

# 2012 Dealer of the Year

# ProSales

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## Jersey Proud

Hard work and straight talk make Kuiken Brothers a national leader

Doug Kulken,  
president

By Craig Webb

# Jersey Boys

Kuiken Brothers is ProSales' 2012 Dealer of the Year. How? It's a team effort.

One might think values like honesty, harmony, diplomacy, and teamwork are foreign concepts here in the home of the Sopranos, Jersey Shore, and the Real Housewives of New Jersey. At the least, the way people talk is grittier in the Garden State. "We're not as genteel and polite as Midwesterners," notes Rick Alampi, executive director of the New Jersey Building Material Dealers Association (NJBMDA). "Sometimes, [a saying like] 'Don't let the door hit you in the ass on the way out' is a term of great affection" in New Jersey, he says. "We're not cuddly."

Employees at Kuiken Brothers Co. may share that propensity for frank talk, but the way these New Jerseyites operate is oceans apart from TV versions of the state's residents. This construction supply juggernaut has become PROSALES' Dealer of the Year with a philosophy that emphasizes honesty, integrity, and professionalism, and that rewards group rather than individual, branch, or division achievements. At Kuiken, there's only one bonus plan, and it's based on how the whole company does.

Like those Jersey Boys of the early 1960s, The Four Seasons, this band succeeds through harmony and teamwork. "Competition is healthy, but we want to compete with other lumberyards, not among ourselves," kitchen and millwork manager Dan Hughes says. At Kuiken, he says, "Everybody jumps in. Everybody does the manual work. Everybody does the thinking."

Kuiken (pronounced CUE-kin) Brothers springs from a special breed of Garden State citizens: a plain, hard-working Dutch family that left an economically depressed Holland in the 1880s and settled in Bergen County. The company frequently is lauded for its ethics. And the praise usually starts with honors for the yard's president, Doug Kuiken.

"The first word that comes to mind with Doug and his family and business is integrity," says Loran Hall, president of Mathew Hall Lumber in St. Cloud, Minn., and current chairman of the Lumbermens Merchandising Corporation (LMC). "They're the gold standard of what you want a lumberyard to be."

"First, he's honest. You can go to the bank on his word," Tony DeCarlo, LMC's former president, says of Doug. "Second, he's smart as hell. And third, he's dedicated."



Nick Kuiken

Matt Kuiken

Wayne Kuiken

Ken Kuiken

Doug Kuiken

Henry Kuiken

Robert Kuiken

Michael Kuiken

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## A Marketing Machine

Kuiken Brothers used mass media to promote itself as far back as 1949. Today it runs one of the most extensive marketing programs in the country. Among its initiatives:

- \* Staff regard the Kuiken Brothers **website** as the 10th facility. Averaging 10,000 visits per month, it goes beyond brochureware by making it possible to download invoices and statements, pay bills, check basic product pricing, and get members-only advice on running a business.
- \* It e-mails 10 to 15 **newsletters** per year to 6,000 readers. Most promote coming events, tout achievements, and announce new services.
- \* Kuiken supersized the typical **grand opening celebration** when it opened its new yard in Succasunna, N.J., last summer. More than 1,700 people marveled at the feats of pro lumberjacks brought in from Wisconsin. Everyone ate hot dogs and hamburgers, and kids were given hats, foam hammers, and balsa gliders to play with while parents toured the facility. "If the customer realizes we are looking to make an effort to welcome them into the doors of our business with open arms, it is much more difficult for them to turn us away when we start discussing the opportunity to supply them on their next project," marketing chief Ryan Mulkeen says.
- \* The latest **product expo**, in November, brought in more than 1,400 builders, remodelers, and architects.
- \* It collectively hosts nearly 100 **contractor demo days**, most of them events for vendors and distributors to talk about products. Aside from its e-newsletter and website, Kuiken uses in-store signage and asks its counter staff to promote the events through phone calls and direct e-mails.
- \* Kuiken supplements the vendor folks by hosting industry experts, such as molding maven **Brent Hull** and carpentry gurus from the **Katz Roadshow**.
- \* Even more events are planned for this year to celebrate the company's **100th anniversary**. Still, "hands down, the most effective marketing tool is our employees." Mulkeen says.—C.W.

report into the CRM system telling what he learned, who the builder is and which dealers are competing for that work.

"You can sit and cry about [the downturn], or you can say 'Let's get aggressive and find work,'" says Nick, who notes that Kuiken recognized as far back as 2006 that it was going to need to increase its prospecting. Now there's so much prospecting going on that Kuiken's CRM system grows by about 40 leads a week. And along with pursuing contractors, it's strengthening ties with the architectural community by offering classes that earn architects continuing education credits and by upgrading showrooms at Emerson and elsewhere for windows, doors, and trim.

Adds Doug: "When you stop and cold-call, it's not just about getting that job. We're doing a ton of missionary work here. The pie is getting smaller, and we need to get more pie. And by doing that missionary work, we hope we will be in a position to get that job when the market turns."

But only professional missionaries are tolerated. Nick spends a lot of time on training and follow-up, down to such details as how to leave a voice-mail message. And executives have taken to heart consultants' advice to look more closely at who Kuiken's competitors are and why the yard lost a job.

### First Plan, Then Work

"Most people have initiatives that they start, and after three weeks it's fallen by the wayside," says Scott Ericson, co-founder of Wheelhouse 20/20, a sales consultancy specializing in building supplies. Ericson got to know Nick and Midland Park manager Matt Kuiken through a dealer exchange that Wheelhouse 20/20 led for LMC. Kuiken, he says, "has committed to a sales process as part of its day-to-day operations. They have a plan for it, and they work that plan."



Garden State Giant: Kuiken Brothers is the biggest full-service lumberyard based in New Jersey. It began in 1912 in **Fair Lawn (1)** and remained a one-store operation until 1990. Since then, it has expanded to include lumberyards in **Midland Park (2)** and **Emerson (3)**, the Elmwood Supply commercial products store in **Garfield (4)**, a lumberyard in **Roseland (5)**, a stand-alone showroom and adjacent lumberyard in **Succasunna (6)**, and lumberyards in **Ogdensburg (7)**, **Wantage (8)**, and its one New York State facility, **Warwick (9)**.

Previous page: The eight men on Kuiken Brothers' executive committee not only are Kuikens, they all are managers. From left: Wayne is a vice president; Nick is vice president for sales and business development; Matt is a branch manager; Ken is a vice president; Doug is president; Henry is a vice president; Robert is a vice president and transfer coordinator; and Michael is a branch manager. This page: Now 61, Doug Kuiken has led the company for 10 years.

The Kuiken Brothers motto is equally direct: Get It Right.

But it isn't a simple store. Especially in the decade since Doug took over as president following Evan Kuiken's death, Kuiken Brothers has grown in sophistication and complexity even as it held tight to core values. What in

Kuiken recognized as far back as 2006 that it was going to need to increase its prospecting. Now there's so much going on that Kuiken's customer-tracking system grows by about 40 leads a week.

1990 was a one-store, 25-worker, \$7 million firm now stands as New Jersey's biggest pro-oriented dealer, with nine facilities, 240 employees and 2011 revenues that topped \$100 million. This dealer is cautious, yet unafraid to get into new lines, such as commercial construction or private-label millwork. Best of all, Kuiken has turned a profit every year since at least World War II.

### Pro Focus

Today, Kuiken Brothers gets roughly 40% of its revenue from new home construction—primarily on lots where old houses or commercial buildings were torn down and new homes put up—another 20% from commercial projects, and the final 40% from repair

and remodel work performed by pros. Revenue from do-it-yourselfers is incidental, and the lumberyard layouts show it; most of the stores devote less than 1,000 square feet to hardware.

"We used to have floor-to-ceiling, chock-full-of-nuts displays," says Jeff Henig, manager of the Emerson store. "Now we don't even have for-sale signs." Succasunna recently pulled all

its plumbing and electrical goods so it could focus on more relevant products.

That focus is possible in part because three people—Doug, Henry, and cousin Wayne Kuiken—own 90% of the company, and the five members of the fourth generation who own the other 10% all work for the company. Such closely held ownership enables management to control costs and think long-term. As revenues dropped about one-third from their peak in 2005, Kuiken trimmed its workforce roughly 25%. In addition, perks like the 401(k) match were suspended in January 2009. Conditions improved early enough in 2011 for the 401(k) match to be restored last July 1.

"The wind is not necessarily in the sails, but the waters are quieter," Doug says.

### No Hired Guns

Kuiken also helped itself during the downturn with the fact that its dozen seasoned outside sales reps work on a

100% commission basis. As sales dropped, so did payroll. Other dealers attempted to help their OSRs by switching them to at least partial guaranteed salaries, and some reps elsewhere took advantage of lucrative offers from big national dealers to jump ship. But Kuiken didn't budge, and neither did its reps; they're not that type. "We don't want the hired gun out there who thinks he's the only game in town," Doug says.

While each OSR is responsible for knowing what's going on in his territory, about once a month that knowledge is supplemented with a sales blitz in which four to five staffers—including sales vice president Nick Kuiken and the branch managers—go into an area and drive up and down every street, looking for construction clues that could lead to business.

At the same time, all employees are urged to report whenever they see something new, and counter staff is trained to make a special effort to talk

up any new customer who walks into the store.

Even crime reports are treated as potential leads. One day, OSR John Hofmann read a newspaper story about a robber who hid in a house that was being knocked down. His first thought was to find out who the builder was and whether he needed supplies.

Sales are a management concern, too, thanks to technology. Kuiken's home-built customer relationship management (CRM) system includes a box that OSRs can tick in their call reports in which they can note whether a prospect that they contacted is new. Soon after that report's filing, Nick and three other executives get e-mails listing the new prospects. Employees also are encouraged to use an online form whenever they come across a lead. Nick then assigns the lead to one of the sales reps, triggering an e-mail that goes to the rep's smart phone. The rep has 48 hours to check out the lead and enter a

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Many Branches, One Tree: Unlike many other companies, branch managers at Kuiken Brothers get incentives based not on their store's performance but rather on how the entire company did. Kuiken's store managers include, from left to right, Marc Gattuso in Succasunna, Jeff Henig in Emerson, and Matt Berger in Roseland, N.J.

Kuiken Brothers both plays to and is hampered by the area's geographic traits. The company's home base of Bergen County is 44 times more crowded and has median home values that are 2.5 times higher than the national average. Bergen's household income is more than half again better than the country as a whole, while the unemployment rate is one-fifth below it. Combine those factors and you get a trading zone in which a whole lot of wealthy people occupy expensive houses fairly close by. All of Kuiken's stores are within 40 miles of Fair Lawn.

Proximity also carries its drawbacks, and not just because the roads are so crowded. New Jersey, the 11th most populous and yet fourth-smallest state in

town official," NJBMDA's Alampi says.

Northern New Jersey also loves traditional homes loaded with molding, and employees saw an opportunity to do more in that area, particularly for custom builders and upscale custom remodelers. So in November 2010, Kuiken launched KB Classical Moulding. The private-label brand showcases designs inspired in part through a year's worth of Kuiken research into the Library of Congress' Historic American Buildings Collection and advice from architectural historian Brent Hull.

"Building designers and architects were tired of seeing the same old profile," says Ryan Mulkeen, who may carry the title of marketing director but

Once a month, a platoon of Kuiken staffers go on a sales blitz in which they drive up and down every street in a community, looking for signs that could lead to business.

the nation, has 566 municipalities, some as small as 30 acres. It's crazy about home rule; every square foot of the state has a local overlord, usually a borough, township, or town. That leads to lots of dealings with bureaucrats.

"There's an old saying that there's no tyrant more powerful than a small-

also was a driving force behind the creation of the molding line.

KB Classical Moulding is made by a private source. It comes in 66 profiles in six architectural styles and is milled from poplar using brand-new knives.

The result, Kuiken employees say, is a better-looking piece of molding that

sometimes combines what other companies can provide only by nailing several pieces together.

The company expects significant sales of KB Classical Moulding starting this year. "We're starting to see more architects' plans come in with KB Moulding specified," Mulkeen says.

## Nuts and Bolts

Kuiken also distinguishes itself with its specialized service teams that fix problems with doors and windows on behalf of the vendors. Those same service experts will go out to a job site and do a one-hour seminar on proper installation of the product just before the

windows actually arrive, so installation techniques are fresh in the construction crews' minds. Once the work is done, the service experts return to the job site to ensure that the windows were put in properly. Those extra touches—covered in the cost of the windows—mean fewer callbacks.

"They do things in a conservative way, but when they commit to it they commit to it," says John Broomell, a senior vice president at LMC. "They're very deliberate. ... Focus is something that gives them category dominance."

Kuiken's fiscal conservatism means it can afford to get an edge over its more cash-poor rivals by buying in rail-car quantities. (Four of its yards have rail spurs.) It buys at least 80% of its commodities direct from the mill, and it also has direct-buy programs with Stanley, Bostitch, Simpson, and Schlage. Spot buying is, well, spotty.

"It's all about blocking and tackling," says Matt Kuiken, a member of the family's fourth generation who runs the Midland Park lumberyard. "There are no tricks. Just get it right."

Perhaps there are no tricks, but there is almost a magical balancing act that takes place at Kuiken Brothers. It's specific about what it does, but it also

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**Mad About Molding:** Northern New Jersey is a big market for molding, and Kuiken Brothers feeds that need through its own private label brand, KB Classical Moulding, as well as through regular molding sales. Leading the effort are, left, Dan Hughes, kitchen and millwork manager; and Ryan Mulkeen, who runs marketing but also helped create the KB Classical Moulding line.

repeatedly has been willing to enter new business lines. Outsiders talk of how long and hard Kuiken will examine a possibility, but Doug also notes he and Henry needed just five minutes to decide to buy a store. And while Kuiken Brothers honors and builds on the past, the past isn't a barrier to present needs.

"Hey, I'm the guy who tore down grandma's house," Doug says.

Kuiken also isn't shy about investing in technology. In 2008, it began using the ODT dispatch and fleet management system from DQ Technologies. Before, each yard's dispatcher had only a scant idea of where another yard was sending one of the firm's 80 vehicles.

"When I managed Emerson, trucks from Fair Lawn and Midland Park would go by and the drivers would honk their horns," Henry says.

Now, with ODT, those dispatchers

Shore—but it saved Kuiken enough in efficiencies and costs to pay for itself in two years. Next up, Kuiken Brothers plans to increase its capabilities by adding GPS to all its vehicles.

As computers have improved, Doug has seen the company's capabilities improve as well. (Its main software is Epicor's Falcon system.) Decades ago, "It wasn't about the year or month, but rather about the last five minutes," he says. "We now can monitor how people buy, what products they buy."

## Lumber U

The Kuiken story starts with Nicholas A. Kuiken, who with brothers Dirk and Henry emigrated in 1890 to what is now Fair Lawn. Despite its English name, the borough was settled by Dutch; the area was called Sloopdam until 1791, and Fair Lawn Avenue was

Since Kuiken Brothers' private-label KB Classical Moulding came out, the sales growth rate for the molding segment is "on steroids," one staffer says.

now can coordinate the 175 deliveries Kuiken averages daily. There still are problems—such as the tendency by dispatchers to ask the southernmost yard, in Roseland, to handle what could be lengthy deliveries to the Jersey

known as Dunkerhook Road. Depending on the dictionary, "Kuiken" translates to English as chicken, chick, or pullet. Various Kuiken men married women with family names like Sikkema and Rienstra.

"It's in my DNA," Doug says of the company's Dutch forebears. "A culture of people working hard in an agrarian society, seeking to create something." All eight men who collectively own the company are Kuikens.

In 1912, Nicholas A. Kuiken founded and registered the name The Kuiken Brothers Co. and got busy building homes and businesses. In 1921, the brothers began a lumberyard and millwork shop. That sideline became the family business once the Depression wiped out new home building. In the late 1930s, paint and hardware went up on store shelves.

After World War II, a second generation of Kuikens entered the scene, among them Evan—"an absolutely straight shooter," Alampi recalls—who proved to be a transitional figure in Kuiken Brothers' evolution, helping mentor Doug and the third generation.

Doug joined in 1969. He says he went to "Lumber U," but his letter sweater should read LMC, as his service on various committees there gave him a wide and deep education. Doug became LMC's chairman in 2000—one of the most tension-filled periods in its history because of the debate over whether to require members to drop their affiliations with other co-ops.

"I just think he did one hell of a job leading us through that," Loran Hall says. "I think the dealers trusted him. He has a calming effect. ... People look to him for leadership."

That Lumber U education helped Doug, cousin Henry, and others from his generation to think differently than their conservative elders. One such change came in 1990 when the young turks proposed that Kuiken buy a lumberyard in Emerson, nine miles away. Their parents couldn't see any benefits.

"It wasn't a fight [over expansion]," recalls Henry. "They just told us, 'You're nuts.'"

Eventually the young group won out, and over the years Kuiken Brothers bought six more facilities: five lumberyards and a commercial building product distributor called Emerson Supply. Kuiken didn't build its own facilities

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**Big Lots:** Jim Wagner (left), Kuiken Brothers' lumber buyer, and Calvin Wahl, purchasing manager, like to buy their commodities by the rail car load.

from scratch until 2004, when it acquired a site in Succasunna, N.J., that had been a Wickes Lumber yard before it burned 10 years previously.

## All in the Family

Given how it grew and the tight quarters in which New Jersey operates, it's only been in the past five years, at Succasunna,

air storage bays, and a railroad spur. There's also a meeting room and, as an artistic flourish, a Colonial-style gatepost with cupola and weathervane.

But for all the physical improvements and tech enhancements, staffers still emphasize the team. "We look to hire people who have an ethical code and integrity," says Succasunna store

manager Marc Gattuso. (Perhaps it's a credit to Kuiken's respect for ethics that it hasn't made Gattuso give up his love for the Boston Red Sox even though he's in New York Yankees territory.)

"I measure myself personally by the success of the entire company," adds purchasing manager Calvin Wall. "I'm just a part of this thing."

"Every time I go on a trip I get a job offer," says Matthew Berger, manager of the Roseland store.

The next generation of Kuiken leaders is getting a different kind of education. Four are enrolled in the Northeastern Retail Lumber Association's Certified Building Material Specialist program.

Matt Kuiken, manager of the Midland Park facility, got an MBA, spent a year in Switzerland, and was a Peace Corps volunteer in the African nation of Mali.

But even in those exotic venues, "I missed this more than anything," he says, pointing to the yard around him. "Being here, you're family." ■

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## Building Business Together.

Top independent lumber dealers in the country share many of the same characteristics: They are knowledgeable, leaders in their communities, and extremely passionate about their industry. They are also LMC Dealers supported by 75 years of expertise, and over 1200 locations nationwide. The collective strength of LMC offers powerful tools that keep our dealers competitive. Big or small with LMC you never stand alone. In today's marketplace, you can count on LMC's nationwide buying power, business solutions, resources and market intelligence. When we stand together, we have the strength to build something amazing.

*"LMC is proud to congratulate Kuiken Brothers on being named ProSales Pro Dealer of the Year."*

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