



Surviving & Thriving in a Global Economy

There are few markets that haven't faced the increasing challenges brought by low-cost imports. The cabinet, furniture, flooring and other markets we serve are no exception. But, some innovative small businesses have found strategies that have allowed them to not just survive, but in many cases thrive in this environment. We'd like to offer some ideas on how they are doing it.

Find the High-End Niche

Competing on price in the US is nearly always a losing battle. By focusing on higher-end or custom products and services, you can exploit your advantages and insulate yourself from some of the volatility and economic downturns of low-cost markets.

Emphasize Quality

Imports from low-wage regions of the world often suffer from a lack of quality control, not to mention damage during shipping. By setting your quality standards very high and emphasizing it to your customers, you can enhance that perception.

Capitalize on Slow Turn-around and Long Lead Times

Small shops often judge their success in the marketplace by the length of their backlog of work. But one of the biggest problems your overseas competitors have is the incredibly long lead times necessary for shipping. Delivery times

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Why Pay to Ship and Handle Waste?

With shipping and handling costs higher than ever, now may be the time to consider changing the way you buy lumber. Quantum, our hybrid rough mill processing system, can offer big advantages:

Significantly Higher Yields

Multiple orders can be processed at the same time to provide the very best yield for each customer.

Get a Better Parts Mix and Minimize Waste

Quantum can help reduce residual widths not needed in your production, in turn, reducing your shipping, inventory and handling costs.

Save by Reducing On-site Ripping

We work with your business on an individual level to economically provide common widths and reduce your ripping tasks, enabling you to turn inventory faster. And faster turns equal cost savings.

For more on Quantum visit www.bankshardwoods.com/quantum or give us a call and we'll be happy to help determine if Quantum is right for you.

Celebrating 15 Years at Banks

“Jack of All Trades”



Steve Brantner has truly been a “Jack of all trades” at Banks Hardwoods – even carrying the nickname “Jack” for many years. Steve was involved in building

our kilns as well as the assembly of all of our machines. He was the first stacker lift driver we had in Wisconsin – suffering through two straight weeks of below zero temperatures that first winter! He currently heads up our Maintenance Department and when not at Banks he enjoys spending time on his hobby farm with his wife and four children.

Whether it’s a leaky hose, a broken chain, or replacing a motor, Steve’s “if it’s broke, I can fix it” attitude the last fifteen years has been essential to Banks Hardwoods success.

“Super Trucker”



Before becoming our full time truck driver in 2001, Bill Kralewski was involved in the completion of our kilns and machine assembly, and also filled the

need for a green side forklift driver. During that time, he decided our air sheds would be more manageable if lumber was kept in a chronological order and we’ve been doing it that way ever since. His drive to improve things has helped make our facility what it is today.

When Bill isn’t running the open road he enjoys hunting, fishing, and spending time with his wife and their two daughters. Some people compare Bill to a mailman; rain, snow, or shine, he’ll get it delivered (and always with a smile)! Thanks Bill!

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often exceed 3 months. Retailers dislike trying to predict the market 4 months in advance and don’t want to hold large amounts of inventory. Distinguishing yourself by offering low minimum orders, working to implement a “Zero Backlog Strategy” and positioning your company to quickly react to customers’ changing needs can give you an edge.

Know Your Market and Stay Out Front

Make it a point to visit trade shows, your customers, your customers’ customers, your competition when possible, and even consider visiting competing markets overseas. Doing so can give you tremendous insight. By staying on the cutting edge of design and market trends, and better knowing exactly what your customers want and need, you can profit from information that has yet to reach slower overseas’ radars.

Stay Flexible and Innovate Often

If you tend to have long product life cycles and large inventories with common designs, you’ll no doubt face many copy-cat foreign competitors. By keeping production runs shorter and inventories low, you can be more flexible and adapt to the changing market demands.

Manage Your Cost of Labor

Cut labor costs by looking for ways to streamline production with labor-saving alternatives, not by seeking the cheapest labor. In fact, offering better wages, productivity bonuses and benefits to draw and keep good long term employees can pay off with higher productivity and less

production problems. And by investing in training and education of those employees, you can make further gains.

Leaner and Maybe Greener?

No matter how lean you believe your manufacturing process is, there’s always room to improve. Consider just-in-time delivery of materials, outsourcing high-volume common components, constantly seek new more cost effective alternative sources, and automation of repetitive tasks to name a few.

Solicit employees for ideas to improve processes. Some companies offer incentives, but simply asking employees for ideas on a consistent basis can yield big results! Don’t overlook energy savings either. Converting to higher efficiency lighting and climate control systems, and striving to eliminate every ounce of waste can add up over time.

Invest in Marketing and Sales

For years, many smaller shops have gotten by with very passive marketing strategies. Whether you hire outside sales reps or do it yourself, having individuals actively pushing your products to new customers and markets is a must. Branding, advertising, web sites and printed literature are often the first to get cut when money is tight, but these tools are an investment not an expense; an appealing presentation can be that subtle difference that turns prospects into orders.

Appeal to Patriotism and Environmental Concerns

While never the soul determining factor, “made in the USA” still means

something to many of the end users of your products. And with environmental concerns on the rise, you can take that draw one step further. Domestic products are generally more “green” due to less shipping waste and tighter environmental regulations compared to third-world suppliers.

Take Advantage of Trade Organizations

Trade organizations often offer a collective pool of valuable information, resources for collective shipping rates, lobbying for more favorable trade policies and protections, collective marketing and more.

Partner with Importers

Some businesses have found by working with some foreign suppliers, they can maximize value for their business and their customers. Consider overseas outsourcing for components or raw material, or joint ventures with overseas manufacturers to supplement your domestic production.

In conclusion, take an honest evaluation of your company, and compare its strengths and weaknesses to your overseas competition. By streamlining your processes, picking your markets carefully, understanding your strengths and import’s weaknesses you can better position your company for success now and in the future.

A special thanks to Scott Dickerson of Banks Hardwoods, Inc., author of the presentation for which this article was based upon.



An early 20th century photo of an American Chestnut “ghost forest” devastated by the blight.

It Started in an Isolated Area of New England in 1904. Years Later, 4 Billion Were Dead.

The American Chestnut tree reigned over 200 million acres of eastern woodlands from Maine to Florida, and from the Piedmont west to the Ohio Valley, until succumbing to a lethal fungus infestation, known as the chestnut blight, during the first half of the 20th century. **The American Chestnut Foundation (TACF)** is an organization dedicated to restoring the great American Chestnut as a viable, productive hardwood species. This species was once one of the most important and dominant species in the eastern United States. It was known for its decay resistance, beauty and excellent millwork qualities.



THE
AMERICAN
CHESTNUT
FOUNDATION

www.acf.org

For 25 years, TACF scientists have been working diligently to produce a blight resistant strain of the Chestnut. Now, new seed orchards are being planted in 14 states – the true beginning of a re-forestation process that TACF hopes to achieve before the end of this decade.

Banks Hardwoods proudly supports TACF and we encourage others to do the same. With much support and hard work, it’s only a matter of time before the Chestnut will once again grace the American landscape. For more information, visit www.acf.org or call 802-447-0110.



Often Mixed or Partial Loads, Always Quality Everything

Many hardwood suppliers carry multiple species but are typically considered being “good” at just a few. While Banks is known for Northern Red Oak and White Hard Maple, you can rest assured that every species we ship – from Cherry, Hickory, or Ash to the most exotic imports – meet our highest quality standards.

And speaking of shipping, we can offer multiple species on one load. In fact, nearly 75% of our outbound shipments are mixed or partial loads.

No need to commit to a full load of any one species. No need to call multiple suppliers to find what you need. No need to compromise on quality. Make one call and let Banks Hardwoods handle the rest.

At Banks, We're Proud Supporters of:

The Hardwood Forestry Fund

The *Hardwood Forestry Fund* promotes hardwood timber growth, management, education, and environmentally sound uses of renewable forest resources by providing grant funding to partnering organizations. The *Hardwood Forestry Fund* supports sustainable forestry by funding selective tree planting, direct seeding, natural regeneration, management, and hardwood research requests. Learn more at www.hardwoodforestryfund.org.

The Indiana Forestry and Woodland Owners Association

The *Indiana Forestry and Woodland Owners Association* (IFWOA) is a nonprofit organization founded in 1977 with the goal of promoting good stewardship of Indiana woodlands. Today, IFWOA has more than 800 members representing 125,000 acres of forests. IFWOA is an affiliate of the *National Woodland Owners Association*. Learn more at www.fnr.purdue.edu/ifwoa.

Steve Banks to Address the Dollars & Sense of Going Green Conference



Banks Hardwoods is sponsoring the *Dollars & Sense of Going Green*,

a two-day conference scheduled for October 28 & 29 in Indianapolis. The conference will provide a public forum to help attendees learn about the impact wood certification and green marketing of hardwood products is making at the national and international level.

Steve Banks is scheduled to speak about Banks Hardwoods' experience with certification and other green initiatives. For additional information about the conference, visit www.greenwoodseminar.com.

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