

# STRUCTURAL BUILDING COMPONENTS MAGAZINE

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## Publisher's Message

### Manufacturing Issues: Here to Stay, but Help Is on the Way by SBC Staff

*As another year comes to a close, take some time to consider the manufacturing issues you deal with every day from a fresh perspective.*

We have devoted this issue of SBC Magazine to the discussion of manufacturing issues: from raw materials to production labor to materials handling. One feature examines the tumultuous multi-century history behind the Canada/U.S. softwood lumber dispute, an issue that has and will continue to greatly impact trade and economic conditions for both nations.

Let's not forget that the year's end is approaching faster than we can think of a New Year's Resolution. The NAHB Research Center reminds us to worry about that resolution some other day and instead to ponder their article reviewing the year in building practices. As evidenced by the throng in attendance, the annual BCMC Show held this fall in Phoenix was hugely successful. The BCMC Recap section [[VIEW RECAP 3.3M PDF](#)] features a photo of each exhibitor and captures other events of notable satisfaction from the show. As described by one attendee, "BCMC was absolutely the best to date!"

Another feature draws on an industry veteran's experience with improving production efficiency. Interestingly, efficient production has as much to do with quality control and safety as it does with delivering a quality product in a timely manner.

Just as timely is the following excerpt from a May 1999 WOODWORDS article that we've pulled from the archives, dusted off and reprinted for your reading pleasure. These are words that were relevant five years ago, they still apply today, and may even be pertinent fifty years from now. Somehow, it seems that everything has changed, but nothing really has.

*"When you take a look at truss manufacturing, the obvious key cost elements that define the business equation are:*

- *Lumber is about fifty percent of net sales.*
- *Plates are about five percent of net sales.*
- *Direct production labor costs are about twenty percent of net sales.*
- *Delivery labor is about three percent of net sales.*
- *Delivery expenses are about three percent of net sales.*
- *Selling expenses are about three-and-a-half percent of net sales.*
- *Administrative labor is about four-and-a-half percent of net sales.*
- *Engineering expenses are about four percent of net sales.*

*The total labor portion of the truss cost structure is about 35 percent of the cost of the product, and obviously the largest portion of this is production labor. It's clear that the only places where there are significant cost saving possibilities are in labor and lumber use. This means that an efficient truss manufacturing operation will do the following:*

- *Look closely at its lumber purchasing strategy.*
- *Implement policies that fully use every stick of lumber purchased.*
- *Simplify the flow of material through the plant so that labor time in each phase of plant operations is optimized."*

Enjoy.

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