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Knowledge is Power



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"How WTCA Members Can Help Reach a Market" by Kirk Grundahl

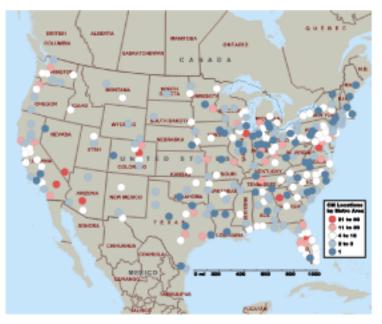
The Board of Directors of WTCA has discussed wood products promotion over the last several years in some depth. Along those lines, in July 1998 we developed a "Customer's Perspective on Consumer Advertising" as a method to promote lumber use. In this piece, we reinforced that it is the opinion of the WTCA Board that consumer advertising is not the best use of valuable industry resources, and will not cause changes in purchase

behavior, either in favor of wood or alternative materials. We believe the only value of consumer advertising is to reinforce beliefs that are already held about wood, and to correct misperceptions or inaccurate information such as is promulgated by many environmental groups. We believe that consumers already like wood and desire to continue to use it. We believe that cost is the real sales driver in the market. Consumers will change to alternate framing products when builders can provide the same house for less cost and be more efficient in doing it. We also believe that builders like stable pricing and will pay a little more for the raw product as it helps their budgeting process.

We believe that the sales war will be won at the WTCA-member company customer level by providing the best economic solution, and reinforcing the features and benefits of the products we sell during this sales process. The environmental benefits of lumber can and should be sold aggressively to builders and specifiers through our supply channel. Truss manufacturers simply need the tools to do this.

WHY TRUSS MANUFACTURERS CAN HELP

The map provides a view of the density of all truss manufacturing locations located in major metropolitan areas in the U.S. Since the shipping range of a typical truss plant is usually around 300 miles, we can confidently say that the truss industry blankets every



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section of the country where significant construction is taking place.

Assuming that each component manufacturer deals with an average of 100 builder/contractors in their local markets, this means that our industry can reach approximately 170,000 builder/ contractors with established relationships. Such relationships are built on the fact that our builder and contractor customers rely heavily on the advice, suggestions, and solutions offered by the component manufacturer.

Furthermore, at the manufacturer, WTCA Chapter and WTCA-National levels, individuals and groups are in regular communication and have fostered working relationships with many architects, engineers and building officials. The specifier's view of the world of lumber and wood components is shaped perhaps entirely by the comments, credibility and assistance offered through such relationships.

We believe the approximate 170,000 builder/contractors who transact business with truss manufacturers across the country is a conservative number. In support of this, we make the following observations:

- The majority of our member truss manufacturers have salespeople dedicated to selling components and we believe that many companies contact more than 100 builders (many of whom are contacted more than once annually) to generate their sales.
- Company managers are routinely involved in problem solving and sales for the business as well. This adds to the contact base we have.
- The technical departments of the truss manufacturers regularly contact company customers to assist with problem solving and to otherwise provide assistance. If, on average, each of the 1732 truss plant locations in our industry have six people interacting with builders, contractors, architects, engineers and building officials daily, this total is an average of 10,392 potential contacts per day. This yields 2.6 million contacts annually.
- How does this impact our industry suppliers? They can use this potential of 10,392 direct daily contacts to take any message they would like to get to the market and do so in an economically efficient manner. The real benefit of this is that the message will go directly to the businesses that are making framing purchase decisions. They furthermore can provide
- literature and environmental messages for component industry salespeople to use to advance accuracy in environmental communications.

To this end it has been thought that an approach that would really help everyone would be to gather all the tools that are available to educate the public, specifiers and builders on the environmental issues. These then ought to be collated by the lumber industry, evaluated and packaged by age group for component manufacturers to use to provide to the respective target markets. A simple "guide" to this material could be given to WTCA, its chapters and individual truss plants that desire to get involved. WTCA is very interested in promoting this type of process in its "Put a Human Face on the Truss Industry" campaign. This would be a great way to encourage WTCA and its membership to promote activities in the marketplace where we directly interact on a daily basis. With these resources, we could mobilize our chapters and members to get a factual message where it counts the most.

Additionally, our industry would like to see more lumber industry representatives in their respective truss plants educating us on how to optimize the use of lumber in our plants. This will help us maintain a competitive economic edge. We would also like the lumber industry to

educate the component manufacturer sales staff on the tools that they can use to sell the value and environmental benefits of lumber, which will give our industry the ability to educate our customers and dispel any myths they may have about wood. We need this type of market education assistance.

WTCA would appreciate the lumber industry working closely with WTCA to develop a plan to help us use lumber efficiently in our operations, resulting in cost savings and a more assured market for trusses.Since the late 1980s, our industry has begun to mature and now is realizing that being customer-driven is mandatory for our future success. This is exemplified by the fact that our industry is now asked by our customers to supply them with structural building system design solutions. WTCA and its members will secure this future by focusing resource use on business development programs that are fundamentally sound, and that take advantage of labor demographics and construction economics. WTCA believes that components are the future of framing. We would like to gain the support of the lumber industry in all marketplace efforts to ensure that we both can reach our full potential.

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