



Management Newsletter

October, 2011

"The Voice of the Carolinas, Tennessee and Virginia Building Material Industry."

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And if they do not get the job that you have interviewed them for, they may be looking for a fast buck; so they sue.

Business is down – even for Lawyers

By Mark Fisher

As we all know the Lumber and Building Materials industries have not yet recovered as we had hoped. The last thing you need is the expense of defending a lawsuit. The fact of the matter is that there are a lot of attorneys out there, who are struggling as well; many of which are willing to take cases on a contingency basis that they never would have taken 5 years ago.

One of the fastest growing areas of lawsuits in the U.S. is Employment Law. Most likely you have read an article on what questions are illegal to ask during an interview. Well guess what – so have the people you are interviewing. And if they do not get the job that you have interviewed them for, they may be looking for a fast buck; so they sue.

Below you will find specific questions to ask that will not put you in jeopardy of getting sued.

Illegal question: Any variation of: How old are you? What year did you graduate from high school? Do you remember when we landed on the moon? etc.

OK to ask: What would you like to be doing in 5 years? (If the future solvency of Social Security is part of their answer then you probably have the wrong guy!)

Illegal question: Are you a US citizen?

OK to ask: Do you require sponsorship to work in the U.S.? (Semantics? Yes. But it could be the difference between getting sued or not.)

Illegal question: Do you have any health issues or disabilities?

OK to ask: This job may/will require you to do some heavy lifting. Are you able to handle this aspect of the position?

Illegal question: Are you married?

OK to ask: Are you available to travel at the last minute, if need be?

Illegal question: Do you have any children?

OK to ask: (With an older candidate) We have several people that work here who are right out of high school and college. Do you have any experience with that age group?

Illegal question: What church do you go to? What religion are you?

OK to ask: Given the hours that we are open, are there any days or times that

you cannot work?

Illegal question: Where do you live? (You cannot discriminate based on location.)

OK to ask: Are you able to relocate to be closer to our location if needed? (Obviously, a sharp candidate will immediately say, "There is no need, I live nearby.")

Those of us that have dealt with frivolous lawsuits know the trouble they can cause. You undoubtedly have enough to deal with without the additional expense, time consumption and embarrassment of dealing with lawsuits. Creative questioning can go a long way in avoiding headaches later on.

Mark Fisher is VP of Business Development for Schaffer Associates, the country's largest executive search firm focused on the building materials industry. Mark can be reached at (704) 535-9939 or mark@consultSA.com.

Have You Hugged Your Supplier Today?

By Michael Hess

Good companies demonstrate that they love customers.

Really good companies show that they love their employees just as much.

Stellar companies include *suppliers* in their circle of love.

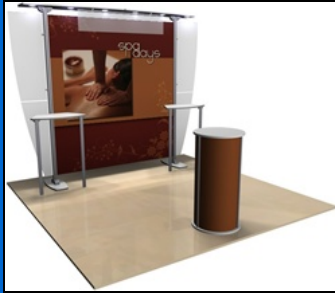
Most companies don't think of suppliers the same way they think of customers and employees — and even if they say they do, they rarely treat them that way. They treat suppliers as if they are lucky just to be graced with a purchase order. That's very short-sighted and self-defeating.

Smart companies recognize that key suppliers are partners, very much in the same circle of importance as the other stakeholders. Thinking this way, and acting accordingly — being open, accessible and responsive, paying on time, letting suppliers make a fair living, and treating them as contributors to your success — can give you a major competitive edge.

Suppliers are like employees: You can push them to bend to your wants, or you can make them want to push for you; you can offer the potential to be fairly rewarded, or you can limit their opportunities; you can trust them and let them breathe, or suffocate them with rules, regulations and warnings; and like employees, the way you treat suppliers will determine whether they simply "show up for work" or give you their all.

Here are just some of the ways healthy supplier relationships can give you an advantage over companies that treat them like serfs:

- **Pricing and terms:** Suppliers who feel like secure, valued partners are much more likely to help with pricing and terms when and if they can, even if you're not a huge customer. I never push my suppliers around or make excessive demands, and many of them come to us with ways to save us money, without ever being asked. You can bet they don't do the same for customers who beat them up.
- **Delivery:** Supplier-friendly companies will usually get preferential treatment when it comes to expedited lead times or access to limited-availability items.
- **Favors:** There will inevitably come a time when you need a special favor or two ("hey, any chance you can give me an extra couple of days on this one



"Survivor"

SBMA's 2012 Building
Products Show, February 1 &
2, 2011, High Point, NC

For exhibitor information,
please contact:
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*Smart companies recognize
that key suppliers are
partners.*

invoice?"). Suppliers will bend over backwards for customers who treat them well, while unloving customers get the "yeah, jeez, sorry, I really wish I could help" answer.

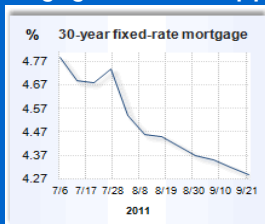
My company supplies branded consumer products to retailers, big and small. We cherish our customers and treat them all well. We live by a strict set of values. But we will always go the extra mile for the customers who love us back; irrespective of how much they buy. And we won't do business with companies that think the supplier/customer relationship is a one-way street.

Case in point: A famous national retailer recently asked to sell our products; of course we were thrilled. Then they sent us their vendor guide, which was primarily a list of all of the ways we could be penalized, from putting a label on a box incorrectly, to not following precise documentation requirements, and much more. Everything was written in a one-sided, non-negotiable, overbearing way. I got such a bad vibe that I walked away. As a small business in a hypercompetitive industry, walking away is no small thing. But relationships are everything to me, and I did not see this one as having a promising future. I have no regrets.

Don't get me wrong — standards and expectations are important, whether with employees or suppliers. You should set a high bar and be demanding. But if you want people to respond positively and give you their best, you must do so in a way that reflects a true desire for mutual benefit. I wasn't worried about meeting any of this retailer's requirements — we are good at what we do. I was worried that they couldn't care less about my company.

Interest Rate Roundup

Mortgage rates dropped



again last month.



Mortgages

- **4.29%** (30-year fixed)
- **0.41** (average points)

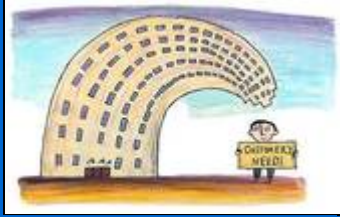
Mortgage rates dropped again last month, as the Federal Reserve announced the much anticipated Operation Twist, which analysts say should help keep rates low for now.

The 30-year fixed-rate mortgage fell 3 basis points, to 4.29 percent. A basis point is one-hundredth of 1 percentage point. This is the lowest rate level the fixed rate has reached since Bankrate started the monthly mortgage survey 26 years ago. The rate hit a previous record last month, when it reached 4.32 percent.

The 15-year fixed-rate fell 2 basis points to 3.42 percent. The average rate for 30-year jumbo mortgages, or generally for those of more than \$417,000, was 4.85 percent, up 2 basis points from last month's rate.

The 5/1 ARM fell 2 basis points to 3.05 percent. With a 5/1 ARM, the rate is fixed for five years and adjusted annually thereafter.

The volume of mortgage applications barely changed last month, increasing by about 0.6 percent from one month earlier, according to the Mortgage Bankers Association monthly survey.



Suppliers will bend over backwards for customers who treat them well.

Will rates go up, down or remain unchanged? Panel Prediction

Up	Down	Unchanged
13%	62%	25%

Will rates rise or remain relatively unchanged? Experts and Bankrate analysts predict where mortgage rates are headed over the next month.

This month 13 percent of the panelists believe mortgage rates will rise over the next month or so; 62 percent think rates will fall; and 25 percent of the experts believe rates will remain relatively unchanged (plus or minus 2 basis points).

About the Bankrate.com Rate Trend Index Bankrate.com surveys experts in the mortgage field to see if they believe mortgage rates will rise, fall or remain relatively unchanged. The panel is comprised of mortgage bankers, mortgage brokers and other industry experts who provide residential first mortgages to consumers.



Formulate a plan of attack.

SBMA's Social Media Tip

How to Set Up a Rock-Solid Social Media Program

By Anna Harper-Hess, Manta Sr. Manager of Customer Success

Social media sites allow us to connect quickly and stay connected to people and brands faster than ever before, which means we form closer relationships and have quick access to new people and opportunities. While most small businesses know it's important to use social media, they often don't know how to outline an effective strategy. Here are some tips on setting up a rock-solid social media program.

- 1. Don't sign up for every social site out there. Instead, determine which sites make the most sense for your business.** Research what sites your competitors and target demographic use. If you live in a small town, it's likely that Twitter won't be the best network for you, but Facebook or a site like Manta might work best.
- 2. Formulate a plan of attack.** Outline what you hope to achieve, how the program will impact your overall company goals, and how much time you have to devote to this type of marketing. Make sure your social media efforts are integrated with the other marketing and advertising programs your business is using.
- 3. Set up business goals and a way to measure these goals so you can track your success.** Use Google Analytics, coupon codes, and built-in tools like Manta's Insights to see how well your program is doing. Make sure to measure engagement by the number of comments, likes, and connections you achieve. The more engaged an audience you have, the more likely they are to purchase from you.
- 4. Make time for social media.** Social media is not something you can set-up and walk away; you have to invest time in order to see rewards. It's important to engage with your users on a regular basis and to be consistent with your interactions. The more you do this, the more likely you are to sell your products & services.

With a strategy in place, social media marketing can be an awesome way to achieve your business goals. If you are a small business who has seen success using social media, leave us a comment and give us your best tip for business owners just getting started.

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