

# LBM JOURNAL<sup>®</sup>

MAY 2022 \$10 U.S.

# 100

THE INDUSTRY'S TOP DEALERS  
REPORTED BOOMING SALES IN  
2021, ALL WHILE NAVIGATING  
ONGOING SUPPLY AND LABOR  
CHALLENGES



**IN DEPTH: WINDOWS & DOORS**  
DESPITE DISRUPTIONS, THE FENESTRATION  
MARKET CONTINUES TO DOMINATE

**REAL ISSUES. REAL ANSWERS.**  
MANAGING RISING FUEL COSTS





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## 6 FROM THE PUBLISHER

Behind the LBM 100

BY RICK SCHUMACHER

## 8 FROM THE EDITOR

Let's honor our century-old companies

BY JAMES ANDERSON

## 10 COMMENTARY

Will my assets fund my post-ownership goals?

BY SAM BROWNELL

## 12 THE BUZZ

LBM industry updates, news, and events. Plus, the latest from lumberyards across the country, and responses to our March Tough Call survey.

## 18 SALES & OPERATIONS

The search for future leaders should begin now

BY BILL LEE

## 20 BUILDING SALES

Sweat the details

BY RICK DAVIS

## 22 RECRUIT + RETAIN

How do you get employees excited about returning to the office?

BY RIKKA BRANDON

## 24 LEADERSHIP

Paralysis by analysis

BY RUSS KATHREIN

## 26 CREDIT Q & A

Is it time to take them to court?

BY THEA DUDLEY

## 28 MERGERS & ACQUISITIONS

Seller's notes: How they work

BY JOHN WAGNER

## 30 PROCESS & PROFIT

Pricing 301: Automation for the win

BY SHANE SOULE

## 64 TOUGH CALL

THE SAGA OF CECIL'S CULLS

A longtime contractor customer is notorious for picking through premium material, then sending too many culls back for credit. What would you do?



## 34 5 QUESTIONS

With Yaser Masoudnia, CEO and co-founder of BlueTape.

## 36 REAL ISSUES. REAL ANSWERS.

MANAGING RISING FUEL COSTS

BY LBM JOURNAL READERS

## 50 IN DEPTH

WINDOWS & DOORS

Despite disruptions, the fenestration market continues to dominate.

BY MIKE BERGER

## 56 PRODUCTS





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**Executive Editor & Publisher**

Rick Schumacher  
Rick@LBMJournal.com

**Editor**

James Anderson  
James@LBMJournal.com

**Creative Director**

Richard Hart  
Design@LBMJournal.com

**Contributing Sales Editor**

Rick Davis

**Contributors**

Mike Berger, Rikka Brandon, Sam Brownell,  
Thea Dudley, Russ Kathrein, Bill Lee,  
Shane Soule, John Wagner

**Controller**

Nancy Frazer  
Nancy@LBMJournal.com

**Director of Operations & Events**

Michelle Fischer  
Operations@LBMJournal.com

**Administrative Coordinator**

Tina Saucke  
Tina@LBMJournal.com

**ADVERTISING SALES**

NORTHEAST & SOUTHEAST  
**Jodie Cook Redwood**  
Jodie@LBMJournal.com  
Ph: 800.324.3492 Fax: 952.892.7816

CENTRAL & WEST  
**Michele Randazzo**  
Michele@LBMJournal.com  
Ph: 904.310.9540 Fax: 952.892.7816

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## Behind the LBM 100

**FOR YEARS**, one of the most common questions from readers and advertisers was if we had a listing of the industry's top dealers by revenue. The reason our answer was no until we launched the inaugural LBM Journal 100 last year was because we weren't going to do it just to do it. After all, other listings existed, and we weren't going to create something until we knew we could do it differently and better.

Having talked with a number of dealers over the years who prefer not to share their top-line numbers, yet whose companies and revenues somehow appeared on listings of top dealers, it was clear what we could do differently. Instead of guesstimating a company's revenues in order to include them on our list, we could honor their decision to not share their revenues—and make our list 100% voluntary. So that's what we did.

When looking through this year's LBM 100 listing, beginning on page 42, you may notice that some large, highly successful companies aren't included. That's not an oversight on our part; that was their decision, and we're fine with it. (If you're not included, and you'd like to make sure your company is considered next year, please drop me a note at [Rick@LBMJournal.com](mailto:Rick@LBMJournal.com), and I'll make sure we reach out to you in 2023.)

We launched *LBM Journal* in 2003 because, even though our industry was already served by several fine publications, we believed we could do it differently—and hopefully better.

As Editor James Anderson notes in his editorial, we created the LBM Century Club in 2016 because it didn't exist—and the 200-plus century-old companies who belong to the club are the foundation of our industry, and they deserve to be honored and celebrated.

We launched the LBM Strategies Conference because some existing events seemed to focus primarily on maximizing revenues by selling unlimited sponsorships. We flipped the script, limiting the number of sponsors, and focusing instead on building an event by and for LBM pros, to connect and learn, and to share their stories and strategies for success.

I'm dangerously close to hitting my 30-year mark of involvement with this industry. And during that time, I went from an outsider with little-to-no knowledge of how the lumber business operates, to someone with a deep respect for the people and the companies who comprise it.

Since we're 100% privately held and are fortunate to have strong support from the LBM community, we're able to do what we want. As it happens, what we want is to help you and other members of the LBM community build your business, your sales, and your brand. That's what's "Behind the LBM 100," and everything else we do.

As my friend Michael Beaudry, Executive VP of NADRA likes to say, "It's about doing the right things for the right reasons, and having fun doing them."



Rick@LBMJournal.com

— Rick Schumacher  
Executive Editor & Publisher



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# Let's honor our century-old companies

**WHEN** LBM Journal launched the LBM Century Club in July of 2016, we sought a way to honor and celebrate LBM dealers that had been serving their communities for over 100 years. As we shared news of family businesses being passed along to third and fourth generation owners, it became evident that a growing number of those companies had been operating for a century or more.

"By recognizing their century of distribution excellence, we're holding these LBM dealers up as a model for others in our industry," we wrote, announcing the decision to formally recognize and celebrate these companies and their stories.

The first member of the LBM Century Club was Engquist Lumber Co. in Harcourt, Iowa. Started in 1890, the family-owned company was launched by Olaf Engquist, a farmer who saw a need for building materials. Four generations of Engquist family members have run the company, with Scott Engquist as today's president and manager. Engquist Lumber provides sales and design support to contractors and homeowners across central Iowa. The company sells lumber, plywood, windows, doors, cabinets, insulation, and many more building materials.

We recognized Engquist Lumber as the ideal dealer to launch the LBM Century Club, because the Engquists operate a company that has what it takes to sustain for what is now 132 years—the ability to grow along with changing times in an expanding community.

Since that first member, the LBM Century Club has grown to include just over 200 dealers, some that date back to the late 1700s. Many started as forestry companies making their way through New England and westward. At our interactive map of Century Club members on LBMJournal.com, you can virtually trace the progression of the industry as a higher concentration of members line the East Coast and slowly spread out as westward expansion took place.

There is no charge become a member of the LBM Century Club. As we like to say, "Members have already paid their dues." They've served their communities for this long and they deserve the recognition. Members of the Century Club are recognized in the magazine and online, and receive a certificate of membership, logo window clings, and special marketing materials for their use. Plus, Century Club inductees in attendance at the LBM Strategies Conference 2022 in Denver this October will also be honored at a special reception.

I encourage anyone who knows of a 100-plus year old lumberyard to sign them up at LBMJournal.com/nominate, so that we can add them to this growing listing of impressive companies. If you have any questions about the LBM Century Club, please don't hesitate to get in touch.

— James Anderson  
Editor



A handwritten signature in dark ink that reads "James Anderson".

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# Will my assets fund my post-ownership goals?

BY SAM BROWNELL

**A FAMILIAR** saying states that two things in life are certain: death and taxes. Along those lines, I'd like to add a third certainty: the business that you own *will* experience an ownership transition. In my experience, there are two primary scenarios for how a business ownership transition can play out. In the first, you as the business owner will take a proactive approach, which empowers you to make decisions now to plan for your post-ownership goals. In the second scenario, you or your family will have to quickly react to an unexpected event like death or disability, and many of the decisions will be out of your control. Therefore, I believe it is critical to think about your post-ownership goals so you can create a plan for how to use the value you have created in the business, plus your other assets, to fund your lifestyle.

As a business owner, you have a large amount of control over the cash flow you receive. Once you transition ownership and step back from daily management, it can feel as though you lose control of your primary source of cash flow. Therefore, to help LBM dealers take control of their post-ownership funding strategy, I suggest the following steps. Please keep in mind that there are low-cost software programs that can help with your analysis in steps 1 and 2.

## STEP 1

Prepare a post-ownership cash flow analysis: Sit down with your spouse and write down a list of your needs (e.g., groceries, mortgage, etc.) and goals (e.g., travel, spend time with grandkids, etc.). Then, estimate the costs associated with each of these goals. This will give you a baseline for the cash flow you will need following an ownership transition. Finally, compare this expense estimate to your current annual compensation. These two data points will give you an idea of how much money your assets will need to create to fund your goals.

## STEP 2

Create a personal net worth statement: This step requires us to think about our personal life like an accountant thinks about our business. Divide a page into three sections. In the top section, list all your assets from the most liquid (e.g., checking account) to the least liquid (e.g., my business) and the estimated value. In the second section, list each of your personal liabilities (e.g., home mortgage) and the estimated value. In the third section, subtract the total value of your assets from the total value of your liabilities. The resulting number is your personal equity and will be the foundation to support your post-ownership goals.

## STEP 3

Estimate how well your personal equity funds your post-ownership goals: First, assign an appropriate growth rate to your personal equity, typically somewhere between 3% and 5%. Second, estimate the amount of time until your ideal ownership transition. Third, estimate the amount of time your personal equity will need to fund your post-ownership goals. Our suggestion would be at least 20 years (e.g., sell the business at 70 and live until 90).

You can then use these data points plus your estimate of expenses from Step 1 to calculate an estimate of how well your personal equity will fund your post-ownership goals. The following hypothetical example will help illustrate this calculation.

- Your personal equity is \$3.5 million
- You believe this equity will grow at 4% per year
- You would ideally sell the business in 10 years
- Your personal equity needs to fund 25 years of post-ownership living
- Your annual needs and goals expenditures are \$225,000

**CALCULATION 1: PERSONAL EQUITY AT TIME OF SALE**  
 $\$3.5 \text{ million} * (1 + 4\%)^{10 \text{ Years}} = \$5.18 \text{ million}$

**CALCULATION 2: POST-OWNERSHIP SURPLUS OR DEFICIT**  
 $\$5.18 \text{ million} - (\$225,000 * 25) = -\$445,000$

In this hypothetical example, the dealer would need to increase personal equity by at least \$445,000 to fund their post-ownership goals.

In my experience, it is not unusual to see a deficit when making these calculations. The good news is that you as the business owner have the power to eliminate this deficit. The reason we plan is so that we can implement strategies to boost the value of your assets prior to an ownership transition. The earlier you start, the more time there is to close your funding gap so you can continue to control your financial destiny in your post-ownership life. ■

Stratus Wealth Advisors owner and founder Sam Brownell helps independent dealers by quarterbacking 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](mailto:sbrownell@stratuswealthadvisors.com).



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## UPDATES

### PEOPLE

**Epicor** has appointed **Lisa Pope** as company president.

**Masonite** has named **Jim Pelletier** as senior vice president, general counsel.

**BlueLinx** has appointed **Joshua Teteak** supply chain officer.

**Belco Forest Products** has promoted **Kevin Hayes** to oversee California market.

**Mark Hall** has joined **Buildxact** as VP of strategic enterprise accounts.

**Koppers** has appointed **Stephen Lucas** as VP of culture and engagement.

### CO-OPS & BUYING GROUPS

**Do it Best** has named **Todd Miller** director of merchandising strategy and execution.

**Howard O'Neal** was promoted to division manager of Lumber.

**Do it Best** will move its spring market out of its traditional home in Indianapolis and take it on the road to various locations around the country, starting with Orlando, Florida, March 11-13, 2023.

**LBM Advantage** has announced the hiring of **Joe Burlison** as vice president of Southwest operations.

For the first time in two years, the **LMC** network of dealers, suppliers, and staff met in person for the 2022 LMC Annual from March 23 to 25 in Tampa, Florida.

### ASSOCIATIONS

The **Hardwood Manufacturers Association** has elected **Tommy Petzoldt**, East Perry Lumber Company, as president. Other officers include Vice President **Tom Gerow** of Wagner Millwork, and Executive Vice President **Linda Jovanovich**.

The **American Building Materials Alliance** (ABMA) concluded its inaugural Advocacy Week on April 8. Over the course of the week-long event, more than 100 ABMA members met virtually with legislators and their offices to highlight our three 2022 priority issues of workforce development, supply chain delays, and inflation.

**Arxada** has joined the **National Lumber and Building Material Dealers Association's** Manufacturers and Services Council. Arxada's product brands include: Wolmanized, Dricon, Chemonite, FrameGuard, AntiBlu, and Permatek.



LISA POPE



JIM PELLETIER



JOSHUA TETEAKE



KEVIN HAYES



TODD MILLER



HOWARD O'NEAL



JOE BURLISON



MIREYA ZAPATA

The **National Lumber and Building Material Dealers Association** has presented its Chairman's Award to **Mireya Zapata**, executive vice president of the Lumbermen's Association of Texas.

**Cassie Lewis** of **Turn Bull Lumber Company** was elected **Southern Cypress Manufacturers Association** president. **Truss Beasley**, of **Beasley Forest Products**, was elected vice president.



CASSIE LEWIS



TRUSS BEASLEY

### ANNUAL HOME PRICE INDEX SHOWS 19.2% GAIN

S&P CoreLogic Case-Shiller Indices released for January 2022 shows that home prices continue to increase across the U.S.

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 19.2% annual gain in January, up from 18.9% in the previous month. The 10-City Composite annual increase came in at 17.5%, up from 17.1% in the previous month. The 20-City Composite posted a 19.1% year-over-year gain, up from 18.6% in the previous month.

Phoenix, Tampa, and Miami reported the highest year-over-year gains among the 20 cities in January. Phoenix led the way with a 32.6% year-over-year price increase, followed by Tampa with a 30.8% increase and Miami with a 28.1% increase. Sixteen of the 20 cities reported higher price increases in the year ending January 2022 versus the year ending December 2021.

### HARDWOODS AND HOME OFFICES HAVE MOST REMODELING IMPACT

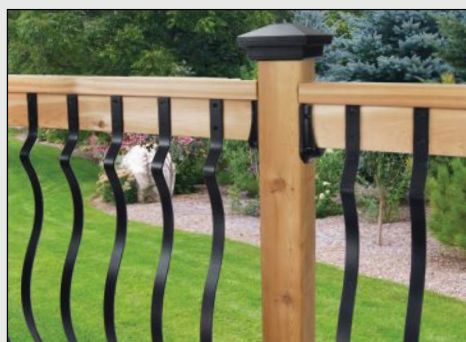
U.S. households saw homeowners and families embark on a wide variety of renovations and remodeling projects over the past year. That is according to new findings in the 2022 Remodeling Impact Report, a joint study from the National Association of Realtors and the National Association of the Remodeling Industry. This year's report analyzes a number of home improvement aspects, including why people decide to remodel, the general costs of specific remodeling tasks, and the fulfillment experienced after a successful project has been completed.

The report notes that Americans spent \$420 billion in 2020 on home remodeling ventures. Ninety percent of NARI members cited a greater demand for contracting remodeling work during the course of the pandemic. Three out of five NARI members – 60% – said the scale of the projects grew either in a larger project or remodeling more than one room due to the pandemic.



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## UPDATES

### DISTRIBUTION

**Rocco Building Supplies** will distribute Tando's full line of products.

**Manufacturers Reserve Supply** has introduced a new website in honor of the distributor's 90th anniversary.

**ABC Supply** will now distribute **Qora Cladding** through more than 600 locations nationwide.

**Building Material Distributors** will distribute Spartan Railing to dealers throughout California and select counties in Nevada.

**Dealer's Choice** will distribute Everlast by **Chelsea Building Products**.

### INDUSTRY

**Great Southern Wood Preserving** has announced a \$22.5 million expansion at its Avoyelles Parish, Louisiana facility.

**YellaWood** extended its title sponsorship of a NASCAR Cup Series playoff race, the YellaWood 500 through 2024.

**Trex** has launched Trex Academy, an online multimedia content hub dedicated to helping DIYers.

**Biewer Lumber** has shipped the first load from its Mississippi mill.

### MERGERS & ACQUISITIONS

**Culpeper Wood Preservers** has acquired a new treating plant in Sweetwater, Tennessee.

**Oldcastle APG** has acquired hardscapes manufacturer Calstone.

## UPCOMING EVENTS

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

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

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

**NOV 8-10** ECI CONNECT 2022  
Aurora, CO | ecisolutions.com

**NOV 14-15** EPICOR INSIGHTS  
Scottsdale, AZ | epicor.com

## TOUGH CALL ANSWERS

ANSWERS TO OUR MARCH TOUGH CALL SURVEY:

### THE MIDDLE MANAGEMENT TIGHTROPE

YOUR DIRECT SUPERVISOR WANTS TO STAY THE COURSE, BUT THE CORPORATE OFFICE WANTS TO MAKE SOME CHANGES. HERE'S HOW READERS WOULD HANDLE THIS TOUGH CALL.

#### SURVEY RESULTS FROM LBMJOURNAL.COM

**0.9%**

**KNOW YOUR PLACE.** Your direct supervisor, having built and grown the business, knows a thing or two. Follow her lead.

**4.4%**

**LOOK AHEAD.** With much of your career ahead of you, the smart play is to follow your gut and align with the corporate office.

**85.2%**

**MAKE IT HAPPEN.** Help your supervisor see that these changes are going to happen, and do what you can to smooth the transition.

**9.5%**

**DON'T TAKE SIDES.** This isn't your battle. Keep your opinion to yourself, and go with the flow.



THANKS TO EVERYONE WHO VOTED ON THE MARCH SURVEY. SEE PAGE 64 FOR THE MAY TOUGH CALL: "THE SAGA OF CECIL'S CULLS"

#### BUILDER CONFIDENCE CONTINUES TO FALL

Rapidly rising interest rates combined with ongoing home price increases and higher construction costs continue to take a toll on builder confidence and housing affordability.

Builder confidence in the market for newly built single-family homes moved two points lower to 77 in April, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). This is the fourth straight month that builder sentiment has declined.



## ASSOCIATION OF PROFESSIONAL BUILDERS ISSUES 2022 STATE OF CONSTRUCTION REPORT

The Association of Professional Builders (APB), a business coaching service for custom home builders, with members in the United States, Canada, Australia and New Zealand, has announced the findings from its annual State of Residential Construction Industry (SORCI) Report for 2022. The report, compiled annually, surveys hundreds of residential home builders operating in the United States, Canada, Australia, and New Zealand. The sponsors for this report include Buildertrend, CBUSA, Buildxact, Xact Accounting and Builda Price.

### Key findings in the 2022 SORCI report for the United States indicated:

- 1) A sharp rise in the cost of materials, in particular, with lumber prices increasing as much as 142% as a result of increased demand and supply chain distributions.
- 2) A surge in home building demand fueled by record low interest rates and increased disposable income among consumers who were unable to spend their money on overseas vacations and entertainment.
- 3) At the start of 2022, inflation hit 7% in the United States. This trend is likely to continue upwards until interest rates are increased, at which point it is likely that demand for new homes may start to drop.

Despite the supply chain disruptions, increased demand and inflation, builders in the United States protected their margins by using allowances for lumber from mid-2020 onwards. The SORCI Report indicated that 49.1% of builders know their fixed expenses per job, per day, an increase from 43.1% the year prior.

## RESIDENTIAL CONSTRUCTION SPENDING ON THE RISE

National Association of Home Builders analysis of Census construction spending data shows that total private residential construction spending rose 1.1% in February after an increase of 1.1% in January. Spending stood at a seasonally adjusted annual rate of \$850.6 billion. Total private residential construction spending was 16.6% higher than a year ago.

These monthly gains are attributed to the strong growth of spending on single-family and multifamily construction, while spending on improvement slipped. Single-family construction spending increased to a \$465.4 billion annual pace in February 2022, up by 2.5% over the upwardly revised January estimates. Multifamily construction spending inched up 0.1%, and it was 7.8% higher than a year ago. Spending on improvements decreased 0.7% in February, after an increase of 0.9% in January. Home building is still facing supply chain issues, which means the industry is dealing with rising material costs as well as ongoing labor shortages.

Associated Builders and Contractors (ABC) Construction Confidence Index shows that nationally, nonresidential construction spending dipped 0.1% in February. On a seasonally adjusted annualized basis, ABC says nonresidential spending totaled \$844.5 billion for the month.

## SINGLE-FAMILY PERMITS DECLINE IN MARCH; HOUSING STARTS RISE OVERALL

The single-family housing market continued to show signs of softening in March as permits and starts declined due to rising mortgage interest rates and ongoing supply chain bottlenecks that continue to delay construction projects and raise home building costs.

**DUE TO STRONG MULTIFAMILY PRODUCTION, OVERALL HOUSING STARTS INCREASED 0.3% TO A SEASONALLY ADJUSTED ANNUAL RATE OF 1.79 MILLION UNITS, ACCORDING TO A REPORT FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE U.S. CENSUS BUREAU.**

The March reading of 1.79 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 1.7% to a 1.20 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 4.6% to an annualized 593,000 pace.



On a regional and year-to-date basis, combined single-family and multifamily starts are 17.3% higher in the Northeast, 6.6% higher in the Midwest, 11.2% higher in the South and 7.5% higher in the West.

Overall permits increased 0.4% to a 1.87 million unit annualized rate in March. Single-family permits decreased 4.8% to a 1.15 million unit rate. Multifamily permits increased 10.0% to an annualized 726,000 pace.

Looking at regional permit data on a year-to-date basis, permits are 5.5% higher in the Northeast, 4.0% higher in the Midwest, 7.5% higher in the South and 4.9% higher in the West.

Single-family permits authorized but not started increased 7.6% in March to 127,000 and are up 30.9% year-over-year as higher construction costs and material delays slow previously permitted projects.

## REMODELING AND DESIGN PROS TEMPER Q2 EXPECTATIONS

Houzz Inc. has released the Q2 2022 Houzz Renovation Barometer, which found that remodeling businesses have tempered their positive outlook for Expected Business Activity in the second quarter of 2022 from last quarter's peak, despite a strong first quarter performance. While architecture and design professionals remain confident about their business outlook, this has softened slightly, with expectations declining somewhat for project inquiries and new committed projects. Backlogs reached three months for construction professionals and nearly two months for architecture and design professionals.

**Q2 2022 Construction Sector Barometer**  
In the construction industry, build-only and design-build professionals are aligned on anticipated business performance although sentiments diverge on recent business activity for Q1 2022. While build-only remodelers report stronger activity compared to Q4 2021, design-build firms experienced a slight decrease in Q1 2022 activity compared with the previous quarter.

The Expected Business Activity Indicator related to project inquiries and new committed projects decreased to 67 in Q2 (compared to 79 in Q1). Expectations for project inquiries declined significantly to 65 compared to 80 in Q1, and new committed projects are at 69 in Q2, down nine points relative to Q1. The Project Backlog Indicator reached 12 weeks in Q2, which is the highest reported since 2017. Compared to the same period last year, backlogs are 2.7 weeks longer.

The Recent Business Activity Indicator related to project inquiries and new committed projects rose significantly to 71 in Q1 (compared to 65 in Q4 2021). This is driven by a four point increase in project inquiries in Q1, relative to the previous quarter, and by a significant increase in new committed projects to 72 (64 points relative to Q4 2021).

## Q2 2022 Architectural and Design Services Sector Barometer

Business performance expectations somewhat diverge among the architec-

tural and design services subsectors. Interior designers expressed optimism for business in Q2, reporting higher expectations than last quarter for new committed projects. Architects have tempered their outlook, anticipating decreases in project inquiries and new committed projects. Both groups report slower business activity in Q1 2022 compared to the previous quarter.

The Expected Business Activity Indicator related to project inquiries and new committed projects declined to 65 in Q2. This decline is primarily driven by lowered expectations for project inquiries at 63 in Q2 (down 8 points relative to Q1), however, expectations for new committed projects increased to 68 in Q2 (compared to 67 in Q1).

## BY THE YARD NEWS FROM LUMBERYARDS AROUND THE COUNTRY

### MEAD LUMBER PURCHASES MONTANA YARD

Mead Lumber Company has purchased Triple "S" Building Center Inc. of Butte, Montana. Triple "S" is a family-owned business and has served the southwest Montana area as a full-service lumberyard and building material supplier for professional builders and remodelers, homeowners and commercial contractors since 1988.

### A GRAND OPENING FOR TUM-A-LUM'S PENDLETON LOCATION

After 96 years of serving the Pendleton, Oregon community from the same historic building and lumberyard, Tum-A-Lum Lumber opened the doors on its new and modern store Feb. 7. The new store has 11,300 square feet of retail space, compared to the old stores' 2,000 square feet, and sits on a 4-acre lot with 3.5 acres of paved space for the new lumberyard.

### LYMAN COMPANIES CELEBRATES 125TH ANNIVERSARY

Founded in 1897 in Excelsior, Minnesota, the company began as a small lumberyard called Lyman Lumber. Today, the company has grown to eight locations with more than 1,100 associates across Minnesota and Wisconsin and serves the needs of some of the largest building professionals in the Twin Cities area.

### MCCOY'S CELEBRATES 40 YEARS IN LUFKIN, TEXAS WITH REMODEL

McCoy's Building Supply in Lufkin, Texas recently celebrated the completion a major remodel with a Chamber of Commerce Board Cutting, the McCoy's version of a ribbon cutting. The store also presented a \$2,000 check to the Chuck Arnold Memorial Scholarship.

### US LBM NAMES 2022 HUMANITARIAN AWARD WINNER

US LBM has named Jannette Valdez, inside sales representative at US LBM's Wallboard Supply Company, as its 2022 Humanitarian Award Recipient for her outstanding community involvement and charitable work. Valdez is also the recipient of a \$10,000 grant from the US LBM Foundation, which she has elected to be awarded to the Nashua Police Athletic League.

### US LBM ACQUIRES PHOENIX-AREA TRUSS COMPANY

US LBM has acquired Crown Components, a manufacturer and supplier of structural roof and floor trusses in the metropolitan Phoenix area. Crown Components operates a nine-acre facility in Tolleson, Arizona that services the Phoenix-Mesa-Scottsdale market.

### BUSY BEAVER OPENS 25TH LOCATION

Pittsburgh-based Busy Beaver Building Centers recently opened its 25th neighborhood home improvement center in Delmont, Pennsylvania. Formerly a movie theater, the center measures 44,000 square feet and includes an outdoor garden center.

### 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](mailto:James@LBMJournal.com).

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# The search for future leaders should begin now

BY BILL LEE

**OWNERS AND MANAGERS CANNOT** always predict when they will have an opening for a key leadership position. The managers who currently serve in these positions may be a long way from retirement, but most of us learned the hard way that openings for key personnel can come open when you least expect it.

Talented and experienced managers who have the right chemistry to fit into your organization don't grow on trees. The majority of them are not looking to make a change; and their families have often times have never dreamed about moving across town, much less halfway across the country. This is why I have found recruiting to be a continuous process and a top priority for an effective executive.

I recommend my clients write down the behavioral characteristics they believe would make the best fit for their organization. It's alright to include age, years of experience, educational level, etc., but it has been my experience that those criteria can't compare with behavior. It's also a good idea to include behavior you *don't* want to hire.

Next, put together these criteria for easy reference when you run across a manager you wish to possibly consider down the road when you have an opening.

The single most difficult task for an owner or manager is to drop what he or she is doing and conduct an executive search; driving a large percentage of executives to make the difficult decision to invest sometimes up to \$50,000 in an executive recruiter. If most high-level managers had a choice, they would rather have the attributes of several candidates with the right stuff written down and organized than pay a professional recruiter to bring them strangers to consider.

In my corporate life, I once met a young man at a trade show whose demeanor, image, and confidence level impressed me enough to ask him for a business card so I could find him down the road if I ever had a position I wanted to consider him to fill. On that same page, I listed as many of his attributes that impressed me as I could remember so months or years down the road, I could remind myself of why I had decided to put him in my binder. I included his university degree, his position at the time, his behavioral characteristics, anything I learned about his ambition level, his goals and objectives, how he goes about solving problems, etc.

Of most importance is to stay in touch with the prospects you meet. If my travels happen to take me within a half-hour to an hour's drive from one of my candidates, I'll call ahead and ask if I can stop by and say hello. I also periodically pick up the telephone and ask questions like: How is life treating you there at \_\_\_\_\_ company? How have you dealt with your customers who refuse to plan ahead in a market like we're in right now? Have you discovered any innovative ways to get favorable treatment from your suppliers in an emergency situation? Have you come up with any ideas on how to protect your people from being hired away by competitors? I also try to share an idea or two of my own that might help my candidate.

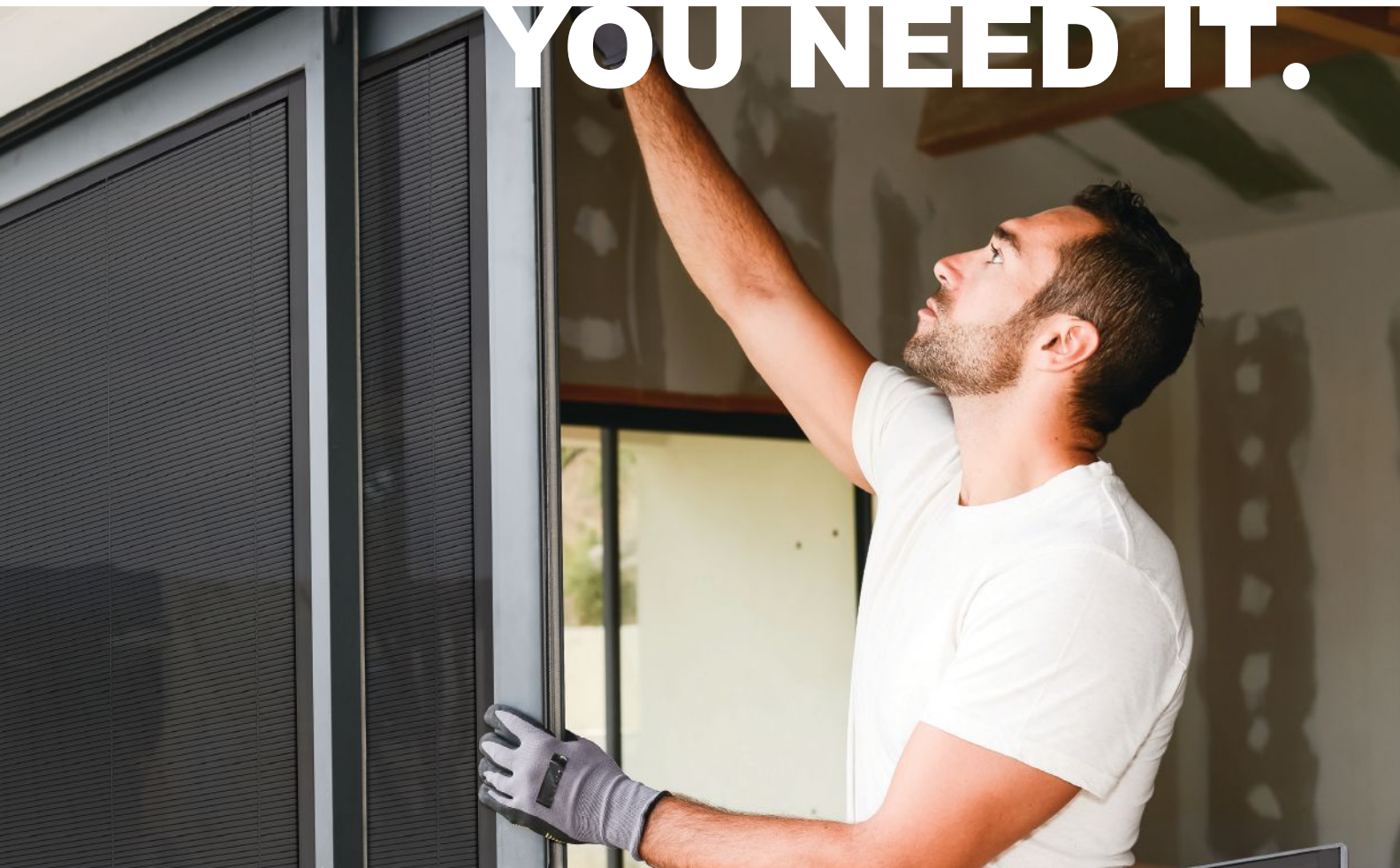
I guess I average a group of six or eight candidates in my binder at any given time. After building a relationship with these candidates over a reasonable period, I feel more comfortable about discussing a job opportunity with one of the candidates in my binder.

The most critical asset we all need is people! The above is one idea that has worked for me. Give it a try, I believe it will work for you, too. ■



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

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# Sweat the details

BY RICK DAVIS

**MAYBE YOU'RE THE LUCKY** salesperson in the LBM industry who never has an emergency fire to extinguish at your branch. Perhaps your customers are so organized that orders are planned, placed, and delivered without a glitch. If that's you, then skip this article.

Now that I have everyone's attention...

In so-called normal times, it is easy to fix a mistake or omission to an order. Your customer calls, and you pull some goods from stock and make the quick-fix delivery. What you've found during the past two years is that a snap correction isn't always possible. Product scarcity has created fluctuating prices during a time when demand is rising far beyond our capacity. In other words, it isn't a time for salespeople to casually wait for customers to place last minute orders, and yet many still do!

Here are a few tips that I have shared with clients during these absurd times.

**1. Work backwards:** You can't plan a project as you used to. For example, windows that were ordered after framing had begun might now need to be in the works long before the lumber has even been ordered. The important question to be asked of the builder for each product you supply is, "When do you need it?" Instead of delivering lead times and hoping the builder keeps the chaos organized, a high-performance salesperson times orders accordingly so their customers can have the product on time. Start with the end in mind and work backwards to determine the deadline decisions on all products.

**2. Sweat the details:** Get the order right the first time. This means slowing down and asking questions. Builders are notorious for dropping

problems in the laps of salespeople and expecting them to figure out solutions, a practice that doesn't work well for either party.

You owe it to your customers to slow them down, a practice which actually saves them time and money. The mistakes that were costly in past times are now exponentially more expensive today. Carpenters measure twice and cut once. Salespeople should read twice, review in detail with their customer, and then order once.

**3. Use existing emergencies to prevent the future ones:** This is one of my favorite lessons to share with young salespeople and inside sales leaders. It is always obvious that we should do whatever is possible to fix an emergency transpiring in the moment. Afterward, the enlightened response is to let the builder know the implications of the problem...to themselves. If the problem is costing you dearly, and you might be part of a multi-billion-dollar organization, imagine the impact to a small volume builder working from a small office at home.

I confess my fear that people will read this article and feel it simply belabors the obvious problem. We've heard every aphorism there is about time management. *Sweat the details. If you can't find time to do it right the first time, you certainly won't find time to do it again. Proper planning prevents problems.* These commonsense punchlines, however clever, are not common practice.

Anybody can follow up after a problem is created. The best salespeople are the ones who eliminate problems before they occur. ■



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](http://buildingleaders.com). Rick can be reached at [rickdavis@buildingleaders.com](mailto:rickdavis@buildingleaders.com)

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Keep things moving.

# How do you get employees excited about returning to the office?

BY RIKKA BRANDON

**FOR MANY WORKERS**, the pandemic opened their eyes to the benefits of working from home. From eliminating commutes, to easier access to their children's activities, remote working provides tremendous flexibility in a world where work-life balance had become increasingly unbalanced.

Now that things are returning to a new normal, many companies are determined to get employees back to the office—at the same time that many employees are vowing to never do so. The challenge can be even more complicated for companies like LBM dealers, where some office workers were able to work remotely, but a large portion of the team had to remain on site due to the nature of their roles.

So how do we sell team members on returning to work? The answer isn't cut-and-dried. We're in an employees' market, and those workers who simply don't want to be in an office likely aren't going to budge and are going to seize the opportunity to make a break for it. But there are plenty of workers who will likely see the positive side of returning to the office, at least for part of the time. Here are some things to think about.

**Consider a “hybrid” approach.** Many companies have recognized that working remotely in some form is here to stay—workers want the flexibility and have proven they can be just as productive. As such, compromise might be in order. Create a flexible schedule that allows for a couple of days in the office and a couple of days at home each week. Perhaps plan meetings and key decision-making around in-person days and allow for more uninterrupted tasks while remote. No matter what, recognize that a work-life balance is more important than ever to employees, and they will want to retain some of the flexibility they now have.

**Remember the business reason for returning to the office.** Think through *why* you want your team in the office. Is there a legitimate business reason? Or is it because “that's how it's always been done?” Or, worse, is it because you want to monitor them? Your team has been success-

fully running your company remotely for two years—you need to truly consider and sell the benefits to justify the return.

**What's in it for them?** As I've mentioned previously, hiring and retention in an employees' market means focusing a lot on “what's in it for them.” Getting a paycheck or helping the company aren't reasons enough to stay when there are plenty of other paychecks to be had that don't require a 60-hour work week and two-hour commute.

While a lot of people have enjoyed working from home, others admit that they miss the social aspects. For others, heading back to the office is a chance to get out of the house, to socialize with other adults, to talk to people who are passionate about the industry, and to stretch their brain and solve problems. These are things that are happening remotely, but not nearly as intensely nor as intimately as they do in person.

A co-worker can make or break an employee's job experience. Those who have lousy co-workers will probably leave eventually anyway. But those who enjoy their co-workers likely identify those people as a reason they enjoy their job and will look forward to meeting up with them face-to-face.

**Be nimble.** People on both sides of the aisle are a little nervous. Business owners feel disconnected from their workers, while workers are hesitant to give up the flexibility they've gained. As life continues to go back to normal, there will be significant boomerang, not just from people who want to stay home forever but also those who want to have a little more of an office experience.

I don't think we're going to see the willingness to work 10-hour days with a 30- to 60-minute commutes on each side coming back for anyone, and I think businesses need to welcome that new reality as much as their team members will. But I do think we'll start to see that people are more open to having that office experience as part of their life again. ■



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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# Paralysis by analysis

BY RUSS KATHREIN

**IN THE AMERICAN CIVIL WAR**, one of the first generals to lead the Union was George B. McClellan. By all accounts he had a knack for organization and structure, and he is given credit for raising and training the initial Union Army of the Potomac after the disastrous first Battle of Bull Run. He was so successful at increasing the morale and strength of the Union army, he was made the General-in-Chief. He seemed to do everything right in getting the North ready for battle except for one thing. He could not pull the trigger and commit his troops to battle.

He was not a coward. He instead was a person who was always collecting more and more information, often conflicting, that kept him from taking any decisive action about where and when the Union army should engage the Confederates. It got so bad that President Lincoln met with McClellan's generals and told them, "If General McClellan does not want to use the army, I would like to borrow it for a time." McClellan was eventually relieved of his command, and after several other ineffective choices to lead the Union Army, Lincoln settled on Ulysses S. Grant, who was far more decisive and aggressive. And the rest is history.

McClellan's affliction is not limited to military leaders. Many leaders today delay making decisions until they can get more information or data. This is only compounded as more and more data becomes available from the use of more computers and the internet. Some people are convinced that if they can just get enough data and good information, it will tell them exactly what they should do without any risk of failure. These people rarely rise into leadership positions because they do not have the risk tolerance necessary to lead effectively. They are good contributors and can be invaluable to an effective leader who makes the hard choices.

There is another dependence on data that can also be destructive to leadership, and that is using the collection of an ever-increasing amount of data as a way to avoid making a decision or even going on record as being against something. I worked with a peer who heard our

pitch for a new business model we wanted to roll out in his area. After what I thought was a convincing presentation by the people leading the effort, I could see he was still hesitant. He told us he appreciated our work, but he then went on to request a lot of additional detailed information to support what we had just presented. Sensing there was something more behind his request, I point blank asked him, "Are you curious and need more information, or are you uncomfortable with the business model and likely to decline?" He relaxed his posture, either in relief or resignation, and admitted that he wasn't that interested in the business model. I thanked him for his honesty and told him by telling us no upfront, he saved us a tremendous amount of additional work. We moved on and rolled out our plan in other areas.

Most of us have worked for people who, no matter how much we prepare, either want more time or more information. This can be just how they process things. It can also be helpful if their analysis is complementary to ours, and they bring new or different insights into the equation. It can also be that they are uncomfortable with the idea or with going on record supporting the idea. Save yourself some time and get them to tell you early on what they think about the proposal, and ask them if by getting them more information you will be closing the sale, or will you still be trying to convince them to be a buyer.

As for ourselves, how often have you used the pretext of needing more information as a way to buy time to get caught up or just to get around to being able to truly study the proposal. I have seen buyers request more and more information from salespeople, and then after it is provided, not use it or even look at it before they say no. Better to be honest and just tell your subordinate or salesperson, "I need some additional time," than to send them on a wild goose chase for information you will never use. And if you don't like the idea, just say so and tell them why. They will appreciate that you respected their time and that you were honest and straightforward. ■



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



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# Is it time to take them to court?

BY THEA DUDLEY

**Dear Thea,**  
**When should I use small claims court to collect our company's money? Is this a better option than turning my delinquent accounts over to a collection agency? How hard is it to use small claims court as an option? Any insight you could give is appreciated.**

— Teeter-tottering in Tennessee

Dear Teeter-tot:

Don't you just love a good Western? There is something exciting and unexpected about the Wild, Wild West. Since I can't go back in time, small claims court is the next best thing.

Small claims court is my favorite. It is a trip to the airport, county fair, and a family reunion all in one. The level of crazy and entertainment is inspiring. Now that I have you feeling good about the prospect of a fun and entertaining workday, let's set some guidelines to help you prepare you for small claims bonanza.

1. Gather all supporting documents: credit application, invoices, statements, notes of conversations—basically, every scrap of data you can.
2. Make three copies. One for you, one for the judge and one for the deadbeat, also known as your former customer.
3. File all the paperwork, usually online, in the appropriate court. There will be a filing fee, so have your credit card ready.
4. Get the debtor served—super easy. Some states let you do it, some use registered mail, sheriff, or a process server. There will be a fee whichever avenue you pick. My personal favorite is a self-serve or a well-timed sheriff visit (preferably to the home, at dinner time) but the office is just as entertaining. Either choice is delightfully impactful.
5. Show up on your court date. Assume you will get lost, so go early.
6. Once your case is called. Sit quietly and wait for the judge to ask you questions.
7. Answer honestly, and concisely. Provide the documentation when requested. Wrap it up as quickly and unemotionally as possible.

Refrain from, "It all started when...." The judge doesn't care.

8. Shut up. Let the judge ask the defendant questions. Do not jump in, make corrections, add an eye roll, make snorting or guffaw noises or body gestures of any type. This is usually where the deadbeat buries himself. Sit quietly and enjoy. Examine your shoes closely if you can't contain a snicker.
9. Wait patiently. Keep it zipped. The judge will ask for clarification, additional documents, etc. as they desire them.
10. The judge usually rules immediately. Assuming you've won, don't act like you just got the winning touchdown. There's no finger pointing while yelling "Suck it Deadbeat!" Unfortunately, that's frowned upon.
11. Once you have the judgement I recommend going immediately to the court clerk to have the judgment recorded.
12. Get ready for part two—the collection of said judgment. That's another story.

Part of your prep work is to watch several episodes of "Judge Judy" or "The People's Court." It will tell you all you need to know on self-governing in court. Most people can't keep themselves together long enough to survive it.

Now, if *you* can't keep it together, and you have no internal candidates for this wild ride or it's not geographically convenient for you to utilize small claims court, then don't put yourself or anyone else on that horse. The likelihood of failure increases as your temperament changes.

Collection agencies are a valuable alternative. Find one that works with your style, one that provides you with the communication that you need to feel comfortable with the process. It may take a while. You must kiss a lot of frogs before you find "the one."

Still teetering? I recommend riding into the Wild West at least once if you can. And while I love a good Western, I also enjoy a good romantic comedy where the credit manager finds the collection agency of her dreams, falls madly into collection heaven and they collect happily ever after. ■



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](mailto:theadudley@charter.net)

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What may seem like a small detail will make a **huge difference.**

# Seller's notes: How they work

BY JOHN WAGNER

**ACQUIRERS** rarely use their own cash to pay the full purchase price of a company they are acquiring. Why? Well, for ease of math, let's say that a company is bought for \$10 million. The acquirer will always dip into their own equity funds (a.k.a. "dry powder") to pay around 34.9% of the \$10 million, or \$3.49 million. The remaining portion of the \$10 million would be borrowed by the acquirer, with around 54.4% as "senior debt," and around 10.6% in "mezz debt" a.k.a. "sub-debt" (*subordinate debt*). The future debt payments for those loans will be paid out of the future proceeds of the acquired company. Yes, the acquired company actually funds its own acquisition over time.

The reason I can confidently cite the 34.9% and 10.6% figures above is because our firm carefully watches a proprietary database that tracks the portion an acquisition price that is "equity" (cash), senior debt, and sub debt. Those are the going proportions today. (The proportion of the deal that each type of capital represents will change over time as borrowing becomes more or less expensive.)

But even with cash, senior debt, and sub debt, there are two other deal features that can contribute funds toward the purchase price: earn-outs and seller's notes. We have previously covered earn-outs in this column, so let's focus on seller's notes today.

Like an earn-out, a seller's note is often used to bridge a difference of opinion between the buyer and seller about a company's value. In the deal-pricing phase, the acquirer may *claim* they have offered "all they could possible come up with." Yet the seller wants more money. So, the acquirer may say, "OK, let's put in a seller's note to bridge the value gap."

With a seller's note, the seller actually loans money to the acquirer to buy their company. Initially, it takes almost no cash commitment from the acquirer to put a seller's note in place. The acquirer typically pays *interest only* on the note, often for five years, with the principal (balloon) to be paid on the fifth anniversary. Today's going interest rate for a seller's note is 7%. Given borrowing rates from commercial banks, that seems beneficially high to the seller.

But the 7% is a premium paid because the seller's note is unsecured debt. If the acquirer goes under, the seller's note is third in line behind the senior debt and the sub debt. In the event of an acquirer's bankruptcy, the seller's note is probably worthless.

Complicating this, a private equity group of ten puts layers of protection between itself and the liability created by borrowing money for acquisitions. If things go south—which is *very rare* since most deals are not distressed transactions—the seller may discover that the *holding company* which issued the seller's note has gone bankrupt. The private equity group can be doing great, even as the "buffering" holding companies goes out of business. Again, this is very rare indeed.

Knowing the risks involved, some sellers—if they are represented by a savvy investment banker—will ask that the seller's note A) not be five years, but a shorter time, which lowers the risk, and B) that the seller's note not be *just interest* until the loan maturity date. It's reasonable for the seller to ask that, say, at the start of the *third* year of the five-year term, the interest and principal be blended, so that—ideally—the amount due to the seller on the fifth anniversary will be \$0 due. Even with these risks, seller's notes are a remarkably common feature of many deals.

Why are all these exotic financial instruments (often called, collectively, "*seller leverage*") used to pay for an acquisition? Why don't the private equity groups (or other types of acquirers) just write a check for cash? Acquirers are committed to seller leverage for one simple reason—it allows them to risk as little of their own cash as possible, while preserving their dry powder to do other deals. In deals that we do, when you combine seller's note, earn-outs, and the debt the acquirer takes on, it is fairly common for the acquirer to acquire a company by paying a cash value less than 25% of the entire purchase price. Sounds like a great deal for the acquirer, but frankly, preserving their cash allows them more resources to grow the NewCo where the acquired companies are collected. And that benefits all parties. ■



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](mailto:j.wagner@1stwestma.com)



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# Pricing 301: Automation for the win

BY SHANE SOULE

**KEEPING UP WITH** the ever-changing lumber market can be labor intensive as costs change on a daily basis. Not only do you have to continue to change your replacement cost as the market moves, you also have to keep your “sell” prices updated as well. Manually changing each SKU can be a full-time job right now, so finding ways to automate your pricing strategy can take a lot of stress off your admin team. One way to do this is to create a price matrix.

In order to create a matrix, you have to choose at least two variables to set and automate the margin structure. A simple way to do this is to assign each of your products to a price group. Each group is determined by the price sensitivity of the products within it. An example would be high moving SKUs that are regularly compared by customers such as OSB and studs. Set these to the high side of sensitivity. Conversely, items that aren’t shopped as much but are needed in packages such as sill seal, hardware, housewrap, etc., can go in your less price sensitive groups that generally enjoy a higher margin.

The second variable could be created by developing “sell profiles” that are dependent on how much margin variance you want between different customers, and that can be based on a variety of inputs such as sales volume, terms, etc. Then simply assign that margin variance to each category.

If you have a narrow scope of products, you may be fine with as few as three price groups. The more varied your customer differentiations are, the more sell profiles you’ll want to set. The nice thing about automating your matrix is it doesn’t take much more time to manage additional price groups and/or sell profiles. It can, however, add complexity to the customer/margin review process.

At right is an example of a matrix with six price groups and six sell profiles. This one has 5% jumps per price group and a variable increase from one customer sell profile to the next. In this example, the lowest priced customer profile and price group would give a five margin on the SKU and the highest priced would be 55%. Adjust the increases accordingly to hit the expectations you have for each situation.

An important step before finalizing your matrix is to sample a variety of quotes for standard product configurations and confirm the mixed margin for each list. This is a double check that ultimately projects what final margins will look like utilizing your model.

Another option that may be helpful allows you to sell from multiple product categories or divisions by assigning a different sell profile to each one. For example, you may have a solid grip on your customer’s framing business and be working to get in on their trim and door business. You could assign them green in framing but red in Trim/Doors if your goal is to grow that business with this customer. Over time, the goal may be to move all customers and their product categories to green by adding value with your service platform, but you may need to start that part of the relationship off more aggressively to earn that chance.

Ideally, the sales manager and the sales rep review the sell profile of each of their customers and product categories along with the strategy for each. If you used a red profile to get in the door and have won a few jobs from your customer, you may try to bump their sell profile up to orange and maximize profitability. Conversely, you may be losing business in a category with a customer and choose to drop them down a level as well. Recognizing that customer buying patterns are always fluid, it’s important to have a scheduled review in a rhythm that make sense for your company.

Adopting an automated pricing strategy not only saves you time and energy but also makes it easier to be both proactive and responsive. ■



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](mailto:shane@shanesoule.com)

|              |        | Price Group |    |     |     |     |     |        |
|--------------|--------|-------------|----|-----|-----|-----|-----|--------|
|              |        | 6           | 5  | 4   | 3   | 2   | 1   |        |
| Sell Profile | Black  | 5           | 10 | 15  | 20  | 25  | 30  | Black  |
|              | Red    | 8           | 13 | 18  | 23  | 28  | 33  | +3     |
|              | Orange | 12          | 17 | 22  | 27  | 32  | 37  | +7     |
|              | Yellow | 17          | 22 | 27  | 32  | 37  | 42  | +12    |
|              | Green  | 23          | 28 | 33  | 38  | 43  | 48  | +18    |
|              | Retail | 30          | 35 | 40  | 45  | 50  | 55  | +25    |
|              |        | 0           | +5 | +10 | +15 | +20 | +25 | Retail |



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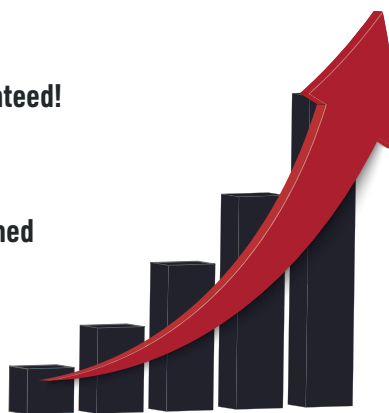
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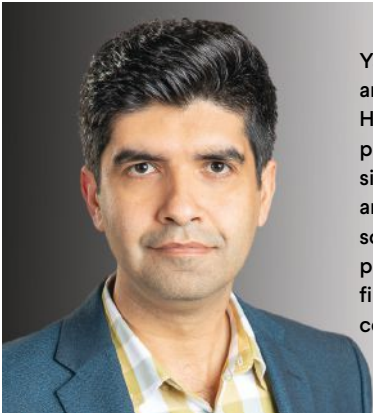


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Yaser Masoudnia is the CEO and co-founder of BlueTape. He founded BlueTape to provide small and medium-sized companies with an affordable, flexible solution to the unsolved payment management and financial issues within the construction industry.

**Q: In a broad view, BlueTape offers payment solutions to the construction industry. For those unfamiliar, how does your company serve independent lumber and building material dealers?**

**A:** BlueTape is designed for construction material dealers, lumberyards, manufacturers, and distributors. By partnering with BlueTape, independent dealers will be able to offer their customers a seamless payment tool to make payments from anywhere and 30-, 60-, or 90-days trade credit while getting paid at the point of sale. BlueTape can also help dealers automate their A/R, reduce their back-office operation workload, reduce their transaction fees, eliminate the risk of offering trade credit, and deliver first-in-class customer experience.

**Q: Data security is a critical piece of the digital payment process. How does BlueTape address security concerns?**

**A:** Data security and data privacy are fundamental elements built into BlueTape's product. Users' personally identifiable information (PII), bank information, and card information are secured by tokenization and encryption throughout the BlueTape platform. Data in transit is secured by TLS protocol, PGP encryptions, and RSA 2048 encryptions throughout the BlueTape platform. Stored (PII) is secured by ACH 256. Protecting our users' information is a top priority for us. We also secure our user portal with state-of-the-art password-less authentication, eliminating the need for setting up usernames and passwords. This helps us secure and simplify customers' access to their payment portal (as they don't need to create and login with passwords).

**Q: One way that independent LBM dealers look to compete with big box stores is through financing options. How does BlueTape solve this issue?**

**A:** Every independent dealer knows the only way to win this unfair competition is to provide a delightful customer experience and build personal relationships with their most valued customers (their trade customers). This could come in different forms; one of them is a customized user experience. BlueTape enables dealers to deliver a delightful, customized user payment experience. Here are some of the examples:

BlueTape payment portal allows dealers to collect payment for their invoices and statements from anywhere. Customers can easily make payments from their phones or other devices. This is specifically designed for contractors who are always on the go and don't have a back-office. The cheapest ACH and credit card processing for dealers means they can offer a wide range of payment methods to their customers without worrying about the high cost of card-not-present fees.

BlueTape risk-free (non-recourse) trade credit in the form of NET 30, 60, and 90 is a game-changer for dealers. When the prices are rising, and contractors often need to make advance payments toward their material to get them on time, providing them with a flexible payment method is one of the greatest experiences dealers can deliver to their customers. When your customer may need a bit more time to pay for their materials, BlueTape allows them to choose a 30-, 60-, or 90-day payment plan while dealers are paid up-front at the point of sale.

BlueTape is proud to serve small dealers and give them the edge they need to compete.

**Q: Collections on unpaid invoices takes time and resources away from a supplier. What features does BlueTape offer to ensure on-time or up-front payment?**

**A:** Delivering invoices via text message and/or email, offering a wide range of payment methods on their customer's phones or other devices means they are not waiting for a check to arrive in the mail. BlueTape helps dealers to get paid on average 23 days *faster* than using conventional methods. In addition, BlueTape trade credit can also be leveraged to offer trade credit and not deal with unpaid invoices. BlueTape trade credit provides tools to eliminate the risk while dealers remain in charge of their relationships with their customers.

**Q: As companies strive to work leaner, they often turn to automation to save on personnel resources. How can BlueTape free up time for lumber dealers and their billing departments?**

**A:** Many businesses are looking to leverage automation to operate leaner. Plus, with the very real challenge of finding, hiring and retaining good people, automation can be a welcome addition to already overloaded back-office operations. Automation can help in two ways; first, it helps to reduce the workload. Second, it helps attract the next generation who grow up with technology and prefer automation tools. BlueTape A/R automation helps dealers get rid of a lot of manual data entry between their POS solution, payment processing, and accounting tools. Integration with all major ERP solutions such as Epicor, ECI, QuickBooks, Sage, NetSuite, and others streamlines payment information across all these platforms. This reduces the workload of the accounting and billing department, and they can focus on running their business efficiently instead of spending time on manual data entry. ■



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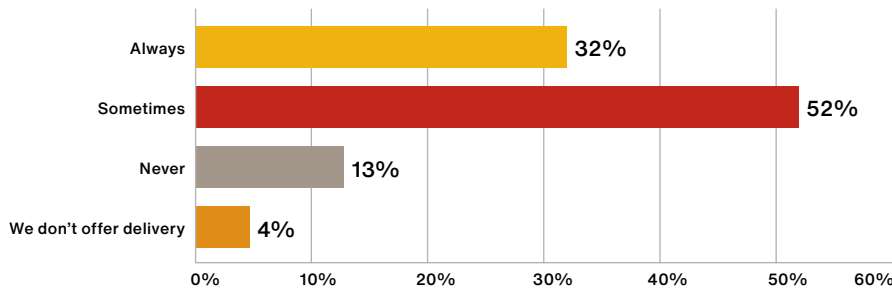
# MANAGING RISING FUEL COSTS

BY LBM JOURNAL READERS

**GAS PRICES** are near record levels, and that's a problem for the vast majority of LBM dealers and distributors who offer jobsite delivery. That's why this month's survey revisits our very first Real Issues survey from 2011 (prompted by a conversation with an *LBM Journal* reader), when we asked how LBM companies are managing rising fuel costs.

First, we asked survey respondents if they charge a fee to deliver products to their customers. Of the nearly 120 *LBM Journal* readers who participated in the survey, 32% said they always charge delivery fees, 52% said they sometimes charge a delivery fee, and 13% indicated that they never charge fees for delivery. Less than 4% of respondents indicated that they do not offer deliveries.

#### DOES YOUR COMPANY CHARGE CUSTOMERS A FEE TO DELIVER PRODUCTS?



The second question of our survey asked respondents how they would advise the Texas LBM dealer who originally raised the question: “Jobsite deliveries are a big part of our business, but the way gas prices are spiking is throwing a wrench into our margins. We’ve never charged for deliveries, but are thinking we may have to change that. How are other dealers navigating these spiking prices?”

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

“We have always charged for deliveries. Our building materials stores deliver by forklift or dump trucks. Our customers understand the value and cost of doing business, and charging for materials delivered is part of that business. In our market our competitors also apply delivery charges for the materials they supply. A high percentage of our competitors also charge a fuel surcharge, not to mention the vendors we do business with. Any time you change the way you operate your business it can be difficult to implement new charges, but during these tough times it’s necessary. The feedback will be negative at times but make sure you talk to your customers individually and explain why you are doing it.”

“We have always charged a \$20 delivery charge on delivered materials to a contiguous county. Longer distance deliveries have a contracted delivery fee built into the contract.”

“We have always charged for deliveries and will now add fuel surcharges as well. Most customers realize there is a cost to deliveries and with the media attention now focused on these costs, now is the best time to implement a delivery charge program.”

“Set delivery charges based on distance from your yard.”

“Implement a fuel surcharge and tie it to an index so that it can rise or fall depending on market conditions.”

“Combine as many separate deliveries in same area that you can, and also inform contractors of the possibility of fuel charges on smaller orders. Most are aware of fuel-related problems from their own businesses.”

“We have free in-town deliveries. If it’s a small order it is held until it can be pooled with other orders going the same direction. For out-of-town deliveries we have a chart that shows the salespeople how much material it takes to get a free delivery, or how much the delivery charge is if we have less value on the truck. Shingles and drywall are excluded from this as they are way more labor intensive. We have increased the amount of material that has to be on the truck to get a free delivery with the increase in fuel prices.”

“We’re absorbing it as much as we can.”

“We are looking at the possibility of a fuel surcharge which is basically a percentage of the total order. Before we go down that path, we are looking at the true impact of the rising costs and figuring out the comfort level of how long it would take before we need to do so.”

“We have a nominal fuel surcharge that normally covers moderate fuel price increases. This increase is the largest we have ever seen with no sign of relief from the oil companies or our government. We will begin to factor it into our retail pricing.”

“Leverage the circumstances for the changes to be more efficient. Consolidate trips for more productive trucks, and more stops on every trip. Ask for more time to plan and execute on consolidation of trips in return for reduced or eliminated delivery charges.”

“I don’t know of anyone who does not charge a delivery fee by now. If it costs your customer nothing to have something delivered, the stakes aren’t very high if they are wrong in what they need. You might find that when you charge even a fair rate for deliveries, your number of deliveries may go down.”

“It’s not just fuel; all expenses are up. You have to raise margins to cover. It’s as simple as that. If you lose a bid, so be it. Wages are up, insurance is up, everywhere you turn prices are up. Raise your margins.”

“Price it into your product. If you aren’t updating product pricing at least twice a week, you are probably behind the curve.”



"My business is in a small community. Normally we can drive the forklift around town to deliver product to customers, so we don't usually charge for this. On a rare occasion we need to load a trailer to take to a jobsite out of town, which is usually less than 10 miles. As long as the customer has a way to unload the trailer, we don't charge for this either. With the complexity of the rising costs associated with deliveries, I would understand if I were ordering anything that there may be a delivery charge. I would think that your customers would understand that with increased costs that you would need to charge for deliveries. The only other way to cover this is to raise the prices on all your products to absorb the costs related to deliveries. This makes your prices look more inflated and may disappoint more customers than just charging a delivery fee."

"At this time, we don't charge our main contractors who do volume buys. We're stressing to them to try and plan their loads to minimize trips. For DIY and walk-ins, we are starting to charge a fuel charge based on distance from store."

"Delivery is a service, and that service has value. Placing a dollar amount on each delivery will make the customer realize and appreciate that service. You will be able to cover a portion of your fuel cost but more importantly it will start to change the poor planning habits of some of your customers."

"We charge a nominal fuel surcharge on all our deliveries. We have not had any resistance with our customers."

"We're thinking about charging a minimum dollar amount for deliveries, and maybe a stop charge for small loads."

"A company I used to work for had a minimum for deliveries or there was a fee. They also had a minimum for boom/moffet trucks. It was met with resistance at first, but it taught contractors to consolidate deliveries when possible and we made fewer trips to the same jobsite."

"We are passing on all increased costs to the customers as a fuel surcharge. If fuel prices come down, we will reduce the surcharge. It is easier to than raising prices."

"Just tell them because of gas prices you can no longer deliver for free. We will have to raise prices to cover our costs."

"Approved contractor mainstays get free delivery with their classification. Other orders over \$500 get free deliveries. All other orders are charged a \$35 fee."

"I think it's important to ask yourself, 'do I want this to be temporary? Or do I want to use this as a tool to add value and efficiency to my business?' If you call it a fuel surcharge, customers will expect you to remove it once fuel prices go down. Once you know the answer to those questions, you can put a plan together on how you will communicate this change to your customers and employees. We liked the idea of this not being about fuel, but about adding value to the delivery portion of our business. If deliveries are free, what incentive is there for all the subcontractors to plan ahead and be efficient when they order? We all know that framer who likes to order his lumber 'by the room' and will run the wheels off of your trucks if you let him! One way to handle this to market it as a positive. If you are going to charge \$20 for deliveries, then you tell them you will credit them \$240 up front when they open the job and if they can plan the job in less than 12 deliveries, they keep what's left of that credit. You both win!"

"We charge for most deliveries unless they are a regular, large-volume customer who we don't charge for delivery."

"Almost every other industry is and has been charging. This makes the conversation easier for us. We have different levels of delivery charges from zero on up. It depends on distance, size of customer, size of order, etc. It's not exactly a hard set of rules, and it allows us to be flexible when needed."

"We don't see a way around not charging a fuel surcharge. We base it on the distance traveled and the current price of fuel. Everyone understands and it's more palatable for the customer by not building it into our product costs."

"We have a fuel surcharge of \$18 for orders under \$500. This will be going to \$25 soon."

"For years we have charged all non-account customers a \$50 delivery fee. If the delivery is beyond our local market, we raise the fee depending on the mileage. Starting March 15, we charge every account customer a \$25 fee. We are applying this verbiage at the bottom of each invoice 'Temporary Fuel Surcharge.' We personally contacted many of our loyal customers and most of them said they were expecting a fuel charge, because all other suppliers are charging it. They did ask that we please add it on a temporary basis only. We have agreed to charge the lowest rate possible just for good grace to our customers, and the reasonable fee should cover our true cost of the fuel increase. We did not want to appear to be greedy or to be making a profit on the delivery fee. The customers we spoke with all thought the low rate of \$25 was perfect."

"You can't continue to build in the cost of delivery to your everyday sale prices, especially in this environment. People will nickel and dime you on sales prices but often overlook or expect a delivery charge."

"We only charge a delivery fee if the delivery will be out of a certain delivery area such as a five-mile radius from our location. We also try to make sure all deliveries are over a \$50 total before we deliver, or we try to get multiple deliveries to take at once to save on trips."

"We charge for deliveries on all consumer sales."

"Review and update pricing on non-price sensitive products that are commonly delivered."

"Add a temporary fuel surcharge. Be compassionate, be fair, and share a clear answer with your team members so they have an answer for the questions that will come, and everyone's answer will be the same but in their own words. Use a firm fuel price to institute the surcharge and when the price returns to that or less, remove the surcharge."

"Most of our customers realize that we need to charge something for our delivery service. We do not charge nearly enough but the charge tends to cut down on some of the small deliveries and some of the same-day deliveries."

"I think at some point you have to charge for deliveries. Setting a fee based upon a dollar amount lets customers know when it will be turned on and off. For example, you can say 'we are going to charge a fee as long as gas is over \$4 per gallon.'"

"We are in a suburb on the east side of a major city, and have one of the Great Lakes 3 miles to the north of our location, so we're only half a market. We have charged delivery fees for non-professional customers for years. We have charged 95% of our builder customers a nominal delivery fee for years. We monitor our competition and keep our delivery charges under the box store delivery fees. For deliveries into city, south, or west side of city, there are fees based on distance. If you need to charge extra for delivery, you might call it a temporary fuel surcharge based on current business or political climate. We have just raised our delivery charges for non-major account customers recently but stayed under the competition."

"People should understand and will still appreciate especially if you are providing a quality product and great service."

"We are adding a \$7 fuel surcharge to each delivery."

"Our delivery fee is based on customer caliber, location of delivery, and dollar amount of the order. It's a case-by-case basis that ranges from free to \$100 charge, communicated at time the order is placed."

"We charge a fuel charge."

"Our current delivery fees are \$85 minimum. The rates go up when delivering outside of our primary market. The majority of our deliveries are within one to 35 miles. Many customers will elect to pay more for an outside hauler if our trucks are already booked and they need a rush. Then, we pass a long whatever the direct cost is of the hauler. We are typically able to deliver within two days and always have some same day deliveries." ►►

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"Depending on size of order and miles from location, we charge for deliveries."

"We have a temporary fuel surcharge on delivery orders."

"Charge for delivery. Call it a fuel surcharge and just do it."

"We have added a fuel surcharge at a flat rate per invoice. We started at \$10 but will most likely increase that to \$20 soon as prices rise."

"We have always charged delivery charges, and we may have to raise them. We do offer free delivery in some cases, but it may not be free depending on the product, distance for delivery, and if minimum order thresholds for that distance aren't met."

"We don't charge a fuel charge for each invoice. Instead, we adjust our margins as if the costs of goods have increased."

"Figure an average cost per mile and charge your customer."

"We went from \$50 to \$100 delivery fees for all cash customers and installed sales and are not having many issues with that because it has been quoted that way. Some builders have balked at the \$100 delivery fee, so we leave them at \$50 and the larger builders we do not charge but have built it into the margins. The salespeople have the leeway to help make the decision on certain accounts. When we get the opportunity, we explain the \$5 per gallon fuel, insurance increases, and the fuel surcharges the company pays on almost every freight bill or order. Sometimes it helps, sometimes it doesn't. We are just being firm about it."

"We charge a \$50 delivery fee within a 30-mile radius and an additional \$1/mile beyond 30 miles."

"We have always had delivery charges of modest amounts, enough so we group as many deliveries together as we can to cover our fuel costs. We believe this method costs our customers less than it would to add margin and not charge for delivery."

"Don't be the first to act on this. Customers with a fleet of trucks will soon decide to hold their project managers accountable for planning and advise them to use your gas instead of theirs. That is when you can charge a delivery fee for all orders under \$550 to \$1,000. Customers will not like it but will understand and will then begin to become more efficient for both parties. Important to wait until others have reacted and then bring it down when things start to look normal. You will build solid business relationships by keeping your sales staff informed throughout."

"We have always offered everyone free delivery, but are considering charging consumers and possibly setting a minimum dollar value for contractors."

"When was the last time you got a pizza delivered for free? Why should lumber and building materials be a free delivery with a \$250,000 truck and Moffett and a \$35 an hour CDL driver? I would like to know when, where, and who in our industry chased down this incredible service to a zero cost for the customer just to earn their business? Time to catch up with reality where the industry is no longer driven by low price, but by product availability and quality service."

"We raised our prices to cover costs. Fuel and labor are overhead costs, so we raised our margins. We had no choice."

"We have upped our fee by \$25 and are looking to update again."

"We are considering it but have been evaluating what our vendors are going to do with deliveries to us to substantiate charges to our customers. So far, we have not seen anything yet from our vendors. We're also waiting to see what competitors are doing."

"We have always increased our sales prices to cover the increased costs in fuel or any of our other costs. We don't like to add surcharges to our invoices. Our insurance doubled a few years ago and we didn't add an insurance surcharge. It's all just part of doing business."

"We've had this discussion this week in our company. We have always had such pushback and so much discontent from our customers that we decided we just need to raise margins enough to cover the additional costs. We all hate to see fuel surcharges from our suppliers, it's a pain to handle costs and accounts payable on these, and we question why they never go away, even when fuel costs do go back down. Our customers ask the same questions, plus we waste time and money as they try to figure out why there's a surcharge on an invoice when they know 'we were already in the neighborhood' and surely that load paid for the fuel whether it was for them or a different customer. There are dozens of other complaints, and it's just not worth the effort and the pain. We could also rationalize that at \$80 a sheet for a piece of OSB, do we really need to worry about the cost of fuel?"

#### RESPONSES FROM WHOLESALE DISTRIBUTORS, MANUFACTURERS, AND SERVICE PROVIDERS:

"With costs rising as fast as they are I don't see where you have a choice. Your customers are facing the same issues so even if they balk at paying, they also understand that costs are rising beyond your ability to absorb them."

"Everyone pays for gas and knows it is an issue. Either raise prices or charge delivery fee, but do not make it optional for salesperson."

"You have to charge more to cover the delivery costs in one way or another. The costs are spiking too fast to eat it."

"We have increased our fees to match the current gasoline costs that are rising. It's not excessive but it's enough to cover costs until \$6.50 a gallon. Once gas rises beyond that, we will reevaluate how much to increase costs to cover expenses."

"Just like many builders have included an escalation clause in their purchase agreements due to the rising cost of material, you could add a 'fuel escalation' line to the bottom of each invoice. Be sure and note that this is a temporary (we hope) measure to offset the extreme cost increases you are experiencing in direct-to-the-customer fuel costs. Then be fair about it. Only add the actual fuel increase, not an added profit over and above the actual increase. You'll keep more customers that way."

"We're adding a fuel surcharge fee to a delivery fee."

"At the moment it hurts, and we are contemplating a fuel surcharge. However, we have never in the past done it and we are sorting out how not to offend our customers. The fuel prices are gouging our bottom line as well as everyone else who delivers or provides services with anything with tires. We have a 'do nothing for the people' administration who are only looking out for their interests and not those of our country. Lord help us all to hang on."

"Good time to change. It's a real cost, and customers understand it. Charge them something. In the long run they'll value the service more as long as you satisfy their needs."

"Review your standard margins based on the value you provide your customers then set a minimum order and impose a temporary fuel surcharge to balance your selling, general, and administrative expenses for delivery. Communicate with your team on how to explain the cost increase during these current market conditions. Call your key customers (to keep a personal touch) and bast email and snail mail all customers as well."

"Add a fuel surcharge of \$50 until the price of gas comes down."

"Nowadays you have to charge a delivery fee or raise the prices on materials to offset fuel cost."

"Rates should be quoted based on actual cost per mile. We've started reviewing our costs and adjusting our rates on a weekly basis. There is a minimum fee."

"Fuel surcharge."

"Either add a delivery surcharge that is tied to diesel prices and state upfront that you are only doing it because of spiraling high prices. Let them know you'll only do this until gas is back down to a certain amount. This lets your customers know exactly when the charge will come off. The other thing you could do is raise your prices on branded specialty products (not the price-sensitive commodities) to cover the increased fuel cost. You should have little-to-no pushback on either of the two methods as everyone has become numb to the increases we are getting daily."

"We're looking at weight factors on material delivered. It's a more equitable balanced application rather than a flat rate regardless of composition."

"You absolutely need to add a surcharge. No one will be surprised and will likely not say a word."

"We are trying to build the cost of fuel into our cost of goods and not charge the customers a delivery charge, but we do reserve the right to do so if needed. If fuel really spikes we will have to put on a fuel surcharge which can then be removed when and if fuel comes down. Pray it does!" ■

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# LBM JOURNAL<sup>®</sup>

# 100

THE INDUSTRY'S TOP DEALERS REPORTED BOOMING SALES IN 2021, ALL WHILE NAVIGATING ONGOING SUPPLY AND LABOR CHALLENGES.

BY LBM JOURNAL STAFF & CONTRIBUTORS

Last year, we launched the LBM 100 in the midst of one of the building material industry's most challenging—and intriguing—times. A year into the pandemic, dealers had spent the previous 12 months on a roller coaster of uncertainty, as they first tried to keep their businesses afloat during closures, then quickly pivoted to supplying an unexpectedly robust construction and remodeling market. The result was a list of strong numbers put forth by dealers portraying a combination of optimism, pride, perseverance, and whiplash.

Fast forward to 2022, and we're compiling our second-annual list. The overall results feel a bit familiar, with absolutely tremendous growth and a unique set of challenges. Though the nation's dealers continued to navigate the pandemic in 2021, the challenges that accompanied it were slightly different. Pandemic-amplified labor shortages and continued supply chain constraints and price hikes have only worsened and have recently been joined by rising inflation and fuel costs, due in part to the war in Ukraine. At the same time, booming residential construction activity continued throughout 2021, forcing dealers to channel their problem-solving even more as they tried to keep materials in customers' hands, deliveries on time, and expenses down.

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## DEALERS MAKE DRAMATIC GAINS

Judging by the numbers on this year's LBM 100, dealers are absolutely proving their mettle.

All but one dealer on this year's Top 100 experienced an increase in sales from 2020 to 2021. Twenty-nine companies saw sales grow 50% or more year over year; 10 companies (US LBM, Matheus Lumber, Idaho Pacific, Tibbetts Lumber, Timberland Lumber, Dufrene Building Materials, Gleckler and Sons Building Supplies, Howard Lumber & Hardware, Griffin Lumber & Hardware, and Sunrise Builders Supply) grew by 75% or more. Multiple companies reported record sales or revenue growth, including a handful of companies—Mans Lumber, Cassidy Jones, Beisser Lumber, and Howard Lumber—that passed the \$100 million mark for the first time; Bliffert Lumber + Hardware passed \$200 million for the first time.

Much of that growth was organic from steady construction activity, but it also was driven by ongoing M&A. Twenty-two companies reported growing through acquisition. Dallas-based Builders FirstSource, which completed its integration with BMC last year, closed seven M&A transactions in 2021 on its way to 55.5% sales growth and securing the No. 1 spot on the LBM 100 list for the second time. Buffalo Grove, Ill.-based US LBM closed 16 acquisitions, including American Construction Source (No. 10 on last year's LBM 100), Professional Builders Supply (No. 14 last year), and Higginbotham Brothers (No. 42 last year). As a result, the company's 2021 sales increased a whopping 116.6%, and it moved from No. 4 to No. 2 on the list.

Kodiak Building Partners (No. 7), headquartered in Highlands Ranch, Colo., also continued to flex its acquisition strength, acquiring

**29 COMPANIES SAW SALES GROW 50% OR MORE YEAR OVER YEAR; 10 COMPANIES GREW BY 75% OR MORE.**

Carl's Building Supply, Shepley Wood Products, Alpine Appliance Center, and Ricci Lumber, which contributed to 32.7% growth in sales. Edwardsville, Ill.-based R.P. Lumber Co. Inc. (No. 19) acquired Alexander Lumber, Dick N Sons Lumber, and Malcom Lumber; the company also opened a new division, R.P. Home & Harvest, in the retail farm and ranch segment.

It wasn't just the big players making moves. Companies across the rankings made acquisitions this year.

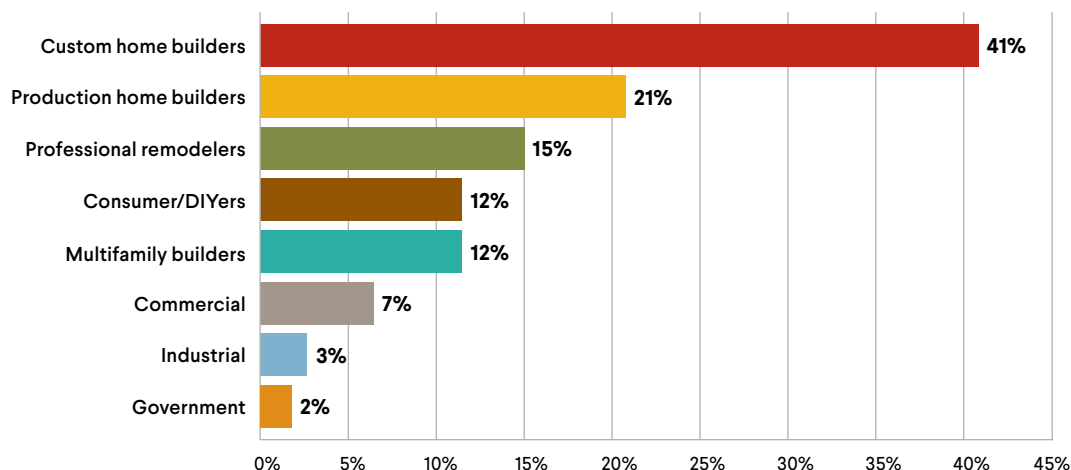
And there was plenty of growth to be had outside of M&A. Gleckler and Sons (No. 57), in Jacksonville, Fla., saw the largest growth, 154.3%, while remaining at just two locations. Meridian, Idaho-based Idaho Pacific (No. 22) grew by 77% while holding steady at 13 locations.

"Our biggest opportunity is growing our market share now that some of our competitors have sold to national conglomerates," said one Midwest-based dealer. "If we can find and retain employees well, and purchase enough product that may be on allocations, we can capitalize on this opportunity."

Expect M&A to continue going strong: More than half of the LBM 100 said they expect to expand in the next one to two years, with 70% planning to do so through acquisitions and 67% planning to open new locations. ►►

## CUSTOMERS SERVED

Average percentage of sales to each customer type.



## LABOR, SUPPLY CHALLENGES PERSIST

The strong numbers across the LBM 100 list camouflage the immense challenges dealers are navigating behind the scenes. The obstacles dealers are facing in 2022 have a similar ring as the year before. By far, individual responses to our survey's open-ended questions pointed to supply chain constraints and labor shortages as the biggest tests for dealers large and small.

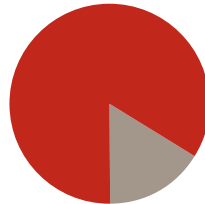
This year, 84% of companies indicated that recruiting, hiring, and retaining employees is a challenge, up 7 percentage points from last year. The most difficult positions to fill, by a significant percentage, were drivers and yard workers.

"Our biggest challenge currently is extended lead times and the constant rising costs," said Charlie Parks, owner and vice president of Dahlonga, Ga.-based Parks Lumber & Building Supply (No. 95). "Both of these challenges make it extremely difficult to play a consistent and reliable role in our customers' attempt to get jobs under contract."

### LABOR CHALLENGES ABOUND

Percentage of LBM 100 indicating recruiting, hiring, and retaining talent is a challenge.

■ YES: 84% ■ NO: 16%



### PRODUCTS SOLD

Percentage of LBM 100 that sell each category.

|                            |       |
|----------------------------|-------|
| DOORS                      | 95.8% |
| PLYWOOD/OSB                | 95.8% |
| DECKING                    | 93.7% |
| SIDING: FIBER CEMENT       | 93.7% |
| WINDOWS                    | 93.7% |
| DIMENSION LUMBER           | 92.6% |
| ADHESIVES/CAULKS/SEALANTS  | 91.6% |
| MOULDING/TRIM/MILLWORK     | 91.6% |
| ENGINEERED LUMBER          | 90.5% |
| HOUSEWRAP/WEATHER BARRIERS | 89.5% |
| FASTENERS / CONNECTORS     | 88.4% |
| SHEATHING/UNDERLAYMENT     | 88.4% |
| SIDING: ENGINEERED WOOD    | 88.4% |
| DECK RAILING               | 85.3% |
| LOCKSETS/HARDWARE          | 85.3% |
| BUILDERS' HARDWARE         | 82.1% |
| TRUSSES                    | 82.1% |
| SPECIALTY WOODS            | 80.0% |
| INSULATION                 | 73.7% |
| ROOFING                    | 71.6% |
| STAIR PARTS/SYSTEMS        | 71.6% |
| DRYWALL                    | 69.5% |
| TOOLS: HAND                | 67.4% |

Still, Parks says, "Priority customer retention was over 95% during extremely unprecedented times in which keeping the customer fulfilled was more difficult than ever."

Dealers are taking steps to stay attractive to job candidates, and many listed recruitment and training as their biggest opportunity for this year. More than 41% of the LBM 100 report having a mentoring program. Mentor Lumber (No. 87), of Mentor, Ohio, noted it is "Completing the succession plan of hiring and training the next group of superstars here to replace the several soon-to-be retirees," said President Thomas Kirk.

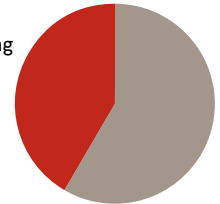
Arnold Lumber (No. 71) is looking outside the traditional scope. "We're continuing to hire talent from outside of the industry," said Matt Semonik, vice president of sales and operations. "We're leveraging their attitude while developing their technical skills."

The shortage of workers is currently more indicative of a nationwide problem and not

### MOST LBM COMPANIES DO NOT HAVE MENTORING PROGRAMS

Percentage of companies indicating they have a mentoring program.

■ YES: 41.9% ■ NO: 58.1%



|                             |       |
|-----------------------------|-------|
| TOOLS: POWER                | 67.4% |
| CABINETS                    | 66.3% |
| SIDING: OTHER               | 64.2% |
| KITCHEN & BATH              | 59.0% |
| SIDING: VINYL               | 59.0% |
| CONCRETE/MASONRY            | 56.8% |
| LADDERS                     | 56.8% |
| SOLID SURFACING/COUNTERTOPS | 56.8% |
| PAINT, STAIN, & SUNDRIES    | 55.8% |
| FENCING                     | 53.7% |
| FLOORING                    | 48.4% |
| ELECTRICAL SUPPLIES         | 47.4% |
| CONTRACTOR CLOTHING & GEAR  | 46.3% |
| PLUMBING PRODUCTS           | 46.3% |
| SAFETY PRODUCTS             | 45.3% |
| WALL PANELS                 | 41.1% |
| LAWN & GARDEN               | 36.8% |
| GARAGE DOORS                | 29.5% |
| GRILLS                      | 29.5% |
| LANDSCAPE/HARDSCAPE         | 29.5% |
| FIREPLACES                  | 23.2% |
| APPLIANCES                  | 15.8% |
| HVAC                        | 13.7% |

necessarily a reflection of the LBM industry's status as a good employer. Among the accolades LBM 100 dealers racked up this year, Hancock Lumber (No. 25) and Hammond Lumber (No. 21) were both named "Best Places to Work" in Maine, and Napa, Calif.-based Central Valley (No. 41) also was bestowed a "Best Places to Work" honor in 2021, by the *North Bay Business Journal*.

It's further proof that despite the challenges, LBM dealers continue to prove their resilience, whether navigating keeping workers safe during the pandemic or finding new ways to secure products for customers.

## TECHNOLOGY AND REINVESTMENT

Experts agree that one of the ways to attract younger workers is to embrace technology, something the construction industry overall hasn't always been on the leading edge of. Dealers are continuing to add and improve technology offerings and digital platforms.

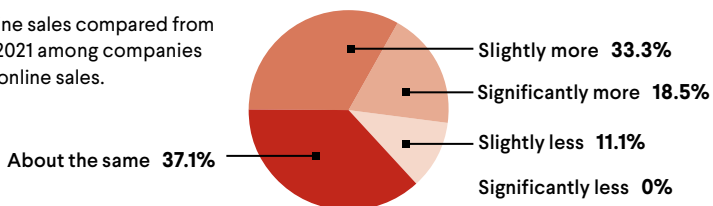
For example, Star Lumber & Supply (No. 35) in Wichita, Kan., implemented a new Warehouse Management System in its main distribution yard, and Kodiak noted investments in IT equipment and systems upgrades, cybersecurity protection, and its Kodiak App.

Despite the changing purchasing habits stemming from the pandemic, online sales still haven't taken off as much as in other industries. Compared to 2020, fewer LBM 100 dealers—just 31%—say they conducted sales online last year. However, among those companies, more are seeing greater chunks of sales online: 3.9% are seeing 25% to 49% of sales take place online, up from 0% the year before, and 3.9% are seeing 10% to 24% of sales take place online.

Nearly half of the companies say they are updating or adopting GPS delivery management systems, followed by takeoff (38%) and ERP (34%) software as the next most popular upgrades and additions. ►►

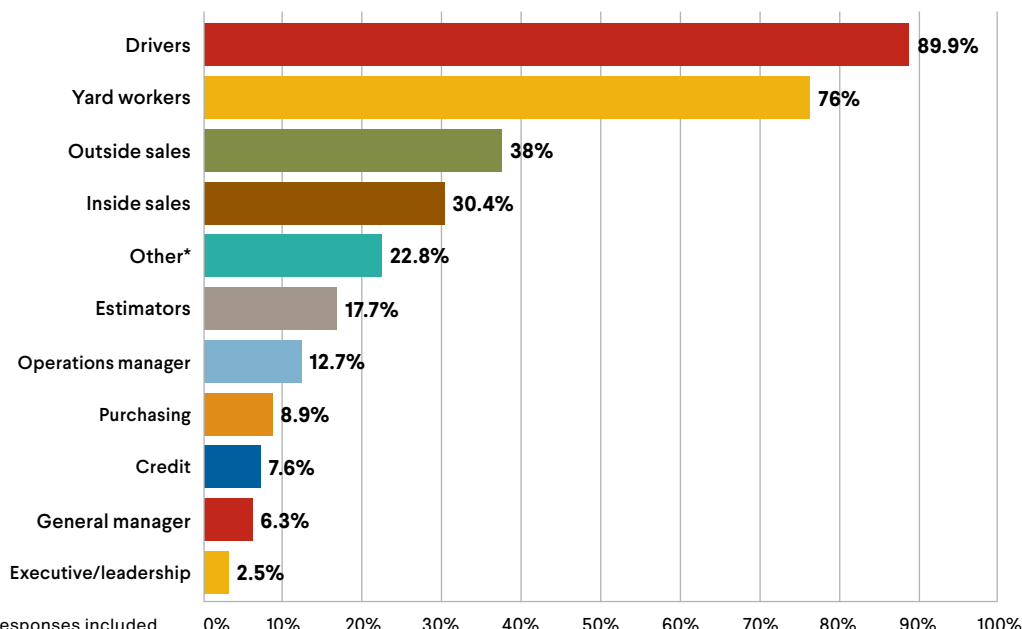
## ONLINE SALES GREW IN 2021

How online sales compared from 2020 to 2021 among companies offering online sales.



## DRIVERS, YARD WORKERS IN SHORT SUPPLY

Percentage of LBM 100 indicating positions are challenging to fill.



\*Other responses included production, manufacturing, and installation positions; IT; and back office.

Along with upgrading technology, a handful of dealers reported capital investments to improve facilities and equipment. For example, Houston-based Scholl Forest Industries (No. 73) added a rail spur; Stine (No. 24), in Sulphur, La., created an 80,000-square-foot standalone appliance warehouse distribution center; and Heister House Millworks (No. 94), of Mt. Pleasant Mills, Pa., added a new high-speed milling facility that helped expand production of moldings, jambs, paneling, and more.

"[We made] extensive updates to our facilities—a new facade roof on stores, \$120,000 worth of additional improvements and upgrades to facilities, two new tandem trucks, one new tow behind, and two new tow motors," said Mentor's Kirk. Mentor also implemented new vision and core values statements, created a video highlighting the entire company, implemented a central dispatch delivery system, and made upgrades to its Epicor POS system, resulting in several efficiency improvements.

## CONTINUING OPPORTUNITIES

As we've seen these last two years, as well as throughout the industry's history, it's not likely dealers will let these challenges hold them back. When asked about the biggest opportunities facing them over the next year or two, developing future leaders, recruiting and retaining talent, and implementing training programs were among the responses dealers provided. Others noted the opportunity to grow online sales on both the retail and commercial sides.

And, of course, navigating the supply chain challenges by continuing to build strong relationships with supply partners and customers.

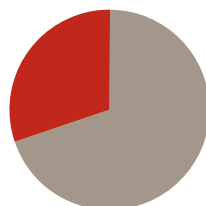
The investments and commitment to excellence during a time that is both flush with success and fraught with obstacles are just further proof of the resilience and resourcefulness of the LBM industry—and continued evidence as to why construction and building materials continue fueling the nation's economic engine.

"In 2022, with all the difficulties that builders are having keeping jobs flowing, we as suppliers have an opportunity to lend a hand and go the extra mile to ease the process. We have an opportunity to do what everyone else has been telling them cannot be done," Charlie Parks explained. "With the help from our great vendors, we have been able to fulfill the needs of our customers in one way or another. Simply telling a loyal customer that we can't help them has been removed from the playbook, and we feel that this mindset will pay dividends in years to come." ■

## MAJORITY OF DEALERS NOT OFFERING ONLINE SALES

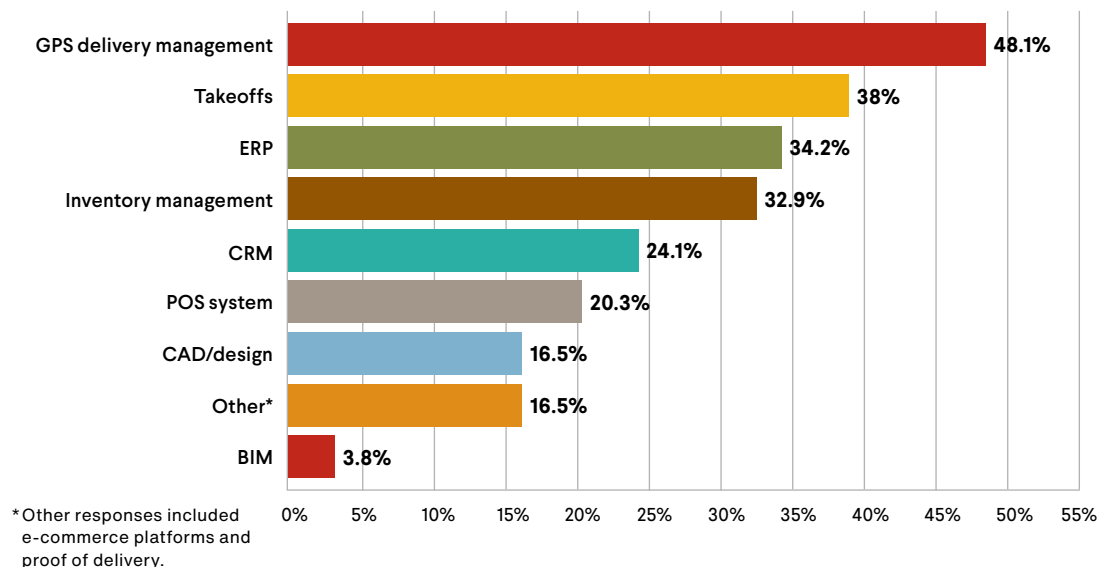
Percentage of LBM 100 offering online sales.

■ YES: 30.5% ■ NO: 69.5%



## DEALERS ADOPTING NEW TECHNOLOGIES

What technologies dealers have updated/adopted recently or plan to implement in next 12 months.



|    |                                                           | PRIOR<br>RANK | 2021<br>GROSS SALES<br>(in millions) | 2020<br>GROSS SALES<br>(in millions) | %<br>CHANGE | LOCATIONS |      | EMPLOYEES |        |
|----|-----------------------------------------------------------|---------------|--------------------------------------|--------------------------------------|-------------|-----------|------|-----------|--------|
|    |                                                           |               |                                      |                                      |             | 2021      | 2020 | 2021      | 2020   |
| 1  | <b>Builders FirstSource</b>   Dallas, TX                  | 1             | \$19,900.00                          | \$12,800.00                          | 55.5%       | 565       | 550  | 28,000    | 26,000 |
| 2  | <b>US LBM</b>   Buffalo Grove, IL                         | 4             | \$9,220.00                           | \$4,256.05                           | 116.6%      | 441       | 280  | 14,500    | 9,350  |
| 3  | <b>84 Lumber</b>   Eighty Four, PA                        | 3             | \$7,863.54                           | \$4,700.00                           | 67.3%       | 265       | 252  | 6,442     | 5,919  |
| 4  | <b>Beacon Building Products</b>   Herndon, VA             | 2             | \$6,642.00                           | \$5,915.70                           | 12.3%       | 446       | 524  | 6,676     | 7,582  |
| 5  | <b>SRS Distribution</b>   McKinney, TX                    | 5             | \$5,755.30                           | \$3,988.37                           | 44.3%       | 595       | 405  | 8,473     | 5,617  |
| 6  | <b>Carter-Jones Lumber Co.</b>   Kent, OH                 | 7             | \$2,565.00                           | \$1,750.00                           | 46.6%       | 168       | 167  | 3,958     | 3,794  |
| 7  | <b>Kodiak Building Partners</b>   Highlands Ranch, CO     | 6             | \$2,490.49                           | \$1,876.18                           | 32.7%       | 111       | 103  | 5,818     | 5,303  |
| 8  | <b>McCoy's Building Supply</b>   San Marcos, TX           | 8             | \$1,423.65                           | \$1,073.25                           | 32.6%       | 107       | 108  | 2,921     | 2,544  |
| 9  | <b>Lansing Building Products</b>   Richmond, VA           | 9             | \$1,326.17                           | \$991.71                             | 33.7%       | 114       | 114  | 1,721     | 1,632  |
| 10 | <b>Parr Lumber Company</b>   Hillsboro, OR                | 11            | \$986.75                             | \$612.20                             | 61.2%       | 44        | 35   | 1,379     | 979    |
| 11 | <b>Foxworth-Galbraith Lumber Company</b>   Plano, TX      | 12            | \$926.50                             | \$588.53                             | 57.4%       | 34        | 34   | 1,400     | 1250   |
| 12 | <b>Parksite</b>   Batavia, IL                             | n/a           | \$750.61                             | \$610.85                             | 22.9%       | 22        | 21   | 702       | 705    |
| 13 | <b>Matheus Lumber</b>   Woodinville, WA                   | 15            | \$750.00                             | \$420.00                             | 78.6%       | 9         | 8    | 125       | 118    |
| 14 | <b>Ganahl Lumber Co.</b>   Anaheim, CA                    | 13            | \$666.70                             | \$502.30                             | 32.7%       | 11        | 11   | 975       | 940    |
| 15 | <b>Riverhead Building Supply Corp.</b>   Calverton, NY    | 16            | \$554.99                             | \$399.67                             | 38.9%       | 19        | 18   | 764       | 670    |
| 16 | <b>Mead Lumber Company, Inc.</b>   Omaha, NE              | 18            | \$462.82                             | \$359.99                             | 28.6%       | 48        | 44   | 966       | 913    |
| 17 | <b>Sunpro Corp.</b>   Orem, UT                            | 23            | \$453.56                             | \$277.99                             | 63.2%       | 16        | 15   | 527       | 467    |
| 18 | <b>Mill Creek Lumber &amp; Supply Company</b>   Tulsa, OK | 28            | \$437.00                             | \$332.00                             | 31.6%       | 40        | 38   | 818       | 683    |
| 19 | <b>R. P. Lumber Co., Inc.</b>   Edwardsville, IL          | 20            | \$380.00                             | \$307.50                             | 23.6%       | 105       | 73   | 1,600     | 703    |
| 20 | <b>Franklin Building Supply</b>   Boise, ID               | 27            | \$371.25                             | \$236.53                             | 57.0%       | 14        | 14   | 750       | 600    |
| 21 | <b>Hammond Lumber Company</b>   Belgrade, ME              | 21            | \$363.00                             | \$302.00                             | 20.2%       | 21        | 21   | 820       | 800    |
| 22 | <b>Idaho Pacific Lumber Company</b>   Meridian, ID        | 22            | \$342.80                             | \$193.68                             | 77.0%       | 13        | 13   | 80        | 78     |
| 23 | <b>Drexel Building Supply</b>   Campbellsport, WI         | 25            | \$336.00                             | \$258.00                             | 30.2%       | 8         | 7    | 651       | 456    |
| 24 | <b>Stine</b>   Sulphur, LA                                | 24            | \$320.00                             | \$265.00                             | 20.8%       | 11        | 11   | 860       | 755    |
| 25 | <b>Hancock Lumber Company, Inc.</b>   Casco, ME           | 30            | \$294.47                             | \$215.51                             | 36.6%       | 13        | 10   | 340       | 270    |
| 26 | <b>Curtis Lumber Company</b>   Ballston Spa, NY           | 26            | \$291.00                             | \$243.00                             | 19.8%       | 23        | 22   | 675       | 655    |
| 27 | <b>Erie Materials, Inc.</b>   Syracuse, NY                | 29            | \$268.91                             | \$217.68                             | 23.5%       | 10        | 10   | 361       | 361    |
| 28 | <b>Tibbetts Lumber Co. LLC</b>   St. Petersburg, FL       | 41            | \$243.00                             | \$131.00                             | 85.5%       | 7         | 6    | n/a       | n/a    |
| 29 | <b>Scherer Bros. Lumber Co.</b>   Brooklyn Park, MN       | 31            | \$233.00                             | \$179.00                             | 30.2%       | 5         | 5    | 309       | 295    |
| 30 | <b>Koopman Lumber</b>   Whitinsville, MA                  | 35            | \$216.09                             | \$150.66                             | 43.4%       | 10        | 9    | 322       | 278    |
| 31 | <b>Lezzer Lumber</b>   Curwensville, PA                   | 32            | \$214.20                             | \$162.00                             | 32.2%       | 13        | 13   | 480       | 425    |
| 32 | <b>Western Building Center</b>   Kalispell, MT            | 37            | \$205.54                             | \$137.03                             | 50.0%       | 13        | 13   | 382       | 370    |
| 33 | <b>Keim Home Center</b>   Charm, OH                       | 33            | \$204.68                             | \$159.14                             | 28.6%       | 2         | 2    | 569       | 535    |
| 34 | <b>Bliffert Lumber + Hardware</b>   Milwaukee, WI         | 43            | \$201.90                             | \$138.00                             | 46.3%       | 8         | 7    | 244       | 214    |
| 35 | <b>Star Lumber &amp; Supply</b>   Wichita, KS             | 36            | \$191.85                             | \$141.22                             | 35.9%       | 7         | 7    | 352       | 319    |
| 36 | <b>Spahn &amp; Rose Lumber Co.</b>   Dubuque, IA          | 34            | \$190.00                             | \$156.00                             | 21.8%       | 24        | 25   | 335       | 315    |
| 37 | <b>McCray Lumber Company</b>   Overland Park, KS          | 39            | \$183.62                             | \$134.44                             | 36.6%       | 7         | 7    | 227       | 218    |

|    |                                                        | PRIOR<br>RANK | 2021<br>GROSS SALES<br>(in millions) | 2020<br>GROSS SALES<br>(in millions) | %<br>CHANGE | LOCATIONS |      | EMPLOYEES |      |
|----|--------------------------------------------------------|---------------|--------------------------------------|--------------------------------------|-------------|-----------|------|-----------|------|
|    |                                                        |               |                                      |                                      |             | 2021      | 2020 | 2021      | 2020 |
| 38 | Big C Lumber   Granger, IN                             | 40            | \$176.80                             | \$132.68                             | 33.3%       | 18        | 18   | 314       | 312  |
| 39 | Homer T. Hayward Lumber Co.   Monterey, CA             | 38            | \$175.00                             | \$135.00                             | 29.6%       | 8         | 8    | 237       | 214  |
| 40 | Timberland Lumber   Brazil, IN                         | 54            | \$166.52                             | \$90.62                              | 83.8%       | 2         | 2    | 162       | 136  |
| 41 | Central Valley   Napa, CA                              | 47            | \$159.00                             | \$125.00                             | 27.2%       | 7         | 7    | 210       | 205  |
| 42 | TAL Holdings LLC   Vancouver, WA                       | 50            | \$152.54                             | \$99.78                              | 52.9%       | 16        | 11   | 425       | 375  |
| 43 | Harbin Lumber Company, Inc.   Lavonia, GA              | 55            | \$149.84                             | \$91.34                              | 64.0%       | 6         | 6    | 279       | 242  |
| 44 | Builders Warehouse Inc.   Kearney, NE                  | 44            | \$147.07                             | \$113.99                             | 29.0%       | 6         | 6    | 325       | 343  |
| 45 | Mans Lumber and Millwork   Trenton, MI                 | 53            | \$137.69                             | \$94.75                              | 45.3%       | 5         | 4    | 243       | 170  |
| 46 | Jackson Lumber and Millwork Co. Inc.   Lawrence, MA    | 46            | \$136.87                             | \$110.87                             | 23.5%       | 5         | 5    | 194       | 196  |
| 47 | Russell Do it Centers   Alexander City, AL             | 52            | \$136.00                             | \$95.00                              | 43.2%       | 9         | 9    | 230       | 215  |
| 48 | Beisser Lumber Company   Grimes, IA                    | n/a           | \$134.22                             | \$93.57                              | 43.4%       | 3         | 3    | 149       | 145  |
| 49 | Williams Lumber & Home Centers   Rhinebeck, NY         | 48            | \$130.00                             | \$108.00                             | 20.4%       | 7         | 7    | 275       | 250  |
| 50 | Cassity Jones, Inc.   Longview, TX                     | 63            | \$129.29                             | \$80.46                              | 60.7%       | 9         | 9    | 160       | 148  |
| 51 | Your Building Centers   Altoona, PA                    | 49            | \$129.06                             | \$107.09                             | 20.5%       | 17        | 16   | 354       | 339  |
| 52 | Millard Lumber Inc.   Omaha, NE                        | 61            | \$129.00                             | \$82.00                              | 57.3%       | 3         | 3    | 300       | 300  |
| 53 | Wilson Lumber   Huntsville, AL                         | 60            | \$119.00                             | \$87.00                              | 36.8%       | 6         | 4    | 337       | 295  |
| 54 | Yoder's Building Supply, Inc.   Clemson, SC            | 69            | \$118.31                             | \$70.51                              | 67.8%       | 1         | 1    | 181       | 139  |
| 55 | Dufrene Building Materials inc.   Cut Off, LA          | n/a           | \$118.00                             | \$56.00                              | 110.7%      | 8         | 5    | 215       | 170  |
| 56 | Zuern Building Products Inc.   Allenton, WI            | 56            | \$117.60                             | \$89.00                              | 32.1%       | 6         | 6    | 209       | 210  |
| 57 | Gleckler and Sons Building Supplies   Jacksonville, FL | 78            | \$117.00                             | \$46.00                              | 154.3%      | 2         | 2    | 200       | 200  |
| 58 | The Lester Group   Martinsville, VA                    | 68            | \$115.00                             | \$68.73                              | 67.3%       | 5         | 5    | 121       | 108  |
| 59 | Gillman Home Centers   Batesville, IN                  | 51            | \$110.00                             | \$96.00                              | 14.6%       | 14        | 13   | 325       | 275  |
| 60 | Jaeger Lumber & Supply Company, Inc.   Union, NJ       | n/a           | \$109.55                             | \$74.23                              | 47.6%       | 8         | 7    | 164       | 144  |
| 61 | Graves Lumber Co.   Copley, OH                         | 65            | \$105.34                             | \$77.90                              | 35.2%       | 1         | 1    | 98        | 95   |
| 62 | Simonson Lumber Co.   St. Cloud, MN                    | 58            | \$104.89                             | \$83.19                              | 26.1%       | 5         | 5    | 220       | 190  |
| 63 | Garris Evans Lumber Company   Greenville, NC           | 59            | \$103.97                             | \$82.36                              | 26.2%       | 5         | 5    | 154       | 156  |
| 64 | Webb Concrete & Building Materials, Inc.   Heflin, AL  | 73            | \$103.68                             | \$72.10                              | 43.8%       | 7         | 7    | 158       | 163  |
| 65 | Howard Lumber & Hardware   Statesboro, GA              | n/a           | \$102.95                             | \$53.55                              | 92.3%       | 2         | 2    | 64        | 56   |
| 66 | Henson Lumber   Cresson, TX                            | n/a           | \$95.91                              | \$58.37                              | 64.3%       | 2         | 2    | 105       | 85   |
| 67 | Griffin Lumber & Hardware   Cordele, GA                | 76            | \$95.71                              | \$49.42                              | 93.7%       | 8         | 7    | 179       | 130  |
| 68 | Ashby Lumber   Concord, CA                             | 57            | \$95.50                              | \$86.40                              | 10.5%       | 2         | 2    | 170       | 169  |
| 69 | Randall Brothers, LLC   Marietta, GA                   | n/a           | \$92.33                              | \$76.40                              | 20.9%       | 4         | 4    | 156       | 152  |
| 70 | Tindell's   Knoxville, TN                              | 70            | \$88.79                              | \$65.49                              | 35.6%       | 6         | 6    | 212       | 217  |
| 71 | Arnold Lumber Company   West Kingston, RI              | 67            | \$87.42                              | \$74.85                              | 16.8%       | 4         | 4    | 134       | 140  |
| 72 | Buck Lumber & Building Supply, Inc.   Charleston, SC   | 71            | \$86.83                              | \$65.38                              | 32.8%       | 1         | 1    | 77        | 69   |
| 73 | Scholl Forest Industries, Inc.   Houston, TX           | 72            | \$83.86                              | \$64.88                              | 29.3%       | 1         | 1    | 40        | 35   |
| 74 | Thrifty Building Supply   Collierville, TN             | n/a           | \$81.02                              | \$50.69                              | 59.8%       | 4         | 4    | 96        | 84   |

|     |                                                     | PRIOR<br>RANK | 2021<br>GROSS SALES<br>(in millions) | 2020<br>GROSS SALES<br>(in millions) | %<br>CHANGE | LOCATIONS |      | EMPLOYEES |      |
|-----|-----------------------------------------------------|---------------|--------------------------------------|--------------------------------------|-------------|-----------|------|-----------|------|
|     |                                                     |               |                                      |                                      |             | 2021      | 2020 | 2021      | 2020 |
| 75  | Ziegler Lumber Company (dba Ziggy's)   Spokane, WA  | 62            | \$79.28                              | \$80.00                              | -0.9%       | 6         | 6    | 200       | 224  |
| 76  | Potter's Ace Home Center   Jamestown, TN            | n/a           | \$79.02                              | \$68.86                              | 14.8%       | 21        | 21   | 225       | 225  |
| 77  | Townsend Building Supply, Inc.   Dothan, AL         | 77            | \$70.83                              | \$46.02                              | 53.9%       | 6         | 6    | 134       | 123  |
| 78  | Goldsboro Builders Supply   Goldsboro, NC           | 75            | \$70.00                              | \$50.00                              | 40.0%       | 6         | 6    | 105       | 95   |
| 79  | Associated Building Supply Inc.   Oxnard, CA        | 81            | \$65.90                              | \$40.50                              | 62.7%       | 8         | 9    | 45        | 51   |
| 80  | Louis J. Grasmick Lumber Co., Inc.   Baltimore, MD  | 74            | \$65.41                              | \$53.42                              | 22.4%       | 1         | 1    | 60        | 60   |
| 81  | Lummus Supply Co.   Atlanta, GA                     | 80            | \$63.44                              | \$43.92                              | 44.4%       | 5         | 5    | 85        | 83   |
| 82  | Lyon & Billard   Meriden, CT                        | n/a           | \$62.00                              | \$60.00                              | 3.3%        | 4         | 4    | 86        | 86   |
| 83  | Sunrise Builders Supply   Horn Lake, MS             | n/a           | \$52.01                              | \$28.37                              | 83.3%       | 2         | 2    | 53        | 47   |
| 84  | LENCO Supplies   Buffalo, NY                        | 83            | \$44.66                              | \$35.35                              | 26.3%       | 3         | 3    | 75        | 70   |
| 85  | The Miller Lumber Company   Bend, OR                | 84            | \$42.25                              | \$35.11                              | 20.3%       | 2         | 2    | 22        | 23   |
| 86  | Rocky Mountain Forest Products   Arvada, CO         | 82            | \$42.10                              | \$36.00                              | 16.9%       | 4         | 4    | 75        | 55   |
| 87  | Mentor Lumber & Supply Co.   Mentor, OH             | n/a           | \$40.51                              | \$30.99                              | 30.7%       | 2         | 2    | 58        | 56   |
| 88  | Wallace Building Supply Inc.   Indian Mound, TN     | n/a           | \$39.00                              | \$26.23                              | 48.7%       | 1         | 1    | 42        | 38   |
| 89  | Rice Lumber   Shelburne, VT                         | n/a           | \$31.37                              | \$20.83                              | 50.6%       | 1         | 1    | 35        | 32   |
| 90  | Hamilton Building Supply   Hamilton, NJ             | 89            | \$30.10                              | \$19.00                              | 58.4%       | 1         | 1    | 70        | 64   |
| 91  | Dakota County Lumber Co.   Farmington, MN           | 87            | \$30.00                              | \$23.00                              | 30.4%       | 1         | 1    | 32        | 24   |
| 92  | Beckerle Lumber   Spring Valley, NY                 | n/a           | \$27.72                              | \$23.63                              | 17.3%       | 4         | 4    | 90        | 90   |
| 93  | Gordon Lumber Holdings Company   Perrysburg, OH     | n/a           | \$27.00                              | \$25.70                              | 5.1%        | 2         | 2    | 75        | 70   |
| 94  | Heister House Millworks   Mt. Pleasant Mills, PA    | n/a           | \$24.31                              | \$20.38                              | 19.3%       | 2         | 2    | 97        | 91   |
| 95  | Parks Lumber & Building Supply, Inc.   Dahlonga, GA | 99            | \$20.39                              | \$13.32                              | 53.1%       | 1         | 1    | 14        | 14   |
| 96  | City Lumber Co.   Huntsville, AL                    | 92            | \$20.13                              | \$16.42                              | 22.6%       | 1         | 1    | 48        | 47   |
| 97  | Haywood Builders Supply Co.   Waynesville, NC       | 95            | \$18.75                              | \$15.40                              | 21.8%       | 2         | 2    | 47        | 43   |
| 98  | ITC Millwork   Stallings, NC                        | 97            | \$18.37                              | \$13.60                              | 35.1%       | 3         | 3    | 52        | 49   |
| 99  | B & B Lumber   Wichita, KS                          | 94            | \$18.15                              | \$15.47                              | 17.3%       | 2         | 2    | 39        | 39   |
| 100 | Antcliff Windows & Doors   Burton, MI               | 96            | \$14.00                              | \$13.00                              | 7.7%        | 2         | 2    | 23        | 23   |

A big thank you to all of the companies who shared their data for the second-annual LBM 100. We're especially proud that the numbers all came directly from the companies themselves, with zero "guesstimates" from our team. These same high standards will guide future updates to this important and insightful industry snapshot.

#### ABOUT THE SURVEY

The 2022 LBM 100 study was conducted February 2022 through April 2022. The resulting LBM 100 list ranks companies based on their total sales for 2021. The list was created solely based on responded companies, with an intentional decision to not estimate figures if a company chose not to participate. As a result, some companies do not appear on the list that otherwise would have.

The survey data and charts contained herein are based on those respondents who completed the full survey by the response deadline and chose to answer each question. Not every question was required, therefore not all results are based on 100 responses.

If you have questions about the LBM 100 or would like your firm to be included in next year's survey, contact Rick Schumacher at [rick@lbmjournals.com](mailto:rick@lbmjournals.com).

BY MIKE BERGER

# WINDOWS & DOORS

DESPITE DISRUPTIONS, THE FENESTRATION MARKET CONTINUES TO DOMINATE.

**SINCE WE HUMANS BEGAN** incorporating doors and windows into our homes, a wealth of superstition and myth has sprung up around both openings. For example, an acorn placed on a windowsill was thought to not only bring good luck but to also ward off lightning. In Vermont, there's a tradition of "witch windows" that are diagonally-installed to protect a home from witches (since the belief was that witches couldn't fly on their broomsticks through the oddly-placed openings).

Doors have their mythology, too. There's a southern American tradition that six-panel doors will ward off bad spirits. A Brazilian superstition claims it's bad luck to unlock a door on someone else's house, while in Ireland, a red door was thought to ward off ghosts. And if you were unlucky enough to have built your house across a path frequently travelled by trooping faeries, you'd best leave your front and back doors open at night so they had an unblocked road and would leave you untroubled.

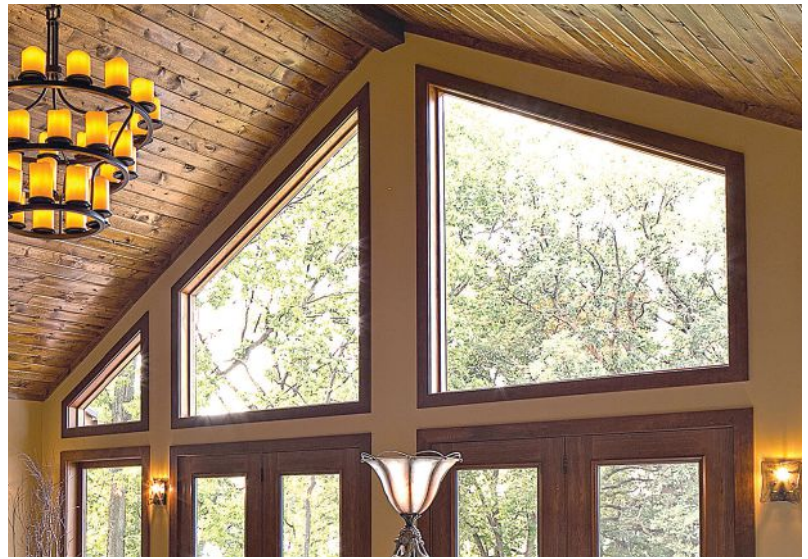


While these beliefs can't be proven true, there's a lot that can be said with relative certainty about windows and doors—and the fenestration industry as a whole. Industry demand, for example, is no myth, and manufacturers feel confident in continued growth similar to last year. "The last two years have been unexpectedly high, as a lot of folks stayed home and did window and door projects during COVID-19," says Jamison Eige, vice president of retail and OEM sales for ODL. "There were certainly supply issues, although lead times are actually coming down and becoming more manageable. We believe that window and door sales through the balance of this year will continue the rapid growth that we saw during COVID."

Of course, the potential for market instabilities could have a significant impact on growth potential, and those fluctuations are hard to predict. "It depends upon which crystal ball is being gazed into, but the prognostication will certainly change tomorrow," explains John Plummer, CEO and president of GlassCraft Door Company. "I won't list the determinate and influencing factors—we are all aware—and there are new ones every day. So, how will the market fare for the next twelve months? GlassCraft will manufacture more doors and sell them for higher per unit costs than we did in 2021. Probably many more doors. Probably at 10% to 15% higher prices per unit. Maybe."

#### PERFORMANCE AND BOLD AESTHETICS STILL HOLD SWAY

When compared to last year, trends in windows and doors aren't radically different, manufacturers say, and the performance desires that drove purchases in 2021 will continue to hold



sway in the near future, if not be an even more important factor in purchase decisions.

At the time of this writing, geopolitical tensions have driven the cost of oil to prices not seen since 2014, and as a result energy costs have increased across the board. Manufacturers suggest that this pricing trend will continue to drive homeowners to choose door and window products that deliver high levels of energy efficiency.

When it comes to aesthetic and style trends, the desire to create a moody, dramatic aesthetic through the use of black or very dark colors that gained popularity over the past few years is here to stay, as is utilizing larger windows and doors while embracing clean, modernistic design. "Consumers are decorating and building homes to be more modern with a nod to commercial products," says ODL's Eige.

"Thin is in," says GlassCraft's Plummer. "Thin stiles and rails on doors means big glass panels. And black—lots of black. Other painted door colors too, along with new glass textures such as Antique Glass."

There also remains an intense desire among consumers to create living spaces that bring the outside in, and like last year they're turning to larger windows and patio doors to bring in more natural light. This consumer desire to bring more of the natural world into interior spaces is part of a larger trend called biophilic design. Put simply, biophilic design is a building concept centered around the desire to connect people with the natural environment through the use of space, place conditions, incorporation of natural elements, and the use of building materials that connect people with nature. ▶▶

ABOVE LEFT: New from ODL, its ZEEL door frame features a minimal look and eliminates the need for screws and screw hole covers with an proprietary clip system. According to ODL, ZEEL solves problems that people had with door lites, including scalloping, warping, and squeeze out. The low-profile look offers an alternative to flush-glazed doors with the benefits of a frame system.

ABOVE: Aeris residential wood-clad windows from ProVia are engineered through a patented system that fully integrates real wood interiors with maintenance-free vinyl exteriors. According to ProVia, this system was designed specifically for homeowners who want wood-interior replacement windows that can be stained, sanded, and re-stained or painted.

OPPOSITE PAGE: According to GlassCraft, its smooth NP-Series contemporary narrow profile door mimics the look of smooth steel but in a fiberglass product. NP-Series fiberglass doors are available in three sizes, and as slabs or pre-hung in single and double door configurations with all composite components.

“Outdoor living spaces are becoming more important than ever,” said Mark Ayers, senior vice president of marketing and product development for Therma-Tru. “We offer patio, venting, and storm door products that enable homeowners to create a more seamless transition between their indoor and outdoor spaces, while allowing more natural light and fresh air inside the home. Plus, we’ve expanded our offering of 7’ doors, providing entryway styles that pair well with larger windows, which are becoming increasingly popular.”

Of course, increasing the size or number of windows in any home presents unique challenges when it comes to privacy, and manufacturers say consumers are increasingly interested in any product that can help control light and privacy. Says ODL’s Eige, “One of the ways they can do that is by using Blink Blinds + Glass, which is a great opportunity because this product comes in multiple colors, including slate gray, which enhances and works with black, and espresso which works with bronze colors.”

#### LABOR AND SUPPLY DISRUPTIONS CAUSE CONCERN

Although labor shortages were nothing new before the emergence of COVID-19, the pandemic significantly exacerbated the situation. “Labor continues to be a challenge, both to manufacture product and to install it down the chain,” says ODL’s Eige. “I think it’s not unique to fenestration; it’s pretty much across the whole building business that there are not enough people to do the work.”

Hand-in-hand with these labor woes are significant increases in the cost of doing business. Dramatic increases in everything from the costs for wood, metals, resins, shipping—even packing materials—have proven to be major disruptors to the fenestration industry. “The supply chain will continue to be a challenge, and inflation is a challenge, especially in the replacement market where customers have to make a decision whether they’re going to do a project now or wait,” says Eige. “Eight percent-plus inflation might drive somebody to decide to hold off on doing a project with the thought that it will come down and be less later.”

It’s a foregone conclusion that window and door manufacturers are closely watching global conditions with a wary eye, and they, along with LBM distributors, homebuilders, and remodelers alike are concerned. Manufacturers, however, point out that they’ve made significant efforts to keep product flowing. “The supply chain is tenuous and fragile and will continue to be so for at least the next 12 to 18 months,” explains GlassCraft’s Plummer. “GlassCraft’s purchasing team has done an outstanding job of anticipating our needs and keeping raw materials flowing...even with lead times from vendors of up to eight months. We have been able to increase unit sales substantially and still grow on-hand inventory by 55% over the past 12 months.”

#### TRANSPARENT SERVICE IS KEY

So, in spite of these challenges, how do successful LBM distributors keep their customers smiling? Manufacturers say, it’s through offering complete transparency with the customer.

BELOW: ODL continues to grow and expand its Blink Blinds + Glass offering with its new 7/8" offering.

BELOW RIGHT: Therma-Tru, in partnership with LARSON, recently released its Impressions integrated storm and entry door system. According to Therma-Tru, this integrated storm and entry door system is the first of its kind, with the storm door integrated flush into the brickmould portion of the door frame, thus creating a seamless look.





“Dealers and contractors need to be completely forthcoming with their clients on lead times, managing expectations along the way, whether the news is good or bad,” explains Joe Klink, director of corporate relations for ProVia. “Customers should be told upfront if supplies are low or will be late, or if something changes during the expected fulfillment schedule. Delaying a difficult conversation is never a good business practice—if the customer is under the impression that everything is moving along, and then finds out his windows and doors are going to be weeks later than expected, they’ll lose trust in you.”

As well, manufacturers point out the need for LBM dealers to be able to offer reassurance to their customers that the products they do have in inventory provide the needed performance. “It’s important to provide peace of mind to customers,” says Therma-Tru’s Ayers. “We offer a certified installer program that guides trade professionals through the correct way to install a Therma-Tru door, ultimately reducing the amount of call backs. Plus, a complete, properly installed Therma-Tru door system is engineered to work together and backed by a lifetime limited warranty.”

#### ONLINE RESOURCES HELP THWART DISRUPTIONS

With so many elements of the world now existing in either a virtual or limited-contact reality, window and door manufacturers are providing more and more online training opportunities and product resources. For example, ProVia

has introduced a new Quick Start video series that is developed to help dealers and contractors who may be challenged with workforce turnover and training new hires. “We realize that training can be a big hurdle for hires that are new to the building trades,” ProVia’s Klink points out. “Our intent is build a library of videos that will provide brief and basic instructions for ProVia exterior products, setting the foundation for successful installations.”

Similarly, Therma-Tru recently launched its Virtual Experience, an interactive online learning environment that educates participants both in current design trends (which Therma-Tru has designated as Casual Haven, Renewed History, and Modern Revival) as well as Therma-Tru products.

“Homeowners are asking for products that meet current design and lifestyle trends, allowing them to feel truly at home while showcasing their personal style,” says Therma-Tru’s Ayers. “Based on in-depth research, we aligned our new products around these trends to meet consumers’ functionality, durability and design needs.”

As an incentive for training participation, Therma-Tru offers its Keys 2 Success national sweepstakes for building trade professionals to learn about the manufacturer’s products and current home design trends. For watching select videos, participants have the chance to win daily and weekly prizes while staying current on the latest trends and Therma-Tru products to better facilitate conversations with homeowners. ►►

**ABOVE LEFT:** ProVia’s Legacy steel entry doors are foam-filled by a computer driven process developed to ensure the optimal foam fill for maximum energy efficiency and strength. According to the manufacturer, special adhesives and thermal barriers reduce heat and cold transfer, while an exclusive tab and slot system of mechanical interlocks gives the door exceptional structural strength.

**ABOVE:** New from Therma-Tru, its retractable screen door is designed to provide a seamless transition from the indoors to outdoors. The screen slides away to the side, and the manufacturer states that the installation takes approximately 30 minutes.

Training and product information is not restricted to the trades; manufacturers are also releasing more online resources for consumers, and the savvy LBM distributor can utilize these product information tools to aid homeowners in product choice (and ultimately close more sales because of that customer interaction). For example, GlassCraft Door will launch a new website in June with expanded functionality that includes a new Build-A-Door feature which allows the public as well as LBM distributors to select a door, customize it to meet individual requirements, and get an immediate price.

Likewise, ODL is also going digital by providing online editions of all its printed catalogs for easier consumer access. "Customers have the ability to digitally see all different options that could go in the front door, the back door and the patio door in our Catalog+," say ODL's Eige.

If there's one thing that is a constant for the LBM distributor right now, it's that change is here to stay. Continued shipping struggles, a diminished workforce, and raw material shortages

will remain in play, as will the threat of emerging new COVID variants that could spell the return of business-restricting lockdowns. Nevertheless, door and window manufacturers see the potential for a strong season, and the numbers seem to reflect that optimism. According to the Monthly New Residential Construction Report released by the U.S. Census Bureau and the U.S. department of Housing and Urban Development, privately-owned housing units authorized by building permits in February of this year were at a seasonally adjusted annual rate of 1,859,000—over 7% above this time last year, and a number that spells good fortune for the LBM distributor. Still, it never hurts to set an acorn on a windowsill, just to be safe. ■

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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# LBM JOURNAL PODCASTS

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### MoistureShield Outdoor Project Hub

MoistureShield, a division of Oldcastle APG, a CRH company, has launched its Outdoor Project Hub to help homeowners design and build deck projects with ease by offering step-by-step planning and checklist features that are all accessible on one dashboard. Starting with some quick questions to assess the project, the Outdoor Project Hub guides the homeowner through the entire planning process, complete with inspirational custom mood boards and curated MoistureShield collections. The featured collections, which include Vision, Meridian, Elevate, and Vantage, are available in a variety of colors and textures. The Outdoor Project Hub utilizes a checklist to stay on track with deck size, budget, timing and desired amenities. The final step is to search MoistureShield's "Find a Contractor" database and share the project as a PDF to start building. [moistureshield.com](https://moistureshield.com)



### Simpson Strong-Tie structural wood screws

Simpson Strong-Tie has introduced a new 2" structural wood screw to its expanding line of Outdoor Accents Essentials decorative hardware. The Simpson Strong-Tie Outdoor Accents line offers a complete collection of tested, code-listed connectors and fasteners for building outdoor living structures such as pergolas, pavilions, arbors, gazebos, and patio covers. Ideal for use as a decorative structural fastener that can be used with either the Mission Collection or Avant Collection within the Outdoor Accents line, the new 2" structural wood screw can also be used separately to add flair to any outdoor project. With this new addition, the Outdoor Accents structural wood screw is now available in three sizes: 2", 3-1/2" and 5-1/2". [strongtie.com/outdooraccents](https://strongtie.com/outdooraccents)



### Masonite interior solid core doors

Masonite interior solid core doors are engineered with 70% more sound dampening material than its standard hollow core doors, the manufacturer says. Designed to be on trend and stylish, the Logan (pictured here) has clean lines said to convey traditional craftsmanship and simulate an original stile and rail door. Most Masonite interior doors are available as solid or hollow core. According to the manufacturer, solid core doors are ideal for keeping sound in—or out—like bedrooms, bathrooms, laundry rooms, and home offices. [residential.masonite.com](https://residential.masonite.com)



### NovikStone Onyx

Novik, a brand of Derby Building Products, has added Onyx, a deep black tone, to its NovikStone Dry Stack Stone and Premium Hand-Cut siding lines. Designed to offer the detail of dry stack stone, NovikStone's Dry Stack is designed to replicate the look of traditional stone. NovikStone's Dry Stack line includes seven other colors: Anthracite, Basalt, Brownstone, Flint, Limestone, Lava, and Travertine. According to the manufacturer, NovikStone is impervious to moisture, delivering durability as well as enhanced resistance to warping, expansion, contraction, and cracking. The panels can be installed in any climate using traditional tools, including contact with the ground. NovikStone panels are engineered to be rigid and lightweight for quick, one-person installation without any mortar or adhesives. [novik.com](https://novik.com)



### Hy-Brid Lifts attachment

The latest attachment from Hy-Brid Lifts is the A92.20 Pro Series scissor lifts: a heavy-duty pipe rack. This accessory kit is designed to help users organize up to 100 pounds of materials while maximizing platform space. The pipe rack is designed to sit on a scissor lift's rails and not be obtrusive to operators. Fleet managers can add the pipe rack kit to A92.20 Pro Series machines without the need for additional counterweights or height restrictions. The Hy-Brid Lifts pipe rack is a factory option and can also be retrofitted on Pro Series models generation 5 or later. [hybridlifts.com](http://hybridlifts.com)



### BRAVA roof tiles

BRAVA high-performance synthetic roof tiles are made with up to 95% post-consumer recycled rubber and plastics removed from the waste stream. Brava composite tile is an alternative to traditional Spanish clay tile, natural slate, and cedar shake roofing. According to the manufacturer, composite roofing products last longer, are far more durable, and much more aesthetically and architecturally pleasing than asphalt shingles, concrete tiles, or slate, shake, and clay tiles. [bravarooftile.com](http://bravarooftile.com)



### PowerPro Concrete Screw Anchors

PowerPro Concrete Screw Anchors are code-approved for fastening into concrete and masonry materials. Engineered design cuts threads into concrete, brick, and block. The screws are available in three colors and are recommended for interior and exterior projects. Can use a standard ANSI drill bit for installation. Approved for Miami Dade County, Florida, and California building codes. [hillmangroup.com](http://hillmangroup.com)

### SENCO coil siding nailer

The SENCO SN71P1 features a high-capacity coil drum that holds up to 375 nails so users spend less time reloading and more time fastening. It is designed to enable users to work with a wide variety of fasteners – the drum magazine holds nails from 1-1/4" to 2-1/2" long and .082 to .092 inches in diameter, and it accommodates both wire- and plastic-collated nails. According to the manufacturer, the SN71P1 packs added power compared to SENCO's previous-generation tools to excel in denser construction materials, and it features a redesigned, overmolded grip that reduces slipping and vibration fatigue. In addition to siding, the SN71P1 can be used for jobs that require similar gauge nails, such as decking, exterior trim, fencing, installing wood shingles, crate assembly, and any other task in which speed and productivity is a priority. [senco.com](http://senco.com)



### ADA-compliant Doorglass from ODL

ODL's new ADA Doorglass is designed to be ideal for multifamily dwellings and new construction. Available from both the ODL and Western Reflections brands, ADA Doorglass is engineered for use in ADA-compliant doors, enabling builders to meet ADA standards that provide access for individuals with disabilities. The Americans with Disabilities Act outlines building standards for doors, one of which is a 10" clearance at the bottom of the door. This new ADA Doorglass increases visibility and natural light, while still accounting for a 10" bottom rail. Two different sizes, 22" x 60" and 22" x 76", are available in the Evolve frame with Low-E glass and in the impact-rated Severe Weather frame with Low-E+ laminated glass. [odl.com/ada](http://odl.com/ada)



### Allweather Wood

According to the manufacturer, Allweather Wood ranks as the largest waterborne preservative treated lumber and plywood manufacturer in the Western United States. With treating plants in California, Colorado, Oregon, and Washington, Allweather Wood treats a variety of wood species, including Douglas-fir, Hem fir, and Southern Yellow Pine, and preservatives including copper, borates, and fire retardants. For its fire retardant treated product offerings, Allweather Wood utilizes interior fire-retardant chemicals designed for reducing flame spread allowing building occupants more time to escape in a fire event. Allweather Wood fire retardant treated lumber and plywood are backed by a 50-year limited warranty. [allweatherwood.com](http://allweatherwood.com)



### Envision Deckfast Fascia System

Envision Outdoor Living Products now offers the Deckfast Fascia System for use with its fascia/skirting boards. According to the manufacturer, fascia boards naturally expand and contract, which can lead to waviness as the vertically or horizontally installed fascia boards move against the fasteners. Deckfast addresses this issue with a solution the company says ensures a cleaner, streamlined look. The Deckfast Fascia System comprises a special Fascia Tool and color-coated Headcote stainless steel or epoxy-coated carbon steel Fascia Screws. The Fascia Tool has a pre-set countersink; pre-drilling with the tool creates an oversized hole that will allow the board to float on the screw to better accommodate expansion and contraction. Once the hole is predrilled, users can drive the Fascia Screw, which is color-matched specifically to all Envision composite decking colors. [envisionoutdoorliving.com](http://envisionoutdoorliving.com)



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### RelayGo payments

Relay Payments, a digital payment solutions provider for the transportation, logistics, and supply chain industries, has introduced RelayGo, a technology-enabled all-in-one fleet expense card and driver mobile app. For carriers, RelayGo features proprietary expense management technology for tracking and controlling spend, designed to simplify reimbursement and reconciliation. For drivers, the RelayGo card is developed to be a fast and secure means of making over-the-road payments. Founded in 2019, Relay Payments is an Atlanta-based, venture-backed fintech company building an electronic payment network in the transportation, logistics, and supply chain industries. [relaypayments.com](http://relaypayments.com)



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### ELEMENTAL Hardwoods Kempas flooring

Elemental Hardwoods has added solid Kempas, a hard and durable orange-brown hardwood that caramelizes in color as it ages, to its premium line of exotic hardwood flooring products. ELEMENTAL's select-and-better grade Kempas is 100% solid heartwood, prefinished with a 15-20% low gloss finish and sourced under stringent Forest Management standards. According to the manufacturer, its 1710 Janka hardness rating is much harder than domestic oak, maple, and walnut, while the medium color range of orange/reds to carmel/beiges age to complement today's style trends at a competitive price. ELEMENTAL Kempas flooring is currently available in the USA in solid 3/4" x 3.5" x 1-6' prefinished low gloss with 17.44 SF per box. [elementalhardwoods.com](http://elementalhardwoods.com)



### DEWALT's new drills and drivers

DEWALT has introduced a new 20V MAX XR Brushless 1/2" Drill/Driver (DCD800) and 20V MAX XR Brushless 1/2" Hammer Drill/Driver (DCD805). According to the manufacturer, each drill's high-output brushless motor provides users with up to 40% more unit watts out in a compact design boasting a tool head that is a 1/2" shorter in length. These features are designed to allow for work in confined, hard to reach areas without sacrificing performance. Engineered for optimal speed, control and precision, the drills feature a high-speed transmission using a variable trigger and two speed settings as well as high bit retention with a 1/2" metal ratcheting chuck. Each drill features an adjustable 3-position, 3-mode LED light producing up to 70 Lumens to enhance visibility. [dewalt.com](http://dewalt.com)





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### Nova USA clips

Nova USA Wood Products, Inc. has launched a new line of ExoDek QuickClip hidden fasteners engineered to expand and contract with the natural swelling and shrinkage of hardwood and softwood decking as well as PVC and composite boards. Developed to be easy to install, the ExoDek Quickclips were designed with glass fiber reinforced Nylon (Polyamide 6/6) developed to ensure the long-term structural integrity of high-end decking projects. According to the manufacturer, the clips have the ability to secure up to four or five rows of decking at a time, fit easily into grooved deck boards, and can also reduce installation times when compared to similar systems. [novausawood.com](http://novausawood.com)

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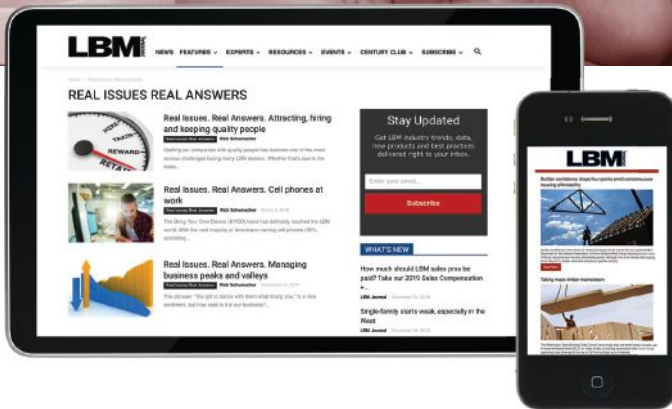
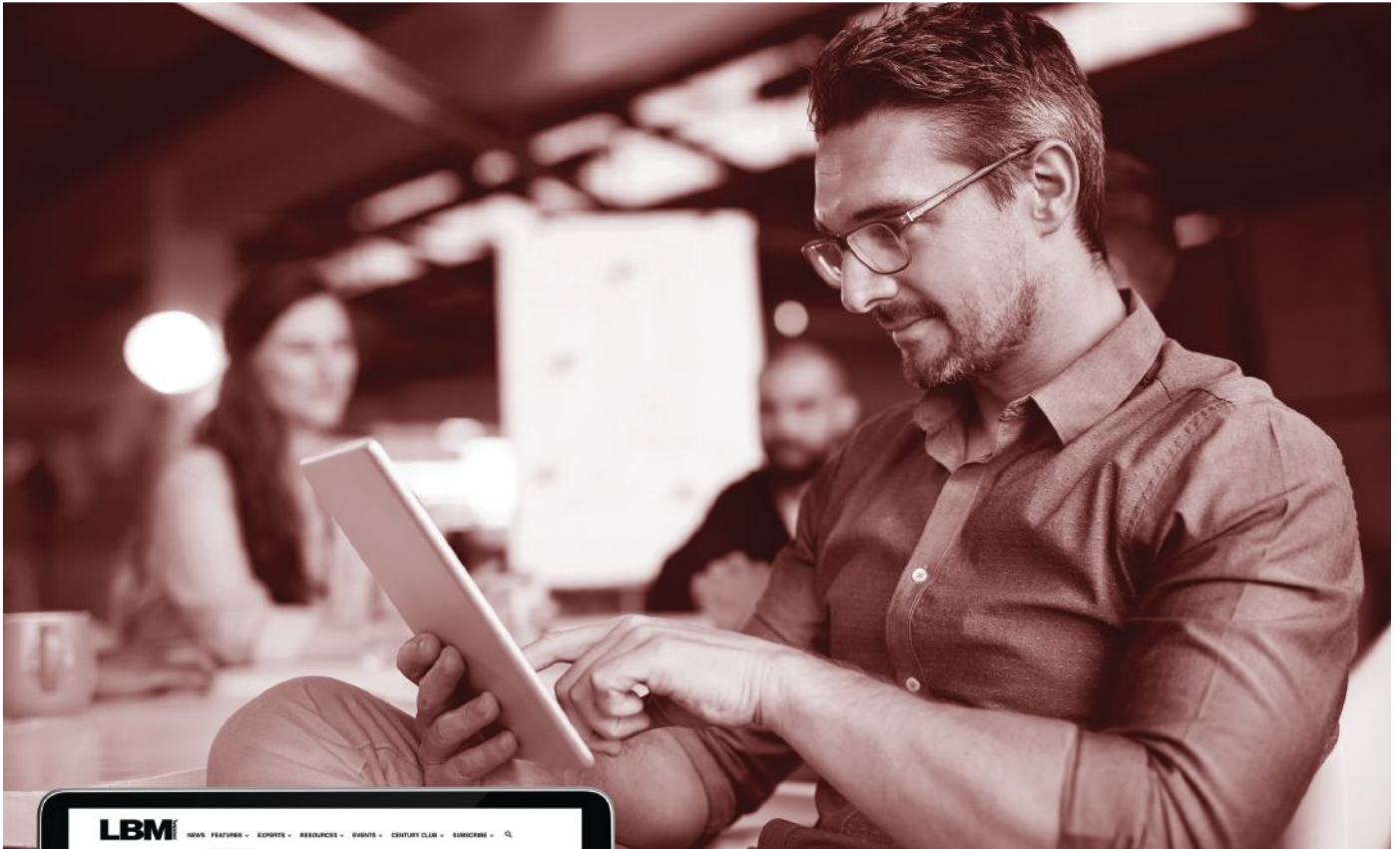
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**UNLIKE MOST OF THE** materials you sell, each stick of lumber is unique. Sometimes that's good, but when the differences have names like Wane, Cup, Twist, and Bow, then different can be a problem. This fact of life and lumber is understood and accepted by most of your customers, who find ways of working with all but the most defective boards. Most of them have learned the tricks of the trade that enable them to use imperfect lumber. Then again, most of the aren't named Cecil.

One of your most loyal contractor customers ever since your yard opened nearly 30 years ago, Cecil has earned a reputation as a true craftsman. He's not the cheapest carpenter in town, but builders and homeowners who hire him know that they're getting the best. You're proud that your lumberyard is his supplier of choice—a fact that he shares freely with his customers. But, you don't love the fact that he's extraordinarily picky when it comes to which materials he'll accept.

What happened yesterday is a perfect example. Cecil ordered a load of premium #1 studs for a project where he's framing out an unfinished basement. Knowing how picky Cecil is, your crew took extra time to sort through your inventory and send him only the clearest, straightest studs. Their goal was the first-ever delivery where he'd actually accept every single stick.

As it turned out, their hopes were dashed when he called and reported that about 25% of the material delivered was, in his words, "unusable. I don't know why your crew delivers lumber that I can't possibly use in one of my projects," he said in a terse phone call. "Please have this 'lumber' picked up ASAP and replace it with quality sticks."

You went to the jobsite yourself to see this awful delivery firsthand. It turns out that the defective lumber was, in your opinion, practically perfect. Still, since he's the customer, and the customer is always right, you did as he asked. Fortunately this time, he accepted the replacement lumber without grumbling. But there have been times when he's required multiple trips until he was satisfied.



With fuel prices on the rise, labor tighter than ever, and delivery drivers costing more than ever before, you're running out of patience with Cecil's demanding ways. Plus, though Cecil shares that your yard has the best lumber in your market—he makes clear that he still sends back a healthy amount. That fact leads other builders to ask if they can buy Cecil's culls at a discount.

You value Cecil's loyalty, but you're not sure you can afford to keep him as a customer. What would you do?

## ▶ CAST YOUR VOTE ONLINE AT: [LBMJOURNAL.COM](http://LBMJOURNAL.COM)

- **SEE YA, CECIL.** Enough is enough. Since your lumber clearly isn't good enough for him, suggest to Cecil that he take his business elsewhere.
- **LEAVE IT BE.** Yes, Cecil is a high-maintenance customer, but his loyalty makes up for his extraordinary pickiness. Keep him happy, and continue to enjoy his word-of-mouth marketing.
- **NEGOTIATE.** Sit down with Cecil and explain how the reality of your costs means that you likely lose money selling to him. Ask him to work with you to find a solution.
- **LIMIT HIS RETURNS.** Tell Cecil that you're accepting no more than 5% returns from any customers. That will help him learn to use the less-than-perfect lumber in his projects.

## SOMETHING ELSE?

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



## 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](http://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/lbm-century-club](http://lbmjournal.com/lbm-century-club).

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