



## INSIDE

## Motivated, Talented and Full of Industry-Changing Ideas

Meet the next class of MDM Future Leaders who are taking distribution to new, digitally focused dimensions.

*Chosen from dozens of talented nominees over a month-long online nomination process, the latest MDM Future Leader Award winners represent the cream of the crop among the field of under-40 distribution talent.*

**By Elizabeth Galentine and Eric Smith**

They come from a variety of roles across a range of different distribution sectors. Some have a strong family background in distribution, while others are new to the market and entered it by happenstance. But what all 10 of MDM's Future Leader Award winners have in common is a drive to improve distribution for all its stakeholders — employees, executive leadership, customers, manufacturers and vendors.

Another common denominator? They are all evangelists for advances in digital technology that they say will make it happen. The following profiles showcase how no matter what forms of disruption distribution will certainly face in the foreseeable future, the industry is in good hands.

### Christina Nielsen

As Government Sales & Operations Director for Lawson Products, Christina Nielsen, 35, is at the helm of a team of both outside sales and inside operations professionals running all public sector business for Lawson in North America. Known to her colleagues as an exceptional leader, within her first two years in the role, she turned public-sector sales into the fastest growing segment in the company, growing at a rate of 33% since 2018, according to colleague and nominator Kate Walden, director of corporate communications.

But that's not all. Nielsen and her team

have more than doubled Lawson's portfolio of state contracts across the country. "Christina launched a truly innovative program that focuses on selling to state, local and educational institutions," says Walden. "With a laser focus on the customer's point of view and providing our sales force with a proven approach to being successful in the public space, the program is designed to substantially grow our sales team members' business with local cities, counties and schools."

There are two portions to the public sector business managed by Nielsen's team, military and state, local and education. Although Nielsen's program launched in March of this year, just as COVID-19 shutdowns were ramping up, the program only saw two months of slow sales. The past four months saw substantial year-over-year growth, as much as 19%. "Christina's vision, hands-on approach and innovation has been integral to Lawson's success and will continue to be for years to come," says Walden.

Nielsen came into her current role through a background in marketing, with no formal experience in sales or sales operations. But her desire to understand all aspects of the business led her to accept the position. "When I came into this role, I focused on understanding the people on my team and where their strengths lie. Once I figured that out, and how to put people together, it was more than anything about getting out of the way. Because they are very talented," she says.

Although 10 people report to Nielsen, there are 900 salespeople in the company. She is focused on amplifying the public sector sales practices that have worked within her group across all of Lawson.

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## The Future of Distribution Looks Bright

Ask college students what is drawing them into distribution and an answer you will hear often is the opportunity to put new technologies and digital innovations into practice. As one industrial engineering student at Georgia Tech put it during a panel discussion at last month's virtual Power Transmission Distributors Association conference, "I'm interested in operations and viewing problems from a data science and coding perspective. And, investing in new emerging technologies like machine learning."

Her fellow Georgia Tech students had similar reasons as part of their decisions to pursue distribution and what they're looking for once they leave college and join a company. They even see it as a differentiator between Gen Zers just entering the workforce and the millennials they are following. "We've been growing up with this new technology. Whether it's artificial intelligence or machine learning, we're educating ourselves on it in college. We're not people who have already been in the industry, and then are having to wrap our minds around that later on," said another PTDA panel participant.

It sounds like there's exciting things to come from Gen Z as they trickle into the distribution workforce. Meanwhile, millennials already in the business are setting the stage for the next generation's success, as you will see in the profiles of our latest group of MDM Future Leaders throughout this issue of MDM Premium.

A common theme among the stories of our 10 winners is their desire to make sure technological applications are understood internally while fulfilling real-life customer needs externally.

Here is brief rundown of some of their key accomplishments:

- Christina Nielsen, government sales & operations director at Lawson Products, is amplifying a public-market sales education effort across the company's 900-person sales team.

- Bryant Argall, field operations program manager at Core & Main, personally traveled to nearly all of the company's 275 branches to train employees on new software.

- Matt Miller, commercial operations manager at IEWC, is a leader on the company's commercial excellence team.

- Emma Moretzsohn, executive vice president, J&L Building Materials, initiated the adoption of a new company ERP system.

- Mike Powers, director of e-commerce and digital marketing at Alaska Rubber Group, is spearheading digital training.

- Adam Becker, VP of operations at Palmer Johnson Power Systems, is a key driver of company modernization, including a new CRM.

- Adam Woodrey, executive director of marketing and communications at ARC Abrasives, is driving the company's updated outbound marketing and lead generation efforts.

- Dane Anderson, VP of operations and business administration, Forney Industries, is overhauling the company's warehouses.

- Dan Kurzyp, senior demand planner, ADI Global, is leading cross-functional business improvement efforts.

- John Delligatti, director of digital strategy, SDI, Inc., reinvented the company's sales process.

Congratulations to our winners!

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“The No. 1 reason for our success in the public sector is not relying on the 10 experts to be the only doers and generators of sales, but amplifying their knowledge through sales education programs, through enabling the other 900 salespeople with marketing tools so they could show that knowledge and bring that credibility to the customer,” she says. “Leadership is about giving others the knowledge, confidence, and direction to be successful. I couldn’t be prouder of how this program has been embraced and grown by our sales team.”

Nielsen intends to take the company-wide education effort to the next level in 2021. “It’s going to be focused on continuing the momentum,” she says.

## Bryant Argall

Known as an IT evangelist at his company, Core & Main, Bryant Argall, 31, has been a game changer for the water, sewer and fire protection distributor. In just two years, the field operations program manager has increased Core & Main’s adoption of digital estimating software by 1,000% while also changing the way the company’s workforce thinks, according to colleague and nominator Carrie Busbee, senior director of information technology.

Argall initiated a team of regional digital champions within the company, traveling throughout the country to personally visit more than 275 Core & Main branches in 2018 and 2019 to promote the take-off software and provide employee training. Argall personally traveled Mondays through Thursdays most every week.

He pushed for the in-person rollout rather than doing it virtually. “Most of our associates are seasoned, they’re more tenured. And they’re not going to want to sit and watch a video on this. So I said I will travel because I know the return on investment is going to be exponentially higher doing that,” he says. “And it turned out to be true.”

“They identified blind spots in our adoption goals, improved their training, and developed product enhancements and a leadership network that has enabled Core & Main to integrate digital take-off with our proprietary bidding platform,” adds Busbee.

The efficiencies that have resulted from Argall’s efforts enabled Core & Main to bid twice the number of bids in the last 12 months than in

the same rolling 12 months the prior year, she added.

Argall is now expanding his role, leading the IT product owners for Core & Main’s customer portal and data and analytic platforms. In addition, he is helping teams define the key performance indicators that help to measure success for every technical release. “Bryant’s team spirit and gentle demeanor serve him well as he fa-

*We’ve changed the mindset of our associates to be more open to technology, more with the times, and we have a lot more in the hopper.*  
 — Bryant Argall, Core & Main.

cilitates cross functional camaraderie, including building partnerships with our communications and learning teams to drive adoption across our geographically dispersed workforce of 3,500 associates,” says Busbee. “Bryant isn’t afraid of trial and error. He goes above and beyond in everything he does. He is a successful leader because he’s a successful friend and partner. He is our secret sauce and will continue to influence a wider audience each year as he embraces more opportunities to further our technology journey.”

Argall leads Core & Main’s Innovation Committee, a group of 10 associates from around the country who work together to improve the company’s technology capabilities. It’s helped with the rollout of a new mobile application that has played a critical role in giving outside salespeople information they need without having to be in close contact with others.

“We’ve changed the mindset of our associates to be more open to technology, more with the times,” says Argall, “and we have a lot more in the hopper.”

## Matt Miller

Matt Miller’s outstanding work ethic, ability to collaborate and build relationships, and focus on results has consistently expanded his positive impact on IEWC, Inc.’s business in the decade that he has been with the electrical wire and cable distributor. Promoted to a regional sales manager in 2016, his natural leadership skills and in-depth knowledge of customers, industry and account management best-practices spurred

his Southwest U.S. sales team to explosive growth during his tenure, says colleague and nominator David Burleton.

Beyond sales results and his personal accomplishments, Miller also developed and empowered his team, with three sales personnel earning President's Club awards and two of his team members being promoted to regional sales managers themselves, added Burleton.

Last summer, Miller took on new challenges and responsibilities as a member of IEWC's newly created Commercial Excellence team. This

*Transitioning between generations is notoriously hard and I think everyone has taken it in stride and really done a wonderful job.*

— Emma Moretzsohn, J&L Building Materials.

small group was tasked with a mission to “be catalysts of change to advance our customers’ and suppliers’ experience and create profitable growth through quality, speed, and consistency in our approach and processes,” according to the company.

As commercial operations manager, Miller has been an active leader in several innovations. These include:

- leadership of the creation of a virtual “sales playbook,”
- re-imagining of IEWC's pricing strategy as part of developing a new Configure Price Quote (CPQ) system within IEWC's CRM,
- deploying a new business intelligence software resource focused on total Cost to Serve/P&L based analysis,
- the roll-out of artificial-intelligence-based engines that proactively arm IEWC sales personnel with recovery opportunities and product expansion opportunities with current customers.

“Matt has the respect and trust of an entire sales organization as he applies his intelligence, experience and passion to advancing IEWC through commercial excellence,” says Burleton. “And at age 37, Matt's best years for IEWC and its customers still lie ahead!”

The two projects Miller is in charge of currently include developing a financial analytics tool to create P&L-style statements for each salesperson, territory, office, region and division, and using artificial intelligence to put sales-enhancing information at each salesperson's finger

tips. The next focus, Miller says, is to better integrate the quoting process to drive user interaction into Salesforce. “We're really trying to drive an omni-channel approach to our customer,” says Miller.

In the immediate future, Miller will run the integration of a company that IEWC just acquired. “It requires every single thing I've learned, from sales process, DC operations process, just working with people, learning what makes a business tick, how people go to market because it's a whole new division,” he says. “...I'm looking forward to the integration process.”

## Emma Moretzsohn

J & L Building Materials, headquartered in Frazer, Pennsylvania, achieved third-generation status when Emma Moretzsohn, 33, joined the family business. After two years at an employer-branding business helping companies understand how they can attract, recruit and retain the right talent, she brought that knowledge and skillset to J & L as executive vice president.

“As one of her first initiatives, [she] spent the better part of a year meeting with every employee to understand their career objectives and to ensure J & L had the right people in the right positions,” says nominator Bob Rumer of American Wholesale.

One outcome of Moretzsohn's organizational development work was the creation of a new management structure, positioning the company for a more targeted market strategy and greater cost effectiveness.

“I'm proud of putting together this new management team that is now leading the company. They were all internal candidates that stepped up into these roles, people that have been here in a lot of cases for a long time, that are now taking on a bigger leadership role,” says Moretzsohn. “Transitioning between generations is notoriously hard and I think everyone has taken it in stride and really done a wonderful job ... balancing the experience and wisdom of a lot of our managers that have been here for a very long time with fresh ideas from the next generation of leaders.”

Realizing J & L's systems limitations, Moretzsohn also took the company to a new ERP system and led the project team that designed, trained and successfully implemented the company's new management software after gaining insights from employees about what



type of system would work best for them. “As if that wasn’t enough, she then tackled a major company rebranding initiative creating a new logo, website, marketing materials, and social media presence,” adds Rumer.

When COVID-19 hit, Moretzsohn acted quickly and decisively to implement policies and procedures that are continuing to keep employees and customers safe. “Today, everyone is safe and J & L has regained all ground lost in the early days of the crisis,” says Rumer. “Experience is important, but Emma has demonstrated that with the right family background, a strong sense of commitment, and a willingness to tackle the tough jobs, our new generation of leaders is up for any challenge.”

Moretzsohn appreciates the ability to make an immediate impact at J&L. “It’s a place where you can share ideas, where you can try new things,” she says. “We tend to be a leader in launching new products, things of that nature, just because we are big enough to be influential but small enough to pivot at any point.”

She is optimistic about the outlook for 2021, with plans for some exciting launches that will further modernize J&L’s technology, such as an upcoming customer portal that will allow them to place orders through J&L’s system on their own.

## Mike Powers

Mike Powers’ passion and leadership is contagious, says nominator Scott Frymire, SVP of marketing at Unilog. With a strong marketing and e-commerce background, Powers, 39, took his former company, Hill & Markes, from very low e-commerce adoption to having close to 30% of its revenue flow through its digital branch before he left to join Alaska Rubber Group earlier this year as director of e-commerce and digital marketing.

Powers joined Alaska Rubber at the height of the first wave of the pandemic, at the end of March. He came onboard to manage their digital branch. Although COVID-19 has posed obstacles — Powers is based in New York while most of the company is in Alaska — things got off to a quick start and their new e-commerce platform is still on track for a January 2021 launch.

It is Powers’ job to make sure key stakeholders in the business will be familiar with the new e-commerce platform. “What makes me passionate about this is that in distribution, e-commerce or digital transformation is very new to some

of these organizations. And so I’m passionate about making the impact in a business that is taking on a new, completely different strategy,” he says.

Frymire calls Powers a “great team builder with a knack for hiring talented, passionate employees. He regularly speaks at trade shows, user group meetings, with analysts, and at other conferences on the topics of e-commerce, digital transformation, marketing, social media, customer acquisition and customer loyalty.”

Among Powers’ accomplishments is a program that he built to monetize his company’s e-commerce site by partnering with manufacturers on featured brand pages.

Powers says he is also motivated by sharing his experiences in digitalization with other practitioners to help them on their digital journey. As far as internal training at Alaska Rubber, he will be hosting regular webcasts each week once the new site launches and an onboarding specialist will be partnered with each sales rep to walk customers through registering, creating a hopping list, and more.

“Looking back on 2020, COVID has allowed our organization to be comfortable with technology. I have a lot of opportunity to meet [digitally] with many customers, manufacturers and vendors, where maybe a year ago, two years ago, it would have had to be face to face,” says Powers. “I think technology is not only going to allow me to build relationships with our vendors but it’s also going to allow me to really try to get as much customer adoption with our website as possible.”

He’s particularly excited about introducing a product configurator on Alaska Rubber’s website that will allow customers to configure assemblies, as well as an upcoming mobile app that will allow for photo scanning, barcode scanning and geolocating capabilities. “When you’re talking about the Alaska pipeline, man, it’s going to be really, really powerful for our customers to be out in the field to be able to place an order with Alaska Rubber Group.”

## Adam Becker

Adam Becker began his career at Palmer Johnson Power Systems in Sun Prairie, Wisconsin, without a background in industrial distribution, but the 32-year-old has made — and continues to make — a mark on the family-owned distributor of heavy-duty, off-highway parts and

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equipment.

After a few years excelling in sales, Becker was promoted to product support manager (which he called an inside sales manager role), where he managed a group of inside salespeople. He then rose to director of inside sales, a position he held for five years during which he also joined the company's leadership team.

In January of this year, Palmer Johnson spun off its engineering group and made a strategic acquisition, becoming a family-owned business of three standalone companies. With that change came some personnel moves, and Becker again changed roles, rising to VP of operations for Palmer Johnson Power Systems.

Becker now oversees customer service, product support, marketing, IT, and warehouse and inventory planning. Throughout his tenure at Palmer Johnson, he has been a key driver of modernization, including the implementation of the Salesforce CRM system as part of the company's goal to become more customer-centric.

Though Becker found it sometimes difficult to assert his voice as a younger member of the leadership team, he took a measured approach to bring his ideas to the team and showing their benefits as Palmer Johnson transformed itself into a more modern company.

"I never claimed to be an expert with our products or markets; all of that takes a long time to learn," Becker says. "Kudos to all of our tenured people who possess that knowledge; ultimately, that's what makes us successful. But — and this is just my nature — I'm always looking to make things better, and I'm not afraid of change. I also have a knack for getting along with people, which can make things a little bit easier, especially when change is coming. If you have a good rapport with people and build their trust by showing them that you ultimately have their best interest in mind and the company's best interests in mind, you can win them over."

In his nomination of Becker, Palmer Johnson President Craig Swenson — who outlined the many initiatives that Becker helped develop or led — said this about the company's rising star: "Adam has advanced quickly within our organization over the last eight years and has brought many fresh and innovative ideas that have helped us along the way. Not only that, but he is also always willing to dig in and do the hard work to bring those ideas from concept to implementation."

## Adam Woodrey

Adam Woodrey, 37, credits his grandfather — a mechanic in World War II who later spent a career in manufacturing — for his fascination with all things industrial. Woodrey followed suit in a way, landing a job at one of the larger industrial distributors, Wolseley Industrial, right out of college.

Woodrey's introduction to the industrial marketplace was a familiar one. He pulled orders in a warehouse and learned the differences between, for example, a gate valve and a knife gate valve.

He turned his interest in learning everything about the industrial world into a successful career at Wolseley, later moving on to Swagelok and then joining Troy, Ohio-based manufacturer ARC Abrasives Inc. three years ago.

During that time, not only did Woodrey take pride in serving the markets in which his grandfather had worked, but he also learned the business inside and out. And his time spent at a distributor was especially critical for fully understanding how the channel flows.

"I was on the distribution side of the business for a long, long time," he says. "I cut my teeth there. That's helped me now that I'm on the manufacturing side. ARC doesn't sell direct; we sell 100% through distribution, so it's been helpful to understand what's important to the distributor and how that impacts the end-user."

Woodrey has found numerous ways to impact ARC, a 60-year-old, second-generation, family-owned manufacturer. He has been working tirelessly to help the company stand out in the marketplace with the adoption of CRM, ERP, outbound marketing and lead generation program. He started as director of marketing before being moved to product management, then business development and now national accounts Fastenal team in addition to his role as executive director of marketing and communications.

"I wear a couple of different hats and get the opportunity to work with a wide variety of people in very different business units," Woodrey says. "But it all rolls up toward impacting this company, and that's what makes it fun."

Woodrey has found numerous ways to impact not only his own company but also the industry, serving as a member of the Industrial Supply Association's Emerging Leaders Committee.

Anthony Stayman, ARC's CEO and owner, had high praise for Woodrey in his nomination form, saying: "Adam firmly believes once you

have established someone's motivation, you can work alongside them to create something amazing. Adam is a disruptor. He believes in challenging the status quo. Hearing, 'That's the way we've always done it,' is like nails on a chalkboard to Adam. Asking 'what if?' is music to his ears."

## Dane Anderson

One of many threads uniting this crop of Future Leaders is that their contributions to their respective companies became more apparent — and more critical — against the backdrop of COVID-19. Any distributor or manufacturer that wanted to adapt to the rapidly changing marketplace would need some fresh, new ideas from their next generation of executives.

That was especially true at Forney Industries, a Fort Collins, Colorado-based, family-owned, 88-year-old metalworking products distributor.

Dane Anderson officially joined Forney in 2016, but the 28-year-old says that as a fourth-generation family member of the company, he's been a Forney employee all of his life. And Anderson, now the company's vice president of operations and business administration, is a big reason that Forney has navigated the pandemic as well as it has.

Anderson began his Forney career in sales before moving to VP of operations and serving on the executive team, where he is showcasing his talents alongside his father, President and CEO Steve Anderson, as well as David Eckert, the VP of industrial markets and director of field sales for the Central U.S.

During the last eight months, Eckert said in his nomination, Anderson was charged with keeping employees and facilities safe, maintaining supply chain lead times, adding second shifts in the distribution centers, overseeing a substantial increase in both small package and LTL shipments, identifying new bottlenecks, introducing new products such as masks and shields that require new packaging and assembly operations, and evaluating new automation capabilities.

Anderson happily took on these tall tasks. "The only thing that we want to stay stagnant at Forney is our customers' perception of us; we think our customers love us," he says. "This year, I've been tasked with completely overhauling our warehouses. Archaic is the wrong word, but our processes are very old and they need to

be updated. I'm tasked with taking our current pick process and fully automating it. They're bringing out the checkbook and saying to me, 'We're putting a lot in your hands, but you need to make us more efficient.'

Anderson, who spent a year working for a different company before joining his dad at Forney, initially worked in sales for two years before moving into operations. He's now helping the company move into e-commerce to better compete with the Amazons of the world.

*Archaic is the wrong word, but our processes are very old and they need to be updated. I'm tasked with taking our current pick process and fully automating it.*

— Dane Anderson, Forney Industries.

"We are trying to flip the mold and change how we distribute our product," he says. "And I think it's been a really fun challenge."

In his nomination of Anderson, Eckert added: "The reality is, our business changed in a matter of days/weeks and the leadership provided by Dane was critical to realizing our growth during this challenging period. No doubt that Forney Industries is in good hands as move into its fourth generation."

## Dan Kurzyp

At 29, Dan Kurzyp has built an impressive career that began with business analyst and planning positions at both a distributor and manufacturer and led to his current role as senior demand planner at ADI Global, where he's worked for the last two-and-a-half years.

Despite his depth and breadth of experience, Kurzyp understands that his young age can be an issue in decision-making processes alongside older, more tenured colleagues. Whenever he faces those challenges, he says he leans on a simple philosophy.

"My methodology, even before ADI, was 'Lead by example and prove yourself,'" Kurzyp says. "I'm a firm believer of respecting your elders and respecting those that came before you, but also providing input and earning your way to the top through trust and actions."

Mission accomplished for Kurzyp, who now

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handles demand planning for ADI, the Melville, New York-based wholesale distributor of security, AV and low-voltage products. There, according to his supervisor and Future Leader nominator, Eva Heller, the company's NA vice president inventory and planning, Kurzyp has "led several cross-functional 'kaizen' [a concept referring to continuous improvement] events for the business, which have resulted in material business savings."

When asked to provide a brief description of the nominee's qualifications, such as "innovative practices they've brought to the company; groundbreaking ideas; committees they've established or taken to the next level; mastery of technology; exceptional ambition; resiliency during COVID-19, etc.," Heller quipped, "all of the above."

Kurzyp takes pride in being an "all of the above" contributor, and he traces his passion back to when he was pursuing his business degree and became fascinated with supply chain. He was drawn to the challenge of efficiently and sustainably moving goods from Point A to Point B. "I found that super interesting because it was about learning the nitty-gritty individual detail and how everything matters to the bottom line," he says.

He built that passion at such companies as health care distributor Henry Schein and eyewear manufacturer Luxottica, and now he's helping ADI Global improve its processes.

"I was able to come in and use my skills and my past experiences in the industry to say, 'OK, here's what we could do to make things better and more efficient,'" Kurzyp says. "It's just nice to see what impact you make daily to actually save the company money and support customers."

In her nomination of Kurzyp, Heller added: "Dan is not only the go-to guy on our team but has earned a high level of respect and recognition cross-functionally and with ADI's leadership team."

## John Delligatti

Companies in the distribution space have found a need to "transform" their businesses in 2020 due to the pandemic, and one of the nominees who exemplified this ideal is John Delligatti, director of digital strategy for Bristol, Pennsylvania-based SDI Inc.

Delligatti, who rose from sourcing associate to his current position at SDI — a "supply chain as-a-service provider" in the MRO channel, according to the company's website — has brought an important area of focus to the company where he's spent the last four years.

"I am passionate about data," he says. "And that's what I bring to the table."

Delligatti, who started his career out of college as a purchasing agent for an optical supply company, has been busy this year leading a host of initiatives integral to ADI's growth, according to Chrissy Murphy, sales operations specialist and the SDI colleague who nominated Delligatti as a Future Leader.

"John has risen from a sourcing associate to the director of digital strategy over the span of three years," Murphy said in her nomination. "If there's anyone at SDI who fits the description above, it's him."

Thanks to his ambition, expertise in technology ranging from analytics to RPA combined with his business acumen, John has many transformational projects at SDI.

Among those projects, Delligatti reinvented the sales process — "SDI no longer sends out RFQs with thousands of items on them, but instead uses clients' data to tell them a story about themselves and how SDI can help," Murphy says.

What's more, he "built a database of items to do internal pricing searches based on manufacturing name/manufacturing part number," something SDI previously could not do.

Delligatti also "led the development of a bot to contact suppliers based on data (PO date, due date, whether or not the supplier confirmed the order, etc.), ask them to confirm the order, and escalate the order to a procurement manager if the vendor is non-responsive."

His ascension to MDM Future Leader is remarkable considering he began his college studies in environmental science. Thankfully for SDI and the industry, he switched to business management, and he has been able to deploy his talents and passion for data. His efforts should continue to transform the business moving forward.

"I got where I am by applying data to supply chain to solve problems," he says. "At SDI, the automation space is rife with opportunity, especially for companies like us. I'd like to keep going, but we got to keep proving ourselves. I'm a keep-your-head-down-nose-to-the-grindstone guy. As long as we keep doing good work, everything will come naturally."



## Building Material M&A Kicks Into High Gear

After a painfully slow second quarter and only a moderately paced third quarter due to COVID-19, consolidation in the building material sector has returned with a vengeance. M&A activity has accelerated across many distribution verticals, but consolidation among companies serving the commercial, residential and specialty construction markets has reached a fever pitch with private equity at the center of much recent deal-making.

In the span of a few days in mid-November, some of the largest players in this space have traded hands with eye-popping dollar values well into the billions. Here's the rundown:

US LBM, Buffalo Grove, Illinois, announced it has agreed to be acquired by Bain Capital Private Equity, which will own a majority stake in the company. Financial terms of the deal were not disclosed.

Specialty building products distributor Foundation Building Materials Inc., Santa Ana, California, agreed to be acquired by an affiliate of the private equity firm American Securities LLC for \$19.25 per share, or \$1.4 billion, including outstanding debt.

HD Supply Holdings Inc. said it has agreed to be acquired by The Home Depot Inc. for \$56 per share, or \$8.7 billion.

Specialty building materials distributor PrimeSource, Irving, Texas, will be sold from one private equity firm to another. Financial terms of the deal were not disclosed.

And Builders FirstSource Inc. and BMC Stock Holdings Inc. announced they had cleared a key regulatory hurdle in their \$2.5 billion all-stock merger, which was unveiled in August.

For all the handwringing earlier this year about M&A drying up as companies navigated the coronavirus crisis, their pent-up energy has resulted in some truly market-shifting deals.

## Distributor

Ferguson PLC announced the addition of two companies to its portfolio. The plumbing and HVAC distribution giant acquired **Old Dominion Supply Inc.**, a wholesale distributor of HVAC parts and supplies in Maryland and Northern Virginia, and **Atlantic Construction Fabrics Inc.**, a geotextile company operating along the East Coast.

JanSan distributor **Jon-Don**, Roselle, Illinois, has acquired **Factory Cleaning Equipment Inc.**, Aurora, Illinois.

**Heritage Landscape Supply Group Inc.**, McKinney, Texas, announced that one of its brands, **HLS Outdoor**, has opened a branch in Wichita, Kansas.

**Beacon Roofing Supply Inc.**, Herndon, Virginia, reported sales for fiscal 2020 ended Sept. 30 of \$6.9 billion, a 2.3% decrease compared to fiscal 2019. The company reported a loss for the year of \$80.9 million, compared to a loss of \$10.6 million a year ago.

**ABC Supply Co. Inc.**, Beloit, Wisconsin, announced it has opened a new location in Quincy, Massachusetts.

**Curbell Plastics Inc.**, Orchard Park, New York, has combined its two Arlington, Texas, locations into the larger Timberlake Drive facility, also in Arlington.

**Crescent Electric Supply Co.**, East Dubuque, Illinois, announced that Kristi Dahlke has joined the organization as chief financial officer.

**MSC Industrial Supply Co.**, Melville, New York and Davidson, North Carolina, announced it has appointed Mark Pickett as vice president, cross-channel growth.

**Turtle & Hughes**, Linden, New Jersey, has appointed Robert Courcy as vice president, Gulf Region.

**WESCO International Inc.**, Pittsburgh, appointed Akash Khurana as executive vice president and chief information and digital officer.

**Avnet Inc.**, Phoenix, appointed Phil Gallagher as CEO.

**Lowe's Cos. Inc.**, Mooresville, North Carolina, reported revenue for the third quarter of \$22.3 billion, up 28.3% from the year-ago quarter. Comparable sales increased 30.1%, and comparable sales for the U.S. home improvement business increased 30.4% for the third quarter.

Swiss fastener distributor **The Bossard Group** has invested a 40% stake in the startup company **MultiMaterial-Welding AG**, Stansstad, Switzerland.

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**Fasteners Inc. Southwest Supply and Professional Contractor Supply**, Las Vegas, this month named Brett Wilson to the vice president of sales.

**Dakota Supply Group (DSG)**, Plymouth, Minnesota, announced it has opened a branch in Great Falls, Montana.

**Amazon.com Inc.**, Seattle, announced plans to build an Amazon fulfillment center in Madison County, Mississippi.

**Economic**

Led by improvements in production-related indicators, the **Chicago Fed National Activity Index (CFNAI)** increased to +0.83 in October from +0.32 in September. The index's three-month moving average, CFNAI-MA3, fell to +0.75 in October from +1.37 in September.

Privately owned housing units authorized by building permits in October were at a seasonally adjusted annual rate of 1,545,000, according to the **U.S. Census Bureau and the U.S. Department of Housing and Urban Development**.

This is virtually unchanged from the revised September rate of 1,545,000 but is 2.8% above the October 2019 rate of 1,503,000.

U.S. cutting tool consumption totaled \$156.1 million in September, according to the **U.S. Cutting Tool Institute (USCTI) and The Association For Manufacturing Technology (AMT)**. This total, as reported by companies participating in the Cutting Tool Market Report collaboration, was down 20.5% when compared with the \$196.3 million reported for September 2019 but up 14.7% from August's \$136.1 million. With a year-to-date total of \$1.4 billion, 2020 is down 23.1% when compared with the first nine months of 2019.

The seasonally adjusted **Fastener Distributor Index (FDI)** for October was 56.5, up from 52 in September, according to the latest analysis from Baird, FCH Sourcing Network and the Institute for Supply Management. That marked the second consecutive month of growth.

The combined value of distributive trade sales

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**Calculation of MDM Inflation Index for October 2020**

	BLS Price Indices Oct '20	BLS Price Indices Sept '20	BLS Price Indices Oct '19	% Sales Weight	Weighted Indices Oct '20 (1)X(4)	% Change Oct '20 Sept '20	% Change Oct '20 Oct '19
1136 Abr. Prod.	642.4	635.3	633.2	19.1	122.70	1.12	1.45
1135 Cutting Tools	538.8	538.8	534.4	18.9	101.83	0.00	0.81
1145 Power Trans.	887.9	887.9	877.2	15.4	136.73	0.00	1.21
1081 Fasteners	592.0	592.0	566.9	9.0	53.28	0.00	4.43
1149.01 Valves, etc.	1121.3	1091.0	1070.9	7.6	85.22	2.77	4.70
1132 Power Tools	404.8	400.6	395.5	6.5	26.31	1.05	2.35
1144 Mat. Handling	656.8	656.5	646.8	6.2	40.72	0.04	1.55
0713.03 Belting	969.2	971.5	948.9	6.1	59.12	-0.23	2.14
1042 Hand Tools	856.8	854.5	835.7	8.1	69.40	0.28	2.53
108 Misc. Metal	507.7	506.8	504.3	3.1	15.74	0.17	0.67
"New" Oct Index	371.5	Oct Inflation Index			711.04	0.57	2.09
"New" Sept Index	369.4	Sept Inflation Index			707.01		
		Oct 2019 Inflation Index			696.47		

New index reflects 1977-100 base other #: 1967 To convert multiply by .52247

## Sept 2020 | Monthly Wholesale Trade Data

Wholesale revenues in September were \$486 billion, down 2.3% over September 2019 and up 0.1% over August 2020. September sales of durable goods were up 0.7% over the previous month and up 0.2% from a year ago. Sales of nondurable goods were down 0.5% over August and down 4.7% from last September.

Inventories were \$638.5 billion at the end of September, up 0.4% from the revised August level and down 3.9% from last year. September inventories of durable goods were up 0.1% from August and down 6.4% from a year ago. Inventories of nondurable goods were up 0.7% over August and up 0.2% from last September.

Monthly Inventories/Sales Ratios of Merchant Wholesalers: 2011-2020  
(Estimates adjusted for seasonal and trading-day differences, but not for price changes)



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**Inventories/Sales Ratio.** The September inventories/sales ratio for merchant wholesalers was 1.31. The September 2019 ratio was 1.33.

## Sales and Inventories Trends: Sept 2020

NAICS Code	Business Type	Sales \$Millions	Inventory \$Millions	Stock/Sales Ratio	% Change Sales 8/20-9/20	% Change Sales 9/19-9/20	% Change Inventory 8/20-9/20	% Change Inventory 9/19-9/20
<b>42</b>	<b>U.S. Total</b>	<b>486,039</b>	<b>638,488</b>	<b>1.31</b>	<b>0.1</b>	<b>-2.3</b>	<b>0.4</b>	<b>-3.9</b>
<b>423</b>	<b>Durable</b>	<b>238,752</b>	<b>382,039</b>	<b>1.60</b>	<b>0.7</b>	<b>0.2</b>	<b>0.1</b>	<b>-6.4</b>
4231	Automotive	40,672	63,576	1.56	3.5	4.3	-0.3	-7.1
4232	Furniture & Home Furnishings	7,961	11,485	1.44	5.3	-3.5	-1.4	-16.8
4233	Lumber & Other Construction Materials	14,282	19,514	1.37	6.2	11.7	1.9	-1.9
4234	Prof. & Commercial Equip. & Supplies	44,628	48,009	1.08	-1.8	-0.5	-0.5	-6.3
42343	Computer Equipment & Software	22,361	14,738	0.66	-7.3	-0.7	-2.1	-14.5
4235	Metals & Minerals	11,491	29,225	2.54	-0.3	-18.9	0.1	-10.2
4236	Electrical Goods	46,005	52,854	1.15	-2.5	-6.1	-0.5	-4.2
4237	Hardware, Plumbing, & Heating Equipment	14,406	27,257	1.89	0.9	9.3	2.3	0.3
4238	Machinery, Equipment & Supplies	38,014	101,170	2.66	0.5	1.8	0.5	-5.6
4239	Miscellaneous Durable	21,293	28,949	1.36	3.4	8.5	-0.2	-11.3
<b>424</b>	<b>Nondurable Goods</b>	<b>247,287</b>	<b>256,449</b>	<b>1.04</b>	<b>-0.5</b>	<b>-4.7</b>	<b>0.7</b>	<b>0.2</b>
4241	Paper & Paper Products	7,550	9,859	1.31	2.2	1.5	0.8	6.2
4242	Drugs	64,658	71,890	1.11	-0.2	7.8	1.6	12.6
4243	Apparel, Piece Goods & Notions	10,626	24,773	2.33	2.7	-16.3	-3.0	-14.5
4244	Groceries & Related Products	59,429	41,771	0.70	0.5	2.0	-0.4	2.3
4245	Farm-product Raw Materials	17,485	24,636	1.41	1.4	7.2	4.8	5.8
4246	Chemicals & Allied Products	9,731	11,912	1.22	3.3	-9.8	-1.8	-9.0
4247	Petroleum & Petroleum Products	39,344	19,329	0.49	-5.0	-31.4	1.1	-9.3
4248	Beer, Wine & Distilled Beverages	15,144	17,503	1.16	-4.2	11.7	0.3	-9.6
4249	Miscellaneous Nondurable Goods	23,320	34,776	1.49	1.2	1.4	0.9	-3.6

U.S. Bureau of the Census, Current Business Reports, Monthly Wholesale Trade, Sales and Inventories Series: MDM compilation and analysis. Adjusted for seasonal and trading day differences. Figures for sales and inventories are preliminary adjusted estimates.

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and manufacturers’ shipments for September, adjusted for seasonal and trading day differences but not for price changes, was estimated at \$1,465.1 billion, up 0.8% from September 2019 and up 0.6% from August, according to the **U.S. Census Bureau**.

Total industrial production grew 1.1% in October, according to the **Industrial Production and Capacity Utilization Report**, released by the Federal Reserve. The index has recovered much of its 16.5% decline from February to April, but output in October was still 5.6% lower than its pre-pandemic February level.

**Manufacturer**

**Myers Industries Inc.**, Akron, Ohio, announced the acquisition of Elkhart Plastics Inc., a rotational molding company.

**Protective Industrial Products Inc.**, Latham, New York, announced the acquisition of **Primax Manufacturing & Trading Inc.**

**SKF** announced that President and CEO Alrik Danielson will leave the company in 2021 after five years in those positions. SKF’s board has started the process of recruiting a new president and CEO.

**3M**, St. Paul, Minnesota, reported total sales for October increased 3% year-over-year to \$2.9 billion.

**Emerson**, St. Louis, announced it has completed the purchase of **7AC Technologies, Inc.**, a technology startup whose air conditioning technology enables energy savings and sustainable air management.

**IRCG’s Weekly Pandemic Revenue Index Slips 2.2%**

Indian River Consulting Group’s (IRCG) weekly Pandemic Revenue Index for the work week of Nov. 9 to Nov. 13 indicated a 2.2% decrease compared with the same week a year ago. Of the 12 respondents, four reported increases, according to IRCG. The range of decreases for the eight other companies ranged from 3% to 31%.

“It will be interesting to see how the index may change over the upcoming weeks as new

lockdown orders are beginning to be put in place,” said Mike Emerson, IRCG partner.

The previous week, Nov. 2 to Nov. 6, marked one of the best non-holiday-influenced weeks since February with an increase of 8.6%.

IRCG’s distributor Pandemic Revenue Index gives distributors a weekly quantified view into how other distributors in the industry are faring as the global COVID-19 pandemic progresses.

