



2019 Retail Sales Manager Survey Results - Comments

Random Lengths issue of April 26, 2019

In what way do you expect the late 2018 tumble in lumber prices to impact your net income in 2019 and that of your co-workers?

Midwest

We were lean on inventory going into the tumble and have made some great value buys at or near the bottom of the tumble; used the futures market to lock in some cost of lumber at the bottom as well for future needs. How many dealers had SPF #2 2x4's coming in for 281/mbf mill to their yard as the result of futures trading in December? We purchased several cars for future needs and are betting on an increase in costs from the mills all spring long, as of today we are smiling about our plan as it is working. So I look for a positive effect to our net income and am thankful the market stumbled and allowed us to replenish our inventory.

I do not expect much change in income or any effect to personal incomes due to similar expectations from the previous year.

Well hopefully it goes back up because we have loaded up with the lower-priced material.

If we are at a yearly low now it will be a battle holding prices as market moves up, which will affect income.

Little to no impact.

Our budgets are gauged on sales YOY, not volumetric. Unfortunately, the drop in commodity pricing will make it difficult to achieve increase in sales 2019 vs 2018. Bonuses are tied to growth and increasing working capital, difficult to do in a down market.

Hopefully, we bought while the prices were low, and we will have the sales to make up for some of the expensive lumber bought in the fall of last year.

It shouldn't make a lot of difference since paid on salary only.

I expect it to make a large impact. I expect wages to be stagnate, and unfortunately some positions have already been eliminated and more eliminations may come.

If prices climb for most of 2019 it will cause less profit.

I don't see any impact on 2019.

Northeast

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Continued for: In what way do you expect the late 2018 tumble in lumber prices to impact your net income in 2019 and that of your co-workers?

Not that much, as much of our sales comes from other products.

Co-workers will earn less commission.

Not at all.

Negligible. I buy wood products, but as packaging.

We do not expect much of any impact in 2019.

No effect.

South

Won't at all.

The high prices helped our income for sure.. Prices have started back up again this year. I feel overall this will be a flat year.

I don't.

2018 was unprecedented; this year will be the deciding factor of stronger business or weaker business in 2020. I expect a downturn if not a recession in 2020 or 2021. I doubt anyone will be doling out raises to us.

None.

Shouldn't have any effect.

Our volume is rising enough that it will off-set the decline in prices. Our margins will likely improve as well. Won't see a great deal of growth, but pay should stay stable.

No effect.

Overall sales dollars will be significantly lower reducing overall bonus dollars for myself and overall commission dollars for our one commissioned salesperson. No way around that.

None.

West

Lower gross margin dollars will have a negative impact on my bonus program.

Hoping for as good of profits as 2018.

Sales totals for the year will likely be less affecting bonus.

Our market was insulated due to strong business climate. Budgets adjusted for market fluctuations (up & down).

Will not have much effect in the overall of the business, as I have other product lines that will compensate.

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Not much, we sell down inventory at end of year so not much high priced material.

Minimal.

Western Canada

Significant.

If the correction lasts into the second quarter, it will have a significant impact in overall

Not at all.

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Continued for: How significantly do you anticipate trade partner disagreements including tariffs to affect your compensation this year?

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Midwest

It is definitely something that we will have to watch, but as slow as government moves I do not anticipate any resolution to it this year.

None at all.

None.

Very little.

Little to no impact.

Unsure, other than it could put volatility in the market place, putting gross margin dollars at

Not a lot.

Don't expect changes.

Ultimately, I think a lot of this stems from those disagreements.

Zero.

A small impact. Just prices going higher because of it.

Northeast

Not much. We will sell alternative products.

Not at all.

Negligible.

My compensation will not be affected.

None.

South

None.

This is old news and don't expect it to have an effect.

I don't.

None.

None.

Shouldn't have any effect.

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Continued for: How significantly do you anticipate trade partner disagreements including tariffs to affect your compensation this year?

If March comes and there is no agreement between US and China, I expect a fairly significant negative effect.

No effect.

The widespread knowledge of price increases on certain products due to tariffs are making customers more price conscious and reducing margins overall. This tightening of margins will offset any compensation increases that could have occurred with overall price increases if the margins could have been maintained. But the tariffs on just some items in our inventory will result in people pricing everything we have harder, resulting in company-wide margin decreases.

None.

West

None.

Make it more difficult to have a positive relationship with some of the Canadian mills that are negatively affected by the tariffs. Also believe that the negative trade and tariff discussion have a negative impact on the economy as a whole.

Not significantly.

Increased costs do not always equate to increase margin % or dollars. Difficult to stay competitive when not all competition follows the market.

Will not directly affect my compensation, but could play havoc on my customers due to delays and availability.

None.

None.

Western Canada

Minor.

Lumber tariffs have been a part of the industry on a regular basis, so little impact would be felt. However, impacts in other sectors such as metals may be more disruptive.

Not at all.
