

# STRUCTURAL BUILDING COMPONENTS MAGAZINE (FORMERLY WOODWORDS)

May 1999

## "Justify Introducing Innovations in Your Plant" - by Mike Gifford

Truss manufacturers face a variety of challenges in running their businesses as efficiently and profitable as possible. Here are some perspectives and problems in truss manufacturing (simple as they are) that come to my mind. I will start by focusing on problems because that's what gives me my perspective.

### COMPANY-SPECIFIC PROBLEMS

**Difficult to schedule production/make delivery commitments to customers** - We do not have a good methodology for scheduling, and even if we did, the unreliability of our work force would make it tough to count on it.

**Material handling** - I am convinced we could do this a lot better than we are doing it right now. I am speaking specifically of getting lumber to the saws and getting cut lumber 'set in' at the tables.

**Set-ups** - We are trying to find out what the 'best practices' are now. In my opinion, set-ups take too long.

**Evaluating new automation equipment** - I don't think equipment manufacturers are effective enough at explaining the economic benefits of their equipment. They simply razzle-dazzle the customer with technology or flash, without helping the customer perform a cost/benefit/ROI analysis. Sometimes I think they're selling this equipment on the basis that it's cool.

### PERSONAL PERSPECTIVES

**People are the key** - If each one of us had a 100 percent dedicated work force, I'm pretty sure we could kick butt on production, despite whatever shortcomings we might have with systems and equipment. I'm embarrassed to admit this, but our company has not yet learned the secret of motivating our work force. I am convinced that this is the single most important thing we need to do. The rest of this is easy in comparison.

**You have to keep the focus on customers** - It's very easy to get caught up in technology, newness, and improved efficiencies, but at the end of the day you need to answer the question, "What is this purchase (or change in established practice) really going to do for my customers?"

**You also have to make money-in some cases, a lot of money** - I hear a lot about the Houlihan methodology, for instance, but you'd have to make tremendous return on a \$100,000 investment

to justify implementing it. The companies that have done so, for example, must be a lot bigger than we are. I would also make the same comment about automated saws and automated wall panel equipment.

That's my quick perspective on the simple realities of truss manufacturing life. I hope this will generate some comments that can be used in future issues of *WOODWORDS* from those in agreement and those who disagree.

These types of issues are also why I am a proponent of the Business Solutions Groups detailed below. Many of the day-to-day problems we face are not very complex. It would be great to get other perspectives, or at least learn that we are not the only ones facing these issues.

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## WTCA Member Business Solutions Groups

**Attention Truss Company Owners and Managers Who Already Have the Answers to all Their Problems - This MESSAGE is NOT for YOU!**

For some time, the homebuilders have been forming small groups comprised of noncompeting companies, usually from different parts of the country.

These Groups:

- Share detailed information about their operations, up to and including their financial statements
- Discuss business problems of every kind, including marketing, design, personnel, finance, etc.
- Share their opinions and solutions with other members of the group

We would like to help WTCA members who are interested in this concept to form their own Business Solutions Groups. If you would like to be part of a group of five or six noncompeting companies who share ideas, concerns, problems, and solutions, please provide the following information to Kirk Grundahl by fax at 608/274-3329: Your name, company name, preferred address for sensitive correspondence, telephone, fax, email address and the states in which you compete.

Once we have that information, we will form groups and let you know who the other members of your group are and how to contact them.

We will also consider providing a secure portion of our web site that only your group will be able to access to better facilitate these discussions if that is desired by the group. After pulling this together it will be up to the group to decide how you get and stay in touch and what information you share.

We hope that we have companies that will take us up on this concept. It seems like a useful idea

that may help everyone who takes advantage of it to gain insight they may not otherwise easily obtain. Thanks for your consideration and we are looking forward to seeing what kind of response we get.

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