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# CATALYST

The Entrepreneur's Competitive Edge

November 2003

## Strategies for Leading a Successful Family Business

Directo taps  
into the expanding  
Hispanic market

Atlanta Hardwood Corporation featured inside



## James Howard

**James Howard compares his business' distribution to a four-cylinder engine.** Those four cylinders, he says, contribute to a diversification of markets that gives Atlanta Hardwood Corporation a competitive edge in the lumber industry. "It lets us ride out the cyclical nature of the industry," he says.

Those cylinders include small-lot distribution to individual users for cabinets, store fixtures and museum exhibit displays, as well as an affiliation with the North Carolina-based Hardwood Group Inc., a distributor of hardwood products to nine states. In search of

new markets overseas, 10 percent of the company's production — 90 percent of its hardwood — is sold through two additional agents in Europe and Southeast Asia. All told, Howard's business consists of eight affiliated companies that grew from his father's single business, Howard Lumber, in 1952.

"We ship lumber throughout the world and our claim to fame is we have sold lumber to heaven and hell," states Howard. "We supplied the wood for a commemorative chair built for Pope John Paul II as well as the electric chair that is no longer in use in the state of Virginia."

Environmentalists might claim Howard's company and industry are closer to hell than heaven, a perception that Howard calls a challenge to his business. "The irony is that lumber is a renewable resource," he says.

He refers the environmentally conscious to an article written by one of the founders of Greenpeace, Patrick Moore, called "Trees are the Answer." In it, Moore suggests it's unrealistic to expect people to keep land for forest growth if they can't use it. Further, 6 billion people rely on wood for warmth and shelter, and the available substitutes — steel, concrete, plastic and fossil fuels — have far higher emissions of carbon dioxide associated with their use.

Howard addresses these objectives by participating in the executive committee of the National Hardwood Lumber Association, a non-profit trade organization that was founded in 1898 to lay out the ground rules of wood use. "It helps me be more sensitive to concerns surrounding [this industry]," he says. This conscientiousness has helped grow his business to one with a revenue of about \$70 million annually and more than 200 employees.

To nurture the careful, long-term business growth he plans for, Howard participates in the Young Presidents Organization. "Because of its total confidentiality, YPO is a place for [business people] to share their financials and insights," he says. "You can talk through an issue so that it's an exercise as much as it is problem-solving." ★