

LBM JOURNAL[®]

STRATEGIES FOR LUMBER/BUILDING MATERIAL DISTRIBUTION PROS

LBMJOURNAL.COM

OCTOBER 2022 \$10 U.S.

LEADING THE WAY

CURTIS LUMBER PREPARES FOR SIXTH GENERATION

IN DEPTH: FASTENERS

SLOWER SEGMENT GROWTH CAN STILL YIELD SIGNIFICANT WINS FOR THE LBM DEALER

REAL ISSUES. REAL ANSWERS.

RESPONDING TO A RECESSION



KYLIE HOLLAND,
EXECUTIVE VICE PRESIDENT
OF CURTIS LUMBER



ThermoWood® Ash Cladding

Tantimber®'s ThermoWood Ash Cladding products are highly desirable due to their knottiness visual appearance, natural fancy brown color and grain structure originating from the nature. They are considered as the main cladding tool or complementary decorative tool element in many architectural solutions. They are suitable both for horizontal and vertical use and are also offered with special designed hidden fastener solutions provided by Tantimber for those who don't prefer to see any mount faced screws.

Tantimber's ThermoWood Ash Cladding products are manufactured with various profile and dimension options both in thickness and width. They have a Class 1 durability classification, providing a service life of 60 years depending on the climate conditions.

Product Benefits

- ✓ Extremely Durable
- ✓ Dimensionally Stable
- ✓ Doesn't Expand, Shrink, Warp or Decay
- ✓ Doesn't Become a Food Source For Insects
- ✓ FSC Certified
- ✓ Chemical Free, Non-Toxic
- ✓ Eco Friendly, Fully Recyclable



Scan to request your free samples now

Produced by



4 FROM THE PUBLISHER

The LBM 40 Under 40

BY RICK SCHUMACHER

6 FROM THE EDITOR

Strategies in person, in print, online, and more

BY JAMES ANDERSON

8 COMMENTARY

The importance of understanding valuation

BY SAM BROWNELL

12 THE BUZZ

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

24 SALES & OPERATIONS

Profit planning wisdom

BY BILL LEE

26 BUILDING SALES

Demonstrate authority to build credibility

BY RICK DAVIS

28 RECRUIT + RETAIN

7 ways to make your company a more attractive place to work

BY RIKKA BRANDON

30 LEADERSHIP

The three traits I seek

BY RUSS KATHREIN

32 CREDIT Q & A

Starting up a lien program

BY THEA DUDLEY

34 MERGERS & ACQUISITIONS

'10 and 10' companies hold value in any market

BY JOHN WAGNER

80 TOUGH CALL

HIRE OR HOLD TIGHT?

The combination of strong sales and a lean staff has you worried about people burning out, but you hesitate to hire when recession talk dominates the news. What would you do?



20 HOW CURTIS LUMBER HELPS THE TRADES FIND FUTURE EMPLOYEES

Connecting with students from elementary to trade schools.

22 5 QUESTIONS

For Mehmet Zenginler of G Wood Pro

36 NEW & NOTEWORTHY

TOOLBX began as an online delivery tool for builders and remodelers and quickly evolved to an e-commerce platform developed to source products from lumberyards and home centers.

40 REAL ISSUES. REAL ANSWERS.

RESPONDING TO A RECESSION

BY LBM JOURNAL READERS

56 IN DEPTH

FASTENERS

Slower segment growth can still yield significant wins for the LBM dealer.

BY MIKE BERGER

66 PRODUCTS





WHEN YOU'RE BUILDING TO THE **ZIP** CODE,
IT'S A DIFFERENT WORLD ENTIRELY.

We make the right products to do the right job, the right way, the first time. No matter what the region or climate, you can count on ZIP System® building enclosures to streamline the performance of your air, water and thermal barriers for structural assemblies. Is your project Built to the ZIP Code™? See why others have made the switch at ZIPSystem.com.

#BuiltToTheZIPCode



ZIPsystem™
BUILDING ENCLOSURES

© 2022 Huber Engineered Woods LLC. ZIP System, the accompanying ZIP System logo and design are trademarks of Huber Engineered Woods LLC. Huber Engineered Woods' ZIP System® products are covered by various patents. Please see ZIPSystem.com/Patents for details. HUB 23684-1.02/22.

Executive Editor & Publisher

Rick Schumacher
Rick@LBMJournal.com

Editor

James Anderson
James@LBMJournal.com

Managing Editor

Michael Berger
Mike@LBMJournal.com

Creative Director

Richard Hart
Design@LBMJournal.com

Contributing Sales Editor

Rick Davis

Contributors

Rikka Brandon, Sam Brownell, Thea Dudley,
Russ Kathrein, Bill Lee, 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

CENTRAL & WEST

Michele Randazzo
Michele@LBMJournal.com
Ph: 904.310.9540

@LBMJournal

LBMJournal

LBM Journal

LBM_Journal

SUBSCRIPTION CHANGES

For subscriptions or address changes
call 612.888.5261
e-mail operations@lbmjournals.com
or visit lbmjournals.com/subscribe

BACK ISSUES & EXTRA COPIES

operations@LBMJournal.com

Copyright 2022 by Custom Built Publishing LLC. Opinions expressed are those of the authors or persons quoted. Reproduction in whole or in part is prohibited without written authorization. LBM Journal is sent free-of-charge to qualified dealers and distributors of building materials. Publisher reserves the right to determine qualification. Non-qualified annual subscription rates: US, \$48; Canada, \$60 (U.S.); Airmail to all other countries, \$120 (U.S.). Single copy price: \$15 + S&H.



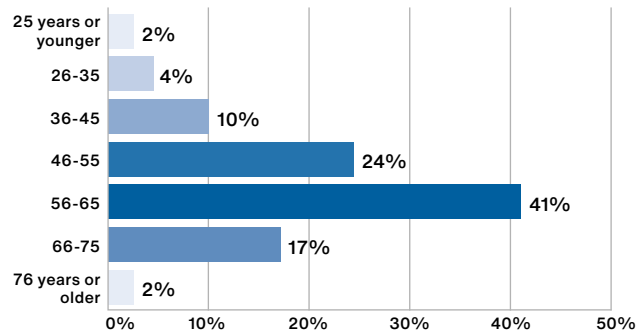
The LBM 40 Under 40

EVERY MONTH, hundreds of *LBM Journal* readers share the business challenges they're wrestling with in response to our Real Issues survey. One topic has been consistently dominant since these surveys began in 2011: attracting young talent to our industry.

The graph below, from the 2020 LBM Journal Readership study, bears that out. In an industry in which only 6% of its people are under 35, and nearly 60% are older than 56, it's clear that younger pros are seriously underrepresented. With many of the experienced pros among our ranks nearing retirement age, it's more important than ever that we address this reality.



Rick@LBMJournal.com



Your LBM Journal team is determined to do what we can to help effect change in this area. First, we're going to spotlight companies that are actively working to connect young people with the rich and rewarding world of residential construction and construction supply. Curtis Lumber, profiled on page 52, also shares the story of how their work to help build interest in the trades is paying off in attracting young people to their ranks.

Second, we've studied other industries which face the same challenge, to learn what we as a media company can do, and how to get the maximum impact for our community. That's why I'm excited to announce the launch of the LBM 40 Under 40. Our goal with this program is to celebrate the growing class of young, strong leaders in the LBM community. This program will recognize LBM pros under the age of 40 who demonstrate leadership and exemplify commitment and excellence in service to their companies, customers, and communities.

It's a fact that the LBM industry offers an incredible opportunity to build rewarding careers, doing important work of helping provide homes for families, while earning healthy incomes and establishing a good quality of life. You know it and I know it. That fact will resonate loudest when it comes from the young pros who are living it. That's why we're going to let them share their stories.

Watch for details on the LBM 40 Under 40 program, and let's follow Curtis Lumber's lead to inform young people about the opportunities that await them in our community.

— Rick Schumacher
Executive Editor & Publisher

Titen Turbo™

You've got to drive it to believe it.



Reliable installation. Less torque. Superior holding power. Meet the Titen Turbo™, the next-generation concrete and masonry screw anchor from Simpson Strong-Tie. Its revolutionary Torque Reduction Channel traps dust where it can't obstruct the thread action, drastically reducing binding, stripping or snapping.

For a fast, easy and high-strength fastening solution, try our new Titen Turbo screw anchor. Visit go.strongtie.com/titenturbo or call us at (800) 999-5099 to learn more.



Strategies in person, in print, online, and more

IN LESS THAN A MONTH from press time on this issue, many of us will be gathered in Denver for LBM Strategies Conference 2022. The world-class agenda for this year's conference has made it our biggest yet, and we're excited to welcome attendees and friends, old and new, to the industry's premier education and networking event. It occurred to me as I looked through edits of these pages, that while not all of our readers can attend our conference each year, we can do our best to bring some of the same industry expertise and insight each month in our magazine. Nothing can take the place of an in-person meeting of more than 200 LBM dealers/distributors and valued sponsors and exhibitors, but I think this issue does a solid job of addressing some of the industry's biggest topics.

With a labor shortage top of mind for many LBM dealers, you won't want to miss our profile on Kylie Holland and Curtis Lumber on page 52, and Curtis Lumber's own write-up of their innovative way of connecting with students from elementary age through trade schools (page 20). I'm sure you'll come away with ideas you can implement in your own communities.

As you're considering hiring, you'll want to know the three traits Russ Kathrein looks for

when he's making hiring decisions (page 30). If you find someone with those three traits, you've found the ideal employee by Russ' standards.

Ideal employees are also looking for ideal companies to work for. To make yourself more enticing to prospects, be sure to check out Rikka Brandon's column on page 28, where you'll find seven ways to make your company a more attractive place to work.

Finally, there's no doubt many companies are still looking to fill open positions, but many are also wondering what lies ahead for the country's economy. Both our Real Issues. Real Answers feature on page 40 and this month's Tough Call on page 80 deal with the prospect of an economic recession down the road, and what measures should be taken now to help shore up operations should the trajectory of the past few years soon reverse direction.

While not all of us can get together at each year's LBM Strategies conference, we can continue to share the best strategies for your business each month in the pages of this magazine and online at LBMJournal.com as well as our LBM Daily emails, webinars, podcasts, and social media accounts. And if I don't see you in Denver, I hope we can cross paths next year in Charlotte for LBM Strategies 2023.



james@LBMJournal.com

— James Anderson
Editor

LUMBER PROS:

WHAT YOU'RE MADE OF MATTERS

This isn't a desk job. It's a
get-out-from-behind-the-desk job.

A do-whatever-it-takes job.

Sometimes that means jumping
on the forklift to move material.
Sometimes that means jumping
in the truck to meet the customer
on the jobsite.

But it's always about solving
problems. Usually with a smile
(though sometimes not).

And always with a sense of pride.

Because you keep our
industry moving.

You're a lumber pro.



Boise Cascade®

ENGINEERED WOOD PRODUCTS

bc.com/ewp | 800.232.0788

© 2022 Boise Cascade Company. All rights reserved.

The importance of understanding valuation

BY SAM BROWNELL

AS WE STATED in our last column, the first step in your succession plan should be to invest in an independent, reliable, unbiased business valuation by a firm that understands the LBM industry. Your business is likely your most valuable asset. Knowing its value is imperative because it fuels important decisions like tax planning, how to fund your post-ownership goals, and determining and negotiating a sale price.

Before you hire a valuation specialist, it is important for you to know the different parameters for a valuation engagement. These include:

1. **Purpose of value:** We define the reason for your valuation at the beginning of the engagement to provide transparency to all parties.
2. **Type of value:** We determine whether equity or enterprise value will be calculated.
3. **Discount for lack of control:** If the interest to be valued is less than 50%, we will apply a discount for lack of control to arrive at the final value. We do this because a minority interest lacks the ability to control the operations of the business and therefore is less valuable to a potential buyer.
4. **Discount for lack of marketability:** Because it is typically more difficult to find buyers for private businesses than public businesses, we may use a discount for lack of marketability to adjust your business value for the costs associated with selling a private business.

Based on these parameters, there are different valuations that we perform throughout a typical succession planning engagement.

Initial conclusion of value: This valuation, conducted at the beginning of succession planning, calculates equity value, which allows us to determine the pre-tax amount of money the owner will have after paying off all liabilities. We use this value as the basis for our post-ownership cash flow analysis.

Buy-Sell/shareholder agreement value: If your business is owned by multiple people, you should have a buy-sell or shareholder agreement in place that determines how your business is valued if a trigger event occurs. The valuations for these agreements calculate equity value because a selling owner will receive the equity value of their ownership interest as of the valuation date.

Gift/Grant valuation: If we determine that you do not need the entire value of your business to fund your post-ownership goals and that your best transition option is to an internal buyer (e.g., family member or key employee), we will consider

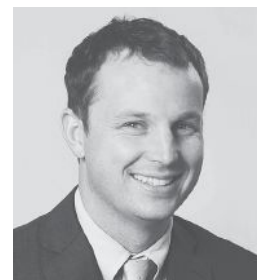
gifting or granting a portion of the business to the buyer to help mitigate taxes. In this case, we will make full use of discounts for lack of control and marketability to calculate the equity value of the gifted or granted interest. We do this because we can gift a larger portion of the business while using up less of your lifetime exemption or grant a larger portion of the business with less tax liability to your key employees.

Scenario valuations: During the succession planning process, we typically determine the top two or three transition options for your business and their values. For example, if we determine that one of the best options is a sale to your employees through an ESOP or worker-owned cooperative, we may grant a portion of the business to the eligible workers to acknowledge their past contributions and then sell the remainder of the business. We would calculate equity value and likely include discounts for the granted interest and potentially for the remaining interest if it was transitioned over multiple years.

Seller's valuation: This valuation is based on the updated financials of your business and includes both enterprise and equity value. Typically, there are no explicit discounts included in a seller's valuation. The value that is ultimately paid to you depends on who is buying your business. For example, most sales to third parties are transacted at enterprise value (equity plus debt) whereas most internal sales are transacted at equity value (assets minus debt).

We always encourage LBM dealers to get an independent, reliable, unbiased business valuation from a firm that specializes in the LBM industry. Just like it is hard to take a hike if you can't find the trailhead, it is challenging to create a successful succession plan without knowing the current value of your business. ■

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.



get inspired

BY THE POSSIBILITIES

MAGNOLIA HOME



It's time to start turning imagination into inspiration. Explore the inspired collection of home exteriors available in colors, styles, and textures curated by Joanna Gaines, and start creating your personalized design.

For more detailed product size and availability information, visit [jameshardie.com/magnolia](https://www.jameshardie.com/magnolia)

AVAILABLE THROUGH



MRS
MANUFACTURERS
RESERVE SUPPLY

[MRSLUMBER.COM](https://www.MRSLUMBER.COM) | 973.373.1881

The newest board underlay that's a superior sound barrier, home insulation addition, and 100% recycled!

Sometimes you just need a little "lift". The latest product from MP Global Products can provide the lift you need . . . introducing "**QuietBoard**". A product that was designed as a subfloor assist when replacing an old floor covering such as laminate or wood floors with one of the thinner vinyl planks on the market. QuietBoard not only works as a "booster" to lift the vinyl flooring and close the gap to match existing base trim, but also absorbs impact energy to quiet sound and floor to ceiling noise, inhibiting sound transmission into the room below. This is especially important in the case of multi-family housing such as apartments or condominiums.

Sound attenuation is our expertise. QuietBoard and many of our underlayment products perform exceptionally well when tested for the IIC (Impact Insulation Class) and STC (Sound Transmission Class). This acoustic performance enhances the lifestyle in your home. The IIC and STC achieved by QuietBoard will meet or exceed to requirements of many HOAs and Condo Associations.



In a remodel application when replacing an existing carpet, laminate or wood floor with the popular vinyl planks, the thickness of **QuietBoard helps raise the subfloor** and reduce trip hazards from uneven floor heights or bulky transition moldings or reconfiguring door casings and trims.

QuietBoard also adds insulating value for energy efficiency and can be used with radiant heat systems.

In addition, QuietBoard has a thermal reflective metallic film that adds to the thermal properties and provides a moisture barrier to protect the overlying floor.

QuietBoard can be installed over wood or concrete subfloors above, on, and below grade and provides unprecedented moisture protection for the overlying floor covering.



The 6mm thickness is dense enough to pass the castor chair test, a test that is designed to assess the durability of a floor covering, its joints and underlay. QuietBoard can be floated, stapled, or glued under many floor coverings including vinyl planks (even with pad attached!), laminate, floating or glue-down engineered wood, cork, bamboo, residential and commercial carpet, and carpet tiles. This density is extremely important as it provides the vertical support that your flooring needs. Easy to install sheets are available in 2' x 3' or 4' x 6' sizes.

This new premium acoustical and insulating fiber board is made of recycled fibers from the carpet and textile industries and outperforms cork or wood fiber underlays of similar thickness. QuietBoard is also less expensive than rubber or plywood. The recycled fibers are treated with an antimicrobial to inhibit mold and mildew growth. There are no VOCs (Volatile Organic Compounds) or off-gassing like petroleum-based underlayments such as foam and is completely hypoallergenic and documented in our GREENGUARD Gold certification.

The lightweight construction helps make installation a breeze. QuietBoard weighs approximately 1/2 lb per square foot allowing you to handle more square footage than wood sheeting, therefore cutting down the number of trips moving product into the job site. QuietBoard cuts with a utility knife thus eliminating the need to set up a saw and skipping the mess and cleanup of sawdust.



The dense, durable design of QuietBoard maintains its shape and functionality over time, and does not rip, tear, or crumble with age. This provides performance for the life of your overlying floor. It increases flooring stability minimizing flex between joints of interlocking flooring planks. The impact absorption lessens force on hips, knees and ankles while also reducing foot fatigue.

Overall, the "lift" that QuietBoard provides to your floor goes well beyond height. The extensive list of features and benefits that accompany QuietBoard are sure to "lift" the everyday performance of your floor.

QUIETBOARD

Premium Acoustical &
Insulating Fiber Board



»» WITH INTEGRATED MOISTURE BARRIER »»

The better board underlay.




ENHANCED PERFORMANCE FOR
PAD ATTACHED VINYL FLOORING

Better than cork or wood fiber,
cheaper than rubber or plywood,
& **100% recycled**



CALL (888) 474-0510 OR
EMAIL marketing@mpglobalproducts.com
& GET YOUR FREE SAMPLE TODAY!

UPDATES

INDUSTRY

BlueTape closed a \$50 million debt funding led by **Arcadia Funds** and a \$5 million seed round led by **Chicago Ventures**.

Yesler recently closed \$5 million in new investments led by San Francisco Bay area-based **Crosslink Capital**.

Building Industry Partners has formed a fire protection platform with its acquisition of **Valley Fire Protection Systems**.

LP Building Solutions celebrated the ribbon cutting for its new global headquarters in Nashville. The company also unveiled the completion of a multimillion-dollar conversion and expansion at its New Limerick, Maine facility to produce LP SmartSide Trim & Siding products.

DISTRIBUTION

SRS Distribution has partnered with **Women in Trucking**, to empower women as they develop careers in the trucking industry.

Weyerhaeuser Distribution has expanded **AZEK** and **TimberTech** offerings, now at 17 distribution centers.

Versatex has expanded distribution through **Woodford Plywood, Inc.** based in Albany, Georgia.

Tractor Supply has broken ground on a new Arkansas distribution center. The 1.2 million square-foot facility represents an initial investment of \$128 million.

ASSOCIATIONS

Lumbermen's Association of Texas named **Greg Evans**, owner of **Redwoods, Inc.** as its 2021 Dealer of the Year. **Chris Agness** of **Lumber Insurance Services** received the Associate Award.

CO-OPS & BUYER'S GROUPS

LMC dealers **Dave Reichert** of **Davis Hawn Lumber**, and **Nate Miller** from **Millers Building Supply** prepared food as part of LMC's annual picnic.

Do it Best marked its fall market with the theme of *Solutions for Your Success*. The co-op also announced that, sales increased 7% to close the year at a record, just over \$5.5 billion.

MERGERS & ACQUISITIONS

ECI has acquired companies **Data Inventions** and **Lojic**.

Weston Forest acquired **Industrial Lumber Sales**.

PEOPLE

Epicor has hired **Jenny Victor** as its new chief marketing officer.

Brad Bailey is **Emery Jensen's** new senior VP of sales.

Dena Cordova-Jack has joined **Misura Group**, a recruiting firm, as a vice president.

Manufacturers Reserve Supply has announced that **Kasam Basha** has joined the company as a national accounts manager.

Jonathan McGoran has joined the **Versatex** market development team.

Cornerstone Building Brands announced that **Colleen Pritchett** has joined the company as president, U.S. windows.

At **Palmer-Donavin**, **Josh Miller** is leading the new business analytics department, **Josh Thompson** is the new vice president of product management, and **Stephanie Kuntz** is now director of marketing.

Doug Jerry will now lead all three of **Envision Outdoor Living Products' U.S.** production facilities as director of manufacturing.

Loren Ross has been hired as a structural engineer for Wood Frame Constructions at **SPAX**.



JENNY VICTOR



BRAD BAILEY



DENA CORDOVA-JACK



KASAM BASHA



JONATHAN MCGORAN



COLLEEN PRITCHETT

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

BUILDER CONFIDENCE FALLS FOR NINTH STRAIGHT MONTH

In another sign that the slowdown in the housing market continues, builder confidence fell for the ninth straight month in September as the combination of elevated interest rates, persistent building material supply chain disruptions and high home prices continue to take a toll on affordability.

Builder confidence in the market for newly built single-family homes fell three points in September to 46, the lowest level since May 2014 with the exception of the spring of 2020, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released Sept. 19.

"Buyer traffic is weak in many markets as more consumers remain on the sidelines due to high mortgage rates and home prices that are putting a new home purchase out of financial reach for many households," said NAHB Chairman Jerry Konter. "In another indicator of a weakening market, 24% of builders reported reducing home prices, up from 19% last month."

"Builder sentiment has declined every month in 2022, and the housing recession shows no signs of abating as builders continue to grapple with elevated construction costs and an aggressive monetary policy from the Federal Reserve that helped pushed mortgage rates above 6% last week, the highest level since 2008," said NAHB Chief Economist Robert Dietz. "In this soft market, more than half of the builders in our survey reported using incentives to bolster sales, including mortgage rate buydowns, free amenities and price reductions."



BUILD ON PROVEN PERFORMANCE

High-performance floors systems. Engineered for excellence.

Predictable floor performance starts with a plan that includes **TJI® Joists** and **Edge Gold™ Enhanced Floor Panels**. Together, they work seamlessly with our **TimberStrand® Rim Board**, delivering a hassle-free installation. Build with confidence using our proven floor system that will save you time and money, and make your customers happy.

*Product portfolios may vary by geographic market.



For more information about our innovative floor systems, go to [Weyerhaeuser.com/EdgeGold](https://www.Weyerhaeuser.com/EdgeGold)



▲, Weyerhaeuser, TJI, and TimberStrand Rim Board are registered trademarks and Edge Gold is a trademark of Weyerhaeuser NR Company. © 2022 Weyerhaeuser NR Company. All rights reserved.

NAHB SEES HOME SIZE TREND REVERSING

The National Association of Home Builders reports on its Eye on Housing blog, that the increase in home sizes during the COVID-19 pandemic may be changing course.

During the pandemic, as homes were used for offices, home schools, and more family activities, single-family home size rose. The average size of new single-family homes in February 2022 was 6.3% higher than a year prior, at 2,537 square feet, while the median size was 10% higher at 2,312 square feet.

According to second quarter 2022 data from the Census Quarterly Starts and Completions by Purpose and Design and NAHB analysis, the median single-family square floor area inched down to 2,302 square feet. Average (mean) square footage for new single-family homes decreased to 2,498.

UPCOMING EVENTS

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

OCT 12-14 LMC EXPO 2022
Philadelphia, PA | lmc.net

OCT 19-21 WCLBMA ANNUAL CONVENTION
San Diego, CA | lumberassociation.org

OCT 30-NOV 1 LBM ADVANTAGE FALL PLANNING CONFERENCE
Boston, MA | lbmadvantage.com

NOV 01-03 INDUSTRIALIZED WOOD-BASED CONSTRUCTION (IWBC) CONFERENCE
San Francisco, CA | getfea.com

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

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

JAN 31 – FEB 2, 2023
INTERNATIONAL BUILDER'S SHOW
Las Vegas, NV | buildersshow.com

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

TOUGH CALL ANSWERS

ANSWERS TO OUR AUGUST TOUGH CALL SURVEY:

BEING LOYAL

A LONGTIME EMPLOYEE'S PERFORMANCE IS ON THE DECLINE. HE'S BEEN WITH YOU FOR 30 YEARS, SO YOU DON'T WANT TO TERMINATE HIM. HERE'S HOW READERS WOULD HANDLE THIS TOUGH CALL.

SURVEY RESULTS FROM LBMJOURNAL.COM

5.8%

LET HIM GO. For the sake of the company and Bob's coworkers, you have no choice but to terminate his employment. Offer a healthy severance package and wish him well.

30.2%

GET HIM HELP. Tell Bob that his performance is declining, and you want him to see a doctor and see what's going on, so you can do something about it and hopefully get him back on track.

.9%

IGNORE IT. Bob has given Loyal Lumber 30 of his best years. Think about that next time he makes mistakes. You owe it to him to ignore these issues.

63.1%

FIND A FIT. Just because Bob can no longer do his old job, doesn't mean there isn't somewhere in your company where he can contribute. Work with him to find a position that fits his skills



SINGLE-FAMILY LOT VALUES REACH RECORD HIGHS

Lot values for single-family detached housing starts in 2021 increased across the nation, with the national value and six out of nine Census division values setting new records. The U.S. median lot price now stands at \$55,000, according to NAHB's analysis of the Census Bureau's Survey of Construction (SOC) data.

In the New England and Pacific divisions, lot values surged 67% and 39%, respectively, and reached new historic highs, even after adjustments for inflation. As a result, half of single-family detached (SFD) homes started in New England were built on lots valued at or more than \$200,000. Though these new lot values seem sky high, these are consistent with record lot shortages, recent significant building material price hikes and unprecedented supply challenges that have been constraining the pandemic-fueled housing boom in 2021.

In the Pacific division, which has the smallest lots, median lot value reached \$143,000 in 2021, the second most expensive value in the nation and a new record for the division, even after adjusting for inflation. As a result, Pacific division lots stand out for being most expensive in the nation in terms of per acre costs.

Similarly, the Middle Atlantic division recorded a strong rise in lot values and set a new record with half of lots priced at or above \$90,000. The Mountain division followed with a median lot price of \$75,000, a new divisional record.

“THE PANELMAX® SYSTEM MAKES
EASY WORK OF ANY DRYWALL

FABRICATION ASSEMBLY”



PANELMax



WWW.GRABBERPRO.COM

Level up your drywall fabrication with PanelMax, the portable board milling machine from Grabber. Create perfect drywall shapes on or offsite every single time. Less labor, fewer materials, more profit. Just how we like it.

“Grabber assisted in the PanelMax setup and then conducted two-day onsite training. Punch in your design specifications and the system does the work for you. While it’s processing the drywall, our guy is free to do other things, saving us time and money. The PanelMax system makes easy work of any drywall fabrication assembly. No more manual fabrication of drywall.”

— Ernie Hanson, General Manager, CCE Specialties, LLC

For ornate, intricate, and precise drywall installs, PanelMax is changing the game.



HOME VALUES DECLINE FOR SECOND MONTH

Home values slipped for the second consecutive month as mortgage costs continue to sideline buyers, according to Zillow's latest market report.

Affordability is driving market momentum: Low-cost markets remain competitive while prices dropped the fastest in both the most expensive markets and those that witnessed the strongest appreciation during the pandemic.

In addition to affordability challenges, recent volatility in mortgage rates is making it difficult for many borrowers to qualify for a loan or even plan for their purchase.

"Substantial day-to-day and week-to-week rate movements mean that many potential buyers are able to qualify for a loan one week, but not the next, or vice versa," said Skylar Olsen, chief economist at Zillow. "Even buyers able to afford a house at current rates could feel frozen, waiting for mortgage rates to fall dramatically again, like they did from the end of June to mid-July, when rates dropped 50 basis points in just two weeks."

As the share of median household income needed to pay monthly mortgage costs now stands beyond the 30% level considered to be a financial burden, uncertainty itself could be holding

up a large population of buyers who could otherwise still afford to move forward with a loan. It's likely that this problem will continue until markets stabilize and return to some semblance of normalcy, Olsen said.

The U.S. typical home value fell 0.3% from July to August and now stands at \$356,054, as measured by the raw Zillow Home Value Index. That's the largest monthly decline since 2011 and follows a 0.1% decrease in July. Appreciation has receded since peaking in April, but typical home values are still up 14.1% from a year ago and 43.8% since August 2019, before the pandemic.

BY THE YARD NEWS FROM LUMBERYARDS AROUND THE COUNTRY

Kodiak Building Partners makes fifth appearance on Inc. 5000 list

Kodiak is ranked at 4,106, placing it as the 189th fastest-growing company in construction and building materials in the nation. Kodiak also recently announced that it has acquired Western Building Supply based in Denver.

Builders FirstSource acquires Trussway

As part of the acquisition, Builders FirstSource, ranked first on the 2022 LBM 100 list of top dealers, is adding Trussway's integrated network of six strategically located manufacturing facilities.

US LBM Foundation scores big at charity golf tournament

The \$1 million raised will benefit a variety of organizations nationwide, including the Gary Sinise Foundation's work to provide specially adapted housing for wounded veterans.

Ganahl acquiring Northridge Lumber

Ganahl Lumber Company, a 2021 LBM Journal Dealer of the Year, has acquired the assets and real estate of Northridge Lumber in an all-cash deal.

R.P. Lumber grows in Iowa

Based in Edwardsville, Illinois, the family-owned hardware and building materials retailer has opened its 84th location, and its fifth in the Hawkeye state.

Gerber Lumber & Hardware raises over \$100,000 for charities

Proceeds, including those from the raffle of a new Jeep, went to late owner Eldon Gerber's favorite charities. Before he passed away last year, Gerber planned to purchase a Jeep to enjoy in retirement.

John Krawczyk joins Professional Builders Supply

Krawczyk has joined the company as president of its commercial division. Krawczyk recently served as vice president of sales at The Cook & Boardman Group, LLC.

New South again named among Best Places to Work in S.C.

New South Construction Supply has earned the award for the sixth time, now at three years in a row.

Two Maine dealers named among best places to work

Hammond Lumber Company and Hancock Lumber Company were both recently named among the Best Places to Work in Maine in 2022.

SBSI acquires Buettner Brothers Lumber

Southeast Building Supply Interests (SBSI), a platform company of Building Industry Partners, has acquired Buettner Brothers Lumber Company. With this acquisition, SBSI grows to 11 LBM locations in Alabama, Georgia, North Carolina, South Carolina, and Tennessee, and adds truss manufacturing capability.

Hancock Lumber to acquire Madison Lumber Mill

Hancock Lumber's eastern white pine operations will expand to four mills with its first sawmill acquisition in over 20 years.

Tennessee's Thrifty Building Supply rebrands as Maximus Building Supply

Maximus is the Latin word for "greatest." The hallmark of the Maximus Building Supply logo is a Cane Corso dog. Richard Cooper, who took over as owner and president in January this year, thought the name, Thrifty, didn't completely align with their product offerings and standing in the industry.

TAL hires CFO, promotes director

TAL Holdings, one of the fastest growing family-owned building material centers in the Pacific Northwest, has named Richard Anderson as chief financial officer and Renee Coffman as director of vendor relations and category management.

Carter Lumber purchases Myrtle Beach component facility

The acquisition marks Carter Lumber's 14th component manufacturing plant, and the first in South Carolina.

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.

pro^{wood}
TREATED LUMBER



FOR **PROJECTS** THAT ARE **BUILT TO LAST.**

You stock your shelves with the best lumber and your customers depend on you for it. We get it. For ProWood®, that's not enough. It's about selection and availability. It's about trust and relationships. It's about building partnerships. Learn more at ProWoodLumber.com/dealer



NEVER SETTLE.

DECKING | FENCING | RAILING | TIMBERS



MISDIRECTED PAYMENTS AND CREDIT CARD FRAUD: HOW TO PROTECT YOUR BUSINESS

BY RAY ROGERS

In recent years, major technological advancements including contactless payments, distracted driving tools, safer, more efficient equipment and more have helped move the lumber industry forward. Though these advancements have brought welcomed change, as technology continues to advance and business owners take on more responsibilities, new risks to the business can emerge. One of these emerging exposures involves payment fraud.

FRAUDULENT CREDIT CARDS

Fraudulent credit card purchases are a continuing problem for lumber businesses. Often in these incidents, perpetrators will use stolen or fake credit card numbers to order mass quantities of lumber from a business. Unknowingly, the lumber company will then have the product delivered to the business. Several days later, when the business owner runs the purchase through to a fraudster's card company, the card company will call and alert them the credit card number is fraudulent. To recoup their losses, the lumber business owner will then put a claim in for reimbursement. Unfortunately, because they accepted the payment, the business owner is often left on the hook for the charge, with no opportunity for recourse.

We frequently see companies with losses of around \$10,000 to \$30,000 from scams of this nature. While this sort of loss may not force an operation to close, over time these losses can be difficult to manage. At Pennsylvania Lumbermens Mutual Insurance Company (PLM), we recommend that the businesses we insure require customer signatures and identification at the point of delivery to ensure the transaction is legitimate. We also recommend drivers make handwritten notes on the receipt with the name on the driver's license, and if possible, take a photo of either their license or signature. This small practice can greatly curb any potential incidents of false payments.

MISDIRECTED PAYMENT FRAUD

Similarly, misdirected payment fraud schemes have been on the rise over the past few years. First, attackers will clone an email from a customer saying they're interested in their product. With this, they'll hack a staff member's email and start surveilling conversations to see who they deal with most often.

Then, once they feel as though they have a good read on that staff member's emailing style, they will clone an email from the staff member invoicing someone. They'll claim to have a change in their routing number and ask for payment to be sent directly to a new number. Not only can this lead to major losses due to the business invoicing the wrong party, it also creates a potential casualty problem because attackers now have access to customer and team member email accounts as well. Losses here can range from \$30,000 to \$80,000 though they can even go as high as \$200,000.



WHAT SHOULD YOUR BUSINESS DO?

We recommend two basic, but critical best practices to manage payment fraud.

1. When preparing to send an invoice, lumber business employees should be sure to call customers and vendors on the phone. Further, all employees should always assume their email is not secure. When a request is made related to a routing number or similar sensitive information, staff should take steps — identified by management — to verify the identity of the requestor. An emailed request should not lead to a change in invoicing as the attackers could be monitoring the email, and they may be the ones that respond to confirm the routing number has changed, and the payment would then go to them instead of the intended party.
2. Establish a policy with the bank to require CFO approval when a large payment is involved. For example, we recommend clients require any payment more than \$75,000 to be cleared by the CFO via phone or text. When a major purchase is involved, the bank should notify the CFO before releasing any payment.

Implementing these protocols can help prevent a major loss. In the wake of such compromising threats, PLM also recommends lumber businesses reach out to their insurer — in particular, an insurer who specializes in the wood niche. A specialty insurer will take the time to survey common data exposures among others, provide best practices, as well as a host of loss control resources, and regularly update you on the latest risk exposures impacting the industry.

Ray Rogers is Property Claims Manager at Pennsylvania Lumbermens Mutual Insurance Company.

As the oldest and largest mutual insurance company serving the lumber and building material industry, PLM can provide essential support to your business. We know the market and how to counsel our clients to mitigate these types of exposures.

For more information regarding our services, please visit www.plmins.com or contact us at CustServ@plmins.com or 1-800-752-1895.



INNOVATIVE

THE RINGS OF A TREE SHOW ITS UNIQUE GROWTH AND HISTORY. LIKE A FINGERPRINT, THESE ELEMENTS MAKE IT DISTINCT FROM EVERY OTHER TREE.

Over the years, your needs have changed dramatically with new technologies and growing marketplaces. PLM adapts and continually improves our products and services to best fit your needs by understanding the lumber and wood industries we serve and keeping abreast of the changing insurance outlook. We look for cutting-edge, industry-specific risk management tools and tailored coverages to better serve the evolving demands of your wood business and operations.

It is our adaptability in a changing world that makes PLM stand apart from other insurance companies.

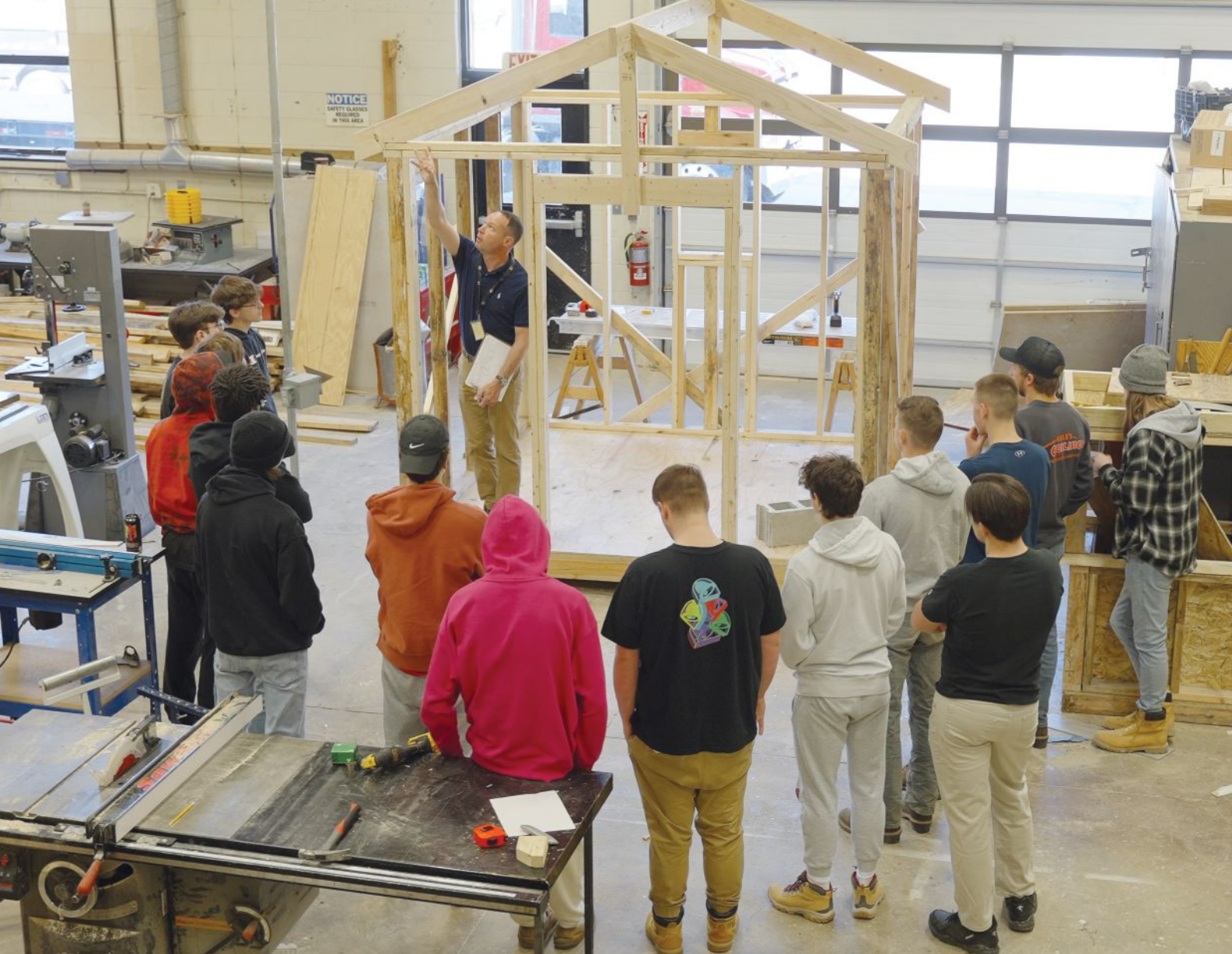
WE FIND INNOVATIVE SOLUTIONS FOR YOUR GROWING BUSINESS.

REQUEST A QUOTE AT
PLMINS.COM/LBM



PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY

800.752.1895 / WWW.PLMINS.COM



HOW CURTIS LUMBER HELPS THE TRADES FIND FUTURE EMPLOYEES

“THE UNPRECEDENTED SHORTAGE of labor in the trades was an ongoing topic at a local builder’s association monthly meeting. Young people are not getting into the trades,” says Doug Ford, vice president of sales and purchasing at Curtis Lumber in Ballston Spa, New York. “If builders don’t have the labor to build homes, selfishly they don’t buy materials from us, so the effects of labor shortages are far reaching.” To help address the dilemma, Doug decided to act, recruiting Pam Stott, executive assistant at Curtis Lumber, as his partner.

Ford and Stott met with local area school staff to get an understanding of why students weren’t considering careers in the trades. They quickly realized students weren’t being exposed to the trades, nor were the trades getting in front of the students to promote themselves. As a result of

this research, Ford and Stott formed a task force with the mission to, “Encourage young people and adults to consider a career in the construction industry by bringing an awareness to the benefits associated with it.” It wasn’t long before area business professionals from various industries jumped on board to be a part of the effort.

The trades are not just a job—they are a career—and the task force’s initial efforts focused on trade professionals presenting to middle and high school students about career opportunities in the trades and the skills involved. They discussed the realities of how work in the trades has advanced to keep up with the requirements of today’s business world. As well, they explained how the demand for work is huge, opening the doors for unprecedented opportunities, job security and stability, competitive

benefit packages, the inclusion of women, and great starting salaries without incurring years of college debt.

One of their most popular activities is for the younger students starting with 2nd grade who get the opportunity to assemble pre-cut wooden pieces into a toolbox. The students stay very engaged with this hands-on activity, and it's an opportunity for the trades professional to plant the seed.

Tours at Curtis Lumber locations expose middle and high school students to estimating, kitchen and bath design, deck design, dispatch/logistics, and door manufacturing. "Students don't necessarily connect the work we do here with the construction industry, so it's another avenue of awareness for them," Stott says. "We intentionally put younger, more relatable staff in front of them, and we always try to relate what they're learning in school (science, math, technology, creativity) to skills required in the trades for real-world application."

Now five years into the program, the task force is now known as the Workforce Development Coalition, with efforts throughout NY state—well beyond Saratoga County where it launched. The Coalition is comprised of 40 professionals from a wide range of businesses and organizations with a passion for raising awareness about the trades.

This growth has enabled their efforts to expand and include career fairs, job shadowing, internship placements, and construction site tours, always with a commitment to promote women in the trades. As well, Coalition member Mike Baron with Hudson Valley Community College created Expertise Platform, a video library of local jobs to expose students to opportunities right in their back yard. Additionally, the Coalition meets with legislators to keep the need for labor in the trades alive in the political arena. The expansion of the Coalition

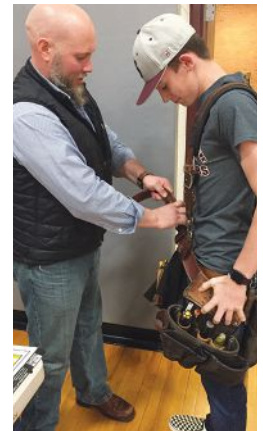


**THE TRADES ARE NOT JUST A JOB—
THEY ARE A CAREER—AND THE
TASK FORCE'S INITIAL EFFORTS
FOCUSED ON TRADE PROFESSIONALS
PRESENTING TO MIDDLE AND HIGH
SCHOOL STUDENTS ABOUT CAREER
OPPORTUNITIES IN THE TRADES AND
THE SKILLS INVOLVED.**

has also made it possible to launch a Tool Bag Program that provides area graduating BOCES and Questar III students with a Carhartt tool bag full of goodies to kick-start their career.

"We've built a lot of loyalty with our professional customers," says Ford. "They appreciate and respect the work we are doing on their behalf. We're in the schools and support the communities in all of our 23 store locations. Curtis Lumber is proud of the coalition's accomplishments to date, and we look forward to our youth benefitting from a successful and rewarding career in the trades through our efforts." ■

Submitted by Curtis Lumber





Mehmet Zenginler is an entrepreneur and co-founder of G Wood Pro, the exclusive distributor of Tantomber's unique line of ThermoWood products in the U.S. He is a transformational leader who constantly challenges the status quo, wants to learn more, do more, and be more.

Q: G Wood Pro and its Tantomber products are relatively new to the U.S. market. What should dealers and distributors know about your company and your products?

A: LBM dealers and distributors should know that we entered the market with the intent of changing the status quo.

We're the exclusive distributor in the United States of Tantomber's unique line of thermally modified decking, siding, louvers, laminated beams, pergolas, and decorative interior wall covering products that are manufactured using a cutting-edge ThermoWood process.

We distinguish ourselves by offering ThermoWood products that are manufactured in accordance with the International ThermoWood Association (ITWA) and are audited and certified by an independent third-party agency for quality control standards.

ThermoWood is a patented process that refines and modifies wood to transform its structure into its most stable and durable configuration, which prevents expanding, contracting, warping, twisting, and cupping. Because of their low moisture content, ThermoWood products don't become a food source for insects due to seasonal changes and are virtually impervious to fungi and bacteria that can cause decay. Furthermore, all our ThermoWood products are FSC certified, chemical-free (non-toxic), eco-friendly, fully recyclable, and not prone to splitting, breaking, or cracking.

Q: Tantomber and other thermally modified wood products have long enjoyed broad acceptance throughout Europe and other countries. What's the key to the products' success in those markets?

A: The short answer is, Europe and other neighboring countries are more progressive and environmentally conscious. Europe's environmental legislations including the European Biocides Directive required European countries to promote, discover, and adapt thermo-modification technology in 1990s. ThermoWood took off commercially and it has been thriving since then.

It's appropriate to say that quality, durability and sustainability are baseline standards for all European and other countries. It's in their laws. It's their culture. It's a lifestyle.

Q: Why is now a good time for LBM dealers and distributors to consider adding G Wood Pro's Tantomber to their product offerings?

A: It's now or never! We will only continue to search for the right partners until our aggregated distribution reach is powerful, effective, and efficient nationwide or until we maximize our production capacity.

As a new supplier in the market, we're aware that we can't fulfill market demand without established, reputable partners alongside us. Fortunately, we were able to persuade a few innovative minds who are equipped to represent the Tantomber brand to partner with us exclusively.

More importantly, Tantomber is doubling its production capacity with a new 300,000-sq.-ft. facility outside of Istanbul, Turkey, so we're able build more meaningful partnerships without creating delays and damaging our existing relationships.

Q: Product availability and supply chain issues continue to be a serious challenge for the U.S. construction supply industry. How will G Wood Pro address those problems?

A: To combat market instability and mitigate risks, we have an exclusive *Upfront* program that allows our exclusive partners to make an educated and informed commitment based on projected market demand, sales performances, size of the sales team and territory, potential new product rollouts, etc. More importantly, it gives our partners a one-time opportunity to place their 2023 orders at 2022 prices, which in turn enables us to proactively buy raw materials to guarantee desired wood species, sizes, profiles and volume to be delivered on a custom and reliable timeline.

Q: The science behind thermally modified wood is sound, and the demand for quality decking and siding products is solid, but the bottom line for LBM dealers and distributors relies on sales and margins. How can G Wood Pro help with that?

A: For qualified partners, we offer a no-risk value proposition that includes competitive annual bulk purchase rates that are stable, an exclusive distribution territory, white glove customer service, marketing support, sales materials, in-person product training and more. At the end of the first year of partnership, we offer to buy all our remaining ThermoWood products back if whatever reason they don't meet our partners' expectations.

Anyone who has a genuine interest in thermally modified wood products should consider what we have to offer. ■

5 QUESTIONS GIVES LBM BUSINESSES THE OPPORTUNITY TO PROVIDE THEIR EXPERTISE BY ANSWERING RELEVANT ISSUES IN THE LBM INDUSTRY.

NOT ALL FASTENERS ARE CREATED EQUAL

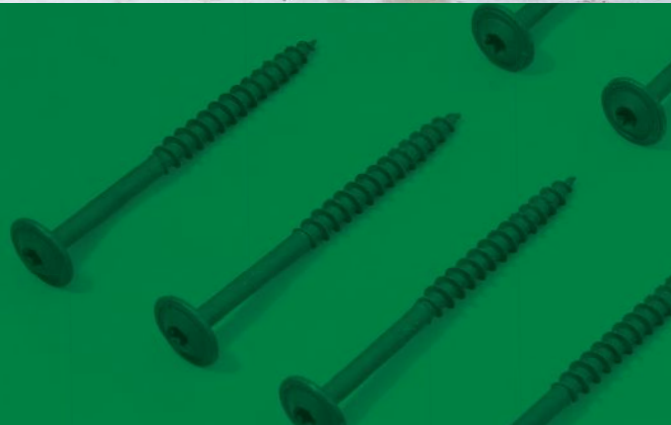


Our Green Box Guarantee ensures honest, accurate sizing, because your customers deserve the confidence to drive stronger, longer-lasting connections on every job. While most of our competitors ship screws in from overseas, we continuously innovate and make our fasteners from the heart of America to reimagine what structural connections should be.

Get the full story at SPAX.us/setsthebar



MADE IN AMERICA



Profit planning wisdom

BY BILL LEE

ONE RESULT OF A “BLOWOUT” economy is the tendency for owners and managers to pay less attention to profit planning than in years when the business must scratch hard to generate sales, control gross margin, and manage operating expenses.

This is the time of year when executives begin to peek into their crystal balls in an attempt to make some predictions about the coming year. There are no guarantees about what 2023 will bring, but if next year is like many years in the past that have followed a period of unbridled growth, this is an ideal time to begin to think about profit planning for the coming year.

A good place to begin is to identify which measurements each job holder should take credit for reaching—and take the heat for failing to reach. All achievements are not equal in contributing to a worker’s success, so managers should make sure their reporting units understand which targets should be their top priorities.

While measurable criteria are most desirable, it is not always possible, so don’t fail to list a behavior just because you can’t figure out how to measure it. Customer care is an excellent example, i.e., smile, be polite, greet customers with a firm handshake, and thank them for their business.

Focus not just on measurable goals, but take the time to break down the performance necessary to achieve the primary goal. Sales is a great example. If salespeople are blowing their sales goals out of the water, they must be doing a lot of things right, but what if they are falling short of their goals by a significant margin? In that case, it’s wise to begin monitoring prospecting, including the number of credit-worthy and viable prospects they have in their funnel, frequency of prospect calls, their strategy for attracting their top ten prospects to the company, what they perceive their prospects’ top objections are, and what salespeople say is

preventing them from improving their share of their existing customers’ purchases.

Where does education rank in each manager’s strategy for building a more productive team? If you want your people to be better qualified to lead, to sell, to purchase, to delegate, etc., they will benefit from more formal education.

For me, one of the greatest positives about our industry is the likelihood an innovative, hardworking, and committed raw recruit has of advancement in a building supply business. There are literally hundreds if not thousands of men and women in North America whose first job in our industry was driving, counter sales, building door units, etc., who are now a part of top management.

I believe executives who have the vision to include education as a part of profit planning will see their company’s organizational productivity grow at a far more rapid rate than those who rely exclusively on bringing this talent in from the outside.

There was a seminar we thought highly of in my old company that we used quite a few times; it was called *Finance for Non-Financial Executives*. We believed that any employee who had intelligence, potential, and ambition to advance within our organization would benefit from becoming more knowledgeable about business finance.

Another course called *Fundamentals of Finance and Accounting for Non-Financial Executives* is offered by the highly-regarded American Management Association (AMA). The course requires two days in the classroom, two lessons taken online, and two video e-learning modules before attending the seminar. The investment for taking this course is \$2,545 for non-AMA members. ■

For more information on this seminar, turn to page 108 in AMA’s digital catalog: amanet.org/request-an-online-catalog/ or call 800.262.9699.



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



Some things are better on the inside.

Blink puts the blinds between the glass where they clearly make better sense. (Not to mention being a lot less awkward.) Our unique design eliminates strings, wands and dusting to offer easier control, uncluttered looks, and years of enjoyment. All of which should really help get customers' attention. And, benefit your bottom line.

blink

BLINDS + GLASS

Demonstrate authority to build credibility

BY RICK DAVIS

THE COMMON BOAST among salespeople is, “I may not know the answer, but I know where to get it.” It’s a great statement of credibility for young salespeople, and even for experienced veterans, when confronted with an unusual technical challenge. It’s not a great answer to use as a crutch throughout a career. If there is one thing better than knowing where to get the answer, it is knowing the answer itself.

It is the difference between merely being a likeable salesperson versus a sales leader with credibility. Robert Cialdini, psychologist and author of “Influence: The Psychology of Persuasion,” notes that two factors must be present to acquire the authority of credibility. They are trust and expertise.

His book is worth the read for all business leaders and has been translated into dozens of languages. The implication of his work on credibility is proof that sales leadership requires much more than possessing a good personality and becoming likeable to your customers. Likeability is of course vital and a key component of trust, but it doesn’t create total credibility until expertise is displayed.

In his book, he cites the example of physical therapy staffers at a hospital who lamented frustration because patients were not completing their post-visit exercises for successful rehabilitation. He noted that patients were well aware of the credentials possessed by their doctors but had little understanding about their physical therapists’ backgrounds. (Today, physical therapists are required to earn doctorate degrees as a prerequisite to practice.)

Cialdini suggested that the physical therapists make one subtle change in their environment by posting their credentials in plain sight on their office walls. The results were dramatic and resulted in a 34% increase in patient compliance. Analogously, this implies that salespeople who want to increase their credibility must demonstrate their authority which, unfortunately, won’t come in the form of a diploma.

Unlike physical therapists, doctors, lawyers, accountants, tradespeople, and a host of other

professional categories, salespeople do not become certified for trade proficiency. Instead, the authority they earn is determined by the level of trust in their expertise established with their clientele. In other words, it means knowing your stuff.

There are essentially two ways that salespeople can demonstrate authority with clients. The first is obviously knowledge of their products and applications. The second is by providing sage business development advice upon which their buyers can rely.

In the first case, this means diligent self-study. I’ve worked with too many salespeople, often manufacturer representatives, who know less about their products than the information listed in their company brochures. It is the responsibility of salespeople to read the brochures and study their product specifications, options, and applications diligently. The salesperson who waits to be spoon-fed product knowledge is guaranteed to fall behind.

In the second case, i.e., providing sage business advice, the best salespeople are not only product experts, but students of their clients’ businesses. Top performing salespeople understand ways they can help their customers market and sell their services, create operational efficiencies, and in general help to become better contributors to their client success.

I’ve often been asked by salespeople why they need to know all the subtleties of their clients’ businesses. Obviously it matters when providing products. More subtly, the benefit resides in their ability to become consultative contributors to client success. In other words, top sales leaders provide advice to increase the profitability of their customers, which often has nothing to do with the products the salesperson sells.

It’s one thing to know where to get the answers. It’s another thing entirely to build a library of knowledge that enables you to have answers at the ready. Become a better student of business. The sooner you become a better student of business, the sooner you will become a teacher of it. ■



Rick Davis is the Sales Education Leader for ABC Supply and the President of Building Leaders. You can buy his books or learn more about his online sales training platform at buildingleaders.com.

More Efficient, By Design

Manage orders and inventory in real-time with Agility ERP. Turn complicated tasks into simple steps. That's how you supercharge your team and **get things done.**

Learn more at DMSi.com



Keep things moving.

7 ways to make your company a more attractive place to work

BY RIKKA BRANDON

AS THE NUMBER OF open jobs increases and the number of available workers decreases, it's going to continue to get more challenging to attract and retain the workers you need for your business to thrive. If you've been dealing with getting "ghosted," counter-offers, or declined offers, consider the following tips to help make your company more appealing. If you see things on this list that you don't think are important, remember to put yourself in the position of your employees and ideal hires and ask what's important to them."

1. Ask-listen-act. The simple process of asking your employees what matters most to them, listening to their answers, and then acting on what you've learned is all it takes to make your current employees happy and improve how potential employees view your opportunities. Use a free survey tool like Survey Monkey to find out what benefits they appreciate most, what benefits they wish you offered, and what non-financial rewards are most appealing, as well as an open space for them to share ideas and suggestions. Ideally, the survey should be confidential so they can feel comfortable speaking freely.

2. Money matters. Money may not be the only reason people accept or decline job offers, but it's a big part of it. In a candidates' market like this, the biggest "lever" you have is compensation—it's either going to work for you or against you. Keep in mind that if one employee leaves for a different job and gets a \$3/hour or \$10K raise, they're almost certainly going to tell their old work friends or even try to get the referral bonus from their new company by sharing the names of everyone they liked working with.

3. Paid time off. PTO isn't a "perk" anymore; it's a requirement if you want to compete for good talent. PTO or vacation time is something that helps most of us perform better and stay at our jobs longer, and the days of offering a week of PTO after a year are gone. For most hourly roles, two weeks of PTO is the norm; for professional-level roles, three weeks is the norm. PTO often

includes vacation and sick time in one chunk of time; depending on the size of your company and state laws, you may need to separate the two.

4. Flexibility. Few things matter more to the younger generations in the workforce. From scheduling systems that allow people to swap shifts to hybrid and remote opportunities, most companies are working hard to find ways to provide more flexibility and a better work-life balance. Yes, flexibility can be challenging for some roles and environments, but asking your employees what they want and if they have thoughts on how it could work without losing performance could lead to great ideas that will put you ahead of your competition.

5. Opportunities for career development. One of the top reasons I hear from candidates who are considering making a change is that they feel they've reached the "ceiling." The people in the positions above them aren't likely to retire soon, and they just don't see how they can continue to grow and develop at their current company. Smart managers continue to talk with their employees about their goals and try to find ways to meet those needs within the company.

6. Education opportunities. The best employees want to better themselves. If you offer education reimbursement and opportunities for training and development, you are going to be more attractive. As the saying goes: The CFO says, "What if we invest in them and they leave?" and the CEO replies, "What if we don't and they stay?"

7. Appreciated, trusted, and valued. I've said it for years: I can't recruit happy employees. When people feel appreciated, trusted, and valued at work, they have loyalty that is hard to overcome even for more money or flexibility. If you have a competitive compensation and benefits package and your employees know that you appreciate them, trust them, and value their contributions, you're at a very low risk of losing them to other opportunities. ■



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.

THE FIRST STAIN WORTHY OF THE YELLA TAG.

Introducing YellaWood Protector® Semi-Transparent Stain and Clear Water Repellent.

It takes a whole lot to earn the right to wear the Yella Tag. Backed by fifty years of proven knowledge and quality, YellaWood Protector® products are specifically formulated by the makers of YellaWood® brand pressure treated pine. YellaWood Protector® products provide long-lasting, rich color and the superior protection savvy homeowners demand. All with a limited warranty against chipping, peeling, water damage, mold, mildew and color fade. Since there are no long drying times or even in-store mixing or tinting required, you'll love how easy it is to use. Find your local dealer at yellawood.com/protector and finish like a pro.



The three traits I seek

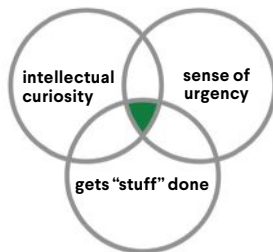
BY RUSS KATHREIN

AT SOME POINT in my career I realized that, as I was interviewing candidates, I was really focused on assessing attitude and aptitude: attitude being how they presented themselves and worked with others; aptitude being their natural abilities and how well they were suited for the job. Over time as I shared my interviewing strategies with others, I was introduced to the third A in the “Three As for Hiring”: altitude, or how high was the candidate’s career potential. These three As became the mantra in the companies I worked in, and I’ve touched on them in a previous article.

Once we felt confident in the areas we wanted to explore with a candidate, we started thinking about what traits made an employee successful within our organizations. After developing a list of those traits, we started testing them against candidates who were successful, as well as those who failed. For the people who worked under me, I found three traits were fairly common in my most successful employees:

1. Shows a sense of urgency
2. Gets “stuff” done
3. Possesses intellectual curiosity

If you put them in a Venn Diagram, the green intersection represented the kind of person I wanted on my team.



Sense of urgency—this may seem straightforward, but the problem is it’s easy to talk about having it, but much harder to consistently demonstrate it. It involves energy and the ability to prioritize. A successful sense of urgency will recognize that getting things mostly right is probably better than waiting to try to get everything right (except in the case of defusing a bomb or building a space shuttle). Urgency should come out as an energy level during the

interviewing process. Asking about where the candidate has been frustrated will give you an idea of when they felt their sense of urgency was not being met or appreciated.

Getting “stuff” done—this may seem similar to a sense of urgency, but they are two different components. How many times have you seen someone who was passionate about a project only to get distracted or move onto something else without completely finishing it? Similarly, you will run into people that are really good at completing projects but take forever doing them. By the time they are finished, the need has abated or gone away. The right person will take pride in getting things accomplished in a timeframe that meets the objective, even if it means they have to go back and make some tweaks.

Intellectual curiosity—this is usually the hardest for people to grasp. It’s not outright intelligence, nor is it simply curiosity. Being intellectually curious means the person will look at how things are done and think, “I wonder if there is a better way to do this?” They have the concept of continuous improvement hardwired into their brain. They always look at the “why” first, rather than immediately jumping into the “how.” These are the people who will help transform your department or company. One of the simplest ways to identify this trait is to ask the candidate what books they’ve recently read, or what’s their favorite TED Talk video. How have they improved their most recent job? Someone with intellectual curiosity will not take much prompting to talk about their ideas. The trick is to separate the dreamers from the accomplishers.

By themselves, each of these three traits may sound admirable, but when taken together you get a person with the curiosity to explore change, the desire to enact upon that change in a timely way, and the perseverance to see that change through to its successful conclusion. That’s an ideal employee in any organization and why I continue to seek them today. ■



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



STOCK THE LIGHTEST CORDLESS FRAMING NAILER ON THE MARKET



**NEW MODEL:
CFN325XP**

FUEL YOUR DRIVE

FUEL-POWERED PERFORMANCE TO KEEP YOU GOING

- The Paslode Fuel System will generate tool, fuel, and nail sales for you
- The only cordless nailer under 7.5 lbs. that drives 1,200 shots per fuel cell and 9,000 shots per battery charge
- FREE service for 2 years, no questions asked

CORDLESS
FREE 2 **SERVICE**
YEAR **PROMISE**
NO QUESTIONS ASKED



Visit www.paslode.com/newcordlessxp to learn more. Contact your local distributor or call us at 800-341-0744

Paslode REPUTATION IS EVERYTHING™

Starting up a lien program

BY THEA DUDLEY

Dear Thea,
I am the owner of a lumber company that has been in business for over 100 years. We have never utilized the mechanics lien process much but are toying with the idea of implementing a preliminary lien notice program into our company. How would you go about this? We have long-standing relationships and are very community oriented. We don't want to be viewed as "corporate" or that we don't trust our customers.

— Paternal Leader in Leadville

Dear Paternal,
I read a quote that loosely repeated said, "If it brings you no joy to tell a friend something painful, you are a true friend." So, friend, it brings me no joy to tell you this will be a painful process if you pursue it, but the benefits will be worth it.

Creating a program that few truly understand the value and purpose of and are passionately against is a tough sell. I equate it to giving a pill to a cat. It's not going down without a fight and you both will be torn up when it is over, even if it is for the greater good.

Mechanics liens have carried a certain stigma. The perception to customers—and to their customers—is that there was an issue with their credit, that they didn't pay their bills, or that they are "questionable." Suggest securing lien rights as a credit manager and you're an eye patch and Persian cat away from becoming a supervillain.

Honestly, there is truth in that viewpoint. Many companies don't bring out "lien 'um and sum 'um" mantra until there is a problem, has been a problem, or there's a serious rumor of a problem, resulting in the stigma that persists. There have been beacons of reform, usually

right after a bad debt wave (recession, bubble burst, insert widespread non-payment episode here). Once that hits and companies suffer bad debt write-offs that raise eyebrows and blood pressure, talk of a proactive lien program begins—usually sticking until money flows again like wine at an Italian wedding. Then it's business as usual.

I applaud your consideration of proactively implementing a tool that not only protects you, but your customer as well. Since you are considering and have concerns, which are valid, how about a slow roll to your implementation?

Instead of approaching all or nothing, how about breaking it down in chunks? Take a look at your customer base. Who is the most at risk? Who would you like to increase sales to but need a little more "reassurance"?

Once you identify who you are going to focus on first, go into sales and education mode. Educate your sales team and select customer groups on the benefits of the humble preliminary lien notice.

If your customer hits a payment snag on the project, this gives you, the creditor, an opportunity to reach out to your customer's customer and find out what the holdup is (or if your customer is Pinocchio). Educate your customer on how this creates an alignment between the two of you to get the payment released. If it comes down to a fight, as a creditor, I have lien rights and owner pockets to pursue. Without that additional assurance, the only person I have to go after, dear customer, is you. Nothing personal—we need to get paid.

To paraphrase T.S. Elliott, "This is how profits end. Not with a bang, but with a non-payment." In other words, everyone pays you 'til they don't. Don't wait until the next "economic" event to get your lien process groove on. ■



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

NEXT GENERATION WOOD CLADDING



TIMBER RIDGE

NATURAL



UFP-Edge Thermally Modified Wood Collection cladding comes in a variety of on-trend pre-stained colors. The tongue and groove end-matched boards can be used for both exterior and interior applications. Our finishing process highlights the natural and random variation of the wood grain. These variations help provide a unique finish for each board.

- › Naturally treated
- › Beautifully prefinished options
- › Resistant to rot

Learn more and request a sample at ufpEDGE.com/TMW

UFP
EDGE®

Designed To Be Seen



Scan with smart phone
to watch a video

'10 and 10' companies hold value in any market

BY JOHN WAGNER

SELLING YOUR BUSINESS in an inflationary period doesn't necessarily mean selling it at a discount. But for your business to hold value in these frothy times of high interest rates and high inflation, it should have three key attributes. With these in place, you, the seller, can argue for getting the same value you would have obtained before interest rates and inflation came into play.

Our firm subscribes to a proprietary deal-value database, GF Data, and its value guidance has been rock-solid, reaching back years. In a recent GF Data report, they identified these key attributes, while drawing a direct line to premium values obtained by these elite companies. They are: 1) ownership of the seller by an institution, rather than a family; 2) the seller provides a "management solution" post-sale; and 3) the seller displays "above-average" financial characteristics.

Let's drill down on each one. First, *ownership by an institution* is a tough one to accommodate in the LBM space. Every one of our past clients has been families selling their businesses. These families have demonstrated superb corporate stewardship, but private equity buyers have an affinity to buy from other private equity groups (PEGs). Here's why: private equity buyers and sellers have likely prepared companies for transactions using purely empirical metrics and KPIs—*stone cold data*—whereas family sellers may expect premium for the company's legacy, e.g., its place in the community, its philanthropy, etc. You rarely see that rewarded in PEG-to-PEG transactions.

Second: The management solution, a.k.a. *leadership continuity*. Most of our clients want to stay just one-year post-sale. In fact, they'll call our firm and lead off by saying, "Well, I've worked 45 years, missed 17 Christmas dinners, and I want to sell and get the heck out!" That's perhaps *the last* thing a private equity firm wants to hear. They will value the company based on the EBITDA generated by the management team that's staying around, not the one that's leaving. Don't underestimate the value reduction if you intend to vacate leadership deemed essential by a buyer.

The third attribute is "above-average" financial characteristics, and this carries the most weight of the three. In the LBM space, we define above-average as a "10 and 10" company.

Are you one? Here's how to tell: If you have the first "10," you are operating at >10% EBITDA margin. A 10% EBITDA margin in our industry is a solid figure. We have seen (and successfully sold) sub-10% companies, and we have seen EBITDA margins much higher. Sub-10% performance, however, likely means you are a commodity-heavy operation, vulnerable to volatility, and handling lots of money to book a small percent of it as free-flowing cash.

The second "10" in the "10 and 10" company is sales growth. Are you growing at 10% compounded each year? That's very strong growth, doubling in 7.2 years.

What kind of a value premium can you expect for having these attributes? Well, it's substantial, and long-term investors (the five-year-holders) will overlook lots of the near-term froth if you display these numbers...or *even approach* the growth profile. GF Data reports that for a company in the \$10-\$25mm purchase price range, the premium you will get is an additional 0.5X your EBITDA. Half a turn? Isn't that small beer? Hardly. Let's say you are at \$20mm revenues, with a 10% EBITDA margin. Your EBITDA is \$2mm. At 5X, you'd get \$10 million for your company, but at 5.5X, you'd get \$11 million. (Ha, that's just enough extra to cover almost half your taxes!) For companies whose purchase price is \$25-\$50mm, the premium reported by GF Data is 0.8X, and for larger companies, the baseline multiple is higher too. A \$25mm company with 10% margins will have a \$2.5mm EBITDA. The non-premium company might get a 7X for a purchase price of \$17.5mm, but the "10 and 10" company would get 7.8X, for a purchase price of \$19.5mm. (Enough extra to pay *nearly all* your taxes!)

If you are not both 10% EBITDA margin and 10% growth, the one to especially focus on is the EBITDA margin. It indicates your earnings efficiency and it's the gold standard to attain the highest value, no matter how fast you're growing. ■



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



Assume the title of **Deck Daddy.**

Contractors, do deck boards have you bored to death? We offer some of the easiest-to-install fencing, decking and railing on the planet. Try it for yourself, and free your outside side.

Learn more at BarretteOutdoorLiving.com.

TOOLBX

TOOLBX is an idea born on a Canadian jobsite. When TOOLBX CEO Erik Bornstein was heading up his construction and development companies, he was extremely hands-on with the complexities of budgetary and logical challenges that builders navigate. Bornstein was always on the lookout for tools and technology that could simplify and consolidate construction material spending and logistics. To address this opportunity, Bornstein mapped out the inception of TOOLBX as a construction materials platform.



TOOLBX co-founders Erik Bornstein (CEO) and Chris Stringer (president and CFO).

What began as an online delivery tool for builders and remodelers quickly evolved to an e-commerce platform developed to source products from lumberyards and home centers to deliver direct to jobsites across Canada.

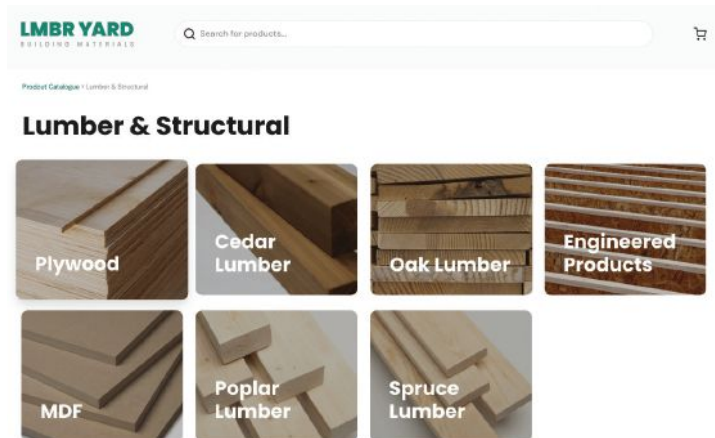
Seeing a major uptick in use during the COVID-19 pandemic, at a time when builders still needed materials but many dealers faced limitations on customer interactions, TOOLBX further expanded its platform outside of delivery to allow users to easily create a modern website to manage and grow their own online sales.

“Post-COVID, digital adoption accelerated to projected 2030 levels and consumers’ expectations increased significantly to wanting their order within hours, not days. Initially when COVID first hit, many dealers were scrambling to implement a reliable same-day delivery program. As a result of these investments, there has been a significant improvement in delivery infrastructure across the industry. Now, dealers are turning their attention to offering online ordering solutions for their customers. We believe the trend towards digital is not only going to continue, but accelerate over the next five years,” said co-founder Chris Stringer (president and CFO).

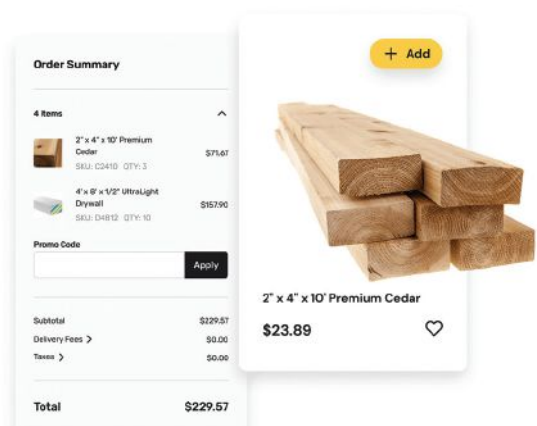
Today, TOOLBX provides a full end-to-end e-commerce solution that, within four weeks of implementation with a lumberyard or home center, can ingest pricing, images, and delivery charges to serve as a dealer’s primary e-commerce platform, while also including many Pro features. The company operates in Canada and the U.S. working with dealers like Boston-area DB&S Lumber & Home Improvement Stores.

According to industry research, 70% of B2B customers operate their business with smartphones or laptops, and a new generation of customers are taking over the jobsite. The TOOLBX platform is developed with that in mind. TOOLBX allows dealers to showcase their entire product line, and expand their reach to more customers online through a customized SEO program that makes it easier for PRO-Contractors and DIY customers alike to find specific products at member lumberyards through search engines.

[Learn more at toolbx.com](https://www.toolbx.com)



What began as an online delivery tool for builders and remodelers quickly evolved to an e-commerce platform developed to source products from lumberyards and home centers to deliver direct to jobsites.





No matter the **WINDOW**
we have the right **WRAP**®



WindowWrap®—the system to stick with.

WindowWrap® is a family of self-adhesive, self-sealing waterproofing tapes that bring quality and value to any building application. These advanced flashing solutions are the ultimate defenders against wind, water, insect and sound penetration. **The WindowWrap® system of products deliver maximum protection for door and window weather barriers.**



WindowWrap® Flashing Solutions

- Straight flash options
- Flex options for sill pan and curved shapes
- Low-temperature installations
- Commercial or residential

mfm® BUILDING PRODUCTS CORP.

Visit mfmbp.com for a free sample or call 800.882.7663 today.



PERMA-BOOT FOR NEW CONSTRUCTION AND REROOFING PROJECTS

A new home would be more appealing not seeing white pipes penetrating the roof. Perma-Boot for new construction will help eliminate call backs for roofers and builders since pipe flashings are a very common spot for roof leaks. This could allow you to increase your labor warranty at least for the roofing aspect of the home and give you a leg up over your competitors.

Perma-Boot produces a 3-in-1 repair and flanged version model which can benefit leaving just one or two in the truck to do a quick fix. The product now fits 1.5", 2", or 3" pipes with one unit.

THE PROBLEM

The plumbing vent pipes that penetrate the roof are typically sealed with an old-fashioned rubber gasket to keep water from entering the home. These rubber gaskets deteriorate when exposed to the sun and high temperatures. Over time they get brittle and crack, losing their ability to protect the home from water intrusion.

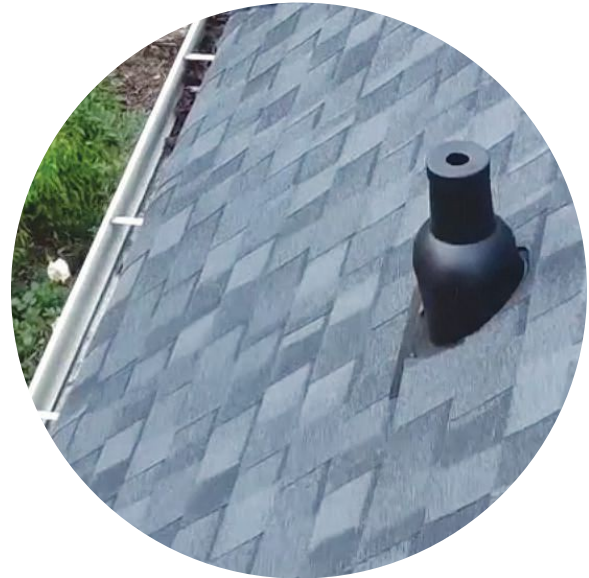
While modern roof shingles often offer a lifetime warranty, these rubber gaskets usually deteriorate in as little as 3 to 5 years. As a result, water begins to flow into the home causing damage to ceilings, interior walls and carpet.



Damage caused by conventional boot failure

PROBLEM SOLVED

Modern roofing systems demand modern flashings. Why install a temporary flashing on a modern roof with a lifetime shingle warranty? Do it right the first time by choosing the only pipe boot engineered to go the distance. The Perma-Boot is a gasket-less, high performance pipe boot system designed to permanently repair or prevent the most common type of roof leak, the leak around the vent pipes that penetrate the roof.




FEATURES

- Three in one product includes everything needed for the most common sizes (1.5", 2", and 3" vent pipes)
- Eliminates existing leaks and prevents new ones from happening
- Single best value in preventive maintenance for the roof
- Ideal for lifetime shingle installations
- Made of highly durable TPO—guaranteed for the life of the shingles



Contact a Perma-Boot contractor to learn how to add years of leak-free life to new or existing vent pipe flashings. perma-boot.com





**THE PROFESSIONAL'S
CHOICE FOR MODERN
ROOFING SYSTEMS**

**NEW
3 in 1
DESIGN**



**ULTRA HIGH PERFORMANCE
ROOF FLASHINGS**

 **PERMA-BOOT®**

perma-boot.com / 919-662-9894



ARE YOU READY?

MANY ECONOMISTS ARE SAYING THAT A RECESSION IS ON THE WAY, IF IT HASN'T ALREADY BEGUN. IN FACT, MULTIPLE HOUSING-RELATED SOURCES HAVE DECLARED A HOUSING-MARKET SPECIFIC RECESSION IS ALREADY UNDERWAY. THIS MONTH'S REAL ISSUE COMES FROM A DEALER IN THE SOUTHEASTERN U.S. WHO ASKS WHAT, IF ANYTHING, OTHER *LBM JOURNAL* READERS ARE DOING TO PREPARE FOR A SLOWDOWN.

RESPONDING TO A RECESSION

BY LBM JOURNAL READERS

As we do each month in our Real Issues. Real Answers. feature, we surveyed our readers via email with a few quick questions. Thank you to the more than 160 readers who responded. First, we asked whether readers even believe that we're heading into a recession. As the chart on the opposite page indicates, overwhelmingly, 67.9% of readers said yes, they believe a recession is down the road. Of the rest of the respondents, 20.8% indicated that they were unsure whether a recession was coming. The remainder of respondents, 11.3%, felt that no, we are not heading into a recession.

Next, we asked readers how they would respond to this dealer:

“With interest rates and inflation higher, economists are talking recession. We’re not seeing a downturn yet in our market, but from past experience, I know it can happen quickly. Suddenly, sales and margins take a hit, receivables get stretched out, and inventory turns slow. I’d like to know if other dealers are preparing for a slowdown, and if yes, what steps they’re taking to minimize the impact on their business. All insights and advice appreciated.”

RESPONSES FROM LUMBERYARDS, FULL-LINE BUILDING MATERIAL DEALERS, AND SPECIALTY DISTRIBUTORS:

“We are taking a two-prong approach. 1) Being proactive about the areas that tend to be affected by recession—refocusing on keeping inventory as lean as feasible, watching receivables very carefully, and putting more effort into keeping them timely. 2) We’re being extremely proactive regarding sales and recommitting ourselves to the idea that every sale is vital.”

“Any new accounts must have excellent credit. Be very careful extending credit during these times. Reduce inventory as during a slowdown. Prices should come down.”

“Prudence in watching extended credit and staying on top of collections along with closer management of inventory control. Focus marketing towards the R & R clients, as housing starts shrink away from the 1.78 million mark and drop below 1.4 million. The multifamily starts will survive, and the single-family starts will be under pressure. Those who pull back from the new home purchase will still long for something new, such a remodel or renovation of their existing home, and may fulfill their wants. This can be an opportunity for those with flexibility to divert marketing. With the lumber market settling away from the wild pandemic-driven price swings, it is time to get back to just-in-time inventory management because there is less downside risk at this time. Look into vendor-managed inventory to help maximize inventory turns.”

“We’re being very strict with receivables. We’re saving cash.”

“I feel like it has been building up the last 3-4 years, so we’re watching inventory and accounts receivables.”

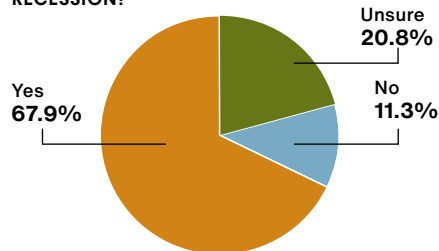
“Make sure you have enough margin so that you can lower prices to keep volume and ride it out until the economy improves.”

“We are taking steps. We are taking inventory levels down and buying on historical averages over the last 3 years rather than on forecasting based on the previous 6 months. We are also taking a very steadfast approach to Accounts Receivable. We will put a customer on hold much faster than we have the last few years now, and ask for the account to be current, or make a sizeable payment towards the balance prior to releasing orders. We are also being very cautious about bringing new customers on board. We are requiring more credit balance information from trade partners than we would have a year ago. We will say no to someone new coming in who doesn’t supply meaningful credit references. We weren’t so strict prior to the threat of a downturn. Most importantly, we are continuing to push up margins where we can now. Take advantage of making more while the market is still good. We will be giving some of that back in the very near future, I fear.”

“We’re experiencing a slowdown, although it’s still quite busy.”

“I don’t know if preparing is the right word, but we are continually keeping a pulse on what’s happening. For instance, Goodall Homes just announced they are leaving our market. Fortunately, we don’t sell to them, but we are trying to understand what this means for our market and how to shift. From that example, I would say we are keeping ourselves flexible and nimble to shift or change if, and when, needed.”

DO YOU BELIEVE WE’RE HEADING INTO A RECESSION?



“Yes, we believe a downturn is coming to our market, but we always believe a downturn is coming to our market. We just don’t know when because we’re in a highly cyclical business. So, instead of needing to implement operational changes when we believe a downturn is on the way, we put features into our compensation systems that automatically adjust upward and downward depending on changes to sales, gross profit, and pre-tax profit. What this does is it aligns the skin-in-the-game of the shareholders/owners, the management team, and the hourly paid. They all rise and fall together. That’s the upside. The downside is that their household income is less predictable over the long-haul. Therefore, fairness requires that the highest paid (senior management and outside sales) have the highest variability and the hourly people have the lower variability. It’s a bit complicated...but it has worked for us over multiple decades. When the downturns come, we’re all in it together and when the go-go times arrive, everyone is in that game too.”

“We don’t have the oversupply of houses we did in 2008-2009. When, and if, home prices come back in line, demand for building supplies should remain strong.”

“Those who don’t remember the past are doomed to repeat it. Everybody wants to compare the current economic downturn to 2008, but we need to go back further to the 1980-87 downturn ‘recession.’ This is very similar with the high inflation, double-digit interest rates. The housing industry barely existed then, but we had a Democrat-run government led by Jimmy Carter. We need to wake up.”

“Our home office has not done any preparation as of yet, at least nothing that has been visible to other locations.”

“I am not sure if it is a recession/slow down or just a normalization in the marketplace. The pace of home sales the last three years along with the roller coaster of product pricing is not sustainable. The labor force is one area that is not being discussed, which could be the main reason we are having significant slowdown in our marketplace.”

“We have a very conservative accounts receivable policy, especially over the past six months when we became more proactive and started looking at 30-day and 60-day money more closely. We’re getting these accounts focused on paying within terms with the goal that they would not become 90+. While improving our cash, we also focused on improving our turns or returning them to pre-pandemic goals and reducing our overall inventory investment. It’s never too late to start and get ahead of any downturn. If it doesn’t come, we are better off than we would have been.”

“Start tightening up the inventory levels based on current business. Be very strict on your accounts receivables and the terms you have set. Start looking at different ways to maintain a profitable business. Monitor overtime and efficiencies in your delivery system and be prepared to trim the fat.”

“We have met with many of our builders over the past several months. Most have the same sentiment — that sales are slowing, and backlogs are trying to be closed before interest rates get any higher. With that said, many of our builders are shooting for the same number of starts in 2023 as they had in 2022. Lofty goals, but not going backwards. We are forecasting down, more on the pricing side of things, as opposed to market shrink, but still well under-built in our market. Sales have definitely slowed down, but we’re hoping that the sticker shock of interest rates settles, and pricing across all product mixes help in continued home sales.”

“Yes, we are expecting the economy to take a turn for the worse. We are heightening our accounts receivable management and making sure our lien rights processes are being followed. We’re scrutinizing purchasing more closely and balancing inventory between branches before buying from outside.”

“Cover your orders with two to three weeks of extra inventory. Don’t let your accounts age out. Don’t pass on liens.”

“We’re trying to keep our AR as tight as possible since that’s always a leading indicator of a problem coming. We are also holding a weekly call with all our sales teams on current market conditions from their customers and changes in their backlog.”

“We are watching inventory closely and only buying what we need.”

“Though I don’t believe this will be a major recession, we are starting the belt-tightening processes we learned to do in that last one, because we are in a business that varies with the changes in gross profit and operating profit. An example is that we have large cyclical swings in sales, gross profit, and operating profit, and we employ compensation systems. Salespeople are commissioned based on gross profit, so their pay varies with gross profit production. For inside sales, hourly people will receive monthly incentives and annual profit-based bonuses that also fall. Senior managers and middle managers receive annual operating profit-based bonuses that rise and fall, based on profitability. This system eliminates any need for base pay cuts and reduces the need for most layoffs, but not all, however. We still are not perfect in the screening and hiring process and a good house cleaning is needed.”

“We are preparing for a potential slowdown. We meet weekly to look at receivables and the trends. We also tend to ‘circle the wagons’ on the core items and departments in the store. We are less likely to take chances on newer items that are not tested in the market.”

“While we expect a slowdown, we don’t see it happening in the next six to 12 months. Other than being a bit cautious about hiring, we will continue to run the business with the same metrics.”

“Yes, we are looking at slight recession. The largest impact to our business is the price of fuel. It has taken a large toll on our gross profit margin. We do not want to impose a fuel surcharge, so we are looking at different ways, like changing the price structure/multiplier on certain items to help increase margins back to where they were.”

“We have been aggressively reviewing order points and changes in velocity of products and inventory turns. We have also become more stringent in the A/R office and are holding our ground on past due accounts to collect our money now while business is still good.”

“We’re watching the amount of inventory we have on hand.”

“At this point business is strong enough that product is still short on availability. We’re tightening a few key accounts on the receivables side and continuing to monitor open orders.”

“Yes. We’re keeping inventory at low levels.”

“We are tightening up on our inventory and improving dramatically on our turns to give us more flexibility with the market. We are purchasing via truck vs. rail cars. We’re improving on our receivables now and letting our slower-paying customers know what our expectations are. We’re doing our due diligence and scrutinizing every new account before opening their account, reducing credit amounts with some. We’re holding our commissioned salespeople accountable for special orders, requiring all customers to sign off on special orders to reduce or eliminate unwanted inventory. We’re only hiring additional team members if absolutely needed, and preparing team members now by letting them know we will expect them to wear more hats if needed.” ▶

Efficient Service, Dedicated Operators

COMMITTED TO THE LAST MILE

Our Fleet, Our Drivers

Orgill's commitment to getting products into your store is paramount. Our modern, private fleet of 400+ trucks are all driven by Orgill employees. Not only do our drivers keep things running smoothly, but our operational model controls our expenses and we pass these savings along to our dealers.

We'll go the extra mile for you. Contact us today.

Fleet-Service Facts:

- Low flat-rate stop-charges
- Low minimum orders
- No fuel surcharges
- High driver-retention rate
- The lowest net delivery cost in our industry

To find out more, call or visit:

1.800.347.2860 x5141 | Orgill.com

ORGILL

“Inventory is what gets away from you in this type of market. You need to fight the tendency to continue to bulk up to meet demand by looking farther down the horizon. It is better to be lean and mean than fat and stuck with large, overpriced inventory. If a part of your market starts to concern you, then start planning to move to areas that don't. It is time to begin to be proactive rather than reactive like this type of market has made us. Look for small changes that give you a hint of the coming storm, especially any changes in receivables from your best payers. A day or two can make you shake your head and begin to study all your accounts.”

“We're watching inventory levels more closely and increasing margins on both stock and special orders. Develop your staff to be cross-trained as well as be better sales people and to provide better service.”

“We are right-sizing our inventory but staying on the higher side versus competition, so we can take advantage of competitors who have stripped down to bare bones. That way we come out as the current supplier and gain new clients for the next upswing.”

“As usual, we are being very careful with expenses.”

“We're already beginning to see a downturn. We've begun canceling some orders and trying to reduce inventory through promotions and other initiatives.”

“We've been through 2007, so we have seen it before. Cut staff and tighten up in every aspect of your business. If you are highly leveraged, you are in trouble.”

“Decrease inventory of your slow-moving specialty items.”

“We're trying to get rid of expensive inventory and reducing the quantity of inventory. We're also trying not to be overstaffed.”

“We are starting to limit our aggressive inventory purchases. We are now looking to make smaller buys even though our prices are a little higher.”

“Reduce inventory.”

“Keep inventory as lean as possible and consider which employees should be laid off first, if necessary.”

“This market is still too volatile to take extreme steps. Supply chains are still weak. Europe is in chaos along with Taiwan and China. Interest rates are still on the rise. There is not much a dealer can do while still trying to maintain a stocking inventory while protecting against input swings.”

ARMADILLO COMPOSITE DECKING

NEW

Armadillo Online Deck Designer.

Designing the composite deck of your dreams just got easier!



Design Your Dream Deck →

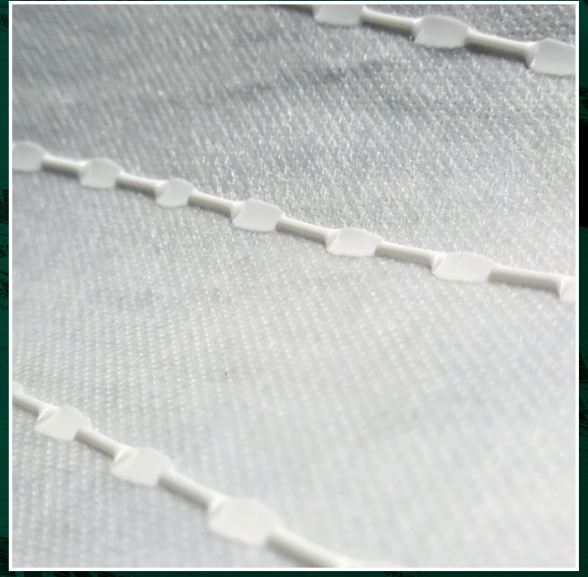
ARMADILLODECK.COM

You can use the Online Deck Designer on most modern desktop and laptop browsers.

TAMLYN[®]
FAMILY. VALUE. SERVICE.

TamlynWrap[®]

Drainable WRB 1.5



Superior drainage and water resistance

Easier installation with 5' rolls

Can be installed in any direction

Includes 1.5 mm non-compressible spacers

Vapor permeable (19 perms)

Meets and exceeds existing code requirements

Works with all cladding materials

FAMILY. VALUE. SERVICE.

WATER MANAGEMENT | XTREMEINTERIOR™ | XTREMETRIM® | XTREMECOLOR™ FLASHING | SIDING ACCESSORIES | VENTILATION | METAL FLASHING | CONNECTORS

Phone: (800) 334-1676 | E-mail: info@tamlyn.com
www.tamlyn.com

“We are reviewing our expenses, fixed and variable in nature, to see if we have developed any fat over the past few years. We are watching our inventory levels to make sure we are being efficient with our turns and replacement costs.”

“It is important to diversify. If you experienced a booming new construction phase, then it will be really important to keep an eye on receivables. Contractors will be the first to default. It is very important that you know the areas your builders are building, the types of homes, the banks they are using, customs or spec houses, how many they have going with how many other lumberyards, how many are on the market vs. sold, completion dates, scarcity of the work force they are employing, if they are paying their contractors or crews on time, etc... The list is extensive if you want to lower your risk exposure. Of course, your purchasing should be altered along with terms and agreements from your vendors.

You need to know the realtors in the market they are building as well. It is an extensive list of responsibilities. There are different product lines to lower the risk exposure as well. Greed will get the best of every lumber dealer, especially those using or relying on artificial intelligence (AI) or business intelligence (BI). You need to hire an economist to do a cost-benefit analysis for your company. There have been way too many builders pumped into these growing markets. The work for many builders has been sub-par due to the work force shortages. The list is comprehensive, and this barely scratches the surface of what to watch for. AI and BI are not a good thing, and we will see many lose and get hurt badly from them.

With the right business plan, you can still be profitable, minimize risk exposure, increase market share, and ensure you will be there in 2-3 years. There are a few more important things to be paying attention to but it's capitalism, so information isn't free. You have already missed a couple key stages or are way behind if you aren't already doing this.”

“We are in uncharted waters. Traditionally, when recessions loomed there were not the supply chain issues that we have today. There is no question that it is a delicate balance, but all things need to be considered: cash on hand, past performance in the volatile market of the last 2 years, is your customer base high-end with the cash to keep moving forward in a recession? I wouldn't want to be in a position of taking loans at 9% interest to buy inventory.”

RESPONSES FROM WHOLESALE DISTRIBUTORS, MANUFACTURERS, AND SERVICE PROVIDERS:

“This is a tricky area to navigate. We are not seeing a slowdown in sales, and we are still struggling with supply chain issues. We just don't have the product to meet demand. With that said, we watch our inventory carefully and don't want to overstock, yet we need enough stock to meet demand. You can't sell from an empty shelf. We keep in constant contact with vendors and look at inventory history which helps with purchasing of goods needed.”

“If you plan for your business to decline, that is exactly what you will get. Be smart about your fundamentals. Protect yourself, yes. However, you cannot sell out of an empty cart. Things are shifting. Pay attention. Custom homes and multifamily starts are still strong. Infrastructure projects are coming.”

“We're not stretching for any business, and we haven't been for some time. But we're a mom 'n' pop business in our mid 60s with only mom/pop as employees working from our house, so we don't have to take excessive risks!”

“Trying to not get caught like we did in 2006 - 2008. Our sales team is responsible for their accounts, and we are preaching and watching closer than ever before.”

“Stock less of slower moving items, ask for pre-payment of customers who have a history of paying late, and constant update on market and customer needs. If all of us act as if we are in a recession, we will enter a recession.”

“Preparations for a Covid slowdown that did not happen led to shortages, supply chain issues, skyrocketing lumber prices.”

“We have tighter inventory and don't get beyond 4 weeks. We watch our receivables and call on accounts who normally don't extend but begin to.”

“Construction is cyclical. What worked and didn't on the last downturns in your area?”

“If not already doing so, offer minor discounts for prompt payment.”

“Use the time proven method of selling everything in the yard ASAP with a margin banking or replacing only as needed at cheaper costs.”

“There might be temporary lay-offs.”

“The value of quality supply partners is very important at this stage of a slowdown. Business is still strong today and we need to have product in stock, especially after the challenges we all continue to deal with over the past couple of years. Having the right partners who are able to support your inventory needs with regard for the financial challenges we will be facing in the near future is crucial. Understand that with interest rates rising, it's making money more valuable, and this relates directly to the inventory dollars in your warehouse.

The value manufacturers can provide with just-in-time delivery cannot be overstated as we enter a slowdown. We must make the ability to provide our products in a timely manner as promised a top priority. Saving a few points with bulk/container purchasing is no longer a priority. If our customers do not have confidence that we can provide them with the products they need, they will look for other sources and from my experience will not hesitate to pay a premium to keep their project moving. Make the right choices for the long-term health of your business, and don't step over dollars to pick up pennies.”

TREATED WOOD —
*THE BEAUTIFUL,
LONG-LASTING
CHOICE.*

NATURALLY.



Wolmanized®
OUTDOOR® WOOD

Wolmanized® Outdoor® Wood is sourced from renewable, managed forest lands and preserved with Wolman® E Copper Azole.

Learn more at WolmanizedWood.com

arxada

“Reduce exposure on credit lines if customers are not using them. Hold customers that are past due or be creative with payment arrangements so that you get funds in towards past due but also help the customer get what they need. Maybe for someone that can’t pay all the past due, offer COD plus half and find out what they can pay. If you have communication and some payment coming in, it’s good reason to work with someone. If you have no communication with customers, you have to demand payment on some customers prior to releasing orders so that you don’t get stuck holding the bag. Watch your buying habits during this time and sell what you have in the warehouse. Temporary hold on travel to save cash flow.”

“Really monitor costs and on-hand inventory levels. The supply chain is getting better so no more needing to ‘panic’ buy for stock.”

“Manage inventory very carefully.”

“We are already looking at expenses and trimming where needed and have held back on a few of the hires we were going to make.”

“We’re already in a recession. Upper class materials are still selling, but middle class is slowing down and the lower class stopped buy a few months ago. Keep receivables down and keep close eye on your trouble accounts. Do not overextend credit for anyone at this time. Sell off high-priced inventories asap before prices come down.”

“We first watch our receivables, make sure we have ample inventory, and never let our margins slip! We have been around for 76 years and have weathered the downturns with increased margins and sales each time. Don’t be afraid, but don’t be foolish either.”

“Covid prepared us very well, actually. We are very lean personnel-wise, and the supply chain issues have kept our inventories low. We did quite well over the past two years and I believe we’re in relatively good shape to weather a recession. Additionally, we have ensured that none of our inventory could be subject to adverse Dept. of Commerce rulings.”

“Everything we do is local.”

“We’re balancing inventory and there will be no change to staffing.”

“Pay off all the debt you can to survive any downturn.” ■

THE READER WHO SUGGESTED THE “REAL ISSUES” TOPIC WILL RECEIVE AN LBM JOURNAL PRIZE PACK.
Includes: cap, mug, pen, and more.



Storage Systems for LBM Dealers

- The Auto-Stak System
- Cantilever Rack Systems
- Metal Buildings
- Drive-Thru Systems
- Millwork Storage Systems
- Pallet Rack Systems
- A-Frame Systems



Cantilever T-Shed



Bulk Shed



Auto-Stak System



Cantilever Drive-Thru

Portable A-Frame & Stacking Millwork Racks - In Stock!



Contact Us Today!

Toll Free: 800-992-2824

Visit us online at:
www.krauterautostak.com
info@ks-ka.com

Not all nails are created equal.



MAZE NAILS manufactures a full line of hand-driven and pneumatic nails in Double Hot-Dip Galvanized steel and stainless steel. All **MAZE NAILS** are 100% Made in USA • It pays to buy **MAZE!**

1.800.435.5949



mazenails.com

Strength in Numbers

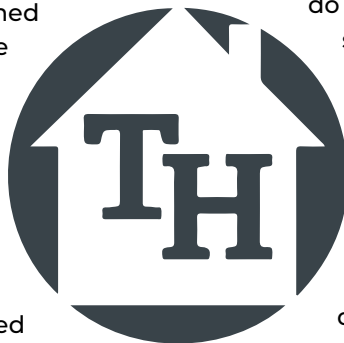
LMC Relationships & Resources Help True House Navigate The Supply Chain

When business gets tricky, relationships matter. More often than not, business owners can count on the supply chain to make business tricky. That's one of the many reasons True House leadership was compelled to join LMC, a forest products and building materials buying group designed to help independent companies build relationships and maximize their collective purchasing power. The group began in 1935 and currently has more than 400 members in all 50 states and the Bahamas.

True House CEO Barry Dixon learned about LMC at a BCMC show in the late 1990's when the Canadian beetle infestation first began threatening lumber supply. The company officially joined LMC in 2006 and has reaped the benefits ever since.

"Being part of a buying group with best-in-class independents has allowed us to leverage the buying power of a \$24 billion network, while remaining family-owned," explains Barry. "LMC provides consistent quality, service, and products, which allows us to scale and grow much more easily. As a stockholder, we have access to LMC employees who are committed to our success. It's a great partnership!"

Scott Siegfried has been with True House since 1989 and became Purchasing Manager about the same time the company joined LMC. He agrees that the benefits of membership are numerous. "We have traders dedicated to our account," says Scott. "We get notifications of market trends, pricing, etc. so we can decide what we want to do based on the most current information, which benefits us tremendously."



"I'm on the phone with LMC reps three or four times a week. I was recently speaking to a panel trader who mentioned prices were going up but who had a couple of trucks at the old price. Without that relationship, I wouldn't have had the opportunity to get the additional materials at a lower price."

Scott explains that the relationship with LMC has grown steadily over time and now represents ninety percent of the purchases he makes. "We run everything we can through LMC, which simplifies things for our accounting department, too," says Scott. "LMC also does a great job of making everything available on their website, so I can see when loads are expected to ship."

Barry and Scott also agree that the benefits of a buying group like LMC don't stop at products and pricing. "Being part of a group of like-minded independent business owners working hard to do right by our employees is invaluable," says Barry, "especially when we have the chance to get together to share ideas." The LMC Annual show brings members together to do just that, and Scott says the new CM Roundtable Alliance provides a great space to talk with and listen to other component manufacturers dealing with similar challenges, as well as opens up relationships for CMs to help each other out. "These efforts make it clear that LMC is looking out for its members, not just trying to move product," he says.

"In an age of consolidation, being part of LMC is a game changer for us," says Barry. "It is because of the relationships we have built and the information we have access to as stockholders that we are able to expand our offerings and grow in a way that best meets our customers' needs. That's a win for everyone!"



True House CEO
Barry Dixon

Learn more at lmctogetherwebuild.com



THE REAL GO-OP

YOUR ULTIMATE RESOURCE.

As the largest Forest Products and Building Materials Co-op in North America the advantages of joining LMC are leaps and bounds above others.

Lower costs for better profit.

From LMC's low business costs to group purchasing power. Our members always increase their bottom line.

Buy direct from manufacturers.

As the premiere LBM buying group in North America, LMC has the long-standing, strong relationships with key mills and building material manufacturers in the industry.

Our team is your team.

Members of LMC have access to a solutions-focused staff to improve their bottom line, and augment their employees saving time and money.

It's not just about purchasing.

It's purchasing power PLUS access to proprietary market intelligence, marketing support, and unique networking opportunities with the best dealers in the business.

**GROW YOUR BUSINESS,
LET'S TALK!**

www.LMCDifference.com

© 2022 Lumbermens Merchandising Corporation

LMC
Building Business Together.®

LEADING THE WAY

CURTIS LUMBER PREPARES FOR SIXTH GENERATION

BY JAMES ANDERSON

According to a Cornell University study, the average lifespan of a family business is 24 years. By those measures, Curtis Lumber's 132 years has lived up to its billing as a soon-to-be sixth-generation company.

Kylie Holland is in the early stages of transitioning to an ownership role as her father, Jay Curtis, is looking down the road to retirement. For a company founded in 1890 (even earlier if you count the family sawmill that led to the lumberyard), Kylie says the name of the game is "consistency."

Curtis Lumber, based in Ballston Spa, just north of Albany, New York, has grown to six generations by adapting in smart, incremental measures. The family leadership has kept an eye to the future, while holding steady to the strength of its past. "We're six generations deep and we're still here," Kylie says. "That may be a boring story to some, but to us it's interesting. We've been one family, and we've never sold. We continue to grow every year."

That growth throughout the years has led to 21 locations in New York as well as two in Vermont. Each location is considered a full-service lumberyard, and many also feature a kitchen and bath showroom.

While her father is still very much involved in the business as president and CEO, Kylie is ready to take on the office when Dad is ready to retire. "We're just starting the transition of ownership. It's a slow process, which is fine by me," she says.

NEXT GENERATION, NEXT CHALLENGE

When Kylie looks back at her six-generation family company's history, she sees major changes in the world during the time in which the torch was passed from one generation to another. For instance, when her grandfather turned over the business, her father introduced computers to the company that forever altered the businesses' trajectory. Under her father, Jay Curtis's leadership, the company physically doubled its size.

"At every single change of ownership there has been something significant that has happened, something generational or in society that sparked a significant change." So, what's in store when Kylie, currently executive vice president, moves into her father's president and CEO role?

"I think, looking at my role, digitizing ourselves in a way that makes us more accessible to our customers is the next challenge," Kylie says. "We're not going to be an Amazon tomorrow, and we don't want to be. But there's some level of change we have to embrace to get ourselves into the digital atmosphere that we're all becoming so accustomed to."

Kylie is laser-focused on identifying processes in which technology can help Curtis Lumber operate smoother. "I'm looking at how online shopping could fit into our environment. It's important not to write it off, but rather figure out how to do it right." ▶

PHOTOS COURTESY OF CURTIS LUMBER



East Greenbush location.



CURTIS LUMBER CONTINUES TO GROW EVERY YEAR. THAT GROWTH HAS LED TO 21 LOCATIONS IN NEW YORK AS WELL AS TWO IN VERMONT. EACH LOCATION IS CONSIDERED A FULL-SERVICE LUMBERYARD, AND MANY ALSO FEATURE A KITCHEN AND BATH SHOWROOM.



Curtis Lumber employs around 700 people across its 23 locations, a number that is “give or take around 50” depending on seasonality and the local hiring base.



SERVING THE CAPITOL REGION

The Capitol Region and Saratoga County, the area that Curtis Lumber primarily serves, is somewhat isolated from business challenges faced elsewhere in the country. With a growing population in an affluent market, business is good for Curtis Lumber while the housing market is still, for the most part, on an upswing.

Curtis Lumber is approaching \$300 million in sales this year, which Kylie says is a major jump from just four years ago in 2018 when the company held a celebration for hitting \$200 million in sales.

“We’ve added two locations since then, but it’s mostly volume growth,” she says. “We’re in a market where we can experiment and grow. Twenty years ago, kitchen and bath departments weren’t evident. Now it’s a major category for us, as are specialty hardwoods.”

As for projections, Kylie says, “All things are pointing in the direction that we’ll have some kind of continued revenue growth.”

Curtis Lumber employs around 700 people across its 23 locations, a number that is “give or take around 50” depending on seasonality and the local hiring base.

Unfortunately for Curtis Lumber, the labor crisis isn’t one of those issues they are able to

avoid based on their location. Kylie says they feel the pinch for help just like any other business. The company tries to widen their net as often as they can to reach prospective employees, including championing a Workforce Development Coalition to promote work in the trades (see page 20 for specifics). The company’s internal human resources and full-time recruiter with support staff help a lot with hiring without having to look to outside resources.

“We’re a sizable employer, a reliable employer, with a great reputation,” says Kylie. “I think we’re just trying to attack it from every single angle that we possibly can. One method of trying to attract people isn’t necessarily enough. If there’s a way of getting people in the door, we’re going to try it. Traditional, online, workforce development, getting into schools, maybe it’s an internship even.”

If there’s a silver lining to the labor market issues for Curtis Lumber, it’s that the competition for labor locally doesn’t include a lot of big box home stores. There are other independents in the area, but as Kylie says, “We’re very respectful of each other and we respect each other’s boundaries.”

Overall, 60% to 65% of the company’s customers are pro builders and contractors. The

Curtis Lumber does commercial, retail, remodeling, large home projects, multifamily apartments, hardware, and kitchens.





main location in Ballston Spa is one of the more retail-heavy stores. With the farthest location about an hour and a half from headquarters, and with a four-hour stretch from the northernmost to the farthest south stores, Curtis Lumber employs regional directors who oversee groups of four to six stores. All store managers report to a regional director.

Kylie says the diversity of knowledge among Curtis Lumber staff is what sets the company apart from its competition.

“We have the best staff in the industry. I’m sure most companies feel that way too, but what makes us unique is that we do a little bit of everything. We’re willing to do whatever kind of opportunity gets thrown our way. We do commercial, retail, remodeling, large home projects, multifamily apartments, hardware, kitchens, there’s nothing we won’t at least throw our hat in the ring for.”

That’s the Curtis family approach to business, she says, and it’s when the customer sees that, it becomes a personal approach to business. “At Curtis Lumber there are no cookie-cutter ways of doing things. We have such a diversified staff that even if one specific location or salesperson may not know how to handle something, someone on our staff does. Even

if it’s way out of the box—somebody will know exactly what to do.”

LOOKING AHEAD

Taking the lead on a 132-year-old family company isn’t something Kylie takes lightly. As her family has already done for five generations, Kylie will approach the future with caution, while keeping an eye out for opportunities, such as e-commerce.

“My dad is a traditionalist,” she says. “He’s done business successfully for a long time.”

When different opportunities have come their way, Jay Curtis hasn’t been the first to jump on the bandwagon, and that has made all the difference, Kylie adds. “He’s been very quick to say, ‘Let’s not do anything crazy.’ You don’t want to make so much change that people don’t recognize who we are.”

That philosophy has guided Curtis Lumber for five generations, and as it further transitions to the sixth, Kylie intends to hold on to what has worked for 132 years.

“It’s what makes us relatable and recognizable, and what makes us a leader in this market,” she says. “In that sense, I don’t think we’ve changed an awful lot; it’s more like an evolution process.” ■

“We’re six generations deep and we’re still here,” says Kylie Holland, executive vice president of Curtis Lumber. “That may be a boring story to some, but to us it’s interesting. We’ve been one family, and we’ve never sold.”



Ballston Spa location.

GET TO KNOW CURTIS LUMBER

FOUNDED:	1890
OWNERSHIP:	FAMILY
LOCATIONS:	23
EMPLOYEES:	700
BUYERS GROUP/CO-OP:	LMC ORGILL
SALES SOFTWARE:	ECI SPRUCE
TOP THREE BRANDS SOLD BASED ON VOLUME:	TREX ANDERSEN WINDOWS MERRILLAT CABINETRY

IN DEPTH

FASTENERS

SLOWER SEGMENT GROWTH CAN STILL YIELD
SIGNIFICANT WINS FOR THE LBM DEALER

BY MIKE BERGER



FOLKLORISTS SAY people invent mythologies and superstitions about the things that are most important to them. If that's the case, fasteners must be pretty highly thought of. For example, the first century Roman Philosopher Pliny the Elder recommended hammering three iron nails into the lintel of a home's doorway to protect against evil. Simply carrying an iron nail in your pocket is purported to protect you against harm from troublesome faeries, and thrusting iron nails into the ground supposedly has the power to cure everything from toothaches to epilepsy.

Screws, too, have their own history of superstitions. Screws were believed to represent strength, stability, and power, and if you carried one, the screw would imbue the possessor with those attributes. If you were to find a random screw in your path, it might signify you're about to enter into a significant relationship. Finding a rusty screw in your path, however, could be a warning of impending troubles or hardships.

It's no superstition, however, that fasteners of all types play a vital role for the LBM dealer. Unfortunately, the fastener market is not the same as it was this time last year. Then, building and remodeling was booming, interest rates were low, and the word "recession" wasn't being bantered about. Today, economic slowdowns, labor shortages, and supply chain issues both domestic and overseas are putting the pinch on the fastener industry.

"The industry continues to grapple with issues surrounding both the procurement of raw materials for fastener fabrication and overcoming COVID-related global shipping delays," explains Robert Shirley, product marketing manager for Simpson Strong-Tie. "Simpson Strong-Tie has been working to resolve those issues by leaning into our national sales and distribution network, which continues to achieve great success in getting product to the jobsite and in customer hands when they need it."

TOUGH TIMES TO OVERCOME

Other manufacturers agree with Shirley's synopsis of the current environment. As Robert Yates, associate product manager for SPAX (part of Altenloh, Brinck & Co. US, Inc.), points out, steel prices continue to fluctuate, as does the availability of raw materials. "Supply chain is still an issue and will continue to be, especially overseas," he says. "There is stability built into being domestically based and using domestic suppliers."

Phil Lail, president of Pan American Screw Fastener Group, also sees supply chain woes as a significant hurdle for the fastener industry, and he doesn't see it changing any time soon. "Container space on ships is still hit or miss," he explains. "Keeping the supply of product flowing for our customers is paramount and we are making some bold moves in the amount of inventory we try to keep on hand. Container costs have leveled out a little but the increases in ocean freight were the main reasons our costs went up multiple times in 2021 and the first quarter of 2022. I think the industry as a whole will still see inventory shortages through the balance of this year and with interest rates rising and talk of possible recessionary times, the whole industry is a little unstable."

Amy Blasé, director of product management, hardware solutions for the Hillman Group, ►

OPPOSITE PAGE: Simpson Strong-Tie has expanded its family of Quik Drive auto-feed screw driving systems by improving its PROHSD Wood-to-Steel solution, including providing more cordless options and stand-up driving solutions to relieve back and knee fatigue while increasing jobsite safety.

FAR LEFT: Pan American recently introduced its Big Timber WTX Structural Lag Screw, which is engineered to work well with decorative black hardware, laminated beams and structural insulated panels.

LEFT: SPAX will soon be launching a new line of composite deck screws. Engineered with an undercut head that reportedly prevents mushrooming, these new screws also include a reverse upper thread that clears away excess material, T20 T-star drive for positive bit engagement, and a Type 17 double slash point for a fast start and to prevent splitting.





sees the economy as the largest challenge the fastener industry will face over the coming year. “A slowdown with heavy construction and new housing is expected,” she explains. “There is still a backlog, however, with projects in many sectors. With increasing costs in materials, labor, and shipping, many consumers may delay or scale back projects until they are more confident in the economy.”

Jacek Romanski, channel marketing director for ITW Construction, also sees economic downturns having the most significant impact on the growth of the fastener segment. “We envision good growth to continue at the same steady pace through the end of the year,” he says. “The question for us and with many of our contractors, dealers and distributors is, ‘What about 2023?’ We continue to hear there is still pent up demand from before the pandemic, and now with lumber prices dropping in recent months, we still envision a good amount of activity next year, just not at the same pace as the last few years. It will really depend on the impact of rising interest rates and inflation whether or not homeowners can truly afford to buy a new house or their ability to renovate their existing homes.”

Of course, all of this has the potential to bring about price increases, and Lisa Martin, marketing director for Maze Nails, sees that factor as a significant challenge for the LBM dealer. “The volatile market has made it difficult for manufacturers and dealers to hold prices,” she says.



FAR LEFT: OZCO Ornamental Wood Ties from the Hillman Group provide a decorative approach for fastening timber structures. According to the manufacturer, the fastener line provides the strength needed for construction while reducing construction time, improving appearance, and meeting code requirements.

LEFT: Paslode has recently updated its Cordless 16 ga. Angled Finish Nailer with updated features for improved jobsite productivity. According to Paslode, the nailer, which weighs 4.5 lbs., is the lightest cordless finish nailer on the market, can drive 12,000 nails per battery charge and 1,200 nails per fuel cell, and is backed by a 2-year full replacement warranty.

“Planning in advance is the good philosophy during these unstable times. Serving customers with a quality product will include locking in prices and securing manageable lead times.”

Still, manufacturers are doing everything they can to increase product flow so that backorders can be significantly reduced. “Supply lead times and delays in the past 18 months have been a challenge,” says Uli Walther, president of U2 Fasteners. “We have tripled the amount of inventory in our warehouse to reduce back orders and ship complete orders.”

SLOWER—BUT STILL POSITIVE—GROWTH

With all these concerns and challenges, it would be easy to assume that growth within the fastener segment would be hard to find, let alone predict. Granted, manufacturers aren’t foreseeing the same rate of growth for the next 12 months as was evidenced over the last year, and manufacturers seem to be bracing for a potential slowdown, but healthy growth rates are still on the horizon.

“We are positive about the growth outlook for fasteners despite the current economic conditions,” says Eric Ashack, product manager for SPAX. “Although signs may point to a recession, and we know people are being conservative with inventory plays, we do expect growth. Perhaps not as much growth as we’ve seen in recent years, and likely more in the remodeling area vs. new builds, but growth nonetheless.” ▶



Sure Drive USA’s composite fascia board screw installs without the need for an expensive countersink bit. It features wings built into the shank to bore a hold larger than the diameter of the threaded portion, which allows the composite fascia board to expand and contract naturally.

OUR CUSTOMERS ARE...



OUR PRIORITY

MIDWEST
YOUR FASTENER CONNECTION

Corporate businesses tend to make short term decisions based on financial statements; Midwest Fastener Corp. is a family-owned business making long term decisions based on the interests and benefits of our customers.

- 96% Fill rate
- 24-48 Hour order process time
- 6 Distribution centers across the U.S.
- Comprehensive special order program

- Multiple packaging and display options
- Custom plan-o-gramming
- Market based retail pricing
- Industry's best merchandising

Bigger Bite. Better Drive.
SABERDRIVE

BLUE HAMMER
Anchors.

BUILDRIGHT

JANDORF

SABERDRIVE
PLATINUM

BLUE WEDGE
Anchors.

Hang
Master

2GO

TorqueMaster

CROCODILE
ANCHORS

HY-KO

ChipKey

800.444.7313 | constructionscrews.com | **MIDWEST**
YOUR FASTENER CONNECTION

Hillman Group's Amy Blasé echoes Ashack's prediction. "Given the boom in the construction and remodeling industry over the past two years, along with current state of the economy, growth appears to be tracking to pre-COVID year-over-year levels," she says. "The industry will still be strong, but likely not growing at the rates we saw in 2020 and 2021."

Michael Engle, senior director of branded product for PrimeSource, agrees. "The fastener industry will continue to experience growth, with the majority concentrated in specialty fasteners," he says. "Contractors remain in high demand with jobs scheduled months in advance; with that, they are looking for fasteners that get the job done quick and get the job done right. As lumber prices and the housing market begin to self-correct and we see volatility dampen, we believe the DIY segment will gain strength in the next 12 months. Given recent trends, we expect consumers will look to update their current homes rather than make a move on a new home with substantially higher interest rates than in recent history."

Other fastener manufacturers also see growth at a slower year-over-year rate, but they point out that different fastener segments may see more positives than negatives. "Several of our major customers are adjusting forecasts down to pre-COVID levels," explains Pan American's Lail. "Our 12 month outlook and budgeting for 2023 includes what we are calling a COVID Hangover slowing in demand for outdoor living products. Other divisions of our company that serve the woodworking, metal roofing and door and window markets are not seeing as much change in business and see a bright outlook for the next 12 months. Because we were in a favorable inventory position while other competitors were suffering shortages, we were fortunate to pick up market share over the past 12 months that will help sustain us going forward."



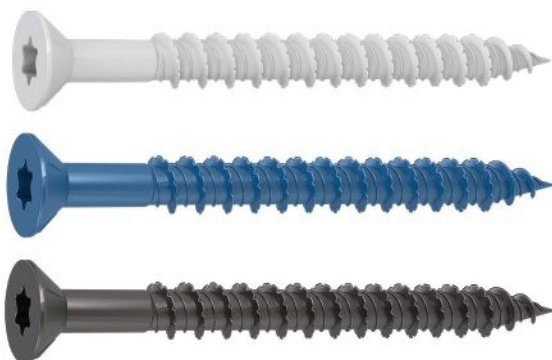
Because CAMO's ClipDRIVE stand-up tool for fastening grooved boards with CAMO Universal Deck Clips is dedicated to grooved boards and clip installation, it has a lower cost than the CAMO Drive (which has three fastening options: CAMO Universal Deck Clips, CAMO Collated Edge and Face Screws), is lighter in weight, and reportedly provides for fast installation.

Doug Hutchings, vice president of product development for National Nail (the parent company of the CAMO Brand), suggests growth may also come from the decking market. "I see the market cooling slightly in the post-pandemic period with concerns over inflated pricing, high costs and the labor shortage, and a looming recession impacting consumer confidence," he explains. "That being said, we view the deck building market as stable-to-relatively strong due to our contractors' high level of pent-up demand for the remainder of the year."

As well, domestic production may help bolster any stagnation, and fastener manufacturers suggest LBM dealers turn to sources closer to home. "With continuing and widespread supply chain challenges, containers lined up for miles at ports and the short supply of truck drivers, 'Made in U.S.A.' fasteners will see an increased growth of sales," says Maze Nail's Lisa Martin. "Well-prepared American manufacturers have large fastener inventories. Their carefully managed transportation networks make them a reliable source for fastener needs." ▶

FAR LEFT: Hillman's Power Pro Flat-Head Concrete Screw Anchors are code-approved for fastening into concrete and masonry materials. According to the manufacturer, the epoxy coating provides superior, multi-layer corrosion protection in treated lumber and outdoor applications.

LEFT: ITW's GRK RSS Rugged Structural Screws are a lag alternative that the manufacturer says requires low installation torque, allowing for fast driving and ease of install, while a proprietary thread design draws two substrates together while the washer head allows zero gap joints.



The Quality You Expect, Inside and Out.



From interior wall cladding to exterior trim, Palram's PVC products are built to last.
Offer your customers the Palram Difference.

Palram Interior Wall Cladding:

- ▶ Palclad™ Pro: The premier alternative to FRP
- ▶ Palclad™ Pro HYG: An active antimicrobial system
- ▶ No fiberglass particles, installer-friendly
- ▶ Class A fire rated
- ▶ Non-toxic, lead free, phthalate free
- ▶ Water, bacteria & chemical resistant

Palight Trimboard Exterior Products:

- ▶ Expands 23% less than competitor products
- ▶ Free foam technology provides clean, uniform edges – and will not chip when cutting
- ▶ Advanced core structure for superior milling, routing, turning, bending and other techniques
- ▶ EverClean™ Film protects surface until the job is done



Pioneers in PVC innovation for over 55 years.

palram.com/us • 800.999.9459

FASTENERS FOR NEW TECHNIQUES

Of the trends that are driving growth in the fastener segment, many manufacturers point to the increase in mass timber construction. As reported by the market research group IMARC, by 2025, mass timber is expected to account for \$1.4 billion of the \$14 trillion global construction industry—not surprising, considering the use of mass timber panels can bring significant cost savings and reduced construction time. Mass timber is also less sensitive to temperature changes and can increase overall structural energy efficiency, and fastener manufacturers recommend LBM dealers pay close attention.

“The use of heavy timber, mass timber, and cross laminated timber is a growing trend in both commercial and residential construction requiring connectors and fasteners designed for strength and durability,” explains Simpson Strong-Tie’s Shirley. “Simpson Strong-Tie has expanded our family of Strong-Drive Timber screws into a broader range of fully-threaded and partially threaded fasteners in lengths and diameters designed to meet a wider variety of applications including beam reinforcement, wall-to-wall, floor-to-floor, support beam, butt joint, bearing reinforcement, and splitting reinforcement.”

Pan American’s Phil Lail also points to the increasing use of mass timber as a growth opportunity for LBM dealers. “We continue to see growth in the mass timber and cross laminated timber applications,” he reports. “Once it was prominent in only a select few geographical areas of the country, but we are seeing that market expand quickly across the US and Canada. Sales of our Big Timber BTX and STX construction lags screws were up over 35% last year and we are seeing growth from North Carolina to California and all points in between.”

This increased interest in building techniques and materials that fall within the concept of sustainable construction is going to require increased availability of fasteners specifically designed for those purposes. “Sustainable de-

sign, such as the use of cross-laminated timber and ensuring zero carbon emissions, are the wave of the future,” says SPAX’s Ashack. “These concepts will become more mainstream in the U.S., as they have been in Europe and Canada for some time. We are fortunate to rely on the expertise of the international side of our SPAX team to bring us up to speed quickly in that space.”

SPAX POWERLAGS structural fasteners are now available with an ornamental, decorative black finish for exterior projects. This High Corrosion Resistance (HCR) coating is made up of a zinc base coat that’s finished with a durable top coat.



FASTENERS FOR EFFICIENCY

It’s not merely the need to adapt to new building techniques that’s driving growth in the fastener industry. New product development is also being pushed by the need to overcome the challenges of a diminished trade workforce. Pointedly aware of the needs of the LBM dealer to provide their customers with products that are easier and quicker to use, fastener manufacturers are busily creating new offerings that deal with these challenges.

“From a design standpoint, Simpson Strong-Tie is researching and re-engineering fasteners with the contractor in mind,” explains Simpson Strong-Tie’s Shirley. “Specifically, we’re looking to solve pain points by targeting improvements in connection strength, driving speed and efficiency, cost improvement, and installation ergonomics. Products like the new Simpson Strong-Tie finish trim and wafer head screw with a patented SawTooth point are designed to start fast and eliminate the need for predrilling, and a 6-lobe drive recess ensures positive engagement for the drive from start to finish.”

With labor shortages remaining a significant pain point for contractors, LBM dealers need to be prepared to offer choices in fasteners and the needed tools to install them that decrease the dependency on manpower. ▶



Screw Products, Inc. recently re-engineered the majority of its fasteners. According to the manufacturer, these improvements include a slightly curved head to offer a more elegant appearance, ribs under the head for quickly cutting into the wood, and dual knurls that reduce friction and heat on the shank.



**30 YEAR
TRANSFERABLE
WARRANTY**
THE BEST IN THE BIZ

3X FASTER DECK INSTALL

**USING A PNEUMATIC
TOOL OR DRILL!**

**PERFECT FOR USE WITH COMPOSITE,
HARDWOOD, CEDAR OR REDWOOD**



CHOOSE STEEL OR STAINLESS STEEL

- HIGH STRENGTH POWDER COATED STEEL FOR ENDURANCE
- STAINLESS STEEL FOR CORROSION RESISTANCE

4 CLIP PROFILES

- PRECISE FIT ELIMINATES LOOSE DECK BOARDS
- INCREASES HOLDING POWER

ELEVATES YOUR DECK BOARDS

- BETTER AIR FLOW REDUCES ROT
- RELIEVES LATERAL LOAD STRESS

SURE  DRIVE

**BUY 5 BUCKETS OF
CONTRACTOR PACKS*
RECEIVE A FREE PNEUMATIC
INSTALLATION GUN**

*INSTALLS 250 SQ. FT. PER BUCKET

LIMIT ONE PER STORE. CALL 888.219.1700 OR
EMAIL SALES@SUREDRIVE.COM FOR DETAILS



ANOTHER INNOVATIVE PRODUCT
FROM SURE DRIVE USA®

SUREDRIVE.COM

**SALES@SUREDRIVE.COM
800.951.2222 TOLL FREE**

FastenMaster has released a new and enhanced version of their versatile GuardDog exterior wood screw. New additions to the GuardDog fastener include a TORX tTap Drive System that delivers wobble-free installation, a sharp Type 17 Point designed for quick cutting into the wood surface, and cutting nibs under the head to deliver a clean finished look.



“Whether you’re a home builder, decking specialist, or remodeler, there is shortage of help causing longer lead times for projects to get completed,” says ITW’s Romanski. “Fastening systems allowing pros to improve productivity puts dollars in their pocket in the long run by allowing to finish faster and without hassles. There has never been a stronger reason for the pro to go cordless with their power fastening tools. With our newly updated Paslode Cordless 16 ga. Angled Finish Nailer, pros can get to work faster without the added time of rolling out a hose or compressor, let alone if you are working in a furnished home, such as installing new windows.”

Pan American’s Phil Lail agrees on the importance of providing product that decreases the amount of installation time. “We are seeing more end users interested in products like our pneumatic Mantis clip installation tool. As the labor market shrinks, tools like this help the deck builder finish products faster and more efficiently using less labor hours.”

It’s about providing products that deliver solutions, points out Maze Nails’ Martin. “Maze has seen growth in our painted nail line and our wide range of specialty nails,” she says. “With the increased prefinished siding and trim market comes the need for color matched accessories including nails. We have observed

an uptick of specialty nails for both manufacturing and product specific products. Having the capability to manufacture nails to exact specifications offers an easy solution for many manufacturers who need nails or pins for use in their operations. Engaged retailers can often be the conduit for fasteners into those factories.”

FASTENERS FOR NEW MATERIALS

Beyond mass timber and its increasing use, other building materials that fall outside of traditional lumber are requiring fastener manufacturers to develop new solutions, and LBM dealers need to be able to meet these growing demands.

As an example, SPAX’s Yates points out the increasing use of composite materials and the need for fasteners developed specifically for composite’s unique properties. “Treated lumber lasts 8-10 years, while composite lumber lasts a lot longer,” he says. “There’s a need for fasteners to be more durable and have great longevity. We’re keeping all of this in mind.”

Hand in hand with the use of composites is the emerging trend of steel deck framing—a building style that has its own unique fastener needs. “The growth of steel framing for decks require specially-designed fasteners and tools to make the experience faster and easier,” says National Nail’s Hutchings. “CAMO met the market need for this trend with our award-winning EDGEXMETAL clips, explicitly designed for steel-framed applications.”

Hutchings also points out the need for more consumer education regarding stainless steel fasteners. “The fastener selection for projects exposed to the elements, such as salt-water coastal areas, farming projects, lake and pool areas, or for unique wood species such as cedar and redwoods is important to learn,” he says. “Stainless steel is the best alloy for any application, but understanding the different grades will help keep projects safe, long-lasting, and looking great.”

BELOW RIGHT: SaberDrive Platinum from Midwest Fastener is described as a top tier, premium fastener brand, engineered to handle any job with top performance. Certified tough with a coating lasting over 2,500 hours in a corrosion resistance salt spray test. Designed to be one of the best construction fasteners on the market.

FAR RIGHT: Engineered for applications such as deck ledger boards, outdoor gazebos, and commercial renovation applications, Tapcon reports its new Tapcon Plus Heavy Duty Anchors can be used in concrete, block, and brick applications as an alternative to expansion anchors, plugs, and lag shields. They’re corrosion-resistant, and are cracked-concrete and seismic approved under ICC-ES ESR 3699.



Sometimes, however, new solutions are found in already-existing fasteners, and LBM dealers should stay atop these developments so that they are best poised to provide these solutions to their customers. “We had our wood screws tested in concrete,” explains U2 Fasteners’ Uli Walther. “Now U2 Fasteners are truly multi material screws. We have ultimate load values for most sizes.”

PROVIDE SOLUTIONS TO WIN CUSTOMERS

It goes without saying that any given LBM dealer wants to be top of mind with their customer base when it comes to best providing needed products and solutions, and fastener manufacturers have some pretty specific recommendations as to how best to win customer loyalty.

The first—and perhaps the most obvious—strategy is for the LBM dealer to ensure as best as possible a stable supply chain, and then use it to maintain your inventory. Granted, supply chain issues can be a constant headache, but the more effort a dealer puts in to stabilizing product availability, the better chance of creating a return customer. “You can’t sell from an empty wagon,” says Maze Nails’ Martin. “LBM dealers need to focus on having an inventory of quality products that have a strong supply chain and no outages. Focus on the products that have shown reliability and are quick to be restocked so that inventory shortages are kept to a minimum. Providing customers with knowledgeable information and stocked shelves will prove to be a significant selling advantage for attentive dealers.”

ITW’s Romanski agrees about the necessity of stable inventory for LBM dealers, but also points out the need to offer choices. “Time is money for the pro, and ensuring that LBM dealers have the right product on the shelf is also a way to improve productivity for the pro contractor,” he explains. “A contractor wants to come in grab what they need and get back to the job site. The last thing they want is to go to a dealer and not have the right fasteners or enough quantity of the fasteners they

need to get the job done and force them to go to another location. LBM dealers should consider including a broad fastener portfolio offering and include additional facings or general stock of their highest selling fasteners to ensure their customers can get their fill. They will in turn identify them as the destination for all their fastening needs.”

U2 Fasteners’ Uli Walther points out how a little forethought and planning can go a long way. “Contact your fastener provider and check their stock levels before quoting large jobs. We will have it in stock!”

Hillman’s Amy Blasé recommends also investing in products for the repair and remodel categories as well. “Having the right product in the appropriate quantities available when the job needs it will remain critical,” she says. “In addition, offering high-performance products that can save time on the job, and ultimately money, will drive customer satisfaction and repeat purchases.”

Having product on hand, however, is only half the battle. Without keeping up with product education and being able to serve as an information resource to the customer, fastener manufacturers warn LBM dealers will be missing out on building long-term customer relationships. As Pan American’s Phil Lail explains, “With so many fastener options in the market right now for threaded fasteners and hidden fasteners, education is the key to making good choices. Dealers should make sure their staffs are up to date on the latest products and how they compare to others in the marketplace. Your end users stake their reputations on their work and count on the dealers to help them make the right choices.”

By staying on top of the product knowledge game, LBM dealers will be able to be an innovation leader for their customers. “Lead with innovative solutions and best practices advice that can help contractors improve productivity and increase margins,” recommends National Nails’ Hutchings. “Be the dealer that provides ‘value’ by teaching best practices and sharing innovative solutions proactively and not be passive in the fastening sector.”

If there’s a single takeaway that should give heart to the LBM dealer, it’s that growth, while potentially slower than in 2021, is still likely. Fasteners are not an optional commodity; construction and remodeling can’t happen without them, and manufacturers are doing everything in their power to ensure dealers have what they need to succeed. It’s as Maze Nails’ Lisa Martin puts it: “Listening to the customers and serving them great products is what makes a business expand and grow. ■



Maze Nails has recently added U2 Fasteners screws to its product lineup, thus allowing Maze to serve as a one-stop shop for LBM dealers.

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

Westlake Royal Roofing Solutions Sol-R-Skin BLUE roofing underlayment

Sol-R-Skin BLUE roofing underlayment from Westlake Royal Roofing Solutions is a UV-resistant, thermal insulating and reflective underlayment. According to the manufacturer, the blue surface helps reduce sun glare during installation, and its aluminum foil facer and fiberglass insulation deliver an R rating of 5.5 while offering Class A rated fire resistance when used with stone-coated steel, concrete, and clay tile roof systems. A 450-sq.-ft. roll weighs 45 lbs., quickly nails into place, and its adhesive strip at the headlap helps prevent wind uplift. Sol-R-Skin BLUE can be installed in any climate, comes with a 30-year limited warranty, and meets or exceeds all national, Florida, and Miami-Dade building code requirements. As well, it's listed with California's Office of the State Fire Marshal to be used in fire resistant roof systems in the Wildland Urban Interface regions. westlakeroyalroofing.com



Epicor BisTrack

Epicor's BisTrack is a user experience interface that the company touts as a modern, easy-to-use platform that enables employees to work remotely while simplifying common business practices. Users can schedule, dispatch and deliver product, optimize truck and driver usage, and minimize errors. With new extended support with WMS to support tagged packs, users can track by pack rather than by individual units, and rate shopping with Epicor Quick Ship allows users to see preview shipping rates with FedEx or UPS. epicor.com

Boise Cascade Versa-Lam LVL Beams

According to Boise Cascade, its Versa-Lam LVL beams and headers deliver better bending strength and E-value as well as eliminate twisting, shrinking and splitting while delivering flatter, quieter floors and structures. Because they have no camber and strength is consistent throughout, Versa-Lam LVL products support heavier loads and longer spans than comparable glulam or dimension lumber products. Additionally, Versa-Lam LVL products are designed to match BCI and AJS Joists and are available in multiple widths and depths for residential, light commercial, and multifamily construction. They come with a lifetime guarantee and are warranted to be free from defects in material and workmanship. bc.com



Spruce from ECI

ECI's Spruce suite of software gives customers a way to manage business operations in one integrated end-to-end solution. With features that handle purchasing through delivery, ECI says that Spruce can eliminate redundancies and improve communication across the organization. Advanced reporting and dashboards enable users to analyze performance and monitor KPIs. As well, Spruce gives users the ability to stay connected with up-to-date company information and communication at any time from any internet-enabled device. And with its recently launched ProLink, LBM businesses can offer their key accounts direct access to account information, delivery scheduling and online shopping. ecisolutions.com

BETTER BY DESIGN



Built by Huttig



Same height and width
1 lb. and 5 lb.
master cartons

Color-coded
wayfinding
system

Actual-size
fastener image

Crystal-clear
labeling

Thinking Inside and Outside the Box

Designed to work for you and for your customers, the Huttig-Grip™ fasteners program was conceived by a team of industry experts to solve the pain points with existing programs.

Consistent, effective packaging across all categories makes it easy to have a cohesive, robust fastener assortment and improved customer experience.

- Huttig-Grip™ nails & screws
- Huttig-Guard™ exterior screws & stainless steel fasteners
- Huttig-Spin™ drywall & steel framing screws
- Collated fasteners, including stainless steel, tub & clamshell programs

Partner with Huttig® to get the following advantages for your fasteners program:

- Breadth and depth of SKU assortment
- Rigorous manufacturing standards
- Same schedule, same truck, same invoice as millwork and building materials

HUTTIG-GRIP™

Visit www.huttig-grip.com to learn more.

Weyerhaeuser Parallam PSL Beams

According to Weyerhaeuser, its Parallam PSL beams add strength and reliability to structures, makes longer spans possible, and allows for more design options with open, spacious floor plans. They deliver excellent connection performance, are available in long lengths, and are covered by a comprehensive warranty. When sanded and stained or painted in exposed interior floor plans, Parallam PSL adds dramatic emphasis to long spans. They can be cut to length on-site and fastened with common hardware, are easily sealed and stained on-site, and are manufactured to resist shrinking, twisting, or bowing. weyerhaeuser.com



Buildxact construction management and estimating software

Buildxact provides take off, estimating, and project management for the homebuilding, construction, and remodeling industries. Rather than requiring the user to purchase additional modules or add-ons at additional cost to increase capability, Buildxact is available as a complete full-capacity, all-in-one platform. Its Merchant Pro subscriptions enable LBM dealers to connect their ERP systems with custom home builders and remodelers so LBM dealer customers can produce more accurate estimates, win more work, and order more materials from their integrated LBM dealer. Enhanced features promise to allow LBM dealers to reduce cost of sale and increase quote-to-award conversion rates by collaborating digitally with customers when responding to builder RFQs. buildxact.com

Key-Link External Cable Rail Fittings

In response to the demand for minimalism and clean lines, Key-Link Fencing and Railing has reissued its external cable fittings as smaller parts, which, according to the manufacturer, means they require less raw material and have less bulk but still possess the same tensioning capability. According to Key-Link, these fittings can be used with wood, masonry, concrete, or aluminum posts, and the unique, proprietary system makes installation easy, using only a few standard tools. keylinkonline.com



Universal Forest Products Edge Premium Primed trim and fascia

Edge Premium Primed trim and fascia from Universal Forest Products is made from radiata pine and is available in a reversible profile (S1S2E) with both faces offering a unique textured appearance. Each trim and fascia board is knot-free, finger-jointed (for reduced defects) and edge-glued with a high quality exterior adhesive that binds the wood during production. According to UFP, this process enhances both the board's appearance and performance, especially when a long run is needed. Premium Primed trim boards are also available with XTP (Exterior Topical Preservative) for protection against rot and termites. ufpedge.com



Goodbye drywall, hello trusscore

DIYers have been waiting for an easy-to-install and high-performing alternative to finish interior walls and ceilings...

Trusscore Wall&CeilingBoard is the answer!



Become a **Trusscore** **Dealer** today!

- Show your customers there is a better way — Trusscore Wall&CeilingBoard is durable, water resistant, installs four times faster than drywall, and lasts a lifetime
- Integrates seamlessly with Trusscore SlatWall providing wall storage and organization — perfect for garages, basements, and mud rooms
- Add revenue to your bottom line with a new product category



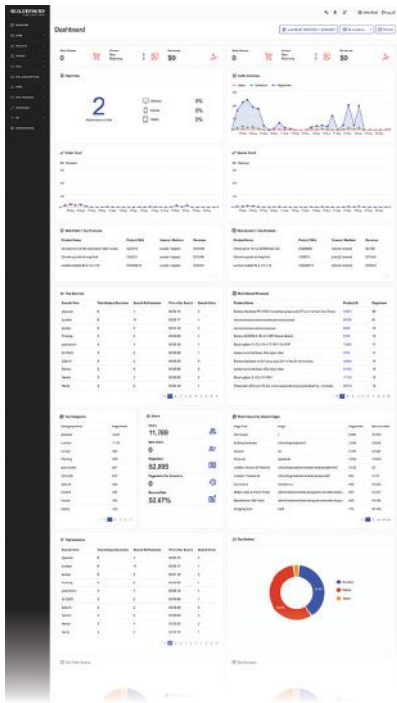
Scan Here
TO LEARN MORE
INFORMATION!

Visit trusscore.com/sell-trusscore
to learn more and find a distributor
near you!

 **trusscore**

Builderwire IBOS ordering system

Builderwire's IBOS is an internet-based ordering system that integrates an LBM dealer's products with a customizable account system and a B2B/B2C e-commerce module to maximize business potential. According to Builderwire, IBOS allows LBM dealers to create an interactive web storefront system that showcases their product catalog while giving their clients 24/7 access to manage their account information and other balance details. builderwire.com



Evolve Stone veneer

Evolve Stone's stone veneer is designed as the world's first mortarless, color-throughout stone veneer with realistic appearance and texture. According to the manufacturer, because Evolve Stone is installed using a nail gun and finish nails, it installs up to 10 times faster than traditional stone veneer. Evolve Stone is engineered to not hold moisture against a structure, which other veneers can do. As well, Evolve Stone is designed to be durable and lightweight, which is said to make installation easier for homeowners and DIYers. Shown here in its National True style, Evolve Stone won Best in Show and Most Innovative Building Material at the 2022 International Builder's Show. evolvestone.com



DSI Westbury Veranda aluminum and glass deck railing

Westbury Veranda aluminum and glass deck railing from DSI features powder coated aluminum rails and posts with tempered glass panel infills. According to DSI, Veranda aluminum posts and rails are lightweight and easy to install and provide a high level of durability and strength. Westbury Veranda is available in 12 standard powder coated colors with a choice of smooth or textured surfaces, is engineered to provide a safe enclosure for children and pets, and is code approved for residential and commercial railing applications. All DSI Westbury Aluminum Railing comes with a lifetime limited warranty from DSI. westburyrailing.com



ACRE Siding from Modern Mill

New to Modern Mill's product lineup, ACRE wood alternative siding is a sustainable, durable alternative that looks and feels like real wood but is made from upcycled rice hulls. Available in shiplap and board & batten designs, ACRE is water-, weather-, and pest-resistant and guaranteed not to rot or splinter. According to the manufacturer, ACRE can be cut and installed like wood, accepts paint and stains, allows for blind fastening, and the shiplap planks are available in 12', 16', and 20' lengths. Modern Mill points out that ACRE is produced in a zero-waste manufacturing environment, and one pallet of the siding saves one acre of rainforest or hardwood species. modern-mill.com



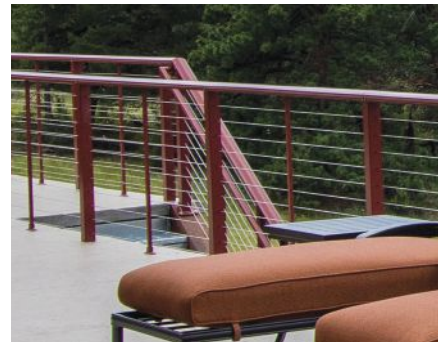


Paladin Pilot

Paladin Data Corporation's products give businesses a single point of control for their entire operation from ordering and inventory control to final sales and delivery. The latest release of its Paladin Pilot remote management software contains features which include new mobile capabilities that, according to Paladin, significantly enhance an LBM dealer's online presence while providing new ways to easily expand product lines. paladinpointofsale.com

Feeney ColorEasy DesignRail

Feeney recently introduced ColorEasy, a new powder coating program for its DesignRail aluminum railing system and awning kits. ColorEasy was developed to complement popular exterior and interior finishes and features 15 fade-resistant colors and three simulated wood grains that meet AAMA 2604 specifications for superior color retention, plus resistance to impacts and weather. feeneyinc.com



M.K. Morse Metal Devil saw blades

Touted as delivering unrivaled blade life along with faster, cooler cutting, the fourth generation of the Metal Devil saw blades are reported to create cleaner cuts in metal. According to the manufacturer, the steel cutting blades have a 220% longer life than the previous generation of Metal Devil blades and last more than 30% longer than the top competitors when cutting Unistrut and square tubing. The aluminum/non-ferrous cutting blade boasts 153% longer life than the top competitor in 80/20 and 48% longer life in aluminum plate, and the stainless steel cutting blades have 328% longer life when used on stainless steel tube. mkmorse.com



ULINE
SHIPPING SUPPLY SPECIALISTS

TOUGH AS NAILS

THE BEST POLY IN THE BUSINESS

ORDER BY 6 PM FOR SAME DAY SHIPPING

COMPLETE CATALOG 1-800-295-5510

LBM JOURNAL
PODCASTS

LBM SALES
HOSTED BY RICK DAVIS

Don't miss the LBM Journal Sales podcast, hosted by Rick Davis, the premier sales trainer and consultant in the construction supply industry. In each episode, Rick and guests explore what it takes to genuinely succeed—not just in sales and business, but in life.

SPONSORED BY **msi**



FASTENERS™

THE DRIVING FORCE IN THE FASTENER INDUSTRY

Interior & Exterior Case Hardened & 316 Stainless Steel

For decking, framing, sub-floors, fencing, lattice, shelving, railings, stairs, fine wood working, lateral bracing, concrete forms, timber construction, staircases, deck frames. rafter, trellis framing, ledger boards, joists, planter boxes, post supports, play-set structures, retaining walls, facade attachments, laminated beams, SIP pannels, fencing, pole barns, and so much more.



Use the Universal & Construction screws

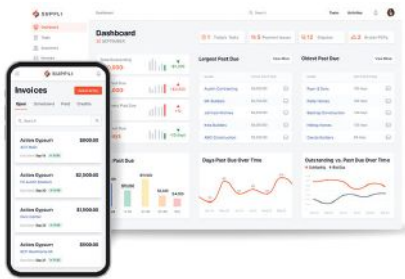
Premium fasteners, code compliant & focus on customer service.
Fasteners that contractors & engineers agree on.



tf: 855-895-7096 | u2fasteners.com | sales@u2fasteners.com

Suppli technology platform

From onboarding to invoice presentation to collections, Suppli's technology empowers LBM dealers to increase cash flow, reduce risks and provide a better customer experience. Developed by a team composed of building material suppliers, software engineers, and financial experts, Suppli features 24/7 access from any device and frees up sales and credit teams by automating routine tasks like sending invoice reminders and preparing lien waivers. gosuppli.com



MP Global Products QuietBoard

With its dense construction that reduces impact noise while increasing floor stability, QuietBoard minimizes flex between planks to make floors solid underfoot, raises floor height to remove trip hazards, and adds to home insulation value to help reduce heating and cooling costs. QuietBoard also features ECO Wick, a built-in vapor barrier that protects the overlying floor from water above, while its antimicrobial-treated fibers protect against moisture below the floor's surface. mpglobalproducts.com



KEEN Utility Roswell work boot

The Roswell is a first-of-its-kind for KEEN Utility—a work boot with versatility that makes it a standout for warm conditions. With a fold-down collar and breathable canvas upper, the Roswell enables a seamless transition from the job site to off-the-clock wearability. Additional comfort is provided by a KEEN.ReGen midsole that returns 50% more energy than standard EVA foam and asymmetrical carbon fiber toes that are 15% lighter than steel. The oil and slip-resistant, non-marking, multidirectional lugged rubber outsole maximizes surface area and improves traction, while an EH-rated outsole protects the underfoot from live electrical circuits. keenfootwear.com

MONO





GOTHIC ARCH



LAM-PLY TRUSS

RIDING ARENAS • CATTLE ENCLOSURES • STORAGE • SHOPS

GAMBREL



- Spans up to 72 ft.
- Bird nesting control
- Up to 12 ft. spacing depending on desired load
- No feed alley post obstruction
- Additional ceiling height for more usable space

TIMBER TRUSS





Independence, WI

starwoodrafters.com • 715-985-3117 • 888-525-5878



Paradigm Omni software

Paradigm Omni quoting and selling software makes configuring and quoting complex building products fast and easy. This omni-channel selling solution offers online, in-home, in-store, and dealer functionality to help maximize sales and reduce tech stack. It allows users to take advantage of quoting and configuration capabilities that work seamlessly together, giving users the option to evaluate project data and information needed to make recommendations based on demographics, square footage, zip code, and more. myparadigm.com



Creating Life Outdoors.

Dimension • Decking • Timbers • Fencing

 **BIEWER
LUMBER™**
biewerlumber.com
800.482.5717

SELECT 
THE CHOICE OF PROS **CUT**



1stWEST M&A has advised on the sale of companies with a combined value of more than \$1 billion.

With a focus on companies with \$10-\$100 million in sales, 1stWEST has a specialty practice serving the readers of LBM JOURNAL and the manufacturers and distributors that serve them.

Valuations have never been higher

Contact us for a no-cost, no-obligation valuation consultation

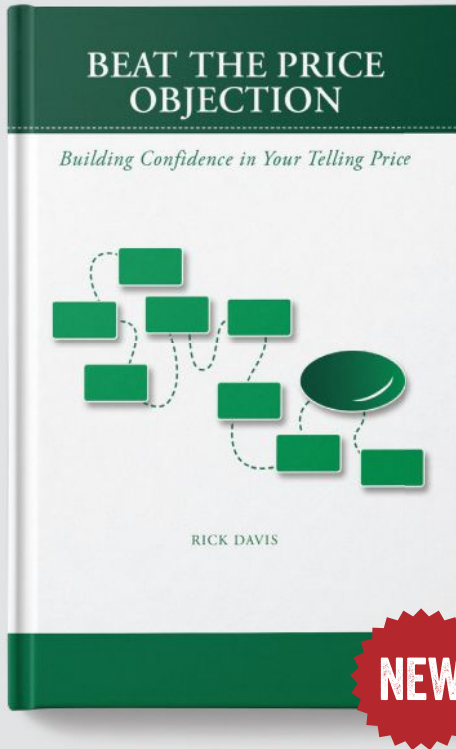
Read our monthly column in LBM JOURNAL

1stWEST[®]
Mergers & Acquisitions LLC

Contact: John D. Wagner | 919.796.9984 | j.wagner@1stwestma.com | 1stwestma.com

SERVING DISTRIBUTORS, MANUFACTURERS, AND LUMBER DEALERS

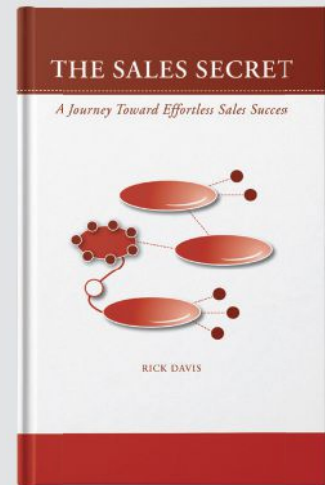
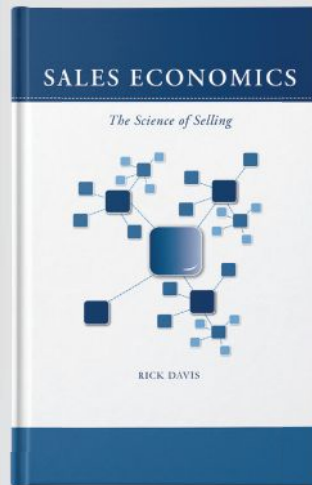
THE PATH TO MORE PROFITS.



FIND YOUR PATH TODAY!

Visit buildingleaders.com/store to order your book for \$25 or save on the three-book series for only \$60!

Prices do not include shipping.



BEAT THE PRICE OBJECTION

RICK DAVIS' LATEST BOOK, illustrates how the wise mentor, Abe, leads Noah on the path to find better customers; develop a game plan that earns his price; and know the right tactics to use in price negotiations. Join Noah as he finds his path.

ABOUT THE AUTHOR

RICK DAVIS, CSP, CDT is a sought-after speaker, trainer, sales consultant, and the president of Building Leaders, Inc. He is also a world class magazine columnist who has been awarded gold and silver medals from the American Society of Business Publishing Editors.



"Wow! Just wow."

— **Rick Schumacher**, *Publisher and Editor of the LBM Journal*

"You nailed it! I don't think there has ever been a book written like it and I've read all of them."

— **Bill Lee**, *Founder of Lee Resources*

"Nobody has written a book on sales like this, and I've read all of them."

— **Tom Latourette**, *Managing Partner and Certified Trainer M3 Learning*

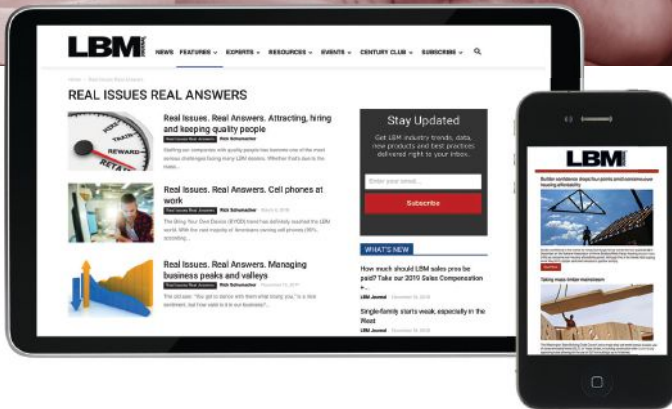
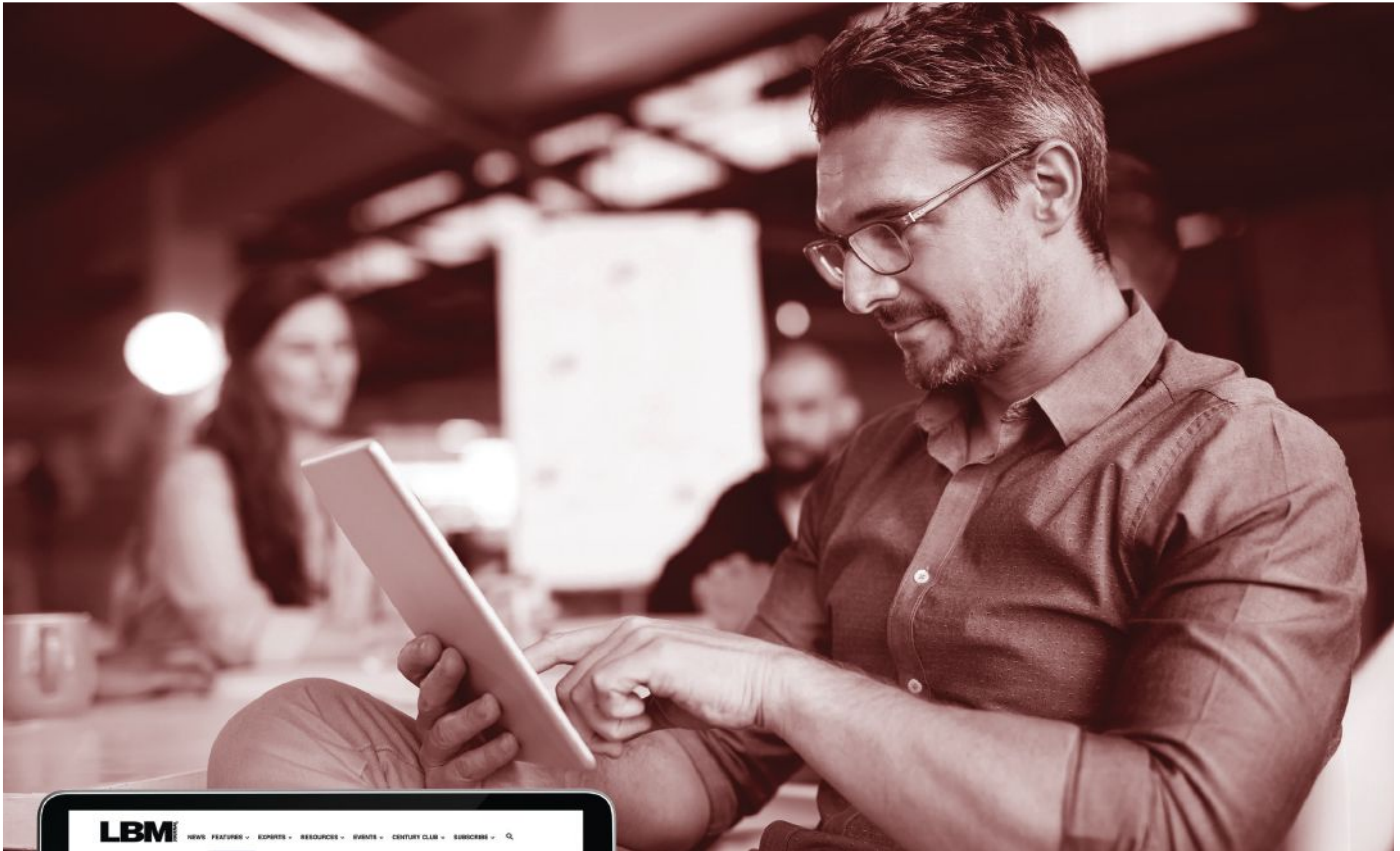
ADVERTISER INDEX

COMPANY	PAGE	PHONE	WEBSITE
1st West Mergers & Acquisitions LLC	76	866.489.6604	1stwestma.com
Armadillo Composite Decking	44	320.243.7318	armadillodeck.com
Arxada	47	470.504.1300	wolmanizedwood.com
Barrette Outdoor Living	35	877.265.2220	barretteoutdoorliving.com
Biewer Lumber	75	810.329.4789	biewerlumber.com
Blink Blinds + Glass	25	800.253.3900	odl.com
Boise Cascade Engineered Wood Products	7	208.384.6161	bc.com
BuyMetrics, Inc.	71	888.485.8623	buymetrics.com
DMSi	27	402.330.6620	dmsi.com
Grabber Construction Products	15	800.477.8876	grabberpro.com
Great Southern Wood Preserving, Inc.	29	800.251.0836	yellowood.com
Huttig Building Products	67	800.325.4466	huttig.com
Krauter Auto-Stak	48	800.992.2824	krauterautostak.com
LBM Century Club	IBC		lbmjournal.com/lbm-century-club
LMC (Lumbermens Merchandising Corporation)	50-51	800.218.0043	lmc.net
Manning Building Products, LLC - Permafoot	38-39	919.662.9894	perma-foot.co
*Manufacturers Reserve Supply	BB, 9	973.373.1881	mrslumber.com
Maze Nails	49	800.435.5959	mazenails.com
MFM Building Products Corp.	37	800.882.7663	mfmbp.com
Midwest Fastener Corp.	59	800.444.7313	fastenerconnection.com
Orgill	43	800.347.2860	orgill.com
Palram Americas	61	610.285.9918	palramamericas.com
Paslode	31	800.341.0744	paslode.com
Pennsylvania Lumbermens Mutual Insurance Company	18-19	800.752.1895	plmins.com
ProWood	17	844.529.5882	prowoodlumber.com/dealer
QuietBoard	10-11	888.379.9695	mpglobalproducts.com
*Rollex Corp.	9	800.251.3300	rollex.com
*RoyOMartin	9	800.299.5174	royomartin.com
Simpson Strong-Tie	5	800.999.5099	strongtie.com
Spax U.S.	23	419.636.6715	spax.us
Starwood Rafters	74	888.525.5878	starwoodrafters.com
Sure Drive USA	63	800.951.2222	suredrive.com
Tamlyn	45	800.334.1676	tamlyn.com
Thermally Modified Wood Products	IFC-1	201.572.1807	gwoodpro.com
Trusscore	69	888.418.4679	trusscore.com
U2 Fasteners	73	855.895.7096	u2fasteners.com
UFP-Edge	33	844.529.5882	ufpedge.com
Uline	72	800.295.5510	uline.com
Westlake Royal Building Products	OBC	800.521.8486	westlakeroyalbuildingproducts.com
Weyerhaeuser	13	800.525.5440	weyerhaeuser.com
Zip System Building Enclosures	3	800.933.9220	ziprevolution.com

*Denotes regional distribution.

Note: last-minute changes will affect the accuracy of this listing.

IBC=inside back cover, IFC=inside front cover, OBC=outside back cover, BB=belly band, INS=insert, PB=polybagged, WP=white paper.



The new **LBM JOURNAL DAILY** e-newsletter is built for pros in the lumber/building material industry, delivering the latest news and insights on market trends, new products, sales and marketing tips and more into your inbox every business day.

This free daily e-newsletter complements the robust, recently reinvented **LBMJOURNAL.COM** website.

LBM JOURNAL is committed to using the latest technology to deliver information the way you want it: print issues, digital issues, daily e-newsletter, website, webinars, white papers, social media, and the live **LBM STRATEGIES CONFERENCE**.

Subscribe for free at **LBMJOURNAL.COM**, then browse, bookmark, share and interact with the most relevant and credible content and people in the market. Here's to building your sales, your business and your brand.

THANK YOU TO OUR PREMIUM PARTNERS

Westlake
Royal Building Products™

pro'wood



Weyerhaeuser

ORGILL



iUPG

SPAX

blink
BLINDS + GLASS



HIRE OR HOLD TIGHT?

THE COMBINATION OF STRONG SALES AND A LEAN STAFF HAS YOU WORRIED ABOUT PEOPLE BURNING OUT, BUT YOU HESITATE TO HIRE WHEN RECESSION TALK DOMINATES THE NEWS. WHAT WOULD YOU DO?

IT WAS A BUSY summer at Working Hard Building Supply, and it's shaping up to be another record sales year. The reset store plan—complete with lawn and garden supply and an expanded hardware section—that you added a few years ago has again proven to be a great investment and will carry your retail sales through the fall and winter months.

With business yet again looking to take less of a downward turn in the winter as it had in years past, you're concerned about your staff. While many on your team have adjusted well to the "doing more with less" philosophy you've been forced to adopt during a shortage of labor in your market, some are showing the effects of extra hours and extra responsibilities. And, now that the seasonal student help has gone back to school, you're even more understaffed than before.

You know you need to fill some positions and, frankly, there is probably some backfilling to do as well. The only problem is that every time you turn on the news, you hear more about the possibility of a recession on the horizon. You know from your own experience in 2008 that laying off staff is the absolute worst part of business ownership. And the stories your dad tells from the '70s, well...let's just hope we're not looking at that kind of recession.

It doesn't take an MBA to know that if tough times are indeed ahead, then belts should be tightened now. A number of big corporations in the news have already instituted hiring freezes. But a business your size, one where most of the staff are also friends and neighbors, you hate to see anyone overworked.

In short, you need to hire to keep the team you have from burning out, but you don't want to hire only to turn around and let them go if necessary. What would you do?



► **CAST YOUR VOTE ONLINE AT: LBMJOURNAL.COM**

- **RIDE IT OUT:** Don't hire. Wait to see where this recession talk ends up. Let everyone know they may need to wear more hats.
- **HIRE ANYWAY:** The best way to take care of your current employees is to get them the help they need now.
- **HIRE JUST A FEW:** Find your absolutely most-needed positions and only hire to fill those.
- **CHECK WITH THE TEAM:** Bring the staff together, explain the situation, and your concerns, and see what they have to say.

SOMETHING ELSE?

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



LBM CENTURY CLUB HONORS 100-YEAR-OLD BUSINESSES

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

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

THE MOST RECENT INDUCTEES INTO THIS EXCLUSIVE CLUB INCLUDE:

HILLS FLAT LUMBER CO. Grass Valley, CA	est. 1921	BARDEN LUMBER Boyne City, MI	est. 1922
MENTOR LUMBER & SUPPLY CO. Mentor, OH	est. 1922	MAZE LUMBER Peru, IL	est. 1848
TULLY BUILDING SUPPLY, INC. Tully, NY	est. 1921	PARKES LUMBER CO. Lawrenceburg, TN	est. 1896
BARNEY & CAREY CO. INC. Avon, MA	est. 1922	GRIFFITH LUMBER COMPANY Manhattan, KS	est. 1911
HERMANN LUMBER COMPANY Hermann, MO	est. 1922	WOODS LUMBER Independence, KS	est. 1889

SPONSORED BY

EPICOR

Every home, every material:
Put it all together.



The Conceal[®] Trim System leaves no home unfinished.

Conceal has the 100% cellular PVC trim profiles to help you upgrade, embellish and fulfill 100% of your jobs.

Learn more at TrimAppeal.com/LBM

Westlake
Royal Building Products[™]
WestlakeRoyalBuildingProducts.com

© 2022 Westlake Royal Building Products

SIDING & ACCESSORIES
TRIM & MOULDINGS
ROOFING
STONE
WINDOWS
OUTDOOR LIVING

