

NEWS BRIEFS

Newsletter of the Architectural Woodwork Institute

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AWI NewsBriefs

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

- New AWI Web Site & Safety Portal
- Woodwork Career Alliance
- Convention News



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The Big Picture of the Recovery

These are challenging times for architectural woodworkers. Tenacious and innovative business leaders will weather the downturn in the economy. But when will sunny skies return?

“It begins with the housing market. The Institute for Trend Research (ITR) has revised its forecast down due to continuing foreclosures, the lack of movement in the housing market, tight credit and unemployment,” Dr. Jeffrey Dietrich, Senior Analyst, told *AWI NewsBriefs*. “Housing starts are down about 10% from a year ago, although some parts of the country – the northeast and south – are experiencing a mild recovery,” he said.

This means that 2011 will be another challenging year. ITR is forecasting the housing recovery to be stronger in 2012 and 2013.

Commercial Market

Competition for business in commercial construction is stiff. There is a huge vacancy rate in the commercial sector, so businesses are taking advantage of lower interest rates and remodeling space. Seek out the opportunities. For instance, retail stores in strip malls present new opportunities for retailers to move into malls and retrofit space.

“As for lodging and educational buildings – those sectors are still in the doldrums, well below year ago levels,” Dr. Dietrich said. “The volume of projects is down and dollars being spent on commercial construction is 40-60% below pre-recession levels in dollars terms.”

“...dollars being spent on commercial construction is 40-60% below pre-recession levels in dollars terms.”

(continued on page 4)

Workforce in the Making! SkillsUSA Cabinetmaking Contest



Kaydee Walters, High School Gold medalist

Photo Credit: SkillsUSA

The Cabinetmaking Competition of SkillsUSA: Champions at Work is integrating elements of the Skill Standards that the Woodwork Career Alliance of North America (WCA) began developing in 2007. This year's SkillsUSA competition significantly advanced the process of building a robust workforce for the 21st century.

A dedicated troop of AWI volunteers plans, develops, and manages the contest each year for the esteemed SkillsUSA organization, the premier

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Outlook for Manufacturing: The Race for Revitalization

Will manufacturing continue to lead the growth and prosperity of our nation? What policies will allow U.S. manufacturers to be competitive in the global marketplace?

LEARNING FORUM

AWI convention speaker J. Cliff Johnson, Vice President of Membership Marketing at the National Association of Manufacturers (NAM), will dig into the microeconomic issues that are important for revitalizing manufacturing in the United States. He recently enumerated for *AWI NewsBriefs* three key factors needed to drive changes.

1) We must make the United States the best country in the world for manufacturers to locate their headquarters and to attract direct foreign investment.

What constitutes “best”? “Favorable corporate tax rates, lower personal taxes and permanent lower tax rates for small businesses will make the United States the best country in the world for manufacturers to base their operations,” according to Mr. Johnson. “We must make certain that we have a dynamic labor market, so that companies can move quickly to meet the demands of the marketplace. Today’s cumbersome federal regulations add to the cost of hiring new employees,” Mr. Johnson said. “In

Direct tort costs account for 2% of our country’s Gross Domestic Product (GDP), which is the highest in world.

Learn More...

“Outlook for Manufacturing: The Race for Revitalization”

October 27, 2011
10:45 am – 11:45 am

J. Cliff Johnson, III
Vice President, National Association of Manufacturers

America’s prosperity and strength are built on a foundation of manufacturing. As this country emerges from a challenging recession, some are asking if manufacturing will continue to lead the growth and prosperity of our nation. The answer is a resounding yes, but only if we make the right decisions as a nation and embrace the policies that allow us to be competitive in the global marketplace. How will the architectural woodwork industry adapt to the race for success? Are you prepared to innovate to meet the future?



We have a surplus (more exports than imports) with every country with which we have a free trade agreement.

order to create jobs, we don’t want to create impediments,” he added.

How will changes take place? “Through legal reform,” he added. “Direct tort costs account for 2% of our country’s Gross Domestic Product (GDP), which is the highest in world. The related costs inject risk and uncertainty into the business climate,” according to Mr. Johnson.

2) We want to be the best place in the world to innovate.

In the United States, we don’t have a permanent research and development (R&D) tax credit. Other countries around the world lure U.S. manufacturers to relocate elsewhere to take advantage of their more generous and permanent R&D tax incentives. The United States has a *temporary* tax credit that has been renewed for years. Canada and other countries have a permanent credit that gives them a competitive advantage.

3) We want the United States to be a great place to manufacture.

“This is the goal not only to meet the needs of the American market but also to serve as an export platform for the world,” Mr. Johnson said. For this to occur, free trade agreements need to be established. We have a surplus (more exports than imports) with every country with which we have a free trade agreement. Our competitors have signed dozens of trade agreements that give their manufacturers a huge competitive edge over U.S. manufacturers. The EU-Korea and Canada-Colombia agreements, for example, took effect on July 1.

Obviously, this is a tough issue. “There are many groups in Washington that have concerns about free trade agreements. But the reality is that our competitors have an 8-15% cost advantage because of free trade agreements that relieve them of paying tariffs,” he said.

“If we enact the right policy reforms, we could create up to 11 million jobs. At this point, 12 million Americans are employed directly in manufacturing in the United States, and that represents about 9% of our total workforce.”

Positive Developments

“There are some positive developments on the horizon,” Mr. Johnson said. “Some manufacturing is returning to the United States because of quality control issues and rising transportation costs,” he said. The United States still retains the largest manufacturing base in the world. We produce 21% of all manufactured products in the world. By comparison, China produces 15% and Japan ranks third with 12%. Will we remain in first place? Will manufacturers speak out and drive public policy changes? Do policymakers have the will to legislate new business-oriented policies? •

Cliff Johnson is Vice President for Membership Marketing at the National Association of Manufacturers (NAM). In this capacity, he is responsible for driving the NAM’s growth in the small and medium-sized manufacturing segment. Prior to joining the NAM, Mr. Johnson was a research director at the Corporate Executive Board (CEB). Mr. Johnson holds an M.B.A. from The McDonough School of Business at Georgetown University and a B.A. in law and society from the University of California, Santa Barbara.

“ The reality is that our competitors have an 8-15% cost advantage because of free trade agreements that relieve them of paying tariffs. ”

Photo credit: Richard Petty Driving Experience



Drive to Success...

Innovation Strategies for Winning the Race

Destination AWI 59th Annual Convention...

October 26-29, 2011

The Westin Charlotte • Charlotte, NC

Make your destination the AWI 59th Annual Convention where an impressive array of presenters focusing on “Innovation Strategies for Winning the Race” will gather with AWI members from around the country.

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BUSINESS TOOLS

Use an “Award of Excellence” (AOE) to market your excellence and gain a competitive edge during these challenging times. All Manufacturing Members are eligible to participate. Gain exposure among the outstanding projects of AWI Manufacturing Members who are featured in *Design Solutions Magazine*, AWI’s official quarterly journal.

Benefits to AOE honorees include exposure in the online issue of *Design Solutions Magazine* which is open for business 24/7, plus distribution to more than 25,000 industry professionals. *Design Solutions* showcases quality, professionalism and creativity among architectural woodworkers.

Visit the AWI Web site, www.awinet.org, for information and submission forms for the AWI “Award of Excellence” (AOE) program. •

MAKE THE MOST
 Of your AWI Membership!



The Big Picture... (continued from page 1)

“We think that trend lines indicate a longer recovery than anyone wants,” Dr. Dietrich noted. “In recent memory no one has seen the extent of the national overbuild and credit collapse we are experiencing now. The early 1980s was the last time we saw anything similar,” he said.

LEARNING FORUM

So, is there hope? Dr. Dietrich recommends that firms continue to be aggressive and competitive to keep the doors open. “For some businesses, it’s a matter of reinventing themselves.”

There is some movement in architects’ billings. “Projects on hold three years ago are coming back on line,” according to Dr. Dietrich. Banks are approving new projects, but progress is slow.

“In general, however, there is a good deal of money out there – banks are flush with funds; corporate America has money; even consumers are in a better financial situation. But neither borrowing nor spending are where they once were,” the senior analyst noted.

Outlook for the Recovery?

What are the positive signs? “The urban dwelling movement is positive among a younger demographic, more focused on remodeling and renovation,” Dr. Dietrich said. ITR expects continued housing foreclosures, more apartment dwellings, and limited investment in housing. “New house formation is down around 500,000, compared to the 1.2 million prior to the downturn. People are not buying homes, even with favorable interest rates and lower prices. Jobs are expected to be slow to return.” Dr. Dietrich said.

ITR takes a much longer view. “We are quite optimistic, although 2011 will continue to be a struggle. We encourage people to not give up and not read the latest headline as bad news.

On the positive side, it is very healthy to curtail spending. However, we will see growth when consumers really start spending money. Right now, we have a lot of economic and political uncertainty,” the senior analyst said.

Positive Indicators

“The leading indicators point to growth on the other side of 2011. About \$3 trillion is sitting on the sidelines not being

Learn More...

“The Big Picture of the Recovery”

October 27, 2011
9:00 am – 10:30 am

Jeffrey Dietrich
Senior Analyst
Institute for Trend Research

The best teams are always prepared. To plan your strategy, you need to understand the context of the economy. Gain a macro overview of economic trends for your roadmap to recovery. Learn what trends to watch, understand business cycles, and get current forecasts from an ITR analyst who will turn numbers into knowledge. Will your company follow the pack or take the lead?



spent. The Federal Reserve intends to keep interest rates low and banks are easing credit restrictions. As a consequence, we don’t expect a giant recession. At the heart of the issue is total lack of experience in facing this kind of economic problem,” Dr. Dietrich said.

Construction Industry

For some in the construction business, it is a matter of maintaining margins, albeit lower ones. But lower margins can be subject to diminishing returns. The survivors (and those who thrive) have to maintain their unique identity and know their strengths. Perhaps, it means eliminating products/offers and scaling back. Perhaps, subcontracting certain tasks is an answer. Perhaps, it means letting some employees go. A business must evaluate trends and conditions month by month. We have said all along that the ride will be bumpy,” the senior analyst said.

“There will be no straight up trends; rather, there will be constant adjustments to projections and forecasts.”

“There will be no straight up trends; rather, there will be constant adjustments to projections and forecasts. Companies must watch their cash flow carefully and be mindful of business relationships for indications of the ability of owners and general contractors to pay the bills,” Dr. Dietrich advised.

For the latest trends and economic recovery forecasts, plan to attend “The Big Picture of the Recovery” on October 27 during AWI’s 59th Annual Convention in Charlotte, NC. •

Sought-after presenter Dr. Jeffrey Dietrich is a Senior Analyst for the Institute for Trend Research. More than 30 years of public speaking experience before large and small groups enables Dr. Dietrich to demystify economics, bringing an often-confusing maze of economic information into sharper focus and resulting in practical business application. He served as a Human Resource Trainer and Consultant prior to coming to ITR, and has taught at the college level. In addition to his national and international speaking, Dr. Dietrich’s views appear on TV, the radio and through a myriad of articles.

Does LEED® Discourage / Diminish Use of Wood?

Rebuttal by Kevin Mortensen, AWI Sustainability Resources Committee

Last month Rob Ziegelmeier responded to an interesting question regarding wood's role in the U.S. Green Building Council's LEED green building rating system. Like Rob, I was asked the same question – “Does the LEED building rating system inherently or unintentionally (or intentionally) discourag/diminish the use of wood in construction?” My response, however, was somewhat different. The question is itself slanted towards the assumption that LEED does discourage wood's role in a sustainable building project; it's asking whether it's purposeful or not. I think that before we can approach an answer, we first need to take a step back and examine “Why LEED?” and “Why FSC?”. *(This examination is laid out in the online version of this article.)*

Wood's Contribution to LEED

While it's true that there is only one credit in the LEED rating system that is specific to new wood only – the statement can be somewhat misleading. Your wood items installed on a LEED project will contribute to many different credits. In fact, as a millworker, the items that you fabricate can contribute to more credits than any other trade. For example, in MR Credit 6 we receive credit for our wood being renewable within a 10-year life cycle. In MR Credit 3.2 we receive a point for re-using our millwork items in a new building. What's more sustainable than reusing wood? In all, we – the millworker – can contribute to 12 points. That's 30% of the credits required for a LEED-certified building.



LEED & FSC

Some have observed a lower frequency of the MR7 Credit being used on LEED projects; my experience has been exactly opposite. From the largest LEED project – MGM Resorts City Center in Las Vegas, to the smallest TI projects down the street – we consistently see the demand for the use of Forest Stewardship Council (FSC) materials on LEED rated projects, and more importantly, on non LEED projects. The market is realizing the value of using FSC-certified wood even outside the LEED framework. The key to success is to learn how to properly manage this credit and the use of FSC materials so that you – the millworker – become an asset to your customers. (Check out the August 18 issue of AWI e-briefs for my entire rebuttal.) •

Kevin Mortensen is the Sustainability Officer with Montbleau & Associates, Inc., San Diego, CA, a professional team of approximately 120 craftsmen, project managers and engineers established by Ron Montbleau in 1979. The company manufactures architectural woodwork, corporate furniture and casework for large hospitality and commercial projects. The firm has been an AWI Manufacturing Member since 2008. Mr. Mortensen manages FSC-COC certification for multiple enterprises.

Editor's Note: Only a portion of Mr. Mortensen's rebuttal is reported here due to space limitations. The full rebuttal will appear in the August 18 issue of AWI e-briefs. Mr. Mortensen will examine such topics as: Why FSC?; Is FSC Controlled Wood a double standard?; Wood's contribution to LEED; group certification; and a “controversial” call-to-arms conclusion to this topic. Visit the “News & Events” section of www.awinet.org for e-briefs archives.

Workforce in the Making... (continued from page 1)

showcase of career and technical education students. “We incorporated several new elements into the event,” said Kent Gilchrist, Chair of the AWI SkillsUSA Committee and the SkillsUSA Technical Committee. Mr. Gilchrist, who is also a member of the WCA Board of Directors, said that Skill

WORKFORCE

Standards credentialing assessments as well as evaluator training took place at the annual

SkillsUSA contest in Kansas City, MO, June 22-23, 2011. Look for the September issue of *NewsBriefs* for related news.



Photo Credit: SkillsUSA

Front row L to R: National technical committee member, Jerry Allen, AWI; High School medalists – Silver - Blake Woestman, Gale-Ettrick-Trempealeau High School (WI); Gold -Kaydee Walters, Tooele High School (UT); Bronze - Jacob Wozniak (not pictured), Cattaraugus BOCES North (NY); and national technical committee member Kristen Cox, AWI. Back row L to R: Postsecondary/College medalists – Silver - Bruce Randall, Eastern Maine Community College (ME); Gold - Marc Glover, Salt Lake Community College

Above right: For the first time in the over 30 years of AWI sponsorship of the SkillsUSA National Cabinetmaking Competition our team was represented with a limited edition Trading Pin. Pin trading is a long-standing, highly-prized tradition at SkillsUSA events.

Competitors

Sixty-eight students participated in the cabinetmaking competition vying for one of the six prestigious awards. The route to national – and even international acclaim – began as it always does on the state and regional levels, where the skills of hundreds of competitors are tested. At the nationals, however, history was made when Kaydee Walters achieved Gold Medal status in the Secondary Division, a distinction that only a few female competitors have achieved. Ms. Walters also went on to compete for a position on the World Skills Team. AWI congratulates all of the honorees – job well done!

The Project

The project was a wall hung laptop cabinet designed by the AWI SkillsUSA Committee and executed by Salina Planing Mill, Salina, KS, for display and examination by competitors prior to the contest. Students were tasked with replicating the cabinet, which included a pencil drawer, mouse tray that slides side-to-side, and wood handles which seamlessly integrate into the trim. “The project was heavy in layout work and in joinery,” Mr. Gilchrist noted.

Competition

The competition took place on Thursday, June 23, starting with machine and product orientation. The eager contestants had from 8:00 am until 4:00 pm to finish their project. Like professional woodworkers, the students were required to clean up after the contest. They packed up tools used at their benches, disassembled the equipment stations, and cleaned up scraps. Those who chose to take home their projects returned the next day to pack and ship their cabinet in custom-made boxes manufactured by American Packaging Corporation. The awards ceremony was held that evening.

Teamwork

“Our team consisted of nearly 25 volunteers on site, industry partners (suppliers of materials and equipment) and educators. It’s a tremendous collaboration with anticipatory execution of tasks that makes this massive event so gratifying,”



Photo Credit: SkillsUSA

(continued on following page)

Mr. Gilchrist said. What started one year ago came full circle at the end of the 2011 SkillsUSA contest. “We’ve already begun work on the 2012 event posting ideas on our AWI SkillsUSA Wiki site. But our work has a life beyond the actual 12 months of preparation,” Mr. Gilchrist added. “Advisors download the past project plans and use them as teaching tools throughout the year for their students. Obviously, we change the project every year,” he chuckled knowingly. •

Materials & Machinery Contributors

- American Packaging Corporation
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- Delta Power Equipment Corporation
- Dewalt Power Tools
- Flexible Materials **
- Irwin Industrial Tools
- Liberty Hardwoods
- Overland Tool
- Porter-Cable Power Tools
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- Star Moulding & Trim **
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Contributing AWI Manufacturing Members *

- Allen Millwork (Jerry Allen)
- Freemont Interiors (Kent Gilchrist)
- Ohio Valley Door (Jerry Brewer, Sr.)
- Salina Planing Mill (Charlie Zizumbo)
- Rowland Woodworking (Kristine Cox)
- Technique Manufacturing (Ted Robinson)
- Volpe Millwork (John Volpe)
- Woodwork Career Alliance of North America (Scott Nelson, President)

* Either donated materials or time or served on the AWI SkillsUSA Committee

Purdue University also contributed expertise.

AWI NEWS

New AWI Members

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Associated Woodworks, LLC
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 Mansfield, MA

Brochsteins
 Houston, TX

Garrity’s, Inc.
 Rushland, PA

Old Colony Cabinets, Inc.
 Stoughton, MA

Premium Millwork, Inc.
 Brooklyn, NY

Stull Woodworks, Inc.
 Ludlow Falls, OH

The Interior Products Company
 Cleveland, OH

Supplier

Whitehouse Construction, Inc.
 Bedford Heights, OH

Use the online Directory of AWI Manufacturing and Supplier Members at 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. •

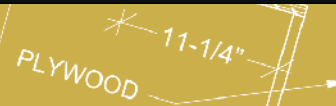
Coming Soon!
Adopt-a-Shop SPOT

Pictures and stories about successful education programs assisted by AWI members.

Watch this **SPOT** for uplifting feature stories about teachers, students, projects, and programs that are producing graduates dedicated to a career in woodworking. See how AWI members have made a difference by giving back to these school programs in many different ways.

If you have a suggestion of a school in your area, please let me know. If you have a story to tell, contact me. Let’s spread the word about the great work taking place!

Steve Waltman
 VP, Sales & Marketing
 Stiles Machinery, Inc.
 AWI Board of Directors Member
 Chair, AWI Supplier Member Committee
swaltman@stilesmachinery.com



SPONSOR SPOTLIGHT

Chemcraft® Launches Integrated Waterborne Finishing System

Chemcraft has announced the launch of a waterborne finishing system called "Waterborne Complete." Chemcraft has taken the best attributes of its existing technologies and adapted them into a fully integrated and eco-friendly waterborne product line. Waterborne Complete provides wood finishing professionals the ability to offer an eco-friendly option to their customers without sacrificing quality and durability.

The new Waterborne Complete system includes Stains, Glazes, Primers, Sealers and Topcoats. The new line is available now from Chemcraft distributors nationwide.

Within the line, Chemcraft is also introducing, Airguard™ Waterborne Topcoat.

Airguard® Waterborne Topcoat is a new high-quality single component acrylic / polyurethane waterborne coating. Airguard proudly carries the Greenguard® Indoor Air Quality Certification and meets or exceeds other environmental standards.

These product offerings represent AkzoNobel's continued push to lead the way in top-quality sustainable products, and is reflective of the four cornerstones of the Chemcraft product commitment: innovation, quality, support and sustainability.

Chemcraft is a brand of AkzoNobel, the world's largest global paints and coatings company. AkzoNobel has a history of innovation that spans nearly 300 years, and is also one of the world's top-rated corporations in its category for sustainability. Recently, the Dow Jones Sustainability World Index (DJSI) recognized AkzoNobel as ranked second worldwide for sustainability in the Chemicals category.

For more information on the new Waterborne Complete Finishing System, Airguard Waterborne Topcoat, a Greenguard Certified product, or any of Chemcraft's many other eco-friendly products, contact your local Chemcraft® distributor today or visit www.Chemcraft.com.

Chemcraft has been an AWI Supplier Member since 2010. •

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