

The Catawissa Lumber & Specialty Co., Inc

The Catawissa Lumber & Specialty Co., Inc as told to Patchwork by Mr. Gittler.

Interviewed by Andy Hunt, Justin Wilcott, and Mike White in Spring of 2001

Catawissa Lumber is a local family business started in 1957. It has grown from a small company over the years and is now a major competitor in Pennsylvania and the surrounding states. Catawissa Lumber also has a plant in Paxinos, Pa, and North Carolina.

Mr. Gittler is the president and CEO of the Catawissa Lumber plant. His father started the plant and passed it down to him.

PATCHWORK: What year was Catawissa Lumber Company started?

Cat Lumber: My family started the business in 1957.

PATCHWORK: How did the business get started?

Cat Lumber: My father was a mechanical engineer working in Philadelphia for another woodworking firm. This particular facility was supplying wood components to a plant in Philadelphia. The owner had no heirs to pass it on and he approached my father about buying the business that existed here in Catawissa. My parents saw an opportunity because my father was also involved in manufacturing novelty wood items such as wood pepper mills and in those days, cigarette smoking was popular and other novelty items such as cigarette boxes and cigarette lighters, etc. He brought it here to Catawissa, making those popular novelty items. At the same time the furniture industry was going through a transition and they started requiring all sorts of furniture parts. That was really when the business took off in the early 60s, making furniture components.

PATCHWORK: So Catawissa Lumber is a family owned business?

GITTLER: Yes it is. There are twenty- four family members that own shares in the business. Its what is known as a closed corporation and those 24 members encompass 3 generations of the Gittler family.

PATCHWORK: Do you compete with any other family owned businesses or corporations?

GITTLER: Yes, we do. We compete with other corporations and some of the family owned business are incorporated and some of them are not incorporated. One of the biggest competitors is up in New York, south of Buffalo called Fitzpatrick and Weller. There is also a major one right here in southern Pennsylvania known as Conestoga Wood Specialties, and then there are smaller ones throughout the United States.

PATCHWORK: How has the business changed since your father first bought it?

Cat Lumber: That can be answered in terms of several areas of concern. One would be the management style. When my parents started the business, my mother handled the administrative aspect of running the business and my father did the actual manufacturing of it. At that period of time, for about 30 years, the business is centralized in terms of its management structure. Today it's more team oriented and flat planned in regard to the main instructors and space. In terms of the product compared to over forty years ago when the business was started there was very little machining done on the product. Today we have more machining and the customer base has changed in terms of its character. Customers want their product sooner, they want it delivered faster, and they want it in less quantity, because customers today don't want to carry high inventories. Back in the old days, our basic customer carried high inventories of work in progress as well as finished good inventories. Our last and greatest impact in terms of change in our business over the years has been that of governmental regulation. That's on the local, state, and federal level and increasing regulation makes it quite a challenge to do business in a world market.

PATCHWORK: How many employees do you have at Catawissa lumber?

GITTLER: This is our corporate office at the Catawissa plant but we have two other plants for a total of three plants. We have the Catawissa plant, the Paxinos plant, which is twelve miles south of here, and we also have a third facility in West Jefferson, North Carolina. So the total number of employees currently is about four hundred. We reached a maximum of about four hundred sixty- five employees last year.

PATCHWORK: Do your plants work different shifts?

GITTLER: Yes we do, our North Carolina plant currently works on a one-shift basis. Our two plants in Pennsylvania work on a two-shift basis a first and third shift. The first shift starts at

6:30 in the morning and concludes its work shift at 2:30 in the afternoon. And the 3rd shift start their work week at 10:00 p.m. on Sunday night and conclude their work week Friday morning at 6:00 a.m.

PATCHWORK: What is your position here at the company? What do you like most about your job? What concerns you most about your responsibility?

GITTLER: The first part of that question is easy. I'm president and CEO. And I'm elected to that position every year, so far. It's based on performance but I'm not nominated by the board of directors as other officers of the company are, and that is approved at our annual shareholders meeting. So my position is president and chief executive officer.

What do I like most about my job? Well I think that dove tails with our mission statement where we put our employees first and the most enjoyable part is providing an opportunity to all of the employees to enhance their lives and to better themselves. We provide the opportunity. It is up to the individual if they want to do that and I am not reluctant at all when I have an employee come to me and request a promotion. We review these employees based on their performance. The negative side, if you will, is when we have a high performance employee that has sought a job elsewhere. They come in and talk to me about that and they give us notice of leaving I am never hesitant to thank them for the job they have done at Catawissa lumber. I wish them well in their new career, because you cannot hold back an individual and it gives me a lot of pleasure to see an individual grow in that way. The last part of your question, as to what concerns me most about my responsibility? That is a difficult question to answer and there are so many variables that involve an employee's relationship with Catawissa lumber. I would put safety and the welfare of all of our employees as my first and foremost concern. As President Delegate my authority to my management team to ensure that we have safety programs that we are constantly training and monitoring every aspect of our operation. But when an employee gets injured I don't care if it is a splinter in the finger or it's a more serious injury, I feel personally responsible and I should. But we really try to promote zero tolerance and zero accidents and we have a very good safety record and I take that as a personal challenge each and every day.

PATCHWORK: How many years have you been President here?

GITTLER: Since 1986.

PATCHWORK: What types of lumber do you use here in your products?

GITTLER: We use a wide variety of hardwood species. Now a hardwood comes from trees that are deciduous, meaning they lose their leaves in the fall. We have primarily 9 main species. We do most work with red oak, hard maple, cherry, and soft maple. I have to refer to my notes, birch, ash, hickory, yellow poplar and at our North Carolina plant we do a lot of white oak, which is in the oak family, but it has a different density.

PATCHWORK: So where are most of your trees harvested?

GITTLER: I would say in about a 150-mile radius of all of our plants. So for our Pennsylvania plants primarily our rough lumber is delivered into our lumberyards coming from the woods of Pennsylvania. And the same would be true in our North Carolina plant, primarily from North Carolina and southern Virginia.

PATCHWORK: Once you have the lumber here inside, how is it transported to the other company?

GITTLER: Primarily by truck. We have our own fleet of trucks, which gives us the ability to deliver faster and on time. A contract truck carrier hauls the majority of our products. A lot of our customer's furniture manufacturers have their own fleets and when they are delivering to New England and their factories are located in the south. They deliver their finished product in New England, and when they come back through Pennsylvania they will stop at our plants and pick up our products which they will take back to their furniture factories and they will make it into furniture.

PATCHWORK: Does Catawissa Lumber participates in any reforestation programs?

GITTLER: Not directly. The industry as a whole, Catawissa Lumber, is a part of is called the wood working industry. It is very segmented. There is the logger portion of it, those are the people who go into the woods and saw the timber, cut the trees, and then the trees are taken to the sawmills and Catawissa Lumber is what is known as a secondary manufacturer so we process that lumber into furniture components. Then there are the furniture manufacturers; so you have all these various industries within the wood working industry. We support reforestation and conservation projects through our trade association.

PATCHWORK: How many trees or boards does Catawissa Lumber use annually?

GITTLER: Well let me explain first what a footboard is. A board foot is 12" by 12" by 1" thick so we process 18-20 million board feet a year in all 3 of our plants.

PATCHWORK: After the lumber is delivered, what is the handling process used to dry the wood?

GITTLER: I brought some samples to try and answer that question. And this would be an example of an individual board we would receive from a sawmill. If you can visualize many of these boards when the lumber is brought into our yards, we put it in a special pile called a lift and we will make one solid layer of boards. Then we will put sticks, which we call stickers, and we put the stickers across the single layer of rough boards and then we will make another layer of rough boards. The purpose of the stickers is to allow airflow to go between each layer of lumber. It depends on the density of the hardwoods, which means the various species. Once the lumber is put on the lifts in the sticker form, as I have shown, it can go out into our lumberyards. It can also go to one of two kinds of mechanical drying processes. We have pre-dryers, which is a low temperature drying building, and we have kilns, which are high temperature drying buildings. So, we put our lumber into the low temperature drying buildings and reduce the moisture from the wood cells by drying that lumber in a certain drying cycle. Then we put the lumber back into our yards and when we get an order then we take that lumber again and we put it in our high temperature drying kilns and we dry the lumber removing the moisture content in relationship to the total weight to each board. We dry the lumber to 5-6% moisture content that means that every one of our boards, 5-6% of the total weight is water weight, still remaining in the wood cell. The remainder of the weight is actually the wood itself so that is in a very simplistic nutshell as far as the wood is handled and dried. Once it is dried then it is ready to be taken into our factories and be made into furniture components or kitchen cabinet components or other types of wood products that we make components for.

PATCHWORK: Who are your major customers and where are they located?

GITTLER: Our customer basis is primarily divided into three classifications: retail, manufacturers, or house hold manufacturers, and institutional manufacturers. This is primarily furniture that is made for college dormitories and university dormitories, nursing homes, and military barracks and installations. Lastly, for kitchen cabinets for homes. Our customer base is spread throughout the United States, but primarily in New England and in the south. Some of our customers would be furniture institutional furniture manufacturers,

and they are located in New England. A good example of a very fine furniture manufacturer is one of our stores in Bloomsburg that carries their brand. That would be Nickels and Stone. They make living room, bedroom, and dining room furniture. In the south it would be Cochran furniture. They make household furniture. Right here in Pennsylvania, it's Pennsylvania House. Over in Lewisburg, they have been a customer of ours for about as long as we have been in business. We have been selling to them for about 43 years.

PATCHWORK: So how are your products sold?

GITTLER: One of three ways, directly to the customer, such as Pennsylvania House in Lewisburg, which means that they call us directly and we process the order. We ship the product to them and we send our bill, or the invoice to them and they pay us. The other way is by sales representative who is divided into two classes; a wholesaler and a commission based representative. A wholesaler will go to a customer and place the order with us. When the product is made we will ship the product to the customer who actually makes the product from our panels but the wholesaler actually legally owns our product when we ship it. So the wholesaler invoices or bills us for the product when it is shipped. The other type of representative is called a commission based representative. They go and visit the customer and when we get an order through the sales representative we process that order, we ship it to that particular customer that is going to use it. We invoice that customer and when we are paid, we pay a commission to that commission sales rep.

PATCHWORK: Is your company active in the global marketing?

GITTLER: It has been and it is starting to get into the global sales again. In the 1980s about 15% of our sales at that time were shipped to countries in Europe primarily to Belgium, France, England, a little bit to Ireland and some to Denmark. But then when the economy dropped off in the early 1990s, and the U.S. economy really picked up, we stopped exporting our products. We dedicated our total capacity to the U.S. market, but right now we are looking to sell back to Europe again. And three weeks ago I just returned from China and we are marketing, and trying to sell our product to China. And it looks very promising for us to sell our products to the Asian market.

PATCHWORK: Do you use the Internet to sell any of your products?

GITTLER: Not directly. But we do have a web page, which is: www.catlumber.com.

PATCHWORK: What concerns you most about the future of the company?

GITTLER: I would have to say the timber supply itself. Looking out the window you can see a hillside. And believe it or not in 1900 that entire hillside as well as most of the mountains around our plant was clear-cut. All the wood was cut. Since I've started with Catawissa Lumber professionally, since 1969, I've seen logging companies go in and make selective cuts from that same hillside. The timber supply is affected by many variables, primarily the weather, the growing population for wood, and wood products, and lastly the animal population, meaning the white tail deer. They are very destructive in terms of over population eating and browsing the young saplings in the woods. There is also a movement and there has been for many years, a controversy between the woodworking industry and some of the problems the woodworking industry itself has brought on. Others feel that there should be no harvesting of timber what so ever. But the controversy is preservation verses conservation. Our industry promotes conservation because with proper harvesting and techniques the forest provides us with a water source. As you well know, it supplies an area for animal habitat, and recreation, as well as the wood fiber that supplies the wood for not only wood products but for paper and what have you. So there has to be a balance between all of those variables if you will. To go to an extreme over harvesting, or over hunting, or not harvesting at all and letting the land remain as is would not serve society in a beneficial way. In my opinion there has to be a balance and there is this constant tug-of-war between conservationist type organizations and conservation groups that we support. Hardwoods themselves have not

been successful in replanting themselves like the conifers, your Christmas type trees. Hardwoods are researched by the trees themselves or by animal droppings. And we have some of the best hardwood timber stands in Pennsylvania because of proper forest management programs. My greatest concern is once again the timber supply, because if we don't properly manage our resources, there isn't going to be enough timber for our multiple uses of our forestlands.