

THE MCCOY'S STORY

1930s

"Hurricane business in Galveston ensured a roofer would stay busy. In fact a hurricane in 1932 brought in enough business to put up the shop building McCoy's Roofing occupied until 1953."

Quote from Emmett McCoy

Photo: Storefront at 1111 33rd Street, Galveston, Texas



McCoy's Building Supply is one of the nation's largest privately-held building supply retailers. It has provided building products and services to its "Born-to-Build" customers since 1927 and serves builders, contractors, serious do-it-yourselfers, and farmers and ranchers across three states. Its parent company, McCoy Corporation, is owned by the McCoy family, headquartered in San Marcos, Texas and led by CEO Meagan McCoy Jones. McCoy's employs more than 3,000 people and operates over 85 locations, including distribution centers and millwork facilities in Texas, Oklahoma and New Mexico.

McCoy's history can be traced to 1927 when Frank McCoy opened a roofing contracting company in Galveston, Texas.

Group Photo: Employees Mr. J.E. Overbeck, Mickey Overbeck, Herman Teague, Jesse Lynch. Below: Dorothy Overbeck



1944

1946

In the mid 1940s, Frank McCoy's son Emmett returned from serving in a U.S. Engineer Aviation Battalion in the South Pacific to join his dad at work.

Photo: Frank McCoy (Merchant Marines), Emmett McCoy (US Army)



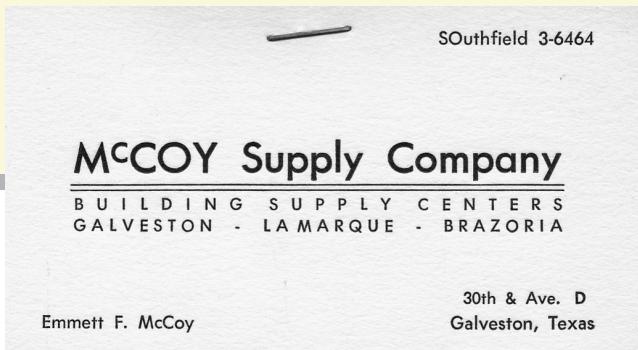
A STORY OF CHANGE

McCoy Roofing Company began selling roofing supplies on a limited basis in 1941, although its focus remained on roofing contracting. In 1948 Emmett McCoy opened the McCoy Supply Company as a sister company to the roofing business and began selling building materials to the general public on a cash-and-carry basis. Frank retired in 1950, and Emmett became president of both the roofing and supply businesses. McCoy's Supply Company entered the emerging building supply industry in 1953 when its retail operations were relocated on Galveston Island and McCoy's product mix expanded to include plywood, doors, drywall and other materials.

In 1960, a second store opened in Galveston County in LaMarque, Texas a year before Hurricane Carla brought extensive damage along the Gulf Coast in 1961. In the period of opportunistic pricing that once preceded and followed every major tropical storm in that region, McCoy's continued to offer everyday prices to customers. This refusal to raise prices in the wake of the disaster helped establish a solid reputation for the new chain, and sales for the two stores reached one million dollars for the first time.

The roofing business was discontinued in 1964 and lumber was added to store inventories. Soon after, Emmett McCoy opened a third location and, to better reflect the company's increased scope, changed the chain's name to McCoy's Building Supply Centers.

Below: Emmett F. McCoy's business card circa 1965



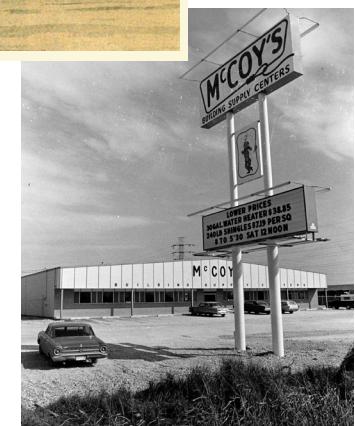
"By the 1950s and 1960s, private home construction was exploding. Shorter work weeks and consumer-oriented materials encouraged people to do their own work. Times had changed and instead of just selling to contractors we were now in a consumer business."

Emmett McCoy
Excerpted, Studies in Entrepreneurship Speech,
Texas State University



In the 1960s, McCoy's product mix expanded, as did its number of stores.

Photo left: Paint sales representative Dick Brooks by an early in-store paint display. Photos right: McCoy's expands to LaMarque, Brazoria and beyond.



1950s

1960s



The company expanded conservatively throughout the 60s and McCoy Corporation moved its headquarters to centrally located San Marcos, Texas in 1972. Over the next four years, Emmett's sons Mike, Brian and Dennis McCoy joined the company full time, representing the third generation to take a lead role in the operation of McCoy's.

Photo: Brian and Emmett McCoy at company headquarters in San Marcos, Texas.



By 1980, the chain had expanded to 25 stores and a year later sales reached the \$100 million mark. In what was to become the company's fastest growth period to date, McCoy's doubled in size between 1980 and 1983 when it opened its 50th store in San Antonio, Texas. Texas was growing, and McCoy's grew with it.

Photo: Emmett on a store visit.

1972

1983

A STORY OF GROWTH

1985



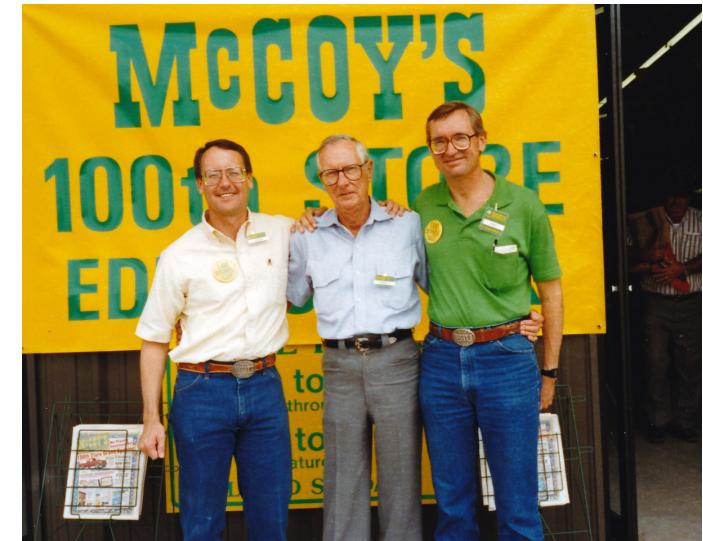
Tragedy struck April 30, 1985 when Emmett's youngest son, Dennis McCoy, was killed in a private plane accident on his way to a store visit in Brownwood, Texas. In a statement released the day after the 28-year-old's death, Emmett and sons Mike and Brian praised Dennis' contributions while reassuring the company's employees. "We plan to operate the business and continue to grow. The three of us feel handicapped without Dennis, but we believe our future is still bright."

Photo: Dennis P. McCoy



By the end of the 80s, McCoy's opened its first stores outside of Texas in Arkansas, Oklahoma and New Mexico. In 1990, the chain added locations in Louisiana and Mississippi and had 95 stores in operation by year's end. According to National Home Center News, McCoy's Building Supply Centers was an "example of how regionalization within the home improvement industry was alive and well".

Photo: Stocking field fence in a McCoy's lumberyard.



The company continued its focus on smaller markets, avoiding the urban and more densely-populated areas dominated by its superstore, or Big Box, competitors (mainly Lowes and Home Depot). McCoy's opened its 100th store in 1992 and by the late 90s the chain consisted of 104 stores in six states, with sales topping \$500 million.

Photo: Brian, Emmett and Mike McCoy celebrate 100 stores.

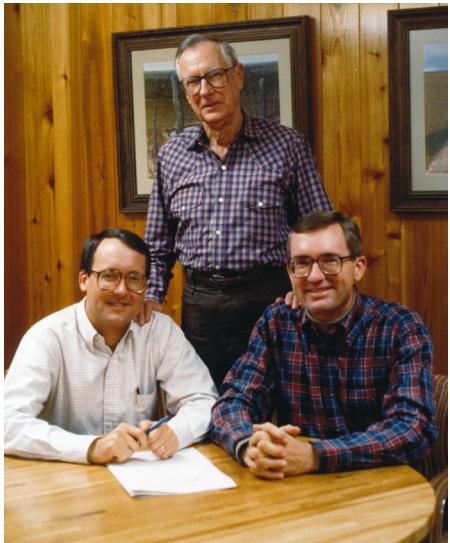
1992

1988

A STORY OF CHALLENGES

In spite of its standing as the third largest family-owned retail home improvement company in the nation, there were signs of challenges on the horizon with the impending departure of McCoy's founder and the implementation of a new business model by its primary competition. In the early 90s the small and mid-sized markets that were its sweet spot began attracting the attention of the Big Boxes and at 74, Emmett McCoy decided to retire from the business, leaving operations in the hands of Mike and Brian McCoy. The third generation responded with a slew of adjustments to prepare McCoy's for the new millennium.

Photo: From left, Brian, Emmett and Mike McCoy prior to Emmett's retirement.



1990s

McCoy's made several organizational moves, including the development of a senior-level corporate management team to help with operational decision-making. The company announced it had joined a dealer-owned buying group in order to gain lower prices from vendors and increase its product selection, a departure from its previous strategy of volume purchasing directly from manufacturers and the avoidance of outside representatives and wholesale distributors.

Photo left: Emmett at his ranch in West Texas



At the top of the list were changes to its business plan and culture. The company's core focus was re-examined, and it was decided that leadership development would play a prominent role moving forward. In the mid 90s, McCoy's adopted a new philosophy to "Grow Self, Grow Others, and Grow The Business" in that order, incorporating the sentiment into its mission statement.

Photo: McCoy's Inside Sales Staff assisting customers.



McCoy's expanded its original "cash only" philosophy to begin offering credit to its professional customers, then 70% of its customer base. The company added a private label credit card for their consumer customers and an in-house credit program for commercial and contractor accounts and instituted online access to invoices.

Additional moves included adding an outside sales team, opening two Door & Millwork Manufacturing Plants, modernizing information systems and marketing functions, doubling its delivery fleet and ramping up employee training.

Photos: An easy-to-spot McCoy's green and yellow delivery truck (above), and a McCoy's CSR (Customer Sales Rep) studying blueprints (below).



As a way to position itself as a company focused on customer service, McCoy's developed a "Business as UnUsual" training strategy, teaching that customers need respect and appreciation as well as fair pricing and products they can count on. Note: Cataloged as Legacy Leadership since 2016, this philosophy is currently taught at the McCoy College of Business at Texas State University in San Marcos, Texas.

Photo: Loading up a customer in McCoy's drive-thru lumberyard.



McCoy's also took a critical look at the design and size of its stores during this time and set a new standard with 21,000 square feet of inside sales space and a five-acre full-service lumberyard. When several stores were retrofitted with a Contractor Sales Area, redesigned Paint Centers and new racking to improve product handling, the results brought sales increases and revamps were expedited to other stores.

Photo: Changing store front designs in the 1990s and early 2000s.

1990s

"We learned to take risks, fall on our face, and get back up. We went from over 100 locations to 83. And there were plenty of those in the industry predicting our demise."

Photo: Brian McCoy (below)

Excerpt from Brian McCoy's Company History address at the 2017 Managers Meeting in Galveston Texas



A STORY OF BIG DECISIONS



2001

As is often the case, there were ideas that didn't work, including Installed Sales, two Pro-Only locations, in-store Rental Centers, Garden Centers and more. When 2001 saw a further decline in the nation's construction industry as a whole, and especially in McCoy's lead state of Texas, the number of stores fell from over 100 to 83, the chain pulled out of Louisiana, and sales fell to \$467 million.

In 2001, Co-President Brian McCoy, his wife Wetonnah, and their two children bought the company from Co-President Mike McCoy and the extended McCoy family. The restructuring of leadership within the company allowed Brian McCoy to continue the strategy of positioning the newly dubbed McCoy's Building Supply ("Centers" was dropped from the chain's name) as a hybrid between Big Box superstores and the traditional local lumberyard.

Photo: Mike McCoy, circa 1980



In 2003, McCoy's focused on adding product selection for customers running farm and ranch operations. Expansions were made to include hunting, equine, livestock and poultry supplies, stock tanks, pens and rodeo equipment, feed and irrigation products. The McCoy family had a personal interest in ranching supplies, with substantial land holdings in West Texas and a traditional Black Angus cow-calf operation acknowledged for its strong focus on range management and stewardship.

Photo: McCoy's employees attend Priefert Equipment training.

2003

Although new stores were stocked with twice as many products as older locations, McCoy's total SKU (or stock keeping unit) count was still a far cry from the selection offered by its huge competitors. In response, the company began carrying more professional-grade equipment and contractor-lengths of material in the first decade of 2000, in hopes of attracting and retaining its target audience of Born-To-Build customers. Outside the store, drive-through yards were upgraded and delivery turn times tightened.

Photo: McCoy's store interior 2003



A STORY OF PERSEVERANCE



Construction on a three-story headquarters facility was underway when the national recession hit in 2008, and even as it opened its new headquarters, McCoy's, like many independent businesses, was forced to lay off a small portion of its workforce in 2009. During the following decade as the economy slowly rebounded and the company experienced renewed prosperity, McCoy's chose to improve its infrastructure instead of attempting to expand its store count. After nailing down a niche strategy, the company once again began opening new stores with locations in Taylor and Floresville, Texas in 2012 and 2013 respectively.

Photo: McCoy's Corporate Headquarters in San Marcos, present day.

2009

"All through the 90s and early 2000s Home Depot and Lowes entered our markets with a vengeance. We couldn't beat (them) in the retail game only. We looked like a lumberyard, and we needed to act like one."

Brian McCoy, excerpt from an address during the company's 2017 Manager's Meeting in Galveston, Texas.

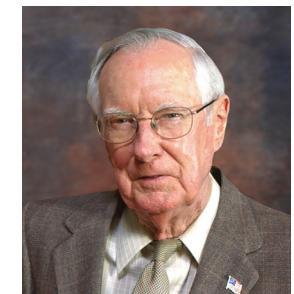
2005



Brian McCoy's daughter Meagan McCoy Jones joined the company full time in 2005 and was promoted to assistant store manager in 2007.

Photo: Meagan and Brian McCoy during her tenure as Assistant Manager at McCoy's Dripping Springs location.

2012



After his retirement, Emmett and his wife, Miriam, focused on philanthropy giving generously throughout their adopted hometown of San Marcos, Texas and to other causes close to their hearts. Emmett McCoy passed away in January 2012 at the age of 88.

Photo: Emmett McCoy

A STORY OF RESOLVE

Meagan McCoy Jones transitioned to headquarters and by 2016 had grown into the position of Executive Vice President and Chief Operating Officer.

Following years of service in the U.S. Navy and U.S. State Department, Brian's son Reid McCoy, Board of Directors Vice Chairman, joined everyday operations in San Marcos in 2015. Along with his sister, he serves as a fourth-generation steward of McCoy's Building Supply and helps oversee its many investments outside the company, including ranching and real estate holdings.

Photo: Brian, Meagan, and Reid in the lobby of the McCoy's Building Supply Headquarters in San Marcos, TX.



2015

In 2015, McCoy's began operating internal distribution centers and the decision to bring estimating in house came to fruition with the establishment of McCoy's Estimating and Strategic Accounts Departments. The company developed a comprehensive 18-month management training program in 2016 and continues to add product lines.

Photo: McCoy's Pharr Re-Load Center



2017



McCoy's Building Supply continued to develop new ways to serve its customers including rolling out their Buy Online, Pickup in Store option in 2020 while navigating a global pandemic. The company stayed agile in a variety of ways throughout this uncertain time from adjusting store hours as needed to developing a process for curbside delivery of smaller items. Consumer sales increased as customers chose to tackle home improvement projects while staying home. With Brian McCoy as CEO, McCoy's Building Supply hit a new milestone: \$1 billion in annual sales.

Photo: Curbside pickup, Lumberyard style at McCoy's San Marcos, TX location



2020

The company's Door and Millwork facility in New Braunfels, TX moved into a larger facility with state-of-the-art manufacturing equipment allowing for a substantial increase in efficiency and production capacity. The facility produces custom and standard interior and exterior door units for builder and remodeler customers for the majority of McCoy retail locations.

Photo: Inside the new McCoy's Millwork facility in New Braunfels, TX.



MCCOY'S TODAY

"A company like ours doesn't succeed over this many decades without hard work, hustle, and the deep loyalty of our team and trust of our customers. I've grown up at McCoy's with the patience, help, and support of so many. Through them I fell in love with our business and industry. Being a private, family company is an advantage and privilege, and we don't take that for granted."

We continue to invest in upgrading stores, building stores in new markets, and growing our distribution, manufacturing, and delivery service so customers can count on McCoy's for decades to come."

Quote from Meagan McCoy Jones in her CEO announcement press release.

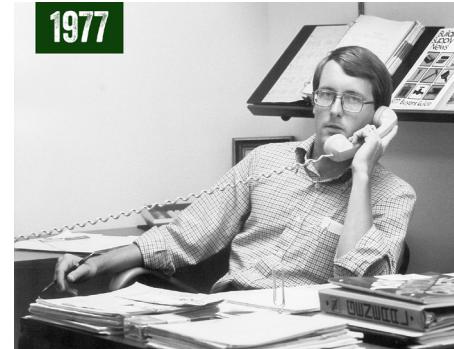
2022



In June 2022, Brian retired as CEO after 50 years with the company to serve solely as Board Chair. Meagan McCoy Jones succeeded her father as President and CEO becoming the 4th generation of her family to lead McCoy's Building Supply.

Photo: Brian McCoy photographed in his office in 2022.

1977



Since 1927

