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Oakfield Company Builds Success through TV, Maine MEP

OAKFIELD – Thanks to ABC-TV’s hit show “Extreme Home Makeover,” and the Maine Manufacturing Extension Partnership, 2005 was a fantastic year for Oakfield-based Katahdin Forest Products, Inc.

“If you told me at the beginning of the year my company would appear in 22 million homes across America, I would not have believed it,” said David Gordon, president of the company.

“Nor could I have believed that the people at the Maine MEP would be so instrumental in helping this company focus its efforts and clarify our strategies to meet our greatest challenges,” Gordon said. “I can tell you, I am certainly pleased to have the Maine MEP on our team.”

“David Gordon has an extraordinary company with incredible potential for the future,” said Rod Rodrigue, president of the Maine MEP. “By allowing our project managers to perform a strategic business and technology assessment of his company, David has been able to look critically at his company and understand what is necessary to meet future demands.”

Gordon agrees. “My father started this company in 1973,” he said, “and I became his eighth employee in 1977. Since then, I have been working to make this company the best it can be, but I realized I needed an outside assessment to see where we stood.”

A leading supplier of cedar log homes and manufactured cedar products distributed nationally under its brand name Katahdin Cedar Log Homes, the company provides high quality, custom cedar log homes to the high end of the custom home market. The company currently has more than 90 employees and because of its location on the edge of the great Maine forest, Katahdin Forest Products has access to one of the largest stands of northern white cedar in the United States.

The company has much competition, but it differentiates itself by manufacturing homes in a way that dramatically shortens the time from order to ownership - thus

reducing overall acquisition costs. Dealers experience shorter sales cycles, quicker commissions on closed deals and reduced risk of failed projects.

“That’s very important for us,” Gordon said, “because the log home market is driven by dealers.”

Recently, thanks to the ABC’s “Extreme Home Makeover” show, Gordon got to interact with several of his dealers in a whole new way, and it proved beneficial to him, his company and the dealers.

Katahdin Forest Products was selected by ABC to build a log home for a family in Southern Maine. The weeklong building effort resulted in the episode airing on November 13. The show catapulted Katahdin Cedar Log Homes into the homes of more than 22 million potential customers, and it is estimated Katahdin will realize a significant increase in sales and dealerships from this one event.

However, Gordon is aware the opportunity also poses extraordinary risks of failure if Katahdin does not plan and invest wisely to meet its anticipated growth. “I had to ask myself, what should the company do to maximize its growth potential while minimizing its risks?” Gordon said.

That’s where the Maine MEP project managers stepped in and offered insight, suggestions and a plan for the future by performing a strategic business and technology assessment of Katahdin.

“I learned a lot of things,” Gordon said. “Some of it depressed me. After all, any problems or difficulties this company has must be placed at the feet of ownership, and that has been me for the past 20 years.”

But Gordon overcame his feelings and realized the assessment showed Katahdin holds a strong competitive technology advantage over other companies and his dealers consistently experience shorter sales cycles, quicker commissions on closed deals and reduced risk of failed projects.

This technological advantage (two Katahdin employees can now build 2 higher-quality homes a day – compared to six employees building 1 home a day just a short while ago), combined with the extraordinary marketing opportunity provided by the television show, could propel Katahdin to the top of its industry, tripling its sales and dealer network within 24 months.

On top of that, the assessment provided Katahdin with important insights into its operations and management capabilities that will require extensive training and staff augmentation as the company rapidly grows. The Maine MEP High Skills Training Program has agreed to support Katahdin's executive and engineering training efforts.

"I can't say enough about the assessment and the follow-up," said Gordon. "I would recommend Maine MEP's business analysis for any company of any size in Maine. While there will be surprises, I'm sure, for most company officials, Maine MEP's project managers have positive attitudes and make things go smoothly and easily for everyone involved."

"David Gordon's work overseeing 1,300 people during the building of a log home for ABC certainly says something about his abilities as a leader," said Patrick Martin, MEP project manager. "He ensured the project was completed within one week and was ready on schedule. It was a remarkable project."

"His endorsement of our project managers and the programs of the Maine MEP is high praise, indeed," Rodrigue added.

The Maine MEP is an affiliate of the NIST under the U.S. Department of Commerce. The national MEP is a network of manufacturing extension centers that provide business and technical assistance to smaller manufacturers in all 50 states, the District of Columbia and Puerto Rico. Through MEP, manufacturers have access to more than 2000 manufacturing and business "coaches" whose job is to help firms make changes that lead to greater productivity, increased profits, and enhanced global competitiveness. For more information on the Maine MEP program call 1-800-637-4634.