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LBM JOURNAL SPECIAL REPORT: **SALES COMPENSATION AND BENEFITS SURVEY**

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IN DEPTH: DOORS

Grow sales by leveraging the remodel
and repair market

DEALER PROFILE

PMC Building Materials emerges strong
in the challenging Atlanta market

Bill Stoker, president and CEO
of PMC Building Materials

Back from the Dead

Former Ply Mart executives revive one store location as PMC Building Materials by refocusing on core customers and rehiring staff to supply key services.

Ply Mart Inc. rode the wave of heavy housing construction through mid-decade, reaching \$360 million in sales from 32 stores with 1,100 employees. Then the bottom fell out of the market, and the company went bankrupt in 2008. But several executives, understand-

ing their specific market and seeing a niche opportunity, committed to bringing one store location back to life.

Today, PMC Building Materials in Marietta, Ga., has refocused its products and services on a strong local niche. It also rehired many of the former store's em-

ployees, who knew the customers and how to provide the services they needed. Opened in September 2008, the company is now averaging about \$600,000 per month from its one store, and it continues adding products and services to keep it secure and growing.





PMC focuses on remodeling contractors by offering a wider but less deep selection of products, ensuring contractors can get what they need each day.



The key goal today, says Bill Stoker, president and CEO, is to keep spreading the word that the company and its service-oriented staff are open for business. “We want to rebrand ourselves and re-educate customers to make sure they know that we are ready to serve,” he says. “Our message is: We’re back, with the same people, same product lines, same service and same experience that can make your business a success.”

The management team at PMC Building Materials in Marietta, Ga., gained experience in the market while working at Ply Mart prior to its bankruptcy. The team comprises (l-r): Randy Mahaffey, chairman, Bill Stoker, president/CEO, Gregg Mizerak, general manager, and Rich Mahaffey, vice chairman.

Remodelers Become Focus

The company is focusing on remodeling contractors, who had been a major part of the Marietta store’s business before Ply Mart went under, he explains. The store did nearly \$1 million in monthly remodeler business at that time, but Ply Mart’s heavy overall focus on new homebuilders swamped that revenue. “It was the demise of the big homebuilders and the custom homebuilders that did in Ply Mart,” he says.

That won’t happen this time, he says, as the store is focused on remodelers and their specific needs. “We opened PMC with the premise that our customers would be remodeling customers, who are virtually underserved in this market. We know those customers in this area and what their needs are.”

The company is owned by former Ply Mart executives Randy and Rich Mahaffey, Bill Stoker, Gregg Mizerak (general manager) and two outside investors, whose holding company purchased the location and rents it to PMC. “We started talking about this back in July 2008, as Ply Mart was folding, to determine if we could do it and make it work,” Stoker says. They knew it was a risk, adds Randy Mahaffey. “Some warned us that the downturn had not yet bottomed-out, and that there was more bad news to come—and they were right,” he says. “However, we felt we have an advantage: Our entire operation is staffed by former Ply Mart employees.”

Indeed, only two of the company’s 25 employees did not formerly work at the Marietta store. They represent 96 years of experience in inside sales, 200 years of experience in outside sales and 165 years of management. “We know the industry,” Stoker says.

It was a struggle in the early days, he admits, and there was a little hesitation for some customers to return to a store that had closed so recently. “The same people were there to work with them that had worked with them before, and they were comfortable with that,” he explains. “This is still very much a relationship business, and that proved to be very valuable.”

Changes Add Value

To attract customers back, the store made a few changes. “We knew remodeling contractors would be the driver for the next four to five years at least, and we ➡



Serving remodelers requires key services, including a 45-foot sales counter and six inside salespeople to fill orders rapidly. PMC also offers display vignettes to help customers visualize products in place and will deliver anywhere in the state.

needed to ensure we were focused on their needs.” That meant adding a few new categories, such as three lines of kitchen cabinets and a full-time kitchen designer to help with layouts. The company also remodeled its 6,500-square-foot showroom, updating or changing every display line “at no small expense,” Stoker says.

The new space features six vignettes with an array of products, including siding and cornices, wood and vinyl windows, interior and exterior doors and trim, and moulding products.

The store’s SKU count has broadened but become less deep. That better meets the needs of remodelers, who require a wider range of readily available options but not as much volume as builders do. “Putting it all together in a downturned market was a real task, to the say the least,” Stoker notes.

PMC also offers delivery to any qualified customer anywhere in Georgia, to ensure customers get what they want and remember the company. “We need to get our name out there and create some brand

recognition for serving all of the remodelers’ needs.” It also runs a special-order program that it promotes and emphasizes that it can fill orders without a wait, thanks to its 45-foot sales counter and six inside salespeople.

The company hasn’t forgotten custom homebuilders, Stoker stresses, employing an outside sales staff to meet with these customers and stay current with their needs. The company also facilitates installations for customers on products where needed.

It has instituted additional programs focused on getting its name out to customers. PMC produces various flyers and a newsletter that it mails on a regular schedule to 2,400 customers. The mailer promotes the company’s services, includes profiles of customers and touts various programs underway.

Events Draw Customers

Among those events were monthly Lunch & Learn programs with new-product vendors and other informational sources. The

seminars attracted between 20 and 35 remodelers, he estimates, but they were discontinued in early 2010 as customers got busier and couldn’t attend regularly. “We intend to restart them in 2011,” he vows. “It was a good thing in some ways that they were so busy they couldn’t come. But we want to keep meeting with them.”

The company also has run two focus groups for its customers, to dig deeper into their needs and perspectives on the market. The programs, coordinated by Minneapolis-based market research expert John Cashmore [also an *LBM Journal* columnist], ran in the spring and fall of 2009. “We learned from the participants that they had no good place to take their customers to see the variety of decking options available,” Stoker says. “They wanted to show [their customers] more than just sample boards. We listened to that very intently.”

PMC executives worked out a plan and met with various manufacturers and distributors to gauge interest in participating in a major display space. “There was a great

willingness to participate by both groups,” Stoker says. “Competitors don’t normally agree to do that, but it was integral to the success [of this initiative], and they knew the need was there. They realized that having their competitors there was not a detriment, because it would make comparisons easier—which they figured they’d win.”

The PMC Deck Center, opened in May, consists of a 1,300-sq.-ft. area directly adjacent to the store that is segmented into ten 8- by 12-ft. sections, with a 4-ft. walkway along the edge. “We decided which vendors

we wanted to have displayed, and we had no trouble filling the space,” Stoker says. The display features large samples of 17 deck boards and 20 railing systems, plus accessories to create add-on sales. It is thought to be the largest deck display in the Southeast.

Everything shown on the display is stocked, Stoker emphasizes, including exotic hardwoods. “We wanted to offer the customers the benefit to not only look, feel and make an informed decision but to be able to take it with them.” Same-day delivery also is offered. The center is being advertised in movie theaters as well as in magazines, newspapers, radio and direct-mail campaigns. The program is coordinated by Thomas Matula, systems and marketing manager.

PMC’s Deck Center features sample designs of 17 deck boards and 20 railing systems, plus accessories to create add-on sales. It is said to be the largest in the Southeast.



More on the Boards

PMC isn’t done fine-tuning its operations to ensure it meets all of its remodeling customers’ needs. It now is planning a Replacement Center, featuring full displays of products remodelers often use in retrofit projects, including replacement doors, windows and siding. The staff now is gathering ideas for the center, which it will be fit into the existing showroom. The goal is to bring it online by fall.

“As our competitors see our Deck Center, we know they’ll try to compete with it, so we want to look at what else we can be doing to stay ahead of the game,” he says. “We have to keep moving.”

Staying ahead includes examining the potential for online ordering at its website, www.pmcbonline.com. That program, implemented by Matula, won’t begin for at least six to eight months. “We don’t want to do too many things at once,” Stoker explains. “We want to concentrate and ensure we get each one right before we move on. We need to execute well for our remodelers. It can be labor-intensive to undertake big programs.”

Execution is the key, but marketing to draw in the customers to see the programs is where success begins, says Randy Mahaffey. “It’s an interesting business, because so much of our success hinges on strategic marketing and promotion, to ensure our customers know we’re here and what we offer,” he says. “Bill and Rich established our initial marketing plan, and we’ve already added to it with the Deck Center and now with the Replacement Center.”

Such evolutions are critical, he notes, to ensure they give customers the services they want. “The key for us is to draw in customers by offering what they can’t get anywhere else and ensuring they know we have it,” he says. “If we can continue to do that, then we’ll be successful.” ■

CRAIG A. SHUTT, a senior contributing editor of *LBM Journal*, has nearly 30 years of experience covering the LBM industry.