

**SBCA**<sup>TM</sup>  
INDUSTRY  
CLIMATE  
SURVEY  
REPORT



DECEMBER  
2019

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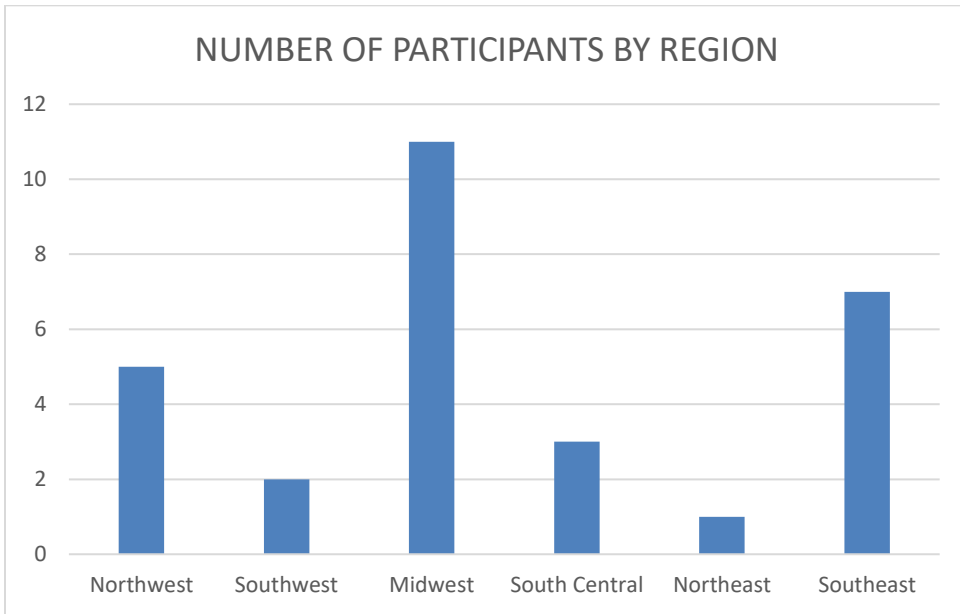
## Executive Summary

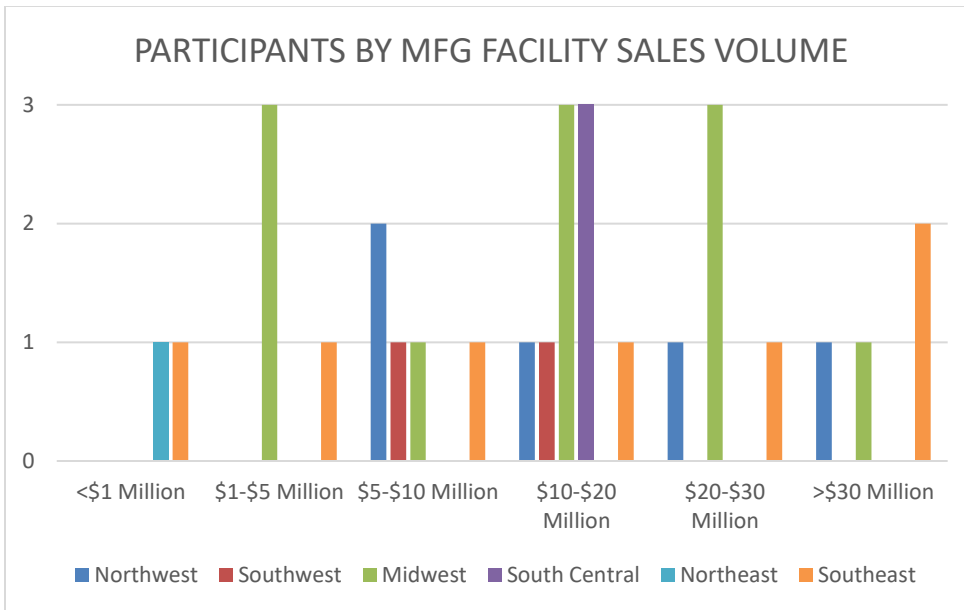
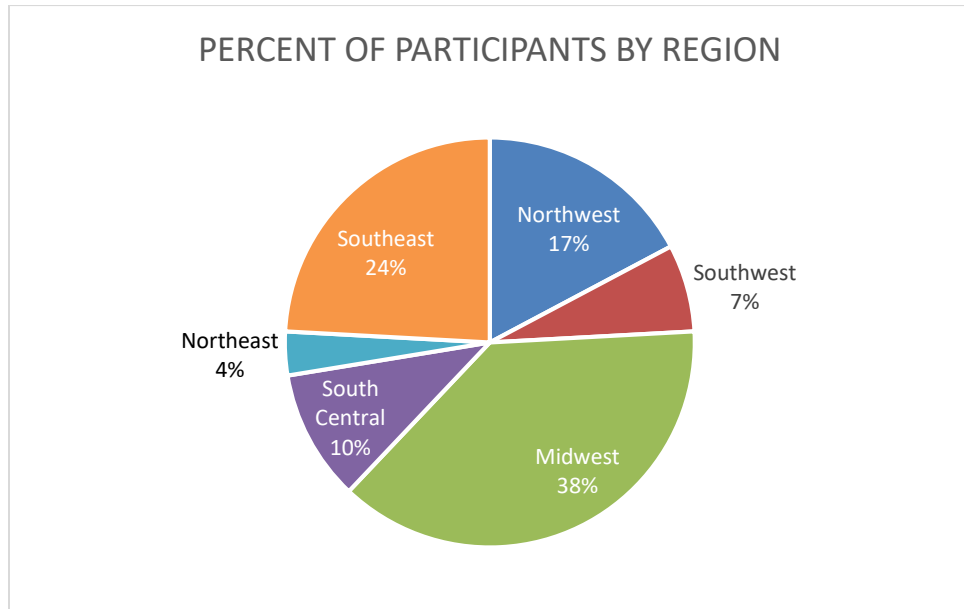
SBCA is pleased to provide an Industry Climate Survey for 2020. In November of 2019, SBCA sent out an online questionnaire to all component manufacturing member locations. In all, 29 locations provided at least partially useable responses. Responses showed that the majority of members are optimistic about the coming year. Roof trusses, wall panels and floor trusses were identified as the products or services that may help generate growth. The largest concern across the country remains the same as last year – production labor availability. In general, challenges associated with labor continue to lead participants' concerns.

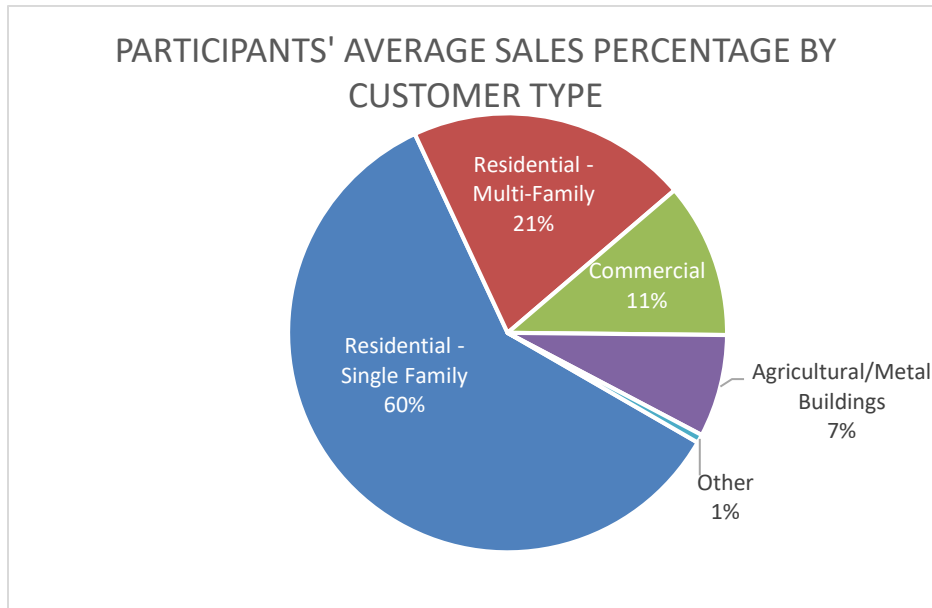
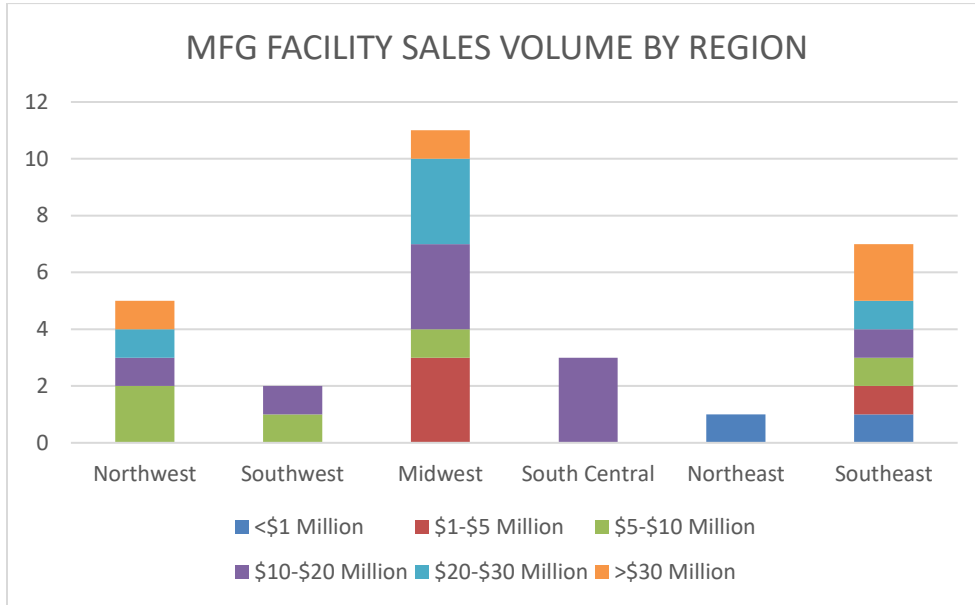
SBCA regularly conduct surveys focusing on different aspects of business operations including financial performance, wages and benefits, operations and industry trends. **Please watch for a Financial Performance Survey in January.** Survey questions are continually reviewed to provide relevant industry information through the most simplified survey possible in order to encourage as much SBCA membership participation as possible.

We look forward to continual improvement and increased participation in the years to come.

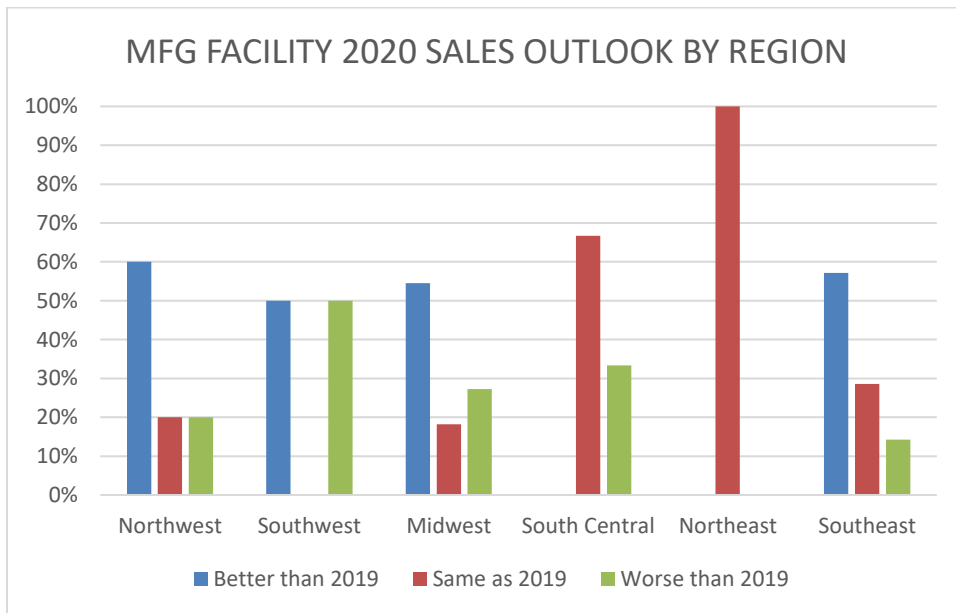
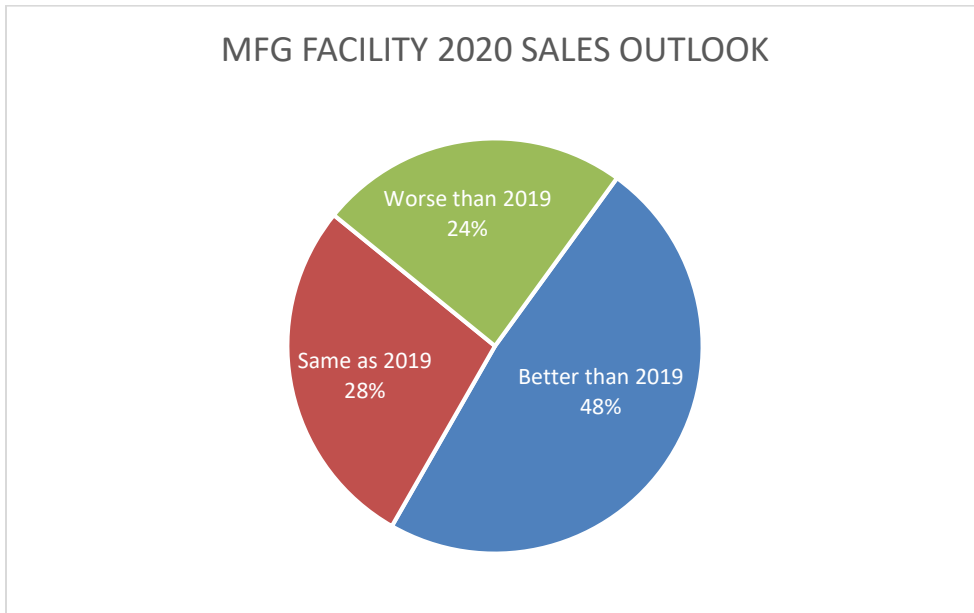
# Survey Participation

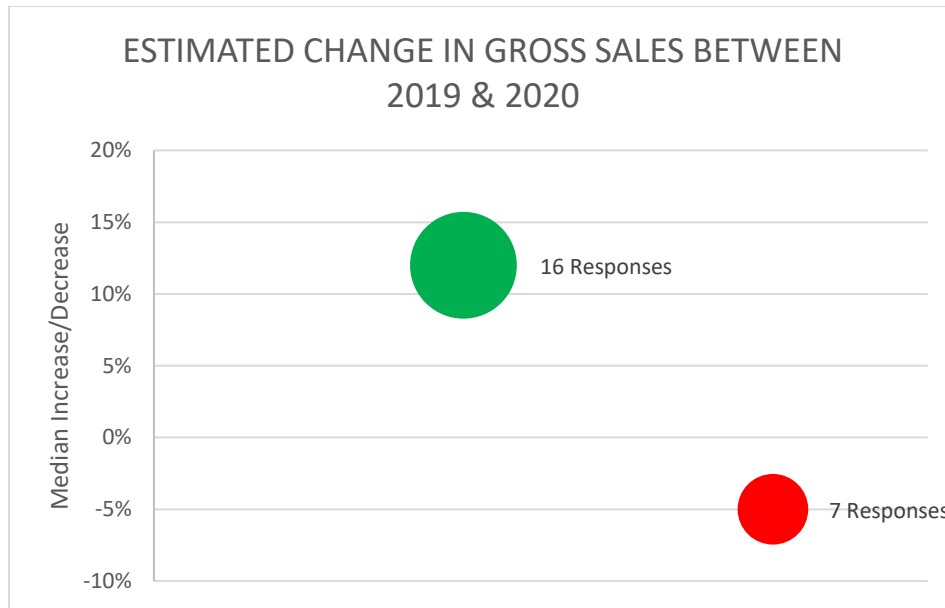
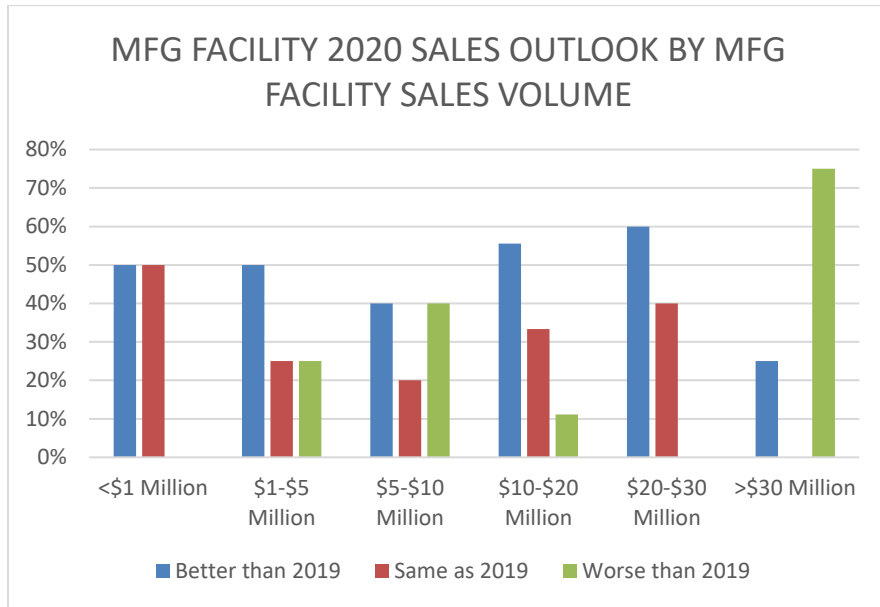




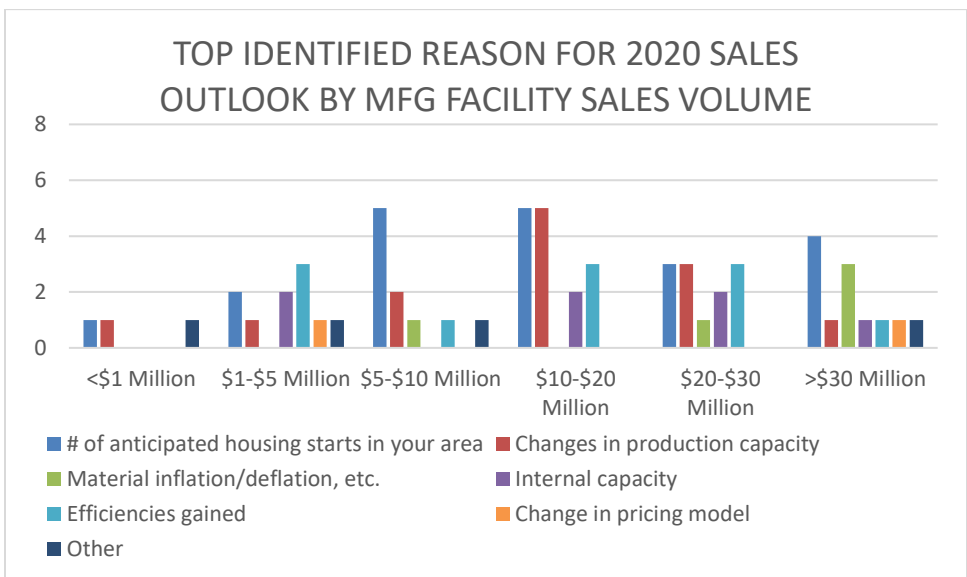
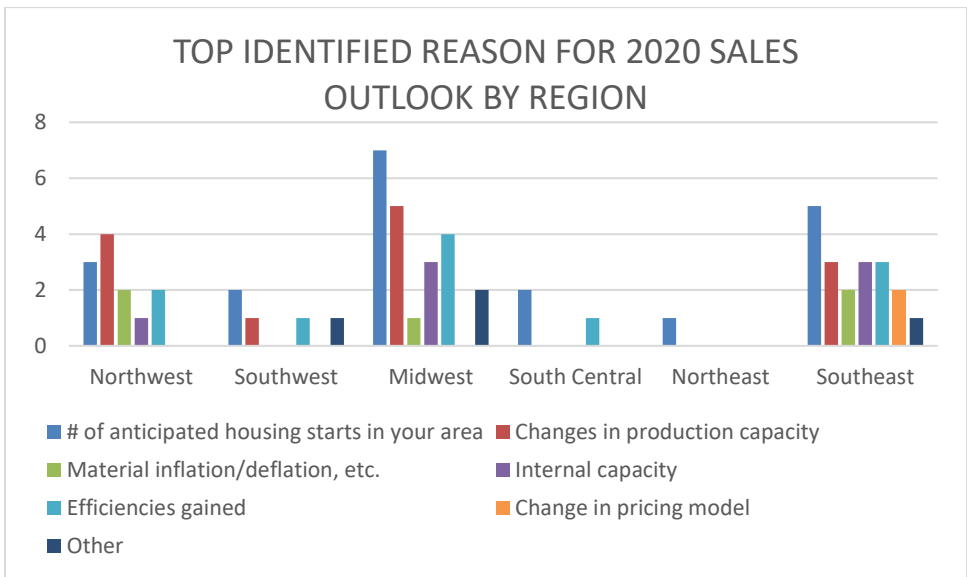
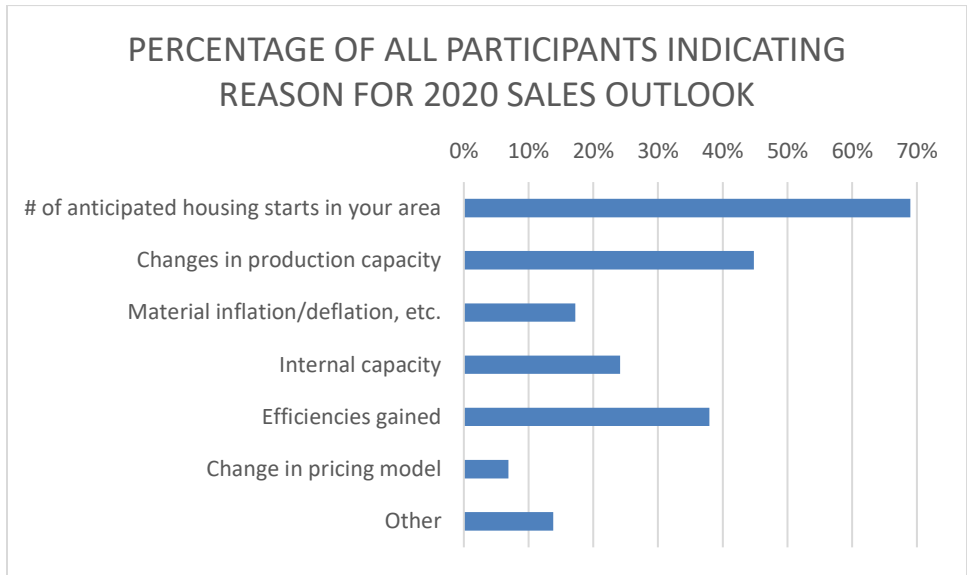


# Sales Outlook for 2020

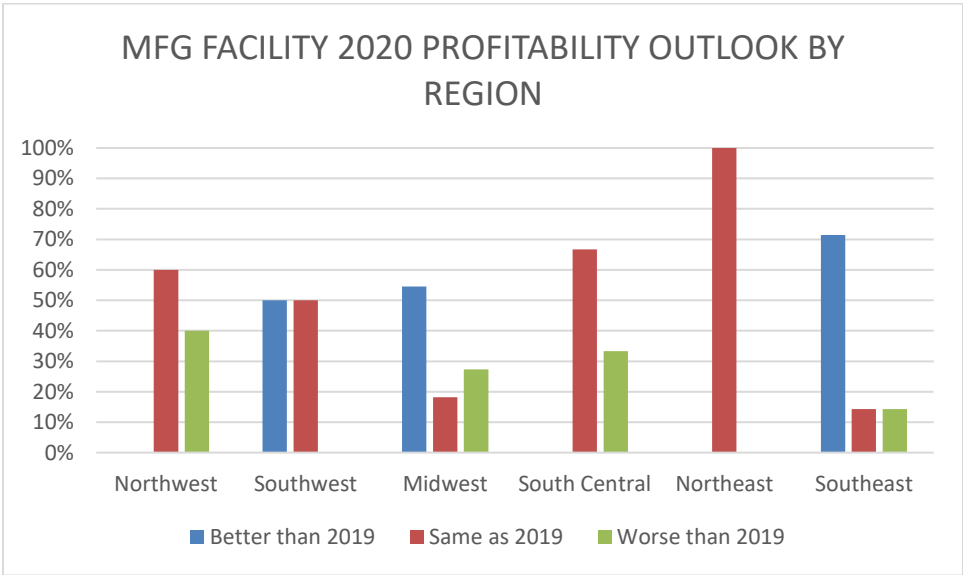
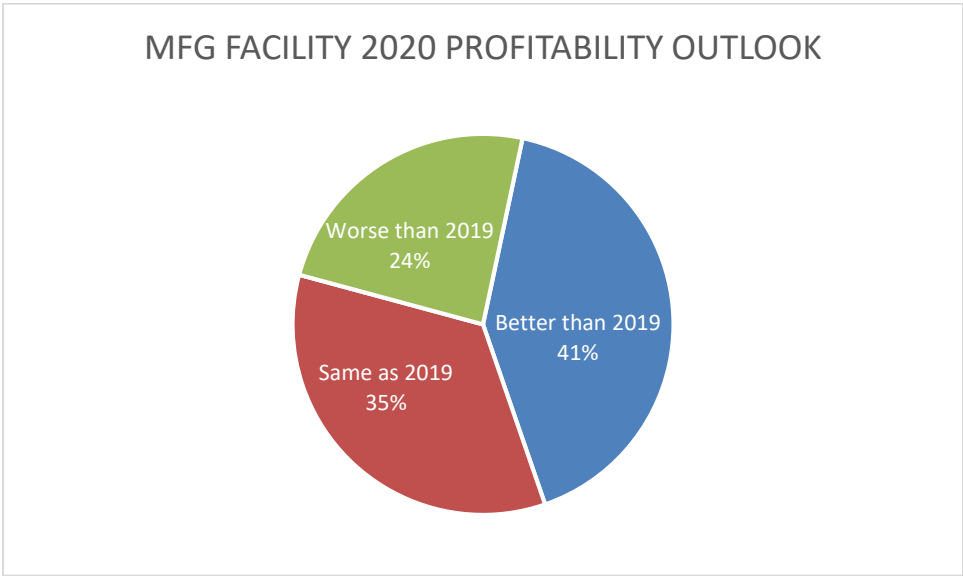


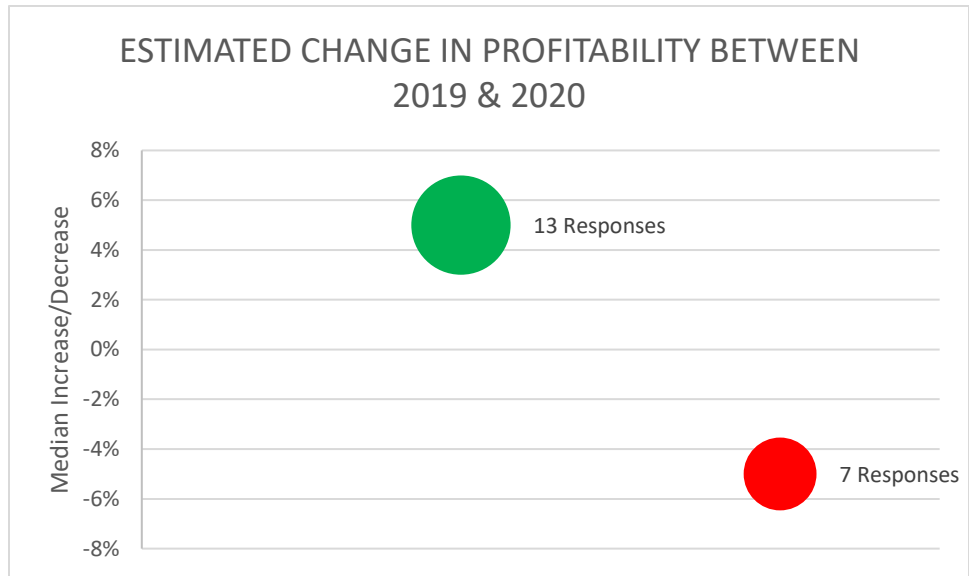
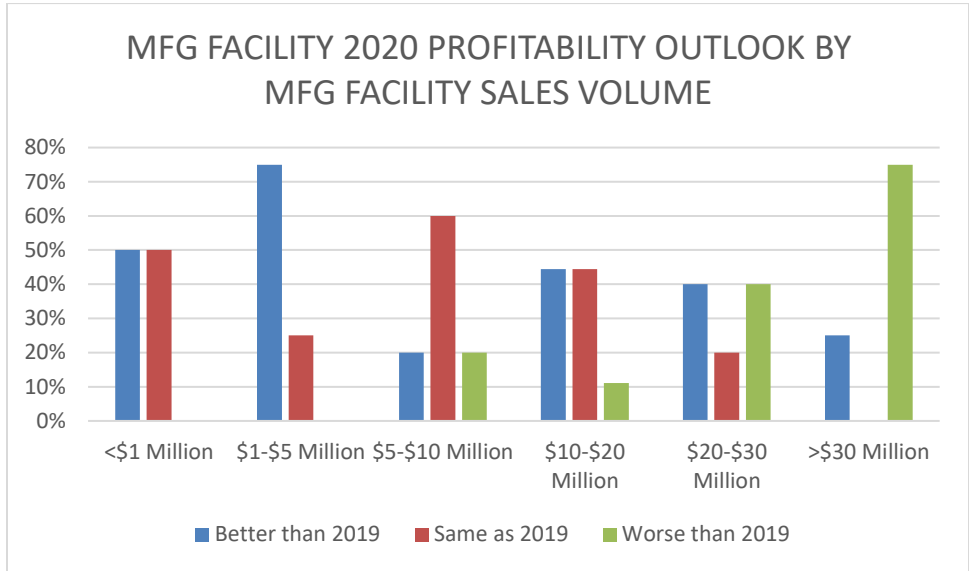


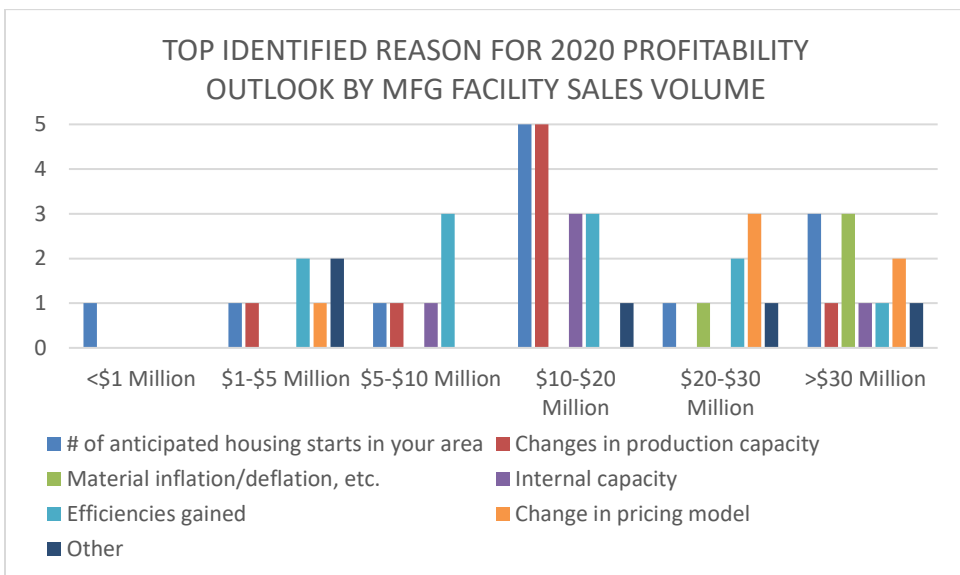
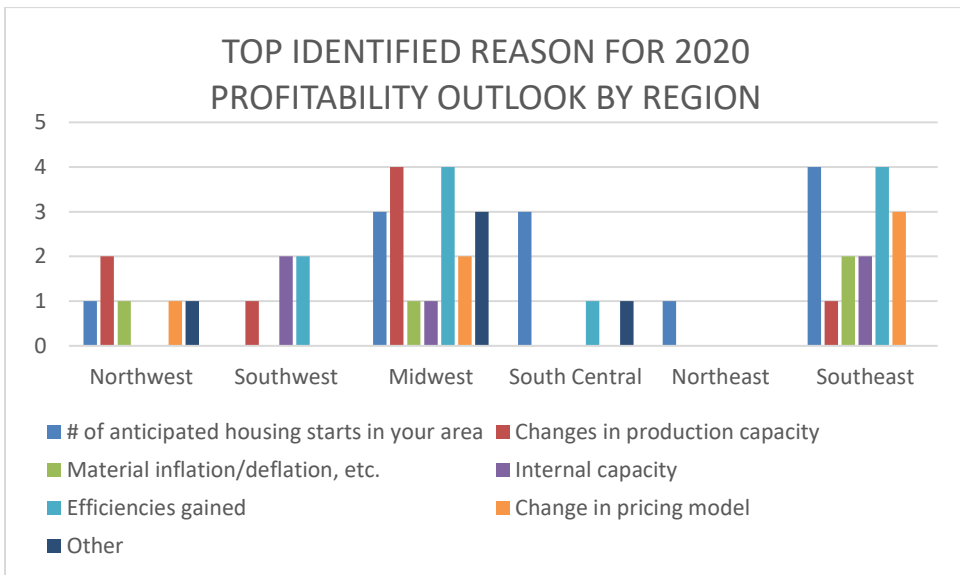
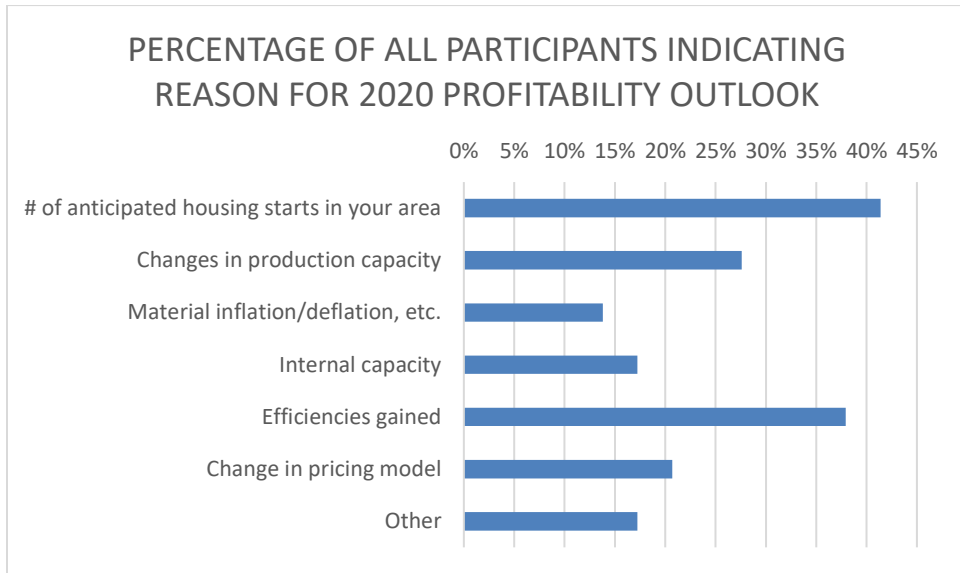




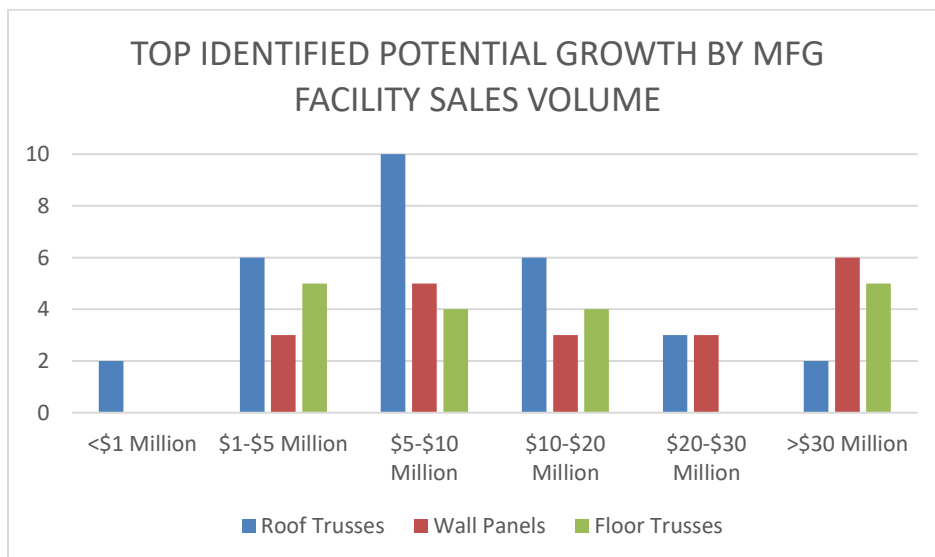
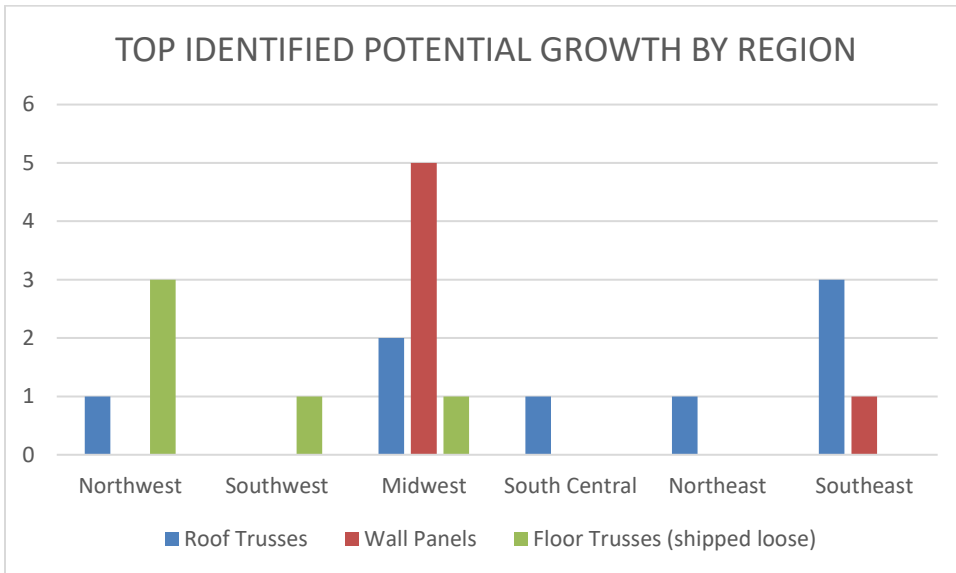
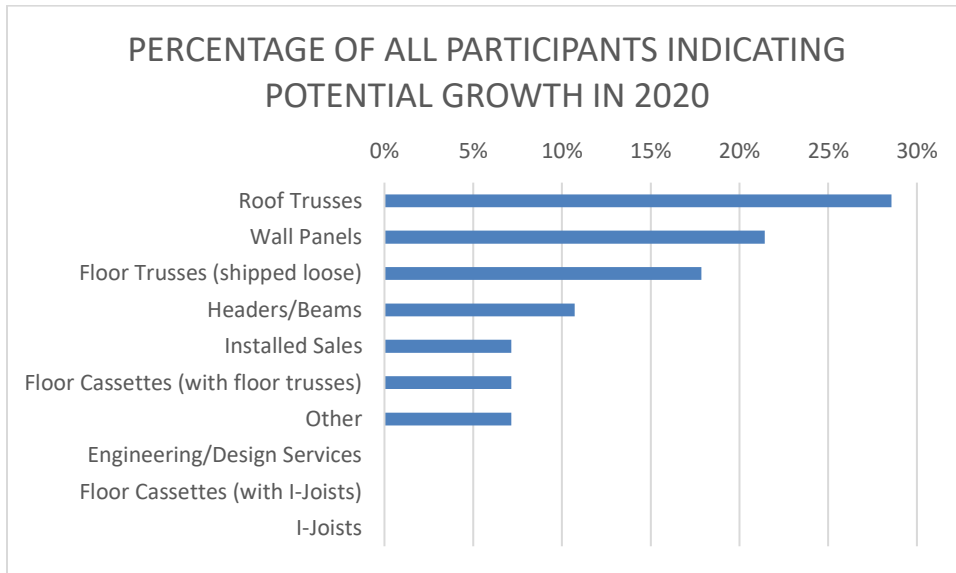
# Profitability Outlook for 2020



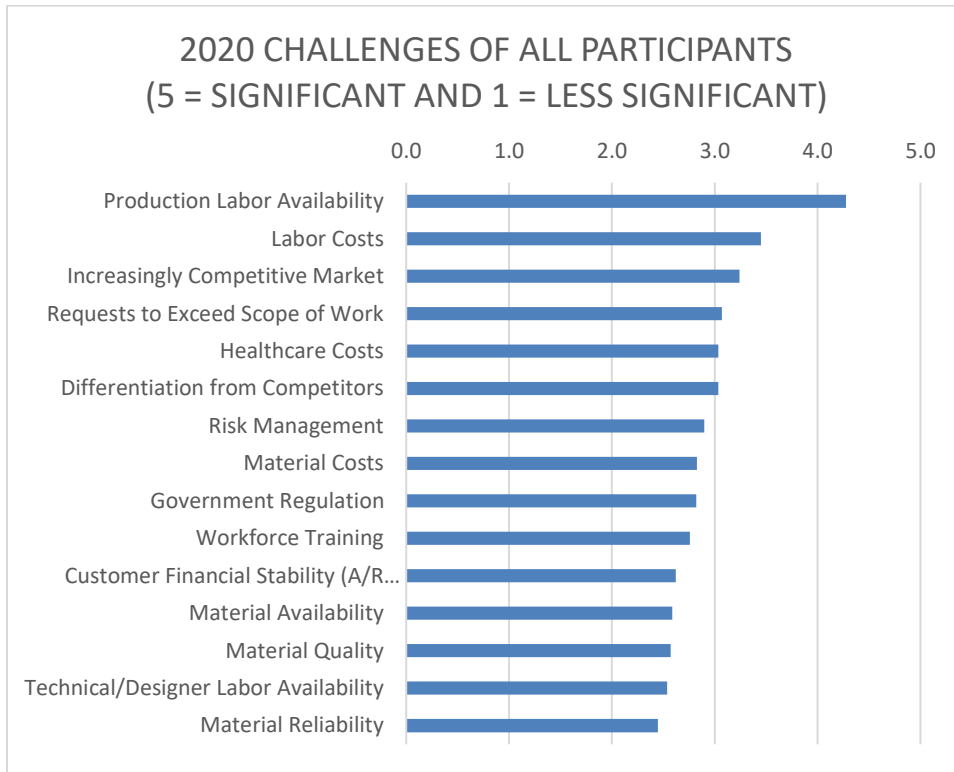




# Greatest Potential for Product/Service Growth in 2020



# Top Challenges in 2020



## Challenges by Region

(5=SIGNIFICANT 1=LESS SIGNIFICANT)

	Northwest	Southwest	Midwest	South Central	Northeast	Southeast
Labor Costs	4.0	4.5	3.0	4.0	2.0	3.4
Production Labor Availability	4.8	4.5	4.1	4.3	2.0	4.4
Technical/Designer Labor Availability	2.8	3.5	2.3	2.5	2.0	2.6
Workforce Training	2.8	3.0	2.5	2.7	2.0	3.3
Material Costs	2.8	3.0	2.8	3.0	2.0	2.9
Material Reliability	2.2	3.0	2.5	2.0	3.0	2.6
Material Availability	3.0	3.0	2.7	2.0	3.0	2.1
Material Quality	2.6	2.5	2.6	2.0	4.0	2.6
Risk Management	3.4	3.0	2.7	3.3	1.0	2.9
Requests to Exceed Scope of Work	3.4	3.0	2.9	3.3	1.0	3.3
Healthcare Costs	3.4	2.5	2.8	2.7	4.0	3.3
Government Regulation	2.8	2.0	2.8	2.7	2.0	3.3
Differentiation from Competitors	3.2	2.5	2.5	3.3	2.0	3.9
Increasingly Competitive Market	4.0	2.5	2.8	4.0	2.0	3.4
Customer Financial Stability (A/R Collections)	2.2	4.0	2.5	3.0	1.0	2.7

## Challenges by Manufacturing Facility Sale Volume

(5=SIGNIFICANT 1=LESS SIGNIFICANT)

	<\$1 Million	\$1-\$5 Million	\$5-\$10 Million	\$10-\$20 Million	\$20-\$30 Million	>\$30 Million
Labor Costs	2.0	3.3	3.2	3.8	3.6	3.8
Production Labor Availability	3.0	3.8	4.2	4.4	4.6	4.8
Technical/Designer Labor Availability	3.0	2.3	2.8	3.0	1.6	2.5
Workforce Training	3.0	2.8	3.2	2.8	2.2	2.8
Material Costs	2.5	3.3	2.8	3.1	2.2	2.8
Material Reliability	2.5	2.5	2.4	2.7	1.6	3.0
Material Availability	2.5	3.0	2.6	2.9	1.6	2.8
Material Quality	3.0	2.3	3.0	2.7	1.3	3.3
Risk Management	2.5	2.0	2.6	3.1	3.8	2.8
Requests to Exceed Scope of Work	2.5	3.0	3.8	3.3	3.2	1.8
Healthcare Costs	2.5	2.5	3.2	2.8	4.0	3.0
Government Regulation	2.5	1.8	3.0	2.7	4.0	3.0
Differentiation from Competitors	3.5	2.3	2.8	3.2	2.4	4.3
Increasingly Competitive Market	3.5	1.8	3.0	3.3	4.0	3.8
Customer Financial Stability (A/R Collections)	3.0	1.8	3.2	2.8	2.2	2.8