The Value-Added Hardwood Products Universe

Remaining Competitive in Hardwood Components Production
Wood Education & Resource Center
Princeton, WV
April 20-21, 2009
What Happened?

Globalization brought...

1. The Emergence of China et al
U.S. Imports from China

Sources: U.S. ITC + FAS
Wood Home Furniture Consumption

- Production
- Imports
- Exports

Sources: Census Department & ITC

A. G. RAYMOND & COMPANY
What Happened?

Globalization brought...

1. The Emergence of China et al
2. Price Deflation
3. Retail Chaos
4. Plant Closures
**Shuttered Plants**

Fate of the old industry model...

300+ plant closures, thousands of lost jobs...
What Happened?

Globalization brought...

1. The Emergence of China et al
2. Price Deflation
3. Retail Chaos
4. Plant Closures

Structural Change
What Happened?
The Housing Bust brought...

1. Falling Property Values
What Happened?

The Housing Bust brought...

1. Falling Property Values

3. Credit & Banking Debacle
Cabinetry

Kitchen Cabinet Consumption

Millions

- Production
- Imports
- Exports

Sources: Census Bureau & KCMA

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Wood Flooring

Hardwood Flooring Consumption

- Production
- Imports
- Exports

Sources: Census Bureau & Weekly Hardwood Review
Wood Office Furniture

Wood Office Furniture Consumption

- Production
- Imports
- Exports

Millions

$- 

$1,000 

$2,000 

$3,000 

$4,000 

$5,000 


Sources: Census Bureau & ITC
What Happened?

The Housing Bust brought...

1. Falling Property Values
2. Credit & Banking Debacle
3. More Plant Closures

Cyclical Change
Take Advantage of Change

To capitalize on changing economics...

1. Adjust Your View of China
China’s Falling Share

Sources: U.S. ITC + FAS
Take Advantage of Change

To capitalize on changing economics...

1. Adjust Your View of China

2. React Intelligently
   > Know Your Customers
Model Change

Provide products and services that deliver...

1. Effectiveness - More for the Same
2. Efficiency - Same with Less
3. Economy - Less with Even Less
Take Advantage of Change

To capitalize on changing economics...

1. Adjust Your View of China

2. React Intelligently
   - Know Your Customers
   - Perfect Your Go-To-Market Strategy
   - Deploy New Technology
   - Don’t Just Manage - Lead
Conclusion

- Today is a great time to break through
- Chaos brings opportunity
- The pendulum is swinging back
- Our resources are vast

Our industry’s future is up to you...
Be an Optimist...

“An optimist sees an opportunity in every calamity; a pessimist sees a calamity in every opportunity.”

- Winston Churchill
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