



Lumber Industry Reaches Out to Blue Book Services

Businesses seek new source of industry-specific credit information

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In late 2007, the lumber and building materials industry discovered the agency that had provided industry-specific credit information since 1876 had simply disappeared. “Lumbermens’ Red Book was the trusted source until the operations apparently closed,” said Nicholas Kent, President/CEO of the North American Wholesale Lumber Association (NAWLA) of Rolling Meadows, IL.

Unfortunately, the timing couldn’t have been worse. Regional housing problems were already well underway by mid-summer 2007, and that began to adversely impact homebuilders, sending a huge ripple effect through the lumber building materials distribution channel. As the housing crisis escalated, homebuilders of varying sizes began closing or filing for bankruptcy. The ensuing credit crisis only exacerbated matters in both the contractor and consumer lumber markets.

“Our association members were essentially ‘flying blind’,” continued Kent, “so NAWLA leveraged its industry stature to find a replacement as quickly as possible.” In early 2008, NAWLA’s Board appointed Chris Beveridge, President of Skana Forest Products, Inc., to lead a special task force of top lumber industry credit and/or finance professionals. Their job was to vet credit information providers from other industries and find a dynamic new solution for the lumber trade.

“The primary objective of our task force was to identify a credit information provider that paralleled, but eclipsed in timely content, the ‘comfortable’ Lumbermens’ Red Book model. We really saw this as a great opportunity for the entire lumber and building materials industry,” said Beveridge. “But, the new solution had to deliver far more accurate and timely information than the old Red Book, in addition to being much stronger technologically.” To understand more precisely what NAWLA members needed the task force then conducted a comprehensive market research project and the input was telling.

Through surveys, the urgency of the situation was plainly evident. “Economic circumstances were the worst in a generation. NAWLA members told us they did not have the information necessary to confidently make high-stakes credit decisions,” continued Beveridge, “so, we knew the solution selected had to be able to ‘hit the ground running.’”

The task force methodically, yet expeditiously, executed a thorough recruiting and screening process that concluded the best solution is Blue Book Services, a credit rating agency serving the wholesale fresh fruit and vegetable industry since 1901. Announcing the recommendation at the 2008 NAWLA Traders Market[®] in Chicago, IL on November 6, Beveridge said, “Blue Book Services will offer the industry-specific, analyst-evaluated credit ratings NAWLA members expect, in addition to a state-of-the-art information delivery platform.”

On being recommended, Jim Carr, President/CEO and owner of Blue Book Services, says, “Our team worked hard to demonstrate our tried and true capabilities to the task force, and we are profoundly honored to have earned NAWLA’s support.” The primary driver behind Blue Book’s selection is “their century long track record of integrity and their ability to quickly adapt their rating systems and on line program to the lumber industry’s needs,” explained Kent.

Others will be helping in the process to bring information to the lumber industry as quickly as possible. In specific, Blue Book Services will initially be teaming up with the Portland, OR office of the National Association of Credit Managers (NACM-OR). Rod Wheeland, President of NACM-OR said, “Through our long-standing credit groups serving the forest products industry, we have developed a comprehensive database that will prove valuable to users of this first-phase of services provided by Blue Book.”

“Our goal is to launch an introductory, web-based service to the lumber industry in early 2009,” said Jim Bartelson, Blue Book’s Executive Vice-President. “Blue Book Online Services is highly regarded by users throughout the fresh produce supply-chain, and our first series of market research with prospective lumber industry users is equally positive.” Additional information, reports, and ratings will be introduced in stages throughout 2009. Blue Book’s analysts and new product development teams will work with the lumber industry to determine which tools and services are needed.

Of critical importance to success is the need for the lumber industry to work in partnership with Blue Book Services through the confidential provision of trade data, such as account receivables aging data and trade experience survey feedback. Carr added, “We work ‘hand-in-glove’ with the fresh produce trade and the consistent result is accurate, timely, and reliable information upon which to make safe credit decisions. Input from NAWLA members and several industry firms at large makes us confident that a similar partnership with the lumber trade is already in the making.”

“NAWLA is pleased and proud to have provided leadership to address this urgent industry need,” concluded Kent. “Serving the best interests of the lumber industry is of course our aim, and we believe Blue Book Services shares that mission.”

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About NAWLA:

NAWLA is an international trade association of over 650 leading forest products and building material industry wholesalers, manufacturers and industry affiliated companies throughout the United States and Canada. NAWLA, whose wholesaler and wholesaler-processor members' combined annual sales exceed \$30 billion, is dedicated to enhancing professionalism and efficiency throughout the lumber distribution channel and to the responsible use of forest resources. NAWLA members serve as the unifying force for efficient forest products and building materials distribution. For more information about NAWLA, visit the web site @ <http://www.nawla.org> .

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About Blue Book Services:

Blue Book Services is a leading credit & marketing information agency, serving the international wholesale produce industry since 1901 and now serving the international wholesale forest products and building materials industry. Suppliers, buyers, brokers, and transporters alike rely on Blue Book ratings, reports, and information to make safe, informed, and profitable business decisions. For more information about Blue Book Services, visit the web sites at <http://www.lumberbluebook.com> and <http://www.bluebookprco.com> .

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About NACM-OR:

NACM Oregon serves business credit professionals in Oregon, southwest Washington, and southwest Idaho. An affiliate of the National Association of Credit Management (www.NACM.org), NACM Oregon is a 113-year-old association offering credit reporting products and services, industry credit groups, collection services, and education and training. For more information about NACM-OR, visit the web site at <http://www.nacm-or.org> .

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