

# The Consolidated Companies

## A third-generation triple threat in the building material industry

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Third-generation family-owned The Consolidated Companies (CC) delivers a triple threat in the manufacturing and distribution of mouldings, millwork and a multitude of other building materials. CC's services include decking, ceiling tile, exterior doors, fireplaces, as well as fasteners, planking and much more.

Under the CC umbrella is Consolidated Lumber Corporation (CLC), a 70,000-square-foot distribution

facility based in Clifton, N.J.; Consolidated Pine (CP), the company's Oregon-based domestic manufacturer of pine mouldings; and Consolidated Distribution Services (CDS), building material and door distributor with locations in Dayton, N.J., and Allentown, Pa.

"We attempt to be very accommodating to our customers and unlike some of the larger manufacturers, we can be a little more creative with specs and programs," says Mark Shirvan, third-



generation president and CEO of CC. “CC has a large diversity of items and can accommodate orders with both large and smaller quantities. We’ve been able to survive because we have qualified and good, loyal people working for us and are fortunate to have loyal customers to service.”

**Father to son succession**

CLC was the first of the group of family-owned companies, established in 1946 in New York City by Mark’s grandfather, Howard Shirvan. Once things began to take off in the New York metro area, CLC established its own manufacturing facility in central Oregon in 1953. “In my grandfather and father’s generation the plant was not only a moulding plant, but the West Coast entity was also a timber operator and sawmill,” recalls Mark. “From tree to trim was our tag line, as we were as vertically integrated as a company in our segment of the market could be.”

Eventually, the sawmill and timber business became too expensive to sustain, in addition to the environmental pressures for domestic operations seeming insurmountable. With that set of circumstances, the company elected to close and dismantle the sawmill component of the operation.

“Today, we’re still vertically integrated in that CP still manufactures domestic Ponderosa Pine solid grade, finger joint and finger joint prime grade mouldings in Oregon,” explains Mark. While the moulding plant serves as the prime source for its East Coast distribution business, CP sells production to other distributors in other geographic markets.

In 1965, CLC moved from its original distribution facility to its

present location in Clifton, N.J., and continued to gradually expand and modernize the manufacturing facility in Prineville, Ore.

Mark followed in the footsteps of his grandfather and father, starting on the ground floor working in the warehouse throughout summers in high school.

“Before joining CC full-time my grandfather and father felt before I could be in a position to give directions and orders I needed to learn to listen and take them,” recounts Mark.

So Mark dawn a three-piece suit and joined an executive training program in corporate America for several years. “Sometimes my commute would take 45 minutes to an hour to get into the city of Manhattan,” he recalls. “I remember one snowstorm where it took 10 hours to commute home. It was while sitting on the jam-packed subway and bus in a soggy suit where I decided it was time to leave the rat race, and join the family business.”

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With big-box stores moving in and crowding the market, CC had to find a way to maintain its customer base of both independent and multi-unit lumber yards and home centers. "Our customer base went from 500 to 600, down to 400 with the competition from big-box stores affecting the smaller independents," Mark explains. "These massive outlets made it hard for smaller lumber yards and home centers to compete for survival, so we had to diversify and offer more to what was becoming a

smaller customer base."

CDS was formed 20 years ago as CC's response to the ever-changing industry. "The product line at CDS is a myriad of millwork and building materials," says Mark. "CDS offers a diverse range of products from decking to ceiling tile, exterior doors and frames, planking to lattice panels, fire places and fasteners, and that mix continues to morph. We are a two-step distributor; we don't sell directly to builders, we sell to retail lumber yards and home centers."

Being a smaller, family-owned company, Mark says CC is able to focus on the details that make the difference. "Across all three arms, CC offers high quality, consistency in pattern, extensive supply in both domestic and imported products and prompt shipment," he ensures.

According to Mark, keeping pace with larger competition has always been a hurdle for CC, but this past recession has been more difficult than most. "We're blessed to have been a financially strong, family business, but we have been forced to

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cut back,” says Mark. “Especially in manufacturing; being a domestic wood products manufacturer is not easy with today’s global market.”

Not only do CC’s customers have to compete with big-box retailers, the U.S. market is now saturated with goods from China, Chile, Brazil and other countries that can produce for less. “It used to be these products were neither of the same quality, consistency, nor as reliable as our domestic sources; however, now those barriers have fallen and while patterns and reliability are acceptable, with the pricing still cheaper than ours, our domestic dominance has waned,” explains Mark. “It’s a shame that imports coming into our country have cost the U.S. thousands of jobs in the industry while other countries appear to flourish with our support.”

Being in the New York metro area also presents a fiscal challenge. “The cost of doing business in this market is one of the highest in the country,” notes Mark. “To send a shipment truck from Dayton to Long Island costs more than \$100 in tolls. Wages are also higher here because the cost of living is greater.”

While Mark says he anticipates an uptick in business for 2014, he notes that the past six to eight months have been some of the toughest for CC; yet he remains optimistic. “It’s all about timing,” he explains. “Due to a major shift in distribution channels in the decking business, we left Timber Tech, a key vendor for over 15 years.”

In addition, the impact of the wet and cold winter basically put a delay to resurgence in 2014. “But my gut says that we’ve held on and been strong for so long that this is just a period we need be patient, continue to do what we do best and we will get through it,” he continues. “With respect to the void in our decking program, we have hooked our wagon to a strong and extremely competent horse, Fiberon, a composite decking and deck materials manufacturer and we are confident that eventually our Timber Tech volume will be replaced.”

Like any small business, CC has weathered the recession and the challenges of simply keeping the doors open every day, but Mark says it’s going to take much more to counter 68 years of family ownership and relationship building. The Consolidated Companies remains a triple threat in manufacturing and distribution capabilities, backed by three generations of quality products and fair prices. •

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