



Nailed It!

Pointed News for You

Southern Building Material Association

September 2009

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Vann & Sheridan Attorneys at Law:
Serving Construction Suppliers and Businesses with Their Legal Needs
Close to 300 attend SBMA Summer Conference



SBMA Summer Conference – Great Turnout!

Close to 300 people attended SBMA's Summer Conference in Virginia Beach July 31- August 2. The upbeat atmosphere was contagious. The exhibits were great. The seminars were timely and on target. A good time was had by all. We thank everyone who helped make the event such a success...see you next year July 30 – August 1, 2010.



A very special thank you to all who helped make our summer conference such a success.

To our sponsors;

To those who donated gifts;

To those who donated money;

To those who delivered "stuff" to and from the beach;

To those who drove and shopped;

And thanks to all who came!

You all made it fun for everyone!

Let Us Pause and Remember September 11 2001

Southern Building Material Association

MANAGEMENT
NEWSLETTER

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From Our Members

To those who have a special place in Arley's life, and those of you who helped him become the man he is:

He's in the Navy now! Well, not exactly, but he just shipped out to Fort Carson, Colorado for his NROTC orientation. All is going well. Boulder is beautiful.

Tommy & Michele Hendrick, Exterior Supply, Greenwood, SC



Fortress Expands Sales Staff

Treater, Fortress Wood Products, is expanding its sales staff by re-hiring inside sales representative Scott Griffin. The expansion is in support of sustained improvements in the sales climate, marked in June by one of Fortress' biggest months in two years. Welcome Scott!

Professional Builders Supply, a six-year-old operation that grew up in Stock's shadow, opened a Wilmington, N.C., branch that Stock had closed earlier this summer. PBS



president Van Isley told *ProSales* in a telephone interview PBS brought in its own inventory and equipment and is leasing the facility property from its landlords, which took back the location after Stock left. *Source:ProSales*

Welcome Our New Members

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Carter Lumber Acquires Former Stock Yard

Carter Lumber has acquired Chesapeake, VA.-based Kempsville Building Materials.

Kempsville was sold in 2006 to Stock Building Supply, which in May had announced intentions to shut down the company's Chesapeake facility. This news prompted former Kempville owners Scott Gandy and Brenda Onley to look for a partner to rebuild the company.

Carter Lumber stepped in and put together a deal to acquire the Chesapeake facility as well as a Stock Building Supply warehouse in Newport News, VA., that was not Kempsville's originally. In total, 92 jobs were saved,

according to the companies.

“These employees are the people who are responsible for everything we have been able to achieve,” said Gandy, who will regain his former title as president of Kempsville Building Materials. “We did it for them more than anything.”

Carter Lumber operates 195 locations in 10 states. According to Carter president and CEO Neil Sackett, the partnership with Kempsville will “not only revive a great company, but will enable us to work with some great employees and customers while we grow the business.”

Under the new agreement, Kempsville will continue to provide both professional and DIY customers with a broad range of building materials, including lumber and mill products, trusses, engineered wood products, prefabricated wall panels, roofing, siding, windows, doors and insulation products from leading manufacturers. The company has also opened an install division and expanded its gypsum offerings.

Jeff Donley, Carter’s SVP and COO, said his company’s strategy with acquisitions is to avoid making major changes and let the business run as seamlessly as possible to be less disruptive to customers and employees. “We believe it’s important to maintain the people, heritage and brand name that have built the business over the years,” he said.

In addition to other acquisitions, Carter has acquired SBMA member, Griggs Lumber of Point Harbor, N.C. “As long as we see opportunity, we will continue to look for companies that will enable us to gain market share,” Donley said.

SBMA Fall Roundtable Starting

The Purchasing Managers SBMA Fall Roundtable meeting was held in Charlotte, North Carolina, August 16-18. This was the first roundtable of the Fall Schedule.

[Participating in a roundtable is like having your own personal business advisors. Noncompeting dealers meet twice a year to candidly discuss their businesses and industry](#)

trends. In a supportive and nonjudgmental fashion participants get coaching, advice and solutions from one another. As one dealer said, “If we weren’t in our association’s roundtable, we’d probably not be in business today.”

For more information on participating in one of SBMA’s roundtables, contact Larry Adams at 800.849.1503 or larryonea@aol.com



BLUELINX CORPORATION EXPANDS ITS FIRST-IN-CLASS

DISTRIBUTION SERVICES TO NORANDEX

BlueLinx Corporation (“BlueLinx”), a leading distributor of building products in North America, announced its expanded distribution services agreement with Norandex Building Materials Distribution to supply Millennium Decking System products to participating Norandex locations across the United States. “BlueLinx’ existing infrastructure of exceptional logistics capabilities along with nationwide facilities brings to the market a valuable service offering,” comments Randy Russell, Director of National Account-Specialty Distributors at BlueLinx. “We look forward to providing Norandex with our first-in-class distribution services—from storage to delivery of building products, such as Millennium Decking.” Millennium Decking Systems™ is a composite decking product made of 90% recycled North American post-industrial materials. It is fire, stain, mold and mildew resistant and low maintenance for homeowners. Millennium Decking is not affected by insects or termites and carries a 20 year non-prorated Warranty.

More signs of hope for housing market

Home Channel News

The S&P/Case-Shiller Index, a leading barometer of the U.S. housing market, recorded a slowing of the rate of decline for existing-home prices for May 2009. This is the fourth consecutive month that both the 10-city and 20-city composites showed improvement, which is being heralded as a possible turnaround for the stalled real estate market.

“The pace of descent in home price values appears to be slowing,” said David Blitzer, chairman of the index committee at Standard & Poor’s. In addition to the 10-city and 20-city composites, 17 of the 20 metro areas tracked also saw improvement in their annual returns compared with those of April, Blitzer said. “To put it in perspective, “ he added, “these are the first times we have seen broad increases in home prices in 34 months. This could be an indication that home price declines are finally stabilizing.”

In year-over-year figures, home prices are still down, on average, about 17% in major metro areas. Phoenix and Las Vegas continue to be the worst off. But in month-over-month comparisons, Dallas and Denver have reported three consecutive months of positive returns. Atlanta, Boston, Cleveland, San Francisco and Washington each reported two consecutive months of price increases ranging from 0.3% to 4.1%.

The Recession’s Impact on Employee Engagement *J.J.Keller*

With all the concerns we are facing in our economy and the recession’s affect on organizations, it’s logical that business managers are focusing even more attention than normal on the “numbers” that relate to daily operations. As a result of this focus, it’s easy to forget that it’s the people working within our companies who produce the numbers that management watches so closely. An unfortunate consequence of the recession is that many of these people that are responsible for the numbers have had the confidence they once had in their employer shaken due to staff reductions, pay cuts, 401k contribution suspensions, and so on. All of this has translated into a national epidemic of employee (dis)engagement.

How bad is the problem?

Employee engagement is defined as the willingness of employees to put forth extra effort on behalf of their employer, their willingness to speak highly of their employer when in public, and their plans to stay with their employer. Before the economic downturn, only about 10 percent of employees could be described as “highly disengaged” from their work, according to the Corporate Leadership

Council. However, data from the same Council shows that at the end of the first quarter of 2009, this number has increased to about 33 percent of the workforce. A recent Gallup survey estimates the number of employees disengaged from their work to be closer to 54 percent. The resulting decline in effort being put forth has translated into a three to five percent reduction in overall national productivity.

A recent Boston College research study indicated that younger workers (those under 26) have reacted most negatively to events over the last several months and are showing the greatest amount of disengagement. Older workers (those over 43) have had the least downturn in engagement probably because they have weathered many storms in the past and just bend with the wind. Regardless, this information is particularly concerning as now, more than ever, we need everyone to be pulling in the same direction and giving every ounce of effort to guide our companies towards their goals.

Getting everyone back on-board

There are a number of things that companies can do to increase engagement during difficult economic times:

- **Communicate, communicate, communicate**—during times like these, people need to know what is going on and how it may affect them. Speak honestly about what the challenges are and your anticipated actions. Without open and direct communication, employees will fill in the void with worst-case scenarios.
- **State a clear and compelling direction that includes “hope.”** Paint a picture for employees showing how the world’s problems right now can spell opportunities in the future.
- **Recognize and reward high performance.** Find ways to reward associates that keep bringing customers back.
- **Emphasize customer focus.** Point out that job security is strengthened by satisfied customers. By focusing on customer satisfaction you can provide a

common direction to move the organization forward.

As leaders we need to find ways to communicate an inspiring message that re-engages associates around a shared purpose and fulfills individual needs or we risk failure. Additional efforts to engage employees now, in spite of the economic climate, can pay future dividends.

Avoiding Negligent Hiring *J.J. Keller*

Suppose for a moment you own a pharmacy and one of the things that separate you from the big national competitors is that you deliver prescriptions to customers with disabilities. Your delivery person just quit without notice, and you are concerned about a disruption in service to your customers. You remember a nice young lady that stopped by nearly a month ago inquiring about employment at your store. You place a call to her to tell her about the opening you have for a delivery driver. She is interested, so you meet with her and decide that she would be a good fit for the position. You hire her on the spot. Crisis averted! It's now about three weeks later and you just received a phone call from the Captain of the local police department. It seems that your new delivery driver just had an accident with your van. It sounds bad, and the person in the other vehicle was taken to the hospital in critical condition. The Police Captain mentions to you in passing that your delivery driver is no stranger to traffic accidents around town. You get a sick feeling in your stomach as you remember reading about something called negligent hiring.

What is negligent hiring?

As our fictitious pharmacy owner just learned, it's what you don't know about a job applicant that can hurt you. All employers are expected to use *reasonable care* in determining the fitness of a job applicant for the position being filled. Negligent hiring occurs when an employer fails to use reasonable care in the employment selection process, resulting in harm caused to others. Harm can include anything from slight to fatal bodily injury, theft, arson, or property damage.

In negligent hiring suits, courts may hold an employer liable for an employee's wrongful

acts if the employer did not meet a certain standard of care in selecting the employee, including failing to conduct a background check or not conducting an adequate background check. Furthermore, courts hold employers responsible both for what they do know and what they should have known about their employees.

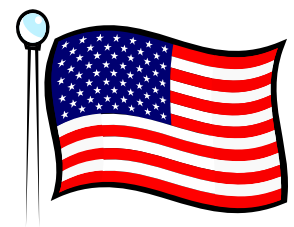
Actions to prevent negligent hiring

The best way to prevent a negligent hiring charge is to do a thorough background check on every employee. The background check should reflect the nature of the job the candidate has applied for. For example, if an employee will be driving as part of the job, a motor vehicle record check should be conducted. If the employee will be going into customer's homes, a criminal background check should be done. State laws vary as to information on criminal records and other background information an employer can collect, so be sure to check on what is allowable in your specific location. Additionally, a good program of background checking should include the following:

- **Require each applicant to complete an employment application.** Pay particular attention to gaps in employment and inconsistencies.
- **Check references verifying employment and education.**
- **Document the steps you took to investigate the candidate.** Even if you were unable to contact a reference, or if your call was not returned, make sure you have a clear record of the attempts you made to do a thorough investigation.

While doing these things will not guarantee immunity from a charge of negligent hiring, it will show that you took reasonable care to protect your other employees, and the public in your hiring process.

**Happy
Labor Day**



Readers Respond: Housing starts rise again *Home Channel News*

Single-family housing starts in June, according to government data, showed a much-welcome double-digit surge of 14.4% to a seasonally adjusted annual rate of 470,000. Moreover, June's increase was the fourth consecutive month-over-month increase in single-family starts and the highest rate reported since October 2008.

Safety

Set Driving Expectations *Federated Insurance The Lumber Log*

Driving instructors estimate that a driver makes 200 decisions for every mile of driving.

A University of North Carolina study released by AAA showed that drivers were distracted 16 percent of the time they were driving. That's almost ten minutes of every hour on the road! And, a recent National Highway Traffic Safety Administration (NHTSA) survey found that nearly 75 percent of drivers reported using their phones while driving, and an estimated 60 percent of cell phone use takes place behind the wheel.

How can you help prevent accidents caused by distracted driving?

Set expectations for your employees by implementing a company policy regarding distracted driving. Communicate that your company policy requires employees not to engage in activities that cause distractions, including but not limited to:

- Using a cell phone
- Using a computer or electronic handheld device
- Adjusting the controls of a CD player or radio
- Searching for items in the vehicle such as CDs and coins.
- Eating or drinking
- Reading maps or other printed material

Driver Qualifications *The ILMDA Advantage*

Please remember these important criteria for your drivers:

- **EVERY ONE OF YOUR FOR-HIRE DRIVERS** (Vehicles over 10,000 lbs GVW) **must carry a valid medical card.** No

exceptions! This applies for ALL local drivers, intrastate drivers and interstate drivers.

- Anyone driving a vehicle more than **16,000 lbs** but less than 26,001 lbs, or towing another with a GVW of 10,000 lbs or less **must have a Class C license**

- Anyone driving a vehicle **26,001 lbs** (including combinations) must have a valid **CDL** and be enrolled in a drug-testing program.

- Be sure to keep accurate time records on all your drivers (even local) to protect yourself from "hours of service" violations. Accurate logs or time cards are necessary to satisfy an auditor.

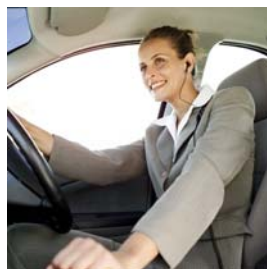
- **Every truck** in your operation (including local) must have a **daily inspection by the driver** BEFORE going out on a job, and you must keep documentation to prove it was done and that noted repairs were made.

- **Any motor carrier (even local) can be subject to DOT inspections at any time. Remember, our states need money. Pay attention to the regulations so that they don't get it from you!**

Contact SBMA for Driver's Vehicle Inspection Report forms. 800.849.1503.

Safety study shows no difference between hands-free and hand-held cell phones

A new study in the National Safety Council's Journal of Safety Research concludes there is



little difference between the driving safety risk of hands-free versus hand-held cell phones. The study, by Yoko Ishigami, Dalhousie University, and Raymond Klein, confirms that any type of cell phone use detracts from the brain's ability to focus on safe driving.

Several other studies also support the claim that hands-free phones and hand-held phones are equally dangerous.

Cell phone use behind the wheel is a growing problem. According to conservative estimates, each year in the United States more than 636,000 crashes, 330,000 injuries, 12,000 serious injuries, and 2,600 deaths are caused by a distracted driver on a cell phone. In January the National Safety Council (NSC) became the first national organization to call for a total ban on cell phones.