

What do all these tables have in common?



Editor's Message

Tales of Living in the Stick Frame Zone of America

by Steven Spradlin

What to unlearn and learn
to succeed in the wall
panel business

I live in an area of the country that is mostly stick framed. We always seem to run into issues with framers. They want the same amount of money to stick frame a roof as they want to set trusses. We felt like the only way to make any headway into our market was to offer the labor on the jobs and become the framer. The best method to solve our issues was to offer the complete frame package including labor. Of course, being in the manufacturing business led us to the conclusion that we should build wall panels.

This type of business model is not for everyone though. The market for wall panels can be large, but it is hard to convert. It is a completely different business that requires component manufacturers to unlearn some things and to learn a large amount of new things. Since we've been through the "unlearning" process already, I thought I'd offer tips for those of you who are thinking about doing wall panels.

1. Go, See, Talk

The first thing I did was research. I even traveled to several panel plants outside of my market to see what they were doing and what they had to say. I strongly recommend this because it can give you some affordable common sense advice. It can also save you from wasting time on mistakes early on...lessons that can be very costly when you're starting up. In your quest, you may learn things you don't want to do. I learned it would be best for us to start a small, simple operation instead of aspiring immediately to a huge operation with all the bells and whistles.

2. Lock Up Your Checkbook

One of my favorite pieces of advice is this: When a component manufacturer gets into the panel business he needs to lock his checkbook up. In my area, stick framing prices run from \$1.35 to \$2.25/sq ft on a simple house. It is hard to sell panels when site labor is this cheap. Plant labor for panels runs \$0.25 to \$0.35 per sq ft (rough guess). You cannot afford to tack on the dreaded overhead to this cost of labor. If you invest in equipment and buildings you have to save the money on the labor to pay for it. We can only sell panels for 25 cents per sq ft on a good day. Hence my suggestion to put the checkbook on lockdown. But here's the way I look at it. We can build panels for little or no margin and convert stick framed roofs to trusses. Most of us know how to make money on trusses. If you get people buying the complete package, there are opportunities for profit.

3. Keeping Plant Operations Simple

Today's advances in wall panel equipment are huge! The saws cut and lay out plates while optimizing waste at a very high production rate. Panel lines are built to accommodate these higher production rates. They are something to behold. But when we started, we built panels on top of wood tables with hand held nail guns until we couldn't make enough to keep up with demand. Then we built another wood table to double our production. For saw equipment we started with a \$700 compound miter pull saw. We replace it about once a year. Our set-up isn't fancy, but it works for us!

4. To Sheath or Not to Sheath?

Sheathing wall panels? In my area it is worth \$.10 per sq ft if you can get it out of the framer. This amounts to around \$.80/linear foot on an 8' tall wall. Sheathing

Continued on page 8

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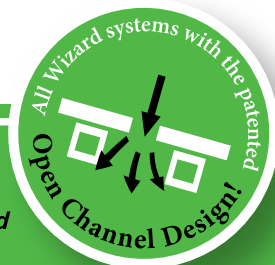
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at a glance

- ☐ The wall panel business is completely different than trusses and has a learning curve.
- ☐ Before you start a panel operation, talk to panel manufacturers for specific tips.
- ☐ Make sure you compare the cost of labor for stick framed walls in your market to your own labor and overhead costs.



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Editor's Message

Continued from page 7

walls in your plant cuts production capacity in half or doubles your labor costs, however you choose to look at it. If the framer can do it for less than we can (labor, overhead, profit), then I say by all means knock yourself out! You may have already guessed that we don't sheath walls in our plant. The panels are lighter and easier to handle, and just in case things aren't perfect they are easier to modify on site if they aren't sheathed.

But every market is different so keep your options open. Unsheathed walls can cause some shipping issues with roller trailers with its uneven surface or a supporting surface at 3' on center. It also takes longer to plumb and line a building if the panels are not sheathed.

Good luck if you are attempting to get a wall panel business off the ground. Even after six years building walls, framers around here still want the same amount of money to frame a job with or without panels. Ah, the joys of living in the stick frame zone of America. **SBC**

SBC Magazine encourages the participation of its readers in developing content for future issues. Do you have an article idea for a future issue or a topic that you would like to see covered? Email your thoughts and ideas to editor@sbcmag.info.



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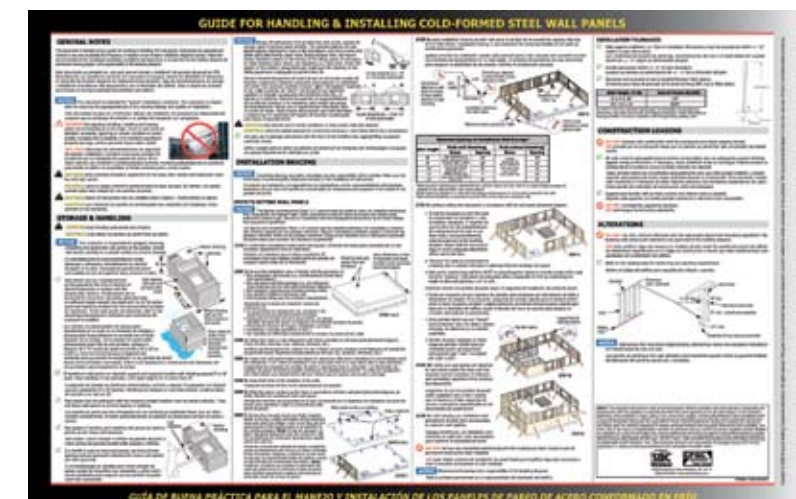
New Wall Panel Products from SBCA

Two new products from SBCA's Cold-Formed Steel Council (CFSC) feature wall panel safety tips for installation. Both products can be ordered at www.sbcindustry.com/pubs.



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Wall Panel and Hoisting Strap Inspection and Use Requirements applies to wood and cold-formed steel wall hoisting practices. The document encourages the use of straps when lifting panels by crane.




Guide for Handling & Installing Cold-Formed Steel Wall Panels depicts guidelines for safe installation of steel panels. It contains step-by-step storage, handling, installation, loading and altering procedures. Its colorful pictures and graphics show how to handle the panels safely. Translated in English and Spanish, it comes in an 11x17 folded or flat sheet with a blank back side. **SBC**

clarification on SBCRI graphic:


Several readers have asked about a graphic on page 21 of the November issue. The article introduced a new device, called "WB," that accurately measures web member forces in SBCRI. The last page of the article shows sample data from a test using WB, including a picture of one truss tested and the resulting reactions. The graphic and reactions represent just one truss in a system of five. While the data and reactions listed are correct, we acknowledge that taken out of context, they appear to be inaccurate. We will provide further clarification about the graphic in a follow-up article at a later date.

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