

Buck Buchanan



Mike Merrill:

Hello, and welcome to the Mobile Workforce Podcast. I am your host, Mike Merrill. And today we are sitting down with the Buck Buchanan, the President of Buchanan Business Consulting. And buck is full of wisdom and practical tips from many years of working on the supply side of construction. Buck has a rich and long history, lots of experience, and, I think, a unique perspective on job site productivity as it relates to supply and demand. Welcome, Buck. We're glad to have you on the podcast today. Thank you for joining us.

Buck Buchanan:

Thanks, Mike. Thanks for having me, and I look forward to the conversation. This ought to be fun.

Mike Merrill:

Great. Sounds awesome. Well, first off, why don't you tell us a little bit about yourself and your history and your company, and also just your day to day.

Buck Buchanan:

Okay, sure. So today, I have a consulting business. And I do some consulting with a variety of clients, some construction, some not construction. I do some executive coaching now. But my roots go back to construction. So for over 35 years, I worked on the construction product side. So I worked for two different manufacturers that made products. We made plasters, paint, stuccos, waterproofing material, tile grouts, tile adhesives, things along those lines. And we sold them in both residential and commercial markets. We had some outlets that went through the DIY supply side, some of them went through the dealer side, some of them went through the national distribution side. So we went through a variety of different ways to get our product to market. But I was able to really work throughout the United States, and really even into

Canada, and even got involved in export developments for a while. So I've seen it on that side.

And the people that I've dealt with, which I think might be important for your people that are listening in, I've dealt with the architects, the contractors, the general contractors, the builders. So I've touched all pieces of the people that are actually on the ground working on projects.

Mike Merrill:

Yeah, that's an interesting perspective for sure. And I'm sure our listeners will appreciate learning some insights from you. Obviously, this last year has presented us with a lot of new challenges with supply and demand and materials and travel restrictions and shipping restrictions. What things should business leaders be looking for while trying to navigate these types of challenges moving forward?

Buck Buchanan:

Well, I think the big thing is to really understand where you are and what are your relationships with your suppliers? Because it's interesting, the people that I talk to, it's a very fluid process. But if you go back to March when this started, nobody really knew what to expect. So everybody plodded along, and the jobs you had work in, you were trying to finish them up. In some states, you were able to work. Some States, you had to shut down. So we all had to go through that. And now that we're six, eight months into this, some people are doing well, some people are finishing up jobs. Some people don't know what's going to happen next year, other people think it's going to be great next year. So there's a lot of that that you run into.

And then you're also seeing on the supply side of things that some of the things are not as readily available as they were in the past. And some of that was because, I think, industry shut down. Industry shut down in some cases for two or three months and they

stopped production. And now that people are trying to get done before the winter starts, get their jobs ready, there's a shortage of material. So that's where things are. And so people really got to keep their eye on the supply-side today.

Mike Merrill:

Yeah. And I think, too, this is true with a lot of parts of business, job site productivity is important but communication is always key, and especially when you're trying to work out completing a project where you have resources that are required in a timely manner. What is the main communication issue that you see between the job sites and suppliers today?

Buck Buchanan:

Well, I think it's the because of the, let's call it potential shortages, that you're running into, what a contractor needs to be looking for is to make sure they're really dealing with a supplier that they can trust and rely upon. And I think it's because there is a flux in certain products, again, depends on where it was. Last month, wood prices went through the roof. So if you're building a house, number one, your cost went up. Number two, why did costs go up? Because there was a shortage of material. So that was one thing that people need to be really aware of.

The only way to navigate through that is to make sure whoever you are, whether you're the subcontractor, the builder, or the general contractor, you need to make sure that you're staying in touch with the supplier so they can give you the heads up of what are the lead times. When are they getting materials in and how's that going to impact my job? And again, obviously there's a cost factor, as well as a time element, of just the pure raw material. So the key element, I think, is you really need to be in touch with your supplier.

One other thing I'll throw in here is some of the dynamics may change a bit in that the contractors need to have reliable suppliers. Now, some contractors say, "Well, I'll just shop that out tomorrow and I'll go to supplier A, B, or C, whoever's going to give me the best price." And that works pretty successful for some of these guys. But now may not be the time to do that. They may need to be thinking about going to supplier A

because he's more reliable than supplier C, which may have the better price.

Mike Merrill:

Yeah. So what I'm hearing is regular communication with those suppliers to keep a finger on the pulse of the supplies that are available.

Buck Buchanan:

Yeah. Because it is fluid, again, some products may be readily available, they may have inventory. Others, they may not have inventory. Some are specialty products, which there's not as much manufacturing time as it was in the past. So it really depends. Anywhere from lighting fixtures to lumber to drywall all have their own set point of what their availability is these days.

Mike Merrill:

Yeah. And I've heard quite a bit, and I've seen this over the years, where larger companies, sometimes they're able to stockpile and maybe warehouse and store materials that they know they're going to need a lot of in advance. And of course, that can cause more shortage of the available materials on the open market.

Buck Buchanan:

Sure, sure.

Mike Merrill:

So if you were a contractor today, what kinds of things would you do to shield yourself from those types of shortages or those issues in delay?

Buck Buchanan:

Well, again, planning is really an important thing now. And I think you've got to plan your job and what your needs are so you schedule them accordingly. And in that schedule is you're taking into account is when can I get my materials? When can I get them delivered to the job site? Are these products that are in inventory, if they are normally, you need to make sure you check with the supplier to make sure they do keep these products in inventory. Is it a specialty product?

If it's a specialty product, it's got additional lead times. You need to be thinking about that as well. So if it's a specified product, if it has to go through an approval process at the architectural level in the specification writer level, then you need to make sure that you're taking that into account along with the supply side of the goods. Because just because it goes through an approval process, then you just have to order it. Well, okay. If you're not aware of what the lead times are on the order end, then you're going to have problems with that.

Mike Merrill:

Yeah. I know we were talking a little bit before we hit record, but I built a home last year, finished it pre-COVID. But there were some interesting things that I ran into. As a former general contractor myself and trades contractor, I have a handle on this stuff normally. But when it came time to do my trusses, all of the truss plants, just about every one of them were over three months out. that cuts into your job site productivity. And so you better be measuring that foundation as soon as it's poured, because if not, your house is going to be sitting for months on end. And that was partially related to materials a little bit, but most of it was just the labor shortage, and the space that they had to build only so many trusses a day for a home, and you just had to get in line.

Buck Buchanan:

That's right. And you bring up labor, and that's before COVID has been an issue. There has been a labor shortage in construction really since the recession that we had in 2008, 2009. And that has also put a real damper on construction, because now these builders got to figure out where am I going to get the people to build a building? Do I have skilled labor? Is there just general labor available? And that's really been a big challenge.

Mike Merrill:

Yeah. And I've heard, too, and I don't know, maybe you can shed some insight on this, but I've heard, and I've seen this in the past as well, but it seems to be coming up to the surface again, where some of these suppliers are getting into the installation business maybe where

previously they weren't. Can you talk about that a little bit?

Buck Buchanan:

Yeah. I haven't seen that too much, except I would say the flooring industry seems to have done more of that than, let's say, any of the other trades. The lumber trade, the concrete trades, the drywall trades, I haven't seen that happen. But certainly in the flooring side, hardwood floors, carpeting, tile, et cetera, there are cases where that's happened, and there's some trend lines going in that direction. But I'm not really aware of other ones. There probably are, but I'm just saying that I know in flooring, it's been going on for some time.

Mike Merrill:

Yeah. I know previous, you mentioned the housing bubble in '06, '07. At least where I'm at in Utah, we had a lot of the lumber suppliers here that were running and managing their own labor crews to install the lumber, to do the framing.

Buck Buchanan:

Oh, really?

Mike Merrill:

Yeah I know the work. And I think at the time, there was so much demand on subcontractors that they felt like they had more lumber to sell than they could have installed, and so they decided to get into that end of the game just to help make sure that they could keep the lumber moving through their yard quicker by providing labor also.

Buck Buchanan:

Well, that makes sense. That certainly makes sense. Again, what's interesting is when I had the opportunity to travel the United States and see lots of the markets to find that there's niches of how things are done in certain markets, and it can vary from one end of the country to the other.

Mike Merrill:

Yeah. Another thing that we talked about a little bit, I had heard here through the grapevine, some of the more specialized lumber suppliers, the non-Home Depot, Lowe's type lumberyards, weren't selling to retail customers. They were conserving their inventory for the contractors that had accounts and were frequenting them because there was just such a shortage that they weren't going to shortchange their contractors that were giving them business all year, year after year.

Buck Buchanan:

And I would say that I could see that happening. And I actually experienced that when I was in California. And this was in 2005, 2006, and we were making stucco. Well, if you drive out in California, stucco's everywhere. And business was so good, this was '06, that we had to do that. We had to limit to our better customers that we supplied our stucco to. So that can certainly happen when there's a shortage and when business is rolling along.

Mike Merrill:

Yeah. So we've talked a little bit about this 2008 time period, that recession that we hit. Are you seeing any trends today with COVID or other things going on resurfacing? What are your thoughts on that?

Buck Buchanan:

Well, I think there's a couple things. One thing you learned from 2008 was that you need to readjust your business according to what's going on in the world today, or the economy or your local market. So I think that's one big thing. So just because maybe businesses booming in Colorado, the business may not be great in Kansas. So you've got to adjust your business accordingly.

I think what a lot of people are running into now, if you look at construction, either on the residential side, most markets, certainly particularly the Sunbelt, the South, you're seeing that the residential market is still pretty vigorous right now. There's still activity. Multi-family is coming in big, particularly in metro areas. You're seeing a lot of activity on the residential side.

But when you get into some of the commercial markets, you're seeing some shifting going on. So for example, if you've been by a shopping center lately, we got lots of them here in the Atlanta area. They're in Dallas and Salt Lake and Los Angeles and everywhere else. You're seeing that those places, those stores are closing. And that's shifting because somebody rings your front door and your package is delivered. So that's causing some change in that you're going from the standalone stores, which retail was a huge part of, that shift is now going to more of the warehousing or the industrial construction. So fulfillment centers and distribution centers are becoming big, whereas some of the retail is going away. So you're seeing some of those things shift and change, and so you have to adjust your business according to those particular models.

I think that's one thing we're seeing... It was going on before COVID hit, but it's been accentuated now that COVID's been here because people just don't go out. So that's caused changes. You look at transportation, airports. Where has the airline industry been in a while? Last eight months hasn't been very good, which means hotel and motel industries are going down. So if your business was heavily focused in those sectors, you needed to make some adjustments.

Mike Merrill:

Well, so speaking of that, what can our listeners learn from the experiences you had in going through 2008 and coming out the other side, different or changed or whatever adaptations you made? Is there any wisdom you can impart for them?

Buck Buchanan:

Well, I think you've got to be realistic as to what you think your business is going to be doing. You can't go back in history and say last year was really good, so this year should be really good. You've got to look at it is your market there? And the market being is whatever your niche is, your target markets are, are those still moving forward? And are they moving forward in the short term and the mid term? And I think that's one thing. And then you need to be making adjustments to say hey, are we adjusting our business to fit where the market is going? Because for example, if you're working 100 guys in the field and you see there's a shift in your marketplace, those are really good 100 guys, you got,

but you only need 60 going forward. So you need to make those kinds of adjustments now as you move forward. So I think that's certainly one aspect.

Another aspect, too, is to look at, on the supply side, is to say do we really need to be doing all this? Or can we narrow our focus down to concentrate on where we're really making money? And if we do that, then we may eliminate some costs. Maybe you got involved in doing some form of your business because the general contractor said, "Hey, can you do this?" "Yeah, I can do that." "Hey, can I do this?" "Yeah, I can do that." Before you knew it, you got into three or four things beyond what your specialty was, and now you're just getting by. So point being is refocus your business based on where your focus is as how you see the business is going to be operating in the next 12 to 18 months. That would be the biggest thing that I could offer. And then you got to have the guts to make the changes. Again, if you see your business going from 100 to 60 people, that's not an easy decision to make, but you got to make the right decision for your business as it goes forward.

Mike Merrill:

So you mean the bury your head in the sand business plan isn't very effective?

Buck Buchanan:

I don't think so. I don't think you'll last. And I can tell you that our philosophy was, when we were going through this, is we wanted to be stronger when we came out on the other side. And so we did what we had to do to keep our infrastructure in place. We had eight manufacturing plants. We wanted to keep those eight manufacturing plants going, but we weren't going to be able to run them six days a week like we had been. So we had to scale down, we had to move products from one plant to another so they became more efficient. So we had to readjust our focus on our business, what we were making, what we were doing. We had to refocus our employees. We had to move some of them around. And frankly, we had to get rid of some of them because we just couldn't afford to carry that number. So again, you got to make the adjustments based on where the business is going to be.

Mike Merrill:

So what I'm hearing, too, is the old adage measure twice, cut once. You really need to take an accurate measurement before you start cutting.

Buck Buchanan:

Amen, brother. That's for sure.

Mike Merrill:

All right. Well, so looking back over your career, you have a lot of experience, many years, decades. What's the biggest lesson that you've learned that still comes into play for you today?

Buck Buchanan:

Well, I think that a lot of people need to consider this, is in construction, and you can get involved in dealing with BM systems and CAD drawings and digitizing of drawings, et cetera. But at the end of the day, it's you're still dealing with people. And I think relationships are very important. And I think that's probably the biggest point that I could bring out, is number one is you got to have relationships all up and down through the chain. And the chain in construction starts with the owner, it goes to the general contractor down to the subcontractor to your supplier. All those people are involved in the construction process, and you need to have good relationships all throughout that. And if you'll do that, I think that's the number one thing.

There's a couple other things that I think are really important as well, is number one, listen. A lot of people like to talk and they don't listen. And I used to manage sales forces couple of different times in my career. I found out that a lot of times, that salespeople like to just talk and not listen to what the customer was trying to tell them. And I think that's true whether you're a builder, whether you're a subcontractor, whether you're a supplier. If you're dealing with people, listen to what the people are telling you. Because if you do that, you'll find out what their real needs are. And you'll find out where they are in their emotional level and where they are in their business levels. So listen is one.

Another thing is once you listen, is to make sure that you follow up with them on that. And a lot of times, people will listen and then they won't follow

up. So you'll go in and have a good meeting with a subcontractor and you think things worked out well. And you said, "I'll give you a call Friday and let you know how you're coming on that contract." But you don't call the subcontractor. You don't call him until you're in a jam and you call him. Well, guess what? By the time you're in a jam, he's picked up four or five more jobs, and you didn't follow up with him and you got no point on his radar. If he can pitch in, he will, but he may not be. So that relationship goes back into it. So follow up, and then do what you promised the guy you're going to do.

So again, relationships, listening, and follow up on what you say you're going to do. If you do those things, I think you'd be pretty successful in what you do. Because again, people want to deal with people they like doing business with. And that can make a difference whether you're a big general contractor or you're building two houses. It's the same with supplies.

Mike Merrill:

Yeah. I love what you did to tie all that up together, because I think too often, especially with sales guys, they they're listening to respond. They're trying to get the words out of their mouth sometimes before someone else is done talking. You can listen, and it's not like the text message where you get the read receipt. Well, they opened my text. Well, it doesn't necessarily mean they read it or that they thought about it or made any decision on it.

So I think that following up and treating them with respect. And then also, fostering that relationship as another person and not just a supplier or a sub or something that you don't have respect for them. When you need to call in those favors, when you are in a pinch, you have that relationship to fall back on to ask for that special favor or a little extra help. And I think in my experience, most of the time, generally, people want to do well, want to do the right thing or do good things, and they'll try and help you out in a jam if they can. If you have that relationship established, to your point.

Buck Buchanan:

Absolutely. Absolutely. And I think that's really important, is to make sure you've got those kinds of

relationships. But again, when I refer to the selling chain, everybody that's going to be involved in the building process, you need to have the relationship with them and you need to listen to them. A lot of times, people, they've got programmed in their head well, I'm going to say this when I get in front of that guy. It's almost like they hit play. Well, they don't know when to hit stop. Well, they hit stop once the guy says you got the order, that's when you hit stop. You just don't keep going after it because you're only on slide 35 of the 50 slide show, right?

Mike Merrill:

Yeah. Sage advice, no question about it. So in winding things up, one of the questions that I like to ask, and that I'm always curious with our guests, is what's been a hack or a shortcut, something you've found in your career and your experience, that's helped you really get ahead or have an advantage that's been a blessing to you?

Buck Buchanan:

Well, again, I go back to the relationship point. And to me, again, I think that's key. A key element is to have the relationships, get to know the people. Another thing is know as much about the business as you can. Too many times, people don't understand what they're dealing with. They don't understand how the other side deals.

So for example, when you're competing against another supplier, what does that supplier do better than what I do? I need to know that. What does that owner of that business do that I need to know about? The guy that's going to build this track of houses down the street, that's going to build 200 homes, what's in his head? What do they like to do? What are the things that turn turns them off? What are the things that gets their hot buttons going? So know as much as you can about who you're dealing with, whether they're going to be a customer or whether they're somebody you're competing with. Because the more you know about them, the better off you're going to be.

It's no different than when you sit down on Sunday and you watch the NFL play football. And there's 20 some odd coaches and they're trying to figure out what that other team's doing. So why? Because they want

to know how they can compete with them and how they can beat them. It's no different in life or business. You need to know... And too many people don't know what's going on in the business. They don't know who they're competing with, they don't know what they're up against.

We started this conversation by talking about supply. And again, the only way you can understand that supply is have a good relationship with the people that are supplying your stuff. And if you do that, then you're going to be okay. So understand what your supplier's doing, understand what you're competing with, understand what your customers want. So those, to me, are things that you understand the landscape, you got to understand who you're competing with. If you learn all that, I think that's a big benefit for you.

Mike Merrill:

Well, and it's almost like for those of us that are married, you're going to spend eight to 10 hours a day with your spouse or your significant other. And you're going to probably spend eight to 10 hours a day working, and then you're going to sleep and do whatever else the rest of the time. So if a third of our lives is spent behind a desk or at an office or on a job site or somewhere related to our construction business, it's a pretty significant portion of our time investment in life. So I think what I'm hearing you say is act like it.

Buck Buchanan:

Yeah. Learn the business. Understand... And the businesses is the entire business. It's how everything works, it's the people that are involved with it, it's the people you compete with. That's what the business is all about. If you're building houses, you're competing with somebody else building a house. If you're selling material, you're competing with somebody else that's selling material. So it's really no different. So you got to understand the entire market. So yeah, you're right.

Mike Merrill:

Well, thank you so much. This has been a great conversation today. Very insightful. And it's a the silent side, I think. Sometimes the companies, they forget about the supply side, I think, more often than not. So great to have your insights and thank you for joining us today.

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