

Quarter-Life Opportunities:

What Will WTCA Mean in the Future?

by WTCA Staff

Those of you who attended a chapter meeting in 2005 know that WTCA is contemplating a significant change. Market demands in the past several years have steadily changed the WTCA component manufacturer membership's business landscape. Since its formation in 1983, the Wood Truss Council of America's fledgling membership of truss manufacturers (247 in 1992) has evolved into a vast body of component manufacturers—1,179 locations to be exact. A quarter century later, some of you still remain roof truss manufacturers. Many of you have added wall panels and floor trusses to your repertoire. And an increasing number of you have declared yourselves a "one-stop shop," supplying a variety of structural component design services, all the building materials and even the installation labor that accompany the move toward a whole house value proposition. Suddenly, the WTCA membership has reached an unparalleled level of diversity that is causing many within the organization to question whether the current name truly fits the many business models of the membership and the demands for increasingly broad association services to support their needs.

Background & Member Survey

This past spring, the WTCA Executive Committee commissioned a survey to investigate whether the "Wood Truss Council of America" is the right name for the organization as we look ahead 25 years. The survey was distributed at chapter meetings and posted on WTCA's web site. With 305 members participating in the survey, the response represents a very broad base of opinions. Responses to the following questions clearly revealed the direction in which the majority of the membership would like to move:

- Do you believe that changing the name of the Wood Truss Council of America to a name that more broadly represents the industry's highly varied business interests is an intelligent strategy?
– Only 25.4 percent replied "no."
- As we look toward the future, what name will best represent our industry's interests over the next 25 years? Select your answer and please explain below.
– Only 26.8 percent advocated staying with Wood Truss Council of America. (There was no overwhelming choice of what the new name for WTCA should actually be.)


There is no doubt that the majority of our members believe it is in the best interest of WTCA to address our future proactively. The survey indicated that the vast majority supports a name change to accurately reflect our members' changing business models. It has also been made clear that the chosen course of action needs to leverage the brand equity that WTCA has built over the last 25 years and embrace the highly varied futures of individual component manufacturer businesses.

With that said, the WTCA Past Presidents and Board of Directors charged the Executive Committee with defining an approach to engage the entire membership. In order to make this process easier to arrive at a conclusion, the Executive Committee discussed this at length and narrowed the list to two options:

1. Continue with the current logo and name:

 Wood Truss Council of America

2. Continue with the current logo, and over a carefully planned transition, discontinue using the words "Wood Truss Council of America" and add a new tagline:

 Representing the Structural Building Component Industry

Retaining brand equity while considering the strategy to serve our industry's best interests was of critical importance in choosing these options. The survey outlining these two choices is posted on WTCA's web site. Please visit www.woodtruss.com today to cast your vote.

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Two Perspectives from within WTCA

Perspective 1: "I'm Passionate about Refocusing WTCA" by Don Groom, 2006 WTCA President

I have been in this industry for over 20 years, most of which I've spent working closely with wood trusses. So I am fully aware of the passion that all of us share when it comes to the wood truss. I am also aware of and extremely grateful for the "pioneers" who worked very hard to establish the Wood Truss Council of America (and successfully brand its name) in the early 1980s and for all the work the Truss Plate Institute has done since the truss plate was invented in the 1950s. When the first pioneers got together to establish WTCA, change was in the air. Stick-framing was the norm and, in most cases, the only component being used in residential and commercial construction was the wood truss. WTCA was formed by people who had a vision for the future. The reason I have such a passion to change our association's name is because I believe that this is the spirit in which this organization was founded.

As years progressed, there have been many other advancements in component construction: the I-joist, wall panels and light gauge steel just to name a few. While the name "WTCA" may not reflect this fact, most of our members have embraced many forms of component construction beyond wood trusses. I attribute a great part of the success experienced by Stark Truss to the vision of our company's founder, Abner Yoder, who challenged everyone in our company to look beyond roof trusses to products that would complement our truss packages and provide increased value and service to our customers. Other companies have done the same to advance their organizations. In the future all of us most certainly will embrace new products and most will probably also

"Change is inevitable in everything. As an association, if we are not willing to acknowledge the changing market and embrace a change of our own, we face the prospect of becoming obsolete."

consider new raw materials that are used to build components. Who knows what products will be developed over the next 25 years that can and will be used in component construction?

I have no doubt that we will witness greater change in the future than what I have seen in the past 20 years. Our organization must carry on the spirit of our pioneers and be the association that represents all structural components both now and into the future. Our name must also reflect this spirit and representation!


Our customers and the market continue to demand our evolution based on their desire to concentrate on the work they do best and profit from the most: developing land and selling the buildings. As a result, they will demand that we offer business solutions that provide:

- Lower in-place cost
- Cost stability
- Reduced construction cycle time
- Increased labor efficiency

WTCA has come a long way in 25 years, but is "Wood Truss Council of America" the right name for the future?

at a glance


- As component manufacturers' scope of work changes to meet varying customer demands, should the association's name also evolve to reflect that change?
- Some component manufacturers believe that in order to represent the varying interests of the membership, the name of the association should change accordingly.
- Other component manufacturers have voiced concern that changing the association's name will destroy the branding progress that has been made over the last 25 years and could shift the organization's focus away from truss manufacturers who originally formed WTCA.
- The WTCA Board of Directors has narrowed down the list of choices to two options: the Wood Truss Council of America (no change) or WTCA: Representing the Structural Building Component Industry.



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- Increased labor availability or replacement
- Increased durability and quality (i.e., no call-backs)

There are many ways we can respond to the demands of our customers. One way would be to simply manufacture trusses and sell only to those customers and within those markets that want trusses. Another way would be to meet the demands of the customer and become a full service framing material supplier and find the means to provide whatever the customer wants. Yet another way would be to not only supply all the necessary materials, but to offer the products turn-key with labor and perhaps even with a full package of design services that enables the builder to construct more efficiently and inexpensively. In these terms, it seems certain to me that we will not be merely selling trusses, but supplying the structural building component solution to give our customer the best economic value. What better way to retain long-term customers!

Change is inevitable in everything. As an association, if we are not willing to acknowledge the changing market and embrace a change of our own, we face the prospect of becoming obsolete. Additionally, WTCA's past work can be easily leveraged to support all the product lines into which our business may grow. There is much to be said for not having to pay membership dues to multiple organizations for the same services our association already provides.

I have a passion for embracing all building components. This means supporting all the product lines of our current members and welcoming new manufacturers that produce all types of building components into our organization. To me this is a win-win for current members and those who may be interested in joining WTCA but think all we do is support wood trusses. They can bring a considerable amount of knowledge and value to our organization. In turn, we have the basic tools that can be cost effectively modified to help their businesses flourish.

It is for these reasons that I believe so strongly in making the change to "WTCA Representing the Structural Building Components Industry." In my opinion, it is the best of all worlds. It retains our brand and more accurately reflects the work of our membership. It builds on our collective strengths. It will also make our individual businesses stronger in the long-term. I believe embracing this change will help our association and industry continue to focus properly on the aggressive advancement of our being the future of framing for all building construction.

Perspective 2: "Why WTCA Should Remain the Wood Truss Council of America" by Dan Holland, 2004 WTCA President

As a WTCA Past President, I have been tasked with providing a different perspective than that of Don Groom. The following contains the key concepts that I have heard in the discussions that I have had about changing WTCA's name. These points of view represent the WTCA membership that does not support evolving the association into more than just the Wood Truss Council of America.

1. Tradition and Name Recognition: Our name has strong emotional ties among those who oppose a name change. As the Wood Truss Council of America, WTCA has a history and it is well understood and recognized by many in the industry. This is the main reason some manufacturers do not think the name should be changed. Another issue is that the association has worked hard for the past 10 to 15 years to achieve this name recognition in the building

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A Perspective from Outside the Industry

The Past Presidents requested that the Executive Committee and staff research a perspective from outside our industry to shed light on the concept of the evolution of our association and the membership services it provides. At the heart of this evolution lies a critical task: ensuring that the association's name appropriately reflects our past growth and the growth our industry will experience over the next 25 years.

We have chosen the work of Philip Kotler, the Father of Modern Marketing, to present the marketing perspectives of an industry, business or organization seeing growth and evolution. Kotler made his mark at Northwestern University, where he is the S. C. Johnson and Son Distinguished Professor of International Marketing at the J. L. Kellogg School of Management. The author of more than 25 books, Kotler's *Marketing Management* is considered the most widely used text in MBA programs worldwide.

Here are Kotler's thoughts on a few concepts that businesspeople need to consider in order to meet the unprecedented challenges of the future. These challenges are precisely what WTCA faces as we contemplate evolving our name.

Concept 1: Defining Marketing Management

According to Kotler, "Marketing is the business function that identifies unfulfilled needs and wants, defines and measures their magnitude and potential profitability, determines which target markets the organization can best serve, decides on appropriate products, services, and programs to serve these chosen markets, and calls upon everyone in the organization to think and serve the customer." This requires looking beyond today's transaction toward building mutually profitable long-term customer relationships, through fully understanding the changes taking place in the market and being able to accurately predict future needs.

Concept 2: Embracing Change

Kotler also notes that in the coming decade, marketing will change considerably. He asserts that businesspeople will continuously need to revisit basic marketing concepts to even survive in what he views will be a hypercompetitive and rapidly changing marketplace. Survival will demand self-cannibalization, Kotler says. Being able to change faster than the competition will be a definite competitive advantage. Kotler believes that companies will need to develop new visions and mission statements that adopt the concept that the company will thrive on change and see it as a "standard operating procedure" rather than as a disruption of the norm.

Jack Welch of General Electric put it this way: "Change or die. When the rate of change inside the company is exceeded by the rate of change outside the company, the end is near."

"Marketing is not the art of finding clever ways to dispose of what you make. Marketing is the art of creating genuine customer value. It is the art of helping your customers become better off. The marketer's watchwords are quality, service and value."—Philip Kotler

Concept 3: Categorizing Your Organization

Kotler notes that there are four types of organizations that have been observed and that these categorizations explain why the average enterprise disappears within 20 years. They are:

- (1) those that make things happen.
- (2) those that respond after things have happened.
- (3) those that watch things happen but fail to respond.
- (4) those that fail to notice anything happening at all.

Although many have postulated on what makes a company great, Kotler offers the simple thesis that "companies last as long as they continue to provide superior customer value." These kinds of customer-oriented companies make steady gains in mind share and heart share, leading to higher market share, which, in turn, leads to higher profit share.

Concept 4: Fostering Creativity & Innovation

Where companies once won their marketing battles through superior efficiency or quality, today they must win through superior creativity and innovation. According to Kotler, "This requires stimulating creativity through hiring great people who are naturally creative and giving them free rein; stimulating creativity through [a variety of analytical] techniques; for help in finding breakthrough ideas." Smart companies also encourage their employees, suppliers, distributors and dealers to offer suggestions that save money or yield new products, features and services.

If an enterprise does not innovate, it will die. And, if it innovates unsuccessfully, it may still die. Kotler states that, "Innovation is a safer bet than standing still." It cannot be limited to new products or services, but must include new businesses and business processes as well. The key is to transform innovation and imagination into a capability more effectively than the competition.

Conclusion

It is clear that to have continued success all organizations need to have a culture that embraces change and that the organizational evolution needs to match up well with predicting future market needs and serving those needs fully. This will require creativity, innovation and diverse points of view in order to generate the best possible ideas. When an organization has strong talent, does a good job of listening to the market and has great ideas, success is then primarily found in the ability to rapidly and accurately implement those ideas.

The final question is: How is your organization doing? **SBC**

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industry, and now that it is well branded, there is a risk of confusing the market and losing our momentum.

- 2. Credibility:** The name should be unchanged because everyone in the component industry knows WTCA already represents all areas of building component construction and does a good job of supporting their interests to the fullest extent possible. Additionally, the name by itself does not make or break an organization; it is the way the organization is run that truly matters. WTCA is known as a well-run organization that gets the job done.
- 3. Service to the Majority:** There is also concern that changing the name would shift the focus of the association from the products that the majority of fabricators make, to the expanding business models of a minority of larger fabricators. Some manufacturers have pointed out that a focus on highly varied interests is not what got the WTCA ball rolling in the first place; the specialized self-interests of concerned wood truss manufacturers did. Therefore a focus on wood trusses needs to remain central to the name and mission of the organization as long as it is the primary product of the majority of the membership.
- 4. Cost:** Finally, there is concern about the cost associated

Key issues for those who want to maintain the name "Wood Truss Council of America" include tradition and name recognition, credibility, service to the majority, and cost. To weigh in on this important issue, be sure to visit www.woodtruss.com.

with the evolution process. First, there is the cost of re-branding the association (letterhead, signage, market confusion, etc.). Second, there is concern that broadening the scope of the organization will dilute the services provided by dividing the monetary pie into smaller pieces to undertake projects for the wider range of interests represented.

These concerns about changing the name illustrate the incredible brand equity that the "Wood Truss Council of America" has built over the last 22 years and are important to consider as we move forward in this discussion. Regardless of the outcome of this particular issue, however, the vital keys to achieving future success in our organization will be honest dialogue, sound decision making, and a spirit of unity in every issue we tackle. **SBC**

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