STRUCTURAL BUILDING COMPONENTS MAGAZINE
(FORMERLY WOODWORDS)
April/May 1998

President's Message

By David Gould

Was 1997 a Better Year for Our Industry: It seems to me that there appear to be fewer people in our industry moaning or griping about business conditions at the present time. I know for a fact that this was not the case just one-year ago and I find this curious.

What has changed? I presume that this must mean that either folks have become accustomed and accepting of whatever the irritations were, that these irritations have gone away and not been replaced with others, or that creative solutions have been developed to work around them. In all likelihood, I would suspect that it's more than likely been some combination of each.

To try to get a better handle on this I thought that I would take a shot at raising a few questions about some factors that are different and some which appear to have remained pretty much the same during this 12-month period. No doubt, there are many others that could be suggested, as many issues have impacted our industry. However, here are a few and I would be very interested in your conclusions. I have drawn my own.

Our association may have had a greater positive impact than we had thought. It's possible that our unified industry voice has made a very significant difference! I have concluded that it has and that this is one important reason why 1997 was a more successful year than 1996. Based on that conclusion, I wonder what might our association be able to do to help make 1998 and 1999 even better for us?

Let's review housing starts for the last four years and the forecast for 1998:

1994 -- 1,457,000
1995 -- 1,354,000
1996 -- 1,476,000
1997 -- 1,538,000
1998 -- 1,534,000

I am surely no analyst, but, are these statistically different and do they clearly point to the kind of housing growth that would or could account for increased profitability in our industry? Most forecasts for the next couple of years look much the same, so I am not banking on much help here.

Has the market penetration of our engineered products increased so that more of our components are being used in those starts? Personally I like this premise, but I'm a bit lost as to why and how this could have happened. Are our products more cost competitive? Have the skills of the labor force changed? Have contractors been better educated about the use of engineered products at our technical colleges and universities? Has our association done a better job creating market awareness of our product's features and benefits? What's driving this and is there anything that we can do to accelerate it?

Is the equipment so much more efficient that costs have been reduced and competitiveness significantly improved? If so, then we owe a great deal of thanks to the suppliers of our small industry for their research and investment on our behalf, and also for their continued support of our annual BCMC machinery show, and commitment to WTCA.

Did the lack of lumber volatility in 1997 help to maintain margins and are we now able to secure longer-term contracts with less downside risk? Did WTCA bring this issue to the forefront? Did WTCA help to create both more awareness of it with our lumber suppliers as well as to open continuing dialogue with them in hopes of creating future opportunities for expanded use of wood in engineered building systems?

Have industry publications and seminars provided learning opportunities for our customers, for our associates and for each of us? Has it made us better at what we do?

I would like to believe that many in our industry did have a better year in 1997 and I do believe that to a great extent, WTCA contributed to this. This 670+ member organization has become a strong voice for our engineered wood products industry. I hope that you'll agree that our association is indeed making a difference and with your continued support will continue to do so. If you are not already a member, I strongly encourage you to get involved and let WTCA know what it can do to even more positively impact our marketplace!