LumberTech Classes
Students have said about our LumberTech instructors:

“Emily’s knowledge of financial management in the LBM industry is priceless!”

“Casey was very pleasant to listen [to]. Appreciate his insights and all the shortcuts.”

Don’t miss your opportunity to attend NLA’s professional development events. These programs will have a positive impact on your team and your business!

Upcoming November & December Professional Development Events
- **Estimating 123** - November 13-14 & 15 in Coralville, IA Instructor Casey Voorhees
- **Future Lumber Leaders Wisconsin Chapter** - December 7 in Madison, WI
- **Estimating 123** - December 11-12 & 13 in Omaha, NE Instructor Casey Voorhees
- **Yard & Delivery Workshop** - December 11 & 12 in Allenton, WI Instructor Emily Overson
- **Project Management** - December 13 in West Bend, WI Instructor Emily Overson
- **Future Lumber Leaders Nebraska Chapter** - December 14 in Omaha, NE

Click [HERE](#) to view the Full LumberTech class schedule.

Scholarships Available
Nebraska
The NLDA Board of Directors and Scholarship Committee are making available up to ten -$100 Employee Scholarships to help offset the cost of attending a LumberTech class. The NLDA is also making available one - $500 college scholarship for high school seniors who are planning to enroll in a construction-related college or technical school program for the 2019-2020 academic year. Applications have been mailed to each Nebraska member dealer and can be found on the [NLA website](#). Please share this information with your local high school as well.

Wisconsin
The Wisconsin Lumber Dealers Education Foundation is again offering Tuition Assistance to Wisconsin & Upper Michigan members who attend a LumberTech class. This program reimburses up to 50% of the registration fee for attending a class. More information and the tuition assistance form can be found on the [WLDEF website](#) - [www.wldef.com](#).

WLDEF college/technical college scholarship information will be available later this month. Watch for more information on the WLDEF website or contact Connie Johnson at [info@wldef.com](mailto:info@wldef.com).
Don't Miss Out on Savings After November 1st!
Have you paid your 2018-19 dues yet? If you paid before November 1, 2018, thank you - you'll continue to receive membership pricing on events, classes, trade shows and more! If not, your 2018-19 membership dues are now due! As a reminder, all 2017-18 members who have not renewed their membership will now be charged the non-member rate starting November 1, 2018 until your 2018-19 membership dues are paid in full. Please contact the NLA Office at (888) 544-6822 for assistance with your annual dues payment.

Membership can pay for itself by attending our events and saving on costs!

To pay your dues online:
Log in to your profile, click Manage Profile and click on ***Renew Your Membership Now***

For more information or to review your membership, please call Lindsay at (888) 544-6822.

2019 NLA Conventions - Badge & Ticket Registration Opens Soon!

Registration for entry badges, seminars and meals at the three 2019 NLA conventions is coming your way shortly. The registration booklet should be arriving in mailboxes within the next two weeks. Make sure to keep your eye out for it! Within the booklet, you will find complete details for all three conventions as well as both DEALER and EXHIBIT BOOTH WORKER registration forms. Dealers will also be able to register online starting Wednesday, November 14th. (Sorry exhibitors...your booth workers must still register by paper form, due to difficulty tracking free vs. paid meal tickets.)

Advanced registration is highly recommended, as it helps NLA staff plan accordingly for space, meals, hotel room demand, etc. Every person attending the convention must have a badge, so registering in advance will also ensure your badge is ready and waiting for you onsite for a smooth, quick pick-up. Because food counts are due to the venue several days in advance, there will be no onsite meal tickets available. Please order them in advance! Another added bonus to registering early? Those early birds who register by the following deadlines will be entered into a drawing to win $50 (per show)!

**Early Bird Registration Deadline**
- Northwestern Building Products Expo: December 28, 2018
- Iowa Lumber Convention: January 26, 2019
- Nebraska Lumber Dealers Convention: February 5, 2019

Visit [www.nlassn.org](http://www.nlassn.org) and click on the Convention tab for full convention details, including schedules, hotel & venue information, exhibitors and floor plans, and much more.

Questions? Contact Jodie Fleck at jfleck@nlassn.org or (763) 595-4058.

**EXHIBITORS - Increase Your Return on Investment at the 2019 NLA Conventions**
It's been said several times already, but it warrants being said again - **trade show & convention success is MORE than just having a booth**! You need to be engaged in the experience. Is your company fully engaged? Ask yourself the following questions:

1. **What are you doing to promote attendance at these shows? Are you asking your customers to attend?** Suggestion: Use our [free marketing tools](#) to help promote the show(s)!

2. **How are your booth workers engaging with attendees once onsite? Are they sitting down playing with their phones hoping dealers will just pop in to the booth?** Or, are they standing, smiling, making eye contact, stepping out into the aisle, and inviting those dealers to check out their products? Suggestion: *bring a prize and break the ice by getting dealers to sign up to win*. From there, get the conversation started! And, take part in the "Racing to Connect" theme by decorating your booth or having a fun theme-related game that will draw people in!

3. **What incentives did you bring to the table to get the attendees to specifically seek you out and purchase from you?** Suggestion: *Have a show-only special that they can't get outside of the show hours!* Discounted pricing, longer terms, etc. The options are endless!

4. **What are you doing to stand out from the competition?** Suggestion: NLA has come up with several opportunities to help you elevate your company and leave a positive image in attendees' minds. *Guarantee traffic to your booth by becoming a sponsor!* Or take part in the *pit stop product demos* that happen right at your booth with a captive audience! Maybe even help lead a *student career panel* to reach the young folks in our industry!

Following the suggestions above will help your company get the most return on investment from these shows. And who doesn't want that?!

Questions? Contact Jodie Fleck at [jfleck@nlassn.org](mailto:jfleck@nlassn.org) or 763.595.4058.

---

**Wisconsin Lumber Dealers Leadership Conference**  
*"Working together to create success"*

The 2nd annual Wisconsin Lumber Dealers Leadership Conference will be February 6th at the Glacier Canyon Lodge in Wisconsin Dells. This one-day event is designed to bring together retail lumberyard owners, managers, and sales teams to network and learn from each other and our featured speakers.

The 2019 conference will feature:

- Seminars on: leadership, social media, sales, customer service, and more!
- Future Lumber Leaders Roundtable
- Networking Lunch and Cocktail Reception
- Awards Banquet and WRLA & WLDEF Membership Meeting

The conference brochure and registration information will arrive in the mail this month, you can also find all the details under the Events tab of the NLA website at [www.nlassn.org](http://www.nlassn.org).

**U.S. and Canada Reach Deal on NAFTA**

The United States and Canada have reached an 11th hour agreement updating the North American Free Trade Agreement (NAFTA). American and Canadian officials had a self-imposed deadline of September 30 to reach an agreement. The deal preserves NAFTA's three-country format. Mexico, the other NAFTA country, agreed to a new deal with the U.S. in August.

The real challenge may lie ahead for renegotiating NAFTA, as the legislative bodies in all three countries must ratify the new agreement. Narrow majorities are expected next year in both the House and Senate, Mexico will have a new Congress, and Canada has federal elections in 2019.

Particularly relevant to residential construction, the new agreement would preserve a dispute resolution mechanism. Canada has used a version of this over the years to appeal softwood lumber duties. It remains unclear if tariffs on Canadian steel and aluminum imports will be rescinded as part of the new agreement.

**New Tariffs and Rising Delinquencies Will Put Pressure on Your Cash Flow - Three Ways to Prepare**

Tracey Richardson-Newton  
VP Credit Risk Management

For building material suppliers, the tariff problem isn’t going away. In July, higher tariffs lifted the prices of lumber, aluminum, steel and other products. More recently, a 10% tariff on more than $200 billion worth of Chinese goods has begun to affect the market for materials such as plywood, roofing slate and air conditioning parts. Suppliers that want to avoid increased expenses face a tough dilemma: source cheaper product substitutes, pass higher costs on to customers or absorb the costs and lower their margins.

The challenges introduced by rising tariffs are compounded by another disturbing trend: elevated customer delinquencies. BlueTarp tracks delinquencies of thousands of business customers and is seeing a 16% year-over-year increase in AR dollars that are 60 days past due, approaching levels not seen since the Great Recession. Dun and Bradstreet’s Small Business Index also has concerning data - payment delinquencies are up 5.7% and credit card delinquency is up 5.3%. Many customers are slowing down payments. Others are halting them altogether.

Rising delinquencies, combined with the uncertain impacts of tariffs, are causing more pressure on companies’ cash flow positions. Here are three strategies you can take to shore up your cash flow and prepare for increasing headwinds:

#1: **Tighten credit policies**

Tighten credit screens and requirements. Raising your minimum credit criteria will mitigate the risk of delinquencies. In addition, be sure to enforce your accounts receivable terms to discourage payment delays.

Implement consequences for delinquent customers. Before issuing new credit to customers, require them to pay down any existing balances. Wean very slow-paying customers off credit and move them to COD.

Raise prices and assess fees. Analyze each account to determine its profitability. You will probably be surprised by how many customers you are paying, rather than the other way around. Then raise the prices you charge unprofitable accounts, start collecting late fees and stop allowing customers to pay their in-house accounts with credit cards.

Set ceilings. Set credit ceilings for even the best-behaved customers, and don’t allow anyone to exceed them. As tariffs continue to take their toll on the building supply industry, consider lowering your maximum credit line.

#2: Don’t set it and forget it
Your customers’ credit may be changing faster than you think. BlueTarp’s data shows that, among more than 2,000 customers, the risk level of 83% had changed just a year after credit was extended. The lesson is clear: just because a customer’s credit is good when they apply doesn’t mean it will stay that way. In the high-cost environment created by tariffs, customers may be especially prone to sliding from good credit to bad.

Be proactive by re-screening customer credit at least three times a year. Consider creating, or seeking outside expertise to create, a behavior scoring model that incorporates both credit bureau data and your customers’ payment patterns with your company. An effective model will alert you to changes that are predictive of a greater chance of severe delinquency. With this warning, you can monitor customer behavior more closely, then reduce credit lines and collect more aggressively as needed.

Another benefit of having an automated model is that its objectivity insulates your decisions from errors caused by human perception. While a credit manager might not flag a previously pristine customer that recently delayed payment, the behavioral model will.

#3: Use technology that improves visibility and control
The right technology can make a big impact on shoring up cash and reducing risk. Consider adopting shared dashboards that allow your sales and credit teams to monitor all customer purchase and payment activity. Allow your teams to quickly pull aging reports to prioritize collection efforts, and examine customer purchasing behavior to identify cross-selling opportunities. With a single location for all late payment intelligence, plus invoices and statements, your internal teams can easily manage customer relationships and keep an eye on any exposure to risk.

Rising tariffs are already hurting suppliers, and the pressure is only likely to increase. Rather than waiting for delinquency rates to climb even higher, the best companies are preparing now. Reviewing your credit policies and continually maintaining accurate credit applications are the first steps to ensuring your financial stability. As tariffs exacerbate the impact of delinquencies, suppliers that are taking steps to combat losses can face the future with confidence.

Northwestern Lumber Association is proud to partner with BlueTarp Financial to provide credit management resources to its members. For more information about BlueTarp or to speak with NLA’s BlueTarp Account Executive Mike DeSimone, please call 720-339-6425.