

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

- Cost of Doing Business Survey
- Human Resource Management
- Money Matters

NOTE: The Architectural Woodwork Institute (AWI) makes every effort to ensure that published information is accurate and current. Neither AWI, nor any content contributor, officer, or employee of AWI warrants the accuracy, reliability or timeliness of any information published in AWI News-Briefs and/or AWI e-Briefs, nor endorses any products, services or other information resources linked from AWI's editorial content and shall not be held liable for any losses caused by reliance on the accuracy, reliability or timeliness of such information. Portions of the information may be incorrect or not current. Any person or entity that relies on any information obtained from this system does so at their own risk.

Coming up in 2011

By AWI 2011 President Robert Stout

At the start of 2011, I want to wish each of you a happy and successful New Year. I look forward to continuing the positive directions in which we are headed after a successful year in 2010.

Challenging Times

We can be thankful that we have made it during some of the most trying times. Some of our businesses have had to scale back significantly, and some are barely surviving. Some of you may know of those who have had to shut down, and yet others may have been able to skirt the down economy and successfully grow your businesses.

In most circumstances, we all have had to make changes to the way we have been doing business.

(continued on page 2)



Outgoing AWI President Doug Carney (left) and 2011 President Robert Stout.

Estimating: Making or Breaking Your Company!

By Bruce Spitz, 2011 Chair, AWI Education Committee

A good estimate can make your company; a bad estimate may break it. There is little margin for error in estimating...presuming you want to make a profit.

Estimating is the process of determining the overall cost of a project and what you can sell it for. Once you determine your costs, you can gain costs savings through volume discounts on materials or by economizing on materials. You can cut costs by identifying labor efficiencies but once you bid, you cannot change the price of the job. These cost savings may increase your profit margin or can cover a shortfall on the job. But if you miss "taking off" work on the project or miscalculate, you can put yourself in a deep hole.

“ Consider the consequences of overlooking a room full of cabinets or a full story of work in a multi-story hotel project. ”

Consider the consequences of overlooking a room full of cabinets or a full story of work in a multi-story hotel project.

The importance of a well conceived and thorough estimate cannot be overemphasized.

Creating a Process

Estimating is preparing a bid by determining your costs for a project, marking up the costs to meet your overhead, and making a profit... all while being competitive. This is done by

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Coming Up in 2011... *(continued from page 1)*

As one of our larger members said to me in 2010, "Business will never be the same as we have known it. Highly profitable jobs are a thing of the past." That may be the case for some, but I believe opportunities are still out there. Seizing them requires a different approach to what some of us have been accustomed. AWI wants to help you by bringing greater value to your membership dues, in whatever ways we can, to help your business grow.

BOARDROOM

Return on Investment

AWI has provided considerable return for my investment. It has been a source for inspiration and renewal of energy to continue doing what I do. AWI has brought knowledge and the best people within the industry together to share experiences and expertise for the improvement of those who love the work. Your AWI membership offers participation with the leading players in the market who recognize the need for education, training, and professionalism to better improve our industry. With over 55 years of service, AWI continues to bring you the best in industry resources, services, and added value to your membership today.

This added value has only come through the countless hours that many have given with their volunteered time. To grow one's investment requires knowledge, time, and proper actions on improving its net worth. Paying your dues to AWI is just the initial step in realizing a return on your investment.

Challenge to Members

For 2011, I encourage each of you to look at what you have to offer to the industry and invest your time with at least one

program we offer through the chapters or at national events. Share your expertise. You will grow professionally as well as help others within the industry. Begin forging new relationships and experience the value of networking while building lifelong friendships. Finding the greater value in AWI comes through your involvement and networking with others who work and struggle with the same issues.

Additional Value in 2011

In the New Year we will be faced with many challenges and hopefully many successes.

I will ask AWI Executive Vice President Phil Duvic and the AWI staff to continue the good work they perform for our association and to be fiscally responsible with your membership dues and conserve expenses in these economically trying times. I will ask committees to focus on their specific goals and continue to align with our preferred futures to bring the best value to our membership.

Our Education Committee continues to evaluate our deliveries and is striving to provide programs that best meet your needs regionally as well as on the Web. And with our continued focus on education, we want to bring greater recognition and encourage your

support of the newly formed AWI Education Foundation. We are still working on a few technicalities with its registry with the Internal Revenue Service but hope to have the Foundation fully activated later this year.

I will continue the effort of AWI Past President Doug Carney, asking the Board of Directors to connect with the chapters to help them succeed. We encourage chapters to utilize AWI's Speaker Bureau for specific topics and programs at chapter meetings. Chapter leaders – we want to be there to help – let us know your needs.

“Chapter leaders – we want to be there to help – let us know your needs.”

New AWI Board of Directors

The results are in! Members voted and two new board members began their terms on January 1, 2011. Each was elected for a two-year term ending December 31, 2012. Congratulations!



Left: Skip Heidler
President
Heidler Hardwood
Lumber Company, Inc.



Right: Stephan Smith
President & CEO
Gaithersburg Cabinetry
and Millwork

The Board of Directors values the importance of safety in our work places and is excited about a new online safety portal that the Insurance and Safety Committee will offer this spring. This site will provide state-specific safety information along with MSDS access to many products on the market. This portal will be a more powerful tool than the *Safety Solutions* CD offered years ago.

With the ongoing work of the Woodwork Career Alliance on newly developed Skill Standards and credentialing drawing closer to reality, look to *AWI NewsBriefs* and *AWI e-briefs* for the latest developments. And as the industry continues to embrace the *Architectural Woodwork Standards*, we will continue to educate our membership and the design community to its contents and how to best utilize this tool.

On behalf of the Board of Directors, I assure you that we have dedicated ourselves to making this a more dynamic association with AWI's – and your – best interests in mind. I look forward to being your president as we move forward in these most challenging times. Please contact me through the AWI office and let me know how we can best assist you. •

Robert Stout is President of RLS Commercial Interiors, a manufacturer of architectural millwork, commercial casework, and retail fixtures offering products of the highest quality and flexibility in design. Founded in 1984, the company is located in Wendell, NC and has been a Manufacturing Member of AWI since 1989. Mr. Stout served as the first President of the AWI Education Foundation.



AWI Benefact!

Cost of Doing Business Survey & Report

BUSINESS TOOLS

The CODBS Report is a financial tool for measuring your operating costs, compensation levels and benefits packages for use in improving your company's financial performance.

FOR: All AWI Manufacturing Members in good standing.

RETURNS: Compare your company's financial results against the industry's best "high profit firms" in order to identify your company's below-average operating costs (if any) in order to make corrections for increasing your company's bottom line.

Banking – re-negotiate terms/revolvers based on industry data.

Recruiting – research base, bonus and total compensation by various criteria.

Accounting – use as best practice chart of accounts.

Management – set performance measurements and use for planning and setting targets and goals.

Staff – use for retention techniques and best practices.

Customers – identify trends, product mix and sourcing approaches.

Union – identify labor costs, compensation schedules, industry trends, and much more.

There is an added education benefit to participants in 2011– a complimentary webinar reviewing the survey results and explaining how to put them to use.

The financial data and industry benchmarks you receive are unique to the architectural woodwork industry and are not available from any source elsewhere.

COST: To participate in the survey, there's no direct monetary cost outside of your time. The survey takes approximately 2.5 hours to complete online. You will receive a final survey report – a \$950 value to non-members – around July 1. A full copy is available only to participants; the fee to non-participating AWI Manufacturing Members is \$500.

PARTICIPATION: Respond to the e-mail sent to you by AWI and complete the survey online at www.inverra.com. All survey data submitted is held in strict confidence.

WHEN TO SEND: Anytime between February 1 and April 1, 2011 when the survey ends.

QUESTIONS: Contact AWI Headquarters at 571.323.3636.

AWI Benefacts are designed to help you maximize the return on your AWI membership dues investment.

MAKE THE MOST Of your AWI Membership!

Estimating... (continued from page 1)

creating a process using developed methods to accomplish the goal. Without a good process, you can fail in your effort to determine the cost.

Proper methods begin with a quiet place that will provide freedom from interruption allowing ample time to concentrate. Then, review all the

LEARNING FORUM

job requirements from specifications through to individual pieces of millwork on the job.

Deciding to Bid

As part of the process you need to decide whether to bid on the project you are considering. You need to know the principals involved in the project, generally the architect, the contractor, and owner. Decide if you want to work with them.

Avoid questionable projects by investigating each project's financing, if possible. Determine the history of the owner. Relationships you may have developed with the parties involved will give you insights your competitors may not have.

In determining if you will bid, you also need to know the specifics of job, type of cabinetry or other millwork specified, the size of the job, timeframe of the project, whether it is a green LEED® project, or if there are special delivery issues.

Additional special considerations may be: insurance requirements and whether you can meet them; whether bonding is required for the job and your capability to bond the job; and whether AWI Quality Certification Program accreditation is required and if you are a QCP participant.

One of the questions you have to ask yourself is: will the circumstances of the job prevent you from covering your costs? If so, don't bid.

So, you have decided to bid. What's next? Begin with your overall view of the project, listing pertinent details of the job;

do a complete "take-off" of your tasks on the job; think through the course of the "take-off;" determine what to include in the job bid and identify anything you plan to exclude. For example,

exclusions may consist of obvious things like work you don't perform in your shop. You have to decide whether to subcontract the work and provide it or leave it out of the bid. Other exclusions may be items the architect includes in your scope of work that belong in another trade's scope of work.

At this point, you have determined all the work in job, "taken it off" and applied your cost factors to the various portions of the job, thereby determining the total cost of job.

Pricing the Job

Then the fun starts...now it's time to determine what to sell the job for. Determining how much you can mark the job up relies on many factors. Your company overhead and profit margin added to your cost will determine your starting point. From there you can go up or down. Your current market condition is a serious factor to consider. Is there more work that can be handled? Can you charge a higher price because supply does not meet demand? Or, as is the case often today, is there less work than manufacturing capacity and do you need to fight for the job?

Other factors in pricing a job include: whether it is a negotiated project or if it is hard bid or competitive bid job (awarded to lowest bid). In a negotiated bid, does your client want you to include everything needed regardless of whether it is in the plans? On competitive bids, do you bid only what is on the plans and specifications?

Closing the Deal

Once you figure your cost and selling price, you need to close the deal. While the term estimating technically refers to the cost of job, the pricing decisions are critical for a profitable bottom line. In today's economic climate, you can't afford to submit a poorly crafted bid.

Learn More...**"Advanced Project Estimating"**

8:00 am – 5:00 pm

May 13-14, 2011

This course is one of the many outstanding learning sessions available at the AWI Spring Professional Development Seminars, May 11-14, 2011, in St. Louis, MO. This two-day course is packed with tips, techniques and formulas incorporating best practices to put to work immediately. Practice sessions are included to reinforce knowledge gained during the seminars. To find out more visit www.awinet.org.

“ One of the questions you have to ask yourself is: will the circumstances of the job prevent you from covering your costs? ”

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Important QCP Policy Revisions

Effective January 1, 2011



ABOUT QCP

The following revision to the *QCP Policies* applies to all current Q-accredited woodworking firms and applicants. Please read this policy on inspection requirements and familiarize yourself with all the new policies, which are required in order to obtain and maintain Q-accreditation. Additional policy revisions were published in the January 6th edition of *AWI e-briefs*. The entire revised version of the QCP policy manual is available online at www.awiqcp.org.

Triennial Inspection Requirements

A Q-representative will re-visit the plant, and perform an inspection of a certified project completed within three (3) years of any previous inspection. Previously, re-inspections were conducted biennially (every two years). The inspection criteria will be as follows:

- a The Q-Rep will review the shop drawings and inspect the installed (or nearly completely installed) certified project. Unless the project is one of the participant's first two provisional projects, the fabrication phase of the project will not be inspected in the plant.
- b The shop drawings must be in conformance with Section 1 of the current *Architectural Woodwork Standards*.
- c The certified project must demonstrate compliance with the contract documents, and at minimum, AWI custom-grade standards.
- d If deficiencies are found during the triennial inspection, the participant shall correct them in a timely manner.
- e If the deficiencies are excused by a Letter of Deviation, the participant's status in the program shall be changed to probationary as per policy.

Benefits of New Triennial Inspection Requirements (4.1.19.2.)

- Inspection of a certified project, rather than samples, eliminates the time and expense associated with producing compliant samples for the sake of continued accreditation.
- By virtue of the Q-representative's inspection of the project, the feedback pertaining to compliance with the Standards and the policies will carry greater relevance.
- Finally, since the inspection reports will also be shared with each project's architect, this initiative will go a long way towards showing the architects the tangible return on investment QCP brings to the owner, and provides validation for choosing your company to do the work.

Questions or concerns may be directed to AWI QCC Executive Vice President Craig Elias at celias@awiqcp.org or 571.323.3620. •

SPONSOR SPOTLIGHT

EBC Invitation

Stiles Machinery will sponsor the ninth Executive Briefing Conference (EBC), April 10 through 12, 2011 at the 3M Innovation Center in St. Paul, MN.



Since inception in 2002, the EBC has become the premier venue for key manufacturing executives to network and explore new ways to succeed. The consistent theme of the EBC is to answer the questions "What's Now, What's New, and What's Next?" Given the setting at 3M's Innovation Center, the 2011 EBC will focus on innovation.

John Brandt of the MPI Group will deliver the opening keynote address, which will provide recommendations to prepare for "Next Generation Manufacturing." By popular request, Alan Beaulieu will close the conference with his keynote address on "The Real Recovery." For details about the lineup of sessions and online registration, visit www.stilesmachinery.com/ebc.

AWI members receive an additional \$50 off the full conference rate. To receive the special pricing, enter "AWI" for the promo code during the online registration process. •

AWI NEWS

New AWI Members

Manufacturing

Amoskeag Woodworking, Inc.

Colchester, VT

Architectural Turnings

Greenwell Springs, LA

Autumnwood Millwork, LLC

New Waverly, TX

Commercial Millwork Solutions/JRJ

Rosemount, MN

Crown Column & Millwork

Attalla, AL

Dow Construction, Inc.

Portsmouth, VA

Heister House Millworks, Inc.

Mt. Pleasant Mills, PA

Kirchhoff-Consigli Construction

Management, LLC

Pleasant Valley, NY

Pine Door Manufacturing

Darby, MT

Salem Mill & Cabinet

Salem, OH

SDC Millwork

Victor, NY

Valcour Casework, Inc.

San Antonio, TX

Winter Cabinets Company

Brenham, TX

Wood Creations, Inc.

Owings, MD

Are CARB Panels LEED® Compliant?

By Rob Ziegelmeier, AWI Sustainability Resource Representative

First we must understand that LEED and CARB are two completely different programs with no direct relationship. They both are attempting to accomplish a better indoor environment but the requirements are different.

The CARB rules refer to the California Air Resources Board's airborne toxic control measure to reduce formaldehyde emissions from composite wood products. Most of our members have had some dealings with this regulation, but lately I have received multiple inquiries as to whether CARB equals LEED. The answer is maybe.

GREEN SCENE



The CARB rule was established to limit formaldehyde emissions in wood products. Under the CARB rule, products meeting the emission limits must also be certified by a CARB-approved third party certification program unless they are approved for Ultra Low Emission Formaldehyde (ULEF) or No Added Formaldehyde (NAF) products. Manufacturers who plan to use NAF- or ULEF-based resins may apply to the Executive Officer of CARB for an exemption from third party certification requirements or approval to test their products less frequently.

In the LEED green building rating system under the credit for Low-Emitting Materials Composite Wood and Agrifibre panels, it calls for panels to be made with no added Urea Formaldehyde (NAUF). This means that only the base materials can have formaldehyde; however, the binder or any other treatment (i.e. Adhesives & Coatings) to the panels must have no formaldehyde and be certified as such.

ULEF products allow small amounts of formaldehyde in the binder, while NAF products have no added formaldehyde but are not certified as such. The bottom line is that there are CARB-certified NAUF panels which can meet the LEED requirements but not all CARB panels will satisfy LEED requirements.

As a side note, legislation passed by the U.S. Congress was signed into law on July 7, 2010 to establish the first comprehensive national standard for formaldehyde emissions from composite wood products. The law directs the U.S. Environmental Protection Agency to implement regulations by January 1, 2013.

Rob Ziegelmeier served as President of the Architectural Woodwork Institute in 1996-1997 and as Chairman of the AWI LEED Task Force from 2003 to 2007. In the past few years he has established Forest Stewardship Council Certification for two companies and conducted numerous AIA Continuing Education presentations on the impact of LEED on the woodworking industry. He is currently the Northeast Salesman for Fetzer Architectural Woodwork in addition to his work with AWI. Contact him at rzig@aol.com.

Please note AWI cautionary disclaimer on page 1.

AWI Development Council

Leaders of the AWI Development Council were elected for one-year terms at their fall 2010 meeting in Denver on October 27, 2010. Congratulations to each.

Ted Robinson
Technique Manufacturing Company
Hutchinson, KS
2011 Development Council Board of Directors Delegate

Joe Galluzzo
The Anthony Galluzzo Corporation
Londonderry, NH
2011 Development Council Chair

Mike DiGiuro
Flexible Materials, Inc.
Jeffersonville, IN
2011 Development Council Vice-Chair •

Did You Know... about the AWS?

By Shows Leary, AWI Quality Certification Program Inspector

Familiarity with the AWI Architectural Woodwork Quality Standards Illustrated (QSI) can no longer be relied on in woodwork project specifications where the Architectural Woodwork Standards (AWS) introduced in August 2009 supercede the QSI. Don't assume the standards are the same.



STANDARDS

The Errata Page

The AWS is based on a compilation of the AWI / Architectural Woodwork Manufacturers Association of Canada (AWMAC) Architectural Woodwork Quality Standards Illustrated and the Woodwork Institute's (WI) Manual of Millwork. It was a group effort of many individuals from each member association. As a first edition, there are bound to be errors or omissions.

You, the woodworker and end user of the AWS have the opportunity to help clarify items and follow along as others make comments and the book evolves toward a second printing and edition sometime in the future. Everyone remembers the Page 10 from the QSI where anyone can submit a recommendation or clarification. The AWS also includes page 10 and everyone is encouraged to use it when they see something that can be improved.

But where do all the changes take place and where can the woodworker become aware of changes prior to future editions? By going to the following internet link, <http://www.aws-errata.com/> you can see the most current errata items as posted by the Joint Standards Committee (JSC).

The JSC consists of members from all three organizations – AWI, AWMAC and WI. They meet monthly to review page 10 submissions and make recommendations for improvement.

The Errata page is laid out by section for easy reference. There are currently about 190 (at press time) errata items on the link. The Errata page is very important and should be a site regularly visited by estimators, drafters and woodworkers to make sure they are up to date with any and all changes.

Here are two hints on how to handle errata. One way is to pencil in all the changes right in your own AWS. Post them in the right order in the right page and you will have constant handy reference and updated book. Another, less time intense way, would be to print the errata and leave it in the book. Go to each section and where an erratum is given, write in your book "see errata" and that will give you a hint to look at the printed sheets for the update information. Just remember to check the Errata page at least monthly and somehow incorporate the revised information into your copy of the AWS.

By the way, a page 10 has been submitted on page 10 to ask for an e-mail address where page ten can be sent. •

Shows Leary has been an AWI Quality Certification Program (QCP) inspector since 1996. He has served as QCP's Regional Representative and as a member of the Quality Certification Corporation Board of Directors and Board of Appeals. He is an alternate member of the AWI Technical Committee. Contact Shows Leary at shows@showslary.com.

Please see AWI cautionary disclaimer on page 1.



Estimating... (continued from page 4)

Attendees at the two-day AWI Advanced Project Estimating Seminar, May 13-14, 2011, will work on producing an estimate using a process. The popular course is designed for those who want to improve their techniques and continue the learning process to refine their skills. •

A member of the AWI Estimating team for six years, Mr. Spitz is a regular presenter of AWI's Fundamentals and Advanced Estimating courses. A 22-year industry veteran, he is Owner and President of Classic Millwork & Products, Inc. in El Paso, TX. The firm was founded in 1987 and specializes in custom commercial cabinetry fabrication and installation. Mr. Spitz has a Bachelor of Science degree in Accounting and also has experience working in Retail and Manufacturing.



Photo credit: St. Louis Convention & Visitors Commission



Details Coming Soon

May 11-14, 2011

AWI Spring Professional Development Seminars and Leadership Conference

Sheraton St. Louis City Center
St. Louis, MO



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AWI thanks these annual sponsors for their additional support in 2011. Visit www.awinet.org to contact them whenever a need arises for their services. •

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