

# NEWS BRIEFS

Newsletter of the Architectural Woodwork Institute

## WHAT'S INSIDE

Learning Forum..... 2-3  
 Chapter News .....3  
 Learning Forum.....4, 5  
 Workforce .....5  
 Business Tools .....6  
 AWI News .....7  
 Sponsor Spotlight.....8

## AWI NEWS BRIEFS

AWI's monthly newsletter is published as a service for members to help them improve operations and grow their businesses. *NewsBriefs* is also a resource for news and information about AWI's products, programs and publications and other membership benefits and services. •

## COMING NEXT MONTH

- Spring Professional Development Seminars
- AutoCAD Insights
- LEED® for Woodworkers

NOTE: The information, examples and suggestions presented in this newsletter should not be construed as legal or other professional advice. Neither AWI nor guest contributors accept any responsibility for the accuracy nor completeness of this material and recommend the consultation with competent legal counsel and/or other professional advisors before applying this material in any particular factual situations.

## Benchmarks for Better Business Management

**T**he AWI Cost of Doing Business Survey (CODBS) will deliver metrics in the 2010 report that provide important benchmarks for architectural woodworkers navigating their businesses through turbulent times, particularly this year and in the near-future.

Some economists predict that the economy is on a path to recovery and will start turning around in the second half of 2010. However, AWI convention attendees learned last October that business will “never



Marc Sanderson

return to business as usual,” according to Alan Beaulieu, a senior analyst, economist and principal with the Institute for Trend Research.

If this is true – and Beaulieu has a 96% accuracy record – results of the 2010 AWI CODBS Report will be a very important management tool in the survey's history. Participation in 2010 should be vital for all architectural woodworkers. Savvy AWI Manufacturing Members who go the extra mile to complete the survey will be rewarded tenfold with valuable data for comparing their business performance with industry metrics.

“...business will “never return to business as usual.”

(continued on page 6)

## The Estimate: Excellent Road Map or Pathway to Disaster?

By AWI Past President (2002-2003) Scott Nelson, Central Plains Millwork

**Estimating is at the heart of our business. A good estimate can produce an excellent road map for a profitable job; on the other hand a bad estimate can spell disaster.**

### Good Estimate

What constitutes a good estimate? Well, a good estimate must have everything that pertains to architectural millwork on the job included in the proposal and it must have the proper material and labor cost to produce the job as well as the correct overhead added to the material and labor to make the job successful. Oh, it also has to be priced low enough to beat all your competition, and in this economy the task can seem almost impossible even for the seasoned estimator.

AWI offers some help by offering Fundamentals & Advanced Estimating Seminars for members and non-members alike, training employees/owners in the art of Estimating.

(continued on page 2)



46179 Westlake Drive, Suite 120  
 Potomac Falls, VA 20165  
 571.323.3636 • 571.323.3630 Fax  
 www.awinet.org

## The Estimate: Excellent Road Map or Pathway... (continued from page 1)



Scott Nelson

Estimating is a work in progress and we learn by education, hands-on training and experience.

A good estimate starts with the estimator

understanding the job at hand and the project to be bid. Far too many times we do not spend the time up front reading the project manual to

### LEARNING FORUM

decide if we should even proceed with this estimate. The evaluation process includes many items to consider before unrolling the plans, including such things as:

- **Who are the players** – owner, architect, general contractors and competitors?
- **What are the requirements of the job** – bonding, payment schedule, delivery date and time frame?
- **What type of work is involved** – standing and running trim, casework, custom casework and solid surface?

Spending additional time on the evaluation process will increase our effectiveness of landing the jobs we do decide to bid. We are in the business of producing a product, not estimates.

#### Take-off and Listing

The next step is producing an accurate take-off and listing. This may sound easy but in my forty years in the industry more mistakes come from poor take-offs than from poor costing of the product. With the decreasing quality of the architectural prints, our job has become harder and room for error has increased. The key to an accurate take-off is the SOP (standing operating procedure) of the company. Listings

## Learn More...

### “Fundamentals of Estimating”

April 29, 2010

Marina Del Rey Marriott Hotel  
Marina Del Rey, CA

A one-day seminar with Scott Nelson, Central Plains Millwork, as lead instructor, and Tony Perno, Casework Technologies, Ltd., as staff instructor, is designed to help you calculate your “break even” and to introduce attendees to the *AWI Cost Book*. Learn how to turn down unprofitable work and negotiate your margins with confidence.

### “Advanced Estimating”

April 30 and May 1, 2010

Marina Del Rey Marriott Hotel  
Marina Del Rey, CA

This two-day program will deliver useful tools – job costing, bid justification, and tips for estimating complex projects. The faculty includes: lead instructor – Bruce Spitz, Classic Millwork & Products, Inc. and staff instructors – Jim Broich, Architectural Arts; Josh Browning, Genbrook Millwork, Inc.; John Leininger, Leininger Cabinet and Woodworking, Inc.; and Mike Bell, Kentucky Millwork. Instructors take attendees through unique woodworking problems and lead them to real-world solutions.

should be done in a systematic method every time; the more we execute our procedures the same way over and over the less likely we are to make a mistake. Being able to list items without distractions from phone calls and interruptions will help produce an accurate take-off.

#### Producing a Costing

Once we have an accurate take-off, the next step is to produce a costing of all items on the take-off. The costing should consist of the material and labor required to produce each item. Calculating the material required is fairly straight forward but may be time consuming. Calculating labor hours is not an exact science, but requires thought on what operations are required to make the product – more to come on this in an upcoming issue of *AWI e-briefs*.

Attendance at the AWI Fundamentals and Advanced Seminars will help a new estimator as well as a seasoned estimator increase their skills and perfect their estimating talents. There is no other estimating venue that is presented for the architectural woodworking community by architectural woodworkers. •

*Scott Nelson is President of Central Plains Millwork of Lincoln, NE, which was founded in 1984. Mr. Nelson is a frequent presenter of seminars about the AWI Cost Book, the CODBS, and the upcoming*

*program on Fundamentals of Estimating at the 2010 AWI Spring Professional Development Seminars. He is currently President of the Woodwork Career Alliance. Mr. Nelson may be reached at [scott@centralplainsmillwork.com](mailto:scott@centralplainsmillwork.com).*

# • AWI SPEAKERS BUREAU •

## The Professional Edge: Tools for Presenting the AWS

Over 1079 presentations have been made since August 2009 to introduce the *Architectural Woodwork Standards* (AWS) to architectural woodworkers, designers and architects. Before leveraging your professionalism, knowledge and expertise with potential customers, consult AWI about its tools and resources.

### What's available to assist AWI presenters?

- Coming Soon – an AWI Speakers Bureau Web site will provide information on the AWI educational programs and contact information for all AWI Qualified Presenters.
- Up to eight AIA-approved programs on the AWS.
- Complimentary copies of the AWS CD ROM, AWI “green” brochure and *Design Solutions* magazine for attendees.
- AWI *Woodworker Pro Presentations* are for members seeking to learn more about the *Architectural Woodwork Standards*.

E-mail John Leininger, AWI Speaker Bureau Membership Coordinator, johnl@lcw-inc.com for information on joining the AWI Speakers Bureau. Watch for information about the new Speakers Bureau Web site in AWI e-briefs, published twice monthly. •

## Homer Lathrop Passes Away

### CHAPTER NEWS

Former AWI Chicago Chapter President (September 2008 - February 2009) Homer R. Lathrop, III (66) passed away peacefully on January 12, 2010 at his home in Fox River Grove, IL. He had previously served as chapter vice president from 2007-2008. Mr. Lathrop was employed with Cain Millwork of Rochelle, IL. He served with honor as a U.S. military veteran.

Memorial contributions may be made to the Wounded Warrior Project, Attn: Donor Services, 7020 AC Skinner Parkway, Suite 100, Jacksonville, FL 32256-6938. AWI members who wish to share their thoughts and memories of Mr. Lathrop for his family may visit <http://obits.davenportfamily.com> and sign the guestbook. •

## 2010 AWI Chapter D.R.I.V.E. Challenge Launched

They are off and running for the prestigious AWI “Distinguished Chapter 2010” designation and for the coveted “Chapter of the Year” Honors. Competition is strong, with the AWI West Texas Chapter coming in first with their basic annual report for 2010. On the tail of West Texas, chapters in Arizona, Carolinas, Chicago, Colorado, Florida, Georgia, Great Lakes, Heart of America, Iowa / Nebraska, New England, Ohio Valley, Central PA, Texas and Washington met the January 31st deadline for reports. Keep up the good work! •

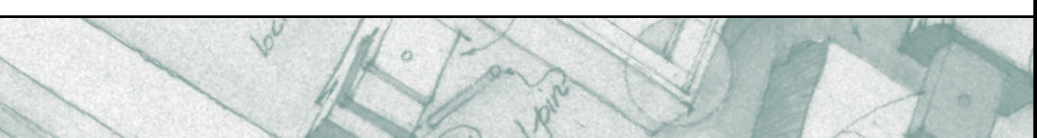


## Executive Briefing Conference

Stiles Machinery and AWI challenge AWI members to “Dare to Discover” at the 8th Executive Briefing Conference (EBC) in Dallas, TX, February 28 to March 2, 2010. Take advantage of the discount on registration AWI members receive.

A unique series of exclusive briefings designed for company decision makers, the 2010 EBC will provide information you can use today and tomorrow. The EBC will address pending regulations (i.e., dust, OSHA); social media and its impact on our industry; cost savings through sustainability; and automation and software developments. Case studies will offer keen insight into business challenges and best practices. The EBC will look

(continued on page 8)



# LEAN Manufacturing: Simple, Visual, Practical

By Anthony Wood, Fetzer Architectural Woodwork

**B**asic traffic lights are a great example of why to go LEAN. You might ask: why traffic lights and what do they have to do with LEAN? The answer is as apparent as the traffic lights themselves: they are Simple, Visual and Practical.

Traffic lights provide correct and valuable information when it is needed in a systematic and

## LEARNING FORUM

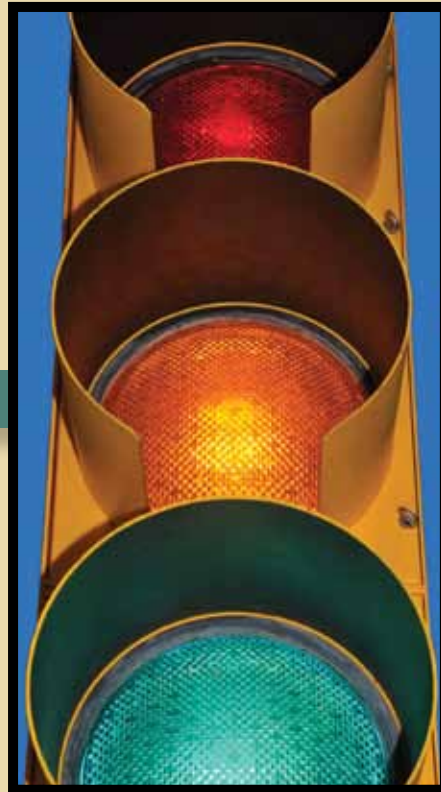
understandable way. They are simple, yet their simplicity manages large amounts of complexity by using only three visual signals. When traffic lights are observed, the outcome is repeatable each time.

You may think to yourself that this is not always the case. For instance when there is a power outage and the lights at the intersection blink red or red and yellow. This situation is handled very much the same way as if the lights were working correctly. The blinking lights provide a simple, visual, and practical solution to this situation, and through driver training courses, everyone can understand how to deal with this type of situation.

### Controlling Variables

This basic analogy also applies to large and complex systems with numerous variables and possibilities. In the case of the traffic lights the outcome is defined, which is to provide a systematic, easy-to-understand message to allow for a safe way to direct traffic. The algorithmic equations may in fact be quite involved; however, the outcome becomes the focus, which drives the processes involved in creating the system to manage traffic.

These same principles and tools can be applied to virtually any system or process that we encounter. Whether it is a complex and involved system, such as an Enterprise Resource Planning (ERP) System, or standard work processes down to the way in which we file documents, all of these principles are applicable.



A production board is one example of how these simple principles can help a company. A production board is a measurement tool to convey and display pertinent information to a specific area or process concerning the current state in that area. When production boards are simple, visual, and practical, information is more easily understood and followed than an area without direction and measurements.

“As we have integrated these principles into our systems and processes our company has improved, developed and grown at a much quicker pace.”

### Eliminating Waste

Often a majority of systems and processes become overwhelmed by an array of complexity developed overtime.

We find ourselves focusing more and more on the “Yellow” lights of our processes and systems rather than the “Green” and “Red” lights. If we feel at a glance that a majority of our processes are filled with “Yellow” lights, perhaps this reason alone may cause us to think about the benefits and reasons for going LEAN.

At Fetzer’s we strive to make each of our systems and processes follow these basic principles. Consider some of these reasons and benefits:

- Information is clearly and universally communicated and understood,
- Unnecessary information is eliminated and only needed information is seen,
- Anyone can know the current state of a process by looking at the visual controls,
- Safety is increased,
- Waste is dramatically reduced, and
- Training coupled with people development is enhanced.

As we have integrated these principles into our systems and processes our company has improved, developed and grown at a much quicker pace. Expectations become defined as we focus on making our systems and processes simple, visual and practical. Our employees are empowered and expected to improve and develop their skills and abilities. As variation is eliminated and processes become more defined, work flow becomes smooth and overall efficiency improves.

Learn more about the principles and benefits of LEAN Manufacturing at the “LEAN for Woodworkers” sessions during the AWI Spring Professional Development Seminars, in Marina Del Rey, CA. •

## Learn More...

### “LEAN for Woodworkers”

April 30 - May 1, 2010  
9:00 am - 5:00 pm

Marina Del Rey Marriott Hotel  
Marina Del Rey, CA

Erik Fetzer of Fetzer Architectural Woodwork is the lead instructor for this two-day, interactive workshop which will have a laser-like focus on the steps a woodworking firm needs to take to become a LEAN operation. This program is not an introduction to LEAN Manufacturing. Attendees who are contemplating the value of LEAN principles to their operation should also attend.

*Anthony Wood is an Improvement Specialist at Fetzer Architectural Woodwork, a 130,000 square-foot company specializing in high quality and custom architectural woodwork. Fetzer's fourth generation of owners and nearly 200 employees celebrated 100 years in business in 2009. Headquartered in Salt Lake City, UT, the company has been an AWI Manufacturing Member since 1962.*

## Woodwork Career Alliance Welcomes Member Contributors

### WORKFORCE

Late in 2009, the Woodwork Career Alliance of North America (WCA) received two donations that marked a new direction in giving by the industry – and receiving by the WCA. For the first time, the WCA received contributions from an architectural woodworker as well as from a supplier.

Stiles Machinery of Grand Rapids, MI, is the *first* woodworking industry supplier to make a donation, \$2,500, to the Skill Standards initiative. Mr. Peter Kleinschmidt writes: “We made our decision to provide these funds because of our belief that skill standards are important to the advancement of our industry. We know the value of having a qualified workforce and that these standards will provide direction to employers, employees, and educational programs.”

Fetzer Architectural Woodwork of Salt Lake City, UT, is the *first* individual woodwork manufacturing company ever to contribute to the

“For the first time, the WCA received contributions from an architectural woodworker as well as from a supplier.”

501(c)(3) Woodwork Career Alliance in support of the development of unified North American Skill Standards for woodworking professionals.

The Woodwork Manufacturing Skill Standards has an impressive track record: observable, measurable skills for over 30 machines have been completed, and more than 30 more are in progress. To learn more, and to find out how you can benefit, visit the Woodwork Career Alliance Web site, [www.woodworkcareer.org](http://www.woodworkcareer.org). •



## Benchmarks for Better Business Management *(continued from page 1)*

### Value, ROI

AWI NewsBriefs spoke with Marc Sanderson, President of Wilkie Sanderson (WS) of Sauk Rapids, MN recently about the value of the annual CODB Survey and Report to architectural woodworkers.

### BUSINESS TOOLS

Sanderson uses the AWI metrics at every employee meeting (approximately eight annually) to compare his firm's performance throughout the year with industry averages. That way, they stay on target monitoring and responding to trends to remain profitable according to their strategic plan.

Sanderson premises his remarks by saying "all numbers require a comparison. For example, knowing that one's organization is profitable is comforting. However, knowing that one's organization is 3 to 4x more profitable than the industry average is empowering. How the industry averages look in 2009 will be interesting," he says, "because of the downturn in the economy."

The company spends time and effort training the organization about the AWI CODBS performance metrics. "Metrics and comparisons only owned and reviewed at the ownership level are a waste of the CODBS. The organization needs to know if we are winning or losing and the CODBS Report helps us keep score," Sanderson emphasizes.

Having gone through an aggressive material management effort involving raw materials, work in process and finished goods, Sanderson establishes targets for their efforts based on data from the CODBS Report. "Our company's goal is to be best in class," Sanderson says. To realize that goal, they examine what the architectural woodwork industry as well as other industries is doing. "We examine the



## 2010 CODB Survey

The annual AWI Cost of Doing Business Survey was launched February 1, 2010. All AWI Manufacturing Members received an e-mail with a link to the survey. Participation is open until April 1, 2010. All members who participate in the survey will be entered in a drawing for a \$500 gift card.

Again in 2010, AWI members are reminded that only participating AWI Manufacturing Members will receive a complimentary copy of the full report. Non-participants will receive an Executive Summary only and the opportunity to purchase the report.

All data submitted by participants will be held in strict confidence by Inverra, the company commissioned by AWI to gather and tabulate the data and produce the final report. •

numbers for direction to go from point A to B and do better than the competition," Sanderson says. Company executives incorporate WS data into their own management systems and plot it graphically with the CODBS industry averages. "Using the CODBS benchmarks, we also look at our accounts receivables, payables and inventory. We analyze our average profitability and see if we are winning or losing the game," Sanderson advises.

### Using Benchmarks

Each month, WS executives compare the company's performance on a management level, on a variable margin basis, on gross margin, and finally bottom line profitability (profit before tax). This careful eye to ongoing performance dictates adjustments along the way, as necessary.

The ratio of office to shop staff is another important benchmark. They pull out the CODBS Report benchmarks to examine their own performance. Questions they ask themselves include: Are they more or less efficient? Are they getting leverage in the office because of their information systems? For example, if they automate an office process, how does this improve their ratios of roughly 1/3 office staff to 2/3 shop personnel.

"Compensation benchmarks are a key to employee motivation," Sanderson says. The CODBS Report contains data by position, plus averages for the nation, by business size, and by zone for different job classes (e.g., VP of Sales, journeyman). "We literally staple the industry numbers from the CODBS Report to each employee's performance review," Sanderson says. "During each employee's evaluation, we compare industry wages and benefits for our company size and profitability. The

“The key differences in our business are process and people. That’s our avenue to maintaining a competitive advantage.”

graphic eliminates disputes. It motivates our employees to perform above average, if they want above-average compensation. The metrics in the CODBS Report enable us to have good fact-based conversations with our employees. The facts make them feel part of our company’s performance and growth,” Sanderson says.

**Above Average Performance**

“In the architectural woodworking industry, basically everyone has access to the same materials and machinery. The key differences

in our business are process and people. That’s our avenue to maintaining a competitive advantage,” Sanderson concludes.

Sanderson is teased about his “truisms” by those who know him well. “Knowledge without action is useless,” he says. Quite simply, if knowledge doesn’t result in action and change, then it is useless.”

**Practical Use of CODBS Report**

In addition to managing Wilkie Sanderson as a high profit firm, Sanderson says they use the CODBS Report metrics externally in their annual audits and in conversations with their banker. For instance, this year, they had their line of credit increased and renewed for 12 months in part because of the financial CODBS data submitted. The company’s banker told Sanderson that “Wilkie Sanderson provides data that is timely and more accurate than companies ten times its size.” The firm’s access to credit might be considered highly unusual given the downturn in the economy in 2009, but its performance and factual information was a deciding factor in a tight credit market.

“...they had their line of credit increased and renewed for 12 months in part because of the financial CODBS data submitted.”

**Trend Data**

The company’s binder of AWI CODBS Report metrics and their own performance figures go back for ten years. How far do yours go?

Regardless of the number of years you may have participated in the Annual AWI CODBS, you cannot run a successful business without facts and trend data. If you are a new participant in 2010, start your trend data now. Architectural woodworking business performance in 2009 will be vital for managing your business down the road. As the Bob Dylan song goes, “The times they are a-changing.” •

*Marc Sanderson is President of Wilkie Sanderson, a custom manufacturer of fine wood cabinetry, institutional casegoods, solid surface products and architectural millwork. The company currently employs 95 skilled workers at two facilities in Minnesota. With 29 years of experience the company has grown to 65,000 square feet. Wilkie Sanderson has been an AWI Manufacturing Member since 1980.*

**AWI NEWS**

**New AWI Members**

**Manufacturing**

**Clay Furniture Industries, Inc.**

Manchester, CT

**Custom Fixture Company**

Richmond, VA

**D & N Cabinetry, Inc.**

Sebring, FL

**Market Contractors**

Portland, OR

**Neeley Construction & Cabinet Company**

Puyallup, WA

**Ohline Corporation**

Gardena, CA

**Pierce & Pierce Architectural Millwork and Moulding**

Norcross, GA

**Rodgers-Wade**

Paris, TX

**SSC Casework/Millwork**

Mount Pleasant, TN

**Superior Millwork Company**

Jacksonville, FL

**Suppliers**

**Architectural Finishing Solution, Inc.**

Anaheim Hills, CA

**Carolina Kitchens of Charleston, Inc.**

Wando, SC

**JD James, Inc.**

Tallahassee, FL

Use the online Directory of AWI Manufacturing and Supplier Members at [www.awinet.org](http://www.awinet.org) for contact information and access to the Web sites of these and other AWI members. The resource is open 24/7 for use in seeking manufacturers and suppliers of architectural woodwork. •

## Executive Briefing Conference...

(continued from page 3)



at Custom Cupboards: RFID and software integration and JB Cutting; an EPP Downstream licensed facility. Finally, plant tours include visits to Continental Cabinets (automated rough mill processing line) and Shiolen Industries (high volume laminating press).

On Sunday, February 28, an optional tour of the new Dallas Cowboy's stadium is on the agenda along with networking opportunities and Art Turock's opening keynote address.

The registration fee includes shuttle service between the Omni hotel and the airport, hotel accommodations for Sunday and Monday night, keynote dinner and reception, all other meals, presentations, and plant tours. AWI members receive a \$50 discount off the registration fee. Enter "AWI" in the promo code box when you register at [www.stilesmachinery.com/ebc](http://www.stilesmachinery.com/ebc).

The EBC will take place at the Omni Park West Hotel, located 10 minutes from Dallas/Fort Worth International Airport. •



The in-kind donations by AWI to the SkillsUSA National Leadership & Skills Conference have earned it the status of official sponsorship. As the organizer and developer of the national SkillsUSA Cabinetmaking Competition, AWI plays an impressive role in the entire contest process.

## SPONSOR SPOTLIGHT

### M. Böhlke Veneer Corporation

M. Böhlke Veneer Corporation, a leading veneer manufacturer, also offers exotic matching FAS & BTR or Select & BTR solids. Whether you are looking for Sapele, Makore, Anigre, Zebrano, European Sycamore (figured and non figured), Pearwood, Teak, Mahogany, Wenge or more rare species like Sen, Cocobolo or Padauk, MBVC can assist you.

Our lumber is kiln dried and depending upon the specie selected it is available in square-edge or whole log (commonly called a boule) form that offers excellent consistency of color. The pallets/logs vary in length and thickness from 4/4" up to 16/4".

For more information call or e-mail Kelly at 513.378.3748; [kniehoff@mbveneer.com](mailto:kniehoff@mbveneer.com). M. Böhlke Veneer Corporation has been an AWI Supplier Member since 1988. •



European Sycamore Boules



Zebrawood



## 2010 AWI Sponsors

AWI welcomes these 2010 annual sponsors (confirmed as of January 15), most of which are repeat supporters. The editors apologize for omitting Gemini from the list of Level 2 Sponsors continuing in January from their 2009 sponsorship.

The annual sponsorships of all of these supporters help to fund association programs and services that benefit all AWI members this year. Visit [www.awinet.org](http://www.awinet.org) to contact these suppliers the next time a need arises for their services.

### Sustaining Sponsor:

stiles

### Major Sponsors:



### Level 2 Sponsors:



### Level 3 Sponsor:

valspar  
if it matters, we're on it™

### Level 4 Sponsors:

