

THE PARLIMENT PAGES

April 2021

Housing Report

Residential construction is on the rise, according to a Wells Fargo report, January started off stronger than expected with a 2.5% increase and spending is now up 21.1% over the year. Low mortgage rates and the increased need for space provided a strong tailwind for residential investment throughout much of 2020. Housing permits in January rose 10.4% to a 1.88-million-unit pace, we have not seen these amazing stats since 2006. Another round of fiscal support will buttress household finances which we suspect will provide an additional boost to home improvement spending. The diversion of spending away from travel, leisure, and clothing has provided some additional funding for renovations, additions, and down payments for homes. In January, new home sales rose 4.3% to a 923,000 – unit pace. The strength in home sales and long-running inventory draught continue to put pressure on home prices. The median price of an existing single-family home has risen 14.8% over the past year. On a local note, Jacksonville, Florida had a 21.1% increase year over year, largest in the country for a metropolitan city. Mortgage rates have spiked in recent weeks, which could weaken buying power and lead to moderation in home price appreciation, favorable demographics, and the migration away from densely populated cities to suburbs and car-oriented secondary metro areas should keep home sales strong this year and next, even as mortgage rates rise further. Additional, nearly every discussion about today’s housing market centers around the remarkably low level of for-sale inventory though out the country. The National Association of Realtors (NAR) notes the number of existing homes available for sale fell 29.5% since February 2020 to just 1.03 million homes. At the current sales pace, the inventory of homes represents only a two-month supply. A six month supply normal means it is not a seller’s or buyers’ market. In our part of the world (Florida, Georgia, and South Carolina), we think housing starts will continue to flourish.

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5 Reasons to Fire

I read quite a bit and found a very interesting article written by Roxi Bahar Hewerston. Below are some of her thoughts and my thought for reasons to fire someone.

1. Does not “play” well with others. More people are fired for this reason than any other, no matter what the public cover story might be. The inability to work well with others will continue to be the ‘Achilles Heel’ of too many very bright people done in by a serious deficit of emotional intelligence competencies. We know it when we see it; an employee is consistently difficult to work with, will not collaborate, is a bully or high maintenance. If the employee adds great value to your organization, then training and/or coaching may help shift these behaviors. If not, fire and fire fast. In my experience, it is next to impossible to change people’s behaviors.

2. Loss of trust. Loss of trust is a root cause underlying several reasons to terminate. Consistent poor performance, broken promises, ethical breaches, sabotage, policy violations, lying, etc. all produce low levels of trust. Loss of trust is a very important, signal that something is wrong. Do not ignore the warnings. I believe there are three parts of your body you need to listen to, your brain your heart, and your gut. Your brain will out-think things, your heart will be too nice, and the gut is the only one I have found that is just about fool proof. Always listen to your gut.

3. Blame shifting and avoidance. When an employee avoids conversations about performance and/or shifts the blame to another person, they likely suspect they will be held accountable and do not want to have that conversation. When blame shifting, the employee is failing to take responsibility for their choices and throwing someone else “under the bus.”

4. Insubordination. This is a sub-category of both trust and not playing well with others, but it is egregious enough to stand on its own. Insubordination is the direct or indirect refusal by an employee to perform a legal, ethical, and reasonable directive from a manager or supervisor when the directive has been clearly understood. If coaching or counseling is an option, then, start there. If not, you know what needs to be done.

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5. Lack of engagement. This can be an outcome of someone who has “retired in the job” or a newer employee who came in sprinting but could not or would not run the marathon. If you see low or no drive, a lack of a “can do” attitude and it is clear their heart is not in it, then many of the reasons you hired this employee are no longer present. Before lack of engagement becomes a cause for firing, search for the root cause and offer to help the employee course correct. Some organizations have a culture of almost never firing anyone, others have a culture where firing is a handy “go to” option at any moment. There are times and situations when firing fast is absolutely the right thing to do, and the same is when firing slowly. Too fast and too slow are both bad for business. Since firing is the goal, it is worth take the time to explore the Pros and Cons of each. The following five are principles for involuntary terminations, when followed rigorously, can transform the experience for both parties: Be truthful, be fair, be clear, be respectful and be smart.

Product Availability

Do you remember our 2017 product availability category? Well, here we go again, after a couple of years of relative stagnation in pricing, we are seeing firm evidence of rising prices and future product shortages. One of the key success models at Parliment has always been to correctly anticipate inventory needs of our customers. As we have said so often, if you have a customer that must go to one of your competitors because you are out-of-stock, you face the possibility of totally losing that customer, maybe forever. That is why our fill rate consistently beats our competition. Knowing that we are going to be facing product shortages, we have increased our inventory by over 25%. That is an extraordinary and unprecedented decision on our part, and it is driven by our firm belief in future shortages and increased business improvement. With these shortages will also come price increases because of the simple economic law of supply and demand. Pay close attention to your inventories and do not be afraid of a little overstock situation.

There are two strategies that we believe will be necessary for the next 12 – 24 months. The first is to assure yourself of supply of inventory. Quotas, allocations, and rationing will take place. Several of the larger national distributors are bound by contract to supply the big box retailers. They will have to meet off that demand before they will have product available for the independents. This is where loyalty pays. Just a few days ago, we received a call from someone who had never purchased from us. They were requesting a whole truckload of coil roof nails. These will be on allocation and this guy knew that. He was hoping to build his

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inventory before the crunch hits. Obviously, we chose not to do business with him. While we hope allocation, rationing and quotas will not happen, we must be prepared. Our policy is quite simple. The most loyal customers will always be taken care of first. We suggest you do the same with your customers. Prepare them for product shortages and let them know that you will be there for them.

Top Ten Goal Quotes

I belong to a group that is called The Inner Circle that is moderated by Dr. Kevin Elko. He went to West Virginia where he received two masters and a doctorate. He later was inducted in the West Virginia University hall of fame. In sports he consulted with various successful teams including, the Steelers, Cowboys, Eagles, Dolphins, and the Saints. In college sports, he worked with seven BCS national championship football teams including, the University of Miami, Alabama, Florida State and LSU. He has a short motivational blurb called The Monday Morning Cup of Inspiration. It is great and gets my week going in a positive and thoughtful way.

Below are the top ten quotes from an Inner Circle coaching call.

1. Inside you is a piece of good news – how great you can be – what potential you have. Keep going to find the news.
2. Everything you need to accomplish your goals is inside of you.
3. Do not think – do not observe – just do.
4. When you think you are drowning, do not worry because your lifeguard walks on water.
5. You are not going to make your life goals in one day. Just make the day.
6. You might think you have been buried but you have just been planted.
7. When you have doubts about how far you have to go, just think about how far you have come.
8. There is something in you that the world needs.
9. Your breakdown is really your breakthrough.
10. No matter how far you have come you are not done yet.

I hope the top ten will give you food for thought and make you more successful in life and business.

Thank you for your continued support and loyalty to Parliment Building Products. Stay Safe!!!