



BY JAMES ANDERSON

BUILT TO LAST

CONNECTICUT'S OLDEST LUMBERYARD IS STILL GOING STRONG

A number of dealers in the industry will tell you that the recipe for success as a lumberyard is a good mix of professional and weekend-DIY customers. While that mixture may work for some, The Hatch & Bailey Company, Connecticut's oldest lumberyard, is cooking things up a little differently by focusing almost entirely on professional builder and remodeler customers.

Family-owned Hatch & Bailey has "grown in place," company President Michael DeFelice says. With 145 years under its belt, the company has been a mainstay in Norwalk, and also operates a full-line satellite location 10 miles down the coast in Stamford. The bulk of the company's business is conducted through its Norwalk location, from where the 11-acre facility can support the shipping of larger loads. The focus in Norwalk is newer homes, while decks and smaller projects can be shipped from Stamford.

Throughout the last nearly century and a half, the company has supplied lumber and materials for countless homes and other buildings in the Fairfield County area of Connecticut.

It is by design, DeFelice says, that 95% of the company's customers are professional builders and remodelers.

"We carry premium grade lumber only," DeFelice says. "Our inventory is extensive and unique among our competitors and we offer same day delivery."

Because of the professional builder and contractor focus, a large percentage (seven of 40) of Hatch & Bailey staff members work in outside sales.

"We focus on the professional," he says. "We get some walk-in DIY, but by catering to the builder and remodeler, the only homeowners we usually see have been sent in by their builders to make selections."

The pro focus is paying off, DeFelice says, as the company's revenues are on target for a 5% to 7% increase this year.

In addition to the focus on professional builders and remodelers, Hatch & Baily also brings in about 10% of its revenue from the manufacture and sale of concrete blocks. The blocks are manufactured on-site in Norwalk and are then sold to other lumberyards and mason yards. The company also sells pavers and backyard renovation supplies, along with sand and gravel.

History

Hatch & Baily has been under some iteration of the same family ownership since it first opened its doors in 1872. A member of the LBM Century Club, the company was first started as a lumberyard and steam-planing mill by Stephen Hatch and Edward, James, Walter, and Caroline Bailey. The Hatch & Bailey name continues today. The current ownership group includes David Bailey, a descendant of the Bailey family. Bailey owns the company along with Chris Hoyt.

"The business started off in an old factory building in South Norwalk," DeFelice says. After the business relocated, years later the Maritime Aquarium at Norwalk now stands in the place of the original Hatch & Bailey location.

Hatch & Bailey has grown along with its market, DeFelice says. In the 1970s, the company added exterior pre-hung doors and in the 1980s expanded operations to include concrete block manufacturing.

DeFelice, who has been with the company for nine years, was recently promoted to President. Prior to Hatch & Bailey, he ran a three-yard operation in Connecticut and previous to that had worked in outside sales.

Industry Challenges

In a rapidly changing industry, DeFelice says that, aside from rising costs, he finds most challenging the inevitability of his staff's progression toward retirement. A number of employees have been with Hatch & Bailey for decades, some as long as 40 years. With these valued staff members nearing retirement—including front line and back office staff—bringing in new and fresh employees has become a focus.



Michael DeFelice, who has been with Hatch & Bailey for nine years, was recently promoted to company President.

DeFelice has introduced a training program at Hatch & Bailey in which new employees are sent to vendors to learn a product category before they are placed on the sales floor. For example, someone hired for inside or outside sales of doors or windows may be sent to a window and door manufacturer to tour the facility and understand how the products are built so that they can properly explain the products to customers. Along with off-site training, Hatch & Bailey holds in-house video training and vendor demonstrations.

"By the time they get to the front end, they're ready to go," DeFelice says. "We've got them trained on how to install a window and trim, so they can talk to contractors."

DeFelice added that he has seen significant success with this program, specifically in attracting recent college graduates who are looking for work and are eager for industry-specific training. ➤

Bringing in new and fresh employees has become a focus at Hatch & Bailey, as many of its current staff are nearing retirement age. Shown below left: Amy Kusinski and Shayne Morris Accounts Payables and Receivables. Below right: outside sales/customer service pros Tony Bernardelli (at computer) and Matt DeStefano (wearing cap).

PHOTOS BY MATTHEW D'ALTO PHOTOGRAPHY & DESIGN



Continued Growth

DeFelice sees continued growth on the horizon. The company recently joined with LBM Advantage and is leveraging those services to become even more competitive in their market.

“We’re buying better now,” DeFelice says. “With the rising cost of lumber, we’re buying in larger quantities.”

The company has also opened up their breadth of product offerings, he says. Instead of carrying one line of any given item, they try to stock two. It’s an effort to establish a “better and best” model, DeFelice says, to show customers that the store has a wider selection, at varying price points.

Remodeling will be a key focus in coming years in the Hatch & Bailey service area. With land at a premium, there will be fewer new home builds and instead, many homeowners will opt to remodel and redesign their current homes.

As remodeling becomes more of a focus, an increasing number of homeowners in the area are also looking to outdoor living. Remodel bids will begin to include not only kitchens and baths but also patio space and outdoor kitchens, DeFelice predicts. In a coastal area, for instance, a recent focus is on cable deck railings that don’t obstruct ocean views.

Continued growth for Hatch & Bailey doesn’t necessarily mean just growing in place, however. The company is in a market in which lumberyards don’t come up for sale often, but when the right one does, the company would certainly consider acquiring it.

“We’ve always got our eyes open and are looking for more opportunity,” DeFelice says. ■

Get to Know Hatch & Bailey

Founded:	1872
Ownership:	Family
Pro-line lumberyards:	2
Concrete block plants:	1
Employees:	40
Purchasing groups:	LBM Advantage and Orgill
Software platform:	Epicor
Top 3 vendors:	Marvin Windows, Royal Building Products, and Trus Joist /Weyerhaeuser



In an area where land is at a premium, an organized yard has become increasingly important for Hatch & Bailey as the company grows and carries more inventory. Lumber and building material inventory is kept inside, while concrete blocks from the company’s concrete manufacturing operation are stored outside at the company’s 11-acre Norwalk facility.



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IN DEPTH: SIDING

12 BEST PRACTICES FOR EMPLOYEE
RECRUITMENT AND RETENTION

REAL ISSUES. REAL ANSWERS.
Managing evolving inventories

Michael DeFelice, President of
The Hatch and Bailey Company





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