

**Working
for our
members
every day.**

Time For A Change.

We work hard every day to earn your business and keep it.

We're different than other buying groups.

We believe that your strength lies in being an independent dealer and that you've built a brand that your customers trust.

That's why our energy and resources are focused on how to support your independent brand to achieve success on your terms.



Why choose Sexton?

So you can focus on what matters most — your business.

Our Promise to You:

Our strength as a buying group is built on four major advantages: We're a dedicated team of industry professionals focused on your success. We negotiate competitive programs and leverage our strong relationships with vendors to resolve any issues quickly for you. We have a first-class accounting team that promptly delivers accurate rebate payments as promised.

Member Advocacy

Transactional Excellence

Competitive Pricing

Strong Team

Talk to us Today

Hear about our story at
1.800.665.9209

Learn about our story at
sextongroup.com



A commitment we live by

Sexton has been putting the members first since 1985

When Ken Sexton launched a Winnipeg-based building supply buying group with just three members in 1985, he couldn't have imagined what Sexton Group would eventually become. Today that small buying group is a national organization representing 400 member locations from coast to coast.

Much has changed for Sexton Group since 1985, but one thing that has remained constant is the commitment at the core of everything we do, to always put our members' needs first. Whatever problem or question the member may have, every Sexton employee is committed to addressing it quickly and effectively.

Simply put, at Sexton we live a culture of responsiveness to our members needs. Our group has a very high retention rate because our members know they can count on us. They can call us any time and they'll get the answers they need.

Sexton Group strives every day to deliver value for its members by addressing three key areas — pricing, supply and advocacy. It is by

“Sexton Group's success has always been driven by the growth and success of our members.”

staying focused on these member-driven values that the group continues to be one of Canada's fastest growing groups year-over-year.

Expansion into new markets and segments has been a priority for the Group. Growth within the group is driven through strategic recruitment, by attracting true independents who see our value proposition and recognize



Eric Palmer, Vice President and General Manager

that their business would be stronger by partnering with our group.

Sexton Group's growth over the last 10 years has benefitted greatly from the guidance provided by our Steering Committee. This eight-member committee

is made up of active members who serve rotating three-year terms. The Committee provides valuable insight and input from the member's perspective, and participates in an annual verification of member programs, which is prepared by an independent third-party accounting firm. Having a member-based Steering Committee is another way we

stay connected and committed to the needs of our members.

Sexton Group's success has always been driven by the growth and success of our members. Each member of our team takes pride in supporting the members and being a part of their success, and that goes beyond the business. Supporting our members has always included supporting the communities they serve. Sexton has a long tradition of giving back to the communities where our members live and work, through charitable activity.

We are proud to serve our independent members across Canada. I welcome anyone who is interested in learning more about Sexton Group to keep reading, or pick up a phone and give me a call.

Eric
204.396.7640

New regions, new members



Sexton expansion plan is focused on **growth**

The key to Sexton Group's success is purchasing power. The ability of the group to negotiate the best prices is a combination of our Member's total volumes and our ability to commit that volume to the successful vendor. And from its inception, Sexton Group has been committed to increasing purchasing volumes by all available means.

"Even when he started the group with just three members in Winnipeg in 1985, Ken Sexton's vision was to expand Sexton Group rapidly to increase buying power for independent lumber and building materials retailers across Canada," explains Eric Palmer, vice-president and general manager. "Ken realized much of that vision, and our team is committed to carrying on that legacy of continuous growth."

The first phase of Sexton's growth took place in the 1980s and 1990s under General Manager Bob Mondy. During its first year of operations alone, Sexton grew from three to 34 members, and that was just the beginning. During his

tenure as GM, Bob extended Sexton's reach across western Canada and into northwestern Ontario. He also expanded the list of members to include a full range of lumber and building materials dealers as well as construction-related manufacturers.

In 2006, Bob was succeeded by Steve Buckle, who initiated the next phase of rapid growth for Sexton Group. In the ensuing years, Sexton made inroads throughout Ontario and began pushing into Atlantic Canada, eventually growing the membership to some

400 member locations from coast to coast.

"We have had great success growing the membership in Atlantic Canada and certainly in Ontario, landing some really key accounts along the way," says Eric. "We

have had continued success in bringing large commodity wood product dealers and specialty building materials members to the group, which has contributed to our sustained growth."

For the last four-and-a-half years Suzanne Walsh has been leading the expansion charge for Sexton as Business Development Manager for Ontario and Atlantic Canada.

"We are hyper-focused on growth in eastern Canada; it is an exciting time for us and we are expecting big things in 2022," says

“While our core values have remained unchanged for over 35 years, we continue to base our growth on our ability to recognize and serve our members evolving needs.”

Suzanne. "The growth in Ontario especially has been substantial: our group has gone from being under-represented in Ontario to significant numbers now, and we are just scratching the surface.

“As for Atlantic Canada, there is lots of potential for growth there and we have had an uptick in interested prospective members calling us for information. Getting out east was a challenge for a while, but I expect to be meeting many of those dealers face-to-face in the coming months.”

Suzanne believes Sexton’s expansion in eastern Canada should benefit greatly from the group’s strategic alliance, formed in early 2021, with ACE Canada. Through the alliance, Sexton members now have access to the ACE Hardware banner and a strong hardlines distribution solution. “For independent dealers who operate a typical hardware front end, having access to an established banner like ACE is a huge incentive to join the group.”

One largely untapped market for Sexton Group is the province of Quebec. Because Sexton was originally a western-based buying group, there was no need to offer a full slate of bilingual services for members. To make inroads in Quebec, however, the group had to understand the unique business culture, and it did just that in 2021.

“We have had our eye on the Quebec market for some time, and this year we made the investments we needed to make to properly serve members in that province,” says Eric. “Number one, you need to have bilingual personnel to work with the members, and we have addressed that. But we also had to make sure that we had the administrative, website and member portal resources in place so we could properly communicate in both English and French.”

The most important resource in Sexton’s expansion efforts in Quebec is a human one — new Business Development Manager for Quebec Tristant L. Langelier. A fully bilingual native of Montreal, Tristant knows the province and the building supply community well from his previous experience as a sales representative for a large window and siding manufacturer.

“Quebec is a huge market and Sexton had no presence there in the past, so it really is the next logical step in the group’s expansion plan,” Tristant explains. “I think what really made this possible was the alliance with ACE; there are a lot of ACE dealers in Quebec, so it makes sense for Sexton to come in and

provide an LBM supply option for them.”

“Right now I’m gathering as much information as I can about prospective new members in Quebec and their individual markets,” he adds. “Sexton understands that expansion into Quebec needs to be a thoughtful process. We want to build long-lasting relationships in the province, so we

in some categories for members in certain areas of the country.”

“Quebec is a good example where regional vendors can make a difference for Sexton members,” he points out. “There are a lot of key vendors in Quebec that only operate in that province, and Atlantic Canada is similar. So as we progress with eastern expansion

“We have had our eye on the Quebec market for some time, and this year we made the investments we needed to make to properly serve members in that province.”

need to work with the right partners for the right reasons. Ultimately, the goal is to add value for all the members in the group.”

Aside from recruiting, an equally important part of the expansion process is creating purchasing programs that make sense for each individual member, taking into account their specific business and where they are located. That task falls to John Magri and the Sexton Programs team.

“We have always had members nationally, so we have always put a lot of focus on our key national vendor partners when negotiating programs for our members,” John explains. “In saying that, even though we do have a strong presence with key national vendors, we are also taking a look at areas where some regional vendors can add value as well

of our group, we are working to develop relationships and purchasing programs with key regional vendors where that makes sense for the members.”

Regardless of the region of the country where a particular member may operate, Eric stresses that Sexton treats the group’s 400 member locations as 400 unique markets.

“Wherever a member happens to be, and whatever product categories are important to them, we are committed to helping them to grow their business,” says Eric. “So for me, it’s not so much the differences between regions or provinces, east or west; it’s that any member we are working with, current or looking to bring on board, is competitive in the market where they operate on a daily basis.”



Sexton’s expansion in eastern Canada should benefit greatly from the group’s strategic alliance, formed in early 2021, with ACE Canada.

Priced Right

Market intelligence keeps Sexton member on the money

For most businesses, much of the last 18 months saw a sharp decline on the demand side, as locked-down consumers simply stopped consuming many goods and services.

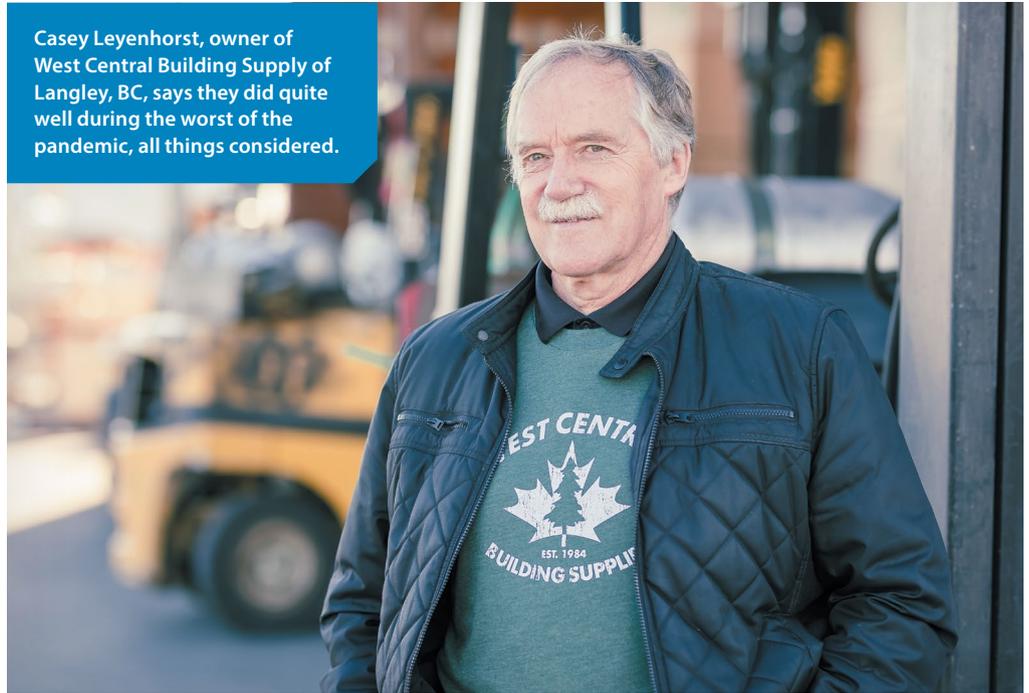
For people in the building supply industry, however, the big challenge was on the supply side, as steady demand for building materials ran up against reduced manufacturing capacity and weak supply chains. That put businesses like West Central Building Supply of Langley, British Columbia right in the eye of the storm.

“We have done quite well actually, all things considered,” says owner Casey Leyenhorst. “We have good, long-standing relationships with our vendors and they made sure we had everything we needed. And that’s vital, because our customers count on us to keep them in business.”

West Central supplies its 95-percent contractor customer base with a wide variety of construction products, including framing lumber and engineered wood, siding, decking, roofing materials, soffit and fascia. The company serves customers throughout BC’s Lower Mainland from its three-acre lumberyard that includes several warehouses as well as some retail and office space. But while getting product wasn’t a problem for Casey, prices certainly were.

“Prices went through the roof, and it was a real challenge to not overextend on anything, because what goes up can come down fast,” he explains. “We actually stopped buying OSB because the price just got out of hand, so we got our contractor customers to switch to plywood. At one point, OSB was \$90 a sheet; it was back down to \$16 a sheet a little while ago. If you get stuck with a truckload of 2100 sheets of OSB at \$90 per sheet, you can go broke in a hurry.”

Casey Leyenhorst, owner of West Central Building Supply of Langley, BC, says they did quite well during the worst of the pandemic, all things considered.



In business since 1984, West Central was a Sexton member when Casey purchased the company 19 years ago. He says he maintained that relationship in large part due to the rebate system that Sexton negotiates with the vendors. He also credits Sexton Group with helping West Central navigate the volatile pricing environment in the building supply market over the last year or so.

“It’s a highly competitive market on the Lower Mainland, so we have to be efficient

with our inventory and priced right; there’s not much margin for error,” he says. Don Humphrey stays right on top of the market for all our product categories and puts out a weekly commodity report that we use to help us make our buying decisions.

“But there is never any requirement that you have to purchase a certain amount of anything; that can handcuff you a lot more. We are really independent minded and they leave us alone unless we need them; I like that.”

Photography: Stef Fournier

Focused on Growth

A boom in home renovations has put REP Windows and Doors on the growth fast track

With the cumulative effect of lockdowns, supply chain disruptions and natural disasters, it's no wonder that many businesses have experienced something less than steady growth in the last little while.

But that general trend simply doesn't apply to REP Windows and Doors. In fact, the last few years have been a period of rapid growth for the Kingston, Ontario-based company.

"It sounds crazy, but the pandemic was actually good for our business," says owner and founder Rick Garrah. "With so many people staying home and not spending money on things like trips and entertainment, lots of people started spending money upgrading their home and we benefitted directly from that."

And it wasn't just windows and doors fuelling REP's recent growth. The company now offers a wide range of building products and materials for both retail and wholesale customers, but it wasn't always that way. Rick founded the company back in 1992 as a pure wholesaler focusing on windows, doors and exterior products.

"I started out with just me working out of a 5,000-square-foot shop," he recalls. "I even lived in the back of the shop for a while."

Over the years the wholesale business expanded several times, adding partners and moving to ever-larger facilities. In 2012, Rick became sole owner and was joined in the business by his son Patrick, but their wholesale focus remained the same. Two years ago, however, REP turned down an entirely new path when the company became a member of the Sexton Buying Group.

"Sexton has been great for us; our Business Development Manager Suzanne Walsh saw my vision for expanding the business from Day 1," Rick explains. "With the group's support and volume pricing, we had the opportunity to branch out and get into new product lines we never thought of before. That grew the retail side of our business to the point where it's now bigger than the wholesale side for the first time in our history."

Since joining Sexton, REP has added a full line of flooring products, along with insulation and related products, interior trim, interior doors and even a line of tools. Today REP employs 17 people engaged in both sales and installation, and one year ago Rick purchased an additional 14,000-square-foot building to accommodate his new product lines. He has

since converted 2,200 square feet of that building into a retail showroom.

Says Rick: "The new showroom is big enough to display all our flooring, as well as two complete sunrooms and our larger folding patio door products."



Owner and founder of REP Windows and Doors, Rick Garrah, says Sexton saw his vision for expanding the business from Day 1.

Meeting the demand

Helping our members work around supply chain challenges

When a company has been in business as long as North Pole Trim & Supply, there's not a lot the owners haven't seen. Founded in 1979, the London, Ontario-based building product supplier is now run by the second generation of the Toivonen family. Over that span, the London market has almost doubled in size to just over half a million people.

"We have always had a strong home renovation business here because there are lots of older homes," explains Eric Toivonen, who took over the business from his father with his brother Michael in 2004. "But now the new home market is stronger than we've ever seen it; demand for housing is going crazy — up 70%."

North Pole specializes in supplying a range of products and materials primarily to residential homebuilders and renovation contractors, although Eric says their DIY sales have now grown to about 30 percent of the business. The company's selection includes doors, trim, door hardware, stair and railing items, storage products and wall coverings, all displayed in the company's 8,000-sq.-ft. retail showroom.

Steady demand for building supplies throughout the region has translated into rapid growth for North Pole. Over the course of the last three years, the company has grown from 50 employees to just over 100 and doubled its warehouse space to 90,000 square feet. But just as the market demand was hitting unprecedented levels, the global pandemic hit North Pole with another new challenge — supply shortages.

"Slowdowns at the mills and shipping delays through the ports impacted almost everything; During the worst of it, we saw delivery times for some materials go from



Eric Toivonen of North Pole Trim & Supply says Sexton has helped them locate and source new products and suppliers, and that has been really vital for them in the last year

three weeks up to as much as 16 weeks," Eric recalls.

As a Sexton member since 2007, North Pole was able to tap into the buying group's vendor connections to secure much needed materials and supplies for its professional customers.

"We joined Sexton originally to get the benefit of better price negotiations and to get them to help smooth out the credit process with vendors," says Eric. "But they also help us to locate and source new products and suppliers, and that has been really vital for us in the last year or so."

The last year has also seen Eric serving as a member of Sexton Group's Steering Committee. This eight-person committee includes members from across Canada who meet annually to share their thoughts on the direction of the group with senior management.

"It's great to have an opportunity to talk directly with Eric Palmer and his senior leadership team and see where their thoughts are on the market," he says. "I also really like hearing from the other members and giving feedback on where we want to see the group focusing its efforts."

Photography: Jay Terry

Unique markets, unique needs

Sexton members come in all shapes and sizes — and from many different markets

One of the keys to success in business has always been “location, location, location”. But it is also true that the location of a given business, by necessity, will dictate what it takes for that business to be successful. In the case of Taber Home and Farm Center in Taber, Alberta, meeting the very specific needs of the regional clientele has driven growth since day one.

“Being located in southern Alberta, a good deal of our focus has to be on products and materials essential to the agriculture sector,” explains general manager Mike Duell. “Our customers are mostly farmers, ranchers and professional contractors, with some DIY traffic thrown in as well.”

To meet the needs of its unique customer base, Taber Home and Farm carries a wide-ranging product mix. On the agricultural side, the company offers ag-specific items like bulk seed, fertilizer, pesticides and other chemicals, cardlock and bulk-delivery fuel and even rough-hewn posts for livestock fencing. At the same time, the company also carries typical construction and home renovation products and materials like framing lumber, windows and doors, paint, roofing, siding, kitchen and bath, electrical and plumbing, insulation and drywall, tools and hardware.

“Crop storage and management is also important around here — potatoes, onions, corn — so we specialize in specific solutions for agricultural storage,” Mike adds.

Founded in 1983, this former Co-op location is owned and operated by a

shareholder group made up largely of local families. A Sexton member since 1993, Taber Home and Farm leaned heavily on the group when supply chain challenges impacted the market last year.

“The Sexton Program team provides us with a bi-weekly supply report that helps us anticipate potential problems with product supply and availability,” says Mike. “When some segments start to get tight, having that advanced notice allows us to secure supply for our customers down the road. It also helps that the group negotiates programs that allow us to stay supplied and they stay on top of that for us; if we had to deal with every supplier on a daily basis, we wouldn’t have time to run this place.”

Taber is growing community of about 9,000 residents located about 50 kilometres east of Lethbridge. Using a fleet of eight delivery trucks, Taber Home and Farm’s 22 staff members serve a vast agricultural area that extends as far as 100 kilometres away. In addition to a large lumberyard and a



Taber Home and Farm Center general manager, Mike Duell, says Sexton provided them with market intelligence that helped them anticipate potential problems with product supply and availability.

6,000-sq.-ft. retail store, the facilities include several dedicated warehouses for agricultural materials. Mike recognizes that a part of his growth and success is attributed to the support he gets from the Sexton Team.

Part of a team

Serving Sexton members is a group effort

Meet the members of our Business Development Team of dedicated professionals who are committed to serving the needs of our diverse members.

Dean Toews thought he knew exactly what the job entailed when he started work as Sexton's new Business Development Manager for British Columbia in September of 2021. He expected to be dealing with vendors, solving supply issues for members in his region and recruiting new members. Then, two months later, the floods came.

"We have a number of members who were impacted by the flooding in BC, so I had to check in on them regularly and make sure they were safe and had everything they

needed to keep their businesses up and running," recalls Toews. "I found out pretty quickly that my role has no set rules; your job is really to do whatever needs to be done at the time to help the member."

Prior to joining Sexton, Dean spent the previous 13 years managing accounts across western Canada for a leading US-based insulation and gypsum manufacturer. "I was a one-man-band in western Canada for the company in the insulation segment, so I know the challenges our independent members face on a daily basis. The great thing about working with Sexton is that I'm really part of a whole team now."

The key to success in his new role, Dean believes, is to keep on learning. "As a member advocate, you can never know too much about your member's business, their products, their industry or their market. The support I

get from the Sexton team has been great in helping me improve my understanding."

A passion for service

Making a personal connection is key to providing great service

Dave Leonzio says travelling is second nature to him. That's a good thing, because as Sexton's Business Development Manager for the Prairies, Territories and northwestern Ontario, he covers the largest geographical area for the Group.

"Being in front of our members and managing those relationships is an important part of my job," Dave says. "I manage about 150 business relationships across my territory.

The roster of members in Leonzio's vast territory includes everything from a typical hardware store up to a truss manufacturer, with several specialty exterior, plumbing and electrical suppliers thrown in.

"I have about a 65-percent/35-percent, rural/urban mix as well, so a wide range of businesses and markets," the 11-year Sexton veteran explains. "For that reason, it helps to be a bit of a Swiss Army Knife, able to deal

“**The group has specialists in every product segment, as well as experts in purchasing and accounting, and I can draw on that expertise to help the members in my region.**”

Dean Toews BRITISH COLUMBIA

Dean says the great thing about working with Sexton is that he's really part of a whole team now.

with anything the member might need. One day I might be working with a vendor to solve a supply issue, then the next day I might be training some employees on how to use the member portal.”

In terms of his professional background, Leonzio calls himself a “retail specialist.” Prior to joining Sexton, he worked managing stores and providing customer service training for a national sporting goods chain, a service he continues to provide for Sexton members and employees. “Through my experience I understand the retail side and what it takes to be a good merchant. Good customer service is something I’m really passionate about.”

Outside-the-box thinking

Specialty members, new markets driving Sexton expansion

The Covid-19 pandemic altered day-to-day work for most people, but for Sexton’s **Suzanne Walsh** it made the best part of her job impossible.

A four-and-a-half-year veteran of the group, the London, Ontario-based Business Development Manager for Eastern Canada was forced to work with existing members and recruit new ones exclusively online.

“It was challenging — there were lots of emails, phone calls, Zoom meetings, Teams

Dave Leonzio PRAIRIES, TERRITORIES AND NORTHWESTERN ONTARIO



Dave says it helps to be a bit of a Swiss Army Knife to be able to deal with anything the member might need.

Photography: Joanna Jensen Photography

meetings; not ideal certainly,” she recalls. “Not being able to meet with members face-to-face was especially challenging for me because I’m a people person, but hopefully that’s behind us now. But honestly, we haven’t missed a beat; we were able to serve our existing members and even added new ones through the pandemic.”

Walsh comes by her people skills honestly, having honed them over years working in the industry. Prior to joining Sexton, she worked as an account executive for a national stain

and coatings manufacturer, then as a branch manager for a major siding manufacturer. She now brings that vendor experience to bear when addressing various issues for Sexton members.

“A big part of my role is to advocate for the members with the vendors, so it helps that I have been on the other side of that conversation,” Walsh explains. “That can mean solving supply chain issues or simply building relationships with the vendor reps, anything that adds value.”

New member recruitment is also high on Walsh’s list of priorities. And although Sexton’s core membership has traditionally been made up mostly of lumber and building materials dealers and gypsum suppliers, the group has been steadily extending its reach into a number of specialty segments.

“We have been gaining lots of traction with specialty dealers of all kinds,” Walsh says.

“A big part of my role is to advocate for the members with the vendors, so it helps that I have been on the other side of that conversation.”

Suzanne Walsh EASTERN CANADA



Suzanne says matching the right members with the right vendors and programs to help grow the business is what drives her.

Photography: Rachel Lincoln

“That can mean truss manufacturers, modular home builders, window and door specialists, interior finishing specialists. We recently signed a roofing supply dealer with eight locations in Ontario. But every new member adds value for our existing members.”

Aside from expanding the group’s recruitment efforts to specialty segments, Walsh has also been focused on extending Sexton’s reach into Eastern Canada. Walsh believes that initiative will gain momentum in 2022 now that pandemic travel restrictions have been lifted.

“Normally when I get an inquiry, what I like to do is go and see the prospective member so I can meet them, ask questions and learn about their business and the market they serve,” she says. “That way I can determine whether or not they are a good fit for Sexton; that they have a stable business plan, a growing market and an independent mindset.

“I enjoy building those new relationships and looking for opportunities for growth. That’s what drives me: matching the right members with the right vendors and programs to help grow the business.”

New frontiers

Sexton taps into Quebec’s untapped market

Sexton Group prides itself on serving members in every region of Canada, but one region of the country where the group has lacked presence has been the province of Quebec. Toward that end, Sexton Group has recently taken steps to make expansion in La Belle Province a top priority.

“This is an untapped market for Sexton, and there is incredible potential here for the group.”

Driving Sexton’s renewed focus on Quebec is the province’s new dedicated Business Development Manager, **Tristant L. Langelier**. In place since June 2021, the Montreal native has been busy criss-crossing the province, meeting potential new members and gaining valuable market intelligence.

“This is an untapped market for Sexton, and there is incredible potential here for the group,” says L. Langelier. “I’ve been visiting with all kinds of businesses, from typical owner-operated hardware stores to regional building supply chains with three or four stores. Manufacturers of modular homes are big here as well and Sexton has some great programs for that segment, so we have lots to talk about.”

Thanks to his extensive industry experience, L. Langelier was able to hit the ground running. He actually started out his working life as a carpenter, but soon moved on to a sales position in the construction safety business. He followed that up with a six-year stint as the Quebec regional sales manager for a large window and siding manufacturer.

“The great thing is, I already knew a lot of the dealers I’m talking to now about Sexton from my former life,” Langelier explains. “But before I was trying to sell them a product

and now I’m trying to sell them on the value of membership.”

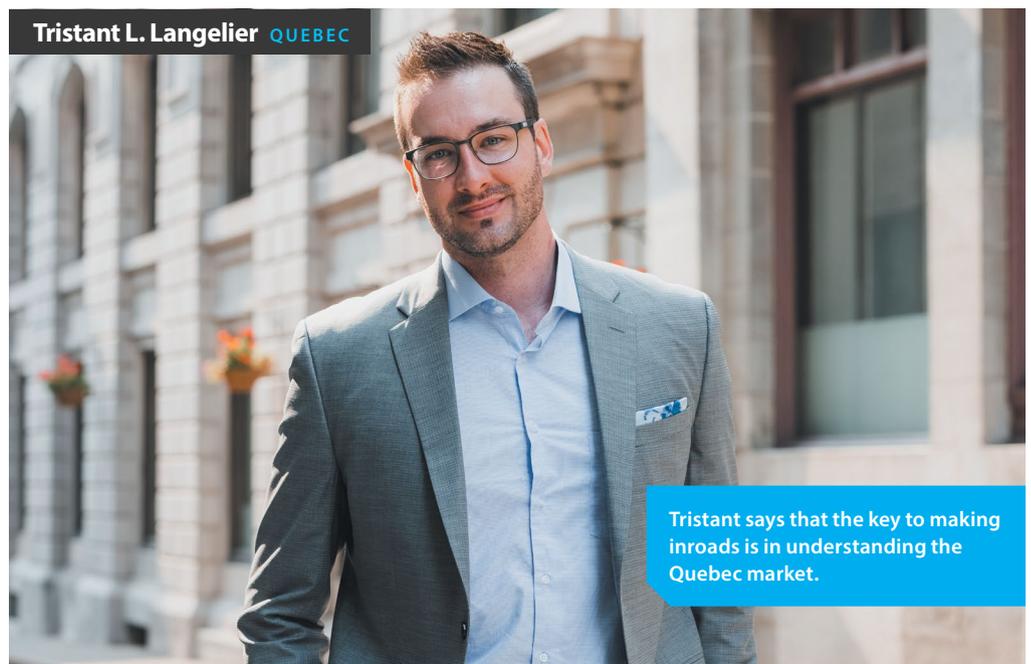
Aside from his industry background, L.Langelier also benefits from the fact he is a native Quebecer who is fluently bilingual. And thanks to recent investments by Sexton, he is able to assure potential Quebec members that all their interactions with the group, either in person or through the member portal, can be conducted in French.

“Quebec is a different beast for sure; it’s not just the language,” he points out. “There are cultural differences, different business practices, a whole different vibe than the rest of Canada; you have to understand that if you want to make inroads here.”

So far, Langelier’s approach seems to be working. He has been getting plenty of face-to-face meetings (post-pandemic) and exchanging lots of information with prospective members.

“Sexton is not well known in Quebec, so people are really in evaluation mode, asking lots of questions,” he says. “I’ve been pleasantly surprised by how much time owners have been spending with me, and that allows me to learn more about their business and their market. It’s a big challenge, and I’m excited about what Sexton has to offer.”

Tristant L. Langelier QUEBEC



Photography: Namaste Vo

Market Intelligence

Gathering information from multiple sources keeps Sexton's Commodity Wood Team on top of the lumber market

Anyone who has ever invested in the stock market knows just how much effort it takes to monitor the daily ups and downs in share prices.

The equivalent in the building supply industry is the lumber market. As with any other commodity, the market for lumber and wood products can be impacted by a range of factors, from floods and forest fires to government tariffs and interest rate changes.

For Lumber dealers, knowing the right time to buy based on market conditions is essential for success. Sexton members know they can count on the group's Commodity Wood Team to stay on top of the day-to-day shifts in the lumber market and provide them with the information they need to make good purchasing decisions.

National Commodity Wood Manager **Don Humphrey** talks about how the Commodity Wood Team gives Sexton members a competitive advantage:



Don Humphrey
NATIONAL
COMMODITY
WOOD MANAGER

Q What is the role of the Commodity Wood Team at Sexton?

A The Commodity Wood Team is made up of myself and Mike Fraser, our Wood Products Manager for Eastern Canada. Essentially what we do is closely monitor the commodity wood markets in Canada for lumber, plywood and OSB. We use our knowledge about the markets to provide

guidance and advice to the membership about the best time to buy certain lumber products based on the current price and where we think the market is heading.

We both bring a lot of experience and knowledge to the role. I actually started in the industry working in a lumberyard as a teenager. After getting a degree in economics, I went to work as a junior buyer for a local lumber retailer in Hamilton, Ontario. I stayed for 17 years and ended up becoming president of the company. I eventually moved my family to Nelson, BC, and started working for Sexton in August, 2019.

Mike is another veteran of the lumber industry. He is a lumber trader from way back and has worked for some very large lumber companies in Ontario. He is now based out of Calgary.

Lumber is quite volatile, and you have to stay right on top of the market to keep up. As they say, you have to be in it to know it, and that is the focus for Mike and I every day.

Q What are the major benefits that the Commodity Wood Team provides for Sexton members?

A The main benefit we provide for the members is pretty simple: market intelligence. A typical lumber dealer gets most of their market information from the handful of suppliers that they deal with on any given day. But if you run a typical building supply, you are trying to deal with all kinds of products and materials every day, everything from mouldings to bathroom fixtures. I know when I ran a building supply business we had about 25,000 different SKUs. And of those, maybe about 1,000 are lumber related.

So while a typical Sexton member has to focus on a lot of different things, Mike and I are able to put all our focus on just one area of their business. Because of that we are able to give them an incredible amount of knowledge and information that makes it easier for them to make smart purchasing decisions on the lumber side. We make sure that all Sexton members have access to this important information.

Another major benefit that we provide is our weekly Commodity Wood Market report. We take all the information we gather during the week and condense it into a report that we send out electronically to the membership



“We provide knowledge and information that help our members make smart purchasing decisions.”

National Commodity Wood Manager Don Humphrey

every Monday. In the report we analyze what happened in the lumber market the previous week and discuss what we think the market is going to do in the future. We also talk about various economic, governmental and environmental factors that might push the market one way or another. The goal is to give them something they can use to help them make purchasing decisions in the near term.

Q Describe the nature and importance of your relationship with lumber vendors and mills?

A Building strong relationships with lumber vendors and mills is another big part of what we do. We deal with some of the biggest lumber producers and distributors in Canada and we do a lot of

business with them. But over the course of the last 18 months we have developed new relationships with new suppliers, and that will only help our members in the long run.

There are hundreds of different places where you can buy lumber in Canada, and Mike and I talk to a lot of them. But for the ones we don't get to, we depend on our members to gather additional information that can benefit the group. You can never have enough information, and we are always interested in knowing what they've heard, what they've purchased, what price they purchased at, and where they purchased. If we have all of our Sexton members sharing information with us, as well as what we gather from our vendor partners, we can get a very accurate picture of the lumber market at any given time.

Q The last 18 months have been a very unstable time for the overall economy. How did that impact what you do for Sexton members?

A The volatility in the lumber market in the last 18 months has been many times worse than we have ever seen in our careers. The problem was, when the pandemic began, everybody thought the business would go down to zero and the lumber mills shut down or scaled back production for several months. In reality what happened was people started to invest their disposable income in their homes and all the lumber inventory in the market got snapped up. The mills simply couldn't catch up because while manufacturing capacity dropped down to about 75 percent of

Photography: Bobbi Barbarich

normal for a time, demand was up to 50 percent above normal.

Much of our effort over the last 18 months has been spent just making sure our members had the supply they needed to serve their customers. We did that by helping them gain access to more supply sources than they would have normally used in the past. We also had to be constantly on the lookout for opportunities when there was some supply available so they could get to it as quickly as possible.

Q How has market volatility affected lumber prices?

A In a typical year, the difference between the high and low price would be between \$100 and \$200 per block, where a block represents 1,000 board-feet of lumber. Today the price for a block of lumber is about \$800, but we have seen it as high as \$2,200 per block just this past summer and as low as \$575 in the last year. So the swing between the high and low price in the last year has been around \$1,600. We've never seen that before.

At one point this past summer the price went up to \$1,500 per block, then fell quickly back down to around \$600 as the mills started to build some inventory back into the market. We helped our members get in and buy at that low level before the price ramped back up to \$2,000. Our goal is to help our members to try and not buy into the top half of the cycle and to encourage them to buy into the bottom half of the cycle.

Q Do you believe the lumber market will normalize in the near term?

A I believe it is going to normalize a little, but there have been many structural changes to the industry in the last 18 months that will likely not go back to the way they were before. As well as that, the recent changes in US duties on Canadian lumber have affected the market, as well as BC locking down more old-growth forest. We are seeing a real shift in production from Canada down to the US, because that's where the houses are

and the duties don't hurt that. Because of all these factors we are going to end up with higher levels of volatility in the market than we have had historically. That's why we believe the service that we provide for Sexton members is so important.

Q Do you speak directly with Sexton members?

A Absolutely — I strongly recommend the members pick up the phone and call me directly. They can call if they are trying to make a buying decision and they have a question about the market, or maybe they've

got a large project coming up and they just need to discuss how to price it. I won't give them the specific pricing, but I will certainly give them a strong indication whether it's a good time to go out and cover that project now or if they should wait to see if the market will come down and allow them and their customer to have better pricing.

That's a big part of my job actually, just talking to the members, and I love it. That's my favourite part of what I do at Sexton, talking to people who run good old-fashioned lumberyards and sharing information to help us all succeed.

Connecting it all together



Eric Palmer
VICE PRESIDENT AND
GENERAL MANAGER

“My role is to ensure strong lines of communication are in place between the teams so we can deliver results to our members.”

Sexton Group strives every day to deliver value for its members in three key areas — pricing, supply and advocacy. “We rely on the information and market intelligence that we garner from our members, our Business Development Managers and our Commodity Team to stay on top of market conditions, trends and opportunities to serve our members better”, says Palmer. “My role is to ensure strong lines of communication are in place between the teams so we can deliver results to our members.”

In terms of pricing, we work with vendors to secure pricing programs that keep our members as competitive as possible in their specific market. Second, recent supply chain challenges have demonstrated just how important vendor relationships are, and Sexton never stops working to keep our members at the front of the line with key suppliers. And finally, while our members are busy fighting the battle every day to maintain and grow their businesses, they know they can count on Sexton Group to fight for them whenever issues arise.

Palmer knows that the success of the Buying Group is in the ability to be responsive to the market and the needs of all members. The Purchasing Team and Accounting Team understand all too well the importance of the role they play in that commitment to deliver on our promises.

Volume speaks

Purchasing power drives Sexton's Programs Team

One of the biggest incentives for independent dealers to become a member of Sexton Group is the purchasing programs. These volume-based programs make it possible for Sexton members to purchase the products and materials they need for their business at prices that give them a competitive edge. The task of negotiating programs with the vendors belongs to Sexton's Programs Team, led by Director John Magri. John shares his key insights and his plans for the Programs Team.



John Magri
DIRECTOR OF PROGRAMS



John Magri, Director of Programs at Sexton Group says the team is focused on advocating for the members.

Q What is the role of the Programs Team within Sexton Group?

A Like everyone at Sexton, the Programs Team is focused on advocating for our membership. At any given time, that can mean something different. We advocate for the members with our vendors when we negotiate purchasing programs, and we advocate for them within the various departments at Sexton.

More specifically, our team is focused on program development, program management and procurement. Given what has been happening recently in terms of

the supply chain and inventory shortages, procurement has become a much larger focus for our team. In terms of overall program development, as the marketplace has changed our members have had to change as well — how they order, when they order. For that reason the management of our programs has become very important, through strategic planning and program implementation.

Q What is your role on the Programs Team and how did your background prepare you for that role?

A As Director of Programs, I oversee the planning and implementation of all our purchasing programs. It's my job to make sure our programs are working effectively for our members and to identify things that might need to change.

I am relatively new to Sexton but I'm not new to the industry. I spent the bulk of my career — 16 years — working with a large LBM retailer that was a member of a buying group. That gives me a real understanding of the needs of the membership and how the member and the buying group interact: what our members really need from us; what their timelines are; and the information they need to do their job, support their customers and run their business successfully. I think my background gives me an interesting perspective that influences the expectations I have for myself, for our team, and for our programs in general.

Q Who makes up the Sexton Programs Team?

A Along with myself, there are five other members of the Programs Team. Krista Venn is our Manager of Programs and Market Analysis; Krista has been with us for

Photography: Douglas Little Photography

over 15 years and possesses a wealth of knowledge gained from a variety of positions within Sexton. Then we have two Program Co-ordinators and Sean Deslauriers, who is our Program Administrator. Both Ruth and Sean joined us in the last few months to help round out the team and each brings their own unique skill set. For example, Sean is bilingual, so he will be a real asset as Sexton Group expands into Quebec. And we have Kayla Mclsaac, our product coordinator, who supports our Group Volume Buy program for our members.

In addition to our direct team, we also work with Sexton's National Commodity Wood Manager, who helps us put together our lumber programs. Our GM and VP, Eric Palmer oversees the team and works directly with key vendors to ensure we meet our team goals.

Q Describe the range of vendors you work with on the Programs Team.

A One of the things that Sexton Group has prided itself on, and one of the main reasons that members have come to us, is the relationships we have with the key vendors nationally on the building materials side. Our strength has always been in categories like drywall, gypsum and commodity wood. We also have strong relationships with siding and shingle vendors. We have developed excellent programs in all these categories, and we continue to work with key vendors to keep providing programs that put Sexton members ahead of everyone else. We are always on the lookout for additional lines, especially in the hardlines categories.

You combine that strength in a lot of key LBM categories with a team that is dedicated to always adding new program categories and we believe that puts Sexton at the forefront of the buying groups.

Q How does the Programs Team go about creating purchasing programs?

A Obviously our strength comes from volume, and over the last five years our volumes have dramatically increased in the majority of the categories. That has given us more leverage to negotiate enhanced

programs year after year. Some of that increased volume comes from new members; just this year alone we have introduced over 50 new members to the Sexton Group.

As we prepare for each negotiation cycle, our team takes a look at our current programs and evaluates how successful each one has been in creating value for our members. We are always looking for ways to improve our programs to reward our members for growing their business. We also want to make sure our programs are working for the vendors who have worked with us; that's how we build the kind of relationships with vendors that allow us to negotiate good programs.

When we are putting together programs, rebates, growth incentives and volume incentives are key. We know that these things are very important to our members and we make it a priority that the rebates are paid out in a timely manner, fastest in the industry, and that they are accurate — monthly, quarterly or yearly, depending on the program. That is a point of pride for our team.

Our goal is to create outside-the-box programs that are different from the other buying groups. At end of day, these programs have to put money in our members' pockets and contribute to the success of their businesses, so we put a lot of emphasis on these negotiations to come up with enhanced programs year after year.

Q Beyond purchasing programs, how does your team create a competitive advantage for Sexton members?

A Our team is focused on advocacy for our members. First and foremost, whenever a member calls, they get priority. Everyone has their regular duties each day, but the membership takes priority over everything else they might be doing. We want to address the member's concerns, comments or questions right away, and step in to advocate with a vendor on their behalf if necessary. Sometimes it might take a little bit longer than we hope to deal with a member issue, depending on what it is, but we put pressure on our vendors to get them answers as quickly as possible. Our members need to run a business; they've got their own customers and they don't have time to deal

with vendor issues. So that's how we create value every day, by getting the answers they need in a very timely manner.

The relationships we build with our members help a lot too, and understanding their issues and challenges is another aspect of the competitive advantage we bring. It's one thing to listen to somebody's problem or concern, but it's another thing to really understand it and know how to address it. That might mean working with the member and the vendor to solve the problem and hopefully stop it from happening again.

Programs Team



Krista Venn
MANAGER OF PROGRAMS AND MARKET ANALYSIS



Ruth Adie
PROGRAM CO-ORDINATOR



Sean Deslauriers
PROGRAM ADMINISTRATOR



Kayla Mclsaac
PRODUCT COORDINATOR

By the numbers

Sexton's Accounting Team keeps the focus on speed and accuracy

Sexton Group is all about creating buying power, so purchasing programs tend to take center stage when talking about what the group does for the members. But an equally important function for the group is managing the various accounting processes related to member purchases and volume rebates. That complex task falls to Sexton's dedicated accounting team, led by Accounting Manager Angela Visser.

"There are six of us on the team - one person handling Accounts Receivable, another handling Accounts Payable, two handling invoicing, our admin assistant and myself," says Angela. "We support over 400 member location accounts and 240 vendors;

so in terms of the size of our team, we are a very productive group."

The day-to-day activities of the Accounting Group revolve around making sure the members are properly invoiced for their purchases and that they get all the information they need related to their accounts quickly and accurately at month-end. The team is also responsible for ensuring that volume rebates are paid out to members as quickly as possible, monthly, quarterly and annually. The Accounting Team also plays a vital role in supporting the group's vendor relationships by ensuring that invoices are paid in a timely manner.

"We constantly remind vendors to email us monthly statements for us to reconcile so we can make sure invoices are paid on the

due date," adds Angela. "We also request that vendors send over invoices by Electronic Data Interchange, or EDI, email or fax to speed up the process. It's all part of our team's commitment to transactional speed and accuracy."

Along with handling typical accounting functions, the Accounting Team is also the first point of contact for the membership for both email and telephone inquiries. In fact, there is an agreement among the team members to always answer phone calls by the third ring.

"Shayla Chartrand will usually answer calls, but any one of our team will pick up the phone and direct calls without delay if we need to," points out Sheana Panaon, Accounts Receivable Administrator. "On average we get around 300 emails every day that we have to go through, and many of those are inquiries or requests from members that require immediate action. It could be a question about a product or program, a pricing error, or a rebate issue; whatever it is, if we can't answer it ourselves we will make sure it gets passed on to the right person at Sexton or to one of our vendors that day.

"We also act as a liaison between our members and vendors to assist with getting credits for returns or incorrect billings. No matter what the issue is, our team is always there to help."

The Accounting Team is also very involved in introducing new members to the Sexton Group. After a prospective member has been brought forward by one of the group's regional Business Development Managers, and they have been given the



The Sexton accounting team supports over 400 member location accounts and 240 vendors

green light by senior management, Angela and Sheana conduct credit and reference checks. Once the checks are complete, the onboarding process begins, starting with a comprehensive welcome package.

"The welcome package lays out everything the member will need to know and how our systems work," Angela explains. "It describes the member portal and the information they can access there, where they can get their statements, and all about the rebate schedule. It also lists all the Sexton and vendor contacts. Once they are up and running on the portal, they'll be able to see all the vendors, products and programs that are unique to them."

The next step in the onboarding process is one-on-one training. Each new member is walked through how to use the member portal and accounting system by the group's dedicated training team.

"The training only takes about an hour and a half at first; but when they get their first statement I will give them a call and see if they have any problems reading it," Sheana says. "Some members might need extra help learning our systems, while other members with their own accounting groups find most of the functions are familiar."

On average, Angela says the whole onboarding process usually takes between five and seven days. "It all depends on how complicated their programs are and what specific tailored needs the member might have, and also how urgently they want to join the group. We have brought members on within three days."

The online member portal is the main source for receiving and downloading invoices. By May of 2021, the Accounting Team had switched 90 percent of Sexton members over to receiving their monthly statement package electronically.

"When you email it, the member gets their statement package on the third business day of the month," Angela points out. "When you

delivery times for a particular product or material to quote a special order, the portal can quickly tell them which vendors have it, along with the discount and payment terms offered.

"The rebate schedule for each program is laid out right there for them, monthly, quarterly or annually," says Sheana. "So they are able to make the best decision on which vendor they want to purchase from."

“We also act as a liaison between our members and vendors to assist with getting credits for returns or incorrect billings. No matter what the issue is, our team is always there to help.”

mail it out, even by courier, they won't get it sometimes until the fifth business day; for some businesses those two extra days make a difference because they can close their accounts faster.

"However, we frequently assist our members by downloading invoices from their member portal and emailing them if they are having a problem. The moment they contact us we will just jump in and get it for them, instead of trying to fix the underlying problem right away, if it's a technical issue or whatever. The first priority is making sure the member has what they need; that's how we try to go beyond what we would normally do as an accounting team."

Members can also use the portal to source products and materials through their specific purchasing programs. For example, if a member needs information on price and

And training isn't just for new members. Every member of the Sexton Accounting Team is cross-trained so that they are able to back up their co-workers when necessary, in case of sick days, vacation or high inquiry volume in a particular area.

"That's how we function as a team, so that at any one time the AP person has done AR before, and the invoicing person knows AR and AP," Angela says. "Maybe not the core function of the other person, but we all know each other's role well enough that we can support each other and make sure there are no delays in responding to member inquiries and requests."

"We work really well as a team," adds Sheana. "I find that if a problem ever comes up that any of us don't know how to handle, once we put our heads together we are able to find a solution for our members pretty fast."

Accounting Team



Angela Visser
ACCOUNTING
MANAGER



Sheana Panaon
ACCOUNTS
RECEIVABLE
ADMINISTRATOR



Madelyne Ongto
ACCOUNTS PAYABLE
ADMINISTRATOR



Martha Zuniga
INVOICING
ADMINISTRATOR



Angel Cortez
INVOICING
ADMINISTRATOR



Shayla Chartrand
ADMINISTRATIVE
ASSISTANT

Why Choose Sexton?

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matters most — your business.**



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