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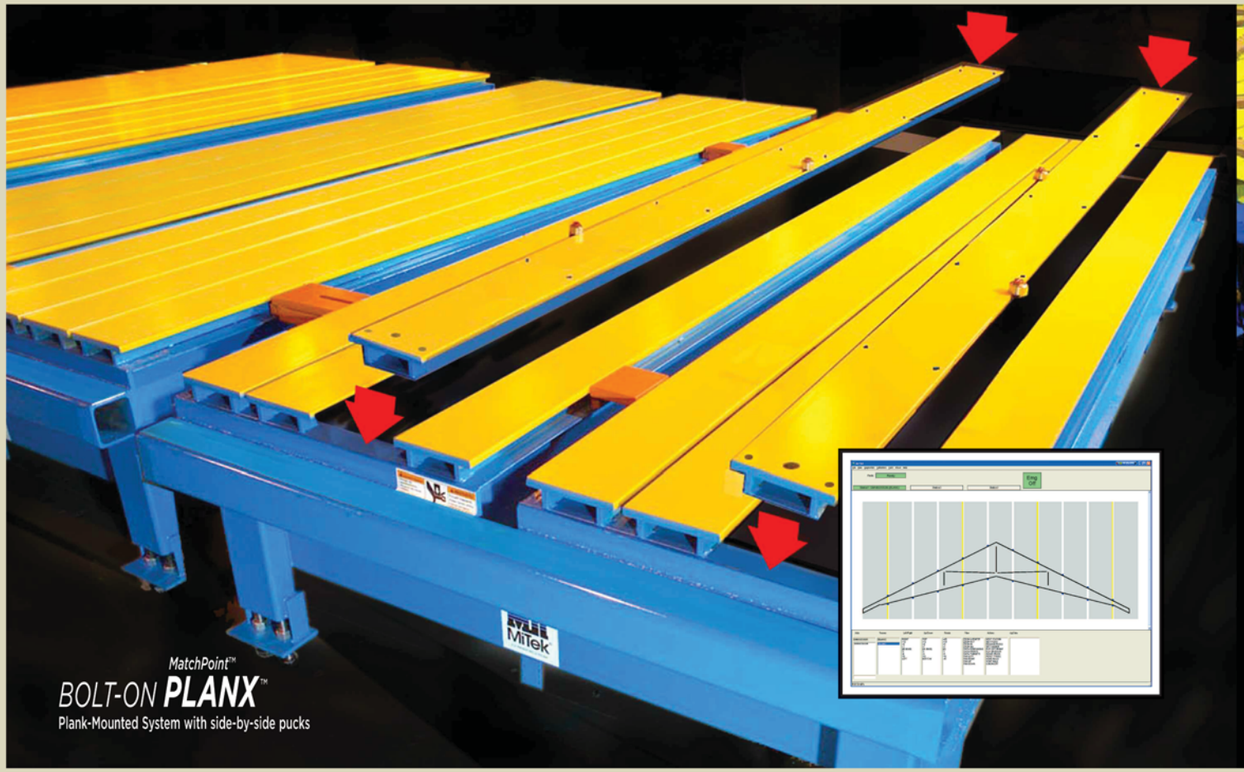

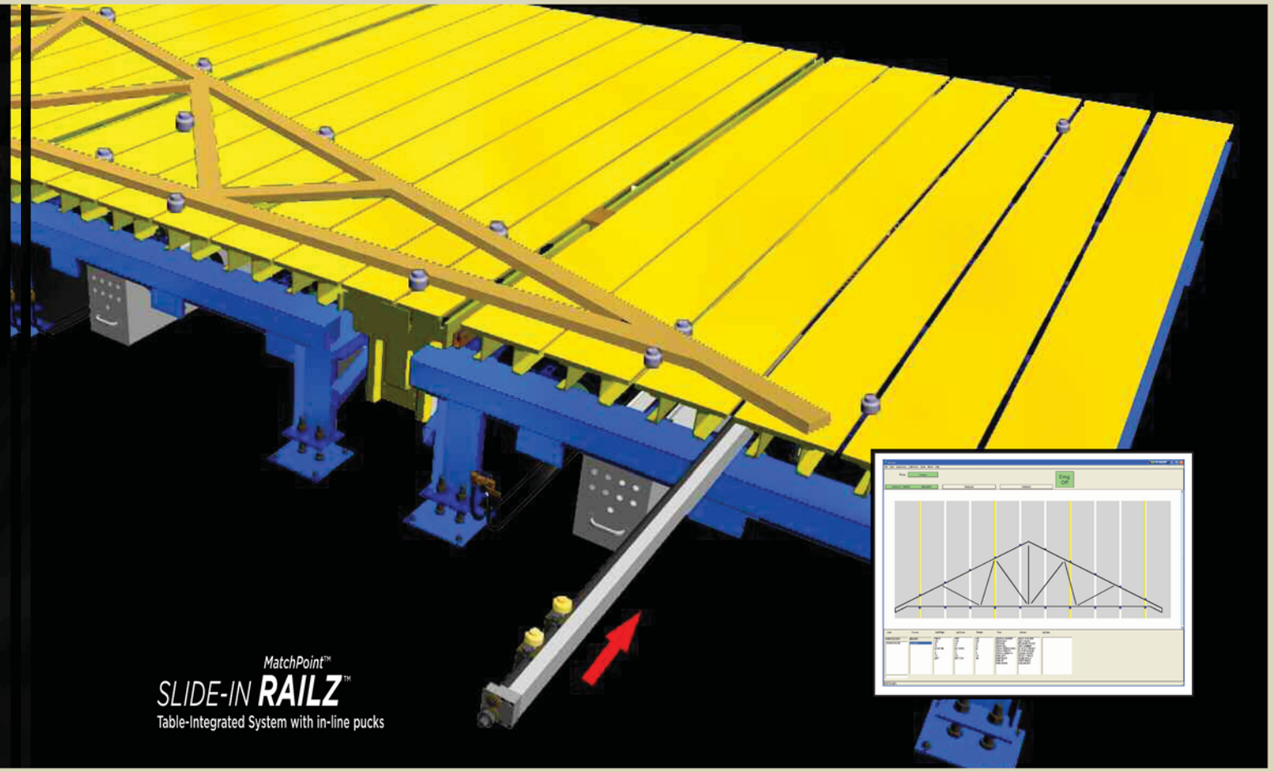

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Editor's Message

Market Your Company as THE Solution

by Barry Dixon

Let's give a warm welcome to the new president of WTCA…Barry Dixon!

What an exciting time to become president of WTCA! Not only have we had a great year—a special thank you to outgoing President Don Groom for his dedication and leadership in helping advance the industry—but this is truly an exciting time for component manufacturers. Indications that the market is cooling down may temper some people's enthusiasm, but truth be told, I see this as an amazing opportunity for our industry. With the challenges of the current marketplace and all of the new and useful programs WTCA is creating, including the new testing facility, the opportunities for advancing the structural building components industry are infinite.

Let me introduce myself. I started in the industry in 1984, when my father opened his first truss plant in Jacksonville, FL. A homebuilder and developer, he got into the truss business to meet his needs for structural building components. Through my high school and college years, I worked as a general laborer, truss builder and finally as a saw operator when a third shift was added to meet demand. Upon graduation from Florida State University in 1989, my father asked me to help grow our company by developing a sales and marketing strategy. Seventeen years, two truss manufacturing facilities, one wall panel facility, and a whole house design firm later, you could say I'm pretty passionate about this industry.

I believe, together, we can improve the overall marketplace by making our customers, the builders, more effective, which will in turn allow us to surge into a new era of manufacturing success.

at a glance

- Indications that the market is cooling down may temper some people's enthusiasm, but I see it as an amazing opportunity for our industry.
- During the strong economic growth of the last decade, I believe our industry has forgotten to find new ways to market ourselves.
- To market our industry, the value we provide as manufacturers needs to be understood and effectively communicated to the customer.
- Use WTCA's work in creating a support system for component manufacturers to convert it into a unique approach to marketing your company to builders.

My first years in the industry remind me of today's market conditions in a number of ways, particularly in terms of the lack of new home starts. Back then, manufacturers really had to find a way to differentiate their companies in order to make sales. During the strong economic growth of the last decade, I believe our industry became a little lax in finding new ways to market ourselves. When demand is high, we can easily fall into the role of order takers, but that carries the serious consequence of passing responsibility for advancing the industry onto either our suppliers or customers.

But there is good news as I see it. We have an opportunity to change all of that and capture more market share than ever. How can we do it? We as an industry can become the leader in developing new manufacturing processes—we can push our own companies, suppliers and competitors to new heights by creating better—more efficient and economical—application solutions. Our efforts in this area will have a big impact on advancing the structural building components industry.

Now when I talk about marketing, I'm not suggesting the conventional advertising approach you see on TV, but rather a more comprehensive approach by branding your company as "The Solution" for ALL of your customers' needs. It's simple yet entirely comprehensive. Many of us no longer only manufacture single components. We have added wall panels, engineered wood products, steel trusses and

Continued on page 8

Editor's Message

Continued from page 7

turnkey labor, as well as engineering design services—or we have plans to add these products and services to our business offerings in the future. Through our technical advancements, we are not simply manufacturers but innovators that have streamlined the ordering, permitting and construction process. We have become the technical framing solution for our customers. We are their most valuable resource in the construction industry, and it's time we let them know it.

To market our industry, the value we provide as manufacturers needs to be understood, and that story needs to be effectively communicated to the customer. Another key to advancing our industry is working *with* architects, engineers and building officials, to help streamline the front end of the construction process and be able to value-engineer structures. Together, we can create a more cost effective solution for the builder, when compared to the typical process of today.

Understand that in becoming the builder's "solution," profits should rise but a manufacturer's risks and liabilities can increase sharply. We must understand these risks in order for the industry to continue its success. The risks and liabilities of providing our products and services must be identified and addressed through comprehensive training and education.

The WTCA Marketing Committee recently developed a plan that can help all component manufacturers prepare for these challenges. Known as SCORE Certification (Structural Component Operations Reaching for Excellence), this new program helps manufacturers market and brand their company by showing how they use WTCA products and services to educate their workforce and market, manage risk and stay current on industry advancements. The program helps companies define themselves as industry leaders who are quality conscious, while also defining their unique brand in the market. Turn to the **WTCA Update** on page 38 for more details about SCORE.

With the help of new programs and a mindset toward growth into the next decade, I believe we can vault the industry to greater market penetration in everything related to the application of component technology. If we accomplish this, we will enjoy even more exponential growth than we have seen in the past. I believe, together, we can improve the overall marketplace by making our customers, the builders, more effective, which will in turn allow us to surge into a new era of manufacturing success. That's pretty powerful stuff!

Throughout the next year, I'm looking forward to seeing our industry meet challenging market conditions head on. The innovations our industry creates will result in more market share for our companies, and I am proud to be a part of that. SBC

SBC Magazine *encourages the participation of its readers in developing content for future issues. Do you have an article idea for a future issue or a topic that you would like to see covered? Email your thoughts and ideas to* **editor@sbcmag.info.**

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THE FUTURE OF FRAMING

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The mission of *Structural Building Components Magazine (SBC)* is to increase the knowledge of and to promote the common interests of those engaged in manufacturing and distributing structural building components. Further, *SBC* strives to ensure growth, continuity and increased professionalism in our industry, and to be the information conduit by staying abreast of leading-edge issues. *SBC's* editorial focus is geared toward the entire structural building component industry, which includes the membership of WTCA – Representing the Structural Building Components Industry. The opinions expressed in *SBC* are those of the authors and those quoted, and are not necessarily the opinions of Truss Publications or WTCA.

Framing the AMERICAN DREAM.

Publisher's Message

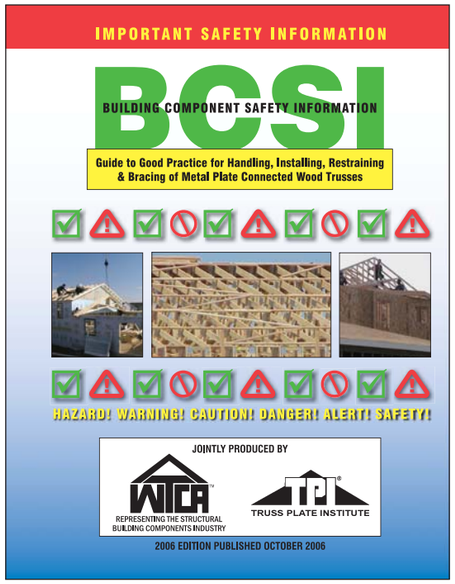
Be Flexible, Get Creative, Continue to Prosper

by Libby Maurer

"Opportunity is missed by most people because it is dressed in overalls and looks like work."

—Thomas A. Edison

Fifty years ago, the industry's biggest challenge was convincing builders and general contractors to use building components. Now—in 2006—one of our biggest challenges is getting jobsite installers to properly and safely handle those components that you were so persistent in selling. That's why we're introducing **Handling, Installing and Bracing** as an editorial focus for the first time in ***SBC's*** history.



Recently, 70 percent of One Minute Poll respondents said thanks to increased education in the marketplace, incidents, accidents and callbacks related to the handling, installing, bracing and erection of components have decreased. In the last several years, WTCA members and chapters alike have united in recognition of the need to spread awareness, education and training about their products among framers and the building official community. Multiple industry developed products have assisted manufacturers with their educational efforts.

In 2003, the *Building Component Safety Information* (BCSI) booklet was introduced as a comprehensive guide to key topics in truss installation. Now in its second edition, BCSI has been refined to include information on hoisting truss bundles, hip-end and long-span truss handling and installation, as well as more details on permanent lateral restraint and diagonal bracing. And the industry's focus on genuinely warning and instructing jobsite personnel has resulted in many manufacturers choosing to send a jobsite package with every order delivered to a jobsite. To date, manufacturers have provided an impressive 371,000 WTCA JOBSITE PACKAGES, which contain B-Series Summary Sheets 1-4 (at a minimum). The distribution of JOBSITE PACKAGES has even been recognized in a new marketing program for component manufacturers called SCORE (see page 38 for details). Clearly, the industry takes installation safety very seriously.

Other educational resources that shouldn't be discounted are electronic presentations referred to as Truss Technology Workshops (TTWs). Nearly 61 percent of OMP respondents reported reaching out to truss installation contractors by providing "tool box" talks about proper handling, installing and bracing practices. TTWs make it easy for manufacturers to present and explain concepts relating to handling and installing their products on the jobsite.

Chambers Truss has put a new, younger spin on bracing education. That's right, they've partnered with a local high school to teach a drafting class proper bracing techniques. But a concern about and commitment to safety on the jobsite isn't Chambers' only motivation; their hope is that exposing high school students to building components early on will spark their interest in future careers in the industry.

at a glance

- The industry's focus on providing good field education has encouraged many manufacturers to send a jobsite package with every order delivered to a jobsite.
- Component manufacturers have provided nearly 400,000 WTCA Jobsite Packages to jobsite installers since the product was created in 2002.
- Two articles in this issue discuss the benefits of hosting plant tours, on the heels of a WTCA Board resolution encouraging hands-on education of the market.

Seventy percent of One Minute Poll respondents said thanks to increased education in the marketplace, incidents, accidents and callbacks related to the handling, installing, bracing and erection of components have decreased.

You may have heard the WTCA Board recently passed two resolutions relating to industry-hosted truss plant tours. The best way for groups like legislators, building officials, specifiers, framers and fire service personnel to experience a snapshot of the industry is to witness the component design and manufacturing process first hand. This is why the Board has challenged each chapter to host at least two plant tours each year. In the next several issues of ***SBC,*** we'll cover plant tours of all kinds. We start "One Tour at a Time" in this issue, in addition to a plea from an Illinois Congressman on page 76.

Finally, with housing starts on the decline for several consecutive months, now might be the perfect time to revisit your approach to marketing, evaluate your value proposition, and consider your customers' needs. Whether its time for an overhaul or simply some fine-tuning, authors Jerry Koskovich, Kirk Grundahl and Steve Shrader present helpful tips on what you can do to continue the evolution of your business and greater success in the future. **SBC**

Don't miss the second annual Supplier Showcase polybagged with this issue. Learn more about many of the suppliers you saw at the recent 2006 BCMC show. If you find this supplement valuable, email us at editor@sbcmag.info.

Technical Q & A

Loading for Knee Braces

by Steve Kennedy, E.I.

Take a few minutes to increase your knowledge of knee braces.

The use of knee braces seems to be increasing. In the past, knee braces have been used primarily in post frame buildings to help supplement the lateral resistance of the building against wind loads. More recently, however, I have seen them used in light commercial, residential and large agricultural buildings (see Figure 1) to help stiffen the connection between the truss and the top of the wall to allow taller and more cost effective structures. Knee braces will induce primary and/or secondary bending moments into the walls and truss chords that must be considered in the design of these structural elements. It is crucial, therefore, that the Truss Designer be made aware if knee braces are to be used and that the appropriate design information be provided to enable the Truss Designer to properly design the trusses.

Figure 1. Knee brace used on an agricultural building.

One objective of this article is to make Truss Designers aware of key questions that should be asked of and answered by the Building Designer when knee braces are specified in a building. Questions everyone should be concerned with include:

1. Are the Truss Designer and/or Truss Design Engineer aware that a knee brace will be connected to the truss?
2. Is there a Registered Design Professional for the project who can provide the required connection and load information to enable the Truss Designer and Truss Design Engineer to properly load the trusses?
3. Are the details of how the brace is being connected to the truss provided so that load distribution can be determined?
4. Is there a member to connect to and enough room to accommodate the connection required?
5. Is the Truss Designer and/or Truss Design Engineer and their design software capable of handling the input of all necessary loads and load cases that may be required?

at a glance

- ❑ If knee braces are shown, the trusses must be designed for them using the loads provided by the RDP.
- ❑ In the Midwest knee braces are used in many post frame buildings for which an RDP is neither required nor involved.
- ❑ This rapidly forces the Truss Designer into the position of designing building elements that ought to be specified by the person responsible for the overall building design.

Construction documents for "non-exempt" buildings (i.e., those that require a RDP) typically indicate if knee braces are to be used, their location, the connection detail to the truss, and the magnitudes and directions of the loads to the truss. If knee braces are shown, the trusses must be designed for them using the loads provided by the RDP.

"Exempt" buildings are a different matter. In the Midwest, for instance, knee braces are used in many post frame buildings for which a RDP is neither required nor involved. For these situations, the expectation may be that the Truss Designer will be responsible for determining the magnitude and direction of the loads that the knee brace will impart on the truss. This rapidly forces the Truss Designer into the position of designing building elements that ought to be specified by the person responsible for the overall building design. In these instances, consideration may need to be given to becoming the overall Building Designer. No matter what the case is, the Truss Manufacturer will need to set up policies for handling the design of trusses within both exempt and non-exempt buildings. The truss manufacturer may want to review Chapter 2 of ANSI/TPI 1 to determine their standard scope of work in the context of overall responsibilities for the application of structural building components within a construction project. Chapter 2 as well as other technical information related to structural building components can be viewed at: www.sbcindustry.com/technical.php.

Let's assume we are working on a non-exempt structure for which there is an RDP. The RDP indicates that the brace load on the truss has a magnitude of 800 lbs but doesn't provide any more detail. Based on my experience, the load provided is typically the maximum axial load in the brace that the RDP has used to design the connection between the brace and the column or truss. Having this information is helpful but more is typically required to properly design the truss.

Without further guidance some may assume that since the knee brace is mainly in place to resist the racking of the structure under wind load, one need only apply the knee brace load in conjunction with the main wind force load cases. However, these may not always be the controlling load cases for the truss. The knee brace loads should be applied in conjunction

Continued on page 14

Key Definitions[1]

Building Designer: The owner of the building or the individual or organization (including either an architect or engineer or the contractor) that contracts with the owner for the design of the building structural system and/or who produces the structural design documents.

Registered Design Professional (RDP): An individual who is registered or licensed to practice their respective design profession as defined by the statutory requirements of the professional registration laws of the state or jurisdiction in which the project is to be constructed.

The Registered Design Professional in responsible charge shall be responsible for reviewing and coordinating submittal documents prepared by others, including phased and deferred submittal items, for compatibility with the design of the building.[2]

Truss Design Drawing: The written, graphic and pictorial depiction of an individual truss.

Truss Designer: The individual or organization responsible for the design of trusses.

Truss Manufacturer: An individual or organization engaged in the manufacturing of trusses.

[1] Definitions are taken from Chapter 2 of ANSI/TPI 1-2002 (revision date - January 2005) unless otherwise noted.

[2] IBC section 106.3.4.1 for definition of a Registered Design Professional's responsibilities in the context of the code.

Technical Q&A

Continued from page 13

with each of the applicable load cases specified in ASCE 7, Minimum Design Loads for Buildings and Other Structures. The load case with dead, 0.75 wind, and 0.75 snow may control in the northern parts of the country. The magnitude of the brace force will most likely change under these various load combinations and must be provided by the Building Designer.

The conservative approach is to use the maximum brace force with all of the load cases. However, this may then cause the uplift reactions to be incorrect on the Truss Design Drawing. Ultimately, the Building Designer and Truss Designer should work together in determining how to properly load the truss.

The structural building components industry has greatly advanced the design of structural components, and structures as a whole, in the past 20 years. Knee braces can help make the wall/post and truss work together making a more economic and stronger structure. In the end, it is up to the Building Designer to make sure all the components are designed appropriately and that they work together as expected. SBC

Steve Kennedy has over twenty years of experience in the metal plate connected wood truss industry. He has worked for several component manufacturers and two plate suppliers. Steve has also volunteered on numerous WTCA committees. To pose a question for this column, call the WTCA technical department at 608/274-4849 or email technicalqa@sbcmag.info.

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Safety Scene

Aaaah-Choo: Cold & Flu Season Is Around the Corner

by Molly E. Butz

It's that time of year again…with influenza making the rounds, make sure you are armed with the information to stay healthy!

Although the connections between good health and safety may not always be obvious, it's important to recognize that good health does play a big part in safety at work. With cold and flu season upon us, understanding the signs and symptoms of the flu and other common respiratory ailments, and knowing the side-effects of over-the-counter medications can mean the difference between having a good day at work or a really bad one. And let's be honest, if you are sick, you're probably not working "up to par" and you're infecting your co-workers, too!

Common Cold vs. Influenza

First, let's do away with one of the most common misconceptions: Influenza (flu), much like the common cold, is a respiratory illness, and its primary symptoms do not involve nausea and vomiting. Instead, both the common cold and the flu are caused by different viruses that produce similar symptoms such as stuffy nose, sneezing, sore throat and coughing. However, even though it can sometimes be hard to distinguish between a cold and the flu, there are a few differences in the symptoms that may help you decide.

The following chart lists the symptoms of both the common cold and influenza and compares them. As you can see, symptoms like fever, aches, excessive fatigue, and cough are more common and intense with the flu whereas colds, in general, carry milder symptoms. The other downside, apart from the miserable symptoms, is that the flu can also lead to more serious health concerns including pneumonia, bacterial infections, or even hospitalization.

SYMPTOM	COLD	INFLUENZA
Fever	Rare	Characteristic, high (102-104F); lasts 3-4 days
Headache	Rare	Prominent
General Aches, Pains	Slight	Usual; often severe
Fatigue, Weakness	Quite mild	Can last up to 2-3 weeks
Extreme Exhaustion	Never	Early and prominent
Stuffy Nose	Common	Sometimes
Sneezing	Usual	Sometimes
Sore Throat	Common	Sometimes
Chest Discomfort, Cough	Mild to moderate; hacking cough	Common; can become severe

SOURCE: The National Institute of Allergy and Infectious Diseases, April 2001.

Treatment

If you can catch the flu early, it can be treated by a doctor using one of a handful of antiviral prescription drugs, but for the majority of cases all you need to do is get plenty of rest and fluids and take over-the-counter (OTC) medications to relieve your symptoms. The same is true for the common cold, which can also be treated with OTC medications.

at a glance

- Influenza (flu), much like the common cold, is a respiratory illness, and its primary symptoms do not involve nausea and vomiting.
- Symptoms like fever, aches, excessive fatigue, and cough are more common and intense with the flu whereas colds, in general, carry milder symptoms.

Be realistic, and if you're that sick, stay home! Not only will you be working at a physical and mental deficit, you're also probably infecting your co-workers. However, if you find that, like many seasonal ailments (including colds), your symptoms are simply a nuisance, you won't need any time away from work and can treat with something OTC. Just remember to read all of the labels on your OTC medications carefully so you know of any possible drug interactions and side affects. Some OTC cold remedies can make you feel drowsy or present other potentially hazardous risks especially in a manufacturing environment where dangerous equipment and moving vehicles are being used.

Prevention

If you'd like to avoid the cold and flu all-together, it's good to remember a handful of common sense actions that can help you stay healthy. (And if you think you might be really likely to get the flu, consider a flu shot.)

1. **Cover your mouth and nose when you sneeze or cough.** Respiratory viruses mainly spread from person to person through coughs and sneezes. Cough or sneeze into a tissue and throw the tissue away. If you do not have one available, cover your mouth and nose with your hand and then clean your hands immediately.
2. **Clean your hands often.** When soap and water are available, wash your hands frequently and for at least 15-20 seconds. If you don't have soap and water available, you can use alcohol-based disposable hand wipes or gel sanitizers.
3. **Avoid touching your eyes, nose, or mouth.** Germs are often spread when a person touches something that is contaminated with germs and then touches his eyes, nose, or mouth. Germs can live for a long time (some for two hours or more) on surfaces like doorknobs, desks and tables.
4. **Practice good health habits.** Maintaining a well-balanced diet can help you stay healthy through the cold and flu season. In addition, get plenty of sleep, be physically active, drink plenty of fluids and manage your stress levels. If your stress levels are high, your body is more susceptible to illness.

Staying healthy this season doesn't need to be a challenge, but it should be a priority. Just a few simple steps can keep you healthy season long. And most importantly, be sensible; if your symptoms get much worse or last for a long time, schedule an appointment to see your doctor! Safety (and health) first! SBC

To pose a question for this column or to learn more about WTCA's Operation Safety Program, contact WTCA Staff at 608/274-4849, email wtca@sbcindustry.com, or view the Operation Safety demonstration online at www.wtcatko.com.

Sources:
1. Questions & Answer: Colds versus Flu (www.cdc.gov)
2. The COLD AND FLU Survival Guide (www.webmd.com)

Economic Environment

Immigration, Labor Shortages & U.S. Construction Markets

by Al Schuler

A case for getting involved in order to address the need for better education and skill standards.

As discussed in last month's column, according to Dr. Ira Wolfe, author of *The Perfect Storm Fact Book,* we are witnessing the beginning of a "perfect labor storm." Globalization and demographic trends are colliding, and the result is a growing shortage of workers who possess the right skills to do the available jobs.

Increased global competition requires smarter, more flexible workers to relentlessly increase productivity and produce higher value products and services (if we, in the high wage countries, are to maintain our high standard of living). But there just aren't enough of the "right workers" to fill the demand. While many workers continue to use skills learned in an industrial age, demands have changed, requiring new and more education-dependent skills for service and knowledge jobs.

For example, manufacturing sector employment rates and the labor pool demographic have changed over the last five decades. In 1955, 41 percent of the U.S. workforce was engaged in manufacturing, construction and mining. By 2005, those industries employed less than 16 percent of the workforce, while the service-producing industry sent paychecks to 42 percent of workers. Despite the need to change, two-thirds of employers said that public school students don't have the basic cognitive skills to succeed. One-third of employers said the recent high school graduates had poor writing skills and 23 percent had poor math skills. A third also said that young workers have problems with punctuality and attitude (Yankelovich Partners, 2005).

at a glance

- A building boom, steady influx of new building materials, and a shortage of skilled workers to properly install them are factors that have collided.
- Between 1955 and 2005, manufacturing, construction and mining jobs fell 25 percent.
- Nearly one in five construction workers were born outside the U.S. and it's estimated that immigrants make up over 25 percent of the construction workforce in CA, NV, TX, DC, AZ, NY, FL and NJ.
- The U.S. Bureau of Labor Statistics estimates that the construction industry will need to add 241,000 new jobs annually through 2014 for new business and replacing retirees.
- To navigate in this climate, get involved. Builders are looking for "supply partners" that will help them provide training and other resources.

The Immigrant Factor

Although native-born Americans make up 81 percent of the construction workforce estimated at 12.5 million, almost one in five construction workers were born outside the U.S. Almost one-third of the lower paying jobs such as construction laborers are held by immigrants. Further, it's estimated that immigrants make up over one-quarter of the construction workforce in these states: California, Nevada, Texas, Washington D.C., Arizona, New York, Florida and New Jersey.

Furthermore, there are many illegal immigrants employed in construction and other industries. Some estimate as many as seven to eight million immigrants are here illegally working in construction, textile manufacturing, agriculture, hospitality and food service industries. Yet immigration by itself won't solve the skilled labor shortage problem facing the construction industry. Why is this happening? How is the construction industry responding? And what are some strategies component manufacturers can use to successfully navigate this environment? In last month's article, we discussed worldwide demographic trends and increasing global competition, and how this is impacting labor supply and competitiveness for many countries and their industries. This month, we focus on the domestic construction industry.

Construction Industry

For the past five years or so, a building boom, steady influx of new building materials, and a shortage of skilled workers to properly install them are three factors that have collided (Kathy Price-Robinson, APA's *Engineered Wood Journal,* Spring 2000).

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An NAHB Research Center research report offered 13 potential causes of labor shortages in the homebuilding industry:

1	Demographics	aging population
2	Employee benefits	not good
3	Wages	not keeping pace with other skilled occupations, hampering recruitment
4	Job security	not very secure, high turnover, unstable
5	Working conditions and image	not good
6	Vocational training	the U.S. lacks adequate vocational system for training in construction trades; many more registered apprenticeship programs for other occupational fields other than construction trades
7	Poor image	perceived poor working conditions
8	Seasonal and cyclical conditions	creates volatility in labor demand
9	Fragmented industry	makes it difficult to implement solutions
10	Poor benefits	lower benefits than other industries
11	Low innovation	lack of innovation in the housing industry perpetuates installation, safety problems; builders reluctant to try new innovations due to liability issues
12	Need for training	lack of training opportunities in the building trades aggravates labor shortages, contributes to poor quality of existing labor
13	Problems in the trades	short supply of carpenters, plumbers, siding installers, roofers, electricians, masons

Table 1. (Source: *Labor Shortages and Productivity in the Home Building Industry,* 1998, National Association of Home Builders (NAHB) Research Center.)

Eight years later, most of these problems still persist, and many would argue that without immigration, things would have gotten much worse.

The U.S. Bureau of Labor Statistics estimates that the construction industry will need to add 241,000 net new jobs annually through 2014 for new business and filling openings annually for retiring baby boomers and others (net replacement demand). See Figure 1 above.

Builder Response to Labor Shortages

Many builders have responded to the labor shortage issues by asking component manufacturers to componentize more of the structure in the factory. That is, using more components like engineered wall systems, engineered floor systems, and of course, most switched to roof trusses over the past three decades (see Figure 2).

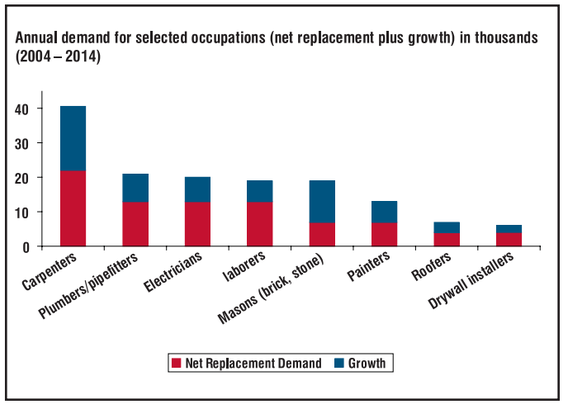

Figure 1. Total annual replacement demand (net replacement demand plus growth) for selected construction occupations (Source: U.S. Bureau of Labor Statistics, Occupational Projections and Training Data. Visit www.bls.gov/emp/optd/optd.pdf).

	1997		2004		2005	
Stick Built	1,146	78%	1,365	70%	1,425	69%
Panelized	115	8%	260	13%	270	13%
Masonry	145	10%	260	13%	295	14%
Modular	45	3%	43	2%	41	2%
Steel Frame	10	1%	9	.5%	17	.8%
SIPs	5	.3%	9	.5%	10	.5%
Other	8	.5%	10	.5%	10	.5%
Total	1,474	100%	1,956	100%	2,068	100%
Manufactured	354	19%	130	6%	147	7%
Grand Total	**1,828**	**100%**	**2,086**	**100%**	**2,215**	**100%**

Figure 2. Homebuilding Methods Based on Wall Structure. (Source: APA - The Engineered Wood Association, 2006.)

APA - The Engineered Wood Association recently completed a survey of wall panelizers. When asked why builder customers used wall panels, "84 percent said lack of labor and 76 percent said high jobsite labor cost." In addition, many builders are asking their suppliers to provide more installed sales and services such as windows, doors, and in some instances, complete framing packages.

A related trend known well to the building components industry is consolidation. The top ten U.S. builders now command over 20 percent of the single family home market in the U.S., up from ten percent a decade ago. At the same time, we are seeing more consolidation at the distribution level (contractor yards and big box retailers), and at the primary and secondary building material manufacturer level (sawmills and component manufacturers respectively).

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Economic Environment

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What's more, the evolution in construction methods and materials, computer custom designed homes, and green building trends make the necessity of skilled labor even more relevant. Future construction workers will need more skills as the industry itself becomes more "high tech" (*Innovations in design & construction,* A. Lindburg, Dovetail Partners, 2006).

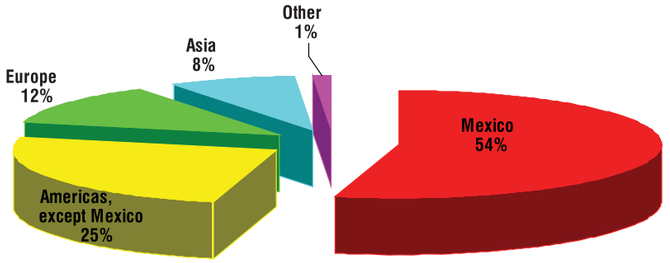

Figure 3. Immigrant Workers in U.S. Construction (Sources: N. Siniavskaia, NAHB, www.nahb.org, American Community Survey, 2004).

Immigrant Workers in U.S. Construction

Today, only four percent of our native-born population is employed in construction compared with seven percent of our immigrant population. Even more dramatic, almost 13 percent of Mexican-born immigrants are in construction. The three states with the highest number of housing starts last year were Florida, Texas, and California (based on building permits issued). Together, these states accounted for one-third of the conventional homes built last year (excluding HUD code) and over one-third of the construction workforce in these states were immigrants.

Where do the immigrants come from? Almost 80 percent come from the Americas (North, Central and South) with over half coming from Mexico alone (see Figure 3). This has implications for builders and their supply partners. Language and customs issues are important, so if you're using immigrant labor, chances are good that you may have to provide some language and customs training.

To date, the majority of the immigrants hold the lower paying jobs that require fewer skills. Thirty-two percent of construction laborers are foreign born while 22 percent of carpenters are foreign born—laborers and carpenters account for 30 percent of overall U.S. construction employment.

Another issue is that illegal immigrants are estimated to make up five percent of the U.S. workforce, but in construction, undocumented workers account for 14 percent (Pew Hispanic Center and NAHB *Builder Magazine,* July 2006.) If you use immigrant labor, be aware of the volatility of the situation and develop options should immigration laws go in a direction that is unfavorable to the increasing use of immigrant labor.

"Management Choice" Suggestions

(Source: D.M. Atwater & A. Jones, Pepperdine University, "Preparing for a Future Labor Shortage")

(1) be prepared to [do what it takes] to attract and retain employees—this implies maintaining profitability and efficiencies in production, distribution, and marketing to facilitate such a strategy; **(2)** look for substitutes—interns, part timers, immigrants and even retirees for some skills; **(3)** distinguish your organization to attract and retain employees and customers—offer a good health insurance program and distinguish your organization to your customers (home-buyers) by offering better quality products at competitive prices; **(4)** adjust programs to fit the changing market—do your SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis often so you are matching relevant strengths with opportunities; **(5)** be prepared to take advantage of new sources of employees—e.g., immigrants; **(6)** retain and build flexibility in your workforce—develop employees with multiple skill sets; and **(7)** maintain financial stability.

Get Involved

In July 2006, the Home Builders Institute (http://hbi.org) published findings that identified six key areas where improvement is necessary to address the skill shortage in the construction industry:

1. the industry's image as a professional career choice is poor;
2. recruitment practices are fragmented;
3. skill training and career development are inadequate;
4. wages and benefits must be competitive;
5. the industry lacks adequate resources for training; and
6. the industry is hampered by some laws and regulations.

Consequently, builders are looking for "supply partners" that will help them navigate some of these issues. Additional training efforts and the creation of national skill standards will receive increasing attention by all building material trades. Visit **Support Docs** at **www.sbcmag.info** for some examples.

Associations will be increasingly called upon to help builders and their building material suppliers deal with these issues. There are additional things that component manufacturers can do to mitigate the downside impacts of a worsening skilled labor shortage. First, recognize that it is a long-term problem; it will probably get worse before it gets better, and you will have to get involved (as identified above) to deal with it. To some degree, you're going to have to accept the increasing challenge of training your employees. Regarding the immigrant situation—because Hispanics make up 22 percent of the construction labor force (U.S. Census Bureau), builders and their suppliers including component manufacturers need to offer training in both language and jobsite skills and this will result in a more efficient workforce.

Finally, the largest builders are beginning to exercise their "clout" as never before. They haven't had to worry as much about costs for the past three years; but, in today's market, it is at the top of their mind. They want to cut out middlemen and buy from the factory/mill and have the mill provide local inventories. They aren't taking the housing downturn lightly, so, component manufacturers, beware of the big builders on the prowl to squeeze efficiencies from the entire supply chain. SBC

Al Schuler works for Forestry Sciences Lab in Princeton, WV. Please note that the economic information/opinions contained in this article are not necessarily those of the USDA Forest Service. Dr. Schuler can be reached at 304/431-2727 or aschuler@fs.fed.us. His economic information can also be found online at www.sbcmag.info.

Human Faces

Request for Bracing Education Cements Relationship

Education and relationship-building go hand-in-hand for two groups coming together for a common goal.

by Emmy Thorson-Hanson & Libby Maurer

When approached with a request to present a seminar about bracing to a group of building officials, Russell Wheeler and Scott Garber jumped at the chance. They realized the importance of answering the call to educate the marketplace about permanent and temporary bracing issues.

A sales rep for Glaize Components in Winchester, VA, Russell was approached by Mike Dellinger, Region III Vice President of the Virginia Building and Code Officials Association (and plans reviewer for the City of Harrisonburg, VA), about giving a presentation on bracing issues to officials in his region. The group wanted to better understand bracing requirements and loading requirements through reading a truss placement diagram at their early March meeting, Mike said.

The first person Russell considered to deliver the presentation was co-worker Scott Garber, manager of Safety and QC. Russell asked Scott if he could use engineering drawings to explain load issues and illustrate why permanent lateral bracing is required and what makes it so important. Scott eagerly accepted the task and immediately started preparing for the presentation.

Russell said education was the goal of the presentation. “We wanted to make sure the inspectors are looking at the installation drawings correctly. They need to understand their role versus [the manufacturer’s] role and we need to educate them on what we do,” he said.

Russell also noted that unseasoned building inspectors often overlook what is important and pick up on what isn’t so important; they aren’t necessarily given a book to guide them through the inspection process. This is precisely why Mike Dellinger started scheduling regular training sessions with local material suppliers when he was appointed to his position. “The inspectors talk about trying to read the design drawings to check the bracing, but there’s so much information on them that it is confusing at times. So I called Glaize,” Mike said.

Scott realized the potential impact that this presentation could have in their region. During the presentation he used various resources to point out proper bracing application to the building officials. He handed out a variety of literature from WTCA including the BCSI 1-03 booklet and two documents from the **Truss Technology in Building (TTB)** series: “How to Read a Truss Placement Diagram” and “How to Read a Truss Design Drawing,” as well as the Standard Design Responsibilities document (WTCA 4-2002) and along with a letter from their software supplier about bracing responsibilities.

Buildings “Not the Same”

Scott first asked the building officials to acknowledge that structures are not are simplistic as they were 20 or 30 years ago. “We [CMs] have been challenged a lot over the years,” emphasized Scott. “We are not building the 28-foot ranch home anymore.” Technological advances in building design have allowed for increasingly complex roof lines, while the homebuyer demographic has shifted in the last several decades and has influenced additional structure changes.

Scott then jumped right into the more technical concepts involved in building inspection. Discussions all centered around bracing issues, with three main topics taking precedence over the presentation.

The building officials were well informed about appropriate hangers. Uplift and toe nailing also were briefly discussed as well as rigid ceiling purlins on the bottom chord. The question that everyone seemed to want to know the answer to was “Is drywall considered to be a rigid ceiling?” Scott answered yes, although he advised that in a suspended ceiling, purlins need to be added. The difference between L braces and T braces was thoroughly investigated.

The discussion then turned to permanent bracing responsibilities. It is common knowledge that there is misunderstanding among building officials when it comes to permanent bracing responsibilities, and this group was no exception. When some within the group pressed Scott on which party is actually responsible for providing permanent bracing, Scott handled their inquiries with ease and was able to effectively present the industry’s stance on providing only temporary bracing (as outlined in the BCSI-B2 Summary Sheet). Scott suggested that they refer to WTCA 4-2002 and refer to the Building Designer for those details. He also provided them with copies of John Meeks’ Permanent Bracing booklet. He stood firm on Glaize’s stance on responsibilities, “We aren’t going to accept the responsibility for providing permanent bracing details because we only design components for one portion of the entire structure. But we’re happy to give out a ton of different resources and assist them in any way we can,” Scott stated.

Finally, Scott pointed out that component manufacturers have design and manufacturing regulations to comply with from WTCA and TPI, but there is a lot that happens between manufacturing and installation on the jobsite. By this he meant that the component manufacturer should not be held responsible for activities occurring on the jobsite after the delivery of components has been made. Building inspectors need to understand that they are “the last set of eyes and should be knowledgeable about the whole building’s system. It is their job to learn about it and be the last line of defense for a safer building,” he said.

Scant Resources Equal Insufficient Education

So what is the cause of the building components bracing knowledge gap among some building official circles? Scott thinks it amounts to a lack of resources. Many local jurisdictions are under-staffed and lack three vital ingredients: time, money and interest. “They are taxed to the point of being unable to provide or seek continuing education,” Scott points out. “And there isn’t a whole lot we can do to fix that fact.”

Mike noted there aren’t many resources internal to building departments that cover proper handling, installing and bracing of trusses for inspectors. “And unfortunately, the state doesn’t mandate any CEU credits for us either,” he added. Therefore, they are essentially on their own to request supplemental education of specific products—like trusses—from material suppliers.

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at a glance

- Glaize Components was approached by a regional building officials group to clarify temporary and permanent bracing issues.
- Scott Garber prepared for the presentation by reviewing BCSI and related B documents, which they also distributed to the group for reference.
- Mike Dellinger, Region III Vice President of the Virginia Building and Code Officials Association commented that the presentation was very helpful.

Human Faces

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A lot of the information presented to Region III was new to the inspectors, which Russell attributes to the fact that "nobody is giving them this information. It is available if they ask, but they haven't asked until now." And because they asked, it was especially crucial for Glaize to step up to the plate.

View building officials as a resource.... the more knowledgeable building officials are about your product, the fewer calls you'll get that can potentially take away time and resources from your business.

Mike said his department, the City of Harrisonburg, is fortunately very diligent about making sure everyone is on the same page. "And if we don't have sufficient training on a topic—like truss bracing—we ask that trade to train us," he said.

There are a variety of ways for manufacturers to get involved in educating their local building officials. One option is to become mobilized. Scott suggests that manufacturers take on an attitude of establishing your company as a reputable business within the industry and be straight with building officials. "Be forthright. If they invite you in, don't tell them any bull," he said.

Another valuable tip from Scott is to view building officials as a resource. Here is one way to think about it; the more knowledgeable building officials are about your product, the fewer calls you'll get that can potentially take away time and resources from your business. "The more we educate the end user—the officials—and everyone who touches the product and works in the process, the more our efforts are bound to help the industry in the long run." Scott says he always remembers the phrase "knowledge is power" when it comes to reaching out to educate the market—if you have knowledge, you become empowered to spread that knowledge to those around you and will become a valuable resource to your markets. "The more component manufacturers can be involved in educating the consumer, the better off we will be as an industry," stated Russell. "Anything you can do to help building officials understand how components are used per the code in each locality is a benefit—and helps everyone understand and interpret that information correctly. It is easy for everyone to misinterpret the code language so it is important to work together to avoid confusion."

Mike noted Scott's presentation was definitely worthwhile: "The inspectors took a lot away from it and learned some valuable information."

A former contractor, Mike said the next challenge is convincing contractors of the need to become educated about why bracing is so important. "I can almost guarantee that if you surveyed 100 of them, not more than five have looked at handling, installing and bracing resources. To them, time is money," he said.

By presenting a seminar on bracing to members of the Virginia Building and Code Officials Association, Glaize bridged a crucial gap in education for the building officials serving its market. Scott was glad to hear after the presentation that even building officials who have been in the industry for decades felt they had learned something. This just goes to show that when everyone involved is learning, they are also growing, which is something that benefits us all. SBC

Do you have a story of teamwork, cooperation or overcoming challenging situations? Email your story idea to **editor@sbcmag.info.**

The Big Picture

Maximize Opportunities in a Slowdown

Think opportunity, not obstacle!

by Kirk Grundahl

Clearly we have had the housing economy hit the proverbial brick wall in many of the robust markets in the U.S. In some cases demand has dropped by 40 to 50 percent and layoffs have begun. There are a variety of reasons for this, but I believe that the two primary reasons are the congressional immigration fiasco (given that immigrants—legal and illegal—account for 200,000 to 250,000 housing starts) and housing speculation often called "flipping." Economist Stan Duobinis stated at BCMC 2006 that this is a housing correction that should take us back to a trend rate of about 1.7 million annual housing starts.

While not all regions of the country will experience this slowdown in the same way, all indications seem to say that it will proceed rapidly and does present each of our businesses with opportunities for change. Often, forced change is the only way change is going to take place. Here are a few concepts I encourage you to consider over the next few months.

Explore New Markets

I am sure you have found yourself wishing you just had the time to explore a few new markets that have looked like they are available to exploit. Now might be the time to say "I really need to get back to that." This may be the time to:

- Meet with your sales and technical staff to gather all the feedback you can on the changes taking place in your local market and the opportunities for expanding your business.
- Develop a short-term and long-term marketing plan with key activity benchmarks to use as assessment tools in the future. This may be as simple as specifically talking to all the remaining stick framers in your market to see if they are interested in building with less labor using component technology or have other needs you can meet. Then document their specific comments to use in your plan development.
- Consider the services your customers would like you to provide that you just have not gotten to. This might include creating framing packages that make the installation process easier, pre-cut floor packages, wall panels, pre-drilled wall panels, pre-wired wall panels, doors and millwork, stairs, or installed sales.

Redefine Your Business Strategy

Are there opportunities that your market is presenting that you have previously thought did not fit well with your business strategy? If so, exploring these opportunities may have value. Ask yourself what closely aligned business would generate increased sales, is a natural addition to your product mix, and if done well would also grow sales of existing product lines. The key is to define a focus and then stay focused on developing these opportunities to see if they can become a real part of your business' value proposition. Here are some suggestions:

- Survey your current and potential customers to find out how they feel about your company in general, what services they currently like, what they do not like, and what they would like to see you do that you are not now doing.
- Build your brand in your local market. Make sure your customers know your company by the brand that you have created. If you do not have a strong brand, add this to your marketing plan as an item to focus on. When someone hears your name, what is the first thought that comes to their mind?

at a glance

- ❑ Take the opportunity to explore a few new markets that have looked like they are available to exploit.
- ❑ Look for closely aligned businesses that would generate increased sales and might be a natural addition to your product mix.
- ❑ The planning and branding you set in place today will have a significant impact on your business in the future.

Remember this age-old cliché: "If you always do what you you've always done, then you'll always get what you've always gotten."

You might be asking how to start building your brand. Obviously your salespeople are the first exposure to your brand that your customers and potential customers get. You might start attending customer trade association meetings and local trade shows. Anywhere your customers gather is a good place to expose them to your brand. The same holds true for important marketplace influencers like specifiers and building officials.

Also, consider hosting a WTCA chapter plant tour program to get your name in front of your customers and market influencers in a mutually beneficial manner. There is no better place to learn about the issues facing your market and how you can be a bigger part of the solution.

Explore Cooperative Marketing

Partner with your supplier on the development of your strategic marketing plan. The more successful you are in creating your brand and developing your market, the more successful your supplier will be. Co-branding and cooperative market development is certainly a possibility. Your supplier may have several ideas about the direction they see the market going and products they would like help developing markets for. The goal should be to create an opportunity for you to become more unique in your market.

Determine Where You Can Add Value

How about the areas of your business that you can add more value? What do your customers desire that you can offer that your competitor can't? Remember this age-old cliché: "If you always do what you you've always done, then you'll always get what you've always gotten."

For instance, are you willing to diversify into areas that are currently foreign territory like providing home design or professional architectural and engineering building design services? As Al Schuler states in this issue's **Economic Environment,** "Success strategies for high-wage countries include developing a competitive workforce through investment in education at all levels, encouraging innovation throughout the supply chain...and responding more fully to the special product and service needs of core customers."

Use Common Sense

Consider the common sense concept that tells us that the best economic structural framing solution is created when the building design, component manufacturing and framing are all performed by the same firm. Why is this the case?

- The building design is done once. By doing the component design at the same time, all the loads can flow through the building optimally.
- If the component designers cannot make the building design work, the building designer will be the first to know and it will get corrected quickly.
- If the framers cannot make the components work the component designer will be the first to know and it will get corrected quickly.
- Once all parties are communicating effectively and efficiently, this by definition will result in the optimal economic framing solution and many less field/call back problems.
- One may even want to consider installing the concrete as most of the problems with using components begin with a poor foundation installation.

Evaluate Cost Structure

This is also a great time to take a look at your entire cost structure.

- Do you know all your costs precisely? Review all your cost line items and determine what savings potential you have with each.
- Review how you process the work flow through your organization. Is there a way to streamline the work and save time?

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The Big Picture

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- Can you cross-train in certain task environments to get a full eight hours of work from every staff member?
- Are your truss technicians creating trusses that are the most cost effective for you and your customers? What may be most cost effective for you may not be the most cost effective for your customers.
- Have you documented key procedures? Now is a perfect time to get some of these pesky—but entirely necessary—housekeeping items accomplished.

Evaluate Internal Processes

Take a look at your entire sales, design, manufacturing and delivery process.

- Is the process as efficient as you would like? Why not?
- Are there easy changes to make that would improve material flow? What are they?
- Have you documented all the sales, design, manufacturing, and delivery procedures? This is a really good way to also create training that is unique to your operations.
- Can you reduce the number inventory items based on 2006 YTD design information?
- Is the design department interacting well with manufacturing? Is sales interacting well with design and manufacturing? How is administration doing in all these interactions? What improvements can be made?
- What is the accounts receivable situation?
- What is your gross margin on a project basis? What are your most profitable jobs? Why?
- What information processing can be computerized that is not currently paperless?
- Are there any backcharges that should be scrutinized and actions taken?
- Are your drivers efficiently finding job locations, making the delivery and coming back to get another load? Would GPS tracking be a helpful tool and a sound investment?

With the advent of the 24-hour, largely negative news cycle, it is really easy to be brought down to their level about the economy and the effect that it will have on your business. Conversely, it is also easy to break out of that mindset and look at all the opportunities that exist because a downturn forces you to think about more than order processing and how to meet the next order delivery. It is really all about attitude, passion and vision about the future. The planning and branding you set in place today will have a significant impact on your business over the next five to ten years. I hope that a few of the foregoing concepts have been an encouragement as you to forge ahead to even greater success in the forthcoming years. SBC

Kirk Grundahl is WTCA's Executive Director. If you have questions or comments regarding the issues discussed in this new column email kgrundahl@sbcmag.info.

Coast to Coast

50 out of 50

For the past seventeen years, Lakeside Trailer has been leading the way in the component trailer industry with innovative ideas to ensure your delivery operations remain efficient in today's competitive market. We know there is no such thing as a "small problem" when it comes to completing your contract with a builder. That is why Lakeside has perfected ways to reduce or eliminate your transportation concerns such as loading, off-loading and wide loads.

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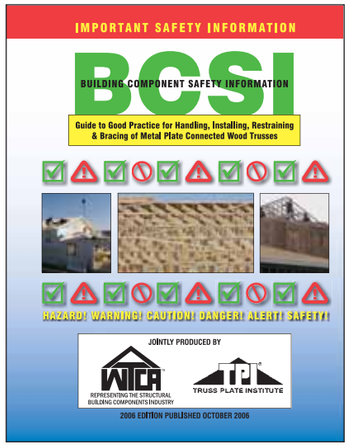
Code Connection

The Building Code & BCSI

by WTCA Staff

The 2006 edition of BCSI contains references to the IRC and IBC!



The new 2006 edition of ***BCSI, Guide to Good Practice for Handling, Installing, Restraining & Bracing of Metal Plate Connected Wood Trusses,*** is now available. This new 104-page, full-size book, produced jointly by TPI and WTCA, replaces the BCSI 1-03 booklet and is the truss industry's new and improved guide for jobsite safety and truss performance. Portions of this new edition include excerpts from various sections of the both the 2006 International Building Code® (IBC) and the 2006 International Residential Code® (IRC). These excerpts have been included to provide code perspective on important concepts pertaining to the handling, installation, restraint and bracing of trusses.

All individuals involved in the erection/installation of trusses on a project must be familiar with the various Submittal Documents for the project in order to properly receive, store, erect, connect, restrain, brace and integrate the trusses into the Building Structural System. Submittal Documents typically include, but are not limited to:

- the Construction Documents (i.e., architectural/structural plans and specifications),
- the Truss Submittal Package, which includes:
  - Truss Design Drawings (TDD),
  - Truss Placement Diagram(s) (if/when required by the Contract),
- this BCSI booklet and/or B-Series Summary Sheets (when provided),
- the erection plan (if provided), and
- site-specific conditions.

These excerpts have been included to provide code perspective on important concepts pertaining to the handling, installation, restraint and bracing of trusses.

Section 106 in the IBC and Section R106 in the IRC provide the minimum code requirements for Construction Documents. The IBC, IRC and ANSI/TPI 1 define Construction Documents as the "written, graphic and pictorial documents prepared or assembled for describing the design, location and physical characteristics of the elements of a project necessary for obtaining a permit." Specific excerpts from Section 106 and R106 are included in **BCSI B1,** *Guide for Handling, Installing, Restraining & Bracing of Metal Plate Connected Wood Trusses,* to "highlight" the provisions pertaining to Construction Document preparation, submittal, minimum required information and the typical approval and amendment process. These excerpts are included in **B1** to stress the importance of using a complete, accurate and approved set of Construction Documents with which to build.

B1 and **B3,** *Permanent Restraint/Bracing of Chords & Web Members,* of the new 2006 edition of BCSI include excerpts from sections 2303.4.1.2 and 2303.4.1.5 of the 2006 IBC pertaining to permanent bracing of trusses. These excerpts are included to provide the code perspective concerning permanent bracing for individual truss members. Section 2303.4.1.2 truss design drawings, lists the minimum information that must be included on a Truss Design Drawing (TDD). With respect to permanent bracing this includes:

at a glance

- The new version of BCSI is a 104-page full size book produced jointly by TPI and WTCA.
- IBC and IRC excerpts in B1 emphasize the use of a complete, accurate and approved set of Construction Documents.
- The Building Designer is responsible for the Permanent Building Stability Bracing (PBSB) for the building system. The PBSB includes all of the structural building components that make up the structural framework.

…

17. Maximum axial tensile and compression forces in the truss members; and
18. Required permanent individual truss member bracing and method per Section 2303.4.1.5 unless a specific truss member permanent bracing plan is provided by a registered design professional…

The Building Designer, who may be a registered design professional, is responsible for the overall design and flow of loads through the building. This includes the design of what the truss industry refers to as the Permanent Building Stability Bracing (PBSB) for the building system that includes the integration of all structural building components making up the structural framework. The PBSB transfers forces acting perpendicular to the plane of the individual trusses due to gravity, seismic, wind and/or other external lateral forces, as well as collected forces caused by the restraint of members subject to buckling. To aid in the design of the PBSB, the TDD includes the information provided in items 17 and 18 stated above to assist the Building Designer in generating the appropriate engineering calculations.

Section 2303.4.1.5 of the 2006 IBC specifies that when permanent bracing of individual truss members is required on the TDD, "it shall be accomplished by one of the following methods:

1. The trusses shall be designed so that the buckling of any individual truss member can be resisted internally by the structure (e.g. buckling member T-bracing, L-bracing, etc) of the individual truss. The truss individual member buckling reinforcement shall be installed as shown on the truss design drawing or on supplemental truss member buckling reinforcement diagrams provided by the truss designer.

2. Permanent bracing shall be installed using standard industry bracing details that conform with generally accepted engineering practice. Individual truss member continuous lateral bracing location(s) shall be shown on the Truss Design Drawing."

Item 1 above can be satisfied by installing web member reinforcement such as I-, L-, Scab-, T- or U-Reinforcement to web members "flagged" on the TDD as requiring continuous lateral restraint (CLR). Member reinforcement details are available from the Truss Design Engineers and indicate the type, grade and connection requirements for web member reinforcement based on whether the web members require one or two rows of CLR. In the absence of these details, a table has been included in **B3** that provides generic web reinforcement information.

B3 also includes an expanded discussion on the importance of using diagonal bracing in conjunction with the CLR to provide restraint to the CLR and to transfer the cumulative force from the CLR into the building's lateral force resisting system such as a roof or ceiling diaphragm. General recommendations are provided for installing diagonal bracing with long, continuous runs of CLR, as well as with small groups of trusses. Some standard industry restraint and bracing details are also provided and more will be made available on the WTCA website at www.sbcindustry.com in DXF/DWG format to provide guidance for the wide variety of field situations that arise and to offer greater uniformity of detailing.

The 2006 edition of BCSI has also been written in mandatory language to facilitate its anticipated future inclusion as a referenced bracing approach in the IBC, while already being referenced in the IRC. WTCA has submitted a code change proposal for BCSI to be accepted as a referenced guide, and we will continue to work on the process to make it the primary resource for providing sound and safe truss installations. SBC

For more information about how to get involved in the code process, contact WTCA staff at 608/274-4849 or codes@sbcindustry.com.

Wtca Update

WTCA Unveils SCORE Program

by WTCA Staff

Maximize your marketing potential with this new program from WTCA!

One of the many things presented last month at BCMC was WTCA's new SCORE certification program. SCORE, which stands for Structural Component Operations Reaching for Excellence, is a certification program tailored for component manufacturers. It is both a valuable marketing tool and a way to help companies and the structural component industry itself excel.

The concept for the SCORE certification program came from WTCA members. Some companies were already participating in many other available programs (e.g., Operation Safety, In-Plant WTCA QC, Truss Technician Training, etc.), and were seeking a way to reaffirm their commitment to continuous improvement to both their customers and other industry professionals. SCORE was created to meet this need, and to provide members with tools they can use to create their own strategic marketing plans.

SCORE Levels

Each company or location can determine its own degree of program involvement with three different SCORE levels. Each level has its own set of requirements, which must be met and maintained in order for a company to be "certified" at that level. Requirements follow below.

SCORE Achiever (Level I)

1. In-Plant WTCA QC
2. Truss Technician Training
3. JOBSITE PACKAGES

SCORE Leader (Level II)

1. In-Plant WTCA QC
2. Truss Technician Training
3. JOBSITE PACKAGES
4. Any additional three programs above the base three programs.

SCORE Elite (Level III)

1. In-Plant WTCA QC
2. Truss Technician Training
3. JOBSITE PACKAGES
4. Long Span Truss JOBSITE PACKAGES
5. Operation Safety
6. In-Plant Basic Training (in development)
7. ORisk
8. Truss Technology Workshops
9. In order to maintain SCORE Elite standing, companies must stay up to date with any new programs, or any new levels of existing programs.

Requirements

In order to receive SCORE certification, member companies must participate in several WTCA programs. Receiving certification in these established WTCA programs acts as steps toward SCORE certification.

Continued on page 40

at a glance

- SCORE is a new marketing program for WTCA component manufacturer members.
- To earn a SCORE certification, manufacturers must participate in programs like Operation Safety, In-Plant WTCA QC and Truss Technician Training.

WTCA Launches TTT Recertification Online

WTCA's Truss Technician Training (TTT) recertification has a new online tracking and reporting system that makes it easier than ever for certified individuals to qualify for recertification.

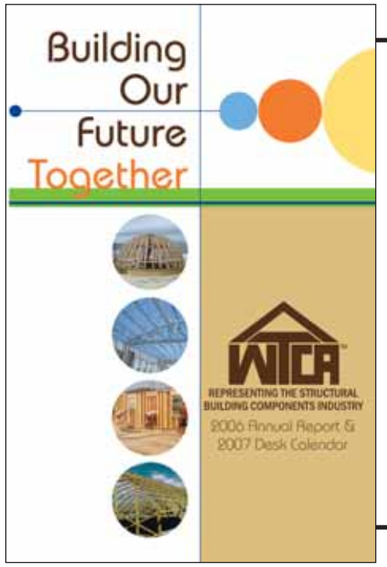
The new recertification process is based on a 12-point system, where credits are earned by participating in qualifying industry activities. Those working to renew their certification can create their own customized recertification program by taking part in activities such as those listed.

Recertification Activity	Points
Complete a TTT Recertification Course	3-6 points
Present a Truss Technology Workshop (TTW) or technical seminar	12 points
Attend a WTCA Chapter Meeting	3 points
Attend a Technical or Open Quarterly Meeting	4 points
Attend a Regional Workshop & Conference	6 points
Attend a BCMC Show	6 points
Other customized programs	Case-by-case

Once a qualifying activity is completed, a TTT-certified individual can log in to the TKO site to apply that activity toward his/her recertification. The summary page will show all of the points that have been logged and the status of pending point requests. Additions, edits and deletions to point requests can also be made from this page. Once the information is verified and the request has been reviewed by WTCA staff, points will be approved and added to the individual's total.

Once 12 points have been logged and approved, an automatic link will appear that guides the individual through the final steps of the recertification process.

Recertify today! Visit www.wtcatko.com/tttrecert.php to learn more about TTT recertification! SBC



Featuring the highlights of the past year and a 15-month calendar (Oct 2006 to Dec 2007), the 2006 WTCA Annual Report is the perfect tool for recruiting new (and lapsed) members during the 8th Annual WTCA Membership Drive! At the end of October, the annual reports and a flyer on the membership drive were mailed to all component manufacturing member locations, plus all primary supplier locations. Once again, the membership drive runs until August 31 and offers several great prizes including plaques, jackets, recognition and even WTCA products for the winning chapter (an $800 value)! For more information visit www.sbcindustry.com.

WTCA Update

Continued from page 38

In-Plant Basic Training (in development): Currently, all new production employees must participate in this orientation. Once this program is fully up and running and additional phases have been introduced, all production personnel in defined leadership positions will need to be certified in tracks appropriate for their jobs.

JOBSITE PACKAGES: Companies must supply every job with a JOBSITE PACKAGE that includes, at a minimum, **BCSI B1** through **B4**.

Long Span Truss JOBSITE PACKAGES: Companies must supply every job that includes trusses longer than 60 feet with a BCSI booklet. They must also require that the truss purchaser acknowledges, in line with the information in WTCA's Long Span Sample Jobsite Form, that these trusses require extra attention to bracing and safety practices. Additionally, the purchaser must be required to recognize that the temporary and permanent bracing should be designed and inspected by the Building Designer, or a delegated professional engineer.

Operation Safety: Companies must have been safety certified for six months, and in good standing with this program. This means sending data to WTCA every quarter, in line with Operation Safety guidelines, to prove compliance. WTCA will then review this information to determine companies' standings.

***O*Risk:** The following individuals must complete all available course tracks:

- All general managers
- A contract administrator who is processing contracts
- 75 percent of sales staff
- All technical staff managers

Truss Technician Training (TTT): Companies must have the following percentages of technicians certified at Levels I, II and III of this program:

- Level I certified - 80 percent
- Level II certified - 50 percent
- Level III certified - 10 percent

Truss Technology Workshops (TTWs): Companies must conduct or facilitate, through a WTCA chapter, at least one educational program each year. The educational program can take one of the following forms:

- Truss plant tour
- Presentation at a local association meeting
- Presentation set up and presented through a WTCA chapter, with direct participation by the SCORE-certified member
- Presentation set up and given by the member
- Presentation given at a local or regional trade show

TTWs must be presented to one of the following people/groups:

- A local, state or national legislator
- Architects and engineers
- Builders, contractors and framers
- Building Inspectors
- Fire service personnel

In-Plant WTCA QC: Companies must be certified and in good standing with this program. Maintaining good standing depends on two things. First, plants must send their inspection data to WTCA each quarter. This data is reviewed, and WTCA determines whether or not it meets the requirements of certification. Secondly, plants must be inspected quarterly by a third party inspection agency certified by WTCA.

Marketing Benefits

In addition to automatic benefits (such as being included on a web page listing of all SCORE-certified members), SCORE participants will also be able to take advantage of different marketing tools created for them, some of which are free and others are available for purchase. Examples are promotional presentations explaining SCORE and the use of SCORE logos for letterheads, signs or other purposes.

SCORE certification can help communicate the message that component manufacturers care about their products and their customers by investing in education. WTCA's SCORE certification program exists to help you and your company, as well as the industry in general, continue to excel. SBC

For information about the compliance and marketing materials available, visit the SCORE web page at www.sbcindustry.com/score.php.

New WTCA Members

Acceptance Leasing & Financing Service, Inc.
894 Beaver Grade Rd,
Ste 304
Moon Township, PA 15108
412/262-3225
Mr. Carl Villella

ADG Wood Trusses LLC
3537 Franklin St
Loris, SC 29569
843/716-0264
Mr. Alon Segal
Sponsor: Mr. Jay R. Halteman

Advanced Building Systems
18475 Pinehurst Rd
Bend, OR 97701
541/409-5694
Mr. Todd McKinney

AKX Lumber Ltd.
4009 - 11 St SE
Calgary, AB T2G 3H1
403/287-2728
Ms. Alix Love

Big Island Truss Mfg Corp
200 Kanoelehua Ave #352
Hilo, HI 96720
808/982-7555
Mr. Tausala Pola

Building Components, Inc
PO Box 3140
Gillette, WY 82717
307/682-3653
Mr. Michael Shober

Colony Truss
7277 E 54th Pl
Commerce City, CO 80022
303/287-9341
Mr. Steve Bechtholdt

Custom Cedar Homes USA
1329 Hudson St
Port Townsend, WA 98368
360/385-3427
Mr. William D. Dauenhauer

Dan's Designs
6173 Routzong Rd
Greenville, OH 45331
937/447-2181
Mr. Dan North

Davis Hill Truss Company
1353 Stephens Hwy
Mt. Holly, AR 71758
870/554-2229
Mr. Steve Davis
Sponsor: Mr. Thomas F. Whatley, II

Desert Lumber
4950 N Berg St
North Las Vegas, NV 89081
702/642-7800
Mr. Jay Gillett

Diamond Truss, FLLC
PO Box 683
Ralston, WY 82440
307/754-3696
Ms. Gail Fennell

Dietrich's NA 3D-CAD/CAM for Wood Construction
51213 Woolleyville Line
RR #1
Aylmer, ON N5H 2R1
519/765-2468
Mr. Will Dancey
Sponsor: Mr. Michael T. Miller

Dura Panel Truss
5740 Decatur Blvd
Indianapolis, IN 46241-9561
317/821-8200
Mr. Terry Murphy
Sponsor: Mr. Bob Halteman

East Texas Truss &
Metal Supply, Inc.
PO Box 480
Hillister, TX 77624-0480
409/283-3728
Mr. Ron Poindexter

Eleco PLC
15 Gentlemen's Field
Westmill Road
Ware, HS SG12 0EF UK
+44 1920 443834
Mr. John Ketteley

Front Range Panel, Inc.
PO Box 1024
Lafayette, CO 80026-4024
303/227-0040
Mr. Joel Hayes

Hardy Frames, Inc.
PO Box 10098
Houston, TX 77206-0098
805/477-0793
Ms. Meg Belmontes
Sponsor: Mr. Norm McKenna

Harrison's Roof Truss, L.L.C.
PO Box 215
Coleman, OK 73432-0215
508/937-4900
Mr. Michael Harrison
Sponsor: Mr. Thomas F. Whatley, II

Hiwassee Builders Supply Inc.
PO Box 96
Athens, TN 37371-0096
423/745-4704
Mr. Doug Beaty
Sponsor: Mr. Monte Harris

James Knight & Associates
POB 273
St. George, ON N0E 1N0
519/448-3548
Mr. James Knight, M.Sc.F., P.Eng.

Johnson Components, Inc.
5345 E Houston St
San Antonio, TX 78220
210/310-0023
Mr. Frank Johnson
Sponsor: Mr. Norm McKenna

Lignum Forest Products LLP
999 W Hasting St
Vancouver, BC V6C 2W2
604/484-5000
Mr. Craig Stuart
Sponsor: Mr. Terry S. Lillard

Louisiana System Built Homes
206 Magnate Dr
Lafayette, LA 70508
228/229-0740
Mr. Bobby Hull

Manatee Lumber Co.
5611 15th E St
Bradenton, FL 34203
941/755-3789
Mr. John D. Brown

Marino\Ware
777 Greenbelt Pkwy
Griffin, GA 30223
678/688-1312
Mr. Jim DesLaurier

Mead Lumber
PO Box 878
Columbus, NE 68602-0878
402/564-9411
Mr. Craig Bradshaw

Michael C. Hand
375 Farmveu Rd
Mattituck, NY 11952-3710
631/298-2250
Mr. Michael C. Hand

Midland CDC
208 S Marienfeld
Midland, TX 79701
432/682-2520
Mr. David Diaz

Mountain West Truss & Components
3302 N 4000 East
Hansen, ID 83334
866/926-4644
Mr. Lynn Dille

National Crane Corporation
PO Box 21
Shady Grove, PA 17256-0021
402/786-6300
Mr. Matthew C. Svoboda

National Inspection Association, Inc.
PO Box 3426
Gillette, WY 82717-3426
307/685-6331
Mr. Keith H. Anderson

Negwer Materials, Inc.
49 Airport Rd
St Louis, MO 63135-1933
314/522-0579
Mr. Peter G. Wilhelms

North Texas Truss & Components
616 111 St
Arlington, TX 76011
817/633-0330
Mr. Frank Torrez

Nucon Steel Commercial Corporation
525 S Locust St
Denton, TX 76201-6023
940/383-0593
Mr. Courtney J. Hanson

O.C. Cluss Truss Company
182 Painter Rd
Smithton, PA 15479-8722
724/872-4120
Mr. Keith L. Dewing

Oklahoma Roof Truss Company, Inc.
23055 State Hwy 1E
Ada, OK 74820-0749
580/436-3070
Mr. Ron Ahtone

Pacific Panel and Steel Truss, Inc.
1509 B N.E. 106th St
Vancouver, WA 98686-5980
360/213-1600
Mr. Gary Derr

Panel Systems, Inc.
7900 Kincannon Pl Ste200
Lorton, VA 22079-1014
703/550-1466
Mr. Brian A. Mucha, PE
Sponsor: Mr. David Goodwin

Parliament Building Supplies
4 Carlaw Ave
Toronto, ON M9B4R6
416/466-6601
Mr. Vip Jain

Precision Steel Trusses Inc
PO Box 153
West Salem, WI 54669
608/786-4545
Mr. Robert Hansen
Sponsor: Mr. Steve Detter

Quality Truss
10229 Alder Dr NW
Albuquerque, NM 87114
505/480-4778
Mr. Mike Martinez

Rhodes Homes Arizona
313 S Aztec Rd
Golden Valley, AZ 86413
928/565-4300
Mr. Matthew C. Priddy

Rocky Mountain Truss Co.
PO Box 550
Stevensville, MT 59870
406/777-0210
Mr. Jesse Lohse

Route 66 Truss
5111 State Highway CC
Niangua, MO 65713-7509
417/473-6854
Mr. Chris Cook

Santa Fe Truss Co., Inc.
PO Box 1298
High Springs, FL 32655
386/454-7711
Mr. Laurie T. Wootton

Sierra Truss LLC
4100 E Monsanto Dr
Sierra Vista, AZ 85650-8681
520/378-2374
Mr. John Stokes
Sponsor: Mr. Keith Azlin

Standard Builders Supply, Inc.
220 W 2700 S
Salt Lake City, UT 84115
801/487-7731
Mr. Kevin Horne

Summit Truss
3680 W Mountain View Dr
Rexburg, ID 83440
208/356-5800
Ms. Christine Jenks

Superior Steel Components, Inc.
PO Box 68
Marne, MI 49435-0068
616/677-6007
Mr. Eric Greenfield

Trimco
11501 Confederate
El Paso, TX 79936
915/855-8501
Mr. Joseph Jurado

Truss Design
PO Box 1591
Colorado City, AZ 86021-1591
928/875-8787
Mr. Carl Broadbent

Truss Systems Manufacturing
PO Box 9222
Brea, CA 92822
909/381-6377
Mr. Nicholaus Rowe

For more information about WTCA membership, contact Anna (608/310-6719 or astamm@qualtim.com) or visit www.sbcindustry.com. Listing as of October 18, 2006.

Chambers Truss & Ft. Pierce Central High Partner to "Grow" Technicians

by Libby Maurer

Learn how Chambers found a solution to the lack of qualified truss technicians in a local high school.

Which of these factors can manufacturers control?

a. Housing starts
b. The weather
c. The shortage of skilled truss technicians in the industry
d. Being stuck behind a train

If you're wondering why I omitted "e. None of the above," you have good reason to find out about the workforce development program Chambers Truss launched several years ago. In south Florida, there seem to be more component manufacturing operations than Starbucks and McDonald's combined. Placing diligent workers in production jobs in this region hasn't presented nearly the same challenge as filling holes in truss design departments with skilled technicians.

Chambers' solution for beefing up the local labor pool started when a local public high school red-taped field trips. "Because of the liability of transporting students to and from a destination, we weren't allowed to travel," says Todd "Coach" Cash. Undeterred, veteran Ft. Pierce High School drafting teacher Cash walked his students over to Chambers Truss Company for a quick tour.

"That was how the tradition began," says Bob Becht, President of Chambers Truss. "For a while the kids would come over to learn a little about truss design. Then we had the idea to implement a program where they would actually design trusses."

In its sixth year, the program has yielded more than a dozen technician interns and employees for Chambers and other manufacturers servicing the south Florida building market. Although the program wasn't created with the intention of growing technicians, it was apparent from the beginning that there was an added workforce development benefit, says Scott Evert, Chambers' design department manager.

Coach Cash enthusiastically accepts the challenge of preparing his students to possibly pursue careers in the building components industry. "The number of kids I see on a daily basis who don't have any direction about how to get from the classroom door to a job in the real world is very high," says Cash.

Evert, employed with Chambers since 1984, explains that the students who possess an aptitude for design and don't plan to enroll in tech colleges or four-year universities—like many who sign up for Cash's elective drafting classes—are a perfect fit for the Chambers mold. "The college-bound type generally aspire to go into architecture or a similar field, and don't tend to be true long-term fits for us," he states.

Evert points out that the challenge not only lies in finding skilled technicians; they seem to be a roaming bunch. "There is such a need for skilled technicians in the state that if they're offered $.50 more per hour at another company, they're gone."

Addressing the country's broader workforce issue, Coach Cash points out, "I think our kids are up against a [largely] nationwide attitude that we don't want them to get their hands dirty." The native Michigander adds, "Our skilled tradesmen are retiring or leaving the workforce at record rates, and we aren't replacing them fast enough. We're also not training our kids in high school."

Based on their experience serving on the curriculum development board, Becht and Evert say vocational training in Florida public high schools is anything but encouraged. But Cash does his level best to mimic the conditions of real-life employment in his classroom. He gives students several weeks of work at a time and allows them to work in a self-paced manner. Cash also encourages them to collaborate when problem-solving. "These kids are very focused, diligent and self-sufficient," he comments.

Cash does his level best to mimic the conditions of real-life employment in his classroom. He gives students several weeks of work at a time and allows them to work in a self-paced manner. Cash also encourages them to collaborate when problem-solving.

Over the course of one semester, Cash's Drafting II and III students simulate a complete home design. This includes creating a site plan, floor plan, window and door schedule, foundation plan, typical wall and truss layout, electrical, HVAC, plumbing, and elevations. Coach Cash typically bases the students' projects off a set of plans he acquired from a Habitat for Humanity home, but on occasion Evert will send Cash a simple home designed and built by Chambers.

When they arrive at the step in the process that includes walls and trusses, these students enjoy the privilege of hands-on truss design. Keeping with tradition, Cash walks his class to Chambers for a brief tour of the plant and a sit-down with Evert, who presents a demonstration of the layout and engineering software used by their technicians. "I show

Continued on page 44

at a glance

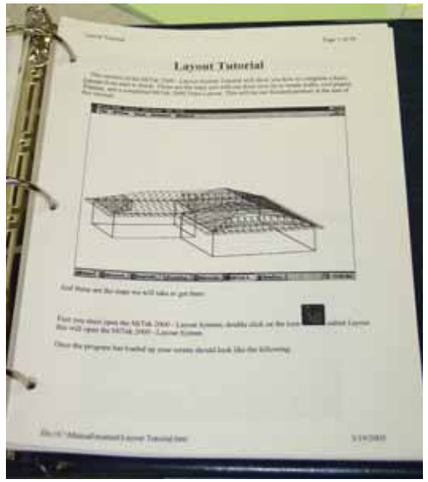
- To address the challenge of finding skilled truss technicians, Chambers Truss has partnered with a local high school.
- Each semester, Coach Cash's drafting classes learn basic truss design and build a 3D home model.
- Since it began, the program has yielded many truss technicians for south Florida component manufacturers.

Chambers Truss & Ft. Pierce Central High...

Continued from page 43

them basic design functions that they can use on the program," explains Evert.

Back in the classroom, students create truss placement plans and truss designs using software licensed from a connector plate manufacturer. During this process, the students reference a tutorial created by one of Cash's students who later became a Chambers technician. Cash's students not only graduate with exposure to the industry, but also with real experience using truss design software.



Back in the classroom, students create truss placement plans and truss designs using software licensed from a connector plate manufacturer.

A bonus at the end of the project is an opportunity to create a 3-D model of their home. The students work in groups, gluing thin sticks of wood together to form the floors, walls and trusses. On one recent occasion, a class had the chance to apply temporary bracing. Through its Safe Truss Partnership program, Chambers invites customers and/or framers working with long-span trusses to learn about proper installation techniques and safety considerations. "We go through BCSI with them and needed a model to demonstrate how the bracing should look," says Becht. He notes that every time the kids set a support, they referenced BCSI B1 and B2.

On one recent occasion, a class had the chance to apply temporary bracing. Every time the kids set a support, they referenced BCSI B1 and B2.

Evert himself is a critical resource to Cash, making himself available during school hours to answer students' questions as they progress. Evert fields the occasional "how much do you make" query, which recently garnered a laugh.

Continued on page 48

Right. Now.

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ALPINE AutoMillHP

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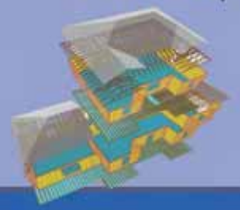

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For reader service, go to www.sbcmag.info/alpine.htm. See additional ad on page 91.

Chambers Truss & Ft. Pierce Central High...

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"Before I could answer, one of the kids said 'he's wearing a Ralph Lauren shirt, how badly could he be doing?'"

Funny as the career world may seem to these students now, each year Coach Cash works with seniors who aren't prepared for life after their diplomas. "Some of these kids don't know how to get to the next step, and they need someone to help them along," he says. Cash thinks teachers—along with parents and others—need to direct kids more in developing their career interests and plans after high school.

For Becht and Evert, the most important part of Cash's class is that the students are introduced to the industry before entering the workforce. "At least they've exposed themselves and know whether it is something they're interested in," Evert says, which is more exposure than most job candidates coming off the street. However, he clarifies that the goal is to allow them the freedom to develop their own interests. "We're not trying to turn them into truss guys."

In the past, Chambers has offered paid summer internships to Cash's students between their junior and senior years. "We hired one of them to do an internship as an estimator. When he graduated, he was brought on full time to make cut lists," Becht says. Another former drafting student currently works as a truss technician for Chambers. A dozen or so additional students have been placed at Space Coast Truss and A-1 Building Components.

Cash hopes to feed more candidates to local truss companies in the future. "As I build better relationships with the companies, I just get on the phone and ask what their needs are," he says. Cash notes that since he's worked with the students for several years, he feels comfortable recommending them.

While the program is a small-scale solution for an issue with national implications, it seems to be working for south Florida. Becht credits Cash with having the patience and interest in his students to encourage them to think seriously about their futures. "He's trying to do something with these kids, and talks to them about how real life is," he notes.

With his bird's-eye view of what works and what doesn't in terms of finding and keeping skilled technicians, Evert says there's no substitute for early exposure to the trade. "What we're trying to do is introduce them to [the industry] and find out if they're interested," says Evert.

While it's not clear whether Chambers has developed a long-term solution to the industry's workforce development challenge, it seems that high school training programs can help to at least spread awareness about the numerous career options offered by the industry. Cash could use the help; he's up for retirement in a few years. SBC

Illinois Fire Group Learns about Building Components

by Melanie O. Birkeland

First in a special series on the importance of plant tours, explore how WTCA-IL made a difference in the education of the fire service.

At its May meeting, the WTCA Board of Directors resolved to educate both local legislators and the fire service by asking each WTCA chapter to host component manufacturing plant tours for elected officials and members of the fire service. At the October Board meeting, this resolution was expanded to include plant tours for building officials, architects, engineers, builders as well as local high schools, colleges and any other educational institutions. Component plant tours are the easiest way to show what the structural building components industry is all about. While each group demographic may come into the plant with a different idea about what structural building components are, they come out with a better understanding of the process from design to manufacture. The response has been outstanding as chapters are jumping on board, proving that they can make a difference!

WTCA-IL did just that—they took a step in the direction of educating the fire service by hosting a truss plant tour in July. It all began when John Kiser, training officer for the Mutual Aid Box Alarm System (MABAS) division 10—a district just outside Chicago (see sidebar on facing page for more information) and a member of the Forest View Fire Department in Forest View, IL—contacted WTCA directly with a request to schedule a truss plant tour as an educational session for the personnel within the division. John's philosophy is that if you proactively educate firefighters, it will improve firefighter health and safety. As a training officer, John is acutely aware that structural building components are the most popular and economical materials used to frame structures, so he felt that it was important for them to begin including truss plant tours into their educational curriculum.

WTCA-IL president Mike Karceski, President of Atlas Components (Rockford, IL), and WTCA member Pat Plazek, Senior Vice President of Neumann Distribution Centers (Warrenville, IL), jumped at the chance to host this event and teamed up to plan a tour of Neumann Distribution's component manufacturing facility and a short classroom presentation for the fire personnel of MABAS 10.

Pat, Mike and staff prepared for the tour by doing a walk-through of the facility and planning the series of events. "We felt it was important to engage this group of firefighters from the very moment they walk in, and the timeline and coordination of the tour is crucial to capturing their attention," Mike said. "Presenting a polished and well-rehearsed tour is critical."

at a glance

- WTCA-IL hosted a truss plant tour for the fire service personnel of MABAS division 10 at Neumann Distribution Centers in northern Illinois.
- Planning the flow, timeline, and coordination of a truss plant tour prior to group arrival is critical to its success.
- The tour also included a Carbeck presentation where many concerns and questions were addressed.
- WTCA-IL and MABAS 10 have laid the groundwork for a mutually beneficial relationship.

The tour began at 10:00 a.m., when Pat brought attendees to the truss design department. This allowed them to view the process and procedures that truss technicians take to ensure high quality designs that are demanded by the industry. "They seemed to be impressed with the technology and what goes into building design today," Pat recalled. "It was good to show them how the products are designed and that the process adheres to all safety standards outlined within the building code."

The group asked several questions about the quality of the products, discussed certain concerns, and addressed preconceived ideas surrounding truss design. John explained the group's concerns about truss design and construction, "Within the fire service there have been numerous rumors regarding the sub-par manufacturing of trusses and the use of gusset plates. These concepts have been further validated by fire service created educational videos and materials. The truss technician was able to show the attendees that the design process within the facility is consistent and accurate due to standards put into place for each truss built."

Pat and the truss design department at Neumann Distribution Centers answered questions from the fire officials, addressing the building code or structural concerns raised. They then displayed examples of truss designs and placement diagrams, allowing the group to see the design process from beginning to end. "The most valuable portion of the tour was interacting with the truss technician while he designed the roof components for a home. It gave us the understanding that each individual truss is designed and constructed for a specific need," John said about seeing the design process.

After the plant tour, Mike gathered the group for a presentation highlighting sections of the newly updated Carbeck CD. The purpose of the presentation was to get the group to understand and utilize the information provided within the CD and convey the resources available to them for future education. Each attendee received a "Structural Building Components Industry Education for Fire Service Personnel" binder that included several industry-specific articles, the Carbeck CD, and other training materials. The Carbeck presentation provoked meaningful questions about structural building components and at times helped to dispel misconceptions about light-weight component construction. "It was helpful to talk about some of the basic building principles surrounding light-weight construction," Mike said. Several sections of the Carbeck CD spawned constructive feedback from the group as the discussion turned to important safety issues. "The discussion allowed us to understand the specific areas of education that the fire service really needs. WTCA and its chapters can provide the education that the fire service needs most," he noted.

At the end of the presentation John and others stayed to discuss the event and to offer some feedback about the education provided. With John's experience in training MABAS 10 he was able to provide much insight into what the industry can do to engage the fire service in the most effective way. Ultimately both the structural building components industry and the fire service share a common goal-saving lives. "Between the leaders of the fire service and WTCA, we can collect data and process it so that each of us understands what the other is trying to accomplish," John said. "Understanding building construction is one of the most vital aspects of fire/rescue tactics."

MABAS:

MABAS (Mutual Aid Box Alarm System) is a mutual aid organization that has been in existence since the late 1960s. MABAS is a cooperative program that includes over 550 member fire departments organized within 46 divisions. All MABAS member agencies agree to send help and resources as available to other districts when they are in need. Visit www.mabas.org for more information.

Pat then led the group to the production area where they witnessed trusses being built. Moving through the facility's various work stations, the group asked a lot of questions and showed interest in the component manufacturing process from start to finish. They responded well to the hard work being done in the plant. "It was as if there was a mutual respect for one another. From one hard worker to another," Mike commented regarding the plant and fire service personnel.

John enthusiastically suggested that WTCA-IL and MABAS continue to develop their relationship by scheduling future mutually educational events. Some of the ideas that John discussed about future educational opportunities include:

- Putting together a specific tour concept package for Illinois that can be disseminated to fire departments along with the Carbeck CD and fire personnel binders.
- Provide props like miniature trusses to fire departments to be used in demonstrations and to ensure common terminology.

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One Tour at a Time...

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- Build relationships with some of the state associations such as the Illinois Fire Service Institute (IFSI), and the state fire academy to conduct joint testing.

The relationship-building that occurred at Neumann Distribution Centers that day has turned out to be valuable. The dialogue was helpful to both groups as discussion of future educational events with WTCA and the fire service were explored. "The fire service is always open to furthering relationships that can improve the safety of our people," John said regarding joint education opportunities in the future. This is a step in the right direction for the structural building components industry and the safety of fire personnel, because it has opened the doors to strengthen both industries. John is looking to adding a component plant tour to the standard educational curriculum for MABAS 10; WTCA-IL is ready and willing to host them.

"All we want to do is help the fire service understand how these buildings are constructed so they can determine safer ways to fight the fires," Mike concluded. "Everyone agrees that firefighter safety is the goal here." SBC

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With a slightly gloomy economic picture and evolving customer needs, linear saws offer flexibility for manufacturers.

Whole House Services Meet Builder Needs, Increase CM Profits

by Steve Shrader

A few years ago the BCMC show was swamped with a trendy type of saw, the single-bladed linear saw. Last year (August 2005), I wrote an article about the evolution of the saw and the advancement of servo technology. There was a lot of debate among component manufacturers when these saws came out:

"Are single bladed saws really needed?"
"Do we really need to bevel truss parts?"
"Where do these saws fit in?"
"Is the conventional component saw going to become obsolete?"

Well, the market spoke and the industry seemed to recognize the value in linear saws. We have learned a lot about the flexibility of the saw from manufacturers in the past few years. Single-bladed saws have been used to cut onsie-twosie parts, while some are cutting everything under 3'10". Linear saws have been purchased to cut wall components, truss components or BOTH! We even have customers using linear saws to cut EWP (engineered wood product) components.

While a lot of linear saws have been implemented, contrary to popular belief, the dust still has not completely settled. In the last year I have been noticing a new trend. It's a trend that reflects a shift in market demands. And it's a trend I think CMs could stand to profit from.

Let's face the reality that is influencing the shift I'm seeing. The truth is that the construction economy is in another slowdown. It seems like every day we hear more bad news from housing starts perspective. As I write this, the recent August starts reflected the greatest decline in 40 months. In these markets the industry gets creative in order to remain competitive. I'm already witnessing manufacturers who are harnessing creativity thanks to equipment technology.

Economics & New Customer Demands

I was recently part of a panel that was interviewed for an article about the trends in the industry from an equipment supplier's perspective. The overall theme was that lumber yards and dealers have hit bottom on acceptable margins in lumber prices. Many of you are also probably at rock bottom material prices just to stay competitive. Lumber yards and dealers are helping customers find more efficient installation, fewer callbacks, as well as materials handling efficiencies in the factory and even labor savings from turnkey framing. Your customers are shopping for the component manufacturer that offers more whole house solutions.

But economics isn't the only driver at play. As a part of this industry, you need to know that homebuyers are becoming smarter, more savvy about their new home purchases in terms of the materials used within it as well as the process by which it is built. They've done their research and know which building materials they want and where they want them. Examples of what they're asking:

"Is it GREEN?"
"Can we use more engineered lumber products?"
"Are the correct components being used?"
"Is that hole in the correct location?"

Continued on page 58

at a glance

- The concept of adding value is becoming increasingly more important to component manufacturers.
- One way component manufacturers can increase their value proposition is by offering whole house services to their customers.
- Certain software packages and manufacturing equipment can help manufacturers deliver these services while increasing profitability.

Whole House Services...

Continued from page 56

Dealers and builders have to respond to these questions, which in turn means that you should be able to respond. Builders and developers are turning to manufacturers for ways to make the building process more cost effective and more systematic. Many lumberyards and CMs are responding by **adding value,** helping builders save money by being more efficient on site. The trend is creating new ways to meet today's customers' needs, while carving out new revenue streams. In an industry where the production, service-oriented mentality is already paired with the right equipment technologies, it can make a lot of sense.

More and more profits are being recognized with the movement toward more and more hassle-free components. You will find that your customers will be looking for the one-stop shop with design, engineering, more efficient installation, less callbacks, as well as materials handling efficiencies in the factory and even labor savings from turnkey framing. I predict that your customers will start buying from the CM that offers more "whole house" solutions. This explains why I've begun to see lumberyards and component manufacturers **adding value** by adding new products in the form of pre-cut solid wood headers, pre-cut blocking, stair stringers or precision end trimmed (PET) EWP, like I-joists and rim board and even engineering!

You may have already realized that this industry is no longer just made up of wood truss manufacturers. And your association—WTCA—has a diverse membership that reflects it. Just a few weeks ago at BCMC 2006, you may have noticed a number of EWP related booths. This trend is becoming more common every year at the show. The BCMC has truly evolved into the Building Component Manufacturers Conference, and not just a truss manufacturer's conference. You will see EWP businesses focused on combining all structural frame technologies into a more seamless process by bringing together lumber, EWP, software and consulting expertise into a whole house solution.

Thanks to faster, more precise and more flexible production saws, component manufacturers are finding that they are able to handle just about anything. We all know that whole house software is available to component manufacturers to assist in this one-stop/whole house design process. If prices can't go much lower, the next logical line item for builders to bring costs down is in labor—jobsite labor. In other words, increase efficiency at the jobsite. Whole house services will become more popular with builders as they are pressured to turn more of the on-site framing procedures over to component manufacturers that are willing to assume these additional services. The greater your flexibility, the greater the efficiency and less labor cost on the jobsite. The more you do at your operation—from additional design work to more cutting and assembly applications in the shop—the more added value you offer.

Like I said, the dust is still settling. With whole house software availability and whole house equipment technology, the movement toward ultimate efficiency and cost savings for you and your customers will become clear. These technologies bring design, engineering and cut files together that allow equipment to automatically cut stairs, truss parts, wall parts, floor parts and more.

Consider your truss business and EWP business complementing each other by generating more business. Ultimately, your builder customer will appreciate that you've streamlined the process, and is likely to consider you as a valuable long-term material supplier. You, of course, enjoy the benefits of an additional value proposition.

The market is speaking and the industry is recognizing the value in linear-servo saws. Manufacturers, builders and end users are seeing the value in flexibility and service. It has been said that the only solution to a slowing economy is to eliminate all the external forces that inhibit your ability to produce. Whatever the future holds, entrepreneurial production will thrive in any economy. Turn this trend into an opportunity to provide more value to your operation and your customer. SBC

Steve Shrader is Sales Manager for Hundegger USA LC in Charleston, UT.

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Final in a series of four articles on the preparation for and steps involved in the sale of your business.

Getting from agreement in principle to closing—the Purchase Agreement.

at a glance

- In the building components industry, buyers' key areas of focus are inventory, defective product claims, employees, and compliance with laws applicable to employees, environmental compliance and intellectual property.
- Expect the buyer's first draft of the purchase agreement to be very buyer oriented.
- When advising the seller, full and early disclosure is encouraged.
- Heavy focus and spending too much time on the indemnification can send the wrong signal to the buyer.

Previously in this series, I introduced the steps component manufacturers should anticipate when approaching the sale of a business. From the initial meeting with the prospective buyer and through the closing, it is important to remember that keeping control over the process is of utmost importance. And maintaining control means educating yourself well before you become entangled in the sale transaction.

So you have followed the steps outlined in the first few articles: you have the ownership of your company the way you want it, you have engaged advisors early in the process and have established comfortable working relationships with each of them, and you have thought about what you want out of the transaction. In this final installment of the series, let's jump to the last major hurdle in the process: the purchase agreement.

Imagine that you and the buyer have reached an agreement in principle also referred to as a letter of intent—the basic terms of the transactions—and now are preparing for the "due diligence" process in earnest.

> "Due Diligence" is the title given to the investigation process conducted by the buyer to verify the financial health and status of your business. This can be quite disruptive to your business if you are not prepared for the scope and depth of the investigation.

In earnest meaning that the purchase agreement, along with the other operative documents, are being delivered by the buyer, together with the request for all of the information on your company that will be referenced in the purchase agreement, also known as the schedules to the purchase agreement.

Now, the best piece of advice I can give when an agreement in principle has been reached: don't let up, because there's more to this transaction than price and basic terms and conditions. The provisions in the purchase agreement are important. Put yourself in the buyer's position. The buyer is most likely using someone else's money, or at least has constituents to which it is being held accountable. Whether it is shareholders, lenders or investors, the buyer likely has somebody to report to. Therefore, it will want to have rights under the purchase agreement that will allow it to produce a return on investment or at least have some recourse if there are problems. The purchase agreement is prepared by the buyer with the goal of protecting the buyer in the event your business is not as it is represented and these misrepresentations cost the buyer money.

The Basics of the Purchase Agreement

The purchase agreement will contain the following provisions:

Representations and Warranties are the "statements" made by you, the other shareholders, and possibly your company, about the status of your company. These representations are required by the buyer so that it can get a comprehensive understanding of the various aspects of your company, including the financial condition, the status of contracts, the condition of assets, etc.

Indemnification is tied to the representations and warranties made by you, the other shareholders, or possibly the company. The indemnification section requires those making the representations and warranties to compensate the buyer for any breaches in the representations and warranties or other provisions of the agreement. The indemnification provisions usually include the steps to be followed and terms of the process for resolving claims for which indemnification is sought.

Covenants are the commitments of the buyer and seller as to how they will conduct themselves, most often regarding the commitments between signing and closing, and sometimes include commitments pertaining to conduct after the closing.

Conditions to Closing are the events that must occur or things that must be in place or true prior to close in order for the buyer to complete the closing.

While not always applicable to the purchase agreement, a couple of provisions have become more common over the past several years, in particular as private equity firms have more frequently become buyers. These are escrow and right of offset provisions.

Escrow is the holding back of a portion of the purchase price, purportedly so the buyer can "take back" proceeds in the event there is a breach of representations and warranties or other provisions of the purchase agreement.

Right of Offset is the right of the buyer to draw on the escrow or to withhold payments (such as under a promissory note made payable to the seller as a result of the sale) as a result of breaches of the purchase agreement.

Note that other provisions are included when applicable. The provisions listed above and discussed in more detail in the article are the basics and most common provisions proposed by buyers.

Representations & Warranties

If the buyer had to choose one representation over all others it would relate to the seller's financial statements. The financial statements provide the buyer with a good picture of the profitability of the seller's business and a snap shot of the financial health of the seller. Some basic things for you to be aware of:

- Find out how the buyer expects/requests your financial statements to be presented and compare this to how you typically present them. The buyer will want you to represent that the financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). You may be presenting them for tax minimization—which means they will not be according to GAAP.
- Know the differences between your accounting decisions and the buyer's expectations in areas of revenue recognition, expensing versus capitalizing and depreciation and capitalizing policies. Expensing your equipment purchases will yield different financial statement results from capitalizing such purchases and expensing the purchase in a smaller amount over several years.
- Avoid making representations that may relate to the company's future performance, e.g., after the closing. For instance, a representation by the seller that "the financial statements accurately reflect the results of the operations" is acceptable since it relates solely to the past. However, any representation along the lines that the financial statements "are representative of the results anticipated by the seller over the next two years" or similar is not appropriate since it is in effect a guarantee of financial results going forward.

Regarding financial statement representations, if the purchase price will include some form of payment other than cash (such as stock or a promissory note from the buyer) you will want representations as to the financial status of the buyer in order to get comfortable with the value of the stock and/or the expectation that the payment obligations under the promissory note will be made.

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Mergers & Acquisitions Part 4

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In addition to the financial statements, it is common for buyers in different industries to focus on unique areas in the representations and warranties. In the structural building components industry, buyers' key areas of focus are inventory, defective product claims, employees, and compliance with laws applicable to employees, environmental compliance and intellectual property.

With respect to your inventory, the buyer wants to know that it is properly valued and does not contain obsolete or damaged materials that are not sellable. If you have not conducted regular physical inventories, you can expect the buyer to request that one be conducted to verify the existence and value of your raw materials.

If you have had any claims for defective products, the buyer will want to know how those were resolved. Even if you haven't had any such claims, the buyer will also want to know of any pending claims or events that may lead to a future claim. He will also want to know that you have insurance in place that is adequate in scope and amount of coverage to cover any such claims.

With all the immigration issues facing the industry, the buyer will want you to confirm that the employment of your workers and subcontractors is in compliance with the law and that the relationships with your employees is good.

In addition to the financial statements, it is common for buyers in different industries to focus on unique areas in the representations and warranties. In the structural building components industry, buyers' key areas of focus are environmental liabilities, inventory, defective product claims, employees, and compliance with laws applicable to employees and intellectual property.

All businesses involved in manufacturing operations may have environmental issues. It is common for such facilities to be located in areas that have been used for industrial purposes for decades and operations were conducted long before the environmental rules and regulations were instituted in the 1970s and 1980s. It is also common for operations through the 1990s and even this decade to include processes that are not in compliance with environmental laws simply because the owner did not know the scope of the environmental laws. Every buyer will want an environmental assessment of your operations, also known as a Phase 1 environmental review, conducted as part of their investigation. You may want to have this conducted prior to holding any discussions so that you can be compliant and have the assessment ahead of time.

Regarding intellectual property, the buyer will want you to represent that your processes and operations do not infringe on processes owned by others and that you have the right to apply the techniques you utilize in your manufacturing operations. If you have developed unique processes the buyer will want to know that you have the documentation to show that you are the owner of those processes. The buyer will also want you to represent that your use of all software and other information technology related applications is legal and in compliance with all applicable agreements.

Expect the buyer's first draft of the purchase agreement to be very buyer oriented—this will especially be the case with respect to the representations and warranties the buyer requests. One common way for the seller to neutralize the representations and warranties is with what are referred to as a "materiality" qualifier. For example, in the representation on your relationship with your employees and compliance with employment laws, with a material qualifier you will state that you are in "material compliance" as opposed to stating you are in full compliance. Another way to accomplish this change is to state that you are in compliance *except where any non-compliance would not have a material adverse effect.*

Another qualifier that can be used is to limit portions of representations to your "knowledge." For example, regarding the representation on environmental compliance, you may want to qualify your representation to state that to your "knowledge" you are not aware of any non-compliance of environmental law. Another important point regarding knowledge is defining whose knowledge is applicable—is it you and the shareholders, or does it include your management employees? If one of your 150 employees knows something is pending, is it reasonable to expect that you should be deemed to have known about it?

Indemnification. Unless negotiated during the pricing negotiations that take place early on, the indemnification provision contained in the buyer's draft of the purchase agreement will usually start with the "seller will hold the buyer harmless from any breaches of the representations and

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Buyers' key areas of focus:

- ✔ inventory
- ✔defective product claims
- ✔employees
- ✔compliance with laws applicable to employees
- ✔environmental compliance
- ✔intellectual property

I strongly encourage full and early disclosure. Just as disclosing adverse facts late in the negotiations can cause buyers to be concerned…heavy focus and spending too much time on the indemnification can send the wrong signal to the buyer.

Continued from page 65

warranties or other provisions in the agreement." It will be up to you to add the qualifiers: (1) a "basket," for example, which is a de minimis amount above which the claims must exceed before the indemnification obligation applies; (2) a cap or ceiling on the aggregate amount of the indemnification claims; and (3) the period of time during which a claim must be made.

Often the lawyers for the buyer and seller will spend an inordinate amount of time on the indemnification provisions. When advising the seller, I strongly encourage full and early disclosure. Just as disclosing adverse facts late in the negotiations can cause buyers to be concerned (and often renegotiate the purchase price—downward, of course), heavy focus and spending too much time on the indemnification can send the wrong signal to the buyer—that maybe there are things being covered up. As the buyer and seller work toward closing you don't hear about renegotiations resulting in a higher purchase price—only downward adjustments.

Covenants. In the covenants, between the signing and closing, you will be required to conduct business in the normal course, maintain relationships with customers, vendors and employees, and cooperate with the buyer and its representatives in providing information. All of these should be within your reasonable ability to control, and the standard for compliance should be reasonable or commercially reasonable and not on a best efforts basis.

Conditions to Closing. The negotiations on the conditions to closing are usually more intense than covenant negotiations. The broader and more extensive the conditions to close are, the more the transaction will feel like the buyer has an option to close and can walk if any one or more of the conditions is not met. This is particularly true when the conditions must be to the satisfaction of the buyer.

As seller you want the conditions to close to (1) be conditions over which you have control (similar to covenants) and (2) have reasonable standards for achieving them. While it may be a fact, the condition that the closing is subject to the buyer obtaining financing can leave you at the complete whim of the buyer's efforts—reasonable or not. Likewise, a condition that the closing is subject to the buyer finding everything being acceptable to him in his discretion after "due diligence" is completed essentially leaves the buyer with an easy excuse not to complete the purchase. The conditions should be narrowly drafted and to the extent that they relate to the representations and warranties being true and correct as of the closing, they should (1) be for specific representation and warranties and/or (2) provide you with the right to update prior to closing.

Escrow and Right of Offset. The escrow provisions and, if proposed by the buyer, right of offset, need to give you rights

Building your business has been rewarding; the process of selling your business should also be rewarding.

so that the buyer cannot just hold back any portion of the purchase price without some form of objective standard and even the decision of a third party through mediation, arbitration or the court. While there are numerous caveats and terms that can and need to be fleshed out, as the seller you want the process to be at least balanced and objective in determining the escrow withdrawal and any rights of offset.

Summary

When you have prepared for the purchase agreement process by knowing what you want, having advisors that you are comfortable with, an understanding of the motivations of the buyer, the process of negotiating the purchase agreement and all of its terms can be exciting rather than overwhelming and distracting. You have a better chance of getting through the agreement and successfully closing at the price and along the terms originally agreed upon if:

- You disclose concerns early rather than later in the process. There is one school of thought that you get the buyer in and active and then disclose the concerns; but this often leads to renegotiations.
- You understand the buyer's motivations in the purchase agreement and work closely with your counsel in narrowing the scope of certain representations and warranties along with the conditions and covenants so that you have control over assuring compliance.
- You keep a balanced focus on the transaction and running your business so you do not have a material slowdown in your business that gives the buyer a reason to renegotiate the price.

In the four articles that comprised this series we discussed various facets of the business sale process. From the initial discussions through the closing of the purchase agreement we have emphasized your need to be prepared and know what you want out of the transaction. A good working relationship with experienced advisors can help you keep your focus on the terms and elements of the transaction that are most important to you. Building your business has been rewarding; the process of selling your business should also be rewarding.

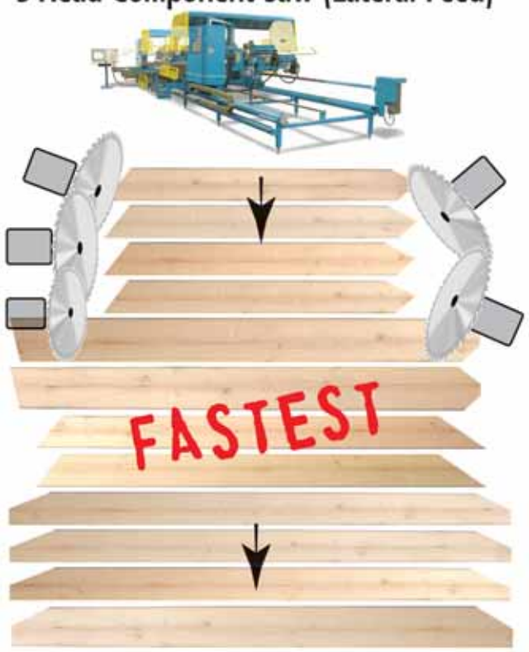
For a list of all terms defined within this series, visit **Support Docs** at **www.sbcmag.info**. SBC

Doug Cerny is a shareholder with Pagel, Davis & Hill, P.C. in Houston, TX. His practice focuses on emerging businesses, mergers and acquisitions and corporate finance and compliance. In addition to his experience as inside corporate counsel Doug has represented and continues to represent both buyers and sellers of businesses, having completed more than 250 corporate sales transactions in his career.

They're both the fastest saw.

But they're not rivals ...

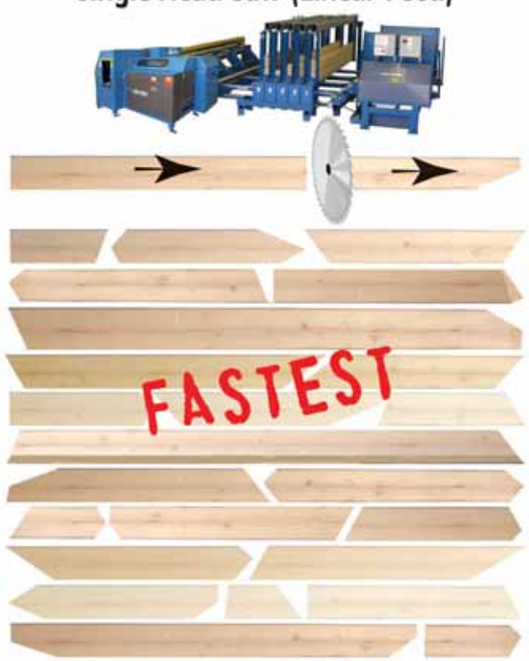
Servo-Omni™
5-Head Component Saw (Lateral Feed)



Our new Servo-Omni is the undisputed fastest component saw in the industry.

It takes only 7 to 8 seconds, on average, for Servo-Omni to set up its 5 cutting heads with the called-for angles and part length to make a run. That's the average ... based on actual production of hundreds of thousands of different parts by multiple plants located in different regions of the country. It's the fastest set-up speed ever – and by a long shot – for any component saw. Once set-up, Servo-Omni can make up to 5 different cuts in one pass – any part length, from 11 inches to 20 feet – about as fast as its conveyor system can run the lumber through its blades. Servo-Omni can cut around 500 parts per hour when 9 to 10 parts are cut per set-up ... around 300 parts per hour when 3 to 5 parts are cut per set-up. Thus, the more identical parts made per set-up – regardless of part length or number of cuts – the higher Servo-Omni's production rate.

Miser™
Single-Head Saw (Linear Feed)



Our Omni-Miser is the undisputed fastest single-blade saw in the industry.

Because its cutting head adjusts so rapidly and lumber is being fed to it simultaneously, Miser can cut 250 to over 300 parts per hour without concern for set-up time – multi-angled parts from under 4 inches to 16 feet long (standard). However, since its single blade makes all the cuts and every inch of lumber must pass by it, Miser's production rate decreases as the number of cuts required increases ... and as part length increases. Thus, Miser's production rate goes up when it's cutting shorter parts ... but it can produce identical parts or dissimilar parts requiring the same number of cuts at about the same rate. Miser also cuts bevels, infinitely long scarfs, and extremely small intricate parts, marks wall parts – tasks that a component saw simply can't handle. And, when coupled with an automated material handling system, it becomes a one man operation.

They're Partners.

Servo-Omni & Miser
The Two Saws Working Together

Partner the two saws and "fastest" takes on new definition – production rates of BOTH saws increase dramatically!

By directing dissimilar parts ("onesies" and "twosies") and shorts to Miser, and the balance of parts to Servo-Omni – that is, longer runs of identical parts of most any length – overall production is increased by over 20%! Which translates to about an extra week's worth of cutting production a month. Even a large plant can accommodate all of their cutting needs with just the two automated saws and a skeleton cutting crew. And all but eliminate the need for hazardous, time-consuming pull saws and chop saws in the process. On top of that, scrap rates will drop dramatically.

This "partnering" ability of our automated cutting equipment is not happenstance. Nor is it happenstance that we're now introducing a high-speed, incomparably versatile jigging system to accommodate high-speed cutting. And, most definitely, it's not happenstance that all of our equipment employs common controllers, common operator interfaces and a lot of commonality in parts and maintenance. Any good operator can operate all of our equipment with ease; any good service technician can service all of it with ease.

Our equipment is, indeed, designed to be partnered. Which is how we hope you'll look at us as you head down the automation path.

As partners.

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Automation

by Jerry Koskovich, P.E.

straight talk

How to Avoid Slumping in a Slump

Consider these concepts if you're wondering how to maximize your flexibility with automation.

While I've spent a good part of my professional life in component manufacturing plants over the last three or four decades, I've never run one. So I'm not about to try and advise you how to run yours. But I am going to offer what I've observed when it comes to downturns in our business and, in particular, how automated equipment impacts those events.

I'm not going to comment on the downturn the industry is talking about currently. I don't know any more than you do, probably less since I'm not on the front lines like you are. All I'll offer on this score is that there are downturns taking place at all times in different regions and locales and segments of this industry, even from winter to summer for most plants. I know of more than one plant that's gone through a "downturn" in the midst of a housing boom...when a big conglomerate, for example, with all the advantages of high-volume purchasing and a willingness to cut prices, moved in next door.

Downturns Are a Certainty

The successful plants plan for them—indeed, count on them—and are prepared. The most successful use down cycles, and "cycles" is a more accurate description, to their advantage. Truth is, when business is booming, most anyone can make a profit. It takes astute management with a suitably equipped and staffed operation to stay profitable in a downturn.

The key is flexibility, from my observations, which is also a fundamental benefit of automation...and a subject I've harped on relentlessly over the years.

Here's what I've observed the most successful plants doing in a down cycle... translated into steps you might consider taking. Several of these may cause equipment manufacturers like us to cringe a bit, like I do when I hear a news reporter pointing out our security vulnerabilities for all the world to hear.

- **Ask your equipment manufacturers and other suppliers for help.** I don't necessarily mean for price concessions—suppliers are often part of the same down cycle. But do ask your suppliers to study your operation in relation to their product and see what they can recommend to reduce costs and/or improve efficiencies. You may be surprised at what they have to say—they've seen their product used in a lot of different ways.

  I've been appalled at the poor performance of our equipment on several occasions when I've been invited into a customer's plant, for example. The production rates were far below what they should have been. Plant personnel had simply come to accept the equipment's poor performance—and management hadn't picked up on it. Whether it's the equipment's fault or the operator's fault or the fault of procedures, the problem can't be fixed until it's identified. Sometimes it's simply that the equipment hasn't been maintained properly or isn't properly calibrated. Sometimes it's improper staffing; on more than one occasion, I've watched a single operator feed an automated component saw lumber, then run around back and stack the cut parts...while the saw sat idle. Sometimes it's the material flow systems that are the problem—either to or from the equipment (or both).

- **Use down time to reconfigure your plant to make the production process more efficient.** I'm talking about everything from material handling to the proximity of cutting and pressing equipment to how trucks are loaded. If you think about it, you probably know what the problems are from your high-production periods—now's the time to cure them and save the dollars those inefficiencies have been costing you.

  Some plants define good material handling as bringing a full forklift of lumber to the saw. Of course, it's much more than that—and all critical to efficiency.

  Location and proximity of equipment is also critical. I've been in truss plants that have installed one of our automated saws—in the midst of a high-production cycle, without proper forethought—literally a building away from the tables. A lot of cart wheels were worn making their way back and forth before the saw was relocated.

- **Consider increasing sales with another product line.** If you don't currently make wall panels (or it's just a small part of your business), now may be the time to start. If that new automated linear-feed saw you bought for making truss parts can also cut wall frame parts, get its manufacturer on the phone and, again, ask for help. If you have (or are willing to hire) your own installers, wall panels could be a good option. It may not be a good option if you're relying on builder/framers for all your wall panel

Continued on page 72

at a glance

- ❑ Use down time to reconfigure your plant to make the production process more efficient.
- ❑ Look hard at how you can have most of the benefits of full automation without spending the money to get it.
- ❑ A down cycle is a good time—really the best time—to install new equipment.
- ❑ It's possible for plants to come out of a down cycle literally twice the company that they were before.

orders—they may choose to stick build to keep their workers busy in a down cycle.

Look outside the truss and wall panel market altogether for new product lines. There are often niche products that can be quite profitable. Take that automated linear-feed saw and have it make ready-to-assemble garden sheds or backyard playhouses or carriage houses or garages. Talk to local retailers and see what they need. We once figured that an automated linear-feed could crank out components for some exceptional backyard sheds—unique roofs, really interesting-looking designs—in less than ten minutes each.

- **Start marketing your higher-quality product.** We have automated component saw customers that sell the benefits of their close-tolerance roof trusses to their builder/framer customers and have grown their customer base because of it. Roof trusses that fit together well may seem like a small matter, but it's really not—especially if your primary competitor isn't capable of producing the same quality product. Remember, your builder customer has a homeowner customer to sell, and higher-quality construction is not insignificant to most homeowners.

The biggest single thing you can do in a down cycle is automate. That sounds like a pretty self-serving statement coming from a manufacturer of automated cutting and jigging equipment. But it's the truth no matter who it's coming from.

It was made abundantly clear in the machine tool industry back in the late 80s/early 90s recession. The machine tool industry was only partially automated then (about where our industry is now). I remember reading magazine articles pointing out that the portion of machine tool businesses that were automated were not just surviving, but prospering. The non-automated portion of their industry was struggling and, effectively, contributing to the prosperity of their automated counterparts—they were losing business to them.

Incidentally, the machine tool industry's ratio of annual sales to capital investment (plant equipment) at that time was estimated to be roughly 1:1. That is, if they had $5 million in sales, they had $5 million invested in capital equipment. Component manufacturers had a far lower ratio at the time: 17:1. That is, component manufacturers with $5 million in sales only had about $300,000 invested in equipment. I understand that our industry's ratio is now more like 12:1—but still a far cry from what the machine tool industry and others have invested.

Automation gives you flexibility, the key to holding margins and profits in a downturn. One automated component saw of most any variety can easily out-produce two or three manual component saws. That means you'll need about a third (or less) staff to do the cutting ... and you won't be at the mercy of the typically more expensive sawyers. You just need good, competent, (ideally eager) operators. You can then pretty much accomplish whatever comes along—sales up, sales down—with just your core staff. And still produce a high-quality product on a timely, predictable basis. You likely won't be caught in the dilemma of hiring staff when there's a spike in orders, laying them off when the spike goes the other way. You won't have all the costs associated with on and off unemployment, including unemployment compensation costs. And you won't risk losing good people who tire of it all.

Automated jigging equipment on your tables can do similar magic for truss building efficiencies. The labor cost savings can be substantial. A good team of two or three competent truss builders can jig, lay-up and press trusses—even very intricate trusses, each one different—at a rate of about one every four to six minutes. That's a long way from 30 minutes, sometimes an hour or more, to do similarly complex trusses manually.

Non-automated competition won't be able to perform in the same way. When they hunker down, their production capabilities will suffer. They won't be as timely in fulfilling their orders and their labor costs will be much higher. And, like what occurred in the machine tool industry, they'll give up some of their business to their automated competitors.

Your automated bottom line isn't just impacted by labor cost savings from the reduced setup times. That's easy to see. But the extra time—the time saved with automation—can be used to make more product which adds more profit dollars to the bottom line. Figure how many more trusses you could make with two or three more hours per shift worth of parts cutting and/or truss building.

For all this, I'm not suggesting that you simply start replacing your manual equipment with the automated variety... especially in a down cycle when dollars are tight. It doesn't make much difference how much more money you can save or earn if you go broke trying to do it. Here again, I would sit down with equipment manufacturers and put whatever your circumstance is on the table.

Also, I recommend looking hard at how you can have most of the benefits of full automation without spending the money to get it. A few examples:

- **Double or triple production from your old manual saw with an automated helping hand.** Let's say that you have a good, serviceable manual component saw now. But the number of setups required for all the different cuts is so high that its production rates are miserable. That's typical these days. An expensive new automated component saw would solve the problem—it sets up in a flash—but it really doesn't cut parts any faster than your manual saw. Once set up, a good manual component saw and an automated component saw will cut parts at about the same rate. So... consider bringing in an automated linear-feed saw to handle all of the one-offs, two-offs, and three-offs. Give all of the longer runs to your manual saw—far fewer setups, far more parts cut per setup. You'll probably get the production equivalent of one-and-a-half automated saws for the price of one.
- **Substantially decrease truss build time without adding automated jigging (or laser-projected imaging) to all of your tables.** Automate just one table—or even just part of one long gantry system. Use that to handle all the tricky build jobs and to build pattern trusses for jobs that have multiples of the same truss. Truss-builders on your manual tables can use those pattern trusses to quickly jig up for the multiples...and build them almost as fast as your automated-table team builds theirs. Thus, one automated jigging system can give you the ability to dramatically increase truss production on your non-automated tables.

A down cycle is a good time—really the best time—to install new equipment. Your plant will realize the benefits immediately and, typically, there's ample time to do the necessary research to find what equipment is best for your plant. Further, unlike installing during high-production periods, you have time to locate and install properly. Very importantly, you have the time to think through all the other parts of your operation and procedures that high speed automated equipment will impact, such as:

- Material flow to and from the equipment.
- Finished part staging and organization.
- Optimizing your equipment's proficiency, both manual and automated, by playing to the unique strong suits of each piece of equipment. (For example, sending the component saw the longer parts and longer part runs, setting up cutting lists with parts from longest to shortest, or vice versa, to minimize setup time.)

The Silver Lining in Every Down Cycle

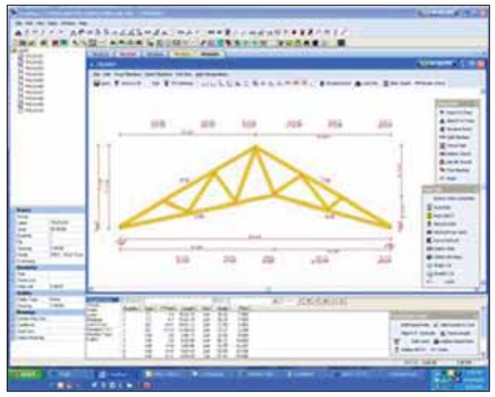
If you take these kinds of steps in a down cycle, you will find your company considerably more profitable when the cycle turns up. Even if the industry simply rebounds to about the same level it was at, you will probably enjoy a significantly fatter bottom line.

Adding to the increased profits realized through greater efficiencies, the marketing folks will tell you—and I've certainly witnessed—market share often shifts during down cycles. Many unprepared plants do not perform well in a down cycle, as noted earlier. If you react to a down cycle along the lines we've been discussing, the likelihood is that you will pick up some of your competitors' customers. So when the cycle starts shifting up, your volume goes up disproportionately.

I've seen plants come out of a down cycle literally twice the company that they were before. The down cycle was the best thing that ever happened to them. SBC

Jerry Koskovich is President of The Koskovich Company in Rochester, MN.

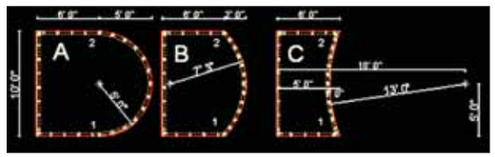
Innovative Solutions for all Component Manufacturers



TrusPlus Paremetric Interface, TDI

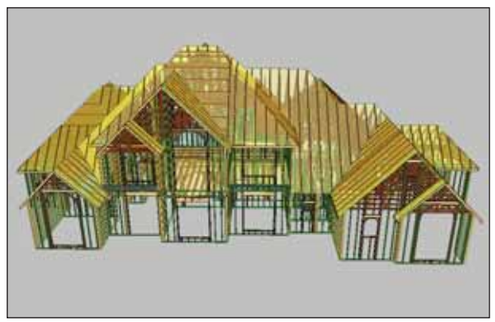
- TrusPlus, the engineering module in IntelliBuild™, has a fresh new parametric interface (TDI). As with the parametrics in IntelliBuild, TDI allows users to create truss designs using **Parametric Dimension Input** and create chords and webs with the mouse using **Free Form Sketch Input**. There are **Quick Add Features** and **Quick Profile Modifications**. Use **"Point and Click"** to modify webs and joints, and use **"Drag and Drop"** to move joint locations and splices. No matter what you do during design–**changing one dimension updates them all**.

- **NEW: Radius Wall Enhancements**! IntelliBuild users now have further flexibility in designing curved or radius walls. Input walls using one of five new reference dimension input methods using a radius dimension. Another exciting addition is the **ability to finish dimension to the center of the radius, as well as to locate the center of the radius using reference dimensions**. IntelliBuild also allows the design of concave radius walls allowing for placement of wall sheathing and roof planes on the concave face of the walls.



Radius Wall Enhancements

- **New O2C Viewer:** Output a 3D view of an IntelliBuild design to a file that can be seen by users who don't have the IntelliBuild program. It works much like creating a PDF file for Acrobat Reader® that anyone can view. Not only can they see the 3D IntelliBuild design, they can also rotate the design to see different angles, and zoom in/out for a more detailed view. Like Acrobat Reader, the O2C viewer can be downloaded free.



O2C Viewer

- **Value-Added products in IntelliBuild**. Specify value-added products with IntelliBuild and increase your sales. With additions to the program such as specifying **Simpson Strong-Tie® hangers** and **Boise's I-joists and beams**, you can increase your sales with very little effort or investment.

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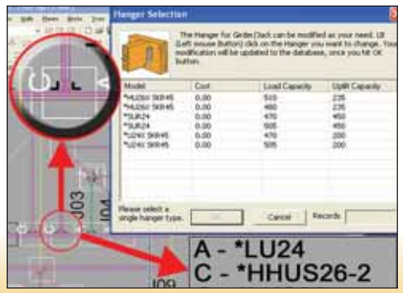
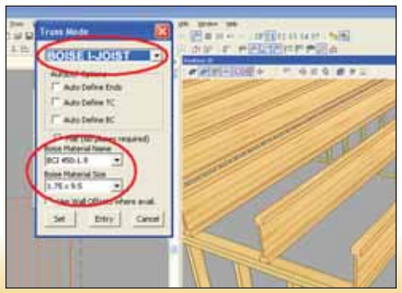


Value-added Products—Simpson Strong-Tie®



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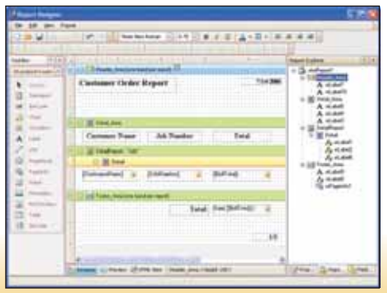

Report Writer 2.0

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Invite Me In!

by The Honorable Donald Manzullo

Lawmaker plant tours are effective!

The mind and the mouth can think and talk about the most amazing things, but in the end it takes the hands to make them so. Since Moses asked God to bless his hands that they may do good work, man has relied on the skill of his hands to build civilization. That's why it troubles me that as America stands at the pinnacle of its economic greatness, its reliance on manufacturing—the labor of the hands—is in decline.

I grew up in Rockford, IL, where tool and die manufacturers dominated the local economy. My family owned a local restaurant that served plant workers and their families, so I witnessed first hand the important roles both small businesses and a vibrant manufacturing base play in a healthy community. Unfortunately, I have had to watch many of those manufacturers shut their gates and either move operations overseas or close completely. When I was elected to Congress in 1992, I knew that one of my top priorities would be strengthening manufacturing in America.

After losing 2.3 million U.S. manufacturing jobs in the first three years of the new millennium, I was driven to bring my colleagues together to address this crisis. In 2003, I founded the House Manufacturing Caucus to find ways to preserve manufacturing jobs in this country and educate fellow lawmakers on the ramifications of losing the industrial sector of our economy. Out of these efforts, I also created what I call my "Agenda to Restore Manufacturing in America."

One of the priorities in the plan, helping manufacturers prosper and create jobs for Americans, was accomplished in October 2004 when President Bush signed into law the American Jobs Creation Act of 2004, which provides a nine percent tax deduction for manufacturing production in the United States. I made it a personal mission to ensure Congress incentivized job creation in the United States and included small manufacturers as beneficiaries.

Much can be done, however, and manufacturers themselves can play a big role. On Capitol Hill, education is one of the biggest challenges I see. There are so many things going on that it can be difficult for lawmakers to stay informed on every issue and perspective. I can also attest that you meet many new people every day, and keeping names, faces, and their issues straight takes a lot of work.

You as a manufacturer have one huge way to differentiate yourself from the masses. You have a production facility, where people and complex machines interact to build unique products. Invite your Member of Congress to tour your facility. At your company, you are not limited to sharing your concerns with your lawmakers sitting behind a desk. You can instead walk around your plant and point out aspects of your operations that may be affected by laws they pass.

Ultimately, you can show them the process of turning raw materials into finished goods. As a lawmaker who has toured numerous plants across the country and around the world, that is the magic that sticks in my mind. To this day, I can vividly remember the plant tours I have taken, and how I marveled at the ingenuity behind how things are made. I remember too, the company owners who took me on each tour of their facility and the concerns they had.

Today, I know that you, as a manufacturer, are facing a number of tough issues. In the U.S., there has been a dramatic shift away from the trades and manufacturing skills to a service-based economy. That means schools have not prepared our youth for careers in these fields, and the consequences are evident. One of the loudest complaints I hear from employers in the northern Illinois district I represent is they can't find qualified people to fill job openings. Not only is there a shortage of workers, there's a gap between the skills they have and the skills required to do the work.

As health care costs continue to increase, so too does the price of health insurance. I have heard from numerous employers that finding and providing affordable health care coverage for employees has become exceedingly difficult. There have been numerous solutions proposed in Congress to address this issue, but we need to hear from employers like you on which plan will be most effective for the situation you face.

Aspects of the U.S. tax code, like the death tax, continue to devastate manufacturers and small businesses. Too many family farms and small businesses have been forced to sell because they can't afford to pay the tax bill in addition to normal business costs. If you find yourself potentially facing this situation, let your lawmakers know how the estate tax affects you.

With these issues, and many others like immigration and tort reform facing manufacturing employers, I encourage you to take a proactive step and invite your lawmaker to take a tour of your facility. It will give you an opportunity to build an important connection and relationship, as well as a chance to share your concerns in a unique environment that will stick in the lawmaker's mind. Impart on them the important role you play in the local economy, not only as an employer, but as a manufacturer that helps build the community with its hands. SBC

The Honorable Donald Manzullo (R-IL)
Chair, House Small Business Committee

Congressman Manzullo represents the 16th Congressional District of Illinois. In 2006, he is continuing his mission to restore manufacturing in America and create good-paying jobs for the people of northern Illinois and throughout our nation. In his sixth year as Chairman of the U.S. House Committee on Small Business, Manzullo has held more than 60 hearings on the state of manufacturing in America and introduced numerous pieces of legislation to make U.S. companies more competitive so they can expand and create jobs. He also founded the 80-member House Manufacturing Caucus, which he chairs.

Manzullo has earned the reputation as Congress' champion of manufacturing and a fierce advocate for job creation in northern Illinois. His "Agenda to Restore Manufacturing in America" outlines 17 priorities to preserve U.S. manufacturing and put Americans back to work. The plan's highlights include providing tax relief to companies, which keep jobs in America.

Congressman Manzullo annually earns recognition as a "Taxpayer's Hero" from Citizens Against Government Waste, a "Taxpayer's Friend" by the National Taxpayers Union, and he received the "Guardian of Small Business Award" from the National Federation of Independent Business numerous times. The National Association of Manufacturers has consistently honored him with the "Award for Manufacturing Legislative Excellence."

Housing Starts

September housing starts reversed recent trends by increasing 5.9 percent to 1.772 million (SAAR). Single family starts were up 4.3 percent to 1.426 million (SAAR). Permits, a good indicator of what may happen in the next two to three months, fell 6.3 percent.

U.S. Housing Starts

Millions - Seasonally Adjusted Annual Rate (SAAR)

U.S. Totals	Sept	Aug (rev.)	% Change
Starts	1.772	1.674	5.9%
Permits	1.619	1.727	-6.3%
Single Family			
Starts	1.426	1.367	4.3%
Permits	1.207	1.284	-6.0%
Multi Family			
Starts	0.346	0.307	12.7%
Permits	0.412	0.443	-7.0%
Starts and Permits By Region:			
NE Starts	0.134	0.156	-14.1%
NE Permits	0.164	0.169	-3.0%
MW Starts	0.270	0.261	3.4%
MW Permits	0.258	0.277	-6.9%
S Starts	0.975	0.855	14.0%
S Permits	0.799	0.883	-9.5%
W Starts	0.393	0.402	-2.2%
W Permits	0.398	0.398	0.0%

Analysis & Outlook: According to a special report by Toronto Dominion Bank (www.td.com/economics), "The U.S. housing sector directly contributed more than $2 trillion to the national economy in 2005 and accounted for one quarter of real GDP growth and a good share of employment growth." The main concern among most analysts is how much the housing market correction (inventory correction as discussed in last month's report) will dampen economic growth over the next 12 months or so. The consensus GDP forecast for 2007 is about 2.8 percent, down significantly from the estimated 3.4 percent growth for 2006. The housing sector was the major employment generator during the past three years so the current downswing in housing is impacting payroll employment and incomes. In addition, builders are cutting back on production (starts) as they work inventories down to restore pricing power, and this is expected to take another 12 months. The large inventory in unsold, but completed homes will force builders to become more innovative. Some examples include the usual lowering in prices, but also, offering help in fixing up your old home if you buy a new home, and even offering to buy your old home.

On the brighter side, spending on business investment and non-residential construction are improving and this will provide much needed balance for the economy in 2007 and beyond. Inflation remains a concern, but lower energy prices will help, and excess manufacturing capacity worldwide will help to keep both incomes and prices from increasing too quickly. The consensus housing forecast for 2007 is 1.6 to 1.65 million total starts (SAAR) and 1.3 to 1.35 million single family starts, down about 23 percent from 2005 levels. Those same analysts expect residential activity to return to trend levels in 2008. SBC

This housing starts report is provided to ***SBC*** on a monthly basis by ***SBC*** *Economic Environment* columnist Al Schuler. Visit www.sbcmag.info for more economic news.

Builder Banter

Storm Water Penetration Standard in the Works

The American Architectural Manufacturers Association (AAMA) is evaluating testing of window and door performance in wind-driven rain conditions to aid in the creation of a voluntary standard specification that would note what level of water penetration during extreme storm events is permissible.

Indoor/outdoor pressure differentials due to hurricane wind-gusting and turbulent wind flow will be measured by AAMA researchers. The permissible amount of water infiltration is targeted to be no more than two ounces of water per ten minutes during a 100-mile-per-hour hurricane.

For more info contact Dean Lewis of the Hurricane Water Penetration Standard Development Task Group by phone at 847/303-5664 or at dlewis@aamanet.org. [Source: *Building Safety Journal,* August 2006, p. 55]

NAACP & NAHB Unite to Focus on the State of Minority Housing

Affordable housing for minorities is a significant problem that the National Association of Home Builders (NAHB) and the National Association for the Advancement of Colored People (NAACP) have come together to help resolve. The homeownership rate for African Americans is nearly 20 percent below the national average, despite being the highest it has ever been. "Building on a Dream" is a report issued by the NAACP and NAHB that provides a comprehensive view of the state of minority housing and explores the barriers to housing affordability. Putting an end to predatory lending and establishing community planning that takes housing opportunity into account are included as action items that the two associations plan to tackle along with the nine policy recommendations included in the report. [Source: www.nahb.org]

Builder Confidence Stabilizes In October

Breaking a string of eight consecutive monthly declines, the National Association of Home Builders/Wells Fargo Housing Market Index (HMI), which gauges builder sentiment in the single-family housing market, posted a modest one-point gain to stabilize at a level of 31 in October.

"While the index remains at a low level, the single-point increase from September's reading suggests that builder attitudes for new-home sales may be stabilizing," said NAHB Chief Economist David Seiders. "This is attributable to several key economic factors: mortgage interest rates have fallen substantially from their summer highs, energy prices have dropped dramatically from their recent peaks, consumer sentiment has posted a strong rebound and the job market is doing reasonably well."

"More than three out of four builders are offering substantial sales incentives to move their product and limit cancellations, and this aggressive strategy is working—making this an opportune time for home buyers to enter the market," said NAHB President David Pressly, a home builder from Statesville, N.C. "The market correction appears to be approaching the bottom in terms of sales volume, and we expect the supply-demand balance to improve considerably before long." [Source: NAHB Press release, 10/17/06, www.nahb.org] SBC

Housing Market Index 2005-06 (HMI)

The HMI is a weighted, seasonally adjusted statistic derived from ratings for present single family sales, single family sales in the next 6 months and buyers traffic. The first two components are measured on a scale of "good" "fair," and "poor," and the last one is measured on a scale of "high," "average" and "low." A rating of 50 indicates that the number of positive or good responses received from the builders is about the same as the number of negative or poor responses. Ratings higher than 50 indicate more positive or good responses.

Nov	Dec	Jan06	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
61	57	57	56	54	51	46	42	39	33	30	31

Source: National Association of Home Builders

Chapter Corner

For more information about WTCA Chapters and how to become more involved, contact Anna L. Stamm (608/310-6719 or astamm@qualtim.com) or Danielle Bothun (608/310-6735 or dbothun@qualtim.com). Contributions to Chapter Corner, including pictures, are encouraged. Submissions may be edited for grammar, length and clarity.

Chapter Spotlight

Announcing the Rio Grande Component Manufacturers Association

by Anna L. Stamm

On August 31, a meeting was held in Las Cruces, NM to start a New Mexico Chapter of WTCA. By the end of the evening, component manufacturers and suppliers from New Mexico and West Texas agreed upon an official name for the group: Rio Grande Component Manufacturers Association (RGCMA).

Encompassing more that just New Mexico, the Rio Grande Chapter welcomes members from Texas, especially the El Paso area. The concentrations of component manufacturers in El Paso, TX, Las Cruces, NM and Albuquerque, NM are the initial focus of the chapter start-up efforts, but anyone interested in the Rio Grande Chapter is encouraged to participate!

At the first meeting, the attendees welcomed WTCA Legal Counsel Kent Pagel as the guest speaker. The meeting, social hour and dinner were generously sponsored by the supplier members: Truswal Systems, CompuTrus, Eagle Metal Products, Robbins Engineering and MiTek Industries. As always, the support of our TPI supplier members is warmly appreciated.

At the second meeting, scheduled for October 17 in Las Cruces, the attendees planned to discuss their work on draft bylaws and articles of incorporation as well as fill chapter leadership roles and confer on a chapter dues structure. They also continued to develop their list of chapter projects and goals, which included addressing design responsibilities issues as a group and offering plant tours and educational information for the fire service.

In 2007, the Rio Grande Chapter expects to hold its meetings in the same week as the Arizona and Southern Nevada Chapters, on the third Tuesday of the quarter unless otherwise noted: January 16, April 24, July 17 and October 16.

Now it remains to be seen which group formally will become the 33rd Chapter of WTCA—Rio Grande or Arkansas. We hope to welcome them both on board in 2007! SBC

Chapter Highlights

California Engineered Structural Components Association

In August, the Northern and Southern Regions of the California Chapter held their meetings in Sacramento and Riverside, respectively. At the CalESCA-South meeting, the main topic was the Safety Zone for Off-Loading Components. The chapter is spearheading WTCA's industry-wide improved approach to designating a safety zone for off-loading trusses at a jobsite. The members discussed the signage that they would like to have developed for their beta test on an actual jobsite during the next chapter meeting. Karen Wilson also planned to use this information in her BCMC educational session on Managing Risk Beyond Manufacturing. As many international symbols as possible will be used instead of words, and several signs will need to fit into a truck cab and be easy enough to take in and out.

Rich Geary representing Hoover Treated Wood Products gave a presentation on fire retardant treated trusses. The new 2006 IBC allows the use of fire retardant treated trusses much more liberally in Type I structures. The fact that the fire retardant treatments change lumber characteristics and affect the manufacturing process was brought up. This has always been a concern of WTCA. In the past, Arch Chemicals, Inc (formerly Hickson) worked with WTCA to develop a warranty. Rich will see if Hoover will work on developing something similar with WTCA.

At the CalESCA-North meeting the following day, the main topic was transportation. The members reviewed the draft WTCA *Management Note* and heard the latest news on the local situation. WTCA's draft transportation education and certification program outline was reviewed. It was also noted that you no longer have to be certified for both small and large cranes, instead only large crane certification is needed, which affects the top plate delivery process favorably.

A review was made of the recent success with the DSA requirements with sincere thanks given to Bryan Hill of A.C. Houston. Following his testimony at a public code hearing, the two proposed DSA requirements for the 2008 California Building Code on sealing truss placement diagrams were struck.

At both meetings, updates from WTCA included the 2006 revisions to BCSI, the status of WTCA *Technical Notes,* our Lumber Trading Data (LTD) program and a review of the truss collapse discussion at the last Component Manufacturers Roundtable at the WTCA Open Quarterly Meeting in August. Regarding LTD, members were asked to think of any downside to having the best possible information, and were thereby encouraged to become participants in the LTD beta group. All attendees were also encouraged to support the Carbeck Silent Auction at BCMC.

North Carolina/South Carolina Joint Chapter Meeting

The North Carolina and South Carolina Chapters changed the date of their September joint chapter meeting to August 24 so that it would coincide with the 2006 South Atlantic Fire Expo in Greensboro, NC. Kirk Grundahl of WTCA delivered a three-hour workshop on behalf of the North Carolina Chapter, and members discussed how to maximize additional opportunities to address longstanding misperceptions about the fire performance of wood trusses during this conference.

QC requirements per Chapter 3 was also featured on the chapter meeting agenda, since several members have asked what QC requirements are called for in the code, including what is the frequency of checks per line or crew, how many checks are required if you have two crews on one line, and what is required for record keeping. The meeting presentation addressed these questions, additional questions on ANSI/TPI 1-2002, and gave an update on In-Plant WTCA QC.

Finally, an issue on reducible loads was also brought up. Tom Hollinshed has received information from the NC DOT and will be working with staff on a WTCA *Management Note* for use by truckers transporting components within North Carolina.

Truss Manufacturers Association of Texas

In the September, the Texas Chapter held its last golf tournament of the year at River Place Country Club in Austin (see photos below). With over 6,600 yards of spectacular rolling hills, twisted creeks and secluded canyons, it is one of the most beautiful and dramatic courses in central Texas.

West Florida Truss Association

The news was positive at the August West Florida Chapter meeting. First off, the members were pleased to report that Manatee County agreed to change its Policy Statement with respect to its interpretation of truss system engineering. This is a terrific example of a fruitful chapter and staff team effort. It was in April that WTCA and the West Florida Chapter sent a letter to Manatee County requesting clearer wording in its draft Policy Statement (effective May 1) to confirm that the Engineer of Record has reviewed the work of the Truss Design Engineer and the work of the Truss System Engineer, if so delegated, for compliance with the design of his/her structure. The following has now been added to the Policy Statement 06-52: "If the Engineer of Record does not delegate the Truss Systems Design to a specialty Engineer, it shall be assumed that the Engineer of Record is the Truss System Engineer." This Policy Statement may be viewed online at: www.co.manatee.fl.us. The WTCA *Tech Note,* "Florida Projects Constructed Without a Truss System Engineer (No Contract in Place for Truss System Engineering Duties)," is posted on the WTCA website at www.sbcindustry.com/technotes.php.

The second item of good news was the joint agreement being put in place between WTCA and the Florida Building Materials Association (FBMA). In addition to defining specific areas of responsibility for both organizations, WTCA and FBMA will be hosting a joint Florida Legislative Conference in 2007.

Ralph Del Valle delivered an update on Give Kids the World. Chapter members met with GKTW and pledged even more truss packages for an expansion beginning soon. Four truss sets will be needed in 2006 and 21 more in 2007. Donations of trusses, lumber and cash are appreciated.

Wood Truss Council of Michigan

At the September meeting of the Michigan Chapter, a question was posed on what the chapter should do about specifications that architects were writing that shift responsibilities onto component manufacturers. The business environment and code-allowed deferred submission environment make this a very complex area, which is further complicated by the two-step market that is generally in use in Michigan. The general consensus was that, while this is largely a contract issue and needs to be tended to by how the component manufacturers contract for the sale of their products, there needs to be more communication with Structural Engineers Association of Michigan (SEAMI) and the Michigan AIA. Fortunately there already is a great relationship with SEAMI, NCSEA (National Council of Structural Engineers Associations) and AIA, so we are already on a great communication path, have a really good understanding of the issues with both, and believe that we are on the proper path with the strategies being deployed there—in particular with NCSEA (SEAMI is a subset of NCSEA) where we are working collectively on a strategy that incorporates their needs into ANSI/TPI 1 Chapter 2 and within the ICC model building code process. Furthermore, the BCSI B3 summary sheet is going to be designed specifically with AIA and SEA members in mind so that they also can use this in conjunction with their framing plans to help them manage their permanent bracing risks and ours as well. It was recommended that the membership forward the addresses of all of the specifiers that they are seeing plans from, both with problematic specifications and with good specifications, so that a list will be ready for implementing a communication plan. One WTCA *Tech Note* has been written on this topic and others will be written on specific specification issues and distributed along with a letter from the chapter.

In addition, a subcommittee on creating a Michigan Chapter Jobsite Package was formed. It will pull together what is being used in the market and come up with the baseline package that is typically in use. From there a recommendation on how to proceed can be developed. Fundamentally the component manufacturers are looking for consistency in the marketplace so that education becomes easier with the same message and the same approach being taken by everyone.

Continued on page 82

Calendar of Events

Check out WTCA's web site at **www.sbcindustry.com** for the most current calendar information.

November

- 15: Wood Truss Council of the Capital Area (WTCCA) Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com.
- 16: Minnesota Truss Manufacturers Association (MTMA) Chapter Meeting. For more information, contact Chapter President Tom Nomeland, 507/872-5195 or tnomeland@ufpi.com.
- 16: South Florida WTCA (SFWTCA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.

December

- 5: WTCA-Illinois Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- 7: Missouri Truss Fabricators Association (MTFA) Chapter Meeting. For more information, contact Dani at WTCA, 608/310-6735 or dbothun@qualtim.com.
- 7: West Florida Truss Association (WFTA) Chapter Meeting. For more information, contact Chapter President Rick Cashman at 727/585-2067 or rcashman@ffptruss.com.
- 12: Colorado Truss Manufacturers Association (CTMA) Chapter Meeting. For more information, contact Chapter President Dennis Wilson at 303/307-1441 or DWilson@HomeLumber.com.
- 13: Southwest Florida Truss Manufacturers Association (SWFTMA) Chapter Meeting. For more information, contact Chapter President Jim Swain at 239/437-1100 or jimsw@carpentercontractors.com.
- 14: Wood Truss Council of Michigan (WTCM) Chapter Meeting. For more information, contact Anna at WTCA, 608/310-6719 or astamm@qualtim.com. SBC

Chapter Corner

Continued from page 81

WTCA Ohio Chapter Association

In August, the Ohio Chapter was pleased to offer a truss plant tour for all of the fire departments in the greater Cincinnati/Dayton area. Held at the Automated Building Components plant in Dayton, there was a splendid turnout from the Cincinnati Fire Department and the City of Xenia Fire Division (see photos). On their evaluations, many attendees requested that additional tours and educational seminars be offered in the future. The chapter is now planning tours for building and fire officials in more locations, including Lodi and Columbus. The chapter members at the meeting following this tour also pledged their continuing support to the Carbeck Structural Components Institute and will be acquiring another shipment of the newly revised Carbeck CD on Wood Truss Construction and Fire Performance to distribute to their members and in their marketplace. SBC

Industry News & Data

Visit **www.sbcmag.info** for additional industry news & announcements!

Consumer Price Index

[an index measuring the change in the cost of typical wage-earner purchases of goods and services expressed as a percentage of the cost of these same goods and services in some base period - called also cost-of-living index]

Expenditure Category	Changes from Preceding Mo. July	Aug	Sept	Compound annual rate 3-mo. ended Sept 06
All Items	.4	.2	-.5	0.8
All Items Less Food & Engery	.2	.2	.2	2.7

Source: Bureau of Labor Statistics

Unemployment Rate

June	4.6%
July	4.8%
Aug	4.7%
Sept	4.6%

Source: Bureau of Labor Statistics

Producer Price Index - Customized Industry Data

An inflationary indicator published by the U.S. Bureau of Labor Statistics to evaluate wholesale price levels in the economy.

Engineered Wood Mem. (exc. truss) Mfg.	July	Aug	Sept
Eng. Wood Mem.	118.6(P)	117.9(P)	117.8(P)
LVL	126.4(P)	126.4(P)	126.4(P)
Other	120.6(P)	119.8(P)	118.6(P)

(P) = preliminary

Truss Mfg.	July	Aug	Sept
Truss Mfg.	119.8(P)	119.1(P)	118.0(P)
Wood Trusses	117.4(P)	116.7(P)	115.5(P)
Primary Products	117.4(P)	116.7(P)	115.5(P)
Secondary Products	105.1(P)	101.6(P)	101.6(P)

Source: Bureau of Labor Statistics

Producer Price Index General

% changes in selected stage-of-processing price indexes

Month	Total	Ex. Food & Energy
June	0.5	0.2
July	0.1	-0.3
Aug	0.1	-0.4
Sept	-1.3	0.6

Source: Bureau of Labor Statistics

Consumer Confidence Index

The Consumer Confidence Index is a measure of consumer optimism toward current economic conditions. The consumer confidence index was arbitrarily set at 100 in 1985 and is adjusted monthly on the basis of a survey of consumers. The index considers consumer opinion on both current conditions (40%) and future expectations (60%).

Jan	Feb	Mar	April	May	June	July	Aug	Sept	% +/-
106.8	102.7	107.5	109.6	104.7	105.4	106.5	100.2	104.5	4.1%

Source: www.consumerresearchcenter.org

U.S. Prime Rate

Month	2006	2005	2004
June 1	8.00%	6.00%	4.00%
July 1	8.25%	6.25%	4.25%
Aug 1	8.25%	6.25%	4.25%
Sept 1	8.25%	6.50%	4.50%
Oct 1	8.25%	6.75%	4.75%

Source: Federal Reserve Board

SEPTEMBER 2006 ISM BUSINESS SURVEY AT A GLANCE

	Series Index	Direction Sept vs Aug	Rate of Change Sept vs Aug
ISM Manufacturing Index (formerly PMI)	52.9	Growing	Slower
New Orders	54.2	Growing	Same
Production	56.1	Growing	Slower
Employment	49.4	Contracting	From Growing
Supplier Deliveries	54.1	Slowing	Slower
Inventories	46.4	Contracting	From Growing
Customers' Inventories	49.0	Too Low	Slower
Prices	61.0	Increasing	Slower
Backlog of Orders	46.5	Contracting	From Growing
Exports	55.3	Growing	Slower
Imports	56.0	Growing	Faster

For an in-depth explanation of this summary, go to https://ism.ws/ISMReport/

Industrial Production Index

The industrial production (IP) index measures the change in output in U.S. manufacturing, mining, and electric and gas utilities. Output refers to the physical quantity of items produced, unlike sales value which combines quantity and price. The index covers the production of goods and power for domestic sales in the United States and for export. It excludes production in the agriculture, construction, transportation, communication, trade, finance, and service industries; government output, and imports. The IP index is developed by weighting each component according to its relative importance in the base period. The information for weights is obtained from the value added measures of production in the economic censuses of manufacturer and minerals industries, and from value added information for the utility industries in Internal Revenue Service statistics of income data. The weights are updated at five-year intervals to coincide with the economic censuses. The current index base year is 1992. (r=revised)

	June	July	Aug	Sept
Industrial Production Total Index (% change)	1.1(r)	0.3(r)	0.0	-0.6
Capacity Utilization Total Industry (%)	82.5 (r)	82.6 (r)	82.5	81.9

Source: Federal Reserve Board

Component Manufacturer News

PDJ COMPONENTS NAMES NEW GENERAL MANAGER

George "Sid" Ketchum, President of PDJ Components, Inc. in Chester, NY, recently announced that Taft D. Ketchum is now General Manager of the company and has full responsibility of the company's operations.

Taft began working part-time at PDJ when he was 14 years old. He has worked diligently over the years, in every capacity of the manufacturing process. He has held most positions in the plant and understands what it takes to produce quality trusses. In doing so, he has earned the trust and respect of the workforce. Since 1996, as a full-time employee, Taft excelled in truss designs, job estimates and business acumen.

The ownership of PDJ has not changed. Sid and Pam Ketchum will still be involved in major decisions and will be available for consultations. However, they believe that Taft's promotion to General Manager will continue to provide PDJ customers with excellence and service. [Source: PDJ Press Release, 10/16/06]

UNIVERSAL FOREST PRODUCTS ACQUIRES FLORIDA PRESSURE-TREATED WOOD SUPPLIER

Universal Forest Products has a signed a letter of intent to acquire Aljoma Lumber, a manufacturer of pressure-treated wood and industrial products that serves southern Florida and the Caribbean. Aljoma's 2005 sales were approximately $230 million. The company is headquartered in the Miami suburb of Medley, FL. Terms of the deal were not disclosed.

With the purchase, Universal will have a strong presence in the southern Florida market for its treated wood, fencing and its growing portfolio of consumer products and will open new opportunities for those products in the Caribbean, the company said in a statement. [Source: www.homechannelnews.com, 9/8/06]

PRO-BUILD NAMES EXECUTIVE TEAM

Pro-Build Holdings, the parent company of Strober and Lanoga, have announced a series of appointments to their executive team. Paul Hylbert, the former CEO of Lanoga, will serve as Pro-Build's chief operating officer, overseeing the company's operations and regional divisions. George Finkenstaedt, Lanoga's vp–market development, has been put in charge of manufacturing for Pro-Build and will manage the organization's supply chain. Finkenstaedt's new title is senior vp–supply chain and manufacturing. Joe Todd, who served as senior vp–market development for the Strober Organization, will now assume the same position for Pro-Build, putting him over national accounts sales and marketing.

A new position, executive vp–strategy and business operations, will be created, the company said. This executive will be responsible for the development of businesses such as construction lending and land development, as well as oversight of human resources, IT, strategy and development. Pro-Build is actively seeking a candidate to fill this position.

William Brakken will continue to have responsibility for the company's accounting, finance, treasury tax, real estate, legal, and merger and acquisition functions, until a chief financial officer has been identified. Once a CFO is in place, Brakken will assume a Seattle-based senior operating position. Reporting to the CFO will be Michael Cassidy, the former vp-corporate development for Strober, who will now lead the M & A function for Pro-Build. Cassidy will be responsible for identifying prospects and executing acquisitions. [Source: www.homechannelnews.com, 9/7/06]

FORTUNE NAMES BMHC TO "FASTEST GROWING" LIST

Fortune Magazine has named Building Materials Holding Corp. (BMHC) to number 41 on its 2006 list of the country's "100 Fastest Growing Companies."

"We are proud to be recognized by *Fortune Magazine* as one of the fastest growing companies in the U.S.," said Robert Mellor, BMHC chairman, president and CEO.

Fortune calculated the rankings using data from the firm Zack's Investment Research and included information on growth in earnings per share, revenue and total market return over a three-year period.

"We have successfully expanded both our range of construction services and our geographic reach through acquisitions and organic growth," Mellor said.

Continued on page 86

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Truss Plant Manager

New facility seeks experienced plant manager for operations in central Illinois. Must be energetic, hard-working & dedicated, willing to put forth extra effort to get the job done. Excellent benefits. Equal Opportunity Employer. Drug & Alcohol Workplace Policy in effect. Email résumé to john.belden@rplumber.com.

Used Truss Trailers for Sale

1994 Lakeside 48'-70', 1997 ASI/Haulin 42'-60', 1999 ASI/Haulin 48'-70', 1997 ASI/Wabash 48' and four mixed year slanted profile ASI/Haulin 53'. All trailers have hydraulic necks and sliding tandems. They come with a one year warranty. For more information please call Joe Wilhelm @ 519/349-2202.

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Industry News

Continued from page 85

BMHC has made several recent acquisitions, including Topline Windows & Doors, a Phoenix-based window and sliding door installer, and Davis Brothers Framing, a southern California-based provider of framing services. [Source: www.homechannelnews.com, 9/11/06]

Announcements

MITEK SET TO OPEN NEW MULTI-USE FACILITY

MiTek is set to open a new 177,600-square-foot facility in St. Charles, Mo. The new multi-purpose facility, which officially opens in November, will house three key areas of its business: manufacturing of automated equipment, research & development, and training. Over time, the facility is planned to employ more than 250 MiTek associates.

The building will house a new production facility for manufacturing a full range of building component fabrication, assembly and material handling equipment. The building will feature inside storage for all raw materials and finished machines. It will include integrated manufacturing processes and advanced manufacturing technologies, including CNC (computer numerical controlled) machinery and robotics, to enhance production speed and accuracy.

The facility's new research and development laboratory will focus on delivering new methods of automation into the production of building components. Expertise from MiTek's global operations will converge with customer input to rapidly develop equipment that will improve efficiency, accuracy, and safety. The building will also house a state-of-the-art training center. [Source: MiTek Press Release, 10/4/06. For reader service, go to www.sbcmag.info/mitek.htm.] SBC

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Parting Shots

Share your stories and photos with us! Send submissions to **partingshots@sbcmag.info**.

Keeping Things in Perspective

Often it is easy to forget how lucky we are to have such advanced technology in this industry. It can be hard to remember just how far we have come since the birth of structural building components. This issue's **Parting Shots** were taken by Lieutenant Matt Parrino, Battalion Public Affairs Officer and the Anti-Terrorism Force Protection Officer for the Unit 1-133rd Infantry Battalion of the Iowa National Guard, which is currently stationed in Iraq until May of 2007. He recently sent his father (Rick Parrino of Plum Building Systems) these photos depicting U.S. soldiers manufacturing trusses in 130 degree heat. As you can see, the system they are using is comparable to what manufacturers were using in the U.S. 20-25 years ago. So, next time you are feeling down or discouraged, imagine that you are in unbearable heat, wearing heavy clothing and protective gear while using primitive methods to manufacture components and maybe you won't feel quite so bad. SBC

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