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In a market where differentiation is crucial for survival, Idaho Truss & Component Company has embraced whole house design. **P**oise, Idaho: October 2004. There are a few things you should know before setting foot in this state. 1) Boise is pronounced "boy-see." You will be corrected if you dare mispronounce it. 2) Don't ask the locals to point you in the direction of a good potato. Try a different tuber; there are no potatoes in Idaho.

Got space issues at your truss plant? Longing to get paid fairly for all—not just some—of the work you do? Is your tight market getting even tighter? Pull up a chair and let the Idaho Truss & Component Company (IT&C) staff tell you a little story about their experience with these issues amidst the growth in the Treasure Valley housing market.

Kendall Hoyd, current WTCA President and President of IT&C in Meridian, a small but growing town ten miles west of Boise (see above for pronunciation), is deliberate and direct. Since 1997, being cautious but not risk averse is most likely how he and partner Mike Hill have built a solid foundation upon which IT&C has flourished in light of the typical challenges of running a component manufacturing operation.

IT&C has a large and growing presence in the Treasure Valley residential and commercial building market. But then again, so do about a dozen other component manufacturers, making the local market very competitive. However, that wasn't always the case. In just the last ten years, the number of truss companies in the Treasure Valley market has doubled, according to Kendall. New housing developments in suburban Boise have virtually sprouted in communities like Meridian, Eagle, Nampa, Caldwell, Cascade and McCall.

It's little wonder residential construction in and around Treasure Valley has heated up in the past decade. The terrain, with the mountains of the Boise Front rising through the clouds, is at the very least picturesque. What used to attract tourists to spend their vacations now calls them to build permanent residences. As a result, the Treasure Valley residential building market has trended to primarily custom homes.

Turf War

There's a bloody turf (literally speaking) war going on at IT&C, and battles rage daily between internal factions fighting for a few more square yards of real estate. As IT&C has continued to grow, coming up with extra space for more bodies, raw materials and finished goods storage continues to be an issue. Sitting on just over four acres, IT&C cranks out more than \$13 million a year spread between EWP sales and distribution, a lumber yard, roof and floor truss production, wall panel production, and the occasional light gauge steel truss job. Needless to say, they've had no choice but to get creative with those four acres.

With the prospect of relocating at least a few years off, contending with the current lack of space involves strategic planning on a daily basis, Mike said. In fact, nearly every decision made with respect to the production operation has been Continued on page 58

at a glance

- Four acres and a cloud of dust is an apt description of Idaho Truss.
- Some component manufacturers choose to embrace and not resist the whole building design concept.
- One major key to success with respect to whole building design is being compensated for building design and engineering work.



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Surviving Idaho

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made with the shortage of ground and storage space in mind. "One of the things that we've had to do is significantly reduce lumber grade and species. It's just one of many solutions we've implemented to reduce our need for storage space," Mike noted.

La Pièce de Resistance: Whole House Design

If you get to know Kendall, you'll find that one of his pet peeves is when IT&C salesmen or designers go to work on bad plans without pricing components accordingly. "It is an Idaho Truss tradition to accommodate bad plans by fixing them. Ultimately, we are feeding the problem, not fixing it," Kendall stated. You'll hear him say it over and over: "We ought to be getting paid for that work." It's a value-added proposition that makes sense for component manufacturers to consider, especially in a market where differentiation is crucial to survival.

Hence the need for an in-house engineering firm such as Performance Engineers, and a plan service such as Reality Design. The concept is simple: Performance Engineers and Reality Design feed the system good information from the beginning of the construction process, saving the builder time and money in the end as well as helping the truss and wall design and manufacturing team more easily do what they do best. If this concept seems a lot like whole house design, you've hit the bull's eye.

IT&C manager Dave Moorhouse is on a mission to educate the builder about these issues and develop a lasting relationship with that builder. "I want to work with builders who understand the Idaho Truss value proposition," he noted. Repeat after me: *There's no reason we shouldn't expect to be compensated for our building design and engineering work.*

Part of IT&C's growth was the addition of a wall panel division in 2002. Wall panel design and manufacturing may be an entirely different animal than roof and

floor trusses, but the theme of inadequate plans remains the same. Wall panel designer Curtis Elordi said, "It is unbelievable how much better our plans are than those that we receive from some other sources. (If you've ever designed components from a plan purchased off of the Internet, you know what this means.) "Part of the problem involves price," he said. "Some building designers create the minimum design in the plan to get the building permit and rely on the wall and truss designers to do the rest, which cuts to the core of why Idaho Truss got into that side of the business in the first place."

All together now: *We ought to be getting paid for this extra work*. Because Building Officials are tightening up their plan review process in many cases, IT&C customers are aptly prepared for it because of their design services.

Surviving in a Tight Market: Keys to Success

As with many markets across the country, the Boise or Treasure Valley market is quite competitive. The IT&C staff's stepped-up employee training has, in Kendall's humble opinion, contributed to IT&C's increased credibility in the marketplace, which helps in a highly competitive market. And taking advantage of various training programs developed



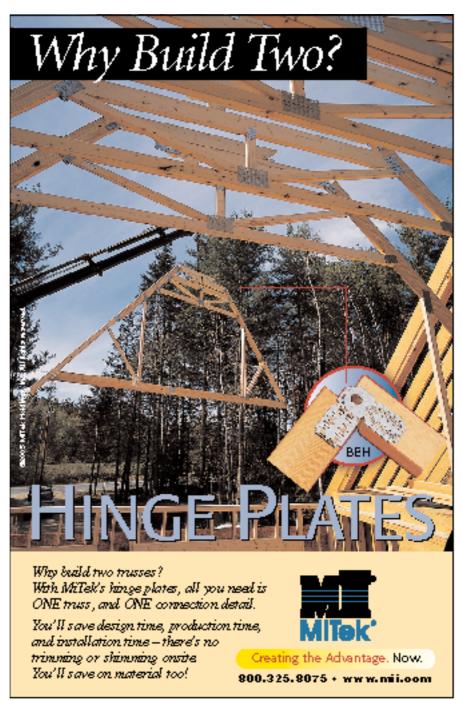
specifically for component manufacturers by WTCA has played a major role. "Becoming certified in the In-Plant WTCA OC program (February 2001) has proven to elevate overall product quality," Kendall said, "and it has also worked to enhance the culture of quality in the plant by heightening the staff's attention to product details at all times. Since management prefers promoting from within the company when they can, they developed an internal recruitment program in which production staff who have taken and passed the Technical Assessment Test Online (TATO), and WTCA's Truss Technician Training (TTT) Level I Online (and met other criteria) are given the opportunity to join the design staff when there is an opening. In addition to providing an incentive to employees to sharpen their skills and move up in the company, TTT certification has helped Idaho Truss weather an increasingly competitive market.

"Our Own Little Idaho"

At the end of the day, these issues and many, many others come with the territory of running a business in this industry. It's how you deal with them that defines the customers' satisfaction with the product and your service, your reputation in the market, and the ultimate success or failure of the company.

The Bodeans wrote a sweet little rock song called "Idaho," whose lyrics remind us that there's a piece of Idaho Truss in each of our operations, no matter who we are, how long we've been at it, or where we're situated in this world:

There's another busted dream, Staring at me right in the face, Good lord knows why we don't give in, Try to leave, maybe run from this place



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