

STRUCTURAL BUILDING COMPONENTS MAGAZINE

August 2003

Building a Fence of Risk Management Around Our Company by Steve Yoder, Stark Truss Company

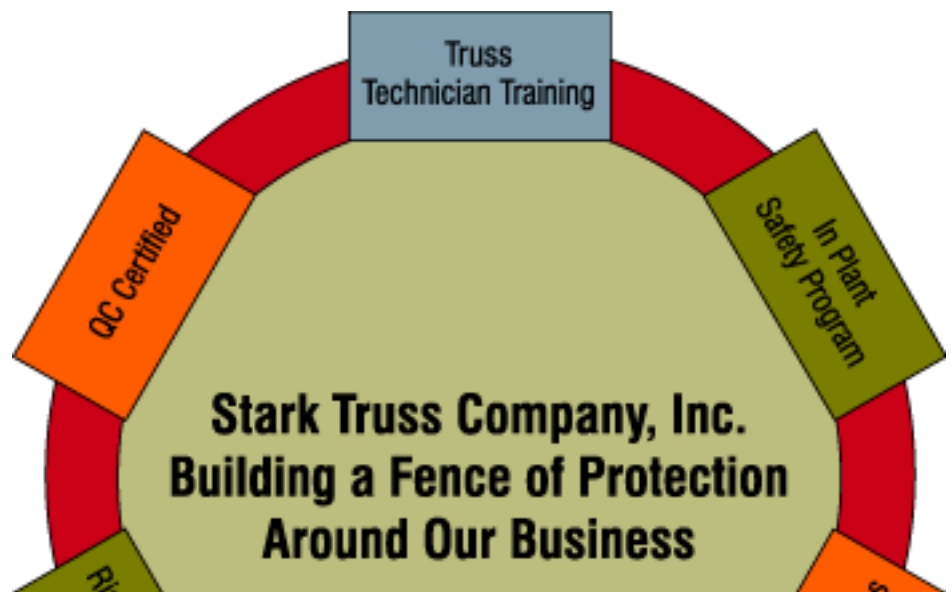
"...we must not forget that each of us represents a small but vital piece of a very unique industry. We are all competitors in a sense, but we also have an obligation to serve and grow the industry standing side by side in solidarity."

If you wake up every morning and enter the structural building components industry's workforce, you have noticed that our industry is one that the insurance sector does not look kindly upon. Surely you have a friend or colleague in the industry who has wrestled with rising liability insurance premiums or who has been flat out rejected by a broker based on a history of claims.

True to form, Stark Truss was hit by the same unforgiving insurance epidemic just recently. There were many insurance companies who would not even look at providing Stark with coverage, based largely on our existence in a segment of the construction industry that holds such a poor reputation throughout the insurance industry. In the face of this adversity, Vice President of Operations Don Groom and I felt compelled to create a presentation for a panel of underwriters that would provide a detailed outline of the measures Stark has taken to minimize our exposure to risk.

There are two ways to manage your risk. The first is to be proactive and avoid problems, or you can be reactive and chase after the problems. The commitment to effective risk management is not new to Stark Truss, as we have always placed emphasis on quality and training. Our management team is constantly discussing what we can do to minimize risk; when we see an opportunity to protect our business, we seize it. We are responsible to the 1,000 employees company-wide and 18 manufacturing locations. We simply cannot afford to take this subject lightly.

THE ELEMENTS





Just as you wouldn't start your day without a strong cup of coffee or hit the golf course without your best driver (Ping TSI with a Grafalloy shaft); why would you conduct your day-to-day operations without the most important elements to keep your company and employees protected? These elements, included in the graphic we created as a visual aid for the presentation (see graphic on right) were the key marketing concepts that we wanted to impress upon the insurance underwriters.

TRUSS TECHNICIAN TRAINING

Our work on the development of Truss Technician Training with WTCA in 1996 reinforced our steadfast commitment to getting our technicians trained. With the TTT programs becoming increasingly user-friendly, we've mandated that each Stark technician be at the very least WTCA TTT Level I certified. Now that the program has been converted to an online training platform, it is easier than ever for someone with no experience in this field to sit in the driver's seat for the first time and reap the benefits of the program without having to forfeit five work days at a location outside the office. The value our technicians derive from the program is evident when their designs finally meet the jobsite in the form of our finished product. We are confident that they have been adequately trained on the fundamental concepts of truss design.

QUALITY CONTROL

Starting in 1963, my father Abner Yoder has built Stark Truss on quality. For many years, we had internal in-plant quality control programs for each truss plant. As we began to grow, it became apparent that quality control was slipping away from us and becoming harder to maintain. It was too easy to put it off or ignore during the busy season. The option we used to correct the problem was to take advantage of WTCA's Quality Control program. After having participated in their QC program since 2000, we feel it is a great way to guarantee that the quality of our product is not slipping away. It forces our management to look at all production shifts and it isolates problem areas that make us—and our product—better as we go along, no matter how much growth occurs.

JOBSITE PACKAGE

Our insurance underwriters were equally impressed with the measures we take outside the

plant. Although we had our own jobsite package before, we have adopted many of the WTCA documents. WTCA's legal counsel has taken the time to review each document in the package. The WTCA knows the industry inside and out, and recommends that component manufacturers distribute these with every job. Our experience has been to either pay now with proactive programs or we will pay later with claims and higher insurance rates.

THE JURY DELIBERATES

All these fruits of our labor paid off in a big way, as we were able to achieve two competitive bids with a double-digit decrease in our insurance coverage, to the tune of thirty percent. The ability to present our company with all the proactive steps against losses was key to our success.

As Mike Ruede stated in the BCMC 2002 Pocket Guide letter, "...we must not forget that each of us represents a small but vital piece of a very unique industry. We are all competitors in a sense, but we also have an obligation to serve and grow the industry standing side by side in solidarity." This idea is exactly the team effort we must embrace in order for the insurance industry to take the structural building components industry seriously.

Steve Yoder grew up in the component manufacturing industry and got his start at his father's business, Stark Truss Company. Yoder earned a BA in accounting from Stark Technical College in Canton, OH. He currently serves as President of Stark Truss Company, a position he has held since 1998.

[SBC HOME PAGE](#)

Copyright © 2003 by Truss Publications, Inc. All rights reserved. For permission to reprint materials from SBC Magazine, call 608/310-6706 or email editor@sbcmag.info.

The mission of Structural Building Components Magazine (SBC) is to increase the knowledge of and to promote the common interests of those engaged in manufacturing and distributing of structural building components to ensure growth and continuity, and to be the information conduit by staying abreast of leading-edge issues. SBC will take a leadership role on behalf of the component industry in disseminating technical and marketplace information, and will maintain advisory committees consisting of the most knowledgeable professionals in the industry. The opinions expressed in SBC are those of the authors and those quoted solely, and are not necessarily the opinions of any of the affiliated associations (SBCC, WTCA, SCDA & STCA).