

INSIDE

Sustainability is More Than a Buzzword for Curbell Plastics

The company is on a long-term environmental sustainability journey, supported and reinforced by executive leadership.

Plastic sheet, rod, tube, tapes and fabricated parts distributor Curbell Plastics is committed to improving its footprint while encouraging others to follow suit on responsible plastics distribution.

By Elizabeth Galentine

Orchard Park, New York-based distributor Curbell Plastics — perennially among the top plastics companies on MDM's annual Top Distributors list — recently released a video that highlights how long-term performance plastics, like those that Curbell sells, can potentially outperform other materials and reduce waste and energy consumption in the process. Through a 17-member 'green team,' employees lead sustainability initiatives at Curbell's 20+ locations.

Mark Shriver, director of safety & environmental affairs, has been with the company for 40 of its 79 years and credits the top-down commitment by its people to environmental best practices for Curbell's example-setting successes. Shriver's held many positions with Curbell, including in safety, regulatory affairs and quality, but says his passion is on the sustainability side.

MDM recently spoke with him about Curbell's ongoing efforts.

MDM: Please share a bit about Curbell's corporate commitment to sustainability.

Shriver: Curbell is a generational business that has been around since 1942. The owners of Curbell, Tom Leone and Tina Sabuda, are committed to the long-term success of the business and believe that the concept of business sustainability goes beyond simple recycling and relighting

programs, but rather it is a commitment to total corporate responsibility.

Responsibility to our employees and being the employer of choice, to our business partners and working with them on long-term, quality relationships so we can collectively prosper while being environmentally diligent, to our customers where we create ongoing relationships that offer excellent products and services and where we partner with them on opportunity, growth and in many cases environmental responsibility, and to the communities in which we operate where we engage on many levels that include donations, time and encouraging employee participation.

A lot of times businesses, they kind of put things together, they start recycling, they don't really have a full commitment from leadership. It's like, 'We have to do this. Our customers want this.' Or whatever it may be. We've been blessed here at Curbell. Our ownership group, it's a generational organization, we've been around since 1942. They want this company to be here long term, and through more generations.

And [Leone], he's here every day. He has one of the first LEED certified homes in Western New York; he drives an electric vehicle. He believes in this stuff. He realizes that these types of best practices are not only good for the long haul and for the communities and our employees but it's also really good for the businesses. And he sees those benefits to businesses and into our business. He's the one who drives it and we have a great culture because of that.

MDM: Sometimes corporations will vaguely reference sustainability, and

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Commentary:

We're Looking for Exemplary Women in Distribution

MDM's new award nomination period is open through March 19, 2021.

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How harnessing the power of data can transform a distributor.

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Monthly Wholesale Trade Data

Wholesale revenues in December 2020 were \$503,778 billion, up 1.7% over December 2019 and up 1.2% over November 2020, according to the Census Bureau.

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We're Looking for Exemplary Women in Distribution

On a recent Friday afternoon, we did a soft launch of MDM's newest industry recognition award, Women in Distribution. By the following Monday afternoon, we'd already received nearly three dozen responses! I'm thrilled with the turnout so far and see it as an indication that there is a growing hunger to recognize the outstanding accomplishments of women who are advancing this billion-dollar market.

As our simple nomination form says, the brand-new awards program recognizes the exceptional job performance and overall industry influence of women in this traditionally male-dominated field. The awards will showcase successful leaders who demonstrate excellence, all while breaking barriers and championing other women toward success.

Whether a rising leader or a veteran executive, the MDM Women in Distribution award winners will represent a source of inspiration for their colleagues and peers, and signify a deep well of go-to distribution knowledge. Accordingly, we will also be inviting several of the winners to participate in an interactive discussion panel during MDM's next virtual event, The Future of Distribution Summit.

The Future of Distribution is Now

Also new to MDM's lineup this year, the Summit will be taking place online throughout the day on Thursday, April 13.

It will explore three sectors of COVID-19-driven changes to the distribution workplace:

1. New distribution business models,
2. Productivity and the new workplace,

3. Talent development through recruiting and retention.

I don't need to tell you that the pandemic has distributors rethinking go-to-market strategies, what it means to work productively and effectively, and reevaluating the characteristics that create long-term success for customers and stakeholders.

Make a note to join us April 13 as we explore the answers to these questions and provide you with real-life examples of how leaders are executing on fundamental changes to the distribution business model and workplace. You will leave the Summit with new KPIs for talent, organizational structure and operational excellence.

And, for the chance to hear the perspective of one of your favorite leading women in the field as part of the Summit, I strongly encourage you to nominate a colleague (or yourself!) for the MDM Women in Distribution awards by the deadline of Friday, March 19. You can fill out our quick entry form by visiting mdm.com/call-for-nominations-women-in-distribution-awards/. If you have any questions, don't hesitate to reach out to me directly at elizabeth@mdm.com.

Lastly, in keeping with the future-focused theme, be sure to check out my conversation in this issue of Premium with Curbell Plastics' Mark Shriver. The 40-year distribution industry veteran explains how Curbell, as a leading plastics distributor, is able to maintain its ongoing environmental sustainability practices so that they are reducing the company's environmental footprint while also promoting business-friendly growth and development practices.

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CURBELL PLASTICS

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there's not much behind it. What are some of the metrics that you're using to ensure that you're maintaining your commitments?

Shriver: Our programs are maturing, and we continue to evolve. So do our metrics. Currently, we track solid waste, waste diverted from landfills, repurposed materials, energy and water consumption and reduction, and outreach. We review this data periodically in management review and other meetings.

Like anything, and especially in this field, when we first got into it, there was really no template to follow. We were looking at all these Fortune 500 companies, these big companies that have all these people and they're doing all these different things. And we realized early on that we have to do this the way we have to do this — it's got to fit our business.

We can't use a template from another company. And so we've made broad commitments. We want to reduce our waste. We've done some assessments, and we said, 'What is our biggest impact?'

Early on, we realized that our biggest impact was solid waste. And so we addressed that and got it to a certain point. We don't always set goals as to where we want to be. We just address it vigorously and as hard as we can and often-times surprise ourselves with where we've been.

So a lot of times, we target an area, for instance, energy, and we say, 'OK, here's where we are.' We'll collect our baseline data. As we move through projects, often they are projects that are good business projects. LED lighting, that's something that everybody's doing. You cut your cost by, say 40%, 50%, 60%, it pays for itself in two and a half years. We follow those metrics, and we look for the next little thing that we can do. And we continue to do that.

We are evolving. Our bigger impacts, whether it's transportation, energy, any other utilities, solid waste, things of that nature, we are always reassessing and saying, 'What's next? What's next?' And what is next is some strategic planning.

We're starting to look at things like zero waste — which would impact our supply chains — being carbon neutral. Bigger, broader, grander. We're looking at going to that next level.

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Curbell Recycling & Sustainability Efforts



2,000,000+ pounds
of material recycled at
Curbell locations. Over 700K
recycled in WNY alone.



180,000 kilowatt hours
LED lights installed at corporate
headquarters resulted in reduced
energy consumption.



17 employees
Curbell has a 17 member green
team helping with sustainability
initiatives at our 20 locations.



source: Curbell Plastics

CURBELL PLASTICS

Continued from p. 3

MDM: How does executive leadership promote and model the commitment to sustainability?

Shriver: By supporting efforts like my work in co-developing the Western New York Sustainable Business Roundtable where we collaborate with local government, academia, and both for-profit and not-for-profit organizations on creating an economically and environmentally

companywide, we have daily activities, contests and communications designed to teach, encourage and promote sustainable concepts at work and at home.

We have potlucks and we have cookouts and throughout the month there's activities including things like here in Orchard Park, we have a recycling event for electronic waste. All the proceeds go to Camp Good Days, which sends kids with cancer to camp. So those are some of the things that we do.

MDM: How does this focus on sustainability help the business to develop and grow? Sometimes companies look at those words like 'carbon neutral' as getting in the way of helping the business grow. But it sounds like you all are taking the opposite approach and that it's helping you to develop and become a stronger company.

Shriver: Yeah, that's definitely one of the reasons

resilient Buffalo Niagara Region. Also, the work we have done in supporting industry initiatives (International Association of Plastics Distribution) in teaching and encouraging sustainable behaviors to others in our industry and assisting them in becoming more environmentally responsible.

We do a lot of outreach in the organization. It's not all committed to the environment. We work with different groups out there, whether it be the United Way, or a corporate challenge where we sponsor employees to get involved in things. We encourage that across the board. But we also promote opportunities for them to be involved with the Western New York Sustainable Business Roundtable.

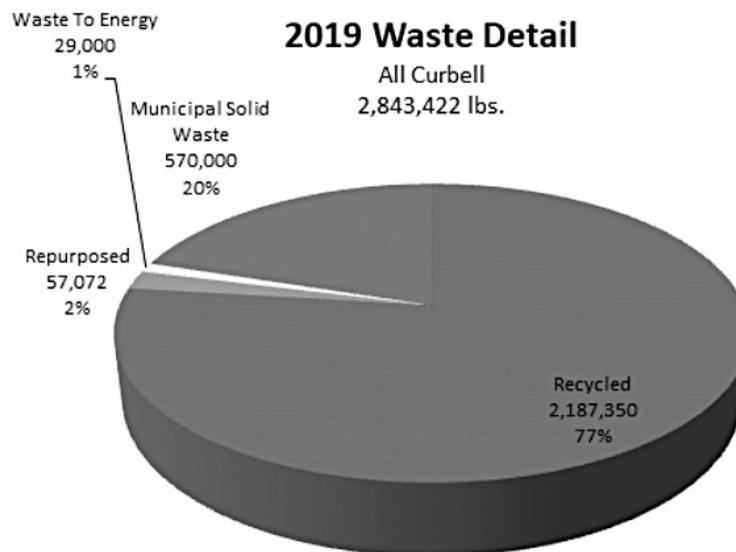
We encourage our employees to get involved with things like the International Association of Plastics Distribution. We are an organization that just encourages employees to be involved.

The biggest thing internally that I love doing is Earth Day is April 22. Everybody knows that, I hope. But we take the whole month of April and we call it Earth month. During that month,

why we're not there yet. Because we're always trying to find ways to make it fit the business. I'm a firm believer, and I'm very passionate about the environment. But I also have to work. I like to call it business sustainability; it's not just environmental sustainability, it's business sustainability. That means a true business sustainable effort is one that helps the business as well as the environment. And we're learning different ways of making that happen.

For instance, it's easy to say, 'We put new lights in, and we're saving this much money.' It's great. And the investment pays for itself, we lower our costs, the environment is better. But where it becomes a little more difficult is where it may cost us a little bit of money to achieve something. And then we have to find ways of where are we getting value for the company do this? How can I justify this? What's my return? How can I get in front of the board of directors, the chiefs here, and get their support?

We're looking at branding. That's a big deal. Our brand is growing, there's some value to that. And we use that as part of the justification. We're also looking at being the employer of



choice.

Go out and interview some people between the ages of 18 and 25 years old and I'll bet you you're gonna come across the majority of them asking questions about, 'Do you have any environmental programs? What kind of benefits do you have? What kind of a company are you?' They want to work for companies that are committed to them, as well as the places that we all live, work and play.

Our brand is growing because of these efforts. We are truly improving when it comes to being the employer of choice. So many young people today ask questions surrounding our commitment to the environment and want to be part of a company that they can feel good working for.

As for many of our customers, this is a differentiator. Many are now demanding environmental responsibility and we have a story they enjoy being part of. So that's some of the things that we're doing here and trying to learn and trying to figure out so we can continue to move forward.

MDM: What are your goals for the future?

Shriver: We are in strategic planning now. We're considering possibilities of zero waste and car-

bon neutral.

MDM: How do you promote this environmental commitment within the company and also within the industry?

Shriver: CurbLife is our internal social media. Of course, Earth month. Externally, working with the Western New York Sustainable Business Roundtable and the IAPD. Also, with media blasts regarding certain products, using our new videos and bragging about our latest award or certificate. Also, when doing presentations to business partners or at trade shows, etc.

MDM: What kind of feedback do you get from customers, employees, prospective employees and peers?

Shriver: It's all good. Most can't believe that a company of our size has achieved what we have.

MDM: Is there anything else you would add on the topic?

Shriver: All I have to say is, I encourage people to do this. It's not only something that you'll feel good about when done, but employees embrace it. It's helpful all around.

Curbell's Sustainability Timeline

2008: Reduced dumpster service from 10 pickups to two pickups per week

2009: Achieved zero landfill status for two locations

2010: Implemented an employee incentive program to eliminate plastics operations waste

2011: Implemented a print management program, saving an estimated \$250,000 in 5 years

2012: Worked with a supplier to reduce individual item bagging, saving 500,000 plastic bags annually

2013: Western New York Sustainable Business Roundtable Steering Committee held first meeting at Curbell HQ

2014: Won Business First Manufacturing Award for Sustainability in Manufacturing

2015: Launched first annual Earth Month celebration

2017: Launched a single stream recycling program to reduce waste to energy loads

2018: Held a Solarize Campaign offering employees home solar panels below market cost

2019: Recycled more than 2 million pounds

Use Analytics to Grow Your Business

How harnessing the power of data can transform a distributor.

This article introduces distributors to the benefits of analytics, including how data-informed decisions can help a company analyze market potential, profile customers and better target prospects — all of which can grow revenue, reduce costs and improve profitability.

By Donnie Williamson

Data has never been more accessible, nor has it ever been more critical to a distributor's success, but simply obtaining data is just a starting point. How the data is used and analyzed will ultimately determine the impact it will have on your business — and the impact can be significant for any company that wants to improve their top and bottom lines.

Even the best and most accurate data can be misused, so it's critical to have a savvy data analyst in place to harness the potential of your data. Through thoughtful analytics, your data can be transformed into information, uncovering a path that leads to operational efficiencies and profitability.

Why wouldn't a distributor deploy analytics in their business? Companies opt against using it for a variety of reasons — they think it's too expensive, they aren't sure how effective it will be or they have gone without for the lifetime of their company and don't see why they should begin now.

But, as you'll see in this article, the distributors who are putting a premium on robust analytics-backed processes and strategies are best poised to navigate today's increasingly complex competitive landscapes and take market share in the process.

What Analytics Can Do for Your Business

Simply put, analytics can do a lot, and there's a good chance that your business is already using some form of analytics to maintain and enhance the level of service your customers have come to expect.

Through reporting solutions, distributors can analyze a myriad of things to increase their value proposition to the markets they serve. Whether you're using the data from your inventory management system to better organize your fulfillment centers or compiling the data from your e-commerce systems to better understand your customers' digital buying behaviors, analytics can give you an in-depth view of nearly

every aspect of your business.

Your analytics outcomes are directly related to the data available and the quality of said data. As mentioned, your company is likely already using analytics to better understand your business reporting out of your ERP system, which is referred to as Descriptive Analytics.

According to the introduction of MDM's 2015 book, *Distributor's Guide to Analytics*, "Descriptive analytics is what most distributors live and breathe — ERP exports, Excel analysis, dashboards to slightly deeper comparative tools that give visibility into what the data say happened or is happening."

Here are a few examples of descriptive analytics and the benefits they offer a distributor:

- **Sales Reporting:** This can lead to increased sales and improved margins.
- **Customer Reporting:** This can uncover buying behaviors, including what products are being bought and at what frequency.
- **Vendor Reporting:** This can lead to efficient buying strategies.
- **Product & Inventory Reporting:** This can lead to efficient inventory and materials management strategies.

Possessing the above analytical capabilities is critical because they enable distributors to have an in-depth understanding of all the activities and processes taking place within their physical and digital locations. But these reports require more than just sorting of numbers in a spreadsheet. Both quantitative and qualitative expertise is critical for harnessing the true power of your data, so analytics-based solutions require more than a mere spreadsheet technician.

The Critical Role of a Data Analyst

Analytics is a team sport, and, like any athletics squad taking the field or court, a company's analytics department requires an array of perspectives and skills. The good news is you don't have to be a data guru to participate. In my experience, the best reporting solutions have come about when both business and data experts unite to create meaningful outputs. These outputs generate actionable insights that produce bottom-line profitability.

For example, your data analyst might not know all the processes and associated costs to fulfill an order once received. This information is critical if you are trying to analyze the

cost to serve your customers, so someone from the fulfillment team will need to provide some insights.

Also, even the most talented data analysts may struggle to create value out of their data if they are not well informed of the business and processes creating the data. In this case, your company's subject matter expert (SME) should be actively engaging with your data analyst.

Because it takes a coordinated and collaborative effort, the next time your team has a strategic planning session or is discussing your next initiative, invite your colleagues in the data department. Allow them to understand your processes, terminologies and pain points. Whether it's sharing the meaning behind the many acronyms and processes your teams use daily or walking them through a new project or sales initiative, keeping your resident data analyst up to speed is time well spent. They, in turn, will be able to collect data from other areas of the company and compile it into something that benefits everyone.

Over time, your resident data analyst will become an extension of your team, but remember that cultivating a data-driven, cross-functional organization is a journey. And regardless of where you are in that journey, it's imperative to get in the game and extract the value of your data by bringing previously unknown insights to the forefront of your decision-making processes.

Taking your Analytics to the Next Step

No matter where a company is in the analytics journey, they want to sell more products to both new and existing customers. The illustration at the bottom of this page can help identify the types of analytics you are currently doing and what steps you can take to propel your analytics capabilities to the next level.

Many distributors find themselves in the bottom left quadrant of the graphic. Likely, you're already reporting against your transactional data to find what products your current customers are buying and what products they are not. Described as Whitespace Reporting, this can be used to inform your sales teams with the right information to win over new product sales against your current customers.

For instance, the Whitespace report may identify a customer who regularly buys fuses but not the accompanying fuse holders and accessories. This gives your sales professional a point of conversation on their next call to better understand why the customer isn't buying fuse holders, for example, and how they can potentially win additional product sales.

Distributors in the bottom right quadrant are targeting new customers but are typically limited to their local market knowledge and expertise. They often prospect for new customers through the traditional means of cold calling or leveraging industry relationships to expand

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Increase Your Product Sales and Customer Base With MDM Market Prospector



MDM ANALYTICS

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market share.

The goal is to elevate the business into a market prospecting approach. As you scroll up to the top two quadrants, you will see that bolstering your analytics toolbox with additional market data sources can supercharge your reporting capabilities. This will deepen and expand your focus by identifying new customers, products and territories to target.

One example: Your current reporting may show you are selling X amount of safety products in a given territory, but what it may not be telling you is the total demand for safety products in that territory. By connecting your existing data to a trusted market data set you can quickly understand how your business compares to the overall market, giving you actionable information for your sales and marketing teams to better target new and existing customers to gain market share.

To optimize the use of your new data, it's critical to accurately connect your transactional data to the market data. Common data points that distributors use to connect their data are as follows:

- NAICS: North American Industry Classification System
- SIC: Standard Industrial Classification
- DUNS (Dun & Bradstreet)
- Geographical: Customer Address Info

Next Steps

This is only an overview of how analytics can help your company target new customers and markets, which, in turn, will lead to a stronger top and bottom line. More details can be found in the aforementioned book from MDM, *Distributor's Guide to Analytics*.

tributor's Guide to Analytics.

Another valuable resource is MDM Analytics — a sister company of Modern Distribution Management — where we regularly work with clients and their data to ensure that the right connections are made between a company's transactional data and our trusted market data, which offers end-user demand by product and industry segments throughout North America.

It is common practice for us to dive into how you categorize your product and customer data to create accurate and meaningful connections, bringing relevant market data to the forefront of your analytics.

If you don't have your customer data defined in your system to your liking, MDM Analytics can help. We've worked with it all, and we have the capabilities to enhance your customer data, appending Dun & Bradstreet firmographic information and predicted spend to ensure that you have the best data available to better understand your customers.

When trying to understand the competitive and complex landscape that any distributor is navigating, trusted external market data is the most important place to start. MDM Analytics can help you identify your blind spots.

Whether you are just now diving into the world of analytics or are well on your way into this important journey, you can't afford to dismiss the power of bringing your data to life. While the best time to have deployed analytics in your business might have been 10 years ago, the second-best time is now.

Donnie Williamson is Analytics Manager for MDM Analytics. Learn more about how MDM Analytics can help your company by calling 888-742-5060 or emailing analytics@mdm.com.

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April 13, 2021



mdm events



Watsco Doubles Down on Growth Drivers

Watsco Inc. has been operating out of the same playbook for the past few years, and in 2021 the Miami-based HVACR distributor expects to double down on the growth drivers that have been propelling the company to record sales, cash flow and profit. The company reported 2020 sales of \$5.1 billion, up 6% over 2019 and another record for annual revenue. Profit improved 9.6% to \$269.8 million, also a record. For the fourth quarter, the company reported sales of \$1.2 billion, up 7.7% year-over-year, and a profit increase of 23.4% to \$46 million.

On the subsequent earnings call, Watsco's leadership shared some of their plans for the coming year as the company looks to leverage its market strength as well as favorable industry trends due to more people staying home amid the pandemic and therefore investing in their HVACR systems.

The HVACR industry is trending positively for Watsco, but the distributor isn't waiting around. It's pressing forward on such growth drivers as increased M&A, advanced digital transformation and enhanced customer acquisition. Let's unpack each one to better understand the company's approach to 2021.

M&A will be a focus for Watsco this year, according to CEO Albert "Al" Nahmad and EVP Barry Logan, each of whom spoke about growth through acquisitions on the earnings call.

"Watsco is an acquirer," Nahmad said. "As part of our overall strategy, we have a \$5 billion revenue in the \$40 billion industry, so our share has a lot of room to grow, and we use our balance sheet to support M&A."

Watsco also continues to invest in technology, noted Nahmad, who said the company's mobile app users increased 27% in 2020, with more than 120,000 downloads, while e-commerce transactions grew by one-fifth to 1.2 million online orders.

Distributor

WESCO International Inc., Pittsburgh, has sold its legacy WESCO Datacom business in Canada to **Guillevin International**, a Canadian distributor of industrial products.

SiteOne Landscape Supply Inc., Roswell, Georgia, has acquired **Lucky Landscape Supply LLC**, Katy, Texas.

Krayden Inc., a Denver-based distributor of specialty chemicals to the aerospace, electronics, transportation and industrial sectors, has acquired **Northern Composites**, Hampton, New Hampshire.

KKR, a New York-based global investment firm, has agreed to acquire **Flow Control Group**, a Charlotte, North Carolina-based distributor of flow control and industrial automation products, from **Bertram Capital**.

Landscape distributor **Heritage Landscape Supply Group Inc.**, a McKinney, Texas-based subsidiary of **SRS Distribution**, announced that it has acquired **Watson Supply**, a Harrisburg, Pennsylvania-based, family-owned distributor of hardscapes, lighting, irrigation and other landscape products. Financial terms of the deal weren't disclosed.

Pipes, valves and fittings distributor **MRC Global Inc.**, Houston, reported 2020 sales of \$2.6 billion, a 30.1% decrease from 2019. The company reported a loss of \$298 million, compared to a profit of \$15 million last year. The company reported fourth-quarter sales of \$579 million, down 24.4% from the same period a year ago. The company reported a loss of \$11 million, compared to a loss of \$30 million last year.

Genuine Parts Co., the parent of **Motion** — what GPC calls its "industrial parts group" — reported that the distributor's fourth-quarter sales of \$1.4 billion were down 3.3% year-over-year and represented 34% of total company revenues (up from 32% the prior quarter).

Systemax Inc., the Port Washington, New York-based parent of **Global Industrial**, reported 2020 sales of \$1 billion, up 8.7% from 2019. Profit grew 28.2% to \$64.1 million. The company's fourth-quarter sales of \$273.9 million were up 23.3% from the same period the previous year. The company reported profit of \$16.4 million, up 43.9% from the fourth quarter of 2019.

Lowe's Cos. Inc., Mooresville, North Carolina, reported sales for the fiscal year ended Jan. 29 of \$89.6 billion, up 24.2% from 2019. The company reported profit of \$5.8 billion, up 36.3% from \$1 billion in 2019. For the fiscal fourth quarter, the company reported revenue of \$20.3 billion, up 26.7% from the year-ago quarter. Profit grew 48% to \$978 million.

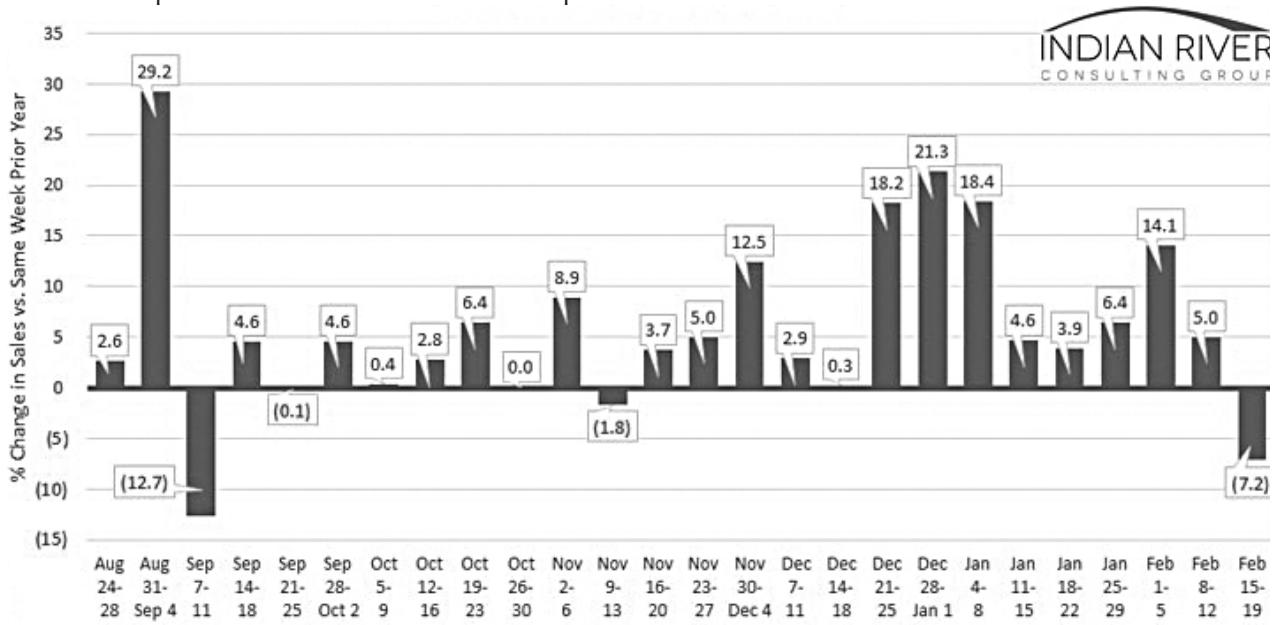
SiteOne Landscape Supply Inc., Roswell, Georgia, announced sales for 2020 of \$2.7 billion, up 15% from 2019. Net income was up 56% to \$121.3 million. For the fourth quarter, SiteOne reported sales of \$675.1 million,

Continued on p. 3 of Markets Update

Pandemic Revenue Index Drops 7.2%

Decrease likely due to poor weather across much of the U.S.

Indian River Consulting Group's weekly Pandemic Revenue Index for the work week of Feb. 15-Feb. 19, 2021, indicated a 7.2% decrease compared with the same week a year ago. The decrease was likely the result of nationwide weather issues, particularly in Texas. IRCG's distributor Pandemic Revenue Index has given distributors a weekly quantified view into how other distributors in the industry are faring during the COVID-19 pandemic since March 2020 and is made up of wholesale distribution companies in different industry verticals across the United States. Participants include companies with local and national footprints.



Calculation of MDM Inflation Index for January 2021

	BLS Price Indices Jan '21	BLS Price Indices Dec '20	BLS Price Indices Jan '21	Weighted % Sales	Weighted Indices Jan '21 (1)X(4)	% Change Jan '21 Dec '20	% Change Jan '21 Jan '20		
1136	Abr. Prod.	654.3	643.0	636.2	19.1	124.97	1.75	2.85	
1135	Cutting Tools	537.1	539.6	536.9	18.9	101.52	-0.45	0.05	
1145	Power Trans.	892.9	892.6	877.6	15.4	137.50	0.04	1.74	
1081	Fasteners	593.9	592.2	577.7	9.0	53.45	0.27	2.81	
1149.01	Valves, etc.	1144.7	1147.6	1089.2	7.6	87.00	-0.25	5.09	
1132	Power Tools	409.0	404.8	401.2	6.5	26.58	1.04	1.93	
1144	Mat. Handling	660.8	659.7	651.7	6.2	40.97	0.17	1.41	
0713.03	Belting	974.4	970.2	968.9	6.1	59.44	0.43	0.56	
1042	Hand Tools	862.6	859.6	840.5	8.1	69.87	0.36	2.63	
108	Misc. Metal	511.6	507.9	505.7	3.1	15.86	0.72	1.17	
"New" Jan Index					374.7	January Inflation Index	717.16	0.37	2.13
"New" Dec Index					373.3	December Inflation Index	714.53		
						January 2020 Inflation Index	702.23		

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

up 26% from a year ago. Net income increased to \$11.5 million from \$2.5 million.

The Home Depot Inc., Atlanta, the parent company of **HD Supply**, reported sales for 2020 of \$132.1 billion, up 19.9% from 2019. Net income improved 15.2% to \$12.9 billion. For the fourth quarter, the company reported sales of \$32.3 billion, a 25.1% increase compared to the same period a year ago. Net income increased 16% to \$2.9 billion in the period.

NOW Inc., Houston, reported 2020 sales of \$1.6 billion, down 45.1% over 2019. The company reported a loss of \$427 million, compared to a loss of \$97 million a year ago. In the fourth quarter, NOW reported sales of \$319 million, a 50.1% decrease from the same period a year ago. The company reported a loss of \$44 million, compared to a loss of \$139 million a year ago.

Electrical distributor **Graybar**, St. Louis, has named Andrew C. Ipson as vice president – strategic accounts, effective April 1.

MRO distributor **Lawson Products Inc.**, Chicago, announced that Bianca Martinez Rhodes has been elected to its board of directors.

MRO distributor **Motion**, Birmingham, Alabama, a wholly owned subsidiary of **Genuine Parts Co.**, has promoted seven executives — Logan Carden, Bill Carroll, Tami DeWeese, Dan Pike, Dave Purvis, Steve Kammeyer and Lisa Solomon.

Economic

Privately owned housing units authorized by building permits in January were at a seasonally adjusted annual rate of 1,881,000, according to the **U.S. Census Bureau and the U.S. Department of Housing and Urban Development**. This is 22.5% above the January 2020 rate of 1,536,000 and 10.4% above the revised December 2020 rate of 1,704,000.

Total industrial production grew 0.9% in January, according to the **Industrial Production and Capacity Utilization Report**, released by the Federal Reserve.

Led by improvements in personal consumption-related indicators, the **Chicago Fed National Activity Index (CFNAI)** increased to +0.66 in January from +0.41 in December. All four broad categories of indicators used to construct the in-

dex made positive contributions in January, but three categories decreased from December. The index's three-month moving average, CFNAI-MA3, decreased to +0.47 in January from +0.60 in December.

December 2020 **sales of merchant wholesalers**, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading day differences but not for price changes, were \$503.8 billion, up 1.7% from the revised December 2019 level and up 1.2% from the revised November 2020 level, according to the latest report from the **U.S. Census Bureau**.

Manufacturer

Bearings manufacturer **Auburn Bearing & Manufacturing Inc.**, Macedon, New York, has acquired **Aurotek TSB Inc.**, Herkimer, New York, effective Feb. 1.

PPG, Pittsburgh, has completed its acquisition of **VersaFlex** from **DalFort Capital Partners**.

Solve Industrial Motion Group, Charlotte, North Carolina, announced that its board of directors has named Lisa Mitchell as its new CEO.

Regal Beloit Corp., Beloit, Wisconsin, and **Rexnord Corp.**, Milwaukee, announced a \$3.7 billion deal in which Rexnord will separate its Process & Motion Control segment via a tax-free spin-off to its shareholders and then immediately combine it with Regal in a Reverse Morris Trust transaction.

Ingersoll Rand Inc., Davidson, North Carolina, has agreed to sell a majority interest in its High Pressure Solutions (HPS) segment to the private equity firm **American Industrial Partners (AIP)** for \$300 million.

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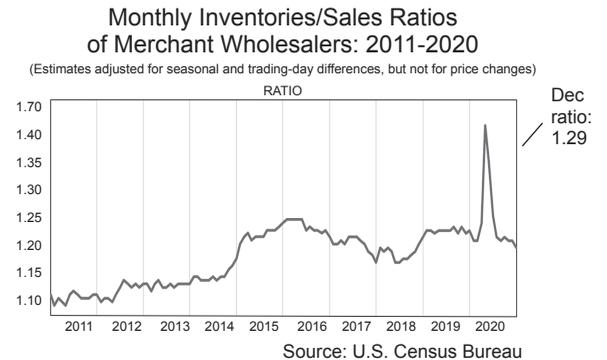
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December 2020 | Monthly Wholesale Trade Data

Wholesale revenues in December were \$503,778 billion, up 1.7% over December 2019 and up 1.2% over November 2020. December sales of durable goods were up 0.4% over November and up 4.9% from a year ago. Sales of nondurable goods were up 2.1% over November and down 1.1% from December 2019.

Inventories were \$651,530 billion at the end of December, up 0.3% from the revised November level and down 1.6% from 2019. December inventories of durable goods were up 0.1% from the previous month and down 3.9% from a year ago. Inventories of nondurable goods were up 0.6% over November and up 1.9% from December 2019.



Inventories/Sales Ratio. The December inventories/sales ratio for merchant wholesalers was 1.29. The December 2020 ratio was 1.36.

Sales and Inventories Trends: December 2020

NAICS Code	Business Type	Sales \$Millions	Inventory \$Millions	Stock/Sales Ratio	% Change Sales 11/20-12/20	% Change Sales 12/19-12/20	% Change Inventory 11/20-12/20	% Change Inventory 12/19-12/20
42	U.S. Total	503,778	651,530	1.29	1.2	1.7	0.3	-1.6
423	Durable	245,175	386,298	1.58	0.4	4.9	0.1	-3.9
4231	Automotive	42,397	61,626	1.45	2.6	10.4	-3.3	-7.5
4232	Furniture & Home Furnishings	7,584	12,334	1.63	-0.2	-9.3	2.9	-8.4
4233	Lumber & Other Construction Materials	15,386	20,685	1.34	5.0	21.9	1.8	3.5
4234	Prof. & Commercial Equip. & Supplies	46,141	50,045	1.08	-2.6	5.3	2.6	-2.2
42343	Computer Equipment & Software	23,941	15,577	0.65	0.4	10.7	1.8	-6.0
4235	Metals & Minerals	13,769	28,865	2.10	9.5	3.7	-1.3	-8.5
4236	Electrical Goods	45,281	53,501	1.18	-2.7	-6.7	1.5	-1.0
4237	Hardware, Plumbing, & Heating Equipment	14,515	28,756	1.98	3.7	12.1	0.3	5.4
4238	Machinery, Equipment & Supplies	37,991	100,981	2.66	-0.7	5.2	-0.2	-4.9
4239	Miscellaneous Durable	22,111	29,505	1.33	0.8	12.5	0.9	-7.1
424	Nondurable Goods	258,603	265,232	1.03	2.1	-1.1	0.6	1.9
4241	Paper & Paper Products	7,470	9,954	1.33	-0.2	-1.0	0.3	5.8
4242	Drugs	66,975	74,054	1.11	1.1	10.6	2.2	12.0
4243	Apparel, Piece Goods & Notions	12,388	24,072	1.94	4.5	-1.7	-3.2	-14.4
4244	Groceries & Related Products	58,494	41,532	0.71	-1.0	-1.0	-2.0	-0.6
4245	Farm-product Raw Materials	20,670	30,426	1.47	6.4	27.3	1.9	24.6
4246	Chemicals & Allied Products	10,364	11,861	1.14	2.0	-4.9	1.4	-5.9
4247	Petroleum & Petroleum Products	45,582	19,987	0.44	12.7	-22.2	0.4	-11.6
4248	Beer, Wine & Distilled Beverages	13,218	18,916	1.43	-12.4	-3.3	4.6	-2.0
4249	Miscellaneous Nondurable Goods	23,442	34,430	1.47	-0.7	5.6	0.0	-3.9

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.