



**NAME:** John Stafford

**TITLE:** CEO and President

**COMPANY:** McFadden's Hardwood



If anyone understands the benefits of staying keyed in to market changes and trends, John Stafford of McFadden's Hardwood and Hardware believes his company does. The Ontario-based wholesale distributor is commemorating 50 years in business this coming June, an impressive 45 of them on the NBMDA membership roster. Through its resources and programs, Stafford says the organization will continue to play an instrumental role as McFadden's pursues its next half-century of success.

Stafford's confidence about the future is also grounded in McFadden's recognition and response to a fluid customer base. "What makes us a little bit unique, at least in this moment in our market," the president and CEO notes, "is that we understand that there are generational and demographic changes going on in our industry, and we have a very healthy respect for both of those type of changes" and are embracing them. Part of the shift stems from the cultural diversity of the customers served by McFadden's, which has nine branches across Eastern Canada. Stafford remembers how the demographic sea change became abundantly clear to him on an Easter Sunday. "I'm sitting at home," he recalls, "and I realized that in Toronto, 50 percent of our customers probably didn't care that it was Easter" because they identify with different ethnic and religious ideals. "And so we respond to those things." Specifically, company executives last year reevaluated the times that they close for business during traditional holiday periods and also made a decision to open on Saturdays, moving out of the standard Monday-to-Friday, 8 am-to-5 pm box.

In terms of what he categorizes as generational changes, Stafford points out, "We understand that future customers are not going to buy in the same way that people in front of us did."

With that in mind, McFadden's is investing heavily in e-commerce and mobile e-commerce. While that area presents a huge opportunity for the distributor to better serve customers, Stafford acknowledges e-commerce is a double-edged sword. The entire industry, he predicts, will struggle with aggregators like Amazon and other entities like it. "If you think about it, 10 years ago if you were looking for kitchen cabinets, you went to your neighborhood kitchen cabinet store," he cites as an example. "But now, if you start Googling 'kitchen cabinets,' all of a sudden you've got endless choice. And I think that's challenging [our customers] in terms of how they respond." He lists other challenges as well, from a "fractured" customer base to stagnation in customer productivity gains and capital spending following the recession. Watching customers reinvest in productivity is something McFadden's would love to see going forward. What may very well be one of the biggest issues looming before the industry, meanwhile, is an uptick in vendor direct-to-consumer activity. Not a new source of concern, Stafford says it is ever important to be on the lookout for competing vendors that may be selling directly to McFadden's customers. Imports, also, are a growing challenge for its client base as more and more non-manufacturers import and assemble store fixtures, kitchen cabinets, and other products.

Despite the various changes and challenges on the horizon, McFadden's considers itself up to task. It is evolving along with the industry, by adjusting its "open" hours; zooming in on e-commerce; and even drilling down to such changes as adding smaller, lighter, and faster fuel-efficient trucks to its fleet for shipping operations. Remaining involved at NBMDA is another component of the company's strategy for the future, says Stafford, who has been a constant and eager presence at the group's meetings for all of his 23 years with



McFadden's. The events are so "important and meaningful" to him that in 2014 he flew back from overseas, where McFadden's was holding its own year-end financial meetings, directly to NBMDA's annual meeting in Dallas. "It's very important that I have that opportunity to sit down with vendors that you don't see a lot of the year," Stafford notes. "And I get them all in one place, sort of in a condensed format – which actually makes sense, with busy schedules, too. It's about having that opportunity to sit down with the principals of our vendors in a relatively short time frame, and you couple that with keynote speakers and educational sessions and so on. It's probably my favorite industry even to attend simply because it's so productive."

### **About NBMDA**

NBMDA is a trade association representing the leading wholesale distributors of wood panels, surfacing materials, cabinet hardware, finishes and related products. Membership is comprised of 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](http://www.nbmda.org).

