

# STRUCTURAL BUILDING COMPONENTS MAGAZINE

(FORMERLY  
WOODWORDS)

August/  
September  
1998

## President's Message



*By David Gould*

**STRATEGIC PARTNERSHIPS:** Partnerships, strategic alliances, mergers, acquisitions, consolidations and roll-ups - goodness, it seems as if the face and structure of business is going through some pretty significant change. We scratch our heads and question whether this is just a sign of the times, a typical cycle or a fundamental shift in the way we must now run our companies. I certainly don't have the answer, but believe that partnerships and strategic alliances are here to stay and that these relationships will both dictate how we will operate in the future, as well as who will be around to meet future challenges.

I recently had the opportunity to meet with a group of lumber producers at one of its regional conferences and discussed the concept of partnerships with a few of them who happen to be suppliers of ours. We focused our conversation on win-win ways that we might be able to do business together that would improve each other's margins and lower the total delivered cost of our products. We spoke about developing different "truss and market-specific" lumber grades, product quality, inventory reduction via better forecasting, management and JIT deliveries, and communications technology for improved access to pricing and price trends.

We also talked about current and anticipated changes in our industry, including new products, and broader issues such as distribution channel shifts. We really tried to get "out-of-the-box" and consider different ways that each of us could approach our businesses to develop mutual benefit.

Blackwell, in his recent book, *Power of Partnerships* wrote the following: " True partnerships require trust, open communications, fairness, consideration of the self interest of both partners, and a balance in the risk/reward equation. The only way to do this is to find an approach where everyone wins."

Our WTCA trade association embraces this philosophy and looks forward to working together with others in our industry to move forward and craft more of these win-win solutions to the challenges facing us in our building component businesses. We are certain to be on a different page with a different agenda from time to time, but common threads will no doubt always bind us together, and our differences will keep us on our toes and provide each a very valuable perspective to improve the way we do things.

Thanks again to: Mike Casey, of Weldwood and representing the MSR Lumber Producers Council; Al Hopkins and Jim Kaake of Georgia-Pacific Corp.; Mike George of Weyerhaeuser; Jim Watson of Inter-national Paper; Robert Booker of Temple Inland; Roy Crow of Frank Lumber; Serge Boulay of Donohue; Cathy Clay of Howard Lumber and Cathy Marx of Southern Forest Products Association, for taking the time to join us at our recent board meetings, working to both leverage our association efforts and keep the lines of communication open between our groups of constituents.

We have continued to make some very measurable progress with our 1998 initiatives and I look forward to writing a report listing the status of many of them to you next month. Best wishes to all for a most enjoyable end of the summer!