

EBMDA = Excellence in Education

EBMDA has held three (3) outstanding educational sessions already this year. In mid-February, registrants trekked through the snow and ice to attend the Excel Basics and Excel Beyond the Basics seminars held in Wilmington, Delaware. A week later, EBMDA held another successful program entitled Accounting for Non-Accountants in Baltimore, Maryland, hosted by Parksite Plunkett Webster. With more than 40 attendees at the March Yard Foreman-Operations Manager seminar in York, Pennsylvania, 2007 marks a year of stellar education for the EBMDA!

The EBMDA Education Committee (Geoff Huguely, Chair) and the EBMDA Education Foundation (Steve Mitchell, Chair) are very proud to bring these programs to the membership and other interested participants. Please take a look at page 11 for a complete listing of future educational programs. There is a diverse schedule set up for the remainder of the year.

Please join EBMDA in thanking the generous support of our education sponsors, including:

- Eastern Building Material Dealers Educational Foundation
- Activant Solutions, Inc., Livermore, CA (Contact Scott Hanson at 925.449.0606)
- Federated Insurance, Owatonna, MN (Contact Ben Hartman at 507.455.5992)
- Parksite Plunkett Webster, Philadelphia, PA (Contact Steve Wyatt at 214.223.1700)
- Pennsylvania Lumbermens Mutual, Philadelphia, PA (Contact Jerry Healy at 215.625.9233)
- Roehrs & Company, Inc., Exton, PA (Contact Clif Whitehead at 610.363.7999)
- SEI Investments, Oaks, PA (Contact Tom Haak at 610.676.1000)

If you are interested in hosting or sponsoring a seminar in the future, please contact Pam Hinton or MaryEllen Parmer at the EBMDA office (800.296.3278).

EBMDA Board of Directors Orientation

Prior to the Board of Directors meeting this past February, new Board members attended a helpful orientation program. Past Chairman, Kip Coleman, provided an informative session about the history of EBMDA. Current Chairman, Barry Scholtz, discussed current and future program goals. The program was designed to address questions that can arise when new directors begin their service to the Board. The next day, new Board members were better prepared as they attended their first formal Board of Directors meeting. Highlights of the meeting include the addition of new member services (more to follow in future newsletters), an upgrade of the EBMDA web site (www.ebmda.org), and bringing back a trade show and educational program scheduled for December 2008.



Message from the Executive Director

You've probably heard the story—attributed to Abraham Lincoln—about a lawyer who was going to visit a friend, the owner of prime real estate in the town where they lived. As the lawyer approached his friend's building, he saw a man come flying out of a window. The lawyer went inside and asked his friend what had happened. The friend said, "That man, I've had it with him. He came to me two weeks ago and offered me \$3,000 for my land. I said no. Then he came back and offered \$5,000. I said no again. This time he offered \$10,000, and I threw him out the window."

"Why would you do that?" the lawyer asked.

"He was getting close to my number," the owner said.

You can probably identify with that landowner. What would you do if you received an offer for your business that is by far the best you've ever gotten? You'd think that you would be thrilled about it. However, the prospect of selling a business raises a wide range of emotional (and financial) issues. When a good offer forces you to deal with those issues, you find that part of you feels like throwing somebody out a window.

As a business owner, you want to be prepared for the eventuality of retiring from the business, before being forced to consider it because someone made an offer. Individuals who participate in EBMDA's Business Succession Planning seminar on April 26th will learn how to prepare and will learn about:

- The ten most common mistakes a family business makes and how to prevent them.
- How to develop a training plan for your successor and/or the next generation members of the family.
- Define the "culture and values" in your particular family enterprise and what's important for your successor to know.
- Discover how to hold a productive family meeting.
- Benefit from an Advisory Board and learn how to find the best people to serve.
- Meet with other owners who are in the same situation and share strategies of success.
- Tax Tips to Make Your Succession Plan More Affordable
- Hidden gender issues, which could be stalling your successor preparation

The Business Succession Planning seminar is designed exclusively for you and promises to be one of our best sessions ever. This course, facilitated by professors from Susquehanna University, will help you focus on your future that will benefit all involved in the transfer of your business. I hope you'll attend and keep yourself from feeling like throwing someone out of the window.



Pamela J. Hinton
Executive Director, EBMDA
800.296.3278
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Business Succession
Planning

April 26, 2007

9am - 4pm
Hotel Hershey
Hershey, PA

NLBMDA Works to Preserve Secret Ballots in Union Elections

As part of the Coalition for a Democratic Workplace, NLBMDA joined several other organizations and associations in opposing the so-called Employee Free Choice Act (H.R. 800) when it was debated by the U.S. House of Representatives last week. This legislation is designed to make it easier for unions to obtain certification through the expansion of “card check elections.” NLBMDA believes that while employees should retain the right to decide whether they want union representation, they should never feel threatened by abusive card check practices. The House passed H.R. 989 by a vote of 241 to 185 on March 1. Senate action on the Employee Free Choice Act is unclear, given the unlikelihood of securing the 60 votes needed to invoke cloture and proceed with debate and a vote on the bill. President George W. Bush has threatened to veto the legislation if presented to him for his signature into law. The House fell short of the votes necessary to override any potential veto. Visit www.buildthevote.org to see how your Representative voted on H.R. 800.

Innocent Sellers Fairness Act (H.R. 989) Update

With the introduction of the Innocent Sellers Fairness Act (ISFA) last month, NLBMDA is working to promote this important legislation to dealers nationwide and to legislators in Washington. NLBMDA invites you to join “Team ISFA” by (1) contacting your Member of Congress and asking him/her to cosponsor H.R. 989 (www.buildthevote.org); (2) making a donation to our ISFA Fund (corporate and personal contributions are accepted); and/or (3) joining the Lumber Dealers Political Action Committee (LuDPAC) to help elect legislators who support our industry. “Team ISFA” members will receive an exclusive monthly update on the progress of H.R. 989 to keep them in the loop on this important effort. To help promote Innocent Sellers or make a donation to NLBMDA’s ISFA Fund, please contact Sarah at sarah@dealer.org, call 800.634.8645 or go to www.buildthevote.org. Checks also may be mailed to “NLBMDA ISFA Fund,” 900 2nd Street NE, Suite 305, Washington, D.C. 20002. To obtain information on LuDPAC, please contact Colleen at colleen@dealer.org.

Senate Considers Numerous Budget Amendments on the “Death Tax”

During consideration of the Fiscal Year 2008 Budget Resolution (S.Con.Res. 21), the Senate debated several amendments relating to the repeal of the death tax. An amendment to permanently repeal the tax, offered by Sen. Jim DeMint (R-SC), failed by a vote of 44-55. Other amendments to permanently extend the \$5 million exemption and reduce the maximum rate to 35 percent were also defeated. The Senate approved one amendment, offered by Sen. Max Baucus (D-MT), which would leave room in the budget to make the 2009 provisions permanent (\$3.5 million exemption, top rate at 45%). The Baucus amendment was approved by a vote of 97-1. The House adopted its budget resolution (H.Con.Res. 99) on March 29. The House bill does not address the death tax. A joint Senate/House conference committee will work to reconcile the differences between the two versions of the Fiscal Year 2008 budget.

Green Building Legislation Introduced in Senate

NLBMDA recently signed on to a coalition letter opposing LEED-specific green building legislation that has been proposed in the Senate. Two bills have been introduced: the Green Buildings Act of 2007 (S. 489) by Sen. John Warner (R-VA), and the High Performance Green Buildings Act of 2007 (S.506) by Sen. Frank Lautenberg (D-NJ). The Lautenberg bill defines “high performance buildings” as those meeting the LEED rating system. NLBMDA and coalition allies are urging members of the Senate Environment and Public Works Committee to refrain from limiting participation to one green building rating system but rather to pass legislation that allows all ratings systems to participate. For more information, contact Colleen Levine at colleen@dealer.org.

From The Chair

February Meeting:

Thanks to all for making my first meeting as chairman successful and productive. Thanks again to Kip Coleman, Annette Stuckey, Phil Skarata, Ada O'Connor, Tom Fleck, and our Exec., Pam Hinton for doing such a great job at the "New Board Member" orientation. Watching Kip's power point presentation of the history of the association renewed a sense of pride in my membership that I hope all of the new board members shared.

Current Events:

We're currently forming two very important committees. First, the Risk Management Committee to replace Middle Atlantic Risk Management Entity. Second, the Expo committee, to research and plan a trade exposition for that could take place as soon as 2008. Our goal is to create a venue for our associate members and suppliers to promote their products and services to the membership, and their customers, stay tuned! We have volunteers for these committees, but if you would like to get involved, by all means give me or Pam Hinton a call. We value the input and participation of every member.



Barry Scholtz, EBMDA Chairman

Membership:

Know a member that didn't renew their membership? Know a dealer or supplier that could benefit from membership in EBMDA? Please take the time to make a call, or contact Pam Hinton at our office.

Remember:

As business owners, we can always learn more from one another, than we can go out there on our own. EBMDA meetings and educational programs are designed so that in addition to structured business meetings, we gather and learn from each other. Whether it's on the golf course, an educational seminar, or committee meeting, members who are actively engaged in the association learn more! The tips and solutions to problems that you pick up from EBMDA members cannot be found elsewhere. If you haven't already done so, please consider joining us at a future EBMDA event. You'll be glad you made the investment!

Sincerely,

A handwritten signature in cursive script, appearing to read "Barry E. Scholtz".

Barry E. Scholtz
EBMDA Chairman

Attention Associate Members: If you are interested in hosting/sponsoring an education session or roundtable at your facility, please contact the EBMDA office 800-296-3278.

Welcome New Members...

Associate Member
TrimLine Windows,
Inc.

Contact: Harry Scarpiello

50 Louise Drive
Ivyland, PA 18974
215-672-5233 ~ Fax: 215-674-9324
www.trimlinewindows.com

Associate Member
Alan McIlvain
Company

Contact: Page Allinson

501 Market Street
Marcus Hook, PA 19061
610-485-6600 ~ Fax: 610-485-0471
www.alanmcilvain.com

MEMBER ALERT

Please be aware of salespeople who call and state that their product has been endorsed by EBMDA. If a salesperson tells you that the association endorses their product, please verify that this is true. (If it is not true, please report the company information to the EBMDA office.) A listing of endorsed products can be obtained on the EBMDA web site (www.ebmda.org), or you can contact EBMDA staff at 800-296-3278.

Thank you to Parksite Plunkett
Webster for hosting the February
22nd Accounting for
Non-Accountants Seminar!



EBMDA Education Report

Due to a generous grant from the EBMDA Education Foundation, EBMDA is able to bring you top quality educational programming at a price that can't be found elsewhere. If you compare the cost to attend an EBMDA course to other similar seminars, you'll find a lot of bang for your buck by attending an EBMDA event. Since our last newsletter, EBMDA has hosted three additional programs.

Excel Training was contracted through the Fred Pryor Seminars. Instructor, Gardnel Dyson showed participants how to turn Excel into their most powerful productivity tool. Kellie Becker, Galliher & Huguely Associates, Inc., Washington, DC stated that the seminar was "fabulous and full of useful information that can be applied to managing business applications more effectively and much more efficiently." Students were thrilled with the sessions, which were taught by an extremely knowledgeable instructor who made learning fun. Whether students took the basic or advanced session, everyone agreed that it was well worth attending.



A new speaker to the EBMDA circuit, Richard Heath, CPA, CVA, PC., facilitated a seminar entitled "**Accounting for Non-Accountants.**" Attendees learned how to read financial statements (including basic benchmarking ratios), how information flows to the statements from the revenue and expenditure processes, and how cash flow is generated and used in the building material business. Students also learned how fundamental operating ratios are impacted by different decisions including gross profit percentage, return on sales, GMROI, accounts receivable days outstanding, inventory turnover, return on equity, EBIT return on assets and negative leverage factors, the cash conversion cycle, and much more. Beth Dreher at Southern Pacific Supply Company, Inc. said that "this seminar helped individuals with no accounting experience have a basic understanding of how a company can make a profit." EBMDA thanks Parksite Plunkett Webster for hosting the seminar at their Baltimore facility, and for hosting the lunch.



The most recent EBMDA educational event was the "**Yard Foreman-Operations Manager**" seminar taught by industry veteran, Tom Fife. With more than 40 students, the yard foremen and managers who attended will be able to implement the ideas they learned from this idea-packed session and will increase their productivity and profits to the company as a result. This comprehensive seminar taught participants what it takes to excel at their company's most vital position. Attendees better understood their role in the success of the total business and learned valuable tips from experts and their peers. From logistics to personnel management, this seminar always provides a huge return on investment and a great workbook to take back to the office.



Please consider an EBMDA program for you, or your staff. It is cost effective, productive, and fun.

SAVE THE DATE: May 17, 2007

Friends, Beggars and Blue Suede Shoes

and

The Fallacy of the Close

Holiday Inn - East, Harrisburg, PA

9:00 a.m. 4:00 p.m.

- **WHY?** Do you want your salespeople doing the same thing as everyone else or would you prefer to teach them how to be different? If you want your salespeople to be different, then they must know what it takes. Salespeople are plagued by the exact same challenges e.g. price objections, service demands, etc and amazingly react in similar and predictable patterns. This session illustrates the power of differentiation and ways to consciously outperform the competition.
- **HOW?** If you do what you always have done you will, contrary to popular thought, NOT get what you always have in the past. You will fall behind. This dynamic session teaches your salespeople the power of differentiation. The session identifies the history of sales and the psychological factors that influence sales styles. Drawing from the work of leading psychologists and social scientists, this session helps salespeople plainly identify various sales styles and how to choose the optimum approach to high level performance.
- **WHAT?** At the conclusion of this session, your salespeople will know what the average salesperson is doing and, more importantly, how a sales Leader creates differentiation that leads to superior performance and takes market share from competitors.

About Rick Davis:

- **Writer** - Contributing Editor to ProSales Magazine
- **Award Winner** - Silver Medalist-2005 American Society of Business Publishing Editors
- **Author** - Strategic Sales in the Building Industry, published by the National Association of Home Builders
- **Speaker** - Keynote speaker for business audiences ranging from executives and managers to salespeople and line employees. The content may vary but the message is always focused on personal responsibility and achievement that inspires individuals towards better careers while improving organization performance.
- **Teacher** - Building Leaders, Inc, founded in 1999, has trained thousands of industry professionals with customized on-site training, sales management programs, speaker services, and public training programs. We are building leaders!!

Rick Davis is President of Building Leaders, Inc. a Chicago-based sales training company.

Online Customer Communities

by Adam J. Fein, Ph.D.

The Internet is now a key decision-making tool in our society because it allows us to draw on a broad social network of people for advice or to share experiences. My kids (ages 7 and 10) would hardly think about buying anything without looking it up online. (Yes, “to google” is a verb in my house!)

People don't forget that the Internet exists when they go to work, which is why Connected Customers (Trend 4 in Facing the Forces of Change®: Lead the Way in the Supply Chain) describes how business customers will increasingly use the Internet to gather information from other customers rather than manufacturers or wholesaler-distributors.

Is your company taking this new development seriously?

ONLINE COMMUNITIES

I found internet forums (a.k.a. communities) to be one of the most fascinating aspects of my research for the latest Facing the Forces of Change® report. Customers can communicate with each other by reading and responding to messages posted for everyone to see.

You will probably be amazed at the quantity and detail in these online conversations. Spend a few minutes browsing the many forums at ContractorTalk.com. You'll see customers giving product reviews, sharing business tips, and discussing buying strategies. One recent conversation gave a fascinating peek into how contractors view the tradeoff between the services of a lumber wholesaler versus Home Depot. (See Nothing beats outstanding service, but saving thousands is tempting.)

The discussion forums on TractorbyNet.com provide another active forum with plenty of advice to and from customers. Are you skeptical that customer will get independent pricing information online (as I suggest on pages 79-80 of Lead the Way)? You will reconsider after reading the posts in the Buying/Pricing/Comparison forum.

DEALING WITH 'NET REALITY

I'm just scratching the surface, so I suggest that you take some time to find out what your customers are doing online.

The fifth Question for Management Discussion suggests that you research customers who have used online forums.

- How many of your customers are visiting an online forum in your industry? (Don't say “none” unless you've bothered to find out.)
- What information were they searching for? Did they find what they wanted?

The big question: Does participation in an online forum lower the perceived value of a wholesaler-distributor?

You can try searching for online communities at the Open Directory of Internet Social Communities (<http://ecultures.homestead.com/>) or just ask a few of your net-savvy customers.

ABOUT ME

Adam J. Fein, Ph.D. is the founder and president of Philadelphia-based Pembroke Consulting, Inc. Dr. Fein consults with manufacturers on channel strategy, advises technology companies on marketing, serves as an expert witness and legal consultant on selected cases involving distribution, and delivers presentations to executives around the world. In recognition of his scholarship and thought leadership, the NAW Institute for Distribution Excellence has selected Dr. Fein to research and write the last three editions of Facing the Forces of Change. He can be reached at (215) 523-5700 or on the web at www.PembrokeConsulting.com. This article is based on the new report Facing the Forces of Change®: Lead the Way in the Supply Chain, which is available online from the National Association of Wholesaler-Distributors at www.naw.org/ftf07.

Every Business Should Have A Disaster Plan



How quickly your company can get back to business after a terrorist attack or tornado, a fire or flood often depends on emergency planning done today. While the Department of Homeland Security is working hard to prevent terrorist attacks, the lessons of the 1993 World Trade Center bombing, the 1995 Oklahoma City bombing and the September 11, 2001 terrorist attacks demonstrate the importance of being prepared. When you also consider that the number of declared major disasters nearly doubled in the 1990's compared to the previous decade, preparedness becomes an even more critical issue. Though each situation is unique, any organization can be better prepared if it plans carefully, puts emergency procedures in place, and practices for all kinds of emergencies.

Don't forget to include a review of your insurance coverage. Inadequate insurance coverage can lead to major financial loss if your business is damaged, destroyed or simply interrupted for a period of time. Insurance policies vary, so check with your agent or provider about things such as physical losses, flood coverage and business interruption. Understand what your policy covers and what it does not. Ask about any deductibles, if applicable. Consider how you will pay creditors and employees. You should also plan how you will provide for your own income. Finally, find out what records your insurance provider will want to see after an emergency and store them in a safe place.



The Pennsylvania Lumbermens Mutual Insurance Company has provided EBMDA with **DVD training programs**. The sessions listed below are available, at no charge, to members of EBMDA. There is no charge for the DVD's if they are returned within 14 days after receipt. The charge for keeping the training videos past 14 days to 30 days is a flat fee of \$30.00. If not returned within 30 days, the DVD will be reported as lost and the company will be charged \$175.00.

EACH DVD provides English and Spanish Versions:

- Warehouse Safety: It's No Mystery
- Fire Safety: Alert, Aware, Alive
- Fire Extinguishers: Your Pass to Safety
- Boomlifts for Construction
- Safe Driving
- Defensive Driving: Prepared for the Worst
- Defensive Driving: A Crash Course
- Electrical Safety: Basic Principles

In addition to the DVD, each session has an English-only booklet that recaps the training, along with a quiz that can be used to show that your employees have undergone training.

Contact MaryEllen Parmer at 800-296-3278 (717-441-6045).

What Makes Employees Loyal

by Allison Van Dusen, reprinted from Forbes 3/27/2007

There are lots of reasons why people end up quitting their jobs.

For some, the decision is the result of a bitter fight with a boss. Others win the lottery, get a better job offer or leave because a spouse is transferred to another city.

But a recent review of 15 years of research on employee job satisfaction and voluntary job turnover shows that employers might be better at retaining workers if they focus less on what makes people quit and more on what makes them want to stay.

Thomas Lee, professor of management at the University of Washington and president-elect of the Academy of Management at Pace University in New York, says leaders should realize people may be leaving their positions for reasons that have nothing to do with being unhappy.

But focusing on building a social network that makes people feel like they fit in can prevent them from quitting and potentially save the company the expensive loss of institutional knowledge. "Most companies should very seriously think about the value of creating a community," says Lee, who, with UW professor Terrence Mitchell, conducted the review, the results of which appeared in the February issue of *Current Directions in Psychological Science*.

Embedded At Work

People begin to feel this sense of community, or "job embeddedness," when their work matches their personality—for instance, a creative person who has outlets to express him- or herself.

It also happens when people feel a sense of interdependence with their co-workers or within their communities, such as a recognition that other people may not be able to get their jobs done if you don't do yours. Or when that person in the office who has accumulated eight weeks of vacation doesn't take it all because they feel they'd cause too much disruption. Or maybe they're heavily involved in activities ranging from Little League to Kiwanis and wouldn't want to break up their family's social network by relocating.

Last, it's a matter of the strength of people's individual connections to a company and the sacrifice they feel they'd be making by moving on. Maybe their 401(k) is nearly fully vested or they've got a great parking space and a cushy, corner office. Lee says that in Seattle, they call it the "Mount Rainier effect."

"On a sunny day, you see Mount Rainier, Puget Sound; people are out boating," he says. "You're really an outdoors person and you have a wonderful job. You are comfortable in that location. The cumulative effect of all of these pressures keeps you enmeshed."

The Flip Side

Of course, this kind of focus won't work for every boss, company or industry. "Turnover rates in general are a very dangerous statistic for leaders," says John Boudreau, professor at USC's Marshall School of Business and research director of its Center for Effective Organizations.

While many assume high turnover rates are bad, they can also be helpful by bringing new blood into a company and winnowing out people who don't quite fit. It all depends on the situation.

But if voluntary turnover and the brain drain that may accompany it is a concern, there are lots of things companies can do to make employees want to stay. Highlight the perks of your organization's benefits system, or offer services that cater to your employees' specific needs, like day care or career counseling. Get employees involved in community groups by offering discounted memberships or just providing them with contact information, Lee says.

"Just by making that kind of contact a little easier, you tie them to the organization," Lee says. "You make them feel wanted."



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Staff

Pamela J. Hinton
Executive Director

MaryEllen B. Parmer
Managing Director

Industry Calendar of Meetings & Events

April 26, 2007

Business Succession Planning
<http://www.susqu.edu/facstaff/m/mischel/>
Hershey Hotel
Hershey, PA

April 26-27, 2007

EBMDA ERT & Board
Meetings
Hershey Hotel
Hershey, PA

May 17, 2007

Sales: Friends, Beggars, & Blue
Suede Shoes/The Fallacy of the
Close
www.buildingleaders.com
Harrisburg, PA

May 2007

Do-It Best Market
Indianapolis, IN

June 6, 2007

NAHB Legislative Conference
& Board Meeting
Washington, DC

June 18-20, 2007

Guardian
Charlotte, NC

August 16-18, 2007

Orgill
Las Vegas, NV

September 14-15, 2007

LMC
Philadelphia, PA

September 20, 2007

Benchmarking for Excellence &
Process Improvement
www.lbmsolutions.com
Hyatt Regency Chesapeake Bay
Cambridge, MD

September 20-21, 2007

EBMDA ERT & Board
Meetings
*Hyatt Regency Chesapeake
Bay*
Cambridge, MD

September 28 October 1, 2007

Ace Hardware Fall Show,
Denver, CO

October 4-6, 2007

NLBMDA Industry Summit,
Las Vegas, NV

October 4-5, 2007

ENAP,
Baltimore, MD

October 18, 2007

Operations Management
Tom Fife
www.tomfife.com
Frederick, MD

October 15-17, 2007

RISI Transport Symposium,
TBA

October 26-29, 2007

True Value,
Atlanta, GA

November 7-10, 2007

LMC
Philadelphia or Baltimore

November 13-15, 2007

Blueprint/Estimating
Seminars with Keith Kluis
Treose, PA

Eastern Building Material

Dealers Association

908 N. Second Street
Harrisburg, PA 17102

Meaningful Membership Since 1892

Save the Date!

September 20-21, 2007

Hyatt Regency Chesapeake Bay
Cambridge, MD

Educational Seminar: Benchmarking for Excellence
& Process Improvement

ERT Board Meeting

EBMDA Board Meeting

Golf and More!



Hyatt Regency Chesapeake Bay