

What Builders Really Want

The Role of Building Supply Dealers in Helping Builders Go Green.



BY THE TEAM AT BUILDING KNOWLEDGE, INC.

The continuing trend towards energy efficiency and green products in the building industry, now fueled in part by economic recovery initiatives and significant building code changes, places new responsibilities on building supply dealers, since dealers have always been a very important information resource for builders needing product information. Green building generally, but more specifically the varied adoption of new building codes by local state and municipal jurisdictions, has added extra levels of complexity for builders in the last few months. Bottom line: builders are looking for help. Dealers

looking to enhance relationships with builders and grow market share could add value in four important and surprisingly simple ways.

- Up-to-date awareness of local and regional code requirements
- A “greener” product offering, that at least matches code requirements
- Comprehensive information
- Greening up the Yard

Before looking at each of these in more depth it is useful to recall the common elements of the many available green building programs. All of them include the following ideals in their requirements or qualifications:

- Efficient use of energy
- Efficient and durable use of building materials
- Healthy indoor environments
- Efficient use of water
- Efficient use of land and existing infrastructure

Of these, in terms of overall environmental impact in a housing context, energy efficiency is the most important. In fact, 70% of the carbon footprint of a house over a 50-year period is associated with its energy use. This should give dealers and their builders an important clue as to how to get “greener”—improve energy efficiency.

It is also instructive to recognize the popularity of green or energy efficient housing programs within your local trading area. On a national level, in 2011, well over 20% of new homes were built to qualify for a green housing program such as ENERGY STAR for New Homes, NAHB Green, LEED for Homes or one of the other 80-plus regional green initiatives. By far, ENERGY STAR was the most popular program in the industry. To qualify for this label, builders have to show they have improved the energy efficiency of their homes by at least 15% over state code through improved windows, more insulation and better air barriers. Given this reality, astute building supply dealers should recognize opportunities for selling more high-value, high-margin products.

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Opportunity is Knocking

A recent experience in northern Minnesota should highlight the opportunity inherent with building supply dealers having greater awareness of changing building codes. A well-known manufacturer of air and weather barrier systems had me visit builders and dealers in the area to provide education on pending code changes. The owner of the first small, local dealer visited was unaware and even skeptical of the code changes I presented. He assured me that his 42 years of experience in the building supply chain had proven that builders were only ever interested in the lowest price—and not even code changes would have any impact on opportunities for more or higher margin sales in these tight economic times.

As we drove into the yard of the second dealer, I was struck by huge skids of foam board insulation strewn almost everywhere. The dealer said she wasn't

exactly sure what was going on but because of some code change she had trouble keeping enough foam board insulation in stock. When I told her about the recent emphasis on both increased levels of below-grade insulation and above-grade continuous wall insulation in the building codes, she recognized the impact on her business. She felt fortunate that other dealers in the area had not picked up on the changes and she could command responsible margins and higher overall sales in an otherwise sluggish local building economy.

This one example—and the sharp contrast between the first and second dealer above—should be a clue to suppliers that builders themselves are often caught unaware of the implications of code changes. A trusted supplier who

stays on top of changes would bring real new value to their builder and remodeler clients. Imagine a display area or posters showing alternative wall assemblies that meet new code requirements, a simple listing of available building materials that are applicable to code changes or even information sessions hosted by dealers and involving code officials to maximize the opportunity for new products or technologies.

The Right Stuff

With a longer-term focus on offering a greener product line, review and evaluate your product offering with your suppliers with the following three parameters in mind.

Energy Efficiency: Ensure you are providing fair access to the full range of energy efficiency manufacturers offer. For example, offer insulated sheathing at a full range of available thicknesses,

high-density batts or blown-in insulation bales and the most efficient windows and doors your suppliers offer. Less obvious, but very cost effective examples would be ensuring access to raised or high heel trusses, insulated rim boards and window headers, air sealing products and foundation insulation systems. While it may not be possible to stock all variations, fair access implies reasonable deliver times and the avoidance of custom order premiums. Offering ENERGY STAR labeled windows, doors, insulation products and sealants also helps builders meet energy efficiency requirements.

Sustainability: Most green building programs use industry-recognized green labeling programs to identify qualified products. Ensure that your builders have access to qualified products such as sustainably harvested forest products. The FSC label is one example. Fortunately, there is seldom need for dealers to define on their own what qualifies as a green product. There is enough information offered by manufacturers and the various green programs for dealers to be able to identify which products are qualified for the local green building programs their builders participate in. This may include credit for locally manufactured products—a real win-win for your local economy.

Further opportunities for dealers lie in the supply options for lumber and other products. Most green programs reward builders for using pre-cut lumber packages, more accurate lumber take-offs, finger joint studs or the reuse of off-cuts. Some dealers are starting to help builders achieve better lumber use effectiveness by developing framing layouts or construction shop drawings for home building projects and then adding value with pre-cut and even pre-assembled components—trusses, floor assemblies, window header assemblies etc. This reduces waste, saves labor and improves overall quality for builders. ➤

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Healthy Indoor Environments: An important element of green building is to ensure the healthiest possible air for occupants. The first strategy to attain good air quality is to eliminate the source of potential contaminants. Preference is given to products with low off-gassing potential. Dealers can ensure that manufacturers provide full disclosure of the off-gassing from their materials and, where possible, offer product that bears an independent label identifying low off-gassing potential.

Green Expertise

Similar to providing specific information on code changes, there is a real opportunity for dealers to become a trusted source of green information. The technical requirements of green building programs such as ENERGY STAR, NAHB's National Green Building Standard or LEED for Homes can be dif-

ficult and time-consuming for even large builders. It would be impractical for most builders to fully research and assess the total environmental footprint of each of the products and techniques they prefer to use. Dealers are in a better position to enlist the help of their manufacturers and suppliers to gather the required information needed for green accreditation on behalf of builders. Offering full and balanced information and clearly identifying qualifying green products is a simple first step for dealers.

A commitment to offering at the very least full and balanced information on the three parameters noted above would be a starting point. Better yet would be to work with local energy raters and green program administrators to make sure accurate information is presented on the specifics of local program requirements with respect to a dealer's

product list. For example, one dealer got enthusiastic response from green consultants by hosting a simple tour of their facilities and brief presentations from key suppliers. In return the green consultants and energy raters provided insight to the staff of the building supply dealers showing them the value of the systems approach to building, including air barrier strategies, the importance of comprehensive weather barrier detailing and the decision matrix green builders use to evaluate products to optimize green labeling. As a result, the dealer found both their counter staff and outside sales people felt far more confident in demonstrating higher value accessory items such as flashings, caulking, sealants, adhesives, house wraps and drainage systems. Almost immediately, the dealer found their average margin on sales went up for at least their top 25% of customers.

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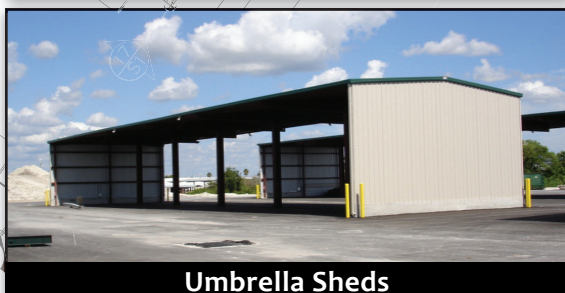
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Incremental Improvement

Finally, in the same way that builders are being challenged to seek a path of continual improvement with respect to energy efficiency and environmental responsibility, dealers should commit to joining their customers on this path. Programs such as ENERGY STAR and the Department of Energy's Builders Challenge advocate incremental steps of 20%-25% improvement in energy efficiency. Dealers will find this to be a reasonable goal in their own facilities as well. A 25% improvement in lighting efficiency or a 25% reduction in delivery fuel usage through better scheduling, accuracy of orders, driver education and vehicle maintenance are attainable. Re-evaluating handling and storage of wood and other building materials can reduce waste and returns of lumber. Providing builders with more accurate take-offs and offering pre-cut materi-

als can reduce yard waste as well. Sorting waste and working with local waste management firms to divert waste from landfill has been found to be very cost effective in some markets. So much so, that dealers could help smaller builders with recycling by providing central bins for metals, batteries, cardboard or other elements that, on a local basis, are easily diverted from landfill.

In summary, the building industry is clearly engrossed in a greener future. Through immediate or imminent code

changes and green programs that offer technical and marketing benefits, builders are more proactively accepting the challenge than ever before. Builders will be looking for their traditional partners—building supply dealers—to provide a wider selection of qualifying products, provide comprehensive green building information and to participate in greening up their own operations. Responding to this challenge will help dealers build market share as the building economy recovers. ■



This feature was a collaboration of the team at Building Knowledge, Inc. A leading residential construction training and consulting firm that uses a building science-based, systems approach to help suppliers and builders improve their businesses. The team consists of (from left to right) Mark LaLiberte, Ed VonThoma, Patrick O'Malley, Gord Cooke, Justin Wilson, Tony Grahame and Tex McLeod. Visit www.BuildingKnowledge.com or call 952.944.5605.

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