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What's the link between corporate culture and business success?

The commercial market embraces turnkey developments.

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Soaring High

Doing the Opposite

Golden Eagle Log Homes saw warning signs of the housing crisis. **BY FERNIE TIFLIS**

Situated in one of the most popular locations for log cabin homes, Golden Eagle Log Homes started as a vision to build a log home of high enough quality to raise a family. In 1966, spouses Wally and Marlace Parmeter started turning their dreams into reality when they built their own log home in Wisconsin Rapids, Wis. Nearby onlookers quickly noticed the new addition in the neighborhood and were impressed with the quality and aesthetics of the home. Soon,

the Parmeters opened a side business providing custom log home packages to clients.

Twenty years later, the duo officially founded Golden Eagle Log Homes. When they retired in 1997, their sons Jay and Tod Parmeter took over the business. The family business specializes in the manufacturing, development and design of log home components and packages. It sells its products internationally via architects, dealers and direct sales. The company has enjoyed continuous growth since its inception. However, with the recent economic downturn, it decided to do things a little differently.

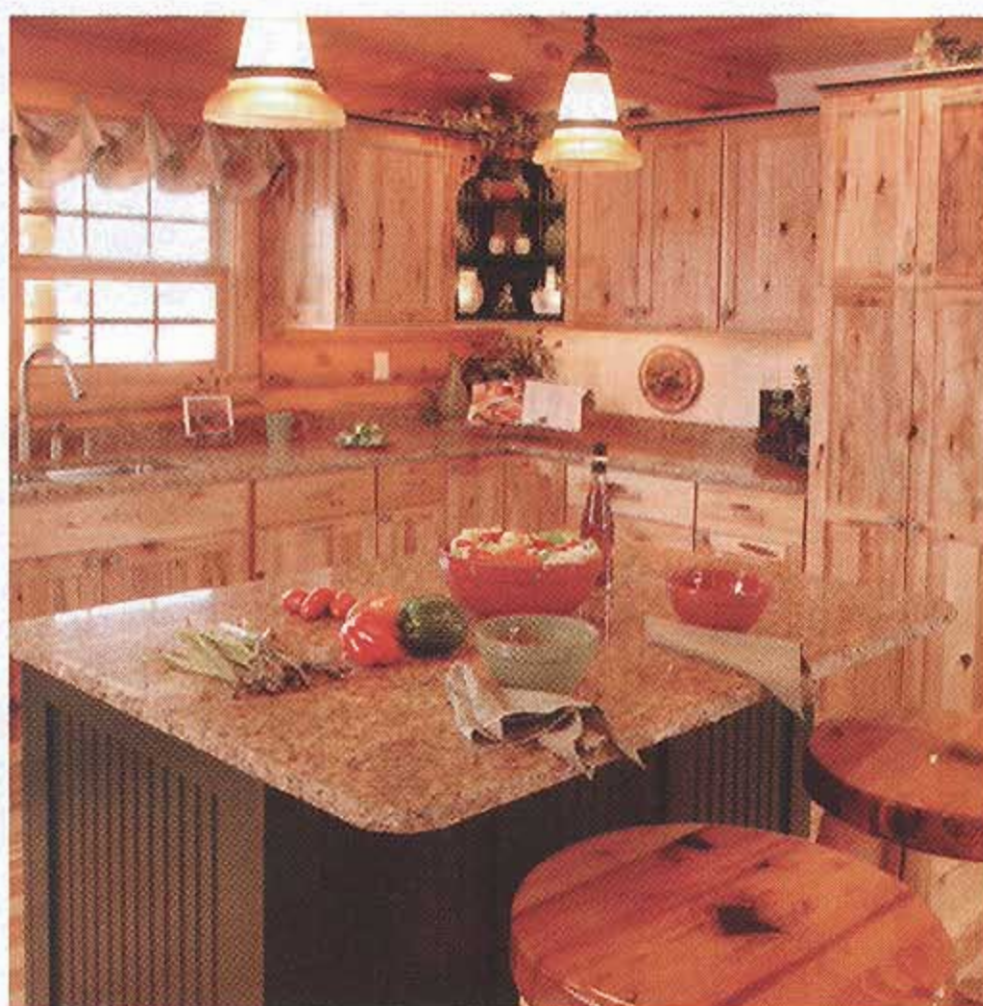
COO and co-owner Tod Parmeter spoke with *North American Design* about Golden Eagle Log Homes, how it deals with the current economy and what actions it is pursuing.

Company Profile

Golden Eagle Log Homes
goldeneagleloghomes.com

- **Headquarters:** Wisconsin Rapids, Wis.
- **Employees:** 45
- **Specialty:** Log homes
- **Tod Parmeter, COO and co-owner:** "We have received so many compliments over the years because we go out of our way to help customers."

Golden Eagle Log Homes designs and manufactures log home components and packages for architects, dealers and the direct sales market.



North American Design: What is the company's success factor?

Tod Parmeter: It comes down to the way we treat our customers. We have received so many compliments over the years because we go out of our way to help customers. We want this to be a great experience for the builder and the customer.

One of the things we are noted for is that we typically supply a complete log home package. Most log home companies supply the logs, the roof and maybe the windows and that is it. Golden Eagle takes it a lot farther by supplying those items, plus almost everything needed to finish out the home including, cabinetry, countertops, plumbing fixtures, fireplaces, mantles, mouldings, railings, tongue-and-groove pine, wood flooring and even the kitchen sink. We are so complete, we can also introduce you to the builder. With many log home companies, when you ask them for a price on your dream home they just tell you their log cost. When someone asks Golden Eagle for a price we tell them what the home would cost totally built.

NAD: How are you dealing with the housing crisis?
TP: When Jay (and I) started seeing early warning signs of an upcoming housing crisis – we

have not yet noticed the recession in our business, but we found out that our competitors were experiencing it – (we) decided it was time for a family board meeting. We have impromptu meetings all the time, but we wanted this meeting to be different and really underscore the seriousness of the impending situation. The meeting was between (me), Jay, CFO and (my wife) Sharon, along with (our father), Wally.

Dad has been retired (for a while), but he has experienced other housing downturns in his life. We were certain he would have some insight for us.

NAD: Companies in an impending recession don't think about expanding the firm. You did the opposite of what was expected. How did you pull it off?

TP: (We) made up our minds that (we) were not going to just sit still and allow the recession to (affect us). Instead, (we) decided to be proactive and expand the company. I believe every business owner has a list of items they wish they had. (Our list) consisted of log-drying kilns, additional warehousing and more machinery and equipment. Some of the machinery was to improve the efficiency of (our) current operations and other pieces were needed to expand into new product lines.

(We) began interviewing equipment vendors and contractors (in) mid- to late 2006 and had most of the details and contracts hammered out by the year-end. It took most of 2007 to get the new buildings built and the six major pieces of equipment installed and fully operational.

NAD: What was the result?

TP: In 2008, we began advertising the new product lines and started to see some additional revenue from those new items. In 2009, almost a full one-third of (our) business came from products we did not manufacture before the expansion. (We) more than doubled our product offerings and consumer options. One of the major benefits of the new machinery are reduced labor costs and a more precision cut. Another benefit is much of the manual lifting has been replaced by automation. (More than) 30 percent of (our) revenue was derived from the new offerings.

NAD: Where would you like to see the company a few years from now?

TP: We plan on expanding our dealer network



Golden Eagle says its expanded in anticipation of the housing crisis, and has found success so far.

(We) made up our minds that (we) were not going to just sit still and allow the recession to (affect us). Instead, (we) decided to be proactive and expand the company.

throughout the United States and in Europe. (In fact), we just brought in a dealer from Denmark. That's our first European dealer. We will continue to develop more energy-efficient construction systems to keep our homes on the cutting edge and our builders and homeowners happy. Solid log homes can be very energy efficient but for those non-believers out there, we also manufacture half log systems. With our half log system, your home will look exactly like a full log home but is conventionally framed and insulated. I don't want to say we invented the half log system but I think we can say we perfected it. We have done a ton of work developing gasket and spline systems that keep weather out and, perhaps most notably, just designed what we believe is the log home industry's best system for having a weather-tight seal around doors and windows. Our plan is really constant improvement. ●

ACTIVANT SOLUTIONS INC.

GOLDEN EAGLE LOG HOMES HAS ENJOYED CONTINUED GROWTH SINCE ITS INCEPTION. SINCE 2005, THEY'VE COUNTED ON ACTIVANT TO CONTINUE THAT TRADITION. "WE OFFER SUPERIOR LOG HOMES AT FAIR AND AFFORDABLE PRICES. OUR ACTIVANT SYSTEM HELPS US OPERATE EFFICIENTLY SO WE CAN DELIVER ON THAT PROMISE," COO AND CO-OWNER TOD PARMETER ASSERTS.