



NAME: Andy Wernick

TITLE: President

COMPANY: Industrial Plywood



Industrial Plywood, a Reading, Pa.-based distributor that caters to the residential kitchen market, prides itself on the stellar products it carries. “We try to buy the best, not the cheapest,” says President Andy Wernick, reciting the company’s mantra. However, one of the most significant hurdles that it, and companies like it, face today has to do with the end-user’s perception of quality.

One of the biggest factors contributing to that, Wernick finds, is the proliferation of ready-to-assemble kitchens coming from China. “John Doe cabinet-maker, who is making things from scratch, all of a sudden is finding himself competing with a ready-to-assemble cabinet from China, which is probably a fifth of the cost,” he explains. “And although the Chinese are getting better at making their product, they still have a long way to go to beat out the quality of what an American woodworker could give them.” Wernick believes the key to survival and success in Industrial Plywood’s niche is to educate the public about what they’re buying. U.S. consumers perhaps don’t realize the benefits of buying domestic woodworking products, including wood that meets CARB compliancy and formaldehyde-free glue lines; rather, Wernick says there is always a cohort of the population who believe ‘if it’s cheaper, it must be better.’ And that, he admits, is one of his greatest fears in terms of the end-user market.

A broader challenge for the industry, meanwhile, is the shrinking number of suppliers. “Companies are very pressured to increase their sales, increase their presence, increase their earnings; and a lot of them are not doing that organically,” Wernick notes. Instead, with money being relatively “cheap” these days, they are choosing acquisitions as their route to growth. But the consolidation trend is severely limiting opportunities for distributors which, despite longstanding relationships, may find themselves a casualty of the acquisition war. “If Company B comes in and buys out Company A, and Company B has existing distributors so they don’t need me as a distributor in their region, we get squeezed out,” Wernick offers as an example.

Industrial Plywood’s home market appears to be a hotbed for just this kind of activity, which could actually offer more opportunities for distributors. “People are realizing that this area is one of the most strategically geographic places to be because you can tap into so many markets – you can tap into the Philadelphia market, obviously. Harrisburg, Central Pennsylvania market, New York, North Jersey, South Jersey market, Maryland, Delaware, Baltimore, DC market,” says Wernick, rattling off the numerous possibilities. “I think a lot of manufacturers realize that and they want a foothold in Pennsylvania, or somewhere close. In Philadelphia, you drive two hours ... and that’s an incredible amount of population that you can serve.” With interest in the regional market steadily increasing, he says Industrial Plywood is constantly on alert for new suppliers to the area that may need distribution, even as the firm continues to nurture its relationships with its regular suppliers.

The company and its executives are not naïve, however, nor are they averse to exploring alternative avenues. With that in mind, Industrial Plywood is always on the lookout for new products to serve the commercial and residential woodworker. Still, “there is a fine line for us when we choose a new product,” Wernick divulges. “We ask ourselves, ‘is it a new product or is it a new business?’ If you choose a product that might cast you into a new business, you have to be very careful. If we don’t have the know-how to do it properly, 100 percent well, we’re not going to do it at all.” That being said, Industrial Plywood is steadily making progress on a five-year



plan that Wernick wrote last year – his “bible.” The industry is changing rapidly, according to Wernick, which means his firm may need to as well. While it’s too soon to show his hand, he suggests that Industrial Plywood – founded in 1951 – will be getting a makeover that could include new inventory, new infrastructure, new personnel, and new territory by the close of 2018.

One thing likely to remain constant during this transition, however, is the company’s affiliation with NBMDA, which is highly valued. Wernick hints that he may even get more directly involved in the association in the future. He admits to terminating Industrial Plywood’s membership many years ago but also concedes that it was a mistake. “I took a hard look at the list of people who are members and so forth, and I said ‘hey, you know what – I gotta be a member of this, gotta be a part of this,’” he told himself before re-joining. Wernick especially treasures the free exchange of information and ideas among members, even those in the same niche. “They’re not my enemies – they’re my competitors,” he emphasizes. “I can talk products, I can talk selection with them, I can ask ‘how do you handle a situation like this?’, I can talk to them about healthcare, I can talk to them about workers’ comp,” Wernick elaborates. He notes what a pleasure it was for him to encounter many NBMDA members at the recent International Woodworking Fair, where the organization had its own reception area. Overall, he characterizes it as a “great organization” and says it is “unbelievable the benefits you just can’t define on paper.”

About NBMDA

NBMDA is a multi-segment trade association representing the leading wholesale distributors of specialty building products and woodworking materials. Membership segments represent distributors and manufacturers that serve the independent building material, lumber, and kitchen and bath dealer, regional and national home centers, as well as those that serve production companies involved in cabinetry, architectural woodwork, stock woodwork, store fixtures, solid surface fabricating, plastics fabricating, general and specialty woodworking industries. For more information, visit www.nbmda.org.

