



Measure Twice Cut Once

JULY 2019

The builder's guide to all things timber and hardware.

The Other Love Of Diane's Life

Diane and her husband Mike have a 1969 Chevrolet Camaro with a 350 cubic inch Chevy V8 engine and 3 speed auto. They purchased this beast on eBay 12 years ago from someone in Indiana USA, had it put in a shipping container and brought over to Australia. It was a big risk, they joke they were very relieved when they opened the container and didn't find a matchbox car. The car did however receive damage on the voyage to the roof, bonnet and front guard when the lashings came loose, this meant panel work and repaint, all covered by insurance.

Since then they have rebuilt the engine, transmission and made some modifications to the radiator and cooling system to cope with the

hotter weather here in Queensland. They've done an amazing job, don't you think? Mike and Di are part of the Queensland Chev Club, which sees them regularly go on hot rod runs to places like Brunswick Heads, Caloundra, Stanthorpe and Hervey Bay.

By the time you read this Diane will be back from a week at Brunswick Heads and another hot rod event.

As you can see their Camaro really gets around it has been displayed by the Queensland Chev Club at the 2017 Brisbane Hot Rod Show and was once used as a promotion by Triple M as a prize: the winner was chauffeured in the car to an ACDC concert.

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- Beating cheap customers at their own game
- Reflecting on the demise of Masters
- You can buy local timber and support the local economy



Last Chance To Discover: How To Join The Top 1% of Builders

Kurt the Builders Coach is going to reveal these secrets in a 1 day workshop:

1. The big secret to making big money as a builder
2. One shift that can revolutionise your business and change your future starting today
3. How Coke and Pepsi have created a golden opportunity in your business
4. How you can CONTROL how fast your business grows
5. What the top 1% of builders do for their clients that puts them in the top 1%
6. The secrets to getting quality TV exposure your business deserves (or how to do it yourself)
7. Get a jump on the competition by 'engineering your sales' to dramatically boost your close rate
8. Understanding Rainmaker Syndrome
9. How to 'manage your sales' to close more and more deals over time
10. Finding the right media partners to reach your ideal clients so that they can find you
11. The step by step process to becoming a marketing influencer to get more leads on autopilot
12. How to create an 'assembly line' of customers so that as one project finishes you have the next one ready to go

The only way to find out about them is to come to the event:

When: 26th July 2019 8:00am till 4:00pm

Where: Norman Hotel, 102 Ipswich Road, Woolloongabba

Email Erin at erin@wilsontimbers.com now and we'll be filling the last of the seats of a first come first serve basis. At the time of writing we only have limited seats left.

"Yeah, But The Other Bloke Said That They Would Do It For Less..."

I know every tradie on the planet has encountered this at some point. The government of all people was encouraging people to get three quotes and by implication choose the cheapest quote. It helps people stop being ripped off.

Yes, some tradies out there are conmen.

Three quotes is a good defence against drawing the short straw so to speak. But the rest of the time it leaves the honest tradie in a bit of a bind. You end up with three guys all quoting the same job, and then the customer thinks, "*Great, I'll go with the cheapest.*" Not understanding they are never getting quoted apples for apples.

And if all you can do is offer to cut your price you are screwing yourself out of profit.

Thankfully, there are alternatives. Here's the real truth. Only about 20% of the market are focused on price, and will buy solely based on price. Quality of work won't matter to them. Quality of product won't matter to them. Doesn't matter the cheap bloke can't do their job for 6 months and it will run 6 months long after that. Or that they will receive dodgy workmanship and corner cutting resulting in extra unforeseen costs and repairs in the long run. All they can see is the initial price tag.

The secret to handling these guys is to have enough job-flow so that you can run away from these guys and not play their game. The best thing you can do is send them to someone else. Only take these projects if you are desperate.

About 20% of the market will buy the absolute premium option. Think of them as the 'monopoly-man-twit' that just buys the most expensive one he can so he can brag to his friends. More customers like this are a win if you show them how to buy a premium version of the project – say 20% higher price than 'market' and explain why it is better. They will take it.

60% of the market will buy on price unless you give them a reason not to. They just don't know enough about the product to make an informed decision. If you end up in a situation where they are haggling on the price, start negotiating with them.

There's an old saying in business: "Fast, Cheap or Good? Pick Two."

When price is a concern, perhaps you can meet their price if you use apprentices to do more of the work – sure the quality won't be as good but I can give you discount. Perhaps you could offer to do the work at that price but you have to do it around other projects – so it will take longer. Maybe you could use cheaper materials and not offer the same guarantee on the project.

When you take something away, you'll see if they are a price shopper or if other things are more important than saving a few bucks. The 60% of the market will usually gladly pay your price when they start losing something in return for the discount.



The Real Casualties Of Price Wars.

I hope you remember the company Masters. They decided that their plan was to be 'the cheapest' hardware store in Australia but screwed the pooch royally and ended up the second cheapest. All their target customers went to Bunnings. Because Bunnings is cheaper.

Disneyland calls itself the happiest place on earth. Why on earth would anybody skip that to go the second happiest place on earth?

There has been a big wave consolidation in the building materials supply sector recently – that is going to impact you and not necessarily for the better. The big box building supply companies all work on the 'we're cheaper' model. They sacrifice customer service and quality of product in order to get there.

Now if one of their competitors is more expensive, selling worse quality products at higher prices – they deserve to go out of business.

The problem is all of that 'but we're cheaper' advertising is like crack cocaine. It's highly addictive and it clouds judgement. I mean, we've lost deals because we were 50c a metre more expensive, or \$1.00 a sheet dearer.

- Didn't matter that our customers got their quote from us the same day they sent it in.
- Didn't matter we could deliver their order within their desired time frame. Guaranteed.
- Didn't matter we were selling a higher quality timber that would look nicer and the builder's customer would be happier with the result.
- Doesn't matter that if there was a problem we would move heaven and earth to fix it while the big boys will just send you to the back of the line.

Is it really worth it to save \$500? Geeze if you are doing a \$500,000 renovation saving \$500 on a \$30,000 timber order isn't going to make or break the project. It's not like that money is going to go into our back pocket really. It's what we need to charge so you get the service you actually want and need from your supplier.

It Comes Down To Choice.

Hardware stores are consolidating. A lot of the independents are going out of business or selling up. As the industry consolidates bear in mind that you may end up being FORCED to deal with a company like Bunnings

Welcome To The Family.

We'd like to welcome

- DeKing Pty Ltd
- Howard Smith Wharfs
- ENP Fitouts
- Maketu Projects
- Best Projects & Developments
- Box & Co Pty Ltd
- A1 Line Marking Pty Ltd
- Brew Constructions
- Myriad Constructions
- Aspect Contractors
- NCC Contracting
- Outdoor Secrets
- Lumber Punks Axe Throwing
- Irroscapes Pty Ltd

To the Wilson Family. All of whom made their first purchase or opened an account with us last month. Thank you to everyone who purchased from us in the last 30 days.

and all of the frustrations that come with those lower prices.

Bunnings can afford to have some of their stores run at a loss in order to drive smaller companies out of business. Every store heavily discounts some of its products too. That's how you win with a price war – they offer the same thing for less blinding you to the consequences of taking that hit of crack cocaine. It's what they do.

Be aware that your choices now will have an effect on what options you have in the future. Because if there is only Bunnings and the other big players, they can charge you whatever they want and you won't have a choice. Everyone has free will, are you strong enough to resist the temptation?



How Come This Local Timber Has So Many F!#&*\$@g Shorts?

There is a simple answer, but it actually hides a much more important story. Australia is actually a world leader in sustainable forest management. We use far more of the tree than many other countries because our regulations are so stringent.

We as a country understand you just can't afford to waste anything. That's the short answer.

Unfortunately we are also a net timber importer – our forests don't produce enough timber to satisfy our own demand.

About 10% of the timber we import is of 'suspicious origin.' That means if you buy 10 packs of Kwila (or any other import) – odds are one of them was harvested illegally. Everyone in the supply chain here does their best not to buy illegally harvested timber but it happens. We bring in about \$440 million a year of illegally harvested timber.

Every two seconds a football field worth of trees is illegally harvested around the world. Clear felled. Unfortunately this isn't just poor remote villagers going out into their forest and cutting down trees for cash

to feed their families. Illegal logging is a 'trans-national organised crime' big business.

Organised crime 'recruits' (I'm being polite) impoverished villagers in third world countries to do the work, pays them a pittance (if they are lucky) – and then pays bribes to corrupt government officials to keep the whole operation going. While they keep most of the profits, illegal logging is a \$10-15 billion dollar a year industry according to the World Bank. Business is booming.

Illegal logging costs the world \$5 billion in tax revenue, it suppresses timber prices between 7-16% costing the legal timber industry \$10 billion a year. It exploits some of the poorest people in the world to make a profit. On the bright side, that Kwila does come in nice long lengths... because illegal loggers just don't care about waste. The easy money is in the long boards.

Then there are the environmental concerns – loss of habitat for orangutans, lost carbon sequestration, killing endangered plant and animal species and driving people out of their

homes and in some of the extreme cases massacres of total villages. The effects are just devastating!

You are the one who ultimately shapes the market. When you don't explain to your customers that 10% of timber imported to Australia is illegally harvested and what it costs us... That when they choose imported timber they are propping up Unsustainable Forestry Practices, Financing Organised Crime and Destroying The Environment.

I know you are smart – with a little planning you can hide those shorts easily – we both know your customer won't notice. The best part is you and your customer won't have blood on your hands.

I know you may think this is extreme, and my not be perceived well. We also may seem hypocritical to some as you may be reading this thinking.... "But they sell it!" Trust us, our conscious is certainly tainted. It's a slow process to create change, and we are constantly trying to educate and offer our customers Australian sustainable hardwood options. In fact we currently have a great special on Spotted Gum decking. So help us, to become the first Brisbane timber yard to stop selling imported timber products! But to do that, we need your help educating YOUR clients about the alternatives.



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