

September  
2002  
**NEWS**

# APPALACHIAN

## *The Height of Beauty*

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.,  
serving the lumber industry since 1928

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## APPALACHIAN

### Future Meetings

#### 2002 Inter-Industry Meeting

Oct. 24 - Tanglewood, Winston-Salem, NC

#### 2003 Annual Meeting

Feb. 27-March 2 - The Hilton Sandestin, Destin, FL

#### 2003 Summer Meeting

July 20-22 - The Greenbrier, White Sulphur Springs, WV

## Furniture Market Recap Is Focus For 2002 Inter-Industry Meeting

HIGH POINT, NC - An analysis of the 2002 Fall International Home Furnishings Market will be the highlight of the 2002 Appalachian Hardwood Manufacturers, Inc. Inter-Industry Meeting on Oct. 24.

Reggie Propst, vice president of manufacturing for Kincaid Furniture Co., will offer his insights from the furniture market. The seven-day market ends the day before the Inter-Industry meeting.

Propst will discuss the results of the furniture market for Kincaid Furniture as well as overall trends from the semi-annual show. He has been employed with Kincaid for eight years and was named vice president of manufacturing earlier this year.

"This will give us a first-hand report of what just occurred at market from one of our members who is also a leading furniture manufacturer," said Mark Barford, AHMI executive vice president. "This will be timely and valuable information for hardwood producers, distributors and consumers."

The Inter-Industry Meeting will be held at Tanglewood in Clemmons, NC, just west of Winston-Salem. The reception begins at 6:30 p.m. and dinner is at 7:30 p.m.

This meeting typically is the oppor-

tunity for lumber producers to make contact with buyers, Barford said. A record crowd of buyers attended the 2001 session and an equal number are expected this year.

Attendees are invited for golf on the Tanglewood Championship course beginning at 11 a.m. The golf fee of \$45 is payable to AHMI with registration.

A sporting clays and wobble trap tournament will be held at Friendship Sporting Clays in East Bend beginning at 1 p.m. The shooting fee of \$50 is payable to AHMI with registration.

A block of rooms has been reserved at The Village Inn Golf and Conference Center in Clemmons for Oct. 23 and 24. AHMI has secured a rate of \$58 per night and reservations may be made by calling The Village Inn at (800) 554-6416. The room cut-off date is Sept. 24.

The meeting registration fee is \$85. A form is included on page 8 of this newsletter. A printable registration form is available online at [www.appalachianwood.org](http://www.appalachianwood.org).

For more information, contact the AHMI office at 336-885-8315 or e mail to [ahmi@northstate.net](mailto:ahmi@northstate.net).



Contact AHMI:

P.O. Box 427, High Point, NC 27261  
phone: 336-885-8315 fax: 336-886-8865  
e mail: [ahmi@northstate.net](mailto:ahmi@northstate.net)  
website: [www.appalachianwood.org](http://www.appalachianwood.org)

## Mark my words.....

By Mark A. Barford, CAE  
Executive Vice President

With the sudden changes in the industry over the past two years, much of the industry is looking to make changes to be sure they will still be viable in the future.

With encouragement from management gurus across the country in the last 20 years, companies have developed "strategic plans" ... and in many cases those plans have become obsolete.



**Mark A. Barford**

to make our industry successful.

The session's objective was to gather member's input on issues, concerns and needs. First, participants looked at the past problems the industry has had and then described the current challenges they are dealing with.

The final part required them to look at the future in two ways - one without addressing the issues, and the second with action by the industry through the association. As you might expect, the issues and concerns were far ranging, and varied by the specific issues a member was dealing with right now, but some strong themes came through the comments which are shared in this newsletter.

I want to personally thank those 80 men and women for their efforts. You will see that the association has already implemented specific actions coming from their ideas.

Because of the size of the association and the responsiveness of our membership, we are able to customize our efforts on our members (i.e. customers) behalf. Is it time for your management team to throw out the old strategic plan and do some strategic thinking?

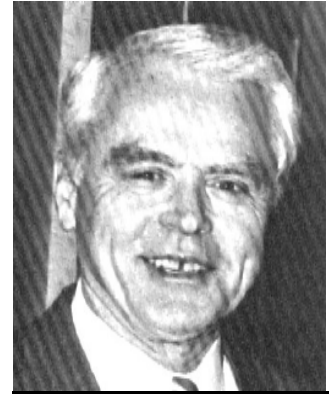
The new strategy that business planners are using is called "strategic thinking." Strategic thinking is used to help companies prepare for just such a scenario we are in now - dramatic and sudden changes to the way we do business.

It was in this vain that eighty members of AHMI gathered at the Homestead in a problem solving setting to address what it will take

## AHMI Mourns Death Of "Bud" Sutherland

MT. LEBANON, PA - Appalachian Hardwood Manufacturers, Inc. is saddened to report the death of William W. "Bud" Sutherland, Jr. He was 83.

Born in Avella, PA, in 1919, Mr. Sutherland graduated from Avella High School and received a BS in Forestry from Penn State University. He worked with the W.M. Ritter Lumber Co. in New York and South Carolina before enlisting in the U.S. Army in 1940. He was honorably discharged following World War II as a major in 1946.



**Bud Sutherland**

Mr. Sutherland worked with his father in the hardwood lumber business in 1946 and built the present day Sutherland Lumber Co. in Burgettstown, PA beginning in 1958. He was very active with AHMI, serving as president in 1984-85.

Mr. Sutherland is survived by his wife, Nancy, and seven children, Bill of Sewickley Heights, PA; Holly of Arlington, VA; Jack of Manhasset, NY; Lauren of Lebanon, PA; Ashley of Atlanta, GA; Mac of Harrison, NY; and Heather of Charlotte, NC; and their spouses and 25 grandchildren.

The family requests that memorials be made to the Wilmer Eye Institute, Johns Hopkins Hospital, 600 N. Wolf St., Baltimore, MD 21287.

"Mr. Sutherland was a true gentleman in the hardwood lumber industry and was instrumental in shaping AHMI into what it is today," said AHMI Executive Vice President Mark Barford. "He will be missed."



## MEMBERSHIP

HIGH POINT, NC - AHMI welcomes the following new member to the association:

### Distributor

Barry Cook  
Indiana Hardwoods  
1600 Royal Street  
Jasper, IN 47549

## Vandals Destroy Western NC Chip Mill

UNION MILLS, NC - Vandals caused extensive damage to the Broad River Forests Products chip mill here on Labor Day.

The operation is owned by Weyerhaeuser Corp. and leased by Broad River Forest Products. It produces wood chips from low grade logs from throughout western North Carolina.

All of the electrical boxes and toolboxes were chemically welded shut, electrical wiring was ripped out throughout the operation, motors were destroyed, the crane motor was damaged and parts taken, said Ben Parton with Broad River Forest Products. The vandals left behind a sign painted on a piece of tin that reads "No Wood - We Win!"

Parton said the company had received no prior threats or communications. The company's relationship with environmental extremists was believed to be "pretty good."

The sheriff's department is investigating. There are seven employees at the mill and about 25 loggers who provide the resource. The operation will be out of business for probably at least a month.

## Lumber Buyer Sponsors Sought

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. is seeking Consumer attendee sponsorships for the 2002 Inter-Industry Meeting.

The meeting is set for Oct. 24 at Tanglewood, just west of Winston-Salem, NC. The sponsorship is \$85 and pays for a lumber buyer to attend for free.

The AHMI Board of Trustees is asking AHMI Producer and Distributor members to fund these free registrations. Sponsoring companies will receive the opportunity to socialize with these buyers during the reception and dinner that evening. Companies will receive a list in advance of all of the lumber buyers who will attend.

The lumber buyers will receive a list of all sponsor companies, addresses, contact names and telephone numbers.

For more information and to become a consumer sponsor, contact the AHMI office at (336) 885-8315.

Consumers interested in attending this meeting should also contact AHMI about sponsorship availability.



At the AHMI booth are (from left) Tom Inman, AHMI; Larry LaFon, Wagner Lumber Co., Owego, NY; Mark Barford, AHMI; and Steve Houseknecht, Wagner Lumber Co., Owego, NY

## AHMI Distributes Member Info At IWF

ATLANTA, GA - Appalachian Hardwood Manufacturers, Inc. unveiled the "Demand the Appalachian Standard" promotion to wood consumers at the International Woodworking Fair in Atlanta.

The response was extremely positive, reports AHMI Executive Vice President Mark Barford. The IWF draws thousands of wood consumers and suppliers to the Georgia Wood Congress for an equipment, resource and information exhibition. It was held Aug. 22-25.

"The crowd was very good at our booth and the discussion about our promotion was excellent," Barford said. "These consumers like to hear about consistent quality, improved yield and that we have a sustainable forest in the Appalachian region."

Those three standards along with lumber that is made in the United States make up the basis of the new promotion.

AHMI staff distributed hundreds of AHMI membership directories, answered questions about Appalachian hardwoods, and educated consumers about the resource. Staff will continue to followup with the consumers and potential new members who were discovered at the show.

"This is always a great show for us to get our message out," Barford said. "We had the added benefit of a new promotion this time and used the show to really get it started right."

More than 20 AHMI member companies exhibited at the show or attended. Many stopped by the AHMI booth and met potential customers or received information about the promotion and AHMI activities.

# AHMI Plan Addresses Forum Responses

HIGH POINT, NC - Expansion of promotional efforts, increased educational efforts both within and outside the industry, more proactive lobbying, and heightened awareness of technology are the solutions to the problems of the hardwood industry.

Those were the results of an open discussion recently at the 2002 Summer Family Conference of Appalachian Hardwood Manufacturers, Inc. The information was compiled from eight work groups who were challenged to discuss top industry issues and ways AHMI can address them.

The results were formulated by Interax, an Indiana company contracted to facilitate the open discussion. The research found a focus on the domestic economy and markets and government regulation/legislation.

"The emphasis on these two areas come as no surprise because these have been problem areas for years," said Mark Barford, AHMI executive vice president. "The 'actions needed' to address these areas were well thought out and offer AHMI staff and leadership direction for the future."

An action plan for addressing market needs includes expanding promotional efforts, promoting the natural advantages of hardwoods, increasing demand for lower grades and an industry emphasis on training and technology.

Many of these needs are being addressed in the AHMI "Demand the Appalachian Standard" promotion which kicked off in mid-August. Barford said other areas will be dealt with through the AHMI Community Involvement Program.

The environment and resource issues are plagued by too little industry involvement, over-taxation, resource availability and rising timber prices. The groups determined that the hardwood industry must be more involved in lobbying and educating state and federal lawmakers and regulators.

"This is an area that the hardwood industry has not fully supported," Barford said. "Our groups told us we have to be involved. We can see where not enough attention has gotten us."

The participants said top manufacturing and technology issues are reducing costs, overproduction, high energy costs, and market demands for sorts. The actions needed were investment in technology, improved dissemination of information and utilization of the resource.

The eight groups also discussed global markets  
**(See PLAN on page 5)**

Dear AHMI member:

Appalachian Hardwood Manufacturers, Inc. Summer Conference's open forum has done two very positive things for your association. The input affirmed action that is underway on promotion and education fronts and gave staff and AHMI leadership direction for targeting new courses.

The association's Executive Committee and staff reviewed the report from the session. We are focusing on three areas:

1) Markets - The AHMI "Demand the Appalachian Standard" promotion has begun to reach wood consumers. This effort educates people on the unique characteristics of Appalachian hardwoods (sustainable forests, greater yield, consistent quality and made in the USA). AHMI staff will enlist a focus group to analyze promotion plans and seek input. Staff will also encourage more participants in the AHMI Community Involvement Program which assists members in educating local communities.

2) Government affairs/environmental issues - AHMI staff will expand the Community Involvement Program to assist lobbying effort by members. Staff will assist with issue education, expert research and/or testimony and make available presentations to members for government, civic or public settings. Staff will also offer monthly talking points to members with industry issues "made easy" to understand and present to others.

3) Technical/Workforce issues - AHMI's board may appoint an ad hoc committee to research the need for information and training seminars throughout the region on various industry topics. These one-day sessions will be planned across the region to reach the maximum number of AHMI members.

The key to success on these fronts will be member involvement. The AHMI Executive Committee asks that you be willing to respond when called upon to research or implement activities in your area on any of these issues.

There will be more information about these actions at the AHMI Inter-Industry Meeting on Oct. 24 at Tanglewood outside of Winston-Salem, NC. I look forward to seeing you and discussing these exciting efforts with you there.

Sincerely,  
Gary G. White  
AHMI President

## Plan from page 4

and agreed that top issues were increased competition, alternate species taking traditional markets and unfair advantages with a strong dollar.

Solutions to the market owes included innovation and focus on production technology to reduce costs, educating the American public on international issues and promotion of Appalachian advantages.

The fifth area was workforce issues and participants listed issues as training, increasing number of immigrants, language barriers and less blue collar workforce available.

The actions needed to address these problems were better promotion to potential workers, safety training, improved working conditions and higher pay.

"The report is far more extensive than we can report here and we are analyzing this input and working it into our existing AHMI programs," Barford said. "The staff and AHMI Executive Committee have discussed this and come up with an initial plan of attack."

*(See letter from AHMI President Gary White on page 4 of this newsletter.)*

The AHMI Board of Trustees will discuss the report and action prior to the AHMI Inter-Industry Meeting on Oct. 24 at Tanglewood, Winston-Salem, NC. More information about the Inter-Industry meeting is available on page 1 of this newsletter and from the AHMI office at 336-885-8315.

## CareerScope Offers Interviews At VA Tech

BLACKSBURG, VA - The College of Natural Resources at Virginia Tech will host its 11th annual Career Fair on Oct. 10 to match students with prospective employers.

The day offers companies the chance to speak with hundreds of students one-on-one to evaluate employment potential. The students are available for permanent employment, internships, co-ops or seasonal employment.

Faculty members will also attend to discuss individual needs and provide insight into curricula for particular majors. The program will be held in the Squires Student Center at Virginia Tech.

For more information, contact Tracee Radford at (540) 231-4406 or via e mail to [trradfor@vt.edu](mailto:trradfor@vt.edu) or Sharon Williams at (540) 231-9666 or e mail at [shwilli4@vt.edu](mailto:shwilli4@vt.edu).

## Barford Talks 'Global Economy' To TFA

NASHVILLE, TN - Appalachian Hardwood Manufacturers, Inc. Executive Vice President Mark Barford recently addressed members of the Tennessee Forestry Association at their 2002 Annual Meeting in Nashville, TN.

His subject was "The Global Economy's Effect on Appalachian Hardwoods," and he specifically addressed the impact on log and lumber exports and imports of furniture on the state of the industry. He told participants that the hardwood lumber industry today has reduced its production to the levels of the early 1990s at about 11 billion board feet per year.

This is down from a peak of about 14 billion board feet per year in 1999, but is equal to the average hardwood lumber production over the past 50 years, he said. There also has been little fluctuation over the past 10 years in the amount of logs and lumber being exported.

"Lumber export levels have remained steady at about 10 percent of the total hardwood lumber produced, and hardwood logs have never been more than about 3% of production," Barford said. "Where that lumber is being shipped has changed dramatically.

"Exports to China have increased by one-third this spring, while lumber to Europe and Japan has fallen," he said. "This is because of the explosion of the Chinese furniture industry which comes at the expense of furniture makers around the world, not just the United States."

Speaking to the decline of the American furniture industry, which has been the number one market for Appalachian hardwoods for the past 100 years, Barford said the domestic furniture industry is reduced about 20 percent of capacity, but remains a viable and strong industry.

"Many people are willing to write off the domestic furniture business as going the way of textiles, but the industry has a lot of advantages over foreign producers that should keep it competitive," he said. "Many of the plants that closed were very inefficient and due for closure without the advance of the Chinese furniture industry."

Barford concluded that the global impact on the hardwood industry is going to continue as hardwood suppliers from around the world. "New markets will increase the demand for the finest hardwoods in the world... Appalachian," he said.

# Forestry Division Plans WV Watershed Tour

MORGANTOWN, WV - The Forestry Division of Appalachian Hardwood Manufacturers, Inc. will study U.S. Forest Service research into timber management and watershed issues.

The annual Forestry Division woods tour is set for Oct. 15 at the Fernow Experimental Forest, Parsons, WV. Forestry Division Chairman Trenor Hypes of MeadWestvaco Corp., said the station is one of the nation's oldest watershed research facilities.

"They have been actively studying different cut levels on several watersheds on their property," he said. "They can show active and controlled management and its impact over a long period of time."

The tour is timely following flooding earlier this



## FORESTRY

year in West Virginia and southwest Virginia. Some blamed logging for the volume of floods.

"It should be interesting to look at their research into this issue," Hypes said.

The one day program will be from 10 a.m. to 3 p.m. The tour is open to all AHMI members. Forestry Division members received a letter and registration form with this newsletter or anyone can use the form below. For more information, contact the AHMI office at 336-885-8315.

## AHMI Forestry Division Tour - Oct. 15

*Fernow Experimental Forest Station, Parsons, WV*

### Registration Form

*Please be sure all members and guests are included on this form and return it with your check to: Appalachian Hardwood Manufacturers, Inc., P. O. Box 427, High Point, NC 27261.*

**MEETING REGISTRATION FEE: \$25.00 PER PERSON**

**NAME:** \_\_\_\_\_ **BADGE NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_ **BADGE NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_ **BADGE NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_ **BADGE NAME:** \_\_\_\_\_

**COMPANY:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**CHECK FOR \$ \_\_\_\_\_ ENCLOSED**

## Furniture Industry Gets Survival Advice

HIGH POINT, NC - A furniture company president and industry consultant recently provided strategies to other companies on ways to survive the current economy.

Lee Huston of Dunn & Huston, Abingdon, VA, spoke at a seminar sponsored by the American Furniture Manufacturers Association (AFMA) on "How to Compete in a World Economy: Strategies that Work." The session was aimed at furniture plant managers and attended by AHMI Executive Vice President Mark Barford.

Huston said the only real advantage that overseas producers have over domestic manufacturers is in the cost of labor. He stressed that advantage could be overcome by making our companies lean and re-engineering to produce a custom product in a reasonable time frame.

"The furniture industry in total currently employs about 760 engineers - while the Harley-Davidson Motorcycle Co. alone has 1,500 engineers on their payroll," Huston said. "The furniture industry needs more engineers, and needs to retool our operations."

Huston, who serves as president of Vermont Tub furniture company, said domestic furniture manufacturers don't utilize the biggest advantage they have - proximity to market. He encouraged managers to reduce turn around time in factories and bring delivery times down to under two weeks.

Barford said the seminar really spoke to all domestic manufacturers. "The specific suggestions for lean manufacturing struck home when I thought of the sawmills that have not survived over the past two years," he said. "In general, the streamlined organizations that were able to meet their customers needs are successful in all businesses."

### Send Company Info For Website

AHMI encourages member companies to send company information for the association's website.

All member companies can submit up to 200 words of copy. When a potential customer visits the AHMI website, they can click on the company name and read the copy you provide.

Please submit this copy to [ahmitom@northstate.net](mailto:ahmitom@northstate.net) or fax to 336-886-8865. If you have questions, contact AHMI Director of Communications Tom Inman at (336) 885-8315.

## VA Tech Center Offers Customer Service Training

BLACKSBURG, VA - The Center for Forests Products Marketing and Management at Virginia Tech will offer "Customer Service Training for the Forest Products Industry."

The two-day workshop will be held Oct. 24-25 at the Donaldson Brown Hotel and Conference Center at Virginia Tech. The sessions will teach how various factors affect markets for hardwood lumber, softwood and building materials.

Participants will learn how to work with customers, other sales personnel and their own communication style. Personal selling and the importance of customer service will be discussed. Participants will be evaluated on their own customer service style.

The course is designed for new sales support and customer service people that do not have a forest products background. The cost is \$325 for center members and \$395 for non-members. For more information or to register, contact Joanne Buckner at (540) 231-5876.

## AHMI Newsletter Is Online Or By E mail

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. is making its monthly newsletter available online and by e mail.

The electronic version has been online since January informing website visitors of the activities of AHMI. The newsletter is an Adobe PDF file that is easy to view and print.

As postage rates continue to climb, AHMI is asking members to consider receiving their monthly newsletter electronically. An e mail can be sent to you with the newsletter attached for viewing using Adobe Reader. (*The software to view the file is available free at [www.adobe.com](http://www.adobe.com). A link to this address will be included in the e mail.*)

Members who choose to receive the electronic version will not receive a copy in the mail. If you would like to receive your newsletter electronically, please send an e mail to [ahmitom@northstate.net](mailto:ahmitom@northstate.net) or call the AHMI office at 336-885-8315. This service begins in September.

**REGISTRATION FORM**

# APPALACHIAN

**Hardwood Manufacturers, Inc.**

**Inter-Industry Meeting - Oct. 24, 2002**

**Tanglewood, Winston-Salem, NC**

To accurately plan the functions and ensure all members and guests are included on the Registration List, please complete this form and return it with your check to: **AHMI, P.O. Box 427, High Point, NC 27261.**



AHMI has reserved a block of rooms at The Village Inn, Clemmons, NC, for \$58 per night. Call (800) 554-6416 to reserve a room before Sept. 24.

**MEETING REGISTRATION FEE \$85 per person**

*The AHMI meeting registration fee will be refunded on cancellations before Sept. 24. Cancellations after that time will be subject to 50% forfeiture.*

**PLEASE REGISTER THE FOLLOWING FOR AHMI'S MEETING**

**NAME:** \_\_\_\_\_ **BADGE NAME:** \_\_\_\_\_ **FEE: \$85**

**NAME:** \_\_\_\_\_ **BADGE NAME:** \_\_\_\_\_ **FEE: \$85**

**Company:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City** \_\_\_\_\_ **St.** \_\_\_\_\_ **Zip** \_\_\_\_\_

**PLEASE REGISTER THE FOLLOWING FOR GOLF**

Tanglewood Championship Course 11 a.m. Shotgun Start, \$45 per person

**GOLF:** \_\_\_\_\_ **HANDICAP** \_\_\_\_\_ **FEE: \$45**

**GOLF:** \_\_\_\_\_ **HANDICAP** \_\_\_\_\_ **FEE: \$45**

**PLEASE REGISTER BELOW FOR SPORTING CLAYS & WOBBLE TRAP**

Friendship Sporting Clays, East Bend, NC, 1 p.m. Start, \$50 per person

**SHOOTING:** \_\_\_\_\_ **FEE: \$50**

**SHOOTING:** \_\_\_\_\_ **FEE: \$50**

**TOTAL:** \_\_\_\_\_

Check for \$ \_\_\_\_\_ encl. Date: \_\_\_\_\_ By: \_\_\_\_\_