

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

- 2011 Awards and Honors
- Distinguished Chapters



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An Investment That Pays Off: AWI Best Practices Groups

AWI *NewsBriefs* spoke with Ralph Peterson, president of ONSITE Woodwork Corporation, who told us that he is a member of TWO AWI Best Practices Groups (BPG). He explained the depth of his commitment to this AWI management program.

Did Mr. Peterson's investment of time and modest financial resources pay off? No question! That's why this veteran of Best Practices Group #1 is also a member of BPG #5. He's been active since the first meeting of BPG #1 on November 1, 2005. He began working with BPG #5 when the start-up group needed a facilitator back in 2009; he stayed on when the group invited him to be a member.

Balance of Strengths

"What do you get out of membership in two different groups?" *AWI NewsBriefs* asked. "The dynamics of each group are completely different," Mr. Peterson said. "It's an opportunity to talk with people of like minds and business. Conceptually, we love wood and all have struggles. The BPGs enable us to balance our strengths and overcome challenges in a different format than internal discussions within our individual companies. Trust is a common denominator within both groups," Mr. Peterson said.

(continued on page 6)



It Takes an Inspired Leader

Status quo is not a philosophy embraced by three AWI members with whom *AWI NewsBriefs* spoke recently. Leadership skills and innovative thinking set them apart from the "business as usual" crowd.

“ Leadership skills and innovative thinking set them apart from the “business as usual” crowd. ”

Eastern Millwork, Jersey City, NJ

Andrew Campbell, president of Eastern Millwork, is a keen observer and analyst of process. Years ago while on a Stiles Machinery technology tour, he learned about European practices in the wood industry

and the revelations fueled his interest in providing a precisely manufactured high quality product while downsizing the labor footprint in a unionized plant. The result was the marriage of technology and craft.

When Mr. Campbell founded Eastern Millwork in 1992, he couldn't fight the labor situation except by reducing the number of employees needed. He also sought to gain maximum capacity out of the machinery. This led to controlling information and machinery by focusing on automation of the company's processes.

(continued on page 4)

Updated Architectural Wood Door Standards

STANDARDS

The Window & Door Manufacturers Association (WDMA) has released two updated editions of its architectural wood flush door

standards. The revisions represent a major overhaul of the standards as well as harmonization with the *Architectural Woodwork Standards* (AWS).

The affected standards are:

- WDMA I.S. 1A-11, Industry Standard for Architectural Wood Flush Doors, and
- WDMA I.S. 6A-11, Industry Standard for Architectural Stile and Rail Doors.

This is a major overhaul and rewrite of two existing, well-known industry interior architectural door standards, according to WDMA. "The new standards are fully synchronized with each other for both content and organization, with their focus on performance-driven specification," WDMA announced.

“It’s a win-win for the manufacturer and specifier, but especially for the end user.”

“It’s a win-win for the manufacturer and specifier, but especially for the end user, who can rely on the tested architectural wood doors to serve the facility well over the long haul,” said WDMA President Michael O’Brien. WDMA plans to mount an aggressive educational program to inform architects and specifiers about the updated standards and encourage their use.

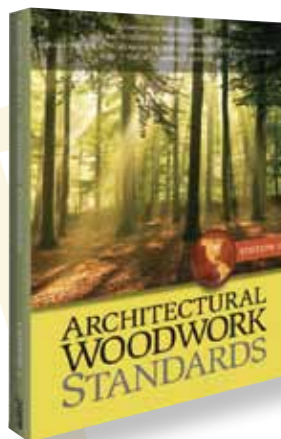
Harmonization with AWS

While the performance section of the standards is the major focus, other revisions were made to both standards to harmonize with the 2009 *Architectural Woodwork Standards* (AWS), published by the Architectural Woodwork Institute (AWI), the Architectural Woodwork Manufacturers Association of Canada (AWMAC) and the Woodwork Institute (WI). Additional changes were also incorporated to update and improve the standards, including updated face veneer charts, factory finishing guidance, and an expanded specification checklist cross-referenced to the applicable standards sections.

“The trick has been on crafting the standards to allow for product innovation and environmental sustainability while at the same time preserving the high-quality and performance that architects and specifiers demand. These standards accomplish that,” said Jeff Lowinski, WDMA Vice-President Technical Services.

Copies of WDMA Standards

Electronic copies of WDMA I.S. 1A-11 and WDMA I.S. 6A-11 as well as all other WDMA standards and technical information can be obtained through the online WDMA bookstore Web site, www.wdma.com. •



Impact on AWS

AWI Executive Vice President Philip Duvic said that “cooperation between WDMA and the Architectural Woodwork Standards Joint Standards Committee resulted in WDMA developing a new test to measure the impact performance of door edges using different materials. According to the test results, the new WDMA industry door standards created a benchmark of SCL edge substrate material versus hardwood requirements of the *Architectural Woodwork Standards, Edition 1, 2009*, Section 9, Doors, 4.3.1.2., and the SCL substrate provided greater impact resistance than did the hardwood. Consequently, the AWS Joint Standards Committee approved amendments to the AWS Section 9 Doors, specifically 4.3.1.2 that will be reflected in an official *Errata* to the AWS. (For details, visit www.awinet.org and click on “Arch Woodwork Standards.”)

“The contribution from WDMA in the crafting of Section 9 of the AWS was invaluable in providing the primarily performance-based criteria and approach found in this Section of the AWS. The effort has resulted in an alignment of the AWS with the WDMA Standards. This is important to the entire industry and comes a long way in eliminating conflicting requirements that previously existed between the two standards,” stated Mike Bell, one of AWI’s members on the AWS Joint Standards Committee.

“This cooperative effort has allowed the AWS Standards to better reflect and support the door industry’s long-time manufacturing processes,” Mr. Duvic added. •

AWS Amendment Process

AWI members are invited to suggest “Page 10” revisions via the AWI / AWS Wiki, accessible on the AWI Web site, www.awinet.org.

AWI Announces Director Candidate Nominees

The AWI nomination period opened last month for three vacancies on the AWI Board of Directors. The names of six nominees have been put forward by the 2011 AWI Nominating Committee.

“The candidates are nominated for election to fill three (3) vacancies on the AWI Board of Directors for one, two-year term beginning on January 1, 2012 and ending on December 31, 2013,” said AWI executive vice president Philip Duvic.

Name	Company	State	Member Type
Kent Gilchrist (Incumbent Director, term expires 12/31/2011)	Fremont Interiors	Indiana	Manufacturing
John Ianiri	Fairfield County Millwork	Connecticut	Manufacturing
John Leininger	Leininger Cabinet & Woodworking, Inc.	Kentucky	Manufacturing
Greg Lutz	Lutz Woodworks, LLC	Texas	Manufacturing
Bruce Spitz	Classic Millwork & Products, Inc.	Texas	Manufacturing
Stephan Waltman (Incumbent Director, term expires 12/31/2011)	Stiles Machinery	Michigan	Supplier

In compliance with the AWI Bylaws, an open nomination period for additional AWI Director Candidate nominations via signed petition forms from members-at-large was in effect until September 30, 2011.

“Qualified director candidate nominees will be placed on the AWI Director election ballot which opens on November 1, 2011 and closes on November 15, 2011. Each AWI Manufacturing Member Company in good standing is entitled to one (1) vote.” •

WCA / WoodLINKS USA Sign Training Agreement



WORKFORCE

WoodLINKS USA and the Woodwork Career Alliance of North America (WCA) have signed a joint educational agreement, which will enable WoodLINKS USA teachers to become Trained WCA Evaluators for a reduced cost, and for WoodLINKS USA students to receive up to five free tool evaluations.

WCA President Scott Nelson noted WCA’s role in developing industry recognized Skill Standards and a Certification system for the wood industry. This new agreement furthers the partnership created in 2010 between these two organizations.

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AWI NEWS

New AWI Members

Manufacturing

CNC Works

Sparta, TN

Daniel Island Woodworks, Inc.

North Charleston, SC

Delaware Millwork, Ltd.

Middletown, DE

Dyer Industries, Inc.

Empire, AL

Hamilton Design International Company, LLC

Dubai, United Arab Emirates

Keystone Millwork, Inc.

Bryan, TX

Ludlow Custom Cabinetry Company, Affiliate of EGC Construction Corporation

Newport, KY

Nergiz Decoration Ltd. Company

Dafador

Ankara Ist, Turkey

South Georgia Cabinet Company, Inc.

Ray City, GA

Williamson Millworks, Inc.

Savannah, GA

Suppliers

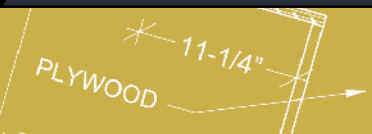
Kearns & Company Architectural Building Products

Londonderry, NH

Make It Metal

St. Catharines, ON, Canada

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. •



It Takes an Inspired Leader...

(continued from page 1)

The company's tech staff worked for years developing AutoCAD® 3-D capabilities. Their team created a drawing that translates specifications to machinery, thereby reducing time and allowing for quick movement from

LEARNING FORUM

drawing to process. They also developed a program for bar coding of materials and tracking time from fabrication to installation, all the way through the status of the completed work.

It's about rethinking what you do.

"It's about rethinking what you do. And, we didn't do it a vacuum." With consultants, the company reviewed and analyzed its processes. "We videotaped our operations and then watched them and refined them to reduce waste and needless steps. It can be a revelation," Mr. Campbell said.

Hollywood Woodwork, Hollywood, FL

Like many successful woodworkers, Hollywood's management remained optimistic in light of the market trends, forecasts, and the economic downturn that the country was experiencing. "Internally, we could foresee the impending traffic jam ahead but hedged our bets while running full speed," company president and COO Robert Perrotti said. "As the traffic jam intensified and competitiveness within the architectural woodwork industry grew worse, we adapted to the new marketplace realities by looking beyond our traditional markets. We made cuts and reduced expenses to deal with the lower volume. Right now, projects in all markets are really tight," Mr. Perrotti said.

Andrew Campbell is president of Eastern Millwork, Inc., which he founded in 1992 after a career in carpentry which dates to 1988. The company employs automation, technology and Lean Manufacturing principles. Eastern Millwork has recruited European-trained personnel to implement manufacturing and technology advances and has forged global partnerships. The firm produces woodwork for office space, hotels, theatres and performing arts centers. The company has been an AWI Manufacturing Member since May 2011. www.easterncompanies.com

Robert Perrotti is president & COO of Hollywood Woodwork, Inc., a South Florida based business incorporated in 1968. At the firm's 60,000 square foot facility its team of over 100 management, craftsmen and support personnel specialize in custom woodwork for use in premier hotels, spas, casinos, country clubs, public projects and corporate offices throughout the U.S. and the Caribbean. A 12-year veteran of the company, Mr. Perrotti was previously a customer in the mega-yacht industry where he managed the design and outfitting of complex boat interiors. The company has been an AWI Manufacturing Member since 1981 and is a participant in the Quality Certification Program. www.hollywoodwoodwork.com

Marc Sanderson is president of Wilkie Sanderson, a custom manufacturer of fine wood cabinetry, institutional case goods, solid surface products and architectural millwork. The company currently employs 95 skilled workers at its Sauk Rapids' facilities in Minnesota. Mr. Sanderson has presented and conducted two webinars for AWI analyzing the results of the annual *Cost of Doing Business Survey and Compensation Study Report*. Wilkie Sanderson has been an AWI Manufacturing Member since 1980 and is a participant in the Quality Certification Program. www.wilkiesanderson.com

"We believe our company must create our future beyond millwork. We consider Hollywood Woodwork to be an event planning company. We bring together an experience for the client and project owner," Mr. Perrotti said. The company's investment in its brain trust – hiring people with design, construction and architecture backgrounds – has made Hollywood Woodwork more client / project sensitive and responsive.

"With fewer staff, we are enabling cross-functional teams to approach projects from diverse viewpoints and with better ideas. We also look at turning liabilities into assets, such as attracting collaborative partners – e.g. architects and designers – for available space

We adapted to the new marketplace realities by looking beyond our traditional markets.

in Hollywood Woodwork's high-profile building," he said.

"We are attempting to go beyond survival techniques," Mr. Perrotti said, "and are working on growth techniques. We don't assume our model will continue to exist. Our Scenario Planning involves thinking about our company structure beyond our current products and services."

(continued on next page)

Wilkie Sanderson, Sauk Rapids, MN

Marc Sanderson, company president, is passionate about the importance of setting one's company apart from the average operating firm.

If you accept that you don't have to be average within industry, you have tools available from AWI and within your company to achieve high profitability.

"Many woodworkers give away power (to contractors and architects), particularly those who compete for public bid projects that are awarded solely based on price. Other woodworkers have chosen different routes as high profit firms by focusing on a certain market – e.g., medical institutions, museums, schools – and branded themselves and their products to gain opportunities to bid on the projects they choose. These companies have carved out a unique position among their competitors in the industry," Mr. Sanderson said.

Mr. Sanderson has compared the architectural woodwork industry with other markets, such as airlines and pharmaceuticals. He has studied how companies have differentiated themselves from the competition and the strategies that make them unique. "If you accept that you don't have to be average within industry, you have tools available from AWI and within your company to achieve high profitability."

"Highly successful companies have to consistently make high performance a top priority and have a unique set of activities that are integrated. 1+1 can equal 3! All successful organizations are not successful doing only one thing," Mr. Sanderson emphasized.

"The trick is we need to learn how to be unique," he said. It comes down to the position in the marketplace we choose and what we do with information that can help us realize our potential and our uniqueness." •

The Importance of Reviewing and Updating HR Policies

BUSINESS TOOLS

Once a company's human resources (HR) policies have been written, a business owner may feel that his or her job is done. However, it's important that employers periodically review and update HR guidelines and communicate them to employees to ensure everyone is on the same page.

Employers that want to maintain a satisfied and productive workforce should promote work-life balance.

Critical areas include:

Vacation Time

Employers that want to maintain a satisfied and productive workforce should promote work-life balance. But to avoid a gap in productivity, employers need to clearly define the company's vacation or paid time off (PTO) policy.

Policies should include: the number of days employees accrue for vacation time/ PTO each year; how time off is accrued; a defined process and time frame for submitting time-off requests; and the company's "use it or lose it policy," including how much time off, if any, may be carried over into the following year.

Dress Code

While many organizations promote business casual or casual Fridays, oftentimes employees will set their own standards by wearing inappropriate clothing to work. Providing specific examples of what management considers acceptable or unacceptable can help clear the air and avoid any awkwardness.

Company Functions

Many companies host parties, particularly during the holiday season. Although these are great opportunities to spend time with employees in an informal setting, they can also create potential liability issues.

Work-related socials outside of the office and in a more relaxed atmosphere could result in inappropriate behavior. Employers should remind employees of the company's anti-harassment policy.

Minimizing Absenteeism

According to the U.S. Bureau of Labor Statistics, American businesses lose an average of 2.8 million workdays each year due to unplanned absences, representing a \$74 billion cost to employers.

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An Investment that Pays off... (continued from page 1)

“Until I got involved in this program, I pretty much focused within. Through these groups, I’ve built friendships, gained guidance from peers, and firmed up my

BUSINESS TOOLS

thoughts about challenges by using my peers as sounding boards. We are ultimately responsible for our individual companies, but we gain different perspectives from group members,” he said.

Partnerships Evolved

“I’ve also done value-added work with some of the members of these BP groups, and we’ve partnered together on some projects. Building trust and relationships produced an unexpected result – more business. That would not have occurred outside of the group.”

Mr. Peterson said that “Years ago when our company had started on the path of Lean Manufacturing to be more efficient and effective, we were in the midst of a good size addition. After discussing our strategies during a BP group meeting, we decided to be more effective in the space we had. We changed the work flow, consolidated, improved our processes, and more. It was helpful to have encouragement from my peers,” he said.

Modest Investment

Is this a particularly good time – in today’s competitive and economically challenging environment – to invest this type of time and effort in your business? *AWI NewsBriefs* asked.

“What you put into it, you will reap from it,” Mr. Peterson said. “Historically, first and foremost we were woodworkers that happened to be in business. Now architectural woodworkers are businesspersons that happen to do woodworking. Today more than ever, you have to be a businessperson that survives. Woodworkers will come and go.”

Long-Term ROI

“As in almost all of life, anything worthwhile has a cost – financial and time. Many of us learned a long time ago that we make time to do what we want to do. If a company is interested in change, involvement in an

“Through these groups, I’ve built friendships, gained guidance from peers, and firmed up my thoughts about challenges...”

Inquiries:

To learn more about AWI Best Practices Groups, contact Katie Allen, AWI Project Manager, at kallen@awinet.org.

AWI Best Practices Group is well worth the investment, which is typically airfare and a hotel room. Meals are paid for by the host BPG member which rotates. It’s a modest expense for an excellent return on the investment (ROI). •

Ralph Peterson is president and co-owner with his brother and sister of ONSITE Woodwork Corporation. ONSITE specializes in high-end architectural woodwork for the corporate market nationally. The company maintains three locations: the manufacturing plant is in Loves Park, IL; and operations are in Austell, GA and Charlotte, NC. The firm’s corporate work has been featured over the years in *Design Solutions Magazine* as well as other prestigious construction and interior publications. The company has been an AWI Manufacturing Member since 1982, the year ONSITE Woodwork was co-founded by Mr. Peterson.

Lessons Learned from the CODBS

Did you know...the 2011 Cost of Doing Business Survey (CODBS) indicated that as a percentage of total sales, High Profit companies*, spend less on material, less on direct labor, have a lower overhead, and even lower SG&A?

By participating in the CODB Survey, you will be able to use these benchmarks to see exactly how much you spend in key components of your business versus other companies and use this to make important business decisions.

Start planning now to participate in the 2012 CODBS. It is the best AWI financial management tool you can use to improve and maintain the financial health of your business. •

* As defined by the top quartile of CODB participants



Ask the Expert

By CNA Insurance, AWI Safety Insurance Partner

Question: I run a woodshop with multiple employees working in various positions. I know that I need workers' compensation coverage, but I'm confused by what an experience rating is, and why I need one.

Answer: Experience rating represents a refinement in the premium determination process. Insurance spreads, or shares, the cost of a loss with members of a group who are likely to experience similar losses. It is the frequency of loss that experience rating adjusts. In general, an employer with better than average loss experience receives a credit, while an employer with worse than average experience carries a debit rating. The two primary benefits of experience rating are:

- It tailors the cost prediction and final net premium cost to the individual employer more closely than does manual rating alone.
- It provides added incentives for loss reduction that are absent from manual rating alone.

Since experience rating gives individual employers some influence over the final premium they pay, it provides an incentive for employers to develop loss prevention as well as mitigation techniques. Experience rating benefits employers by promoting occupational health and safety.

Contact CNA to learn more about workers compensation, and how we can build a risk control program aimed at lowering your experience modification.



Visit www.cna.com and click on "Manufacturing" to access solutions for specialized insurance solutions for "architectural woodworkers." •

SPONSOR SPOTLIGHT

Valspar: If It Matters, We're On It.

Valspar's mission is to enhance and protect our customers' brands and to help them succeed, for when it matters most. Founded in 1806, Valspar offers the broadest technology portfolio in the wood finishing industry.

Superior Performance, Dependable Results: Our wood coatings are what your customers see first. At Valspar, our goal is simple: We are committed to enhancing and protecting your brand.

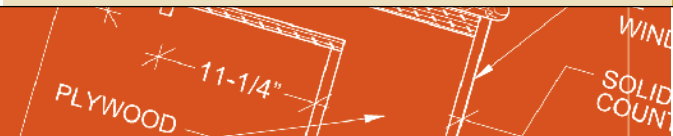
Trusted Partners with the World's Leading Brands: With over 200 years of paint and wood coatings expertise, our distributors and partners around the world trust us to be there when they need us most.

Innovative Solutions, Leading Technologies: With increasing regulations and a drive toward more sustainable solutions, Valspar is committed to developing products and solutions to partner in your success. Our unrelenting commitment to develop more effective, efficient, and safer products is unmatched.

Zenith Waterborne System: The only complete line of Waterborne finishes available. Zenith clear coat varnishes and lacquers are Greenguard certified.

Inspiring Color – The Essence of a Perfect Finish: Because style and color matter to your business, we're on it. Our acclaimed International Color Design Centers provide insight into emerging color trends and offer our partners unique access to experienced Master stylists and artists.

For more information, logon to www.ValsparWood.com. •



The Importance of Reviewing... (continued from page 5)

One way employers can help reduce skipped days from work is by creating an attendance policy, which should set forth expectations and be signed by all employees.

Inclement Weather

Regardless of location, every employer should have an inclement weather policy. Considerations include:

- How will employees be notified that the office is or is not closed?
- Are there essential employees that must report to work?
- How will employees be notified that the office is or is not closed?
- Are there essential employees that must report to work regardless of closures?
- Will employees be paid if road closures prevent them from coming to work?

Policies serve as important guidelines and can help employees perform their job better by knowing the rules and expectations. Regular updates and reminders are beneficial and can help alleviate unnecessary headaches for both employees and business owner. •

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Please see AWI cautionary disclaimer on page 1.

“ To help meet the future demands of having a trained workforce we need to start at the front of the pipeline. Partnering with WoodLINKS USA is a great opportunity for WCA to prime the workforce pump,” Mr. Nelson said. ”

WCA / WoodLINKS USA Sign... (continued from page 3)

Agreement Highlights

- 1) WoodLINKS USA teachers are eligible to attend evaluator training at no charge.
- 2) WoodLINKS USA students are eligible for 10 free tool stamps (five tools at level two plus Layout & Measurement). Students are required to purchase their own WCA passport.
- 3) Students who successfully complete the above evaluations would receive a WoodLINKS USA Skills Standards Certificate and would be eligible to purchase additional evaluations putting them on the road towards their Green award.

Visit the WCA at www.woodworkcareer.org. Read about the progress of WCA, which is now actively training Evaluators. •

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