

# National Home Center News<sup>®</sup>

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## Company of the Year



**N**ov. 27 was a day like any other for most retailers in the home improvement industry. But for **WICKES** it will be known as the day this pro dealer's annual sales passed the \$1 billion mark for the first time in a decade.

The Vernon Hills, Ill.-based company, after losing money three out of five years between 1994 and 1998, was poised in 1999 to report one of the highest profit levels in its 47-year history. Its sales last year were tracking to grow 20 percent over 1998. More important, Wickes is executing a multimarket strategy that, in its early stages, seemed well beyond its grasp.

Much of the company's success is attributable to the game plan that was devised by chief operating officer

Dave Krawczyk who came to Wickes in 1996 from Contractors' Warehouse with a reputation for making the best of a bad situation. When he joined Wickes, it had come off of a year when it had lost \$15.6 million on \$972 million in sales and looked to be fading fast. In Krawczyk's first year at the helm, the company's sales plummeted 12.8 percent.

During two years of "transition," the company closed 26 yards, two component plants and took charges against earnings totaling more than \$23 million. That consolidation brought with it a new focus on home builders in nine major markets and the conversion of many other Wickes yards into specialty outlets that tailored their building products inventories to market conditions.

At the 1998 Home Builders Show, Wickes' booth included a huge clock that symbolized the company's claim that its crews could frame a house in a day. To support that boast and to make its major-markets supply strategy viable, Wickes needed to integrate vertically into component manufacturing. Through the first 10 months of 1999, Wickes' yards sold \$143.7 million in components, 46.7 percent of which were produced internally by its 25 facilities, compared to 36 percent for the same period in 1998. Wickes now claims it has the capacity to frame 18,000 homes annually.

The company seems likely to achieve its goal of making 75 percent of the components it sells, increasing its annual sales 6 percent and expanding its annual cash flow 25 percent by the end of 2003.



## Wickes Lumber

Building Materials for Contractors