

STRUCTURAL BUILDING COMPONENTS MAGAZINE

June/July 2002

Director's Message



Make Your Voice Heard by Kirk Grundahl, WTCA Executive Director

Our costs of transacting business are increasing dramatically. Take a look your at insurance rates, which in our industry are being driven by construction defect and mold lawsuits, September 11 costs, and an anemic stock market. Steel prices are increasing due to a 30 percent tariff and lumber prices are increasing due to a 27.2 percent tariff. All of this is coming together when the economy is slower than it has been for quite some time, while housing demand has been sustaining all of us through the past couple of years of economic sluggishness.

Ironically, the two primary raw materials—cold rolled steel and dimension lumber—that we use to produce our products are hit with tariffs within months of each other. This government-mandated price increase to improve the profitability of the steel and lumber industries hurts their customers' competitiveness in the markets we serve since we clearly have to pass on these costs to our customers, who will do the same as quickly as they can.

There is an ultimate irony here: steel desires to grow its market by penetrating wood markets, while the wood industry is spending millions each year on lawyers to advocate tariffs and public relations to ensure that there is reduced guilt about using wood. Unfortunately, lost in all of the money spent on ad campaigns and attorneys is that fact that the best way to increase long term profits is to get very close to their customers who add value to raw materials and help them create even more value over time. This will make the raw material used have the greatest possible value to the customer and the producer, and will create a win-win solution versus this win-lose or everybody loses solution, which includes our customer and the building owner.

On the steel side, our industry will be inclined to blame the plate suppliers for the price increases that have already been added to our plate costs, with more increases on the way. Now is not the time to play the blame game, but rather a time to team up with them and voice our collective concerns about the effect our government's recent decisions will have on our industry.

Our industry is a great advocate of affordable housing, through our product's tremendous efficiency and structural performance capabilities, along with the fact that it is manufactured for American buildings, built by Americans. Despite this, our government has taken actions that place a tax on our and our customers' product's affordability.

So you are saying, "What can WE do?" Well, much to our surprise the attendance at our recent legislative conference was good, but not the size you would think given recent hurtful actions by our government. While those who attended greatly benefited from the process and helped our

industry (see [“WTCA Legislative Conference Makes an Impression on Members”](#)), this strongly suggests that the above issues are not very important to our overall membership. If they were, every member in our industry would have attended this conference.

Those who didn't attend must be saying:

- I do not have the time to be involved.
- I am not a meeting person.
- I am not comfortable talking with people, particularly Congresspeople.
- I like being in situations that include my traditional/comfortable relationships. I do not need more relationships.
- If I get involved, I'm just going to be asked to do more work and I already have more than enough to do.
- It is not convenient for me.
- Someone else will take care of it.

All of these statements may be true. However, by not getting involved, both your sphere of influence and the opportunity to have a positive impact on your business are going to be severely constrained.

One of the problems our industry has is that the truth about it is often intentionally or unintentionally distorted. Simply look at what the fire service periodically says about our industry: Trusses kill firefighters using killer connector plates. If anyone takes the time to look at the facts, it becomes apparent that what is being said could NOT be further from the truth.

So what is going on? Truth usually does not sell an agenda very well; emotion does and it is implemented as follows:

- If lies or appealing half-truths are told for a long enough period of time, those falsehoods will eventually be perceived to be the truth.
- Internal relationships are more powerful than facts or good business logic.
- The passionate voice of a minority group can change the political landscape forever, even when the majority of people disagree.
- When emotion and politics are against an industry, the industry usually loses, so business plan flexibility is a must and quickly changing course to a path with less resistance needs to be considered.
- Political correctness does not mean that something is grounded in truth and facts.
- Leadership cannot be based on popularity or opinion polls, as true leaders must make difficult decisions based on facts and common sense. These decisions may not be popular as they may constitute a significant change, and the normal response to change is resistance. Therefore, true leadership is extremely rare in politics, if it can be found at all.

SO, WHAT DO WE NEED TO DO?

Forget the notion of simply throwing money at the issue thinking that it will solve all of your problems. Why? Because, unless your monetary contributions land you a night in the Lincoln

Bedroom, your influence will be limited. Even then it is uncertain what that buys you because a larger donor, whose interest is contrary to yours, may trump you. There is always someone who has contributed more money than you have, just like there is always someone who makes more money than you do. Don't take this the wrong way, monetary contributions are important to aid in defraying campaign costs for the candidate who embraces your political position, but by themselves, they will get you nowhere. Consider these points:

- Actions taken and the legislation made are based largely on relationships and being close enough to the legislators (as a friend) to have some influence.
- The legislation that has the greatest direct impact on our businesses is local legislation.
- All legislation can be influenced quite well through your local and regional representatives.
- There is one thing more powerful than all the money in the world and that is involvement. By getting involved:
 - People get to know you and your ideas.
 - If you try to be helpful, you will be appreciated.
 - If you have good ideas and are helpful, people will ask for your opinions on critical issues.
 - You will develop friendships based on knowledge and trust and will have positive influence in whatever undertaking you are actively involved.
 - If an issue arises that affects our industry, those representatives with whom you have relationships will probably call you to get your perspective.
 - You will be relied upon for your expertise in those areas where your friends believe you will add value to the outcome.

This is why the attendance at our legislative conference was so surprising. This work was geared toward political involvement and relationship building, without which we have no voice at all. Additionally, the contingent from Florida found our legislative conference so powerful that they have decided to implement the same type of format at the state level within the next year.

Given all the issues facing us, we as an industry are going to have to decide very soon if we want our voice heard more powerfully than it is now. If we do, then a commitment must be made by each member to get involved in a local chapter of WTCA, and within each company have as a part of someone's job description to participate with WTCA, to educate legislators about our business, and to build legislative relationships. Only then will we have the true voice all of us desire, because it is at the grassroots level that we can have a really big impact. WTCA will provide the support system to help us achieve great things. We just need members to provide the voice to make the support take on the life that is needed to advance the interests of every person who works in our industry. Those members who are doing this find the results very beneficial to them and their companies.

What the government quickly forgets is that business provides the jobs that pay the taxes, which government uses to write legislation that injures the very hand that feeds it—business. This is a story that needs to be told boldly and broadly

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