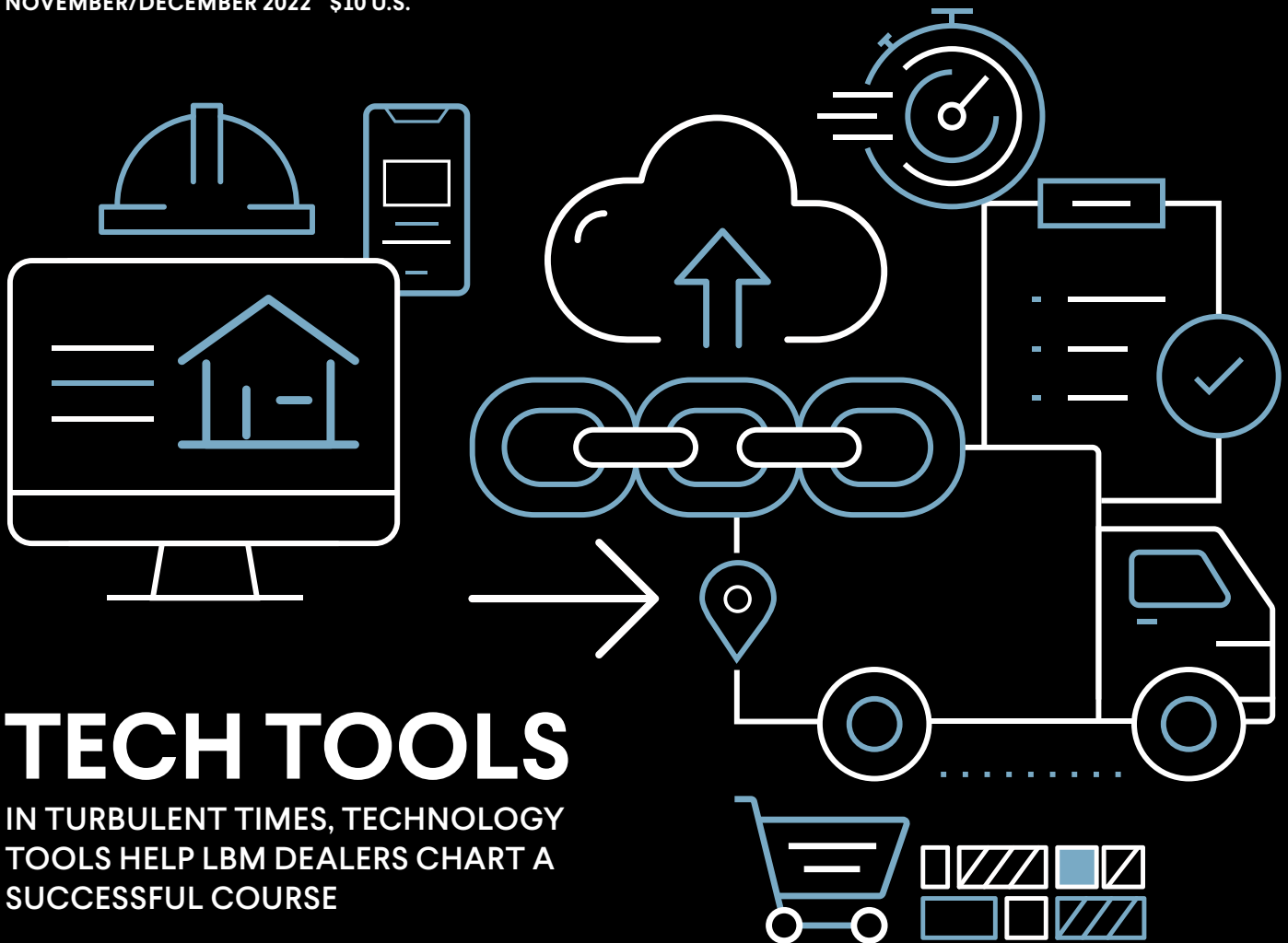


LBM JOURNAL[®]

STRATEGIES FOR LUMBER/BUILDING MATERIAL DISTRIBUTION PROS

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NOVEMBER/DECEMBER 2022 \$10 U.S.



TECH TOOLS

IN TURBULENT TIMES, TECHNOLOGY TOOLS HELP LBM DEALERS CHART A SUCCESSFUL COURSE

AUTONOMOUS DELIVERY TAKES TO THE ROAD



2022 LBM STRATEGIES CONFERENCE

HIGHLIGHTS FROM OUR INDUSTRY'S PREMIER EVENT





Is Ecommerce Giving You Heartburn?

While the last three years have brought unprecedented uncertainty, the home and building supply industry has seen an explosion in ecommerce channels during the pandemic. This activity in ecommerce stemmed from pandemic-related growth in online shopping. When it comes to an online sales strategy, we know creating an ecommerce website can feel overwhelming but there are tools that can make it easier.

How important has ecommerce become for businesses like yours? The numbers don't lie. Statista anticipates that by 2024, U.S. mobile shoppers will exceed 187 million. By the end of 2022, ecommerce will also account for 20.4% of global retail sales, up from 10% just five years ago. The COVID-19 pandemic only intensified online shopping, forcing businesses to pivot towards online sales. Statista estimated that ecommerce sales accounted for 18% of worldwide retail sales at the height of the pandemic.

At the end of 2021, Statista estimated there were 2.14 billion global buyers online, making ecommerce not just crucial to business growth, but a customer expectation. This growth proves ecommerce has become just as, if not more, an essential part of how we shop and do business as in-person shopping. Leading businesses rely on ecommerce to engage customers, track trends, and make more informed business decisions.



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As these trends grow, is your business prepared to meet customer expectations?

As you begin to answer that question for your own business, be sure you take advantage of the newly unlocked opportunities that come along with it. Our 2022 State of the Lumber Building Materials, and Hardlines (LBMH) Industry survey found professionals in your field valuing the following services in an ecommerce solution:



50% value online payment processing



48% value product information management



46% value BOPIS (buy online, pick up in-store) services

With a new online sales channel, you can free up your overworked staff members, increase profits, and retain valuable customers. Just like you, your customers seek convenience. Having an ecommerce platform that meets your customers' expectations around convenience will ensure they stay loyal. By investing in online sales, customer-facing employees will have time back to be more efficient, creating a more balanced, effective workforce.

To make adapting an ecommerce solution for your business easier, our eCommonSense solution is an easy-to-use platform that is fully integrated into your existing ECI business management or POS solution. Furthermore, it was created by those in the building industry who personally understand the unique challenges and needs of your industry. From automated inventory management to checkout completion in as few clicks as possible, eCommonSense is the future of lumber and building material commerce. Expanding your business online will be less intimidating with eCommonSense.

Like what you've read so far, check out our full industry report bit.ly/3V5Cr9J



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USING EMPLOYEE AND CUSTOMER INPUT TO TAKE A GREAT WEBSITE TO INDISPENSABLE PARTNER

In a recent LBM Journal article, a manager at a building material supply company shared his concern with the sluggish pace of change within the company's ownership team. In response to this frustration, it was pointed out that change, in and of itself, isn't necessarily good, but change that delivers greater efficiency, innovation and growth is essential to a healthy business. It's in keeping with this idea that Banner Solutions, the national door hardware distributor, introduces an entirely new web experience on BannerSolutions.com.

"It's not just about having a great website. We already had a great website," Chief Digital Officer Ben Smith said. "Our new web experience has been designed to equip the customers we serve with a platform to solve challenges they face – specific to their business and their job. It's not just change for change's sake."

Smith said innovation and efficiency are baked into the new site, which for building materials suppliers provides new opportunity to upgrade how they order door hardware. Many building materials suppliers have been reluctant to embrace eCommerce for door

hardware. In fact, when surveyed, building materials suppliers indicate that while 88 percent of them sell hardware and locksets, the comfort of doing business the way they've always done it is sufficient. Call it the "If it ain't broke, don't fix it" approach, which can be tough to dispute.

"Building material suppliers account for a significant portion of Banner Solutions

overall orders, but they've been slow to adopt digital ordering," Smith said. "We want them to realize that our upgraded web experience acts as a productivity partner they can trust."

An examination of the new site reveals how building material suppliers, as well as locksmiths and contract hardware distributors, could benefit from the new BannerSolutions.com.

With the lasting effects of the pandemic in disrupting supply chains, understanding lead times and focusing on efficiency are paramount. The new website BannerSolutions.com addresses this. Users can track orders on the homepage and the footer and status alerts are frequent and informative. Product details, prioritized with consistent attributes, make comparing alternatives and accessing relevant information easier. Up-to-the-moment inventory and pricing provide extreme clarity on product availability —especially important for communicating to the building material suppliers' end customer. Also, the new account dashboard is powerful and intuitive, which delivers effortless user, project, order and invoice management.

Smith said Banner Solutions will always have sales representatives to help with orders and provide guidance – a team rich with advice and deep knowledge of the products and industry, but he also said he wants Banner to play a part in helping building material suppliers create a new narrative around efficiency and growth.

For the building material supplier, being able to clearly understand product pricing and availability, having a simple way to reorder common projects and products, and knowing the status of every order is the difference in productivity and frustration, Smith said.

"Banner Solutions is delivering efficiency in these areas in ways that few other distributors, regardless of product offering, even bother to attempt."





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business



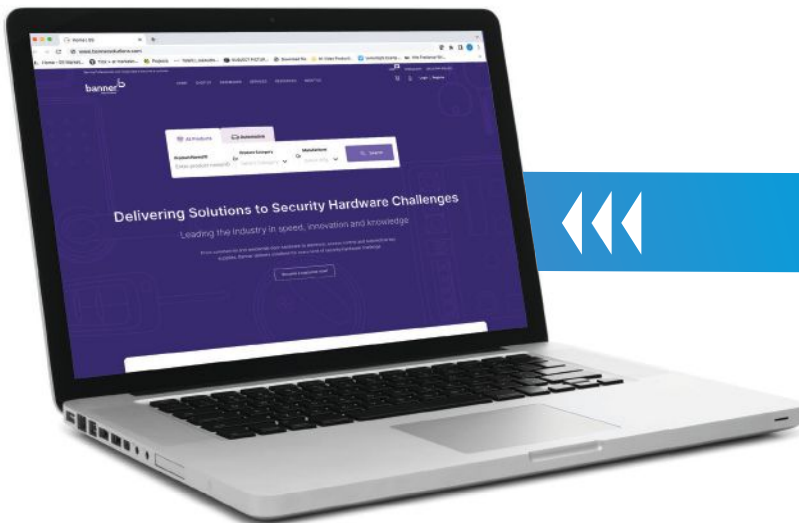
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Changing the world

WHEN I FIRST JOINED the LBM industry in 1990, I knew next to nothing about lumber and building materials. In fact, I fully expected my first position, a two-month contract position as an editor with the former *Building Material Retailer* magazine, to be my last. To say that it's not what I expected would be a gross understatement. Indeed, as that two-month introduction drew to a close, I felt I'd found my home. Fortunately, I was invited to stay (which made unnecessary my half-baked plan to simply refuse to leave).

What grabbed me was the *community*. The people and companies comprising this industry weren't in business purely for the profit motive. They were in it to help build their communities, to work with builders to make people's dream of homeownership come true.

And the sense of pride in building companies where the employees weren't just human "resources," but humans working together for a shared purpose.

In the weeks that have passed since LBM Strategies 2022 was held in Denver, that concept of the LBM Community has only gotten stronger. Here are just two reasons why:

Kevin Hancock took a deep dive into that concept in "Humans at Work," his opening keynote presentation at the LBM Strategies Conference. Kevin is passionate about the power of shared leadership, and how it drives deep employee engagement. It's a message that resonates strongly in an industry that's struggling to attract and retain good people. And, since Hancock Lumber has been named a Best Place to Work in Maine for nine consecutive years, clearly there's something to it.

On the operations side, John Marshall and Robb Wilson of Wilson Lumber shared the Crisis Management Plan that was created in 2019 to deal with events like destructive weather and fires, and which was tested immediately with the COVID pandemic, material pricing and supply chain emergencies, and more. They shared not only what they did, but how they did it, and how it has helped their company.

Kevin, John, Robb and the other 20-plus speakers at this year's event don't do it for the money (which is good because they're not paid). They do it because they have experiences and insights that can help dealers like them...other members of the LBM Community.

It's no accident that the song that played as LBM Strategies 2022 got underway was Eric Clapton's "Change the World." When good people get together to talk about how doing the right things for the right reasons is a direct path to a bigger bottom line, the LBM Community, of which you are a member, can change the world. On behalf of the LBM Journal team, thank you for letting us be part of it.



Rick@LBMJournal.com

— Rick Schumacher
Executive Editor & Publisher



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Social media, a burrito, and growing your brand

IN THE SUMMER OF 2008, I worked as an editor and publisher of two small-town weekly newspapers in Southern Minnesota. I loved the job most of the time, especially on days that our oldest son would stop by the office while biking around town with his buddies. One day I was particularly proud that, as a 10-year-old, he recognized that I was working late and would miss dinner, so he called to ask if he could bring me a burrito from Taco John's (if you don't have a TJ's in your area, you're missing out).

By the time he showed up at the office, it was clear to me that he hadn't called because the rest of my family was at the drive through. No, he bought and delivered my burrito all by himself, which as a 10-year-old on a bike, meant that he carried it in his pants pocket all the way across town.

I ate that burrito. How could I not? But something else I remember from that day is that we had recently implemented a widget on our website that, at the end of each news story, pulled in comments from Facebook. As an editor, I hated this. It was an election year and ugly discourse that had previously existed elsewhere online had now spilled onto our own community website. As a publisher, however, I couldn't help but see value in the spike in traffic to our site, even though it was from people visiting to read the latest insults.

While I still have somewhat of a love/hate relationship with social media, I was thrilled to see the recent activity on Facebook, Instagram, Twitter, and LinkedIn stemming from

the LBM Strategies Conference last month. Attendees shared comments, photos, and videos (even a TikTok, which I've yet to master) from the sessions and the networking breaks. I did my best to keep up and share the content generated live. That, in my opinion, is one of the best ways we as a media company can use social media.

I bring all this up not only because I love to share the burrito story, but because I recently took over the social media responsibilities here at LBM Journal. Over the years, we have tried a few different approaches, and, in the end, it makes the most sense that the same person who writes some of the content and posts it on our website, be the one who shares it on social media.

So, here's what I want to know...how can I use social media to best serve your needs? Ultimately, the goal of our team is to bring you the best and latest industry information when and where you want it. Of course, that includes the print and digital editions of the magazine, but also the website, webinars, podcasts, live events, and social media channels. I'm so happy to be in a position in which readers use their social media platforms for good. I want to share and celebrate that. If you're not yet following us on social media, please do so. If you have ideas on how we can share in your company's successes online, please let me know. After all, as our publisher Rick Schumacher says, "LBM Journal exists to help you grow your sales, your business, and your brand."



james@LBMJournal.com

— James Anderson
Editor

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UPDATES

PEOPLE

Simpson Strong-Tie engineering VP **Annie Kao** has been named to the East Bay/Silicon Valley local Habitat for Humanity Board of Directors

Cornerstone Building Brands President and CEO **Rose Lee** was named a 2022 Pinnacle Award recipient by the Asian American Business Development Center (AABDC).

Jeffrey Gelinis has been named sales training leader at **OMG, Inc.**, parent company of **FastenMaster**.



ANNIE KAO



ROSE LEE



JEFFREY GELINIS

INDUSTRY

Simpson Strong-Tie has donated \$25,000 to recovery efforts after Hurricane Ian.

Westlake Royal's Columbus, Ohio employees celebrated the build of their 300th **Habitat for Humanity** home.

Trusscore has joined the **Vinyl Sustainability Council**, which aims to advance sustainable performance and practices throughout the vinyl industry.

LP has partnered with the **Gary Sinise Foundation's** R.I.S.E. Program, which builds specially-adapted smart homes for severely wounded heroes.

AZEK has opened new \$140 million facility in Boise, Idaho.

Huber has continued its partnership with **Habitat for Humanity** including \$528,000 in funding.

DISTRIBUTION

Snavelly Forest Products is now distributing **Trex** products in Texas.

Boise Cascade has expanded its Albuquerque, New Mexico distribution center.

Silvermine Stone has added **U.S. Lumber** as distributor in Upper Midwest.

Hood Distribution is now carrying **Chelsea's Everlast** siding in Maryland.

BlueLinX locations in Dallas and Houston, Texas will offer the full line of **MoistureShield** composite decking products, adding San Antonio in early 2023.

DW Distribution will distribute **Trex** products through Texas locations in Arlington, DeSoto, and Round Rock, along with its facility in Oklahoma City.

CO-OPS & BUYER'S GROUPS

Champions in various sports fields shared their secrets to achieving their goals at the **LMC** Leadership Summit on Sept. 20-23 at the Sheraton Phoenix Downtown.

LBM Advantage held its first internal management leadership conference at City Winery, Montgomery, New York in September.

Orgill has revealed plans for an 800,000-square-foot Georgia distribution center that will replace the current facility in Tifton, Georgia.

LMC welcomed dealers to Philadelphia for two days of forecasts, contracts, and networking at the LMC Expo in October.

MERGERS & ACQUISITIONS

DMSi has acquired **Simply Computing International**.

BlueLinX has acquired **Vandermeer Forest Products**.

NEW HOME SALES FALL IN SEPTEMBER

Rising mortgage rates approaching 7% along with declining builder sentiment stemming from stubbornly high construction costs and weakening consumer demand pushed new-home sales down at a double-digit rate in September. Following a brief uptick in August, sales of newly built, single-family homes in September fell 10.9% to a 603,000 seasonally adjusted annual rate, according to newly released data by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau.

"Builders continue to face lower buyer traffic due to declining affordability conditions as the housing downturn continues," said Jerry Konter, chairman of the National Association of Home Builders (NAHB). "Builder sentiment has declined for 10 consecutive months. The entry-level market in high-cost areas has been particularly affected, with growing numbers of first-time and first-generation buyers priced out of the market."

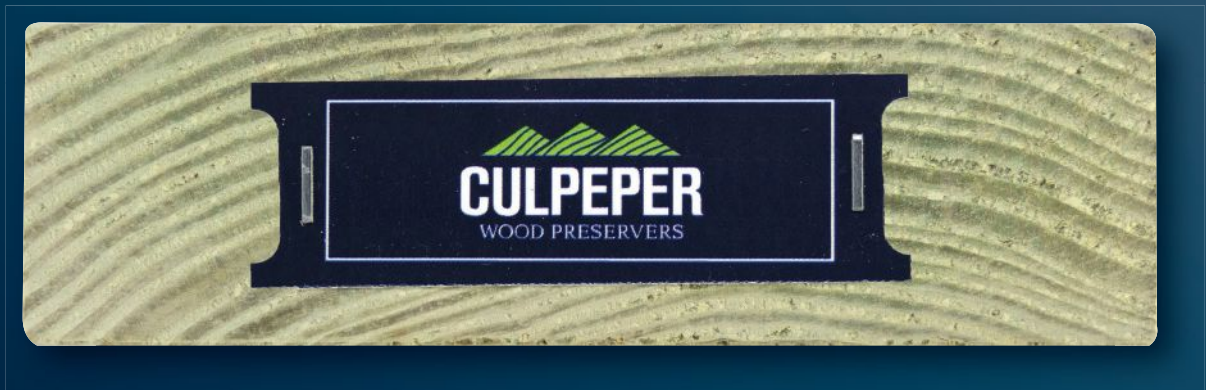
BUILDER CONFIDENCE DROPS IN OCTOBER

In a further signal that rising interest rates, building material bottlenecks and elevated home prices continue to weaken the housing market, builder confidence fell for the 10th straight month in October and traffic of prospective buyers fell to its lowest level since 2012 (excluding the two-month period in the spring of 2020 at the beginning of the pandemic).

Builder confidence in the market for newly built single-family homes dropped eight points in October to 38—half the level it was just six months ago—according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released today. This is the lowest confidence reading since August 2012, with the exception of the onset of the pandemic in the spring of 2020.

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SINGLE-FAMILY HOUSING PRODUCTION WEAKENS

Single-family housing starts declined further in September as high mortgage rates, ongoing building material production disruptions, and flagging demand stemming from rising affordability challenges continue to put a damper on new home production.

Overall housing starts decreased 8.1% to a seasonally adjusted annual rate of 1.44 million units in September, according to a report from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau.

The September reading of 1.44 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts decreased 4.7% to an 892,000 seasonally adjusted annual rate. Year-to-date, single-family starts are down 5.6%. The multifamily sector, which includes apartment buildings and condos, decreased 13.2% to an annualized 547,000 pace.

“High mortgage rates approaching 7% have significantly weakened demand, particularly for first-time and first-generation prospective home buyers,” said NAHB Chairman Jerry Konter. “This situation is unhealthy and unsustainable. Policymakers must address this worsening housing affordability crisis.”

2023 EVENTS

JAN 31-FEB 2

INTERNATIONAL BUILDER'S SHOW
Las Vegas, NV | buildersshow.com

MAR 11-13

DO IT BEST SPRING MARKET
Orlando, FL | doitbestonline.com

MAR 8-10

LMC 2023 ANNUAL
Charlotte, NC | lmc.net

SEP 8-11

DO IT BEST FALL MARKET
Indianapolis, IN | doitbestonline.com

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

TOUGH CALL ANSWERS

ANSWERS TO OUR SEPTEMBER TOUGH CALL SURVEY:

THE INVISIBLE MAN

YOUR COMPANY HAS BECOME SO FOCUSED ON ATTRACTING YOUNG TALENT THAT SEASONED WORKERS LIKE YOU ARE QUESTIONING YOUR VALUE. HERE'S HOW READERS WOULD HANDLE THIS TOUGH CALL.

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65.6%

TALK IT OUT. Sit down with the owner, tell them what you're thinking, and ask how important you are to the future of Startup Lumber. Put the ball in their court, and see where they stand.

13.1%

LEAVE IT ALONE. You earn a good living, are paid well, have solid benefits, and enjoy the people you work with. Focus on what you have, not what you don't.

10.7%

DEMAND MORE. Do your research, find out what someone with your experience, skills, and responsibilities earns elsewhere. Then demand that they match it, or you're out.



REMODELING MARKET CONFIDENCE SOFTENED IN Q3 BUT REMAINS POSITIVE

The National Association of Home Builders (NAHB) released its NAHB/Westlake Royal Remodeling Market Index (RMI) for the third quarter, posting a reading of 77, declining 10 points compared to the third quarter of 2021.

“Remodelers in many parts of the country remain positive about the market,” said NAHB Remodelers Chair Kurt Clason, a remodeler from Ossipee, N.H. “In some areas, however, a growing number are seeing signs of a slowdown due to the ongoing problems of labor shortages, high material prices and rising interest rates.”

The NAHB/Westlake Royal RMI survey asks remodelers to rate five components of the remodeling market as “good,” “fair” or “poor.” Each question is measured on a scale from 0 to 100, where an index number above 50 indicates that a higher share view conditions as good than poor.

The Current Conditions Index is an average of three components: the current market for large remodeling projects, moderately-sized projects and small projects. The Future Indicators Index is an average of two components: the current rate at which leads and inquiries are coming in and the current backlog of remodeling projects. The overall RMI is calculated by averaging the Current Conditions Index and the Future Indicators Index. Any number over 50 indicates that more remodelers view remodeling market conditions as good than poor.

LUMBER PROS:

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A do-whatever-it-takes job.

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BY THE YARD NEWS FROM LUMBERYARDS AROUND THE COUNTRY

Industry mourns loss of Rich Lender, YBC CEO and Do it Best board member

The newly-elected member of the Do it Best Board of Directors and president and CEO of Your Building Centers, died in a car accident on October 25.



R.P. Lumber acquires Kieffer Lumber

R.P. Lumber Co., Inc. has acquired Kieffer Lumber in Mount Carmel, Illinois, marking the family-owned hardware and building materials retailer's 59th Illinois location and its 85th location overall.

Eli Bliffert to receive a 2023 Wisconsin Titan 100 award

Eli Bliffert, vice president of Bliffert Lumber & Hardware, has been named a 2023 Wisconsin Titan. The Titan 100 program recognizes Wisconsin's Top 100 CEOs and C-level executives. Bliffert represents one of the area's most accomplished business leaders in his industry, demonstrating exceptional leadership, vision, and passion, the program announced.

TAL Holdings adds Miller's Home Center stores and manufacturing facilities

TAL Holdings, one of the fastest growing family-owned building material centers in the Pacific Northwest, has agreed in principle to acquire Miller's Home Center, with four locations in Baker City and La Grande, Oregon. After a transition period, Miller's will open as part of the TAL family of companies on Dec. 12. Upon completion of the acquisition, TAL will operate 29 locations: eight in Oregon, 12 in Washington, eight in Idaho, and one in Montana.

Mid-Cape Home Centers honored by Builders and Remodelers Association of Greater Boston

The Builders and Remodelers Association of Greater Boston hosted the Annual PRISM Awards in October at the Museum of Science in Boston. PRISM Awards given to those in the industry who have displayed excellence and superior achievement both individually and as a company. The Mid-Cape team accepted five gold awards recognizing everything from their kitchen designs to marketing and community outreach.

S.W. Collins earns community service award

The Institute for Family-Owned Business, a Portland-based non-profit, in partnership with the MEMIC Group, a Portland-based workers compensation insurance provider, presented S.W. Collins Company with the Shep Lee (Auto Malls) Community Service Award, named for one of the founders of IFOB at their annual 2022 Maine Family Business Awards Ceremony.

Kodiak acquires Albeni Falls Building Supply

Kodiak Building Partners has acquired Albeni Falls Building Supply, supplier of lumber and building products in Northern Idaho and Eastern Washington. Albeni Falls Building Supply was founded in Oldtown, Idaho in 1948 as Diamond International Lumber.

Hermann Lumber hosts 100th anniversary celebration

In honor of its 100th anniversary, Hermann Lumber Company hosted a two-day celebration featuring vendor demonstrations, prize giveaways, product discounts, food, games, and live entertainment. Three uncirculated 1922 Peace silver dollars were given away.

Parr Lumber named Top Place to Work

The Parr Company, a building material supplier in the Pacific Northwest, has been awarded a Top Workplaces 2022 honor by the *Oregonian/OregonianLive*.

New South Construction Supply among South Carolina's fastest growing companies

New South Construction Supply has been named one of South Carolina's 50 Fastest Growing Companies for 2022, an annual award given out by *Greenville Business Magazine*. This is New South Construction Supply's fourth time on this list.

rk MILES' Jeremy Baker named VRLDA president

Baker says his goal as president of The Vermont Retail Lumber Dealers Association will be to continue to focus on workforce development in the building trades.

Big C Lumber acquires Delton Pole Building Supply

In addition to Delton, Big C Lumber has 15 other retail stores and lumberyards in Indiana, Michigan, and Ohio.

Old South Wood celebrates with ribbon cutting

Old South Wood was started in Middle Tennessee earlier this year by Eric Stoll. His previous career had been spent at nearby Summertown Metals, which was started by his father, John.

Pearland Lumber celebrating 70 years

Based in Pearland, Texas, the lumber company was originally chartered in May 1952 under the name of Suttle Lumber Company.

Wehrung's expands in Pennsylvania

Third-generation Ottsville-based Wehrung's Family of Businesses has expanded its homegrown niche in Macungie, Pennsylvania. A grand opening was held to celebrate Wehrung's Macungie, in the Greater Lehigh Valley, in October.

Nation's Best inaugural golf tournament raises \$260,000 to find cure for ALD

The tournament was held at the Cowboys Golf Course in Dallas and hosted more than 140 golfers representing vendor partners, customers, and associates.

Valley Supply acquired by White Cap

Valley Supply distributes construction materials to residential and commercial contractors across Central and Western Washington.

Executive changes at Minnesota's Scherer Bros. Lumber

Scherer Bros. Lumber Co. has announced that Chief Operating Officer Mark A. Scherer has been named company president and COO. Peter Scherer, former president of the 92-year-old family business is transitioning to the role of chairman and CEO. John Scherer has been elected to serve on the board of directors as director.

DEALERS, GOT NEWS?

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



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2022 LBM STRATEGIES CONFERENCE RECAP



LBM STRATEGIES 2022 CONFERENCE





Nearly 230 LBM professionals gathered in person for LBM Strategies Conference 2022 Oct. 12-14 in Denver. The attendees, representing LBM dealers and distributors both big and small from throughout the U.S. came together to learn, network, and share business tactics and strategies that have brought them success in their respective markets.

As the LBM Strategies Conference grows each year, more connections are made between attendees that continue to propel our industry forward. This year, the conference shared information through an informative tour, speakers, panelists, round tables, and exhibitor demonstrations. Among all the learning and growth were networking breaks, meals, cocktail receptions, and private dinners where in-person connections were made, and relationships were forged and expanded.

The following pages contain a brief recap of the three days of education and networking that took place at LBM Strategies 2022 in the Mile High City. ▶



“WE BRING A LOT OF PEOPLE TO THIS EVENT EVERY YEAR. WE COME BECAUSE WE GET TO NETWORK WITH SOME OF THE BEST IN THE BUSINESS, WE GET TO BE CHALLENGED WITH NEW IDEAS, AND HEAR FROM FANTASTIC SPEAKERS FROM AROUND THE COUNTRY.”




Weyerhaeuser
Lunch

LBM STRATEGIES
2022 CONFERENCE

“I FIND THE CONFERENCE TO BE A SUPER VALUABLE OPPORTUNITY AS A SPONSOR. THEY HAVE THE RIGHT PEOPLE AND THE RIGHT CONTENT. WHEN WE COME TO THE LBM STRATEGIES, WE KNOW THAT WE WILL HAVE THE HIGHEST-QUALITY CUSTOMERS TO TALK TO.”

2022 CONFERENCE RECAP



This year's conference kicked off with a tour of Direct Lumber & Door of Denver. The gracious staff of the locally owned and operated Kodiak Building Partners company showed about 85 conference attendees through the Denver yard's door plant and truss manufacturing facilities. A pre-tour breakfast was provided courtesy of UPG, and transportation was provided by Paslode, GRK Fasteners, Tapcon, and the National Association of Home Builders.

Following the tour, more than 100 attendees gathered for an afternoon of sessions from some of the industry's leading women in the second-annual Women of LBM event. Open to all and sponsored by Pennsylvania Lumbermens Mutual Insurance Company, the half-day session focused on female leadership, with lively panel discussions and breakout sessions on negotiation skills, life/work balance, ownership, and more.

True to what the LBM Conference has come to be known for, the following day and a half were filled with presentations and panels from industry experts and boots-on-the-ground LBM lumberyard operators sharing real-world experiences that have grown their companies into the top in their markets. Speakers representing LBM companies from across the country discussed issues urgent to the industry including topics ranging from leadership, making a company a Best Place to Work, navigating business disruptions, installed sales, credit and lien issues, mergers & acquisitions, and much, much more.

"IT'S AN AMAZING OPPORTUNITY TO HEAR FROM LIKE-MINDED PEOPLE IN THE INDUSTRY AND LEARN FROM THEM. I WAS LITERALLY TAKING NOTES ON THE BOOKS THEY WERE SHARING!"



“MY GOAL WAS TO WALK AWAY WITH TOOLS AND IDEAS FROM HEARING OTHERS’ EXPERIENCES, AND LBM STRATEGIES HAS HIT ALL THOSE MARKS FOR ME.”

An annual tradition at LBM Strategies, the LBM community honored LBM Century Club members. The LBM Century Club was created to recognize dealers who’ve been in business for more than 100 years. There’s no cost to join this exclusive club—managing to survive and thrive for more than a century is the price of admission.

A total of 204 companies belong to the Century Club, and combined they’ve been in business for 25,435 years. Century Club members who were in attendance in Denver were recognized, including:

Marcus Lumber	est. 1920	102 years
Henry Poor Lumber Company	est. 1918	104 years
Krempf Lumber Company	est. 1918	104 years
Preston Feather Building Centers	est. 1915	107 years
Arnold Lumber Company Inc.	est. 1911	111 years
Keim Home Center	est. 1911	111 years
Mead Lumber	est. 1910	112 years
Spahn & Rose Lumber Company	est. 1904	118 years
Mans Lumber and Millwork	est. 1900	122 years
Mid-Cape Home Centers	est. 1895	127 years
Sanford & Hawley	est. 1884	138 years
Siewers Lumber & Millwork	est. 1884	138 years
Morsches Lumber, Inc.	est. 1871	151 years
Gilcrest Jewett Lumber Company	est. 1856	166 years
Hancock Lumber	est. 1848	174 years

LBM Century Club members attending LBM Strategies for the first time were invited onstage and honored with a plaque. At this year’s conference, those LBM dealers included:

Parkes Lumber	est. 1896	126 years
Ward Lumber	est. 1890	132 years
Shaw/Stewart Lumber Company	est. 1886	136 years
Maze Lumber	est. 1848	174 years

Also recognized at LBM Strategies 2022 were the 2022 LBM Dealer of the Year recipients. The Dealer of the Year program awards four companies each year that are continually moving the needle for the LBM industry.

REVENUES OF MORE THAN \$100 MILLION:

Spahn & Rose | Dubuque, Iowa

REVENUES OF \$50-\$100 MILLION:

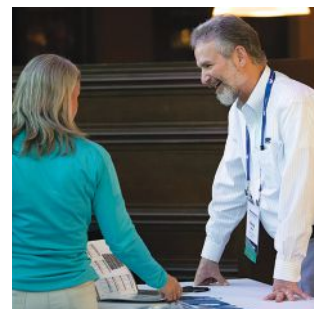
RAKS Building Supply | Los Lunas, New Mexico

REVENUES OF \$10-\$50 MILLION:

Capital Lumber Company | Cheyenne, Wyoming

REVENUES OF LESS THAN \$10 MILLION:

TK Building Supply | Windsor, Missouri





“PEOPLE IN OUR INDUSTRY SHOULD BE COMING TO THIS EVENT. IT’S THE TYPE OF CONFERENCE THAT REALLY HELPS YOU TAKE YOUR BUSINESS TO ANOTHER LEVEL WHEN IT COMES TO BUILDING A BRAND, CREATING A BETTER CULTURE, AND DEVELOPING A GROWING COMPANY THAT IS GOING TO ATTRACT NEW EMPLOYEES AND BETTER TALENT OVERALL.”

The LBM Strategies Conference also recognized companies that were included in the 2022 LBM Journal 100, our listing of the top 100 LBM dealers by revenue. Unlike other rankings of top dealers which include estimates of company revenues, the LBM Journal 100 relies on companies who want to be considered for the listing to submit their revenue. If you think your company deserves a spot on the list, watch LBMJournal.com this spring, when we'll begin compiling data for the 2023 LBM Journal 100.



Attendees from 18 of the LBM 100 companies were in attendance:

- No. 98 ITC Millwork | Indian Trail, NC
- No. 96 City Lumber Company of Huntsville, Al Inc. Huntsville, AL
- No. 91 Dakota County Lumber Co. | Farmington, MN
- No. 90 Hamilton Building Supply | Hamilton, NJ
- No. 71 Arnold Lumber Company Inc. | West Kingston, RI
- No. 66 Henson Lumber | Cresson, TX
- No. 53 Wilson Lumber | Huntsville, AL
- No. 51 Your Building Centers (YBC) | Altoona, PA
- No. 50 Cassity Jones Building Materials | Longview, TX
- No. 45 Mans Lumber and Millwork | Trenton, MI
- No. 42 TAL Holdings LLC | Vancouver, WA
- No. 36 Spahn & Rose Lumber Co. | Dubuque, IA
- No. 33 Keim Home Center | Charm, OH
- No. 30 Koopman Lumber | Whitinsville, MA
- No. 25 Hancock Lumber | Yarmouth, ME
- No. 16 Mead Lumber | Omaha, NE
- No. 07 Kodiak Building Partners | Highlands Ranch, CO
- No. 02 US LBM | Buffalo Grove, IL



FOR MORE PHOTOS, VISIT LBMJOURNAL.COM.
PHOTOS BY LIGHTSAIL VIDEO

89% of attendees surveyed after the conference indicated that they were highly likely to recommend LBM Strategies Conferences to other LBM industry professionals. 62% of those surveyed said that they are likely to attend next year.

REGISTRATION IS NOW OPEN FOR LBM STRATEGIES 2023, TO BE HELD OCTOBER 11-13 AT THE HILTON CHARLOTTE UPTOWN. LEARN MORE AT LBMSTRATEGIES.COM

LBM STRATEGIES 
2023 CONFERENCE
 OCTOBER 11-13 • HILTON CHARLOTTE UPTOWN

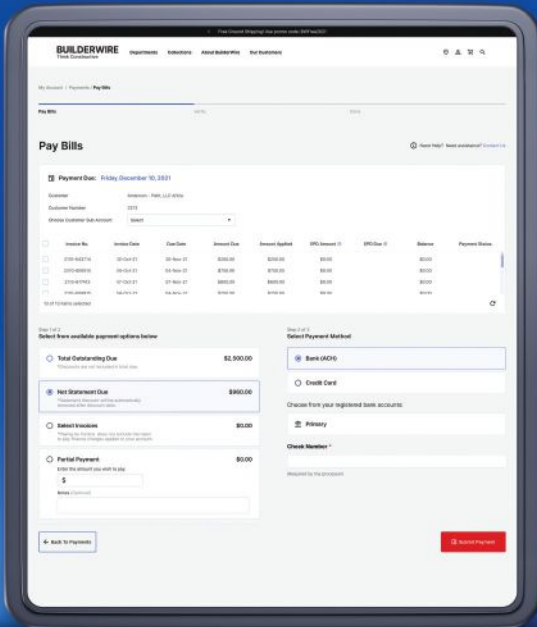
Digital Solutions

- On-Page and Off-Page SEO Optimization
- Google Analytics tracking & traffic analysis
- Technical website audit & analysis
- Custom digital marketing campaigns



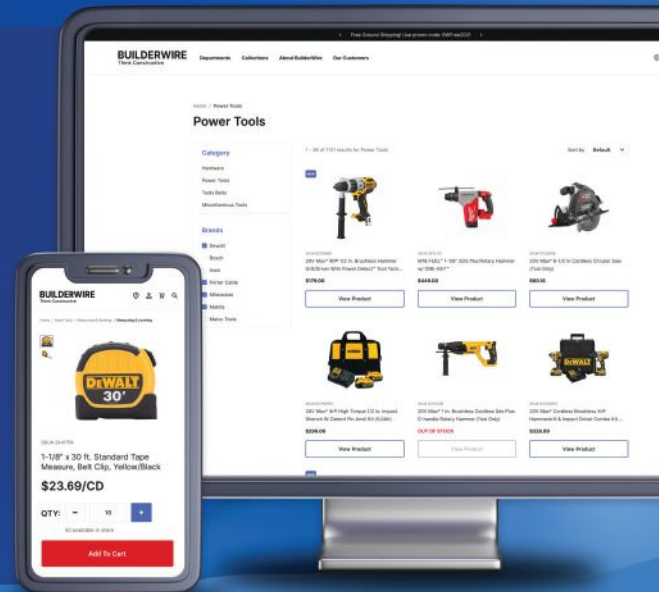
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- Fast, simple, & secure
- Convenient payments via credit card or ACH
- Payments on-account, order deposits, & one-time payments



E-Commerce Solution

- Turn your inventory into a virtual storefront
- Expansive vendor catalogs
- Fully integrated with your back office ERP system
- Sell to your B2B Pro Customers & B2C Consumers
- Turn your website into a powerful storefront and payment system





Q: With economic uncertainty dominating the headlines these days, what do you see as the greatest potential opportunity for LBM dealers?

A: In the current environment, the significant shift to multi-family housing is creating a great opportunity for builders who are seeing a slow-down in single-family home construction. With the rising mortgage rates, it makes sense that multi-family housing is increasing—allowing some builders to take advantage of that trend and focus their efforts on that market. It's important to note that many building supply dealers have had record-setting years despite some of the supply chain challenges and pricing fluctuations. As the market stabilizes, having a modern ERP in place can help businesses stay lean and efficient. From order entry and monitoring efficiencies to warehouse and yard automation to complete fleet management, these technologies can help deliver efficiency and reduce overall costs.

Q: The flipside of that question: what is the biggest challenge?

A: From labor shortages to inventory management, to logistics as well as supply chain tracking, we see the biggest challenges being how manual many building supply processes are and the lack of easy access to insights for decision making. While many building suppliers have explored automation “quick fixes” to address specific issues, automation technologies that will help businesses create a long-term, durable, competitive advantage will be those that put people at the center. Whether you are on the construction site, offsite, out in the yard or in the warehouse, automation is about empowering all users with accurate insights to drive productivity and increase efficiencies.

Q: Many LBM companies may be apprehensive about making the switch to new systems. What would you say to dealers who haven't upgraded because of those fears?

A: Change can be difficult. For many customers, it's about finding the right long-term partner in an ERP provider. You want a vendor that can work with you to address your needs today as well as support you as your company grows and evolves. A one-size-fits-all ERP solution is not effective for today's dynamic world. Consider a solution that is informed by building suppliers and built by building supply experts with more functionality and capability out of the box and less need for customization and add-ons.

Q: With technology being such a rapidly evolving space, what new features and capabilities should LBM Journal readers keep their eyes open for?

A: With more work to be done and fewer resources, an effective ERP system can help economize on time and dollars, allowing business owners to support customers in this booming industry while running a leaner operation. But going beyond just your ERP system to incorporate automation and digital transactions is something to consider when looking to elevate your system. We're seeing a significant shift in how contractors want to communicate with dealers. More often than not, they're opting for digitizing and placing orders remotely, and communicating using the latest technology available instead of just phone calls or paperwork. As we all work through the shift together, dealers need to be sure their ERP system is fully integrated and ready to enable this communication anywhere across the job site.

Q: Today's ERP systems go far beyond POS technology. How do you suggest LBM dealers best utilize the increased functionality of their ERP system in their overall operation?

A: Yes, ERP needs to be more than POS. When looking for an ERP system, two core pieces of functionality to look for include:

Robust Configuration Capability: Built-in configurators allow businesses to quickly and accurately generate plans and quotes for complex configurable items. It gives your salespeople the confidence to sell effectively while giving customers the level of responsiveness and transparency they expect.

Enterprise Data Interchange (EDI): By implementing an effective data interchange solution, you can get closer to your large customers, conduct business in the way that makes them happy and introduce a platform that lets you grow quickly and cost-effectively as business dictates. ■

Jenny Victor serves as Epicor's chief marketing officer, overseeing the company's global marketing strategy, including corporate marketing, field marketing and tele-prospecting. Jenny brings over 20 years of marketing leadership experience, both in corporate and senior-level product environments. She holds an MBA from the Kelley School of Business at Indiana University and a BA in Economics from the University of California, Davis.

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

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Quoting is a poor way to initiate a sales call

BY BILL LEE

QUOTING IS THE WAY many North American building material salespeople initiate sales calls, and it is a detriment to their gross margin.

Pricing is one of the most complicated aspects of doing business in all parts of the world. In fact, there was a time when it was popular for merchants not to price their merchandise. Rather, they would place a sticker on the back of the item with the merchant's cost encoded so they could use their judgment as to what price they thought the potential customer would pay.

Contrast this strategy with a sales approach that is not uncommon in our industry that goes something like this:

Walking into a builder's office, a salesperson introduces himself. *"Good morning, Mr. Smyth. My name is Jim Hartwell. Thank you for making time for me this morning,"* he says as he hands his business card to the builder.

"You're welcome, Jim. Would you like a cup of coffee?" Mr. Smyth asks as he hands Jim one of his business cards.

"No thanks, I've had my quota for the morning."

"What can I do for you, Jim?" Mr. Smyth asks.

"Well, as you can see, I represent Great Falls Lumber here in town and I am new to this market. I was working a job out in Asher Hills yesterday and stopped by one of your jobs. There was no one on the jobsite, so I took the liberty to do a walk through. You are the kind of builder I like to do business with. If you don't mind my asking, who are you doing business with now?"

"We do a little business with most of the dealers in town from time to time," Mr. Smyth says. *"Price is important to us, so we generally buy from the one that has the most advantageous pricing."*

"As I said, I'm new to this market," says Jim. *"I'm trying to make inroads with some medium-size builders, and I'm here to ask if you have any jobs you're getting ready to start that you'd let me bid on."*

"Sure, Jim," replies Mr. Smyth. *"I'll be glad to take a look at your prices, and if you can save me some money, I'll be more than happy to give you some of our business."*

"If you have an extra set of prints you can let me have, I'll get back to you with some attractive pricing by the end of the week," Jim responds.

Is it possible that Jim could be one of your salespeople? It takes Jim a little while to get around to the point, but it sounds to me as if he sells on price. And it sounds as if Mr. Smyth buys on price, so they may be just about perfect for each other.

I'm not suggesting Jim won't get an order, but my guess is that his gross margin is pitiful. There are a lot of salespeople like Jim who have always sold on price. That is all they know.

"Quoting is not selling" is one of my favorite sayings. Similarly, "Give me a set of prints and let me help you save some money" is not a very profitable approach to a salesperson's first call on a prospect. Jim can't possibly know what price to quote a builder he has met for the first time and has "walked through" only one of his jobs. There are at least a dozen questions he should ask to determine if he wants to do business with this builder and how he should price the material.

I believe the quality of the relationship a salesperson has with the builder, combined with the value the builder perceives the salesperson is worth to his business, is probably the best indicator of the gross margin the salesperson can earn. ■



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



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Work hard. It's the smart thing to do.

BY RICK DAVIS

IN A FEW MONTHS, there is a good chance you'll be looking back to the 4th quarter of 2022 and wishing you had prospected more. That is, you'll wish you had worked harder to locate more sales opportunities to replace the lost business you'll experience in the coming months.

Of course, it is always a good time to prospect. However, the unusual factors of the past few years have enabled salespeople to put off this ultimately necessary task.

In fact, some salespeople became very reluctant to prospect for fear they couldn't fulfill demand. Product shortages combined with escalating demand and rising prices created a rabid sellers' market where growth came easily, albeit in a chaotic environment.

Sound familiar? I remember standing at a jobsite in 2004 after OSB had "skyrocketed" from \$7 per sheet to \$25 (Ah, the good old days...). The builder yelled in disgust while, at the same time, asking to be allocated some of the scarce resource. It was the last time we saw a market as heated as the recent one.

At the time, I had just launched my journalistic career and wrote, in the second article I had ever published, that prospecting (yes, in 2004) is the key to success. I offered five tips to support my thesis:

1. Write a phone script. Sadly, our industry employs some salespeople who have managed to endure through a career without any intensive prospecting effort. They are the salesperson at the branch who has been handed enough accounts to sustain a steady salary. True sales leadership requires the ability to sell from scratch, which is to take a potential buyer from a cold call to full engagement over the course of many interactions.

2. Pick up the phone. Don't think about it. Forget planning. Ignore your list. Just pick up the phone and call one person. The first call is the hardest. After the first one, your momentum builds.

3. Play a rating game. Evaluate the "temperature" of each lead. If you get buyers willing to take a price, but unwilling to meet, they are merely suspects rather than true prospects. A prospect is a potential buyer who has engaged in a quality dialogue to which you can ascribe a tangible value.

4. Count your calendar. Sick of pop-ins from reps who show up with no agenda and waste time making small talk? If so, then don't do it to your customers. Count the number of appointments you can schedule in a week; phone calls and virtual meetings count. The more quality interactions with prospects you have, the greater your chances for success.

5. Resurrect old leads and accounts. I don't need to see your customer list. It is a mirror image of every LBM dealer list in our industry. Your top accounts give you 90% of your business. The bottom 75% of your accounts bought very little from you last year. It's time to start culling those names and determining which are dead ends versus accounts to be resurrected.

Prospecting will never be an urgent task that your customers demand of you. They will never say, "You probably should worry about my future business and start looking to replace me down the road." Prospecting is a constant priority that requires proactive time allocation. It's not fancy. It's just hard work, the smart thing to do in a precarious market and for all time. ■



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.

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Keep things moving.

Stop letting ‘lack of experience’ keep you from great hires

BY RIKKA BRANDON

THE LBM INDUSTRY is in the midst of a perfect storm of hiring woes. Already in the throes of a labor shortage, the aging/retiring workforce and the pandemic only added to the issue. At the same time, the industry has faced tremendous challenges enticing younger workers to the industry to fill the pipeline.

In any market, finding the perfect candidate with experience in the position and industry is ideal. But that’s simply not always possible, especially right now. At some point, you’re going to need to look at and seriously consider candidates who don’t have much (or even any) knowledge of building products and distribution.

The key is to determine which job criteria can be learned on the job and which cannot be taught. This will vary from position to position, particularly those roles requiring specific skills and knowledge. But by and large, it’s easier to teach people some things than others.

THINGS THAT LIKELY CAN BE TRAINED

Product knowledge: In a perfect world, all of your salespeople would be well-versed in all the products you sell. Better yet, they have experience selling and specifying those products. But that’s just not feasible in most cases. Partner with your manufacturers and vendors to create product onboarding with new employees to get them up to speed quickly on features and benefits and how to sell to your customers.

Software and technology: Like products, software for the LBM industry is highly specialized but easily teachable. Plan for training rather than nixing potential candidates because they don’t know how to use your ERP software.

Tools and equipment: While it’s ideal to hire a person who is already certified to drive a forklift or is familiar with the tools and equipment you use, it shouldn’t be a make-or-break criteria. Most of your tools and equipment came with training on how to use them safely. With the ongoing driver shortage, it may even be worth paying for the training of potential truck drivers if the candidate seems like they’d be a good long-term employee.

THINGS THAT LIKELY CAN’T BE TRAINED

Aptitude: When things come naturally to people, it improves their chances of success in the role. You can get hints about someone’s natural ability from jobs they’ve chosen in the past as well as by asking behavioral-based interview questions. For example, a strong sales candidate is going to build rapport with you naturally and easily during the interview.

Enthusiasm/interest: It’s easy to train an employee who appreciates the job, loves the industry, and wants to commit to a career. Don’t pass up a candidate who will embrace his or her role.

People skills: The ability to work with customers and communicate properly is hard to teach. These attributes are far more important than base-level industry knowledge.

Willingness to learn: Of course, learning about the industry and how to use equipment requires a strong desire to learn. Don’t hire someone who doesn’t seem like they want to ramp up their knowledge and skill set related to the job they’ll be performing.

Another way to think about it is “GWC”—Gets it, Wants it, and Capacity—a concept promoted by the Entrepreneurial Operating System (EOS) that is popular with a range of businesses. The EOS blog explains: “When evaluating whether someone GWCs their job, you must ask three questions—Do they Get it? Do they Want it? Do they have the Capacity to do it?—and answer either ‘Yes’ or ‘No’ to each question. ‘Maybe’ is not an option. If any one of the three answers is ‘No,’ then that person is in the wrong seat.”

It’s important to look at each role and determine what can be taught and what must be naturally ingrained in the employee. Keep in mind, though, that if a candidate doesn’t have the capacity, it may be something that can be developed/trained. It’s well worth the investment in internal and external training to recruit and hire an employee who will work hard, do well, and commit to your company. ■



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



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*Claim based on a 12'x18' deck with 8 posts and 7 panels (Elevation Rail installed 49 minutes faster than competitive cable railing install of 129 minutes)

The eyes see what the brain believes

BY RUSS KATHREIN

SOCIAL MEDIA has had a big impact on our society. On a positive note, it allows people to stay connected across the country and around the world. On the negative side, it brings out the worst in some people. One of the ways it does this is by like-minded people reinforcing negative or misinformed perceptions. The tendency is to seek out people and posts that agree with your beliefs, while at the same time ignoring or shunning those posts and people who do not align with your beliefs. In essence, they live in an echo chamber, and it is not healthy if we want to solve the problems we face.

This phenomenon is not new. How often have you seen a leader hire people who think or act just like they do, or who have the same experiences and values? This may result in us feeling comfortable with our hires because they fit in right away and we know how to work with them. But are they only reinforcing our perceptions rather than challenging them? So how do effective leaders get feedback that challenges perceptions?

Years ago, I was encouraged to give my whole management team a personality test. The results came back that out of four elements, 80% of us all had the same three factors of Sensing, Thinking, and Judging, which meant we were fact-driven analytical people who made up our minds and moved on. The other 20% had the opposite result in one or more of those three traits. They were Intuitive people who relied on their gut or past experience. They used Feelings to often make emotional judgments. Or they were Perceptive, which meant they never really came to a final judgment until something was completed because they were always observing and gauging the situation.

The Feeling and Perceptive people on my team tended to drive me nuts because they thought differently than me, and it felt like they

were always pushing against the tide of the other 80%. It was then that I had the epiphany: not only did I need to tolerate the other 20%, I needed to encourage and listen to them more. They were not fighting me. I was in my own echo chamber and they were challenging my perceptions—something the rest of the team was not.

I recently was in a situation where even though we had conducted a great deal of analysis, the outcome seemed preordained. The problem was that despite collecting a large amount of data, most of us kept immediately coming to the same conclusion, even though some other people were interpreting the data differently. Someone on the team made the statement that *the eyes see what the brain believes*, meaning most of us were looking for facts to support the decision we wanted, rather than exploring the data in full to see where it truly led us.

Think about your own team and how you tackle problems or opportunities. Do you have a bunch of like-minded thinkers, or do you have that person who often frustrates you because they offer contrarian opinions that make you rethink your position? Do you tackle a project with the end in mind, or do you explore something in full and let the information lead you to what should be the correct decision? Don't let your company or leadership team become its own echo chamber; that's how many successful companies end up failing. Identify the contrarians on your team, and step outside your normal surroundings to collect information that you would not normally come by.

Radio commentator Dennis Prager says, "I prefer clarity over agreement." One can typically find agreement rather quickly, but it takes more time and effort to get full clarity. In the end, you'll get a much more complete picture from which you can base your decisions. ■



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

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Thwarting the threats

BY THEA DUDLEY

Dear Thea,
How do you respond to a customer who threatens to “tell on you” to their salesperson? I have a customer who, anytime I call for past due payment information, responds with threats of telling on me or asking if I know who they are. Of course I know who they are; I have to call them for every dollar. No matter what I say, they just rant. Then my sales rep calls to let me know I upset the customer. Seriously?
 — Are you kidding me in Kansas

Dear Kidding,
 The secret to change is to focus all your energy, not in fighting the old, but on building the new. Yes, Grasshopper, that is your Zen thought of the day. But there is advice in that trite Pinterest quote. If you know how this particular customer responds every time you call them, build a better mousetrap.

Start by enlisting the aid of said sales rep. Explain that you both have a challenge in this customer and an opportunity to make it a more pleasant experience for everyone if we can find an approach that doesn't set them off like home-grown fireworks at Fourth of July—all noise and commotion without the pretty sparkly lights.

Find out what the issue is. Are the terms for this customer set for success? Is there a better time of day to call? Would they prefer an email or text to a phone call? What are the objections to your call? Is it you?

Yep, I went there. As a person who has spent her life collecting money, I understand. We had a deal. I delivered product on the day and time you requested. I expect you to pay your bill in

kind. I was not one day, one week, or five weeks late with the delivery, nor was I asking you to understand that “it is what it is” or “you have to work with me.” I lived up to my end of the deal. So, Sporty, why do I have to chase you?

Even though my goal is to be paid that way, it is not, however, my reality. When do you start calling for that payment? I have a seven-day rule. I don't reach out until we are at least seven days past due. That gives time for the clinging-to-life-support check float. With payment portals and credit cards, the float is for all intents and purposes well past the extinction point, but it hangs on like the relative at a family potluck.

How about meeting the customer face to face if possible? Most people are pretty brave on calls, emails, texts, and social media, but when confronted with a living, breathing human, they remember they are one as well. Sit down with the customer and ask what you can do to help make this portion of the relationship a win/win. Maybe another on your team can be tagged in to see if they can connect with this one.

There is always the possibility that this customer is just one of those that is beyond help. It happens. If you try everything and still get nowhere, you may have to accept this is how this person operates. Work what magic you can, do your job, and bless their heart when you hang up. They obviously need it.

Taking the focus off the dread of calling this customer and looking for ways to build a new approach changes the game. The goal is to get your money collected while keeping the customer. Change your thinking; at least your mental state will improve. ■



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

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What is a waterfall scenario?

BY JOHN WAGNER

LET'S SAY YOU SUCCESSFULLY found a buyer for your company, and you are wrapping up the due diligence process as the final stage before your deal proceeds. As the deal moves towards closing, you the seller may want to see a “waterfall scenario,” showing where money is allocated at the closing. A waterfall is an expression (on a spreadsheet) that itemizes payments, escrows, or share allocations that are distributed (or laid claim to) by the various parties involved in the transaction in a hypothetical closing. The waterfall shows where—and approximately how much—funds or deal proceeds will be paid and to whom. The final numbers for a deal are hard to calculate to the penny in a waterfall, since various accruals need to be trued-up on closing day. So, the waterfall is really an estimate, as close as can be determined with the data at hand.

Let's assume a \$20 million purchase price and look at who gets paid at the closing. First, let's clear up a common misperception. When you sell your company for \$20 million, you won't get \$20 million at the closing, even if the buyer is offering “all-cash-at-close.” That's because all buyers will require an escrow. This protects them, post-close, for unseen liabilities, such as an unexpected lawsuit that pops up. GF Data tracks the escrow amounts for deals of all sizes, and for deals valued at up to \$25 million, a typical escrow is 7.6% of the deal value; the money may be held for up to 16 months. A \$20 million deal means a \$1,520,000 escrow. Your \$20 million just went to \$18,480,000 at close.

In deals that are not all-cash, it's common for buyers to ask for sellers to take shares in the NewCo created by the acquisition (or the NewCo you are joining upon acquisition). Many buyers ask for 20% of the deal value in a “share roll.” Take 20% of \$20 million, and the \$20 million is reduced by another \$4 million. (Note: You are often not required to accept share rolls, so don't assume it's mandatory in your deal.)

After the escrow and share roll are deducted from the \$20 million purchase price (and

we're assuming there's no earn-out or seller's note in our example), there are other charges to settle at closing, and these are part of the waterfall. Specifically, the long-term debt needs to be paid off, as well as any debt to shareholders. Then, various service providers need to get paid at the closing too. These include the fees paid for any CPA services associated with the sale (assume \$5k) and the fees paid to any real estate attorneys that work on the real estate leases (assume \$5k). There will also be fees owed to the transaction attorney you retained (assume \$25k) to work through the documentation of your deal (e.g. review of the LOI, the purchase agreement, the disclosure schedules, etc.). Finally, there is the fee paid to your investment banker (5% of the deal value is typical) whose tireless efforts prepared your company for sale, found the buyer, and helped sustain the appropriate momentum to get the deal over the line...and closed.

In a deal involving the fees cited above, the waterfall would look like the one below.

Ask your investment banker to generate the waterfall scenario. With it, you'll have a clear understanding of how deal proceeds are distributed and to whom; all funds are paid by wire. Then, after you see the allocation of funds, you'll have more time to focus on the taxes! ■

PURCHASE PRICE	\$20,000,000
7.6% escrow	(\$1,520,000)
20% “share roll” (not dispersed to seller as cash at close)	(\$4,000,000)
Fees to transaction attorney	(\$25,000)
Fees to real estate attorney	(\$5,000)
Fees to CPA	(\$5,000)
Paying off any long-term debt	TBD
Paying off any debt to shareholders	TBD
5% success fee to investment banker	(\$1,000,000)
Cash proceeds at close to seller	\$13,445,000
Total cash proceeds to seller after escrow released	\$14,965,000



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

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Vendor 2	\$134.56	Product 2.1	Product 2.2	Product 2.3	Product 2.4	Product 2.5	Product 2.6
Vendor 3	\$145.67	Product 3.1	Product 3.2	Product 3.3	Product 3.4	Product 3.5	Product 3.6

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79 Billion	4.3 Million	1.5 - 3x Increase	4.06% Decrease	21 U.S. Patents	1200+ Vendors
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UNTIL BUILDERS SOMEHOW MANAGE TO ORDER THE EXACT MATERIAL QUANTITIES FOR THEIR PROJECTS, A CERTAIN AMOUNT OF JOBSITE RETURNS WILL BE A REALITY FOR LBM SUPPLIERS. BUT WHAT TO DO WHEN JOBSITE RETURNS BECOME EXCESSIVE, AND BUILDERS FIND IT EASIER TO SWITCH SUPPLIERS THAN CONTROL THEIR ORDERING? THAT QUESTION, FROM A TEXAS DEALER, IS AT THE HEART OF THIS MONTH'S REAL ISSUES SURVEY ABOUT...

EXCESSIVE JOBSITE RETURNS

BY LBM JOURNAL READERS

We posed the question to readers who have opted in to receive our emails (let us know at operations@lbmjournals.com if you'd like to be on the list). More than 175 readers took the brief, three question survey to help us and our Texas dealer learn more about how the industry deals with excessive jobsite returns. More than 60% of respondents indicated that excessive material returns are an issue at their company. However, when we view responses from readers at full-line lumberyard and specialty dealers exclusively, the number jumps to 70%.

Next, we asked readers to advise, in their own words, the dealer who wrote in asking for jobsite returns recommendations. How would you respond to this dealer:

“Our biggest issue is credits coming back from the jobsites. Our builders today allow subcontractors to order the products they need, and the subs seem to order heavy, so they don’t have to worry about being without material. This leaves us going to the jobsite to pick up a massive amount of returned material without charging a restocking fee. We aim to have our credits be less than 2% of our revenue, but we’re averaging around 4.5%. With labor shortages being what they are, builders find it easier to switch lumberyards rather than lose a sub. This makes it very challenging to service our growing market due to the time it takes to pick up and restock larger returns. How do other LBM dealers manage this problem?”

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

“Sometimes we can get them to take it to the next job.”

“We monitor it, and if we have a consistent problem, we address the issue with the customer’s salesperson. We would look at shrinking the orders placed.”

“We need to have metrics to share with our customers. The customers who are partners will change. The ones who are not willing to change will continue to abuse the relationships...if we let them.”

“I think the best way to handle this is to educate your customer as to how returns affect you as a material supplier, and then be more involved in their project by providing take offs and sharing product knowledge. Not only does this reduce returns, but it demonstrates an investment in your customer’s project which builds your relationship.”

“Sadly, we can only make suggestions to our customers in the beginning and make sure they understand where the responsibility lies. When push comes to shove, they disregard everything and threaten to take their business elsewhere. They’re in the driver’s seat. If we play hardball, we lose.”

“We charge a 10% restock fee. This allows us to help keep credits closer to the 2% level. This additional cost has to be passed along as it is near impossible to trust that it will be covered in the margin of the sale.”

“We charge a restocking fee, and we do not go to jobsites to clean up. Any return products must be stacked and free of debris to pick up. We use cameras and take pictures to use for any disputes.”

“We charge a 20% restocking fee when it’s excessive.”

“We enforce a 20% restock fee, and we know it costs us business. However, without it the contractor could care less about how much material is returned... not to mention how it is stored on site.”

“We all have this problem. Here, we are very selective on crediting only what is in excellent shape and could be sold to our next best customer. And we have improved our material estimating process, which our builders really value. Our message the last two years is to let us calculate it so there is no credit or risk of loss to builder, and they see the value.”

“Drop the quantities that are ordered by about 20% on each order, and absolutely no returns on special orders. This has helped us a lot, but our salespeople are getting by the jobsites more often to see if the sub needs a full bundle of studs he just ordered or if a half bundle will finish him up on a job.”

“Sure, you can return it. We will charge a 15% restock fee, or you can bring it back for free. Don’t fool yourself...you really are not making any money on this customer. If he leaves, you can better serve someone else who deserves it!”

“You are correct. A good standard would be 2% to 3% of revenue (special orders and mistakes included). I would suggest starting with a handling charge passed back to the customer to mitigate some of the sweat equity involved in the credit returns. (You can always white list some of your best customers to keep them exempt). Additionally, making sure the road salesperson is held accountable for these credits. Having them participate in some degree in this handling charge will go a long way in keeping the size of the credits in check. (I’m assuming your customers are not ordering material in a vacuum, right?)”

“It cannot be managed. I’ve been in this business for 35 years and it never changes, no matter what policy or procedure is introduced. Just pick the stuff up, credit what can be resold, and move on.”

“We have tried a variety of ways to help manage this problem. We have held the return lumber per customer and sold it off or auctioned it off and the gave a credit to the customer for the amount it sold for. Most of our contractors are just wanting their jobsite cleaned up. If the lumber we pick up is resalable, we will give credit, but what lumber is twisted, dark, or has nails in it we will just not credit that.”

“We try to start with a better take-off materials estimate. We try to avoid the overages with a time-tested estimate program, and builders start to trust the system.”

“We face the same challenges but with a larger percentage, sometimes reaching 7% of sales. We are considering implementing a monetary penalty against the salesperson of record. My belief is that the salesperson should feel the pain just as the entity does. I also believe in rewarding the salesperson when returns are less than 2.5 % of sales. Returns are a constant challenge and I know they will not go away. Closer attention given by the salesperson and proven turnaround of deliveries will build trust between everyone. Another piece of this process is to consider paying an incentive to the driver for facilitating the return and an incentive to a yard/warehouse team for restocking the products so that materials are sellable again. We currently pay \$25 to the driver and \$20 to the warehouse worker to sort and restock the items returned.”

“We hold the salespeople accountable if there are excessive returns. We ask for pictures prior to pick up and charge 20% return charge to most and 10% for higher volume customers. There is a real cost that is difficult to absorb most of the time. Most folks don't abuse returns, but with prices so high they can't afford not to return excess.”

“We schedule a meeting with the ‘offenders’ to address the issue. We lay out the facts of our costs, our similar labor issues, and ask if we can work together to find a solution. Most go away with a better understanding and things improve.”

“We suck it up and pick up the material as requested.”

“We work with our builders and go over their specific needs. With the help of the sales team working closely with the builders, we identify the subs that are poor performing. When you show the customer their bottom line on one sub versus another, the picture becomes clear that certain subs are eating up their profit. This can be a slow road, but ultimately builds trust and confidence with builders, which is a win for us and them.”

“This has been one of our fastest growing challenges since the housing market exploded. We have had several discussions about charging 5% restock per item or charging a credit fee that is a percentage based on the total of the credit.”

“We have found that this can be a very important criteria for some builders in selecting a supplier. For those who consistently have high returns we make an effort to quote prices to cover the expected returns. This is easier said than done.”

“Communication between the sales team and customers should be first step. Secondly, start charging a restocking and/or jobsite pickup fee. There will be some builders who will push back and others that will understand the loss of revenue and start to manage the returns or pay the fees. Get what you can from who you can.”

“Have a conversation with your builders.”

“We don't charge restock fees to regular builder accounts, but we do charge them on cash sale customers. We're considering charging salesperson 2x their commission amount for the returns on contractor sales.”

“First, we try to educate the customer about the problems large returns cause us. Having to send drivers back out to a job, yard staff having to put stock back in inventory, etc. We deliver most of the time that day, or at least within 24 hours of order, so if subs plan correctly, there should be little or no wait time. If they persist, then a stocking fee will have to be applied.”

“This problem has gotten worse over time. We charge a 10% restock fee on material we pick up on our trucks. We do not charge a restock fee if a customer returns material on their truck, but this has not slowed down the massive returns.”

“We will sometimes under-ship any suspected over-orders from our builder's subs. We're also considering a restock fee for those who are constant offenders.”

“It is a huge problem, and we are working on the same issue. I think the best approach is to have a conversation with the builder and explain why excessive material on the jobsite is bad for everyone. It can be damaged or stolen, both of which result in no credit for the builder. The best solution is to work with the builder to develop accurate take-offs and to package the loads in a manner that work for the sub-contractor. It may mean getting the sub to ‘bless’ the take-off and material loads to get to an effective solution. The builder will have to help with cooperation from the sub-contractor.”

“We have a high restocking fee or no return policy.”

“We have tried to work closely with our builders to remind them that over-ordering creates many problems, from returns creating more work for us, not to be able to get to other jobs promptly, to causing shortages on materials due to the market conditions we're faced with as suppliers. This is almost a double-edged sword at this time, and is very hard to manage keeping builders buying but not affecting the business and bottom line.”

“Grin and bear it. The big boxes have ruined returns for everyone. You can figure out which customers are responsible for the higher rate of returns and reduce their orders on certain items that you notice are the most commonly returned. For instance, we had a siding sub who ordered 20% extra on PVC trim. We reduced the order by 20% and had our outside sales rep visit the job and assess the situation after a couple of days. Usually, we'd need to send a few extra pieces. It takes a lot of effort but truly mitigates returns and damage.”

“For builders who do not utilize our takeoff and design services, we make them aware of the restock fee we have in place.”

“Have a talk with the builder and explain that it is not only costing the supplier money, but it is costing the builder a good bit as well.”

“We have never had a consistent process but have implemented a 10% return charge for all customers.”

“If you go to the jobsite with material several times before it is completed have your drivers ask each time if there is anything that needs to be brought back. This cuts down the huge one-time return.”

“On excessive return customers we charge a restocking fee, and we will use the returned materials to ship on additional jobs for the same contractor.”

“Reduce the order quantities before shipment if it is a constant problem.”

“Sales and management need to work with the builder and come up with a reasonable solution. Also work with the framer and maybe help do take-offs the way the framer frames each job.”

“We have the same issue and feel forced to comply due to losing customers. It has gotten to the point where I feel like we are doing jobsite cleanup instead of returns. I would like to create a policy that everyone could agree on and would be fair for every party.”

“We do most of the material lists and we factor 10% in for waste. One option would be to talk with the sub-contractor and mention that it seems returns are an issue on every job and suggest looking over the lists together to try and cut down on returned goods.”

“Right now, that is part of the business. Once one starts charging a restocking fee, others can do the same. Or you could start charging a pick up fee (same as delivery fee).”

“We charge a 10% restocking fee of anything over 2%.”

“Invest in estimating software or find an outside partner to provide estimation services. Then incentivize your sales reps and customers to use those estimating services. Track trips to jobs and returns and hold your reps and estimators accountable for driving this metric, that they should rightfully own, down to acceptable levels.”

“We let them know of the restock fees they will have to pay on excessive returns and demand the material be in resalable condition or no credits will be issued.”

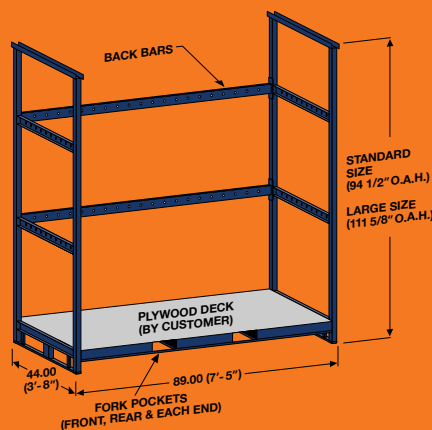
“We have a full-time person managing returns. For special order items we only give credit for items our suppliers give us credit for. We do our own estimating and ship accordingly.”

“We have authorized signers on the account and will only take back saleable items, and no special orders.” ▶

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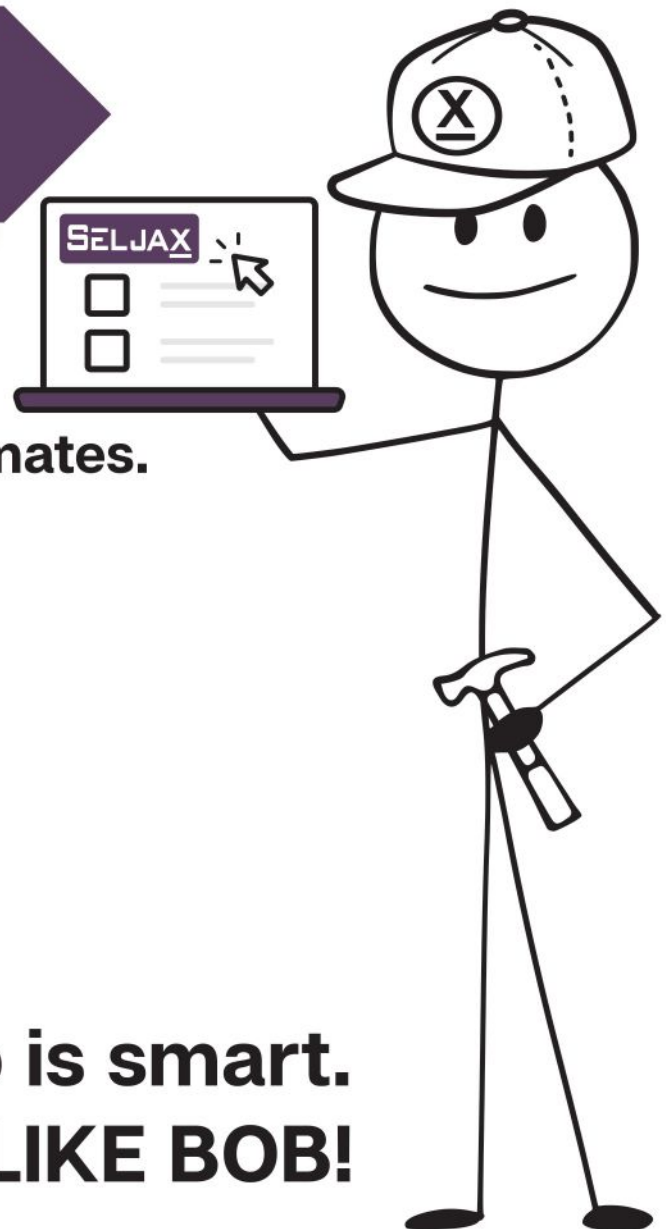
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RESPONSES FROM WHOLESALE DISTRIBUTORS, MANUFACTURERS, AND SERVICE PROVIDERS:

"It's really very simple. Stay on top of timely deliveries and you won't have to worry about contractors ordering heavy to keep their people working. For far too long LBM dealers tried to have their cake and eat it too. Invest in timely deliveries and watch your bottom line grow!"

"I am wholesaler and 90% of the time we get a 25% restock fee and 35% if over 60 days."

"We have been charging a 15% restock on anything in original packaging and resalable within 30 days of purchase and 25% or more within 90 days. After that, no discussion. And we never accept returns on anything special ordered or altered. Our customers understand that returns are costly, and we have helped them school their customers on the expense involved."

"In my past 30+ years of experience where I was managing LBM dealer yards, credits were dealt with in this fashion: 1) We will pick up the material. 2) We will give you credit ONLY if it's in the same condition as when delivered. 3) We will charge a minimal restock fee. 4) We can waive the restock fee, but pricing will reflect that. 5) Don't agree? We are grateful to have done business together, and we hoped we could be profit partners together. But if you can't play on that type of team, you'll have to leave our league!"

"You have to incentivize accuracy. An overabundance of product at the site inevitably leads to less efficient utilization of those products, more waste, and often shrinkage from damage and theft. As a dealer, you need to provide a service model that delivers stock items in the quality and quantity needed for stage of production or each day of production. It needs to be a complete solution that addresses delivering materials quickly the same day when estimates are found to be inaccurate, or mistakes are made. At the end of the project, the lower the return rate is beyond some established threshold, the contractor and/or subs can earn a rebate."

"Subs order heavy when they have the opportunity for two reasons. Lost time due to material shortages often costs more than the cost of returning the extra material. The other reason is that they just don't know what they need. The first reason is one that material suppliers should be sensitive to. The second reason is one where material suppliers have the opportunity to add value on site and also take an active role in controlling the material that goes out to the site by offering to do take offs and visiting the site more often to see what operations are coming up and what is needed next."

"One way we have found to help dealers is to resell the product so they are not losing on the restocking fee to return material. Any time another inquiry comes in for the material they want to return, we alert them so they can resell it."

"We have some product lines that are labeled non-returnable, and that is noted on our price sheets and all confirming orders. On items that can be returned, we charge a 20% restocking fee."

"Is the sub over-ordering or picking through material? Is the material handled with care or dumped in mud and exposed to elements? Charge a pick-up fee (selectively waive for top-tier/profitable clients). No credit for material no longer in condition to be sent out to another jobsite." ■

THE READER WHO SUGGESTED THE "REAL ISSUES" TOPIC WILL RECEIVE AN LBM JOURNAL PRIZE PACK.

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WHETHER IT'S THE SELF-DRIVING semis from the movie “I, Robot” or the autonomous Johnny Cab taxi from the Schwarzenegger flick “Total Recall,” the long-teased promise of driverless technology has always been out of reach. If Aurora Innovation has anything to do with it, the future may finally be here. It has recently partnered with trucking company Schneider National to develop a pilot program for providing autonomous freight hauling for Schneider’s customers.

Utilizing Aurora Driver, Aurora’s self-driving technology, the pilot program promises to ease driver shortages, eliminate slow deliveries, and put an end to supply chain bottlenecks. Using sensors that perceive road conditions, other vehicles, and the general spatial state around the truck, integrated software then plans a safe path through the conditions. Onboard computers integrate that data and then use it to operate the vehicle along the roadway. Aurora Driver is designed to adapt to a variety of vehicle types and use cases, allowing Aurora to deliver the benefits of self-driving across several industries, including long-haul trucking and local material delivery.

It’s a future that trucking companies would greatly like to see come to fruition, and one that could be poised to greatly aid the LBM industry as a whole as it strives to deliver expected levels of customer service while facing unprecedented labor shortages. “Understanding more about an autonomous future is the logical next step to build a network that continues to deliver the best service for our customers,” said Rob Reich, executive vice president and chief administrative officer at Schneider.

According to Aurora, autonomous trucking has the potential to bring a wealth of benefits to industries like LBM manufacturers and dealers.

- Because they never tire or become distracted, self-driving trucks can reduce crashes and save lives.
- The technology will enable fleet owners to transform their operations with autonomous drivers—filling the driver gap they struggle with today—and scaling with the increased business they can fulfill tomorrow.
- Self-driving semis don’t need breaks. With no hours of service limitations, autonomous trucks can operate nearly 24/7.



Using a series of advanced sensors, Aurora Driver adapts to a variety of vehicle types including long-haul trucking and local material delivery.

Photo courtesy of Aurora

—Self-driving trucks have the potential to increase fuel efficiency by up to 10%, leading to cost savings and decreased carbon dioxide emissions.

The partnership with Schneider—Aurora’s fourth commercial pilot program—enables one of the industry’s largest carriers to play a crucial role in testing and validating Aurora’s product and service. “Schneider has a reputation for delivering consistent and reliable service, evidenced by the sheer number of Fortune 500 customers,” says Sterling Anderson, Aurora’s co-founder and chief product officer. “Preparing Aurora Horizon for prime-time with Schneider springloads our ability to deploy our product at scale in the years to come.”

In addition to the partnership with Schneider, Aurora has also piloted with FedEx, autonomously hauling FedEx loads daily between Aurora’s Dallas and Houston terminals, and weekly between its terminals in Fort Worth and El Paso. According to Aurora, in Q2 it delivered over 335 loads by driving over 80,000 cumulative miles, with 100% on-time performance and with no cancellations.

For the rest of 2022 and into the first quarter of 2023, Aurora will continue to focus on releasing additional self-driving capabilities so that the company can soon begin transportation of commercial loads on the company’s initial commercial routes. ■

— LBM JOURNAL STAFF REPORT

The pilot program is part of a larger initiative the company calls Aurora Horizon, a subscription-based autonomous “driver-as-a-service” designed for carriers and fleet owners. According to Aurora, Aurora Horizon is built to supplement driver supply, so carriers and fleet owners can utilize the full potential of their fleets and scale their business for increasing demand thanks to:

AUTONOMY AT SCALE: The Aurora Driver learns from every load it hauls autonomously. As the scale of pilot programs increases, so does the Aurora Driver’s experience.

VEHICLE READINESS: Weekly hauls allow Aurora to test the durability of its next-generation trucks.

Arnold Lumber shares how real-time data analysis from its ERP System enables better business decisions.

Q & A WITH ADAM BARTLETT OF ARNOLD LUMBER COMPANY

Q: The technology powering today's ERP platforms offers companies more data than ever. How does Arnold Lumber Company leverage the data from your Epicor software?

A: We utilize the power of Dashboards and Smart Views within BisTrack to push out actionable data instead of waiting for emailed reports. Dashboards give our users near real-time data, and drilling down into that data with Smart Views allows them to respond and react immediately. Our operations and logistics teams leverage custom built Smart Views that gather all the data they need to be effective, together in one place, for more informed decision-making. Combining that data with information from our Epicor Warehouse Management System has really given our teams a clearer view of the entire operations process and flow.

Q: While our industry battles unprecedented supply chain issues, how does Epicor help you maintain accurate inventory counts in real time?

A: Epicor's Warehouse Management System (WMS) is key to maintaining accurate inventory levels. The receiving to shipping process is much more streamlined, and operations can really control the flow of the picking process. The ability to drill down into the per-operator action logs really helps to find inefficiencies and areas of the operations that could use more attention. The perpetual cycle count functionality has given us the ability to narrow down the specific product stocking areas that have higher rate of miscounts. After we make changes, we then use the same data to validate that the changes were successful in reducing count inaccuracies. Right product, right place, right quantity.

Q: How do Epicor's technology tools help manage margins and navigate pricing issues?

A: BisTrack offers many options to customize customer pricing, whether it's through price profiles, pricing bands, pricing rules, promotions, discounts, or a combination of options. The ability to import and stage buying and selling changes to be released automatically for a future date is a real time-saver for the purchasing team.

Q: Fleet management is more important than ever as drivers are hard to find. How does your software help you manage your deliveries?

A: We have integrated Geotab with BisTrack journey planner, providing our dispatch teams with automatic journey starts and completion events via geofences. We have near real-time visibility of our vehicle locations directly in BisTrack, making it easier to stage for the next returning vehicle. WMS prints shipping labels on demand, and we're in the process of automating the delivery paperwork printing process.

Q: Many of Epicor's services are available in real time and for mobile devices. How does Arnold Lumber Company take advantage of these offerings?

A: We use the BisTrack Delivery app to capture notes and images of deliveries and credit notes, as well as customer signatures. We use the real-time vehicle location functionality enabled by Geotab's integration with BisTrack to assist logistics in planning. Our outside salespeople have access to real-time information via BisTrack Web, and our customers have access to their account information and pricing through our Web Track portal and our Arnold Lumber mobile device app.



Adam Bartlett is the Data Systems Manager – Lumberyard Operations at Arnold Lumber Company based in West Kingston, Rhode Island.



The hands-on,

dialed-in industry experts

Epicor for Building Supply ERP software is built with lumber and building suppliers for lumber and building suppliers, honed through constant feedback and collaboration. From our intuitive interface to modules curated to keep you ahead, our solutions are based on your unique needs. **That's working with you, for you.**

EPICOR

[EPICOR.COM/BUILDINGSUPPLY](https://www.epicor.com/buildingsupply)

SOLUTIONS FOR: Automotive | **Building Supply** | Distribution | Manufacturing | Retail



TECH TOOLS

IN TURBULENT TIMES, TECHNOLOGY TOOLS HELP LBM DEALERS CHART A SUCCESSFUL COURSE.

BY MIKE BERGER

NAVIGATING THROUGH UNSURE TIMES is far from a modern problem. Imagine for a moment you're a Viking sailor on a cloudy sea, for example. You're desperately attempting to cross the ocean for a trade mission, but the sun is nowhere to be seen, and without it you can't determine east from west. How will you find your way and profit from it?

Enter the Viking sunstone, a chunk of calcite also called Iceland spar. Properly used, it purportedly could refract polarized light waves; turn the crystal one way, and nothing is revealed, but turn it so that it properly catches these unseen light waves, and the position of the sun would be revealed—high technology for those times.

We're not that different from those Viking traders, still looking for tools to aid in the navigation of unsure waters. For LBM dealers, those seas have been stormy indeed. Long-running supply, pricing, and economic uncertainties continue to cast shadows on the building materials landscape. But like the mythical sunstone, technology tools are available that can shed light on every aspect of an LBM dealer's business. From solutions for supply chain, financial, and operating issues to those that aid in point of sale, e-commerce, and even project design, more tech aids are available now than ever before.

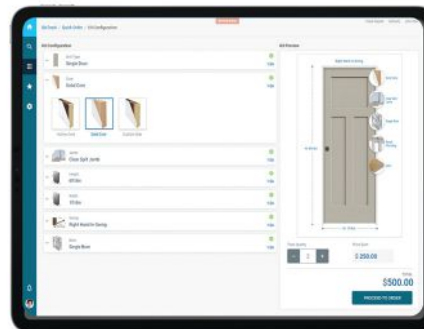
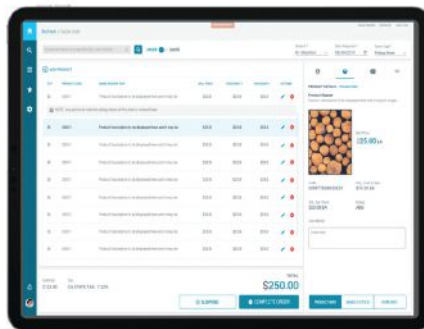
THE NEED FOR NEW SOLUTIONS

The last few years ushered in a slew of challenges for the LBM industry—headaches that remain persistent. Staffing remains at woefully low levels, and businesses are running lean. The supply chain continues to give off unsteady vibes, and new fears of both inflation and a recession are driving software designers to double down on their building industry product offerings.

“Over the past year, Epicor for Building Supply has focused efforts on providing more holistic tools and offerings to our customers so that we can be the single partner to drive growth,” says Zachary Pfeil, industry marketing principal for Epicor Software Corporation. “We’ve done this by growing our native products, acquiring key tools to incorporate into our portfolio, and by partnering with key providers that align with our company vision.”

It’s become more vital than ever for LBM dealers to have access to technology solutions, points out John Maiuri, president of the LBMH division of ECI Software Solutions. “Driven by supply chain constraints and recessionary fears, technology solutions that support advanced business reporting have become critical for LBM professionals to monitor operations and keep an eye on the broader industry’s health,” he points out. “For example, solutions with real-time data dashboards and reports can help LBM dealers have a clearer picture into key areas of the business such as sales, inventory on-hand, scheduled shipments and special orders, so they can keep a pulse on operations and make more strategic decisions in this economic environment.”

Cindy McCarville, DMSi Software’s senior account manager specializing in LBM dealers, agrees with the necessity of new tech solutions, especially those that can bring efficiency to a

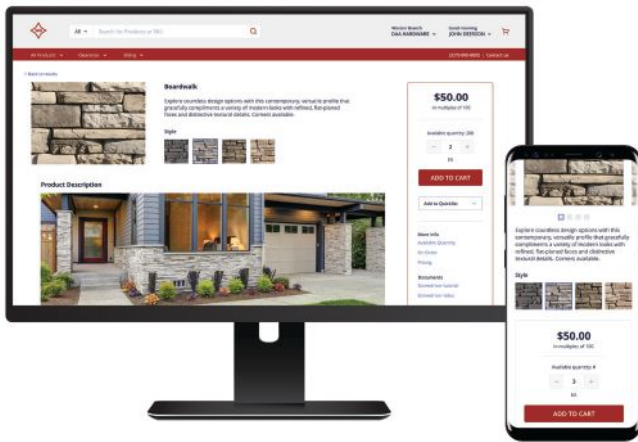


Over the past twelve months, Epicor has launched a number of partnerships and continues its own native offerings to provide new tools and products to LBM dealers. For example, its BisTrack is a UX that, according to the company, enables employees to work remotely while simplifying common business practices. Users can see 3D representations of their order configurations, schedule, dispatch and deliver product, optimize truck and driver usage, and minimize errors. With 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.

lean-running industry like lumber and building materials. “Dealers are busier than ever while staffing continues to be a strain, especially with yard workers and drivers,” she explains. “If you’re running lean, technology is critical to supporting the increase in volume without sacrificing customer service. Online solutions that allow customers to find information 24/7 can reduce call volume for internal staff. Warehouse management apps let a smaller staff pick, receive, and count more products in less time with higher accuracy. Proof of delivery apps that capture signatures and send confirmation photos can reduce administrative delays, improve customer communication, and prevent future disputes about whether materials were delivered.” ▶



ECI Software Solutions’ purpose-built, end-to-end solutions are engineered to empower independent LBM and Hardlines businesses to compete, grow and profit through the use of the company’s real-world software solutions that include Spruce end-to-end business management software and RockSolid MAX point-of-sale system (both shown here).



DMSi's new e-commerce solution, Agility Commerce Cloud, is a comprehensive sales and service platform that the company says is easy to manage, flexible and highly adaptive. It's mobile-responsive, so users can access it anytime, anywhere, on any device. The built-in CMS (content management system) is designed to make it easy for dealers to create high-quality online experiences without hiring a special web team.

ECI recently launched its eCommonSense platform, a vertically specific e-commerce and product information management (PIM) solution. It is specifically designed for LBM retailers to extend the in-store experience and provide a professional online experience, allowing them to offer a 24/7/365 sales presence to address the convenience needs of both consumers and tradespeople.

Software leaders agree that solutions which can improve efficiency is of particular importance to the LBM dealer. "In order to be successful in the near future, LBM Dealers should turn their focus toward technologies that provide business efficiencies, more so than ever," says Epicor's Pfeil. "The past couple years have seen a large boom for the building supply industry and we're at a point where that growth is slowing down, meaning dealers will need to start doing more with less in order to set themselves up for success."

Part of increasing efficiency for the LBM dealer, software makers point out, is being able to offer a robust online retail experience. Customers want to be able to shop for materials when it's convenient for them, they say, and dealers need to be able to respond to that need, or else they run the risk of not staying competitive with the big box stores. "As the industry continues to lean into digital experiences, having an online presence can no longer be a 'nice to have' if LBM businesses want to meet customer expectations and provide a shopping experience that rivals national chains," says ECI's John Maiuri. "Across every industry, customers are increasingly expecting a seamless

online experience that can be accessed 24/7, no matter their location or time zone. LBM dealers need to embrace technology solutions that provide e-commerce offerings so they can stay competitive and not miss out on building new customer relationships. Refusing to adopt this trend can result in major fall out, such as losing business to retailers that do offer an online presence."

As an example, Maiuri points out its North American market launch of its eCommonSense platform, a vertically specific e-commerce and product information management (PIM) solution. As he explains, "With the demand for digital experiences higher than ever, eCommonSense is designed to extend the in-store experience and uniquely provide a professional online experience just for LBM retailers, allowing them to offer a 24/7/365 sales presence to address the convenience needs of both consumers and tradespeople that is seamlessly integrated with their ERP solution."

INVEST IN SERVICE

With so many available solution paths available, LBM dealers can find themselves wondering where to invest. One key area, software makers point out, is in customer service. Technology tools that enable a dealer to provide enhanced customer service can set them apart from their competition, and that ultimately leads to increased sales.

"Give your customers all they need to self-serve: resources that let them find answers, manage their accounts, and conduct business on their own time," explains Simon Sikora, product director of e-commerce for DMSi Software. "Self-service is not a replacement for traditional customer service, it's an extension of it. Their experience online should complement the great experience they have when they walk into your store."

Sikora also points out the need for dealers to constantly maintain a growth mindset about their online services. "Keep looking for new ways to provide value to your customers through your site. Add training resources, vendor integrations, design tools for homeowners. It's OK to be choosy; not every widget on the market is a good fit for your business. The point is to keep looking for opportunities to improve your customers' online experience."

It's not just about making more sales, software leaders say. Managing data along with both front- and back-end operations should be high on an LBM dealer's priorities when it comes to tool investments.



“For small businesses, it can be a challenge to realize the benefits of investing in new technology,” says ECI’s Maiuri. “The main focus is often on the equipment and sales tools, while the back-end technology is a second thought. However, the back-end technology should not be overlooked, especially after the past two years expedited the need for LBM businesses to adopt cloud technology. As a result, one of the most crucial categories of tech tools LBM dealers should invest in are the technologies that help merge management of front and back-end operations. Cloud-enabled ERP is an example of a tech tool that bridges this gap while also providing greater insight to make more informed decisions faster, run a tighter ship, and level up.”

Epicor’s Zachary Pfeil echoes Maiuri’s sentiments when it comes to cloud-based solutions and their potential value to LBM dealers. “Dealers should really be looking into their own journey to cloud technology,” he comments. “With cloud-based solutions, businesses are set up for success for the long term as cloud tools make products updates more efficient and data backups much easier and secure.”

These are just some of the options available, and if it all seems a bit overwhelming, you can relax. Software leaders walk side by side with their clients—after all, they don’t succeed unless their clients do. As ECI’s Maiuri puts it, “The ECI customer support team is responsive and has been carefully trained to help customers utilize the software to reach their business goals.” And his company isn’t alone in that sentiment. By working together with technology providers, LBM dealers can, like the Vikings of old, plot a course despite overcast skies and emerge once again into the bright sun. ■

TECH TOOLS FOR SUCCESS

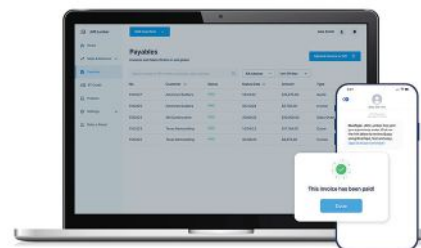
Along with the technology providers we interviewed for their insights here, there is an array of tech options that bring unique solutions to the table for building materials distributors. While covered in our March 2022 In Depth technology feature, these should stay top of mind for LBM dealers looking to stay ahead of the game.

BLUETAPE

Offering financing and payment services, BlueTape enables LBM dealers to streamline their payment processes and offer extended financing options to their trade customers. New features include offering “Buy Now, Pay Later” services directly to contractors and subcontractors, allowing them to buy building materials at any store, pay their dealers upfront with the BlueTape virtual credit card, and pay BlueTape in up to 120 days.

“As we move toward economic uncertainty, nonrecourse lending and net terms for suppliers mean lower risk and more working capital,” says Yaser Masoudnia, BlueTape’s CEO and co-founder. “BlueTape helps LBM dealers get paid at the point of sale and not worry about chasing down unpaid invoices.”

bluetape.com

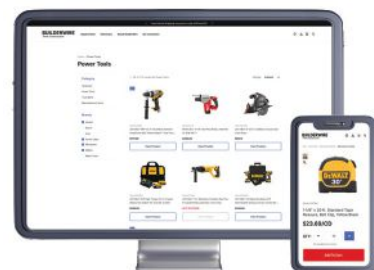


BUILDERWIRE

As the LBM industry’s oldest supplier of e-commerce and digital integration solutions, Builderwire integrates with virtually all of the major ERP providers. According to the company, Builderwire is unique in providing key vertical industry segments with an integrated business-to-business e-commerce system that aims to increase productivity, improve operational efficiencies and reduce cost.

Since its inception in 2000, Builderwire, Inc. has been focused exclusively on providing business-to-business e-commerce solutions integrated with its clients ERP back-office systems, allowing companies to market and sell more effectively through direct customer relationship channels. In addition, it offers complete digital marketing services for its customers that provides one-on-one consultations coupled with metrics, goal setting and performance analyzation.

builderwire.com





BUILDXACT

As an all-in-one business development platform for LBM dealers, Buildxact creates a network connecting sales teams, products, and services with thousands of custom home builders and remodelers and their project data. According to Buildxact, the technology is a benefit to dealers because it increases their share of wallet-growing revenue, builds customer loyalty, and helps them gain visibility into future demand.

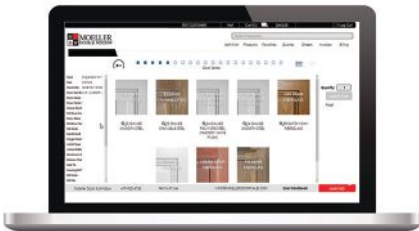
“Buildxact allows dealers to transform static, transaction-based customer lists into dynamic collaborative networks by using the strong relationships between the dealer sales team and their pro customers,” says Steve Yates, Buildxact’s executive vice president of enterprise sales. “This online platform gets rid of the old-fashioned processes like when it took three days to respond to a customer RFI, or the need for a full-time back office that could bring together a whole of house quote.”
buildxact.com



BUYMETRICS

Created to serve lumber buyers, BuyMetrics cloud-based commodity procurement platform gives users proprietary purchase data, including customized metrics and analyses, so that they can set and update sell prices, model alternate go-to-market strategies, maximize return lumber/panels inventory, enhance cash flow, and negotiate better contracts with vendors/customers.

As BuyMetrics’ founder and chairman Val Hansen explains, “The ability to harness disparate and dispersed data, normalize/harmonize disparate offers/unequal bundles/tallys, automatically evaluate price in relation to value, are features/skills many Exchanges and online markets have yet to master.”
buymetrics.com



CAI SOFTWARE

The Ponderosa ERP platform from CAI Software is designed for one-step and two-step distributors and other LBM businesses that want to increase sales, improve productivity, and sell manufactured products at the highest margin possible. Ponderosa’s integrated suite of tools include sales order processing, production ordering and scheduling, inventory, purchasing, POS, payments, dispatch, warehouse management, installed sales, back-office, business intelligence and more.

According to the company, Ponderosa works seamlessly with most major manufacturers’ online ordering portals. The software pulls data from these systems into its Sales Order Entry module, creates a production order and purchase order, and generates a final customer invoice. The software can display the real-time status of every production order as it moves through the assembly and pre-finishing process, track the time for each task, calculate labor costs and component usage, and increase on-time and complete shipments.
caisoft.com



HANDLE

Designed for material suppliers like LBM dealers, Handle manages credit compliance and lien management for construction. According to the company, its electronic parcel map ensures accurate owner verification, even when precise project addresses are not available. Handle provides state specific documents, mail tracking, and can integrate with an LBM dealer’s current accounting system.

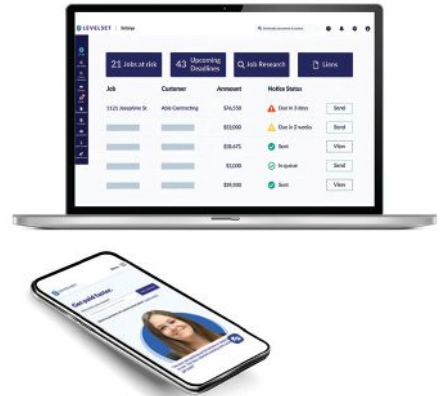
“LBM dealers face many challenges within every aspect of their businesses,” says Chris Woodard, CMO at Handle.com. “Companies like Handle are working closely with these dealers to leverage technology and develop the most efficient process improvements possible (and in Handle’s case, specifically within the finance and credit departments).”
handle.com

LEVELSET

The product suite from Levelset offers construction financial professionals payment solutions along with risk management and financing tools. Levelset Lien Rights Management software helps contractors and suppliers solve payment challenges by simplifying the notice process, reducing risk, and managing compliance in a cloud-based platform, while Levelset Materials Financing enables contractors to purchase materials for projects and pay for them without affecting their cash flow.

According to Levelset, materials financing is beneficial for both suppliers and contractors. It removes the additional risk for suppliers by providing cash for materials right away. Contractors can start the project, keep cash in the bank, and have more time to pay off balances. Both parties can use the added cash they have available for other projects or to expand their business.

levelset.com



PALADIN DATA CORPORATION

Paladin Data Corporation provides digital solutions for hardware stores and lumberyards, combining a point of sale system with inventory management that the company says requires less effort to operate and results in optimal stocking levels. “We’ve recently released several new Paladin features that help retailers manage their professional customers’ projects,” says Dan Nesmith, Paladin Data Corporation’s president and founder. “These new tools offer them a value-added service of helping them track their orders and payments on specific jobs. We also have a cloud-based digital document storage solution for handling all the big, clumsy data files like large documents, photos, digital signatures and more.”

“We have a new feature on the way that will consolidate several purchase orders for a single supplier into one,” hints Nesmith. “It can blend special orders and regular stock orders and that will allow dealers to more easily meet the minimum order requirements of their suppliers, saving them money on each order.”

paladinpointofsale.com



QUOTETOME

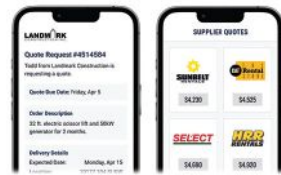
A provider of procure-to-pay automation software, QuoteToMe has partnered with Procore, a leading global provider of construction management software, with the goal of improving procurement processes for contractor businesses. According to the company, QuoteToMe saves contractor field and office teams 75% of the time spent to source goods and process purchase orders and creates up to 15% cost savings on materials and equipment.

Benefits of this new integration include the ability to request quotes from preferred material and equipment suppliers, manage purchasing approvals, and enforce purchasing limits. Users can send completed purchase orders, invoices, and related documents directly to Procore, and they can create purchase order commitments directly from QuoteToMe’s mobile app to capture receipt-of-goods documents on-site or in the store.

quotetome.com



1. enter items 2. add delivery details 3. invite suppliers

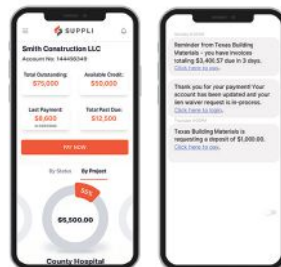


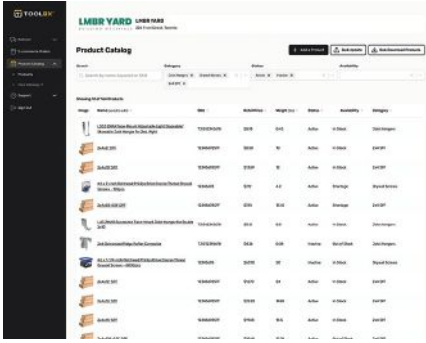
4. send request 5. pick winning quote

SUPPLI

From onboarding to invoice presentment to collections, Suppli’s technology is designed to empower 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



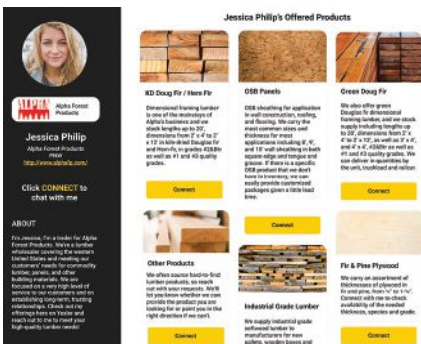


TOOLBX

According to TOOLBX, its software enables construction and building material dealers the ability to offer a seamless online product ordering experience for their customers, through which LBM dealers can boost store loyalty and grow online sales. By combining its technology platform with industry expertise, TOOLBX promises to help an LBM dealer who has an outdated website quickly transition to a site that has full e-commerce capabilities in less than four weeks.

Its recently launched e-commerce platform for LBM dealers allows them to deliver an industry-leading digital customer experience that improves the efficiency of the Pro/Builder customer base buying process. TOOLBX also offer assistance with marketing, catalog management, and merchandising.

toolbx.com



YESLER

Marketplace from Yesler is designed to speed and organize communication between buyers and sellers of lumber and building materials. According to Yesler, Marketplace creates instant communication and negotiations with multiple trading partners simultaneously, organizing all quotes and market information, while capturing the history of quotes, negotiations, and trades. Recently-launched new profiles for sellers (shown here) enables them to take their offering online to enhance their reputation, build trust, and grow their business using Yesler as their digital channel to market.

“Yesler is built for LBM users, so it has specific tools to help buyers and sellers that other platforms do not,” says Matt Meyers, founder and CEO of Yesler. “We’ve recently expanded features to help sellers digitally merchandise products directly to their buyers and amplify their professional profile and reputation online. Yesler Marketplace empowers LBM sellers to bring their trusted relationships into the future and increase speed and efficiency.”

goyesler.com

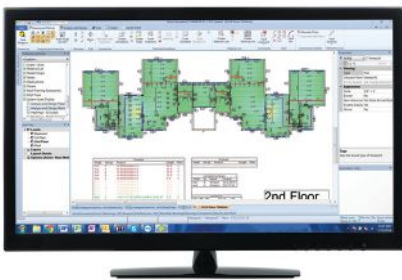
TECH TOOLS FROM MANUFACTURERS

Software makers aren’t the only ones providing technology solutions to the LBM industry. Building materials manufacturers are just as invested in creating tools to help both the dealer and the product end user. “The industry has faced unprecedented challenges around material supply, logistics, transportation, and labor,” says Matthew Smith, software development manager for Weyerhaeuser. “Providing customers with value-added support and tools that increase efficiencies and reduce waste is more important than ever.” Some leading manufacturer technology tools include:

BOISE CASCADE

BC Connect is a web-based platform of integrated tools (such as BC Framer shown left) from Boise Cascade that lets dealers and distributors manage engineered wood product workflow. It gives customers a central resource to manage projects, coordinate drawing services, import and manage material lists, create quotes, optimize job pack creation, and store other project files conveniently using the Internet.

According to Boise Cascade, BC Connect provides a single source of customer and project information that can be shared between the design and operations teams while also providing critical updates to the sales team to reduce confusion and improve project collaboration.

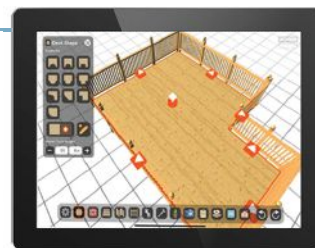


It organizes projects by customer, allowing them to track important contacts, delivery instructions, and more. The platform's dashboard provides an "at-a-glance" view of incoming work and work in progress, and because it's a web-based application, that information is accessible anywhere, any time on both desktop and mobile devices.

Users can input span and load conditions for common joist, beam, and header applications, generate a list of products that meet structural requirements, and then determine the most efficient way to cut the lengths and quantities needed for a framing layout based on inventory on hand.
bc.com

SIMPSON STRONG-TIE

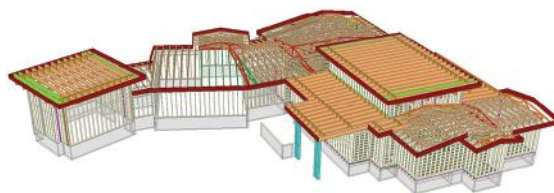
Simpson Strong-Tie's Pipeline LBM is a cloud-based material management and estimating system that is designed to pull data from multiple applications into a single information set for driving all processes. According to the company, Pipeline LBM solution from Simpson Strong-Tie bridges the gap between design and estimation for real-time, automated takeoffs by simplifying estimates with bills of materials for each plan while managing options-driven changes and updating construction documents and back-office data. Says Sam Hensen, vice president of building technology and digital product development for Simpson Strong-Tie, "We've focused more resources than ever before on partnership with our LBM pro dealer customers and understanding their specific needs as residential construction supply chain experts as they transition to an ever-increasing digital way of doing business." Also available from Simpson Strong-Tie, its Outdoor Living Solutions platform suite includes three free software applications—Fence Planner Software, Deck



Planner Software, and Pergola Planner Software—that gives DIYers and other retail customers the ability to quickly design outdoor living structures. "For builders and contractors, the software offers a way to expand value-added services, increase customer satisfaction, and line up more projects," explains Michael Heisler, director of outdoor living solutions for Simpson Strong-Tie. "Lumberyards, pro dealers and retailers can additionally participate in a licensing program offering three tiers of co-branded or fully branded visibility within each app, increasing their own brand awareness and driving product sales."
strongtie.com

WEYERHAEUSER

Weyerhaeuser offers a suite of software that helps dealers and their customers implement high-quality structural framing solutions and optimize material use while reducing construction cycle time, cost, and waste. For example, the company's Javelin software models an entire structural frame, allowing dealers to optimize combinations of residential engineered wood products and dimensional lumber in layouts for floor, wall, and roof systems—all in a single file. To further add value for the builder, dealers can use Weyerhaeuser's NextPhase Site Solutions to integrate the design data from Javelin with saw technology to create pre-cut and pre-labeled JobPack framing bundles. "Having access to data helps inform decision-making," says Matthew Smith, Weyerhaeuser's software development manager, about the importance of technology tools. "For example,



Weyerhaeuser's Stellar software gives dealers information to make decisions about when and what to order as well as make the best material and labor optimization decisions. From creating an optimized shipping list with jobsite cutting instructions to automated cutting equipment producing precision-cut framing packages as part of the NextPhase Site Solutions program, Stellar software easily scales to the needs of each business."
weyerhaeuser.com



ARE YOU ONE OF OUR 40 UNDER 40 LBM PROS?

RECOGNIZING 40 LBM PROS UNDER THE AGE OF 40 WHO DEMONSTRATE LEADERSHIP AND EXEMPLIFY COMMITMENT AND EXCELLENCE IN SERVICE TO THEIR COMPANIES, THEIR CUSTOMERS, AND THE LBM COMMUNITY.

FOR INFORMATION ON ELIGIBILITY VISIT:
lbjournal.com/40-under-40-nomination

Simpson Strong-Tie Steel Spline for Mass Timber

Simpson Strong-Tie has introduced an all-steel, light diaphragm spline strap (LDSS) designed to replace traditional plywood splines for joining mass timber diaphragm panels. The LDSS spline solution includes a steel spline with embossed fastener holes that help connect mass timber panels quickly using collated Strong-Drive WSV screws driven by a PRO300SG2 Quik Drive cordless tool modified with a unique noseclip. Unlike plywood splines that require routing of the panel surface, the LDSS light diaphragm spline strap is placed directly on top of panels. According to Simpson Strong-Tie, the embossed fastener holes increase capacity and help guide Quik Drive installation to increase speed, reduce contractor fatigue, and eliminate the bulky hoses and equipment associated with pneumatic nailers. By eliminating CNC routing, manufacturers can save significant time and cost on fabrication. Tested for in-plane shear values, this steel strap is reported to be less susceptible to damage from moisture during construction. strongtie.com



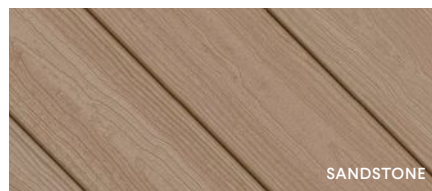
Tantimber ThermoWood Iroko Siding

Distributed exclusively by G-Wood Pro, ThermoWood Iroko Siding from Tantimber is touted as a preferable alternative to endangered South American species because of its reported superior durability, stability, and aesthetic characteristics. Manufactured using a proprietary process which Tantimber says prevents expansion, warping, shrinking, decay, infestations, splitting, breaking and limits checking and cracking, the siding is FSC certified, PEFC certified, chemical-free, nontoxic, eco-friendly and 100% recyclable. ThermoWood siding is also available in ash, pine, ayous, and tulipwood. gwoodpro.com

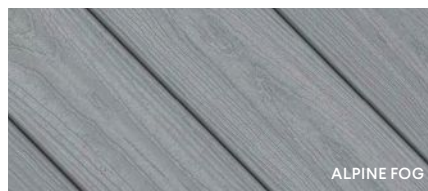


Huber AdvanTech X-Factor

As a premium subflooring, Huber's AdvanTech X-Factor features a fade-resistant, water-shedding surface on a high-performance engineered wood panel. It features a built-in protective top layer that, according to Huber, provides a distinctively smooth, even, premium subfloor surface that is marker-friendly and easy to clean, and it offers a Squeak-Free Guarantee when paired with Huber's AdvanTech subfloor adhesive. Unlike commodity OSB and plywood panels that can show flaking, delamination, or discoloration from exposure to daily jobsite stress, AdvanTech X-Factor protects the panel surface quality and appearance. Additional benefits include first-class moisture protection, curbside appeal of a clean, smooth subfloor assembly and surface consistency for even-covering application. huberwood.com



SANDSTONE



ALPINE FOG

Ridge Composite Decking

Envision Outdoor Living Products recently released two new colors—Sandstone and Alpine Fog—to its budget-friendly Ridge Premium collection of capped composite decking. Emulating cooler mountain tones, Sandstone is a light, natural brown, while Alpine Fog is a blend of cool silver tones in an on-trend light gray. Manufactured with blended, variegated color and a non-repeating grain for an authentic appearance, the decking is made with Envision's proprietary Compress Technology, which the company explains uses high heat and pressure to squeeze out air pockets, physically bond the cap and core together, and press the decking's non-repeating grain into the cap. The result, Envision says, is a board that's both strong and beautiful. The decking, which is made in the USA, carries a 25-year residential warranty and a 10-year commercial warranty. envisionoutdoorliving.com

SPAX Composite Deck Screws

SPAX's new line of composite deck screws are engineered with an undercut head that SPAX says prevents mushrooming and provides a clean finish into PVC, capstock, and composite deck boards. These new screws (available in seven colors to match common composite deck board shades) are, according to SPAX, the ideal length for use with 1" and 2" nominal thickness boards. They also include a reverse upper thread that clears away excess material, T20 T-star drive for positive bit engagement, a Type 17 double slash point for a fast starts, and a tri-lobe shank to prevent cracking or splitting of deck boards. SPAX composite deck screws are manufactured with an HCR coating that is IRC/IBC code compliant for use in treated lumber and exterior exposure condition 3 (general construction), and are available in 75-, 350-, and 1750-count boxes. spax.us



CertainTeed Max Def Landmark PRO

CertainTeed recently released three new colors to its Landmark PRO roofing shingles line: Max Def Coastal Blue (shown here), Max Def Espresso, and Max Def Red Oak. Engineered with two laminated layers to replicate the dimensional appearance of true wood shake, Certain Teed bills Landmark PRO as an affordably-priced premier aesthetic roofing product that delivers optimal performance, durability, and curb appeal backed by CertainTeed's lifetime-limited warranty. Other features of the Landmark PRO shingle line includes 10-year SureStart protection for materials and labor costs, 15-year 110-mph wind warranty (upgradable to 130-mph), 15-year algae resistance, CertainTeed's QuadraBond four adhesive strips for increased resistance to wind and weather damage, and a Class A fire-resistance rating. certainteed.com



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Wolf Home Products Shower Line

According to Wolf Home Products, its new Wolf Shower line allows homeowners to create a new, refreshed style for their bathroom with a variety of shower bases, wall panels, accessories, and more to match their home aesthetic. Wolf Showers are made of cultured marble that mimick the colors and depth of detail of natural stone, but at a reduced cost. Homeowners can piece together their own custom combinations by selecting a shower base, wall panels, and accessories in the color and size of their choice. Available in over 36 finishes, Wolf Showers are available with a non-slip and pitched-to-drain base and accept standard size drains. They can be customized for length, depth, and shape and can be crafted as handicap accessible. Wall panels can also be designed in various dimensions and come in a variety of patterns. wolfhomeproducts.com



Grip-Rite ShingleLayment-HT

New from Grip-Rite, ShingleLayment-HT is a synthetic 8-layer material combining a non-woven non-skid walking surface with high performance hot-melt butyl. For use on sloped roofs, Grip-Rite ShingleLayment-HT is designed to protect against moisture infiltration from ice buildup and wind driven rain, and can be used under primary roofing materials as a secondary water shedding device. The synthetic fabric consists of multiple layers of spun bonded polypropylene, fiberglass, polypropylene bonding layers, butyl adhesive, and a silicone treated release liner. It's compatible with PVC and TPO low slope roofing membranes and polypropylene synthetic underlayments, and because ShingleLayment-HT is asphalt free, it emits no VOCs. grip-rite.com



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DSI Westbury Juliette Balcony aluminum railing

The new Westbury Juliette Balcony aluminum railing from DSI is specifically designed for use as an exterior railing for French, double, or sliding doors or a large window on an upper floor as an elegant alternative to a balcony. As a cost-effective alternative to building a full balcony on upper stories of residential and multi-family properties, the Westbury Juliette Balcony railing serves as a guardrail across the opening of doors and windows for safety while also allowing light transmission into upper story rooms. Available in Westbury's Tuscany railing design, the Juliette Balcony railing is available in 12 standard colors and comes pre-assembled in 7' x 42" and 8' x 42" sections. (Custom lengths and styles are available for special order.) All DSI aluminum railing systems are backed by DSI's Lifetime Limited Warranty. westburyrailing.com



FastenMaster GuardDog wood screws

FastenMaster has released a new and enhanced version of its GuardDog exterior wood screw. Created for exterior applications including pressure treated decking, railings, and stair stringers, the newly enhanced fastener includes a TORX ttap Drive System, a sharp Type 17 Point for quick cutting into the wood surface, and cutting nibs under the head to deliver a clean finished look. GuardDog is approved for use in treatments such as ACQ and CA-B, and acidic woods such as Cedar and Redwood, and is guaranteed to protect against rust for the life of the project. GuardDog exterior wood fasteners are available in lengths ranging from 1-5/8" to 3-1/2" and in quantities ranging from 75-piece boxes to 1,750-piece buckets. fastenmaster.com



RISE Siding

New from RISE Building products, RISE Siding is a synthetic siding product that is available either in a factory-primed finish or in 10 pre-finished colors. Unlike fiber cement and engineered wood options, RISE products require no specialized tools to cut or on-site dust mitigation, and they install like traditional wood products. RISE Siding lap products are available in 160" and 240" options. All RISE trim comes either primed or pre-finished in Porcelain White in 160" lengths, are available in 4/4" and 5/4" nominal thicknesses, and in widths from 4" to 12". RISE also offers solutions for board and batten and soffit applications. risebuildingproducts.com

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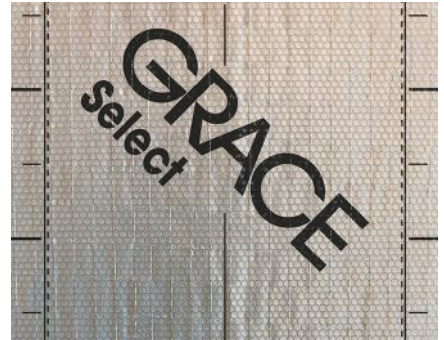
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GRACE SELECT roofing underlayment

GCP recently launched new enhancements to its GRACE SELECT self-adhered roofing underlayment. Composed of a rubberized asphalt adhesive laminated to a strong slip-resistant film, GRACE SELECT is promised to be faster and easier to install than granulars, while still meeting or exceeding industry standards for roofing underlayments. According to GCP, the new enhancements include superior adhesion at low temperatures, stronger film that exceeds tensile and tear requirements, and UV exposure for up to 90 days. These enhancements complement existing GRACE SELECT features such as premium adhesive that self-seals around nails for a strong defense against weather, and a proprietary film surface for superior foot traction without loose granules. gcpat.com



KEEN Utility's Pittsburgh Energy boot

The Pittsburgh Energy is an updated take on the original Pittsburgh work boot that incorporates all of KEEN Utility's safety, performance, and comfort features. In addition to its lighter weight, this medium-duty boot offers additional cushioning and flexibility with comfort enhancements including a KEEN.ReGEN midsole that the company says returns 50% more energy than standard EVA foam, a KEEN.DRY waterproof, breathable membrane, and a TPU shank for midfoot support. In addition, the Pittsburgh Energy is built with additional safety features such as asymmetrical carbon-fiber toes that are 15% lighter than steel, an oil- and slip-resistant outsole, and an EH rating to serve as a secondary source of protection from live circuits. The new Pittsburgh Energy will be available in two colors for men and also has a soft toe option. keenfootwear.com



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Paslode 16-ga. Angled Finish Nailer

Paslode has recently updated its Cordless 16 ga. Angled Finish Nailer with updated features for improved productivity on the jobsite. According to Paslode, the nailer, which weights 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. The angled finish nailing platform allows the user to get in to tighter spots and angles that traditionally cannot be done with conventional 16 ga. straight finish nailers, and the nailer is backed by a 2-year full replacement warranty. paslode.com



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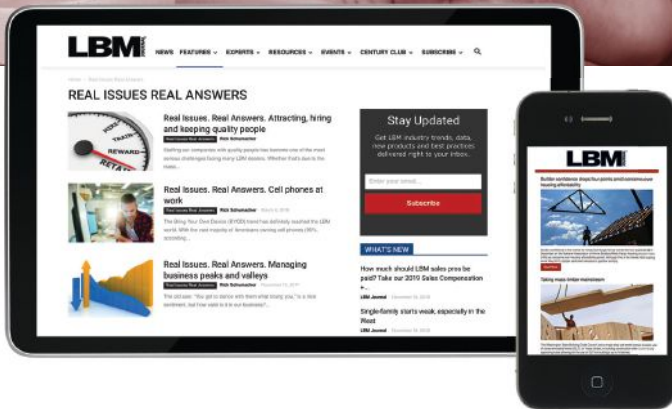
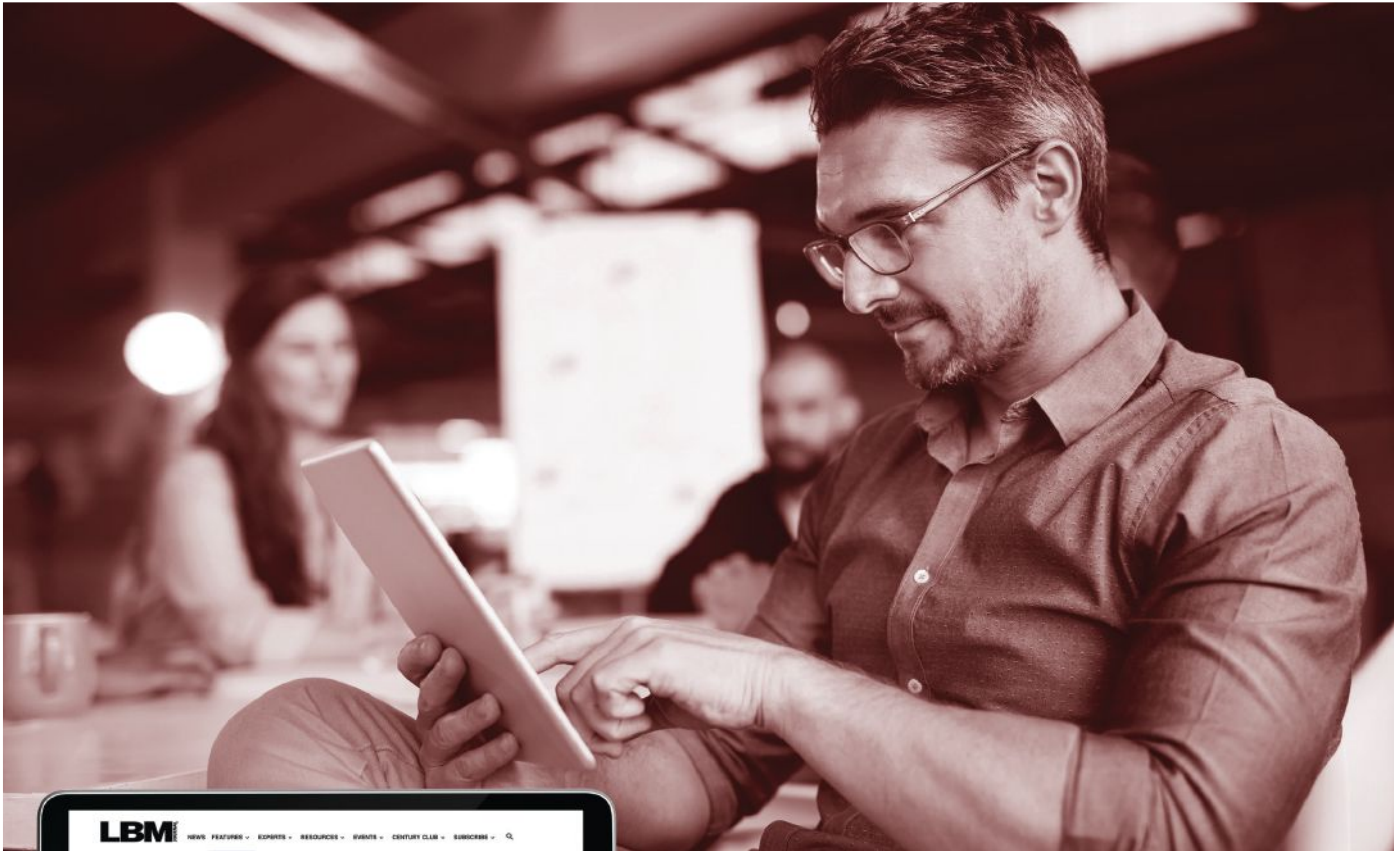
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Statement of Ownership, Management, and Circulation (Requester Publications Only) 1. Company Name/Publication Title: Custom Built Publishing LLC/LBM Journal. 2. Publication Number: 19305516. 3. Filing Date: 9/16/2022. 4. Issue Frequency Monthly except combined November/December. 5. Number of Issues Published Annually: 11 6. Annual Subscription Price: 48. 7. Complete Mailing Address of Known Office of Publication (not printer): 10880 175th Court West, Suite 240, Lakeville, MN, 55044-7701. Contact Person: Michelle Fischer; Telephone 612.888.5261. 8. Complete Mailing Address of Headquarter or General Business Office of Publisher: 10880 175th Court West, Suite 240, Lakeville, MN, 55044-7701. 9. Full Names and complete mailing addresses of publisher, editor and managing editor. Publisher: Rick Schumacher, 10880 175th Court West, Suite 240, Lakeville, MN, 55044-7701. Editor: James Anderson, 10880 175th Court West, Suite 240, Lakeville, MN, 55044-7701. Managing Editor: Mike Berger, 10880 175th Court West, Suite 240, Lakeville, MN, 55044-7701. 10. Owner: Custom Built Publishing, LLC, 10880 175th Court West, Suite 240, Lakeville, MN, 55044-7701. 11. Known Bondholders, Mortgagees, Other Security Holders: None. 12. Tax Status: The purpose, function, and nonprofit status of this organization and the exempt status for federal income tax purposes: NA. 13. Company Name/Publication Title: Custom Built Publishing LLC/LBM Journal. 14. Issue Date for Circulation Data Below 9/1/2022. 15. Extend and Nature of Circulation: Average No. Copies Each Issue During Preceding 12 Months and no. copies of Single Issue Published Nearest to Filing Date. 15a. Total number of copies (net press run). Average No. Copies Each Issues During Preceding 12 Months: 37,571. No. Copies of Single Issue Published Nearest to Filing Date: 37,173. 15b. 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PRODUCT QUALITY VERSUS VENDOR LOYALTY

YOU'VE LONG BEEN LOYAL TO YOUR LOCAL CABINET SHOP, BUT THE QUALITY OF THEIR PRODUCT HAS DECREASED SIGNIFICANTLY. NOW YOUR BIGGEST CUSTOMER WANTS NOTHING TO DO WITH THEM. WHAT WOULD YOU DO?

YOU LEARNED LONG AGO, working as a teenager at your family's business, Loyal Lumber, that if the lumber industry is built on one word, that word is "loyalty." After all, it's on the sign out front. Over the years, as you took on more responsibility and eventually bought the business, you've worked hard every day to make sure Loyal Lumber lives up to its name. And it has; you're surrounded by loyal team members, loyal customers, and loyal vendors. But a recent dustup between two of those has you concerned.

A longtime builder customer (the biggest of your one-store, small-town operation, no less) has refused an order of cabinets that were supplied by you through one of your long-standing vendors. The cabinet vendor you've been working with for more than 20 years took quite a hit during the COVID-19 pandemic. Their facility, located just 12 miles away but across the border in a state with very tight restrictions, was closed down longer than most. When they did re-open, they were working at half-staff for months, then had trouble finding workers when the restrictions were finally lifted.

All the while, you were serving builders throughout the pandemic and remained loyal to the vendor, convincing your customers who rely on their product that it's worth the wait for high quality, affordably priced cabinets. Your customers understood completely because, after all, loyalty means something in this industry.

Now that the cabinet shop has been up and running as fast as they can for well over a year, you've noticed that one thing is apparent: The fact that they're running as fast as they can shows in the quality of their cabinets. More than once you've had to send orders back because of shoddy assembly or stain jobs. Each time, loyalty won in the end. The vendor made it right and your customers have been patient.

But this time, your biggest builder customer said he's not going to take an order as it arrived because the cabinets are not even stained the right color. Moreover, he doesn't even want another job done though this cabinetmaker.

You talked to your vendor, and they're doing everything they can. With supply chain backlogs delaying hardware and a labor crisis attracting only the most inexperienced



cabinet makers, they're not only back ordered, but are looking at price increases as well. He promised to have more quality checks at his plant before shipping, but that's about all he can do.

Since then, you've contacted a couple of other area vendors who would love to help you out but are backlogged themselves and hesitant to commit to any larger orders, at least anything that can satisfy your angry customer. Finally, you reached a vendor who can take on your request, but he's brand new in your market and you know your customer will question that. What would you do?

CAST YOUR VOTE ONLINE AT: LBMJOURNAL.COM

- **BE PATIENT.** Ride it out with the vendor you know and plead with your builder customer to give them one more try.
- **MOVE ON.** Switch to the new vendor and let the previous company know they've lost your business.
- **TEST DRIVE.** Give the job to the new vendor. If it's quality work in a reasonable timeframe, they may be your new go-to.
- **EXPAND YOUR SEARCH.** Let your builder know that if they can share in delivery costs, you'll look far and wide to find the right vendor.

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.

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