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New Beginnings: What to Consider Before Starting a Wall Panel Plant by Libby Walters

Look before you leap! Take it from a couple of guys who did all the right things before jumping into the wall panel business.

For all the industry trends that are hard to track, one has made a grand entrance: new wall panel manufacturing plants are springing up with the same vigor as Starbucks® franchises. But don't expect to find a venti skim hazelnut latte (no whip) at a start-up wall panel shop. What you can expect, however, is a pioneer-like "we can make it" spirit and a crew of nose-to-the-grindstone guys. Oh, and maybe some instant coffee if you're lucky.

Following is the story of R-Squared Construction, Inc.'s venture into wall panel manufacturing.

A 'ROOD' AWAKENING

Brothers Dean and Robbie Rood got their first taste of wall panel production when they went to work for Lena Builders' wall panel plant (of northern Illinois) after high school. They turned to careers in framing next, though Dean admitted "we never once used components while we were framing." The Roods eventually began their own framing company (R-Squared) in 1995 and dedicated the next six years to growing a reputable business and establishing a solid customer base.

It wasn't until 2001 that the Brothers Rood caught the wall panel fever. They named four reasons for considering the expansion. While their framing company, based in Freeport,



THE ROOD BROTHERS ENJOY THE SUPPORT OF THEIR PARENTS IN THEIR R-SQUARED VENTURE. HERE DEAN AND ROBBIE ARE PICTURED WITH THEIR MOM.

IL, had experienced steady growth over six years, the work was seasonal. "We realized it would be a good idea to diversify," Robbie said.

Another factor is something the construction industry has been battling for many years: labor. "We noticed a natural progression toward a smaller pool of qualified, skilled labor," Dean noted.

For Robbie, facing the reality of being a framer for the rest of his days was a major catalyst. "Stick framing is hard work," he said. "I just didn't want to spend the rest of my life stick framing." One last thing convinced the Roods to take the wall panel plunge: "When we left Lena, I thought wall panels were a tough sell. But automation and technology have really caught up since the early 90s," Dean said. "Now selling wall panels is a no-brainer."

A 'ROOD' INVASION

The decision to start a wall panel plant was the easy part. The next challenge was talking to the right people about what software and equipment to invest in. The Roods headed to BCMC 2002 in Columbus, OH. "I was surprised to find that our peers wanted to share their successes and failures with us. They didn't want us to repeat their mistakes," Dean said of the component manufacturers he met at the show. Robbie said consulting with fellow manufacturers turned them on to the importance of marketing wall panels for the health of the entire building component industry. "If we promote our product to builders and framers and encourage others to consider manufacturing wall panels, inevitably, the industry will thrive," he explained.

Dean and Robbie also spoke with a long-time wall panel manufacturer-turned equipment supplier who gave them some nuggets of advice. "We asked him for his recommendation on the absolute barebones equipment we'd need to start the plant. He said 'software, an automated push feed, and a framing table with autostop and a layout light bar.'"

The Roods didn't stop there; they continued to seek counsel from members of the industry. They visited many wall panel manufacturing plants in different areas of the country to research material flow management and to talk about the business aspect of building walls. "Dean and I knew all the secrets to building walls. We didn't know the business side of it. Talking to other manufacturers about it helped us to fit all the pieces together like a puzzle," Robbie said.

In the months following BCMC 2002, Dean and Robbie bought several acres of land that had formerly been a lumber yard. "The facilities were perfect for us; there was a long shed for the manufacturing operation and several open-air, covered lumber storage sheds to keep it off the ground and sheltered from the elements," Robbie said, noting there is plenty of room on site to expand in the future if necessary. While the Roods' father funded the purchase of the original

THE ROODS' TOP FIVE TIPS FOR STARTING A WALL PANEL PLANT

- Know the market.
- Get plenty of good advice and ask a ton of questions.
- Don't over-automate—it's an easy trap to fall into. Just remember there's plenty of time to do that later.
- Be framer-friendly and exercise patience. When you make their job as easy as possible, they will want to use your product again and again.
- Go into it with the foresight that things won't be perfect right away.

framing tools back in 1995, their brand new wall panel equipment was purchased with two years' profit from the framing crew. R-Squared's panel division was officially up and running.

A 'ROOD' PHILOSOPHY

With almost two years of wall panel manufacturing under their belts, the Roods haven't lost sight of what might prove to be the key to their success in the industry. Dean and Robbie share the philosophy that the manufacturer must be "framer-friendly" if they want to succeed in this business. Coming from a framing background has helped them to identify with framers' concerns and to ultimately keep the framer's best interests in mind. "We've always operated with the attitude of doing everything it takes to keep the customer happy with our product. It has served us well," said Dean.

When the Roods say "doing everything it takes," they really mean it. Their definition of "framer-friendly" even includes offering no-charge visits to the jobsite to show framers the proper wall panel erection and installation procedures. The second crucial step in achieving "framer friendliness" is exercising patience. "Put yourself in the shoes of a stick framer; they view their work as a craft, an art. Naturally, they feel like they're being forced to give up that craft as components [and pre-fabricated walls] become more prevalent in the market," Dean explained. "It can be very difficult to convince a stick framer that components are the future of framing. But the reason we believe in patience is because every stick framer we have educated about wall panels has converted eventually." In short, educating the marketplace about their product is Dean and Robbie's number one priority, as well as the key to survival. "In order to grow, we have to educate the marketplace. We have to be able to excite our customers about our product."

LIFE AFTER STICK FRAMING

Robbie is especially grateful for R-Squared's new wall panel business. "Now coming to work is easy. There are fewer people on the jobsite to coordinate, the work is less physical, and the result is much quicker," he said.

In addition to his own satisfaction, Robbie has found the quality of R-Squared's work has improved tremendously. "It seems like our framing crews have adopted a better attitude and taken greater interest in the overall quality of their work since using wall panels." Part of their buy-in, he noted, is a product of the Roods' "framer-friendly" mentality. Another part of it is the product itself: "I've found this to be true of all manufactured products: once you use them, you realize how easy, safe and efficient they can be. You never want to go back," Robbie professed.

ARE ROOF & FLOOR TRUSSES IN THE FUTURE?

Although they haven't completely ruled it out, the Roods don't have any immediate plans to add roof and floor truss lines to their facility. "I hope at some point we're doing so well that we have the option to expand," Dean said, noting that the most important thing at present is steady growth and gradually adding automation as they can afford it. With mom and dad Rood—along

with five plant employees, seven in the field and two sub-contracted framing crews—working at R-Squared, Dean and Robbie are content to stay the course and take the business one day at a time. “We’re at the stage where we need to make contacts and build business. Oh, and never give up,” Dean beamed.

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