



# Success Stories

Builder / Manufacturer Partnerships

***Voices from Behind the “Wall”***

*Glenn Singer, Builder Partnerships*

*Judy Rump, Viega*

*Ed Hauck, Rouse / Chamberlin*

*Jeanne Samz, Woodland Homes*

*Fred Adams, Lasco*



# Judy Rump

## Regional Manager



## **Building successful partnerships:**

- **Quality relationships are the foundation of our success in business**
- **Strong level of commitment from both parties is key**

# BUSINESS PARTNERS

## Our goal:

- **Bring value-added product to the builder**
- **Include contractor in decision to commit to our products**
- **Provide reasons to use our systems**
- **Educate on features and benefits included**



## **Commitment by manufacturer to train each link in the chain:**

- **PLUMBING CONTRACTOR**
- **CONSTRUCTION MANAGERS**
- **QUALITY ASSURANCE STAFF**
- **PURCHASING MANAGERS**
- **SALES STAFF**

# SUCCESS STORIES

**Ed Hauck, ROUSE/CHAMBERLIN HOMES, Exton, PA:**

*“A fellow builder suggested the system, manufacturer’s representative provided training, helped to reduce cost vs. copper and assisted with first installation.”*

*“System eliminated call backs and also provides ‘green’ potable water distribution system.”*





## **Bob Knight, PAUL HOMES, Cape Coral, FL:**

- **Began using our potable water distribution system as an upgrade and soon switched to including as the standard offering.**
- **Saleable features and benefits.**
- **Training program provided.**
- **Wanted something beyond the standard production builder offering.**



**Ed Hauck**

**VP Purchasing**

**Rouse  
Chamberlin  
Homes**





# Partnering with Manufacturers to Reduce Costs

- ✓ Tough Market will force us to change
- ✓ Discounting and tough competition may be here for quite some time
- ✓ Some builders will drive the discounting down to
- ✓ While they are chasing discounts down we need to tighten our numbers.
- ✓ We need to lower our Direct Construction Costs to help offset those discounts



# Partnering with Manufacturers to Reduce Costs

- ✓ In good times we did not take the time to create relationships. *We were too busy.*
- ✓ In some cases we relied on our vendors to take care of that for us
- ✓ You were probably paying for that service
- ✓ Building relationships with manufacturers can help drive those cost down
- ✓ We need to control what products go into our homes
- ✓ Building Partnerships can help create an advantage over builders or vendors who do not take the time to develop relationships



# Partnering with Manufacturers to Reduce Costs

- ✓ Equal the playing field against larger or national builders
- ✓ A small or inexperienced purchasing department can be overwhelmed
- ✓ Builder Partnerships gives them a huge advantage
- ✓ Maximize your networking ability



# Contracting with Small Contractors

- ✓ Partnering with a small contractors and vendors can save money
- ✓ Smaller contractors typically have lower overhead
- ✓ They provide great pricing on the labor portion of the contract
- ✓ Typically a small contractor will try to supply whatever is easiest for them
- ✓ They probably have less organization and buying power than the builder



# Contracting with Small Contractors

- ✓ Leverage your manufacturer relations and buying power
- ✓ Do not rely on your contractors to do your purchasing
- ✓ Specify the products that go into your home
- ✓ Small contractors will use your systems and relationships
- ✓ You decide what goes into your homes
- ✓ It is your reputation on the line





# When Contractors Resist

- ✓ Specify the products in your Bid Packages and Contracts
- ✓ Times are tough for them now too
- ✓ Now is the time to take back control
- ✓ Take away the supply chain as an excuse. Utilize your relationships.
- ✓ Identify best the distribution





# When Contractors Resist

- ✓ Ensure pricing through the supply chain
- ✓ Most manufacturers will help you write your specifications
- ✓ Installation and specifications are available on line
- ✓ Good specifications and contracts will help eliminate Change Orders



Rouse  
Chamberlin  
Homes



# Implementing New Manufacturers and Contractors

- ✓ Work with the Manufacturer, Distributor and Contractor
- ✓ Quantify the capabilities of a small contractor
- ✓ What is their capacity
- ✓ Quality- Can they meet our expectations
- ✓ Can they adjust to your process





# Implementing New Manufacturers and Contractors

- ✓ Set up a meeting with you contractor and the manufacturer reps
- ✓ You may want to include a representative from the local distributor
- ✓ We were able to take a small contractor and set him up for product distribution
- ✓ We used our process and organization to help negotiate better pricing
- ✓ The manufacturer will use the information to help maintain their inventory



# Implementing New Manufacturers and Contractors

- ✓ Installation of the product
- ✓ Ordering process
- ✓ Review your anticipated pace
- ✓ Lead time from sale of home to installation date
- ✓ Warranty process
- ✓ The result was a good contractor using the product we specified for less money



# Incorporating Manufacturers into New Product Development

- ✓ Manufacturers can be extremely valuable in the process
- ✓ They know their product and have vested interest in helping you incorporate their product into your designs
- ✓ Manufacturers helped us offer the latest and greatest products to give me as much competitive edge as possible
- ✓ Collaborate with manufacturers and utilize their resources
- ✓ Utilizing their resources, we have enhanced our product to hopefully be more competitive in the market to sell more homes.





# Incorporating Manufacturers into New Product Development

- ✓ When the market changed we realized we needed a house at a lower price point in order to keep selling
- ✓ We dropped the square footage but we need to be more efficient
- ✓ We worked with several manufacturers to reduce cost and still offer comparable amenities
- ✓ The main structure of the house had to be at maximum efficiency
- ✓ BlueLinx help me maximize my first and second floor area and still reduce cost



# Incorporating Manufacturers into New Product Development

- ✓ We worked with Lasco and designed a cost effective Master Bathroom
- ✓ The new tub enabled us to eliminate the additional framing
- ✓ Tile was eliminated as a standard and become optional
- ✓ We also worked with the window manufacturer to utilize a cost effective feature window
- ✓ The window is in a high hazard area so they gave us several scenarios and we chose the one with the most WOW for the money







- ✓ Working with manufacturers, we developed upscale looks for less money













EXIT

002



EXIT

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Homes









**Jeannie Samz**

**CFO**



**WOODLAND**

**HOMES OF HUNTSVILLE**

**I N C O R P O R A T E D**

## Product Specification/training and implementation:

- Pex Product no upfront training or planning
- Copper costs to replace
- Whose responsibility is it to have the new product and trade trained?
- By having your trades trained you will have reduced call backs and increased buyer confidence to generate referrals
- Replacement cost for plumber due to inadequate trained professionals will be passed to you
- Two years later we were still fighting leaks and problems due to unskilled trades
- It is ***your*** house. You are responsible for what is in your house
- Manufacturer is able to train sales professionals to sell quality and value of home to gain competitive edge



# BUSINESS PARTNERS

## Planned product transitions:

- Adequate time of preparation for discontinued products
- Adequate time of training and preparation for new products
- Research of new products / manufacturers bring it to you
- New product development, pricing and installation to stay ahead of competition
- Combined product purchasing to match style and color
- Price Pfister / Kwikset / Kichler



# SUCCESS STORIES

## New Home Designs:

- BlueLinx help with design and training
- Are they going to give you the best deal the best product for the best price?
- By dealing with GP we are able to Value Engineer our homes, check on our local lumber company and make sure that we are getting the best designed home for the money
- Possibly putting I-Joist on 19.2" centers instead of 14" centers
- New products in lumber and I do not have to spend all day researching
- Cut costs and save money

# SUCCESS STORIES

## Design Center:

- Enhanced product
- Don't rely on local distributor to see your customer
- Upgrades
- New product
- Implementation
- Model home discounts

# SUCCESS STORIES

## Rebates:

- Why leave money on the table
- Use them for concessions for potential homeowners
- Multitasking / I don't have to chase rebates
- Contributes to the bottom line



**FRED ADAMS**  
**SVP OF SALES AND MARKETING**





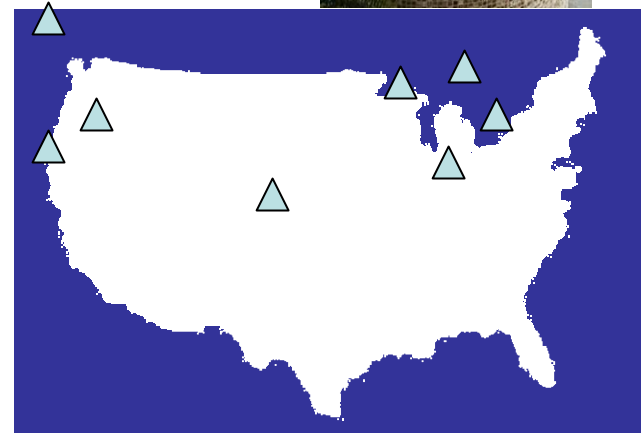
# ABOUT LASCO BATHWARE

Emerging from a company founded in 1947, Lasco began manufacturing bathware in 1965

Our products are found in more homes today than any other brand of bathing fixture

We operate out of 8 facilities across the US, and operate a fleet of hundreds of trucks and trailers

We are a one stop shop, with the largest selection of acrylic and gelcoat bathing fixtures in the industry, offering everything from basic gelcoat tub or shower for the secondary bath, to high-end acrylic spa tubs, to ADA/accessible tubs and showers for the aging population and people with special needs



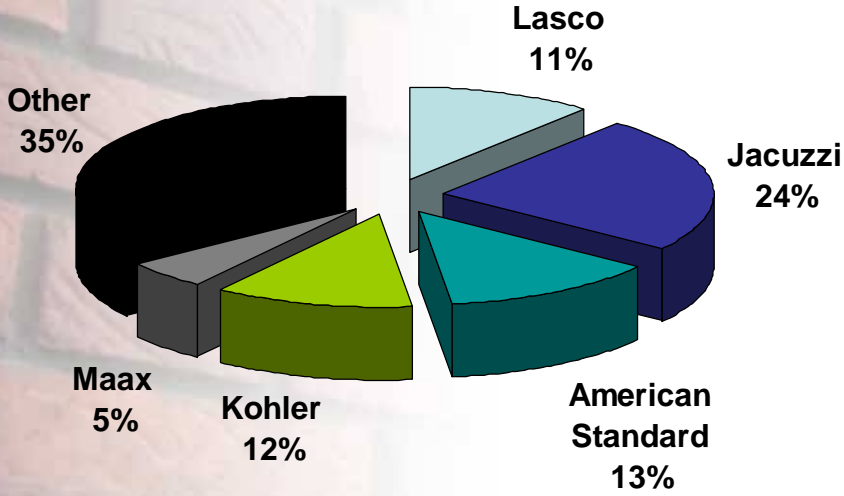
**LASCO**  
BATHWARE



# 2007 Estimated Market Share

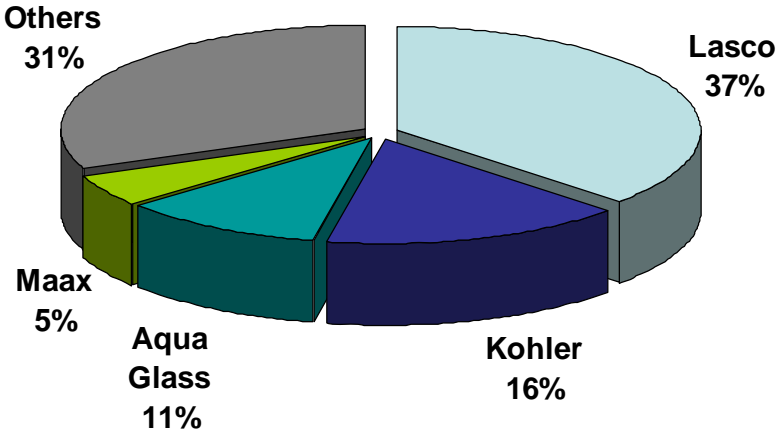
## ACRYLIC

Total Market = 0.5 MM Units



## GELCOAT

Total Market = 2.49 MM Units



# Economic Factors Effecting Plumbing Fixture Demand

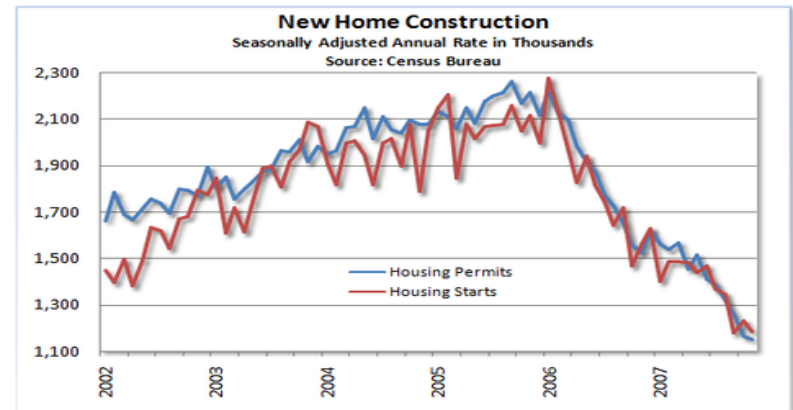
Existing house inventory is at 10 months of unsold houses

New house inventory has 8.2 months of unsold houses with another 4.1 months under construction

Foreclosures have risen to a rate of 1.2 million annually for 2007 (almost 1% of US households)

Affordability is the key to the housing market recovery

- Significant price corrections are underway
- Financing is becoming more difficult to secure due to stricter lending rules



# BUILDER FOCUS FROM LASCO BATHWARE

Lasco's Builder Services program is a one-stop-shop resource for residential and commercial builders, plumbers, developers—anyone who wants to cut product research, installation, and follow-up costs without sacrificing quality.

Designed to be used as a full-service or an a la carte resource, Builder Services from Lasco offers planning consultation and take-off suggestions, on-site advisors, expert installation teams that can navigate the intricacies of ADA compliance, and follow-up work upon a project's completion to make sure the products look as good as the day they were installed.

**Key components of the program include:**

- **Consulting and take-offs**
- **Job site delivery**
- **After sale service and support**
- **Training and consultation**
- **Product development**



**Background:** 15 year Lasco customer

**Issue:** Cosmetic defect on product which was accentuated after product was installed

**Actions:**

- Field evaluation by sales rep/RCH team
- Additional evaluation by Lasco personnel
  - RSMs, Plant Manager, Field Service Representative
- Identified flaw on mold, repaired in-house
- All units in field were addressed
  - Installed units repaired in field
  - Non-installed units returned
- Completed to the full satisfaction of the Rouse / Chamberlin personnel





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**Questions?**