

**A. G. RAYMOND & COMPANY**  
Incorporated

Management and Technical  
Solutions for the Wood Products Industry

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## The Value-Added Hardwood Products Universe

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***Remaining Competitive in Hardwood Components Production***

**Wood Education & Resource Center**

**Princeton, WV**

**April 20-21, 2009**

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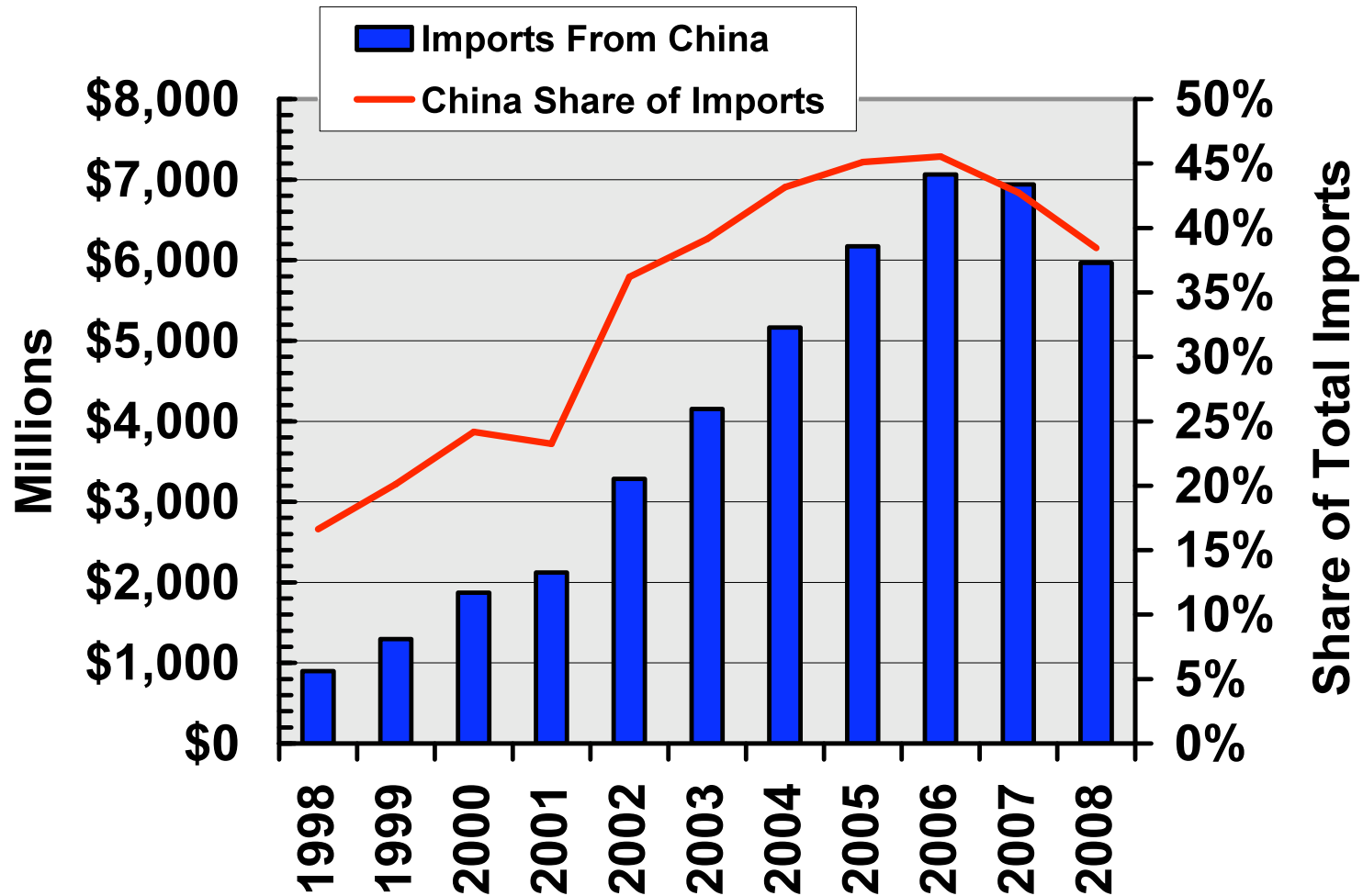
# *What Happened?*

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Globalization brought...

1. The Emergence of China et al

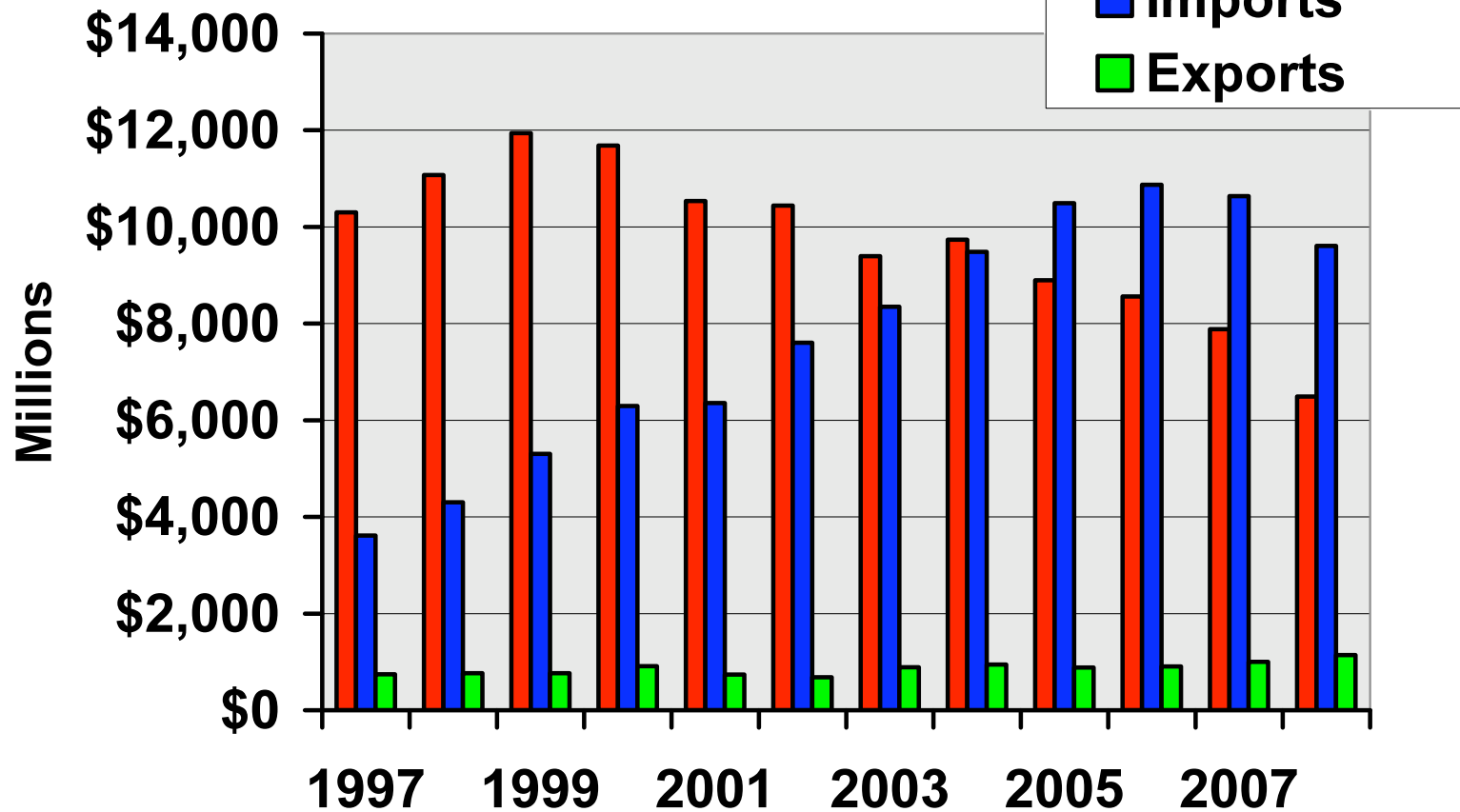
# U.S. Imports from China



Sources: U.S. ITC + FAS

# Wood Furniture Imports

## Wood Home Furniture Consumption



Sources: Census Department & ITC

# *What Happened?*

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## Globalization brought...

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

# *Shuttered Plants*

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Fate of the old industry model...



300+ plant closures, thousands of lost jobs...

# *What Happened?*

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Globalization brought...

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



**Structural Change**

# *What Happened?*

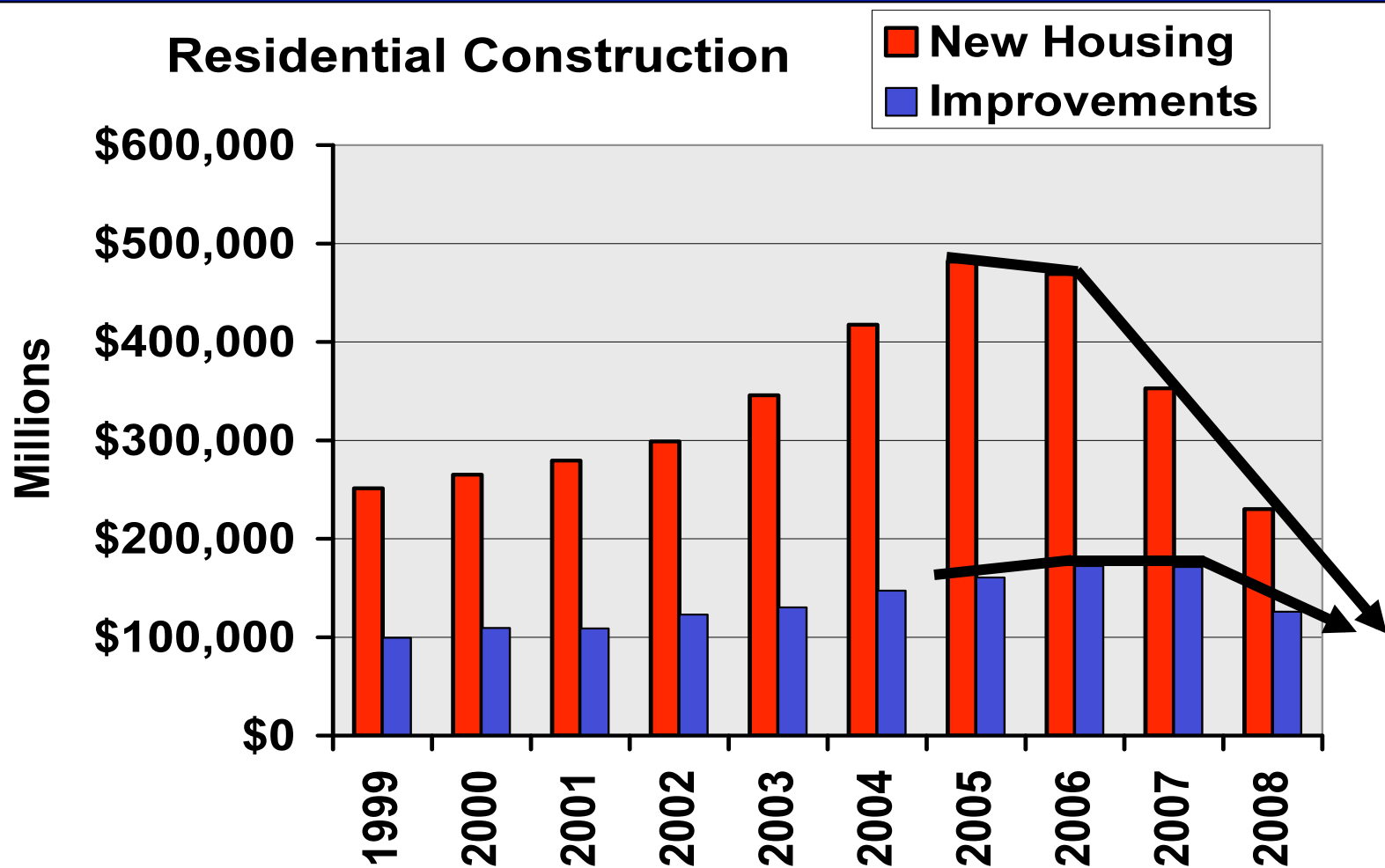
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## The Housing Bust brought...

### 1. Falling Property Values



# Construction \$s



Sources: Census Bureau

# ***What Happened?***

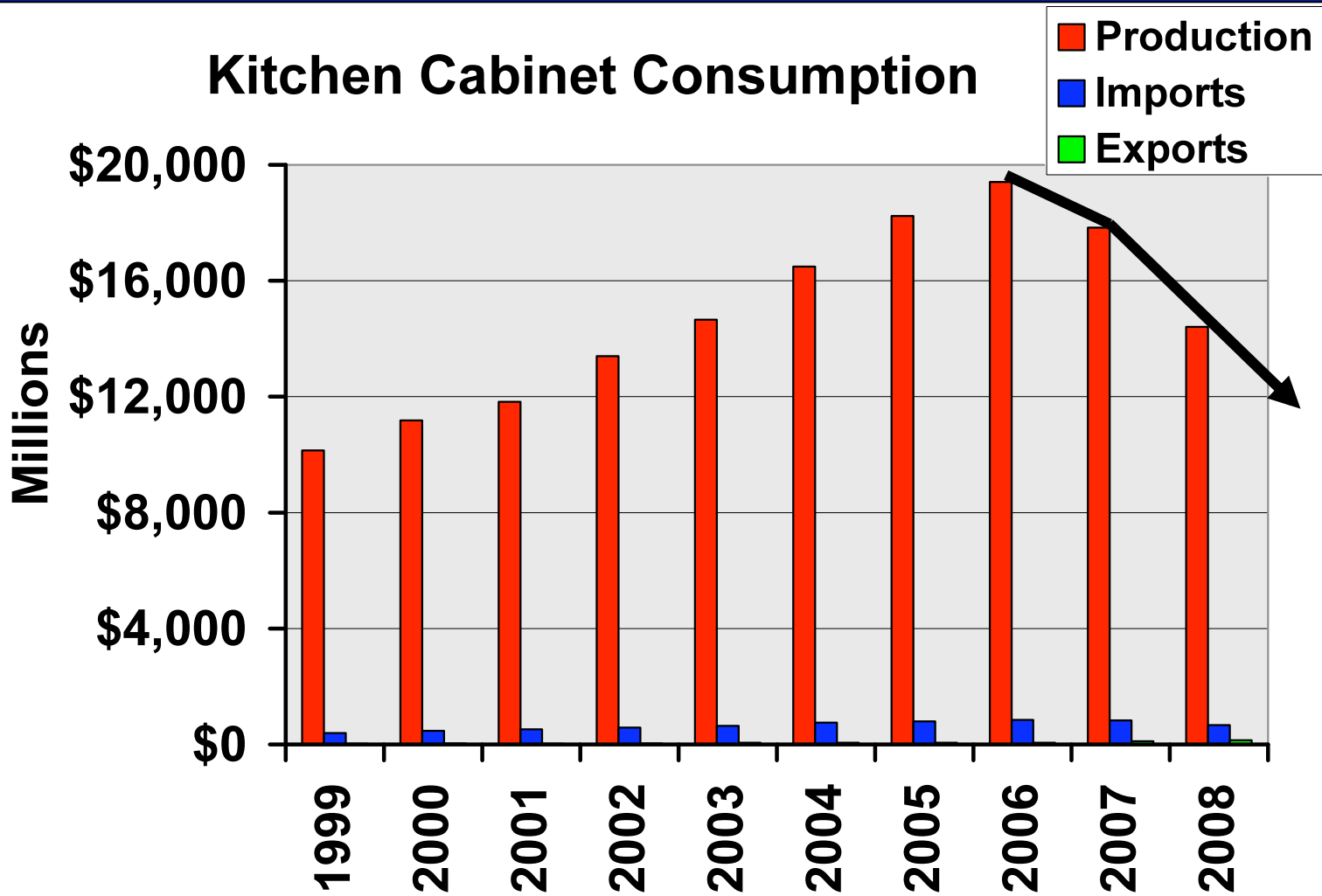
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## **The Housing Bust brought...**

**1. Falling Property Values**

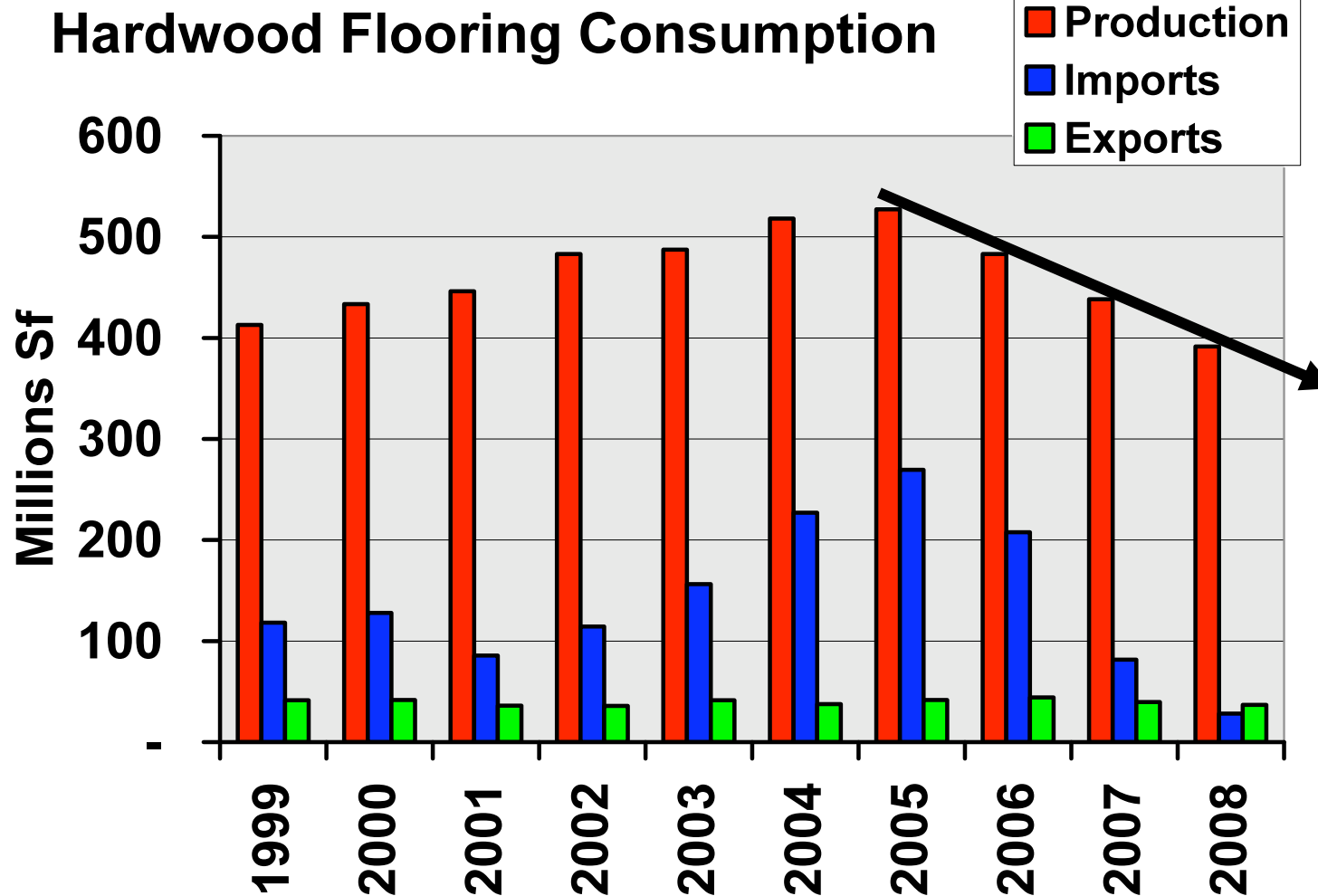
**3. Credit & Banking Debacle**

# Cabinetry



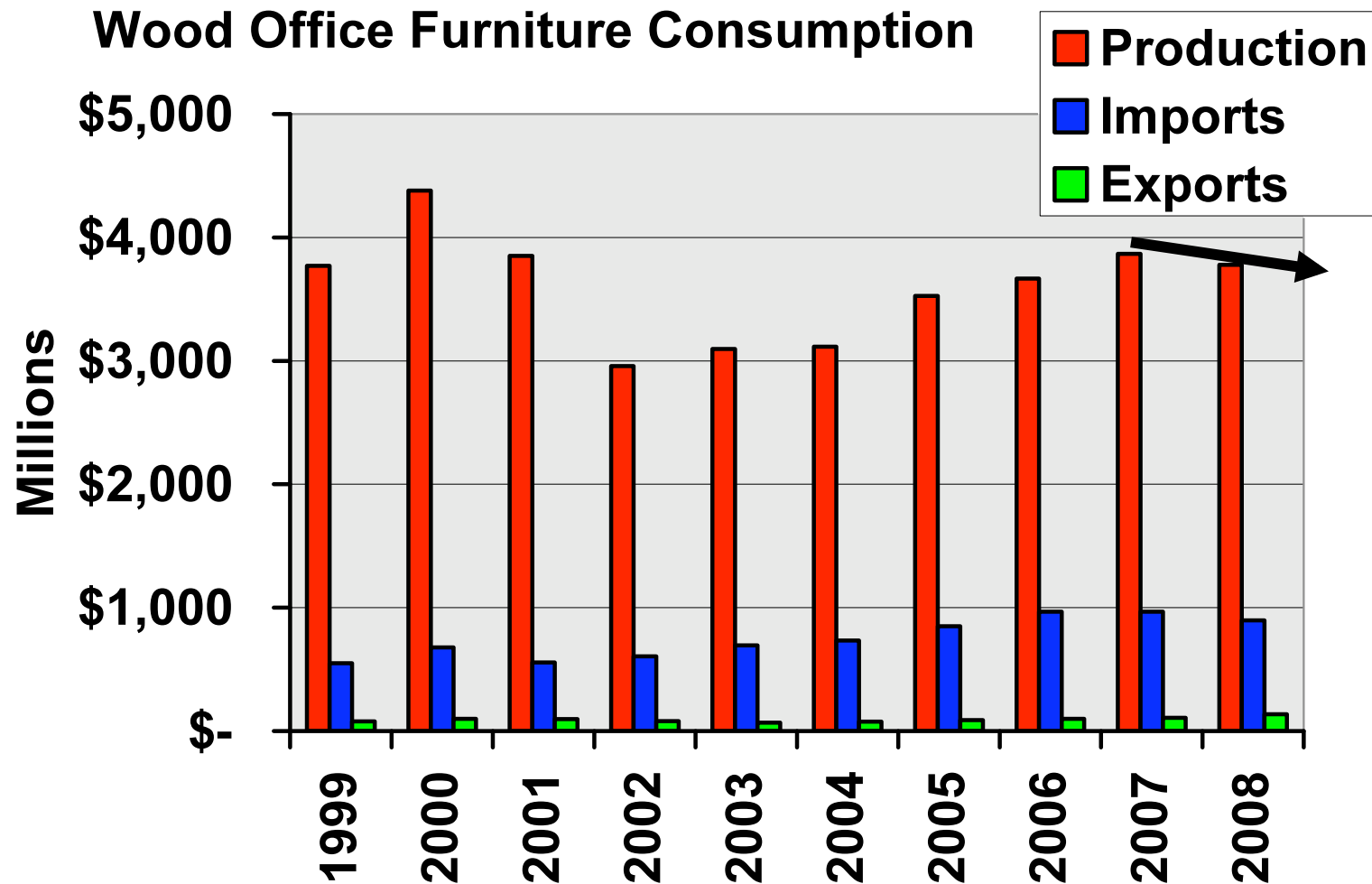
Sources: Census Bureau & KCMA

# Wood Flooring



Sources: Census Bureau & *Weekly Hardwood Review*

# Wood Office Furniture



Sources: Census Bureau & ITC

# *What Happened?*

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## The Housing Bust brought...

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



**Cyclical Change**

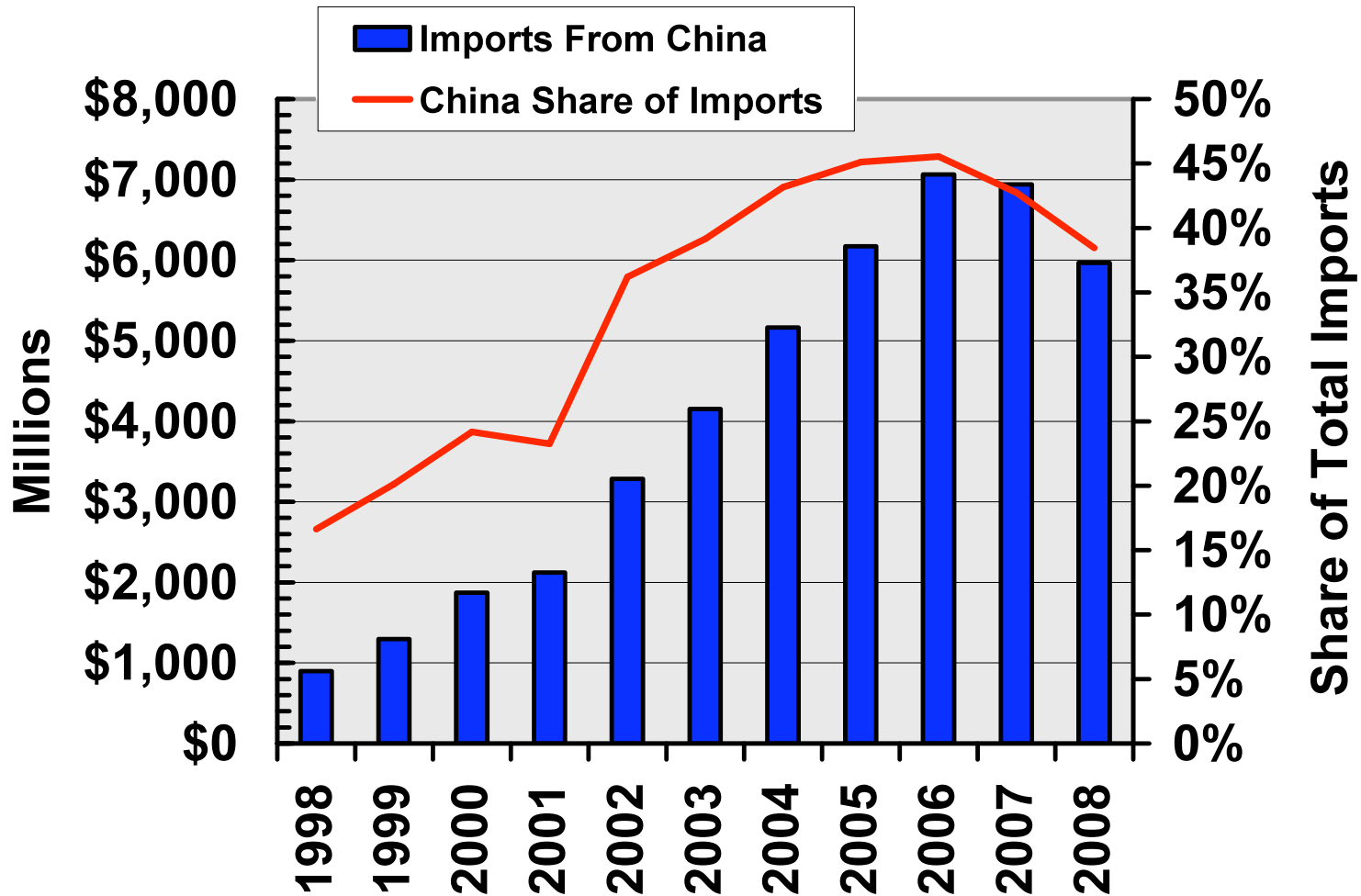
# *Take Advantage of Change*

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To capitalize on changing economics...

1. Adjust Your View of China

# China's Falling Share



Sources: U.S. ITC + FAS



# *Take Advantage of Change*

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To capitalize on changing economics...

1. Adjust Your View of China
2. React Intelligently
  - > Know Your Customers

# *Model Change*

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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*

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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*

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- 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...*

# *Quote To Remember*

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## 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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*For more information contact...*

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