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- **A lot changes in 35 years, but the one thing that hasn't changed is my commitment to quantifying time, and to ensure that we are profitable.**
- **Time is a valuable commodity that once spent, is forever gone. What we choose to spend our time on shows us what we value.**
- **Be curious and open, take time out of your 24 hours to seek the advice from peers, from books, podcasts, business coaches and organizations to connect—learn—grow.**

# It's about time

JANUARY 2022

PROFESSIONALISM  
QUALITY  
INNOVATION



## The trouble is, you think you have time

In February 2020 CKCA was hosting our Western Regional in Richmond, BC. Little did we realize that this would be the last face to face event for a while.

One of our presenters was CKCA Board member, Gerald Van Woudenberg who is President of Van Arbour Design located in Aldegrove, BC with 16 employees.

We were fortunate to not only hear a presentation from Gerald, but we had the pleasure of visiting his shop in Aldegrove, BC.

Gerald has extensive experience in the wood industry spanning more than 35 years. It is expertise like this that is so valuable to our industry. Because the unconscious competence, some might call it "street smarts" that Gerald has took 35 years to build. For CKCA, accessing the expertise of our members means we can share what they have learned and pass this on to the next generation of woodworkers to set them up for success. It is mentorship and we will work hard this year to do more of to bring you the wisdom and insights from the industry.

Twenty-five years ago Gerald thought he had the time. He had been going for 10 years in business by that point and thought he was doing just fine, until one day a call from his accountant made him realize that he was losing money each month. Gerald was

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surprised because his company was so busy. Gerald was using formulas given to him by a friend and mentor but he quickly realized it was not working for him. By speaking with his accountant and learning the fundamentals of accounting, he had a crash course in business economics.

Gerald committed to stop doing what he was doing before. He started from scratch and it was daunting. He revisited jobs previously completed, repriced them using new formulas. The biggest challenge was accounting for time. Time spent was hard to calculate. Before you even start building cabinets you are spending time to get materials such as sheet goods from the truck to the rack, from the rack to the saw. It takes time to cut out pieces for cabinets. Gerald realized that every piece had to have a timestamp to it, but more importantly each action.

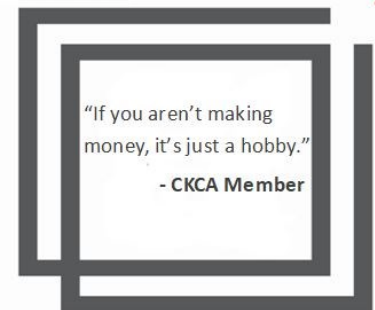
#### Time is Money— Benjamin Franklin

When the opportunity came along to bid on a real job with the new pricing formulas it was

exciting. While the client wanted Gerald to do the work, the client wanted Gerald to do the work at the price of his competitor, which was lower. Gerald stood his ground and turned the job down. He later learned that the competitor did not follow the spec sheet and ended up doing half the kitchen over. In Gerald's view, he avoided a big loss which his competitor had to swallow.



Learn from others in  
the industry.



#### The Two Most Powerful Warriors are Patience and Time— Leo Tolstoy

After attending a woodworking show and hearing a cabinetmaker present on how to price cabinetry, Gerald realized that the change in pricing formulas he used in his business positioned him well to actually make money. This gave Gerald confidence in his new pricing system, he knew his costs, he knew his margins, no more guess work.

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# Get paid for time, don't just spend it

## Time changes things, but you actually have to change them yourself—Andy Warhol

In Gerald's 35 plus years there have been many changes, but his commitment to quantifying time and ensuring his company is profitable has remained an essential ingredient to his company's longevity and success. Because as Gerald says "If you aren't making a profit, it's just a hobby."

## You can't make up for lost time, you can only do better in the future—Ashley Ormon

Gerald time tracks his client, builder, architect and designer interactions and notes what exactly he is doing when he meets. Design development, site measures etc. Gerald tracks all of his installation time and compares that information from the pricing sheets. Gerald sits down monthly to look at where his company is in comparison to what he had estimated for those areas and uses that information to help his company plan better for future jobs. Gerald says "We're constantly analyzing our time to ensure that we're being paid for it not just spending it."



## We value most, that which we pay for

Gerald charges for his company's time, and is very up-front with his clients when he walks them through his process. Gerald says "I find that the single most valuable thing we do, and also the most time-consuming, is client education." "They come to use with a huge roll of building plans, designers elevations and specifications, and then the fun starts." "What we have been given is really part of the picture

and is going to take time to decipher the mystery." Gerald says that "the client thinks they have a 100% clear picture to be able to get a quote, when in reality, what they have is at best 70%."

Gerald considers 3 courses of action.

First, do they interpret the drawings literally and ignore the questions that come up and give a lower price? This means at some point in the future you have to be able to add in those unforeseen and previously undetailed parts. But this is problematic to the client who has not been alerted to the lack of a complete picture and, consequently the incomplete price. Second, do you take the time and contact the design team to ask the necessary questions, allowing you to be able to price out the millwork with a higher degree of certainty? What happens if you are one of the three shops putting in a bid and the other two are not taking the time to ask the questions and, consequently, not accounting for them in their price?

Gerald points out this obviously puts his company at a competitive disadvantage making his price the highest. Gerald says "If you are just a number in a stack of numbers how will they be able to differentiate one from the other?" "Typically you're given one opportunity in writing only, with no personal audience." "What you have written down is what will be considered." "We lose out on far fewer jobs, and have built credibility for being thorough and honest." "Guess work is expensive for everyone."

## Another time related tidbit

"Use couriers and transportation infrastructure to deliver raw materials instead of going out to get them yourself." says Gerald. "Even if the items may be cheaper at a certain location, if you're using your time to go get them, are those raw materials really that much cheaper?"

One thing Gerald's company does to price custom millwork is to solicit the

feedback from people in the shop as well as his production manager in regards to how much time they think it would take



to engineer the custom piece. Gerald says "It is very difficult to price custom millwork especially when they are one-offs, they are never the same."

According to Gerald there's only so much relevant data you can glean from past jobs. Which then brings Gerald to three options:

"First, you can guess which exposes you to underestimate your time and build for free or you protect yourself by padding the numbers as a guess or a protection measure and by doing so you may price yourself out of a job."

"Option 2 is to track, but that's only really relevant from the past tense perspective."

"Option 3 is to enter an agreement with the client that takes the largest part of the uncertainty, which is the time, that it will take." Gerald admits this is his company's current approach because it builds trust with his clients. They tell the client the material costs, finishing costs, margin etc. and they give an estimate of how long they think it will take to build. Gerald's company bills for actual time. He admits this takes trust because the client must trust them, but Gerald is of the opinion it's the only way his company has found any degree of certainty to work every single time.

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**CKCA strives to CONNECT the industry**  
**So you can LEARN from your peers**  
**And PROSPER**  
[ckca.ca](http://ckca.ca)

# 35 plus years brings 3 main lessons...or maybe 4!

## All we have to decide is what to do with the time that is given us— J.R.R. Tolkien

Gerald reads the annual industry survey results on pricing. In his opinion there are shops pricing so low he'd like to hire them to do work for him. As Gerald says "Where are these companies shopping for their materials?" In his opinion these shops are not factoring in the material costs, overhead, insurance, wages, heat, light, property taxes etc.

## Will pricing surveys be different in 2022?

Admittedly, you wonder how the survey results will change in 2022 with the current supply chain issues. CKCA still receives calls from members who are being pressured to keep their costs down, yet their supply costs have gone up exponentially.

One member reached out to tell us their melamine costs had gone up 86% and their developer client was not accepting any price increase. We know members are under pressure but there are companies who are making those difficult decisions and telling their customers they can't do the work if they don't accept the price increases.

One member told us very recently "No builder wants to accept price increases however this is the world we live in and rest assured that they will protect their bottom line by passing the increase to the end consumer."

Gerald has found that looking at survey results on pricing over the years has revealed that there is a complete ignorance on the value of time. "If you are not attending to what matters, no one else will and you may find yourself in that uncomfortable spot where you realize you have not been turning a profit."

## The key is in not spending time, but investing in it—Stephen Covey

So what are the 3 main lessons that Gerald has learned over the past 35 plus years of business?

1. Time can have a negative effect on how you do our business.

2. You can change and learn from your mistakes.
3. There are opportunities for everyone.

A few years ago Gerald sought out a business coach that helped him to take more control over his business and time he spent in his business. He is now much



more in control of working on his business, rather than in it and it gives him more clarity and less stress. Gerald admits that when you run a business you wear many hats and things can easily spin away from you. It's a known fact that most business managers don't feel they can afford to spend the time working on yourself and your business because you are too busy just keeping your head above water. It can be a vicious cycle that you, as the business owner, must be prepared to address. For Gerald the experience of leveraging a business coach has been "Nothing short of amazing and I would highly recommend to anyone to have a renewed focus."

## Another important lesson

Many people would think that someone in business for over 35 years would know everything, right? But Gerald knows that there's always more to learn and that is also lesson #4!

As Gerald says "Start with being curious and open, taking the time out of your 24 hours to seek the advice from our peers who undoubtedly have come up against some of the same challenges my business and me, as owner, have been struggling

with." "We can read books, listen to podcasts, we can solicit help from business coaches and last, but not least, we can get involved with organizations like the CKCA and learn through that network." "Because it's important we continue to connect with our peers and suppliers and get introduced to new opportunities and new ways of thinking." "All of which creates new ways to move forward."

Gerald continues to value his time and spends it on those things that are important for him and his business. Gerald's business thrives and as a business owner, he is extremely busy. But he also makes time to engage with the industry, remain curious and drives to learn more. We are fortunate to have Gerald on the CKCA Board of Directors too!

## What will you do with the time and knowledge you have in the future?

Many in this industry have enjoyed fulfilling careers in our sector and the time will come when you will want to move on. But as you start thinking about that, remember that you have spent considerable time building up the wisdom and business knowledge you currently have. What will you do with that knowledge?

Consider this: There is a next generation entering our industry that needs the mentorship and advice that so many experienced woodworkers have. How can you pass along what you have learned to help set up this next generation for success? Can you spare precious time to share what you know with others? How will you value that knowledge just as you value a project?

Reach out to CKCA with your ideas. How can we help you take the next step? Because we need mentors and we need them now. We are facing unprecedented challenges in attracting talent into our industry and the truth is...

No one knows the industry better than you do!

Why do things the hard way?  
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