

An Oklahoma Success Story

Meet our 2016 Pro Dealer of the Year:
T.H. Rogers Lumber Co.

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She's 101 years old, a stockholder in the Edmond, Oklahoma-based company and widow of the company's former president and chairman R.S. Kennedy. She's been around T.H. Rogers since before World War II, and has seen the company expand, thrive and change.

Shortly before talking with HBSDealer, T.H. Rogers current president and general manager Jonathan Kennedy spoke with his grandmother Dorothy.

"She stated that early on in our company's history, when there was just a handful of stockholders, a sense of entitlement may have existed," Jonathan said. "In her opinion, seeing this attitude disappear with the emergence of employee ownership is probably the best thing to happen to our company in its 115-year history. I am in 100% agreement with her on that issue."

That's high praise for the company's Employee Stock Ownership Program, instituted in 1993. More than just a symbol of the company's emphasis on teamwork, the program allows staff to share in the growth and prosperity of the company. Today, employees own about 40% of T.H. Rogers.

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pages. But that doesn't mean it's not high-performing. And it's earned its success one store opening at a time.

The secret, according to Kennedy: Protect the brand in local markets.

Since 1901, it has grown to 34 locations and operates also in Missouri, Kansas and Arkansas. The company runs a diverse fleet of units in small to medium-size towns. In some places, the yards employ two people. In others, 20 or so. From northwest Oklahoma to eastern Missouri, each store is different. And in some of these markets, T.H. Rogers is the only game in town, he said.

"We strive to be good corporate citizens and to truly be part of our communities," Kennedy said. "The majority of our store managers and employees were born and raised in their store's communities, so we really do have a hometown feel to our operations."

Of all the changes since the company was founded in 1901 (even before Oklahoma entered the United States of America), the ESOP was the big one, Jonathan said.

T.H. Rogers is not one of the high-profile LBM companies you read about in the investment



In McAlester, Okla., Jonathan Cook, Stacy Maw and Ben James take care of business.

And even in downturns when competitors from the bigger cities attempt to reach out and grab some share, T.H. Rogers believes it has a strong defense.

"The saying that has been around our company for a long time is: 'All things being equal, customers would rather shop with someone they know and trust,'" Kennedy said. "We try to be very mindful of that motto."

Like any dealer, there are challenges, and Kennedy rattles off several.

There's the need to improve the use of technology. In this area, the company has set a goal to boost employee training in an effort to increase knowledge of technology tools

There's federal regulations — from the Affordable Care Act to federally mandated overtime rules. Navigating the ACA is a serious issue, Kennedy said: "Successfully dealing with continually increasing health care costs will be vital to our company's future."

And there's the constant task of recruitment. On this last point, Kennedy says the ESOP plays an oversized role in attracting people. Beyond that, he has learned to put the horse in front of the cart.

"We are constantly on the lookout for quality people," he said. "I have decided that if we find a good prospective employee, it is better to hire them first and find a place for them later. If you wait until you need them, you could be in big trouble."

And there's the emphasis at T.H. Rogers: quality people.

"Finding and keeping good people isn't just the No. 1 priority with regard to our company's success and longevity," he said. "It's probably Nos. 2 through 10, as well."

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T.H. Rogers will accept the Pro Dealer of the Year Award during the **2016 Pro Dealer Industry Summit** in Charleston, S.C., Oct. 25-27.

