STRUCTURAL BUILDING COMPONENTS MAGAZINE December 2001

President's Message



Supplier/Vendor Relationships by Michael Ruede, 2002 WTCA President

Over the years all of us have developed relationships, some good and some bad, with the companies that supply products to our industry. Those of us who have been around a while know that these relationships are like everything else in business, they take work—just like our relationships

with our customers.

On many levels the supplier relationship is a lot like a marriage, there is give and take on both sides and a whole lot of work from both parties to keep it growing. In addition, the two most important ingredients to both types of relationships are support and trust. If just one of these is missing, the relationship is doomed to fail. In that event, to save the relationship both parties will have to work three to four times harder than they did before. And, there will be those lingering thoughts and doubts for a considerable time afterwards. On the surface the relationship may seem as it once was, but deep down you'll know it's not.

For our part as component manufacturers, we need to increase our support of those who supply us. We have to give our suppliers feedback on their products as well as our thoughts and ideas for future products. Work with these suppliers so that they understand our needs, just like we would want our customers to work with us. We also need to thank and support the supplier companies that support the component industry. Please seek these suppliers out, thank them, and if possible, give them your business in 2002.

Suppliers are equally responsible for growing the supplier/manufacturer relationship. Last December in Kirk Grundahl's <u>"Executive Director's Message"</u> he wrote, "It is the intention of the WTCA Board of Directors to provide an open door for a close working relationship with each of our key supplier industries—lumber and metal connector plates, connectors, I-joists, LVL, etc." Plainly, it makes good business sense that our suppliers would want to listen closely to WTCA's needs and figure out creative ways to meet them. Kirk did not write this for any other reason than to reinforce the truth that WTCA members are the customers of these and many other suppliers to our industry and developing a close working relationship will benefit everyone involved.

In his Keynote Address at BCMC 2001, Tommy Thompson, a home builder from Kentucky and past president of the National Association of Home Builders (NAHB) provided our industry (his suppliers) with his take on what needs to happen to enhance an already successful supplier/ customer relationship. His first point hinged on the need for collaboration and a common purpose. He noted the positive relationship that WTCA has with NAHB as being key in the success

of fostering this united spirit of cooperation.

Secondly, with regard to how best to reach him as a customer, he stated: "A builder's purchase decision is based on these business attributes: lowest in-place cost possible, cost stability, cycle time reductions, labor efficiency improvements, labor replacement and, finally, durability and quality....I don't want to buy a product that could present me with call-back opportunities. I want a quality product. So, I think that companies that figure out how to deliver one or more of these attributes in that formula are going...to be the ones that enhance their market share and improve their profitability. I think that's what makes the difference."

Thompson's words resonate with what the structural building components industry is looking for from its suppliers as well—strong relationships built on a common purpose and quality products that solve problems and improve our final products.

Building long lasting relationships with our suppliers will help the realization that benefits are gained by supporting and listening to us and WTCA, in exactly the same way that WTCA members need to support and listen to our own customers and their associations. Trust will then be built by our actions and a mutually beneficial relationship will be established for years to come.

Have a safe and happy holiday season and a prosperous new year!

To order an audio tape of the 2001 BCMC Seminars, including Tommy Thompson's Keynote Address, visit the Show Recap section on the <u>BCMC web site</u>.

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