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STRATEGIES FOR LUMBER/BUILDING MATERIAL DISTRIBUTION PROS

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APRIL 2023 \$15 U.S.

THE DECK ISSUE

THE LATEST PRODUCTS
AND TRENDS IN DECKING,
RAILING, ACCESSORIES,
AND DECK FASTENERS



2023 DEALER OF THE YEAR
SAN ANTONIO LUMBER CO. IN FLORIDA
ANNUAL SALES UNDER \$10 MILLION

**HOW DEALERS ARE
PROJECTING THE FUTURE**

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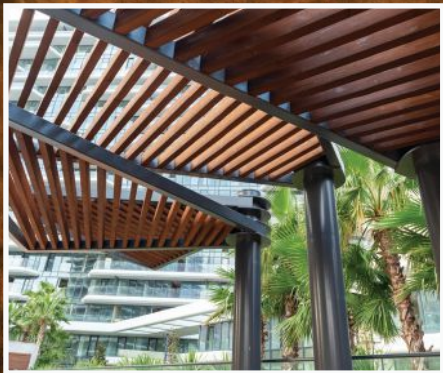


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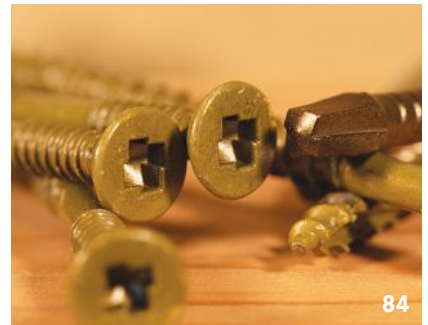
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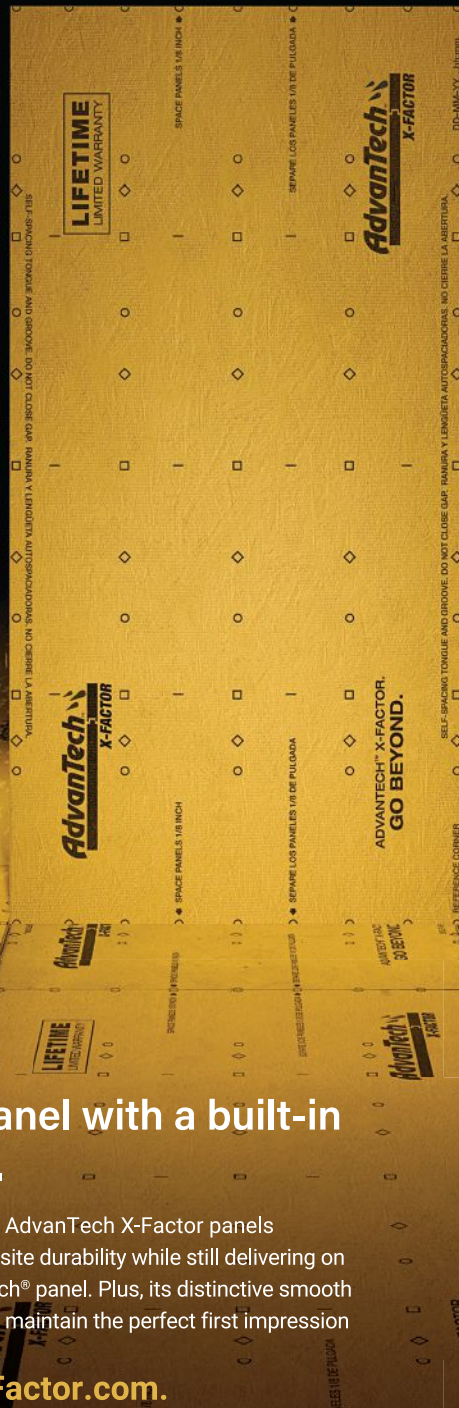
Looking back at a long career
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Executive Editor & Publisher

Rick Schumacher
Rick@LBMJournal.com

Editor

James Anderson
James@LBMJournal.com

Managing Editor

Michael Berger
Mike@LBMJournal.com

Creative Director

Richard Hart
Design@LBMJournal.com

Contributing Sales Editor

Rick Davis

Contributors

Sam Brownell, Dena Cordova-Jack,
Thea Dudley, Russ Kathrein, Bill Lee,
John Wagner

Controller

Nancy Frazer
Nancy@LBMJournal.com

Director of Operations & Events

Michelle Fischer
Operations@LBMJournal.com

Administrative Coordinator

Tina Saucke
Tina@LBMJournal.com

ADVERTISING SALES

NORTHEAST & SOUTHEAST

Jodie Cook Redwood
Jodie@LBMJournal.com
Ph: 800.324.3492

CENTRAL & WEST

Michele Randazzo
Michele@LBMJournal.com
Ph: 904.310.9540

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What are my ownership transition options?

BY SAM BROWNELL

54 2023 LBM JOURNAL DEALER OF THE YEAR: ANNUAL SALES UNDER \$10 MILLION

Anyone who has worked at a lumberyard—not to mention owned and operated one—knows that you need to wear many hats on any given workday. Sarah Schrader, fifth-generation family owner of San Antonio Lumber in San Antonio, Florida, recently found herself wearing the hat of an event planner. On January 21, the company celebrated its 100th anniversary with a party that brought in customers, family, friends, politicians, and an appearance by an internationally-known country band, The Bellamy Brothers.

BY JAMES ANDERSON

42 REAL ISSUES. REAL ANSWERS. PROJECTING THE FUTURE

BY LBM JOURNAL READERS

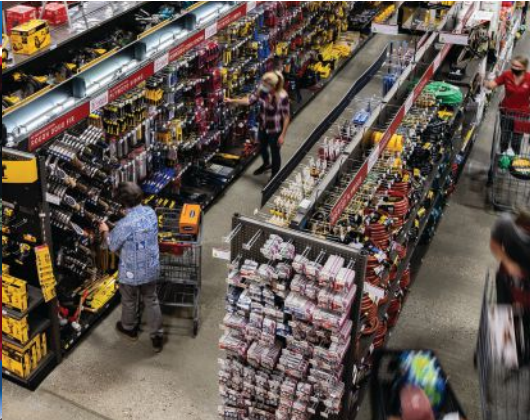
94 PRODUCTS





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Our shared journey

“**WE HAVE A GREAT CORE** of key personnel, but the biggest problem I’m facing is finding newer hires who are willing to work. The labor pool is non-existent. Where did all the workers go? Some new hires know how hard it is to find employees and they purposely perform sub-par, knowing full-well they are safe in their employment, because letting them go is not an option... we need bodies. The others want the same pay as our experienced team members.”

Sound familiar?

Since the “Real Issues. Real Answers.” feature launched back in 2011, we’ve received tens of thousands of responses to our surveys. But the one issue that’s been a chronic challenge from the beginning—and one that never strays far from the number one spot—is attracting, hiring, and retaining good people.

Here at LBM Journal, we know how rampant this challenge is, and we also know there are no quick and easy answers. There’s a Chinese proverb that says, “A journey of a thousand miles begins with a single step.” That’s why we seek out and feature dealers who have discovered some answers along their journey and share them in the hopes of sparking an idea for you and your team. For example, in his Editor’s Letter, James Anderson spotlights Hamilton Supply Company, a New Jersey dealer that stands out by incorporating fun into the day-to-day.

Looking for more “single steps” for your journey? In the LBM Dealer of the Year profiles, James shares how top performing dealers attract and retain talent. This issue features 2023 LBM Dealer of the Year winner with sales of less than

\$10 million, San Antonio Lumber. In this profile, you’ll learn how this century-old company, now in its fifth generation of family ownership, leverages work-life balance to keep its team happy and productive. And if you haven’t read the other three 2023 LBM Dealer of the Year profiles featuring Koopman Lumber (sales of more than \$100 million), Walker Lumber (sales of \$50–\$100 million), or Henry Poor Lumber (sales of \$10–\$50 million), I urge you to explore them in our January, February, and March issues or online at LBMJournal.com.

On the compensation side of the labor equation, we’ve been working with The Farnsworth Group to develop an updated version of our Sales Compensation + Benefits Survey. We’ll do a deep dive into the results in our August issue, and companies who participate will receive a full report for free once it’s completed (probably by early summer).

I’m also genuinely excited about our upcoming inaugural 40 Under 40, which will recognize and celebrate young pros who are in the process of leading our industry forward in our June issue. And, for those of you who questioned if we’d find 40 young pros, the nominations for this first year have far exceeded our goals, and we very much look forward to shining a spotlight on this impressive group.

And for those of you who enjoy and appreciate connecting and learning from other LBM pros in person as part of your journey, this all comes to life at the LBM Strategies Conference, coming up October 11–13 in Charlotte. Check it out at LBMStrategies.com.

— Rick Schumacher
Executive Editor & Publisher



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BY **HILLMAN[™]**

They're having fun at Hamilton

I OPENED INSTAGRAM over the past weekend and knew I had to write a column about the first two posts I saw. The first, from a national business magazine, lamented the revenue that was lost from businesses across the country because of employees taking part in March Madness brackets. The second post, from Hamilton Building Supply in New Jersey, was a photo of their company-made March Madness Manufacturer Tournament.

At Hamilton, John Perna's team completed brackets not for the NCAA Men's Basketball Tournament, but for brands that the company carries. As an example, a decking company squared off against a kitchen cabinet manufacturer for a chance to advance to the next round. Some of the brands received up to 200 votes to move on. Sounds fun, right? But is it a loss of productivity? Possibly. The question I had for John was where he ranked the two values—fun and profitability.

Here's what John had to say: "We're not consumed by the tournament, but it does offer some much-needed levity in our LBM industry that can be so stodgy and serious too often. The manufacturer tournament that we came up with was a home run among our employees, vendor partners, and our customers, because we put our own spin on a big social event, and everyone has a vote and a chance to participate."

I'm sure that at some companies there is productivity lost, as an estimated 2.5 million people tune in per day to watch the tournament from work, but it's hard to quantify. According to one report, U.S. workers spent something to the tune of 8.4 million hours watching NCAA tournament games during the workday.

At Hamilton Building Products, John said the engagement of employees far outweighs any distractions they may get caught up in through either a March Madness or Manufacturer Tournament.

"I've read enough business psych texts that theorize people are generally motivated, productive, and effective when their serotonin and adrenaline levels are naturally running higher to produce positive energy," John said. "Trust me, tournament or not, we don't lose sight of keeping our customers happy and being super detailed and delivering great service. Keeping employees focused and taking care of business so that we are productive and growing mistake-free is still critically important and something that we emphasize to our team daily. In the end though companies need balance. We're all humans and we need to have a little bit of fun here and there too."

"Over the past few years our revenue and productivity has grown tremendously, so when you're having as much fun as we are, why stop now?" John said.

— James Anderson
Editor



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”

UPDATES

PEOPLE

Libby Berman has been named vice president, chief tax officer, and **Bob Hopkins** has been named vice president, treasurer at LP Building Solutions.

Georgia-Pacific has named **David Neal** as the new president of gypsum business.

Beacon has appointed **Racquel Harris Mason** to its board of directors.

Matt Lawless will serve as vice president-general counsel and corporate secretary at **Roseburg**.

Jaclyn Harrison has joined **ODL** as the executive vice president of human resources.



DAVID NEAL



RACQUEL HARRIS MASON



MATT LAWLESS



JACLYN HARRISON

BUYER'S GROUPS & CO-OPS

LBM Advantage has been named among Best Companies to Work for in New York.

Bob Carson has retired as vice president of southern operations at **LBM Advantage**.

At the **LMC Annual**, LMC President and CEO **Paul Ryan** reported \$7.8 billion in purchases during 2022. He also welcomed 25 new dealers to the LMC network last year.

True Value has unveiled manufacturing facility automation at its facility in Cary, Illinois.

Nearly 50 home center and lumberyard employees from across the country graduated from **Do it Best's** inaugural LBM Academy in February.

Do it Best unveiled a new e-commerce strategy and new platform at its Spring Market in Orlando.

Do it Best has named **Dan Dietlin** as director of continuous improvement.



At **DSI**, **Patrick Gallagher** has been promoted to director of sales-building products/Eastern U.S. In addition, the company also announced the retirement of **Ken Hotchkiss**. **Chris Boyts** has been hired as Mid-Atlantic territory manager, and **Randy Freed** has been promoted to the position of training manager following the retirement of **Larry Burkholder**.

Patrick Burns of **Patrick Lumber Company** of Portland, Oregon, stepped down from his role as president. The balance of the management team remains in place, with **Dave Halsey** continuing as chief executive officer.

INDUSTRY

Pennsylvania Lumbermens Mutual Insurance Group (PLM) has launched an insurance coverage tailored for hardware stores.

Modern Mill has been named to **Fast Company's** list of the World's Most Innovative Companies.

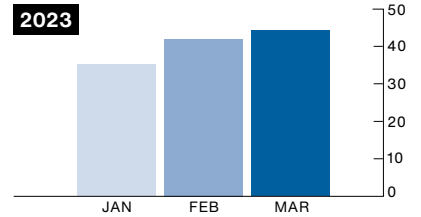
DISTRIBUTION

CertainTeed's Landmark ClimateFlex and Landmark Solaris AR is now available in the North Central, East Central, and Lake Central regions, as well as parts of Canada.

BlueLinX has expanded its distribution partnership with **LP Building Solutions**.

Sherwood Lumber has been named one of the Best Places to Work in New York.

UFP-Edge has added distribution through **Russin**.



BUILDER CONFIDENCE INCHES HIGHER IN MARCH

Although high construction costs and elevated interest rates continue to hamper housing affordability, builders expressed cautious optimism in March as a lack of existing inventory is shifting demand to the new home market.

Builder confidence in the market for newly built single-family homes in March rose two points to 44, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). This is the third straight monthly increase in builder sentiment levels.

SINGLE-FAMILY HOUSING STARTS FLAT, MULTIFAMILY INCREASE

Single-family production remained at an anemic pace in February as builders continue to wrestle with elevated mortgage rates, high construction costs and tightening credit conditions that threaten to be exacerbated by recent turmoil in the banking system.

Led by gains in apartment construction, overall housing starts in February increased 9.8% to a seasonally adjusted annual rate of 1.45 million units, according to a report from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau.

The February reading of 1.45 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 increased 1.1% to an 830,000 seasonally adjusted annual rate. However, this remains 31.6% lower than a year ago. The multifamily sector, which includes apartment buildings and condos, increased 24% to an annualized 620,000 pace.

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HOZZ REPORT SHOWS FAVORABLE OUTLOOK FOR REMODELING PROS

Houzz's 2023 "Houzz U.S. State of the Industry Report" provides an outlook on 2023 and review of 2022 performance for residential renovation and design businesses based on data reported by more than 2,000 professionals in the Houzz community. Companies across industry sectors have a confident outlook for 2023, with at least half anticipating this will be a good or very good year (50% to 56%). Businesses expect the demand for their services to increase, along with revenue and profits, albeit at a much slower rate of growth than they experienced last year. This follows lower revenue growth in 2022, compared to the four-year high reported in 2021.

"The home renovation and design industry experienced remarkable growth in recent years, however that growth rate is unlikely to continue in the current economy. The findings from the 2023 Houzz State of the Industry reflect tempered optimism among professionals, who expect their businesses to experience slowed revenue growth and face headwinds from increased costs of doing business," says Marine Sargsyan, Houzz staff economist. "In the short-run, the Houzz Q1 2023 Renovation Barometer finds that confidence in business performance among professionals in the construction sector is stronger compared to the last quarter of 2022. That said, businesses also report shorter backlogs across the industry compared to a year ago, though they are still longer than pre-pandemic levels."

According to the Houzz Q1 2023 Renovation Barometer, the backlog indicator, which reports wait times in weeks before a company can start work on a new, midsize project, shows shorter backlogs than a year ago at 8.3 weeks for the construction sector and 5.3 weeks for the architectural and design sector, compared to 11.4 weeks and 7.9 weeks, respectively. However, wait times across both sectors are longer than pre-pandemic levels (5.4 weeks and 4.6 weeks, respectively).

TOUGH CALL ANSWERS

LBM JOURNAL'S FEBRUARY ISSUE SURVEY

LESS THAN FRIENDLY

THE ONCE-POSITIVE ENVIRONMENT AMONG THE STAFF AT FRIENDLY BUILDING SUPPLY HAS GOTTEN NEGATIVE, MARKED BY WHISPERS AND BACKSTABBING. HERE'S HOW READERS WOULD HANDLE THIS TOUGH CALL.



SURVEY RESULTS FROM LBMJOURNAL.COM

20.1%

FIX THE GM. From what Steve had to say, this all starts with your general manager. Get him in line and the rest will surely follow.

4.9%

STAFF MEETING. Though it will be obvious that it came from Steve's exit interview, bring the whole staff together for pizza and a good talk. Maybe it will work itself out that way.

33.7%

PRIVATE CHATS. Instead of waiting to hold exit interviews once someone has decided to leave, why not hold "retention interviews?" Meet separately with team members and ask them how they like their job and what you can do (within reason) to help them like it more.

41.3%

INVESTIGATE FURTHER. Steve unloaded a lot of frustration on his way out the door. That doesn't mean it's that bad for everyone, right? Time to plug in and learn where your team is at.

SINGLE-FAMILY MARKET SHARE CONTINUES SHIFT FROM LARGE POPULATION CENTERS

While nationwide single-family housing starts have slowed in the past year, the largest drop on a percentage basis is occurring in the most dense counties, where housing costs are highest. Meanwhile, multifamily growth was robust throughout much of the nation at the end of 2022, with the notable exception in high-density markets, according to the latest findings from the National Association of Home Builders (NAHB) Home Building Geography Index (HBGI) for the fourth quarter of 2022.

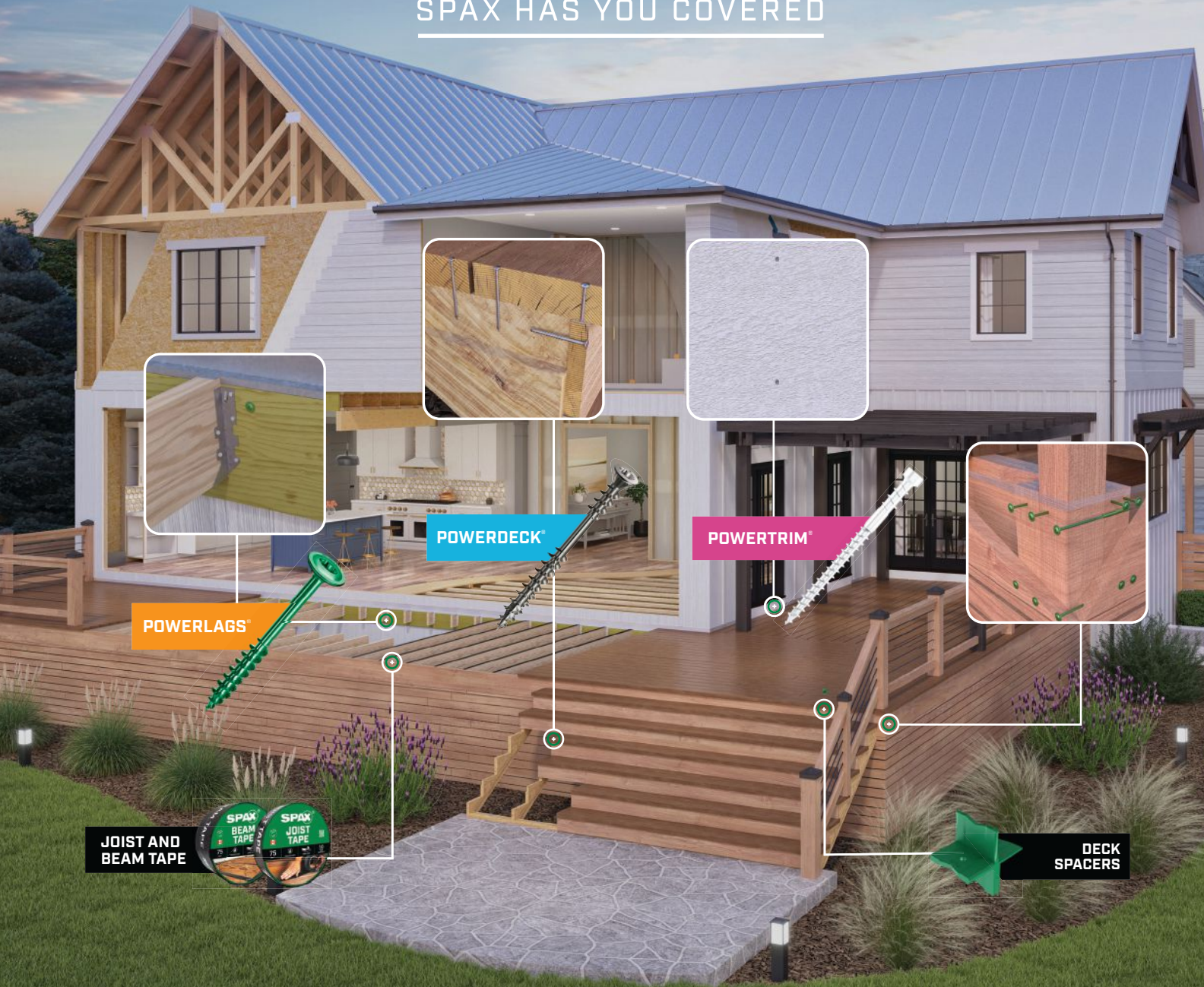
"While the largest single-family market continues to be core counties of large and small metropolitan areas, the urban core market share has fallen compared to pre-Covid levels," said NAHB Chairman Alicia Huey, a custom home builder and developer from Birmingham, Ala. "During the fourth quarter of 2019, urban core markets of small and large metro areas represented 47.2% of the single-family market. This share declined to 44.5% in the fourth quarter of 2022, representing a persistent shift in buyer preferences to live outside of densely populated areas."

The largest growth in single-family market share came in rural markets (micro counties and non-metro micro counties), rising from 9.4% in the fourth quarter of 2019 to a share of 11.8% in the fourth quarter of 2022.

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BY THE YARD NEWS FROM LUMBERYARDS AROUND THE COUNTRY

New South Construction Supply sold to Colony Hardware

After nearly 21 years as owner of New South Construction Supply, Jim Sobeck announced the sale of the company to Colony Hardware Corp, a direct-to-jobsite distributor of construction materials and supplies. At 68 years old with 47 years' experience in the industry, Sobeck said he fielded the right offer at the right time that works best for his family and the company.

Pat Moretti promoted at Ricci Lumber

Kodiak Building Partners and Ricci Lumber announced the promotion of Pat Moretti to president of Ricci Lumber. Moretti joined Ricci in 1977 in the hardware department stocking and merchandising, and has been with the company for the past 45 years.

Blue Ridge Lumber acquires two Pennsylvania companies

Blue Ridge Lumber, with five locations in New Jersey, has expanded into Pennsylvania with the acquisition of two companies over the course of the past year. The acquisitions occurred practically simultaneously, said Greg Ackerson, president and owner of the family company. As Ackerson and his team worked through an acquisition of Cramer's Cashway and its three locations, the company also fielded a call from Gumble Brothers, in Tofton. The Gumble Brothers deal was announced in late February.

PARR announces rebrand

PARR (popularly known as Parr Lumber), has announced a strategic rebrand that includes a refreshed brand identity and a new look, with one parent logo to unify all of PARR's products and services under one umbrella.

Hancock Lumber expands executive team

Citing growth and expansion over the past few years, Hancock Lumber has announced the expansion of its executive team to include Florian Knappe as chief financial officer. With Knappe's arrival, Paul Wainman will transition from president and CFO to president and CEO. Kevin Hancock will transition from CEO and chairman to chairman.

Koopman Lumber hosted women's event

Approximately 70 women attended the evening event which included dinner, a panel discussion, and networking designed to empower and show appreciation for its female employees.

Belletetes celebrating 125th anniversary

Belletetes, Inc., a family-owned and operated lumber and building supply company, is celebrating its 125th anniversary in business. First opened in 1898 as a general store, Belletetes now serves New Hampshire, Massachusetts, Vermont, and Southern Maine.

The Detering Company grows in Houston

The Detering Company has leased a new 100,000 square-foot warehouse space in Houston's North Inner Loop industrial submarket, in which the company will operate a new lumber business.

Gulfeagle Supply opens metro Detroit branch

Gulfeagle Supply has announced its newest branch in Romulus, Michigan. This is the company's fifth Michigan location, which will better service the southern communities of metro Detroit including Toledo and Ann Arbor. Paige Engerer is the branch manager.

Spahn & Rose hires Tom Ford for new VP role

Ford brings more than 20 years of supply chain management and IT experience to the Spahn & Rose general office in Dubuque.

Minnesota's Cook County Home Center acquires Sawtooth Lumber

Sawtooth Lumber will become the Westside branch of the Cook County Home Center, which is located just east of Grand Marais.

Don Viscio promoted at Tibbetts Lumber

Tibbetts Lumber has announced the promotion of Don Viscio to the role of chief administrative officer. He'll replace Bobby Fehr, who is retiring at the end of the year after 50 years with the company.

Carter Lumber expanding in South Carolina

Carter Lumber has announced plans to expand its South Carolina footprint with new operations in Florence County. The company's \$26 million investment, a roof and floor truss facility, will also be used for hanging interior doors and storing moulding and millwork.

84 Lumber promotes Dave Rumbaugh to VP

84 Lumber has announced the promotion of Dave Rumbaugh to vice president of logistics and specialty purchasing. Rumbaugh has been with 84 Lumber for 21 years and has held several different positions with the company during his tenure.

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.

EVENTS

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

SEP 19-22, 2023

LMC LEADERSHIP SUMMIT
Columbus, OH | lmc.net

OCT 11-13, 2023

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Charlotte, NC | lbmstrategies.com

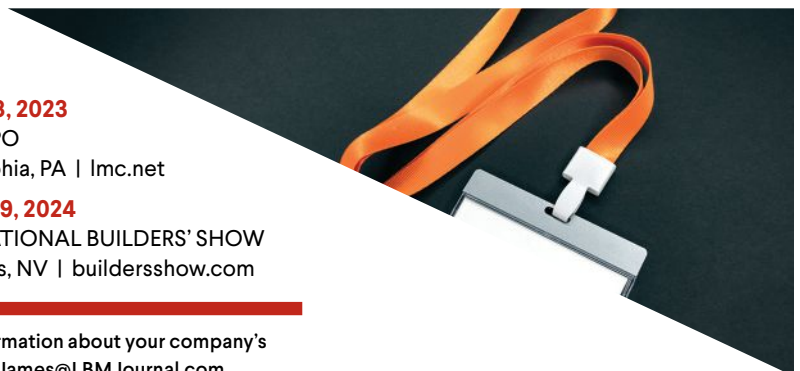
NOV 6-8, 2023

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Philadelphia, PA | lmc.net

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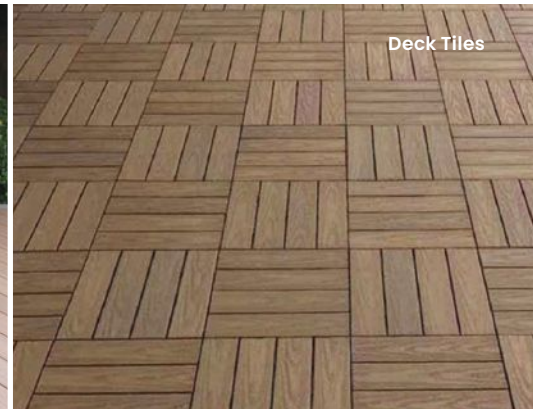
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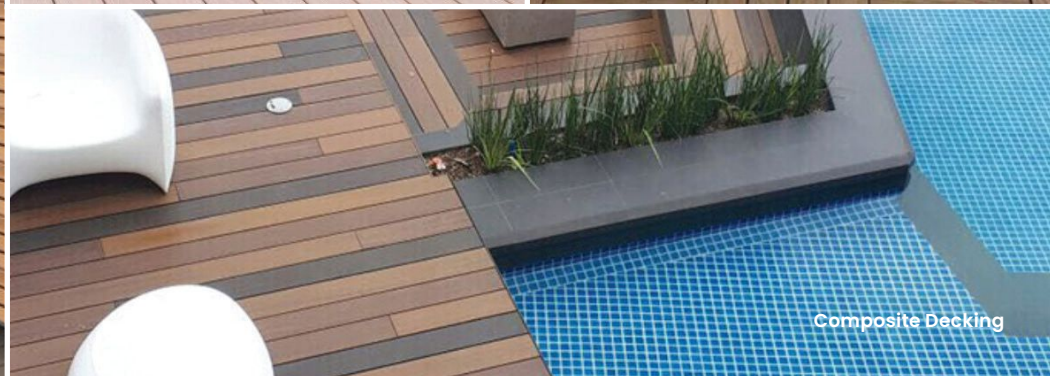
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What are my ownership transition options?

BY SAM BROWNELL

LBM dealers have a variety of options as they look toward transitioning their business. As we talk to business owners about succession planning, we help to identify the best option(s) by considering the business owners' goals, the number of employees, the ownership structure, and the profitability of their business. Because we believe it is important for every dealer to know all their choices, here's an overview of the five most common transition options.

1 INTERNAL TRANSFER

The first place owners should look for a successor is within their family or current management of their business. A child working in the business, or a key employee, can make a great successor because they are familiar with the organization's operations. In our experience, it is typically not the financial structure of the deal that causes a succession plan to fail. Rather, the lack of a plan to transition roles, responsibilities, and relationships can create turmoil during the transition. By setting up a multi-year process for transitioning management to a current key company member, an owner can mitigate this risk of failure.

2 EXTERNAL TRANSFER (COMPETITOR)

Another option is a sale to a strategic competitor, typically one that does business in your region or is looking to expand into it. Sales to a third party tend to be asset sales, which means that the sale is likely to be taxed at a mixture of ordinary income and capital gains rates. Further, it is important to complete thorough due diligence on your potential acquirer to make sure they are a good cultural fit. Discordant corporate cultures can cause key employees to leave post-transition, which can jeopardize business sustainability and the payout to the departing owner that is tied to future performance.

3 EXTERNAL TRANSFER (FINANCIAL BUYER)

The sale of your business to a Private Equity (PE) roll-up or PE-backed acquirer typically occurs during periods of strong performance for the LBM industry (e.g., 2020-2022). While these buyers may be able to pay higher prices, they are primarily focused on short-term company performance because they have their own three- to five-year exit strategy. Selling to a financial buyer requires you to correctly time the economic upcycle and requires the use of a good investment banker who knows the LBM industry.

4 EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

ESOPs allow the owner to sell all or a portion of the business to their employees. Shares of an ESOP are held in a retirement plan that is overseen by a trustee. There is the opportunity for the seller to defer capital gains taxes if the company is (or can convert to) a C Corporation prior to the sale. Further, if the company is an S Corporation upon the sale (or converts to an S Corporation after the sale), the portion of the business that is owned by the ESOP does not pay federal taxes. ESOPs, however, are expensive to implement and maintain, with implementation costing well over \$100,000 and ongoing maintenance typically between \$20,000 and \$50,000 per year.

5 WORKER-OWNED COOPERATIVE (CO-OP)

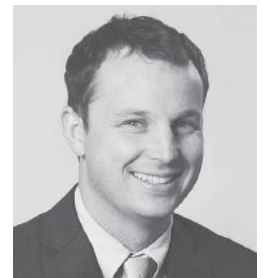
An alternative to an ESOP that is cheaper to implement but still provides the seller with the opportunity to defer capital gains taxes is a Co-op. Owners who sell to a Co-op receive fair market value for their shares, can sell to the Co-op over time, and can provide their employees with an opportunity to share in the business' profits. Co-ops also allow the business to set parameters an employee must meet to be considered for ownership and are still run by a management team whose focus is growing revenue and profits.

We believe it is critical for owners to understand the pros and cons of each transition option so they can create a succession plan that works for all stakeholders. ■

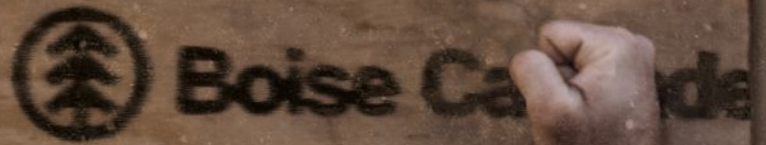
LEARN MORE

Go to: lbmjournals.com/what-are-my-ownership-transition-options/ to download more details about the requirements and impacts of each of these options, and to learn more about various ownership transitions for LBM dealers.

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



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Embracing the servant concept

BY BILL LEE

AS I GAZE AT THE bookshelves in my office, one thing is obvious: there is no end to the titles authors choose for the books they write. Among the sales books I have read, some have serious-sounding titles such as “The Sales Bible,” while others have cutesy titles that are sure to get a prospect’s attention, like “Timid Salespeople Have Skinny Kids,” written by one of the brothers of the late, great sales trainer, Zig Ziglar. The one, though, that I have hung onto like a child might hold onto a baby blanket and reread every year or two is “The Servant,” by James C. Hunter.

As the name implies, James Hunter is advocating that salespeople who behave more like servants than aggressive “go for the jugular” personality types will have higher odds of achieving success in the profession of sales.

My image of servants are people who do something for someone who either can’t or don’t want to do it themselves, or whose talent in a given area gives them the free time to do things they consider to be more valuable.

The bottom line is that “servant salespeople” who have the talent, knowledge, and desire to perform services that benefit business owners, buyers, decision makers, etc. will often earn the privilege of writing the order in return for the services they have performed.

Although rarely, if ever, phrased this crudely, it is not unlike, “I will do this for you (the service) if you will do that for me (give me the order).” I don’t want in any way to infer that servant selling is a quid pro quo action. A servant salesperson has a servant mentality. Servant salespeople have simply learned a lot about business and enjoy using their knowledge as a sales tool. Decision-makers find them invaluable.

Real Life Example: Let’s say I make my living selling widgets to dealers and distributors. I have a prospect who buys widgets, but not from me.

I believe the reason is because of a personal relationship the buyer has with one of my competitors. Widgets are commodities. They are a lot like rebar, wire mesh, or domestic nails: it’s difficult to differentiate one manufacturer’s widgets from another.

During a sales call with the owner (who is also the widget buyer), he began venting to me by saying, “Our salespeople don’t have a clue about how to sell; all they know how to do is talk sports, quote prices, and bring their prospects donuts on the jobsite. Here’s how the servant salesperson would handle it:

Servant Salesperson: “I have attended dozens of sales training sessions. Would it be of value to you if I put together several outlines of short, one-hour sales training programs for you to look at, and if you approve, I’ll be happy to help you professionalize your salespeople’s sales presentations? There would be no charge; in fact, I would enjoy doing it for you.”

Owner: “What a nice offer that is! Yes, please do that and I’ll let you know what I think.”

Servant Salesperson: “Assuming you approve my outlines, could we look at your calendar and block a few dates when I am available? What dates work best for you?”

This widget salesperson is doing something concrete for the owner and widget buyer. If salesperson’s service (sales training) can benefit the owner by improving the professionalism—and productivity—of the sales force, he may have also given the owner a reason to take his widget line more seriously.

Knowledge is Power! What do you know that you could share with your prospects and in so doing earn a piece of their business? Watch for more articles on this sales technique in future editions of *LBM Journal*. ■



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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Being a partner is not what you think

BY RICK DAVIS

ARE YOU A PARTNER to your customers or a provider? I have a confession that the term “partner” makes me bristle. In fact, I think it is a wholly inaccurate description of most vendor-customer relationships. If I share my feelings with salespeople, they are quick to say, “But I am a partner to my customers. I always have their best interests in mind, and I work to help them succeed in any way I can.” Lovely sentiment, but as Ben Franklin said, “Well done is better than well said.”

I once said I was a partner to my customers until the day I delivered a presentation to a large group of them. After my portion of the program, a fellow manager started to speak. He addressed his “customer” audience and was stopped abruptly by an attendee who said, “Thank you. I appreciate you recognizing I am your customer and not your partner.”

The comment was a poke at me for freely using the term partner. The attendee didn’t like my presumption that we were in the battle as equals. Thus, I considered what a true partnership is and concluded that a partnership is a sink or swim, succeed or fail, live and die together relationship. Ever since, I have shunned the term as a description of the customer relationship.

My banker once used the term with me. I didn’t correct him but quickly considered that my business could fail and, while the bank might feel empathetic, full repayment of all loans would be due. If I were to default, my so-called partner would exercise liens on my properties and voila! Partnership ended; I fail while the bank carries on.

Harking back to that comment from the offended attendee to our customer meeting, I realized the fact that I sold to his competitors. My goal was to maximize my market share, which meant I would have multiple customers and honestly didn’t have strong preferences which were the best contributors to my sales

success so long as the cumulative score was in my favor. In short, unless my eggs were in one shared basket with my customer, then we probably weren’t partners.

This sentiment did not interfere with my ability to contribute unselfishly to the success of each customer; it merely suggested that I had to rethink the true nature of my relationship with them. Was I a valuable consultative resource? Yes. A dependable provider of materials? Absolutely. A full-fledged partner? Not even for a second.

As a resource to my customers, I discovered that my services were highly valued in several ways. Unlike most manufacturer sales reps, I had spent years working for a one-step dealer. Therefore, my customers requested my participation on their sales calls. I also delivered abundant sales leads to my customers as the means to help them grow. They also relied on my support for events they hosted and scheduling assistance.

As a provider, I was cognizant of the balance between their pursuit of growth and my own. This meant I exercised pricing integrity to reward the most loyal, high-volume buyers. It also meant selecting the right customers who could be properly serviced and fit into the constraints of my company’s service capabilities. Mostly, as a product and service provider, top salespeople ensure their expertise in all phases of product knowledge—material features, capabilities, and availability—are honed to the sharpest level. In other words, you don’t have to be a partner to your customers to be the preferred supplier.

Before you tell your customers they are your partner, consider whether they first call you one. If this is not the case, then you probably aren’t partners. Still want to use the term “partner?” Have at it. Just make sure you prove your worth in deeds. Well done is better than well said. ■



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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Reducing the sales vs. operations wars

BY DENA CORDOVA-JACK

SOON INTO MY CAREER at the Fortune 500 company where I traded commodity lumber, the logistics manager gave me a nickname—Sales Problem #1—and I must say I earned it. I was ambitious, sales-driven, and always pushed the envelope, all factors that threatened accomplishing on-time in-full (OTF) deliveries.

But along with giving me a nickname, the company's leaders decided to give me education on operations and logistics. I was taken off the trading floor and spent a week in the logistics office. I learned the difficulties of dealing with railroad deliveries, demurrage, LTLs, and so much more. I learned about embracing a "same team" approach to business.

When I returned to the trading floor the next week, I was crystal clear on the communication dynamics, logistical challenges, and associated costs, and I understood the business in its entirety—not just my one small corner of the trading floor. The practices that inspired the nickname faded away.

Creating your company culture requires intentional leadership. You have likely witnessed these clashes between these facets of your operation, but what can be done to alleviate the issue? Here's how to win the sales vs. operations battle.

Implement mutual goals, incentives, and KPI measurements. Ensure leadership of both departments understands the overall company goals and that their compensation is based on that specifically. The end goals for the company are the end goals of the departments.

Clarify your role and the roles of the sales and operations leaders. Leadership should fully understand the operations and goals of sales and operations. They are responsible for educating, training, and developing their teams to have a working knowledge of all facets of the business, not just the one in which they exist. All leadership should be present and participate in strategy meetings and budget planning.

Ensure both teams spend time with customers. Successful companies understand sales do not own the customer relationships. The most important customer/company relationships come from your clients knowing the team at all levels of the organization, from truck drivers to leadership. Create opportunities for your team to contact your customers and for your customers to understand your overall process. Make it a point to include both leadership and support staff when developing client relationships.

These steps can help manage culture conflict. Leadership and communication are the keys to resolving any issues and ensuring the heart of your company's culture promotes continuous improvement. Looking back at the Sales Problem #1 scenario, cultural improvement came when leadership observed the frequent exchanges between sales and operations and acted quickly to reduce that friction.

Fast forward to my experiences in other companies. I have found sales vs. operations clashes to be common. When I saw problems in my new jobs, I brought the perspective that I had learned early on. Without fail, teamwork improved exponentially.

This young trader learned her lesson well in the importance of a non-siloed approach to business, and I have since deployed that approach with success in my career. Because the time was invested in me to teach me the importance of understanding and executing a 360-degree approach to business, I passed down that knowledge to others, creating a positive ripple effect. Not only did the company culture benefit, but the bottom line did as well, not to mention fewer frustrated customers as they were now given clear expectations.

I never got away from the nickname of "Sales Problem #1" during my time at that company, but eventually, it came to be a term of endearment and camaraderie. I will take that any day! ■



Dena Cordova-Jack built her 30+ year career with GP, Boise Cascade, Foxworth-Galbraith, and most recently as VP of Organizational Development for Kodiak Building Partners. She currently serves as Vice President for Misura Group. Reach Dena at dcordovajack@misuragroup.com.



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Who are the hidden gems in your organization?

BY RUSS KATHREIN

I RECENTLY WRAPPED UP some air travel with a flight from Sacramento to Los Angeles. Due to the frequency of my visits to our lumber dealers, I was fortunate to get upgraded to first class, and it was there I got to see André, part of my LA-based flight crew, in action.

I had opportunities for flight upgrades before, and usually the experience is merely a wider seat, some free drinks, and slightly better food. The flight attendants are usually no more or less attentive than their counterparts, and when they have served their round of drinks and snacks (or meals) they retreat to the galley and get on their phone or read a book. That's been my impression, until I met André.

First, I noticed how attentive he was to every one of his passengers. While we were still on the tarmac, he got us drinks and explained that he would need to collect them before takeoff. He then came around multiple times to see if we needed anything else and to apologetically remind us he would be collecting our glasses before we took off, all while other passengers were still boarding. Later, I noticed that he never stopped moving. He was constantly making the rounds to see if his passengers needed anything while collecting our trash and glasses. He even went into the restroom twice and wiped it down—truly a professional that was making this a first class experience!

But what made me get to know André was “the tray.” You see, he carried a tray with a special handle that suspended the tray below his hand and acted like a gimbal (that's a sailing term) by keeping the tray completely level, even as the plane moved with turbulence. He would bring each passenger's drink out individually on

the tray and suspend it in front of the passenger, making it easier to take hold of. After serving drinks, he would arrange the tray with one of each snack available and present it to each passenger, encouraging them to take whatever they wanted. Then, after the passenger had chosen his or her snack, he would step back to the galley and reload the tray for the next passenger. His approach was ingenious, and it truly made for a unique experience.

Curiosity got the better of me and I asked him if the tray was something new for the airline. No, he said, the airline provides a little silver platter to serve drinks in first class. But one time, due to turbulence, he spilled a drink on a passenger. He vowed never to do that again, so *on his own*, he looked for a tray that he could hold steady while the plane was flying. He found this one and is the only flight attendant using this type of tray. I complimented him on his ingenuity and his resolve to fix a problem, and he told me, “If you love your job, you'll never work a day in your life.”

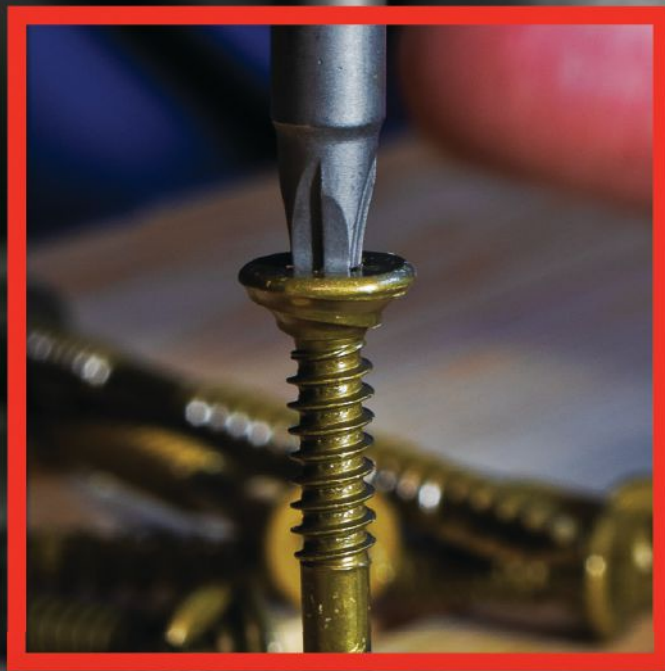
This whole experience serves as a great reminder to stop and look at the people within your organization. Do you have someone who has the intellectual curiosity that makes them come up with solutions that no one else has considered? Are you rewarding the people in your organization who think outside the box, or does your culture discourage it? My biggest fear in sharing what André had done on his own was that his organization might punish him because he didn't follow company procedures, rather than reward him for solving problems that they didn't even know they had. I encourage you to find the André's in your organization and reward them. They see the things you don't. ■



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



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Tempering aggressiveness

BY THEA DUDLEY

Dear Thea,
I am a sales rep for a mid-size lumber company. My credit manager is really nice, but single-minded. Nothing is getting between her and her numbers. She is pleasantly aggressive and dogmatic in her approach with customers. When I try to talk to her about it she just repeats that her numbers are seen by the owner. I am not even sure what that means, as the owner sees my numbers, too. I am losing customers because of this. What can I do?

— Challenging the aggressor

Dear Aggressively Challenged,
Ever hear of the broken windows theory? Short version: visible signs of crime will encourage additional crime. While the metaphor was originally coined to describe inner city crime, it's been applied to various aspects of business—take care of small issues to avoid larger ones in the future. Metaphor aside, apply this theory to your credit manager situation.

The small issue is your overzealous credit manager, which left unchecked will result in a larger problem of increasingly aggressive (albeit pleasant) behavior that has been validated by allowing it to continue. Your basic credit manager nightmare.

Is this person new to the company? If so, they may be trying to prove they can deliver results. If they aren't new, how long has this behavior been going on? How long have your windows been broken, my friend? New occurrence or long-standing issue?

Whichever it is, the solution is the same: education. You are going to need to have someone—her boss, coach, or mentor—have a discussion about the numbers and life beyond them, what they actually mean, and their impact. Educate your credit manager to the story behind the

numbers for the benefit of the company. This conversation will not be a “one and done.”

Right now, she is operating in a silo. I equate it to a horse with blinders. They are there to keep the horse focused on its task and free of distractions, but it also blocks out what is going on around it. Sound familiar? She is focused on one thing: her numbers. My guess is she doesn't know another way. If she has experienced many “good kiddie” moments where she received praise for getting the money collected on time, she may now have on blinders that prevent her from seeing what else might be going on, regardless of cost.

Praise feels good. Everyone likes to be appreciated, recognized for a well-done job. What she is not recognizing—and no one is sharing with her—is the impact. Help a credit manager out! If you can't get her manager or leader to have those coaching moments, invest in this process as well.

Invite her to ride along on a sales call. Conversations that come from spending some windshield time can be impactful and eye opening. She may not know how to develop a relationship with the customer, and as a result she is hitting it hard, albeit nicely. Spend some time seeing if you can help out with the relationship part.

If she isn't taking your input and the “owner” won't step up for the tough conversation, plant some flowers to shield the view of those broken windows. Recognize she may not be capable of being a credit manager and is more in line with a collector or customer service role.

I love when my numbers look good, but I understand we are more than our numbers. It takes business skills, a global view, and understanding. Not everyone is cut out for what the role takes, but we will save that bedtime story for another night. ■



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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WHERE TO BUY:



Are you paying yourself FMV rent?

BY JOHN WAGNER

MOST COMPANIES in the LBM sector have a separate LLC that owns the real estate where they have located their businesses. Since many LBM dealers have been around a few decades, that real estate is often owned free and clear. Sometimes, when you own your own real estate—and you own the company that is the tenant of that real estate—you may not be paying rent, thinking, “Why bother? It’s just my left hand paying my right hand.”

That’s all well and good when you are running the operation, but non-payment or underpayment of rent is a genuine concern if you seek an acquirer. Here’s why: If you have been paying yourself no rent or rent that is below fair market value (FMV), your EBITDA is inflated in the eyes of the acquirer by the amount of rent you should have been paying all along.

For example, let’s say you have a business located within a real estate parcel that would rent for \$20,000/month on a fair-market-value basis. Let’s also say you have paid no rent on that real estate. On a yearly basis, that \$240,000 a year (\$20,000 x 12) is going to your EBITDA. Because you are not paying fair market value rent, however, that EBITDA masks an expense that will be incumbent on the new owner. The buyer of that business will request that \$240,000 be deducted from your EBITDA, to arrive at an FMV-rent-adjusted Adjusted EBITDA. This EBITDA adjustment is a negative to your EBITDA, as opposed to many other EBITDA adjustments that are typically positive adjustments.

Because your company will be valued in an acquisition at a multiple of EBITDA, that \$240,000 ding can have a frightening effect. Let’s say that you were not paying the \$240,000 in yearly rent, and your company is valued at 5X the Adjusted EBITDA. The underpayment or non-payment of rent will reduce the value of your company by 5X \$240,000 or \$1.2 million. Ouch.

There is nothing unfair about the request from a buyer to true-up the Adjusted EBITDA to accommodate the underpayment/non-payment of rent. It’s only fair that the FMV rent is calculated into the company’s profitability. After all, when the buyer owns your business and starts to pay rent as your tenant, the rent is an expense, not EBITDA, and the effect this has on your company’s value can be quite shocking.

As an investment banker that represents seller companies, our team always makes sure the fair market value rent is reflected in the Adjusted EBITDA line before the deal is even “put on the street.” This FMV rent issue is one that is never missed by an acquirer as they set loose teams of MBAs to pour over your books to make sure all the debits and credits are accounted for. So, it makes sense to state the FMV rent at the onset of any conversations with prospective buyers; take the hit early if you know it is inevitable.

The good news here is that if you are overpaying rent—perhaps in an effort to reduce the nut you have with the bank on your real estate—that is a positive credit to EBITDA, and you’d pick up the positive effect on the multiple paid for your company. For instance, if you were paying yourself \$300,000 a year for rent, and the FMV was \$240,000, that \$60,000 difference would be a positive credit to EBITDA, and you’d get 5X \$60,000, or \$300,000 increase in enterprise value.

If you are considering selling your business and have not had an FMV appraisal done, it’s advisable to do so. That report will show area comps and reveal the rent that should be charged. The report itself can then be an exhibit or addendum to the Confidential Information Memorandum (“CIM,” a.k.a. deal book) in case someone on the buyer’s team starts to question your rent assumptions. ■



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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FORKLIFT SAFETY: PROTECTING STAFF AND CUSTOMERS FROM POTENTIAL ACCIDENTS

BY KAREN PARKER, LITIGATION MANAGER
AT PENNSYLVANIA LUMBERMENS MUTUAL
INSURANCE COMPANY

Lumber is a high severity industry. Any incident can turn into a major loss for businesses because of the high flammability of wood and the heavy equipment involved. In fact, forklift incidents are one of the major drivers of insurance claims in our industry. Across the U.S., forklifts were responsible for 70 work-related deaths in 2021 and 7,290 nonfatal injuries involving days away from work in 2020 according to the National Safety Council.

As an insurer dedicated to protecting the lumber industry, we have seen many forklift-related claims over the years. Claims of this nature almost always see a minimum payout of \$100,000 and often reach into the millions of dollars. In some cases, high payouts like these go beyond the business owner's insurance coverage limits, which can lead to financial ruin. To start the process of mitigating forklift risk, it can help to look at what's been behind the forklift incidents we've seen in recent years.

THREE CONTRIBUTING FACTORS

As a part of the lumber and building material industry for more than 125 years, we've seen our share of claims at lumber businesses. We've come to know common risk exposures and have developed best practices in loss control to help our insureds avoid falling victim to these risk exposures. When it comes to forklift incidents, we often see one or more of these three contributing factors:

- 1. No spotters:** Spotters are critical to forklift safety. Without a spotter, forklift drivers are limited as to what they can see of their surroundings. For example, consider a forklift driver backing out of their job site in a busy lot while another car is also trying to squeeze through to the exit. Without a spotter, they wouldn't be able to see that car and could crash. An accident like this could prove fatal. With or without a fatality, the damages would likely lead to a million-dollar case.
- 2. No visibility:** Often, we see drivers stacking materials too high up front. Despite limited visibility, they operate the forklift. Consider a forklift with material covering both arms. The driver would have to peer between the arms, with a significantly hampered field of vision. If a pedestrian were to then cross the street, there's a strong chance the driver wouldn't notice them and could hit them.
- 3. Uncertified or untrained drivers:** Staffing shortages have forced businesses to hire drivers who may not be properly trained or certified for the role. Consequently, this staff is often more prone to errors and mistakes. This is unsafe for the driver, the company and bystanders. Further, in the event of a claim, the driver's company won't have much ground to stand on because they employed an unprepared staff member.

LIMITING FORKLIFT LOSSES

What steps should lumber businesses take to mitigate their risk on this front?

First, **follow OSHA safety guidelines.** In the case of the driver driving with no visibility, had they studied OSHA guidelines, they would have been aware that they were attempting to operate in violation of OSHA guidelines. OSHA offers clear instruction on visibility and shares other critical best practices, including guidance calling for the driver to look behind before backing up, to ensure the vehicle isn't overloaded and to keep a careful watch for pedestrians. We'd also recommend lumber business owners **invest in forklifts with backup alarms.** That way, it's clear to people on the road when the forklift is in motion and the driver is backing up.

Training is also essential. Companies should **invest in regular training** several times a year with all drivers on staff. This training should cover OSHA guidelines and enforce the need to **designate a spotter.** A forklift spotter is a second set of eyes at all times, just in case the driver misses anything. We would also recommend companies **employ safety managers** who regularly visit job sites with their forklift drivers to ensure they're driving safely.

Lastly, we recommend lumber businesses **find an insurance partner who knows their risk.** Pennsylvania Lumbermens Mutual Insurance Company (PLM) has served the lumber industry for more than 127 years and understands the range of risks that lumber businesses regularly face. PLM provides essential counsel, loss control and safety tips so our partners in the lumber industry can focus on building their business and delivering the products their customers need.

We're seeing increases in losses and incidents related to forklifts across the board and lumber businesses need to be prepared. In many of these cases, losses are so significant they do go beyond the excess limits of a business owner's insurance coverage. Compounding the issue, court verdicts on these claims have continued to sway against lumber businesses, driving costs up even further. Forklift safety is an increasingly critical issue for lumber business owners. As such, business owners should shift more attention to enforcing a culture of safety to limit potential incidents.

For more information, ask your insurance broker about PLM, contact a representative at PLM directly at <https://www.plmins.com/> or call 1-800-752-1895.



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5 QUESTIONS

FOR LARRY BOYTS, VICE PRESIDENT OF SALES AND MARKETING
DIGGER SPECIALTIES, INC. (DSI)

The outdoor living market is healthy and growing. What trends do you think will have the largest impact in the next three to five years?

Changing interest rates may have an impact in the outdoor living market. As interest rates flex, consumers will need to make decisions on the projects they are able and willing to undertake. Risk of supply chain issues may also impact the inventory levels distributors and lumberyards choose or are able to maintain.

In the past year, DSI has expanded its railing offerings. What other new products can LBM dealers be on the lookout for in 2023?

DSI will be introducing new models for both residential and commercial railing in 2023. DSI will also be focusing on code tested products to meet the requirements of new building codes.

As the spring of 2023 begins, new housing starts have declined across the country in the wake of a sluggish economy. In light of these conditions, what do you see as the biggest opportunity for dealers?

As new housing starts decline, the biggest opportunity will be in the remodeling and repair segment as homeowners take this opportunity to update their current housing to meet their needs. Multi-family is an opportunity some dealers will be able to shift to from new housing starts.

Especially considering the ongoing labor shortages, a frequent concern from stocking dealers is how they can help improve the building process for their customers. How can DSI products make life easier for builders and installers as well as their retail providers?

DSI continues to develop products that assemble quickly or are preassembled. Easy and quick installations help contractors, remodelers, and homeowners.

While some improvements have been recently reported, supply chain concerns still remain at the forefront throughout the industry. What is DSI doing to help alleviate the issue?

DSI continues to develop great vendor relationships. We carry a larger inventory to assure our customers of continual supply and quicker lead-times. 2023 is a time of rethinking for all manufacturers. Distributors are reducing their inventories as lead times continue to improve for most vendors. This is going back to pre-Covid type of planning of 2019. 2023 is a realignment year that will straighten out by the 2nd or 3rd quarter of 2024.

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

Larry Boyts has been in the building product and fencing industries since 1984. He is leading DSI with a team of great people helping customers create value-added products and customer profits. A graduate of John Brown University, Larry has held positions of director of marketing and sales manager prior to being named vice president of sales and marketing in 2005.



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This month's Real Issues. Real Answers question comes from an LBM dealer who's looking for insights on how to craft budgets and projections for the coming year. As we do each month, we share a reader question with LBM Journal followers who have opted in to receive our emails. Thank you to the more than 300 readers who took this month's survey, and the more than 100 who wrote in with detailed responses about ...

PROJECTING THE FUTURE

This month's question was straight forward, so we cut right to the chase and asked our readers directly how they would advise the dealer who submitted this question: **"We're working on budgets and projections for the coming year, and frankly, we're stumped. With mortgage interest rates continuing to rise, product availability still spotty, many manufacturers announcing price increases, and growing talk about an impending recession, the future seems more uncertain than ever. We'd love to learn how other LBM'ers make their projections. Talk to customers and vendors, read the market info, follow the competition, or...?"**

BY LBM JOURNAL READERS

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

“Don’t get too caught up in the details. Budgets and projections are just numbers on a page. It is way more important for your organization to be ready to do what is necessary when the future arrives.”

“If you are local, you talk to your customers and salespeople. If you are regional, you should factor in your market areas as well.”

“Talk to your core customers and base it on what they have lined up for the year.”

“We have a flat sales budget for 2023. I reduced mill contracts by 25%. I don’t see a problem with getting wood on the open market.”

“Review budgets weekly. Reforecasting is almost now required, as so many factors vary so dramatically.”

“You listed all the indicators we watch to determine our forecast. With all this uncertainty we have put a major shift on our priorities as a company. Taking customers that traditionally only buy siding and working with them to grow the accounts, trying to close new contractors (not on everything, but on the items we know we can win on), and being more competitive in our pricing to ensure revenue is still flowing. Plan for the worst and perform like a new business trying to win customers. That should end us at a zero sum but usher us out of these times a stronger company.”

“The first half of the year is level. The second half down 20%.”

“You have to pull the demand projections from your builders and their sales agents. You also have to take a hard look at the valuation change year over year. Most of the materials we sell are costing much less than last year.”

“Get the best intel you can from your key customers and salespeople. Focus projections first on activity and material volume, and then worry about price increases and commodity fluctuations.”

“It is a lot more important to be attentive to state and local economic health than the national picture. From our ground floor management and outside sales team we get a picture far better than the national news might suggest. National builders might be down significantly, but the state level is much less dire. The custom builders are less frantic, but still busy. In short, talk to boots on the ground!”

“You must keep engaged on all projects, large or small. Continue to attempt to build new customers and make sure and retain all current ones. You may need more creative budgeting strategies, and work on much lower margins as costs continue to increase.”

“Attending an economic forecasting session would also help. Don’t forget the old-timers in the room; they have been through the downturns before.”

“Cash is king. Clean up bad inventory. Tighten up your purchasing strategy to maximize dollars. Keep a close eye on your local situation by talking to customers, your bankers, and other trusted advisors.”

“We rely on multiple sources just as listed above, but also pay attention to the local and regional economic forecasts as well as architectural billings. Commercial work tends to be easier to gauge due in part to the time frame from bid date to the time products are needed on site.”

“We read market info, and we visit with our suppliers.”

“We are building our inventory to keep material in stock. We did expect, and are realizing, much slower sales.”

“Play it by ear. You have to have everyday items in stock to do business, and cut back on stocking specialty items.”

“Get closer with both customers and vendors. Also, be open to diversifying through additional business opportunities/streams of income.”

“Read the market info and go with the flow. You have to be willing and able to adapt to the changing market.”

“Talk to your customers and see what they have coming up.”

“We do not do projections. We are small.”

“Experience and a long history help. Feedback from contractors also helps quite a bit. See how far they are out on jobs and whether customers are cancelling jobs. We seem to be conservative in our projections and then over-perform as of late. Be cautious and talk to people as much as possible in your industry. You know your company better than anyone. The fed and interest rates are out of your control. Concentrate on going lean if you feel a downturn happening.”

“I think all the above are given. You also need to focus on your market segments that are doing better than others. You’ll need to have a strategy for growth in a down economy.”

“We use a combination of market analysis and communicating with our customers’ needs. Being in a rural area we don’t see some of those wide-spread challenges other lumber dealers face. There have been challenges we all have faced, but we’re not going into a full-on panic. We’re working with the areas in our control, which has gotten us through covid and will get us through these unforeseen challenges.”

“I would plan as I do every year. If you plan for a down year, you will more than likely end up with a slower year. Keep your head to the grindstone and plow forward.”

“Try to take advantage of whatever the market conditions are at the time.”

“Find out from customers what their workload or projections are for this year. Vendors are also a get source in finding information about demand in their market.”

“Do all the above and then check your local home builders’ association. But don’t just react! Plan, innovate, work with buyers, and focus on customer service.”

“We don’t make projections. We are a small yard, and we tell our customers up front what the price and availability is for today, unless the supplier tells us different. Most of our customers understand the situation. If a product is priced too high, we stop stocking it and only order the item if someone wants it.”

“Talk to your local chamber of commerce for information. Listen to financial, national, and regional news.”

“Projections? The world moves too fast. Learn to adapt as quickly as needed. It’s easier to tight the belt than it is to ramp up in order to handle volume.”

“We are seeing price reductions in many areas.”

“Budget what you did in 2019.”

“Talk, listen, and take in all the data you can and then go with your gut and make the best decision for your own business, on your own merits.”

“We spoke with many of our customers trying to get a read on what the next year has in store. Despite what the media is saying, there is a fair bit of optimism, and the feedback has been very positive in our market. We are projecting growth over the next 12 months.”

“We used our 2022 sales as a base and reduced it by about 10% for lower wood prices and another 5% for a slower economy. It’s merely a guess but it sounds scientific because I based it on two conditions—prices and economic activity. But since we don’t pay anyone based on budgets, it doesn’t matter if we’re right or wrong. Our real challenge is adjusting our operating costs to the sales and gross profit dollars we end up generating in the coming year. These numbers plus profit numbers are the basis for all our sales and management compensation.”

“We use a combination of all of the above, along with analyzing any available economic forecast data we can find. We subscribe to a couple of economic forecasting services to attempt to gain some insight on macro-level economic data/forecasts. It is difficult to decipher as we are in numerous geographic markets. Historically, this geographic diversification has helped to insulate us somewhat. Lower commodity lumber pricing also has a significant impact in any 2023 forecast. In uncertain times, we find value in producing multiple forecast scenarios such as a base, down, and worst case scenarios. The most important issue is to determine levers that can be pulled/adjusted effectively based on what scenario we find ourselves to be in.”

“You really need to gather data from all sources to help provide some direction. Talk within your teams as much as you can and prepare accordingly. We tend to err on the side of conservative decisions and that has done well for us over the years.”

“It’s extremely hard this year to make projections. Luckily in our market we had a lot of projects that were committed from 2022 that have rolled over into 2023. Beyond those is where we feel uncertain. Meeting with our top customers is the only way to get a good read on our local market and projections. The majority are confident in their workload through Q3 and are working to round out the year. That being said, we are projecting a flat to slightly down year due to that uncertainty. One thing that the extended lead times have done to the industry is that projects are getting pulled forward to get started and commit to products. This allows for a slightly longer visibility to sales than in the past.”

“Project 10% less than last year.”

“We talk to vendors and customers to guide us through the unknown.”

“It’s difficult with the many unknown variables. We’re mostly talking to vendors and customers/contractors.”

“This is really market dependent. The upper Midwest seems to lag the rest of country when the market drops, and the magnitude of variation here is less (highs are less high, lows come slower). We are projecting about the same as last year, but carefully watching leading indicators (open order files, large project quote backlog, etc.).”

“Wing it/fake it ‘til you make it.”

“Diversify. Find a niche, create one where it doesn’t exist. The time is right to also take a hard look at current SOPs and processes. Downtime is a double-edged sword, look in the mirror and make some adjustments.”

“Analyze what you did last year in which segments and talk to your customers and see what they already have in the works. Discuss the price increases and availability of products with your vendors. Right now, much of this is a guessing game but with proper analysis you should be able to come up with solid numbers.”

“It’s a combination of all of the above for us. Our sales team is sitting down with our top customers to find out about their upcoming projects and their personal outlook. We stay in contact with local realtors to gauge community trends and listen to what our vendors are seeing in their territories. Read as much market information as possible and monitor trends such as customer count, number of bids submitted, and number of bids turned into sales.”

“Project sales 25% lower this year.”

“We are planning on a decrease of about 10% from 2022, which was a record year in sales and profit. We see all of the challenges affecting parts of our business but not all of it and are planning accordingly.”

“Stay green. Protect your balance sheet.”

“Talk to customers and vendors, keep up with market info, read some tea leaves, and have a different bourbon over a large ice cube!”

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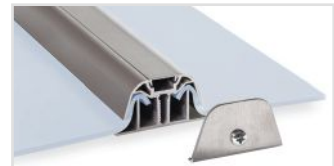


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“We talk to customers, read market info, and look at a three-year history.”

“Put some money in the bank. Take advantage of deals, but don’t overstock. Talk to contractors to find out their bookings.”

“We base budgets on market conditions known, information from our salespeople, and historical info from past recessions.”

“I would recommend speaking with your customers and reading their projections for the coming year. After having an idea of sales volume in relation to the previous year, I would weigh the commodity sales to a projected mean rate for the next year and add non-commodity projections to get a total sales projection.”

“You have to gather every bit of information you can. Consider the information along with your experience and hash it out with your stakeholders.”

“We are facing the same issues, but feel we will see a decrease this year in overall sales volume with a deflationary headwind on lumber pricing after the heights it reached last year.”

“Look at your budget from Q1 2020 and use that target for sales level for Q1 2023. And add 2% to the expense line.”

“Add 10% per quarter.”

“First you must work hard to keep a balance of new construction and remodeling business to insulate the swings. Also, focus on the ancillary products that can increase each ticket. Stay focused on service levels so you can maintain or increase margin instead of eroding it. Out-work your competitors and increase face-to-face by the sales team. Put your head down, drive through, and control the things you can. Don’t focus on the things you can’t.”

“Generally, we tend to lean more on market information, but we also listen to what our customers and vendors have to say.”

“Demand for housing still outpaces supply. I still see strength in the market. We may not be up 20% in 2023, but I expect to retain the growth from 2022.”

“Look at your customer base and determine where the sales are coming from: commercial, track builders, custom builders, or remodelers. Then where is the money coming from, bank, cash, out of state, etc.? The answer to those issues will determine if you can duplicate or grow last year’s numbers. Then, subtract a percentage for inflation. It’s not going to be perfect but should put you in the ballpark.”

“Try to stay debt free as possible. No extra inventory, vehicle purchases, etc.”

“We figure that sales will be down.”

“I have always asked contractors how far out on work they are. Also, are customers cancelling jobs on them? The feel-good scenario is also telling. a) housing appreciation b) stocks/401(k) c) interest rates. Basically, a scared customer delays big purchases or reconsiders.”

“I received some advice recently that I believe is a good starting point for 2023, and that is to look at 2018/2019 results. From a price point comparison, it makes sense but as we know the market/environment is much different. I say take results from 2018/2019 and use as a starting point. I believe in setting a quarterly or a half year goal and then build in enough flexibility to adjust as the year progresses. Stay focused on your people and building an empowered team. These people are who will take you through uncertain times.”

“Base projections on current market information, plus talk to your vendors and customers.”

“We are rural, so we don’t see the high highs or the low lows. However, interest rate hikes continue to be a topic of conversation. We think it will slow the spec and first home buyer models, but custom and multi-family continue to be a sweet spot.”

“We talk to our customers and get a good sense of how they are looking for the coming year. Keep an eye on cement trucks, as it is always a good sign seeing them out and about. Vendor information can sometimes be clouded by the desire to seem like they are doing well ...you wouldn’t want to go to an empty restaurant, would you?”

“Follow several sources of social media that provide information and feedback on what is happening with the economy as it directly relates to the LBM business model.”

“We don’t spend too much time on nailing down a projection. After taking a variety of inputs from internal and external sources, we just try to make sure we are positioned well financially, with cash on hand and good lines of credit to weather a storm or take advantage of growth. Perhaps it’s reactionary, but projections have lost their usefulness since 2020.”

“What works for me is keeping up-to-date on national and international economic trends in printed news sources and watching our industrial accounts. We supply a few manufacturers of machine tools and equipment. Their orders tend to show a six to 12-month lag to future economic conditions.”

“Talk with customers/contractors regarding their bids and upcoming projects and schedules. From there, discuss with vendors regarding material supply chains to gauge whether or not to buy ahead for slated projects and if so, how far ahead.”

“We have talked to our biggest customers, and they are saying they’ve slowed way down for the first quarter of 2023 and will look at the economy in the spring.”

“Right now, we are talking to our local manufacturer reps about availability and coming up with a plan to service our customers with a minimum amount of inventory on hand. We believe there will be some price concessions in the first and second quarters of 2023.” ▶

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RESPONSES FROM WHOLESALE DISTRIBUTORS, MANUFACTURERS, AND SERVICE PROVIDERS:

“Market info can typically be skewed based upon geographical location. Get a synopsis based around market info trends and local customers to get a macro view.”

“Ask customers about the products they want. Ask vendors what they can offer that is in line with demand. The market is too varied to rely on any one competitor.”

“As an office wholesaler of LBM, we cannot appraise a retailer about a brick and mortar location. I would recommend having a breakfast or lunch with those 20% of customers that represent 80% of your sales/profits (i.e. the Rule of 20/80, AKA The Pareto Principal). They will steer you right, and they are a rifle-shot approach to your business; anyone else’s recommendation will not represent your area/business.”

“You can only make educated guesses based on conversations with trusted customers. Even then, you are relying on their best guesses. Large corporate builders that must deliver results may give a more accurate projection.”

“I would have them review their current ERP software to ensure that it is meeting their current and future needs. Are they looking to grow their business or continue to tread water?”

“We talk to our dealers, look at housing starts and interest rates. We feel most of the interest hikes have been factored into the rate of starts and things will keep going as they are now.”

“Concentrate on things within your control, such as cost reduction and market-share improvement. I would not expect inflationary help on sales for 2023. Depending on your position in lumber and commodities, deflationary pressures on growth could exist.”

“First, have your own game plan that focuses on the metrics you can control. Then discuss with customers, vendors, and other business partners to make sure your plans are realistic and attainable.”

“If you follow the competition, you have already lost, as you have not differentiated your company nor provided customers with a meaningful reason to buy from you. I would certainly include feedback from key customers and vendors and would also get feedback from potential vendors who have been pursuing your business, but don’t have it today. They may have new and innovative products and services to help drive business. I would also develop two different budgets, one that assumes stable sales for Q1 and Q2 and moderate revenue and profit growth for Q3 and Q4. The second budget would assume a slow decline in revenue and profits quarter-over-quarter throughout the entirety of the year inclusive of all necessary business adjustments that will need to be made and when in order to sustain the business and position it to take advantage of a stronger market when that shift occurs.”

“If you’re concerned about sales volume dropping, cut back your budget accordingly. This will require some hard decisions about appropriate expense reduction, especially payroll. If you have ‘softer’ expense items in your budget, hit them first.”

“Based on contractor feedback, many are still booked through mid-year and beyond. Labor and material shortages seem to have dragged things out. Higher-end projects are still strong.”

“Reduce inventory and keep a close eye on operating expenses.”

“Follow the workload of current customers and requests from new customers that are experiencing challenges in the market. Challenges that exist on each side of their transaction, from product procurement to sale. There is no crystal ball. It’s dangerous to follow rather than be proactive, but these are trying times.”

“Some of the data we read involves the South where we see people moving to our area.”

“I would base your budget off 2019 actual results. That was the last ‘typical’ year in our industry. I would not budget price increases into your budget in 2023 unless your business is mostly repair and remodeling driven. New construction, especially single family residential, will be significantly down this year due to interest rate hikes, and more hikes are coming. I would budget new construction product lines flat to down and products tied to R&R up slightly...but without the price increases we’ve seen over the past two years.”

“As a construction software company, we are focused on three things. First, listening to our builder customers and prospects and the specific challenges they’re facing, from predicting profit before they bid to accurately tracking project progress change orders, etc. Step two for us is to revise our software to better meet builder needs without needing to significantly raise our prices. And most critical, is step three—we’re enhancing the way our software can connect builders to dealers directly, keeping both sides of the construction equation informed and in communication. We’ve shifted to a partnership model, and it seems to be working well.”

“I’m speaking on the products and services that represent the outdoor living market segment. Although the exceptional growth you have enjoyed since 2019 will begin to come back, more along the lines of 2018, remain bullish in your inventory. Consider a more narrow and deep inventory strategy so your customers know they can count on you for the decking, railing and porch needs.”

“With all the information available today, the best advice is to follow your gut feeling. Yes, business will be very different than the last two years, so pay attention and you will survive. Don’t overlook all the indicators.” ■

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LEADS



LOADING...

BUILDING SUCCESS

BUILDERS' SHOW PANEL OF PROS SAYS FINDING AND CONVERTING NEW CUSTOMERS IS A TOP CONCERN.

LBM JOURNAL STAFF REPORT

THE INTERNATIONAL BUILDERS' SHOW (IBS) has long been known as the premier event for builders, manufacturers, and retailers to network and learn while they walk the show floor. For savvy LBM dealers, there is much to gain in the educational sessions offered throughout the show as well.

At the 2023 Builders' Show, held Jan. 31 - Feb. 2, LBM Journal editors sat in on a number of sessions, including "Trends, Forecasts & Key Indicators: What Custom Builders & Remodelers Need to Know in 2023."

The four-person panel featured Virginia builder Rocky Simmons; Russ Stephens, co-founder of the Association of Professional Builders; Ryan Lipcheck of CBUSA, a homebuilder group purchasing network; and Erika Mosse of *ProRemodeler* magazine. The educational session explored what builders and remodelers are looking forward to for the rest of 2023 and beyond.

SUPPLIER RELATIONSHIPS

Relationships and interactions between pro builders and remodelers and their materials suppliers have changed in recent years, the panelists agreed.

“One of the common denominators that I’ve seen is to connect with your suppliers in a meaningful way so that you can become their builder of choice,” said Ryan Lipcheck, who for years was a professional builder before joining CBUSA’s sales team.

No doubt a strong connection with their local lumber and building material dealers helped to ensure pros were at the top of the list in recent years when supply chain challenges left dealers with inconsistent inventory and pricing.

“The builder of choice gets product,” Lipcheck added. “Make being a builder of choice a key objective and be sure to be loyal to several of the best [suppliers].”

LEADS ARE EVERYTHING

The top concern among the pro builder and remodeler panelists, and backed up by questions from audience members, was obtaining and converting quality leads. From home shows to website traffic to social media, pros who know the building and remodeling trades inside out don’t necessarily know how to gather and funnel leads. While some builder and remodeler pros have embraced Customer Relationship Management (CRM) technology, content marketing through blogs on their website, and social media engagement with potential customers, some still rely on good old word of mouth and local media advertising.

According to the Association of Professional Builders’ 2023 Annual Report, maintaining quality leads is the number one concern among builders, yet builder social media usage was down in 2022. Stephens said that the report indicated 64% of builders don’t create blog articles for their websites and 60% don’t have an email database to keep up with prospective, current, or past customers.

“Increasing blogs, emailing your list at least twice weekly, and developing a referral program are three goals we have this year,” said Simmons, a builder with Vision Homes, Inc. in Morgantown, Virginia, who also advised that “when sales go down, marketing budgets should go up.”

Mosse said she hears the same thing from remodeling pros. “There has been an overall softening of leads,” she said. To strengthen the conversion funnel from lead to customer, she recommends marketing more aggressively. “Boost your social media spend, change up some marketing tactics, and practice greater authenticity.”

POST-PANDEMIC ACTION

While the past few years have been anything but normal, the panelists agreed that there were definitely lessons learned along the way.

Technology has taken hold in the building sector in ways previously unheard of. Everything from social media usage, to design software, to Zoom meetings with clients have changed how builders and remodelers operate in the marketplace.

“Technology is making builders more sophisticated,” Lipcheck said. “Builders today have to rely on technology and forward-thinking ways. If not, they’ll get run over.”

Though technology seemed to advance rapidly during the pandemic, some cold-hard truths about operating a business in times of economic downturn came to light. Mosse reminded builders and remodelers in the audience to keep enough cash on hand to operate through tough times. “You need to have three to 12 months fixed expenses on hand, ideally,” Simmons said.

LOOKING AHEAD

Overall, the message from pros was that tomorrow’s successful builders and remodelers will be those who have learned to change and adapt today. For instance, Lipcheck said that in the next 10 years, the building industry is going to learn more than it did in the past 60. Takeoff automation, 3D printing, and offsite building technology will allow builders to complete a house in four weeks while now it takes around 14 weeks to frame, he said.

Simmons agreed and stressed that just being willing to change and adapt will be key to a builder’s success. “I don’t know how to use the resources, but I need to listen and learn from people who do know,” he said. “We need to know what we don’t know and then go to the people who do.” ■

SESSION PANELISTS

“TRENDS, FORECASTS & KEY INDICATORS: WHAT CUSTOM BUILDERS & REMODELERS NEED TO KNOW IN 2023.” WAS JUST ONE OF THE MANY EDUCATIONAL SESSIONS AT THE 2023 BUILDERS’ SHOW.



ROCKY SIMMONS
Vision Homes, Inc.



RUSS STEPHENS
Association of
Professional Builders



RYAN LIPCHECK
CBUSA



ERIKA MOSSE
ProRemodeler magazine



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Tantimber ThermoWood Ash with side clips

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Tantimber ThermoWood Oak is a beautiful reddish-brown color and is available in various decking or cladding profiles and sizes and is a reliable real wood product for those seeking genuine beauty without compromise.

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LBM JOURNAL DEALER OF THE YEAR 2023

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

BY JAMES ANDERSON



SAN ANTONIO LUMBER

Anyone who has worked at a lumberyard—not to mention owned and operated one—knows that you need to wear many hats on any given workday. Sarah Schrader, fifth-generation family owner of San Antonio Lumber in San Antonio, Florida, recently found herself wearing the hat of an event planner.

On January 21, the company celebrated its 100th anniversary with a party that brought in customers, family, friends, politicians, and an appearance by an internationally-known country band, The Bellamy Brothers.

“We transformed our yard into the venue,” Sarah says. “We started planning a year out. We got the band before they left for a European tour.”

Sarah’s father, Tom Schrader, co-owner in the business, said his biggest concern was making sure everyone was included. “We didn’t want to miss any customers,” he says.

In a town like San Antonio, with a population of just 1,200, it may have been noticed if someone was left out. While the size of the town may be small, the business scales much larger considering it is just 40 miles north of Tampa and its rapidly expanding population.

FIFTH GENERATION

Founded in 1923, the lumberyard is one of the few businesses formed in Pasco County in the 1920s that still exists today. Over the years, it passed through Schrader men and in 1994 Tom took the reins. Built on a location that was then the railroad hub of San Antonio, the company at one point had a partnership with the Purina Chow Company and became the state’s largest Purina dealer in the state of Florida because of the railroad.

Tom Schrader and his daughters, Sarah Schrader, Theresa Schrader, and Anna Hickel celebrate 100 years at the company’s anniversary party held on January 21.





50 years after coming on full time at San Antonio Lumber, Tom has passed the trade to his daughter, Sarah, who joined the company in 2012.

The company's main location was a drive-through lumberyard built next to the railroad. The business eventually expanded warehouses across the street to increase operation capacity. The company has since operated the drive through yard, Tom says, with the addition of warehouse space and an expanded office. Still today, while traffic in town has picked up considerably, San Antonio Lumber team members cross the road between facilities.

Like his father, grandfather, and great-grandfather before him, Tom Schrader grew up at the lumberyard and knew at an early age he would one day run the operation. After high school, a stay at a junior college was, "basically to play baseball, since I knew what I'd be doing," he said.

Now 50 years after coming on full time at age 20, he's passing the trade to his daughter, Sarah, who joined the company in 2012 after a career in pharmaceutical sales. Tom still comes into the office every day, but at 70, he says he doesn't need to stay the whole day.

One of Sarah's first tasks with the company was implementing a new POS system in 2013. She also worked in accounts payable, office management, and other roles as she learned more about the industry. ►

“It was beneficial for me to work in different companies, and in different industries, to bring some of that insight back with me,” she says. Over the years she’s “done and overseen a lot of everything.”

SUNSHINE STATE SERVICE

In the bustling local market in East Pasco County and the ever-expanding Tampa area, the Schraders’ company serves custom builders and remodelers, which make up 75% of the business. Even the other 25% of retail traffic likely includes many who are building their own homes.

“We serve private, custom builders,” Sarah says, “not track or national builders.”

With 18 employees, the company racked up \$9.5 million in sales in 2022, continuing the growth trend of recent years. Along with the full-line lumberyard, the company operates an on-site custom door facility. The door shop has added



value to builders and has earned repeat customers. The company also recently renovated its showroom, including the addition of new offices that display actual products. “Our offices look like miniature houses in the showroom that display products,” Sarah says. “They can come in and see many products in application.”

Recent upgrades to the POS system, as well as adding GPS in trucks, has improved efficiency.

“We’ve been continuously growing year-over-year,” Sarah says, even while battling through the pandemic, sky-rocketing lumber prices, and now higher interest rates.

Tom agreed, adding that while lumber prices have come “back down to earth,” volume has stayed up.

The continued growth is attributed to San Antonio Lumber’s simple philosophy of how it treats customers. There are four essential rules in place that make customers feel at home and like family, Sarah says.

First, the phone gets answered in two rings. They know customers are busy and valuable time from a workday isn’t wasted on waiting for someone to answer.

Secondly, there is no automated phone system. Calls made to San Antonio Lumber will never be lost in a “phone tree” or impersonal way of routing calls.

Third, either Tom or Sarah is always present. While the team takes care of the customers and surely could without one of the Schraders in the building, any customer at any time has the opportunity to interact with a company owner.

Lastly, the entire team prides itself on treating customers like family. Customers are greeted by name on their way in and come to know a level of service they’d never receive at larger stores.

EMPLOYEE FOCUS

With a closely-knit team of 18, Sarah said the company prides itself on the longevity of its workforce, including an employee who recently retired after 50 years at the lumberyard.

Tom says the company has earned a reputation as an ideal workplace in the community because of its focus on employees. That reputation was built in part on accommodating employees’ work/life balance through operating hours.

Once open half days on Saturday, the store is now closed on Saturday. “Even though we could maybe be generating





more revenue, sometimes that isn't as important as employee well-being and satisfaction," Tom says.

As well, the business now closes at 4 p.m. on weekdays. "Our employees really appreciate that and any late customers who used to come at 4:30 now come at 3:30, so business didn't change," he says.

Indeed, the family atmosphere is what drives Sarah's focus on how the company interacts with team members and the community it serves. "We're a small business. We want to take care of our employees because they take care of our customers. Employees who are happy want to be here for a long time, and we can do these small things that can help make their lives better."

In the community, San Antonio Lumber partners with Habitat for Humanity, of which Sarah sits on the local board of directors. Because of its rural location, the company also supports programs such as agricultural clubs as well as other school programs.

LOOKING FORWARD

As the Schrader team looks to the future, they're able to grow as a single-location lumberyard in their market. While they've considered relocating in the same area to avoid the across-the-street facility issues, as well as upgrading buildings, the focus is on serving their customers first. With some employees nearing retirement age, there's a renewed challenge to bring along the next generation and keep the company up to date with the latest technology.



With a closely-knit team of 18 the company has earned a reputation as an ideal workplace in the community because of its focus on employees. That reputation was built in part on accommodating employees' work/life balance through operating hours.

As the family continues the transition to the next generation of leadership, Tom is reminded of how far the business has come in the five decades he has been involved. While their delivery fleet now includes two Freightliners, a 24' box truck, and two flatbed dump trucks, a fully outfitted fleet including GPS technology and Moffett capabilities, things weren't always that way. "When I first started, we didn't even have a forklift!" he says. ■

GET TO KNOW SAN ANTONIO LUMBER

FOUNDED:	1923
OWNERSHIP:	FAMILY
LOCATIONS:	1
EMPLOYEES:	18
BUYER'S GROUP / CO-OP:	LBM ADVANTAGE
SOFTWARE PLATFORM:	SPRUCE
TOP THREE BRANDS SOLD BASED ON REVENUE:	JAMES HARDIE BOISE CASCADE YELLOWOOD





According to Oldcastle APG, its MoistureShield Meridian capped composite decking offers enhanced moisture and scratch resistance while maintaining an authentic wood aesthetic. Meridian's colors include Catalina (a soft gray-beige tone), Citadel (a cool gray shown here), Shoreside (a variegated golden sandy blonde), and dark-brown Mariner. Catalina, Citadel and Shoreside include MoistureShield's proprietary CoolDeck technology that is claimed to reduce heat absorption by up to 35% compared to traditional capped composite boards in a similar color.

THE 2023 PRODUCTS & TRENDS
DECK ISSUE

DECKS

HOMEOWNER DEMAND FOR UPSCALE OUTDOOR SPACES SPELLS WINS FOR THE LBM DEALER.

BY MIKE BERGER

The U.S.S. Missouri (designated BB-63 and nicknamed "Mighty Mo") is an Iowa-class battleship launched on January 29, 1944. As part of her design, the massive warship utilized over 1.2 acres of teak decking. Naturally a non-slip surface when wet due to its high mineral content, the teak decking also served as protection against fires and explosions, as the wood prevented metal-on-metal scraping that could have caused sparks that would have ignited the onboard gunpower stores. Even more importantly, those teak decks served as a platform for the formal end of WWII when representatives of the Japanese government signed the surrender documents onboard the battleship. Today, the battleship rests at anchor at Pearl Harbor where she serves as a floating museum. ▶

Oldcastle APG and Barrette Outdoor Living's DuraLife Hardwoods Collection of eco-friendly composite decking is made from recycled content and offers rich, wood tone colors with variegated grains in boards that replicate the look and feel of real wood. The decking comes in four colors (Brazilian Cherry, Garapa Gray, Golden Teak, and Tropical Walnut), and a custom length program is available.



tinue to slow down in 2023, there is one clear upside for the homeowner: lumber pricing has come down substantially compared to where it was during the past two years and has remained stable in recent months. So while new home construction and existing home sales may feel the brunt of a softening market, the repair and remodel industry is poised to maintain strength as people will be more inclined to stay in place and continue to make investments in their current homes."

Chris Brown, director of business development for Culpepper Wood Preservers, also sees homeowners choosing to invest in repair and remodeling projects. "We expect the new housing market to be down but do anticipate an increase demand in the multi-family sector as well as the DIY/Renovation/Remodel business," he says.

In fact, the current economic indicators that have some analysts seeing gloom and doom may actually indicate ripening conditions for the decking segment. "While the general economy is facing a lot of uncertainty in 2023, history has shown that when interest rates rise and the housing market softens, homeowners tend to stay in their homes and look for ways to improve the homes they are in," explains Bret Martz, vice president of North American professional sales for Trex Company. "This typically bodes well for manufacturers in our space as 'outdoor living' is one of the more popular areas to focus repair and remodel investments while commanding a high return."

Steve Booz, vice president of marketing for Westlake Royal Building Products, agrees. "Due to the limited inventory of available homes and rising interest rates, we expect remodeling activity to continue next year as homeowners look to improve their current homes versus buying a new one," he says. ▶

Like the "Mighty Mo"—but nowhere near as historically important—the decking industry keeps floating along despite adversity. "The decking segment is a strong market that has seen growth through even the slowest of economic times, and there are plenty of reasons to believe it will continue to do so into the future," says Mehmet Zenginler, managing partner, U.S. operations for G Wood Pro (the exclusive distributor of Tantomber ThermoWood). "While it's true that the housing market is facing some challenges, those localized issues won't necessarily affect this area of the home improvement industry."

One major issue responsible for that continued growth is the long-hoped-for stabilization of lumber prices. Over the past few years, the lumber market saw unprecedented price increases; from April 2020 to April 2021, Texas A&M reported a shocking 365% increase. Thankfully, prices have returned to more sane levels. According to a report from Forest2Market, lumber prices for southern yellow pine dropped to \$400/MBF in January of 2023—58% lower than the same time in 2022 when that lumber species was going for just below \$1,000/MBF.

Jay Hilsenbeck, director of global product management and North America marketing for Arxada, says this spells good news for the deck industry. "While it is widely believed that the housing market will con-



Deckorators' Venture decking is a wood-plastic composite that features a scratch-resistant polyethylene cap surrounding a dense composite core. Capped on three sides through the groove, the 15/16" x 5-1/2" boards are available in 12', 16', or 20' grooved-edge profiles and is backed by a 25-year limited warranty.

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MoistureShield
COMPOSITE DECKING

ACRE wood alternative decking from Modern Mill siding is a sustainable alternative that looks and feels like real wood but is made from upcycled rice hulls. ACRE is water-, weather-, and pest-resistant and guaranteed not to crack, splinter, swell, or rot. According to the manufacturer, ACRE can be cut and installed like wood, and accepts paint and stains.



MORE HOME TIME, MORE DECK TIME

Since 2020, homeowners have spent record amounts of time at home, especially in their outdoor spaces. As more people were forced to work from home and eschew public gatherings because of the COVID-19 pandemic, embracing outdoor living became paramount. It's a trend that remains on the upswing, even with the winding down of pandemic worries. A recent report from the International Casual Furnishings Association shows that 90% of Americans see their outdoor spaces as more valuable than ever before, and 78% made upgrades to their outdoor spaces during the COVID-19 pandemic—promising statistics for the decking industry.

"We're seeing homeowners spending more time at home and looking to maximize livable space wherever possible, including outdoors," says Booz. "As homeowners consider remodeling projects and look to create comfortable

and functional outdoor living spaces, we foresee projects like decks, patios, and gardens increasing in 2023."

"Because people are spending more time at home, we're seeing homeowners looking for decks with spaces that can be tailored to their interests, such as dining, movie nights, swimming, or entertaining," he continues. "This could mean outfitting your deck with an outdoor kitchen, fire pit, or lounge area with comfy furniture."

Michelle Hendricks, category market manager for Deckorators, also sees homeowners demanding more from their outdoor spaces. "Over recent years, there has been more demand than ever for contractors, materials, and supplies within the decking and deck railing segments," she explains. "Many of our in-network contractors have wait-lists of a year or more on outdoor living projects. Consumer expectations are high, and as a brand we have been doing everything within our power to focus on supporting supply of our product. Interest rates continue to remain high and people are opting for home-improvement projects instead of moving, and some of that translates into new outdoor living spaces."

Theresa Mairn, category marketing manager for ProWood, agrees. "As people spend more time at home, they are seeking to improve and extend their living environments," she points out. "An outdoor deck is an obvious, smart way to achieve expanded living space and to enhance the value of one's home at the same time. We see these elements as having a positive impact on the decking and railing segments in 2023." ▶

TOP RIGHT: YellaWood Protector deck stain is formulated for use on YellaWood brand products and is available in Crystal Clear, American Classic Cedar, Rich Walnut, and Smoky Gray. The premium stain can be used for decks, fences, siding, pergolas, gazebos and outdoor furniture.



BOTTOM RIGHT: Arxada's LotusPro Water Repellent is designed to shield wood used in the mass timber industry from moisture, mold, warping, surface degradation, and discoloration by forming a superhydrophobic film that both penetrates and coats the surface of CLT and glulam products.



UltraShield composite decking boards from NewTechWood come in solid and hollow profiles for both commercial and residential applications, and can accommodate either common screws or hidden fasteners. The boards are wrapped 360 degrees, including the grooves, which the manufacturer says provides exceptional protection against moisture, mold, fade, and mildew.

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PROTECTION FOR LEDGER BOARDS • JOIST TOPS • JOIST ENDS • POSTS

Westlake Royal Building Products' Zuri Premium Decking is designed to mimic the look of exotic hardwood. With minimal grain repetition, Zuri decking is available in Walnut, Chestnut, Pecan, Brazilia, Weathered Gray, and Hickory. According to the manufacturer, it's resistant to scratches, stains, fading, and moisture, and it comes with a 25-year colorfastness warranty.



SELLING SUSTAINABILITY

When it comes to product choice, factors such as sustainability, resiliency, and low maintenance are increasingly driving the purchase decision and should be factors LBM dealers keep in mind when selling to their customers. Using environmentally certified lumber as recognized by the Forest Stewardship Council (FSC), materials with recycled content, and all-plastic materials that promise extended lifespan not only appeals to consumers, but also can enable a builder to earn points towards LEED certification when such products are used.

"Sustainability and resiliency are critical to consumers in all areas of spending, and that holds true in the decking market," says Mairn. "Fortunately for ProWood, lumber is one of the most sustainable, renewable products in the world, making treated lumber one of the most sustainable products that consumers can choose in this space."

Culpepper Wood Preservers' Chris Brown points to natural wood's properties as being ideal for sustainable building. "As a raw building material, wood's merits are extensive and wood creates far less carbon dioxide emissions than competing building products," he explains. "The sustainability movement and green building initiatives have been adopted into several model building codes and national standards. Treated wood preserves wood against termite attack and fungal decay, lengthening its serviceable life and extending the benefits of using wood even further."

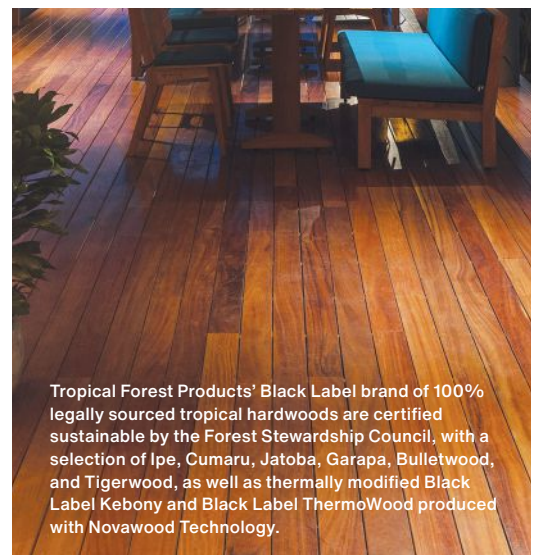
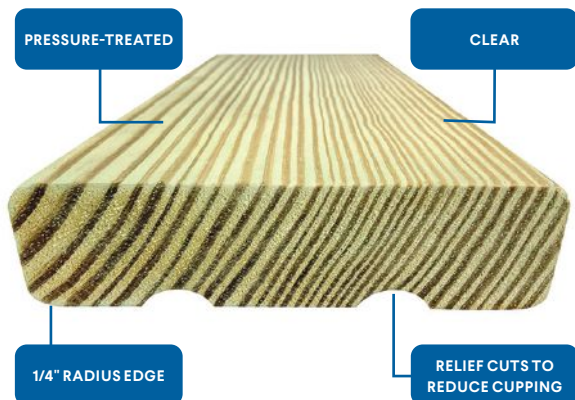
Arxada's Hilsenbeck echoes Brown's comments. "Wood is nature's sustainable building block, enhanced with life-extending preservatives,"

he says. "With consumers focusing more on caring for the planet and its resources, it is only natural that they trend toward using treated wood products. Consumers and contractors are looking for a product that is aesthetically pleasing, long-lasting and affordable. Recent research commissioned by Arxada shows that consumers purchase treated wood over alternative materials because of its durability, lower price and because it has been pressure treated to withstand the elements."

Natural wood, however, isn't the only name in the game when it comes to sustainable practices. Alternative decking materials tout their unique benefits as perfectly positioned for both consumer and builder needs. "Sustainability is no longer a 'nice to have' but rather a growing requirement among increasingly eco-conscious consumers," Trex's Martz points out. "Shopping with sustainability and circularity in mind will continue to remain a priority in 2023 and beyond as more and more homeowners around the world strive for net zero living."

Westlake Royal's Steve Booz also recognizes the increasing demand for sustainable decking and points to alternative products as ideal solutions. "As in recent years, we will continue to see increased demand for durable, low-maintenance outdoor living products," he says. "No matter where you live, decks are exposed to UV rays, temperature changes, and varying weather elements. We are also seeing an increasing number of extreme weather events each year in the U.S., which will increase the demand for resilient products. As such, durable products like composite decking are becoming more appealing to customers due to their performance qualities." ▶

To make Culpepper Prodigy, the manufacturer starts by using its Culpepper Clear deck board and then adding relief cuts that run the entire length of the underside of the board to help reduce cupping, warping and splitting.



Tropical Forest Products' Black Label brand of 100% legally sourced tropical hardwoods are certified sustainable by the Forest Stewardship Council, with a selection of Ipe, Cumaru, Jatoba, Garapa, Bulletwood, and Tigerwood, as well as thermally modified Black Label Kebony and Black Label ThermoWood produced with Novawood Technology.

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Siding



Trim Boards



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Sheets



Millwork

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RIGHT: Distributed exclusively by G Wood Pro, ThermoWood Oak is the newest product from Tantimber. Sustainably sourced, this hardwood is manufactured using an exclusive and eco-friendly process unique to ThermoWood that is both chemical-free and non-toxic. According to the manufacturer, the process results in a dimensionally stable and durable Class 1 wood product that can be used in most extreme environments.



FAR RIGHT: Fiberon's Concordia Astir Collection expands the product line with decking that the manufacturer says is influenced by the aesthetics of outdoor landscapes. Available in three nature-inspired colors—Mountain Ash, Seaside Mist, and Prairie Wheat—the boards feature a rustic cathedral grain with four-sided embossing.

The desire to build sustainably is one that can ultimately overcome price, says Richard Lam, director of sales and marketing for New-TechWood America. "People are always looking to buy something once and never change it. If a product was able to withstand whatever Mother Nature threw at it, people would buy that. I think people only buy on price because it is something they don't need or want it to last a lifetime, but when we are talking about building materials people are willing to spend a little more for the added durability of the product."

SUPPLY AND LABOR SHORTCOMINGS

Across the country, manufacturers report an easing of supply chain disruptions that have been the bane of LBM dealers for the past few years. In some cases, that easing is due in part to manufacturing facilities increasing their overall capacity and throughput, and that has dealers smiling.

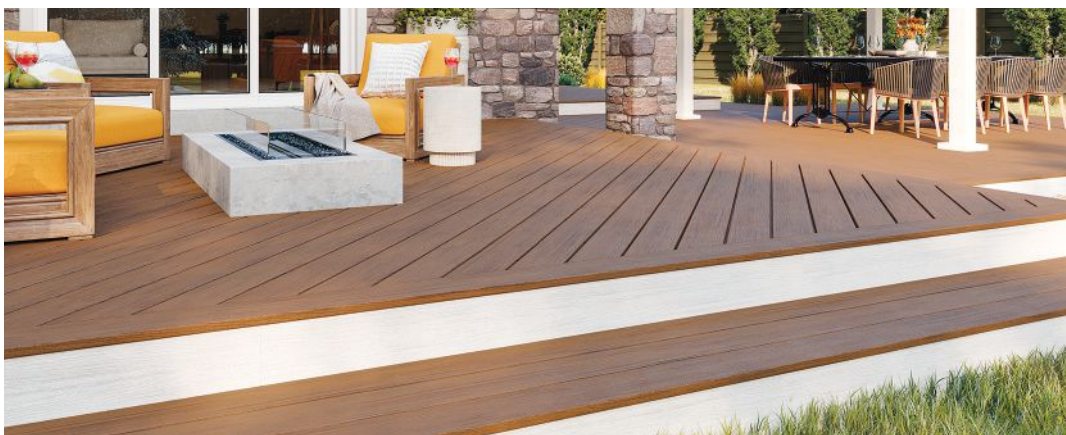
"We feel confident that the supply chain is adequately positioned to support the market in the coming years," predicts Trex's Martz. "As a whole, the category proactively responded to 'COVID-19 demand' by adding significant capacity over the last 18 months."

As an example, in Trex's case, it opened a new decking facility at its main production campus in Virginia, expanded capacity at its existing Nevada facility, and plans to add capacity with another new manufacturing plant that's currently under construction in Arkansas.

This isn't to say that product availability and supply chain breakdowns are a complete thing of the past. Product demand that outpaces availability can still cause headaches for LBM dealers. "Based on current popularity and demand of thermally modified wood products in the market, we foresee product availability and supply chain issues affecting dealers' ability to get the right materials on time, at a reasonable price point and serve the market," laments G Wood Pro's Zenginler. "To address these issues proactively, it is important to cultivate strong relationships with suppliers like us who can provide access to quality products quickly and cost effectively."

Adding insult to injury, high fuel and freight prices are driving up product costs, forcing LBM dealers to pass along those increases to their customers. "Freight costs have increased both inbound and outbound," explains Culpepper's Brown. "This seems to be a repetitive

According to Trex, its Transcend Lineage decking is engineered with heat-mitigating technology in the shell to reflect the sun and keep boards cooler than other composite deckings of a similar color. Backed by a 50-year limited warranty, Lineage boards are sustainably made from 95% recycled and reclaimed content and engineered to resist stains, scratches and mold.





ProWood's MCA treated lumber utilizes a micronized copper solution known as MCA (Micronized Copper Azole). According to the manufacturer, it is an effective and reliable protectant against rot, fungal decay, and termites in both above-ground and ground-contact applications, and is backed by a lifetime limited warranty.

headline the past few years, but this is real money and not just a fictional cost built into the price of products. We are paying more on the inbound freight for not just wood but other products and supplies including chemical and components necessary for the treatment process. Then when it comes time to ship the product to our customers, we must pay real money to move it off our yard, and those costs are up almost 60% in the past 1-2 years. While diesel price has always been the top indicator for freight costs, other factors have come in to play such as driver availability, lane coverage, other loads paying more money, etc."

The biggest and most prevalent disruptor for LBM dealers, however, remains labor shortages. Manufacturers continue to report labor shortages, a problem that's impacting everything from factory throughput to product delivery. "Labor is costing our companies more money than ever," Brown continues. "We are having to pay more to get new hires, which also means we have to pay more to keep the employees we have. Even when we offer more, we hope every day they show up. And everyone has had to get creative trying to fill those positions: offering sign-on bonuses, incentive programs, flexible schedules and whatever the other company down the street or across the road is doing. The national averages we all see are real. These costs are incurred by our company and your company. This will be an ongoing challenge for all of us."

Westlake Royal's Steve Booz also sees labor constraints as a potential continuing obstacle in keeping up with demand in 2023. But, he says, there's cause for LBM dealers to feel a bit of optimism. "Working with a company like Westlake Royal Building Products that has U.S.-based manufacturing, broad distribution and a diversity of offerings across multiple exterior brands can help meet the increasing demand," he says. "We are happy to say that barring any unfore-



Fortress Building Products' Evolution Steel Deck Framing provides an alternative to wood deck framing. According to Fortress, it provides greater spans between supports, works with any type or brand of decking including composite, PVC, aluminum, tile, wood and tropical hardwoods, and comes with a 25-year warranty.

seen upstream issues, nearly every [Westlake Royal] product is back to normal lead times for delivery. In particular, our outdoor living products are back in stock at the dealer level."

STAND APART FOR SUCCESS

In the face of these challenges, LBM dealers can take specific steps and put into place vital practices that can help minimize the impact these disruptions can bring. Start with the product lines you carry, say decking manufacturers, by being mindful of what you're selling and the benefits those products can bring to your customers. "One practice would be investing in high quality sustainable products for your customers," says G Wood Pro's Zenginler. "For example, Tantimber's ThermoWood decking products are both aesthetically pleasing and designed to withstand outdoor use and harsh weather conditions. They are also sourced from responsibly managed forests and come with a warranty of up to 25 years. This means fewer maintenance issues for the customer and lower chances of product complaints down the road. Through this type of investment, you will be able to stand out among other dealers as having access to top-notch materials for your buyers, which can form a competitive edge that proves invaluable over time." ▶

As well, manufacturers recommend LBM dealers partner with product lines the dealers can trust to deliver during challenging times. As NewTechWood America's Lam points out, "It's best to pick a product and a partner that will work with you during those challenges and also to ride trend waves as those are probably the only thing that isn't affected as much by the recessions."

Manufacturers also stress the importance of LBM dealers being upfront and honest about pricing. Don't shy away of increasing what you charge your customers, they say, especially in the face of the before-mentioned challenges of increased labor and product costs. "The biggest focus we try to relay is to pass on these increased costs to their customers," explains Culpepper's Brown. "It seems we all have prices in our memory bank of 'where things used to be.' Unfortunately, those memories are exactly that—things of the past. All expenses

for all companies have risen the past two years. The price of doing business has gone up drastically even aside from the cost of goods sold. The return to normal, however, which we all waited on, has passed us by. We are in the new normal and need to accept that. Labor, insurance, benefits, freight, chemicals, etc. are up. Due to many of these factors, aside from just the cost of wood, there have been increases introduced to the market in our segment. These are real costs and the dealers need to pass these increases on. The financial stability of our lumber dealers is dependent on margin. Therefore we communicate openly and honestly so they can protect what they work so hard for."

It should come as no surprise that communication is key to the successful implementation of these recommendations. "Active communication early and often will help customers manage their expectations," Deckorators' Hen-

dricks points out. "Being realistic and conveying a sense of understanding goes a long way to show that we are all in this together. We are in regular contact with our Certified Pros because they have the pulse on what's happening with homeowner requests and other issues that inform how we improve on the fly; a small effort to connect with each other can pay dividends."

It's all part and parcel of setting yourself apart from the competition, manufacturers point out. And part of any LBM dealer's strategy should include serving as a resource for its customers. By providing product information, training resources, and practical advice, manufacturers say, you'll ensure a visit from a returning customer. For example, Westlake Royal Building Products offers several installation and design resources LBM dealers can avail themselves of. "On our websites WestlakeRoyalBuildingProducts.com and WestlakeRoyalPros.com, we provide a number of helpful materials that building professionals can download, such as installation guides and training videos," explains Booz. "We also have a national sales team and install specialists who are happy to help guide distributors and installers with any questions they might have."

To say that the decking industry is going to be nothing but smooth sailing in 2023 would indeed be a sailor's tall tale. With continued labor shortages, high fuel prices, and uncertain economic forecasts, industry experts seem to share a cautious yet hopeful vision for what the decking category might bring for the LBM dealer.

It's an optimism that keeps one eye on the past and one on the horizon, and is perhaps best summed up by Deckorators' Michelle Hendricks. As she puts it, "Challenges in production, accessibility, and market demand continue to persist. At Deckorators we believe that the best thing we can do is to communicate honestly and openly with our contractors and dealers. As we roll out select new products for 2023, we are continuing to be mindful of what is feasible in the current market, and what is going to be available." ■

RIGHT: Millboard Decking from Outlive features a polymer core reinforced with fiberglass. According to the manufacturer, the boards are slip-resistant and won't warp or rot from moisture decay, algae, or insects. Each board is hand-colored in realistic tonal shades, with grains in three collections: Enhanced Grain, molded from actual oak boards; Weathered Oak (shown), molded from oak boards that are over a century old; and Lasta-Grip that combines the appearance of the Enhanced Grain collection with a unique slip-resistant texture.

BELOW: Large redwood beams from Humboldt Sawmill Company can easily be used in a number of ways, including for decking, timbers to hold shade sails as shown here, and for lattice work, picnic tables, and chairs.

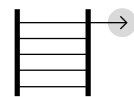




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DECK RAILINGS & ACCESSORIES

PERSONALIZATION AND CLEAN AESTHETICS DRIVE PRODUCT DEVELOPMENT.

BY MIKE BERGER



DekPro EFFEX Under-Rail LED Lighting from Absolute Distribution (ADI) is designed for use with the RailFX aluminum rail and cable system. With a diffuser lens that ensures all the light is dispersed evenly along the length of the railing, these 55" light strips feature high quality LED lights, quick connect wiring, and are field trimmable to length in 2" increments.

The phrase “form follows function” was coined by architect Louis H. Sullivan in his 1896 essay entitled “The Tall Office Building Artistically Considered.” Born in 1856, not only was Sullivan the mentor of Frank Lloyd Wright, he’s considered to be the father of both skyscrapers and the modernism movement in architecture. “All things in nature have a shape,” he once said, “that is to say, a form, an outward semblance, that tells us what they are, that distinguishes them from ourselves and from each other.”

Similarly, deck railings and accessories help distinguish one outdoor space from another, pushing the boundaries of the “forms follow function,” with new shapes, materials and designs, all of which are enabling the aesthetics of outdoor spaces to be as unique as those who use them. With people spending time in record amounts in their home’s outdoor living spaces, homeowners are more aware than ever of the aesthetics of those spaces. The question for LBM dealers, however, is how sales of deck railings and accessories will shake out in the midst of a slowing housing market.

DEMAND INCREASES DESPITE STATISTICS

This year started out on a somewhat pessimistic note. Housing starts for January 2023 fell 4.5% to a seasonally adjusted pace of 1.309 million compared to the revised December 2022 rate of 1.371 million. The latest figure is also 21.4% below the January 2022 rate of 1.666 million, according to January’s Monthly New Residential Construction report released jointly by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.

This doesn’t mean, however, that demand for railing systems and deck accessories will suffer. In fact, experts think this may bode well for consumer demand for these components. “It’s like that line from a movie, we should fasten our seatbelts because it could be a bumpy ride,” says Katrina Ralston, president of sales, finance, operations, and marketing for Feeney. “But who knows anymore? It is harder and harder to predict where things are going or where they will end up. One thing that has changed in the past few years, because of COVID-19 and rising interest rates, is that many people are staying put. People may do smaller outdoor home improvements or an internal ‘zhuzh,’ which could mean a great year for us.”

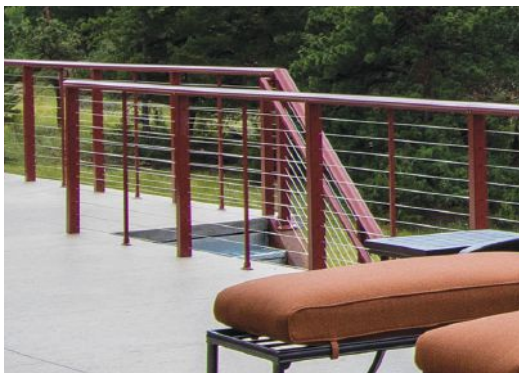
THE 2023 PRODUCTS & TRENDS DECK ISSUE

According to Deckorators, its Rapid Rail deck railing provides homeowners with a bold, contemporary aesthetic. It features a textured black, powder-coated finish, works with 2-1/2" and 4" aluminum post kits, is available in 6' and 8' on-center lengths when installing with 2-1/2" posts, and is backed by a lifetime-limited warranty. ▶

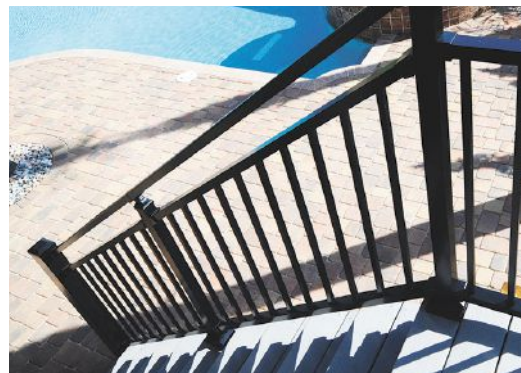


Photos courtesy of manufacturers

RIGHT: Feeney's ColorEasy powder coating program for its DesignRail Aluminum Railing System and Awning Kits was developed to complement popular exterior and interior finishes and features 18 fade-resistant colors that meet AAMA 2604 specifications for superior impact and weather resistance.



FAR RIGHT: Digger Specialties Inc. (DSI) Westbury Riviera aluminum railing is available in 12 colors and in 36" or 42" heights, with railing lengths of 4', 5', 6', 7' and 8'. A drink rail adapter is available that allows for a matching deck material to be installed on top of the railing system. Westbury Riviera Series aluminum railing is code approved for both residential and commercial railing applications, and is backed by a lifetime limited warranty.



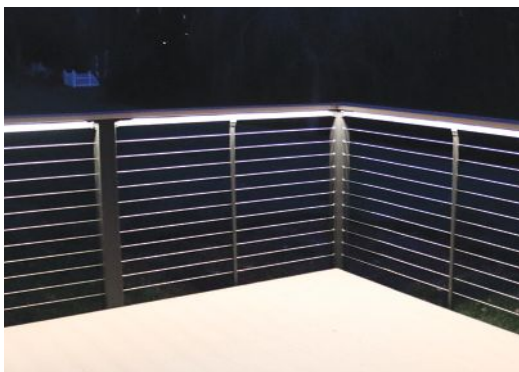
Don Douglas, senior product manager for Fortress Building Products, also sees the potential for optimism. "While there is a slowing of the housing market, available new home inventory still remains historically low on a national level," he explains. "This, combined with elevated interest rates, is driving homeowners towards renovations on their current home (versus selling), with many continuing to upgrade their outdoor living spaces. New offerings can help the railing industry meet this opportunity, driving growth and differentiation for our partners."

Ralston and Douglas aren't the only ones feeling bullish about deck railings and accessories. "We continue to see growth (less dramatic, but still strong growth) in the remodeling sector," points out Chris Donley, regional sales manager for Key-Link Fencing and Railing.

"Homeowners came to appreciate outdoor living spaces more than ever during the pandemic, and deck building and deck upgrades are still incredibly popular. The integration of indoor and outdoor living continues to drive growth in deck building materials."

Even in the face of playing catch-up with last year's unfinished projects that are the result of long-standing labor shortages, LBM dealers should still prepare for strong demand, experts suggest. "We see first and second quarter as being fairly strong with some easing the second half of the year," says Roland Pfender, president of Absolute Distribution (ADI). "We are still seeing a high volume of quote requests for projects. Many projects going this year are due to product delays and labor issues from last year. It seems like the higher end larger deck projects are still going strong. The housing market may be slowing down but people continue to invest in their existing homes with improvements to their decks and outdoor living spaces."

TOP RIGHT: Key-Link Fencing and Railing (part of Superior Plastic Products) now offers underrail lighting for its Chesapeake Series drink rail. The LED strip clips into the underside of the drink rail (clips are provided), while a lens diffuses the light. The plug-and-play lighting strips come in 4', 6', and 8' lengths, and clear marks indicate where the strip can be trimmed to length.



BOTTOM RIGHT: DekPro Prestige Rod Rail from Absolute Distribution (ADI) is designed to aesthetically fit both modern and traditional home themes. The railing can be used for 36" and 42" rail heights for both interior and exterior applications. Rod infills are available in textured black and anodized silver, and post jigs provide for simple installation.



PERSONAL SPACE DRIVES PURCHASES

While growth seems a given across the deck railings and accessories segments, consumers appear to be leaning into certain specific aesthetic trends, many of which are tied to current events and the natural world. With homeowners spending increasing amounts of time in their outdoor spaces, they're making purchase decisions based on what they feel might create a personal haven, manufacturers suggest.

"Looking at the color choices from industry tastemakers, there seems to be competing views on our evolving tastes," Feeney's Ralston explains. "Some predict neutrals will soften the blow of current events and create sanctuary in people's homes. Others are betting that the past years of pandemic have left people hungry for vibrancy and bold statements. All the current colors of the year reference some element of the environment, whether it is a dark forest or a beetle's wings." ▶



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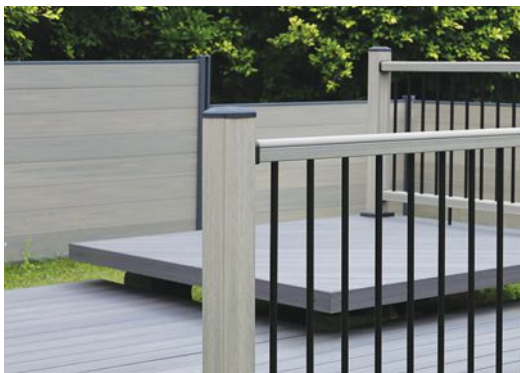


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RIGHT: NewTechWood's composite railing systems are comprised of the company's UltraShield capped wood plastic composite that the manufacturer says is made without the use of environmentally harmful chemicals, and a composite core made from recycled materials along with both softwood and hardwood fibers.



"With the rise of AI in everyday life and the continued presence of technology, it seems humans are craving a little connection with the natural world to ground them," she continues. "We have also seen a rise of design and color matching from the indoors out, which means railings and other elements have adapted to match standard hardware finishes to create a cohesive look."

This isn't to say that color is everything; the use of black as a trim, accent, and accessory color—along with modern lines and clean aesthetics—has been on the rise for the past few years, and many homeowners are choosing that look for their decks. "Railing products with a clean, modern aesthetic that can increase the line of sight beyond the deck with minimal obstruction continue to be in demand," Fortress' Douglas points out. "Matte black also continues

to be sought-after, especially since black has become a popular color choice for exterior window trim on homes. Products like Fe²⁶ H-Series and Fe²⁶ V-Series steel cable railings from Fortress Building Products meet homeowners' design-oriented preferences, making the case for wood alternative outdoor building products."

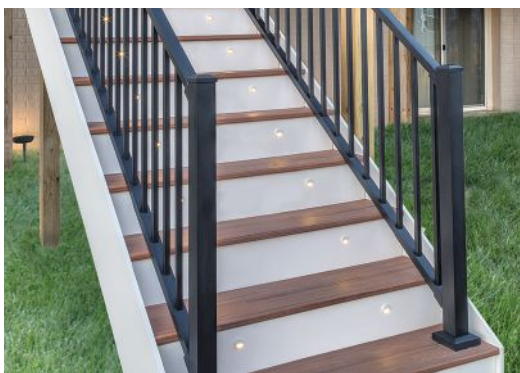
It's not enough, however, to merely offer products that are aesthetically on trend, say experts. Colors and styles aside, railing products need to deliver on simple or quick installation—not surprising, considering last year alone saw the building industry struggling through 440,000 open positions. "Ease of installation is a growing need in the industry," reports Larry Boyts, vice president of sales and marketing for Digger Specialties, Inc. (DSI). "Installers are looking for railing systems that offer good installation techniques that allow for an easy and fast installation. Westbury Aluminum Railing goes together quickly and easily with some models offered in preassembled sections."

Erica Gregory, associate product manager for Key-Link Fencing and Railing, agrees with Boyts' prediction regarding the need for fast-installing products. "Quick, simple installation is something that contractors are always looking for, so Key-Link has put a focus on installer-friendly products backed by a strong warranty. This means savings on time and labor as well as fewer callbacks." ▶

TOP RIGHT: Oldcastle APG and Barrette Outdoor Living's RDI Elevation Rail is a pre-assembled cable rail kit that requires no special tools or fasteners to install. With pre-strung continuous stainless-steel cables and adjustable panels that span up to 6', RDI Elevation Rail features a patent-pending OneTen built-in centralized tensioning system that the manufacturer says speeds installation by up to 38% and eliminates the need to tension each cable individually.



BOTTOM RIGHT: Designed to save time on the jobsite, Trex Signature Assembled Stair Railing Panels are available in Charcoal Black with square balusters to match the brand's pre-assembled Trex Signature horizontal railing panels. Stair panels are available in 6'x36", 6'x42", 8'x36" and 8'x42".



Trex recently introduced a new WiFi controller for use with its Trex Outdoor Lighting system. Compatible with Android or iOS, it allows homeowners to remotely control their deck lights from anywhere. With the system's downloadable app, homeowners can monitor their lights' status, set schedules and fine-tune the brightness of deck lights.



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in action!

RIGHT: Placid Point Lighting's low-voltage decorative post cap lights from Key-Link feature a die-cast and powder-coated aluminum housing. Available for 2-1/2", 3-1/4" and 4" posts, the light's polycarbonate lens that emits a warm, white glow from all sides.

FAR RIGHT: New from PrimeSource Building Products, RailFX's Express Mount Brackets for cable railing eliminates the need to drill holes through each deck post for the cable. Instead, installers simply screw the bracket to the outside face of the end, corner, or intermediate post, after which the cable is fed through the bracket and then tightened.



EASING SUPPLY, TIGHTENING LABOR

It will come as no surprise that the extreme disruptions in supply chains brought about upheavals in product availability—a situation keenly felt by both LBM dealers and their customers. When looking forward, however, deck railing and accessory manufacturers express confidence (with just a touch of trepidation) that those disruptions are now fading in the rearview mirror. “The worst is behind us for the most part, which brings a sense of relief,” says Feeney’s Ralston. “But challenges remain. Some foreign entities continue to struggle through COVID-19, governments are placing embargoes on countries for bad behavior, and the ongoing war between Russia and Ukraine is a constant source of uncertainty.”

“Most manufacturers seem to have addressed availability and supply chain concerns, so disruptions are less likely,” agrees Key-Link’s Donley, although he points out challenges the solving of those disruptions could bring. “Dealers should be prepared to work a little harder to sell product, as it probably won’t be flying off the shelves like it has been. That means dealers might need to do more aggres-

sive prospecting for new customers as well as maintain top-notch customer service to retain existing business.

Fortress Building Products’ Douglas shares Donley’s thoughts. “Compared to the last several years, 2023 is expected to be much less eventful,” he says. “That said, carefully evaluating your stocking strategies is still key not only for meeting demand, but to also win over customers in today’s competitive marketplace. This includes stocking product for the entire backyard package. It also helps to be well-versed in railing product categories, and to speak confidently to the value propositions that set your product apart from the competition. A little extra product knowledge will go a long way. Customers want the best product their money can buy. Be sure you can communicate why yours is better than the competitor.”

While supply chain disruptions are easing, labor shortages, however, continue to be a thorn in the sides of manufacturers, impacting the ability to deliver product in a timely fashion. So, too, are these shortages affecting contractors who are now forced to do more with fewer people. ▶

RIGHT: Cascadia, from AGS Stainless, is a ready-to-be-installed 316 marine grade stainless steel railing system. With only eight components and no custom-design work required, Cascadia eliminates the need for a local metal fabricator.

FAR RIGHT: According to MoistureShield, its new Solid Core Composite Series Railing delivers unmatched durability and moisture resistance for years of beauty and performance. Available in three profiles, the railings are resistant to mold and will not rot, splinter, warp, or stain, and they come with a transferable limited lifetime warranty.



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In a recent study conducted by the Associated Builders and Contractors (ABC), it reported a construction backlog at the highest levels since 2019—a backlog so detrimental to the industry that the ABC predicts it will take 590,000 new skilled workers to fill construction jobs in 2023. “Product availability is good for 2023,” says DSI’s Boysts. “Pricing will remain at current level or higher; we don’t foresee a drastic drop in railing prices throughout the industry. Labor shortages, however, will continue over the next 10 years especially for installers.”

ADI’s Roland Pfender also expresses concerns over labor shortages despite improvements in product availability. “Labor seems to be an issue at both the lumberyard and contractor levels,” he observes. “We see the supply chain as improving immensely with lead times for products becoming more ‘normal.’ Also, seeing some material costs coming

down that will filter into the market once higher cost current inventories are depleted.”

INVENTORY RULES, ALWAYS

With the continued labor concerns—and despite the easing of product availability—the potential for turmoil is still a real possibility, and LBM dealers need to have a plan in place to deal with it if it occurs. The secret, manufacturers say, lies with understanding your inventory. As Feeney’s Ralston puts it, “Everyone should follow the rule of three and have a primary, secondary and tertiary back-up plan for all critical functions and suppliers.”

Key-Link’s Chris Donley stresses knowing exactly how much product you have on your shelves, how quickly it’s turning over, and which products are your best-selling. “With tract building slowing down, consider moving your focus to specialty items instead of

commodities,” he recommends. “Remodeling is still strong and remodeling customers are looking for high-quality specialty products. The good news: these are generally higher margin items that will positively impact your bottom line.”

ADI’s Pfender expresses similar thoughts regarding the importance of inventory management. “Count on your distributor partners to carry stock to keep LBM inventory investments down and focused on commodities that need to be on hand. Full rail systems can be ordered from the distributor and drop shipped to the dealer to arrive in less than three days. Use distributor sales staff to augment your own and interfacing with the contractor to pull business through the dealer. You sell what you show is the old tried and true adage. Update/refresh your showrooms and displays and count on your distributor to help with that.”

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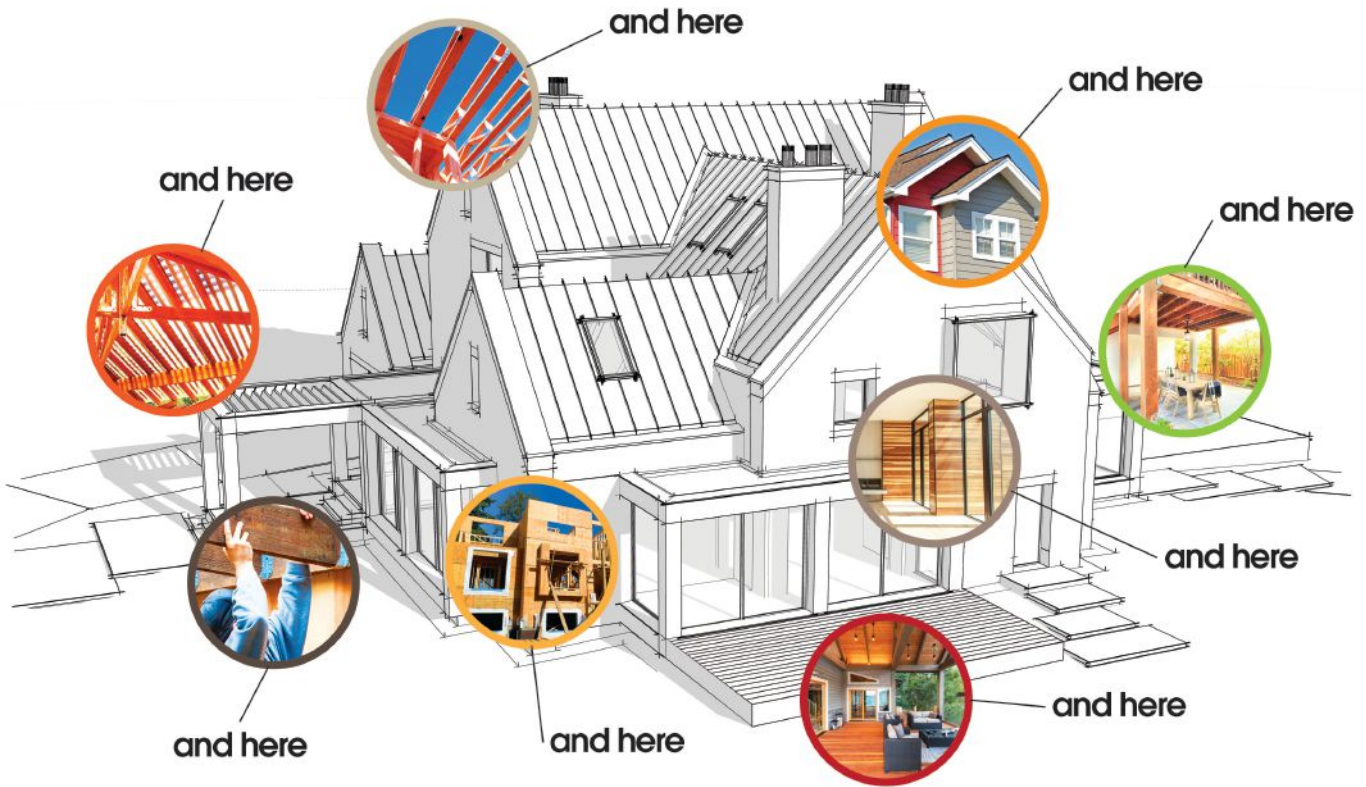
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“Most distributors are right-sizing their inventory for the 2023 season compared to the previous two years, making inventory management a big issue for 2023,” DSI’s Boyts points out. “I expect dealers to have good availability of our Westbury and PolyRail products for 2023.”

Above all, experts say, maintain strong communication, both up and down the line to best balance those inventory and product need issues. “We would extend the same advice to the outdoor living market that we would give ourselves,” recommends Deckorators’ Hendricks. “Active communication early and often will help customers manage their expectations. Being realistic and conveying a sense of understanding goes a long way to show that we are all in this together. We are in regular contact with our Certified Pros because they have the pulse on what’s happening with homeowner

requests and other issues that inform how we improve on the fly; a small effort to connect with each other can pay dividends.”

Despite unforeseen and unknown challenges, along with the known issues of labor challenges, it seems a reasonable expectation to predict the deck railing and accessory segments are positioned to be steady sellers for LBM dealers throughout the rest of 2023. And with an understanding of consumer trends, use of effective inventory practices, and implementation of thorough communication, dealers can expect positive results. It’s as Key-Link’s Chris Donley points out: “Don’t over-anticipate slowdowns. Building and remodeling are still happening. Be prepared and realistic, but don’t feed the problem with negative talk about how business is cratering—it can become a self-fulfilling prophecy!” ■



New from Fortress Building Products, Fe²⁶ Axis horizontal steel railing is an infill option that features pre-welded panels and posts with pre-attached brackets that the manufacturer says creates an easy installation process. Axis can be used for both exterior and interior applications and is backed by a 15-year limited warranty.

Photo courtesy of manufacturer



Storage Systems for LBM Dealers

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



Cantilever Drive-Thru System

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DECK FASTENERS

WITH SUPPLY CHAINS IMPROVING, FASTENER MANUFACTURERS ARE READY FOR THE FUTURE.

BY MIKE BERGER

When it comes to constructing decks, it's easy to take screws and other metal fasteners for granted. For some cultures, however, metal fasteners like nails and screws were once completely unheard of. For instance, Japanese carpenters have been using a technique of building structures without using metal parts for several centuries. These carpenters, known as miyadaiku, were able to build ornate structures such as shrines and temples without the use of a single nail or screw—a method of joinery known as kanawa tsugi—and the buildings they created have lasted for centuries.

Luckily for today's builders, they have the choice of a myriad of fasteners, and while the past few years have seen their shares of ups and downs in regard to fastener availability, the segment seems to be stabilizing, spelling good news for LBM dealers despite worries of a sluggish economy. While economists are predicting a slower rise in interest rates in 2023 compared to the previous year, rates are nevertheless still expected to increase. Those rising interest rates generally point to two things: fewer people purchasing homes; and more people investing in the homes they are currently in, particularly with outdoor projects such as decking.

Robert Shirley, product marketing manager for Simpson Strong-Tie, takes this as a good sign for the deck fastener segment. "Contraction in the for-sale home market often triggers a corresponding increase in home improvement spending as owners stay in place but look to improve properties," he says. "And there are promising signs with Consumer Price Index improvement and other forward-looking indicators that we might actually avoid a recession."

Brett Katsma, product management leader for SPAX, agrees. "Every year has some level of uncertainty, and while the housing market has shifted due to material costs and rising interest rates, the outlook for outdoor living (i.e. decks) continues to be positive," he predicts. "SPAX continues to see wood and composite deck fastening solutions as a key market and will continue to invest in this space beyond the recently launched composite deck screw line."

Anthony DiSanto, product manager for deck and trim fasteners for FastenMaster, sees a combination of a continuing robust repair/remodel market, strong deck fastener inventory in the distribution channel, and the growth of composites as nothing but positive indicators of growth for the fastener market.

"FastenMaster is closely aligned with the repair and remodel market, which is forecasted to be more robust than the new housing segment," he explains. "Decking represents a portion of the repair/replace segment and is not necessarily closely tied to new housing construction. Furthermore, being in the repair/remodel channel, we believe that deck fastener inventory levels are now more in line with demand throughout the distribution channel, so fastener supply should not be an issue."

"From the mid-1990s to early 2000s, there were some 30-40 million decks installed in the U.S., all made with pressure treated lumber or first-generation composite boards," he continues. "Many of those decks are now being updated, repaired, or replaced. In addition, we are seeing more 'entry level' or lower priced composite products in the market, which are all focused on converting pressure treated decks, a sweet spot for FastenMaster products."

Says Tony Kovac, director of product management, hardware solutions division, for Hillman Group, "A slowing housing market means more people staying put which favors repair and remodel. Similarly, in light recessions people tend to cut back on experiences and services but durable home improvements have typically held up well. We're excited about the prospects of this season's deck volume—especially with lumber [prices] coming back down to earth." ▶



Power Pro Concrete Anchors from Hillman are designed for light and medium-duty concrete, block, and brick applications. The corrosion-resistant anchors are ICC-ES Code Compliant, and are available in various lengths and diameters. They feature a fully threaded tip, and according to the manufacturer, the wide serrated threads and mid-crossband threads offer a cleaner and faster cut while providing superior pullout and shear load strength.

OPPOSITE PAGE: The Simpson Strong-Tie wafer-head construction screws feature a wafer head for strong pull-through resistance and a patented SawTooth point that the manufacturer says eliminates the need for predrilling, while the 6-lobe drive recess head makes driving secure and easy.

BELOW: Grabber's UltraPro screws were developed to deal with driving into harder materials. According to Grabber, the screw's design helps reduce wobble, cam-outs, and slivers while maintaining high torque that can drive off angle and deliver an exceptional bit tip life.



According to SPAX, its PowerLags are the largest selection of code-recognized structural wood-to-wood screws for framing in the industry in sizes from 1/4" up to 1/2" diameters and in lengths from 1-1/2" up to 16". Featuring SPAX patented thread technology, the manufacturer says they require no pre-drilling and drive faster than other conventional and structural lag screws.



And while 2023 is likely to be down compared to 2022, there are numerous factors that experts say give reason for optimism. "It's possible that mortgage rates have already peaked and will edge lower in 2023," says Lee Tedesco, marketing director for Grabber Construction Products. "Many homeowners have accrued a great amount of home equity, and Fannie Mae and Freddie Mac loan limits are increasing substantially next year. The higher Fannie/Freddie loan limits will help builders target additional buyers and combat affordability concerns. These economic factors bode well for growth of the deck fastener segment."

PRODUCTIVITY AND PERFORMANCE LEAD PRODUCT TRENDS

With labor shortages continuing to be problematic across the building industry, it should come as no surprise that fasteners and fastening tools that speed installation and allow a diminished workforce to do more with fewer people are in high demand.



According to National Nail's CAMO brand, its new structural screws are engineered to start fast and drive smooth. The screws feature a flat head for a flush finish, a chamfered neck and underhead ribs that reportedly help with countersinking, along with a straight knurl that reduces driving torque.

"Product design trends continue to focus on worker productivity and comfort and tool durability and longevity," says Simpson Strong-Tie's Shirley, pointing out the brand's Quik Drive systems as examples of products that promise labor-saving functionality.

FastenMaster's Anthony DiSanto also sees increased efficiency as a growing product trend. "FastenMaster's focus is on providing tools that help pros do more with less and be more productive on the job," he explains. "Cordless delivery systems such as our PAMFast AutoFeed System can be used for framing, decking, and remodeling, and is preferable for the pro from both an ergonomic and productivity perspective."

Phil Lail, president of Pan American Screw Fastener Group, agrees that efficiency is a major determining factor when it comes to product choice. "We are also seeing more end users interested in products like our pneumatic Mantis clip installation tool. As the labor market shrinks, tools like this help the deck builder finish products faster and more efficiently using less labor hours."

Fasteners that deliver increased speed and ease of installation are also at the forefront of Hillman Group's product development, says Kovac. "Our new line of Power Pro Structural Wood Screws have all the strength, install 50% faster, and drive more screws per battery charge than the competition," says Kovac.

The need for increased efficiency is only one side of the coin; increased product performance and overall longevity is equally important, with builders and contractors seeking fastener options that hold up better over time, say industry experts, especially with the emergence of new building materials and practices. "Alternative framing with metal, aluminum and composites are entering the market," says FastenMaster's Anthony DiSanto. "LBM dealers need to be educated about these products and carry the proper fasteners for these materials as they become more popular in the market." ►

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Midwest Fastener's new BuildRight deck screws feature a Type-17 cutting tip and a star drive head. In addition, the screws feature an exterior coating the manufacturer says outperforms hot dipped galvanized for use with treated lumber.



Pan American Screw Fastener Group's Phil Lail echoes DiSanto's observations. "We continue to see growth in the mass timber and cross laminated timber applications. Once it was prominent in only a select few geographical areas of the country, but we are seeing that market expand quickly across the US and Canada. Sales of our Big Timber BTX and STX construction lags screws were up over 35% last year and we are seeing growth from North Carolina to California and all points in between."

CODES CONTINUE TO SPUR INNOVATION

Efficiency and performance aren't the only issues driving product development, deck fastener manufacturers point out. Changes in building codes are bringing about product innovation and information as new products are released to match those code changes or updates.

For example, Simpson Strong-Tie has recently published several new technical bulletins regarding the American Wood Council Prescriptive Residential Wood Deck Construction Guide (DCA6 2018). "Both are available on our website and illustrate various installation methods, connector hardware, and fasteners for key deck connections and assemblies," says Shirley. "Plus, the Simpson Strong-Tie F-DECKCODE22 Deck Connection and Fastening Guide is a valuable resource providing deck

building recommendations and code compliant installation guides for a variety of deck connections."

In the 2021 IRC, deck requirements had substantial revisions to make builders' life easier, explains Loren Ross, structural engineer for Altenloh, Brinck & Co. US, Inc. "Most notably is a change to the loading requirement for guard rails," he points out. "Previously, guards had to resist force in any direction, but in the 2018 IRC, it was clarified to specify outward from the deck. For the 2024 IRC, several proposals focused on the durability of the deck surface through requirements of pressure treatment. There were no significant changes, but more proposals are expected next cycle."

These code changes are not arbitrary; as Pan American's Phil Lail explains, the North American Deck and Railing Association works diligently at keeping deck fastener manufacturers updated on code changes, and they lobby to have certain codes amended or changed to make a safer deck project. "One code they worked to amend last year was regarding specifying the predrilling steps when using lag screws for deck framing," Lail says. "All of our primary fasteners in our Big Timber branded product is independently tested by accredited labs and we post our certifications on our website and have added QR codes to our packaging where they can be viewed on the job site if necessary."

LABOR SHORTAGES MAY CONTINUE TO CAUSE DISRUPTIONS

Compared to the past two years, one area that has manufacturers breathing a sigh of relief is supply chain issues, a situation that many report as improving. "During COVID-19, manufacturers learned how to adapt to logistics issues and price fluctuations," says Uli Walther, president of U2 Fasteners. "We were able to triple our inventory and not have any back orders." ▶

GRK Fasteners has optimized its Deck Elite portfolio packaging and quantities to cover from 100 to 400 square feet of decking. According to the manufacturer, its new screws are perfectly designed for use in wood deck boards, providing a fast drive for increased productivity and an ideal wood tone finish that results in fewer callbacks.



Photos courtesy of manufacturers

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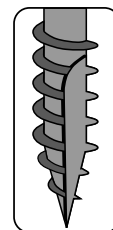


T-20 Star Drive eliminates driver bit camout

Trim Undercut Head traps loose material while countersinking

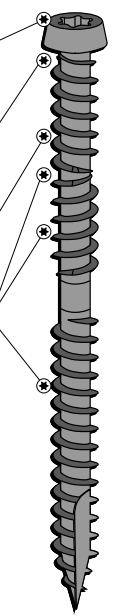
Top Threads Push composite material back into the deck - No Mushrooming

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RIGHT: According to Maze Nails, its PTL nails are made from stiffer stock steel so the shanks can be smaller in diameter to help reduce wood splitting without bending. Available in plain, ring, and spiral shank designs, the nails are double-dipped in molten zinc and can be used for new formulations of treated lumber.

FAR RIGHT: FastenMaster says its VersaLOK heavy-duty structural wood screw provides higher design shear strength than 1/2" lag bolts while delivering ease and speed of installation. They're available in 6", 8", and 10" lengths and feature a TORX tap drive system for stable installation.



Others, however, still see the possibilities of disruption as a concern, and point to domestic manufacturing as being their saving grace. "Our supply chain issues in regard to container delays are subsiding, but we operate our own factories, so we are not experiencing some of the continued delays some suppliers are experiencing out of Taiwan," reports Lail. "Product availability just has not been an issue for us, and we have a very healthy stock of both imported and domestically produced products on hand."

It's a "Made in the USA" advantage that can be a true benefit to LBM dealers, say industry experts. "While supply chain issues have eased slightly, the reality of the disruption has not, causing many LBM customers to seek domestic manufacturers," says SPAX's Katsma. "Being one of the few 'Made in America' fastener options remaining and the continued capital investments in process optimization and production, SPAX is well positioned to deliver quality products on time which is vitally important for our LBM partners."

Roelif Loveland, president of Maze Nails, shares Katsma's thoughts regarding domestic production. "While we hear that nail importers are regularly running into all those issues, Maze Nails are 100% made in the USA, with an

extraordinarily strong supply chain to our assorted domestic sources," he explains. "Rather than JIT (Just in Time) inventory, Maze practices JIC (Just in Case) contingency planning to make sure we have plenty of raw materials always on hand. Pride in Maze products is evident in every department throughout the Maze manufacturing plant, making Maze Nails a preferred employer in rural LaSalle-Peru, Illinois."

If there's one area that does have manufacturers concerned, however, it's the shortage of skilled labor. According to a recent study by Deloitte and The Manufacturing Institute, (the workforce development and education partner of the National Association of Manufacturers), the manufacturing skills gap in the U.S. could result in 2.1 million unfilled jobs by 2030, with a cost of those missing jobs potentially totaling \$1 trillion in 2030 alone. It's a statistic that has a lot of people paying very close attention.

"I'm most worried about skilled labor shortages," says Pan American's Lail. "Not as many of the Gen Z kids seem that interested in the physical labor required in the construction market. In our area of the country here in the Carolinas, a good number of the schools have trade programs where you can learn carpentry and woodworking skills to help form a career."

The new GripRite Ninja Hidden Deck Fastener from PrimeSource is a universal-fit clip that the manufacturer says solves the problem of clips falling out of the deck board groove during installation. The clip's compression-fit levers hold the clip in position and evenly space the deck boards, while the serrated razor teeth grab the board on either side to ensure a secure hold.



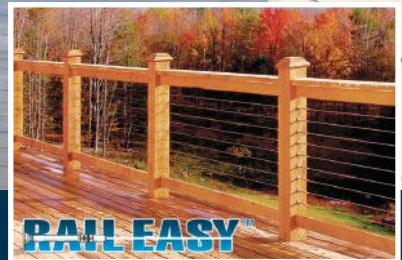
Grabber's Tedesco echoes those concerns. "Labor continues to be a challenge across the construction industry," he says. "That's why we remain focused on providing solutions that address installer productivity, from product consistency to features that enable fast installation."

That lack of labor is having impacts beyond manufacturing, says FastenMaster's DiSanto. "The labor shortage has resulted in having more inexperienced people in the industry and potentially at LBM dealers," he reports. "Therefore, training is critical, so employees understand product details and can better serve the professional community. FastenMaster offers robust training programs through our national field sales team, who conducts on-site demonstrations and provides detailed training materials not only for LBM dealers, but also for their customers." ▶



ABOVE: According to Pan American Screw Fastener Group, its composite fascia board screw routs its own hole larger than the shank of the screw to allow for expansion and contraction, while the larger head covers the hole for a finished modern look.

RIGHT: FastenMaster's new MVP multipurpose fasteners are IRC/IBC code compliant and feature a TORX ttap drive along with FastenMaster's exclusive SureSink Head the manufacturer says prevents spinouts and a proprietary coating that it says delivers superior corrosion resistance.



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U2 Fasteners recently added several more sizes of stainless steel screws for coastal applications and severe corrosive environments. To increase product awareness, the company has been using social media to get screws free of charge to anyone who would like to try them.

SELLING SOLUTIONS CAN BRING WINS FOR THE DEALER

Despite these challenges, and keeping in mind the growing need for high-performing fasteners, manufacturers see multiple methodologies LBM dealers can put into practice to best succeed. The first, they recommend, is to offer products that deliver efficiency and performance solutions.

“Fasteners don’t drive the cost of the project but can drive call backs and failures if the right parts aren’t used,” Hillman’s Kovac points out. “LBM dealers should offer building products

from suppliers that have a stable supply chain as well as recognizable brands and innovation to help speed up projects to completion.”

Grabber’s Tedesco agrees. “LBM dealers should offer products and solutions that deliver on installer productivity. Also, it is important to align with producers who invest in—and advance—innovative solutions,” he recommends.

Part of that alignment Tedesco mentions involves building partnerships with responsive suppliers, and other manufacturers agree with that

assessment. “Maze Nails recommends that dealers develop strong partnerships with domestic fastener producers to ensure that they always have top-quality nails and screws on their shelves in times of shortage,” Loveland encourages.

“The importance of partnering with manufacturers for accurate estimated annual usages has never been more important,” SPAX’s Martin stresses. “When partnering with SPAX, a dealer has the unique opportunity of being an important part of manufacturing stability for their customer needs. Having the accuracy of specific items and quantities of product to meet the customer’s needs on time and in full has and will always be a priority for this market.”

Through these partnerships, LBM dealers will be able to better manage inventories and plan for the unforeseen, experts say. “It is very important to have your shelves full of inventory,” U2 Fasteners’ Uli Walther points out. “Do not rely on your wholesaler or supplier to get inventory at the last minute, as we found the disruptions can create lost opportunities and large scale jobs.”

With supply chain issues improving, a backlog of existing jobs from last year that still need to be completed, and an influx of new decking projects expected for 2023, this year holds great promise for LBM dealers who are prepared for the opportunities. By working closely with manufacturers, they can position themselves ideally, providing fasteners that enable crews to work smarter, faster, and easier. And while Japanese miyadaiku craftsmen may eschew fasteners, today’s builders will have more than their fair share of options, provided LBM dealers plan on delivering them. ■

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Trex Fire Pit Tables

As part of its Outdoor Furniture portfolio, Trex says its Fire Pit Tables are the ideal complement to any outdoor living space. Available in a variety of 42"-square and 48"-round designs, these new fire features feature Trex's Crystal Fire Plus Burner that runs for 8-16 hours using a 20 lb. propane tank (not included) or can be hooked up to a natural gas line. Additionally, the units are safe to use on wood and composite decks, as well as concrete patios and lawns. Available in a variety of colors that coordinate with Trex decking and railing, the units are available individually or as part of five-piece furniture sets in the company's Eastport, Cape Cod, Rockport, and Yacht Club collections. As well, they are backed by a 20-year residential warranty and come with a protective cover for added protection and longevity. trexfurniture.com

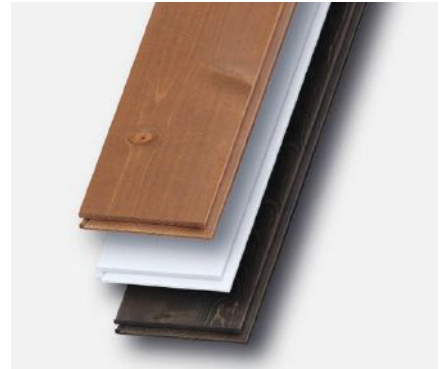


Black Label Professional Grade Accessories

Tropical Forest Products recently introduced its Black Label Professional Grade Accessories for designers, builders, installers, and contractors. Known for its Premium Select Architectural-Grade Ipe and tropical hardwoods, Tropical Forest Products' accessories include the brand's cladding clips, deck clips and screws, cleaners, brighteners, and Ipe and marine oils. Black Label Clad Clip and Pro Deck Clip systems with their proprietary designs are manufactured from high-grade stainless steel and military-grade polymers, while the brand's Tool Kit includes everything the manufacturer says is needed for installing a hardwood project. Additionally, the company's new line of Ipe + Marine Oil Finishes, Wood Cleaner, Brightener, and End Sealer enhance and protect the wood. blacklabelwood.com

UFP-Edge Native Woods Shiplap

Tongue-and-groove Native Woods Shiplap from UFP-Edge is designed for use on walls, ceilings, and on select covered exterior applications such as soffits and porches. Each board features a unique woodgrain pattern beneath a smooth surface and incorporates features such as native knots. The 1x6 boards come in random 10', 12', 14', 16' lengths (with 8' and shorter lengths available online), are available pre-finished, and according to the



manufacturer, the interlocking board pattern allows for a consistent nickel gap reveal and a secure installation with fewer exposed fasteners. And because every board is end-matched, installation requires fewer cuts for less waste. ufpedge.com

OSB Roof Decking from RoyOMartin

RoyOMartin's new OSB roofing product is designed to withstand the snow loads that roofs experience in the winter, but without adding any weight or additional costs. According to the manufacturer, the panel is 7/16" thick, so it's lighter than the full 1/2" that is currently required. The product meets the same testing requirements and installs the same as the typical 1/2" OSB roofing panel. royomartin.com





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New Colors for Foundry Specialty Siding

Foundry Specialty Siding, an exterior brand within the Westlake Royal Building Products portfolio that replicates the look of cedar, is refreshing its colors with five new Standard Palette hues and four new Weathered Palette hues. According to the manufacturer, these new colors reflect the latest trends and consumer demand, particularly toward grays and darker tones, and include five new options in the Standard Palette color lineup that were previously available only as special order: Moonlight (a light gray); Gray Skies (a medium gray); Marine Blue; Modern Slate (a dark gray-taupe); and Ironstone (a dark charcoal). The four new Weathered Palette colors are available for 7" Shake and 7" Staggered profiles and include: Arizona Clay (a burnt orange); Reclaimed Cedar (a light rustic brown); Midnight Cloud (meant to duplicate aged cedar); and Denim (a gray-blue meant to mimic weathered coastal cedar).
royalbuildingproducts.com



United Gutter Guard from Gutterglove

United Gutter Guard from Gutterglove installs directly on top of existing gutters and is designed to work with any gutter or roof type. It features 100% Stainless Steel Micro-Mesh for rust and corrosion resistance, along with patented V-Bend technology the manufacturer says delivers optimal debris blocking and water filtration. According to Gutterglove, United Gutter Guards are ideal for areas with dense tree coverage or heavy debris, as they block out leaves, pine needles, roof grit, rodents, and insects while handling heavy downpours. unitedgutterguard.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 weighs 4.5 lbs., is the lightest cordless finish nailer on the market, can drive 12,000 nails per battery charge, and 1,200 nails per fuel cell. 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



Timberline UHDZ Shingles

GAF has reengineered and relaunched Timberline UHD (Ultra High Definition) shingles as Timberline UHDZ shingles. This new premium laminate shingle offers the company's patent-pending Dual Shadow Line which, according to GAF, creates shadows that mimic sunset all day long, as well as 10% more of GAF's Time-Release Algae-Fighting Technology. In addition, the new shingles are thicker than the previous Timberline HDZ shingles, are approximately 20% heavier, and come with a new 30-Year StainGuard Plus PRO Algae Protection limited warranty against blue-green algae discoloration. Timberline UHDZ shingles are also eligible for the WindProven Limited Wind Warranty when installed with the required combination of four qualifying GAF accessories. GAF Master Elite contractors can also offer 30 years of workmanship coverage when they install a qualifying GAF roofing system with Timberline UHDZ shingles and register a Golden Pledge Limited Warranty on single family properties. gaf.com



Trex Seal Ledger Flashing Tape

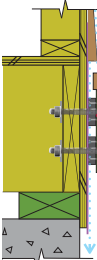
Trex Seal Ledger Flashing Tape is an 11"-wide aluminum-lined butyl tape specifically engineered for use on a deck's ledger board. According to Trex, it creates a waterproof barrier that provides complete coverage of the ledger board and seals any gaps between the ledger and the substructure, as well as offering a superior alternative to traditional ledger flashing. A convenient 5-1/2" double-release liner makes the tape easy to install, allowing users to bend and set it in place without having it flex back. trexseal.com




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Wolf Artisan Cabinets

Wolf Home Products has recently launched its Wolf Artisan line of cabinets. A premier, curated collection of semi-custom cabinetry, Wolf says its Artisan cabinets can be modified within 1/16th of an inch for a precise fit and finish, making it a near-custom solution for homeowners says the manufacturer. Available in 23 finish and stain options, 18 door styles, and five wood species, Wolf Artisan cabinets include such features as solid-wood dovetail drawers, soft-close drawers and doors, I-Beam construction, and deep drawer boxes with full-extension slides. The cabinet collection can be customized with varying moulding and leg options, unique corner storage solutions, and over 35 drawer storage and pullout options. wolfhomeproducts.com

Typar DrainableWrap Commercial building wrap

Typar is expanding its line of high-performance building wraps with the launch of its DrainableWrap Commercial, the company's first drainable building wrap engineered to protect multi-story structures from the elements and manage excess moisture. Available in 5' x 150' rolls, Typar says DrainableWrap Commercial offers an elevated ability to deal with excess moisture even faster than most conventional house wraps, thanks in part to Typar's patented "meltshot" technology that adds an integrated layer of fibers to create an effective drainage gap to channel wind-driven rain and bulk water away from the structure. DrainableWrap Commercial can be installed as part of the Typar Weather Protection System, which encompasses the company's full line of high-performance house wraps, tapes and accessories. When installed together, the complete system is covered by a lifetime limited warranty that includes materials and labor. typar.com



Qwel Designer Acoustic Tiles

New from Genesis Products, Qwel Designer Acoustic Tiles offer a variety of molded and flat tile designs to create architecturally distinctive, acoustically-aware environments. Available in six designer styles featuring edges, drops, and curves, Qwel tiles can be mixed and matched to achieve unique designs. Flat tiles are easy to cut and shape, while molded tiles add three-dimensional visuals, such as a Linear Wave. Colors include Black, White, Charcoal and Light Gray as well as special order custom colors, shapes, and sizes. According to the manufacturer, Qwel tiles reduce unwanted noise by .75 NRC (Noise Reduction Coefficient) and up, i.e. 75% of sound in the space is absorbed, while the other 25% is reflected. This delivers improved clarity of sound to enable focus, learning, productivity and enjoyment. The washable Qwel tiles are made from 100% non-woven PET fibers and contain up to 50% recycled materials, are compatible with existing grid systems, and are reported to be dust and shakeout-free, stain-, mold- and mildew-resistant and feature a Class A rating for fire and smoke. qweltiles.com



KEEN Utility Davenport Boot

KEEN Utility's recently released medium-duty Davenport insulated work boot is designed to take on extreme environments. The boot features 400 grams of KEEN.WARM insulation and a KEEN.DRY breathable waterproof membrane, and KEEN.POLAR TRACTION micro-glass fiber cleats that KEEN says increases traction in winter conditions. The TPU shank for midfoot support, dual-density EVA footbed, and PU midsole work together to enhance the boot's overall comfort. Additional features include left and right asymmetrical composite toes, oil- and slip-resistant rubber outsoles, and 100% non-metallic construction. keenfootwear.com





LBM CENTURY CLUB HONORS 100-YEAR-OLD BUSINESSES

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

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

THE MOST RECENT INDUCTEES INTO THIS EXCLUSIVE CLUB INCLUDE:

HERMANN LUMBER COMPANY Hermann, MO	est. 1922	WOODS LUMBER Independence, KS	est. 1889
BARDEN LUMBER Boyne City, MI	est. 1922	BIG JOHNS BUILDING SUPPLY LLC Cedaredge, CO	est. 1904
MAZE LUMBER Peru, IL	est. 1848	POWELL ACE HOME CENTER Covington, IN	est. 1886
PARKES LUMBER CO. Lawrenceburg, TN	est. 1896	INTERSTATE + LAKELAND LUMBER Greenwich, CT	est. 1922
GRIFFITH LUMBER COMPANY Manhattan, KS	est. 1911	BADGER LUMBER COMPANY Parkersburg, WV	est. 1922

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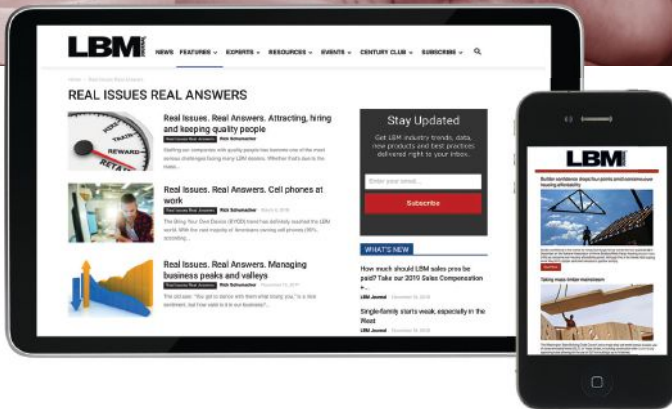
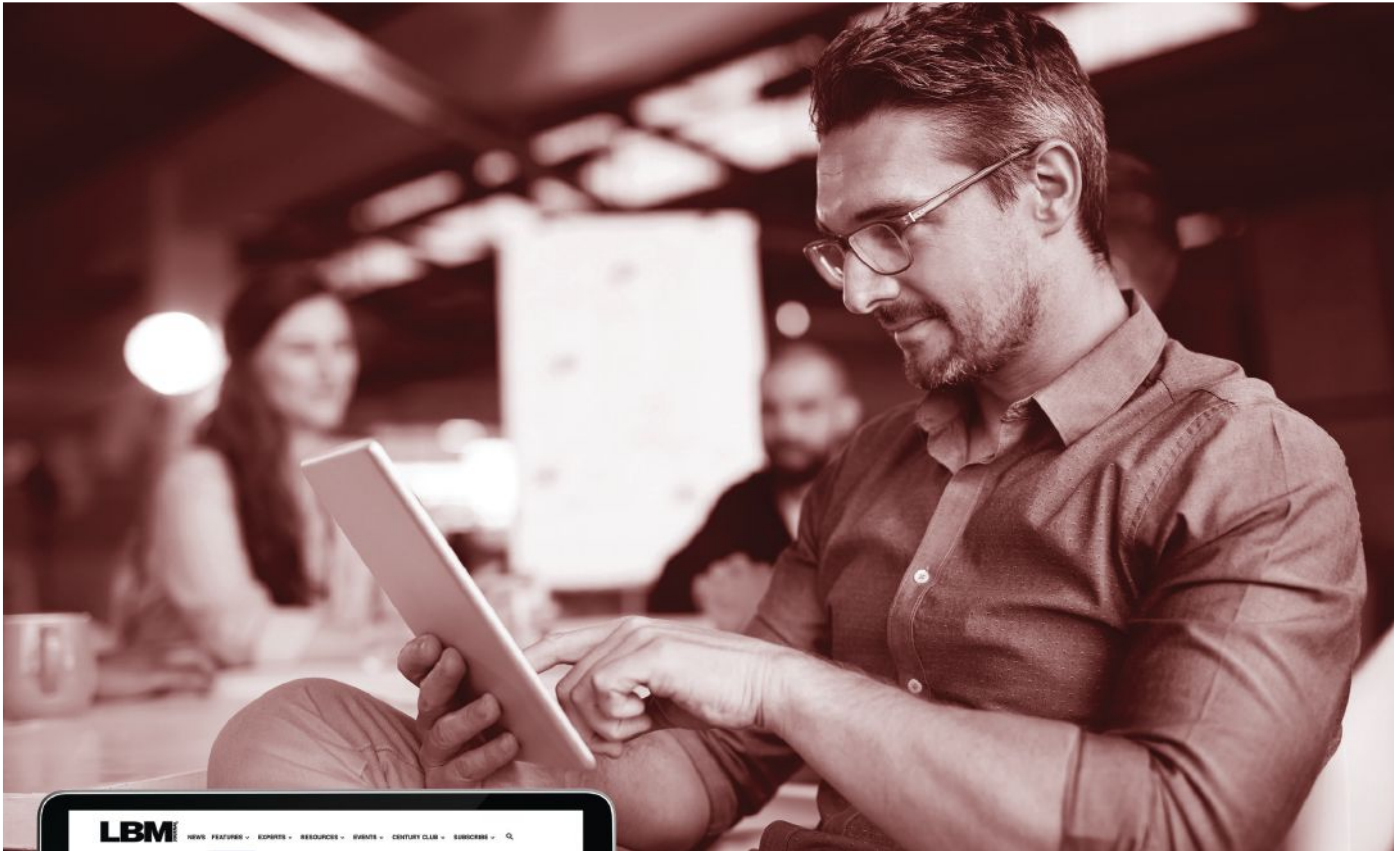
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IBC=inside back cover, IFC=inside front cover, OBC=outside back cover, BB=belly band, INS=insert, PB=polybagged, WP=white paper




LBM JOURNAL PODCASTS



LBM SALES HOSTED BY RICK DAVIS

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


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LOOK FOR THE 40 UNDER 40 IN THE JUNE ISSUE OF LBM JOURNAL.

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IT'S TIME TO SELL. NOW WHAT?

LOOKING BACK AT A LONG CAREER IN THE LUMBER BUSINESS, YOU'VE DECIDED IT'S TIME TO PUT THE COMPANY UP FOR SALE. BUT WHAT OPTION SHOULD YOU CHOOSE?



WELL, IT'S HAPPENED: your 50-plus year career in the building materials industry is winding down. While it's a decision you fought tooth-and-nail for the past decade, you've come to realize that this retirement thing people your age are doing might be better for your health than running your single-location, small-town lumberyard. With help getting increasingly harder to find and markets fluctuating as they are, your financial planner suggested maybe now is the right time to start looking for an exit while you can still get out and see the world outside your lumberyard.

Of course, you've always known this day would come. At nearly 75 years old, you've wondered often over the years what might be the best way to move on from the business. Since you don't have children or other family members interested in taking it on, your options have turned to selling to a nearby competitor, placing your store with a broker who will seek out interest from consolidators and other potential buyers, or exploring some sort of employee ownership program.

Since starting out with your dad after a year of college, you've changed offices once—from yours to his. Over the decades you've loved your company more than some of your family members (not always, but sometimes), so it's extra hard to see it go. On one hand, your financial planner says you might get the best offer from a national group that buys up and operates smaller yards. On the other hand, selling to a local competitor will leave your customers and your community with a company you've always thought was a fair and formidable operation. If you had more hands, the third would hold the employee-ownership

option, something you want to explore as a means of taking care of the core group of team members who have become good friends over the years.

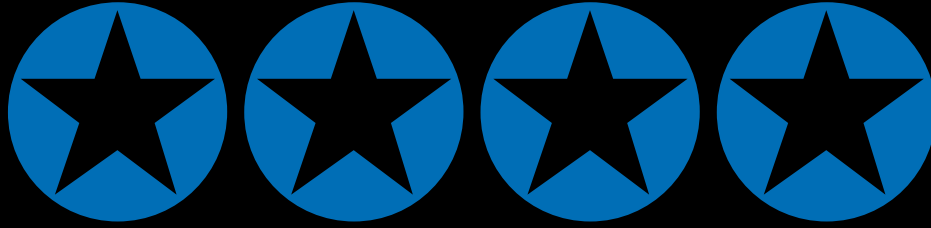
It's still early in the process, but your financial planner, whom you have trusted with your company and family finances for years, says he'd like to get the ball rolling while your business remains strong. He is pushing for an answer on which option you'd like him to pursue first. What should you do?

CAST YOUR VOTE ONLINE AT: LBMJOURNAL.COM

- **KEEP IT LOCAL.** Sell to the longtime competitor. You may not get as much as you'd like, but you trust that they'll take care of your team and your customers.
- **FOLLOW THE MONEY.** Choose the option that will deliver the biggest payday, while working to ensure that your team and your customers are taken care of. Then go enjoy your retirement!
- **EMPLOYEE OPTION.** The core group of employees who have been with you the longest know the business best and deserve to profit from it long after you're gone.
- **NOT SO FAST.** Your health is good, you still love coming to work, you have money in the bank, so what's the rush? Agree to let your financial planner explore options, but don't sell until you're ready.

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.



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