



Nailed It!

Pointed News for You

Southern Building Material Association

April 2010

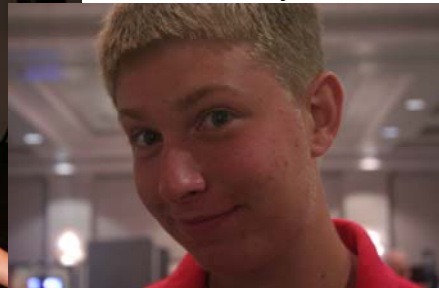
Mark Your Calendars July 29-August 1 SBMA Summer Conference

Wyndham Resort, Virginia Beach, Virginia



SBMA's Summer Conference and Leaders Meeting will be July 29-August 1 at the Wyndham Resort, Virginia Beach, Virginia.

More information will be out in May, but Mark Your Calendars Now! Plan to attend this not to be missed event! All the regular activities will be held, golfing, tennis, parties for kids of all ages, and seminars. Ed Seifried will be back and we know you'll want to hear what he has to say about our economy!



2010 NLBMDA Conference With Congress

SBMA members joined over 150 dealers from all over the country in Washington, DC March 15-17 to visit Congressional Members. A special thanks to Chris Yenrick, Jon Stier, George Lester, and Todd Merriss for taking the time and money to support our industry on the Hill. Pictured are Congressman Joe Wilson, General Petraeus, Jon Stier, Stier Supply and Todd Merriss, Dixie Lumber Co.



The Southern Building Material Association

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NEWSLETTER

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From Our Members



DMSI Donates \$42K to Haiti Relief Efforts

In the wake of the massive earthquake that brought devastation to the Haitian country, DMSi Software President Cal German and CEO Jim Hassenstab challenged its staff to contribute funds to Haiti relief aid. Employees answered the call by donating \$8,000 in just two weeks, while DMSi matched every \$1 employee donation with a \$2 DMSi donation to boost efforts.

Haywood Builders Supply “Green Business of the Month”

“At Haywood Builders Supply we embraced the *Green/Eco* idea early on and took it upon ourselves to learn *Green* as well as “*Go Green*”. We did it in small manageable steps with the realization that even the small steps can make a big difference in the long run. We’ve only just begun...*At Haywood Builders Supply we’re not just talking GREEN... We’re DOING GREEN!!*”

Capps Announces Ryan Cappellari Added To Team

Capps Home Building Center is pleased to announce the addition of Ryan Cappellari to its team. Ryan represents the 3rd generation of Cappellari's that have been involved with Moneta Building Supply/Capps Home Building Center since 1978. Ryan graduated from the University of North Carolina Wilmington in 2007 with a degree in Business Management. After graduation he joined the staff of Enterprise Rent-a-Car in Wilmington, NC and entered the Management Trainee Program. Upon his departure from Enterprise, Ryan had management responsibilities for three rental locations in the Wilmington area. After completing his initial 40 day store training schedule at Capps (we've come a long way since he was asked to pick up cigarette butts in the parking lot as a grade schooler) he will begin to focus his efforts on product and business development. Understanding that

ProBuild to Add Units in Utah, Virginia

Home Channel News

ProBuild has announced the opening of new locations in Orem, Utah, and Winchester, Va. The Winchester location, formerly operated as Glaize Components, will extend ProBuild's capabilities to serve the Washington, D.C./Baltimore markets. Winchester will manufacture components including roof trusses, floor trusses and wall panels. The 18-acre site will also feature a full-service lumberyard.

“We continue to see opportunities where we can expand into new markets to better serve our customers,” said ProBuild senior VP corporate development Michael Mahre. “These new locations are great instances where we can bring the market-leading value of ProBuild's products and services to serve strong and growing markets.”

FUN AT SEA WITH OUR FAMILIES, FRIENDS, AND OUR GREAT CONTRACTORS

On January 21st, Jones Lumber took twenty-eight out of West Tennessee heading to Mobile, Alabama to set sail on a 4-day cruise to Cozumel, Mexico. Every night, they had dinner together with great food, tons of laughter, and lasting memories. Everyone was able to spend time with their families and friends, including one day in Cozumel on the beach or shopping for great deals. They also presented Bill Hill with the 2009 Contractor of the Year Award for Jones Lumber.

over the next five years, this industry will see more product and construction advancements than we have seen in the last 15 years; it will be incumbent upon the dealers to lead this advance through products, innovation, and training. We welcome the addition of Ryan to our family of employees and look forward to our continued success.

Do it Best partners with RatePoint *Home*

Channel News

Do it Best Corp. has entered into a partnership with RatePoint, a Needham, Mass., provider of online customer feedback services. The RatePoint product reviews, where customers rate products with one to five stars along with detailed commentary, has been launched on Doitbest.com, the co-op's e-commerce site. "The RatePoint product review integration was seamless with our e-commerce site," said Joe Caldwell, Do it Best's e-commerce manager. "Lowering costs and gaining a service that provides ROI for our member-owners was an easy decision for our company." Based in Fort Wayne, Ind., Do it Best serves 4,100 member-owned stores with \$2.46 billion in annual sales.

GAF to build new facility in Southeast

GAF Materials has announced plans to build a state-of-the-art facility in the southeastern United States to produce asphalt roofing shingles for the residential market. The company is currently studying potential sites in Tennessee, South Carolina and neighboring states.

Once a site is selected, GAF expects to start product production within 18 months, using equipment relocated from the former GAF plant in Quakertown, Pa., combined with other advanced production technology.

LMC Grants Ponderosa Software Approved Supplier Status

Ponderosa is an integrated, end-to-end business management solution that helps building material manufacturers and distributors improve efficiency, reduce operating costs and maximize customer service.

"We are very proud to have been selected by the LMC as an Approved Supplier of business software," said Pat Gannon, vice president of sales for Ponderosa. "We look forward to getting to know our new colleagues in the LMC and providing them with technology solutions that can help lower their operating costs and software support fees."

Peter Humphrey, owner of North Atlantic Corp. and a member of LMC for more than forty years said, "While the Ponderosa software has certainly evolved over the years, the team at Ponderosa has consistently gone above and beyond our expectations, delivering the timely solutions and services we need to stay competitive." "Because of their unwavering commitment and support, we've deployed the Ponderosa software across each of our corporate locations throughout New England, as well as Savannah, GA and Ft. Meyers, FL to help us drive sales, reduce operating costs and consolidate business information. Truly, Ponderosa's staff has become an extension of my business," Humphrey said.

Activant Completes US LBM Implementation

Activant Solutions announced it has completed the initial installation of the Activant Catalyst software at 15 US LBM locations in Wisconsin, Connecticut and New York. The Activant implementation team was able to install the software, convert key business data and train hundreds of employees across three states in under 90 days.

For the Manager

Avoiding Distractions

Late-model cars and trucks are sometimes equipped with global positioning systems, digital maps – and even devices to check email and surf the Internet. Add cell phones and drive-through meals into the mix, and you could almost run your business from your vehicle.

As the list of features for new vehicles expands, so do the opportunities for distractions. More than ever, drivers must make a conscious effort to handle distractions

and avoid driving mishaps. Take the following precautions to reduce the likelihood you will be distracted while driving:

- Finish all food and beverages before driving
- Review paperwork, such as delivery orders, work schedules and direction, before getting behind the wheel.
- Eliminate the use of cell phones while driving and allow incoming calls to go to voice mail. If a call is necessary, pull over and park in a safe location.
- Before driving an unfamiliar vehicle, become familiar with controls, such as lights, mirrors, wipers, and cruise control, and make adjustments.
- Review a map of the route before starting out or have a passenger navigate.

Adjust Your Attitude to Win *The Horn*

Adapted from Corsini's Point of the Week

Seasoned captains don't allow stormy seas to capsize their boats. Experienced Business leaders, too, know that turbulent times call for clear leadership, strong decision making and confident action. The key: a positive attitude.

Remember these tips:

- **View each day as a new chance.** Baseball great Hank Aaron once said, "Every at-bat is a new day." Keep yesterday's setbacks, problems, and worries in perspective while you focus on today's opportunities.
- **Share your enthusiasm.** Minimize negative chatter from the naysayers around you. Use your positive energy to motivate others as well as yourself. Focus your time, energy and talent on looking for ways to succeed. Talk about your efforts and invite others to join you.

TAXES *Richard Heath*

Severance pay for laid off employees isn't subject to Social Security taxes, the court says. The court noted that the tax code specifically requires employers to treat severance paid to laid off workers as if it is wages for withholding purposes, **indicating that severance pay is not otherwise treated as wages, and thus is exempt from FICA tax.** The court also rejected IRS'



position that the only way severance pay is exempt from FICA tax is if it is pegged to the receipt of unemployment benefits.

The ruling **may spell refunds for employers that paid severance pay over the past four years.** Companies should consider filing protective refund claims for FICA tax paid on severance pay, citing this new decision. This is particularly true for firms that had layoffs in 2006, because the statute of limitations expires April 15, just a couple of weeks away. Though the IRS is sure to appeal the District Court ruling, the agency will retain the filed claims until the legal proceedings are finished. Note that companies can submit protective claims now and refine them later.

Researcher sees rising demand for roofing *Home Channel News*

U.S. demand for roofing is expected to exceed 274 million squares in 2013, according to the Freedonia Group. That's a growth rate of 2.4% per year through 2014 to 274.5 million squares, valued at \$17.9 billion.

While gains will be modest, they will represent a reversal of the declines over the 2004-to-2009-period. Advances will be driven by an expected rebound in housing starts from the depressed levels in 2009, according to the Cleveland-based research firm. Although housing starts will remain below the level reached in 2005, the recovery will fuel above-average gains in the residential roofing market through 2014.

According to the group's study "Roofing," the residential reroofing market will continue to account for the largest overall share of roofing demand in 2014.

Asphalt shingles are the most popular roofing product, owing to their dominant position in the large residential roofing market, according to the research. Demand for asphalt shingles will rise through 2014, fueled by rebounding housing starts. Laminated asphalt shingles, which totaled only one-third of the shingle market in 1999, are projected to account for 80% of asphalt shingle demand in 2014. In the

long term, the increasing use of laminated shingles will constrain replacement demand, as these products can have lifespans more than twice that of conventional asphalt shingles.

Builder Confidence Up in February

Builder confidence in the market for newly built, single-family homes rose two points to 17 in February as favorable home buying conditions and signs of healing in the job market helped boost the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).

"Continued low interest rates, very attractive home prices that appear to have stabilized in many markets and the availability of the home buyer tax credit make this an opportune time for potential purchasers," said NAHB chairman Bob Jones, a home builder from Bloomfield Hills, Mich. "As a result, builders are slightly more optimistic that the housing recovery is finally beginning to take root."

Taxable Sales:

Below are the taxable sales figures and employment numbers that Cindy Hartley collected for each state for those who attended the Conference with Congress.

Virginia: *(I am able to get the most recent numbers from Virginia)*

2009: Taxable sales for 2009 were \$4,954,892,324 with approximately 19,819 employed in the industry. For comparison purposes:

2008: In 2008 the sales were \$5,573,674,384 with 22,295 people employed.

2007: In 2007 the numbers were \$6,813,784,058 with 27,255 employed.

2006: \$8,929,000,000 and 35,716 employed.

North Carolina:

2008: (Most recent numbers available) the sales were \$7,932,526,838 with approximately 31,730 employed in the industry.

2007: \$10,355,709,123 with 41,654 employed

2006: \$10,894,719,072 with 43,579 employed.

South Carolina:

2007: *(they do not have the 2008 numbers out yet for the year or by the month so it's more difficult to get a picture of the problem here. SC did not really start going down until 2008.)* \$5,413,606,018 with 21,654 people employed. We know the numbers were down in 2008 but there is not specific data to support it.

2006: \$5,173,573,290 with 20,695 people employed in the industry

Tennessee:

2008: Sales were \$5,876,712,183 with approximately 23,506 employed in the industry.

2007: \$6,592,636,230 with 26,371 employed

2006: \$6,750,153,633 with 27,001 employed

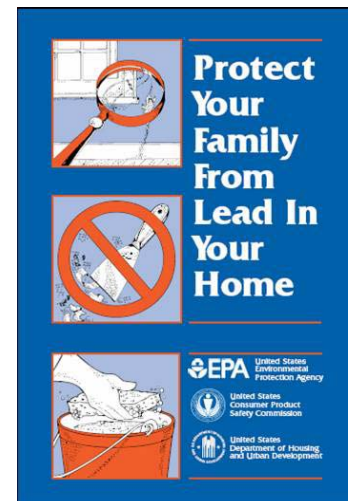
Industry urges Congress to delay renovation rule

It's too soon to roll out EPA rules on repair and paint of pre-1978 homes, according to a large swath of the home improvement industry.

NLBMDA, National Association of Home Builders (NAHB), Home Depot and Lowe's are among the players urging a delay in the Lead: Renovation, Repair and Painting Rule.

The rule calls for the renovation of homes built before 1978 to follow lead safety practices supervised by an EPA-certified renovator, and performed by an EPA-certified renovation company. Not only will the rule disrupt plans for energy efficiency spending, there aren't enough accredited trainers, the letter states.

In a letter to key senators March 8, a dozen industry groups warned against the implementation of the rule. "As manufacturers, distributors, retailers and installers of new construction materials, we support efforts to ensure that home renovations in pre-1978 homes are conducted in accordance with EPA's LRRP requirements," the letter



said. "Unfortunately, based on EPA compliance-needs estimates, we do not believe EPA is prepared to adequately implement the LRRP. Further, if implemented now, the LRRP will negatively affect economic stimulus funding designated for housing weatherization and planned efforts for a national residential retrofit program."

In addition to the four groups mentioned above, signatories were the Window and Door Manufacturers Association; Hearth, Patio & Barbecue Association; Window and Door Dealers Alliance; Manufactured Housing Institute; National Association of the Remodeling Institute; Vinyl Siding Institute; and Independent Electrical Contractors.

White House releases more details on energy retrofit incentives

Hoping to create jobs and save energy at the same time, President Obama outlined the key components of the "Homestar" program while touring the training facility at the Savannah Technical College. The energy retrofit program, first mentioned in the President's State of the Union address and later referred to as "Cash for Caulkers," has now evolved into a proposal that would provide work for unemployed contractors and offer homeowners up to \$3,000 to insulate their houses, replace their leaky doors and windows, replace their old water heaters and roofs, and generally cut down on their consumption of energy.

The White House plan must ultimately be approved by Congress, which will also set the funding and duration of the program.

As it stands now, the Homestar program will offer rebates to consumers at the point of sale, to be paid by independent building material dealers, home improvement chains, contractor/installers and utility companies, all of whom would seek reimbursement from the federal government. The rebates, and the product categories, would include:

Silver Star rebates: \$1,000 to \$1,500. Consumers are eligible for 50% of the cost of insulation, duct sealing, water heaters, HVAC units, windows, roofing and doors. Consumers can choose a combination of upgrades for rebates up to a maximum of \$3,000 per home. Rebates would be limited to the most energy-efficient categories of upgrades, focusing on products made primarily in the United States and installed by certified contractors.

Gold Star rebates: Consumers could be eligible for a \$3,000 rebate for a whole home energy audit and subsequent retrofit tailored to achieved a 20% energy savings.

Keep forklift operators safe on ramps

If your forklift operators are expected to travel on ramps and other inclines, make certain they are following safe procedures to avoid tipping over or dropping the load. Traveling on ramps requires some special safety considerations.

Traveling with a load

When traveling with a load, the load should point up the incline, regardless of direction of travel.

When going up the incline:

- Drive forward.
- Point forks up grade.
- Use a spotter if load blocks the driver's view.

When going down the incline:

- Drive in reverse. Turn head and face down grade.
- Point forks up the grade.

Note: When walking with a pallet truck with or without a load, the forks should be pointed down grade, regardless of direction of travel.

Traveling empty

When traveling without a load, the forks should point down grade, regardless of direction of travel.

When going up the incline:

- Drive in reverse.
- Turn head and face up grade.
- Point forks down grade.

When going down the incline:

- Drive forward.
- Point forks down grade.

Happy Easter!

