ELEVATE Your ROI
If you could trim costs and augment profits to elevate your bottom line, would it be worth your time?

Make 2020 the year to Elevate Your ROI and Engagement with AWI. Set your financial goals and participate in the Annual Cost of Doing Business Survey. With the survey results, use a formula that AWI Financial Management Task Force Chair Sebastien DesMarais of Hollywood Woodwork suggests. He recommends that participants work on improving their profit variables by 1%. Choosing two or three metrics to target for improvement to realize “the power of 1%” is a worthy goal, Jonathan has said during several CODBS Results webinars.

POWER OF 1%
• Increase price/margin
• Increase sales
• Decrease direct costs (material and labor)
• Decrease indirect costs overhead and SG&A)

Make 2020 the year to Elevate Your ROI. Learn more.

Registration Open For April Seminars
AWI's tried and tested core seminars will be coming again to various regions around the country. Faculty for these highly-rated education sessions are experts with various types of experience in the architectural woodwork industry. The interactive seminars will stimulate thoughts about best practices and alternative processes that could help your business become more efficient and profitable. Send your specialists—whether seasoned or novice woodworkers. All can learn and take back new ideas and perspectives.

Regardless of the learning outcomes, AWI guarantees the take-aways will be worth the investment. Seminars held in different regions of the country typically attract a different mix of attendees, thereby bringing new ideas and perspectives to the discussion table.

(cont. on page 2)
By the time you read this news, the public comment period for the **AWI SMA 0643 – Wood Stair, Handrail, and Guard Systems Standard** which opened on Jan. 31 will most likely be closed. AWI members were invited to comment on the proposed standard in two editions of e-briefs.

**Review & Response**

The public comment period ends on March 16, 2020. The Standards Development team is preparing to present the AWI Technical Committee and the Quality Standards Committee with the public comments. All comments will be reviewed and responded to.

Those who have registered for the canvass group will receive the balloting information once the comments have been addressed. Questions about the draft standard should be directed to Cheri Derrmyre, Technical Projects Manager, at cdermyre@awinet.org.

**Value for Industry**

“The SMA is thrilled to join forces with AWI to create a standard for stairs, handrails and guard systems that aims to provide clarity across the spectrum. The proposed standard will aid in ensuring all involved in the stair design process, from planning to execution, are aware of the standard for stair creation. This clarity will allow for streamlined processes and increased customer satisfaction as all design members work from the same standard.”

AWI Executive Vice President Doug Hague said, “I am grateful for the collaboration between our associations to produce a standard now beginning the canvass process that will enhance the entire industry. My thanks go to the volunteer experts from SMA who contributed their time and knowledge to create this standard. SMA’s work is appreciated and will leave an imprint on our industry for many years to come. I look forward to following this standard through the ANSI process and celebrating the day it is released with an effective date.”

The Architectural Woodwork Institute (AWI) has produced and collaborated on the development of standards in accordance with its mission since its founding in 1953 to the present day. AWI is an ANSI-accredited Standards Developer Organization. AWI’s mission is to continually improve Standards for architectural woodwork and related interior finishes, provide education and opportunities for collaborating and sharing resources, improve AWI’s member benefits, and cultivate and strengthen relationships within the industry. www.awinet.org

The Stairway Manufacturers’ Association (SMA) was formed in 1988 to insure the growth and prosperity of the group’s industry and craft. In 2014 the name of the association was changed to the Stairbuilders and Manufacturers Association to more clearly reflect its constituency of more than 70% professional stairbuilding companies from the smallest one-man shops to those among the largest in the industry. SMA’s Mission is: Building the greatest resource of knowledge and tools contributing to the success of its members and the stair industry. www.stairways.org
Advanced Estimating
When: April 2-3, 2020
Host: AWI Heart of America Chapter
Where: Home 2 Suites by Hilton KCI Airport, Kansas City, Missouri

Description
The Advanced Estimating Seminar focuses on equipping attendees with tools and knowledge to improve the efficiency of your estimating department. Lecture, reinforcement laboratory activities and group collaboration provide numerous learning opportunities with practical applications that may have immediate impact. Think big picture and create solutions to impact desired areas and reinforce strengths. Join us for a great opportunity to enhance perspective, knowledge and skills of your Estimating Team!

Deep Dive Topics
- What Does our Customer Want from Us
- Direct Cost vs Selling Price
- Estimating Process
- Develop Process Lab
- Letters that Lead to Numbers
- Getting the Most from Your Software
- Paperless Process
- Implementing Analysis
- The Data Loop
- Process Verification Lab
- Estimating Communication
- Estimating Showdown
And more.

Project Management
When: April 30 – May 1, 2020
Host: AWI Chicago Chapter
Where: Chicago Regional Council of Carpenters Apprentice and Training Center, Elk Grove Village, Illinois

Description
Do you react to fires every day? Does the phone control the next hour? Is there frustration at your client/job meetings? Come learn skills to take more control of your project!

Project management is supposed to make your life easier. Acquire tools that allow you to find balance between Contractor, Architect, Resources and Manpower. Become the most knowledgeable person about your project.

This recently updated program is presented by industry peers with considerable experience in project management of varying size projects for diverse companies.

Deep Dive Topics
- The Hand-Off
- Contracts and Purchase Orders
- Cash Flow, Invoicing and Draws
- Project Planning
- Shop Drawings and Submittals
- PM During Production
- Purchasing and Outsourcing
- Project Scheduling
- Change Orders and Back Chargers
- Time Management
- Job Costing and Financial Statements
- Delivery, Installation, Damages and Shortages
- Care and Storage
- Close-Out Documents and Project Wrap Up
- Communications and Conflict Resolution
- Implementation

More information is available about both seminars at www.awinet.org. Register today! Space is limited.
“Be prepared” to find out that what you think are your strengths or weaknesses may indeed be very different or very average.

“If your business is doing well” in the current economy it is even more important to participate. It will be extremely valuable to have a record of what made you profitable when times get more difficult. Conversely, if you are struggling a bit, it will be very beneficial to see how others are making their businesses profitable.

“If your participation” in the CODBS is erratic, you can’t wait another year to participate in the survey. The industry is changing fast. From salary ranges in a competitive job market, to how much companies are spending on capital expenditures, to what companies are spending on materials, overhead and operating expenses, you will benefit from hard data from your financials in good AND bad times.

“We use the CODBS” Results across the board, including setting up operating standards for the year and evaluating if our purchasing and labor are in line with industry averages. We also use the human capital data to examine if we have too few or too many employees, if they are optimally productive, and if our salaries correlate with industry practices. We want to assure that we are offering a better than average benefits package.”

“Completing the survey” itself is an excellent checklist of all of your costs, and breaking down elements of your costs is a valuable exercise.

“Our company’s goal” is to be best in class. We examine the numbers for direction to go from point A to B and do better than the competition. Company executives incorporate WS data into their own management systems and plot it graphically with the CODBS industry averages.

“It is important to participate” in good and bad times. In good times, you can more wisely invest your money. In bad times, such as when credit is more expensive and you don’t have adequate personnel, using the CODBS Results allows you to forecast and beat the curve. You also can purchase equipment and finance your purchases at lower rates.

“Years ago, we developed” an Excel spreadsheet and laid out our numbers the same way as the CODB Survey. Once our firm’s financials are reviewed by our CPA, I just plug in the numbers and the Excel spreadsheet totals them. The time involved is worth the results.

“The more information” about the entire industry that is available, the more it legitimizes our industry, helps service providers understand it, and aids woodworkers in managing their costs of doing business. Within the past 38 years, I’ve dealt with bankers, accountants and surety specialists, some of whom viewed our industry as ‘construction contractors’ – which we are not.”

“You gain valuable comparative data by region, by business type, and more, and you can slice and dice the results data for comparison with your own financial performance data.”

NEED CONVINCING TO PARTICIPATE?
Here’s what past participants have said about the value of the CODBS:

Will the "Average" Income Statement Improve in 2020?

### THE 'AVERAGE' INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>All Firms 2018</th>
<th>All Firms 2019</th>
<th>High-Profit Firms 2018</th>
<th>High-Profit Firms 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Sales</strong></td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Direct Material</strong></td>
<td>34.40%</td>
<td>32.47%</td>
<td>29.71%</td>
<td>29.85%</td>
</tr>
<tr>
<td><strong>Direct Labor</strong></td>
<td>26.67%</td>
<td>28.63%</td>
<td>25.40%</td>
<td>27.19%</td>
</tr>
<tr>
<td><strong>Other Direct</strong></td>
<td>1.30%</td>
<td>1.02%</td>
<td>1.19%</td>
<td>0.98%</td>
</tr>
<tr>
<td><strong>Contribution Margin</strong></td>
<td>37.64%</td>
<td>37.89%</td>
<td>43.71%</td>
<td>41.98%</td>
</tr>
<tr>
<td><strong>COGS Overhead</strong></td>
<td>17.59%</td>
<td>17.56%</td>
<td>16.16%</td>
<td>14.01%</td>
</tr>
<tr>
<td><strong>Cost of Goods Sold</strong></td>
<td>79.95%</td>
<td>79.67%</td>
<td>72.45%</td>
<td>72.03%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>20.05%</td>
<td>20.33%</td>
<td>27.55%</td>
<td>27.97%</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>13.47%</td>
<td>13.11%</td>
<td>10.46%</td>
<td>11.18%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>6.57%</td>
<td>7.23%</td>
<td>17.09%</td>
<td>16.79%</td>
</tr>
</tbody>
</table>

Source: Cost of Doing Business Survey and Compensation Study Report, 2019, “Executive Summary”
Participation in the 2020 CODBS is one productive way to Elevate Your Engagement with AWI and reap the rewards of knowing how your business compares with others, particularly high profit firms, within the architectural woodwork industry.

The CODBS is an exclusive benefit for AWI Manufacturing Members in good standing — and at no cost, only the time it takes you to participate. The survey is conducted for AWI by Inverra, which keeps all individual data totally confidential. Only aggregated data is available to participants, thereby maintaining the confidentiality of individual company data.

CODBS Take-Aways
Reap the rewards of an excellent return on your investment of time to complete the survey. The Cost of Doing Business Survey Results:

- CREATE a fully secure, online database of your company’s financials
- DELIVER a powerful trend-analysis tool.
- ALLOW you to compare your results across different industry breakouts.
- ENABLE printing of unique reports and trend data.
- INCLUDE a complimentary CODBS Results book.

Need First-Time Help?
It may be daunting for some AWI Manufacturing Members to participate the first time. “You may need to re-categorize your financials to align with the CODB Survey; but that is usually a one-time exercise,” according to a long-time participant. The CODB Survey has a feature for making notes to track the contents of each line, documenting your data entries and notes for subsequent years.

“An option is to have your accountant fill in the numbers for you. It could save you time and provide both of you more insights into your business. Regardless, the results are well worth the time involved,” said another long-time participant.

Watch for announcements in AWI e-briefs of a “How To” webinar which Sebastien DesMarais will conduct soon (date to be determined).

Good Reasons to Participate
- Know your own costs, digging deeper than ever before.
- Mine the information in the aggregated results.
- Understand your competition.
- Trim and control expenses.
- Trace industry trends against your financials.
- Detect early warnings of any financial difficulties.
- Plan cash flow.
- Assess overall company productivity and efficiency.
- Devise financial strategies going forward.
- Show evidence of the industry’s health when seeking credit.
- Help satisfy any IRS questions about your tax reports.
- Gauge performance vs. industry peers to identify strengths and weaknesses.
- Evaluate your company’s salaries vs. regional industry averages.
- Gain reliable information for making financial decisions.
- Grow your business!

Choosing two or three metrics to target for improvement to realize “the power of 1%” is a worthy goal.

Prepare for fluctuations in the economy. Participate now before you are possibly blindsided by changes in your financials that you didn’t prepare for.
Relevant shared information among members is among the resources that can be found using AWI’s new robust Digital Learning Portal which opened in December at www.awinet.org.

One click of your mouse gathers new currently published AWI Standards (expanding monthly), education resources from prior editions of AWI Standards, AWI member profiles noting woodwork specialties, and shared information from AWI Communities.

The powerful portal pulls it all together as you search for specific information. Take “cabinet grade” for example. Many questions and answers regarding “cabinet grade” can be found in the Digital Learning Portal. It’s quick and easy!

“Cabinet Grade” Search
Login to www.awinet.org with your AWI member access codes to get comprehensive information reserved exclusively for members.

Search on the word, “Cabinet Grade.” As an example, select the Content Type “Community” from the left pane, and you’ll receive results from all of AWI’s My Community discussions regarding “cabinet grade.” By default, your search will pull up everything relevant from the database, in this case 115 data points.

If you search solely on “Community,” results include all shared information among AWI members (88 data points) about the subject that includes:

• Drawer Box Surface (HPDL vs. Wood)
• Cabinet Connectors
• Thermally Fused Laminate (TFL)
• Manufacturing Software
• Color Compatibility
• And more.

Note that all searches can be further refined by “Content Types” that include: Community, Education, Company, Everything.

Get the facts from the DLP and make it your “go to” resource for a wealth of information never before available—or possible—from AWI.
AWI and the Quality Certification Program, along with 17 member companies, traveled to Pittsburg, Kansas, for a career day event at Pittsburg State University (PSU) the week of February 17th. It was AWI's third time participating at the annual event hosted by PSU's Wood Technology Program.

AWI and QCP staff were thrilled to speak to the students and greeted many of whom were sponsored attendees at the AWI Spring Leadership Conference held earlier this month in Asheville, NC. Representing AWI were Executive VP Doug Hague (a former Associate Professor at PSU); Education Director Wade Thaxton; and Director of Marketing and Membership Katie Allen. QCC Senior Director of Operations Tricia Roberts represented the Quality Certification Program.

The annual PSU event, which focuses on careers in the wood industry, attracted university students and 17 AWI member companies among the participating woodwork organizations. The exhibitors either promoted the wood industry in general and/or competed for potential apprentices in their plants. The event offers students opportunities to network with potential employers.

Center are Tricia Roberts and Doug Hague; Sebastien DesMarais at right.
New AWI Members

MANUFACTURERS
Demeter Millwork
Chicago, IL
Modern Casework, Inc.
Waynesboro, PA
OnePointe Solutions
Elgin, TX
Professional Casework & Millwork
Suwanee, GA
RJ Millwork Company, Ltd.
Winnipeg, MB, Canada
The MDC Group
Noblesville, IN
Villarreal Rasmussen Cabinetmakers
Carbondale, CO

SUPPLIER
Kambium, Inc.
Lakeville, MN

INDUSTRY
Davis Architectural Woodworking, Inc.
Boston, MA

Note: These new members joined AWI in January 2020.

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.

LEARNING FORUM

SAVE THE DATE!
68th AWI Annual Convention
September 30 – October 2, 2020
Resort at Squaw Creek

The Architectural Woodwork Institute | awinet.org