

Reduce Risk & Increase Revenue when Starting a Wall Panel Manufacturing Facility

by Jim Boyle

(Part 1 of 6)

The foundation for success is
a thorough business plan.

Are you considering entering the wall panel manufacturing business? Are you currently a truss manufacturer, lumber retailer, production framer, builder/developer or businessman who is considering adding an additional revenue stream, or capitalizing on a new business opportunity? Regardless of the background you come from, it pays to fully understand the risks involved when entering the wall panel manufacturing business.

OK, where do you start? You have already observed some of the benefits of providing wall panels within your marketplace. Obviously roof trusses have been popular for several decades; and aren't wall panels just another component product like roof trusses? It should be simple enough to create and fill this new demand, right?

Wrong! Most people who have experience with both will tell you that wall panels are typically more difficult to manufacture and market than roof trusses. Because of this, it is critical that you follow proven strategies and operational methods of manufacturing, personnel training, marketing and sales generation in order to maximize your long-term business success.

First, let's assume that you have already completed a feasibility study and/or business plan. If you haven't done so, this is your first step. If you have completed a business plan, have an industry professional critique it and make recommendations...prior to submitting it to your source of capital (if you are not self-funding the venture).

I can't emphasize enough how important a professionally researched/written business plan is to the beginning and long-term success of a wall panel plant. It's the blueprint for the successful building of your business! Caution, don't rely on a generic business plan writing service to create your business plan. It has the strong potential to be a waste of money.

OK, now let's assume you have your professional business plan completed and submitted; and you have just received funding approval to start your new plant! Now what?

Every decision you make from this point forward should be structured to reduce risk and increase revenue. It's very easy to pour wheelbarrows full of money into a new wall panel manufacturing operation, and then watch helplessly as the business slowly goes south in one to three years.

Fortunately, you should now have a great business plan that has been thoroughly researched; and has identified all the major pitfalls. It has now become a step-by-step guideline of the processes and procedures necessary to become a successful wall panel manufacturer and marketer.

Keep in mind, however, that your business plan is also a fluid document and will likely go through some modifications as the panel plant grows. This is normal; the business plan will continue to evolve and mature as economic, sales, and labor conditions within your market fluctuate or change.

There are many areas of consideration when starting a new wall panel plant. In parts 2-6 of this series I will analyze just five areas of operation; when carefully thought through, this should help to reduce business risk and increase business revenue.

Within this series, we will look at the following areas of operation; and discuss why they are important to a wall panel plant's success:

- Production line layout/design
- Personnel hiring and training
- Quality control; quality assurance
- Estimating and pricing wall panels
- Marketing and sales of wall panels

Hopefully these articles will be thought provoking for those of you considering the start-up of a wall panel manufacturing facility; and also for those of you which are currently involved in the operation of an existing wall panel plant.

See you next month when I will discuss production line layout/design! **SBC**

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