

Case Study

Improving Performance and Profitability

Lumbermen’s, Inc. is a distributor selling a full line of building materials to home centers, lumber dealers, cabinet shops, office furniture manufacturers, and commercial roofing contractors. Founded in 1954, the company is 100% employee owned.

The Challenge: Five years ago, President Roger Vanderheide was looking for ways to sustain the company’s growth and further increase its profits.

The Process: He heard about the Predictive Index (PI) through a colleague who recommended it for staffing and growing the business. Vanderheide used PI to profile the company’s most successful outside sales people and wasn’t surprised to learn that indeed they were ideally suited to their work. He realized that PI was a powerful tool that could help him assess potential new hires as well as the suitability of all employees to their roles in the organization. He saw PI’s potential to improve communication, performance, and profitability.

Lumbermen’s trained its managers to use PI and, over time, the company profiled all of the employees and gave each of them the results. “We’ve built this company on trust and good communication,” Vanderheide said, “and sharing with all of our employees the information provided by PI was a worthwhile process for everyone.”

The Results: In an industry that continues to go through major changes, Lumbermen’s has increased its chances for success by having its people well-matched to their jobs and managers who are trained to motivate employees with the information provided by PI. One manager told Vanderheide that his training to use the Predictive Index is the single best thing the company has given him to run his division.

Vice President of Operations Steve Petersen said, “PI has improved communication between managers and has become part of our corporate language. It has helped put all of us on the same page when it comes to managing people and reduces the stress usually associated with solving employee performance issues. Due to our growth, we have had to add numerous people at all levels of the company. By using PI as a tool in the hiring process, we can say that few hiring mistakes have been made.”

“Thanks to good management and PI, our sales have doubled over the last six years and our turnover is less than the industry average at 3%.” Vanderheide said. “It’s something I wouldn’t want to do without, paying for itself many times over in reduced employee costs. We use PI religiously in many capacities, and we have found it very valuable in growing our company and our profits.”

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The Predictive Index® is a unique, in-house management tool used by executives throughout the world for almost 50 years to develop leaders and build successful businesses. PI Worldwide is an international association of management consultants who help companies use PI to manage their most important resource—their people.