

STANLEY WALTER,  
PRODUCTION,  
PURCHASING &  
MARKETING  
NETLEY MILLWORK

# Responding to change

PROFESSIONALISM  
QUALITY  
INNOVATION



SUMMER 2021

- There is great opportunity for growth in our industry, and we are lucky to work with a lot of great partners and customers on a daily basis.
- Suppliers are working overtime to get everything needed. But if you plan 2-3 or even 4 months in advance, most of the issues with production and inventory can be avoided.
- We are excited for the challenges that 2021 brings and the anticipation of moving into our new manufacturing facility and for all continued opportunities.

## Prepare for the future and manage it

Stanley Walter is like many of CKCA's members, he wears many hats and is responsible for Production, Purchasing and Marketing. It's no secret our industry is under duress from ongoing challenges with supply chain, price increases, restrictions of Covid-19 and clients/builders expectations. Stanley and his team are living through it too, but they are managing it and believe there are reasons why they are not as panicked as some companies are. Here's why.

Netley Millwork is located in Petersfield, Manitoba. Operated by the Netley Hutterite Colony, Netley Millwork came to be in 1999 out of a desire to use traditional Hutterite craftsmanship, combined with modern manufacturing capabilities to serve the high need for custom cabinets and millwork in the Winnipeg area.



### A growing Enterprise

Netley's story will sound familiar to many. They started with just 1,000 sq. ft. of shop and progressively added more space over the years. Now they have a combination of 2,000 sq. ft. showroom and an 8,000 sq. ft. finishing shop, plus



their main manufacturing facility is 25,000 sq. ft. and in 2022 they'll be finished a further expansion into another 30,000 sq. ft.

Netley employs 20 full time employees and has 2 main manufacturing facilities.

**CKCA:** Why do customers come to you?

**Stanley:** We provide a completely custom experience for our customers, and emphasize one on one interaction between the customer and our designers to help properly

vast majority of our customers are through word of mouth and builders. We also have a partnership with Nu Trend Kitchens in Brandon, Manitoba to serve the Western Manitoba region which has worked out really well for us.

**CKCA:** How far out are you currently booking business?

**Stanley:** We have never been as busy as we are now and, as a result, we are actively booking into September/October. This is partly due to the high volume of work, but also the longer lead times for components, materials and hardware.

**CKCA:** Where do you see your business in the next 5-10 years?

**Stanley:** We are currently adding 30,000 square feet of manufacturing space to help keep up with the high demand in the Winnipeg & Manitoba market. As everyone knows, the housing market is very active right now, and while everyone is really busy, we want to expand our capabilities in order to further diversify our customer base.

A combination of private residential, builders, dealers and commercial has always given us a unique mix of customers, and helps protect our business against fluctuations in the economy. We also feel that as the cost of single detached homes keep going up, there will be more demand for multi-unit residential projects such as apartments & condos, and increasing our manufacturing capacity allows us to better serve our customers in that area as well.

plan out their space. Doing this streamlines the process, but also gives the customers a unique connection to our side of the equation.

**CKCA:** Who are your customers?

**Stanley:** We do 50% private residential, 20% builder, 20% dealers, and about 10% commercial. The

# Reaping the benefits of an ERP

**CKCA:** With the high pressure on companies right now, what steps are you taking to ensure you are not operating in a reactive mode?

**Stanley:** Our entire industry has been reactively responding to everything that has been going on the past year, and by now everyone has been dealing with the struggles of a supply chain that is in complete disarray. Because of this, and because of all the uncertainty, it has become extremely important to be able to see 4-5 months ahead in the manufacturing process and recognize where we are at in terms of inventory, and what is needed for future projects.

We have been using ERP software from Cienapps (another CKCA partner!) for 5+ years now, and it has given us an amazing ability to manage our inventory down to each single hardware item for each project.

Because of this we have been able to be extremely proactive in our approach in terms of knowing what items are needed for each project, when it is needed, and where it is in the supply chain. We also have great partnerships with suppliers like Richelieu, Blum Canada, Robert Bury, Whitewood, Mckillican and many others, and have been extremely proactive in establishing local inventory availability, proper allocations and adapting to future demand as needed.

## Gain Visibility into the Work Flow

**CKCA:** What would you recommend to other companies to help them manage their workflow even with the significant highs and lows of the new normal?

**Stanley:** Constant communication between you, the customer and your suppliers & partners is absolutely required. We are in daily communication with our suppliers & partners on what is needed, and where we are at in terms of material & hardware availability. Everyone is working overtime to try and make sure projects are completed on time, and materials arrive as expected, but without everyone knowing what is to be expected, it becomes even harder. After that, we feel Cienapps, or a similar ERP platform can really help gain visibility into the work flow.



## Avoiding major issues

**CKCA:** How do you think your ability to work proactively pays off with your customers?

**Stanley:** We made a decision in March of 2020 to hold more inventory on essential items, and because of the insight Cienapps gave us into our weekly, monthly, quarterly and yearly inventory usage, we were able to provide our suppliers with this same information and they were able to forecast their purchasing and inventory allocation levels based on our needs. As a result, despite the logistical issues many have faced, we have been able to avoid any major issues and it has allowed us to serve our customers as needed.

**CKCA:** How is this proactive approach helping to maintain an engaged work team?

**Stanley:** We have made a big effort to make sure our entire team is aware of the situation, and try to be as proactive as possible when it comes to engaging our customers on a potential issue. Because of the constant communication with our suppliers, we are able to transfer that information to our sales team and in turn, they can quickly notify customers to changes in the industry. These days, those changes are happening almost weekly. As customers demand more functionality and efficiency out of their

homes, we have to maximize all the rooms in the house.

## Design Trends into the Future

**CKCA:** What trends are having a positive impact on your business?

**Stanley:** While trends tend to swing back and forth over the years, we have seen a definite and more than likely perma-

nent shift towards modern European designs incorporating sleek high gloss & super matte finishes. In 2018 we invested in our manufacturing capabilities in order to be able to process these materials, and since then there has been a high demand for those types of designs, both in standard kitchens, vanities, but also commercial projects.

We feel these trends will continue into the future, as they offer more cost effective options to designers, and provide a much larger freedom in creating the desired look and feel of a space. There has also been a high demand for painted finishes, and our extensive finishing capabilities has allowed us to serve our customers with almost unlimited color options. We feel, being properly setup to serve our customers on both fronts gives us an unique advantage in the market

As a company we are proud of what we have achieved, and we are excited to continue on our path of customer, and employee satisfaction.



**CKCA stands with its members and asks consumers and builders to bear with us. More lead time, supply challenges and fluctuating pricing is the new normal. While our industry works through unprecedented change, we continue to do our best to serve you.**