



Mark Reginelli

EDITORS' NOTE Mark Reginelli began his career in 1985 as Manager Trainee in Mars, Pennsylvania. In 1987, after 2 1/2 years, he was promoted to Area Manager, becoming the fastest to reach that level in the company's first 20 years. He was soon asked by owner Joe Hardy to become the Area Manager for the Chicago market. In 1992, Reginelli was promoted to Vice President of 84 Components and, in 1996, he developed and opened the National Sales department and, in 1998, the World Trade Division. In 2004, FEMA asked him to design and plan alternate temporary housing for disaster relief, and he worked with the Governor of Louisiana post-Katrina on several different projects. In 2010, Reginelli created and implemented a social housing program for the earthquake victims of Chile. A year later, he opened a prototype called "84 Lumber Korea" and, in 2013, he opened the Mongolian market to the business, and conducted a training seminar of U.S. construction practices and techniques.

COMPANY BRIEF 84 Lumber Company (www.84lumber.com) maintains its corporate headquarters in Eighty Four, Pennsylvania, where the original store continues to operate. The company posted sales of just over \$1.6 billion in 2012 as it continued to weather the housing downturn in the United States. The company operates 250 stores and four component-manufacturing plants, and employs 3,800 associates nationwide.

What is 84 Lumber's focus around world trade and how has that developed?

It started in 1998, when we opened the World Trade Division within the National Sales office. Early on, we received an inquiry from China, and at that time the company didn't focus on anything outside of the country. I was granted permission to look at this to determine if it was a legitimate business opportunity.

We brought the group in from China and gave them a tour of 84 Lumber's corporate headquarters, where they met with CEO Maggie Hardy Magerko and COO Frank Cicero. From there, we moved forward selling them 3,000-plus-square-foot luxury homes while also offering construction training in China.

84's International Reach

**An Interview with Mark Reginelli,
Director of World Trade and National Sales Manager, 84 Lumber Company**

It was a very successful project – the first U.S. wood frame subdivision in the history of China.

We took a group over to provide training, and had them meet with Chinese government officials and their engineers to get the U.S. building materials approved, and make the presentations on those materials.

We did very well there, and sales expanded between 1998 and 2002 in Korea, Australia, and New Zealand. We also did a lot of work in Germany.

Around 2002, 84 Lumber made a big push within the U.S. to open 20 stores each year from coast to coast. My department was asked to help train new salespeople who came onboard.

We shuttered the international part of the office and we worked with stores helping them do multifamily projects through our National Sales division. In 2010, after the downturn came about, we started to talk about participating in world trade again.

Since re-opening, we have done business in China, Korea, Mongolia, Mexico, and Panama, and we went to Chile after the earthquake where we were asked to put together a social housing program, and we started to send down the homes packages. While they were on the water, we received a call telling us that they have no idea how to build U.S.-style framed houses. So our components department designed, and I went down and built, a panelization plant for them. We taught them how to build wall panels and, after 200 homes were built, I felt that our job was done there.

We're also working in Mexico and Central America, and we are shipping our first orders to Panama for a 1,200-unit project. We also have a contract for 980 homes in Iraq.

Is it more about providing materials or training?

Seventy-five percent of it is about the materials. Where we tend to find a common thread in the different countries is that people trust U.S. building materials and their warranty. They know that, if they order from the U.S., they will get exactly what they ordered – this doesn't always happen with other countries.

How broad can the growth be?

We can't be everything to everybody. Any country on the globe needs at least 50,000 houses by next week.

But the issue is the financing needed for those projects. A lot of projects are government-backed,

but the government doesn't just release the funds. They all want an investment. They say, "We'd like you to put forth the capital to build these 3,000 homes, and when you're done, we'll pay you." This is a stumbling block.

We're good at working with NGOs and private businesses that are doing smaller projects.

Has the U.S. turned the recovery corner as to the housing sector?

Many lessons were learned over the past six years. One has to do with the banking industry. Builders now understand they should not overextend themselves; homeowners understand it and they're not getting the loans they used to.

We have come back to the extent that, at its low point, the country probably dropped to 480,000 housing starts; today, it's 900,000 starts. But if you look back to 2004, we were at about 1.9 million. Whereas today we're not back to the gold rush of housing, we're far above where we were at its low.

84 Lumber is a company that is there in times of need.

Because we are so entrenched in different communities coast to coast, our owner has a good ear and a great feel for the different market areas. Right after Hurricane Katrina hit, our company went down and provided a lot of relief efforts for the local communities. We donated a majority of the houses for Habitat for Humanity who rebuilt the Musicians' Village.

When Hurricane Sandy hit the east coast, we made significant efforts there as well; and the year that three or four hurricanes zigzagged through Florida, we donated thousands of sheets of OSB (oriented strand board) and building materials. We have done a lot in those areas and on the international end, with Haiti and Chile.

What makes 84 so special?

The leadership drives it to be successful. Joe and Maggie always say it starts at the management level in our stores – we promote good people from within the company that start out as manager trainees, then become co-managers, then managers, and some go on to become area managers and even regional vice presidents. For instance, 29 years ago, our COO was a manager trainee at a store in Baltimore.

We are also very quick to react to situations. Over the past several years, we have created many new divisions within the company, and those divisions are continually growing. ●