

A 46-YEAR INDUSTRY VETERAN SHARES HER WISDOM ON THE EVER CHANGING TECHNOLOGY SECTOR

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With continuing economic uncertainties, what do you see as the greatest potential opportunity for LBM dealers?

Every market is a local market, whether you're an independent or part of a larger organization. Every business grows market share on its areas of strength, cost structure, and culture. Successful dealers evolve over time—the industry stands still for no one. LBM dealers, particularly independents, are fiercely customer driven. It's your superpower. Be nimble.

The flipside of that question: what's the biggest challenge?

Taking cost out. Across industries, efficient low-cost providers have captured market share. The challenge confronting every dealer is how to reduce your cost of goods, your cost to operate. Size alone does not bring efficiency. Sometimes efficiency is driven by economy of scale, sometimes by diseconomies of scale (think Uber). Efficiency is almost always enabled by technology.

Many LBM dealers may be apprehensive about making technology changes. What would you say to dealers who haven't upgraded because of those fears?

I'd say their fears may be feeding into, deepening, big/small bifurcation of the channel. In 2024, technology scales in the cloud, not the enterprise. In many ways, low-cost, cloud-based technologies level the playing field for all dealers, but only if you use them. The big guys have largely embraced tech, and they're harvesting returns. It's not just their size that's making their commodity prices hard-to-beat; it's the effectiveness of the technology they use.

To cautious LBM execs, I'd say, summon your inner entrepreneur. Trust your own intelligence. Don't be intimidated by technology—you don't need to build the engine and hydraulics to know a forklift makes material handling dramatically more efficient. Whether you're looking to leverage mechanical power or information power, it's a matter of optimizing operations (run results) or new value creation (change results). Get started. The return (ROI) from best-of-breed technology is now measured in days/weeks (not years).

How can technology tools help LBM dealers grow business and better manage costs?

The sweet spot: technologies that enable you to automate and optimize core functions of your business help your employees do their jobs better, help you manage better and deploy working capital more efficiently. Freeing employees from routine tasks/calculations that slow them down creates more time for analysis and improving business outcomes (the skills you pay them for).

With technology being such a rapidly-evolving space, what new features and capabilities should LBM dealers keep their eyes open for?

The real magic happens when your people stop thinking of technology as something they do on a computer, and start viewing it as an opportunity to pass off some of their work to a digital assistant that they get to train (double win!). For decades, workflow automations have been hard coded in software—users were “trained.” The big change is now the user gets to train the software, to configure their own workflow automations, execute their own logic. That's a *big* deal for productivity, for creativity, for a vibrant (entrepreneurial) future.

As the founder and chairman of BuyMetrics Inc., Valerie Hansen is a 46-year industry veteran and the former owner and CEO of Big Buck Building Centers Inc., Custom Components Company, and ProMillwork in Racine, WI. From 2000–19, she earned 21 U.S. patents for inventions in the technical areas of finance and data management. Privately serving industry-leading LBM dealers since 2000, the BuyMetrics procurement platform automates and informs the purchase of lumber and other volatile commodities.

