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Truss Publications, Inc.  
6300 Enterprise Lane • Suite 200  
Madison, WI 53719  
Phone: 608-310-6706 • Fax: 608-271-7006  
trusspubs@sbcmag.info • www.sbcmag.info

**Editor**

Jess Lohse  
Rocky Mountain Truss Co. • editor@sbcmag.info

**Managing Editor**

Sean Shields  
608-310-6728 • sshields@sbcmag.info

**Assistant Editor**

Dale Erlandson  
608-310-6737 • derlandson@sbcmag.info

**Art Director**

Melinda Caldwell  
608-310-6729 • mcaldwell@sbcmag.info

**Editorial Review**

Kirk Grundahl  
608-274-2345 • kgrundahl@sbcmag.info

Suzi Grundahl  
608-310-6710 • sgrundahl@sbcmag.info

**Advertising Sales & Marketing**

Melinda Caldwell  
608-310-6729 • mcaldwell@sbcmag.info

Peggy Meskan

608-239-2608 • pmeskan@sbcmag.info

**Accounts Receivable**

Mike Younglove  
608-310-6714 • myyounglove@sbcmag.info

**Staff Writers for November**

Lena Giakoumopoulos • Matt Tanger

**Send all ad materials, insertion orders,  
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Truss Publications, Inc.  
6300 Enterprise Lane • Suite 200  
Madison, WI 53719  
Phone: 608-310-6706 • Fax: 608-271-7006  
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## contents

Page 12

# INSURANCE

## Check Your Coverage

by Lena Giakoumopoulos

Page 16



## Natural Disaster:

## How Zeeland Stormed Back

by Dale Erlandson

Page 24



## Generational Shift in the Component Industry

by Ben Hershey

Editor's Message	5
Framer Viewpoint	8
Parting Shots	26

# A-to-Z

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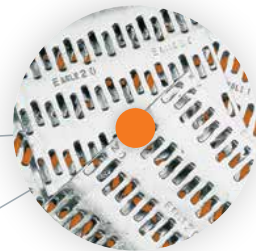
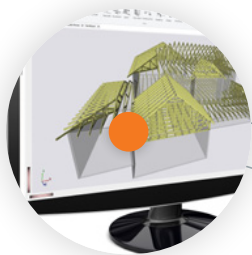
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# editor's message

by Jess Lohse

## Play: Hard, Smart, Together

**We're all in this industry together.  
SBCA helps us all pull  
in the same direction.**

I recently returned from homecoming at the University of Montana. I missed the annual event the past few years, falling back on common excuses like "I'm too busy," "The timing is bad," or "The weather is poor." Well, this year the weather was great, even though the timing was poor and we are still very busy here at work. A special event sparked my interest, and I just had to go.

UM has a notable coaching tree for its men's basketball program. It started in the 1960s with Jud Heathcoat, who went on to Michigan State to win a national championship with Magic Johnson. It includes two current Pac-12 head coaches, along with several other successful and accomplished coaches. The current coach decided to hold a fundraising event by bringing back a majority of the past coaches and holding a "roast" full of good jokes and great stories. While a student at UM, I was a basketball manager and had worked with three of the coaches who were scheduled to appear. Attending was a no-brainer. It was great decision, because I really enjoyed the opportunity to reconnect with coaches, players, and other managers and trainers.

As I listened to each of the coaches tell their stories, I couldn't help but reflect on many of the lessons I learned during my time with the basketball team. Obviously, I know how to fill water bottles all too well, and I can wet-mop a basketball court like no other. But there were other lessons to be learned—some I knew I was learning at the time and others that took a while to sink in.

Basketball, like business, is all about people. Sure, the people need to have some degree of talent, but talent alone doesn't always win. It's how those people perform that determines the outcome of most games and the net profit at the end of the year. To drive this point home, the head coach while I was at UM wrote the same four words on the grease board for every game:

### **Play: Hard, Smart, Together**

The coach wouldn't always address the words, but they were always there as a reminder of how to approach the game. If the team did those three things, it was more likely than not we would win the game. It's a rather simple concept, until you apply it to your own team.

Let's substitute the word "Work" for "Play" for a second and look at our own operations. How many of our team members are working as hard, working as smart, and working together as much as they are capable of doing?

Hopefully, you and a few of your team members were able to attend BCMC in Milwaukee. The educational sessions were awesome, and hopefully you found some nuggets of knowledge to take home to your operation that will allow your team to work harder, smarter and more together. In case you missed them, the December issue of **SBC Magazine** will be full of articles summarizing the main points of many of those sessions.

BCMC also marked the changing of the guard for SBCA leadership. I am both greatly honored and humbled to lead our association for the next year as president. Rick Parrino was an amazing president and a tremendous leader. I am grateful for all

Continued on page 6

### at a glance

- Talent will only get you so far; hard work and determination are the keys to success in both sports and business.
- What are some ways you can work together with your fellow employees to reach your full potential?
- SBCA provides a great opportunity for CMs to work together to achieve greater goals than if they worked alone.

# Work: Hard, Smart, Together!



## SBCA Chapters

Find a chapter near you and get involved on the local level.

## Open Quarterly Meetings

Network with peers and provide input to SBCA's committees.

## Online Committee Work

Discuss issues important to our industry, such as safety and IT.

**Get involved in SBCA today!**

Visit the website or contact staff for more information and the 2016 meeting schedule as it becomes available.

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## Editor's Message

Continued from page 5

his hard work and continued commitment to SBCA. A great deal of work has been accomplished under Rick's watch, and I aim to continue his work with floor assembly fire testing and Framing the American Dream. It truly is an exciting time to be involved with SBCA.

As we head into another year, I challenge everyone involved with SBCA to work hard, smart and together for the association. It's the commitment of so many component manufacturers and suppliers across the country that makes being involved with SBCA such an amazing and rewarding experience. If you're not yet taking an active role, please get engaged today—we want your help! Attend a local chapter meeting, come to an Open Quarterly Meeting, or join one of the new online committees discussing issues important to our industry, such as safety and information technology. Speaking for those of us who are active on the SBCA Board, we need your input to better understand the challenges you are facing in your local markets, and we want your help as we drive our industry forward over the next year!

*On a personal note, I would like to thank my wife, Elizabeth; staff at Rocky Mountain Truss/Bear Paw Lumber; my father and business partner, David; and my right-hand man, 'Scubba' Steve Newbury, for supporting me in my endeavors with SBCA. Work with the association can take my attention away from our business and occasionally away from home, and each is tremendously supportive and very understanding.* **SBC**

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



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## Labor Losses Open the Door for New Materials & Services

Homebuilders are looking for solutions to their labor shortage problem and structural components are a good answer.

The building industry isn't what it used to be. The booming years in the late 1990s and early 2000s gave way to a popped housing bubble and plummeting securities tied to U.S. real estate pricing. Although it's now on the upswing, the industry still hasn't rebounded to its once robust employment numbers and is still in dire need of help.

To get a clearer picture of the industry's numbers prior to the downturn, let's look at the number of persons employed across residential housing industry sectors from 2002 (a strong year for the home building market) through 2007 (as the industry started to contract), and compare those years to 2012 (the latest year with compiled data).

Persons Employed Across Residential Housing Sectors	2002 # Employed	2007 # Employed	2012 # Employed	Change from 2002 to 2012
Single Family Housing	273,055	263,458	121,954	-151,101
Multi-Family Housing	44,384	43,466	23,857	-20,527
Residential Remodeling	320,208	287,702	277,495	-42,713
Framing Contractors	158,003	158,298	64,770	-93,233

*Courtesy of the United States Census Bureau*

The numbers show a humbling reality: over a quarter of a million people fled just these four sectors of the building industry over a ten-year period. Preliminary numbers for 2014 don't look strong either. (Notably, these figures don't include the significant number of undocumented workers involved in the industry, particularly in framing. Their impact can't be quantified, but it also can't be ignored. Including their exodus from the industry would paint an even starker picture of the employment loss that occurred from 2002-2012.)

Now, let's look at the number of building permits issued for privately-owned, single- and multi-family housing over a similar time period:

### at a glance

- A quarter of a million people left the housing construction industry from 2002-2012, and many of them have found employment elsewhere.
- Framers are feeling the effects of this exodus more acutely than most, prompting them to look for creative ways to do more with fewer people.
- CMs can play a pivotal role in switching framers from sticks to components by offering installation training and expertise to new framing employees.

	2002	2007	2010	2012	2013	2014
<b>U.S. Total</b>	1,747,700	1,398,400	604,600	829,700	990,800	1,046,400
<b>Single-Family Housing</b>	1,332,600	979,900	447,300	518,700	620,800	634,600
<b>Multi-family Housing*</b>	415,100	418,500	157,300	311,000	370,000	411,800

\*Includes 2-, 3&4-, and 5+ unit multi-family

*Courtesy of the United States Census Bureau*

**The number of permits issued is far higher than the number of workers joining (or re-joining) the building industry.**



**The question now becomes how componentized framing can make up for lost workers and be a more significant part of the cost savings equation.**

2013 and 2014, though not part of the five-year employment census, reinforce the simple fact that after hitting lows in 2009-2010, permit numbers are now growing steadily. The obstacle this data makes clear is the number of permits issued is far higher than the number of workers joining (or re-joining) the building industry. So what now?

Framers are the first to say the industry outlook regarding worker shortage is bleak. Bruce Jones, a professional contractor in Hanover, PA, said the pressure to keep up with work is on framing crews.

“What used to be a 20-man framing crew is now a 14-man crew. What used to be a 10-man crew is now a 7-man crew,” Jones said. “You know, I’m used to seeing multi-generations of families working in carpentry, but so many have left. And the younger kids today, they don’t want to work in a physically demanding job.”

Jones is surviving the worker shortage because he’s not the average framer. In the 1980s, he and a friend designed a truck that served as a mobile wall panel manufacturing vehicle right at the jobsite. Ten years later, business was good enough that they built a permanent shop. The move has served him well: despite going from a peak crew of 300 to 50 in-house employ-

ees and roughly 100 subcontractors today, Jones survived the recession and hasn’t lost any work. The secret to his success? Cross-utilization of his workforce.

“We’ve been able to weather it, and we’ve built good relationships for 30 years. When we’re slow in the panel shop, I transfer my guys into a field crew, and when we’re slow in the field they come in to work on wall panels,” Jones said.

Slow is not something Jones is currently experiencing, though. He said this last year has been extremely busy. “We’ve been working a lot of overtime because, realistically, we’re about 40 men short for the amount of work we have.”

Aside from working overtime, framers cannot do much to offset having fewer people. Andy and Frank Mudd, brothers and co-owners of Southernwood Framing, LLC, say many framers try to look the other way and ignore the lack of labor. The brothers run 37 crews of about 230 subcontractors out of LaPlata, MD. They’ll be the first to admit they need a bigger workforce but try to offset it as best they can.

“Since the loss of so many guys in the industry, we provide a forklift on every jobsite, stick-framed or panelized, to make up for it,” Frank said. Why? Although a lift can’t take the place

Continued on page 10



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The Hundegger TURBO Drive is not the first example of how we’ve changed the way you cut wood. And with our drive for continuous innovation, it definitely won’t be the last.



### Framer Viewpoint • Continued from page 9

of a skilled worker, it can make up for lack of hands during installation.

Andy said 95 percent of their business is residential. While they do work with general contractors who still stick frame, more and more colleagues are using components, especially in multi-family apartment housing. The upside to installing components with lifts, said Andy, is speed and accuracy—with less labor, of course.

“A crew of four or five guys with one guy taking the lead, using wall panels, can build faster than stick framing,” Frank said. “It’s about a day and a half less time...but you’re more dependent on machinery to get it done, so the labor savings will be reduced by the cost of machinery.” Both brothers know there will be a breaking point where the need for workers will be so great that either jobs won’t be finished as quickly as they were in the past, or alternate methods will be used.

That break point may be close, based on the number of millennials in the U.S. No other group drives the need for apartments more than college students and unmarried adults in their twenties. The current population of youth born between 1982 and 2000 is 83.1 million,<sup>1</sup> or more than one quarter of the nation’s population. To put this in perspective, the size of the baby boom population, born between 1945 and 1964, was 76 million.<sup>2</sup>

Andy said components have already revolutionized apartment construction, as they are faster to install and require fewer installers. Soon, stick-framed apartments will be a thing of the past. The question now becomes how componentized framing can make up for lost workers and be a more significant part of the cost savings equation.

Scott Stevens, President of Modu Tech in Baltimore, MD, said the time will come when the price per square foot to frame walls using components will be cheaper up front than stick framing. “Right now...panels and components aren’t quite at [the same cost per square foot as stick framing], being a little more expensive. However if labor increases further in cost when compared to the cost of materials to frame a wall, components will win.”

Kenny Shifflett, owner of Ace Carpentry in Manassas, VA, said the cost of componentized framing is the largest obstacle for framers and general contractors but shouldn’t be the only concern. “It’s not always about the cheapest component but rather it is the component with the best design that fits your

project.” In fact, Shifflett said, sometimes it makes financial sense to spend more money on the right design and the best-quality material. “It saves you money when you consider shipping costs, field assembly and field installation.”

Since the initial cost of component framing is generally more than stick framing, component manufacturers (CMs) can facilitate cost savings through reduction in field assembly time, installation efficiency, product application consistency and engineered design. Furthermore, CMs can offer value-added engineering and installation services that stick framers can’t.

For example, Stevens said some CMs offer specialized services like Building Information Modelling (BIM), a multi-dimensional building model highlighting the intersection of all necessary electrical, HVAC and physical elements of a building. Stevens said BIM is usually supplied by architects and building designers. However, just as framers have left the industry, the number of architects has declined too, leaving a gap CMs can fill. “If you can offer these services to your project, it’s a real benefit,” Stevens said. “You can cover some of the shortage in these professions [and] trades, and it makes you more valuable to the whole project.”

But with all the potential to increase efficiency, decrease the need for labor and provide extra services to customers, CMs must continue supporting the framer’s needs, which during the transition from stick framing to component framing, has everything to do with training and education, said Stevens. “Labeling, packaging, dimensional details, installation details—these are all necessary because as buildings are becoming increasingly complex, so are the components being installed in them,” Stevens said. “There’s different types of wall panels, shear walls and load paths that need load resisting design. It’s becoming harder to install components for framers in the field.”

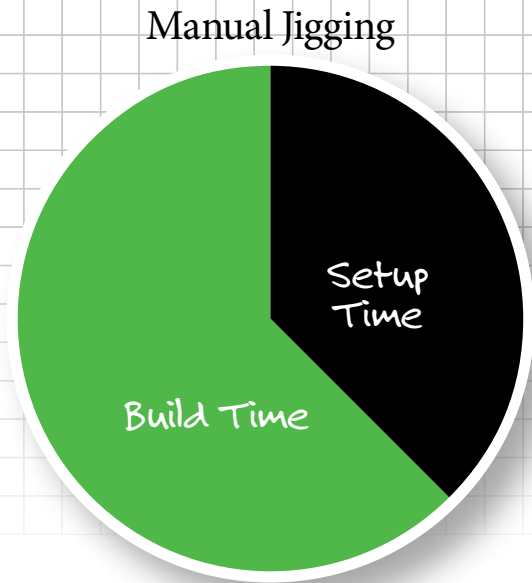
The silver lining in the industry’s downturn is that those who battled through it can now ride the upswing, benefiting from all the income and business growth that come along with it. Componentized framing, already a staple for efficiency and accuracy, is sure to be a major player in mitigating the loss of workers. Nobody thinks introducing innovation into the building construction industry is easy, but the building and engineering marvels of our nation’s history tell us it’s worth the effort. **SBC**

*For more information about the NFC, visit [framercouncil.org](http://framercouncil.org).*

<sup>1</sup> <https://www.census.gov/newsroom/press-releases/2015/cb15-113.html>

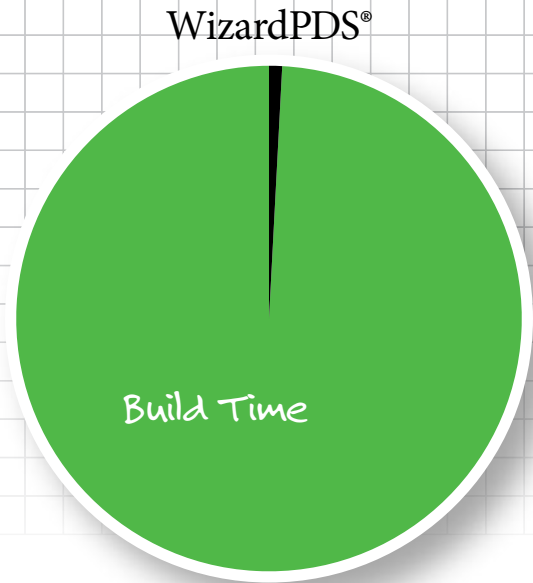
<sup>2</sup> <https://www.census.gov/prod/2014pubs/p25-1141.pdf>

# Take a look at the numbers.



$$(4.5 \times 5.0) + 13.5 = 36 \text{ min.}$$
$$(13.5 \div 36) \times 100 = 37.5\%$$

(13.5 minutes setup time)



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# INSURANCE

SBCA has partnered with Lockton and AmTrust to offer members both a comprehensive policy review and a new coverage option.



## Check Your Coverage

by Lena Giakoumopoulos

**D**o you have the right insurance for your business? Do your policies cover all your needs? SBCA is committed to providing component manufacturers (CMs) greater insurance management assistance so that each member has the right insurance coverage to protect all areas of the business. If you are looking for help assessing your policies or looking to cover your business at discounted rates, the specially-structured Lockton-AmTrust Insurance Program is exactly what you need.

A specialized structural building component insurance program is long overdue for our industry. "Coverage specific to the needs of the component manufacturer at a discounted and fair rate with a potential for a healthy dividend is what you will find with the SBCA Lockton-AmTrust Insurance Program," said Mike Pateidl, Producer at Lockton Companies, LLC.

After generating quotes for a pilot group of CMs, Lockton and AmTrust aimed to address the key coverage gaps they found by focusing on five traditional lines of coverage: Property, General (Product) Liability, Commercial Auto, Umbrella, and Workers' Compensation. Now, in partnership with SBCA, they're offering to evaluate CMs' coverage, generate competing quotes, and offer a thorough comparison of the existing and proposed coverage. In addition, the coverage offered as part of this program includes a high probability of premium savings, a unique benefit to apply industry expertise in the case of a claim, and a potential for dividend earnings.



### Who's eligible?

Component manufacturer (CM) members of SBCA who are SCORE Members or SCORE Certified. A SCORE Member has purchased the SBCA SCORE Best Practices Subscription, is a plant in good standing, and is working toward SCORE certification. A SCORE Certified plant is a member in good standing and has completed the TTT program, the SBCA In-Plant QC Certification, the SBCA Operation Safety program or a comparable safety program, and sends out SBCA Jobsite Packages with every job. For more information about SCORE, see ad on page 23 and visit [sbcindustry.com/score](http://sbcindustry.com/score).

**STEP ONE:** The CM collects and submits company policies on Property, General Liability, Auto, Umbrella, and Workers' Compensation to Lockton. These are documents that you should already have on file. "This amounts to 85% of the work on the part of the component manufacturer and from here, we take it piece by piece," explained Pateidl. Lockton evaluates the policies to determine the current coverage, the existing gaps, improvements that can be made in coverage, claims made and cost comparisons. From this data, Lockton determines the percentage CMs can save on their annual premiums.

**STEP TWO:** The CM requests the last five years of claims history from their broker and submits that claim history to Lockton and AmTrust. You can acquire your claim history directly from your carrier or insurance agent. Lockton and AmTrust use your five-year claims history to calculate your loss ratio, which may be indicative of whether you've been using good insurance management techniques and industry best practices. Anything that has happened beyond a five year period does not affect your evaluation by Lockton and AmTrust.

**STEP THREE:** Lockton takes all the collected data, calculates the loss ratios, fills out all the forms, and sends a complete submission to AmTrust. In approximately two weeks, AmTrust provides a quote.



## How is GL coverage calculated?

Factors affecting General Liability (GL) coverage include the volume of business conducted and the state in which a CM operates and sells. Carriers determine rates and file them with the state, so GL numbers do vary by carrier among states because some states tend to award more money during claims litigation than others. For example, GL coverage is more costly in California than it is in Kansas.

**STEP FOUR:** Lockton walks the CM through the premium comparison and explains all coverage terms and condition enhancements. Lockton breaks down the quote per line of coverage, comparing the old policy to the new policy under consideration along with the improvements in coverage.

If the CM chooses to accept the quote, Lockton becomes the insurance broker of record for those policies. The policies offered by AmTrust include three unique features that can save CMs money on premiums and on claims:

### 1. General Liability Savings with a Professional Liability Sublimit.

The General Liability (GL) line of coverage is typically where program participants see the greatest savings. AmTrust's policy includes a special sublimit within the GL coverage that provides defense for a Professional Liability (PL) claim. This PL sublimit can be included on the certificate of insurance you provide to your additional insureds.

### 2. Potential for Dividend Earnings.

Once the asset threshold of \$1 million in total premiums is met by the entire SBCA program, participants earn a dividend from AmTrust. For example, if after two years AmTrust calculates the loss ratio by line of coverage at 0%, a CM would get back 18% of its annual premium. Dividends slide from 18% at a 0% loss ratio to 0% at a 60% loss ratio.

### 3. Applying Industry Expertise in Case of a Claim.

The unique benefit of applying industry expertise early in every material claim is part of SBCA's commitment to providing value to all CMs in the program. The goal is to evaluate the claim details and help create a roadmap to manage the legal aspects of the claim and then to reduce the cost of the claim to a minimum. Immediately upon receiving a notice of a claim, Lockton will work with SBCA and its legal counsel to evaluate and discuss claim strategies that can be provided back to the insured and AmTrust. This expertise is implemented immediately on behalf of the CM upon receiving a notice of a claim and will facilitate efficient and cost-effective handling and management of the claim.

### Request a Quote Today

Due to the amount of background work that needs to be done, Pateidl recommends CMs request a quote four to five weeks before each policy expires. When policies of the various types of coverage expire on different dates, Lockton suggests that CMs ask for quotes to line up all renewal dates together. **SBC**

*For more information on the program, contact Lena Giakoumopoulos at SBCA (lena@qual-tim.com or 608-310-6705).*



## What do insurance carriers look for?

From an insurer's perspective, the "past claims history is a good predictor of the future claims. Carriers make a profit at anything under 50% and they break even at 60%," explained Pateidl. For example, a company pays \$100,000 for its annual premium. The five-year claims history shows that the carrier has paid one claim of \$40,000. Therefore, the loss ratio for the one year is at 40%. The loss ratio for the five-year period is 8%, projecting that prospective insured as a good investment.

What the insurance carrier does not want to see as it evaluates the claims history is any type of abnormal pattern. A one-time, unique accident during the five-year claims history can likely be explained and dismissed as an isolated occurrence. Frequent or repetitive claims over the five-year period indicate that insuring a company might not be a sound investment for the insurer.



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# Natural Disaster: How Zealand Stormed





**“Stay with us. We’re going to get through this. Your jobs will be saved.”**

**M**ike Dykstra repeated this message to his staff again and again in the days after a tornado whipped through his truss plant in Wyoming, MI. As president and CEO of Zeeland Lumber & Supply, one of his top priorities after the storm was to communicate clearly and consistently to staff, customers and the media. His message: “We will find a way to make it work.”

On the night of July 6, 2014, 100-mile-an-hour winds blew into town and collapsed the roof of the Zeeland truss plant. Dykstra said the company didn’t have a particularly robust disaster response program in place, but fortunately the six people working third shift that night followed the training they’d had: they ducked under the truss table just before the roof collapsed onto it, and everyone walked away without injury.

In the morning, Dykstra said, “We really just had to think on our feet and do what was best,” with both staff and customers in mind. To serve customers, retaining staff and finding temporary production space was the top priority. A year-old Zeeland facility in Elkhart, IN turned out to be a great help, although making use of it did require a lot of flexibility. “We had production capacity available in this new plant,” Dykstra explained, so thirty or more production staff were temporarily transferred to the manufacturing facility 100 miles to the south. With a two-hour drive each way, the crews would work four 12-hour shifts and stay in hotels before commuting back to Wyoming, MI. Their flexibility helped Zeeland continue to manufacture product, and by shifting the jobs to the Elkhart plant, Zeeland retained their experienced staff.



Continued on page 18

**Back**  
Back

**After a tornado decimated one of its Michigan truss plants, Zeeland took advantage of the unexpected chance to rebuild and grow.**

## “We owe it all to our staff and customers.”

With the sacrifices staff members were making, Dykstra said, “it was a race to the finish line to get up and going again,” because restarting production meant getting everyone’s lives back to normal. Having been through disaster recovery situations before, Zeeland Truss and Components General Manager Dean Dehoog said he knew exactly how critical it was to “stay in front of staff and keep communicating with them.”

Years earlier, Dehoog was in the unfortunate position of overseeing the shuttering of a Trussway manufacturing plant that burned down. Larry Wainright, SBCA’s Director of Code Development and the plant’s Design Manager at the time, recalled that most of the Trussway staff found other work very quickly. “A great many of them left that day and drove to the competitors five miles down the road,” Wainright said. In fact, quite a few of them moved, along with Dehoog, to Zeeland. Now with a plant in ruin for a second time, Dehoog said he knew that the first thought in staff minds was, “Oh, great. We’re going to lose our jobs again.”

However, this disaster recovery process was different. The leadership team stayed calm and focused, Dehoog said, and they put in the extra hours needed to take care of everyone and bring the Wyoming, MI facility back with its talent and market share intact. “We owe it all to our staff and customers,” Dehoog acknowledged. Their flexibility made all the difference as the Wyoming plant rebuilt. In the end, Dehoog said, “We really didn’t lose anybody.”

In addition, Dykstra recalls a very responsive local community. The chamber of commerce offered its conference rooms as temporary office space, and suppliers stepped up to provide new equipment as soon as possible. Along the way, Dehoog notes, it was nice to know that the SBCA community was thinking of Zeeland and following their recovery efforts.

“We were up and producing trusses by mid-December,” Dykstra said. In May, design staff moved back into an office space that had been entirely redesigned before being rebuilt. “We really worked hard to find out what the latest trends were,” Dykstra said. He’s heard visitors say the new offices, filled with natural daylight, are more typical of high-profile technology companies like Microsoft or Google than of manufacturing plants. It’s just “one piece of the puzzle,” Dehoog said, in finding ways to attract and retain young talent.

Continued on page 20



## If data is your main commodity, then make sure you're preserving it.

When a disaster occurs, retaining people and rebuilding property are high priorities. So, too, is data recovery. When SBCA's Director of Code Development, Larry Wainright, was the Design Manager of a Trussway plant in Grand Rapids, MI, he returned from a July fourth holiday to find the plant burned to the ground. "It was pretty much a scramble, as soon as we found out," he recalled. Competitors pitched in to keep projects going, and management set up makeshift offices in an unused section of the building across the street from the burned-down plant.

While there was no way for production to continue, design work could. Wainright and his team had been working for months on a large project. Within a day or two of the fire, they were finishing their work as expected. Wainright's attitude was:

**"The data's here; let's keep going."**

The design data was there because it had all been backed up automatically. Just as key, the backup server was stored off site, so nothing was lost in the fire. "If data is your main commodity, then make sure you're preserving it," Wainright advised. That is, if data is the most critical piece to keeping operations going, it's vital that you take steps to protect it before it's threatened. Internally redundant systems and off-site data storage are key pieces of a disaster recovery plan. Despite the destruction, the design team was in good shape to continue to help the customer. "We had everything we needed to continue functioning," Wainright noted, "except an actual facility to build the trusses in."

Is your data fully recoverable in the event of a disaster? Check out the December issue of **SBC Magazine** for coverage of the BCMC IT sessions, and make sure you have your bases covered.



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## “Our perspective on risk management has been changed forever.”

Zeeland is now a year and half into recovery from the tornado. The process was tough, Dykstra and Dehoog said, but they see a company that has pulled through. “We’re better and stronger, without any market loss,” Dehoog noted. In fact, Dykstra and Dehoog estimate that Zeeland’s market share has increased due to the rebuilt plant and its focus on staff retention throughout the recovery. And that’s not the only change.

Zeeland has upgraded its IT infrastructure to ensure full data recovery in the future. Managers now put much more time into analyzing insurance policies, with a particular focus on business income interruption coverage. (Is your coverage everything you need it to be? See “Check Your Coverage” on page 12).



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In general, Dykstra noted, they’re much stronger as a leadership team. “When there’s a crisis,” Dykstra observed, “that’s when leadership really happens.” In addition, he said, Zeeland’s commitment to staff safety training “has never been greater.” The same is true of general interest in safety training now, especially training related to bad weather. “It’s a little more real to our staff,” Dehoog observed. “Everyone takes training more seriously now.”

Continued on page 22

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**Natural Disaster** • Continued from page 20

Today, Zeeland has more capacity than before the tornado. It has new equipment, expanded office space, and a workplace culture focused on protecting that investment. "Our perspective on risk management has been changed forever," Dykstra said. With more designers, more production staff, and a growing operation all around, Zeeland's story is much more about recovery than disaster. The company is in a better place now than it was before the tornado, Dykstra said. "It feels good to be here." **SBC**

*We want to hear your company's success stories. Email [editor@sbcmag.info](mailto:editor@sbcmag.info).*



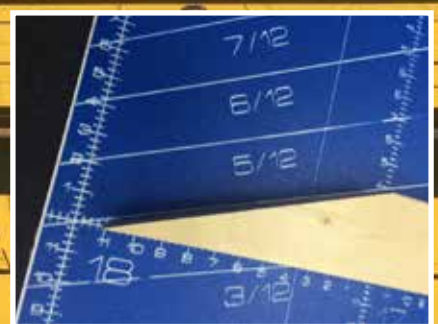
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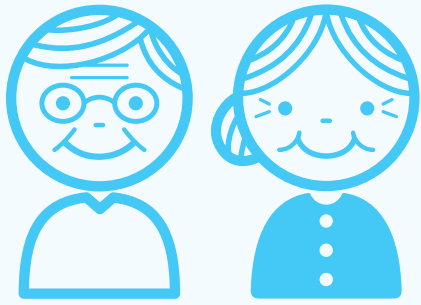
- Access to TTT for all truss designers.
- Access to SBCA's online QC program.
- Jobsite Packages, which are sent with every truss delivery.

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- **Jobsite Packages:** Plant purchases and sends with every truss delivery.
- **Plant Tour:** Plant hosts one plant tour or similar event per year.
- **QC Certification:** Plant is SBCA QC certified and continues to submit quarterly data files for SBCA review.
- **Safety Certification:** Plant meets safety program requirements, either with SBCA Operation Safety or a program reviewed and approved by SBCA staff.
- **TTT Certification:** Average TTT level for CM designers at a location must be 1.5 or higher.

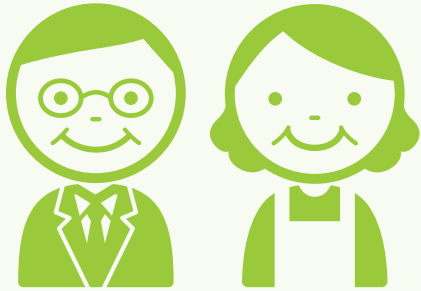
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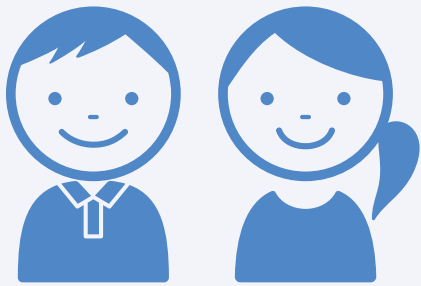


# Generational Shift in the Component Industry

by Ben Hershey

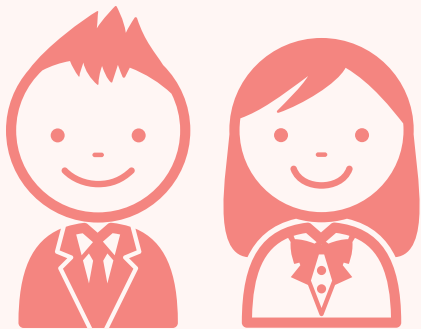


**T**he workplace has always had multiple generations working side by side. There's the fresh-faced newcomers, the experienced professionals who hold the established roles and the older individuals who have been in the industry for decades. Each of these distinct age groups comes with its own unique background and expectations, which can sometimes cause friction between colleagues or between staff and management.



The quirk of today's workplace is that more generations than ever are working together. Leaders in our industry need to be able to successfully integrate new workers, while at the same time respecting the experience and seniority of older employees. Adaptation is required on both ends of the spectrum. In healthy workplaces, new employees respect experienced staff and assimilate to the existing workplace culture, while established employees implement new ideas and remain flexible.

Sometimes it's difficult to adapt to change, but we can challenge ourselves and our employees to tackle problems together. Meeting the needs of each generation in the workforce, while keeping the company on the path of success can be challenging, but by training your managers and tailoring how you deal with each person, you can effectively balance the needs of the individuals and of your team.



Many companies can describe prospective employees who don't quite fit the mold of those hired five or ten years ago, and some leaders react negatively to both the stereotypes and realities of younger generations. For example, when a member of Generation Z comes in for an interview, he might not always make eye contact in the way managers in the Traditional or Baby Boom generations expect. Younger employees might need more training on daily, real-world work situations than older employees anticipate.

Generational expectations are inconsequential, though, when the priority is to attract and retain an employee. For managers, treating employees from all generations the same way can lead to problems. A fresh perspective, and some of the tips that follow, can help you direct work across generational lines.



Every generation brings to component plants and lumber yards its own set of challenges due to different skills and cultural norms. A successful operation is a melting pot of different generations, personalities and skills, all working together toward the success of the company. See the next page for some additional tips on how to manage the various generations. **SBC**

*Ben Hershey is a past president of SBCA with more than twenty years of experience in the component manufacturing industry. He owns 4Ward Consulting Group ([4WardConsult.com](http://4WardConsult.com)) and regularly speaks to groups and companies on managing a multi-generational workforce. For more tips, contact SBCA to discover how our Workforce Development tools can work for your company.*



## Traditional (born 1927-1946)

You might have Traditionalists still working for you, or maybe you have some who have recently retired. (Have you had a tough time finding qualified employees, or finding enough employees to meet demand? You'd be surprised how many people in this generation want to come back to work!) This group is a treasure trove of information.

- **Offer mentoring positions.** Nothing could be more valuable than having experienced voices coaching the next generation of staff, even on a part-time or project-specific basis.
- **Find teaching opportunities.** Architects, building officials, engineers, and other professionals can gain valuable insight from the experiences of this generation. Members of this generation might be ideal candidates to lead training sessions like SBCA's Component Technology Workshop courses ([ctw.sbcindustry.com](http://ctw.sbcindustry.com)).

## Baby Boom (born 1946-1964)

Boomers once represented the largest bloc of the workforce, but many have now retired and been replaced by Millennials. However, the recent recession delayed retirement for some and others are simply engaged in their work well past the age of 65. This has left many in senior positions in our industry in production, delivery, accounting, design, sales and management. Keep Boomers motivated and involved with younger staff by listening to their ideas and involving them in your company's successes.

- **Offer mentoring positions.** Sales representatives, designers and production craftsmen are in an ideal place to train younger generations as they near retirement and revive some aspects of the practice of apprenticeship.
- **Ask for contribution.** Challenge Boomers to share their knowledge in tangible ways, whether that is by joining committees or task groups and working to solve problems.

## Generation X (born 1965-1980)

Gen Xers, as a whole, are the most independent of the current generations. They've seen a lot of challenges in the workforce, such as mergers, downsizing and scandals, so many tend to distrust institutions and to job hop. This generation is also credited with a new growth in entrepreneurship and internet savvy.

- **Find means for individual recognition.** Take the time to spotlight a job well done. Gen Xers often prefer small teams and professional relationships with an emphasis on individual achievement.
- **Offer a challenge.** Gen Xers tend to be fast learners and many can thrive on challenging assignments. Ask them to step out of their comfort zone to enhance their skills, and boost their confidence by giving them opportunities to demonstrate their skills and showcase your training.

## Millennial (born 1980-1995)

This is now the largest and most connected generation, accustomed to having immediate feedback and lots of encouragement. In general, people appreciate prompt praise and recognition, so it's a positive change overall to adjust work processes so that Millennials (and the rest of your staff) can collaborate successfully and receive direct, timely assessments of their performance.

- **Avoid nostalgia for the good old days.** We take a lot of pride in how the component industry got started, but it is our responsibility to coach Millennials to success, not to lecture on how the first gantry machine was invented with the wheel.
- **Take advantage of technological adaptability.** Millennials entered the workforce well after the DOS-to-Windows switch and the introduction of computerized component saws. To attract and retain this generation, keep your lumber yard and component plant up to date by investing in some of the latest technology our industry has to offer.

## Generation Z (born 1995 and after)

It is still a little early to tell what workforce challenges will appear with this generation, but a few things are certain: Gen Z is technology driven, linked to each other through social media and cell phones more so than by face-to-face communication. Many articles have been written warning of the coming change in the sales process as businesses compete for associates who can represent the company, develop a customer relationship and close a sale.

- **Offer mentored positions.** As you identify Boomers and Gen Xers willing to mentor, pair them with Gen Z employees to make sure lumber yard, component operation, sales and design skills are passed along.
- **Review your employee policies.** Take time to ensure that everything from job duties to clothing policies are clearly described. Successfully bringing a new generation into your workforce means setting clear expectations on both sides, from the beginning.

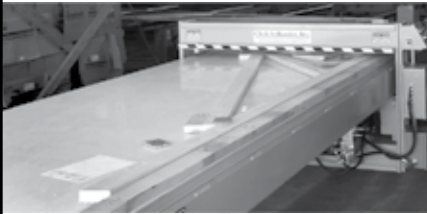
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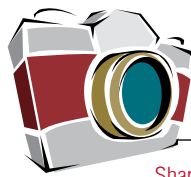
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Pictured L to R: Lenny Sylk, John Herring, Barry Dixon, Scott Ward, Mike Ruede, Roger Gibbs, Koss Kinser, Dan Holland, Richard Brown, Ben Hershey, Merle Nett, Joe Hikel and Don Groom.

This past July, former presidents of SBCA met for dinner and a tour of the Country Music Hall of Fame. Musician Richie McDonald, solo artist and lead singer of the country music band Lonestar, performed for the group. "It was a very enjoyable time," said Richard Brown (at right), who served SBCA as president in 1999. "[A reunion event is] something that I'd like to see every year going forward."

The reunions, he said, are not only a chance for "getting together with old friends," but also a chance to pass along perspective. "The young fellas, the people who are new to our industry, don't see where we came from," Brown said. Restarting the reunion dinner after an eight-year hiatus is one way to maintain a long-term vision of the industry's progress. "We've had setbacks because of the economy," Brown concedes, "but the path ahead is very bright." **SBC**



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