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STRATEGIES FOR LUMBER/BUILDING MATERIAL DISTRIBUTION PROS

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FEBRUARY 2022 \$10 U.S.

DEALER OF THE YEAR 2022

ANNUAL SALES: \$50-\$100 MILLION

RAKS BUILDING SUPPLY

IN DEPTH: TRIM AND MOULDING

DESPITE SUPPLY-CHAIN DISRUPTIONS,
DECORATIVE TRIM IS POISED FOR
ANOTHER STRONG YEAR

REAL ISSUES. REAL ANSWERS.

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LBM DEALER



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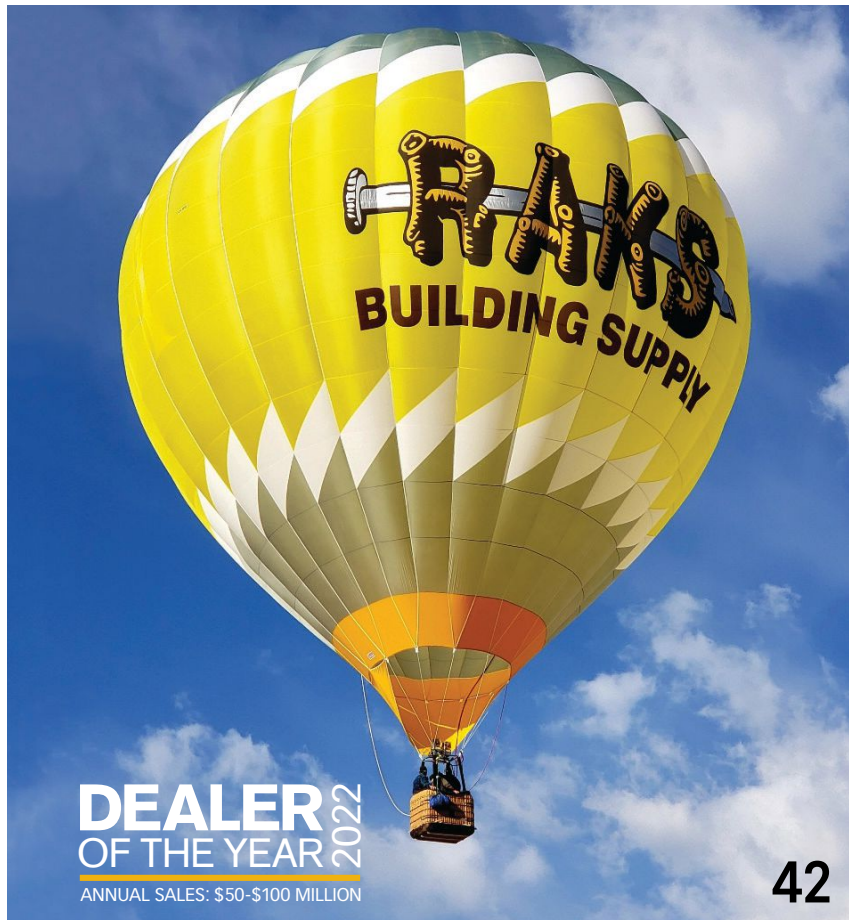
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Congratulations to RAKS Building Supply

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Big Question. Big Answers.

EVERY ISSUE of *LBM Journal* includes practical, tactical insights into how to run our businesses better and smarter. Since launching in 2003, we've worked to identify and secure the top content experts in each area, so that's why we're proud to have leaders like Rick Davis, John Wagner, Thea Dudley, Bill Lee, Shane Soule, Rikka Brandon, and Russ Kathrein share their wisdom in each and every issue.

In addition to that street-level business intelligence, pages 34-40 in this issue tackle what some industry observers view as a more existential question: The Future of the Independent LBM Dealer. As with all Real Issues. Real Answers. features, this one consists of you and your fellow LBM pros answering a question posed by one of your peers. More than 200 readers took time to weigh in on this issue and, with more than 90% of them sharing from the perspective of an independent dealer, the thoughts on these pages cover the spectrum. Here are some samples:

- "I believe that the days of the independent lumber dealers are over; consolidation is the name of the game."
- "The efficiencies that would come from consolidation would never outweigh the joys of being independent."
- "We are acquiring other independents."
- "If your heart and head are still excited about the business, then stay in the game."
- "If the price is right...sell!"

The question of the future of independent dealers isn't new. When I joined this industry in 1990, the mainstream business press was scrambling to declare independent LBM dealers as good as dead. After all, how could they possibly compete with Home Depot, Lowes, Builders Square, etc.? How indeed.

Granted, today's situation is different. Low interest rates and strong demand for housing have combined for what John Wagner has called "a perfect wave," with ideal conditions for strong independent dealers who are looking to sell, and for companies looking to add locations.

The range of thoughts and opinions in that article make several things clear. First, there is no one right answer. Second, the healthy debate surrounding this question hammers home the fact that the LBM Community—dealers, distributors, wholesalers, manufacturers, and service providers—comprise a vibrant industry that's evolving to meet the housing needs of a growing population.

There are no shortage of big questions facing our industry. And there is no doubt in my mind that the LBM Community has the answers to match.

— Rick Schumacher
Executive Editor & Publisher



Rick@LBMJournal.com



LUMBER PROS:

WHAT YOU'RE MADE OF MATTERS

This isn't a desk job. It's a
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A do-whatever-it-takes job.

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on the forklift to move material.
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in the truck to meet the customer
on the jobsite.

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BLUE-GREEN ALGAE AND HOW YOU CAN HELP PROTECT YOUR CUSTOMERS FROM IT

The dark stains you see on roofs all over the U.S. and Canada are often caused by tiny cyanobacteria called *Gloeocapsa magma* — commonly known as blue-green algae.

It's a bacteria that travels on the wind and thrives in moist environments — so if one house in a neighborhood has it, others have probably been exposed as well. The darkening effect can impact the appearance and resale value of a home, as well as the effectiveness of highly reflective cool roofs.

Across the U.S., blue-green algae growth is often just a matter of time. The GAF Time-Release Algae-Fighting Technology used on shingles with a StainGuard Plus™ Algae Protection Limited Warranty¹ is formulated to put time back on your side.

The GAF StainGuard Plus™ Algae Protection Limited Warranty¹ provides 25 years of coverage against blue-green algae discoloration. It now comes with many of the most popular GAF Shingles, as well as hip and ridge cap shingles and visible starter strips.

Algae protection is important to customers. In fact, when GAF asked homeowners about it, 87% said it was very-to-extremely important to protect their roof from blue-green algae stains.² 89% said warranty length was very or extremely important when purchasing an algae protection product.²

GAF helps answer these customer needs. Shingles and roof accessories with a StainGuard Plus™ Algae Protection Limited Warranty are covered for 25 years against

blue-green algae discoloration.¹ They also provide long-lasting algae-fighting power thanks to GAF Time-Release Algae-Fighting Technology.

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At certain concentrations, metals like copper and zinc are toxic to blue-green algae, and can help prevent it from growing. In fact, on much older homes you may still see pitted copper and zinc strips tucked up under the ridge caps.

Using copper is also the idea behind traditional algae-prevention granules. They contain a layer of copper that leaches onto the roof. And that works for a while. But eventually, the granules degrade and release less copper, which makes them less effective at stopping algae growth.

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¹ 25-year StainGuard Plus™ Algae Protection Limited Warranty against blue-green algae discoloration is available only on products sold in packages bearing the StainGuard Plus™ logo. See *GAF Shingle & Accessory Limited Warranty* for complete coverage, restrictions and qualifying products.

² Based on 2021 survey commissioned by GAF of 500 homeowners in areas with moderate to high amounts of blue-green algae.

³ 15-year WindProven™ limited wind warranty on Timberline HDZ™ Shingles requires the use of GAF starter strips, roof deck protection, ridge cap shingles, and leak barrier or attic ventilation. See *GAF Roofing System Limited Warranty* for complete coverage and restrictions. Visit gaf.com/LRS for qualifying GAF products. For installations not eligible for the WindProven™ limited wind warranty, see *GAF Shingle & Accessory Limited Warranty* for complete coverage and restrictions.

Drawing younger staff to the LBM industry

IF YOU'RE A regular reader of Russ Kathrein's columns in this magazine, then no doubt you've come across a few "Russ-isms," his folksy analogies that take a second to unwrap to discover the business lesson inside. Life lessons are like that as well, and Russ knows how to share them. In this month's column on page 24 the lesson is in the title itself. "Start digging the well before you're thirsty." I know this is a good life lesson because I've already passed it on to our son in college who called recently alerting us that he may not have worked enough hours to cover some bills at the end of the month. Having earlier that day edited a draft of Russ's column, the saying was fresh in my mind to use as a reminder to our son that he might have considered this scenario when he picked up his very part-time job.

I think of our son (and his younger brother and sister) often when the dilemma of attracting young people to the industry comes up in conversation. More than once I've told them that if they're struggling to find work, I know half a dozen lumberyards within driving distance that are hiring. Of course, just like me at their age, a job at a lumberyard isn't a part of their career plans. Nor was it originally part of Russ's and countless others who have made a fulfilling and rewarding life in this industry. As I'm sure our readers know all too well, it's often just a matter of getting them in the door and

letting them see all that the industry has to offer. If you're looking for some advice in that regard, there's plenty in these pages.

Consider Rikka Brandon's column on page 22. There, you'll learn that when establishing a brand reputation for your company, you should not only consider customers' brand perception, but that of potential employees as well.

In the credit department, Thea Dudley welcomes a newcomer to the industry (page 26) as only Thea could...by informing them that the LBM industry is not "the land of unicorns and rainbows."

In Shane Soul's column on page 30, the topic is company culture and how career-path mapping and a focused recruitment plan can reshape your talent acquisition process.

On page 20, Rick Davis shares advice on training and promoting from within to build the strongest sales force in your market. Rick offers input on hiring and onboarding employees as well. And, sure enough, he echoes Russ's mantra when he says, "One thing is certain, the sales force you create for tomorrow begins today."

Short of farming my own children out to lumberyards, the best I can do to remedy the labor situation is make sure this magazine addresses the concerns our readers face with experienced, respected industry voices providing actionable advice. I think this issue does that pretty well.

— James Anderson
Editor

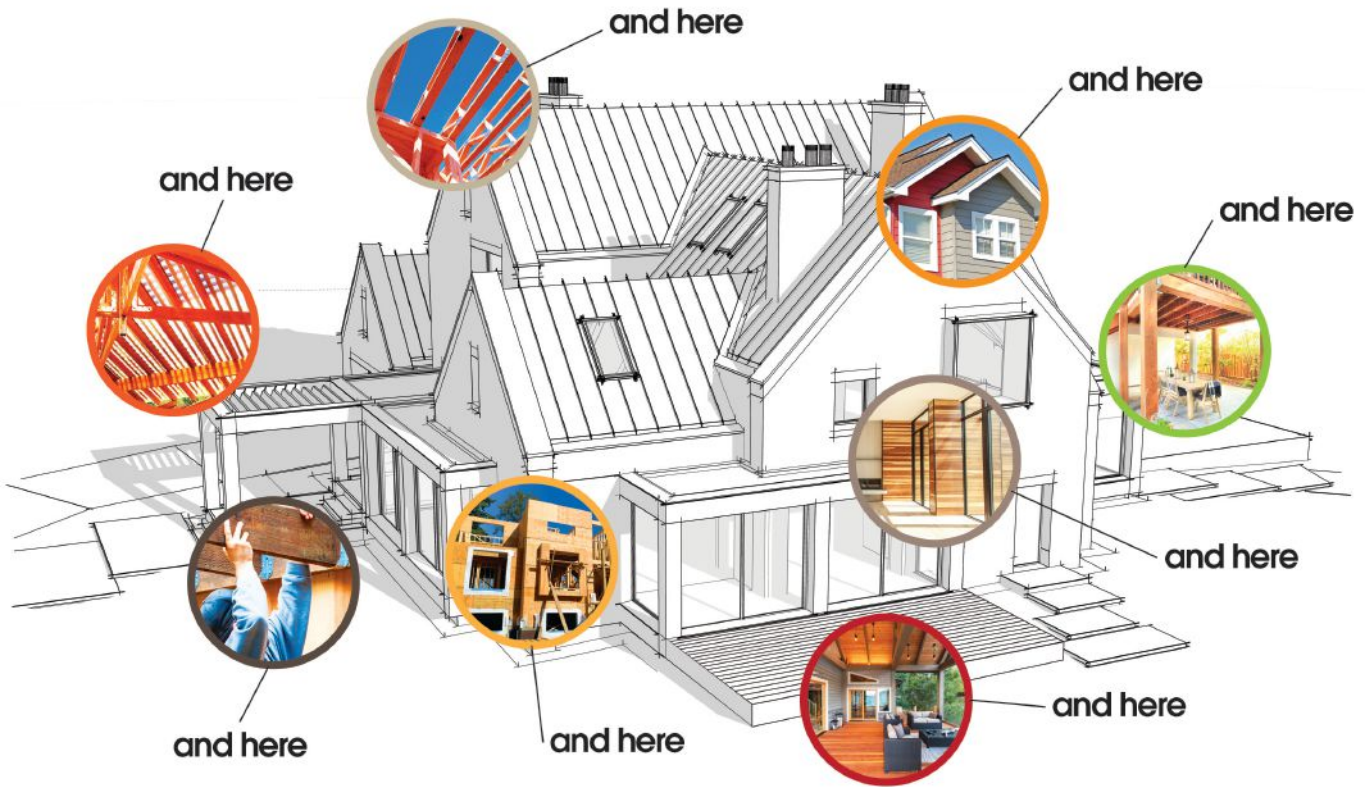


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Defining your post-ownership goals

BY SAM BROWNELL

EVERY YEAR I meet with LBM dealers to discuss succession planning. During these conversations, I typically ask lots of open-ended questions so I can learn as much as possible about the owner's goals, expectations, and concerns. As part of my discovery process, I like to ask the owner what they would do if they could move the risk of ownership from themselves to the next generation of leadership. The answer I receive from many dealers is that they would like to continue to work in the business but would enjoy reducing their long hours and eliminating some of the stress that comes from worrying about employees, customers, and suppliers.

This industry is full of honest, caring, and hardworking people who want to do the right thing for all the stakeholders involved. At the same time, this intensely passionate devotion to work can lead to a lack of creative thinking when it comes to your personal goals. The business you own defines who you are to your community but perhaps most importantly, to yourself. Envisioning life without the business to define you can be difficult and becomes even more emotionally fraught when we begin to discuss ownership transitions and what life would look like post-transition.

To help you with the process of creative thinking, here are a few tips to help you define your post-ownership goals.

THERE ARE NO WRONG ANSWERS

A common response from dealers when we ask them about their post-ownership plans is that it is all hypothetical and therefore hard for them to think about concretely. Our response to this is to remind them that every year they sit down with their management team to create a budget. That budget not only includes the typical items (salary, fuel, repairs, etc.) but typically also includes aspirational items that fit into your longer-term strategic plan such as adding a new location or creating a marketing plan to attract and retain younger customers and employees.

What we are asking you to do with your post-ownership thought experiment is to have similar aspirational thoughts. Ultimately, there are no wrong answers, it is your life so we encourage you to use your creative business brain for the benefit of you personally.

DON'T KEEP YOUR THOUGHTS TO YOURSELF

Emotional discussions can be difficult, especially when they focus on our attachment to our business. However, it is much better to discuss these emotions by finding a trusted family member, colleague, or advisor who can listen objectively to your thoughts. As you begin to define your post-ownership goals, you do not need a concrete objective in mind (e.g.,

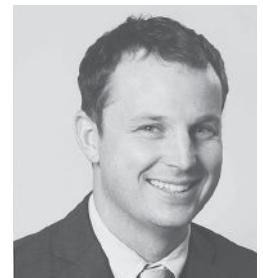
I want to buy an RV and travel to every National Park). What is more important is for you to have another person to talk to, even if your thoughts seem scattered and random. The more you discuss your goals, expectations, and concerns with other people, the more real they become to you and that leads to better defined goals.

IT'S OK TO FEEL UNCOMFORTABLE

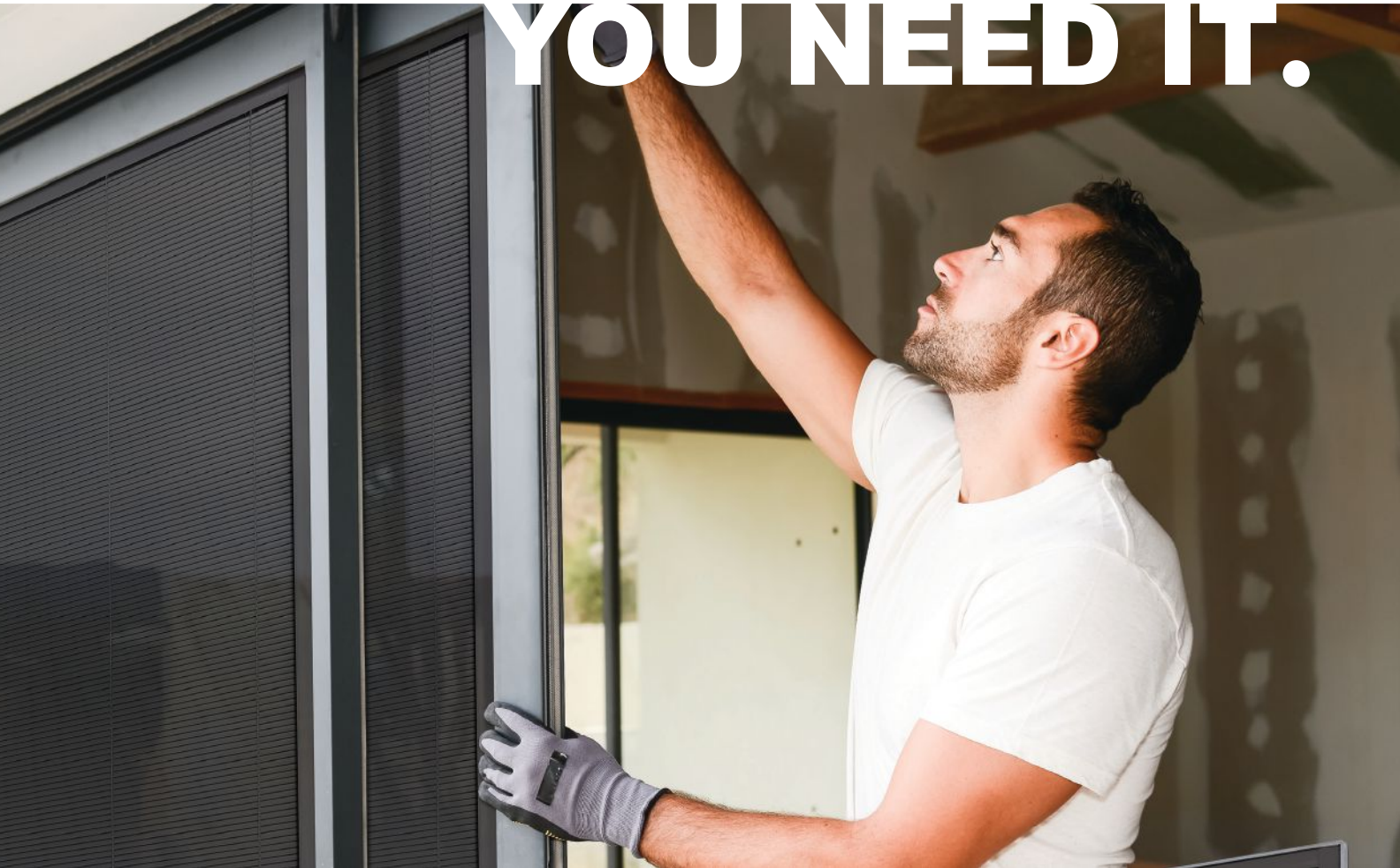
Getting out of your comfort zone is always easier advice to give than it is to implement. However, you have defined yourself as the owner of an LBM business for the past three or four decades, so how could you not be uncomfortable thinking about post-ownership life? But just because thinking about post-ownership life may be uncomfortable does not mean that it should not be pursued. Confronting your inner emotions is the toughest task that most of us face and the earlier you begin the process and the more open you are with yourself, your family, your employees, and your customers, the more you will find that these stakeholders support your goals. In many instances, the people you interact with daily can be your best cheerleaders for moving beyond ownership because they have an intimate knowledge of the work you put into the business each day and they would like to see you spend time putting yourself, and not the business, as the top priority.

There is nothing wrong with wanting to lend your experience to the business in a post-ownership mentoring role. However, if you do not mentally and emotionally move on, the institutional knowledge you could impart on the incoming owner(s) can be overshadowed by your inability to move beyond ownership. That is why defining your post-ownership goals is such an important exercise and why these goals need to involve creative thinking that places you outside of the business. ■

Stratus Wealth Advisors owner and founder Sam Brownell helps independent dealers by quarter-backing a comprehensive succession planning process to provide clients with essential data and advice to make the best decisions for their company and their family. Reach Sam at sbrownell@stratuswealthadvisors.com.



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UPDATES

PEOPLE

AZEK appointed **Daniel Boss** as senior vice president of Research and Development, replacing **Bruce Stanhope**, who will retire this year.

Bob Gleason was promoted to regional sales manager in the Lumberyard division for **SPAX**.

Shay Clark joined **Benjamin Obdyke** as an inside sales specialist.

Tom Parsons and **Jody Buckner** joined the product management team for **Chelsea Building Products**.

Roseburg appointed **Stuart Gray** to the newly-created position of chief operating officer.

INDUSTRY

LP Building Solutions' LP Foundation donated more than \$550,000 in 2021 to support local communities.

LP selected Town of Bath, NY for a new SmartSide facility.

Simpson Strong-Tie donated \$25,000 to Philippines typhoon recovery.

DISTRIBUTION

Cameron Ashley opened a new distribution center in Tuscaloosa, Alabama.

BlueLinx awarded \$3 million in employee bonuses.

R/W Specialties acquired distributor **America Building Products**.

Sherwood Lumber promoted **Michael Glowacki** to lead the company's Exterior Building Product and Outdoor Living division.

ASSOCIATIONS

Kevin Costa of **National Lumber** was installed as president of the **Massachusetts Retail Lumber Dealers Association**.

NLBMDA met with members of President Biden's administration to discuss the impact softwood lumber tariffs and supply chain concerns are having on LBM dealers.

MERGERS & ACQUISITIONS

ODL acquired **Verre Select**, a specialty glass company in Quebec, Canada.

Oldcastle APG acquired recycling and mulch operations of **South Jersey Agriculture Products**.



DANIEL BOSS



BOB GLEASON



SHAY CLARK



CHRISTIAN PARRA



NICK TALARICO



GREG FULLER

CO-OPS & BUYING GROUPS

Do it Best's Spring Market will be held virtually, available online Feb. 11–25.

Do it Best promoted **Christian Parra** to director of international sales and **Nick Talarico** was selected to serve as vice president of Ecommerce. **Greg Fuller** was promoted to VP of sales and business development.

Brett Hammers retired as **Orgill's** executive vice president of sales and purchasing. Other executive retirements announced include **Charlie Epperson**, **Jeff Thomas**, and **Everette Clark**.

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

HOUSING STARTS CLOSED OUT 2021 WITH SOLID GAINS

Home building ended 2021 with strong annual gains as demand accelerated in the wake of the pandemic, according to the National Association of Home Builders. The annual gains were realized despite supply-chain limitations for materials and ongoing access issues for labor and lots. Single-family starts ended 2021 with a 13.4% increase for a total of 1.123 million starts. Multifamily 5+ unit construction ended the year with a 22.1% gain, for a total of 460,100 starts. A component of the missing middle, 2- to 4-unit construction showed a decline for 2021, a 2.8% drop.

For the month of December, overall housing starts increased 1.4% to a seasonally adjusted annual rate of 1.7 million units, according to a report from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau.

The December reading of 1.7 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts decreased 2.3% for the month to a 1.17 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 10.6% to an annualized 536,000 pace in December.

BUILDER CONFIDENCE DIPS IN JANUARY DUE TO INFLATION CONCERNS

Growing inflation concerns and ongoing supply chain disruptions snapped a four-month rise in builder sentiment even as consumer demand remains robust. Builder confidence in the market for newly built single-family homes moved one point lower to 83 in January, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). The HMI has hovered at the 83 or 84 level, the same rate as the spring of 2021, for the past three months.

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ANNUAL EXISTING-HOME SALES HIT HIGHEST MARK SINCE 2006

Existing-home sales declined in December, snapping a streak of three straight months of gains, according to the National Association of Realtors. Each of the four major U.S. regions witnessed sales fall in December from both a month-over-month and a year-over-year basis. Despite the drop, overall sales for 2021 increased 8.5%.

Total existing-home sales, completed transactions that include single-family homes, townhomes, condominiums and co-ops, dropped 4.6% from November to a seasonally adjusted annual rate of 6.18 million in December. From a year-over-year perspective, sales waned 7.1% (6.65 million in December 2020).

Total housing inventory at the end of December amounted to 910,000 units, down 18.0% from November and down 14.2% from one year ago (1.06 million). Unsold inventory sits at a 1.8-month supply at the present sales pace, down from 2.1 months in November and from 1.9 months in December 2020.

UPCOMING EVENTS

FEB 21-23 LBM ADVANTAGE 2022 ANNUAL BUYING SHOW
Kissimmee, FL | lbmadvantage.com

FEB 24-26 ORGILL 2022 DEALER MARKET
Orlando, FL | orgill.com

MAR 7-8 NORTHWESTERN LUMBER ASSOCIATION (NLA) EXPO NORTH
St. Cloud, MN | nlassn.org

MAR 10-11 EMERY JENSEN EDGE
Las Vegas, NV
emeryjensendistribution.com

MAR 23-25 LMC ANNUAL MEETING
Tampa, FL | lmc.net

JUL 28-31 BUILDING MATERIAL SUPPLIERS ASSOCIATION SUMMER CONFERENCE
Myrtle Beach, SC | mybmsa.org

SEP 9-12 DO IT BEST FALL MARKET
Indianapolis, IN | doitbestonline.com

OCT 12-14 LBM STRATEGIES CONFERENCE
Denver, CO | lbmstrategies.com

TOUGH CALL ANSWERS

ANSWERS TO OUR NOVEMBER/DECEMBER TOUGH CALL SURVEY:

THE EXPENSIVE INVENTORY BLUES

YOUR DECISION TO STOCK UP ON COMMODITY LUMBER AND PANELS JUST BEFORE PRICES PLUNGED HAS YOU STUCK WITH A LOT OF EXPENSIVE INVENTORY. HERE'S HOW READERS WOULD HANDLE THIS TOUGH CALL.



SURVEY RESULTS FROM LBMJOURNAL.COM

12.5%
MINIMIZE INVENTORY. Looking back, stocking up on high-priced lumber was a mistake. Instead of taking the risk of overpaying, maintain minimal inventories of key goods. Better out of stock than to lose money on a sale.

54.6%
STAY THE COURSE. As hard as it is to sell products at a loss, that's better than not having what your customers need, when they need it. Maintaining healthy inventories is the smart long-term play.

23.2%
SHARE THE SITUATION. Let your builder customers know about the pricing whiplash you're experiencing and ask them to work with you as far in advance as possible when planning their material needs.

9.7%
GET BUY-IN. Next time you're faced with a high-stakes inventory decision, get commitments from your builders. That way, you're sharing the risk.

CONSTRUCTION INPUT PRICES INCREASE IN DECEMBER, ABC SAYS

Construction input prices rose 0.6% in December compared to the previous month, according to an Associated Builders and Contractors analysis of U.S. Bureau of Labor Statistics' Producer Price Index data. Nonresidential construction input prices also rose 0.6% for the month.

Input prices for all three energy subcategories decreased for the month. Crude petroleum was down 16.4% in December, while unprocessed energy materials and natural gas were down 13.1% and 12.0%, respectively. Prices in all three energy subcategories, however, are still up significantly on a year-over-year basis. Overall construction input prices are up 22.3% from a year ago, while nonresidential construction input prices have increased 23.2% over that span.

NAHB: LATEST WAVE OF RISING LUMBER PRICES ADDS MORE THAN \$18,600 TO NEW HOME PRICE

Following a few months of moderating prices last spring and summer, lumber prices are soaring once again, disrupting the housing market and harming housing affordability, NAHB says.

Over the past four months, lumber prices have nearly tripled, causing the price of an average new single-family home to increase by more than \$18,600, according to National Association of Home Builders standard estimates of lumber used to build the average home. This lumber price hike has also added nearly \$7,300 to the market value of the average new multifamily home, which translates into households paying \$67 a month more to rent a new apartment.

According to Random Lengths, as of Dec. 29, the price of framing lumber topped \$1,000 per thousand board feet—a 167% increase since late August.



NAHB calculated these average home price increases based on the softwood lumber that goes into the average new home, as captured in the Builder Practices Survey conducted by Home Innovation Research Labs. Included is any softwood used in structural framing (including, joists, beams, headers, rafters and trusses), sheathing, flooring and underlayment, interior wall and ceiling finishing, cabinets, doors, windows, roofing, siding, soffit and fascia, and exterior features such as garages, porches, decks, railing, fences and landscape walls.

NAHB: DOMESTIC SAWMILLS LAG HOUSING PRODUCTION

The National Association of Home Builders says the failure of domestic sawmills to sufficiently boost output to meet strong home buyer demand was a primary factor that contributed to record-high lumber prices and price volatility in 2021. Soaring lumber prices, combined with delays and higher costs for other building materials, continued to be a significant limiting factor for home building throughout 2021 despite a mid-year three-month lumber price decline, NAHB says on its NAHBNow blog.

With a historically low level of overall housing inventory and solid demand due to low mortgage interest rates and favorable demographics, new construction has been unable to add additional needed supply to the market, resulting in unsustainable gains for home prices.

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SINGLE-FAMILY STARTS POST DOUBLE-DIGIT GAINS IN 2021

While single-family starts dipped in December due to ongoing supply-side challenges, they still managed to post double-digit gains in 2021, reports the National Association of Home Builders. Overall housing starts increased 1.4% in December to a seasonally adjusted annual rate of 1.70 million units, according to a report from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau.

The December reading of 1.70 million starts is the number of housing units builders would begin if development kept this pace for the next 12

months. Within this overall number, single-family starts decreased 2.3% to a 1.17 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 10.6% to a 530,000 pace.

Total housing starts for 2021 were 1.60 million, a 15.6% gain over the 1.38 million total from 2020. Single-family starts in 2021 totaled 1.12 million, up 13.4% from the previous year. Multifamily starts (5+) in 2021 were up 22.1% compared to the previous year. Overall permits increased 9.1% to a 1.87

million unit annualized rate in December. Single-family permits increased 2.0% to a 1.13 million unit rate. Multifamily permits increased 21.9% to a 745,000 pace.

Looking at regional permit data on a year-to-date basis, permits are 22.4% higher in the Northeast, 14.4% higher in the Midwest, 16.3% higher in the South and 19.0% higher in the West.

Single-family homes permitted but not authorized are now declining—down to 144,000 compared to 154,000 in October. However, they are still up 38.5% compared to a year ago.

REMODELER SENTIMENT CONTINUES TO IMPROVE YEAR-OVER-YEAR

The National Association of Home Builders NAHB/Royal Building Products Remodeling Market Index (RMI) for the fourth quarter posted a reading of 83, up four points from the fourth quarter of 2020. The finding is a signal of residential remodelers' confidence in their markets, for projects of all sizes.

The NAHB/Royal Building Products RMI survey asks remodelers to rate five components of the remodeling market as "good," "fair" or "poor." Each question is measured on a scale from 0 to 100, where an index number above 50 in-

dicates that a higher share view conditions as good than poor.

The Current Conditions Index is an average of three components: the current market for large remodeling projects, moderately-sized projects and small projects. The Future Indicators Index is an average of two components: the current rate at which leads and inquiries are coming in and the current backlog of remodeling projects. The overall RMI is calculated by averaging the Current Conditions Index and the Future Indicators Index.



Any number over 50 indicates that more remodelers view remodeling market conditions as good than poor.

The Current Conditions Index averaged 89, a four-point increase from the fourth quarter of 2020. All components also posted increases compared to the fourth quarter of last year: large remodeling projects (\$50,000 or more) climbed seven points to 85, moderately-sized remodeling projects (at least \$20,000 but less than \$50,000) rose two points to 90 and small remodeling projects (under \$20,000) increased two points to 91.

"The year-over-year increase in the RMI indicates ongoing strength in the remodeling market, although it is important to note the survey data were collected in late December and early January and do not fully capture recent increases in interest rates," said NAHB Chief Economist Robert Dietz. "Going forward, NAHB expects remodeling activity to continue to grow in 2022, although not as fast as it did in 2021."

JCHS: REMODELING BOOM MAY PEAK IN 2022

Spending for home improvements and repairs is expected to expand at a stronger pace in 2022, but signs point to some easing of growth by year end, according to the Leading Indicator of Remodeling Activity (LIRA) by the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University. The LIRA projects double-digit gains in annual homeowner renovation and maintenance expenditure will top out in the third quarter of 2022 before beginning a deceleration toward more sustainable rates of growth.

"Strong increases in home sales activity, household incomes, and home equity levels are supporting a faster expansion of the home remodeling market over the coming year," says Carlos Martín, project director of the Remodeling Futures Program at the Center. "As owners continue to navigate the ups and downs of the pandemic's trajectory, the focus on home improvements for changing wants and needs remains in sharp relief."

"While annual owner improvement and repair spending could reach \$430 billion by the second half of 2022, several headwinds may still temper growth expectations this year," says Abbe Will, associate project director of the Remodeling Futures Program. "The rising costs of labor and construction materials, difficulty retaining contractors, and climbing interest rates could discourage owners from undertaking new or larger remodeling projects."

BY THE YARD NEWS FROM LUMBERYARDS AROUND THE COUNTRY

BUILDERS FIRSTSOURCE ACQUIRES NATIONAL LUMBER

National Lumber was the largest independent building materials supplier in New England. A 2016 LBM Journal Entrepreneur of the Year, National Lumber operates 19 facilities and employs more than 700 people across Massachusetts, Connecticut, and Rhode Island.

R.P. LUMBER CELEBRATES 45 YEARS

R.P. Lumber is celebrating 45 years since Robert and Donna Plummer—school teachers at the time—founded the company in Staunton, Illinois. Today R.P. Lumber operates 81 lumberyards, two components manufacturing facilities, a farm and ranch retail subsidiary with 22 locations, and is involved in numerous other business and civic ventures.

RICHARDS BUILDING SUPPLY ACQUIRES SIBCO BUILDING PRODUCTS

Richards Building Supply of Homer Glen, Illinois is purchasing Dayton, Ohio-based SIBCO Building Products. "SIBCO was a natural choice for the addition to our portfolio with their commitment to service and family values," Ronald M. Guzier, CEO and president said. "We want to thank our customers for trusting us to serve them. It's because of them we are expanding into the greater Dayton area."

CORBIE BIDDLE RETIRES FROM HIGGINBOTHAM BROTHERS & COMPANY

Biddle began his career with Kermit Wholesale Lumber in the late 1970s, then spent 26 years with Foxworth Galbraith Lumber, before leading the Higginbotham Brothers organization for the past 13 years.

PARR LUMBER ACQUIRES ROOF TRUSS SUPPLY

The Parr Company operates 44 facilities in Oregon and Washington, including professional and retail building supply yards, cabinet design centers, pre-hung doors and millwork, truss and floor truss manufacturing plants, and a wholesale hardware distribution warehouse.

US LBM FOUNDATION DONATIONS

The US LBM Foundation, a nonprofit organization founded by specialty building materials distributor US LBM, has committed \$100,000 to assist recovery efforts for communities impacted by the recent tornadoes in the South and Midwest. The organization also donated \$100,000 to Meals on Wheels.

NISBET BROWER ACQUIRES PEASE WAREHOUSE & KITCHEN SHOWROOM

Nisbet Brower Building Materials, based in Loveland, Ohio, announced the acquisition of Pease Warehouse and Kitchen Showroom, in Hamilton, Ohio.

TAL ACQUIRES BAYVIEW BUILDING MATERIALS OF ELMA

TAL Holdings is a 15-store home improvement company with seven operating brands in Washington, Oregon, Idaho, and Montana.

KELLY FOX PROMOTED AT KODIAK BUILDING PARTNERS

Kodiak created Fox's new position, senior vice president of the General Lumber Group. Fox previously served as the operating company leader for Frontier Building Supply and Builders Alliance as the president of Kodiak Building Partners Northwest.

TOM BARCLAY PROMOTED AT GANAHL LUMBER

Ganahl Lumber has promoted Tom Barclay from general manager to the newly-created role of chief sales officer. Barclay has served Ganahl Lumber for 41 years.

DAVID STAUTER NAMED PRESIDENT AND COO AT TIBBETTS LUMBER

Stauter assumed day-to-day leadership of the company effective Jan. 5. Stauter, a lumber industry veteran, has served most recently as the company's senior vice president since 2019.

GILLMAN HOME CENTER OPENS 14TH LOCATION

The new location, in Hartford City, Indiana, marks the 14th store for the company, which was launched in 1995 by Owner Charlie Gillman. Gillman Home Center was recognized as an LBM Journal 2020 Dealer of the Year.

84 LUMBER DONATES TO KENTUCKY TORNADO RELIEF

To assist with relief from the devastating tornado that hit the town on December 10, the company donated \$100,000, plus an additional \$25,000 in building materials.

INTERSTATE + LAKELAND LUMBER ENTERS CENTENNIAL YEAR

Connecticut pro dealer Interstate + Lakeland Lumber is celebrating its 100th anniversary this year. Founded in 1922 by Leon Kahan, the company began as Interstate Lumber & Mill Corporation in Greenwich, Connecticut.

BUILDERS FIRSTSOURCE ANNOUNCES MORE THAN \$2 MILLION IN CHARITABLE CONTRIBUTIONS

The company raised more than \$1 million for The Leukemia & Lymphoma Society in 2021, and also committed to contribute more than \$1 million to select non-profits.

GOLDSBORO BUILDERS SUPPLY ACQUIRES MEBANE LUMBER

With the addition of Mebane Lumber, Goldsboro Builders Supply, based in Goldsboro North Carolina, now operates seven locations as well as other real estate and construction-related entities.

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.

Time management is critical to achieving optimal sales volume

BY BILL LEE

OTHER THAN SELLING SKILLS, salespeople's ability to discipline themselves to do an effective job of managing their time is highly critical to success. When it comes to time, we are all equal in that we are all given 24 hours a day, but some salespeople get a great deal more done in their 24 hours than others.

When you analyze which aspects of your job consume the most time, the list is long; but servicing your customers is usually the most time consuming of all. And have you ever noticed how frequently it takes you just as much, if not more, time to service a low-volume customer than it does a high-volume customer?

A few weeks ago, I was given the job of analyzing one of a client's salespeople who was not realizing his full potential. I learned that four of his customers gave him almost 100% of their purchases and his remaining 48 customers purchased an average of only 38% of their total purchases from this salesperson.

The only way to earn a larger share of his low-yielding customers' business was to spend more time working those accounts, but the salesperson didn't believe there were enough hours in the day to make that happen.

Here is what we learned from looking at how this salesperson was using his time: While there are 365 days in a year, no one can work all 365 days and keep their family happy, so we began to look at the number of days this salesperson had at his disposal:

172 days he could make no sales calls whatsoever

104 were weekend days

31 days were made up of company meetings, out of town travel, etc.

15 were days spent attending training classes

15 were vacation days

7 days were paid holidays

This left him 193 days out of 365 days when he could make sales calls. The problem is that this

salesperson inherited all his current customers, and his company expects him to take care of all of them. But looking at the way this salesperson is managing his time, he is "fighting fire" more so than he is targeting a larger share of his low-yielding customers' purchases.

Something has to change. The salesperson is between a rock and a hard place.

I believe time optimization is what this situation called for. He can't seem to spread himself as thin as necessary to work this many customers, so he should consider analyzing his customer list and spin off enough of his low-yielding contractors to give him the quality time he needs to grow his customer share.

In a company the size this salesperson is representing, there are always new salespeople who would like to have a few more customers, so it's not usually a problem reassigning some customers to other salespeople who have the time to work more accounts.

If this salesperson doesn't possess an excellent work ethic, it might not be such a good idea to spin off some of his customers to give him more time to grow his customer share. He is an extremely hard worker who knows how to use his organizational skills and his knowledge of construction to earn a larger share of his customers' business. His manager has failed to realize the Catch 22 this salesperson is in with respect to his time.

There is nothing that says a salesperson has to treat all customers equally; especially when there simply are not enough hours in a day to give your customers the time and attention they deserve.

Customer discrimination can sometimes be a win-win solution for both the salesperson and some of the salesperson's customers.

Try this: Estimate what percentage of each of your customers' purchases you are selling. Are there customers you could spin off to give yourself the time you need to increase your customer share with the customers you retain? ■



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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Build from within for sales force success

BY RICK DAVIS

THE LBM SALES FORCE is aging, a reality few deny. Therefore, the challenge is to create the next generation of salespeople for your organization, which can happen in only two ways. The first is to hire experienced sales replacements; the second is to build from within. Given the fact that our salesforce is aging, there is an expiration date on the first option. This leaves us with the only commonsense approach, namely, to build from within.

Hire for attitude. The most successful companies hire right. They seek individuals who are career driven and want to work with a sense of purpose. The companies with legendary track records for hiring (e.g., Southwest Airlines, Zappos, The Container Store) all hire with the same mantra. Hire for attitude; train for skill.

This means the dialogue about career development begins in the very first interview. Define the characteristics you seek in an ideal performer. (For sales, I seek leadership, teamwork, perseverance, organizational skills, and a desire for personal growth.) During the interview, bluntly tell people you're seeking future sales superstars, managers, and executives. Paint a picture of future success for candidates. Engagement can't start *after* the associate joins your team; it begins with the first interview.

Train for skill. This means defining the mechanics of selling. Some will argue that salespeople are born with the natural talent for success. I will argue until the end of time that selling is a process. For sure, some people are born with better DNA for the position, but this does not negate the necessity for learning fundamentals of cold calling, business listening, territory management, and a host of additional skills. Sales leaders might hope and presume that salespeople will figure out how to do the job after they are promoted. My money is on the organizations with a structured process for skills development they teach to outside salespeople before they enter the role and continually long after.

Training is not the end; it's the beginning. Good leaders inspect what they expect. Outside salespeople are invisible performers. They operate in a vehicle, away from the office, without supervision while interacting repeatedly with your valued clients. The only way you can know what they are doing when you're not looking is to know what they do when you *are* looking. This means getting into the field and riding along with outside salespeople.

My process for onboarding a new outside sales hire includes numerous observation-and-coaching sessions in the field. During that time, the salesperson is expected to schedule full days of appointments. He/She is expected to sprinkle prospect meetings along with productive customer interactions. During the coaching ride-along, I am observing to ensure that the salesperson proves they are prospecting, creating meetings that grow sales, negotiating properly and, in short, representing the company as a credible sales leader.

The best organizations, in any discipline, have a system. The Pittsburgh Steelers, the team with more super bowl championships than any other, have been competitive for decades, and the Detroit Lions not so much. The St. Louis Cardinals, the most successful National League team in history, have the "Cardinal way," and the Chicago Cubs not so much. Good organizations have a "system."

Selling is a system. There is no way any organization can rely on the recruitment of established sales professionals indefinitely because the pool of talent is aging out. If you want to build a true sales "force," a term I am using here not as a group of people but instead a true market force, you need a system to hire and train.

What's the worst that could happen? You might hire a bunch of really enthusiastic people and discover only a few become great outside salespeople while others become quality contributors in all the other areas of your business.

One thing is certain, the sales force you create for tomorrow begins today. ■



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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What's your talent brand and how can it help with hiring?

BY RIKKA BRANDON

IN THIS LABOR MARKET, job candidates have the upper hand—and the luxury of being picky and holding out for the job and company they truly want. And that means you need to work harder than ever to make your business more appealing.

Pay and benefits are critical elements to attracting top talent. But they're not everything. To be a company people want to work for means defining and nurturing your talent brand.

What is your talent brand? Simply put, it is the reputation your company has in the market. It is driven by the experiences your employees have with company leadership and managers. It helps candidates understand why they want to work for you and whether they'll fit in and belong.

But it's important to note that talent brand is something that you either intentionally create or it will just happen on its own. Which means if you aren't intentional, you're not in control of this important element of your hiring ability.

HOW TO BE INTENTIONAL ABOUT YOUR TALENT BRAND

Getting intentional about your talent brand requires some forethought—determining what your organization and culture represent and stand for. Once you've crafted your talent brand, you then must “tell and sell.”

The “tell” answers what you do, how you do it, and who you do it for. The “sell” is the way you demonstrate how you live those core values. In other words, you tell job candidates that your company is family friendly. But do you sell that value by giving employees flexibility to leave an hour early for their kid's soccer game? Or are you only family friendly to those with their names on the door?

The way you sell your talent brand isn't always directly to current candidates. For example, your community involvement demonstrates your values, as well. If your business is sponsoring Habitat for Humanity or the local softball team, you're landing on the radar of those who find these values important.

HOW TO USE YOUR CORE VALUES IN HIRING

Your core values don't just attract great candidates—they're part of the criteria you should use to hire employees who will fit in with your company culture.

To do this, you need to apply your core values to your interview process. In previous columns, we've discussed different types of interview questions—functional, behavioral, and situational. Situational questions, which require job seekers to respond to a specific hypothetical situation they may face on the job, are an ideal place to ascertain how the candidate might fit in with your talent brand. These questions are designed to help determine what the person you're interviewing will really be like on the job and if their approach to dealing with challenges matches your company's core values.

Having core values that mesh with the company's is also critical to helping them succeed and to stay. If you make it easy for them to show you how they will work on a day-to-day basis, it will provide a better idea of how they will fit in long term.

Here's an example of a situational question for a new salesperson and how their response might determine how they'll fit in: *“How would you go about building your book of business in the first 90 days?”*

We're not looking for them to give the exact answer they would if they had already gone through your training, but what we are looking for is their ability to think on their feet and show how they would solve the challenge if left to their own devices.

Situational interview questions like this then set you up to ask follow-up questions and have a deeper dialogue about the work they'll be doing and how they would approach it. These responses and the nuances within can help you ascertain whether they are a fit for your company and needs.

Your talent brand is an important tool for recruiting and retaining employees. It's how you attract great candidates—and it's how you ensure they're a fit that lasts. ■



Rikka Brandon is a leading recruiter for the LBM industry. She's the CEO of BuildingGurus.com and founder of RecruitRetainRock.com where she helps business leaders solve their recruiting and retention challenges.



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Start digging the well before you're thirsty

BY RUSS KATHREIN

PEOPLE HAVE ASKED ME how I have been able to grow my career. The answer I most often give sounds a bit tongue-in-cheek, but there is truth to it. I tell people, "I'd rather be lucky than good." But then I add, "But you need to make your own luck!"

Making your own luck comes in different forms, like dressing for the job you want, not the one you have. Envisioning a successful shot is how many professional golfers improve their game, so why not envision a successful presentation or conversation with a client or your boss? Taking advantage of an opportunity—or grabbing the brass ring when it comes by—is another way of making your own luck. Unfortunately, many people will wait too long to make a decision when an opportunity appears, or decline it out of fear of failing. Regardless of how it comes, one of the best ways you can leverage it is being prepared.

There is obvious preparation that comes with schooling and training, or small things like always bringing a pad of paper and a pen with you when you attend a meeting. However, it is preparing for the things you don't know or don't need that make all the difference.

When I first started out in our industry, my brother and I bought our family business while it was still in Chapter 11 bankruptcy due to an overzealous state Department of Revenue audit. We were a successful business, but we needed to buy some time while we fought the state audit. So, the company filed for bankruptcy protection. Once we straightened things out with the state, we needed to get new bank funding to exit Chapter 11. I started personally calling on banks with our business plan. Unfortunately, in the early 1990s, bankruptcy was regarded as a scarlet letter, so it took me 72 bank presentations and meetings until I found one willing to loan us the money. During one of those many meetings a banker took pity on me. While he declined our loan request, he gave me some really sound advice. He said, "Next time, don't wait until you need the money before you start building a relationship with a bank." That

piece of advice has stayed with me my whole career and spread to many different areas beyond banking.

When I owned my business, I would frequently get calls from headhunters exploring my interest in jobs they were trying to fill. While I was not rude to them, I dismissed them fairly quickly because I didn't see a need for them in my future. Years later, when I decided I wanted to sell my stake in the business to my brother and move into something new, I realized I hadn't built up any kind of network or industry contacts I could lean on. Fortunately, some industry friends introduced me to opportunities that allowed me to move on and advance my career. I never forgot that lesson. From then on, I always took the time to listen to headhunters' calls and give them names of people I thought might be interested in the jobs they were looking to fill. I also took it one step further. Any time an industry friend was out of a job, I did whatever I could to help them find a new one. I would tell them two phrases that drove me: "A friend in need is a friend indeed" and "There, but for the grace of God, go I."

So while all generals plan for their army's success, good generals have a Plan B, or even a planned retreat. Being successful in the present is no guarantee of success in the future. I am guessing that no one in the taxi business thought they would be threatened by the internet, but then along came Uber. You may have a clear picture of what your career will look like, but technology, acquisitions, or the economy could change all of that on a dime. Plant seeds for alternative options, even ones you may never end up needing. Do favors for people with no expectation of anything in return. Think ahead and determine what resources you may need in the future for yourself or your business.

A person who finds themselves in a drought may feel lucky they have water. But it was their advance preparation that made sure the water was there when they needed it. Dig your wells early and often—and be prepared whether you need them or not. ■

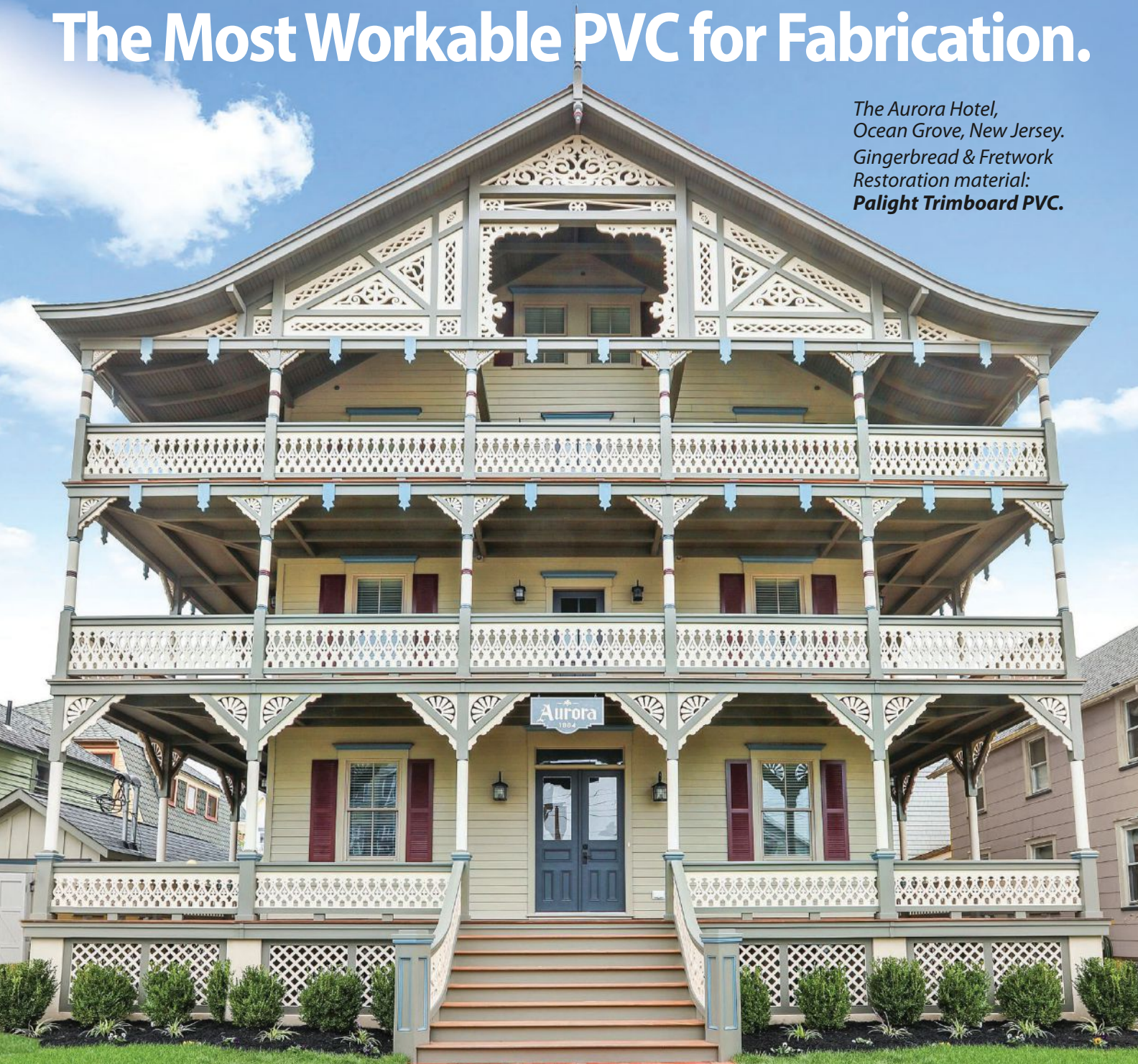


Russ Kathrein is with the LBM Division of Do it Best Corp. based in Fort Wayne, Indiana.

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Welcome to building materials credit

BY THEA DUDLEY

Dear Thea,
I am new to credit management in this industry. My previous credit experience was in another industry which was pretty cut and dry regarding credit granting. I am now dealing with a whole other level of customers, many who are considered “high risk.” They are either COD or half down with balance upon delivery. These customers take up an enormous amount of time and energy. Why do we agree to do business with them at all? When I have questioned my boss or our sales reps, I get a lengthy dissertation about the industry or an eye roll. What am I missing?

— Risky Business in Highland Park

Dear Risky Business,
 If wishes were horses, beggars would ride. Same with credit and customers. If every customer came charging up to your company on a shiny white horse, fully armed with their even shinier credit report, where would the fun be in that?

I don't know what industry you came from, but it sounds like the land of unicorns and rainbows. An industry where credit is cut and dry? Where every customer is solid? No COD, negotiation of how you are going to get paid—what did you do in all your spare time and why did you leave this proverbial credit promised land?

We do business with them because, for better or worse, without that slice of the business segment, some of us would not be as profitable, move as much product, or even keep our doors open.

If you are dreaming of a portfolio full of clearly legible customer credit applications, complete with stellar credit reports, flawless financials, and 850+ credit scores, snap out of it. You are now in credit management in the building material space, complete with a side order of construction.

I think you are looking at this all wrong. Don't misunderstand me, higher risk customers are more work. It takes way more effort to find solutions, alternatives, and ways to justify credit lines to sell those super marginal customers, but who doesn't love a challenge?

Some of these customers are the nicest people, but they could not pay on time to save their lives. Some have the best of intentions, but nothing seems to go as they plan, and others are outraged and cannot believe that you won't extend them credit. All still need product and can add to your bottom line. They are going to purchase somewhere, why not from you?

The art of the deal awaits you. Depending on your appetite for risk, your company's flexibility, and your own creativity, you can find a way to say yes. It may not be the “yes” of your customer (or sales rep) dreams, but you can find ways to sell to them.

You've got: COD, half down, half on delivery, small, micromanaged credit lines, very limited terms, personal guarantee, cross corporate guarantee, joint check, preliminary lien notices on projects. Lots of options—not all appreciated, but options none the less.

Stop wishing for the credit pasture you left, saddle up for the rodeo that is your life now. ■



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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The value of a good CPA

BY JOHN WAGNER

MAKE NO MISTAKE, if you are going to sell your business, just after you sign your letter of intent some very sharp analysts will be pouring over your financial statements, reaching back years. These analysts are invariably very well trained.

They rarely miss anything, either when examining your bookkeeping, your tax returns, your tax and wage accruals, or any pre-close liabilities that should rest with you or be settled out of the deal proceeds. Their mission is to “guard the back door” of their employer (the acquirer), so that after the transaction is closed, there are no surprises, and the acquirer doesn’t end up holding the bag on a liability that rightfully belongs to the seller.

Any “home cooking” you have done with your books—even when generated with the best intentions—will be called out, and efforts to rectify any errors will often be time-consuming, delaying the closing. And that’s to say nothing of how one of these analysts may point out that “where there’s smoke, there’s fire...” and they’ll want to dig a little deeper than they might have if they found your books largely error-free.

There’s a simple remedy to this situation, and that’s to engage a well-regarded, third-party CPA who creates your financial statements (balance sheets and income statements) using GAAP methods (*Generally Acceptable Accounting Principles*). The objectivity of the third-party CPA will burnish the credibility of your financial statements, not only because of their reputation and professionalism, but also because the CPA often assumes a *contingent liability* if reporting errors are passed along to their clients.

TYPES OF STATEMENTS

When engaging a CPA, note that they can deliver three types of financial statements: compiled, reviewed, and audited.

No matter who creates the financial statements (a CPA, bookkeeper, or yourself), a *compiled* statement is a basic summary of your company’s financial status, with no assurances (third-party or otherwise) on its correctness, and no assurance on internal company controls.

A *reviewed* statement achieves a much higher level of confidence in the correctness of the financial reports. That’s because the CPA assures that the reports were created with GAAP methods. In fact, the CPA is required to sign a statement that assures recipients that GAAP was used. (Typically, when we are taking a company to market, we will accept compiled statements for some past years, but reviewed financials for the previous fiscal year and for the year-to-date intervening months.)

Audited financial statements offer the highest level of assurance to third parties and are also the most costly; audited statements are usually reserved for larger companies.

QUARTERLY OR MONTHLY?

Although it may cost slightly more to have your CPA create monthly reports instead of quarterly reports, monthly reports are essential in the LBM sector, largely because of how rapidly inventory costs fluctuate, and how rapidly inventory turns. Monthly reports (income statements and balance sheets) are also essential to create an accurate NWC (*net working capital*) “peg” that is a central element of any transaction closing (e.g. among other features, the NWC “peg” establishes how much cash you, the seller, can take off your balance sheet at closing).

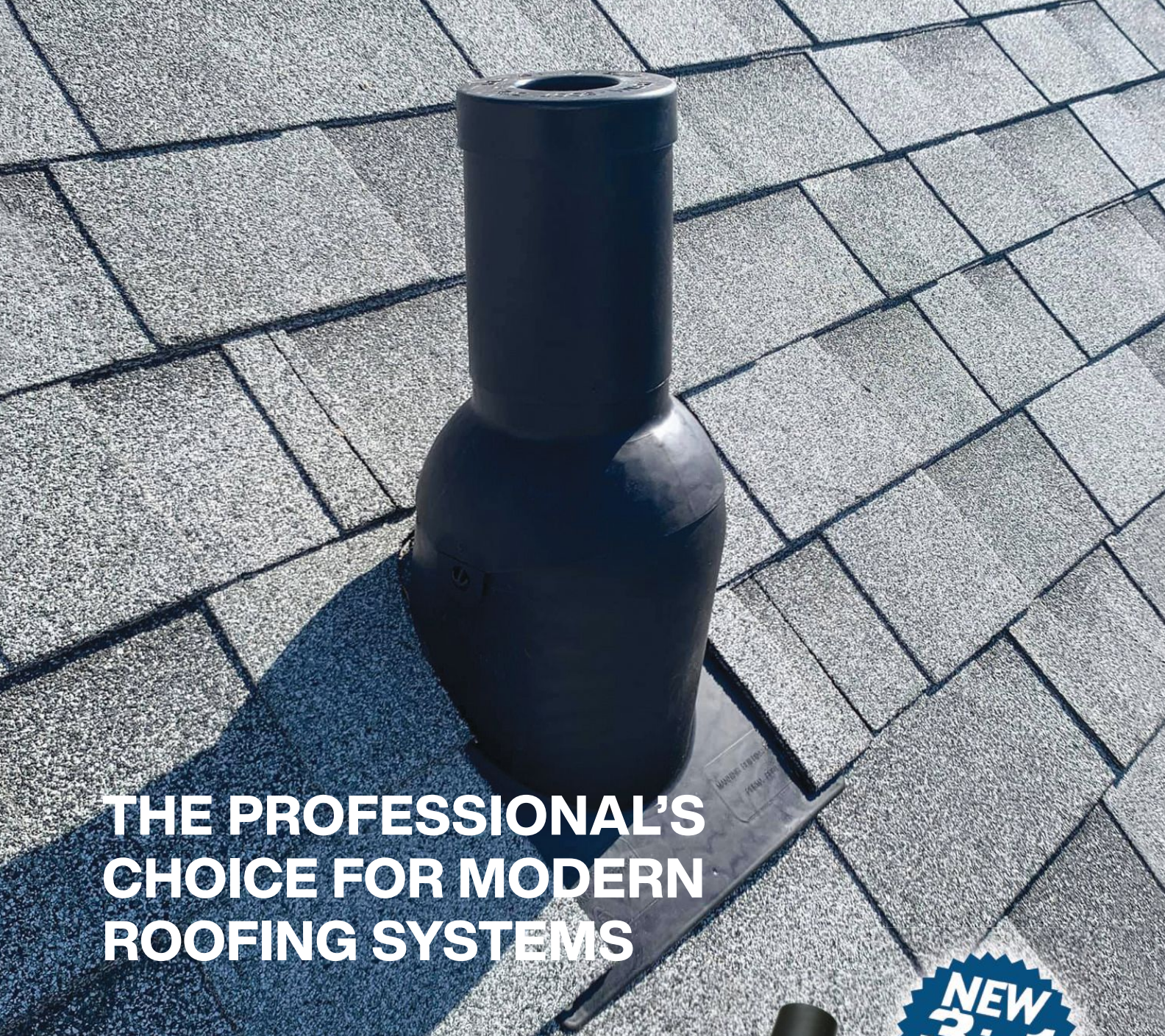
TRANSACTION EXPERIENCE

When selecting a CPA, look for one that has M&A *transaction experience*, meaning a CPA that has kept the books for a company that was either a buyer or seller in an acquisition. If the CPA works with the local carwash or car dealer, that doesn’t train them in the idiosyncrasies of M&A, like multiples of adjusted EBITDA, who pays for F-re-org tax payment “gross-ups,” or how to distinguish between capital leases and operational leases when determining indebtedness to be resolved at close.

Fact is, a good CPA is worth their weight in gold, and well worth the expense to retain one. Ideally, you’ve had a relationship with your CPA for several years, so they can attune themselves to the inner workings and idiosyncrasies of your business. ■



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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Blue-collar blues

BY SHANE SOULE

OUR GREATEST collective industry challenge is expanding. It's not sourcing materials. It's not inflation. It's the lack of people who want to get their hands dirty and turn our materials into final products.

Blue-collar employees are now as important as white-collar staff, if not more important. I don't know about you, but we can obtain 50 applications for an office manager and only one for a forklift operator. The fact is that this issue presents a mounting threat to our whole society, and yet there's an absence of strong solutions or strategies to improve it.

The labor problem is not the same across the board. It's worse for positions that require extensive skillsets, including those that are hard to teach or hard to learn. While these kinds of employees are difficult to source, they're even more difficult to replace. Yet many companies in our industry still neglect this issue by skimping on training and ignoring the competitive advantages of a strong focus on culture.

A strong culture is a dynamic target, and employees are inspired by different priorities than they were in the recent past. Yes, pay and benefits are still important, but they aren't what will keep your team devoted and motivated. Today's team members want to feel that their efforts are valuable, and they prefer to receive continuous feedback on them. They also want to believe that they have a promising future at their company as well as a clear route for professional advancement.

Instead of singing the blues, consider these strategies to swap scarcity thinking for an abundance mindset.

CAREER PATH MAPPING

Your ability to map out a career for your team members is one of the most important talent acquisition tools you have. It shows employees that you are invested in their future and want to help them grow. Instead of focusing solely on short term rewards or bonus structures and assuming you know what your team members want, get to know them. Engage your team members to find out what their goals and dreams are. With this kind of valuable infor-

mation, you can work together to formulate a growth plan for each individual and communicate with them regularly about it. The goal is for each member to develop personally and be promoted to the extent of his or her capacity.

Either you encourage healthy development from within, or remain compelled to hire expensive talent from the outside.

Publish and share career path opportunities by position. Some of the best sales reps and product managers come from the yard. Noteworthy as well is the fact that drivers are now some of the highest paid team members in our companies.

RECRUIT LIKE A COLLEGE COACH

One area of heavy focus should be high schools and trade schools. Your future talent is there, and the difference between you and your competition is your ability to recruit them and help them become actively engaged in your culture. Think about the many opportunities you are competing against—from pursuing college degrees to exploring other talent-starved industries. Get aggressive this year and create a proactive recruiting plan with your local high schools. Many companies are now starting operational employees as high as \$18-\$20/hour. That's almost \$50k per year (averaging 45 hours per week). Show these recruits why your company is not only a good job, but a great career. Show the career paths you've created alongside the salaries and benefits they can expect to see. If done well, you'll be in the enviable position of choosing from among the best up-and-coming talents.

What are your key areas of focus for the new year? If talent acquisition is not at the top of the list, I urge you to reconsider. You can have the best facilities and the strongest sales team around, but if you don't have a great operational staff, it's a moot point. We're currently wasting time and money in our hiring processes because we continue to try to put a square peg in a round hole. Things have changed. We can do better, and as an industry, if we do better first, our companies and our employees will benefit for years to come. ■



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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Q: Late in 2021, your company announced a rebrand and consolidation of several of its brands under one roof. What drove the change and how did the update affect Barrette Outdoor Living dealers?

A: We wanted to strengthen the Barrette Outdoor Living brand to increase our overall presence and awareness in the marketplace. By consolidating multiple brands under one umbrella, our primary goal was to improve the homeowner experience by providing more of a “one-stop” solution for all of their outdoor living needs. Previously—with our fencing, railing and decking products all falling under different brand names—the Barrette Outdoor Living name was rather diluted. Now, our interactions with the end consumer are much more transparent with Barrette Outdoor Living at the forefront. This not only improves our interactions with homeowners, it also is an opportunity to increase sales leads for our expansive national network of dealers and contractors.

Q: As more homeowners continue to focus on home improvement brought about by the COVID-19 shutdowns, what products from Barrette Outdoor Living should dealers look to promote?

A: Many of our new 2022 products coincide with our new brand campaign that emphasizes getting outside—encouraging people to express their “outside side” by bringing inside activities to outdoor spaces. We’ve always provided traditional ways for homeowners to improve their outdoor areas with our fencing, decking and railing products, but now we’ve started to introduce unique ways to create more welcoming and intimate spaces. For example, our wide assortment of Decorative Screen Panels can be used in a variety of applications including with our new aluminum Pergola to provide privacy and shade, as infills with select railing products to offer a unique semi-privacy design, or within our framing system create a privacy barrier or hide unsightly areas in the yard.

Q: In the past year, Barrette Outdoor Living has expanded in the decking and fencing categories. What changes can customers expect in 2022?

A: With all of our products, the biggest change customers can expect to see is in ease of installation—it’s been a top priority and we’ve been hard at work making sure installation of our products is as easy as possible. We’ve added several new and exciting vinyl fencing products—including two styles of horizontal vinyl fencing that feature a structural post channel that allows infill boards to easily slide and lock into place. We’ve also updated our mixed material fencing line to make installation of vinyl infill boards in either a horizontal or vertical direction possible—and easy. We also developed a special railing adapter kit that enables our decorative screen panels to be easily inserted and used as infills in select railing products. And our new InstaDeck Outdoor Flooring System—a snap together tile system—makes it easy for homeowners to add a freestanding, ground-level deck.



Jean desAutels is CEO of Barrette Outdoor Living—a leading provider of outdoor living products in North America. Prior to his appointment as CEO, he served as the company’s president from 2010–2017, and as vice president of finance and operations from 2007–2010.

Q: With supply chain concerns at the forefront throughout the industry, what is Barrette Outdoor Living doing to help alleviate the issue?

A: We are proud to be an American manufacturer and try to do as much as possible right here in our 14 locations. We are also fortunate to have established, long-term relationships with vendors who provide consistent and reliable support. Since we are vertically integrated for a large portion of our product offering, we did not experience many supply chain issues. For example, we mold our own railing brackets and post caps, we manufacture the plastic connectors we use to assemble our aluminum fence and railing panels and we have our own trucking fleet which helped us not experience the transportation issues many other companies faced.

Q: Another frequent concern from stocking dealers is how they can help improve the building process for their customers. How can Barrette Outdoor Living products make life easier for builders and installers as well as their retail providers?

A: We understand and respect the fact that the time it takes a contractor or homeowner to install our products is incredibly valuable and can make or break the success of our products and ultimately our company. That is why we devote considerable energy during the product development phase to ensure our product installations are well thought out and carefully tested to make installation as safe and as easy as possible. For example, our Step-Clip hidden fastening system makes for easy deck board installation—helping to save time and money. For select aluminum railing products, panels are pre-assembled enabling quicker installations. And most importantly, we stand behind our products by providing dedicated support, superior customer service and product warranties that feature some of the most comprehensive coverage in the industry—these are things that not only help with product building, they also give our customers peace of mind. ■



LBM CENTURY CLUB HONORS 100-YEAR-OLD BUSINESSES

The LBM Century Club was founded on the simple belief that companies that have been around for 100 years deserve to be recognized. Launched in 2016, the LBM Century Club has grown to 171 members, with more coming in each month. In all, the companies have provided 21,501 years of combined service to their communities.

By no means does the LBM Journal's Century Club list include every 100-year-old company... at least not yet. That's where you come in. Do you work for, or know of a lumberyard or building materials retailer that is 100 or more years old? Send them our way, so that we can give them the recognition they deserve. Century Club members receive a certificate for their store, window decals for their front doors, free admission to the LBM Strategies Conference where they are guests of honor at a Century Club induction ceremony, as well as recognition in their local media, all free of charge. Nomination is easy! Just visit LBMJournal.com/nominate and answer a few questions. We'll take it from there. For a complete listing of LBM Century Club members, visit LBMJournal.com/century.

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THE FUTURE OF THE INDEPENDENT LBM DEALER

Over the past couple of years, the LBM industry has experienced an unprecedented amount of consolidation, with fresh news about yet another acquisition coming faster than ever before. This month's Real Issues question is from an independent LBM dealer who wonders what the future holds for their company, and whether staying independent is the smart move, or if it's better to consider buying or selling.

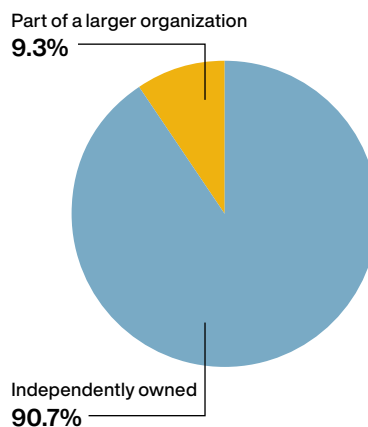
BY LBM JOURNAL READERS

First, we asked our readers via an email survey whether they are independent dealers, or part of a larger organization. Overwhelmingly (90.7%) of LBM Journal readers responding to the survey indicated that they are independent and are not part of a larger group.

Secondly, we asked respondents to the survey to weigh in on the question we received from the independent dealer questioning his future. Thank you to the nearly 300 LBM Journal readers who took the time to respond to our brief survey. Here's what they had to say:

QUESTION:

“Consolidation has long been a factor in our industry, but with so many acquisitions in the past couple of years, I’m curious what the future holds for independent lumber dealers. We’re still independent, but I’m beginning to wonder if that’s smart, or if we should seriously consider either acquiring another independent, or if selling is the right strategy? Would love to hear how others view this situation.”



RESPONSES FROM LUMBERYARDS, BUILDING MATERIAL DEALERS, AND SPECIALTY DEALERS/DISTRIBUTORS:

“We would be more in the acquisition mode than the selling mode.”

“We are always looking to make smart growth moves.”

“The efficiencies that would come from consolidation would never outweigh the joys of being independent. The best part of being independent are the flexibility to be ourselves as a company and the ability to quickly adjust to our team and customers.”

“Staying independent is of extreme importance. We owe it to our customers to remain independent and provide exceptional service.”

“We would make an acquisition if the fit is right.”

“We are acquiring other independents.”

“We should always be looking for opportunities, but we feel pretty secure in the situation we are in as an independent dealer.”

“It’s a tough call to decide which way to go. Business is very good and should continue for all of 2022. But we have to think down the road about what’s coming ahead.”

“We’re always looking to acquire an independent dealer.”

“Independents have a great future. Through alliances with buying groups and trade associations, we can derive many of the advantages of size while enjoying the advantages of being independent. The only major question is succession; we all need to have a plan and the sale to a consolidator makes sense if there are strong people ready to step up managerially and financially to take over.”

“Selling and consolidation seem to be the answer but primarily because fewer people want to do this job. Also, the amount of rules and regulation make it difficult to justify the overhead in a stand-alone situation.”

“I believe that the days of the independent lumber dealers are over; consolidation is the name of the game.”

“Match up with a company that operates mostly as you do. Hopefully can maintain your brand name, but acquire some new knowledge and leverage some buying power.”

“Independent dealers should aim to acquire and grow.”

“I think we can only maintain our quality and standards by remaining small enough to service our customers to their needs. It’s difficult to scale personal attention.”

“It all depends on what you want and where you want to see yourself in the future. It also depends on your market, customer base, and financial outlook. Can you sustain your business on your own? Can you afford to acquire and/or merge with another and be financially stable? Is someone trying to buy your business? Will you be able to sell it and never have to work another day in your life? There are too many variables to consider to give a quick yes or no answer to this.”

“We are independent and have been for almost 50 years. We have recently brought aboard a new employee who we hope will take over the company in a few years. We would like to see the company remain independent, but would not rule out the possibility of consolidating if that option presented itself.”

“Stay strong! I believe there is still a need and huge opportunity for Independents. The larger these companies get, the more arrogant they get.”

“While I am not the owner, I have been assured that there are no plans to sell, nor plans to acquire. We are planning to open our second location early next year.”

“There are so many factors to consider; it depends on your family, capital situation, etc.”

“The question is what do you want your future to be? There will always be a place for the independent lumber dealer. The drawback to consolidation is that investment capital requires a return that will result in margin pressure. Capital is available now but will dry up if there are higher returns elsewhere. Size does not equal success. A study of the whole retail marketplace proves this. If you are committed to this industry in the long term, stay independent.”

“As the third generation in the commercial roofing sector, I hope not to sell unless it becomes absolutely necessary. There are a few options to help even the playing field against the big box. Acquiring another independent would be first, and then joining a buying group in your industry. We are part of a roofing and siding group and it has beyond paid for the membership—not only in pricing, but relationships. Hopefully you have children/family in the industry who want to carry on the family tradition of your company like I do for mine. Good luck! Prayers for the right decision for you and your company.”

“I would say it depends on how long you have been doing this job. If the burnout factor comes into play at this point, then 52 years is enough.”

“There is a very good future for independent operations, especially those affiliated with a commodity buying group like LMC. I think independent builders prefer to buy from independent dealers.”

“I wonder what independent yards like ours need to do to survive in the future. I think we will have to be more specialized in niche areas to bring value to builders. Independents can’t compete with the buying power of these large organizations.”

“Likewise, I am curious as to why the recent surge in acquisitions. Several of the yards that sold out are very good reputable yards. Going forward, is it going to be a positive to compete with these larger companies or detrimental due to their large financial backing?”

“Selling is definitely not the right strategy. We don’t need another Ma Bell. Competition is healthy. Large conglomerates do nothing for customer pricing or supply. It may seem like bigger is better for buying power, but bigger also means spreading supply thinner. If an independent is deciding to sell, mostly due to lack of succession, another independent is the better option. The customer service and community connection is better served. We would rather buy an independent than see a community underserved or at the whim of a conglomerate.”

“Generally, if you’re an independent dealer that is successfully delivering value to the market and competing for share against holding companies, than you have a case for remaining independent. In conjunction with that, you need to have an ownership succession plan in place to remain independent and potentially acquire another independent. If you don’t have a leadership team to move your company forward for years ahead and you’re not adequately delivering value to the market while competing for share, your company will be acquired.”

“We firmly believe that this is still a relationship business. If we get treated fair by our suppliers, we feel it is currently the right move to stay independent.”

“We are small enough not to be a bother, so they leave us alone. Margins continue to rise as the giants raise prices. It would not make sense to sell.”

“We think our independent lumberyard has the best opportunity to create a culture in which our employees can thrive. With our continued focus on providing a family-first culture, we will continue to win the competitive battles by providing unprecedented service in the communities we serve.”

“I think the independent dealer can have an advantage over the big guys as long as they have a co-op to back them up. They also will have an advantage in getting and keeping great employees.”

“Our co-op, Do it Best, is all about growing. We are thinking about building a new store. One thought process is that a new, attractive, and efficient store will bring us more money when we go to sell than an old, tired store.”

“Most markets will continue to support well-run, adequately-capitalized, strategically-aggressive, independent operations. If that is you, go for it. If not, it would be smart to consider selling to someone who is better suited to competing in your market.”

“I think both can be good strategies depending on the goal in mind.”

“I’m not an owner, just a mere salesman. However, I would never work for a larger conglomerate. There’s way too much red tape and no attention to personal relationships and service.”

“Selling or buying depends on more than what others are doing. Independents historically cater to a different customer than big boxes or nationwide corporations. Custom builders historically prefer locally-owned and operated suppliers.”

“We are feeling that we will need to sell to a larger small independent.”

“The problem is we are profitable and we have been in business for 100 years in a small town, but we are getting older and don’t want to expand. Selling is an option.”

“Sell and retire.”

“We are currently looking at our options. With current owners past the retirement age, it is prudent to see if there is a good fit out there for our company.”

“This is a great question that many in our industry are talking about. I would like to see independents acquire other independents that do not have exit strategies in place. Just a thought, but our customers still want to buy local and if we were not on allocation with so many products, we could expand our footprint 10-fold!”

“Because of a profitable 2021, now is the time to get a good multiple on the sale price and to avoid being squeezed out.”

“Regardless of the situation it is about bottom-line profitability. That has to be the focus to have either income!”

“Sell to an aggregator.”

“My own personal view is that if your company is big enough to compete and you are not of an age that is forcing retirement, selling is probably not your best strategy. Expansion may be a good option, but only you can decide if the financial risk involved makes sense.”

“I’ve actually started wondering the same thing. Anxious to hear from others.”

“I believe there is a bright future for independents, but I do believe that size matters and that partnering with a strong independent makes a lot of sense. We have a growth strategy of acquiring strong independent building materials suppliers to grow the value of our company. Culture fit is paramount to our strategy. We are a favorable acquirer due to our culture and opportunities we can provide to employees from the seller. There is a need for strong independents that can complete very well with the large consolidators from a market knowledge, flexibility, and nimbleness standpoint. It really comes down to owners’ expectations, energy level, and succession plans.”

“There is still room for independent dealers.”

“We are a small family owned and operated dealer for 60-plus years wrestling with the same questions. We’d like to stay this way but with the speed of how marketing, the internet, products, and all facets of business are changing, it’s difficult keeping pace with the current marketplace.”

“I sold to a multi-store operation. With Menards, Home Depot, RP, and another independent in a 40,000–population county, the squeezing was happening. I was grateful to be out!”

“Can’t ignore an acquisition that makes complete sense.”

“The lifespan of independent dealers is surely limited. But, not sure a second location does more than double the hiring woes.”

“Unfortunately, with the negotiating power of the big guys, it looks like they can get product and at better prices. I can’t see a long future for small one-unit places.”

“If you can create a difference between your business and the national chains, then I feel you can exist. If not, and your business is a commodity business, you should look at selling.”

“As us retiring people age, sale to a consolidator is about the only choice.”

“I’m ready to sell and retire.”

“An Independent business, whether it is lumber or hardware, is not going away. Buying groups put all on the same page. The future will hold both types, but the remaining independents will be larger and profitable. A large amount of the companies purchasing are leveraged and, with any type of disruption of this market, they could be in serious financial trouble. History of the past lumber chains in our country that are still viable are few. Acquiring another independent could be a good strategy, but don’t sell scared.”

“Each business is unique to itself. Some independents struggle to compete while others thrive. You need to look inward at your strengths and weaknesses to make the decision of selling or buying or standing pat. Don’t be influenced by what others are doing. Base it on your business plan and what makes sense for you.” ▶▶

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"I am nearing retirement and would like to have an exit plan in place. I have looked at employee co-ops, as well as selling to one of my employees. I would like to think that over the last 118 years we have built up a good reputation with the community and we do a lot of custom work for our customers that would be lost if we sold to a chain. I think there is still a place for the independent yards."

"We are in the same boat...still a small-town, independent lumberyard. I'm wondering who is going to buy our competition and how that will work out. We would like to acquire another yard or two, but it just hasn't worked out yet."

"We are in great shape as an independent, but I do believe it is becoming more difficult and that the trend will continue with the larger dealers buying up the smaller ones."

"I believe the era of the independent lumberyard is coming to an end."

"If the price is right...sell!"

"Our firm changed from private to a large chain a few months back. The valuations are so strong now, and earnings are most likely near a peak. If you are considering selling in the next 3-5 years, no time like the present."

"I feel there is still a strong place for independents in the marketplace. Contractors enjoy choice. One must be competitive and relevant but there is opportunity for independents."

"As an independent lumber dealer, if the owners are getting up there in age, they need to come up with a strong exit strategy to either sell the business or have one of their managers purchase the business. If the owners have a few more years left in them, then selling does not make real good sense especially if their market area is growing and they have a strong management team under them. But as the saying goes, 'money talks,' and if selling makes sense to all involved then by all means don't let the opportunity go by."

"Our company is an asset, and all assets are for sale. Understanding the value of the business is the tricky part. The value of a family-owned business consists of more than just a multiple of EBITDA."

"We are an independent as well and figured the only way to survive is to acquire locations and talent."

"Selling out to a big corporation, most of the time, destroys the independent company culture. I would not recommend staying if you choose to sell out."

"Acquisition or die."

"I do think to thrive most companies in larger markets will need to either acquire other companies or become acquired by a larger organization. It will be difficult for the small company to compete against the larger companies with their buying power, fine-tuned processes and procedures, better benefits, and more opportunity for advancement to attract quality people, etc. If you are in a small market with little competition, then you could stay small much longer and still thrive."

"Will you make enough if you sell to live off that income? If I were mid-60s or older with no kids, it would be time to sell. If I had kids, I may choose to make a strategic acquisition. You can't lose either way, and I believe the independents still do the best job out there."

"If we had to choose right now, we would rather acquire another company or merge with one, but would not choose to sell to a private equity firm. If one of our peers were to offer a sum that we could not refuse, we would sell."

"Everything is for sale, so we think we have a price above which we would sell. On acquisitions, we think we would do better putting that energy and capital into our existing operations."

"We are an independent chain with no plans of changing, but would always listen."

"We have been approached by a few larger companies the last two years. Being acquired certainly has its benefits, but I think if you can build a strong team you may make out much better doing the acquiring and building your own multi-location company."

"Today I still believe in being independent. I believe we do a good job competing with the big boys, especially since they seem to focus on the production builders which allows us to stay focused on the true single-family home builder."

"I believe within a few years there won't be any more independent yards. This business has changed so much. This is my 62nd year working in this business and I've seen everything."

"Every business and family dynamic is different. Consult a professional, figure out your long-term goals and the best path to success, whether that is growing your business or selling it."

"I want to remain independent. I know we can compete on quality and service, but if I do not get the support from vendors that I am used to it will be difficult. If vendors align with larger/nationwide distributors, it will make it difficult to compete. Our strategy is to grow stronger regionally and diversify our product offering."

"We have been family owned for over 80 years and expect to be for the next 80!"

"We are an independent with three lumberyard locations and a truss plant. We intend to stay independent and are working on a plan to transition to the next generation. In our market, we are seeing migration to us. Folks are more and more interested in finding expertise at the counter, knowing decision-makers are on site, and supporting locally-owned small businesses. Our products and services constantly evolve, and we feel we can be nimble as an independent. We provide 60 good jobs in our communities and are optimistic about our future."

"I am keeping an eye on it, but we have seen consolidation waves in the past and a lot of those players are no longer in business."

"Being independent has many advantages. Be a member of a strong buying group like LMC and you won't be alone."

RESPONSES FROM WHOLESALE DISTRIBUTORS, MANUFACTURERS, AND SERVICE PROVIDERS:

"As the 'roll-ups' become increasingly bureaucratic, the more nimble independents will survive and prosper. This is history repeating itself!"

"The company I worked for was recently bought by a corporate giant. The former owners received a huge payday and every employee now wonders whether their job will be eliminated or consolidated for maximum savings."

"Larger companies offer many nice benefit packages to the employees, and also can relieve stress of an owner wearing multiple hats. Smaller is a more personal and enjoyable family atmosphere. There may be fewer regulations, company politics, and stress in a smaller company."

"Independents should always be able to outperform the consolidated 'super markets.'"

"Stay the course and grow your business organically. Stay the path and grow family wealth."

"As an independent you can respond and have much quicker decisions to service your customers. The biggest threat isn't size, it is buying groups and availability of materials, so it is very important you pick partners on all sides and make sure you develop true partnerships."

"There will always be a place for an entrepreneurial independent LBM dealer. The key is to focus on the future and stay ahead of your competition. A lack of succession planning is what is driving a good deal of the consolidations in our business." ▶▶



Storage Systems for LBM Dealers

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- Drive-Thru Systems
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- Pallet Rack Systems
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“I think the answer to this depends on many factors, including your current size, market, strength of your team, capital position, and long-term goals.”

“I have experienced both the positive and negative effects of acquisition and as much as you may benefit monetarily from the sale of your business, you may also look back in a few years and wonder if there were other options. If you have built your business to be a financially strong and respected company, if you have a true deep-seated caring for your employees and customers, be very careful who you let take over. It is common for most of the national/international LBM holding companies to tell you everything you want to hear. However, after you are gone the level of personal relationships will most often diminish. Both your long-standing employees and customers become little more than a number. If the reason you worked so hard for all these years is for more than just the payout and want to leave any sort of legacy, then consider other options. How about an ESOP opportunity or consolidation between like-minded independent LBM operations within a region? I will hate to see the day when the independent has all but vanished, but it appears to be inevitable. I believe that if you can stay independent, financially strong, and honest to yourself, you have unique advantages over the big box, so called professional LBM dealers. Stay nimble my friends. Or cash out, move away, and enjoy your retirement.”

“The building materials industry is somewhat resistant to economies of scale due to differences in regional preferences. Consolidation has been a challenge for mills and manufacturers, and bigger companies tend to make bigger mistakes. So, there is plenty of room for independents to carve out a competitive niche, if that is their preference, provided they can perform when it comes to service.”

“I believe the value of an independent is going to rise over the next few years. Hold on to what you have. Acquire others if only it makes good financial sense.”

“I am planning to stay independent before selling in 12-15 years. I am also considering acquiring one or two other independents to expand our offerings. If you want to sell in the next few years, selling now would be smart. A buyer’s market is expected in the next 18-24 months.”

“Selling is not an option for us as we want to keep the right to make our own decisions. But, we have a five-year plan for growth that we want to execute. Therefore, selling is not an option.”

“We have been in consolidation phases before, with major breakups following. The difference this time is the silver tsunami of Baby Boomer retirements. It all depends on the individual business situation. Are the owners close to retirement age? Do you have a solid succession plan? Is there passion within your organization for keeping it independent? How is your bench strength? Given the market valuations, there is no better time to sell, unless the answers to the above questions can convince you otherwise. There will continue to be support for independent lumber dealers from suppliers and customers.”

“From a manufacturing/distribution standpoint, I can see the positives, maybe it is to gain more capital to expand and maybe brand recognition. From an independent lumberyard standpoint, I see that many people do not have anyone who wants to take the business over in the family and they are ready to retire but I would rather see them go to another independent. The expertise and local aspect are what makes the independents so great and when you get bought by a large corporation you can lose that. Not always, but sometimes. I do get why some sell when they are ready especially given what they can get these days.”

“Selling makes sense if you want out, and buying makes sense if you can add without hurting your business. There’s strength in numbers. Staying independent can be tough if everyone around you is a chain.”

“I believe the answer to this question has to do with the goals of the owners for their business. Is it important to the owner’s lifestyle to be their own boss and make their own decisions about the direction they take their business? Is earning an optimal level of profitability and/or an optimal level of return on investment more important than any other measurement? Well thought-out and agreed to goals and objectives written on paper are the key to answering this question.”

“If your heart and head are still excited about the business then stay in the game. Analyze your market potential and what kind of customer you are focused on and then look for strategic acquisitions or expansion specific to your analysis and goals. Own your market and be the best at what you do best. Also focus on being the best place to work from a compensation and cultural standpoint so you attract the best talent in your market. It is still a people business.”

“We are a third-generation hardware store with a wholesale lumber division. The wholesale accounts for 80% of our sales. Our owner is approaching retirement and is looking to sell out.”

“A perplexing question—lose independence in favor of corporate guidelines that may not suit local behavioral practices, but swapping the independent battle for corporate security. From my observations local habits will eventually change, especially if the changes can be explained as a future benefit. A good example is lumberyards that supply custom-order lengths opposed to the yards that supply stock lengths only.” ■

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RELATIONAL, SENSATIONAL.

Kenneth Trujillo, Vice President, and Richard Tabet, President

RAKS Building Supply earns LBM Journal Dealer of the Year recognition

Member-owners Kenneth and Ana Trujillo and Richard and Sue Tabet have built a multi-generational family business into New Mexico's largest independent lumber dealer, serving pros through five full-service lumberyards, including a contractor-exclusive railcar spur near Albuquerque.

The RAKS team works tirelessly to build strong relationships, based on exceptional customer service and dependability. As a result, RAKS Building Supply is deeply rooted in every community they serve. They also maintain a strong local presence by promoting business and cultural opportunities through the New Mexico Amigos program. Anchored by their loyal customer base, RAKS continues to aggressively pursue new markets, including New Mexico's thriving film industry.

An insatiable drive for growth, backed by a strong co-op partner, has helped to make RAKS Building Supply the first and best choice for the pros they serve.

▶▶ Do it Best congratulates our 2022
LBM Journal Dealer of the Year award winner.

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LBM JOURNAL DEALER OF THE YEAR 2022

ANNUAL SALES: \$50-\$100 MILLION

LBM JOURNAL'S 2022 DEALER OF THE YEAR AWARDS, sponsored by Epicor, recognize four LBM companies of different sizes that epitomize the entrepreneurial spirit. By our definition, a Dealer of the Year describes a company in which leadership excels at identifying underserved—or emerging—markets, satisfying customers, and constantly working to grow and improve business. While these companies represent vastly different operations, the common thread is their fierce commitment to finding ever-better ways to serve their customers and their communities.

RAKS BUILDING SUPPLY

A COMPANY isn't selected as an LBM Journal Dealer of the Year just because it has its own hot air balloon. Nor does a lumberyard have to serve as the setting for an episode of the hit TV show *Breaking Bad* to receive recognition. While both of those achievements are worthy of stories themselves, the story of RAKS Building Supply of Albuquerque, New Mexico is much more. It's a story of family, of foresight, and of fortitude.

The family part starts as long ago as either of the RAKS co-owners Richie Tabet and Kenny Trujillo can recall. The two family members (Richie the uncle and Kenny the nephew) grew up working for a small family lumberyard and dreamed of one day expanding beyond a solo location.

In 1986 they set that dream into motion and founded RAKS Building Supply in a converted roller-skating rink 10 miles away in Los Lunas, New Mexico. Since then, they've grown the company to five locations, including a truss plant, and have become the largest independent building materials dealer in the state.

After rebounding from the Great Recession, RAKS Building Supply's sales have steadily risen as high as their namesake hot air balloon at the annual Albuquerque International Balloon Festival. Vice President Kenny Trujillo says the company closed the books on 2021 at more than \$80 million in sales.

About 215 employees staff the five locations, which includes five outside sales reps. In an area in which builders work year-round, outside salespeople at RAKS also handle plans and estimates. Retail operations pick up a bit in the spring and summer months, in which RAKS brings on an additional 10 to 15 seasonal employees, in particular for the large garden center at the company's Los Lunas location. ▶▶





RAKS has grown with the Albuquerque market, and an important aspect of the company's growth has been its ability to foresee and pivot to new markets. While once focused on single-family home builders, RAKS took on more commercial contractors during times of major tech industry growth in the area.

Richie Tabet, president, and Kenny Trujillo, vice president of RAKS Building Supply.

“Most of our key people are long-term employees,” Kenny says. “They say quality, price, and service are key and some people can only provide two of those. We strive to be all three. Quality lumber, well-priced lumber, and good service. That’s what sets us aside from the competition. We provide all three.”

DELIVERING ON PROMISES

RAKS has established itself as the premier independent yard in New Mexico in part by its commitment to delivery. Kenny says the company has become known for two delivery promises. First, RAKS will deliver anywhere in New Mexico. That’s about a 122,000 square mile service area that competitors just can’t commit to covering. But at RAKS, Kenny says, you can call from across the state, and as long as you’re willing to pay the per-mile loaded fee, you can receive a complete house package delivered all at once on a RAKS semi-truck.

The competition in the area includes national distributors and a few big box stores “which get in the way sometimes,” Richie Tabet, president of the company, says. “A lot of people know us and want to deal with us because they know what we can do for them.”

RAKS runs four semis out of its 12th Street location in Albuquerque, each with a forklift attached. The company also operates two boom trucks for drywall deliveries and has another 30 two-ton trucks as well as 15 smaller one-ton trucks.



The second reason they’re so successful, Kenny says, “is because if someone calls in the morning, we can have their order loaded and out to them within four hours. We keep enough inventory on hand to make that happen.”

In order to fulfill delivery promises, one has to have the inventory to do so, which is an area that they excel in. “Between Kenny and I, we can vision out as far as we want and we’re not limited, so we can get ahead,” Richie says. “As far as inventory goes, there have been a few shortages, but we’ve been able to get ahead of it.”

Getting ahead of it means buying smart to keep enough stock on hand, as well as managing turn times, something RAKS does so well because of one of its Albuquerque location’s railroad spur.

“We have anywhere from 20 to 75 rail cars coming and going at all times,” Richie says.

“One thing we both learned early in life is that you can’t sell out of an empty wagon,” Kenny adds. “You’ve got to have inventory to sell it.”

GROWING MARKET

RAKS has grown with the Albuquerque market, and an important aspect of the company’s growth has been its ability to foresee and pivot to new markets. For instance, commercial properties. While once focused on single-family home builders, RAKS took on more commercial contractors during times of major tech industry growth in the area.

While the Los Lunas RAKS location is small compared to the Albuquerque yards, the store generated a lot of business when Facebook decided to build a data center there. As the social media platform has grown, the subsequent expansion of the data center has kept RAKS busy while the company also works with a second Amazon distribution center coming to the Albuquerque area.

A keen eye for new markets also led RAKS to serve the burgeoning film and television industry in New Mexico, most notably as a location for season one, episode two of *Breaking Bad*.

“We actually do a big business selling product to movie and show production companies for shows here in New Mexico, and we were approached by someone from *Breaking Bad*,” Kenny says. The crew originally wanted the store to





RAKS Building Supply is a true family business, with parents, siblings, and relatives all holding important roles that drive the company's success.

close for a day for filming, but Kenny and Richie wouldn't allow that, so the business operated around the film crews.

Breaking Bad tourists still come by to see the location, Kenny says, and anytime he travels while wearing a RAKS shirt or hat inevitably someone brings up the show. "If I had known it was going to be this popular, I would have sold t-shirts or something!" he says.

FAMILY FUTURE

RAKS Building Supply is a true family business, with parents, siblings, and relatives all holding important roles that drive the company's success. While Kenny and Richie, equal partners in the business, have been at it a long time, they're not looking to retire soon.

"We'll fade out of it," Richie says. "I'm 78 years old and still enjoying it. We've been working on a succession plan for the past five years. We'll have a gradual succession to our boys."

Carlos, Kenny's son and Todd, Richie's son, will eventually take over ownership of the business. To prepare them, they're both working out of the company's busy 12th Street location in Albuquerque, gaining hands-on experience in day-to-day operations.

Bobby Trujillo, Kenny's brother, currently operates the IT department at the company and later this year will officially

GET TO KNOW RAKS BUILDING SUPPLY

FOUNDED:	1986
LOCATIONS:	FIVE, INCLUDING TRUSS PLANT
OWNERSHIP:	FAMILY
EMPLOYEES:	215
BUSINESS SOFTWARE:	EPICOR BISTRACK
BUYING GROUP/CO-OP:	DO IT BEST
TOP THREE PRODUCT CATEGORIES SOLD:	OSB DIMENSIONAL LUMBER CONCRETE PRODUCTS

be named the company's CFO. Like many family members, Bobby was involved with the company at a young age. In fact, he designed the company logo when he was in the eighth grade.

Between 12 and 15 employees in key roles are family members, Richie says, including his sister (Kenny's mother) who is still the lead bookkeeper at 81 years old.

"We were all pretty much conceived in this business," Kenny says. ■





TRIM AND MOULDING

DESPITE SUPPLY-CHAIN DISRUPTIONS, DECORATIVE TRIM IS POISED FOR ANOTHER STRONG YEAR.

BY MIKE BERGER

IN 1849, BRITISH WRITER AND PHILOSOPHER JOHN RUSKIN published “The Seven Lamps of Architecture,” an extended essay on the value of building ornamentation. In it, he famously penned the line, “Ornamentation is the principal part of architecture, considered as a subject of fine art.”

His ideas regarding the value and importance of trim are as valid today as they were over 170 years ago. Moulding and trim serve as ornamentation and help define a structure’s nature and aesthetic. And the desire to utilize trim as a defining element is one that’s on the upswing, due in part to the impact of the COVID-19 pandemic over the past year and a half.



As homeowners spend more and more time at home, they've grown ever more aware of their home's appearance. They're wanting to make a personal statement while not breaking the bank with a complete remodel, and manufacturers say moulding and trim is uniquely poised to deliver on those desires. "Just adding or changing trim can be a less expensive alternative to a full exterior remodel while providing significant curb appeal," says Trinh Le, head of marketing for LP Building Solutions' business unit.

But while moulding and trim stands ready to deliver significant wins for LBM dealers, other factors outside of their control threaten to cause headaches, and it's only by operating smartly that dealers can best ensure their success.

GROWTH THROUGH PAIN

Looking back to this time last year, it seems hard to imagine conditions for the trim and moulding industry would be even more challenging now than they were then. Industry experts and manufacturers alike envisioned a return to normal by this time. Disruptions in labor availability, transportation, and even raw material availability, however, have put new wrinkles in the recovery picture.

"The challenges of 2020 proved to be much easier than the challenges of 2021," says Steve Booz, vice president of marketing for Westlake Royal Building Products. "It seemed like every time one raw material shortage resolved itself, another one popped up, hampering the supply chain and production across the industry. Combine that with a nationwide shortage of labor and the results are strong demand and continued growth, but the supply was not able to meet the demand."

Peter Cobucci, business unit manager for Palram Construction Products, sees similar challenges resulting from rising prices of resins and additives, labor shortages and logistics issues.

"Even with prices rising dramatically this year, I don't see the resin and additives market settling for at least the first six months into 2022," he explains. "Knowing that resin and additive manufacturers are currently backlogged with orders, it is unlikely that PVC prices will drop in the near future."

Brett Collins, business manager for Universal Forest Products' Edge premium primed trim agrees. "Labor is the big impact at this point. Finding skilled labor is still difficult and non-existent."

Despite these challenges, manufacturers are still feeling cautiously optimistic in regard to future growth potential for the moulding and trim segment, with repair and remodel leading the way. "As with everything in building products since the COVID building boom, trim has been growing rapidly in demand in both remodeling and new construction," says Rick Kapres, vice president of sales and marketing for Versatex. "Not only are there simply more projects due to the demand for single family housing and folks doing additions or remodels, but there is more trim being used due to desires for more curb appeal and dif-

ferentiation. Mixed materials/colors/styles are very popular in cladding and trim goes hand in hand with that."

"At this time, the market for 2022 looks fairly robust and Palram is forecasting for another strong year," adds Cobucci. "Remodel and repair continue to look strong, and even though new residential construction activity has declined three out of the last four months, most builders remain optimistic about growth for 2022, despite the rising cost of construction materials, affordability of housing and difficulties in finding labor." ►►

ABOVE: With a treated engineered wood strand substrate, LP's SmartSide Smooth Finish Narrow Trim is backed by a 5/50-year limited warranty. According to LP, it holds up in extreme weather conditions with up to 200 mph wind gusts and is treated with LP's proprietary SmartGuard process for protection against fungal decay and termites. It is offered in 16' lengths that can result in faster installation and fewer seams and comes pre-primed to aid paint adhesion.

OPPOSITE PAGE: As an addition to its line of PVC column wraps, Royal's new Embossed Woodgrain Column Wrap is made from 100% cellular PVC, and because it is moisture resistant, it is designed to prevent issues such as warping, rotting and insect damage. Like the smooth column wraps, the woodgrain version is available in multiple sizes and come pre-assembled and ready to install.



FAR LEFT: UFP's Edge Premium Primed trim and fascia is made from radiata pine and is available in a reversible profile (S1S2E) with both faces said to offer a unique textured appearance. According to UFP, each trim and fascia board is knot free, finger-jointed (for reduced defects) and edge-glued with a high quality exterior adhesive that binds the wood during production.

LEFT: Versatex Building Products' Canvas Series is designed to exhibit hardwood's rich look with the maintenance-free durability of PVC. New this year for the line are three new colors—Copper, Natural Amber, and Driftwood—to go along with its six existing colors. Initially introduced as porch ceiling and soffit materials, they are also used in accent wall applications as they are built to withstand the elements including UV without any needed maintenance.

Ian Daniels, director of technical support for Tamlyn, shares this sense of optimism, but also sees similar potential problems noted by Cobucci. “From the demand side, it looks like it will continue to be strong for the next 12 months,” he says. “Permits are still strong, which is a positive indicator, but the wild card/unknown will be material availability, particularly when it comes to metal.”

Because of these unknowns, moulding and trim manufacturers are doing everything they can to not simply meet demand but find innovative ways to nullify these challenges. “While raw materials and labor have driven up pricing dramatically over the past 12 months, we have not had any issues keeping up with demand that is exceeding 30% growth,” explains Kapres. “We took steps when the pandemic began to ensure safety within our facility and built inventories in anticipation of the demand. We also have been able to source more PVC scrap from more sources without sacrificing quality and that has aided us in meeting demands of our customers and maintaining our 2-3 week lead-times.”



HIGH CONTRAST, CLEAN LINES

Over the past few years, high-contrast color options have been leading trends in moulding and trim, and that aesthetic sensibility still holds sway in today's market. Bold architectural statements created through the use of dark colors remain in play, and their demand shows no signs of slowing down.

“We are continuing to see an interest in white and black exteriors, as well as darker colors of siding such as navy and dark blue-gray,” points out Booz. “Bold, colored trim to accentuate these siding colors continues to be on-trend and pairs very well with darker siding colors. We're also seeing demand for colored trim at opposite ends of the spectrum—alabaster and milky white trim colors as well as dark, nearly black trim. Pops of color and complementary neutrals on home exteriors work wonders to improve a home's curb appeal.”

“Traditional style homes, such as Colonial and Victorian, can also integrate colored trim into their exterior,” he adds. “Using contrasting colored trim can give any style home a Modern Farmhouse look; both light and dark trim options make trim a focal point on the façade.”

Due to its dense, uniform core structure, overall workability, and minimal expansion/contraction, Palram Americas' PALIGHT Trimboard was the PVC of choice for the intricate gingerbread and fretwork on the Aurora Hotel restoration project in Ocean Grove, New Jersey. According to the manufacturer, PALIGHT boards and sheets feature EverClean film standard to protect against dirt and damage.

This isn't to say, however, that there aren't other trim and moulding color trends on the horizon. Neutrals ranging from dark browns to tans to shades of off-white are making a return. "Warm neutrals may be poised to surpass cooler tones of gray as the in-demand exterior color of the '20s as we crave warmth and places that feel inviting," Booz explains. "White trim is a classic pairing with a warm neutral; whereas, a colored trim can create a monochromatic look or a modern contrast."

And just as last year's color trends remain popular, so too do trim styles. The clean lines of the Modern Farmhouse style, along with the classic appeal of Craftsman design, continue to remain popular choices among homeowners and builders. "Board and batten style siding and trim, sleek accessories like one-piece corners, contrasting trim colors to siding to make colors stand out in a bold, eye-catching way are popular choices," points out LP's Trinh Le.

"Craftsman and Modern Farmhouse are the biggest trends in millwork, both interior and exterior, explains Booz. "Our trim options with clean, bold lines make this a stunning interior feature for any room and a welcome transition

from Colonial style trim that has been popular for decades earlier. We're also seeing bolder, blockier trim, such as wider window trim or raised panels. Colored trim can also soften a modern home design by bringing in a traditional element. For example, Modern Farmhouse is a very popular design trend that takes the classical elements of the original Farmhouse style and gives it a contemporary flair."

The contemporary flair that Booz points out may prove to be key in forecasting growing trim trends. "There has been an increase in modern details down building/housing scale," points out Tamlyn's Ian Daniels. "The panelized façades that are commonplace in multifamily have started to be adopted at smaller scales such as light commercial and single-family."

LP's Trinh Le also sees builders and homeowners looking for modern, clean, and polished aesthetics with exterior trim. "We are seeing building professionals seeking more variety in trim products, whether that means new colors, textures, or trim accessory offerings (like one-piece outside corners) that help them be more efficient at the time of install."

And not surprisingly, low maintenance trim and moulding options that have traditionally been in high demand remain sought after by both homeowner and builder, and manufacturers predict this product trend to only grow. "The demand for low maintenance trims that are readily available domestically has exploded," says Versatex's Kapres. "Supply shortages and logistical issues are continuing to be an issue and dealers are looking to align themselves with companies that can meet the demand. Versatex has maintained 2-3 week lead-times through the pandemic by taking extra safety measures within the facility and continuing to source raw materials from a wide variety of sources for our cellular PVC trim products."

Says Booz, "From a material perspective, demand for low-maintenance materials continues unabated. Whether they're a first-time buyer or a retiring couple, few homeowners want to spend their weekends painting or staining their warped, cracked wood trim. Products like Celest PVC trim and Spec Series trim, TruExterior poly-ash trim and Kleer PVC trim offer the authentic look of wood without the upkeep concerns." ▶▶



FAR LEFT: Royal's smooth texture Tapered Column Wraps are available in 5' and 6' lengths and are ready-to-assemble in 10" x 6", 12" x 8", and 16" x 12". According to Royal, they are designed with a durable 1/2" thickness for quality and long-lasting performance and are available in two distinct capital and base styles; Traditional and Craftsman.

LEFT: Tamlyn has recently added new profiles to its XtremeTrim line of extruded aluminum trim, including the PV100 projected vertical and the XOCAS asymmetrical outside corner profiles shown here. XtremeTrim is available in thousands of design and color options, allowing architects and users to dramatically improve their building aesthetics and create modern architectural lines.



FAR LEFT: LP Building Solutions is expanding its portfolio with the introduction of LP SmartSide ExpertFinish trim and siding. As a new prefinished engineered wood option, the product is available in 16 colors and a variety of finishes and comes with a 5-year full labor and materials warranty, a 15-year limited warranty on the finish and a 50-year substrate limited warranty.

LEFT: According to Royal, its Spec Series rigid vinyl trim offers the authentic look of wood without the upkeep concerns. It has a factory finished resin coating along with a limited lifetime warranty, and components are available in outside corner post, inside corner post and wide-faced trim.

STAY FLEXIBLE

All the aforementioned challenges of material and manpower shortages combined with shipping and delivery delays are creating a daunting retail landscape. To succeed in the face of these challenges, LBM dealers need to stay flexible, say moulding and trim manufacturers, both in how they stock their inventory and how to be the best possible resource for their customers. “Communication with building professionals and manufacturers alike to understand industry supply challenges, needs and forecasts, planning and even trends that are picking up is a huge opportunity for growth for dealers,” points out LP’s Trinh Le.

“Do your homework and look at what a company’s lead times have been over several years during peak and non-peak times,” suggests Versatex’s Kapres. “Find the companies that are consistently on time with deliveries. Certainly stay domestic right now to reduce potential delays as much as possible. Work with those manufacturers that continue to invest in their facilities to add capacity.”

These current supply conditions require dealers to have heightened attention to detail, says Booz. “Thoughtful ordering and customer communication are key to making sure orders are being placed for the right products in the correct sizes and in the correct amounts—and as early as possible. Ordering the wrong sizes or incorrect

quantities can result in greater delays than usual.”

Effective and careful planning and forecasting can make all the difference for LBM dealers, manufacturers point out. “Order well in advance and research alternative products that are equal or better in performance and know their availability in the market in order to meet your project timelines,” says UFP’s Collins.

Planning ahead can even result in the LBM dealer being able to take advantage of better pricing and priority product delivery points out Palram’s Cobucci. “If you are an existing Palram customer or desire to be, take full advantage of our Palight Trimboard Winter Buy program. You’ll receive top quality product, competitive pricing and timely delivery of product that’s made in the USA. Taking advantage of this program will enable the dealer to balance their inventory and be ready for the 2022 building season.”

As well, LBM dealers need to stay as informed as possible about the moulding and trim lines they carry so that they can provide solutions to their customers in the event a specifically requested product isn’t available. “This is also where remaining knowledgeable about the products you sell, in stock or special order, can really help,” says Westlake Royal Building Products’ Booz. “By understanding your customers’ projects and challenges, you may be able to find product substitutions

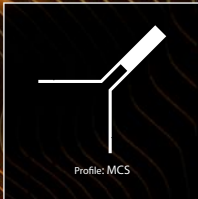
to fill in for materials that are in short supply. Working with a manufacturer that sells several different trim lines also helps dealers remain more flexible to accommodate such substitutions.”

While it can be easy to feel a bit panicked by the current market challenges, there’s much to be hopeful for over the next year in regard to moulding and trim. As manufacturers ramp up production by finding smart workarounds to manufacturing and shipping shortfalls, LBM dealers can expect improvements in product availability. And by staying flexible, they’ll be able to continue offering solutions to their customers. Most importantly, LBM dealers should remember they’re not alone. Manufacturers stand ready to assist wherever they can, and suggest leveraging their experience, especially when there are particularly tricky orders or deliverability problems. As Tamlyn’s Ian Daniels puts it, “If you have a product availability issue, reach out to our team as we have a vast collection of profiles that might be suitable to be a replacement, and we can help with the needed background information to get that done for you.” ■

Michael Berger is the former managing editor for HANDY Magazine and has been writing about home improvement and construction for the past 20 years.

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EACH MONTH, HUNDREDS OF PRODUCTS AND SERVICES VIE FOR INDUSTRY ATTENTION. HERE ARE SOME THAT OUR EDITORS THINK WILL INTEREST LBM JOURNAL READERS.

ODL's Mistify textured glass

Mistify from ODL is designed to be a combination of pattern and texture. The new product blends textured glass and a drip pattern inspired by abstract impressionism to create a unique, multi-dimensional effect. According to the manufacturer, the result is a dramatic blend of style and privacy that creates an amazing first impression on any home. As a result of the ceramic frit process, the black pattern becomes part of the glass, making Mistify doorglass scratch- and fade-resistant. It is engineered to not discolor when exposed to household cleaners or normal wear-and-tear. The low-maintenance internal grilles are said to add architectural flair to home styles from modern farmhouse to contemporary industrial. Available in a variety of doorglass and sidelight sizes, frames, and grilles between glass configurations. Mistify is available in ENERGY STAR qualified sizes and is made with energy efficiency-boosting low-E glass. In addition, select sizes are available with laminated Severe Weather glass. odl.com



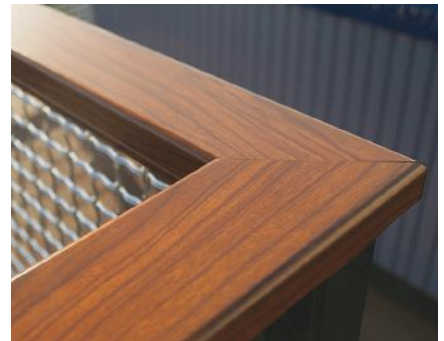
Simpson Strong-Tie's updated sizes for field-adjustable LSSR rafter hangers

Simpson Strong-Tie now offers its LSSR rafter hanger in 2x lumber sizes that can install with both miter-cut and square-cut joists for plated truss. The three new models—LSSR26Z, LSSR28Z, and LSSR210Z—feature a ZMAX finish designed for extra corrosion protection and respectively accommodate 2x6, 2x8, and 2x10 lumber. Like the original LSSR models, the new sizes are field-adjustable for skews up to 45° and feature an innovative hinged swivel seat that adjusts up to a 45° slope. LSSR hangers can be installed after all of the rafters have been tacked into place, which the manufacturer says boosts contractor versatility, productivity, and efficiency on the jobsite. All LSSR models, including these new 2x sizes, are tested and code listed in IAPMO ER-280. The new models fully replace 2x LSU/LSSU sizes. strongtie.com/lssr



Feeney DesignRail Wood Grain finish

Feeney's Wood Grain finishes for DesignRail Top Rail are available in three wood patterns—Cherry, Walnut, and Weathered Gray. All are designed to be realistic looking, and are suited for both exterior and interior applications. Designed with a durable, fade-resistant powder coat, the finish offers the organic look of wood without the ongoing maintenance requirements. Available as a DesignRail custom option, the Wood Grain finishes adhere to AAMA 2604 coating specifications for impact and weather resistance, and color retention. The Wood Grain Top Rail can be mixed with any DesignRail frame color, including a range of standard or custom colors, and can match the wood used on the deck. feeneyinc.com



LP WeatherLogic Air & Water Barrier

LP WeatherLogic Air & Water Barrier is now an APA Structural I rated wall and roof sheathing. With the addition of this product, LP Structural Solutions offers a full portfolio of framing and sheathing solutions designed to help achieve a tight building envelope. Backed by LP's 30-year limited warranty, LP WeatherLogic Air & Water Barrier is designed to withstand temperature cycling and deliver consistent, long-term protection.

LP WeatherLogic panels are built to help safeguard homes from water intrusion while allowing moisture vapor to escape. An integrated wall and roof sheathing solution, it combines both air and water protection with the increased structural capacity of a Structural I rating. LP WeatherLogic system is installed with AAMA 711-13 approved acrylic seam and flashing tape, and can be used with LP WeatherLogic Water Screen, a screen designed to drain water from between cladding and water resistive barriers, to maximize the moisture protection of a home. lpcorp.com



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Sales Manager of Jarco Supply

*"It's part of
our regular sales
huddles."*

Rich Brady

President of American Cedar

*"There is no
question it works."*

Donn Merrick & Todd Callan

Homco Supply

Rick Davis

CSP, CDT

President



Curri delivery and logistics platform

Last mile delivery management software from Curri is a tool developed to streamline the delivery process from beginning to end. Curri allows users to pick from three priority delivery options: rush, same day, and scheduled. Users then choose among cargo vans, pickup trucks, box trucks, flatbeds, and so on for delivery. Curri services include dispatch management, live tracking, delivery ETAs, photo of materials at pick up and drop off locations, live chat, and more. Curri allows users to see where materials are from the pick-up, middle-mile, and until the delivery. According to Curri, users have saved more than 30% on operational costs such as fleet insurance and maintenance. curri.com



Fortress Steel pergolas

Fortress Building Products' newest category, pergolas, combine steel's weatherability and low maintenance qualities with its modern aesthetic that the manufacturer says brings lasting style to the backyard. The structural steel is dual-layer protected against fire, corrosion, twisting, insects, and rot. Customers can select from three freestanding pergola styles, including one Traditional and two Modern options. Customers can preview the Traditional and Modern pergola styles in a variety of formations using the Pergola Visualizer. Fortress pergolas offer dealers and distributors that currently stock Evolution steel deck framing a low barrier to entry, as the two steel building products share the same SKU. The assembly is backed by a 25-year limited manufacturer warranty. fortressbp.com/pergolas



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Boral Roofing Sol-R-Skin BLUE roof underlayment

Sol-R-Skin BLUE roofing underlayment is a thermal insulating and reflective solution designed to provide protection from the elements while enhancing energy-saving capabilities. According to the manufacturer, Sol-R-Skin BLUE is suitable for use under nearly all steep sloped roofing materials and ideal for application in any climate and at any temperature, Sol-R-Skin BLUE product is UV resistant and boasts an anti-glare coating in cool blue. Sol-R-Skin BLUE is offered in 54" x 100' rolls and designed to be quickly nailed into place, with an adhesive strip at the headlap offering wind uplift resistance. Each 45-pound roll of Sol-R-Skin BLUE roof underlayment offers 450 square feet of product with a nominal thickness of 3/8". boralroof.com



SPAX PowerTrim finishing and composite-PVC trim screws

The new SPAX specialty fastener is designed for use in attaching wood and composite/PVC trim boards for residential home interior and exterior work. Partial thread applications include window and door casing attachment, baseboards, cabinetry, door jambs, stairs and railings, crown molding, and fine carpentry. Reverse double thread applications include fascia trim, baseboards, window and door trim, and countertop trim. PowerTrim fasteners include features such as: T-STAR plus drive within a cylindric head and a UNIQUE 4CUT point designed for quick and easy installation with no pre-drilling required. PowerTrim fasteners also feature a reverse double thread for PVC applications engineered to pull and hide pigtail shavings and eliminate bulging. Available in both #8 and #9 diameters and in lengths of 1-1/4", 1-1/2", 2", 2-1/2", 3-1/8" 4" and 5". spax.us



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TamlynWrap Drainable

TamlynWrap Drainable is a high-performance water and air resistive barrier with a unique drainage pattern designed for the harsh conditions of a jobsite and all climate zones. TamlynWrap Drainable is made from multiple non-woven and barrier layers that the manufacturer says provide moisture and air infiltration protection with added drainage capability. According to the manufacturer, the drainage pattern can remove 100 times more bulk water from a wall versus standard wraps, offering enhanced moisture management and drying. The product is designed to be used in commercial, multi-family, or residential applications, and is ideal for use over coated or non-coated sheathing systems. The non-woven structure is backed by a warranty of up to 25 years. tamlyn.com



DURASPIN auto-feed attachments

SENCO has its line of DURASPIN auto-feed screwdrivers with the new DS530 series of attachments that are designed to instantly turn DeWalt, Makita, and SENCO drivers into tools that feed collated screws automatically. The attachments, which feed screws from 1" to 3" long, can be attached directly to DeWalt, Makita, or SENCO screwdrivers with an adaptor included for one-handed fastening of drywall, fence boards, sheathing, cement board, and more. Additionally, each DS530 attachment comes with a 3' extension pole that turns the driver into a stand-up tool, which is said to reduce back and joint strain when attaching deck boards, subfloor, underlayment, and more. The DS530 attachment line-up includes an extension pole, power-grip adjustable handle, adaptors, and three drive bits. senco.com/duraspin



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VERSATEX VZClip

VZClip, a hidden clip and fastener system from VERSATEX Building Products, is designed to speed up and simplify the installation of two VERSATEX PVC 3/4" trim profiles. According to the manufacturer, negative windload tests by an independent, accredited, third-party testing agency, VZClips exceeded the equivalent windload of a Category 3 hurricane. VERSATEX recommends installing VZClips every 16" on center, using #8 1-5/8" galvanized or stainless-steel screws. A package of VZClips (screws not included) will cover about 180 square feet, or approximately 21 18' boards. versatex.com



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TigerClaw by FastenMaster

FastenMaster's TigerClaw TC-G Hidden Clip for Grooved Decking and the TigerClaw Installation Gun, are engineered to be the fastest way to attach hidden clips on all leading deck brands including Fiberon, Trex, and more. The TC-G Hidden Clip is designed to work in pre-grooved decking planks or non-grooved decking planks using the TC-150 slot cutter. According to the manufacturer, the clip's sharp prongs embed into the upper portion of the groove for strong holding power, and the stainless-steel screw ensures a lasting connection between decking board and joist. The Tiger Claw Pneumatic Installation Gun features a unique nose piece that holds clips in the correct position every time, firing a screw nail (scrail) through the clip into the joist—fastening the deck board to the joist in one step. On average, FastenMaster says, the installation gun will install about 400 square feet of decking in an hour. fastenmaster.com

ProVia manufactured stone

ProVia manufactured stone is designed to look and feel like the real thing because each mold is handcrafted to capture the depth and character of natural stone. Deep shadow lines are combined with authentic coloring to produce dramatic effects in each manufactured stone profile. According to the manufacturer, natural stones from unique geographic regions are used for every master mold and raw pigments, and oxides are used for rich color. Instead of appearing only on the surface of stone faces, the colors permeate throughout, giving each a natural look, even in exterior applications when exposed to weathering. ProVia manufactured stone is designed to replicate the structural diversity found in the environment. Slab-shaped profiles, such as Terra Cut and Natural Cut, are chunky and full; tiled configurations, like Edge Cut, Dry Stack and PrecisionFit mimic densely pressed sandstone; and curved or irregular silhouettes—River Rock and Ridge Cut—assume the imprecise, asymmetrical shapes found in nature. provia.com



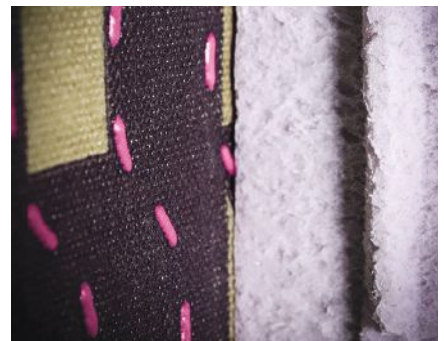
Maze Nails stainless steel Slim-Jim wood siding nails

Maze Nails slender, blunt-pointed wood siding nails are made from high tensile stainless steel to minimize bending and reduce splitting. According to the manufacturer, the nails are developed for redwood and cedar siding, especially on wood to be left natural or to receive treatment with semi-transparent coatings or clear finishes. The small checker head can be countersunk and is developed to better hold stain and paints. A Ring shank is designed to give users extra holding power to ensure siding stays in place. mazenails.com



Benjamin Obdyke's self-adhered drainable housewrap

Benjamin Obdyke is combining the benefits of its HydroGap drainable housewrap and the air-sealing benefits of an adhesive backing with the introduction of HydroGap SA, which the company says is the industry's first and only self-adhered drainable weather-resistant barrier (WRB). HydroGap SA features a 100% continuous acrylic adhesive, developed to provide sealing around cladding fasteners to help maintain the integrity of the air barrier. Benjamin Obdyke spent nearly five years developing HydroGap SA, which the company says is one of the few breathable, fully adhered acrylic adhesives, with a perm rating of 12 that is suitable for all climates. As an acrylic, the adhesive is UV resistant, with an exposure rating of 120 days, and can be installed in temperatures as low as 25° F without a primer. HydroGap SA comes in 80' long rolls. It includes a 15-year product warranty or a 20-year limited system warranty when used in conjunction with the HydroFlash product line. benjaminobdyke.com



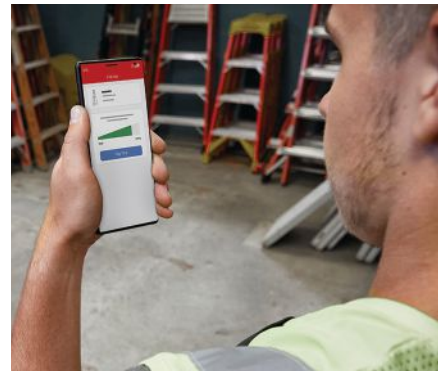
Interior PVC Cladding from Palram

From Palram Americas, PVC cladding is designed to be more durable, easier to install, safer, and more sustainable than drywall. Palram's PVC cladding products are said to be an ideal option for interior cladding projects as they are: Class A fire rated, USDA/FDA compliant, require no special equipment for installation, extremely durable, water-resistant for high-moisture and humidity environments, 100% recyclable, withstand harsh chemicals and repeated cleaning cycles, and inherently resistant to bacteria, mold, and mildew. Palram's PVC cladding is available in three product lines: Palclad Pro solid PVC panels, Palclad Pro HYG antimicrobial PVC wall cladding system, and Duraclad interlocking multiwall panels. palram.com



Milwaukee Tool ONE-KEY

The new ONE-KEY Bluetooth Tracking Tag from Milwaukee Tool allows users to attach a Tag device anywhere, add to their digital inventory, and track objects from a computer, tablet, or smartphone. Once activated, the ONE-KEY app will keep track of the tracker's last known location, and show a 30-day history of everywhere it has been seen by anyone in the ONE-KEY tracking community. The owner can also identify their equipment even if it cannot be visibly seen, with a new built-in speaker to ring their tag and locate it within 50'. Built-in NFC and a scannable QR code make for a simple 2-step activation, and allow the user to identify a specific item even when the ONE-KEY app is closed. The ONE-KEY Bluetooth Tracking Tag is sold in 1-pack, 2-pack, or 10-pack options. milwaukeetool.com



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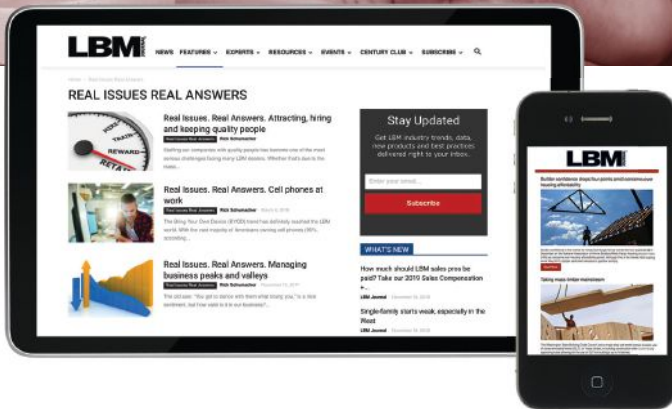
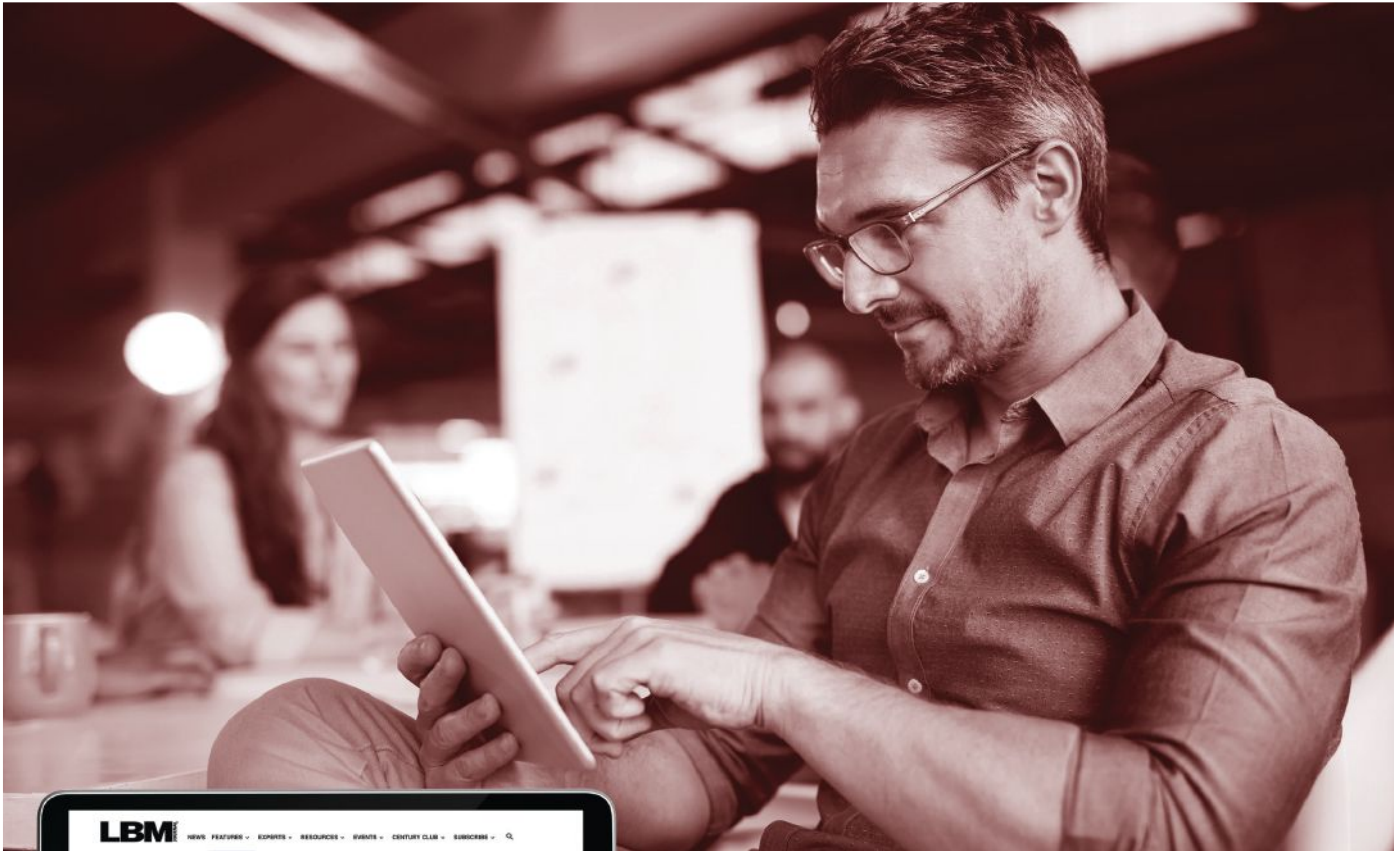
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WHEN PARTNERSHIP IS A ONE-WAY STREET

AFTER BUYING EXCLUSIVELY FROM ONE SUPPLIER FOR YEARS, YOUR LOYALTY WAS REWARDED WITH A SHARP CUT IN SUPPLY SO THEY COULD BUILD RELATIONSHIPS WITH OTHER DEALERS. WHAT WOULD YOU DO?

With more than 20 years since you went into business with your own lumberyard, you've been through enough to understand how the world works. That's why you take care of your people, and make sure they're paid well, treated respectfully, and that they have the flexibility they need to live their lives. That's why you take care of your vendors, by paying your invoices promptly, communicating when there's an issue, and not constantly shopping other vendors. You know how it feels when a builder customer is always beating you up on price and threatening to take their business elsewhere, and you've vowed to never treat your vendors that way. While you may be able to save a dime here or there, the damage it does to the relationship, in your view, just isn't worth it.

From your perspective, life isn't that complicated. Live honorably, do what you say you're going to do, treat others the way you want to be treated. Most people and companies do the right thing, but unfortunately, sometimes the temptation to cash in leads people astray. As it apparently did with one longtime supplier.

When the product shortages hit hard in 2021, you believed that the vendors you'd been loyal to would take care of you the best they could. Unfortunately, one supplier who you'd been buying mill-direct from for years, saw the opportunity to sell to dealers who they'd been chasing unsuccessfully. But to meet the needs of these other dealers, they put you on allocation—cutting you to 60% of your prior year's sales. Plus, instead of continuing to sell to you direct, they made you purchase through local distribution.

"Tough times call for tough choices." That's what your salesperson told you when you called to see if there was some mistake. "Business is business, and we have the opportunity to serve more customers than we ever have before. We appreciate your loyalty, and we'll do our best to continue serving you, but our company has decided this is the best move for our shareholders and our bottom line."

This smack across the head with a 2x4 has you rethinking the way you treat vendors and, since you've relied on one supplier for years, wondering where you're going to source the materials you and your builder customers so desperately need. You've already decided to never, ever again put all your eggs in one basket. In addition to that, what would you do to navigate this crisis?

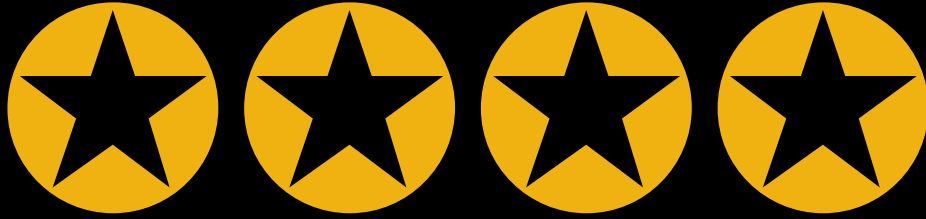


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- **GET BUSY.** As with any crisis, you need to do whatever's necessary to secure the products you need, from whatever vendor will sell to you.
- **LEVERAGE.** By doing business the right way, you've got a strong business and a good reputation. Leverage those assets and your existing relationships to open new doors.
- **COMMUNICATE.** Let your builders know that you are navigating an unexpected supply disruption, and work to get estimates of their material needs as far out as possible.
- **PUSH.** Use your history with this long-time supplier and push to get as much material as you possibly can. Then, once the crisis passes, move all of your business to other suppliers.

SOMETHING ELSE?

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



CONGRATULATIONS ARE IN ORDER

THERE'S NO QUESTION THAT THE ENTREPRENEURIAL SPIRIT IS ALIVE IN THE LUMBER/BUILDING MATERIAL INDUSTRY. A HEARTY CONGRATULATIONS TO **LBM JOURNAL'S 2022 DEALER OF THE YEAR** AWARD WINNERS.

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