

# LBM JOURNAL<sup>®</sup>

FEBRUARY 2024 | \$15 U.S. | LBMJOURNAL.COM

## DEALER OF THE YEAR 2024

CATEGORY: \$50MM-\$100MM

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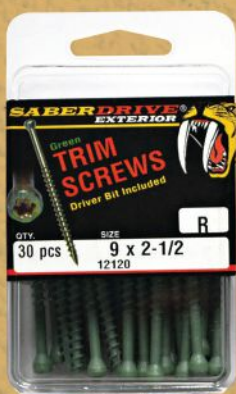
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CATEGORY: \$50MM-\$100MM  
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LBM JOURNAL VOLUME 22, NO. 2 (ISSN#1930-5516) is published monthly with the exception of the combined November/December issue by Custom Built Publishing, LLC. Copyright 2024 by Custom Built Publishing, LLC, 10880 175th Court West, Ste. 240, Lakeville, MN, 55044, 952.892.7793. All rights reserved. Annual subscription rate: \$48 U.S.; \$60 Canada; and \$120 all other countries. Single copy price \$15 + S&H. Periodicals postage paid at Lakeville, MN, and additional mailing offices. Printed in the USA.

U.S. POSTMASTER: Send address changes to LBM Journal, 10880 175th Court West, Ste. 240, Lakeville, MN, 55044.



# DEALER OF THE YEAR 2024

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28

# LBM JOURNAL

**PUBLISHER / EXECUTIVE EDITOR**  
**Rick Schumacher**  
 Rick@LBMJournal.com

**EDITOR**  
**Michael Berger**  
 Mike@LBMJournal.com

**CREATIVE DIRECTOR**  
**Richard Hart**  
 Design@LBMJournal.com

**ASSOCIATE EDITOR**  
**Wendy Sturges**  
 Wendy@LBMJournal.com

**CONTRIBUTING SALES EDITOR**  
**Rick Davis**

**CONTRIBUTORS**  
**Sam Brownell**  
**Thea Dudley**  
**Russ Kathrein**  
**Bill Lee**  
**John D. Wagner**

**DIRECTOR OF OPERATIONS & EVENTS**  
**Michelle Fischer**  
 Operations@LBMJournal.com

**ADMINISTRATIVE COORDINATOR**  
**Tina Saucke**  
 Tina@LBMJournal.com

## MEDIA CONSULTANTS

**ASSOCIATE PUBLISHER**  
**Jodie Cook Redwood**  
 Jodie@LBMJournal.com  
 800.324.3492

NORTHEAST + SOUTHEAST

**Michele Randazzo**  
 Michele@LBMJournal.com  
 904.310.9540

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Leading Suppliers Council



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## FROM THE PUBLISHER

**IN THE EARLY DAYS** of LBM Journal, when the future of this fledgling media company was far from certain, a friend had a solid career with a publicly traded telecom giant. That situation changed radically the day that he, along with several thousand colleagues, were unexpectedly terminated. He was dumbfounded. He believed that he and his suddenly jobless peers performed a critical function. As it turns out, he was right. Shortly after the company reported a higher stock price thanks to a sudden drop in labor costs, it quietly rehired my friend and his colleagues as contractors—at higher pay.

For reasons that I hope to never understand, Wall Street rewarded these unnecessary and counter-productive layoffs with a higher stock price.

Within the past decade, a large, respected media company concluded that printing and mailing magazines was too expensive, ceased publishing, and morphed into a data company instead. As a result, hundreds of talented, hard-working writers, editors, and designers were cut loose. Today, this once-dominant company is a faint shadow of its former self.

Sad-but-true stories like these are one reason that I'm an enthusiastic proponent of the LBM industry. When I visit LBM dealers and distributors, they make it crystal clear that their people are the reason for their success. And it's not just lip service. Preston Feather Building Centers, a 2024 LBM Journal Dealer of the Year, is an excellent example of what sets companies in the LBM community apart. Associate Editor Wendy Sturges does an excellent job of sharing its story in the profile on page 28.



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

When I visited northern Michigan last summer to tour the company, one thing really stood out: the number of young pros working side-by-side with more seasoned workers. "When I joined the company at 22 years old, I was surprised at how quickly I was able to make a difference," explains Jeff Hills, an employee in his eighth year with Preston Feather and a member of LBM Journal's 40 Under 40. "It's rewarding to work for a company that's open to different, new ways of doing things. A genuine opportunity to make an impact, I believe, is what young people are looking for."

President and owner Rachel Huntman, who appears on this month's cover, explains the company's philosophy this way: "We look for people who are driven to learn and to grow themselves. We talk about succession planning, but it's really about team development as a whole. That's why we make sure all of our team members see the career growth opportunities, and having all the tools, training, and support in place so they can achieve those goals is a really big deal for us."

It's because of companies like Preston Feather, and the LBM community as a whole, that I'm thankful to work in an industry where good companies, and the people who comprise them, continue to make a difference.

— Rick Schumacher  
Executive Editor & Publisher

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## FROM THE EDITOR

**FEBRUARY** is an exciting month for *LBM Journal*. By the time you open the pages of this month's issue, myself and the rest of the editorial staff here at the magazine will be immersed in preparations for attending this year's NAHB International Builders' Show, otherwise known as IBS, in Las Vegas, Nevada.

As the largest annual light construction show in the world, this premier, once-a-year event connects, educates, and improves the residential construction industry. It's an event I excitedly look forward to every year, not just because I get the chance to see all that's new in our industry, but for the chance to learn from some of its best and brightest minds. I even once many years ago had the opportunity at IBS to have coffee with William Shatner (Capt. James T. Kirk from "Star Trek"), and yes, he was even talking about our industry, as he was there representing a unique new stair-construction bracket.

While at this year's show, we'll be gathering information for you on all that's new and interesting in the LBM industry, attending education sessions along with new product demonstrations, and we'll be sharing it all in our March issue. And new this year, we'll be posting video to social media from the show floor, giving those of you who won't be in attendance a bit of a sneak peek of what's new.

That's not to say there's nothing new and exciting in this issue. We're especially proud to be recognizing Preston Feather Building Centers as an LBM Journal Dealer of the Year, and turning the spotlight on Dustin Byars of Kay Supply Building Center, a 2023 40 Under 40 inaugural award winner. Plus we've got insights from industry leaders regarding the trim and moulding segment, over a dozen new products that are sure to catch your eye, advice from our knowledgeable columnists, and so much more.

There's a well-known, somewhat colorful phrase about what happens in Vegas, stays in Vegas. With all due respect, I beg to differ. We'll be doing our very best to bring to you—as we do in each and every issue of *LBM Journal*—the very best from our industry so that you can do your very best to succeed with your business.

— Mike Berger  
Editor



*Michael J. Berger*

HAVE A QUESTION FOR MIKE?  
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▶▶▶ Read Kenny and Richie's success story at [doitbestonline.com/RAKS](http://doitbestonline.com/RAKS).





GANAHL LUMBER



84 LUMBER



MATT'S BUILDING MATERIALS

## BY THE YARD

California's oldest lumberyard, **Ganahl Lumber** is marking 140 years in business this year. Now in its fourth generation of family ownership, the company is led by Peter Ganahl and includes 11 locations.

**84 Lumber** is investing in the future of college students by donating \$50,000 to Germanna Community College's Germanna Guarantee Scholarship Program.

**Curtis Lumber** celebrated its induction into New York's historic business registry after operating in the area for 133 years. The Saratoga County-based business was presented with a framed proclamation by the New York state Assembly, recognizing it as one of the state's organizations significantly contributing to the "improvement and well-being of their communities."

**Kodiak Building Partners** recently brought in \$500,000 for its foundation through its first annual charitable golf tournament. The event was organized by the Kodiak Building Partners Foundation, which was established as a 501(c)(3) organization to help families and children in need.

**Texas Wood Supply** announced the company has been nationally recognized by Great Place to Work, a global organization working to improve workplace culture, helping organizations create a consistently and overwhelmingly positive employee experience.

Local lumberyard and home improvement center, **Matt's Building Materials**, announced that their fourth location is coming to Harlingen, TX, according to the Harlingen Economic Development Corporation.

## MERGERS + ACQUISITIONS

**Kodiak Building Partners** announced that it acquired Gross-Yowell, a market leader in the construction supply industry in Waco, Texas.

**Lezzer Lumber** is set to acquire **Trinity Supply & Installation Company**, a trusted wholesaler serving professional contractors in Western Pennsylvania. This strategic move marks a significant expansion of Lezzer Lumber's presence in the Pittsburgh area.

**Arbor Wood Co.**, an established U.S. manufacturer of thermally modified wood products, announced the successful acquisition of **EcoVantage, LLC**, a company who is also a domestic manufacturer of thermally modified wood products.

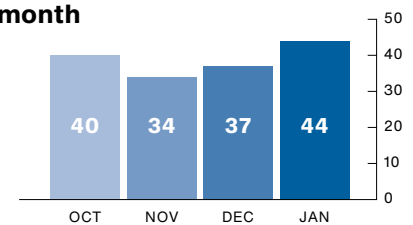
**Hillman Solutions Corp.** has acquired **Koch Industries, Inc.**, a provider and merchandiser of rope and twine, chain and wire rope, and related hardware products. This acquisition marks the entrance into rope and chain, a new product category for Hillman.

**R-Y Timber** of Livingston, MT announced a recent acquisition by **Sun Mountain Lumber, Inc.** of Deer Lodge. The purchase was partially funded through a loan from the Montana Department of Commerce's Wood Products Revolving Loan Program.

## Builder confidence rises for second month

Mortgage rates well under 7% over the past month have led to a sharp increase in builder confidence to begin the new year.

Builder confidence in the market for newly built single-family homes climbed seven points to 44 in January, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). This second consecutive monthly increase in builder confidence closely tracks with a period of falling interest rates.



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## PEOPLE IN LBM

**Do it Best** announced the following additions and promotions on its team:

- **Amy Arnold** as a Lumber and Building Materials Sales Support Coordinator
- **Andrea Killian** as a Human Resource Generalist
- **Joey Klinger** as a Lumber and Building Materials Sales Support Coordinator
- **Michael Overbeck** as a Communications Project Manager
- **Josh Sparks** as a Consumer Marketing Specialist
- **Daniel Thrasher** as a Territory Sales Manager
- **Avery Thurston** as a Merchandising Pricing Analyst
- **Stephanie Lyons** as a Merchandise Manager
- **Aaron Marker** as a Regional Sales Manager
- **Korrey Short** as a Building Materials Trader

**Alpen High Performance Products**, a manufacturer of high performance window technologies for commercial and residential markets, announced a new CEO, **Andrew Zech**, formerly the Chief Operating Officer of Nuveen Green Capital.

**Benjamin Obdyke** has hired **Mercedes Pepin** as a Sales Associate for the Northeast in Maine and New Hampshire.

**PWT** announced the promotion of **Scott Reynolds** to Eastern Regional Business Development Manager.

**Arnold Lumber Company** has hired **Tom Cafaro** as their new Director of Sales & Marketing based in West Kingston, reporting to Matt Semonik, COO.

**TAL Building Centers** in the Pacific Northwest named **Susan Hoshida** as its new chief financial officer. Hoshida, who brings over 24 years of experience to the role, served most recently as TAL's corporate controller.



**Tom Koos**, president and CEO of **PrimeSource Brands**, has been named a 2024 Spirit of Life award recipient by City of Hope, one of the nation's leading cancer and medical research centers.



**Zircon Corporation** announced the appointment of **Bob Shortt** as President of Global Sales and Marketing.



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## TOUGH CALL SOLUTIONS

THE NOVEMBER/DECEMBER 2023 ISSUE SURVEY RESULTS FROM [LBMJOURNAL.COM](http://LBMJOURNAL.COM)

### THE CASE OF THE TOXIC CUSTOMER

You've built your business on a solid foundation with a great team serving a growing lineup of loyal pro customers. One of those customers, however, is poisoning the well for others. Here's how readers would handle this Tough Call.

#### TALK IT OUT

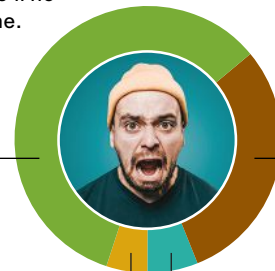
Tell Don that his constant complaining is making other customers uncomfortable. Explain that you're happy to listen and talk with him, but if he continues, he'll no longer be welcome.

59%

#### FIRE HIM

You've heard of companies firing customers who aren't worth the trouble. Tell Don to take his bad attitude—and his business—elsewhere.

30%



5%

#### SURCHARGE

If you don't want to fire him, at least make him pay more. Explain that his prices just went up 10% across the board and will remain there until he turns off the toxicity.

6%

#### ACCEPT IT

There's always one complainer. Just accept that this is who Don is, and continue to serve him with a smile.

WANT TO SEE MORE TOUGH CALLS? CHECK OUT PAGE 56 OF THIS MONTH'S ISSUE, OR FIND MORE AT [LBMJOURNAL.COM/CATEGORY/TOUGH-CALL](http://LBMJOURNAL.COM/CATEGORY/TOUGH-CALL).

### Remodeling sentiment improves at end of 2023

The NAHB/Westlake Royal Remodeling Market Index (RMI), a measure of sentiment among professional remodelers, for the fourth quarter posted a reading of 67, increasing two points compared to the previous quarter.

Remodelers' sentiment was quite positive at the end of 2023, when seasonally adjusted for the slowdown that invariably occurs during that part of the year. High costs remain an issue in some places, but in many markets, customers seem to have adjusted to the unavoidable higher prices. Even though the RMI is down slightly year-over-year, the index remains solidly in positive territory, a trend observed since the second quarter of 2020. Looking forward, NAHB expects market conditions to improve throughout 2024 as interest rates continue to decline.

The latest reading is down 23% from the 4-year peak of 87, last seen in the third and fourth quarters of 2021; however, it remains higher than the 4-year low of 47, seen in Q1 of 2020.



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**SDW TRUSS-PLY Screw**  
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**SDWC TRUSS Screw**  
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**SDWH TIMBER-HEX HDG Screw**  
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## INDUSTRY UPDATES

**Weaver** is now offering direct-to-home delivery of its most popular products for the do-it-yourself segment, including Prefinished Solid Oak Slats, Weathered Wall Boards, Poplar and Oak Hobby Boards and Poplar and Oak Squares. All products are made in the U.S. Consumers can visit the Weaver online store at [weaver.com](http://weaver.com).

**LP Building Solutions** announced more than \$875,000 in monetary and product donations in 2023 through the LP Foundation and other corporate giving initiatives.

**Carolina Structural Systems**, a manufacturer of structural wood component systems, is establishing its first South Carolina operation in Anderson County. The \$4.7 million investment will create 60 new jobs.

**Badger Technologies**, a product division of Jabil and leader in retail automation, is rolling out in-store robotics at **Stine** to assist in elevating operational efficiencies and customer-service excellence. Badger Technologies' multipurpose autonomous robots empower Stine's stores to detect out-of-stock products with more than 95% accuracy while helping to decrease OOS products by up to 50%.

Through its State and Local Issues Fund, which provides financial assistance to HBAs involved in advocacy efforts on issues affecting the affordability of homeownership, the **National Association of Home Builders** distributed \$298,000 to 18 HBAs in 14 states during 2023.

**YKK AP America Inc.** has begun operating from its new state-of-the-art manufacturing facility in Macon, GA. The 400,000-sq.-ft. purpose-built facility manufactures residential windows and doors for homebuilders and homeowners throughout the Southeast region.

## DISTRIBUTION NEWS

**MoistureShield**, a signature brand of Oldcastle APG, is partnering with Amerhart, an operating brand of **Specialty Building Products**, to expand distribution of its comprehensive composite decking portfolio in Jackson and Traverse City, Michigan.

**Specialty Building Products** and **TOOLBX**, an e-commerce platform for independent lumber and building supply dealers, announced a strategic collaboration to help SBP's customers capture the growing opportunity in e-commerce.

**Manufacturers Reserve Supply** announced a strategic partnership with **BRAVA Roof Tile**, an innovator in sustainable roofing solutions.

**Building Products, Inc.** announced it will be opening its sixth distribution center in Elk River, Minnesota, slated for January 2024. The new Twin Cities branch represents a pivotal milestone in BPI's commitment to meeting the evolving needs of its customers.

**CEO Warrior** announced that it has entered into an agreement with **Milwaukee Tool**, a global leader in delivering innovative solutions to the professional construction trades, to provide its membership with discounts and preferred access to the company's product line.

**Wolf Home Products** is expanding their distribution reach to service the building product dealers in Michigan, effective immediately.

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## INDUSTRY EVENTS

**FEB 20-22**

LBM ADVANTAGE 2024 ANNUAL BUYING SHOW  
Orlando, FL | [lbmadvantage.com](http://lbmadvantage.com)

**FEB 21-22**

BLD CONNECTION-BIZCON SOUTH  
Altoona, IA | [bldconnection.org](http://bldconnection.org)

**FEB 22-24**

ORGILL 2024 SPRING DEALER MARKET  
Orlando, FL | [orgill.com](http://orgill.com)

**FEB 27-29**

INTERNATIONAL BUILDERS' SHOW  
Las Vegas, NV | [buildersshow.com](http://buildersshow.com)

**MAR 5-7**

LMC ANNUAL 2024  
Houston, TX | [lmc.net](http://lmc.net)

**MAR 21**

BLD CONNECTION-WISCONSIN CONNECTION CONFERENCE  
Baraboo, WI | [bldconnection.org](http://bldconnection.org)

**MAR 23-25**

DO IT BEST SPRING MARKET  
Houston, TX | [doitbestonline.com](http://doitbestonline.com)

**APR 28 - MAY 1**

LBM ADVANTAGE 2024 NEXTGEN LEADERSHIP CONFERENCE  
Denver, CO | [lbmadvantage.com](http://lbmadvantage.com)

**JUL 25-28**

BMSA 2024 SUMMER CONFERENCE  
Chattanooga, TN | [mybmsa.org](http://mybmsa.org)

**AUG 14-16**

ALLIED BUILDING STORES FALL MARKET  
Grapevine, TX  
[alliedbuildingstores.com](http://alliedbuildingstores.com)

**SEPT 6-9**

DO IT BEST FALL MARKET  
Indianapolis, IN | [doitbestonline.com](http://doitbestonline.com)

**OCT 16-18**

LBM STRATEGIES CONFERENCE 2024  
Costa Mesa, CA | [lbmstrategies.com](http://lbmstrategies.com)

**OCT 23-25**

LMC EXPO 2024  
Philadelphia, PA | [lmc.net](http://lmc.net)

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# 2024

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BY RICK DAVIS

**IF YOU ARE A FAN** of a truly good story, you may notice the plot continually revolves around that central object that all characters pursue as if their lives depended on it. It's the golden briefcase in *Pulp Fiction*, the letters of transit in *Casablanca*, that little vulnerability on the Death Star in *Star Wars*. These literary and cinematic vehicles are known as MacGuffins.

## THE PRICE IS THE MacGUFFIN

The MacGuffin is the object that keeps the audience interested in the lives of the story's characters. Rarely are these MacGuffins items that would or could exist in reality. We never know what's inside of the golden briefcase, but only know it's *really* valuable. The letters of transit are a promise to escape Nazi persecution, but would the Nazis really honor their validity if they didn't want to? That little flaw in the Death Star pursued by Luke Skywalker is a ridiculous fiction, but we root for our hero nevertheless.

It's not the MacGuffin that keeps us intrigued, it's the underlying story that matters most. We see two criminals carting around a briefcase and feel compelled to root for them when Samuel L. Jackson's badass character strives for personal redemption. We ignore the fallacy of the letters' validity while rooting for the promise of a better life outside of fascist persecution. We forget entirely that an engineer wouldn't have overlooked the flaw in the greatest construction project in outer space while cheering for the triumph of good over evil.

So, you ask, what does the MacGuffin have to do with sales? My answer is: Everything! The *price* is the MacGuffin. It's the easy object to hover around in the absence of alter-

native motivations. Just like the characters in the stories, we attach all importance to the singular object of the price. It's the object that appears so real to us as characters in the plot of our sales movies that we never stop to imagine an alternate reality.

I'm reminded of the hilarious Geico insurance commercial that takes place in a horror movie. One terrified teenager pleads to the others as they try to escape the crazed murderer in the hockey mask, "Let's take off in the car that's running," to which another teenager wisely counsels, "Are you crazy? That's the first place he'll look. Let's hide behind the chainsaws!"

If an outside observer were watching our movie, they'd scream at the screen for us to forget the price for a moment. It's the MacGuffin. The real story is the sale. The total cost of doing business is infinitely more valuable than the price. The audience members would remind us that saving 4 cents on a 2x4 doesn't justify the cost if deliveries are delayed, accuracy requires additional deliveries, materials are out of stock, invoices are inaccurate, or a host of other factors that drive up costs.

With all this logic at your disposal, it begs the question: Why? Why do we fall for the plot line in the movie? I would suggest that the answer is speed. Speed kills. Speed is the enemy of profit. It behooves the buyer to speed up the buying process as the means to shop the market. Therefore, the buyer seeks multiple prices from different vendors and presumes they will all be alike. They are not going to take the time to discern the different factors of total cost.

In your movie, you need to realize that the moment you give your price, you've lost all power. The shopper believes they no longer need you after receiving it because you've done nothing to distinguish your value. Your career is a movie, and the plot unfolds as you choose. To this, I say change the MacGuffin! Instead of the price, make your MacGuffin about total cost. It's a better script to follow.



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](http://buildingleaders.com).

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BY BILL LEE

**I FREQUENTLY** observe companies in our industry using highly-aggressive buying strategies to lower their cost of goods, but they provide their sales force with very little education on how to optimize gross margin. This sounds so bizarre that it's difficult to believe.

Highly-trained buyers can be extremely effective at negotiating lower market costs, but perhaps the same fervor doesn't exist among the organization's sales personnel with respect to gross margin. As an example, the sales producer's compensation plan may provide a more handsome reward for sales improvement than it does for optimizing product mix and upgrading sales.

As an industry, we have undoubtedly made improvements in gross margin control, but we still have a long way to go. Special order sales are a good place to begin. Depending on how special order sales are classified, special order sales account for between 25% and 40% of sales, yet few businesses have professionalized the pricing of special orders. In many stores, the inside and outside salespeople are in a markup rut when it comes to special order pricing.

## BUYING BETTER IS ONLY A PART OF GROSS MARGIN IMPROVEMENT



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

I have spent many hours over the course of my career researching the benefits of balancing the ways personnel go about getting things done. When it comes to optimizing productivity, research makes it pretty clear that building teams with a diversified approach produces the highest level of results.

On the other hand, companies that make hiring decisions without the benefit of professionally-designed instruments (psychological tests) to help them identify the behaviors they are hiring, only recruit and hire based on their gut feelings and those of their coworkers whose opinions they respect.

All managers have most likely made hiring decisions they regret. Maybe they thought they were hiring a salesperson who was a master prospector, but after a few months the manager realized he was guilty of wishful thinking when he offered them the job. They didn't have the "right stuff." Managers can improve their success rate if they will use hiring tools as opposed to a *gut feel* to predict the strengths and weaknesses of the people they are bringing on board.

One of my mentors was masterful at using a perfectly designed, yet simple tactic that would reveal whether a salesperson was charging our company more than they were charging our competitors.

At the end of a long negotiation when he sensed the timing was right, he would address the salesperson with these words: "I want you to look me directly in my eyes and tell me that you are not selling your products to any of your customers at a lower price than you are selling us."

In the absence of this kind of bluntness, I question how buyers can know if they're buying as effectively as they think they are.

When making sales calls, it's not unusual for a buyer to tell salespeople that the price they quoted is too high. At this point, the salesperson has several options:

1. They could lower his price.
2. They could explain that their product was of a higher quality, or had a longer warranty than his competitor's product.
3. They could explain that their lead times were much shorter, etc.

Or, the salesperson could ask the buyer this question: Are you telling me that *if* our price was identical to our competitor's price that we could do business? The salesperson is not offering to lower their price, they are strictly asking a question. They are also learning if the buyer is a sincere prospect, or is he just negotiating to keep their current supplier honest.

If you are going to give your salespeople pricing authority, I recommend that you invest in basic negotiation training for your sales team.

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BY THEA DUDLEY

**Hi Thea,**  
**Do most companies have different versions of their credit application with different information on them for different types of businesses? For instance, should we have a credit application for a large, publicly traded company and another for a smaller company? What about government, education, and non-profits? I am not sure if we should be changing up our app for different types of businesses or I should change my process or what I look at.**

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## CREATING A WELL-CRAFTED CREDIT APP

Dear Double Vision,  
 How complicated do you want your business to be? Stop worrying about what most companies do and ask what best serves your company. What is driving you to question the need for multiple versions of your credit application?

The K.I.S.S. (Keep it simple silly) method has long been around for a reason. The more complicated you make any process, the less likely it is that people will follow it and the less successful you will be at implementing it.



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

Let's address the elephant in the room: Don't extend credit to consumers. That opens up an entirely different and complicated credit extension and collection landscape that most in our industry are not prepared to sculpt.

After that, it is simple and straightforward: Regardless of who you sell to—Chuck in a truck, farms, ranches, commercial, tract and residential contractors, property management, military, schools, non-profits, utility companies, distributors, big box, dealers, Fortune 500, or any government entity—no matter what type of organization they are, you only need one credit application.

They are applying for a credit account with your company. A well-crafted credit application that asks for all the required data—the who, what, where, and how—along with terms and conditions, is designed to put the “rules of engagement” for both sides out in the open. If you think of business as a game, consider your T&Cs the rules. Everyone knows how we are playing.

You will get exceptions. Large public corporations usually will not fill out an application and have a “pre-done credit information form” that they submit, usually with a purchase order (watch for T&Cs on those and make sure they do not conflict with how you roll). Government entities normally offer a contract or purchase order in lieu of that credit application. Make sure you read the contract, understand it, and question what you don't. Anything you don't understand, ask the company submitting and have a quick chat with your attorney to double check.

Big box stores and tract builders customarily use a master contract. If you are not familiar with reading these, and they are usually voluminous, don't be proud. Just like with government contracts, spend a few bucks with your friendly company attorney and make sure you are not creating a cashflow nightmare for yourself.

It is normally tough enough for a sales rep to get that credit app in front of the customer. Getting it completed and sent to you is another step. Do you really want to see that sales rep's face drop to the floor when you casually mention that you appreciate the effort but the customer filled out the incorrect credit app and can you ask them to fill out the correct one?

Have you ever watched a cartoon where the head explodes and glitter comes flying out? That will be your office. Covered in glitter, tears, and possible thoughts about your early demise as your sales person tries to form a socially acceptable response to what will be considered the cruelest question ever uttered.

Show that rep a little credit love. Have one well-crafted credit application. Glitter is optional.

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BY JOHN D. WAGNER

**I HAVE RECENTLY** found it's a relatively common experience among people my age (I'm 66) to ask, "What did my dad look like when he was the age I am today?" Most of us, I'm sure, look in the mirror after finding the appropriate photo and say, "Hmm, I'm not doing so bad! I've clearly got many more good years and miles left in me!"

The reason I'm thinking along these lines is that it's equally instructive (if not as sentimental) to do the same with your business' financial performance. For example, we had a client a while back who had really consistent gross profit margins (GPMs), year-in and year-out, with incremental improvement over time, as one would expect from a well-run operation. But, there was one clunker year in the mix.

Hypothetically, let's say their GPMs were running at 30%, then 31%, then dropping to 24%, and rising back up to 32% and 33% over a five-year period. Any acquirer is going to look at that business and ask, "Why did you drop to that 24% gross profit margin in that one bad year? That's quite a drop! Can you explain it?"

Chances are, you can explain it, as painful as the memory may be.

for items such as windows and millwork, were equally unpredictable. Even though it may have made you cringe when those customers called to say, "OK, ship that order you bid three months ago," you very likely honored the bid price, ate the loss, and saw your GPM drop as a result.

Going back to how I opened this column, what if you were to take the GPM you have *now*, and apply it—just as a mathematical exercise—to see what your business would have looked like without the one-time hit that so negatively affected your margin? Go to your summary income statement (assuming the Excel spreadsheet is set up using formulas), delete the 24% and apply your most recent GPM of 33%.

Now, look at your new resulting earnings before interest, taxes, depreciation, and amortization (EBITDA). It jumped. If only managing a business in real life were this easy! You have essentially remodeled that sales year when you got whacked, and you are now looking at it through the lens of your company's subsequent better performance.

If you are not selling your company, this exercise of swapping out GPMs is nothing more than a curiosity.

## EXAMINE YOUR GPMs OVER TIME

A drop in GPM like that from 31% to 24%—a negative 22.5% change—can happen for a number of reasons. A common one is that you got caught in a contract where you bid a large customer, or a series of large jobs, on the assumption that you'd buy the required materials at or around the price at the time of your initial bid. Especially a couple of years ago, that was a risky assumption. Lumber prices were fluctuating, often reaching to all-time highs. Other costs,

However, if you were selling your company, this exercise would be a crucial one. Here's why: Departures from otherwise consistent performance of your KPIs need to be explained to a potential acquirer. When seeking an acquirer, it's universally better to do this while preparing your deal for the market; make the explanation an element of the deal book. There's a snazzy term for this approach, "premortem," where you predict questions before you're asked. Work with your investment banker to show what the GPM *would have been* if not for that one bad event. Write a narrative to explain it. This will show what the EBITDA *would have been* if the GPM were normalized, or averaged over a period of years that excluded that glitchy 24% year.

Will acquirers understand and accept this? Well, most acquirers of LBM-related businesses certainly will. Those acquirers won't be surprised that you got on the wrong side of a trade. They've probably seen it before in their portfolio companies. They will also probably be impressed that you honored your bid price and ate the loss, all in service of building customer loyalty.

Finally, keep that old photo of your dad at 66 on your desk, to remind yourself how gosh-darn good looking you are today.



John D. Wagner is a managing director at 1stWest Mergers & Acquisitions, which offers a specialty practice in the LBM sector. [j.wagner@1stwestma.com](mailto:j.wagner@1stwestma.com).

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BY RUSS KATHREIN

# DON'T CONFUSE YOUR EMOTION FOR PASSION

**PASSION** is one of the most effective motivators a leader can demonstrate—passion for your business, your customers, and above all, your people. It's hard to resist following someone who shows that they care for what they are talking about. Whether it's winning the game, maintaining one's integrity, or truly caring about people, a passionate argument, supported by facts, will always hold sway over a simple presentation of facts and logic.

It's usually strong emotions, both good and bad, that drive your passion. A desire to win or a fear of failure, a desire for acceptance or fear of being deemed a fraud, the desire to be promoted and advance your career, or the fear of being passed over or even fired: all of these emotions can stoke passion.

I have always been proud of my passionate approach to my career. Often, people would ask why I was so excited (and probably loud). Was I angry or upset? "No," I would respond. "I'm very passionate." I realized my inner passion would not always motivate my people, primarily because it was driven



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

by my emotions, and in many cases, my fears. Over time I worked hard to "pick up the valleys of despair" and "knock down the mountains of excitement." People still knew I was passionate, but I presented it with more consistency and in manageable pieces.

Here are a few practices I found helpful to keep my emotions in check and passion evident:

**1. Get the facts first.** Before you react to bad news, get all the facts. I had a boss chew me out over a customer complaint before he heard both sides of the story. After he spoke to the customer, he found out that the issue was not what it seemed. He laughingly called me up and said not to worry about it, but the damage was done. I knew going forward that he would not have my back.

**2. Make it about the issue, not you.** It's easy to approach a problem thinking about how it might affect you, but to effectively tackle it with your team, you need to switch your approach to how it affects them. As a parent, it might work to tell your child how something makes you feel or that you are disappointed, but as a leader, you are not raising children. You are creating a dynamic and productive team. Teach them how to take initiative and act independently using good judgment that you have helped nurture. The most simple step is to avoid phrases that use the word "I." Leading with phrases like, "I don't ever want to feel this way again," or, "Do you know what I did for you?" make it about your emotions rather than about your team.

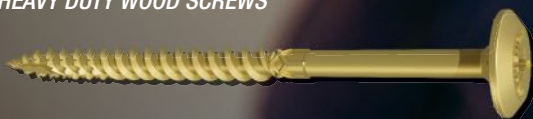
**3. Don't lose your team.** Like a forest, it takes a long time to grow trust and motivate your team, but it just takes one moment to burn it all down. I once witnessed a company leader gather his team together in a big room to "motivate the team." He proceeded to call out individuals on their performance and threatened them if they continued to let him down. He concluded the meeting by saying he didn't want to ever feel that way again, and everybody should do a better job going forward. After his speech, half of the team quit on him, and the other half resolved to do everything they could to stay out of his way and not draw any attention to themselves. The one thing the leader accomplished was that he never felt that way again about the leadership team. He was fired by the end of the year.

The challenge is to successfully convert your emotions to passion in a way that makes people buy in and want to be on your team. People will leave a manager who doesn't care about them. They'll follow a leader who motivates them.

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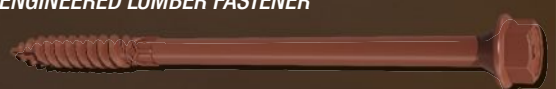
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# VALUATION: WHAT LBM DEALERS SHOULD EXPECT

BY SAM BROWNELL

**AS YOU'VE PROBABLY** learned from us over the years, successful succession planning for LBM business owners starts with obtaining an unbiased, third-party business valuation. When it comes to determining the value of your LBM business, being aware of the expectations before beginning the valuation engagement will provide you with a clearer understanding of the valuation process. Here's a breakdown of what you should expect:

## OBJECTIVITY IS KEY

When assessing the value of your business, objectivity is imperative. Your business valuation must be able to stand up to the scrutiny of potential buyers and regulatory bodies like the IRS. An objective valuation ensures fairness and credibility, providing a solid foundation for negotiations and legal compliance. When potential buyers or regulatory authorities examine your valuation, they should find a transparent and unbiased report that accurately determines the value of your business.

## FOCUS ON THE FUTURE

While historical documents provide the valuation analyst important information about your business in the past, a proper valuation must go beyond and look into the future. Valuers analyze your historical data to understand your business' growth trajectory and the sustainability of your earnings. However, the real value to a potential buyer lies in the expected sustainable future cash flows. Even if the valuation date is set for a specific point in the past, the valuator must project forward, considering factors such as the impact of future receivables, expenses, and how growth will be financed. This forward-thinking approach ensures that the valuation captures the value of your business to a potential buyer.

## COLLABORATION IS A REQUIREMENT

Be prepared to invest time in gathering documents and answering questions. The valuator's first task is to perform due diligence as if they were a potential buyer. Due diligence requires a thorough analysis of your business, which includes your legal incorporation and governing documents, financial statements, customer and vendor lists, contracts, and projections. This thorough analysis aims to identify potential issues that might arise during a sale. By addressing any concerns during the valuation process, the valuator's goal is to make the business more marketable for a future sale.

## DISCUSS THE ENGAGEMENT PARAMETERS

Because valuations are forward-looking, it is important to understand that the valuator will need to set specific parameters. Without these parameters, the valuation process

becomes challenging due to the numerous hypothetical scenarios that could be considered. As the owner, knowing these parameters (summarized below) can help both you and the valuation analyst communicate effectively.

- **Purpose of the Valuation:** Clearly define the reason for the valuation. Is it for a potential sale to a third party, internal gift or transfer, estate purposes, or other strategic decisions related to the business? Determining the purpose of the valuation is the foundation of a defensible conclusion of value.
- **Type of Value:** Depending on the purpose of the valuation, the valuation analyst will determine whether to calculate Equity Value or Enterprise Value. For example, Equity Value is used when a gift is made to a family member. Enterprise Value is used when selling your business to a competitor or financial buyer.
- **Date of the Valuation:** While this may not seem important, it is a vital component to a defensible valuation. Without a valuation date, there are too many hypotheticals to conclusively determine a value for your business. Therefore, we recommend that the valuation date be the most recent month, or quarter end, or end of the month immediately preceding a trigger event (e.g., death, retirement, etc.).
- **Discounts:** Understanding the applicable discounts, and when they are applied, is directly related to the purpose of the valuation. For example, if we are gifting a minority interest to a child, then we can apply discounts for lack of control and lack of marketability. These discounts lower the value of the business and allow the owner(s) to gift more of the business without exceeding the lifetime gift exemption. Conversely, if we are selling to a competitor, we do not want to apply discounts because we are negotiating for the highest selling price.

To summarize, a successful valuation for LBM dealers requires more than number crunching. It requires objectivity, a forward-looking approach, and a collaborative effort between you and the valuator to ensure that the process not only withstands external scrutiny but also adds relevant information for strategic transition planning. ■

PHOTO: @ISTOCK.COM/GILAXIA

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. [sbrownell@stratuswealthadvisors.com](mailto:sbrownell@stratuswealthadvisors.com).



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## DUSTIN BYARS

GENERAL MANAGER  
KAY SUPPLY BUILDING CENTER

Before working at Kay Supply Building Center, Dustin worked to grow a local IT company and an oil and gas company in Texas, and also started a successful landscaping business serving Air Force bases across the U.S. Today, Dustin has worked to revamp operations at KSBC as well as to improve company culture to better serve employees.

### How did you become involved in the LBM industry?

I have extensive experience across a diverse set of industries, but my primary focus was always on business organization, sales, and marketing. Following the COVID-19 pandemic in 2020, my wife and I decided we wanted to be closer to our hometown, so I began looking for new opportunities. After moving our family to the small town of Snowflake, AZ, the owner of Kay Supply (also a friend of mine) expressed an interest in taking his building supply company to a new level, ultimately enlisting my help. I began my position as General Manager of Kay Supply Building Center in early 2021, breaking into the LBM industry.

### What is your favorite part of your job?

Coming out of the chaos caused by COVID-19, the LBM industry went through a lot of changes into early 2022. I love that every day brings new challenges, from staffing to purchasing and everything in between. But what really stands out for me is how tight-knit this industry is. It's a close community where everyone, from supplier reps to experienced builders, are here to stay.

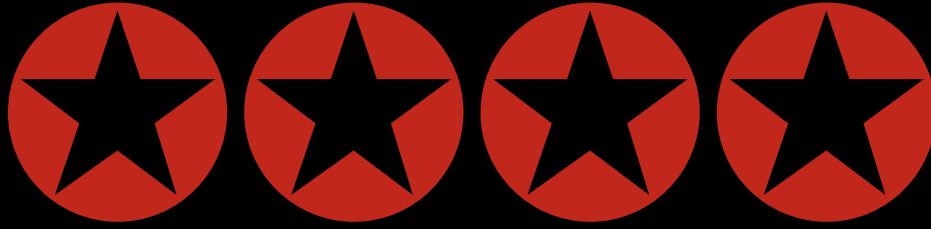
### What advice would you give to companies looking to hire young professionals like yourself?

Don't just focus on experience when hiring. Look for the right fit in terms of attitude and values. We've passed on people with tons of experience because they simply weren't a fit for the environment. Overstaff and invest the time and resources to develop the staff you want.

### What's your personal mission statement?

I'm all about creating workplaces where both customers and employees feel valued and respected, and where honesty and integrity rule. Building a culture that genuinely cares about people is what drives me in my work. ■

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## CONGRATULATIONS ARE IN ORDER

There's no question that the entrepreneurial spirit is alive in the lumber/building material industry. A hearty congratulations to **LBM JOURNAL'S 2024 DEALER OF THE YEAR** award winners.

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FROM LEFT: Kirk Jabara is part-owner who leads special projects and is involved in the overall business strategy of Preston Feather; Rachel Huntman, president and majority owner; Jake Huntman, sales leader involved in sales team development and customer experience.

# PRESTON FEATHER BUILDS ON A CENTURY OF SERVICE WITH A FOCUS ON INNOVATION

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

BY WENDY STURGES

**W**ith a steady focus on quality and efficiency, Preston Feather Building Centers has been working for more than a century to provide specialty materials for custom houses in northern Michigan.

Since 1915, Preston Feather has been family owned and operated, although the business has changed hands a few times. Founded by Preston Arthur Feather in Petoskey, MI, the business flourished in its early years, surviving even through World War II when the company was forced to move downtown to make way for military production.

After more than 60 years of ownership under the Feather family, the business was sold to Bill and Julie Norcross in 1979, who grew the business and oversaw the addition of the company's Harbor Springs, Gaylord and Traverse City locations. Seeking to retire, Bill asked his friend, customer and advisor Kirk Jabara to purchase the business. In the company's 100th year of operation, Kirk and Lynne Jabara bought Preston Feather in 2015.

After taking ownership, the Jabara family strategically invested towards future growth. "At the time, it required investment in virtually all areas," Kirk said. They built a new, 13,000-sq. ft. building center and showroom in the fast-growing Traverse City market. They accelerated growth of the company by investing in people, leaner processes and a more flexible fleet as well as the company's first fully integrated ERP systems and other software. The Preston Feather

brand and marketing was also freshened up to emphasize the company's niche in serving custom homebuilders in Michigan's waterfront resort region.

A year into those initial projects and investments, Jabara's daughter, Rachel Huntman, decided to join the business as Director of Operations in 2016. She previously had a career in public accounting, leading audit and advisory engagements for manufacturing, engineering, and construction clients. The opportunity to be part of the family business and impact the northern Michigan community that she grew up in motivated her to make the move. Her initial responsibility was to lead the major systems overhaul.

After years of working with her father, Rachel purchased the majority of the business in 2021. That year Huntman's husband, Jake, also joined the family business. With a background in leadership which started with his service in the U.S. Navy, Jake now plays a key role helping lead Preston Feather's sales initiatives, training sales team members and improving the customer experience. Being a family business based on meaningful core values is crucial to the Jabara and Huntman families, although they joke that they consider Preston Feather a 108-year-old start up company.

Huntman said one key strategy during these transitions has been maintaining longstanding relationships with builders while empowering her team to always be looking for ways to improve. ▶



PHOTOS BY: KIM METTLER, SHELLY MOREY, SHAWN CLANIN

“When I first started, the phrase, ‘this is the way we’ve always done it,’ was used on a daily basis,” she said. “Now, it’s really, ‘we can make that better.’ It’s fun to see the continuous improvement culture grab hold. We want to innovate, we want to be the best, our team is competing against ourselves to see what we’re truly capable of.”

### Shorter build cycles

One of the best examples of how Preston Feather is innovating, under Huntman’s leadership—and a key reason for the company’s selection as an LBM Journal Dealer of the Year—is collaborating with builders to deliver smoother builds. “By working closely with our builder customers throughout the planning phase and communicating throughout the build cycle, we’re better able to manage variables like supply chain issues and labor shortages,” she explains.

In fact, Huntman and custom builder Jon Newbury took the stage at LBM Strategies Conference 2023 to share the details of how they collaborated to build a 10,000-sq. ft. custom home and 3,500-sq. ft. carriage house, gaining occupancy in just 10 months despite winter weather and association moratorium constraints. “Shortening build cycles—effectively helping our builders complete more homes in less time—is a key growth strategy.” [To watch their presentation, visit [bit.ly/LBMJxPrestonFeather](https://bit.ly/LBMJxPrestonFeather).]

### Onboarding and company culture

Jabara and Huntman said they hope to honor the memory of Bill Norcross, who passed away last year, by carrying on Preston Feather’s legacy. “We talk a lot about legacy—Bill’s legacy, our legacy, Preston Feather as a whole—it’s an important piece of our culture,” Huntman said.

Huntman mentioned one priority has been creating a great culture for its 120-plus person team. The team has a common goal: working towards providing the best customer experience. To that end, the company helps train all team members to communicate, listen and understand customer expectations. New employees will find themselves quickly immersed in all parts of the company, Huntman said.

“We have each new team member shadow various roles, so they understand the customer experience from start to finish. They shadow our sales team, go on a ride along on deliveries, understand the collections process. It’s really important each member of the team sees the full picture.”

In 2023, the business continued to grow to approximately \$80 million in revenue—more than twice 2018 revenue—which Huntman attributes to Preston Feather’s team and investment focus.

“[Our team is] the reason why we do this, that’s fundamentally why our family is in this business. We want to make our teams’ lives better, which in turn positively impacts our communities,” she said. “Making everyone feel like they can take ownership and feel empowered here is really important to me, and it’s important to our leadership team.”

### Carving out a niche

The business is more than 80% pro-oriented, and their brand centers around understanding and contributing to the success of their builder customer’s business as if it were their own. Huntman said they’ve invested heavily in their showrooms, also called “decision centers” at each of Preston Feather’s locations.

“We know that we work best when we’re partnered with a builder at the very start of the project concept,” she said.





Because of the quality and creativity demanded of custom home building, Preston Feather's approach has been to stock premium grade lumber and source special orders through a network of high-quality suppliers of specialty products. Core product lines include materials for foundations, framing and framing components, roofing, windows, doors, decking, trim, cabinetry and tops.

Some of their key brands include Marvin Windows, Azek and TimberTech Decking, LP SmartSide, Woodharbor Cabinetry, Zip Panel Systems, and Nudura Insulated Concrete Forms. The company relies on vendors to meet Preston Feather's culture and customer experience standards. Ultimately, they recognize the Preston Feather brand is the one being represented to the end users of the product.

Huntman said their sales team provides value to their builder customers by identifying which materials will best fit the application and needs of the project. "Fifty percent of our business is special order, so that means we have to source the right product for the right application and get it to the jobsite at the right time and the right place."

Many of the projects supplied by Preston Feather are located on lakefronts, bluffs or islands that are difficult to access. The company has had to develop a customized approach to product handling and logistics. They have a specialized fleet and experienced team capable of adapting to logistical challenges. For instance, that approach has come in handy when delivering to sites located on Mackinac Island, located off the coast of northern Michigan. Local ordinance prohibits the use of motorized vehicles, and harsh winter conditions can mean getting creative to get jobs done.

**THE BUSINESS IS MORE THAN 80% PRO-ORIENTED, AND THEIR BRAND CENTERS AROUND UNDERSTANDING AND CONTRIBUTING TO THE SUCCESS OF THEIR BUILDER CUSTOMER'S BUSINESS AS IF IT WERE THEIR OWN.**



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Founded:	1915
Ownership:	Family
Locations:	4
Employees:	121
ERP Software:	ECI Spruce
Top Three Brands Sold Based on Revenue:	Marvin Windows Azek / TimberTech LP Smartside

"Everything is horse-drawn on the Island," Huntman said. "We facilitate getting products to barges to bring it over and typically horses take it from there. We've actually had a helicopter deliver trusses in the past. In the winter, there's an ice bridge that forms and you can get over that way, but it is challenging."

"The supply chain management challenge for us is about how to get customers tailored products that are designed and made-to-order. We work further upstream with architects, and we work all the way through with builders and homeowners, and we do it in northern Michigan where the conditions aren't always the best," Jabara said.

In the future, Huntman said the company plans to continue to grow. In the short term, it's focused on the Traverse City market and will be doubling the location's distribution capacity. Preston Feather has a variety of growth opportunities; however, she said what's most important is that the company continues to build on the strong foundation.

"We've done a lot to date to set ourselves up for growth in the future," she said. "It is important we have that foundational culture and build our team in a way that as we keep growing, we'll be able to sustain our culture and stay true to ourselves, specifically our commitments to our team members and customers. Growing intentionally without losing sight of our legacy is important to us." ■

# HOUSING AFFORDABILITY AND INTEREST RATES

While many economists are predicting a drop in interest rates in 2024, it seems nearly impossible to pinpoint exactly when that will be and how quickly that will affect the housing market. In the meantime, rates are hovering over 6%, still nearly double the rates seen at the height of the COVID-19 pandemic. Coupled with low inventory and rising prices, it's difficult to plan for what the next "new normal" will bring and how LBM businesses will be affected.

BY LBM JOURNAL READERS

Nearly 140 readers responded to our Real Issues survey email (let us know at [operations@lbmjournal.com](mailto:operations@lbmjournal.com) if you'd like to be on the list). The question:



Within just a couple of years, we've seen interest rates go from historic lows to more than 8%. Not only that, housing prices in our market have seen a steep climb, with no end in sight. Our business slowed significantly the second half of 2023, and with high interest rates and high housing costs, I'm concerned about what 2024 holds in store. What are other dealers doing to keep their business strong in this environment?"

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

"We look at our customers one at a time. Our devoted and return business receives a tight margin on engineered and building lumber needs. Our potential new customers will be awarded with similar initiatives but generally higher margins. But to even entertain new business, we must be fair and competitive. It's a fine balancing act but crucial for all return and new customers."

"We're working hard to land all possible sales, and managing our costs very closely."

"Some are specializing on their profitable best-selling products; others take on new products that have more profit promise."

"Focusing on our strengths and reducing overhead of dead stock. Concentrating more on providing excellent customer service and manufacturing/providing a superior product compared to our competitors."

"Get paid and foster sales."

"Evaluating alternative vendors and the services we provide. We've always been a mid- to high-level kitchen design supplier, and we've brought in more entry level brands we didn't touch prior to keep business flowing through for customers focused on price. We've increased our early buys so that we can get an extra point or two on those products we know we will sell—adjusting space to be able to house an increase in inventory. Really, we are willing to take risks on new options if we believe the ROI will be worth it in the long run."

"In the next 10 to 15 years, home ownership will be a thing of the past. it will be unattainable for the majority of people."

"Stay the course and be better than we were yesterday."

"More of a focus on the remodel area of the business. When people cannot afford new housing, they often will remodel what they have. Our home decor business as an example has grown over the past year."

"Diversify. Sticks-only yards will suffer."

"Slowed significantly in 2023,' is a loose term. We need to study five years prior to get a better understanding of the concern. We look at the last three years as a 'bonus.' Bonuses don't last and are to be enjoyed while they last. But you shouldn't count on them. Look back into 2019 and see where your business sits. Are you doing things any different than 2019 that raises your overhead? Do you still need those things? Maybe two or three extra employees for example. Don't expect the market to stay the way it has been the last three years. If your 2023 ended much like 2019 did, then look at what you need to change in order to match where you were then, and build from that."

"Focus on multi-family projects."

"Simply adapting to focus on what the market is giving us. In other words, don't leave any stone unturned. Single-family, multi-family, commercial, and remodel. Have members of your team reaching out in all directions."

"Maintain high quality reputation and relationships."

"Do you have the means to call on general contractors building MF (multi-family) projects? Do you currently offer installed sales as an option? Do you sell to remodeling contractors? Can you add to your sales team? Can you invest in training during the lean times so when the rates drop your sales team will be poised to take advantage?"

"We are small and lean. Our home builders and their customers are looking for the best bang for their buck and are more concerned about service and price consistency so they can properly plan and bid. As they tighten their belts they need no surprises. This gives us an advantage because we control those parameters well."

"Our products are all custom."

"Diversify your offering. This will increase sales with current customers and draw new customers that may have never looked to your company for products."

"Since current homeowners cannot trade up, concentrate on opportunities for remodel and help homeowners build equity in their current homes."

"The biggest challenge is managing the impact of interest rates on working capital costs."

"We focus on deck projects and adjacent projects; we expect to see more 'improve what you got' projects rather than new builds and people moving."

"I think it is important to promote development of affordable housing to local, county and state officials, as well as anyone that has an interest in development. That will help our communities sustain a balance of growth."

"We're concentrating on the market where people have low mortgage rate loans and are interested in remodeling to increase the value of the home and enjoy their remodeled space. Instead of moving to a newer or larger home with a much higher interest rate loan."

"Pay attention to the details that you can control and improve your execution. Interest rates are beyond our control."

"We are remaining focused on training and improving our sales teams and facilities. We will also be looking to increase our gross profit percentage to cover for the decrease in topline sales."

"Taking market share. Reducing overhead."

"I think everyone is in somewhat of the same boat. The areas that we service that are heavy custom cash buyers have not seen much of a change. The yards servicing metro areas and outlying places are starting to see a bit of a slowdown, partly with the winter season and the holidays. We are watching labor, and focusing on our loyal customers to make sure they are happy. People qualifying is definitely a problem in the starter home market. Builders offering buy downs on rates have had more success and are staying somewhat busy. There are always unhappy customers at the competition, it's a matter of catching them on the right day. Making sure our sales teams are staying engaged and not taking the winter months as a retreat from prospecting."

"Everyone needs to get honest on the margin line, and the independents left need to hold on and not sell to the three acquisition companies that pretend to be LBM dealers."

"We are trying to reduce our expenses as much as possible and have reduced some of our employee hours to save on payroll cost."

"Pay attention to remodeling and ancillary businesses. People with lower interest rates locked in are staying put. During the housing craze of 2020-22, people purchased homes that didn't necessarily meet their needs. Remodel opportunities will be significant."

"Home building has slowed a bit, but there's still a housing shortage. I think builders will find creative ways to sell some houses."

"We try to use best business practices. Manage inventory, manage payroll, special terms on large purchases, sell everything we can."

"We are seeing a similar pattern. Middle- to low-end housing has been impacted significantly while the higher-end and multi-family continue to do okay. Remodeling seems to be in line with this trend as well. Our focus will be to continue doing what we do well and at the same time, invest any available time on educating the new staff brought in during the busy times. This is a cyclical business; it will come back. The lack of housing in our market contributes to the problem as well."

"Control costs, expand sales team."

"It's back to pre-pandemic business levels—immediately adjust accordingly."

"We're growing our installation services as we anticipate more homeowners remodeling vs. building new due to interest rates."

### Responses from wholesale distributors, manufacturers, and service providers:

"Fighting like hell to grab market share with new lines that offer lower costs and efficiencies to their builders. Negotiate cull and prebate programs with as many vendors willing to go that route."

"Stay the course. Homeowners are experiencing higher equity in their homes and will be looking to improve/ remodel them if they stay put."

"Staying the course—offering superior service and keeping prices affordable on the items that we can."

"Looking to find ways to sell convenience and knowledge. With inflation stressing every aspect of the building industry, we need to find ways to reduce barriers between the clients' dreams and the completion of their project."

"The cost to serve the customer needs to be optimized at all levels. There is no room for fat in operations. Everything must be evaluated and optimized."

"Keep your cost down and watch your inventory. Try to diversify into more remodel and multi-family housing."

"Staying as diverse as possible. Making sure we can service remodelers for those that decide to stay in-house, commercial accounts for the projects of rental properties, competitive pricing for the new housing market to keep us playing the game."

"Margins must be examined. I feel community involvement is paramount. Take care of your contractors who take care of you."

"We are not seeing a large decline in construction of high-end homes; both land and existing home have continued to rise in value. The cost of building high-end homes continues to rise but people haven't backed away from building their dream homes in our area."

"We continue to serve the local market, listening to our customers, and guiding them to sound business decisions."

"Customer are switching to cheaper price products; however, they want make the same profits. They are least a customer for their vendors."

"Focus on different markets such as remodeling and light commercial."

"Be patient, these cycles are not new."

"We are strategically going into new markets in terms of geography and adding salespeople to accomplish this tactic." ▶



# It's more than an insurance policy.

Jeff Evans, Loss Control Consultant

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“Playing inventory close to the chest.”

“We offered an incentive, 5%-ish, and that helped fill the first quarter; our forecast for the remainder of 2024 is as strong as, if not stronger than 2023.”

“Continue to focus on your customers’ success. As builders go through a phase of contraction, their profitability becomes their primary concern. Ensure the products and services you offer make positive impacts on their bottom line. Contraction in your own business is not an unrealistic option. Those business that managed contraction effectively in 2008 are the success stories of the last 15 years. Make sure you understand the difference between cost cutting and cost control. Cutting costs will reduce your ability to capitalize on opportunity, while cost control will allow you to create efficiencies while staying agile.”

“Have inventory and deliver when you promise!”

“Put sales and marketing efforts into resilient materials for maintenance-free upgrades to existing homes. Focus on catering to the Silver Tsunami—10,000 Americans are turning 65 every day, into the next decade. Tract homebuilders are building to meet demand. Mid-range homebuilders are struggling. Luxury/custom home builders are still seeing demand. Salespeople need to step up their efforts. The last few years have been a cake walk for them.”

“Cut costs and ride it out.”

“Target the people not moving. Someone may not want to move from a 3% interest rate to an 8% (understandable), but that may be the perfect time to remodel.”

“Sticking with industrial and government business.”

“Diversify—keep your business relevant in your community.”

“I bought my first house when interest rates were at 12.5% and I was delighted when I was able to refinance at 9.5%. But, housing prices had not also spiked as they have today. That combination is a significant challenge, particularly for first-time home buyers. And, buyers with current low rate mortgages are now reluctant to move. That may point towards more remodeling activity moving forward.”

“Continue to focus on the retail market place.”

“Listen to your customers. If they give you an opportunity to retain their business, do it.”



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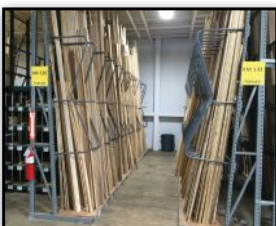
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“We have the east coast, anywhere along the coast is a multi-million dollar housing market, where price is not a concern. With the housing market having no inventory and the interest rates over 7%, the remodeling market will be the safest place to do business. The national home builders are only starting new houses if there is a deposit on them. Interest rates will remain high until after the election. Everyone is in a wait-and-see position.”

“Watching inventories closely.”

“You should not wait until an emergency to prepare for said emergency, by then it is too late. There is still a housing shortage, and so homes will still be built. Just be patient while everybody adjusts to the new conditions, builders will build smaller homes or make other adjustments to keep prices for buyers in the sweet spot for their locality.”

“Broadening focus to R&R. There is still money being spent on higher end projects. However you must have the internal project coordinating resources to track these jobs, as clientele are willing to pay more but want accuracy.”

“Ecommerce.”

“We’ve been cutting back on costs to better position ourselves for a possible recession.”



**How much of a problem are housing affordability and high interest rates in your market?**

“Interest rates seem to be impacting builder confidence more than the homebuyers. Housing shortage continues to be the biggest factor in affordability.”

“For a first-time homebuyer in our market, it takes a combined income of between \$100,000 to \$130,000 and depending on the suburb in Salt Lake City, a starter home would average \$300,000 to \$400,000.”

“As the prices increases in markets, that first time homebuyers cannot afford a new place.”

“High interest rates, coupled with a dramatic slowdown in issued building permits, has led to a 20% drop in business. We have been able to keep all employees at the present time due to retirement, but if this continues much longer we will have to lay off staff, something we have never done in 78 years!”

“It is an issue, however the increase in R&R comes when people are not ‘moving up’ to fill part of that gap.”

“We are seeing a slowdown on inventory requirements. Projects seem to be placed on hold and the big push when homeowners were at home doing upgrades has stopped.”

“Our leads are down 30% year-over-year, but our orders are actually up as we have seen a decrease in people looking for pricing versus people ready to move on a project.”

“Wage growth hasn’t kept up with housing costs, and it’s now a major hardship for people to afford to keep a roof over their heads.”

“The issue has moderated over the past several months. New housing is becoming more available but not necessarily more affordable. Rent-to-own is catching on, as is a plethora of new apartment choices—but we live in a university town.”

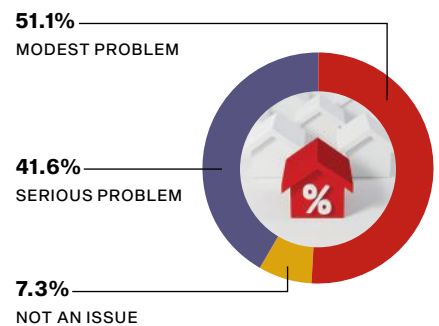
“Interest rates are too high. People do not want to give up a 3% mortgage for one over 7%. People do not have confidence in our state and local governments to handle the money crisis.”

“Texas and Central Texas in particular are seeing a slowdown because we have dropped out of the affordable cities class into expensive cities to live in. Housing is driving much of the dip.”

“High rates are inhibiting younger buyers from entering the housing market and keeping existing homeowners locked in where they’re at.”

“It really affects the entry-level housing market, which is a larger portion of the permits issued. It’s a problem but we also can pivot into other markets.”

“Housing construction is still growing in our area and isn’t as bad as elsewhere in the country. However, consumers are more price conscious for our product (fencing).”



“Slower home sales definitely impact our business, but we also realize that sub 3% mortgages were not sustainable.”

“If interest rates continue to move higher, future projects will definitely slow.”

“The average person doesn’t have any resources to spend because of inflation and high interest rates.”

“Production builders are squeezing suppliers as they are facing rising land acquisition costs and they want support for rate buy-down costs.”

“Housing starts just keep carrying on, defying gravity.” ■

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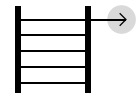
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Faster Install

## Market indicators point to potentially strong growth for this segment.

BY MIKE BERGER

**THE FAMOUS AMERICAN ARCHITECT** Frank Lloyd Wright had a thing for trim and moulding. In his house designs, he made liberal use of overwhelming horizontal lines—rows of windows extensively trimmed out, with very little verticality in the design. To him, this design style connected the house to the area where it is built, with the horizontal lines echoing the ground the building sits on. He tried to unify buildings with nature because he believed more harmony makes for a better society.

To this day, Wright’s designs are hailed as masterpieces and are copied by many of today’s architects. And even when they’re not emulating his buildings, they continue to make good use of trim and moulding to personalize homes, both inside and out. This time last year, industry experts expressed cautious optimism, for while housing starts were dropping, expected upturns in the repair and remodel segment held the promise of potential growth for the trim market. The coming year, however, could bring an entirely different landscape for trim and moulding.

# MOULDING

# TRIM +

“There are several factors that could potentially support remodeling and repair spending,” says Steve Booz, vice president of marketing for Westlake Royal Building Products, “including record levels of home equity and the significant amount of people still working from home. During this time, we foresee smaller projects and those with high return on investment being prioritized. Even with constraints in time or budget, there are still impactful projects that can enhance a home’s ROI. With creativity and effort, these ideas offer an accessible means to updating a home.”

For example, he explains, integrating trim and mouldings has always been an easy, affordable way to add unique architectural details to a home. “In 2024, we expect a growing demand for classical architectural elements, such as trim, mouldings and columns, due to the increasing construction of single-family homes. New homes often incorporate these details to enhance their upscale appearance and overall market appeal.”

Rick Kapres, vice president of sales and marketing for Versatex Trimboard, predicts the category to potentially experience rapid expansion in 2024. “With the evolution of more of low-maintenance trim and moulding products made from cellular PVC and other moisture-resistant materials, builders and designers continue to add more detailed elements for beauty on homes and businesses.”



Made from upcycled rice hulls, Acre trim boards from Modern Mill are a sustainable trim option that the manufacturer says has the look and feel of wood and is water-, weather- and pest-resistant and guaranteed not to rot or splinter. Its new Acre Rabbeted Trim boards are designed to cover the ends of Acre siding for a clean and uniform finish.

According to Freddie Mac, the average 30-year fixed mortgage rate had dropped to 6.67% at the time of this writing, and as reported by Forbes at the end of the year, while inflation is still well above the Fed's long-term 2% target rate, policymakers released updated economic projections with a lower rate range for 2024 that included three potential cuts by year's end—all of which can have significant impact on the growth of the trim and moulding market over the next 12 months. Still, manufacturers relate feeling optimistic about the market.

"We see the trim and mouldings market continuing to outperform in 2024," says Kim Guimond, chief marketing officer for Modern Mill. She explains that the company's optimism stems from factors such as the demand for new construction and remodels, as products like trim and moulding are foundational for homes to achieve a more high-end aesthetic and offer improved marketability. "Even with uncertain interest rates, we anticipate remodeling projects to generate the most demand requiring the replacement of existing, or new trim and moulding products." ▶

Royal WoodTone from Westlake Royal Building Products blends rich wood looks with the rustic warmth of beadboard trim. It features the look of stained wood, is moisture and insect proof, and utilizes a hidden nailing hem for seamless installation. It's available in American Walnut, Oak Ridge, Natural Cedar, Smoke Grey, Weathered Oak, and Charred Timber.



Danny Moe, sales manager for International Wood Products (IWP), shares similar thoughts in regards to new construction. “For the exterior trim category, we see 2024 bringing moderate growth in the western states we serve,” he predicts. “This product category is heavily weighted toward new construction which is affected by interest rates. That said, we are more positive than we were at this time last year when interest rates were still rising. With economists prognosticating interest rates of 6.5% by end of 2024, the new construction market could be well positioned for a strong second half, into 2025.”

### Improving market conditions

Everyone is painfully aware of how challenging the past few years have been when it comes to supply chains and labor. For the trim and

In addition to the company's pre-assembled column wraps, Westlake Royal is introducing a new “knocked down” version that it says is easier for dealers to keep in inventory. Resistant to moisture, PVC column wraps prevent issues found in traditional wood columns, such as warping, rotting and insect damage. Available in a variety of ready-to-install styles, they can also be painted to complement your home's exterior color palette.



moulding segment, manufacturers see an upturn of conditions for LBM dealers.

“In 2023, there were notable improvements in supply chains within the building products industry,” says Westlake Royal's Booz. “Looking ahead to 2024, there is optimism that supply chains and material prices will further normalize. However, the industry is likely to grapple with persistent labor shortages in the long term. Compounded by homeowner hesitancy towards new remodeling projects, there is an anticipated impact on remodeling spending.”

In navigating these challenges, Booz suggests builders will need to have a comprehensive understanding of their projects and the ability to leverage products and technologies that address these concerns. This presents opportunities for building product manufacturers who can adeptly fill the gaps created by these challenges.

“Barring any unforeseen upstream issues, most Westlake Royal Building Products trim and mouldings products are back to normal lead times,” he points out. “We are also happy to say that we have begun to re-introduce products that had been furloughed as well as launching new products to the market, particularly in our siding and trim businesses.”

Booz isn't the only one to see the potential of good things on the horizon. “We see many positives, like stabilization of supply and the innovation of durable and sustainable options,” says Modern Mill's Guimond. “The challenges we see may be experienced more on the construction side where labor shortages may continue to persist.”

When it comes to labor, there are also some positive upturns that have manufacturers feeling cautiously optimistic. “The good news is we have a lot of younger people in the trades, which is great for our future,” explains IWP's Danny Moe. “The challenge is the time to develop the skills and knowledge to properly handle and install trim, and the challenge is exacerbated by the wide range of trim products available and varying requirements for storage, installation, and finishing.”

### Color on the rise

While the old adage of “a rising tide lifts all ships” certainly holds true for trim products, certain product trends lead the way when it comes to builder and consumer demand, and the smart LBM dealer will position themselves to take advantage of those trends. ▶

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For example, color. Of course, neutrals will never go out of style, but industry experts say they are warming up with buttery and blush tones rising in popularity. Experts also point to color becoming more personal in the coming years, and bold choices are trending more prevalent than ever.

“In 2024, timeless off-white and cream hues will continue to dominate home exteriors, providing versatility and a modern aesthetic that complements diverse architectural styles,” Westlake Royal’s Booz explains. “Light

Versatex’s Canvas Series is an exterior-grade wood-look laminate that’s available in nine colors in two T&G profiles. According to the manufacturer, it’s an ideal choice for applications such as soffits, porch ceilings, accent walls, and even interior applications.

grays, browns, and bolder blues will also emerge as popular choices for a fresh and contemporary look. When it comes to a home’s exterior, the role of trim is pivotal in shaping its overall appearance, contributing character and charm. Exploring various trim styles, colors, finishes, and creative details allows homeowners to craft a personalized and aesthetically pleasing finish that harmonizes with the home’s architectural style.”

Creating a seamless, elegant look, he goes on to say, while contrasting trim colors can create visual interest and highlight architectural details, with black trim particularly on the rise for its ability to make a bold statement against neutral siding colors. And for those looking for something in between, you’ll be in luck as he is predicting an increase in popularity of soft colors like warm brown or taupe for trim.

When it comes to interior color trends, dark tones such as black and charcoal grey continue to be in demand, along with bold earthy tones like navy blue, forest green, dark brown, and red. “Vivid teal and aqua blue are also forecasted as trending colors for 2024,” says Booz, “evoking a sense of calmness and tranquility.”

In 2023, home interior design trends prominently featured nature-inspired colors and textures, emphasizing warm earth tones. Looking ahead through 2024, the desire to bring nature indoors (a design philosophy called biophilic design) persists, but with a shift toward more daring color choices. Bolder earthy tones are expected to be prominent, often combined with nature-inspired materials for an infusion of organic texture and warmth.

Modern Mill’s Kim Guimond sees similar trends for trim and moulding. “Biophilic design seeks to increase humans’ connection and ability to live more seamlessly with nature,” she explains. “Supporting the biophilic trend, we will continue to see earth and organic tones including greens and browns which are nature-inspired and timeless.”

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## Consultative partnerships bring success

With this potential uptick in sales for the trim and moulding segment, what should LBM dealers be prepared to do to best serve their customers? According to manufacturers, the best tactic is to serve in a consultative fashion. “Dealers can help their customers return to focus and encourage them to spend their resources (of which time is the greatest) wisely,” Modern Mill’s Guimond recommends. This might look like investing in relationships and building partnerships with installers with technical ability and innovative skills, focusing on helping your team upskill and learn how to be consultative, choosing projects and materials that play to their strengths, and focusing on markets where success is more likely.

IWP’s Moe agrees, pointing out that, with the number of less experienced installers in the market, it would be beneficial to re-focus on being consultative sellers, at both the dealer and distribution levels. “If we are well versed in the features and benefits of each trim product available, we can more effectively provide the best product for a specific project,” he explains. “Packaging the product to protect it on the jobsite will help protect product prior to installation, and have plenty of resources on hand from your distribution partners, whether printed installation guides, industry install resources, or weblinks to online sources.”

Sarah Caperton, director of siding innovation and commercialization for LP Building Solutions, points out the benefits of utilizing technology tools to aid in being a better solutions resource. “To navigate the challenges in the trim segment, we recommend leveraging best practices such as incorporating a home visualizer tool, like the LP SmartSide Home Visualizer,” she says. “This tool enables users to explore various textures and colors, encouraging a departure from the conventional white trim. Additionally, our design recommendations on

LPcorp.com serve as a valuable resource for inspiration, providing insights to help dealers and customers make informed decisions and stay ahead of evolving trends in trim.”

And when it comes to resources, LBM dealers have access to myriad choices from the trim and moulding manufacturers. For example, in addition to the previously mentioned LP SmartSide Home Visualizer, LP Building Solutions also offers an array of training videos and courses, with content available in both English and Spanish.

Westlake Royal Building Products provides a range of online design tools to assist builders and homeowners in visualizing how various products will appear in home designs. Notably, tools such as HomePlay and Virtual Remodeler enable users to preview trim and other exterior elements, allowing for virtual customization of a home.

Versatex offers accredited AIA courses for architects that dealers can take advantage, and it recommends dealers set up trainings for their builders and contractors to educate them on new products. “We recommend that all of our dealers at least bring Versatex sales representatives in to conduct a Contractor Breakfast,” says Kapres. “We pay for it and it only takes about 90-120 minutes, but it really helps create a greater comfort level for the builders and drives sales for the dealers.”

In the case of Modern Mill, in addition to hands-on and in-field product support, it offers AIA and Green Building courses on Biophilic Design, with the goal of giving the LBM community (and extended community of architects, designers, and builders) inspiration to design in harmony and

more systematically with nature. “We believe this offers an interesting and meaningful conversation and set of tools dealers, builders, and designers can use to engage homeowners and differentiate their businesses,” Guimond points out.

And for its dealers in the western states, IWP provides training in conjunction with its manufacturing partners. “We provide training at the dealer level on request, set up lunch-and-learn opportunities, and provide jobsite support,” says Moe. “If one of your contractors has a new siding crew, we would love to spend some time with them in a hands-on learning environment!”

In the end, the best strategy for LBM dealers when it comes to trim and moulding is to be as knowledgeable as possible and to then convey that knowledge to your customers. As Westlake Royal’s Booz puts it, “Dealers, being at the forefront of customer interactions, need to provide transparent information on product availability, cost, and potential delays. It is crucial to keep supply information updated on websites and portals, especially considering the current challenges in the supply chain.” By following this advice, you’ll be able to keep your trim and moulding business as rooted to your customers as a Frank Lloyd Wright house is to its setting. ■

LP Building Solutions’ newest offering is its LP SmartSide Trim in Brushed Smooth Texture, available in both primed and in a variety of prefinished ExpertFinish colors. Tailored for the modern farmhouse aesthetic, this trim features a subtle linear brushed finish that delivers a modern aesthetic that can blend well with most styles.



# PIER ADVANTAGE

Pier Advantage Wood Dock Planking is a natural, environmentally friendly, and beautiful solution for building docks, decks, piers, and boardwalks. Pier Advantage is engineered with eased edges and stress-relief grooves, reducing the natural tendency of wood to cup. Made from appearance-grade Southern Yellow Pine, each board is carefully selected to ensure top quality and appearance.



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

**VERSETTA STONE ACCESSORIES**

Westlake Royal Building Products is expanding its Versetta Stone siding line with a new Large Light Box and new accessory colors. The accessory expansion includes new Large Light Boxes, measuring 9.5" x 15". The new size provides a finished look behind sconces at the home's front entryway, garage, and rear entry, and it is available in Charcoal, Stone Grey, and Taupe. In addition, three existing accessories have new color options: Trim Stone (also shown here) is now available in Stone Grey as well as Taupe and Charcoal. The Trim Stone measures 36" x 9-1/2" and has an 8.2" exposure. Starter Strips also are available in Stone Grey in addition to Taupe and Charcoal, and they come in 10' lengths, install with mechanical fasteners, and have built-in weep holes for drainage. J-Channel offerings now include Charcoal and Stone Grey as well as Taupe. J-Channel comes in 10' lengths. [versettastone.com](http://versettastone.com)



**TREX CABLE AND GLASS RAILING SYSTEMS**

Trex's new X-Series Cable Rail and X-Series Frameless Glass Rail are the newest additions to the Trex Signature railing lineup. Delivering a modern, streamlined profile, this new series is anchored by the X-Series Post, which can be configured to accommodate either cable or glass infill. Sold in kits, Trex Signature X-Series Cable Rail (shown) features spring-loaded cables for optimal tension management. Trex Signature X-Series Frameless Glass Rail is sold in a one-size-fits-all infill kit. Like all Trex Signature railing options, the new X-Series offerings are crafted with premium-grade aluminum, while a durable powder-coated surface allows the railing to retain its color and resist corrosion, and they're backed by a 25-year limited residential warranty. [trex.com](http://trex.com)

**MANTIS FORKLIFT**

Frendix USA has launched its Mantis, the world's first rough terrain, self-loading portable forklift designed with large power-driven rubber wheels that allow one operator to transport up to 2,200-pound loads across challenging terrains. Developed for efficient fleet deliveries in any condition, Frendix says the Mantis provides efficient, safe, and agile handling in diverse environments, including construction sites, facilities with pitted pavement, challenging urban landscapes, and more. Mantis lifts both its load and itself into and out of delivery vehicles, eliminating the need for additional equipment. AGM batteries guarantee ample power and consistent operation. Safety features such as proximity sensors, overload sensors, and emergency shutoff enhance driver and fleet safety. When not in use, Mantis stores within the delivery vehicle, optimizing space and ensuring efficiency. [innoliftusa.com](http://innoliftusa.com)



**PROVIA THIN BRICK**

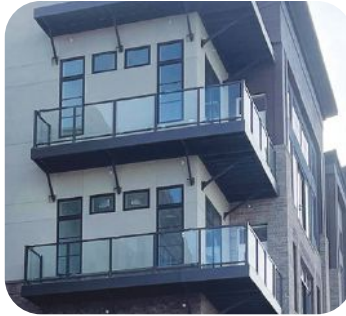
A new profile available in four colors, ProVia Thin Brick manufactured stone embodies the texture, characteristics, and appearance of authentic brickwork. The product is crafted using high-quality cement, shale aggregates and pigments, blended and placed into handcrafted molds. The profile is less than an inch thick and incorporates the sharp corners and shadowy undercuts that are hallmarks of vintage brickwork. The color palette includes Boston, a baked rust and flashfired brown hue; Cobblestone, a blend of ashen white, pewter gray and sepia; Delaware, an alabaster white infused with cool gray tones; and Midnight, a smoky dark gray with a hint of inky blue. [provia.com](http://provia.com)



### SERIES 9G GLASS RAILING

Superior Aluminum introduces glass railing for a clear view with a low-maintenance frame. The new Series 9G glass railing provide a high-end, modern look without impeding the view. It features a code-compliant, affordable design with no clips or fasteners, and tempered and laminated glass. The low-maintenance aluminum frame provides a cost-effective alternative to traditional stainless steel, and the square frames, caps and bases come in six different finishes, including black, white, dark bronze, sandstone, gray, and satin anodized. According to the manufacturer, Series 9G installs faster and provides a cleaner look. Easy installation allows contractors to knock items off their punch list quickly. In addition to Series 9G glass railings, Superior Aluminum Products also offers a full lineup of aluminum railing styles, including cable, pipe, and picket, to suit individual tastes and preferences, and all are available through a nationwide distribution network.

[superioraluminum.com](http://superioraluminum.com)



### TITESHIELD

Titebond has introduced a new high-performance sealant—TiteShield—that provides a weatherproof shield against the elements. According to Titebond, TiteShield is a multi-purpose, elastomeric sealant for sealing windows, doors, siding and trim and can be used in most construction and repair applications. It gives construction professionals the features they want in a sealant: versatility, joint movement capability of  $\pm 50\%$ , the ability to fill gaps up to two inches, quick paintability, and long-term durability. This new Titebond sealant is suitable for interior or exterior use and can be painted with latex paint in two to four hours after application. The non-stringy formula will not sag or drool and can be applied in a wide range of temperatures, from 40°F to 120°F. In addition to its ability to expand or contract up to 50% of the joint size, it will remain flexible; this sealant will not crack or turn brittle with age. Although paintable, TiteShield is available in eight colors, plus clear. [titebond.com](http://titebond.com)

### QWEL DESIGNER ACOUSTIC WALL TILES

Genesis Products launches Qwel Designer Acoustic Wall Tiles, giving designers a complete, acoustic solution for walls and ceilings all made from sustainable PET to naturally manage sound. Available in a variety of shapes, sizes and colors, Qwel wall tiles can be mixed and matched to achieve elegantly unique designs, and they're reported to be easy to install with an easy peel-and-stick design. Qwel wall tiles are constructed from 100% non-woven PET fibers and up to 50% recycled materials.

The tiles provide acoustic performance without chemical after-treatments and are 100% recyclable. In addition, the washable tiles are dust and shakeout-free, stain-, mold- and mildew-resistant and feature a Class A rating for fire and smoke. Simple tools such as a measuring tape, utility knife, straight edge, level, pencil, and a roller for applying pressure are all that is typically needed for installation, and the peel and stick adhesive works on any clean, dry substrate.

[qweltiles.com](http://qweltiles.com)



### DISTINCTION CAPPED DECKING

Envision Outdoor Living Products recently introduced three composite decking colors featuring its new Cool Tread Technology that the manufacturer says is up to 25% cooler with 25% better traction and 61% less moisture absorption than average leading competitors. The three new coastal-inspired colors comprise Nantucket Shore, with warm grey hues; Hampton Dunes, a blend of sandy tones; and Seaside Pier (shown), a greige color that mimics the shades found in a weathered boardwalk.

[envisionoutdoorliving.com](http://envisionoutdoorliving.com)



**AVIAN AG THERMAL CAMERA**

Early fire prevention and reduced downtime are the core of Avian's mission. The company's Swiss-engineered thermal cameras spot anomalies in environments such as sawmills and carpentries before they escalate, thus saving money and ensuring the facility stays up and running. According to Avian AG, it works directly with its customers' insurance providers to reduce their premiums through extensive data analytics. Installation is easy, with no need for complex servers on site thanks to cloud-based monitoring system, and the company's AI-powered predictive maintenance algorithms spot problem areas ahead of time, ensuring consistent operations and safeguarding assets. [avian-iot.com](http://avian-iot.com)



**APEX FORTIFIED LUMBER**

Industrial Wood Technology (IWT) now offers Apex Fortified Lumber, its new thermally modified lumber product that is reported to be stronger, lighter, and more stable than treated lumber and other lumber products, while still being resistant to rot and decay. According to the manufacturer, Apex has all the benefits of pressure treated lumber with none of the chemicals. The thermal modification process used by IWT removes all the attractants and nutrition sources that allow mold, insects, and other organisms to grow on and cause the decay of normal lumber. Along with trailer decking, IWT plans to produce residential and commercial decking, siding and trim products under the Apex product line. [industrialwoodtechnology.com](http://industrialwoodtechnology.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 over 200 members, with more coming in each month. In all, the companies have provided 26,271 years of combined service to their communities.

By no means does the LBM Journal's Century Club list include every 100-year-old company...at least not yet. That's where you come in. Do you work for, or know of a lumberyard or building materials retailer that is 100 or more years old? Send them our way, so that we can give them the recognition they deserve. Century Club members receive a certificate for their store, window decals for their front doors, free admission to the LBM Strategies Conference where they are guests of honor at a Century Club induction ceremony, as well as recognition in their local media, all free of charge.

Nomination is easy! Just visit [LBMJournal.com/nominate](http://LBMJournal.com/nominate) and answer a few questions. We'll take it from there. For a complete listing of LBM Century Club members, visit [lbmjournals.com/lbm-century-club](http://lbmjournals.com/lbm-century-club).

### THE MOST RECENT INDUCTEES INTO THIS EXCLUSIVE CLUB INCLUDE:

<b>PARKES LUMBER CO.</b> Lawrenceburg, TN	est. 1896	<b>INTERSTATE + LAKELAND LUMBER</b> Greenwich, CT	est. 1922
<b>GRIFFITH LUMBER COMPANY</b> Manhattan, KS	est. 1911	<b>BADGER LUMBER COMPANY</b> Parkersburg, WV	est. 1922
<b>WOODS LUMBER</b> Independence, KS	est. 1889	<b>BERONIO LUMBER</b> San Francisco, CA	est. 1911
<b>BIG JOHNS BUILDING SUPPLY LLC</b> Cedaredge, CO	est. 1904	<b>DAVIS-HAWN</b> Dallas, TX	est. 1923
<b>POWELL ACE HOME CENTER</b> Covington, IN	est. 1886	<b>SMITH LUMBER COMPANY</b> Valley City, ND	est. 1923

**NOMINATE A COMPANY FOR THE LBM CENTURY CLUB**

[lbmjournals.com/nominate](http://lbmjournals.com/nominate)

**ATHENS BOOT COLLECTION**

Combining comfort and rugged features, the Athens collection from Georgia Boot provides multiple footwear options. The Athens Superlyte Waterproof pull-on work boot features a moc-toe profile with high-performance Carbo-Tec Rubber outsole and lightweight cement construction. The Athens Pull-On Work Boot features leather pull loops and a rear zipper making it easy to get on, while the polyurethane footbed has a layer of memory foam that hugs the foot and provides a soft, customizable fit. The Athens Chelsea boot is made from a supple full-grain leather and also includes elastic twin gores. The twin gores make the boot easy to slip on and take off. If you work in environments where rain or water is prevalent, these boots have you covered. [georgiaboot.com](http://georgiaboot.com)



ATHENS SUPERLYTE

ATHENS PULL-ON

ATHENS CHELSEA



**CEILUME CEILING TILES AND PANELS**

Ceilume 3-dimensional thermoformed tiles and panels for suspended grid ceilings are available in 40 patterns (both traditional and contemporary) to complement virtually any architectural style, in 16 colors and finishes including faux woods, metallics, and Tranluminous materials for creating luminous ceilings. They provide acoustic control up to NRC 0.85 in a dropped ceiling with the addition of Soniguard insulation, are sized to fit standard T-bar grids, and can also be adhered directly to hard substrates like ceilings and walls. Ceilume tiles are stain-resistant, do not support mold growth, and meet FEMA standards for use in flood-prone locations. A sustainable product, they are Greenguard Gold certified for indoor air quality, recyclable, and available with up 100% recycled materials. [ceilume.com](http://ceilume.com)

**DEMO DEMON FRAMING/DEMOLITION SAW BLADE**

According to Diablo Tools, its new Demo Demon Next Generation Ultimate Framing/Demolition saw blade is designed to deliver ultimate performance in today's evolving jobsites. Diablo's Demo Demon Next Generation Ultimate Framing/Demolition saw blade features a new, specially-formulated Optimized Dura-Blend Carbide that combines micron carbide with hi-cobalt content, helping it reportedly withstand even the most extreme cuts while also offering up to 15 times the cutting life of standard blades. The Demo Demon's new nano grind tooth design is also claimed to be the most technologically advanced on the market, introducing a triple-grind, Chamfer Alternate Top Bevel (ATB) tooth geometry for ultimate tracking control that ensures a finer-quality cut and longer blade life. [diablotools.com](http://diablotools.com)



**METAL WORKSHOP STORAGE SYSTEM**

DeWalt's new Metal Workshop Storage System is an integrated storage solution for power tools, hand tools, outdoor equipment, stick tools, and power tool accessories. The line consists of metal tool storage chests and cabinets as well as 25 new workshop accessories (sold separately) utilizing a heavy-duty metal rail as the centerpiece of the platform. The chests and cabinets are built with heavy-gauge steel and feature full-extension, soft-close, ball-bearing drawers. Chests include an integrated 15-amp max load power strip with six power outlets and two USB ports for convenient charging of mobile devices and DeWalt power tools. The drawers are designed with an internal keyed lock and are lined with anti-slip mats. The system's steel rail can be mounted to DeWalt metal chests, cabinets and workbenches, or directly to walls. [dewalt.com](http://dewalt.com)





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\* Denotes regional distribution.

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

# LBM JOURNAL DAILY

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

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This year, your company celebrates its 15th anniversary. You and your team have earned the loyalty of a growing number of key builders, and the road ahead looks solid and promising. Just as you've begun feeling comfortable taking some chances to ramp up your company's growth, an opportunity has presented itself.

A manufacturer you've worked with for years is getting ready to launch a new product that you believe could be a game-changer. "We've been working on this for years, investing in R&D, testing and retesting, and we've got something that I'm convinced represents the future for our company, and for the homebuilding industry," your rep explained. "It outperforms everything else on the market, and we've developed a way to offer it for far less than competing products."

After showing it to your team and to a couple of your biggest clients, you agree that they're onto something, and you're excited to start offering it. But there's a catch: "We're so sure this is going to be a hit, we're selecting one LBM dealer in each market to carry it. Since it's going to be an exclusive, we're requiring each dealer to have some skin in the game as well. We believe you're the right supplier in this market, so we're giving you first right of refusal. But this is all moving quickly, so we need an answer from you in 10 business days."

As it turns out, "skin in the game" means a significant investment in inventory, in showroom space, and willingness to coordinate with their marketing team on events to



spread the word in your market. You've run the numbers, and the initial investment they're requiring is doable—but it's a stretch.

You'd love to carry the product, but you've never gone all-in on a new product before. If it is as well-received as you think it's going to be, having the exclusive could be a huge opportunity for your business. However, if you're wrong and the product fails to take off, then you're stuck with a sizable investment in something nobody wants. What would you do?

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

**Go big.** This is exactly the kind of opportunity you were looking for. Yes, it's a risk, but truly game-changing products are rare. Take the chance, and take your company to the next level.

**Just say no.** When something seems too good to be true, it usually is. Tell the manufacturer thanks for the opportunity, but you'll pass.

**Find a path.** You can't take that big of a risk, but you'd love to make a splash with some of your biggest builder customers. Find a way to make it work without the big investment.

**Wait and see.** "Slow and steady" got you where you are. Plus, you're not sure that any of your competitors are positioned to say yes. Say no for now, but circle back if they're willing to negotiate.

PHOTO: ©ISTOCK.COM/TIERO

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



# NOMINATIONS ARE OPEN!

## CELEBRATING YOUNG LEADERS

The LBM Journal 40 Under 40 is a yearly list of 40 pros who have achieved success in the lumber/building material industry before turning 40. This program recognizes and celebrates the growing class of strong, young leaders in the LBM community, and provides them with a space to share ideas, build relationships, and grow in their professional roles.

## WHO IS ELIGIBLE?

Employees or owners of a lumberyard, specialty dealer/distributor, wholesale distributor, manufacturer, or service provider who are over 20 years old and under 40 years of age during the 2024 calendar year.

## THROW YOUR HAT IN THE RING

If this sounds like you, nominate yourself. We encourage self-nominations, and would love the opportunity to recognize you.

## NOMINATE A COLLEAGUE

If you know of someone—be it a fellow teammate, a manager, or owner—deserving of this recognition, nominate them, and we'll take it from there. The process only takes a couple of minutes.

## THERE IS NO COST TO ENTER!

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STONE

WINDOWS

OUTDOOR LIVING