL SURVEY:

THE CASE OF THE SIDE-STEPPED SALES REP

ONE OF YOUR BIGGEST BUILDER CUSTOMERS IS BYPASSING YOUR SALESPERSON AND GOING STRAIGHT TO THE VENDOR REP. HERE'S HOW READERS WOULD HANDLE THIS TOUGH CALL.

SURVEY RESULTS FROM LBMJOURNAL.COM

14.7%

IF IT AIN'T BROKE... Your company is still getting the sale, your rep is still earning commission, and your big customer is happy. If it ain't broke, don't break it.

4.7%

TALK WITH BOB. Explain to Bob that working directly with the vendor rep is creating friction, and ask what you and your team could change to get back to normal.

65.1%

TALK WITH PHIL. As your vendor rep, Phil is responsible for serving you and your business. Ask him to respect the lines of communication, and to include Abe in his dealings with Bob.

15.5%

TALK WITH ABE. Talk through the reality of the situation with Abe, help him understand that this has nothing to do with him, and it's a bonus that Bob and Phil can work together.



READER RESPONSES

Talk to the vendor rep and get his side of it. Explain to him how it comes across as he is working with the builder to get lower pricing and cutting your rep out of the picture. The vendor rep has more customers than this builder that he should be helping, and he knows that. It may be a case where he feels trapped simply because of his past relationship with the builder and can't find a way out and actually needs your help to do so. I had a similar situation and my vendor rep had to put his foot down and tell the builder that he will help all he can with technical things and any product issues, but price quotes and things of that nature had to go through me. Sometimes the builder/customer doesn't realize they are disrupting the relationship between you and the vendor.

— Brian Groene, Von Tobel Lumber, Michigan City, IN

The power is in the relationship. Phil is doing his job, growing business. Bob is comfortable low hanging fruit. Bob is helping his old protégé, all innocent and honest. Since Bob's decking purchases are growing, he is doing a good job with the vendor's product line...and maybe the referrals that have never made it out of the dealers in box? Talk with Phil. I have seldom seen a manufacturer rep eager to do the dealer rep's job. He may even want out of the madness. You may find out that your position on decking is not focused and passionate enough to move the sales needle for him. Talk with Abe. Why did he ever send a quote through Phil? Why would he let Phil do his job? Put together a plan that keeps things going and have a meeting with Bob. He has no idea that there is a problem.

— Bill Hofius, Image Design Stairs, Acworth, GA

2020 EVENTS

NOV 11 – 13

LMC EXPO 2020 (VIRTUAL)
lmc.net

2021 EVENTS

FEB 9 – 11

NAHB INTERNATIONAL BUILDERS SHOW
Orlando, FL | buildersshow.com

MAR 25 – 27

LMC ANNUAL MEETING
Phoenix, AZ | lmc.net

APR 13 – 26

National Lumber & Building Material
Dealers Association Legislative Summit
Washington, D.C. | dealer.org

MAY 14 – 17

Do it Best Spring Market
Indianapolis, IN | doitbestonline.com

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

SOFTWOOD LUMBER COSTS UP NEARLY 30% SINCE APRIL

Led by softwood lumber, prices paid for goods used in residential construction continued their upward trend in July, increasing 1.8% (not seasonally adjusted) according to the latest Producer Price Index (PPI) report released by the Bureau of Labor Statistics, the National Association of Home Builders reports. It is the third consecutive monthly increase since the index declined three months straight by a total 5.4%.

The index has decreased 1.3% year-to-date (YTD), a larger decline than the prior record for a July YTD decrease (-0.9% in 2000). Prices paid for goods used in residential construction have only fallen five times between January and June since 2000, NAHB says.

The increase in prices paid for building materials was led by a 11% increase in softwood lumber prices, NAHB shows. Since decreasing 10.8% in April, softwood lumber prices have risen 29.3% and are now roughly equal to prices paid during the peak of the early- to mid-2018 run up. Although prices paid for softwood lumber are near 2018 records in level terms, the YTD percentage increase in 2020 (+22.0) is far greater than it was in 2018 (+13.8%).

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KODIAK BUILDING PARTNERS LAUNCHES NEW BUSINESSES

Kodiak Building Partners and Jenkins Lumber and Hardware have formed a greenfield drywall and insulation distribution operation, Jenkins Drywall and Insulation (JDI), based in Etna, Wyoming. Kodiak has also introduced Freedom Acoustics, a new partnership with Freedom Materials that will provide complete ceiling systems in the greater Philadelphia, Baltimore, and Washington D.C. metro markets.

US LBM ADDS NEW UNIVERSAL SUPPLY LOCATION IN NEWARK

Newark is Universal Supply's 15th location in New Jersey, and US LBM's seventh new roofing and siding focused greenfield since 2018.

US LBM ACQUIRES MANER BUILDERS SUPPLY

US LBM Holdings has acquired Maner Builders Supply, a multifaceted building products dealer that operates locations in Augusta, Georgia, and Aiken and Charleston, South Carolina. With this acquisition, US LBM now operates 22 locations across the Carolinas and in Georgia.

KODIAK BUILDING PARTNERS AGAIN ON INC. MAGAZINE'S LIST OF FASTEST-GROWING COMPANIES

For the third time, Kodiak Building Partners appears on the *Inc.* magazine 5000 list, ranking at 2,718 with a growth rate of 148.9%. The list represents a unique look at successful companies within the American economy's most dynamic segment—its independent small businesses.

BY THE YARD

NEWS FROM LUMBERYARDS
AROUND THE COUNTRY

MIKE ERICKSON NAMED REGIONAL SALES DIRECTOR AT SPAHN & ROSE

Spahn & Rose has announced that Mike Erickson has been hired as a regional sales director. Hired in June, Erickson will help drive sales to stores and assist general managers and outside sales representatives.



TWO WISCONSIN DEALERS ON TOP WORKPLACE LIST

Zuern Building Products & Design Center, based in Allenton, Wisconsin, and Drexel Building Supply of Campbellsport, have each been named a Top Workplace in Southeast Wisconsin by the Milwaukee *Journal Sentinel*. This is the second consecutive year Zuern has made the list. For Drexel, this year's award continues many years on the list, including a 2017 designation as the #1 Top Workplace for Mid-Sized Companies.

FITCH LUMBER NAMED CERTIFIED LIVING WAGE EMPLOYER

Fitch Lumber in Carrboro, North Carolina has been named a Living Wage Certified Employer by an area non-profit focused on raising the number of living-wage career opportunities in Orange County, North Carolina. Orange County Living Wage says that businesses "voluntarily certify as living wage employers because they believe fair compensation is good for their employees and the local economy."

MID-CAPE HOME CENTERS RAISES NEARLY \$15K FOR VETERAN CENTER

Mid-Cape Home Centers has raised nearly \$15,000 for the Cape & Islands Veteran's Outreach Center (CIVOC). Mid-Cape hosted a variety of fundraisers throughout the year, all to benefit CIVOC.

DEALERS, GOT NEWS?

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

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President
Premier Building
Supply



SUNNY BOWMAN
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CRAIG BRADSHAW
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RIKKA BRANDON
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RICK DAVIS
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Katrina Ralston is president of Feeney, Inc., a manufacturer of architectural products for residential and commercial applications. In 2007, she spearheaded Feeney's evolution from an industrial wire rope and rigging business to a manufacturer of innovative design solutions for interiors and exteriors, including CableRail and the DesignRail aluminum railing system. Today Katrina and her stepmother, Grissell Ralston, run the company together.

Q: As the fall of 2020 begins, remodeling and new housing starts have remained strong in most markets. What do you see as the biggest opportunity for dealers?

A: As the economy improves, I think a lot of our fellow Americans will spend more time and money focusing on creating and improving family-friendly spaces for entertaining. One of the biggest opportunities for dealers is to embrace technology and new ways to communicate with their customers. Implementing or improving an e-commerce website (or third-party selling platform) is a great way to drive sales and offer customer convenience and safety. Another big opportunity is to embrace social media platforms as a way to reach customers. It's all about taking the dealer's expertise online—educating and inspiring consumers in a whole new way.

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

A: The biggest challenge is making customers feel comfortable about opening their pocketbooks. Larger projects may be put on the back burner until people feel more secure in the economy. Also, people are changing the way they do business. Ordering online and onsite delivery are important, especially to compete with the big box stores that have not had to shutter their doors. The key is to maintain that personal touch that folks look for in an independent dealer. And that might be challenging too.

Q: The outdoor living market is healthy and growing. What trends do you think will have the largest impact in the next 3-5 years?

A: Staycations! Many people are thinking twice about traveling this year. They have been spending a lot of time at home and are more invested in improving the spaces where they live, work and play. They are also looking at ways to let the outdoors in. Homeowners are realizing that their outdoor space may be underutilized and are looking at products that turn that space into a larger outdoor living area. This trend has been rising over the past five years, but has really spiked with so many people forced to stay at home.

Q: Deck railings is a very competitive category, with steady enhancements in design and performance over the past few years. Can you give our readers an idea of what developments to watch for?

A: We are seeing an increase in the use of mixed materials like wood and metal, even in more traditional railing styles. Lighting also continues to be a coveted add-on to extend the amount of time people can enjoy their outdoor spaces. The railing category has definitely changed over the years from a safety element to a design element (without sacrificing safety). The railing has become a feature that contributes to the stylishness of the entire indoor and outdoor space, and we are seeing more options for infills, top rails and accessories to meet growing demand for increased consumer choice and design versatility.

Q: Feeney's best-known product is its CableRail product, but there's much more to your company's story. What should *LBM Journal* readers be watching for from Feeney?

A: Here at Feeney, we are always looking forward and watching evolving trends and how people want to inhabit and enjoy their spaces. Bringing a mix of safety and design sensibility to indoor and outdoor creative spaces is what we enjoy doing. Look for updates to our VisualBuilder online deck design tool, which makes it easy to design a beautiful outdoor space, and more innovative showcase projects to inspire people to update their spaces in new and inviting ways! ■



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Is your team trained to deal with price objections?

BY BILL LEE

REGARDLESS OF THE CRISES your business may be suffering, nothing will have a more adverse effect on your company's gross margin than failing to prepare your people to deal with the price objection.

My goal is for this article to target sales managers, owners and managers, the positions in every company that are charged with keeping the sales force prepared to respond to the price objection. There never has and there will never be a time in the life of a business when customers and prospects don't use every possible skill they possess in an attempt to extract a lower price from their suppliers.

How prepared do you believe your salespeople are to deal with these attempts to buy at a lower price?

FACT: Management has given approximately 73% of the outside salespeople in our industry some degree of pricing authority.

FACT: Pitifully few of the salespeople in our industry who have been given pricing authority have been exposed to in-depth training on how to deal with the price objection.

FACT: Over 90% of the building supply businesses in the United States and Canada go to market with competitive prices. When salespeople allow themselves to be persuaded that the prices they are authorized to quote are not competitive, they are compromising their company's pre-tax margin by as much as 50%.

The key is education. Take the time to either hire a professional sales trainer to train your people or train them yourselves. But train them! When I became a salesperson, my company spent not even one minute discussing with me how to respond to a customer or prospect who blatantly told me that my prices were not competitive. As a naive new salesperson, I believed them, and even though my particular company

gave me no pricing authority, I was intimidated into taking the authority.

And when I met a fictitious price (that I had no authority to meet in the first place) the customer or prospect would typically shop that price right back to his current supplier. When prices lateralize in this manner, no one (manufacturer, dealer, or contractor) has very much confidence that they are—with regard to pricing—being told the truth.

Is it possible that members of your sales force are being manipulated by their customers and prospects? Is it possible they're guilty of using below-market pricing to make more sales? I can just about guarantee you that the answer is yes.

There are several professional sales trainers who specialize in the LBM industry who are highly experienced at teaching salespeople how to sell without attempting to "buy" their way into the market. But if you believe you can do the job yourself, here is a training technique that has worked well for me:

Sit your salespeople down in a large enough room to space them six feet apart (social distancing). Give them some writing paper and a maximum of 30 minutes to write out their responses to the following questions:

1. You quote your customer a competitive price and the customer responds: "You've got to be kidding, you can do better than that! What's the best you can do for me?"
2. After quoting a prospect what you believe to be a competitive price, the customer says: "I'd like to give you a chance to show me what your service is really like, but after doing an apples-to-apples comparison, you are \$1,544 high. If you'll reduce your quote by \$1,544, I'll give you the order."

Your salespeople's answers may be extremely eye-opening. ■



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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Lessons learned in a crisis

BY RICK DAVIS

A FUNNY THING HAPPENED on our way to the crisis created by the worst pandemic in a century. We got busy. So busy in fact that unexpected supply chain and fulfillment promises have created an unexpected crisis. The good news is that many learning lessons were created in the chaos.

Communication should be business-focused first. A pre-pandemic salesperson drove by a jobsite and could fill a day making unannounced visits to just “check in” and open a dialogue with casual chit-chat. The practice of virtual meetings, social distancing, and surprisingly robust activity has forced salespeople to be more efficient and purposeful in communication. You can’t simply ask a client or prospect to join you online to “catch up.” You can’t show up to a job site and expect a lengthy dialogue between masks.

The *lesson learned* from the times for all time is that meetings need to be scheduled in advance with definitive purpose. Instead of starting dialogues with small talk, get right to business. This is actually a habit that should have been established long before the pandemic and should be practiced in the future.

It’s not about the product. The ripple effect of supply chain challenges has produced communication and logistical challenges. Throughout North America, salespeople are lamenting the explanations they have to give buyers about delays and shortages. The answer is to give them the facts while learning to avoid these problems in the future. The smart salesperson is helping their clients plan projects better by adapting to shortages and extended lead times.

The *lesson learned* from the times for all time is that good salesmanship is not about pushing product. There is no opportunity for quick “fill-in” orders when products in stock have already been depleted or allocated. Good salesmanship

during the pandemic means sweating the quantity and delivery details long before the order is placed. It is another lesson revealed by the crisis, but a habit that should have been established long before and repeated in the future.

Cost is significantly more important than price. More than a few salespeople and managers have told me that price is a smaller part of the equation right now. Clearly there is no point in saving 5% on a load of lumber if it is going to delay a project by weeks. Moreover, rising lumber costs have forced price discussions and taught many that getting your asking price is easier than they once believed. The ripple effect of reduced production, increasing demand, and subsequent product shortages has shifted the conversation away from price.

The *lesson learned* from the times for all times is that price is *always* less important than total cost. Great salespeople know that the job is to help their clients make money, not merely by being competitive on price. The crisis has enabled salespeople to see what they should’ve known all along. The real value you bring to the table is the ability to help your customers manage the total cost of their projects. This means accounting for product price, labor costs, and interest on loans to build the structure.

BONUS LESSON. You can’t predict the future, but you can prepare for it. Right now, the industry is riding high and the long-term economic indicators for construction are strong. That being said, a short-term blip is possible and while you’re busy enjoying the rising tide that is lifting all LBM dealer sales, it’s best to be cautious and consider the huge drop in GDP reported in the second quarter might create a temporary slowdown. It’s a good time to plan for the future by prospecting vigilantly and managing your cash flow, lessons for all time that we should learn before the next crisis hits. ■



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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Hiring? Remember the fundamentals

BY RIKKA BRANDON

IT'S AN INTERESTING TIME to be hiring new employees. With a large number of laid-off workers, it might appear that the labor crunch is ending. But take a deep breath before jumping into the process. Just because your company has more options to choose from doesn't mean it's time to let your guard down. Hiring too quickly, as always, can lead to costly mistakes.

Why is hiring amidst high unemployment a challenge? The first concern is the quality of the applicant pool. Consider what your company would do if you were conducting layoffs: Most likely, your underperformers would be the first to be let go while you hold on to your top performers for as long as possible.

Still, that's not to say that quality applicants aren't out there. Many companies in tough financial straits likely had to let go of some highly valued employees. Your job is to find them.

And that brings up the second concern: volume. More unemployed workers means more resumes and applications to sift through.

Now is the time to draw on many of the lessons we've discussed in my columns. Here are a few of the most important tools to consider:

Write a strong job description: Strong hires start with a strong job description—upfront work on your part to truly define what you want the position to be and what type of person is best to fill it. Determine what your business needs; figure out what goals you have in mind for the new hire; decide the skills, experience, and education you require; and determine the type of person you want around. Use these answers to write a thorough job description that's clear on goals and objectives, and let that description guide your decision-making process.

Write a strong job ad: Your job ad is not the same as your job description. The ad needs to tell and sell your company as much as explain the job—it's a marketing tool to entice qualified people to apply, especially those who may still be employed but are looking for something better.

Create a sorting system: To manage the steady flow of applicants, implement the RYG system to quickly sort which resumes need to be reviewed more closely: Red (stop), Yellow (caution), Green (heck yes!). As you're reviewing responses to your ad, change the email subject line to include the color ranking next to the candidate's name. After your initial review, you can then sort your responses and focus on the "green" candidates first.

Leverage your interview questions: As always, use a blend of interview question types: For first/phone interviews, "functional questions" will focus on what the individual has done in the past to see if they possess the basic skills to do the job you're hiring for. (e.g., "Have you used Quickbooks?" "Have you ever managed people?") "Behavioral questions," in which you ask about specific examples or situations, will provide a glimpse into the candidate's work ethic, their approach to challenges, and their ability to work as a team. (e.g., "Tell me about a time you went above and beyond for a customer.") "Situational questions," which require job seekers to respond to a specific hypothetical situation they may face, will help you determine what the person will really be like in the role, how they'll problem-solve, and how they will get along with the team. (e.g., "A customer is walking in, the phone is ringing, and a co-worker needs help making a copy. Walk me through how you'd handle these competing needs for your attention.")

Consider the position: You're likely going to receive applications from people outside the building materials industry—and that's not a bad thing. While positions like sales managers may require industry knowledge and experience, warehouse staff and entry-level customer service positions require skills that can be learned on the job or replicated from other industries; an eager personality and diligent work ethic are more important considerations than direct building product experience. ■



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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The trouble with third-party credit agencies

BY THEA DUDLEY

Dear Thea,
I have been noticing more and more accounts that have out-of-state headquarters, from which our third-party credit agency has issues getting information. Is there a way to check credit for out-of-state prospective clients? Any insight or feedback would be appreciated.

— Wondering in Walhalla

Dear Wondering,
If a cow doesn't produce milk is it a Milk Dud or an udder failure? If your third-party credit agency isn't working for you, why are they working for you? Have you asked that third-party credit agency why they can't get information? We are not talking info from a third world country, folks, just out of the state—so what is the deal there?

While we are discussing your third-party credit agency, I am going to make the assumption that you have outsourced the credit application processing component of your credit department to them. If they are unable to do the job you have outsourced to them (and I am assuming they are not doing this for free), you may want to rethink this portion of your plan because clearly, they aren't getting the job done. To quote the FFA (contrary to our household belief, that stands for Future Farmers of America and not Father Feeds Animals)—animals produce value or be gone. The same applies to the agency you've hired.

There is no great mystery—any of the business credit report bureaus can provide that information for you. Dun and Bradstreet, Experian business credit, Equifax business credit, your regional National Association of Credit Managers business credit services, and a host of “credit reports for hire” companies are more than happy to take your cash and provide you with all the out-of-state data.

Depending on which seat on the building industry bus you hold, the choice of which bureau to use is each company's personal decision.

Based on regions of the country and sections of the industry, the data can be varied in what is available and how robust it is.

One of the largest driving factors for any credit reporting bureau is where they get their data. For example, ask yourself...do you report your AR to any of the credit bureaus? As the old saying goes, “you have to give to get.” If you want to know how your potential or current customer is paying their bills to others, share the wealth. It costs you nothing to report the data, just a monthly data transfer.

Depending on which group you choose, the data can vary. It is no secret that getting bank reference information on your customer is Mission Impossible or they give you the option of plunking down \$35 for each response. Dun and Bradstreet has a component on their report called SBRI—Small Business Risk Insight—that gives you bank data at no extra charge. The catch? You have to submit your company's AR data in order to be eligible to have that component. You also need to ask for it since not all reps are created equal (shout out to you, Mike).

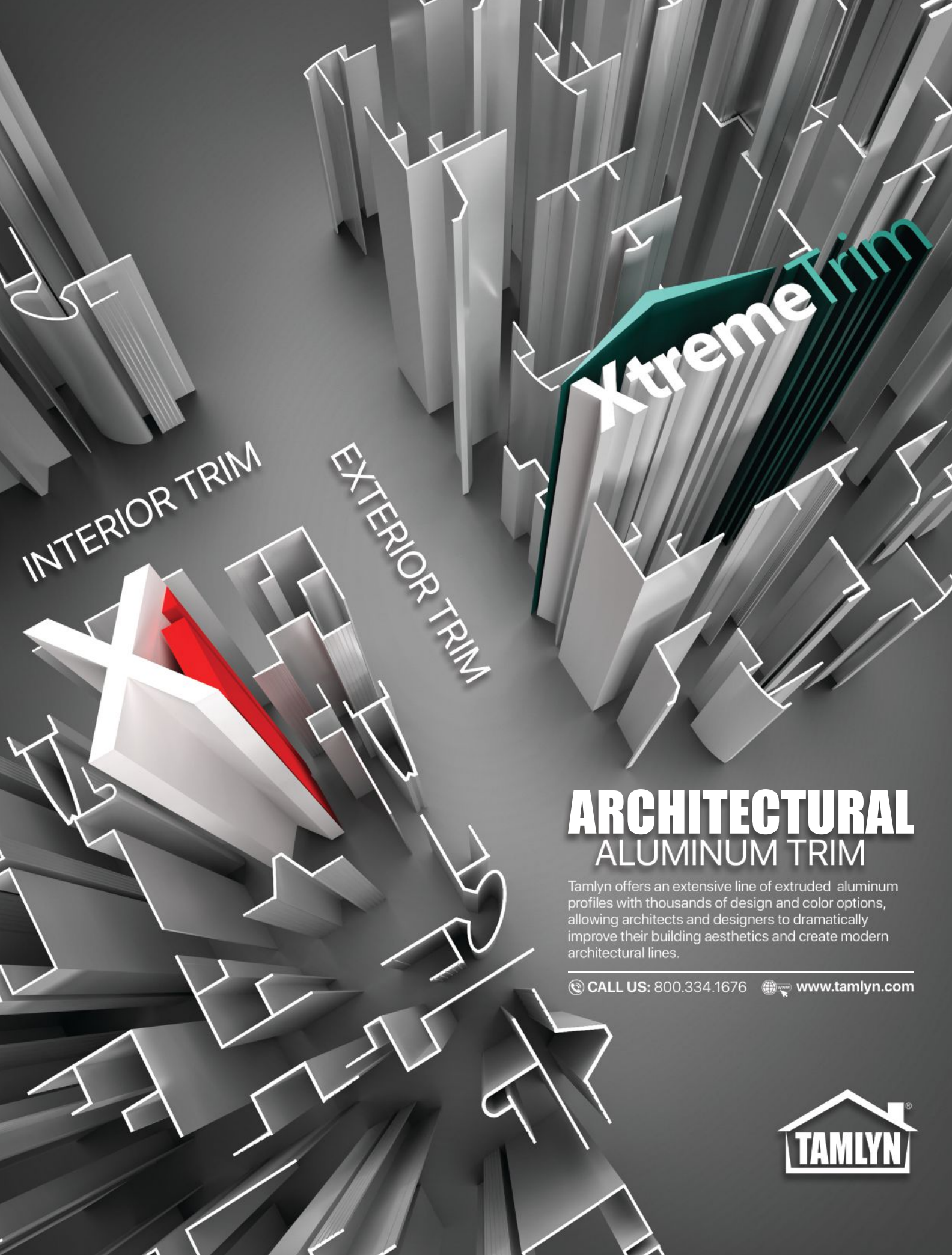
All of the agency reports look similar in presentation, so deciphering the data is straightforward. No secret decoder rings are necessary, so save yourself some sanity and avoid getting sucked into sitting through multiple demos of each product. Get the basic overview and then move on to price points.

If you don't need to pull a boatload of reports, then consider ordering them through your National Association of Credit Managers so you can pick and choose which of the agencies you want to pull your reports from, and leverage pricing through them.

I am not trying to throw shade at your current process or agency. I'm just pointing out that with all the ways to get the data you're looking for, your agency's explanation doesn't add up. When things aren't adding up, start subtracting. ■



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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Take an acquirer's view of your company

BY JOHN WAGNER

IT'S HUMAN NATURE to wonder how you stack up against competitors. Are you as profitable? How does your profit as a percent of sales revenues affect your company's value?

Here's how acquirers look at companies: Compare the key performance indicators (KPIs) that are "tells" of a well-run operation. Keep this central point in mind: Companies are acquired for their cash flow but valued on their EBITDA percentages.

The KPIs are Sales Revenue; Cost of Goods Sold (COGS); Gross Profit (GP dollars); Gross Profit Margin (GPM) by customer at least for the top 20 customers; Operating Expenses (OPEX); and EBITDA.

For this acquirer's view, generate financial statements that express performance in dollar figures, but also what percent of the Sales Revenue those figures represent. When a potential acquirer is reviewing the financial statements, they will track *percentage* expression of KPIs on a quarterly and annual basis.

For Sales Revenue, they will look for growth percentage, quarter-over-quarter and year-over-year.

On the GPM line, they look for GPM percentages that improve over time, and they will examine the underlying reasons for any increase (or decrease) in GPMs.

On the OPEX line, they look at OPEX as a percentage of sales. As sales increase, OPEX as a percent of sales should decline, resulting in improved EBITDA.

Each of these KPI metrics play a critical role in the performance of the business.

Why the need to present percentages? When comparing your company to another, assume one does \$20 million in sales with \$5 million in EBITDA, and another \$26 million, with \$6.3 million in EBITDA.

Express the EBITDA as a percentage to make the comparison meaningful. The \$20 million company reports that it made a 25% EBITDA margin (the formula is $5/20=25$). The \$26 million company can report that it made a 24.2% EBITDA margin ($6.3/26=24.2$). These two companies, different in revenue, perform at about the same EBITDA percentage.

Take an example where companies are far apart: If a \$25 million company reports \$1 million in EBITDA, and the \$30 million company reported \$7 million EBITDA, the comparison is very telling.

The \$25 million company ($1/25=04$) is operating at a very low 4% EBITDA margin, while the \$30 million company's EBITDA margin, with the \$7 million in EBITDA, is cranking along at 23% EBITDA margin. Which one would you want to acquire? You wouldn't base value on sales revenue. You'd base it on EBITDA performance as a percent of sales revenue.

EXPRESSING PERCENTAGES FOR OTHER KPIS

Let's take a closer look, assuming a hypothetical company with \$32 million in sale revenue.

COGS and GP: Assume the \$32 million revenue company has \$23 million in cost of goods sold (COGS), yielding a \$9 million gross profit. If you know the sales are \$32 million, and the COGS are \$23 million, then your \$9 million GP represents 28.1% performance.

OPEX: Assuming \$5 million in OPEX, your OPEX percent is calculated by dividing the OPEX by the sales revenues ($5/32=$) or 15.6%.

Operating Income: Subtract OPEX from the GP and you get *operating income*. Then convert it to a percentage. In our example, gross profit is \$9 and OPEX is \$5 million. So, the operating income is \$4 million, or 12.5% of sales revenue. From there, EBITDA can be calculated.

EBITDA: EBITDA is the company income before it taxes, interest, depreciation, and amortization. The EBITDA will depend on the idiosyncrasies of your company's taxes. In this example, it'll be roughly \$4.2 million. Since Sales Revenue is \$32 million, and the EBITDA is \$4.2 million, the EBITDA margin is 13.1%.

As important as the EBITDA is in dollars, the EBITDA percentage is the clearest expression of what portion of the Sales Revenue makes it to EBITDA, and it's the gold standard for how well-run your company is, no matter its size. ■



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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Embrace your unorganized customers

BY SHANE SOULE

ENJOY THIS REVIEW of some of our favorite requests, all commonplace in our industry:

"I'm finally starting the new job you quoted months ago! The framer is starting tomorrow, so please send out the basement and I-Joist load first thing. Also, can you put the trusses on for next week? This framer is fast!"

"Just ran out of studs—can you get me 50 more in the next hour?"

"I'm short 15 2x4x16s to finish my wall plate. Can you rush those back with that same truck? While he's out here, he can grab 2 bunks of 2x6—turns out we didn't need those."

Customer disorganization is at its worst now because builders are busy, and yet remain hesitant to add staff for fear of getting burned in a recession. The overall lack of planning equates to greater expectations and pressure on suppliers. Everything hinges on keeping the job on schedule, so what choices do we have as we manage customer expectations?

1. We could uphold a strict delivery policy and point to it every time a customer calls with their emergency needs. This approach is the most operationally efficient and easiest on the operational team. The downside is lost business and unsatisfied customers.

2. We could choose not to uphold a delivery policy at all, and let customers ask for last minute orders that are not planned (which stresses team members out and still leads to unhappy customers).

3. Perhaps the best solution is this: *Embrace* these customers, remain flexible, know your costs, and build a "yes we can" culture within your organization. These tangible operational changes will help you say "yes" as often as possible without stressing your operation or your team.

BUILD IN PLANNED FLEXIBILITY

Embrace the reality that a percentage of customers will require more hand-holding and emergency resources. The reason emergencies hurt more than they should is because we don't anticipate them.

Create flexible positions in the yard to serve expected emergencies.

Allocate team members to manage activities that are not time-dependent like processing credits, cleaning, rotating stock, etc., while also "on call." Training them to pick material and make deliveries.

Watch industry trends.

There are building material delivery services that respond like Uber. They charge as little as \$40 to pick up a load and deliver it in 4 hours or less. They are entering new markets with lumberyard partners that guarantee them a certain level of delivery business. Be the company introducing them to your market, not the one trying to fight against them when they arrive.

KNOW YOUR ACTUAL DELIVERY COSTS AND CHARGE FOR IT

Use your ERP software to create categories that isolate time and coordinating costs.

Set delivery zones that differ depending on the cost to serve. Break deliveries down to a percentage per category, highest to lowest cost:

- 911
- First Load
- Before Noon
- Anytime

Track order lead time in four ways from the time the order was picked to the time it was delivered. This can be automated.

- Less than 8 hours
- 8-24 Hours
- 1-2 days
- More than 2 days

Set a dollar-per-hour-per-truck figure and track actual dollars of delivery/credits as a percentage of sales. Analyze the percentage by customer and set an average. The percent over average or under average should tie directly to their margin structure.

Exceed customer expectations, create loyalty, and charge confidently for the value you offer. At the very same time, you'll create clarity for your team, your culture and your profits. ■



Shane Soule consults with LBM and component companies to increase productivity and profits, and improve the experience for both customers and team members. Reach Shane at shane@shanesoule.com

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TURN AND EARN

HOW TO BUILD YOUR BOTTOM LINE BY LOWERING YOUR AVERAGE TRUCK TURNAROUND TIMES

BY SCOTT MORRISON

The saying “time is money” is never truer than when it comes to your delivery fleet. Indeed, when delivery trucks are sitting in your yard, waiting for the next order to be picked, staged, wrapped, and loaded/secured onto the bed, they are *costing money*. When trucks are at jobsites delivering materials, they are *making money*. It should be quite clear where your trucks should be for most of each delivery day.

In this article, I’ll share how to increase the profitability of your yard by optimizing your traffic flow and minimizing the time that your delivery trucks are driving in and around your site before leaving with their next set of orders. Any obstructions to a perfect flow, including routing trucks through a poorly planned physical layout, assigning the wrong people, executing unstable/non-standard processes, and inadvertently fostering a lack of coordination and/or communication between team members create bottlenecks that hinder your truck’s travel, both in distance and in time. As I’ll show, those obstructions are a direct hit to your bottom line.

From my experience working with LBM dealers to increase the efficiency of their operations, one of the most valuable business metrics to track within a yard is truck turnaround time. That is, the time difference between a delivery truck returning to your yard, stopping to unload returns, loading and securing the next delivery, getting all appropriate paperwork for customer confirmation and sign-off, and expediently leaving. I have worked on projects where the average truck turn time (averaged overall trucks in the fleet) was as high as 180 minutes (3 hours!), and many other times wasn’t even known except for a “best guess.” Both of these answers are not only expensive, they’re avoidable.

How do you start attacking turn-around time? Let’s address each obstruction/bottleneck described with examples of practical solutions, and then look at a dealer who studied their truck turn processes and has benefited from lower turn times over a two-year period.

1

Optimize your yard layout for both product and truck routes. Develop an overview of your yard in its current state, placing major product families/groups onto the layout, and indicate the flow of trucks, customers (for customer drive-through and pick-up operations), and vendors. Do the routes overlap, with everyone getting in each other’s way, or are there distinct paths for delivery trucks, vendors, and customers? Are the highest-velocity products (the products that move the

fastest, in the highest frequency) stocked in the most convenient locations relative to where the delivery trucks park for reload? Are backstock/overstock locations either immediately above stock locations if racks/shelves are in use, or organized elsewhere for quick identification and retrieval?

Figures 1 and 2 depict a “before” and “after” yard layout for Zarsky Lumber in Corpus Christi, Texas. In the “before” state, trucks, vendors, and customers all followed the same general route through the yard, and truck staging/loading was far from the geographical center of the yard. After the implementation plan is complete in 2021, Zarsky’s “after” layout will have separate paths, which greatly improves safety for customers, and the swap of staging/loading area from the far east edge of the yard to the center of the yard will result in 35% less product travel.

2

Assign the right people to handle truck turns. Yard personnel have three masters every minute of every day, in this order of priority: (1) provide service/assistance to on-site customers; (2) pick/stage/load delivery trucks; and (3) receive/unload/put away vendor deliveries. To optimize the truck turn process, evaluate and distribute the yard staff responsibilities and tasks among these three roles. The people in your yard who have very customer-friendly dispositions, which provides a good public face for your company, should have customer service as their first/highest priority. Deploying some of your staff to focus on picking/staging/loading first (stopping only when all of the customer service people are attending to other customers), and others to focus first on vendor receiving, will improve the flow of all three processes.

For Zarsky Lumber, this re-assignment allows the two teammates who work in their two main warehouses to remain stationed there for the bulk of the day. When they are not directly with customers, they go to their second priority and pick orders, but their orders are generally from those warehouses. That keeps them close when

the next customer arrives. Two other people are prioritized for vendor receiving, and the vendor route through the yard is now separated from both customers and delivery trucks, which increases receiving efficiencies. Finally, the remaining personnel focus first on picking orders. With the loading zones moved to the geographic center of the yard, everyone can have a separate area to pick product and still be equidistant from the loading zone. This results in much faster turning of order picking.

3

Develop and execute standard work procedures. With clearer definitions of both work assignments and priorities, best practices can now be developed for customer service, picking/staging, loading/securing, and receiving operations. It’s best to document procedures for several reasons: (1) a document can be the “official” and approved method for performing work; (2) procedures can be used to train new employees (and be tested against those procedures to demonstrate proficiency); (3) to cross-train current employees, to increase coverage for back-filling positions during vacations/absences; and (4) procedures should be routinely reviewed and challenged for improvement. ➤

BEFORE AND AFTER YARD LAYOUT FOR ZARSKY LUMBER
IN CORPUS CHRISTI, TEXAS.

FIG. 1 BEFORE

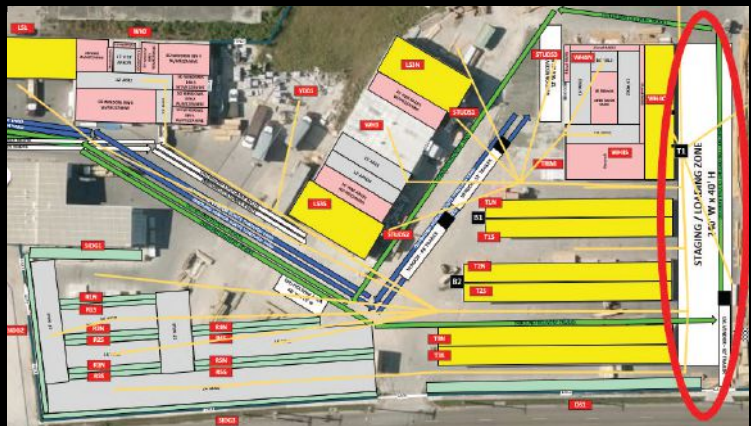


FIG. 2 AFTER





FIG. 3



FIG. 4



FIG. 5

At Alexander Lumber's Chicago District, early in the transformation of their three yards from an average of 37-minute turns to what is now 18 minutes on average, the project team shot a video to confirm the procedure of which functions are done by each person involved in the truck turnaround process.

Figures 3-5 are screenshots from that initial video, showing the functions of the primary loader (Fig. 3), who is notified approximately ten minutes before arrival of the truck of which order/orders are to be loaded onto the truck. The loader is also informed which loading box will be used. This allows him to stage the fork truck with the first bundled unit to be ready for placement as soon as the truck bed is open. (Fig. 4) then shows the driver's role...staying at the truck and as soon as the loading is complete, begin securing the load. The final position for rapid truck turn is a dispatcher, who has the paperwork and any small hardware (such as a box of nails or a tote of joist hangers) and places these materials in the truck cab (Fig. 5) while the truck is loaded.

4

Establish clear lines of coordination and communication between team members. If you do not have the ability to distinguish between pickers/stagers, loaders, and load inspectors, and the dispatcher cannot leave his workstation, you can still significantly reduce truck turn time by coordinating and communicating clearly among and between the team members.

If you still have doubts that truck turnarounds are not important, nor are they lucrative to your business, here's proof: Alexander Lumber has tracked ALL truck turn times since the conclusion of its optimization project in March 2018. The Chicago District reduced average truck turn times from a 37-minute baseline down to 18 minutes. Over a two-year period,

this translated to **2,655 more hours on the road!**

I strongly recommend that if you have not already embarked on your journey to reduce truck turnaround time in your yard, please use the pointers in this article as a guide to get you started on the road to more efficient processes and a stronger bottom line. ■



CONSIDER EXPERIMENTING WITH THESE SUGGESTIONS WHEN YOU ARE TIGHT ON RESOURCES:

- 1 Create at least two open rectangles in your loading zone, each dimensioned to match the length of the trucks in service and TWICE the width (in order to split loads into a bottom half and a top half when the truck arrives).
- 2 Label/identify each loading zone so everyone (including drivers) knows where to bring the staged items and the trucks when they arrive.
- 3 If you have a GPS tracking device installed in your trucks, create a "geo-fence" in a circle that represents roughly ten minutes' drive from the yard; use this fence to send a signal that a truck is inbound.
- 4 Give everyone two-way radios in the yard to let them know when trucks are inbound.
- 5 As trucks arrive, designate a person who will direct the truck to the appropriate loading zone (akin to the ramp agents at an airport guiding planes into and out of gates).

Scott Morrison is the president/owner of Scott Morrison Consulting, LLC, which works with LBM dealers (many with accompanying manufacturing facilities) across the U.S. to teach them how to identify and systematically reduce and eliminate waste in their processes. Learn more at s-morrison.com, or email Scott@s-morrison.com.



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While not all businesses have long-term strategic plans, most smart companies have a plan for the year, or at least the next coming months. But how do you plan for what's to come when economic and public health uncertainties make the future harder than ever to predict? That question, posed by an *LBM Journal* reader, is at the heart of this month's Real Issues survey, entitled... >

PLANNING FOR THE UNKNOWN

BY LBM JOURNAL READERS



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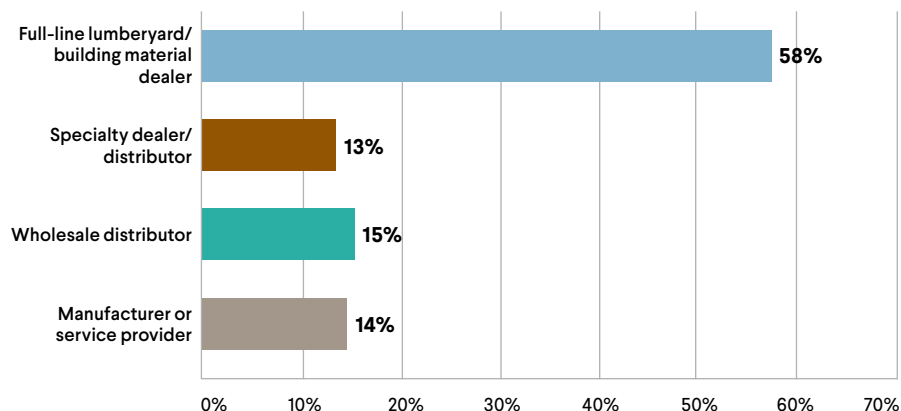
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THIS MONTH'S QUESTION came from a reader whose company is experiencing strong sales even during the COVID-19 pandemic—but the question lies in how long those sales will last, and how to best prepare for whatever the future may hold. Thank you to the *LBM Journal* readers who responded to the survey and took the time to share insights from their business that can help all in the industry come out of the COVID-19 pandemic stronger and smarter.

QUESTION 1

WHICH OF THE FOLLOWING BEST DESCRIBES YOUR COMPANY?



QUESTION 2

HOW WOULD YOU ADVISE THIS DEALER?

“Every year during the fourth quarter, our company leaders get together to revisit our strategic plan. While we never know exactly what the future holds, this is the first time since the Great Recession that we feel like we’re flying blind. Despite the pandemic, 2020 has turned out to be very strong for us—which we could never have predicted. If business will remain strong, we’d like to invest in our delivery trucks and technology platform, but what if it doesn’t? How are other companies handling the planning process in today’s reality?”

“I tend to try and lean to the most conservative option. Plan for the worst financially, but also consider your customers’ needs during this busy time. If you need a new delivery truck, consider buying something versatile. Maybe buy a few automatic, non-CDL dump trucks instead of buying another Moffett rig. They tend to cost less to purchase and maintain. Also, the pay rate for a driver for those trucks is generally less than a CDL/ Moffett driver. Other needs can be met with this same method. Try to find a less expensive alternative to meet your company’s needs. Also consider, if building falls back into recession, what other ways you would be able to use this equipment as a source of income.”

“We are still doing an annual strategic plan based on the information we have available at the time. We have adjusted the plan for unpredictable items such as the pandemic.”

“We are sticking with our plan to add the resources we feel we need now and for our future. We believe it will do more harm than good to be behind the eight ball when the pandemic ends. The supply chain limitations, along with rising material costs, could dampen the building market. Fortunately, money is cheap, and the lack of housing inventory in our area should carry us through.”

“We are only investing in what is absolutely essential to operate now.”



"Get out of debt and don't take on new debt. This is a time to get free from encumbrance. We need agility in the coming months."

"Your financial person should advise you if you need the depreciation."

"Don't take the bump in growth as permanent, rather as an opportunistic advance on the next year. The pie is not larger because of COVID-19. Rather, customers have bought forward what they might have planned. Plan on a good next year, but not at today's sustained levels. Plan for a flat 2021. If that justifies infrastructure, go for it!"

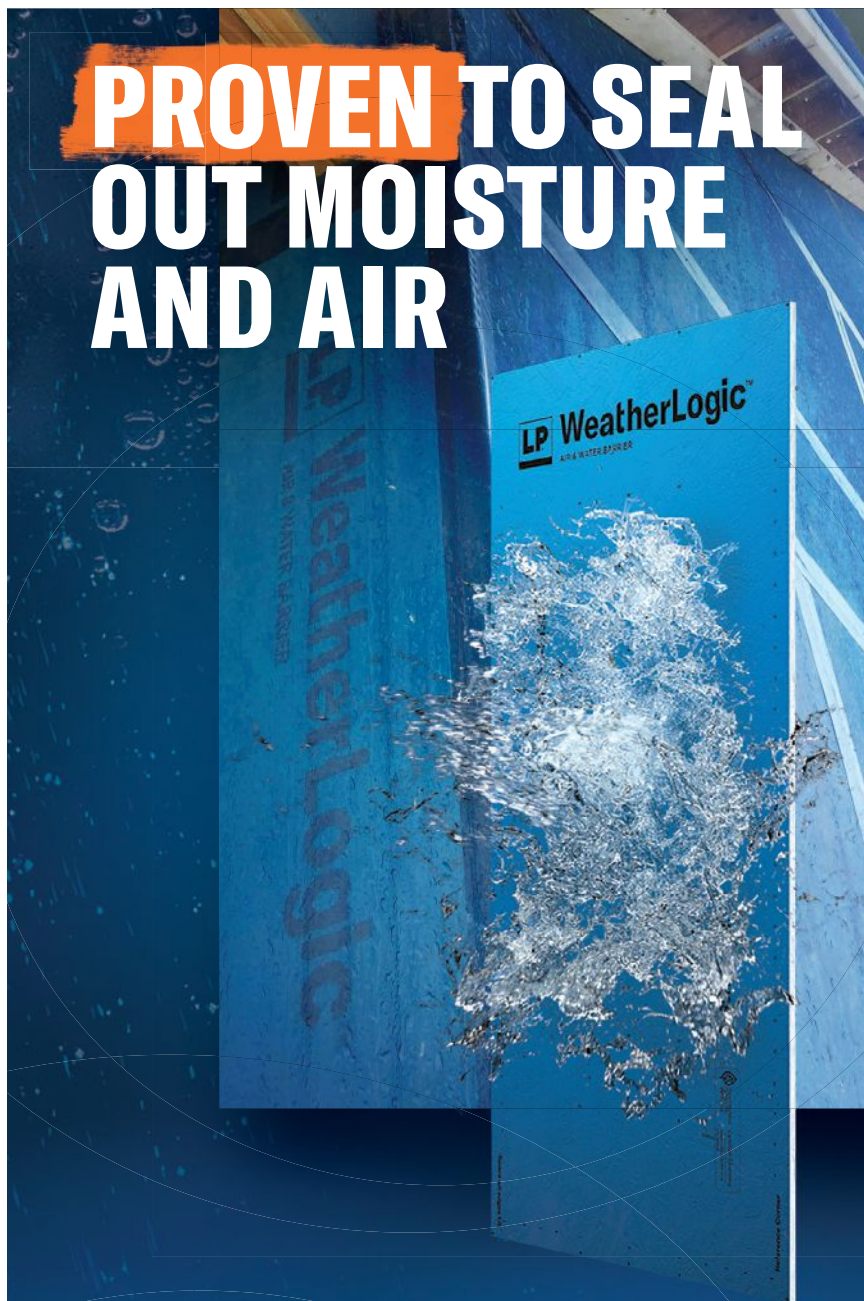
"I've never entered the budgeting process feeling as clueless as today. We've had an all-time record year-to-date, which seems impossible. We're all convinced it will crash and burn but every week prices are higher, and product is harder to procure. I think the answer to this question is how well did you do? If you have excess cash, spend it just knowing that we'll see housing slow quickly, maybe in August, when these record high prices hit the street. Business has to back up substantially at some point, and who knows when? Keep enough cash to know you can make it to the other side of the toilet when it does flush."

"We think you have to believe that, as a country before COVID-19, we had not recovered from the 2008 drop in construction. We, as a country, need to rebuild more homes. While the likelihood of another year like 2020 is hard to predict, as an industry we should be planning for busy years."

"Hard to plan until after elections."

"Invest in adding value to your customers' business. If that means delivery truck upgrades to get material to your customers more efficiently, that's a good investment. If a technology platform helps your customer, that's a good investment. If you help your customers, your business will still be around on the other side of this pandemic." ➤

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"Remain cautious...keep cash in bank... were not through this yet...but thankfully our industry has flourished compared to many others!"

"It is all a leap of faith. Talk to your major customers to learn how they see their work going. Gather all the info you can and go with your gut!"

"Go ahead with the investments in trucks and tech. If the current levels of activity stay strong in the near term, then great—you've got more assets in place to handle the volume. If these new assets are managed well, you will likely save some labor dollars and increase your capacity. It's a win/win. If, on the other hand, activity falls, you still have the assets in place for the future. However, if you spent the same dollars to maintain your current workforce through the slow-down, those dollars are gone forever. Appropriate capex dollars spent for the long game are always better than spending for expenses like labor."

"Keep your people employed and watch expenses. We'll also looking for more Installed sales to help our contractors working as subcontractors."

"Start by identifying your core business and expected rate of growth based on historical data, industry expert forecasts, and known specific opportunities. This is your baseline. If you experience a bump this year, analyze that growth to determine what new business can be retained. What new resources are needed to retain and grow these new opportunities? You may be able to negotiate third-party delivery for less than the expense of owning a truck. Technology is key as consumers and commercial customers are investigating and buying online at all hours."

"Fortunately, we have the financial stability to keep a long-term view. That is, we are replacing and updating equipment and systems that have long-term benefits. However, we are working hard to control daily operating overhead. Usual merit raises were replaced by a flat cost of living increase for all employees in 2020."

"I believe that this is the year to proceed with caution. There are too many unknowns for the next 12 to 18 months (the virus, the election, unemployment, and credit/debt issues). While the building industry should continue to be a strong sector of our economy, I think it will be more competitive, meaning lower margins. Moving forward with new technology will be a longer term, worthy investment. Trucks and other heavy industrial equipment can wait for us to see further into the future."

"There will still be market share available and you'll want to capture your fair share of it. Invest in items that help to build competitive advantages in the marketplace."

"When the pandemic started, we didn't know what to expect. We immediately cut our capex budget for 2020 in half to conserve cash and investment. Our business took off and as a result we added back the capex we deducted and added much more to the amount for this year. Our thought was that we don't know who will be elected next year and today we get 100% depreciation on most equipment. We are not sure if that benefit will remain. Also, our profits will be stronger in 2020 and we wanted to offset with these investment deductions. We will prepare an operational plan for 2021 in the fall, but we have already spent our capex for next year."

"We are in the same scenario. Our approach to the unknown future is to be a bit more fiscally conservative than usual yet continue to address equipment and facility needs so we will not fall behind on our ability and capacity to service our market."

"Our planning tends to be more short term than long term during these times."

"Tread slowly as there is still too much unknown about Covid-19 and the potential long-term effects to our economy. Until we have a vaccine and actually see the results from this, stay the course and bank the profits for a cautious return to normal. Remember the exuberance of 2006."

"Growing your business in the future is hard to figure. Number one, is your growth this year because of changes you made to your marketing, or because of Covid-19 customers doing more home projects? If sales are in departments that represent large increases, such as in paint, by consumers, that would more than likely be because of Covid-19. I would suggest you look into departments of increase, and if this is consumer-driven, don't spend improvement dollars chasing a false increase."

"One of the advantages independent LBM dealers have over publicly-held companies is that they can consistently invest for the future without having to perform every quarter. With regard to equipment, remember that it's hard to catch up when business improves... which it always does. Investing in technology is wise in both good and challenging business environments. Capital investments are also good for employee morale and help recruit and retain high caliber people."

"Create two budgets—one conservative and the other what we call a 'stretch goal.'"

"With the unknown, we will have two budgets this year. One will be aggressive, based on what is currently happening, and the second will be a soft plan. The first quarter will be identical for both plans and then the aggressive plan ramps up for the following three quarters while the soft plan just maintains, similar to the first quarter. Most companies know what their day in and day out expenses are so that wouldn't change for either budget. It's the updating of equipment, expansions, and hiring levels that the aggressive budget plans for."

"We are in the same situation. Our business was down in March and has now recovered. We are presently ahead of 2019. We are being cautious about equipment acquisitions. We used manufacturer financing to complete a recent purchase in order to keep availability on our LOC. It can be paid off if sales remain steady through 2020."

"Man plans, God laughs! Never truer than now, especially because in parts of the country construction is defying nearly all early bets. What you are describing sounds like necessities, not wants. Investing in those may save enough money that even if we do slow down, you can compensate longer than your competitors could if they would have to do the same investment later. Besides, if you survived the building recession before, you will be attuned to getting leaner quicker which is what got most of us in trouble then. Good luck and be safe!"

"Keep your eyes on your long-term vision (you have one, right?). Then, meet at least quarterly on it during this time instead of annually. In a way, planning for long term right now is a bit like running a marathon with crutches, but we have to guard against anything keeping from accomplishing our mission. Will it look different? Sure, but acting proactively will ensure that we have control over as much as possible."

"I would look into better safety and health."

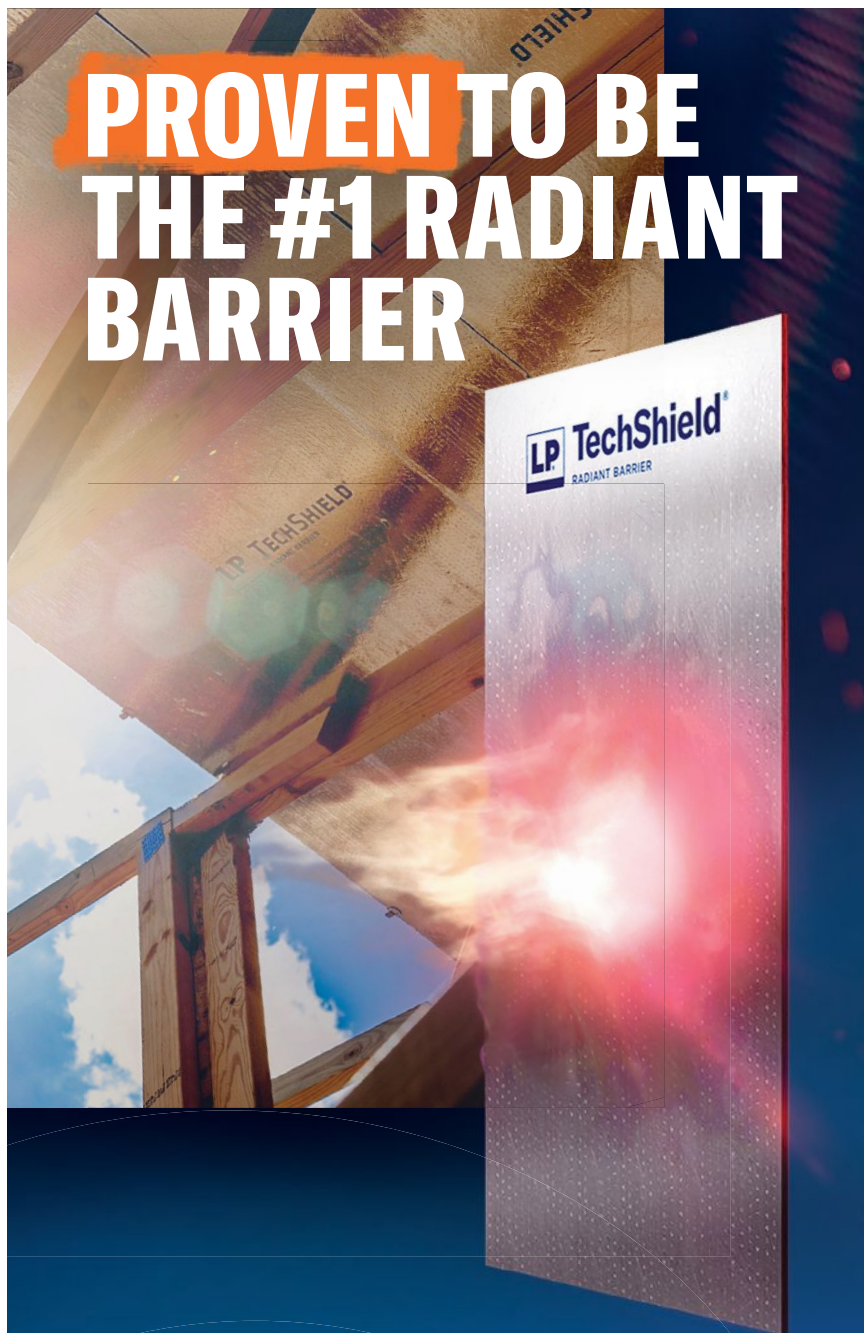
"Interest rates remain low and there are shortages in the inventory of houses available in many markets. DIY and home renovation projects continue to be strong. Improving your relationships with vendors that supply you with inventory items in high demand is a good idea. You might also consider increasing inventory levels of those high demand items to help weather any shortage storms."

"Plan for the country to stay strong and expand. We will get past this."

"All the leading indicators suggest that 2021 will be huge year. We are moving forward with capex expenditures in order to be better prepared to increase our capacity and service our customers at the highest level."

"First of all, invest in your delivery trucks how? Are you talking new trucks or fresh paint job? Remember that those are moving billboards and should always be kept looking fresh, no matter what." ➤

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RADIANT BARRIER

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"Delivery trucks, fleet maintenance and replacement should be part of every year and budgeted and planned for accordingly. Get back on the annual program as soon as business allows if you miss a year of replacing older vehicles. We handle technology in the same fashion. Accrue throughout the year for vehicle and technology repairs, purchases, enhancements, etc. You should know the life of your delivery vehicles (age, mileage, etc.) as well as anticipated life of servers and technology platforms. Define the cycles and schedule accordingly."

"Your company's image and efficiency are only as good as your rolling stock. Always plan to keep the product moving."

"Keep your eye on the long game. Don't abandon your long-term strategic plans, but given the unknown future our country and our world is facing right now, consider postponing any large capital expenditures unless they relate to technology that will bring you closer to your customers and make you easier to do business with. Take comfort in knowing that no one else knows what the future holds either so we are all facing the unknown together. My advice is to remain lean and mean!"

"We're planning for the short term only right now. No heavy expenses, unless it absolutely necessary. Like you, we have had a very good year. But I am being very conservative with the business. Right now, I think cash flow and reserves are very important, so we are watching our turns and receivables very closely. With higher inventory cost we also are paying close attention to our margins."

"I'm optimistic that the demand will slide into winter as products are back in stock by fall, but cautious that a re-emerging Covid-19 could put a halt on consumer optimism and spending."

"We are still making the day-to-day business decisions that we need to make to keep our business current and up to date. We are still spending money on equipment upgrades and replacements, but we are being somewhat cautious when making the expense. We feel that we do not want to put off necessary expenses as if we let them get too far behind it will be difficult to play catch up at a later date. Again, the most important thing to remember is to be cautious when making large expenses or purchases."

"We are in the same situation. We are taking a 'cautiously optimistic' approach after seeing the building industry (in our area) continue to strive despite the ongoing pandemic. We are expanding our sales regions and trying to gain more market share while being more stringent on extending credit to new customers (not an easy balance when trying to gain new customers)."

"Bank the money and use the zero-budget method where you do not budget for improvements, only pay for needed repairs. As for technology, consider upgrading where it will improve productivity/sales. Besides Corona, don't forget we have an election coming up that can upend your business model. Be cautious."

"We have invested in delivery trucks and technology."

"In the uncertain economic climate we are currently facing, it is becoming abundantly clear that our federal, state, and local governments are going to be very creative with the ways they make up for the budget shortfalls they face. In particular, state legislatures will be looking at new tax options in the form of sales taxes and payroll taxes. It is vitally important now more than ever that you reach out to your state representative and state senator in your district. Go beyond just reaching out to them, invite them to your facility and show them what you do, show them your business and show them how vital you are to the community. Let them see firsthand what it is you do and who you sell to and that you are the linchpin of the home-building, contracting, and remodeling industry in your area. Develop a relationship with your representative and senator. Make sure they know who you are, make sure you have each other's cellphone numbers. The better you all know each other, and the more important they know you are, the safer you will be. But MAKE THESE CONTACTS! Reach out to your state building materials association and they will help you contact your state reps and senators to make appointments. If you are not *at* the table, you will be *on* the table as a meal option. It is that simple."

"Due to the uncertainty that is the COVID-19 pandemic, we have chosen to leave our fall 2019 plan in place, unchanged. We'd rather play it conservatively rather than extend ourselves in the face of the unknown. If our projections are not adequate, we do have the ability to act quickly and re-adjust our strategy."



"Cautiously optimistic. Like our customers, we are hanging on to cash and only spending when we deem prudent. It shouldn't hurt your business to take a wait and see attitude."

"Our company is struggling with the same thoughts. Our plan as we have done several times here in south Louisiana is to add this new and different disaster plan to our bucket of other disaster plans: hurricanes, floods, tornados, and many others. Our long-term plan will be similar to what has been the norm and the disaster plans can be added and removed as necessary. Looking forward to others' ideas."

"We are actually re-budgeting the next five months as material costs have skyrocketed. We're concerned and need to address this issue monthly as we're in uncharted water right now. With regards to major products and capital investments, I believe we will be addressing as usual."

"The best advice is what we're telling ourselves, and that is to enjoy the business today, but plan and expect that it will be short-lived. Bank what you can today as there is much uncertainty around every corner. The only thing that is certain, is material shortages, extended lead times and winter looming in the distance."

"We are using our unexpected successes to build new stores and increase capex spending."

"Continue with the business remaining strong for 2021, but have another plan with things changing downward." ■

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OPEN APPROACH

COMMUNICATION IS KEY AT DAKOTA COUNTY LUMBER

In an industry loaded with multi-generational family businesses, Sunny Bowman's story isn't exactly unique. Sure, she's a younger woman in a leadership role, something the industry is sorely lacking these days, but that's not what makes her a great lumberyard owner.

Ask Bowman what has led Dakota County Lumber to 12% revenue increases year-over-year, and she'll tell you it's the team. As a leader, she is no stronger than the whole of the team and she's the first to admit it.

"They could all do my job," she likes to say of her Farmington, Minnesota-based team of 24, "but I couldn't do theirs."

The fact is, she has done most of theirs—at least for a short time. At the age of 25, she returned to the family business, something she never would have imagined years earlier. While she was being groomed for a management role, she insisted on shadowing someone in each department.

Graduating college during the Great Recession and gaining some work experience that included starting her own personal organization company, Bowman came back to Minnesota when it became clear that operating a lumberyard wasn't nearly as boring as she had once told her father it was. "The thing I had realized is that I liked the business side of things, like when to go to market, when to hire, how to advertise, and sales," she said. "Growing up, when I said that the lumber industry is boring, my dad always said, 'business is business, that's the interesting part.'"

FATHER'S FOOTSTEPS

Her father, Steve Finden, built Dakota County Lumber from scratch in 1984, and the lumberyard now occupies what was

once an empty lot across the street from the home where he grew up.

"My dad had a \$7,500 loan from my grandpa, and that was it," she said, adding that her father was a sole employee at first, building loads in the evening to come back to deliver early morning. "He'd build a load at night in his only delivery truck and park the truck pointed toward the gate," Bowman said. "Then he'd prop up the load so it wouldn't ruin the suspension on the truck. He'd come back at 5 in the morning, drop off the load, make more deliveries, then open the doors by 7 a.m."

When it had come time for her dad to think about retiring, a long-overdue conversation about her interest in the family business was planned.

"His exit strategy was always if the kids didn't want it, he'd sell. He and I were both staring down the barrel of uncertain futures in 2012. Finally, my mom told us to take a long car ride to the cabin and said, 'you need to talk to each other,' and when we did, my role in the company was born."

That's how a 25-year-old daughter of a lumber dealer decided to take on the business her father had built from the ground up.

"What I realized when I came into the business at 25 is that some of the employees knew me when I was in diapers. I felt like I was stepping in and that I didn't have any clue. That's when I told my dad that if I'm going to do this right, I need to shadow everyone who works here so I understand the whole thing."

At the end of the shadowing process, Bowman said she had identified some things that she'd like to do differently.





It took time, she admits, for the company culture to embrace her in a leadership role. For example, some people still went to her father with questions. Bowman said that's understandable, considering she did the same thing. For the first few years, she would walk to her parents' house for lunch and review things with her dad.

"I'd walk to their place for lunch and talk with him and let him answer questions and guide me," she said.

These days, Finden is completely hands-off from the business. In fact, Bowman bought out her parents and an older brother in 2018. Today, she's the company's sole owner, along with her husband.

"Being so opposed to it growing up, I'm surprised sometimes how much I love it," Bowman said. "I love this job, the company, the people I get to work with, and the idea of what we're building here." >

While she has an operations manager on staff, Sunny Bowman considers herself more of a general manager, and somewhat jokingly, the "Chief Troubleshooter."

HER OWN WAY

Bowman describes herself as a very involved owner, but not a micro-manager. While she has an operations manager on staff, she considers herself more of a general manager, and somewhat jokingly, she added, the “Chief Troubleshooter.”

“I’m very involved, and it works,” she said. “I’m involved in a way that lets them do what they do well, but I also get in there and address what isn’t working immediately so that problems don’t persist. I had to ask ‘I probably exhaust you all with how much we talk around here now, right?’”

Bowman said that as an owner, she benefits greatly from not being trained as an expert lumber salesperson, even as 90% of the company’s business is pro contractors. “I know just enough to fill in if someone is sick or on vacation. I can troubleshoot.”

“I don’t ever try to do their job for them,” she said. “They have so much knowledge and they’re so good with customers. They joke that I need a problem to solve, and that I need to stop looking for something to fix.”

But that’s what makes her leadership style work, Bowman said: the strength of her team and their ability to let her ask questions, to troubleshoot, and learn together.

“They’re so wonderful and are so accepting of me asking questions and looking for the right answers. They are trusting of my judgement.”

PERFECT DELIVERY

Throughout the company, from the yard to Bowman’s own office, Dakota County Lumber stands by its mantra as the home of the perfect delivery.



“Everyone can say they give great customer service, and we’re sure they do and we respect our competitors, but if you want what you want when you want it, buy from us,” Bowman said. “That’s what our salespeople sell on, and what our yard guys strive for. If we make mistakes, we move mountains to take care of it before it’s a problem for our customers.” The perfect delivery philosophy is communicated internally from an employee’s first day, and it’s what drives a lot of referral business to the company, Bowman said.

“We’ve always had a reputation that if you want it done right, you go to Dakota.”

LOOKING AHEAD

Bowman said there’s growth to be realized in Dakota County Lumber’s current location in the suburb of Minneapolis. There’s room to expand on the current footprint, enough that she predicts the company could double its revenue with yard improvements such as vertical storage.

“We’re a pro yard,” she said. “Those are our stripes, and we’re not trying to change them.” The company turned around \$15 million in sales in 2019 at its single location and has been seeing a consistent 12% growth each year. This year the rise in remodeling spending during the COVID-19 pandemic has brought nearly 35% increases in sales year-over-year through June.

“This year has been an insanity,” Bowman said. “About 30% of our base customers are deck builders. We take a strong stocking position in Trex and Azek decking. Therefore, our decking is very competitively priced. We’re able to buy well and we’ve built a reputation for having decking in stock.”

Ask Bowman what has led Dakota County Lumber to 12% revenue increases year-over-year, and she’ll tell you it’s the team. As a leader, she is no stronger than the whole of the team and she’s the first to admit it. “They could all do my job,” she likes to say of her Farmington, Minnesota-based team of 24, “but I couldn’t do theirs.”

PHOTOS BY JOANNA ROSE





Dakota County Lumber has seen an increase in walk-in traffic too, Bowman said. She's heard from customers who felt they wanted to support a local family business rather than a big box store, and from customers whose orders haven't been completed by larger retailers. The added attention to her store led her to hire a counter salesperson who specifically answers the phone for inside sales staff.

"We've never had someone like that before," she said.

Overall, through the pandemic and its complications, Bowman said her team has been stronger than ever.

"They responded to increased demand by putting their heads together and working smarter. They're all aware that we don't know if this is the new normal or if this is temporary, and they're just working so much harder," Bowman said. "Our processes haven't fallen apart at all, and our customers haven't felt us being challenged, but I have seen this team working harder than I've ever seen them work before. Even though they have stepped up and have worked so hard, they shouldn't have to, so we've added a couple extra sets of hands that can help us."

Bowman's focus is sustaining service during the growth the company has experienced and trying to bring on more staff amid the coronavirus unemployment policies.

An independent lumberyard is a great place to work, but it's not easy to ask, "Want to put in a really hard day in the heat and make less than you'd make on unemployment?" she said.

Still, the small, family-like atmosphere of the company is its greatest strength, Bowman said.

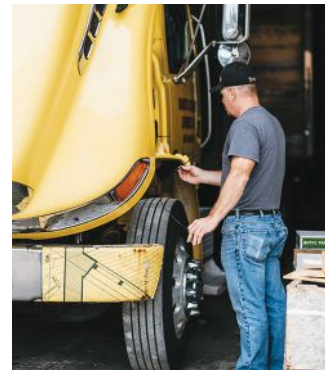
"Being able to recognize that and respond quickly is key. The advantage we have is our small size. We're able to turn a little more quickly, and over the last eight years we've really focused on hiring the right kind of people. I know that I can go to them with an issue and say, 'here's what we're not going to sacrifice, and here's what I need from you.'"

The heart of the business is still the same as it has always been since her father loaded his first truck 36 years ago, Bowman said. The changes that have had the most profound impact was hiring the right people.

What's the key to Dakota County Lumber's success? "We've really added good people on the team to supplement the good people we already had," Bowman said. "Hard working, good people, open to honest communication." ■

GET TO KNOW DAKOTA COUNTY LUMBER

FOUNDED:	1984
OWNERSHIP:	SOLE OWNER
LOCATIONS:	1
EMPLOYEES:	24
SOFTWARE PLATFORM:	SPRUCE
TOP THREE BRANDS:	MARVIN TIMBERTECH / AZEK TREX





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WHEN TO CHOOSE FLUID-APPLIED FLASHING



Fluid-applied flashing materials have gained popularity alongside the trend in tighter building enclosures. While advanced acrylic flashing tapes can produce a tight seal, when flashing applications call for maneuvering around corners and curves, more teams are turning to fluid-applied flashing for ease of installation and assurance of continuous coverage. Here are a few situations when pros say they choose to use ZIP System™ liquid flash.

“We prefer to use liquid flash because it leaves little room for error and provides a super tight water and air barrier.”

Doug Cameron
ESS Design+Build

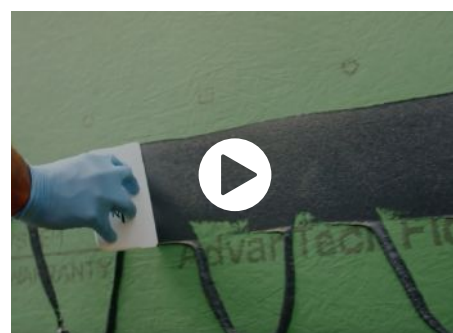
installs on recessed windows, for example, ZIP System liquid flash flows into every crevice to create a smooth, continuous flashing membrane between the transitional levels of the recessed windowsill.

“Any time you have an overlap in material, you’re creating a possibility for water leaks to occur,” said Doug Cameron, owner of ESS Design+Build. “We prefer to use liquid flash because it leaves little room for error and provides a super tight water and air barrier.”

Fluid-applied sealants simplify the flashing process around air vents and pipe penetrations as well. ZIP System liquid flash is formulated to combine the durability of silicone with the bonding strength of urethanes in what’s commonly called STPE (silyl-terminated-polyether) technology. This high-performance formula applies easily, using a plastic trowel or paintbrush to tool around curves to provide the right mil thickness for an air- and watertight seal.

is designed to chemically bond two materials together, so there’s little chance for air or water leaks in this important area of the enclosure that is gaining more and more attention from teams building to net-zero standards.

“We seal all critical junctures where water can and cannot hit in order to provide both a water-resistant and air-resistant barrier,” Cameron said. “I call it our ‘block and caulk’ system.”



Flashing Recessed Windows

When taping corners and angles with flashing tape, it’s important to layer, or shingle, tape segments appropriately to make sure you’re creating a continuous air barrier with the water-resistant barrier on the sheathing. While newer tape innovations such as a ZIP System™ stretch tape can eliminate the origami of multiple tape segments around sill pans, for more complex

Sealing Transitional Details

Sealing the connection between the foundation and wall system can be difficult, and not all tapes are created equally. Depending on the type of adhesive backer used, tape may not adhere to all substrates. That’s why builders such as Doug Cameron have switched to ZIP System liquid flash for a fluid-applied flashing option on this transitional detail. ZIP System liquid flash



Ready to discover more benefits and installation tips for ZIP System liquid flash? Visit ZIPLiquidFlash.com or scan the QR code.

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ENGINEERED WOOD PRODUCTS

WITH BUILDERS DESPERATE FOR PRODUCTS THAT PROVIDE EFFICIENCY, ENGINEERED WOOD PRODUCTS STAND READY TO DELIVER.

BY MIKE BERGER

IN 1922 WHEN HOWARD CARTER DISCOVERED and first peered into the underground tomb of King Tutankhamun—or King Tut as you may know him—he was anxiously asked if he could see anything. When he replied, “Yes. Wonderful things,” he was looking at treasure made in part of engineered wood, a building material that was commonly used by the ancient Egyptians to produce everything from furniture to funeral shrines to the innards of the tombs themselves.

Egyptian pharaohs aside, engineered wood products remain a popular, growing product segment of the building industry. According to MarketWatch's Engineered Wood Product Market - Global Industry Analysis, Trends and Forecast 2024, which was published in April of this year, the worldwide engineered wood product market is projected to be on the rise through 2024 thanks to the environment-friendly nature and sustainability of the products.

Having said that, when compared to building stats from just 12 months ago, things aren't so rosy. According to the U.S. Census Bureau and U.S. Department of Housing and Urban Development's most recent report of new residential construction, privately-owned housing starts in May were at a seasonally adjusted annual rate of 974,000. This is 4.3% above the revised April estimate of 934,000, but it's 23.2% below the May 2019 rate of 1,268,000.

Still, in the face of those statistics, there's a sense of cautious optimism from manufacturers. "Even though we've heard of some customers and builders who were hit harder by COVID-19, sales have continued to be strong in the single-family and multi-family segments," explains Charlie Robinson, vice president of marketing for Huber Engineered Woods (the makers of ZIP System). "This is primarily driven by the growth of new housing stock, as we believe that demand for lumber and panels generally tracks with increases in new construction starts. As the country opens up even more, we foresee this steadily growing over the next year."

Wendy Minichiello, North American director of EWP sales for Weyerhaeuser, echoes those insights. "We've reset our expectations for 2021 due to housing starts and COVID-19 implications for the economy," she says. "For our EWP products, however, we're excited about growth opportunities in other customer segments such as industrial and mass timber."

THE DEMAND FOR EFFICIENCY

For quite a few years now the building industry has been dealing with labor shortage issues. With the current challenges brought on by the COVID-19 environment further reducing the workforce, it has become more important than ever for builders and remodelers to work as efficiently as possible. As a result, they're looking for products that can help speed project completion time.

Jeff Yelle, director of OSB/EWP at LP Building Solutions, explains that builders are looking for products that save jobsite time. "Builders are able to meet tight deadlines by using supplies that are focused on both durability and team productivity," he says. "In light of the pandemic, productivity will be very important to builders to be able to make up for lost time." ➤



According to LP Building Solutions, its Legacy Premium Sub-Flooring not only provides a stable surface for nearly any flooring option a homeowner may choose, but also allows builders to save time on installation. With its Covered Until its Covered no-sand limited warranty, LP Legacy Premium Sub-Flooring panels are said to require less legwork after installation to save time on the jobsite.

According to Weyerhaeuser, its TimberStrand LSL wall framing delivers benefits such as no jobsite culling, faster framing, and minimal waste, shaving valuable time off the production schedule.





Boise Cascade's new "rounded rectangular" I-joist web hole shape is engineered to allow designers more flexibility in where they place large rectangle holes in I-joists. The increased capability comes from the rounded corners that cause a smaller reduction in strength compared to a standard rectangular shaped hole.

Boise Cascade has introduced a new feature for its BC Calc platform that, according to the manufacturer, makes it easier for customers to evaluate common I-joist web hole repair conditions and prescribe a repair, thus eliminating the delay and hassle of the traditional process where every web hole required an engineer's review.



Huber's new ZIP System tape roller now incorporates a tape marker for rolling accuracy. According to Huber, the roller features a unique marking mechanism that leaves a Z-shaped indent in the tape where pressure has been applied, thus providing a clear indication of where tape has been rolled.

Huber describes its ZIP System liquid flash as a versatile product that allows for flashing in hard-to-reach places such as recessed windows and transitions as well as in place of tape on all panel seams in some high-performance designs seeking very low blower door scores.

Cameron Bailey, LP SmartSide senior brand manager, also sees installation efficiency as a trend on the rise and points out the importance of products that can help. "We are seeing an increased demand for efficiency," he explains. "That reason directly played a role in the product development for our new prefinished option, LP SmartSide ExpertFinish Trim & Siding, which features the LP SmartSide ExpertFinish Lap Joint to reduce the need for most seam caulking, joint molds or pan flashing at butt joints to further improve workability and efficiency on the jobsite."

But it's not just the products themselves that are becoming more efficient. Technology is answering the efficiency call and making it easier for builders to work smarter. "We are analyzing data and focusing on being more efficient as well as focusing on our software services and support," says Vita Vazquez, marketing specialist for Boise Cascade. "Our software allows us to meet code standards simply by running all your material through our program which saves our customers time and money."

For example, Boise Cascade's Draft Mode feature in its proprietary BC Framer software allows users to complete their layouts more quickly by giving them the ability to temporarily suspend the complex structural framing connectivity calculations until they have finished drawing a portion of the structure—a real efficiency benefit for larger projects such as multifamily buildings and hotels where the calculations become time intensive due to the quantity of framing members.

It should come as no surprise, then, that builders are extremely interested in products and technology that can deliver on efficiency promises, and the successful LBM distributor needs to stand ready to provide such products. "Builders are looking for brands from well-resourced companies that have the strength and infrastructure to consistently provide products with all the supporting services that may be required," explains Weyerhaeuser's Minichiello. "Those services include the ability to flex supply up or down to meet demand, and a strong commitment to quality backed by an experienced team to support in-field needs."

And when it comes to efficiency, it's not good enough to be a one-trick pony. Rather, it's the product lineup that can solve multiple problems that will yield the most sales. "Builders are looking for products that have multiple benefits—having just one key benefit isn't competitive anymore," points out LP's Yelle. "Finding products that can minimize corrections on the job and deliver quality construction is a huge advantage for builders."

BETTER RELATIONSHIPS, BETTER SALES

All the promised efficiency in the world won't matter, however, if the customer isn't given proper product support by their product suppliers. Builders often make purchase decisions based on technical support, and it is vital that LBM dealers provide product knowledge, both through the knowledge base of their staff and with backup from the manufacturers. ➤



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“A motivating factor that can help incentivize trial for premium engineered wood products is dependable technical support that also helps mitigate risks that builders may perceive inherently coming with switching from their current product choice,” points out Weyerhaeuser’s Minichiello. “Our team of technical application specialists and engineers augment local sales team support for installation instruction, design specification and code compliance questions.”

Boise Cascade’s Vazquez agrees. “We know deciding on products comes down to many things, but we remain focused on building relationships and offering high quality products, services, support and software. Customers know Boise Cascade EWP solutions will perform and install quickly but it’s the people, the strong relationships and the ease of doing business with us that makes the difference.”

Available in a variety of offerings, BlueLinx’s onCENTER Engineered lumber is said to offer builders, designers and developers the flexibility to create almost limitless open floor plans in commercial and residential projects.



One of the easiest ways to provide this support is through relationships, and as manufacturers point out, the most successful LBM distributors are the ones who take the time to get to know their customers as well as the products they sell. Oftentimes, the customer is turning to engineered wood products to solve a very specific problem or situation—more so than with other product lines—and it’s through the trust that forms by building relationships that the distributor can best sell to the customers’ needs.

“Dealers have an incredible opportunity to discuss and grow relationships with customers,” explains LP’s Yelle. “Dealers should educate customers on how to handle engineered wood products to get the most out of them. Engineered wood is durable, but being careful with it is key to extend the lifespan and minimize callbacks. Protecting panel ends from moisture, always transporting with tarp or other wrap, and storing engineered wood under a roof are some ways LBM dealers can ensure that their customers get the most out of their products.”

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Weyerhaeuser's Minichiello also stresses the importance of relationship building. "I think there are many very talented dealers that do an excellent job in this area," she says. "The best create a valuable niche (or two) and work with customers to build long-term relationships and mutually profitable businesses."

THE EVOLVING FACE OF TRAINING

Because of the unique properties and installation requirements of many engineered wood products, and due to the dramatic impact COVID-19 has had on gathering in groups to learn, manufacturers are launching more and more innovative training tools for their product lines. "COVID-19 has forced the entire industry to adapt," explains LP's Bailey, "and that includes how we approach training."

For example, because of COVID-19 LP Building Solutions has transitioned to virtual training events that feature The Kruse Brothers. "Feedback has proven the virtual training sessions to be just as effective, if not more effective, than in-person training," says LP's Bailey. "We've actually seen an increase in attendance—likely a result of the convenience factor of a virtual event."

In the case of Boise Cascade, it has added live webinars (available on its CEU webpage) to its education courses that are AIA accredited. Says Boise Cascade's Vazquez, "We want to make sure that we stay engaged with our customers, provide excellent customer service, and keep the customer updated on any new tools regarding software."

For Weyerhaeuser, it embraced the challenges that the COVID-19 crisis presented and chose to see it as an opportunity for investment in increased online customer training. "Not only did we have time to invest in improvements in this area," explains Minichiello, "but our customers and the industry had time to take advantage of

it. The results of our online programs have delivered a myriad of subjects, including many with AIA certification. We look forward to getting back in front of our customers, but we love the format."

It's not all virtual, however. Huber's Charlie Robinson points out that the company's proprietary Home Building Crossroads seminars continue to see strong attendance numbers every year. "The event series has grown to include more cities and speakers," he says. "The full-day event offers architects, builders, and code officials an opportunity to explore changes in local codes and how design and construction practices have evolved, with the guidance of some of the most notable names in the industry in building science and architecture."

While it may be impossible to predict what the short-term future may hold for the engineered wood segment, the compass needle for long-term growth seems to point in a positive direction. Instead of focusing on the downside of the current environment, LBM distributors can instead focus on long-term growth by investing in their own knowledge and bolstering their relationships with their customer base—investments that can yield dramatic and sustainable results.

As LP's Jeff Yelle says, "With an ever-changing economic landscape, it's especially crucial that products allow builders to be efficient with time and resources. In the next year, we will continue to see industry change at every level. And while dollar spend may stay relatively stable, where builders and owners choose to invest their money is expected to change." By continuing to stay on top of the knowledge base and by maintaining an inventory of engineered wood products that deliver on efficiency, LBM distributors can expect, like Howard Carter did when he opened King Tut's tomb, to see wonderful things. ■

RESOURCES

Companies highlighted participated in this article.

APA-The Engineered Wood Association:
apawood.org

BlueLinX
(onCENTER Engineered Wood Products):
buildoncenter.com

Canfor/Anthony Forest Products:
anthonyforest.com
canfor.com

Boise Cascade
Engineered Wood Products:
bc.com

Georgia-Pacific:
buildgp.com

Huber Engineered Wood (Zip Systems)
huberwood.com

LP Building Solutions:
lpcorp.com

MetsaWood:
metsawood.com

Norbord:
norbord.com

Potlatch:
potlatchcorp.com

QB Corporation:
qbcorp.com

Rosboro:
rosboro.com

Roseburg Forest Products:
roseburg.com

RoyOMartin:
royomartin.com

Swanson Group:
swansongroup.com

UFP Industries:
ufpi.com

Weyerhaeuser:
weyerhaeuser.com

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

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Buildxact

Buildxact develops estimating and project management software for small builders, contractors, and remodelers. Founded in 2011, Buildxact creates technology to solve real pain points for home builders and drives innovation in the construction and building materials supply industries. Its fully integrated cloud platform was developed to streamline the building process from preparing quotes and estimates to purchasing, scheduling, project management, and invoicing. Integration with other software service tools such as QuickBooks, Xero, and Deputy, Buildxact was developed to fulfill the core needs of small to medium builders, contractors and remodelers to control cash flow and profit on projects.

Buildxact is a global company with operations in the U.S., Canada, Australia, and New Zealand. The company has reported 100% year-over-year growth. Buildxact helps builders and remodelers keep projects on track, manage financials on the go, schedule subs, and order building materials all on a platform that is designed to be easy-to-use.

With its intuitive estimating and project management tools, home builders and remodelers using Buildxact can cut the time required to estimate, quote and win work by 80%, the company says.

"Buildxact helps builders manage their projects more efficiently with real-time, connected and accurate information," said David Murray, chief executive officer at Buildxact. "We've designed a solution where builders and remodelers can track their entire build from takeoff to final invoice, integrate with other online solutions, and spend less time on admin. Thus, enabling more time on what's important to them, growing their business and spending time with the family."

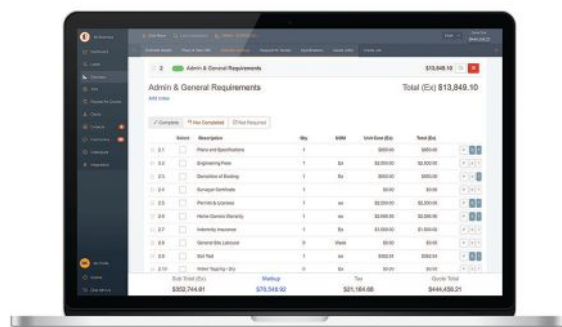
buildxact.com



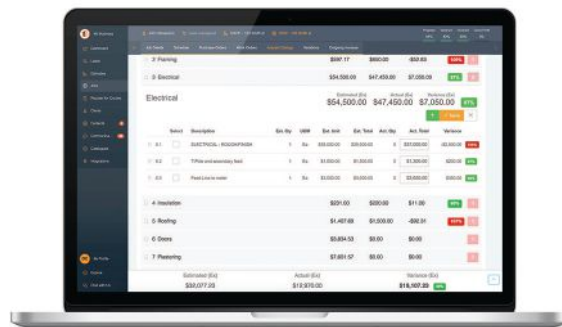
Buildxact exhibited at the 2019 International Builder's Show in Las Vegas.



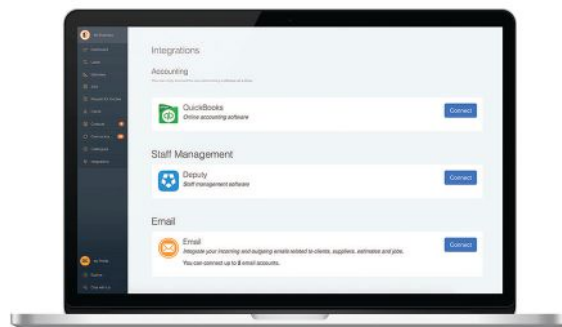
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EACH MONTH, HUNDREDS OF PRODUCTS AND LBM SERVICES HIT THE MARKET. THESE ARE OUR PICKS FOR THE ONES TO WATCH.

Simpson Strong-Tie mass timber fasteners

As the first North American-based company to embrace the mass-timber challenge, the company says, Simpson Strong-Tie is introducing three heavy-duty, Strong-Drive mass-timber fasteners. The SDCF Timber-CF Screw is a structural fastener in several lengths up to 23-5/8". These 0.315"- and 0.394"-diameter, fully threaded structural fasteners are designed to provide uncompromised strength for beam reinforcement, floor-to-floor, and butt joint applications. SDCP Timber-CP Screws are a structural fastener available in several lengths up to 14". These partially threaded, 0.315"- and 0.394"-diameter structural fasteners are designed to pull structural members together and are developed to offer superb holding power and load capacity. SDHR Combo-Head Screws are 4" and 6-1/4" structural fasteners with a partially threaded, sturdy 0.394"- and 0.472"-diameter. They are designed to pull structural members together while providing excellent connection strength, especially when connecting steel plate connectors to wood. The unique "combination" head was developed to allow driving using either a hex bit or T40 6-lobe driver bit. go.strongtie.com/masstimber

Strong-Drive
SDCF Timber-CF

Strong-Drive
SDCP Timber-CP

Strong-Drive
SDHR Combo-Head



Epicor's BisTrack Kinetic

Epicor BisTrack software is now updated with kinetic technology that the company says will enhance the truly cloud-based user interface and provide a modern and intuitive experience for your employees and your customers. BisTrack Kinetic is designed to simplify common business processes, allowing users to navigate, access information, and perform tasks seamlessly and in fewer steps, resulting in increased staff productivity. Users can access BisTrack Kinetic on any device and in any browser to provide more convenience for your customers. BisTrack Kinetic also provides a modern user experience for your employees. Epicor's BisTrack is developed for pro dealers and distributors of lumber, millwork, building materials, and construction supplies. BisTrack Cloud is engineered to help dealers' business sales on the go with productivity tools to track sales opportunities, respond to customer concerns and close orders more quickly. epicor.com

Wall and Ceiling Collection from Woodtone

An expansion is underway for Woodtone's Wall and Ceiling Collection, as the company has unveiled fresh colors, new profiles, and a streamlined approach to ordering products. Woodtone's updated Wall and Ceiling Collection has a simplified strategy that offers an efficient approach to making the best selection for



customers' style preferences and budget, the company says. Customers now have 10 options from Woodtone's pub-inspired color collection, and can choose from four profiles, including: Traditional, FineLine, Beaded, and Circlesawn. For the dealer, this means 40 opportunities to make the sale. Woodtone has also updated its point of sale offering to showcase its enhanced coating technologies and new product identification nomenclature to support in-store marketing needs for LBM dealers. woodtone.com

Pennsylvania Lumbermens Mutual Insurance Company

Now in its 125th year, Pennsylvania Lumbermens Mutual (PLM) is said to be the oldest and largest mutual insurance company dedicated to the wood products and building materials industries. PLM has dedicated itself to the wood and building material industries in order to serve as a strategic partner to its insureds and producers. The company says its experience in the industry allows it to understand and recognize short and long-term challenges that influence LBM business decisions and insurance needs. The company provides specialized property and casualty insurance products tailored to address the risks unique to the lumber, woodworking, and building material industries. plmins.com



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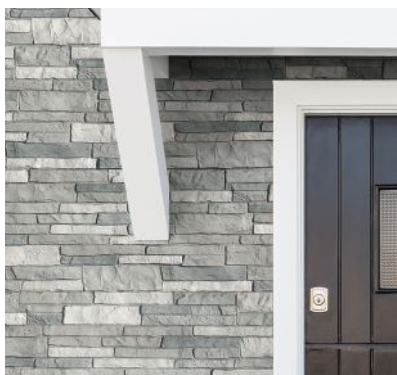


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TandoStone

TandoStone is preferred by siding installers, the company says, for its light weight and easy one-person installation. It also permits a siding contractor to install a stone product without the need for a mason—allowing the siding installer to capture more “share of wall” while controlling their timeline and project costs. On the market for more than 10 years and with thousands of installations, TandoStone is designed to meet the consumer’s desire for a mixed material look and low maintenance, while it allows the contractor to alleviate moisture management concerns. TandoStone is available in two profiles, Stacked Stone and Creek Ledgestone. Stacked Stone features a dry stack profile without grout lines and Creek Ledgestone offers a profile of various sized stones with grout lines. There are five color options in each line to complement any home exterior—including new, on-trend “greige” tones—Nordic Mist and Glacier Bay. tandobp.com



LBM Advantage
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LBM Advantage

LBM Advantage is a wholly member-owned buying cooperative for the lumber and building materials industry, offering members a purchasing advantage in the marketplace. Stockholders benefit from multi-billion dollar purchasing power, the company says, and also from experienced staff of industry professionals. Benefits include multi-billion dollar buying power; mill direct relationships and vendor rebate programs; experienced staff with regional expertise; effective communication of global industry trends and market conditions; buying shows and promotional opportunities; educational events for members and their staff throughout the year. lbmadvantage.com

ECI

Spruce software provides advanced point-of-sale and business management solutions for lumberyards, hardware stores, and building materials suppliers. This industry-specific software has helped operations improve productivity, control costs, increase profitability, and remain competitive for nearly 35 years, the company says. Spruce is cloud-based with an interface developed for easy use. Built with document management functionality, all transactions are automatically linked. Plus, using a document scanner, you can attach packing lists, notes, tax forms, or virtually any Windows file. All reports have drill-down capability to see the details behind the data and you can export them to a Microsoft Excel or PDF file. With the Spruce AnyWare mobile app, employees can capture proof-of-delivery, submit orders, receive inventory and more. Spruce ProLink is available in a browser or app, and is designed to allow customers to access their account information, make payments, and place orders online. Both products are designed to make your business efficient and customer focused. ecisolutions.com



Unified Purchasing Group

UPG is a group purchasing organization focused on bringing exclusive savings to the lumber and building materials industries. With a membership of over 45,000 companies, UPG is able to negotiate volume discounts with the most well-known business brands, the company says. By registering at upg.org, eligible companies will have access to exclusive deals on Verizon phone lines and data (22% discount), products from Best Buy and Staples, and services from Unifirst and ADP—savings and services that are designed to help your business not only survive in this challenging time but thrive. UPG recommends rewarding your employees with BenefitHub, an online marketplace offering discounts on supplemental insurance, travel, entertainment and more. upg.org

Growth is Good



LBM Advantage is one of the country's leading wholly member-owned buying cooperatives for the lumber and building materials industry, giving our members a huge purchasing advantage in their marketplaces. Our stockholders benefit not only from our multi-billion dollar purchasing power, but also from our experienced staff of industry professionals.

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PRODUCTS

Boise Cascade improves VERSA-LAM LVL

Boise Cascade has increased its VERSA-LAM LVL Modulus of Elasticity (MOE) grades in order to simplify the process of designing wood structures. VERSA-LAM laminated veneer lumber (LVL) beams and headers are designed to eliminate twisting, shrinking and splitting, and deliver flatter, quieter floors and structures. Sized to match Boise's BCI and AJS Joists and other elements of the SIMPLE FRAMING SYSTEM, VERSA-LAM is said to offer quick assembly and is precision cut into more than 18 standard sizes. Because they have no camber and strength is consistent throughout, VERSA-LAM LVL products have no top or bottom side.

bc.com/apples



Lumber Buddy from WorkSafeWorkSmart

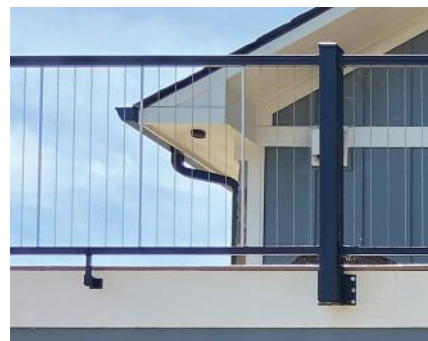
The Lumber Buddy Portable Workstation from WorkSafeWorkSmart is celebrating its 20th anniversary this year. The company has grown from a single unit in Tacoma, Washington to have units in all 50 states. The design and capabilities of its units evolved into a modular system after the company applied Lean thinking to its original design back in 2015. Units can be configured to meet the varied demands of customers. From the LB9018N platform to the LB12032Next618 Composite Deck Unit, WorkSafeWorkSmart says it has the tools to help your load builders Work Safe and Work Smart. The company's mission is to help customers build profits through safety, efficiency, and engagement, which it accomplishes through products and Lean process improvement training. worksafeworksmart.com



Key-Link Fascia Mount Brackets

Key-Link's Fascia Mount Brackets are designed to move posts off the top of the deck to increase space in an outdoor living area. Key-Link's new aluminum Fascia Mount Brackets are extruded and made of durable 6005-T6 aluminum, designed for a sleek, modern look. The brackets are then powder-coated with AAMA 2604 standard coating for weather protection and an exact color match with Key-Link posts and railing.

Key-Link offers an outside corner bracket, inside corner bracket, and line bracket that the company says will adapt to almost any post mounting need. The brackets are paired with 3.25" posts and can be fastened to wood, composite, or concrete. All Key-Link products are made in the USA. keylinkonline.com



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LP SmartSide Lap Siding - Cape Cod Gray



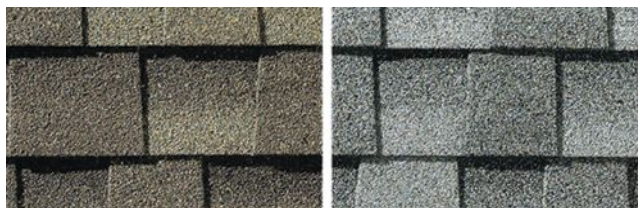
Grabber SuperDrive 75 Battery Collated Subfloor & Deck tool

Grabber's new SuperDrive 75 subfloor screw gun comes with a 20v DeWalt 2,000 RPM screw gun and two batteries. The product is designed so that users can screw down subfloors without dragging a cord or spending time trying to locate a power box. The SuperDrive 7520VXT also includes a special subfloor nosepiece and extension. The SuperDrive 7520VXT includes a set-and-forget depth control system designed for added versatility, designed to attach subfloor, as well as decking, roof tile, drywall, sheathing, and wood to metal. The tool accommodates screws from 3/4" to 3" lengths and #6 to #12 diameters. grabberman.com



LMC

LMC is a forest products and building materials buying group owned by independent lumber and building materials dealers. There are over 1,400 LMC dealer locations in the United States and the Bahamas. "Building Business Together" is LMC's philosophy, rooted in a history of working together and standing the test of time since 1935. LMC dealers are united in their purchasing, creating a strong foundation that supports the growth of unique supplier relationships and purchasing opportunities. lmc.net



Timberline HDZ shingles from GAF

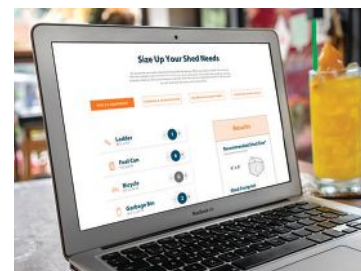
Timberline's HDZ shingles now feature LayerLock technology that mechanically fuses the common bond between overlapping shingle layers, and also includes the StrikeZone Nailing Area, said to be the industry's largest nail zone. GAF says Timberline HDZ shingles maintain up to 99.9% nail placement accuracy, and up to 30% faster nail fastening. The shingles also feature GAF's WindProven Limited Wind Warranty, said to be the industry's first wind warranty with no maximum wind speed limitation. gaf.com

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LP Outdoor Building Solutions Shed Visualizer

LP Outdoor Building Solutions has partnered with Chameleon Power to create a customizable 3D virtual shed shopping experience. In addition



to customizing the exterior aesthetic, the new LP Outdoor Building Solutions Visualizer features a Size Selector Tool to test the outdoor structure's functionality. The tool allows customers to take a virtual walk inside the shed, and users can upload a photo of their own backyard to create a custom experience. The Size Selector Tool allows users to select from a list of commonly stored shed items, as well as pieces that can be used to outfit a workshop or home office, to help test its functionality no matter the purpose. lpshed.com

BOSS Strapping and Tiedown

Boss Strapping and Tiedown products include everything from starter kits to pro packs, as well as wall panel lifting loops, tools, buckles, and dispensers.

BOSS Strapping and Tiedowns products are said to be tested at the highest levels so that your team is safe. Even a nick in the strapping doesn't compromise the security of the strapping system, the company says. Boss products feature a woven polyester strapping, a textile product that is produced from high tenacity polyester yarn. It is manufactured from the same basic material used in V-belts, conveyor belts, and tires. BOSS strapping offers solutions for heavy shipments, railroad shipments, or long-term outdoor storage. BOSS offers four different sizes of straps with several different break strengths. boss-strapping.com



CAMO EDGEXMETAL Clips

The CAMO EDGEXMETAL Clip is a new way to fasten any grooved deck board on metal substructure that installs by hand. It is designed to operate with the included Never-Miss Guide, or up to 5X faster with the award-winning CAMO DRIVE stand-up tool, both using the contractor's drill. EDGEXMETAL



Clips are one-pass fasteners that use the same technology as CAMO EDGEX Clips for wood framing. The wings of the clip fit into the groove of the board, securing it before fastening, and the 304 Stainless Steel gusset holds the boards down. The key difference between the two clips is the screw, CAMO says. EDGEXMETAL features a drill point screw that is designed to engage in less than two seconds, rather than a self-tapping screw for wood. EDGEXMETAL Clips are designed to work with top manufacturer's deck boards at any angle on 14–18GA metal framing, including Fortress Evolution, and Trex Elevations. The clips are available in 90ct and 450ct pails, which include T15 driver bits, and the Never-Miss Guide. EDGEXMETAL Clips are backed by a CAMO warranty to match the longevity of the boards and substructure, when installed according to CAMO guidelines. camofasteners.com

Milwaukee Tool's Right Angle Impact Wrench

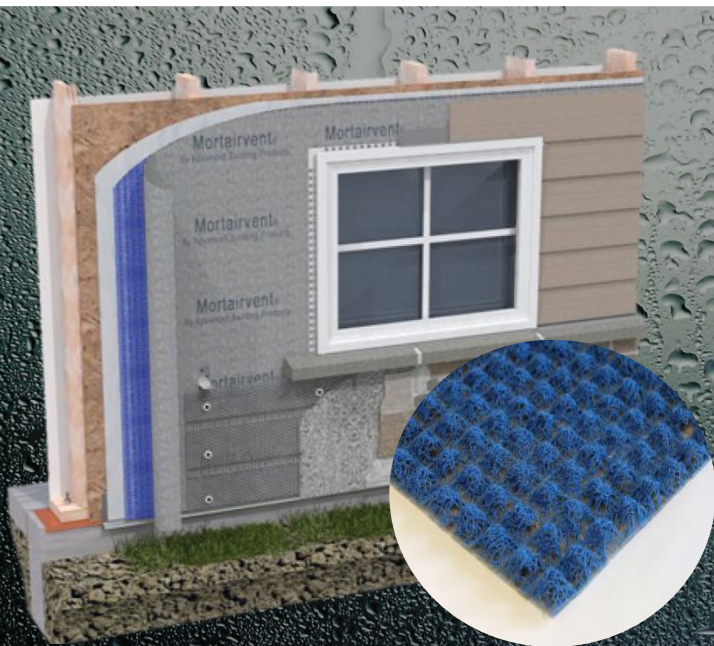
The M12 FUEL Right Angle Impact Wrench is said to be the first brushless right angle impact wrenches on the market. The tool is designed to provide users with more torque output than any other cordless or pneumatic solution, the manufacturer says. Available in 3/8" and 1/2" sizes, the new M12 FUEL Right Angle Impact Wrenches are equipped with a long body profile. The low-profile head of only 2.8" in length is designed to easily fit into tight spaces and is said to allow users to be more productive, decreasing the need for socket extensions commonly used with pistol-grip impact tools. Designed with a four-mode DRIVE CONTROL feature, users can switch between modes to match the power and speed necessary for the application at hand. All four modes allow for maximum precision control, the manufacturer says, with the fourth featuring Auto-Shut Off Mode to prevent over-fastening of bolts, and bolt removal mode for more control after bolt breakaway. milwaukeetool.com



Titebond DuraMaster elastomeric sealant

Titebond's DuraMaster is introduced as the first elastomeric sealant that can handle 100% joint movement without compromising adhesion. Titebond also says DuraMaster has earned the highest ASTM C-920 rating for sealant performance, Class 100/50. Typical elastomeric sealants are developed to handle movement of 25% of the original joint size and are rated Class 25 – the minimum rating for handling a moderate amount of movement. DuraMaster is said to perform four times better than Class 25 sealants, and is engineered to handle everything from moderate to maximum movement. The product is designed to stay permanently flexible and be crack-proof so that the sealant expands and contracts with temperature changes. DuraMaster is developed for pro use, including special packaging features such as a removable nozzle. Contractors can use DuraMaster for interior and exterior applications, such as windows, doors, trim, and siding. It is developed to adhere to most common building materials including: vinyl, metal, glass, wood, PVC, concrete, aluminum and all types of siding, and span even large gaps, up to 2" wide. titebond.com

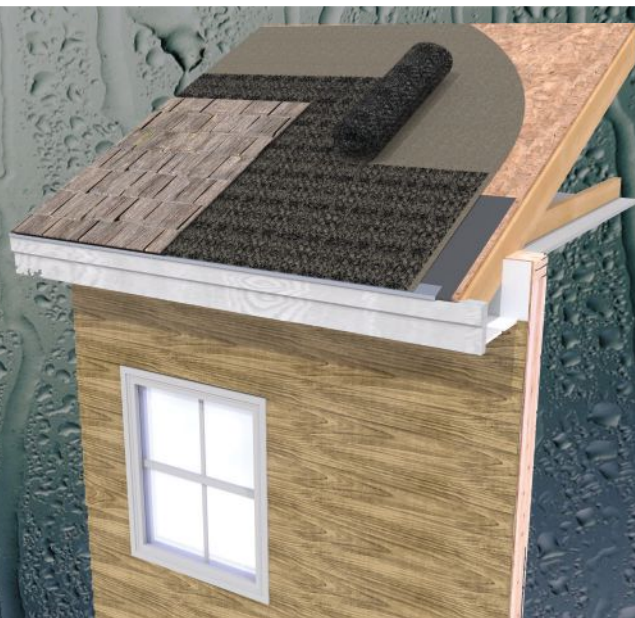




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BUSINESS SUCCESSION AND ESTATE PLANNING DURING A PANDEMIC

BY LEE RESNICK AND TERRY RESNICK

As this article is being written, the U.S. and the world is in the mist of unprecedented times. The pandemic crisis has closed the country in many respects. Fortunately, businesses within the LBM industry have rightly been deemed “essential” and for the most part have remained relatively unscathed. In fact, many of our clients have commented to us that they have had their best months from a revenue standpoint.

Although we are all experiencing a temporary ‘new normal’, something that hasn’t changed is the need for proper business succession and estate planning. The current circumstances have shined an even brighter light on the critical importance for business owners to get it done and get it done properly.

Two common themes we’ve been seeing within the LBM industry as well as across the board of the more than 200 various industry organizations we work with is:

1. Almost every business owner has ‘something’ in place when it comes to business succession, estate planning, and life insurance implementation.
2. Too many of those business owners don’t fully understand what actually is in place (although many incorrectly think they do). The fact that they’ve taken the initiative to implement planning is to be commended; however, not knowing exactly what’s in place can be and is often problematic. Specifically, the danger of paying more in taxes that could have been legally avoided with proper planning, not transitioning businesses in a seamless manner, and the greatest blow of all, losing the business and corresponding fallout among family members.



No business owner strives to end up with these results; however, too many do.

LBM BUSINESS OWNERS HAVE CHOICES—MAKE THE RIGHT ONES!

Address current planning to confirm that it is established in a manner that best meets your overall objectives. Do not just assume that it does. Quality planning will provide peace of mind that your business, non-business assets and family are protected.

It is often difficult to focus on these topics, but they cannot be pushed aside. There are many items that can take a business owner out of the game and they must be focused on with the same diligence and resolve a business owner has in running their company.

Many business owners have every intention of addressing the topic, but many never do. Once you’re no longer here the business and family fallout will be left for others to deal with. Take time during the pandemic crisis to think about the big picture—what are your goals for your business and family?

Can you say to yourself that you are 100% certain that you have legal documents which accomplish your goals in the manner you want?

Can you say to yourself that the valuation of your company will absolutely satisfy the IRS in the event of an audit?

Can you say to yourself that your liquidity planning is sufficient and structured properly to avoid all taxation?

These are just a few of the big picture items that must be addressed correctly. ■

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. Contact Lee at lee@resnickassoc.com or 913.681.5454. Contact Terry at terry@resnickassoc.com or 717.652.2929.

Congress gets involved in OSHA crane rule

BY KEVIN MCKENNEY

WE HAVE BEEN discussing the ongoing issues with a problematic letter of interpretation (LOI) applicable to the Crane and Derricks in Construction rule, but Congress has recently stepped up to the plate. Members sent a letter to Loren Sweatt, the head of OSHA, demanding the LOI be rescinded.

For a brief background, the material delivery exemption was created by OSHA in direct response to the work of NLBMDA and others who argued that the use of the truck-mounted articulating boom to lift common building materials such as sheet goods and packaged material to upper levels of structures under construction does not create the type of hazards that OSHA was attempting to address in the original crane rule.

The examples shared with OSHA at the time of the 2010 rule-making, both in written comments and at a public hearing, included booming sheet goods (such as drywall) and palletized material (such as joint compound or fasteners) to an upper level opening where the material is removed from the fork or pallet, or booming roofing material up to a roof deck where the material is distributed (for example, packages of shingles moved from the pallet onto the roof deck).

The industry was satisfied until the issuance of the 2016 letter in which OSHA seems to say that when material is boomed up to a structure, the delivery falls outside the material delivery exemption if anyone handles the material before it is placed by the boom onto the surface of the structure. The example in the letter involves a truck-mounted articulating boom, equipped with a functioning overload protection device and fixed fork, lifting pallets of building material.

OSHA's letter is flawed on several points. First, as a practical matter, the letter eviscerates the material delivery exemption since material boomed up to an upper level opening cannot simply be dropped from the fork assembly, or in the case of a pallet, the boom cannot drop the pallet onto an upper level or roof deck—both because of the fact that the boom and fork assembly will not fit into many of the openings through which material is boomed, and because of weight distribution constraints.

Second, this limitation creates an arbitrary and unrealistic line between the process of delivering material and the construction process. At no time during the rule-making process or the rule's promulgation in 2010 did OSHA raise this issue or attempt to address it.

Third, on a technical note, OSHA circumvented the federal rulemaking process. The Administrative Procedure Act directs how agencies can promulgate regulations and they require the chance for the public and regulated communities to weigh in.

Dissatisfied with the lack of a response from OSHA representatives, NLBMDA began work with members of the House Education and Labor Committee on intervening. Rep. Ron Wright (R-TX) took the lead role in writing and distributing a letter for signatures and finally sent the letter to OSHA. The letter identifies the serious issues with the LOI and calls for OSHA to rescind the LOI immediately. We are optimistic that more senior individuals at OSHA will realize the error in issuing the letter and provide needed clarity to dealers moving forward. Stay tuned for additional updates. ■



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

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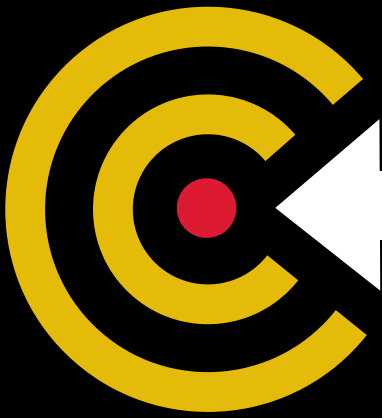
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