



AHEAD WITH A CURVE

Coastal Curve achieves beauty with innovation

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by RICH PORAYKO

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Tapping out

“It’s crazy.” “The market has taken a real change.” “I’ve never had to deal with this in my life.” “Throttled.” “Governed.” “Force majeure.” Since the beginning of the pandemic, I’ve done my best to take the high road. I’ve resisted the urge to sensationalise the negative. After completing the feature story for this issue of *Glass Canada*, I concluded that anything other than an open transparent discussion of what’s going on is burying our heads in the sand.

Truthfully, I have more questions than answers. Allocation means there isn’t enough room at the trough for everyone. “I don’t know what displaced customers do,” said a glass fabrication general manager I’m calling Mike Winters. “They are scrambling. Just last week we had a guy that was irate because he’d been a customer for years but only would order odds and sods so we had to freeze him.”

Serious question; really, what do displaced customers do if they can’t buy glass? None were willing to speak with me and I want to avoid speculation, however, this sounds like a BFD to me if a glass company can’t buy glass. It’s tough to say if there is a correlation, however Lynnmour Glass and 3E Glass have both recently gone bankrupt. Watch those receivables.

I’m told that older owners who might have held out for a few more years are now selling or shutting their businesses and retiring. They say it’s just too hard. They can’t hire anyone. They are begging for product and letting customers down. They’re tapping out. Which means the industry is losing the experienced people at the top and they are not bringing anyone new on.

“I had one customer tell me they might need to stop ordering for a while because they have

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THAT’S RICH

so much glass in their shop that they can’t install it,” said Winters. “They almost need to stop ordering because they can’t get enough people.”

“Our customers are telling us that for 2022 they have lots of opportunity; however, they can’t get the labour so they are forecasting the year to be flat growth,” says Winters. “Not because of lack of demand. Labour is the governor. If by luck they get labour, they aren’t sure they can get the materials. There is a lack of available resources.”

As my son would say, this is what my nightmares are made of. And there is no viable solution on the table I’ve seen other than automation through robotics, and that’s not going to happen overnight. Every employer I spoke with said the same thing: it’s been hard to attract workers. It’s a safe bet that the supply chain problems will fix themselves before the people problem will.

The glaziers fortunate to secure labour and materials are then nailed with a 75 percent price increase that they can’t pass along. How long is eating 75 percent sustainable?

Everyone in the glazing supply chain, primaries, logistics, fabricators and general contractors, are booming. Except the small to medium sized glazing contractors, glass shops and window companies. Glazing contractors can’t negotiate better terms for price increases into their contracts. This is where the industry needs to band together because if the subs fail, we all fail.

If you are making money, awesome! More power to you. If you aren’t, I hope you can pivot your business model and weather the storm long enough it make it through the other side.

When it comes to anticipating the stock market, economy, exchange rates or real estate, predictions aren’t my strength, however I know nothing lasts forever and the only constant is change. I agree that a big reason for the boom has been because people can’t travel and have extra money. With the vaccine numbers high, a promising anti-viral med approved in the U.K. and the travel advisory lifted, the applications for travel insurance in Canada have skyrocketed. If people stop seeing the value of paying inflated prices for building materials, it could mean that all that money that is sloshing around in the economy starts sloshing back into hospitality and entertainment. Things heated up fast. Things can cool down fast, too. Or not. •