

# @omSTOCK'S

APR  
2007

FATHER-SON  
ENTERPRISES

THE WORLD'S LARGEST  
INFILL PROJECT

HOSPITALS  
IN THE RED

business insight  
for the  
capital region



# TIMBER

HOW UNITY FOREST PRODUCTS CEO  
ENITA ELPHICK CLAWED HER WAY TO THE TOP

# WOLF

\$3.95 0 4



6 49241 83560 8

comstocksbusiness.com

“Here I’m making \$1,300 a month and the owner offers me a \$300-a-month raise. That first year I made \$1 million for the company.”

HOW UNITY FOREST

PRODUCTS CEO

ENITA ELPHICK

CLAWED HER

WAY TO THE TOP

BY  
RICH  
EHISEN



PHOTO: JAYSON CARPENTER

**J**ohn Quincy Adams, the sixth president of the United States, once defined leadership as the ability to inspire others to “dream more, learn more, do more and become more.” That definition undoubtedly applies to Unity Forest Products Owner and CEO Enita Elphick, who has learned, done and become more than anyone ever expected.

Located on 25 sprawling acres along the banks of the Feather River in Yuba City, Unity Forest Products is primarily a lumber-remanufacture plant and sawmill, but only in the manner that Mercedes-Benz and BMW are primarily automobile makers.

While most sawmills focus on mass-produced structural lumber — the studs, two-by-fours and other commodity pieces that make up the bulk of the construction market’s everyday needs — Unity’s stock in trade is producing smaller runs of extremely high-quality, value-added pieces aimed at filling niches in the big-bucks custom home market.

“The majority of the industry sells the structural lumber you don’t normally see,” Elphick says. “It’s in the walls, under the floor, in the roof. We do the lumber that you do see. Since ours is really an appearance product, it is usually found in custom homes where people really appreciate wood and want it in certain grades and patterns.”

As such, Unity doesn’t sell to the general public or even to big-box home-improvement stores like Home Depot or Lowe’s, focusing instead on contractor-supply houses like Meek’s. And while the softening housing market has hit the general homebuilding industry hard of late, the custom market seems to still be thriving.

“Tract housing has definitely slowed down, but big custom homes sure haven’t,” says Lincoln Spencer, sales manager at Meek’s in Elk Grove, a Unity customer and a supplier for many of the custom homebuilders in the Sacramento region. “Go up to Serrano, El Dorado Hills or Cameron Park and you’ll still see custom homes being built everywhere. That market has barely slowed down at all.”

Even if it does, Unity will come out on top — Elphick says new-construction slowdowns often give the company a spirited bump in productivity. “We actually do better in a down market,” she says, noting that “when people are not building new houses, they remodel.”

Spencer concurs, and says the call for upgrade materials used in remodels has many of his suppliers “bringing in products they maybe didn’t sell before to try and make up for what they’re not selling in lumber. We’re seeing more call for doors, windows and moldings than ever before.”

Elphick says the ability to profit in both good times and bad has been a key factor in Unity steadily building a solid bottom line since she first started the

company as a regional lumber wholesaler working out of a dinky office near the train tracks in Roseville in 1988.

She had only four employees then, counting herself, and scarcely any revenue. That is definitely not the case today. Unity now employs more than 90 full-time workers and sells its products all over the world, from exterior fencing and paneling to kits for building custom log homes. Unity’s revenues topped \$37 million last year.

The journey has not been a walk in the park. To see Unity Forest Products today, it is easy to overlook the obstacles Elphick overcame along the way. Not the least of those impediments is that the lumber business has never exactly welcomed women with open arms, or that even today, it remains one of the most male-dominated industries out there. But if Elphick has proven anything in her life, it is that she is rarely troubled by barriers, particularly those of other people’s creation.

The product of a fourth-generation ranching family that worked its fields and cows in the Sonoma Mountains near Petaluma, Elphick and her five older brothers learned quickly that hard work and persistence were an absolute necessity.

“The work ethic was established early in our family,” she recalls. “If you wanted to eat, you worked. We all had to chip in.”

Education was also an expectation, one Elphick met well enough at Round Valley High School in Covelo, Calif., to

# Enita Elphick

**AGE:** 62

**TITLE:** Owner, president and CEO of Unity Forest Products in Yuba City, Calif.

**FAMILY:** Enita is married to Francis M. Rush Jr. and has four kids from her previous marriage.

**EDUCATION:** Round Valley High School in Covelo, Calif.

**BUSINESS PHILOSOPHY:** “Deal honestly, always do your very best and never give up.”

**LIFE PHILOSOPHY:** “Same as above, with the additional goal of always doing good for other people. You should always be willing to help people wherever you can.”



land a full scholarship to Stanford University. But by then Elphick had also learned another hard reality: Life isn't always fair.

Hard times had forced her parents to give up the ranch while Elphick was in grammar school, and now they were both seriously ill with cancer. And while her brothers did what they could to help out, the task of caring for her parents fell almost completely upon Enita's shoulders, forcing her to surrender any thought of leaving home to attend college. While she could not know it at the time, that decision would shape the course of her life.

"I knew things weren't good," she says. "I realized I couldn't go away, and so I started looking for a job. The only job available in the community where I lived was a filing clerk in a sawmill, and that's where I started."

She married a young mill worker, and soon they had a family of their own to care for. Her folks passed away not too long after that, leaving her to reconcile the medical bills left over from their illnesses. It took her five years to do it, but she eventually retired all of the debt.

The situation was tough, but she says it reinforced the core values her parents instilled in her, most notably a strong sense of right and wrong and a willingness to take on all of her obligations with honor. It was again too soon for her to know it at the time, but those same values would also play a key role in the creation of Unity Forest Products decades later.

In the meantime, with Stanford out of the picture, Elphick focused on working toward becoming the company's office manager.

"I thought, 'OK, I'm here and I'm not at a university, but that doesn't mean I can't keep learning,'" she says of her approach to the job. Learn she did, but Elphick's bosses soon realized she also had a lot to teach.

Stanford had wanted Elphick for her math and science skills — she had dreamed of being a physicist — and her ability to help out with the company's research on new, more efficient wood-cutting techniques began to attract the notice of the company's higher-ups.

"I still had to do my regular job, but I also did all this research work with these guys from the lumber industry," she says. "I wrote all the reports on it, did all the

mathematics and all the background." But while her responsibilities were increasing, her status was not.

"In doing this research, I often did get to go onto the mill floor. You never saw a woman at that period of time on the mill floor," she says. "But I also never got my name on the scientific papers that went out on that research."

With five older brothers, Elphick has never been afraid of scrapping with the guys when the situation called for it. But with four kids now at home and no chance to even consider another shot at college,

**"They knocked on my door and said, 'We've quit our jobs. We don't know what you're going to do, but we're going to do it with you.'"**

Elphick says getting credit for her efforts was secondary to simply getting the opportunity to learn new things.

Elphick was subsequently handed increasingly more challenging tasks, from dealing with the forest service to engineering roads, all of which she managed while still functioning in her official role as the company office manager.

She and her husband eventually moved to Oregon for several years, where she worked as a controller for another sawmill. She returned to California in 1980, this time as a single mom, taking on the job of CFO at a wood-remanufacturing mill near Sacramento. It was a good fit, and the owner eventually offered her a \$300-a-month raise to take over as the general manager.

At one time, she might have jumped at it, particularly given that she was supporting herself and her kids, the youngest of whom is disabled, on a whopping \$1,300 a month. But Elphick knew the five previous managers, all men, had been paid more than triple that offer, plus expenses and a company car.

"Here I'm making \$1,300 and he offers me a \$300-a-month raise to do the job that they had failed at," she says. She took the job but declined the raise, asking instead for 15 percent of the net profit. "They hadn't made a profit in 10 years. Fifteen percent of nothing is nothing, so the owner said sure. That first year I made \$1 million for the company."

She also made lasting believers out of several of the mill's male employees, which was no easy task. Although women had slowly been breaking through glass ceilings and other barriers across the business world for years, the lumber industry had yet to receive that memo.

That women were not looked upon with much respect was old news to Elphick long before she took the new job, but she had always disarmed the worst of the attitudes she faced with her own competence and a distinct lack of grumbling about her lot in life.

"You don't worry about other people and eventually you cease to be perceived as a woman, but as a business person who knows what they're doing," she says. "You've got a job to do, do it. Don't whine about it, don't complain about it. If it's filing, do the very best job in filing; if it's typing an invoice or processing a financial form or making a tough decision, you do the best you can do and you get it done right. I've never had much time to say, 'He's not treating me fairly.'"

Perhaps, but woe to the person who mistakes Elphick's disinterest in playing the victim as a sign of someone who can easily be pushed around.

"When I first became a general manager, I can remember being told that men would never work for me. I said, 'Yes they will,' and I had an in-house meeting with all the employees. I said, 'I know it's not the normal thing in this industry to work for a woman, but I am here to make your health benefits better and to make this place better.'

"I went through a whole list of things that needed to be done there that would help them, and at the end I said, 'This is what I'm going to accomplish, and if you want to be part of it, then great. If you don't, there's the gate. Because if you don't want to come along, then I assure you that you will leave through that gate.' I never had any problems."

Elphick left there in 1987, not exactly sure what she wanted to do. The lumber business had taken its toll on her, and with her youngest son still at home, she even contemplated moving on to another industry. But a surprise visit a few weeks later from a few of her former employees changed all that.

"They knocked on the door and said, 'We've quit our jobs and we don't know what you're going to do or where you're going, but we're going to do it with you, and we hope you do it soon because it doesn't look like your grass needs much mowing,'" she recalls. "Two weeks later, I sold my house and started looking for a place to build a business."

With a team of highly capable industry veterans just looking for someone to lead them, Elphick went to work getting a company off the ground. As a startup in what was then also a down construction market, Elphick had to literally scour the countryside to locate the financing and correct site to construct a mill, eventually getting the Yuba City site at a bargain rate.

But the area had a distinct lack of workers skilled in the lumber business, so she and Mike Smith, one of the men who showed up on her door so unexpectedly that day, held Saturday classes to train workers in the fundamentals of how to stack lumber and calculate board feet.

But that opened up a whole new can of worms — many of them didn't have even the basic math skills to understand what they needed to learn. That inspired Elphick and Smith, who is now Elphick's son-in-law as well as Unity's vice president, to hold regular classroom training on not only the necessary math skills, but also on such rudimentary tasks as how to open and manage a checking account, something the company still does today.

Stephen Brammer, the chief operating officer of the Yuba-Sutter Economic Development Corp. in Yuba City, notes that many of the people Unity has brought into its fold have struggled mightily to fit into society, often coming from prison-release programs or some other "less than stellar background."

And remembering the plight of her uninsured parents and the impact it had on her life, Elphick wouldn't even

consider opening the doors unless she could provide health benefits for every employee and their family. She has since added life insurance and a profit-sharing plan.

"Unity has a wonderful personnel approach," Brammer says. "They are the model of how a business should be run."

Such training and benefits do not come cheap, but Elphick says the end result is well worth it.

"We have people that hadn't functioned as responsible citizens," Elphick says. "But those people are now homeowners, or their kids have gotten through school and will graduate. Their attitudes

**"We give you  
high-quality product;  
all I require  
is you pay on time.  
If you don't,  
you're cut off."**

have changed. Their perspective on what they're capable of has changed. I think that's really important. We could make a lot more money than we do, but that's never been our only goal."

Not that money isn't important to her. Elphick is notoriously fastidious about keeping the numbers in the black. To do that, she insists on two things: keeping the inventory moving, and getting customers to promptly pay their bills. She has so far been almost miraculously successful at both.

"In this industry, if you can get six turns a year in the inventory, you're doing very good. We turn about 1.2 every month," she says, noting that the company also offers a discount for customers that pay within 10 days.

"Industry average on receivables is about 45 days, but we average getting paid in about 14. My policy is, we're going to give you the high-quality product you want, we're going to service you on

time, we're going to keep your inventory lower because we can fill an order within 24 to 48 hours, and all I require is that you pay on time. If you don't pay, you're shut off."

Elphick has a team of nine savvy salespeople, of whom she also expects a lot every single day. While sales pressure is nothing new in any business, Unity is unique in that nobody works in a vacuum. The entire sales staff works as a team, with individual bonuses offered only if the team as a whole meets its objectives. That, she says, keeps people from acting like lone wolves to make a big commission at someone else's expense.

The team concept is so important to her that even her pay is based entirely on company performance. And forget about mill workers being asked to build a whole product line and then hoping the sales team can move it. At Unity, any new product lines are pre-sold to a host of waiting clients before a single sawtooth cuts into wood. That, Elphick says, not only keeps costs down, it also ensures everyone stays on the same sheet of music at all times.

"That's why we're called Unity," she says. "One of the definitions of unity is a group of people coming together with a common goal, and that really is Unity Forest Products. I don't care where or what you're doing, no one person can have all the answers or the abilities or the skills or the motivation."

It is a philosophy that has clearly produced results, so much so that these days Elphick's biggest issue isn't doing poorly, but doing too well.

"My biggest battle has always been to keep our sales down, to not grow too fast," Elphick says. "If you grow too fast, you grow bad. You have to have cash. You can lose money for several years in a row and still keep the doors open and run, or you can be extremely profitable but not have enough cash to meet your commitments and go broke right away."

"I'm always concerned about our customers when the market goes really hot and heavy real fast because if they expand too quickly, they may go broke and not pay up," she continues. "So I guess we look at business a little bit differently, but it has been worth it. We've never had a bad year." 