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Q&A with Ryan Connolly, President and CEO of Fibrestick Manufacturing, Ltd. providing Median-density Fibreboard products for New Housing Construction in the Greater Toronto Area featuring MDF Moldings and Trim for Homes

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CEOCFO: *Mr. Connolly, would you tell us about Fibrestick Manufacturing?*

Mr. Connolly: We are a manufacturing company, producing MDF (Medium-density Fibreboard) products for the new housing construction, mostly in the GTA (Greater Toronto Area), but we run from the Muskoka area down into the London, Ontario area. The company started as dunnage for Flakeboard in Sault Ste. Marie, Ontario. I bought the company in 2006 and we started making the changes a couple of years later where we got into making products for the housing and construction markets.

CEOCFO: *What lead you to buy the company?*

Mr. Connolly: My background is agriculture for 30+ years working with livestock in the Dairy, Sheep and Beef Industries. My wife and I began farming when we were in our early twenties by purchasing an abandoned farm in Northern Ontario and turned it into a successful business. In our fifties, we decided to make a change in our lifestyle and sold the farm with all related assets. We purchased a small four-man operation in Sault Ste. Marie, which was producing dunnage for two large Industrial Plants. After operating that for one year, one of the Plants closed and it gave us an opportunity to look at diversifying the business to where it is now supplying various MDF products to the new construction industry. There is now 18 people involved in the operation of Fibrestick Manufacturing Ltd.

CEOCFO: *Is there a set group of products or is it client per client?*

Mr. Connolly: We make door jams, and MDF door jams is one of the bigger products that we make. We also make primed moldings, door jams and casings for that market and a variety of small products that go into building a house or trimming a high-rise. A lot of it is high-rise.

CEOCFO: *Are these commodity products or are there differences in quality, style, and materials?*

Mr. Connolly: There are always different products that we would make; they would want a specific molding with size and dimensions for whatever the project is. We make it directly for what that project would require. Quality is a major factor in what we are making because we have competition from all over the world. There is a lot of product coming out of Chile and Brazil that we would be competing against. Their quality is good. There are a couple of big plants in Ontario that are also making moldings that we compete against. On-time delivery and the personal service that we can supply to them and if they need things overnight, we can get it to them.

CEOCFO: *Are customers in your market generally willing to pay for quality?*

Mr. Connolly: Pricing is competitive. Once I start supplying a customer, they are quite loyal to us. We give really good service, so if they want something, they can depend on us to get it to them. Loyalty is quite high.

CEOCFO: *You mentioned being able to do something overnight. How else is the customer service different?*

Mr. Connolly: For small quantities we are competing with the overseas guys, where it has to come in as a container load. However, we can produce something on a shorter run and get it to them on a timely basis which they cannot get from overseas and the big companies that are doing this in Canada; their lives are so large that it is hard for them to produce something on a small scale, where we can also do the larger runs. That is our advantage.

CEOCFO: *Are there many new changes in the manufacturing process or is it the same over time?*

Mr. Connolly: It has been the same over time, and has not changed much. We apply a standard primer on ours, but product that is coming from overseas is called a gesso coating, so it is a different product altogether that they apply on their moldings. Some customers like it and some customers would rather have just the standard priming products, because standard priming products have a less chance of chipping. Gesso is quite thick and goes on top of the MDF.

CEOCFO: *Are there products that you may phase-out over time or products you would like to add?*

Mr. Connolly: Yes we are always adding other products as we have changed equipment in the company upgraded equipment; allowing us to make other products that we were not making before. We are working on adding another piece of equipment right now and start a whole new product line that we will be supplying to the same customer base. They are already buying it from another supplier but we will have it in our mix to offer them also.

“Quality would be the number-one reason, dependability and getting it there when you need it. Then the other point is we have long-standing relationships, when they run into a snag and need something to finish a building or if they get a curve thrown to them, they can rely on us that we will make that product for them and get it to them.”- Ryan Connolly

CEOCFO: *Do your customers typically know what they want or do you need to work with them to find out?*

Mr. Connolly: No, they very much know what they want. They are dictated by what the architects have designed into the building so they know what molding has to go in or what size their doors are going to be. They have bid on trimming a high-rise or trimming a subdivision. They are following what the architect wants.

CEOCFO: *What do you look for in your people?*

Mr. Connolly: I have a good group of people working for me. Some have been there since I started. We have a good core group that has been there a long time and they are steady. We have equipment operators and people that are competent running the forklifts or setting up the different pieces of equipment that we have to make the different products that we make. We kind of divide the shop into zones with each zone having a leader in it which is very familiar with the piece of equipment and can set up that equipment and run that area, and then there are helpers in that area to do the job.

CEOCFO: *Do you have the capacity you need or do you see that you need to expand?*

Mr. Connolly: It has been a steady growth, that is my philosophy, and do not make any major big moves all at once. We have slowly grown the company to where it is today. We are getting to the point that we could use more space which is a common problem in any small manufacturing company that I have ever been in and it is always a space issue. We are still expanding and making new products within the confines of the area we are working in.

CEOCFO: *What has changed in your approach over time?*

Mr. Connolly: I am probably more cautious now than I was when I first started. I study things a little bit longer and harder than I did at the beginning. I do more research and study on where we are going and make sure we get a good return and where we are investing. Again, it is slow and steady growth. At the beginning I probably made a few aggressive moves to get started in the business but I am not making those aggressive moves as much as I had before.

CEOCFO: *Do you see expanding your geographic reach?*

Mr. Connolly: We have searched to expand into Michigan and other parts of the US. We have never been able to really find that market over there, where they are using the MDF products that we are manufacturing, but it is still something that we do pursue at different times and I really think that is probably where the next logical growth will be. Not that the GTA is ever going to slow down; it is growing constantly, so there is always a big market there and it is hard to draw yourself away from that market because there is lots of work there and lots to do.

CEOCFO: *Being recognized on the GROWTH 500 indicates business is good for you. What is next?*

Mr. Connolly: In a short time we are going to add another product to our mix and it is something that we have been working on for six to eight months. We are getting close to starting to add that in. It will be a significant change to what we are doing. We will add a couple more people to the operation and more products, more trucks to move product. It will be the short-term change that we are going to see.

CEOCFO: *How do you reach out to potential customers or do people know Fibrestick because of your quality and time in business?*

Mr. Connolly: It is some of both. We do get contacted by some companies that heard of us through other companies that we already are dealing with now that we have proven ourselves in the marketplace. It took us a long time in the beginning to prove ourselves in the market that we could produce a product and do all the stuff that needs to be done to service them. Now we have established that so people are comfortable enough to know that we can do it and do not need to go to the big companies. The smaller guy can do it just as well or better. We have a commissioned salesman in the GTA and he will search out new companies and give them an idea of the new product lines and he will work on finding the customers. It is a small industry and there are not a lot of trim carpenters that do this work in Toronto, that do the big high-rises and subdivisions.

CEOCFO: *Why choose Fibrestick Manufacturing?*

Mr. Connolly: Quality would be the number-one reason, dependability and getting it there when you need it. Then the other point is we have long-standing relationships, when they run into a snag and need something to finish a building or if they get a curve thrown to them, they can rely on us that we will make that product for them and get it to them.