

A Family Environment

An Interview with Maggie Hardy-Magerko,
President and Owner, 84 Lumber Company, and Nemacolin Woodlands Resort

EDITORS' NOTE In 1992, Maggie Hardy-Magerko was appointed President of 84 Lumber Company. Early in her career, she worked at the Bridgeville, Pennsylvania 84 Lumber store and gradually moved into roles of increasing responsibility. She also serves as the President of Nemacolin Woodlands Resort.



Maggie Hardy-Magerko

COMPANY AND PROPERTY BRIEF

Founded by Joe Hardy in 1956 in the town of Eighty Four, Pennsylvania – where the original store continues to operate – 84 Lumber Company (www.84lumber.com) is the largest privately held building materials supplier to professional contractors in the country. The company operates 251 locations in 30 states across the United States, including four component-manufacturing plants. With nearly 3,800 associates nationwide, 84 Lumber Company provides professional contractors with quality building materials and industry-leading services, such as risk insurance, financing, and builder plan services.

Nemacolin Woodlands Resort (www.nemacolin.com) is situated 70 miles southeast of Pittsburgh, Pennsylvania and features 335 luxurious guest rooms, suites, townhomes, and single-family homes, 125 of which are located in the spectacular Chateau LaFayette, with 42 more in the AAA Five Diamond Falling Rock boutique hotel and clubhouse, which serves the Pete Dye-designed Mystic Rock golf course. The resort is also home to the Woodlands Spa, offering more than 100 treatments. The property has more than 31,000 square feet of meeting and banquet space; 16 dining venues and lounges, including the AAA Five Diamond and Forbes Travel Guide Five-Star Lautrec; and a private airfield. Nemacolin's outdoor attractions include two championship golf courses, a 30-station sporting clays facility, the 18-mile Jeep® Off Road Driving Academy, the new Nemacolin Woodlands Pet Resort and Spa; and the large, Hawaiian-style Paradise Pool. In addition, new in July, Nemacolin will offer Lady Luck Nemacolin, a full service casino.

How did you position 84 Lumber during the recession to where it is now experiencing growth?

The advantage that 84 has is we're privately held. If we were publicly traded, we wouldn't

have been able to make decisions on issues my competitors today are still not reacting to. So as fast as the industry crashed, I was able to downsize and get to the right store locations we have today in a quick way.

Also, in years past, we owned a lot of the real estate, so I was able to gain the liquidity through asset sales, which kept us alive.

We also have a fairly new program of Construction Services that will do close to \$300 million this year; that is one of the services that has

been beneficial to us, because our customers – the contractors – are still skittish about hiring people. So we can go out and not only sell the material but also the installation and project management services.

Also, as a woman in this business, I can go get minority business. That will take four years to gain major traction – there is a lot of networking that needs to be done.

Is the industry on stable footing today or are you still concerned about the future?

84 is positioned to achieve fairly rapid growth right now. I have no plans to hire a bunch of people at this point. I'm cautiously optimistic. At the peak, we had over 500 stores; currently, we have 251. I'm very pleased with where our stores are located – in markets that are starting to turn around. So I see no need in the near future to expand our store presence.

In hindsight, our philosophy 10 years ago was to build stores as fast as we could and we were able to turn a profit in a couple of months – that is not how I see growth for 84 today. It will be from the same store count, maximizing every location we have. If we need to, we will purchase additional land in and around stores, but I don't see us going back to 500 stores. Our footprint is very manageable right now.

How critical was it to communicate with the store managers during the downturn? What benefits will help you sustain the business?

I have grown up with the people at 84 so I really know my managers and their lives – I've been actively involved in them; it's not an employee/employer relationship. There is a trust they have with me and they know me. Even in the bad times, they knew that the decisions we had to make were important, though difficult. The managers at 84 believe these are

their stores – they are truly entrepreneurs. So they rose to the occasion.

What makes 84 Lumber so unique?

It is the people and the culture – it's the same at Nemacolin. It is a family environment. The attitude is to take care of each other and the customer, and at day's end, we make some money.

What is the strategy behind the major investment that you're putting into Nemacolin and how will the opening of the casino there impact the business?

We couldn't invest a lot of money so the attitude was to paint and make things look pretty. But now that business is turning around at Nemacolin, which also went through a tough time. We'll be putting more than \$30 million worth of enhancements into guest rooms and common areas, and the timing could not be better from a financial standpoint.

We're excited about the casino. It will debut this summer. It has been different working with a partner – Isle of Capri – but so far so good. I envision the enhancement of our business coming about during the shoulder months – in the spring and the fall, and in the winter – so that will help. It will help also as an entertainment factor at night, because there is already a lot to do on site during the day.

I am going to have to rely on the community for local support, so that will drive in a lot of day business. We'll try to fill different memberships to Nemacolin so it will enhance the outlets and amenities we have to offer.

Long term, we're talking about adding some additional rooms with moderate rates.

Do you take the time to appreciate the success you have achieved in the past or are you always looking ahead?

Success is based on the achievements of the people who work for me. My accomplishments aren't mine. I'm blessed to be around spectacular people who can't say no and do all they can to achieve the goals they have set for the business.

What do you see as 84's greatest advantages as it responds to challenging unforeseen events?

Being privately held is such an advantage. Also, I don't have an ego. In this industry, there are a lot of egotistical men, but I'm not one of them. There is an advantage to being a woman in a male-dominated business. So I'm making the right decision for the company, not just for me. ●