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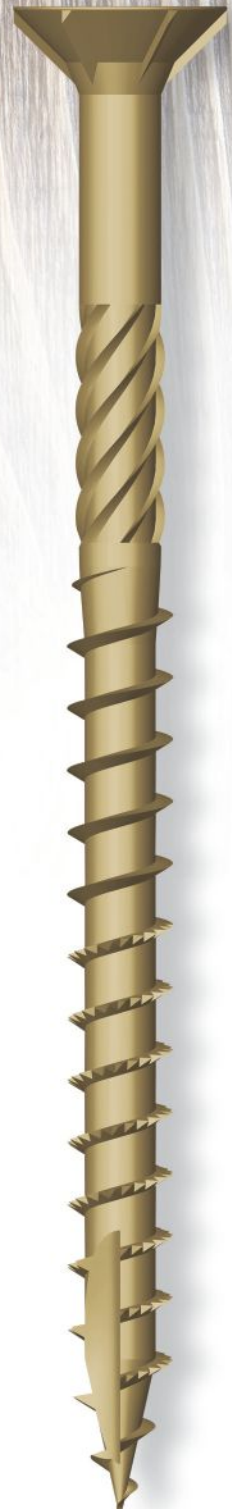
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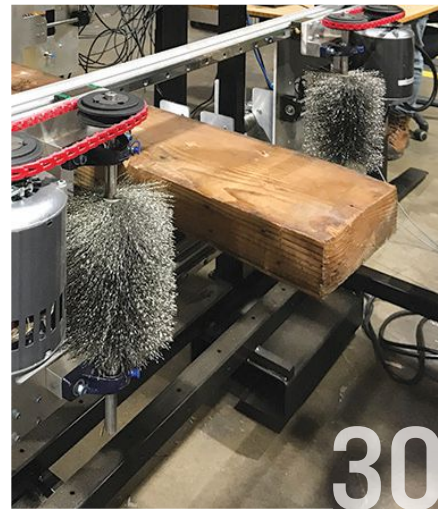

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OCTOBER 2023



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LBMJOURNAL.COM

FROM THE PUBLISHER

WHEN WE LAUNCHED LBM Strategies in 2017, friends in the industry asked why we'd invest the time and money to create a conference when it was clear that the existing events were dying. We did it because we believed strongly that we could do it better. Here's why: At one of the last dealer events I'd attended, there were approximately four sponsor attendees for every dealer attendee. It was a classic example of a lose-lose scenario: sponsors didn't get what they wanted (quality time with prospective customers), and dealer attendees didn't get what they wanted (plenty of time to connect and learn from their fellow dealers).

With LBM Strategies, we knew we'd succeed only to the extent that our attendees and our sponsors succeeded. That's why we made sure our dealer/distributor attendees had ample time to connect with peers from across the U.S. To make that happen, dealers had to outnumber sponsors. That's why we flipped the ratio—from four sponsors for every one dealer, to no more than one sponsor attendee for every two dealer attendees.

One thing that I've learned from my 30-plus years in this business is that dealers love to hear from each other. That's why the majority of the nearly 30 presenters and panelists at LBM Strategies 2023 were people who earn their living as LBM pros. Chew on that for a minute. The fear of public speaking (called *glossophobia*) is very real and affects a large percentage of the population. Since taking the stage at LBM Strategies is not a highly paid gig, why do dealers do it?

The answer is because the LBM industry truly is unique. Dealers who've picked the lock on a specific challenge want to share what they've discovered with others. And if that means getting up on stage with hundreds of faces looking back at them, so be it. During his presentation at a previous LBM Strategies Conference, Grant Leavitt from Marcus Lumber (a well-deserved inductee into LBM Journal's inaugural 40 Under 40), said it best: "If you have an apple and I have an apple, and we exchange apples, then you and I will still each have one apple. But if you have an idea and I have an idea, and we exchange these ideas, then we each have two ideas."

What a simple, beautiful, and powerful concept. It's neither rocket science nor brain surgery, but it outclasses both when it comes to working together to build not an industry, but a *community*. That concept explains the success of *LBM Journal*, and the LBM Strategies Conference. It's about members of our LBM Community working together to multiply the influence of ideas.

— Rick Schumacher
Executive Editor & Publisher



A handwritten signature in black ink, appearing to read 'R. Schumacher', written in a cursive style.

HAVE A QUESTION FOR RICK?
RICK@LBMJOURNAL.COM

First we went above.

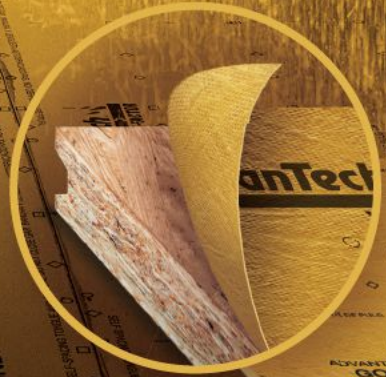
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FROM THE EDITOR

WITH OCTOBER HERE and in full swing, it's next to impossible to not be thinking about Halloween. Here in the U.S., Halloween practices have been around since Colonial times, with traditions that the Irish, English, and Scots brought with them from "the Old Country."

Take, for example, the ritual of carving a pumpkin to serve as a jack-o-lantern. The idea of using a gourd of some sort to depict a human face goes back thousands of years in some northern European Celtic cultures, although the use of using a pumpkin is a purely American addition to the holiday, as traditionally it was a turnip, potato, or other root vegetable that was used to create as frightening visage.

While the practice of Halloween trick-or-treating can be traced back for centuries, it originated during the Celtic festival of Samhain, when people donned costumes and carved frightening faces into root vegetables to ward off restless souls.

By the ninth century, trick-or-treating had evolved into the practice of poor people visiting the houses of wealthier families where they would receive pastries called soul cakes in exchange for a promise to pray for the souls of the homeowners' dead relatives. Known as "souling," the practice was later taken up by children, who would go from door to door asking for gifts such as food or money.

If you're like me, when it came to Halloween, you knew that one house where the owners would always hand out full-size candy bars, not the miniaturized "fun size" treats. Likewise, you knew who typically handed out low-value "treats" like apples or, heaven forbid, toothpaste. (Yes, I really did receive toothpaste one year.) Not only did you know where that full-size candy house was located, you planned your route so that you would visit it as quickly as you could so that you didn't miss out on the opportunity to score the ultimate goody.

Think of *LBM Journal* as your must-stop full-size candy bar house. Whether you're reading about new technology or industry trends, the latest in new products, the insights from our columnists, or the sage advice from your fellow LBM dealers, you'll find the treats within the pages of this issue more satisfying than that full-sized Hershey or Butterfinger bar.

Hopefully you also had the opportunity to attend the LBM Strategies Conference earlier this month—no tricks there, only treats! With close to 30 speakers and sessions including "Certain Results in Uncertain Times" and "How to Attract and Retain the Next Generation," the event was crafted for you to learn from your peers, network with colleagues, and pick the brains of LBM industry leaders.

Here's hoping your treat bucket is brimming with LBM delights that are better than any candy bar could ever hope to be—no tricks, I promise!

— Mike Berger
Editor



Michael J. Berger

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GANAHL LUMBER COMPANY



CRYSTAL LUMBER



NORTHWOODS LUMBER COMPANY

BY THE YARD

Ganahl Lumber Company recently opened its new facility, comprised of more than 10 acres, a 50,000-sq. ft. main store, and 100,000-sq. ft. of drive through materials storage, in San Juan Capistrano, California.

Cerbo Lumber & Hardware, Parsippany, N.J., recently celebrated its 75th anniversary. Founded by Salvatore Cerbo, an Italian immigrant, the company is in its third generation of family ownership.

Michigan lumberyard **Big Rapids Cash and Carry** has been renamed to **Big Rapids Lumber and Hardware**. The business recently underwent an extensive renovation.



Crystal Lumber, a third-generation family-owned and operated LBM dealer in Iron County, Michigan, celebrated its 70th anniversary with a fundraising event benefitting the Iron County Fire Victims Fund.

Northwoods Lumber Company in Blackduck, Minnesota, celebrated 50 years of family ownership. The business also has a Bemidji location.

Teague Lumber in Kansas City, Missouri and **Rock Creek Lumber** in Red Lodge, Montana have been rebranded under the **Mead Lumber** name. The name change streamlines the Mead Lumber brand across its 52 operating locations in nine states.

84 Lumber was named to the Inc. 5000 List of Fastest Growing Companies in America for the fourth time.

ASSOCIATIONS

The **Mid-America Lumbermen's Association (MLA)** announced its merger with the **Northwestern Lumber Association (NLA)** to create one of the largest building material trade associations in the industry. MLA represented LBM dealers and suppliers in Arkansas, Kansas, and Missouri, while NLA membership includes Iowa, Minnesota, Nebraska, North and South Dakota, Wisconsin, and Upper Michigan.

The **Lumbermen's Association of Texas** named **Walter Foxworth**, former Chairman-emeritus at Foxworth Galbraith Lumber as its Dealer of the Year, and **Lynn Surls**, chairman and president at Richardson Timbers, as its Associate of the Year.

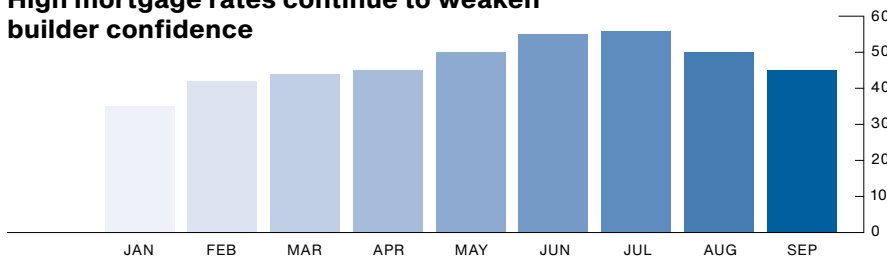


FOXWORTH



SURLS

High mortgage rates continue to weaken builder confidence



Persistently high mortgage rates above 7% continue to erode builder confidence, as sentiment levels have dropped below the key break-even measure of 50 for the first time in five months. Builder confidence in the market for newly built single-family homes in September fell five points to 45, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released today. This follows a six-point drop in August.

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PEOPLE IN LBM

Do it Best announced the following additions to its team:

- Kaitlyn Brown** as a consumer marketing specialist
- Gary Monak** as a territory sales manager
- Ryan Morena** as an associate merchandise manager
- Alexandra Moser** as a merchandise coordinator
- Elise Ruediger** as an ecommerce content specialist

The member-owned co-op also announced several promotions:

- Kendra Eaken** as a merchandising coordinator
- Makenzie Eggebrecht** as an LBM sales support lead
- Emily Morris** as a communications coordinator



David Pogue has joined **The Detering Company** as VP of multi-family.



Ryan Porter was promoted to store manager at the Texarkana location of **Davis Lumber and Hardware**.



Jenny Vasquez has been promoted to VP of human resources for **Kodiak Building Partners**.



Howard O'Neal has been named director of forest products for **Ambassador Supply**.



Josh Hendrickson has been promoted from VP sales and marketing to president of **Wilson Lumber Company**. He will assume his new role upon the retirement of current COO and President **John Marshall** in the fourth quarter.



Bill Ross has been named senior vice-president, sales and marketing at **Eva-Last Americas**.

Kevin Scussell has been promoted to VP of sales for Atlanta-based **Lummus Supply Company**, which operates four locations in Georgia.

International Wood Products named **Taylor Hart** as general manager, and **Perry Schlitt** as senior general manager of its Clackamas, Oregon location.

SEND NEWS AND UPDATES ABOUT YOUR ORGANIZATION TO WENDY@LBMJOURNAL.COM

DISTRIBUTION NEWS

Modern Mill announced that **OrePac Building Products** will distribute its ACRE wood-alternative in Oregon and Washington.

Great Southern Wood Preserving has expanded its distribution of **MoistureShield** products in Fombell, Pennsylvania and Millwood, Kentucky.

Cameron Ashley Building Products expanded its distribution partnership with **LP Building Solutions** in Nashville, Tennessee and Cedar Rapids, Iowa, and opened a new distribution center in Little Rock, Arkansas.

Universal Supply, a division of USLBM, has partnered with **Tando Composites** as a flagship dealer for Beach House Shake in the southern New Jersey market.

Capital announced the addition of **Anawalt Lumber**, in Malibu, California, as a stocking dealer for TruExterior poly-ash composite siding and trim.

TOUGH CALL ANSWERS

THE AUGUST 2023 ISSUE SURVEY RESULTS FROM LBMJOURNAL.COM

EMPLOYEE BENEFITS AND THE SALES ROCKSTAR

Your existing team members learned about the outsized benefits package given to a new hire. They feel snubbed and want what the new guy negotiated. Here's how readers would handle this Tough Call.

GET THEIR INPUT

Take a fresh look at your benefits package, and get everyone's input. If they're part of crafting the solution, they may agree that exceptions are sometimes okay.

45%

REVISIT YOUR BENEFITS

You don't believe you can offer the sales rockstar-level benefits to everyone, but it's been a while since you've updated your benefits package. Make some minor adjustments for all and hope that fixes it.

36%

7%

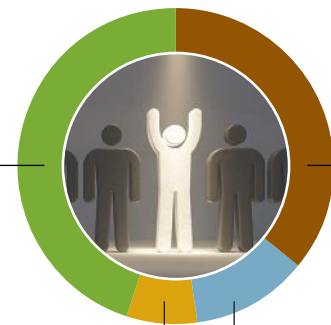
EXPLAIN IT AWAY

Let them know that his situation was unique. The only way to get him to come aboard was with the extra PTO. Ask them to understand and accept the exception.

12%

MATCH IT FOR ALL

It's only fair that the members of your team who've been here for years receive the same amount of paid time off as the new guy. Four weeks all around.





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INDUSTRY UPDATES

Do it Best reported \$4.8 billion in sales for its 2023 fiscal year, its third consecutive year of record growth.

Westlake Royal Building Products rebranded its Palight Trimboard line to Skytrim, a complete line of PVC trim options.

Simpson Strong-Tie renewed its partnership with the Building Talent Foundation, a non-profit focused on skilled trades training and career opportunities for young people and people from under-represented groups.

1build announced a partnership with **Builddxact** to power its new complementary Pricing Assistant feature.

Cameron Ashley opened a new distribution center in Little Rock, Arkansas.

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MERGERS + ACQUISITIONS

Spahn & Rose Lumber Co. has entered into an agreement to purchase **City Lumber Company** in Huntsville, Ala.

Nation's Best announced its entrance into the state of Georgia with the acquisition of **Adams Building Supplies**, a fourth-generation, two-location company. Nation's Best now operates 51 locations in 15 states.

Eva-Last announced the acquisition of **Fortress Deck Products**.

CO-OPS + BUYER'S GROUPS

At its Fall Market, **Do it Best** announced its vendors of the year:

Lumber & Building Materials Excellence:

Metsa Group

Outstanding Products & Services: **Sherwin Williams**

Overall Sales Growth:

Milwaukee Tool

Supply Chain Excellence: **Southwire**

ABC's Construction Backlog Indicator holds steady

Associated Builders and Contractors reported that its Construction Backlog Indicator declined to 9.2 months in August, down 0.1 month, according to an ABC member survey conducted from Aug. 21 to Sept. 6.

"There's no sign of a construction recession in the near term," said ABC Chief Economist Anirban Basu. "If anything, contractors are more upbeat, as policy and technology shifts along with economic transformation, are creating substantial demand for improvements and growth in America's built environment.

"While a plurality of contractors expects only small improvements in sales, profit margins and staffing over the next six months, even incremental improvement is remarkable in the context of tightening credit, higher project financing costs and lingering fears of recession," said Basu. "Backlog continues to be at the upper end of historic levels, with the infrastructure category registering substantial gains in backlog in August. That suggests that a growing number of public works projects is poised to break ground."

INDUSTRY EVENTS

NOV 6-8, 2023

LMC EXPO

Philadelphia, PA | lmc.net

DEC 6-7, 2023

LBM EXPO 2023

Uncasville, CT | lbmexpo.net

JAN 10-12, 2024

ALLIED BUILDING STORES

WINTER MARKET

Nashville, TN | alliedbuildingstores.com

FEB 7-8, 2024

BUILDING MATERIAL SUPPLIERS ASSOCIATION ANNUAL LEARNING EXCHANGE & LBM EXPO

Hickory, NC | mybmsa.org

FEB 20-22, 2024

LBM ADVANTAGE 2024 ANNUAL BUYING SHOW

Orlando, FL | lbadvantage.com

FEB 27-29, 2024

INTERNATIONAL BUILDERS' SHOW

Las Vegas, NV | buildersshow.com

MAR 5-7, 2024

LMC ANNUAL 2024

Houston, TX | lmc.net

MAR 23-24, 2024

DO IT BEST SPRING MARKET

Houston, TX | doitbestonline.com

APR 28 - MAY 1, 2024

LBM ADVANTAGE 2024 NEXTGEN LEADERSHIP CONFERENCE

Denver, CO | lbadvantage.com

JUL 25-28, 2024

BUILDER MATERIAL SUPPLIERS ASSOCIATION 2024 SUMMER CONFERENCE

Chattanooga, TN | mybmsa.org

AUG 14-16, 2024

ALLIED BUILDING STORES FALL MARKET

Grapevine, TX | alliedbuildingstores.com

SEPT 6-9, 2024

DO IT BEST FALL MARKET

Indianapolis, IN | doitbestonline.com

OCT 23-25, 2024

LMC EXPO 2024

Philadelphia, PA | lmc.net

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BY BILL LEE

WHAT PERCENTAGE of what you plan to do each day actually gets done?

If you're like most salespeople, the answer is less than 30%. In my experience in working with salespeople, there are two culprits that prevent salespeople from getting as much done as they would like:

1. Many people fail to plan; that is, they let their day manage them rather than them managing their day.
2. Interruptions occur so fast and furiously that many salespeople lose control of their day, and what they planned to do flies out the window.

USING TIME MANAGEMENT TO BECOME A HIGH PERFORMANCE SALESPERSON

Research I have done on time management, or what some people call activity management, has taught me this: salespeople who plan at the end of the day get more work done and make more sales than salespeople who wait until the next day to plan.

If salespeople will make a list of who they want to see and what they want to do before they go home at night, the odds of them actually executing their plan increase dramatically. How about you? How well do you do at planning ahead?



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

Let's face it—some of us are natural planners while others of us are naturally disorganized. Research tells us that we cannot take much of the credit when we are natural at planning or when we are unnatural at planning. Which category you fall into is largely a result of the genes you inherited at birth. Highly organized people are usually born that way and highly disorganized people are usually born with unstructured personalities.

Now this doesn't mean that just because you were born disorganized that you need to stay disorganized, but it does, however, mean that to be successful at sales you have to use a lot of personal discipline to stay focused, plan your work, and work your plan.

Great salespeople are rarely "natural born" salespeople. They have to work at their profession until they develop the skills and disciplines to become great. A pleasing personality will take a salesperson just so far. At some point, the superstars must work on their game hard enough and diligently enough to win the battle for what business there is out there in the marketplace.

Current conditions call for making every minute of every day productive. No longer can we "just show up" and the phone will begin ringing.

In my opinion, the disciplined use of a to-do list is the best time management tool ever conceived of. The important point to remember, however, is that your to-do list must be kept on paper and not in your mind. Writing it down and reviewing your notes is about 90% of what is necessary to improve your ability to manage your time. *Your to-do list must be kept on paper and not in your mind.*

These three ideas will help improve the use of your to-do list:

1. Before you go home at night, prioritize your to-do list. If you're like me, you have far more items on your to-do list than you can humanly get done tomorrow, so it just makes sense to prioritize the first 12 to 13 items and discipline yourself to do first things first.
2. Next, if there's anyone on your to-do list that you must telephone (who is not already listed on your telephone)—before you go home at night—jot down the person's number beside their name.
3. Finally, I suggest that you ask yourself the same question I ask myself each afternoon when I hang it up for the day: What have I done today to make my telephone ring?

Your answer will tell you a lot about how proactive you are performing as a salesperson.



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BY RICK DAVIS

PETER DRUCKER, the eminent management theorist of the 20th century, was noted for saying, “*The bottleneck is always at the top of the bottle.*” This is never truer than it is with sales success.

At this month’s LBM Strategies Conference, the topic of my keynote presentation will be based on two realizations over a 40-year career. One is that we have a high degree of *transactional dependability* in our industry and therefore a high propensity for *mutual complacency*.

Transactional dependability is a term introduced in my book, “Sales Economics” (2019), and seeks to illustrate the different levels of transactional consistency enjoyed at various levels of the supply chain.

For example, a sales representative working for the Toyota corporation enjoys nearly 100% transactional dependability given that dealers are, after all, contractually obligated to meet sales quotas, service level standards, promotional outlays, and other commitments that guarantee transactional dependability. A salesperson selling the identical product for a Toyota dealer, however, faces a very different degree of pressure and must close each new deal with every walk-in customer. Same product, but a very different level of transactional dependability.

Obviously, manufacturer representatives enjoy a high degree of transactional dependability, but so do the salespeople at the LBM dealer (which my studies have calculated at about 85%). Therefore, sales trends move with the ebb and flow of economic fluctuations, with some salespeople significantly impacting the results while others merely ride the tides.

This leads to the second term I have shared during lectures over the past few years—*mutual complacency*. Mutual complacency is the (usually unrecognized) relationship that

evolves when the sales manager avoids holding salespeople accountable to performance-based metrics.

In other words, if the transactions continue to flow when the economy is robust, why rock the boat? If the salesperson isn’t accountable to defined performance, then the sales manager is also off the hook to hold the salesperson accountable to any *performance* standards.

Signs of problems eventually emerge during downturns, leading to solutions that are nothing more than urgently applied Band-Aids. At this stage, an organization realizes it has passed through a zone of mutual complacency too late when sales results become leading indicators; prospecting energy becomes an urgent matter; and finger-pointing begins.

In a sales-driven organization, sales results are not leading indicators, but instead lagging indicators based on prospecting data, closing ratios, and appropriate measurement of prospect opportunities. In the absence of proactive performance measurement, during downturns results become leading indicators that “predict” it’s time to start prospecting.

In sales-driven organizations, however, prospecting is not a sudden initiative, but instead always the primary skill of sales performance. The moment prospecting becomes a matter of urgency, it’s already too late.

Ultimately, the panic of the market ebb reveals and breaks down mutual complacency. Suddenly the manager asserts that the salesperson “has lost their hunger and drive.” More likely, the manager failed to see the lack of motivation that existed all along, finally manifested by the ebbing tides. Usually, the salespeople don’t “lose” their drive; they were mistakenly hired without it.

Numerous studies have proved that the most important factor of successful performance (by the employee) is the role of leadership. It’s the manager who must hire the right talent, set the right expectations for performance; coach it; measure it; and monitor

the link between performance data and results. In other words, the manager is never complacent and puts prospecting and new business development at the forefront of all sales initiatives.

My preferred motto for clients faced with a sales challenge is to fix the problem, fire it, or ignore it; but for Pete’s sake, stop whining. Better stated, of course, by Peter Drucker and revealed by the various behavioral studies, the bottleneck really is at the top of the bottle. If the leadership doesn’t get the job done, the finger-pointing should stop there.

MUTUAL COMPLACENCY



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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BY THEA DUDLEY

Hi Thea,
We have a customer who has been paying their bill without taking the discount. The new accounts payable person is asking for the money back because they failed to take their discounts, asking for money back to January 2023. Per our policy, our terms are 2% 10th, Net 25th. Are we obligated to refund money if they failed to take the discounts? We have some companies that take their discount and some who don't.

— Do I have to be everyone's mom?

You have been handed a beautiful path to show value and create a bond with a customer.

If they had been discounting and now have missed out on said discount due to a changing of the guard, this reflects poorly on the new person, no matter how it happened. By working with the newcomer, you help them out of a bind, allowing them to deliver a win to their company, proving they can “get it done” while forging a relationship with them. You may need something one day and now have some good-will banked. Leverage it. Talk to them. Sample dialogue:

DELAYED DISCOUNT CLAIM

Dear Everyone's mom,

Short answer: Nope. Absolutely not obligated. But is it the smart thing to do for your company? Your question leads to so many questions. The first being: what do you know about this customer? Since I know nothing about them, let me ask.

How long have they been a customer? Did they discount prior to 2023? Is that when the new AP person started with the company? I am assuming so, since that is where they backtracked to. How much is the total amount of discount in question? Or have they never taken the discount, the new AP person shows up on the scene and realizes they are leaving money on the table, and picked a date that they thought was reasonable for givebacks?

Turn this into a win for your company! Turn that irritated frown you are wearing around and ask yourself, “What can be gained by allowing them to retroactively claim on the discount?” How can you leverage this opportunity for the win—and in more ways than one?

Yes, Mom, we are going to use the opportunity to make lemonade out of what you perceive as a lemon, set up our stand out front and sell it all the way to the opportunity bank.

“As a normal practice, we don't allow discount clawback; however, I know your company normally discounts. I talked to our CFO/ sales rep [insert whoever here], and we all support your request. You're a great account. I put a credit out on your account.”

If they hadn't discounted prior (which may be why they have a fresh set of eyes) and are now on a mission, you can hand them a win. Newbie's view may be that they are only going back to the beginning of the year and not the inception of their account, so they are being reasonable (even though, well, let's table that discussion). Ask questions. Get with your account rep and learn more about the customer. Is there an opportunity to grow the relationship? Pitch a new item? Once you have some ammo, call Newbie and get to know them a little. Find out more about them. You are building a relationship. Use the same verbiage as before: “As a practice, we don't allow clawback, but I spoke to our [insert here], and you are such a great customer we feel it is the right thing to do.”

Opportunities and relationships—it's not always easy to find either. Serve the lemonade!



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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BY JOHN WAGNER

RECENTLY, we had a client who was very generous with bonuses to his employees. For the company's three previous years, as a reward for his employees' hard work during COVID-19 and through the supply chain issues (and because he had an epic 2022), his company distributed hefty bonuses. As he was giving these out, the owner was clear with the employees that the bonuses might not always continue at the higher level, if they continued in the future at all. "Enjoy it now, because it might not happen again," he said.

After three years, the owner decided to revert to a bonus structure that wasn't so generous, but still solid. He went to a straight 5% of base salary. The employees were all on-board. Then, coincidentally, the owner decided to sell the business.

On the financial reports we prepared for offering the company for acquisition, it was obvious how much the bonuses had been, three years running. It was also obvious that the bonuses were going down in the current year (the year of potential acquisition).

The problem arose when prospective acquirers started to look over the company, and they saw a clear pattern of past bonuses. They also looked at the planned 5% bonus plan, and they squinted really hard and said: "Why are you taking away compensation that had been a multi-year pattern?"

The reason for their question is simple: New owners rarely want to go backward on compensation when they buy a new company. The new owners don't want to be in the role of bogeyman, swooping in, taking control, and immediately lowering bonuses or comp in any way. They are worried that this will generate poor morale among workers, or worse, inspire workers to quit.

Even though our client was careful to warn the employees that the fat bonuses were "just for a few good years," the prospective buyers wouldn't have any of that; they wanted the comp to continue at a high rate. The prospective buyers' wishes were met with protests from the seller, who stated, in all sincerity, that the employees were all-in on the new bonus plan and that he wasn't going to the 5% bonus in the year of sale just to fatten up the EBITDA line.

Here's other potentially bad news for the seller: Let's say that the bonuses for each of the last three years totaled \$1 million/year, but the new 5% bonus plan totals just \$200,000. The prospective buyers may very well insist on reducing EBITDA by \$800,000 (the difference between the new lower bonuses and the historical \$1 million), under the assumption that the new owner would restore the fatter paychecks.

How does that affect value? Dramatically.

Solid companies today are selling between 5X and 6X of adjusted EBITDA. (The higher multiple is likely achieved for companies that have EBITDAs north of \$5 million, and/or smaller companies that have *extraordinary* EBITDA and gross profit margins.) If the seller lacks leverage, and the buyer prevails in arguing for the \$800,000 reduction in EBITDA, you multiply that figure times five to see the *reduction* in purchase price of \$4 million dollars. Ouch! (Or multiply it by six to see a reduction of \$4.8 million.)

I can already hear my readers screaming: "All because the guy was generous, and did the right thing with his employees, and he takes a multi-million hit!?"

Well, as the old saying goes: Life isn't fair. (All we can hope for is that it is predictable.)

GENEROSITY MAY NIP YOUR ACQUISITION VALUE



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.

In a market *on the bubble* right now between being a buyers' market and a sellers' market, the seller can hope only for multiple suitors, so that either a) the pressure for the negative EBITDA is not as much of an issue or b) that a compromise can be reached.

No matter the outcome, be aware: 1) Prospective buyers are resistant to sliding backwards on comp. 2) When a negative adjustment to comp happens close to the time period when the company is seeking acquisition, sellers and their bankers should prepare a solid case as to why the EBITDA should not be reduced.

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NEXTGEN: BUILDING OUT BETTER LEADERS TO POSITION YOUR BUSINESS FOR THE FUTURE

BY PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY

Strong leadership is key to growing any business and this of course holds true for the lumber industry. But, in an industry where employees trend on the older side like ours, taking steps now to develop the next generation of leaders for the future is not only important, but it should also be a top priority.

Recent years have brought exponential growth to many businesses in our sector, but that growth did not come without challenges as business owners navigated macroeconomic challenges like inflation, supply chain issues and more. Lumber is an industry filled with high severity risks, where any incident can lead to multi-million-dollar losses, as well as devastating injuries and even loss of life. That's why a focus on building a team of strong leaders, who prioritize safety and growth, is critical to positioning the business for the future.

How can business owners in the lumber industry build stronger leaders of their teams? It starts with a company culture focused on safety and better communication, leading by example and building better team relationships.

3 TIPS FOR BUILDING STRONGER LEADERS

1. COMMUNICATE BETTER: As a leader, you have a responsibility to your customers, your employees, and your community. Don't put that in jeopardy by taking your eye off of safety.

To that end, open, two-way communication is a core component of a safety-focused work environment. Encourage employees to own and take pride in their role. Show them how their role impacts the success of overall operations. Reward them for recognizing and calling out unsafe practices or opportunities to improve safety. This will help to build a workplace culture around safety.

A company commitment to safety will also demonstrate that the owners genuinely care about their employees and possibly motivate staff members to step up and make more of a personal commitment to both the safety and success of your organization.

2. WALK THE WALK: If you're setting standards in place, be sure to model them regularly and lead by example. Make a point to show your team why a dedication to safety is so important and how you are actively taking steps to improve the workplace and create a healthier working environment. This could include attending all training sessions or taking more continuing education classes to reinforce and demonstrate your commitment to a culture of safety.

3. BE PRESENT AND BE ACTIVE: Owners and operators must take an active interest in their teams. How you educate, encourage, and relate to other could inspire team members in your workforce to want to do the same for others. Taking an active interest starts with being present. Walk the floor of your operation. Understand each role and the people in them. Building those relationships will help create a stronger team with more trust, creating a commitment to each other that is needed to have a safety focused team.

At Pennsylvania Lumbermens Mutual Insurance Company (PLM), we have seen the industry and its businesses grow and evolve. We've learned that a safer business is a better business, and as a leader, you want to have the best business to move your company forward and continue to grow.

We've been helping business owners in the lumber industry build a culture dedicated to safety that inspires the next generation for 128 years. We know the challenges the lumber industry faces. As a leader within the lumber space, PLM has expertise across the whole range of lumber exposures and can offer valuable resources to protect your business.

In an aging industry, having strong leaders on staff and up-and-comers following closely along is critical. Taking these steps can help cultivate strong future lumber management at your business.



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



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In June, LBM Journal introduced its 40 Under 40 awards. Now we'd like to introduce you to the members of the class. Our interviews spotlight the 40 Under 40 members' LBM experience, thoughts on attracting young people to the industry, and visions for the future.

LBM JOURNAL 40 UNDER 40

MATTHEW HOLMES

PRESIDENT & CEO | HOLMES BUILDING MATERIALS

BY WENDY STURGES

CONTINUING a legacy spanning nearly 70 years, Matthew Holmes is a fourth-generation lumberyard owner working to maintain the foundation of his family's business while keeping an eye on the future of the industry.

Founded by Phillip and Mike Holmes in Baton Rouge, Louisiana in 1957, Holmes Building Materials started as a brick and salvage company, Holmes said. "They would tear out old buildings, tear them down, and they would get paid for that. Then they would salvage anything, ... old bricks, old time [materials]. I've seen toilets salvaged. You name it."

Today, the company has expanded to include two full-service locations featuring supplies for commercial, industrial, and residential projects as well as a stand alone flooring and window showroom.

After graduating with a degree in construction management from Louisiana State University in 2007, Holmes spent four years in homebuilding before joining the family business in 2011. Holmes took ownership of the company in 2018 after his father, John, retired after nearly 40 years.

During his tenure, Holmes said the company has seen tremendous growth. "We redesigned our contractor services warehouse, doubled our door manufacturing output, and created a highly successful windows and door showroom. During that time, we helped double Holmes' sales."

In addition to his commitment to the company, Holmes is also working to develop the next generation of LBM industry workers. The company regularly hosts continuing education events for local contractors and has sponsored student career conferences and local school programs.

Holmes said his company often sees employees that grew up in the industry but stressed that there's always opportunity for a newcomer to succeed if they're willing to work hard.

"There are so many different facets of what we do in our industry, whether that's working in a door shop because you are mechanically inclined and can read a tape measure, whether that's operating a forklift, or you have a CDL," Holmes said. "You can come to work for us, and you can be making \$11 an hour, and then you can progress to where the sky is the limit. This scenario has happened multiple times to some of our team members."

Outside the company, Holmes has also dedicated his time to the community and industry, serving on the boards for his local Home Builders Association of Greater Baton Rouge, Construction Suppliers Association, and for the Salvation Army.

"I'm focused on speed to market and the agility of being an independent lumberyard, but I'm also invested in my community," Holmes said. "After an incredibly destructive hurricane struck Lake Charles in 2020, I opened a temporary third location there to quickly get supplies to homes and businesses needing extensive repairs."

"I'M FOCUSED ON SPEED TO MARKET AND THE AGILITY OF BEING AN INDEPENDENT LUMBERYARD, BUT I'M ALSO INVESTED IN MY COMMUNITY."

When nominated for LBM Journal's 40 Under 40 class, Holmes said he was honored to be counted among the best in the industry, but credited the company's long history and dedicated staff.

"It's really eye opening, the recognition that maybe I don't deserve, but Holmes Building Materials definitely deserves it," he said. "Just from the research and the reading that I've done with the peers that are in this group with me, it's amazing to be mentioned with these people and people of the past as well. It's kudos to our management team because it's definitely not a one-horse show. There's a group of people that have allowed me to do this. And I look forward to connecting with like-minded people that have won this award both in the past and the future." ■

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OFFSITE CONSTRUCTION DESTINED FOR GROWTH

BY JENNIFER CASTENSON

RECENTLY I was at an event where two industry leaders shared some predictions about the future of the housing industry.

The first, head of one of the largest production builders in the country, said that in three to five years he expects between 30—50% of all housing will be built offsite.

The second, an investor, predicted that we are at a Henry Ford moment, where most of housing will shift to offsite construction and be produced faster, at a higher quality, and at a lower price. Noah Knauf, a partner at investment group BOND, added that housing is a product and it's the only consumer product in existence that isn't produced in a factory.

These are fairly arresting comments, but at the same time, the reasoning is sound. As onsite labor is harder to come by and material prices are escalating, your builder customers are looking for ways to lower overall construction costs to stay competitive in the marketplace.

One of the most effective ways of moving into this new realm is through digitization, a critical element of offsite construction that reduces waste, eliminates call backs, improves accuracy, and therefore reduces cost. Using technology to produce designs that are then brought to life in the protected environment created by a manufacturing facility, a home design can be fed into a machine and then produced to super tight specifications (like 1/16"), beyond what's possible onsite facing outdoor elements, changing schedules, and other unforeseen situations.

As an LBM pro, there are ways to prepare to be an active player in this process. First, you should understand what offsite construction is—and know that you may already be providing it or involved in it through components like trusses, wall panels, or structured insulated panels. If you are already offering these products and services, you can start thinking of manufactured housing as a continuation of your business model and prepare to offer more of these services.

All this likely means a seismic shift in the way that business is done today. If most of the work is done in a contained environment, the builder's entire operations will need to evolve, which means you need to be prepared if you want to be their supplier of choice.

There are several ways that you can start understanding the impacts to your business.

First, find some housing manufacturers in your area who are doing prefab with either homes or panels. Get closer to them to learn the process. Because you are no longer dealing with onsite challenges, the builder may opt for completely different products than you're currently offering. And, because the construction takes place in a factory, timing for capital will be likely different, so you may have to rethink payment terms.

Second, look to the technology players and investors who are leading the way, and be sure to have the conversation with your builders about this shift. Monitor the growth of offsite housing throughout the U.S., so you and your team are prepared to be a resource when and if it becomes a reality in your market.

If we truly are at a "Henry Ford moment," the more you learn about the offsite building opportunity, the better you'll be positioned to help your builders and while providing the materials for these new homes. ■

PHOTO: ©ISTOCK.COM/ALEX POTEMKIN



Jennifer Castenson tracks housing industry trends and innovation in her role as vice president of ambassador and partner programs for Buildxact, a construction management software tool. She also contributes to Forbes. She can be reached at jenniferc@buildxact.com.





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STRENGTHENING YOUR BUY-SELL AGREEMENT

BY SAM BROWNELL

EVERY LBM BUSINESS with multiple owners must have a well-structured buy-sell agreement in place to maintain the health and sustainability of the company. Whether you're a seasoned entrepreneur or new to the game, there are a few items that play a critical role in a well-constructed buy-sell agreement that you should pay particular attention to in order to secure your business's future.

For many independent dealers, multi-generational ownership is a common scenario, and you may own assets, such as real estate, that were purchased many years ago. Over the past fifty-plus years, the real estate where your business operates has likely soared in value compared to its original purchase price, posing challenges and opportunities. If this describes your business, here are a few ideas for tackling this issue:

Real estate value matters: If the operating business also owns the real estate, have you planned for how you will buy-out the value of the operating business plus the value of the real estate? For many dealers, the additional cost of buying out the real estate can make the buy-sell agreement terms unmanageable. Therefore, your best option is to determine how to separate the real estate from the operating business.

Separate entity or subsidiary: We recommend transferring real estate into a distinct entity, separate it from your operating business, by following these steps:

Appraise the real estate—Obtain an appraisal based on reassigning the property to a separate entity and not based on a sale to a third party that maximizes the value of the property.

Cost basis and tax calculation—Determine the cost basis of the property (e.g., purchase price plus improvements) and calculate the tax liability using the cost basis and appraised value.

Comparative analysis—Compare the estimated taxes from a sale to the market rent you can collect by leasing the real estate to your lumber business. If you currently have a large cash balance and you can recoup the tax liability quickly by charging market lease rates, then it may make sense to move the real estate into a separate entity.

Asset drop down—If high taxes and limited cash resources pose challenges, consider creating a subsidiary owned entirely by your current business. You can then transfer the real estate into this subsidiary to defer taxes while separating it from the business entity.

Similar to running your business successfully, a critical part of a buy-sell agreement is to prepare to fund potential future expenses. If your real estate and operating business aren't separate, funding partner buyouts could become problematic, even with insurance coverage. Here's how to strengthen your position for successful buyouts:

Control the business buyout price: When you draft a buy-sell agreement, a critical consideration is how a partner's interest will be valued if a trigger event occurs. For example, if three brothers each own equal shares of the business and one retires, set the buyout price equal to the estate tax value as of the month-end preceding the trigger event. In this scenario, the minority interest will be valued using both discounts for lack of control and lack of marketability. Further, the reduction in expenses to "normalize" the income statement when a minority interest is sold are typically less than when a control interest is sold. What this means for your business is a potentially lower buyout price and less cash needed to buy out the departing owner.

Regular valuation updates: Regardless of how your buy-sell agreement determines the sale price, it is critical to update this valuation every 2-3 years. This ensures insurance coverage aligns with the current business value and allows you to plan for expenses beyond the insurance coverage limits. To further help manage the cash flow in a buyout, we suggest creating a "sinking fund" with some of your cash reserves. This fund can be invested conservatively for the sole purpose of funding future buyouts.

A well-structured buy-sell agreement isn't just a legal formality; it's a strategic investment in your business' longevity and success. By addressing real estate complexities and maintaining financial readiness, you can navigate ownership changes confidently, ensuring a thriving future for you, your family, your employees, and your company.

If you're seeking expert guidance, reach out to a valuation professional specializing in the LBM industry. ■

PHOTO: @ISTOCK.COM/NIRO DESIGN

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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BEING GREEN GETS EASIER

Urban Machine paves the way for recycled lumber.

URBAN MACHINE is a robotics company based in Oakland, California, that's on a mission to redefine the green building space by reclaiming millions of tons of wood waste from construction and demolition sites and reuse them as high volume, locally sourced, premium lumber products.

Founded by Eric Law, Andrew Gillies, and Alex Thiele, Urban Machine is striving to create innovations in sustainable practices for construction with the help of technology—specifically, its creation the company has dubbed The Machine.

As a portable system that can be brought to a demolition or construction location via two 40' trailers, The Machine can process used lumber directly on site—thus keeping it out of local landfills—and provide ready-to-use reclaimed wood. “In the U.S. alone, we throw away 37 million tons of wood waste,” said Eric Law, co-founder and CEO of Urban Machine. “That’s about half of what we harvest every year.”

Using detectors to pinpoint metals, The Machine removes bulk fasteners and surface materials from reclaimed lumber. The wood is held in place by shuttles while fasteners are extracted by nail and staple pickers and nail rakes. If The Machine’s pickers fail to withdraw the fastener, it learns from the mistakes, makes adjustments, and then continues the process until all the fasteners have been removed. Wire brushes then remove surface materials, after which The Machine performs a quality check to ensure the wood is ready for new construction.

With the ability to pull fasteners with heads that are embedded up to 1/8" deep in the lumber along with being able to process up to 16,000 board feet a day, The Machine can

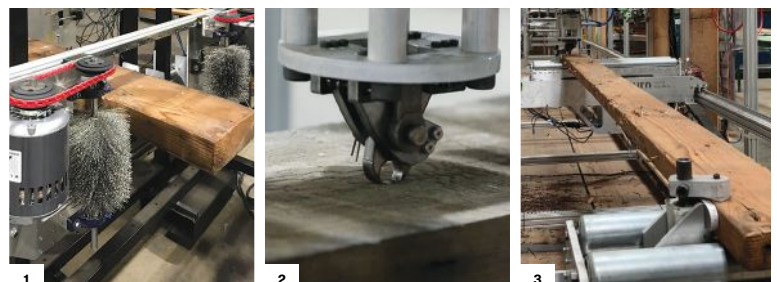
recycle dimensional lumber (from 2x4 up to 6x18), Glulam, and heavy timber. Artificial intelligence aids in planning and executing the on-site wood reclamation process by calculating the quantity and quality of wood that can be recovered at each individual site, thus driving down time and cost.

In addition to being able to bring The Machine directly to the location, Urban Machine can source reclaimed lumber directly from other demolition and construction sites. After that lumber is cleaned, it can then be sold to another project.

Lumber reclamation can also provide a revenue stream for LBM dealers who partner with Urban Machine to turn lumber waste from demolition and framing into high value lumber products, after which Urban Machine promises to connect those dealers with buyers to generate sales.

After three previous prototypes, the fourth incarnation of The Machine began field testing in northern California in June. Urban Machine has plans to launch services in 12 more cities, and considering the impact of lumber reclamation, what the company is doing can have a major impact as it is rolled out on a larger scale. According to the company, a third of the world’s waste comes from building materials, and during demolition, nearly two thirds of the building being torn down goes into a landfill.

By significantly reducing those numbers, Urban Machine hopes to preserve forests, reduce logistical costs, and allow for the health benefits of reclaimed wood in the environment. As Law explains it, “We need to think about the full life cycle of products without having landfills as a solution in the equation.” ■



1. In a process that Urban Machine describes as being like a carwash for wood, rotating wire brushes remove surface materials from reclaimed wood.
2. After being cleaned by wire brushes, a mechanism that somewhat resembles a bird's beak removes the fasteners from the wood.
3. Along with an x-ray device, metal detectors perform a final quality check to ensure that the reclaimed lumber is ready for new construction.

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REAL ISSUES. REAL ANSWERS.

MANAGING YOUR PEOPLE FOR TOP PERFORMANCE

BY LBM JOURNAL READERS

“IF 90% OF SUCCESS IN LIFE IS SHOWING UP, THE OTHER 10% DEPENDS ON WHAT YOU’RE SHOWING UP FOR.” That timeless quote by Woody Allen gets to the heart of this month’s Real Issue. After all, attracting and hiring good people is only the first step. Once they’re onboard, it’s the company’s job to create a culture and environment that keeps them engaged and motivated—so they understand exactly what they’re showing up for. The companies who manage to do both are the ones who enjoy top performing teams that are extremely hard to compete against.

This month’s question comes from a dealer who offers a bonus for perfect attendance, and is looking for other ways to build their people into a team of top performers. Thanks to the more than 200 LBM readers shared their insights to this timeless challenge.

WHAT ADVICE WOULD YOU HAVE FOR THE DEALER WHO POSED THIS QUESTION?

“Recruiting is our #1 challenge, but managing existing employees is a close second. In today’s workplace, high standards and dependability are tough to find. We’re looking for ideas to enhance team-building and reward a strong work ethic while reducing call outs and lateness. We currently offer a bonus for half- and full-year perfect attendance and we’re considering an additional bonus for punctuality. We’d love to learn how other LBM companies are managing their people for top performance.”

Responses from lumberyards, full-line building material dealers, specialty dealers, and distributors:

“This is a good reward or incentive for attendance but how does that work for productivity? Is there a current measurement for number of orders picked, damage from handling, accuracy (both in orders and inventory)? We tend to measure attendance because that’s all we measure individually. We are working to establish benchmarks in all the above categories as well.”

“Rewards are always a good thing; however, rewarding people for doing what they are supposed to do is not always a good thing. Reward people for going above and beyond.”

“Personally, any business that uses ‘perfect attendance’ as a main metric is a company I want nothing to do with. I’ll go work for someone who understands effort and initiative over merely showing up. Also, post-pandemic, we’re all reevaluating our priorities and what a work week looks like.”

“The company I work for looks the other way based on seniority. I only concern myself with my employees and try to help them understand that just because another employee is doing something, doesn’t mean it is right or that I will put up with it.” ▶



“Communicate openly with your employees and see what they really want. Try to keep them happy within reason and give them goals to hit.”

“Whatever you do, make sure to reward your long-term employees before rewarding new employees.”

“Good ideas. Anything done to retain and recruit new employees with an incentive is a no brainer.”

“Money does not entice the younger generation. Flex time is more what they want because the world revolves around them. I make my expectations clear from the beginning so there’s no question of what we want and need.”

“We expect a high level. If they don’t perform, we fire them.”



“I think it all comes down to somehow finding the people who actually see the importance of hard work and being reliable for their employer. It’s what is expected of them. We’ve churned through a lot of people over the years trying to land these types of employees, and fortunately we have landed a few.

“I know exactly what you’re talking about with offering a bonus for those who are meeting the standards because I’ve had employees suggest that as well. But to me it seems so crazy to offer bonuses to employees who do exactly what they’re hired to do. Isn’t that what their regular hourly wage is for? A bonus should be for when an employee performs above and beyond what was expected of them. Their reward for punctuality should be that their paycheck is that much more.”

“Currently we use the old school approach of show up and do your job of what needs to be done. This however is being reviewed as those coming in are unable to operate without tasks being provided daily. Unfortunately, we’re finding that this attitude and work ethic is transferring over to our old employees also.”

“Encourage them and guide them. Be approachable. Host team events, picnics, parties or something quarterly; then be a gracious host.”

“Offer a profit-sharing bonus. That way their work directly affects the bonus they could receive.”

“We started offering our top installers a choice of jobs to do during the day, along with free lunch paid by company.”

“No advice. Sounds like school kids work there. It should be expected to be at work and on time. Curious as to what the bonuses are for something that should be a given.”

“I am looking for the magic bullet—hope to find it among the answers here!”

“Depending on the size of the operation, the financial burden of an incentive to employees to show up on time can be damaging to the bottom line. We focus on building a strong culture that welcomes all people to our organization. We added some monthly luncheons, fun ‘sports’ dress days, and a host of other things that draws people to work for us. What I have seen is that when people are habitually late, the team they work with applies pressure because they are forced to pick up their slack.”

“Many of them are paid by the hour as needed. With the Maryland minimum wage soon to be \$15/hour, we have no choice.”

“We continue to improve our review and evaluation system so those who are top performers continue to earn additional pay and bonuses by meeting yearly personal objectives. Continuing to increase benefits and raise the overall quality of employees by addressing unacceptable behaviors to keep morale high.”

“I believe that holding people accountable for underperformance needs to gain more focus. You can continue to reward the good behavior and give money, accolades or whatever else to your top performers, but stop to think about the larger picture. Why do we have to keep the weak links and work around the problems that they cause? What happens when you have an underperformer and a top performer working together? The top performer continues to have additional tasks added onto their day and has to pick up slack for their peer. This causes low morale and frustration for that outstanding individual. You can give bonuses or praise them, but bottom line is that they’re working extra hard to compensate for these underperforming peers.

“My suggestion would be to have a performance standard that is set at day one. Hold everyone to this standard so that the workload is distributed as evenly as possible for your business. This increases performance and the bonuses are just that, a bonus! Note this would also allow for a more generous PTO policy as the work would be kept up on a regular basis.”

“We allow team members to take personal time off for appointments without a lot of drama.”

“We believe that more frequent communication with each team member about their performance, goals and career development is critical. To further that, we conduct brief quarterly reviews (1-2 pages, 30 minutes or less) and tie quarterly merit bonuses to those reviews. We allow two grace tardies per month but deduct \$10 per excess tardy from those bonuses.”

“We continuously ensure our core values are being followed by promoting them on a regular basis. We also encourage managers to hold team building events of their choice on a regular basis. We recently hired a Culture and Engagement Leader to focus on employee engagement and creating an environment where employees enjoy coming to work. We have a no-fault attendance policy with a point system which promotes fairness and consistency.”



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“My company currently does not offer any bonus for perfect attendance or punctuality. We are a family-owned business and treating employees as if they are family, not just another worker, has helped retain top performers. We are in touch with them, knowing what they have going on in their personal lives in order to assist them before problems arise. Many people who come to work here appreciate that they are not just treated like a number.”

“Rewards for meeting work performance are fine, but a trophy for showing up and underperforming is not a good idea.”

“Communicate openly with your employees and see what they really want. Try to keep them happy within reason and give them goals to hit.”

“These are good ideas.”

“We started a mentorship program where a seasoned vet takes a new employee under their wing and helps them navigate onboarding and their first year of employment.”

“As an employee-owned company, we work to educate employee-owners that their efforts and attendance are directly tied to everyone’s success.”

“First, you need to listen carefully and closely to what is being said, verbally or non-verbally. Perhaps your rewards do not align with goals. Do you know why people call out or are tardy? Is it because they do not have reliable transportation? Work another job? Care for an aging parent? Have an ill child? Are the reasons beyond their control or do you think it’s just because they have low standards and are not dependable?”

“Second, candidly assess your leadership and culture. Does your company truly provide an environment conducive to showing value and offering empowerment? People want to be in a place where they are heard, valued, and empowered. If you believe, think, or feel high standards and dependability are tough to find, the great news is it could merely be a reflection of your leadership, culture, and environment. This is all within your power and control to assess and address.”

“Personally, I think most people are looking at the wrong factors when choosing which applicant to onboard. If you aren’t using assessments that will give you a workplace productivity score (attitudes and abilities), like Criteria Corp. does, then you should look into it. Many people hire based on experience and existing skills (unproven until they’ve started), but I think that’s short-sighted. If your primary hiring criteria are abilities and attitudes, then you can train them on skills and give them the necessary experience. If you hire based on skills and experience, but they lack the abilities and attitudes you need, you’ll never get what you want out of them.

“After onboarding, it really is about understanding the employee, what drives them and what obstacles they face. Money isn’t always the answer. Time invested in helping them grow is every bit as much an investment as money given as an attendance bonus, and if you hire people who are ‘pulled’ into productivity by their own internal values, then you don’t have to push them with additional incentives.”

“We feel lucky if they just show up. The only time that is important to them is quitting time!”

“We have great staff with no issues.”

“If they prove themselves to be competent and valuable employees, pay them more salary or hourly than any of your competition. We give 90-day reviews with expectation that after employees prove themselves, there will be a substantial raise.”

“It’s the hardest part about being in business. Poor employees can bring morale down and make good employees leave. We go to our high school and try and recruit graduates who are not going on to college.”

“I recently took part in some leadership webinars, and one thing that stood out to me was competition and celebration. Make competition, no matter how small, a part of the everyday work process. Set goals, again no matter how small, and then celebrate those accomplishments. Little gestures or small celebrations go a long way in increasing the moral in the workplace.”

“I think having a positive culture is the starting point. Making sure your environment is one that people want to work in can do wonders in retaining your existing employees. If you don’t already have core values and a mission statement—create them and make sure your culture embodies those traits on all levels. Understand that work isn’t everything to everybody. Some are there to do a good job and go home to their families, hobbies, etc. Make sure your culture is non-toxic, then grow from there.”

“Chronic absences aren’t a problem for us.”

“We try to promote a family/team atmosphere. And we do this through a profit-sharing bonus and sharing as much company information, including financial, as possible.”



Responses from wholesale distributors, manufacturers, and service providers:

“Tie bonuses to performance not attendance compliance. Make it clear that the minimum requirements for continued employment are punctuality and respect of company and staff. If you are putting up with attendance issues, you have the wrong staff.”

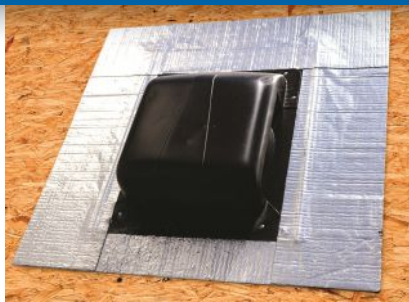
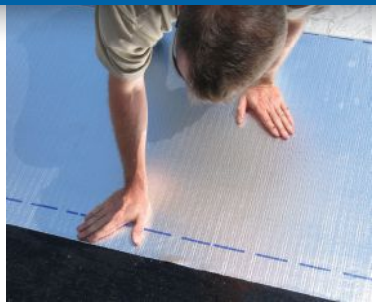
“Making new employees feel included and like they can give input is valuable. The most successful yards give their team the ability to take ownership in something (big or small) that impacts how their business runs.”



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"I think finding something for someone to take ownership and pride is an important ingredient to going the extra mile. Awarding attendance doesn't do much for creativity or quality of work, and may end up being frustrating and stressful in unforeseen personal circumstances. We've found a lot of luck acknowledging that we are providing opportunities that will improve your resume, which may end up causing an employee to leave the company (because they become more attractive of a candidate for other positions). This transparency has created a culture of volunteering to do more. These opportunities can range from their own ideas for improved processes, special taskforces for implementing new programs (data, electronic ordering, CRM, customer loyalty programs, organizing inventory, social media, marketing, merchandising, community outreach, etc.)."

"Bonus incentives are a key aspect for retaining valued employees, but they need to be attainable in order to have continued success."

"We offer a very enticing profit-sharing program which is funded fully by the company. With that said, our rate of employee turnover is extremely low. We are family-owned and in our 78th year of being very profitable, which the family shares with all employees."

"Continue to encourage, never discourage. Simple things like, 'We really like how you are performing. Keep it up!' End of day: 'Thanks for coming in.'"

"Meet with your staff on a quarterly basis and hear them out while thanking them for their efforts. One-on-one talks can reveal a lot and keep staff in the know."

"Recognition, appreciation, training. Create a company culture where workers feel safe to make mistakes and to question 'the way we've always done it.' Money rewards are good, but feeling safe, valued, and appreciated are more important."

"We're doing our best to promote from within, by making sure we reward top performers and provide an exciting work environment."

"I provide gift cards at the end of each month for top performers. It's a \$50 gift card, but they appreciate the thought."

"We do not have an attendance bonus program, but have a fairly low call-out rate. We do offer discretionary bonuses for all employees and try to provide perks like visiting lunch trucks, wearables, etc. And open access to management." ▶



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“Culture is VERY important. Our Company is an ESOP. All of our employees are owners and want the company to do well for a better Return on Assets Bonus. Bonuses are also given for attendance, and safety. It is very important for everyone to understand how much their effort or lack thereof affects everyone they are working with. We also have a Peer-to-Peer program which allows a nomination of an employee who may be having a difficult time coming in to work due to a medical issue for themselves or family. Allowing for the donation of PTO time or even monies to be deducted from a particular pay. Culture...can make or break you.”

“Don’t do it!”

“Communicate clearly. Give feedback. Stay involved with your employees and they will stay involved in the company.”

“I believe that those kinds of bonuses set the bar too low, and let employees know that they’ll be rewarded for simply doing their job. We need to think bigger and find different ways of training our employees to understand that showing up to work is something that should not be incentivized. We implement different goals that each employee is supposed to reach within a 6-month period. This enables them to work on different areas of growth and it pushes to them to get results instead of being complacent.”

“Priority 1) Provide your team with premier training, which is sorely lacking in the LBM industry. Priority 2) Premier training...”

“Quarterly team-building with team members from other departments. Performance bonuses as well (on-time delivery, etc.).”

“Best advice: Talk to your people regularly. Be quick to correct and twice as fast to give them praise for a job well done. Too often, our employees hear about what they do wrong, but they need to hear what they do right as well.”

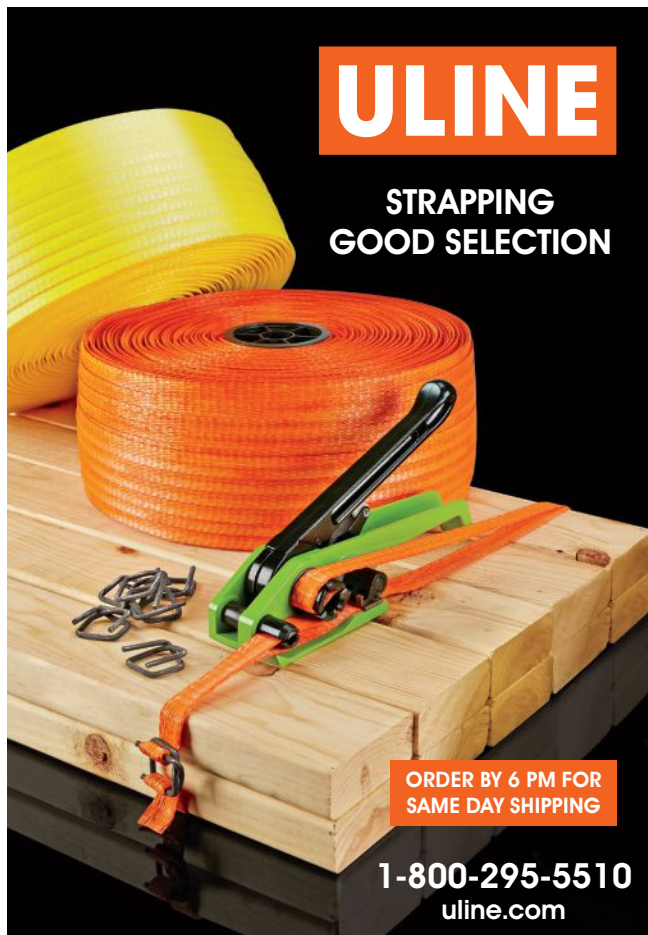
“Team building events are a must as it is an additional thank you for their efforts.”

“By giving extra bonuses on a quarter, yearly, and every five years.” ■

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Product Page



Demo Video

IN DEPTH

Uncertain times can still deliver profits for the savvy LBM dealer.

FASTENERS

BY MIKE BERGER

As fasteners, screws have a long and storied history. Many historians consider Archytas of Tarentum (428 - 350 BC), a contemporary of Plato and sometimes called the founder of mechanics, as the inventor of the screw thread in about 400 BC. Interestingly, one of the first applications of the screw principle was for the extraction of oils from olives and juice from grapes.

Not to be overshadowed by the screw, nails have just as long and impressive a history. Archaeologists have found handmade bronze nails from as far back as 3000 BC. The Romans made many of their nails from iron, which was harder, but many ancient iron nails have rusted away since. Hand-forged nails were considered so valuable that dilapidated buildings were often burned to the ground and the remaining nails were then scavenged from the ashes to reuse.

Fasteners are just as valuable today as they were in ancient times, and they can amount to significant revenue to the savvy LBM dealer who understands how to properly position them and their unique benefits.





Recent additions to the product lineup for Simpson Strong-Tie include an expanded lineup of fasteners designed for mass timber connections in a greater variety of lengths and diameters.

A fastener for every need

When it comes to emerging trends for fasteners, manufacturers point to the changing face of building materials and methods as a primary driver in product development. LBM dealers, they point out, need to be prepared to offer products that can perform with these increasingly popular new building trends.

For example, Robert Shirley, product marketing manager for Simpson Strong-Tie, points to the increased use of mass timber as a building trend that is reshaping the construction industry, and how custom connectors are being engineered to carry the load of these massive, unique structures that are being built. “Load-rated specialty fasteners are being developed to secure mass timber panel lap joints, butt joints, and spline connections, just to name a few,” he explains. “Historically, fasteners designed specifically for mass timber have been imported from European manufacturers and suppliers. Simpson Strong-Tie more readily provides mass timber fasteners and connectors (whether custom made or off the shelf) through its U.S.-based nationwide distribution network.”

“Fastening systems and solutions are also being deployed in a variety of manufacturing environments including offsite construction, pre-cast concrete, truss production and other fabricators that service the building industry,” he adds. “Simpson Strong-Tie product lines provide solutions, service, and training in support of these manufacturers. Products range from fasteners and connectors to mechanical anchors to adhesives to heavy-duty lateral systems.”

New technologies in manufacturing and heat treating are helping manufacturers make stronger fasteners for structural applications as we see CLT (Cross Laminated Timber), and other structural timber products being used more in larger building projects, says Phil Lail, president of Pan American Screw Fastener Group. “Fastening this product cleanly and efficiently makes for faster, more efficient assembly of these structural products. Our Big Timber CTX construction lag screw has been the workhorse for many of our customers for years and now we are proud to also offer a BL Black Log Timber Screw, WTX Wafer Head Lag Screw and our SCTX Construction Lag Screw made of high quality 316 grade stainless steel.” ▶



BELOW LEFT: Recent additions to the SPAX product portfolio include composite deck screws in seven colors to match all the popular exterior board manufacturers products. SPAX also has a continuous testing program for exterior coatings and is always working toward new innovations for structural fasteners in order to ensure safe and secure connections.

OPPOSITE PAGE: New from CAMO, its 6" structural truss screws are designed for truss and rafters to top plate, stud to top plate, and deck joist to beam applications. According to the manufacturer, they replace hurricane ties, and they are coated with CAMO's proprietary PROTECH Ultra 4 coating system for protection against corrosion. An included truss guide ensures that the screw is always driven at the correct angle.

According to Grabber, it developed the UltraPro line of fasteners to create the absolute best wood-to-wood screws and deck screws. Anyone who has used wood screws has had experience with strip-outs, popped heads and screws that don't seat flush. The innovative design of the Grabber UltraPro screws reportedly helps to reduce wobble, cam-outs, and slivers while maintaining high torque that can drive off angle and deliver an exceptional bit tip life.



When it comes to structural connections found on most residential jobsites, code officials and inspectors look to leading engineered fastener manufacturers to provide application technical evaluation reports (TERs) which ensure products will perform as expected, points out Brett Katsma, project management leader for SPAX. "There are trends in using high performance structural lags in many of these applications to replace existing technologies. Here are a few examples: multi-ply beam and truss assembly where structural lags now can be used to replace nails and conventional lags to ensure a safe and secure connections and also save time and money on the jobsite; deck ledger attachment requires a safe connection, and structural fasteners like SPAX Powerlags can be used to replace very time consuming con-

Hillman's new line of Power Pro Structural Wood Screws are the latest launch from the brand. According to the manufacturer, the screws drive 30% faster than leading competitors, meaning more screws can be driven per battery change. The lineup of application specific as well as general construction structural screws never compromises on strength, durability and overall performance.

ventional lag bolts and they can be spaced further than other manufacturers products found on the market; also truss attachment now can be handled with structural fasteners in place of the traditional hurricane clips to save time and money on the jobsite."

The need for specialized fasteners that are keeping up with the changing face of construction is only going to increase, say manufacturers. As Lee Tedesco, marketing director for Grabber Construction Products, Inc., points out, "The transformation of commercial urban centers by converting underutilized commercial space to residential, while addressing other goals such as affordability, and housing equity, will continue and accelerate; especially in municipalities that are incentivizing these developments. This opens numerous opportunities for fastener innovation and development."

The need for increased efficiency

According to Associated Builders and Contractors, construction workforce shortage tops half a million in 2023. As well, the trade association predicts the industry will need to bring in more than 342,000 new workers in 2024 on top of normal hiring to meet industry demand, and that's presuming that construction spending growth slows significantly next year.

It's because of numbers like these that manufacturers see increased efficiency as one of the top trends in fasteners. "Products that improve productivity to offset inflationary costs," says Jacek Romanski, channel marketing director for ITW Construction. "Contractors are always looking to complete their jobs quickly, more efficiently without rework or hassles to save on costs. Whether they are tools, nails, screws to anchors, most pro contractors want to quickly connect their building materials, finish their work and move onto the next job."

It's not just a lack of skilled labor that has industry experts concerned. An uptick in remodeling projects despite a slowdown of new home starts also brings with it the need for increased efficiency. As Roelof Loveland, president of Maze Nails explains, "Siding, roofing, and decking projects are on the rise, so we are noting an increased need for painted siding nails and ring shank roofing nails. Maze Nails focuses on many exterior fasteners. It's the outside of a home that neighbors look at day in and day out. So it's important for dealers to make certain they have the best exterior products in stock—especially the best nails." ▶



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WAFER-HEAD CONSTRUCTION SCREW



ABOVE: Simpson Strong-Tie has launched medium- to light-duty multi-purpose fasteners, such as the Finish Trim Screw and the Wafer-Head Construction screw shown here. According to the manufacturer, both are great for professionals as well as for DIY projects.

ABOVE FAR RIGHT: FastenMaster, a division of OMG, Inc., launches the MVP Multipurpose Wood Screw designed for framing, interior remodeling, cabinetry and more. MVP features FastenMaster's exclusive double-lead SureStart point for a fast start, and the TORX ttip drive system provides a stable, wobble-free installation.

In order for LBM dealers to have the best products in stock, manufacturers are taking steps to provide fasteners that address the need for improved efficiency. For example, Uli Walther, president of U2 Fasteners, explains how contractors are looking for solutions that offer a time savings and ease of use. "Reliable coating is required to last as long as the treated lumber," he says. "U2 Fasteners' coating has surpassed heavy duty ground contact ACQ and will last the lifetime of the outdoor structure."

Tony Kovac, director of product management for the Hillman Group, echoes Walther's thoughts about the need for solutions that deliver time savings and ease of use. "Our focus continues to be on delivering superior performance, strength and quality—building code approved products provide a simple way to ensure that quality and code compliance are in place. From a development standpoint, we've placed recent focus in two areas: speed and

durability. Getting the job done right and faster is meaningful for pro's. With the strength enhancements of power tools, we can now do things from a fastener geometry standpoint that provide new benefits which would not have existed in the past. A continuing trend with exterior wood projects is improved durability with exterior coatings, and materials such as 316 stainless steel. Our focus continues to be on delivering products with superior performance, strength, quality, and building code approved."

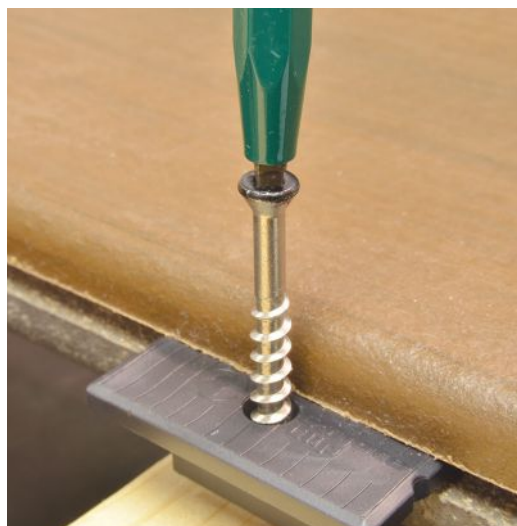
Chuck Hayes, territory sales manager for Avon Plastics, comments how builders are always looking for products and processes that can improve the time spent building a deck. "Time is money and profits for the builder. TurboClip is the solution by decreasing the installation time for a hidden deck fastener by up to 60%."

Cost versus quality

If there's one area of concern that fastener manufacturers seem to share, it's how the national economy may put a damper on the fastener segment while simultaneously causing consumers to choose less expensive—and potentially poorer performing—fasteners.

"We have been keeping a close watch on the effects of inflation as consumers have been actively trading down due to elevated inflation reducing their purchasing power," points out Grabber's Tedesco. "With moderating consumer inflation, what will the impact be on the DIY and R&R (Repair and Remodel) segments? This is a key question facing producers. Discretionary spending on experiences is likely to outpace the DIY and R&R segments through 2024, though further moderation of this trend also appears likely." ▶

Sure Drive USA has released new hidden deck fastener options that are aimed at the price point buyer. The Coyote Clip is made of glass filled polypropylene and comes with a stainless steel screw pre-inserted into the clip. It is offered in 50 and 250 s.f. packages, and it also offers a version with 410 stainless steel screws for steel joists.



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arxada



ABOVE: ITW Construction has recently launched the Paslode 1-1/2" Cordless Positive Placement Metal Connector Nailing system (tool and fuel+nail packs). It features Paslode's nose probe, but now without the hassles of a hose and compressor.

ABOVE RIGHT: According to Maze Nails, it has designed many fasteners to be driven by a wide variety of pneumatic nail tools. Maze offers an entire line of double hot-dip galvanized and stainless steel coil and stick nails that are compatible with major tool manufacturers. With the seeming rise in roof damage across the country due to storms, Maze also offers a ring shank roofing nail to battle high winds.

U2 Fasteners has added more stainless steel sizes for coastal applications and longer screws up to 20" in length for log and timber framing.



Hillman Group's Kovac shares those concerns. "Housing constraints and the continued unmet need, as well as inflation, has driven home prices. From an R&R standpoint, the pool of discretionary investment left over after a recently turned over home is lower. Fasteners are project completors, so we need the demand for both the new build as well as those R&R projects to remain high."

It's a cost vs quality equation, says Maze Nails' Loveland. "We are seeing the market flooded with poor quality import nails now that the ports are back open. Dealers should be extra cautious when purchasing fasteners to make sure they meet code requirements. Codes serve a critical purpose—to keep contractors from using the wrong nails for the job. Codes that specify Double Hot-Dip Galvanized and Stainless Steel fasteners ensures decades of rust-free service.

Too many unreliable commodity fastener brands are out there, explains Josh Martin, national sales manager, LBM for SPAX. "In a very detail-oriented world where jobsite specifications and critical connections exist, builders must have reliable fasteners that are code tested and approved but also can be traced back through the manufacturing process. With the risk of call backs, structural fasteners must perform safely and so LBM dealers must look to leading fastener manufacturers than can provide the necessary code reports and material specifications for every box of product."

If fewer projects are in the pipeline, customers may choose to save by purchasing less expensive fasteners, and LBM dealers need to be

prepared to educate those consumers. "There are a lot of competitors who look the same but are not created equal," points out U2 Fasteners' Walther. "As fasteners are becoming more accepted in a variety of applications, be aware of the values and how they perform."

Looking for the highest overall value is very rarely the lowest price, says Hillman Group's Kovac. "In addition, selling products that meet code and decrease job time while delivering both the quality and durability your customers require."

Robert Yates, product manager for SPAX, recommends taking the time to review the structural fastener manufacturers' offerings and to make sure the products have accessible data reports and application TERS plus wire certifications used during the manufacturing process. "SPAX Engineered Fasteners takes pride in a quality program and tracks each lot through the entire process all the way to the wire heat and can provide steel wire composition data. We are ISO certified and our factory in Bryan, Ohio is audited by numerous agencies for all our brands. Audits for ICC-ES, DrJ, FM, Miami-Dade, and ISO."

ITW Construction's Romanski suggests reminding customers that not all fasteners are made equal. "Collated nails work best as a system together with the tools for which they were designed," he says. "At Paslode, we start with the nail, and design our tools around it to ensure every time a pro pulls the trigger, it is driving the nail where they want, how deep they want it and allowing them to move to the next job." ▶



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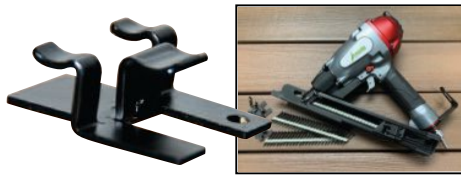
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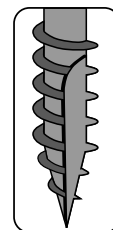


T-20 Star Drive eliminates driver bit camout

Trim Undercut Head traps loose material while countersinking

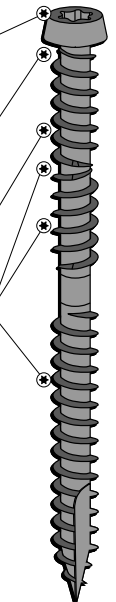
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Type-17 Point for Quick Start

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 - TAN
 - REDWOOD
 - BROWN



Smart inventory management

Despite improved pandemic conditions that somewhat improved the global supply chain environment, legacy problems from those disruptions still exist for LBM dealers and the fastener segment as a whole. For example, as Pan American Screw Fastener Group's Phil Lail describes, "Many fastener manufacturers and distributors are trying to work down higher priced inventories that were brought in during the time the world was experiencing many supply chain issues. As container costs decline to more normal levels we are trying to 'right size' our inventories and try and forecast our customers' needs for Q4 and into 2024. We are also noticing that ocean freight costs are starting to increase slightly with our Sure Drive USA products we bring in due to market conditions and voided or blank sailings as the overall economy has slowed."

Simpson Strong-Tie's Shirley also points out how overseas shipping lead time delays crippled imports of fasteners for many companies during the pandemic years. "Simpson



ITW Construction has expanded its line of Tapcon+ Heavy Duty Screw Anchors. According to the manufacturer, these all-in-one substrate screw anchors install two- to three-times faster and have up to 20% more holding power than wedge or sleeve anchors. Their Climaseal blue coating provides long lasting performance and corrosion resistance and allows users to drive close to the edge with confidence.



Avon Plastics has in development a new version of its TurboClip that will include a self-tapping screw for steel joists.

Strong-Tie was thankfully able to leverage a robust U.S.-based manufacturing and supply chain network to deliver products and meet critical inventory shortages for dealers. As the overseas shipping lead times have improved, Simpson has continued to satisfy customer needs with its world class customer service, quality assurance and logistics."

There are strategies, manufacturers point to, that LBM dealers can implement to help alleviate some of the pain points. "It looks like the housing market is turning around, but everyone is still wary," explains ITW Construction's Romanski. "Because of the extra caution, many retailers have shifted to just-in-time-inventory, which may leave dealers short on the shelf. Be smart with inventory by following the 80/20 rule. Ensure your highest selling products 'the 80' are always well-stocked during peak season."

Pan American Screw Fastener Group's Lail offers similar advice. "LBM dealers need to work closely with their suppliers to monitor their inventory and use 80/20 principles to make sure they are always in adequate supply of the 20% of the items that make up 80% of their profits," he recommends. "Our sales team with both Big Timber and Sure Drive USA work with our customers closely to help them monitor their inventory levels and ensure shelf space is being used in the most efficient way."

Deliver solutions

If there's one common recommendation from fastener manufacturers to LBM dealers, it's to stay up-to-date on product knowledge so that they can best serve as solution providers to their customers. "Stay current on the fastener companies, new fastener types, and sizes. New screws are very application specific," U2 Fastener's Walther recommends.

Maze Nails' Loveland agrees with the importance of LBM dealers serving as product knowledge gurus. "Our advice to LBM dealers would be to do the research and make sure you are following manufacturer guidelines when installing your products," he says. "Fasteners are often an afterthought, but when the wrong fastener is stocked and sold, it could cost the homeowner thousands of dollars. If your customers are installing lifetime warranty roofing or siding, it only makes good sense to sell them a lifetime warranty fastener."

Think past the immediate sale and help promote the advantages of owning a home and investing in home value building projects, says Grabber's Tedesco. "These benefits may not always be obvious, especially in times of rising interest rates and low inventory of available homes. With mortgage rates high, many homeowners who would otherwise be selling, are staying put and investing in their current home creating opportunities for LBM dealers." And by understanding these long-term benefits, dealers will ensure not just their own financial future, but long-term success for contractor and homeowner alike. ■

PHOTOS COURTESY OF MANUFACTURERS



MAZE LUMBER

- 1848 Founded by Samuel Maze in Peru, Illinois
- 1886 Purchases First Nail Machine to Produce Nails from Pure Zinc
- 2023 *Maze Lumber is the Oldest Lumberyard in Illinois*

MAZE NAILS

- 1900 First Manufacturer to Pack Nails in 50 Lb. Boxes
- 1905 First Manufacturer to Pack Nails in 5 Lb. Boxes
- 1914 Produces the First Hot-Dipped Nails by Hand
- 1930 Designs and Launches Spiral Shank Nail Product Line
- 1934 Designs and Launches Ring Shank Nail Product Line
- 1955 Develops Exclusive Stormguard Double Hot-Dip Galvanizing
- 1996 Founded S.S.E., our Collating Division
- 2006 Earns Miami-Dade County Approval on Selected Roofing Nails
- 2008 Certified by Scientific Certification Systems for Recycled Content
- 2011 Fifth Hot-Dip Galvanizing Production Line Installed
- 2011 Highlighted on ABC News, Diane Sawyer's *Made In America*
- 2016 Installs Second Paint Production Line for Trim Nails
- 2023 *EVERY Maze Nail still 100% Made in the USA*

AMERICA'S PREMIER SPECIALTY NAIL MANUFACTURER



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

EPICOR BISTRACK

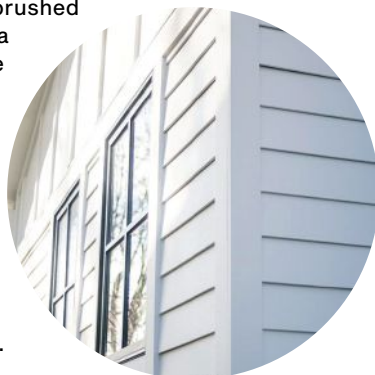
With the latest release of BisTrack, Epicor has introduced a completely new desktop user experience and technical uplift of the entire system, along with several enhancements to specific functionality to help warehouse staff better manage inventories, yards, and deliveries. As well, Epicor also delivered improvements for its distribution and buying group customers and continues expanding its offerings for these sites as well as the entire customer base. Finally, Epicor has also improved the integration with its enhanced configurators and Epicor CPQ to bring better visualization tools to its customers, all of which can help homeowners visualize how products will look at their homes and speed the selection process for new projects related to siding, decking, door configurations, roofing, and railing systems. epicor.com



BRUSHED SMOOTH PREFINISHED TRIM AND SIDING

As part of LP Building Solutions' LP SmartSide ExpertFinish Trim & Siding, Brushed Smooth is the newest texture in the product family of prefinished trim and siding products. According to the manufacturer, Brushed Smooth was developed in response to consumer demands for an alternative to the current options. This new texture introduces an alternative aesthetic option that offers a unique visual and tactile difference to homeowners, builders, and remodelers looking for durable, high-performance siding and trim options.

It features a subtle linear brushed finish that gives exteriors a modern look, elevating the style and appeal of any design. Brushed Smooth is available in all 16 existing colors of the LP SmartSide ExpertFinish product line, and it's available through various distributors in the Northeast, Midwest, and North Central regions. lpcorp.com



STAIR CASSETTE LEDGER CONNECTOR

Simpson Strong-Tie has introduced its SCLC stair cassette ledger connector, a code-listed solution for safer, more efficient installation of preassembled stair cassettes to floor cassette headers. Installed on the floor cassette header in the factory using common nails, the SCLC is jobsite-ready for stair cassettes to be lowered onto the connector and then quickly fastened with Strong-Drive SDS Heavy-Duty Connector screws, helping reduce onsite labor costs and keep time-sensitive projects on schedule. strongtie.com



BLACK COLOR OPTION FOR PLY GEM WEST PRO SERIES PRODUCTS

Cornerstone Building Brands announced the latest addition to its Ply Gem West Pro Series, the highly anticipated interior black laminate color option paired with a black exterior color option. Black windows and doors have revolutionized the industry and remain in high demand. With the latest evolution from Ply Gem's West Pro Series, professionals can achieve trend-setting aesthetics and design without sacrificing superior quality and industry-leading performance. The West Pro Series interior and exterior black windows and doors are also specially designed to meet Western energy-efficiency requirements and come with glass packages customized to comply with stringent building codes, ensuring maximum comfort and protection against harsh weather conditions. plygem.com

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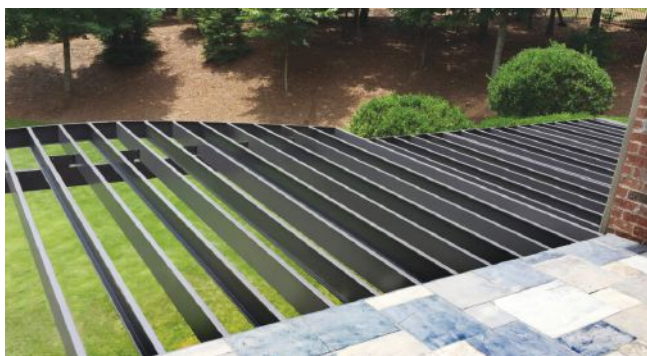
ECI ECOMMERCE

According to ECI Software Solutions, its ecommerce platform, which includes an expanded product data management solution specifically customized for home and building supply businesses, is designed to deliver the model of the traditional LBM dealer online, where everything previously done in-store with highly labor-intensive processes can now be delivered more efficiently, with a 24/7/365 sales presence. ecisolutions.com



NEW CASTLE STEEL DECK FRAMING

Atlanta-based deck builder New Castle Building Group announces manufacturing and distribution capabilities for their newly launched New Castle Steel deck framing. According to New Castle Steel, it offers unparalleled performance characteristics that meet the demands of contractors and end-users looking for durable, safe, and sustainable steel deck systems. New Castle Steel is triple-coated to stand the test of time without shifting, splitting, warping, rotting, or rusting. Precise engineering ensures surfaces remain flat. It is lightweight and easy to work with, but its strength enables cantilevers and contemporary curved deck designs. This non-combustible material has a Class 1A fire rating and is rot- and termite-proof. New Castle Steel contains 25% recycled steel and is 100% recyclable, contributing to LEED points for building projects. ncsteel.com



FASTENMASTER PAMFAST

According to FastenMaster, the PAMFast tool with auto feed provides PROs with the smoothest, most versatile screw delivery system available with cordless power. PAMFast's 'Smooth Advancement Technology' ensures a clean, smooth drive while eliminating jams, rejections, and other issues common with similar tools. The system is available with PAMMax Fastener Belts that hold up to 40% more fasteners for more time driving screws and less time reloading. This two-in-one tool has a removable extension that enables easy conversion from long-to-short tool for a wide range of fastening options, from stand-up subfloor and decking installation to a shorter tool for securing drywall, roof tiles, and more. fastenmaster.com



ROUGH-SAWN SHINGLE



STAGGERED HAND-SPLIT SHAKE



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- Continuous Lock
- Drop Guard Receiving Channel
- Center and Stagger Pattern Marks



HARBOR MILL SIDING

ProVia has expanded its siding lineup with the addition of Harbor Mill Shake and Shingle siding, which the manufacturer says provides a superior cladding option for building professionals. Remodelers, builders and architects can now offer homeowners the rustic look of traditional rough-sawn shingle and staggered hand-split shake, minus the expense and high maintenance of cedar. According to ProVia, Harbor Mill was designed with the installer in mind, incorporating built-in features that aid in a more efficient, hassle-free installation. In addition to the rigid, lightweight profile that makes it easier to handle, the siding panel includes drop guards, continuous and seam locks, alignment guides, and stagger pattern marks. provia.com



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SMOOTH FIBERGLASS ENTRY DOORS

Clopay is expanding its residential entry door line with a new smooth fiberglass collection that features trending designs such as Shaker, Craftsman, Modern and Rustic styles, deep recessed panels with crisp, contemporary edge profiles, and a brushed etched surface for better paint adhesion. According to the manufacturer, vertical stiles made of laminated stranded lumber run the entire length of the door on both the hinge and lock sides for strength and rigidity against thermal bow. The visible edge of the door stile is made of hardwood, and both the interior and exterior door surface have a fiberglass reinforced skin with brush stroke etching for superior paint adhesion. (The entry door system can also be factory-finished in a choice of 18 paint colors for a complete, ready-to-install unit.) Clopay fiberglass entry doors are Energy Star rated, NFRC-certified, and carry a limited lifetime warranty. clopaydoor.com



INVISIWRAP SA

Self-adhered and UV-resistant, InvisiWrap SA From Benjamin Obdyke addresses the increased exposure and unique aesthetic needs of popular open-joint architectural cladding systems. Like the original InvisiWrap UV, InvisiWrap SA is specially designed for projects with open-joint cladding. It offers enhanced UV protection to accommodate increased exposure, and its black, non-printed facer ensures an ideal aesthetic and shadows between the gaps. The addition of a continuous, 100% acrylic adhesive provides further protection by sealing around cladding fasteners to help maintain the integrity of the air barrier. According to the manufacturer, InvisiWrap SA has a split-release liner for easy application and positioning. The acrylic adhesive is repositionable during installation; once an installer is satisfied with the wrap placement, they apply pressure to fully activate the bond. No seam tape is required, and because InvisiWrap SA is a polyester non-woven housewrap with a polyester coating, it is tougher than standard housewraps and will stand up to the elements with superior tear strength and water holdout. When used in conjunction with a rainscreen, InvisiWrap SA provides superior bulk water drainage, exceptional vapor permeability, and long-lasting durability for the building envelope. benjaminobdyke.com



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SIMS CRANE

Sims Crane & Equipment Co., the largest private crane rental and rigging service company in Florida, showcased the world's first battery-powered crawler crane at their corporate headquarters in Tampa. After the presentation, Sims completed a demonstration of the crawler crane's capabilities. The crawler crane's battery powered engine cuts local carbon emissions completely, and is capable of operating for eight hours unplugged, or for an unlimited amount of time when connected to a power source. Liebherr and Sims say there is no compromise in performance between the electric version of the crawler crane and its diesel-powered counterpart. The crawler crane is also reported to be significantly quieter than its diesel counterpart, making it ideal for construction jobs in residential areas, at hospitals and in other locations where noise pollution may be a concern. simscrane.com



DIABLO STEEL DEMON CERMET BLADES

Diablo Tools ("Diablo") recently launched its line of Cermet saw blades designed for extreme durability, longer life and faster cuts in metals and stainless steel. An ideal fit for cordless and corded saws, the Steel Demon Cermet blade features an exclusive design that the manufacturer says delivers up to 25X longer life, 50X cooler cuts, and 10X faster cuts versus standard abrasive cut off discs. According to Diablo, the Steel Demon Cermet blade offers maximum productivity with more cuts and unmatched efficiency in cutting mild or stainless steel with an innovative, first-of-its-kind one-blade solution for the ultimate metal cutting experience. Featuring Triple Chip Grind (TCG) tooth geometry, Diablo's Cermet blade produces large chips versus harmful dust generated by abrasive discs. When combined with the blade's advanced stabilizer vents, this optimized TCG tooth geometry helps create the ultimate controlled cutting action. diablosohotitscool.com



CARBO-TEC FLX WORK BOOTS

The new Carbo-Tec FLX collection of work boots from Georgia Boot features square-toe, waterproof full grain leather silhouettes that utilize Georgia Boot's AMP (Advanced Memory Polyurethane) insole and new proprietary FLX-FIT Technology on the shaft of the boot, which is a 3D-molded elastic detail that the manufacturer says allows for expansion for easily putting the boots on and taking them off. The GB00621 and GB00622 are alloy-toed with pull-holes. The GB00620 is also a pull-on boot but with a squared, soft toe, and the GB00623 (shown here) is a lace-up, soft-toed boot. georgiaboot.com



DEWALT 20V MAX XR BRUSHLESS CORDLESS 1/2" IMPACT WRENCH

The new DCF961 20V MAX XR Brushless Cordless 1/2" High Torque Impact Wrench from DEWALT is reported by the manufacturer to be the industry's highest rated max torque cordless 1/2" impact wrench that delivers 1,200 ft-lbs of max fastening torque and 1,750 ft-lbs of max breakaway torque. This impact wrench features new technology that automatically provides an increase in power after four seconds of impacting, aiding in loosening stubborn fasteners and completing heavy-duty fastening applications. The DCF961 also features three speeds and PRECISION WRENCH technology to help prevent overtightening and fastener run-off, as well as BATTERYGUARD, a shock-absorbing battery-to-tool connection to help reduce battery wear and tear. dewalt.com





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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 lbmjournals.com/lbm-century-club.

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WOODS LUMBER Independence, KS	est. 1889	BERONIO LUMBER San Francisco, CA	est. 1911
BIG JOHNS BUILDING SUPPLY LLC Cedaredge, CO	est. 1904	DAVIS-HAWN Dallas, TX	est. 1923
POWELL ACE HOME CENTER Covington, IN	est. 1886	SMITH LUMBER COMPANY Valley City, ND	est. 1923

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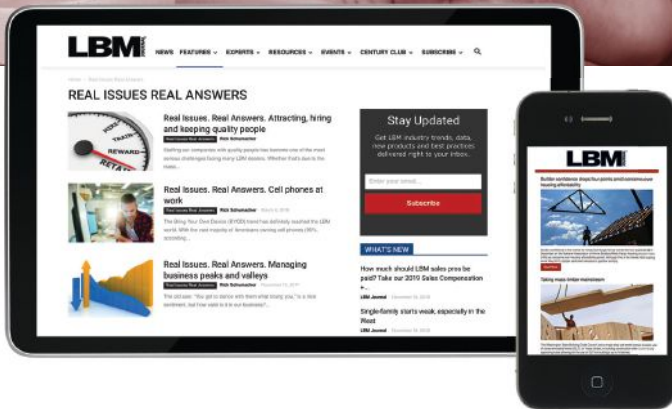
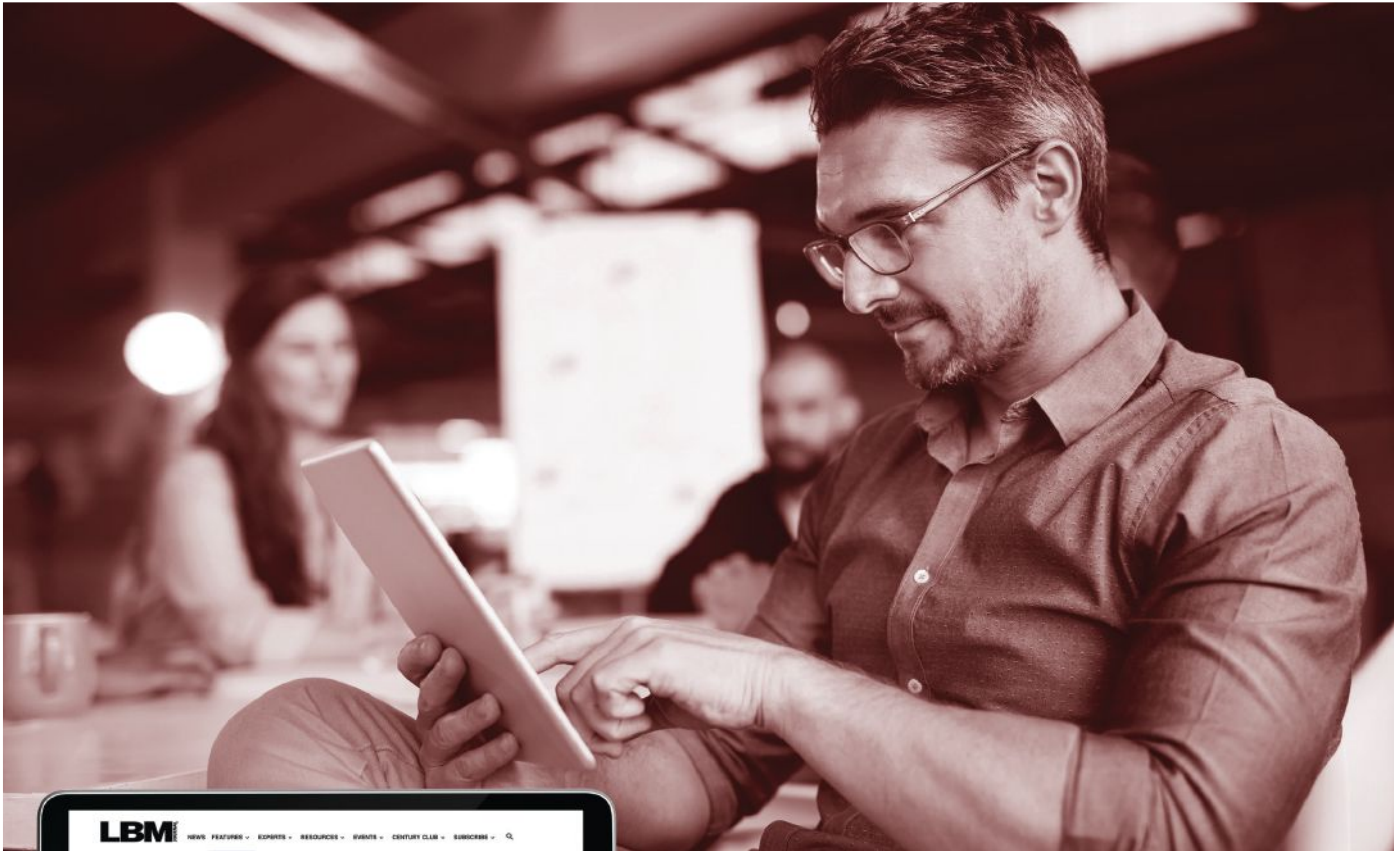
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Arxada	47	470.504.1300	wolmanizedwood.com
* Biewer Lumber	56	810.329.4789	biewerlumber.com
Boise Cascade Engineered Wood Products	13	208.384.6161	bc.com
DMSi	17	402.330.6620	dmsi.com
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GAF	19	877.423.7663	gaf.com
Grabber Construction Products	35	800.477.8876	grabberpro.com
Great Southern Wood Preserving, Inc.	25	800.251.0836	yellowood.com
* FlameFreez brand fire retardant treated wood	9	800.521.3312	yellowood.com/for-dealers/distributed-products/flamefreez/
Hillman Solutions	45	800.800.4900	hillmangroup.com
Krauter Auto-Stak	38	800.992.2824	ks-ka.com
LBM Century Club	61		lbmjournals.com/lbm-century-club
* Manufacturers Reserve Supply	BB, 9	973.373.1881	mrslumber.com
Maze Nails	51	800.435.5959	mazenails.com
MFM Building Products Corp.	37	800.882.7663	mfmbp.com
Midwest Fastener Corp	IFC-1	800.444.7313	fastenerconnection.com
National Nail Corporation	55	616.261.2151	nationalnail.com
Orgill	39	800.347.2860	orgill.com
Pacific Woodtech	29	360.707.2200	pwtewp.com/products/pwt-treated
Paslode	41	800.341.0744	paslode.com
Pennsylvania Lumbermens Mutual Insurance Company	22-23	800.752.1895	plmins.com
ProVia	31	800.669.4711	provia.com
ProWood	21	844.529.5882	prowoodlumber.com/dealer
* Rollex Corp.	9	800.251.3300	rollex.com
* RoyOMartin	9	800.299.5174	royomartin.com
Simpson Strong-Tie	15	800.999.5099	strongtie.com
Spax U.S.	27	419.636.6715	spax.us
Starwood Rafters	57	888.525.5878	starwoodrafters.com
Sure Drive USA	49	800.951.2222	suredrive.com
Trex	11	800.BUY.TREX	trex.com
U2 Fasteners	59	855.895.7096	u2fasteners.com
Uline	40	800.295.5510	uline.com
Versatex	53	724.857.1111	versatex.com
Westlake Royal Building Products	OBC	800.521.8486	westlakeroyalbuildingproducts.com
Weyerhaeuser	IBC	800.525.5440	weyerhaeuser.com

* Denotes regional distribution.

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

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



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WEIGHING THE CREDIT RISK

A small builder can grow his business (and his purchases from you) exponentially—if you're willing to risk expanding his credit limit into dangerous territory. What would you do?

IT'S A STORY your parents share that never gets old. Once you were old enough to go to school, your parents decided to put all their savings, and every penny they could borrow, into opening a lumberyard. The early days were tough, they explain, but stocking and selling quality products and listening to their customers' challenges paid dividends. Now in its 30th year, the company your parents birthed and built is the go-to choice for the leading builders and remodelers in your small market. And after working through a well thought-out succession plan, you're now the general manager and majority owner of a solid business.

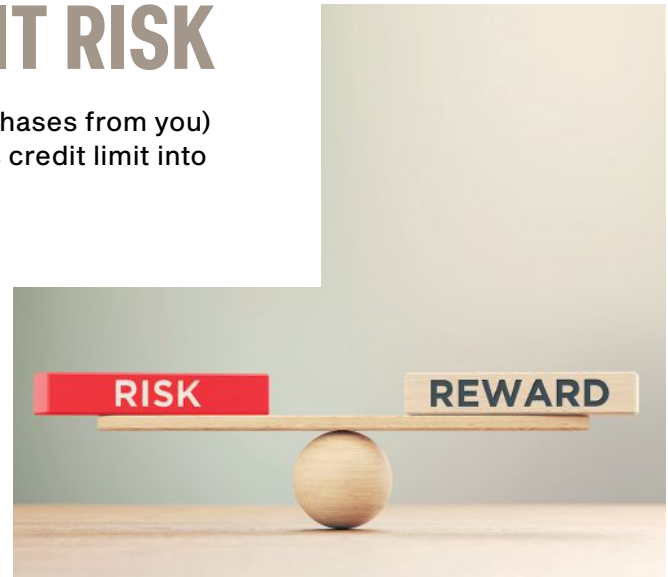
When you sat down with the attorneys to formally transfer ownership, your dad said, "Your mom and I worked hard to build something for you to take and make your own. As long as you work hard, listen to your customers, and make smart decisions, I've no doubt you can grow this and leave an even stronger company to your kids."

In one of your first days in your new role, a builder customer said he had something to discuss with you. "I'm working with a developer, and I can be the exclusive builder in a new subdivision. An opportunity like this doesn't come around everyday, and I'm confident that I now have the right team in place to make it work. The main obstacle is my less-than-perfect credit history," he explained.

You knew this story well. He was a rising star in the local building scene and found himself overextended when the Great Recession hit. He filed for bankruptcy and has struggled ever since. A few years ago, your parents decided to roll the dice. They extended him a small line of credit, which is all he needed to pick up where he left off. The line of credit is frequently maxed out, but he has yet to be late on his payments.

"This is my chance to rebuild my reputation and make a real positive difference for our community," he continued. "You are without question my LBM dealer of choice—so if you'll work with me on this, you can plan on supplying the lion's share of materials for these homes."

As it turned out, "work with me" equated to radically expanding his line of credit. You congratulated him on the opportunity, asked him to complete a new credit form, and said you'd take a serious look at what you could do. Your credit manager didn't have encouraging news. "He has few assets, a poor but improving credit score, and no history of doing anything near this scale. If he successfully manages



a project of this magnitude, it could be very good for us. But if he fails, our losses would be enormous. I'm comfortable approving a 20% increase in his credit line," she concluded. "That's it."

The way you see it, if you roll the dice and he succeeds, you'll have started off your ownership tenure with a decision that acts as rocket fuel for your company's slow, steady growth. On the other hand, if he fails, you'll instantly turn your bottom line from black to red. If you say no, and he goes to a competitor and succeeds, you'll have lost a loyal customer and turned away a golden opportunity.

What would you do?

CAST YOUR VOTE ONLINE AT: LBMJOURNAL.COM

Start small. What's the point in having a credit manager if you're not going to let her do her job? And her job, frankly, is to help your company make wise decisions. Offer a 20% increase.

Go all in. No risk. No reward. This is your opportunity to take the company your parents' built and make it succeed beyond their wildest dreams. This is your chance. Take it.

Wait and see. Decide nothing yet. If this builder and this developer are the right combination and aren't willing to let it go, wait and see what you can work out with them to dilute the risk.

Candid conversation. Utilize preliminary lien notices for each house. File a mechanics lien against the property in case of payment issues. Lengthy, but protects you and your customer.

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



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