WHAT'S BETTER, A NATIONAL OR REGIONAL METAL PANEL MANUFACTURER?

McELROY METAL

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No one likes to be left behind, especially in business or personal investments. Therefore, it comes as no surprise that savvy business owners and consumers should keep a constant eye on trends.

The post-frame industry has certainly seen its share of trends. In the early days, typical pole building uses involved shelter for animals and farming equipment. However, over time, the post-frame industry has morphed into a multibillion-dollar industry supporting a myriad of building uses. Building owners now look to this construction method for everything from large religious facilities to single-family homes and commercial projects in town and country markets. One of the latest trends has been toward creating space that functions both as a "shop" and a "house," appropriately coined as a "shouse." While "shouse" applications are more common in rural markets, the term "barndominium" (a combination of barn and condominium) has also gained tremendous popularity in more urban parts of the country.

The demand for these types of high-end commercial and residential projects is propelling another unexpected trend. Professional builders are leaving the once-popular regional manufacturers and returning to national manufacturers to gain the quality materials, product selection and support necessary to satisfy this new breed of discerning customers. In some cases, they decide on their own. After all, they interact directly with the manufacturer. However, in many situations, contractors are also now bringing their building owners into the conversation because they understand that supplier and material choices impact their customers for decades.

Whether your role is that of a successful contractor, distributor or someone looking to build the project of a lifetime, this e-book is designed to educate you on the differences between regional and national manufacturers to help you decide which supplier type makes the most sense for you.

Let's get started!

OVERVIEW

Let's start with some background information. National manufacturers produce their products in large-scale manufacturing facilities. While each manufacturer and facility differ slightly, these spaces are often 150' wide by several hundred feet long or about the size of a football field. Given the size and operating costs, most national manufacturers have several of these large-scale facilities scattered around the United States, and then they ship finished products to their builders and distributors. Conversely, in some parts of the country, regional roll-formers operate in much smaller spaces, often as simple as a small shed or garage. They also focus on servicing a much smaller geographic area of customers (often 50 to 100 miles), hence the term "regional manufacturers."

National manufacturers completed the vast majority of metal panel production for several decades, spanning from the 1970s through early 2000. However, as society became more impatient, the long-accepted lead-time of 1 to 2 weeks for national manufacturers to deliver products around the country became problematic. In some cases, it was because end-users had become accustomed to next-day service from providers like Amazon® and simply didn't have the patience to wait. Yet, in others, contractors themselves were hungry for a different solution that allowed them to get products more quickly. As a result, regional roll-formers began to spring up around the country. With a low entry cost into the business, their operations and business models look notably different from their national competitors.

McElroy Metal's post frame manufacturing facility in Mauston, WI.

OVERVIEW

It is essential to acknowledge that there are low, moderate and high performers in both national and regional manufacturer categories. While we've used the terms national and regional manufacturers for simplicity throughout this e-book, there are certainly occasions where generalization is too broad. Realistically, you might find completely different quality and service levels between two regional companies or conversely even two national manufacturers when comparing them head to head. As with all generalizations, you should expect to find some gray areas, but the chances are that you'll also find some consistent parallels. For example, you can routinely expect to see that regional manufacturers often have reduced financial strength than their national manufacturer counterparts.

Which manufacturer type is right for you? Chances are that you need to know a bit more before making that decision. This e-book will look at eight different topics to see how national and regional manufacturers of metal roofing and siding panels compare. We will explore product quality; manufacturing differences; depth of product offering; pricing; risk; service and support; and contractor and building-owner criteria.

Our intent isn't to predispose you either way, but rather to provide background and discuss features commonly found with each. Ultimately, our goal is to help you be more prepared to compare the options (and differences) in your local market.

Feel free to read it from beginning to end for the overall picture, or use the table of contents to focus on the areas most important to you. Regardless of your approach, just understand that each section of this e-book can stand alone and serve as a continuing resource in your journey to evaluate national and regional manufacturing options.

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PRODUCT QUALITY

Many different elements work together to create the overall product quality and consequently performance you can expect from metal panels. The three most significant elements that impact product quality are substrates, paint and material thickness.

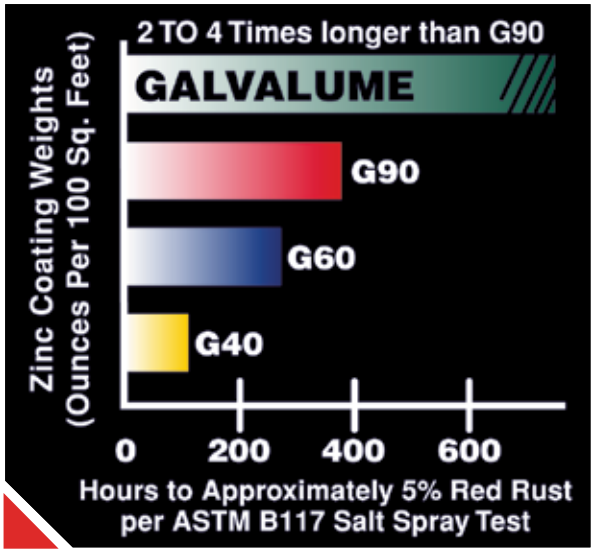
SUBSTRATE

One of the most obvious elements contributing to metal panel quality is the metal itself. Most metal panels are produced from two different types of steel: Galvanized or Galvalume®. In both cases, the base steel receives a coating. Galvanized substrates are coated with a zinc alloy and Galvalume® substrates with an alloy of zinc plus aluminum. Both have their advantages. Let's start by looking more closely at Galvanized substrates.

Zinc levels are a critical difference in galvanized panels. It's important to remember that higher levels of zinc provide greater protection against panel corrosion. G100 and G60 are two commonly used Galvanized substrates. These designations relate to the total amount of zinc contained on both sides of the panel surfaces. G100 products contain 1.0 ounces of zinc for every one square foot of panel, while G60 substrates contain 0.6 ounces of zinc. At first blush, that difference doesn't appear to be significant, but nothing could be further from the truth. G100 products contain 66% more protective zinc than a G60 substrate. This difference has a direct correlation to panel longevity. Consequently, you should expect both lower cost and performance from the G60 products. Lastly, Galvanized substrates are most often the preferred substrate choice for animal confinement situations.

Galvalume®, invented by Bethlehem Steel in 1972, is a combination of 43.5% zinc, 55% aluminum and 1.5% silicone. Its composition combines the sacrificial properties of zinc and the barrier protection of aluminum. More than four decades of testing and field applications have shown that Galvalume® delivers superior corrosion resistance compared to Galvanized panels, and is the preferred substrate for projects where long-term performance is essential.

Galvalume's performance has been so superior that steel mills actually warrant the Galvalume® substrate (or metal) against perforation caused by corrosion. Similar steel mill warranties simply do not exist for Galvanized substrates. Therefore, it's crucial to remember that a Galvanized product will not offer a mill-provided substrate warranty, and a Galvalume® product will likely provide a 25-year substrate warranty.



PRODUCT QUALITY

SUBSTRATE (CONTINUED)

NATIONAL VS. REGIONAL: National manufacturers typically offer both Galvanized and Galvalume® within their product offering, where regional manufacturers tend to pick one or the other. Regionals tend to simplify their product offering for a couple of reasons. First, they often don't have the storage space for multiple substrates. Secondly and perhaps more importantly, keeping inventory to a bare minimum offers considerable overhead savings, which is vital to their low-cost business model. Let's look at an example to illustrate this point further.

At McElroy Metal, we inventory three different substrates: G-90, G-100 and Galvalume®. We inventory G-90 for unpainted projects, and inventory G-100 painted for our customers that need a galvanized substrate with a painted finish. For the bulk of our business, we recommend and stock a Galvalume® substrate coated with one of two different paint systems (more on that in the next section) since we know Galvalume® offers the best long-term performance. We have chosen to inventory three different substrates to offer the widest number of options to our customers. Conversely, most regional manufacturers offer only one substrate. By selecting only one substrate to offer (compared to our three), regional manufacturers can effectively reduce their inventory costs by two-thirds over national manufacturers like McElroy Metal.

SUMMARY: Ultimately, understanding your preferred substrate is a critical step in any discussion regarding regional and national manufacturers. If you're looking for higher-end substrates and multiple options, you are almost always better served with a national manufacturer. However, if price is your dominant buying decision with quality being less critical, then a regional manufacturer could be the better choice for you.

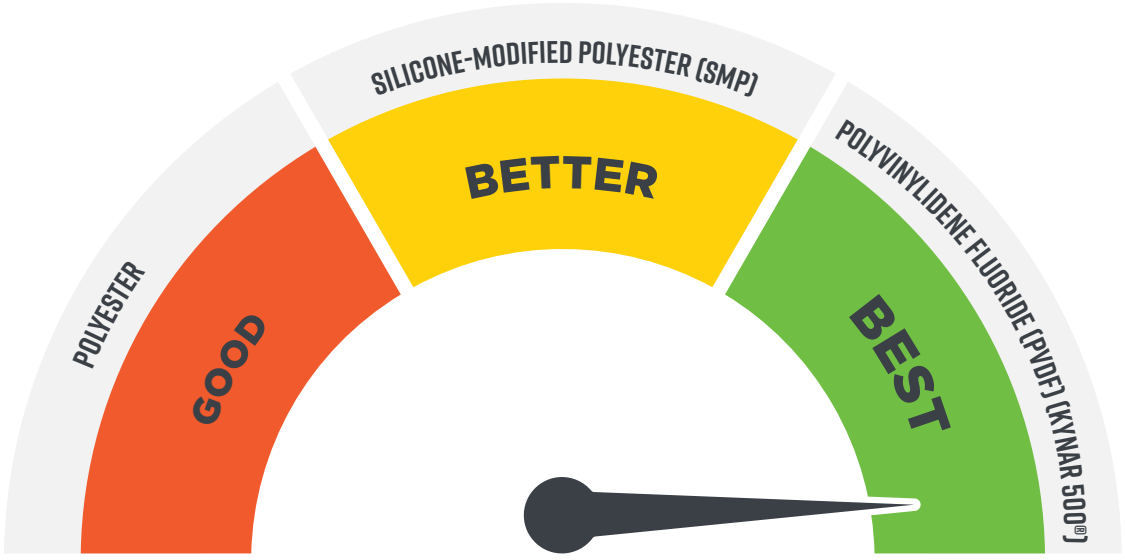
PRODUCT QUALITY

PAINT

The second prominent element affecting metal panel quality is the paint, or coating, applied on top of the substrate. Coatings consist of three primary ingredients: pigments, binder/resin and solvents

- Pigments are the coating ingredients responsible for color. Paint is created when the pigment is dispersed into the binder/resin.
- The resin is what holds or binds the pigment together and protects the coating from UV degradation. Higher quality resins provide the greatest protection against panel chalk and fade. Conversely, coatings produced from lower quality resins are more apt to fade and chalk. These failures occur when the binder breaks down and no longer holds the pigment together.
- The third primary coating ingredient, solvents, is responsible for ensuring the paint has the desired viscosity to be correctly applied. Solvents disperse the pigment. When the coating is applied, the solvent evaporates, allowing the resin and pigment to create the desired layer of coating and dry. In the case of metal roofing and siding, the solvent evaporates (burns-off from heat) during the coil-coating process.

The three most common resins for metal roofing and siding are Polyester, Silicone Modified Polyester (SMP) and PVDF (commonly known by the Kynar 500® trade name). These coatings have a well-defined good, better and best performance rating.



PRODUCT QUALITY

PAINT (CONTINUED)

POLYESTER COATINGS are on the low end of the quality spectrum and most often utilized for interior applications, such as liner panels or interior design accents. They represent the "Good" value in our Good/Better/Best comparison.

SILICONE MODIFIED POLYESTERS (SMP) is an improvement over straight polyester coatings and represents an alternative between Polyester and Kynar 500® coatings. While the same pigments are used in all three coating types, the resin systems are very different and attributable to their different performance levels. SMP resins are better than those used in Polyester systems but lower quality than those used in Kynar 500® systems. As a result, SMP systems can be subject to conditions known as fade and chalk, often within just a few years of installation. Fading occurs when the environment attacks the pigment portion of the paint system.

Both PVDF (Kynar 500) and Silicone-Modified Polyester (SMP) panels were installed on this home in Louisiana. On day one, the colors were an identical shade of green. The above photo, taken only eight years after installation, tells a powerful story of the differences between the paint systems as it highlights both chalk and fade of the SMP paint system. Note that there is no visible fade or chalking on the darker (Kynar 500) panels.

PRODUCT QUALITY

PAINT (CONTINUED)

Chalking occurs when environmental conditions cause the degradation of the resin. As the resin degrades, it takes on a whitish appearance called chalk.

Consequently, it is important to note that SMP performance simply cannot match the long-term performance of Kynar 500® coatings; hence, it's a "Better" system but not the "Best" system.

Chalk like that shown in this image are quite common in lower quality paint systems. Once chalking occurs, the resin is easily transferred to anything that brushes up against the building.

PVDF (KYNAR 500®) COATINGS, however, provide the "Best" protection available against fade and chalk. The first batch of paint using PVDF/Kynar resin was produced in 1965. And for several decades, PVDF/Kynar resin was produced by only one manufacturer. As you might expect, due to limited competition, it was an expensive product; however, based on performance, it quickly became the standard for the architectural community. Kynar 500-based coatings are still the standard for architectural projects today. While the performance has remained consistent, the product cost has changed. Remember that lone manufacturer of PVDF/Kynar resin mentioned earlier? Well, around 1990, the government stepped in claiming restraint of trade and made them sell one of their two facilities. Soon after, a second manufacturer began producing the PVDF resin using the trade name Hylar 5000. Almost immediately, the price became more affordable. PVDF/Kynar 500/Hylar 5000 coatings are now the desired product for ALL quality-conscious consumers (instead of just the architectural community) who expect their new building to look great and function well for literally decades.

PRODUCT QUALITY

PAINT (CONTINUED)

This building dramatically illustrates Kynar 500's superior performance. This building was built in two phases, nine years apart. Note: No color difference in the two halves of the roof. No fade! No chalk!

It is essential to note the affordability of Kynar 500® systems is dependent upon manufacturers stocking them. Assuming you're working with a manufacturer that inventories Kynar 500®, the cost difference between Kynar 500® and SMP systems might be just a few hundred dollars for the average residential project. However, not all manufacturers have taken inventory positions on Kynar 500®. While non-stocking manufacturers can most likely purchase Kynar 500® coated coil, it would be a special order with minimum quantities and extended lead-time for most of them. When approached as a special order, Kynar 500-coated panels can still be price-prohibitive.

NATIONAL VS. REGIONAL: Quality-focused national manufacturers, like McElroy Metal, routinely offer both SMP and Kynar 500® coatings. While the cost difference between the two isn't significant, they realize that not all projects require the top-of-the-line quality of Kynar 500® systems. By stocking both paint systems, many national manufacturers allow their contractors and ultimately end customers options in both the "Better" & "Best" categories of our Good/Better/Best scenario. Conversely, much like regional manufacturers tend to offer only one substrate, they routinely also provide only one paint system. Most often, regional manufacturers opt for the middle-of-the-road SMP paint systems or the "Better" criteria. Again, this decision fits nicely into their low-cost/low-inventory business model. On occasion, regional manufacturers may indicate they offer Kynar 500-coated products. However, few (if any) of them stock the material.

SUMMARY: Which is best? Only you can decide that. If cost wins every time, you're likely better off with a regional manufacturer. Suppose you want the option of picking SMP for a project today and Kynar 500® for one tomorrow, or long-term quality and curb appeal (like enhanced fade and chalk protection) is important to you. In that case, a national manufacturer is most likely your better choice.

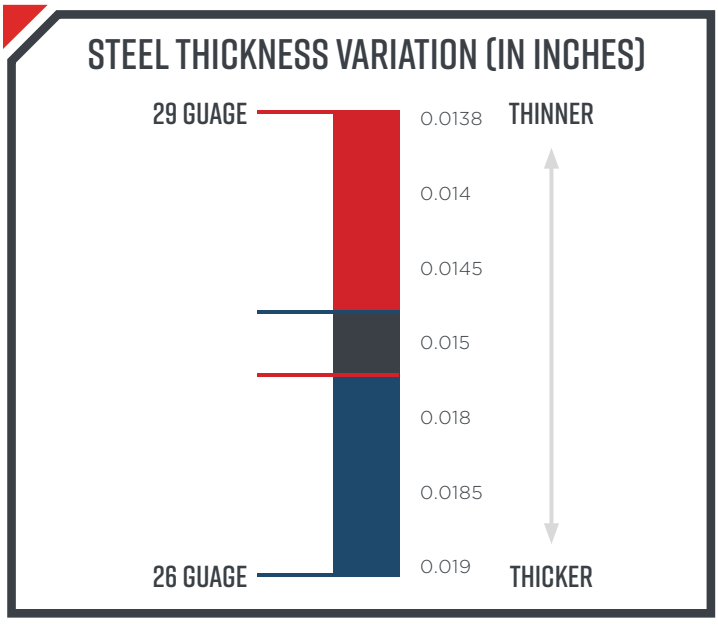
PRODUCT QUALITY

MATERIAL THICKNESS

In addition to the substrate and paint, the third criteria that directly affect product quality on metal roofing and siding panels is the material thickness or "gauge." Metal panels have quite the spectrum of available gauges. Generally speaking, metal panels range from 18 Ga. to 29 Ga., with the smaller number indicating heavier steel. Consequently, 18 Ga. steel is much heavier and more expensive than 29 Ga. steel. To further clarify, most architectural projects utilize a 24 Ga. or 22 Ga., while most residential and post-frame roll-formed projects gravitate more to the 29 Ga and 26 Ga. offerings.

While many people use the terms material thickness and gauge as interchangeable, the reality is that they are not, but they are interrelated. As you might expect, the term thickness refers to the actual thickness of the material. In contrast, gauge refers to a range of thicknesses that fall within specified criteria. The difference in product quality between thicknesses on the same gauge's low and high end is much more significant than you might initially think. For example, 29 Ga. material can range from 0.0138 thick to 0.015. That means panels on the heavier end of the 29 Ga. scale are almost 10% thicker than those on the light end. That's a considerable difference. In fact, contractors familiar with these types of products spot the difference easily by simply holding a panel in their hands.

Material thickness differences affect manufacturing, installation, product life expectancy and durability. Lighter weight products simply can't withstand weather events like hail, severe winds and snow as well as their heavier counterparts. Yet, the topic of thickness vs. gauge slides under many buyers' radar because it simply isn't discussed as it should be. Instead of talking actual steel thickness, many contractors and suppliers refer to panels by their gauge equivalent. Consequently, undereducated buyers often think they are holding everyone to equal standards by requiring a specific gauge of materials and leveling both the playing field and the quality of panels they ultimately receive. The reality is that nothing could be further from the truth.



PRODUCT QUALITY

MATERIAL THICKNESS (CONTINUED)

NATIONAL VS. REGIONAL: Steel thickness is perhaps one of the biggest areas of discrepancies between various manufacturers. Regional manufacturers often produce steel on the lower end of the gauge scale while national manufacturers panels trend toward the heavier end of the gauge scale.

SUMMARY: Which is best for you? On the topic of thickness vs. gauge, the best offense is truly great defense. When talking to manufacturers both national and regional, move your discussions away from the gauge and instead talk material thickness. The thickness shouldn't include paint on top of the steel. The goal is to compare actual steel thickness to steel thickness. Only then will you understand the quality of the product you are comparing and its anticipated performance.

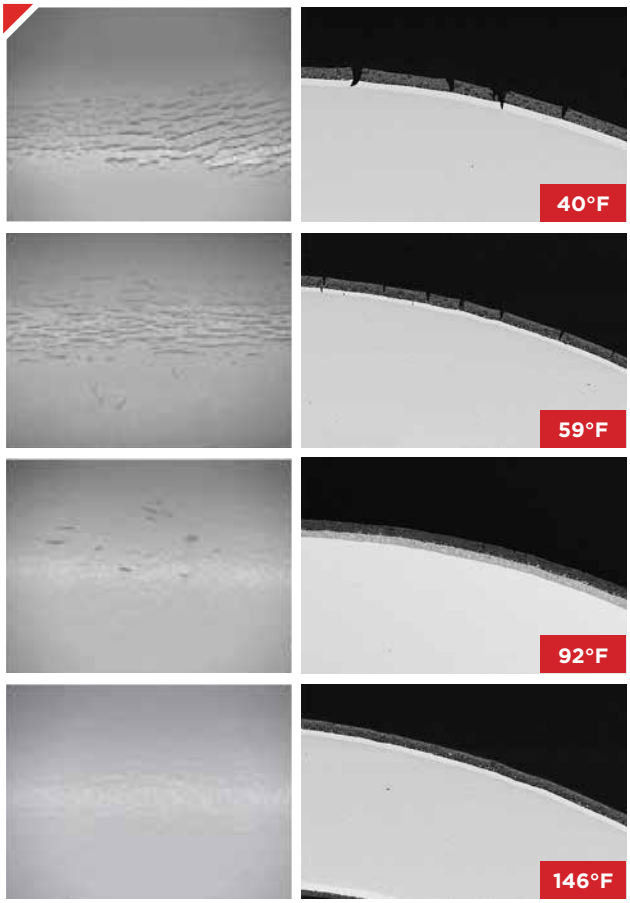
MANUFACTURING DIFFERENCES

Substrate, paint and material thickness are undoubtedly crucial factors in product quality. However, additional things can be done during the panel manufacturing process that directly improves product quality and, consequently, bears discussion.

WARM FORMING

The process of roll-forming coils into metal panels can introduce stress and ultimately cracks to both the paint and substrate. Microfracturing, tension bend cracking or minute fracturing are other common names for this phenomenon. These microscopic fractures enable moisture to penetrate the coatings and ultimately come in contact with the raw steel. As a result, rust can form along roll-formed edges on tight radius bends. To learn more about this topic, **click here** and check out this bulletin from one of the major suppliers of quality steel substrates, U.S. Steel®.

Warm forming (also called Thermoforming) is one way to avoid this phenomenon. During the warm forming process, the material is heated to 120° F to 170° F using infrared heaters before entering the forming rolls. Warm forming heats the coil, so the coatings are softer and more flexible, eliminating microfractures. Consequently, warm forming is an incredibly effective path to increased panel performance.



Warm forming is especially effective on harder coating types. Based on their composition, SMP coatings are more brittle and prone to microfracture during the roll-forming process. Consequently, warm forming is especially advantageous for SMP product families. Conversely, softer Kynar 500® paint systems do not require warm forming.

Bottom Line: If you're using an SMP-painted product, understand that thermoforming technologies improve long-term product performance. It's also important to realize that thermoforming technologies are especially advantageous in cooler climates. For projects located in the northern region, warm forming can indeed be a game-changer. With that said, the technology is a significant capital expenditure and offered by very few national players and minimal, if any, regional manufacturers. At McElroy Metal, we're proud to provide this technology for our Max-Rib 100 and Max-Rib II panels, and we believe it's just one more way that we show commitment to our customers.

MANUFACTURING DIFFERENCES

EDGE COATINGS

Metal panels are cut to length during the manufacturing process. The shearing process exposes the raw steel to the elements. After panel production, a clear coat rust-inhibitor is applied to the panels' ends by some manufacturers. These edge coatings protect the cut edge and effectively reduce rust, as seen in the images below.

WITHOUT **EDGE-RUST** INHIBITOR

Environmental tests show extensive corrosion along the cut end of a panel without Edge-Rust Inhibitor

WITH **EDGE-RUST** INHIBITOR

Minimal corrosion is detected along the cut end of a panel with an Edge-Rust Inhibitor application.

Bottom Line: If eliminating edge rust on your post-frame project is important, ask your manufacturer about the availability of edge coatings. While you should always inquire, don't be surprised if you're told they are not available. To our knowledge, McElroy Metal is the only national or regional manufacturer offering edge coatings.

MANUFACTURING DIFFERENCES

TOOLING QUALITY

There are different quality levels on virtually everything we buy, from laundry detergent to furniture and automobiles. The same holds for the roll-forming equipment and tooling used to produce metal roofing and siding panels. When panel manufacturers order equipment, they have options ranging from top-of-the-line to basic, with costs that vary widely as well. For example: National manufacturers routinely spend between $800,000 to $900,000 for roll-forming equipment and tooling to produce a typical agricultural 3' wide panel, while many regional manufacturers often spend as little as $200,000 for equipment to produce a similar product. As you might expect, while the machinery that both regional and national manufacturers purchase may "look" the same, the panels made on them are vastly different. The quality of the end-product is quite different as well.

As a result, you can commonly expect panels produced by national manufacturers to offer: reduced oil canning, improved panel squareness, enhanced panel shapes, and even crispness of both major and minor ribs. Reduced panel flare is an excellent example of improved panel quality due to national manufacturers' tooling quality.

MANUFACTURING DIFFERENCES

TOOLING QUALITY (CONTINUED)

REDUCED PANEL FLARE: Short panels can be prone to what is called panel flare. As you might assume from the name, panel flare occurs when the panel coverage grows wider than intended. While panel flare isn't an issue for all building conditions, it can be especially troublesome in wainscot conditions. In case you aren't familiar with the term, wainscot conditions involve using two different-colored wall panels to create visual interest for projects. (See the photo below.)

Between the short panel length of the lower wall panels and the fact that the small trim piece doesn't provide much of a visual break between the lower and upper panels, even a good contractor can struggle to create the desired straight vertical line in wainscot applications when panel flare rears its head. Panel flare can also be an issue for contractors that like to ensure the major ribs line up perfectly from their roof to wall panels.

Some national manufacturers, like McElroy Metal, have made tooling modifications that drastically reduce panel flare, while most regional manufacturers routinely accept it as a necessary evil. Consequently, contractors working with regional manufacturers often spend extra installation time trying to make different-width panels line up. It's certainly not an easy task and one that can wreak havoc on a project budget in a hurry! Conversely, contractors working with national manufacturers often save considerable time (and headaches) due to the priority on customer satisfaction and investment that national manufacturers have made to reduce panel flare.

MANUFACTURING DIFFERENCES

TOOLING QUALITY (CONTINUED)

LENGTH CONTROL: Tooling quality also directly impacts the control that manufacturers have over panel length. Most contractors put a significant focus on ordering panel lengths that allow for direct panel installation. Sure, field cutting will always be required for gable ends and around doors and windows. However, successful contractors realize that they simply make more money when panels can go from the bundle to the building without field cutting when possible.

As mentioned previously, national players tend to purchase high-end, state-of-the-art equipment that can precisely control panel length to 1/8 of an inch. At McElroy Metal, we run closer to 1/16 of an inch. If a regional roll-former has invested in newer machinery, they may maintain adequate length control. If not, they will likely struggle greatly with length control. The vast majority of regional roll-formers are not using state-of-the-art equipment.

TOOLING MAINTENANCE: Panel roll-formers are machines. Like any other machinery, they require ongoing maintenance. Historically, national manufacturers use structured (and proactive!) approaches to tooling maintenance.

Conversely, to minimize both capital expenses and mill downtime, many regional roll-formers tend to approach maintenance from a reactive position instead of a proactive one. An excellent example of this is the sharpening of the panel shear. When the shear blades aren't properly maintained and sharpened, the cuts can become jagged and create a burr of sorts on the cut end of the panel instead of making a nice clean cut for panel length. These burrs can then scratch the panel under them as they are stacked in the bundle during production. With lines running 200' a minute, an operator has little chance to notice that it's happening. More often than not, your crew identifies the problem once on-site and ready to install panels. Needless to say, schedules are thrown out the window at that point, and frustrations build.

MANUFACTURING DIFFERENCES

TOOLING QUALITY (CONTINUED)

BOTTOM LINE: Savvy contractors realize that while product cost is certainly important, things like panel flare, length control and tooling maintenance all directly impact their crew's ability to efficiently install products, maintain schedules and maximize profitability. Consequently, when evaluating national and regional manufacturers, serious consideration should be given to the tooling quality.

NATIONAL VS. REGIONAL: Historically, national manufacturers tend to invest much more heavily in the infrastructure and equipment necessary to produce the highest quality products, whereas many smaller regional manufacturers tend to focus on simply making a panel as cheaply and quickly as possible. Regional manufacturers also tend to come and go with much more frequency than national manufacturers. As a result, they are typically less willing to make more significant capital expenditures necessary to enhance product quality than national manufacturers.

SUMMARY: As you're likely starting to see, not all metal panels are equal. Contractors who realize that panel quality directly affects their scheduling and profitability are probably better suited with a national manufacturer. Likewise, successful contractors who place a high value on customer long-term satisfaction are also more likely to appreciate processes such as thermoforming and edge coatings that select national manufacturers tend to offer with much more frequency than regional roll-formers.

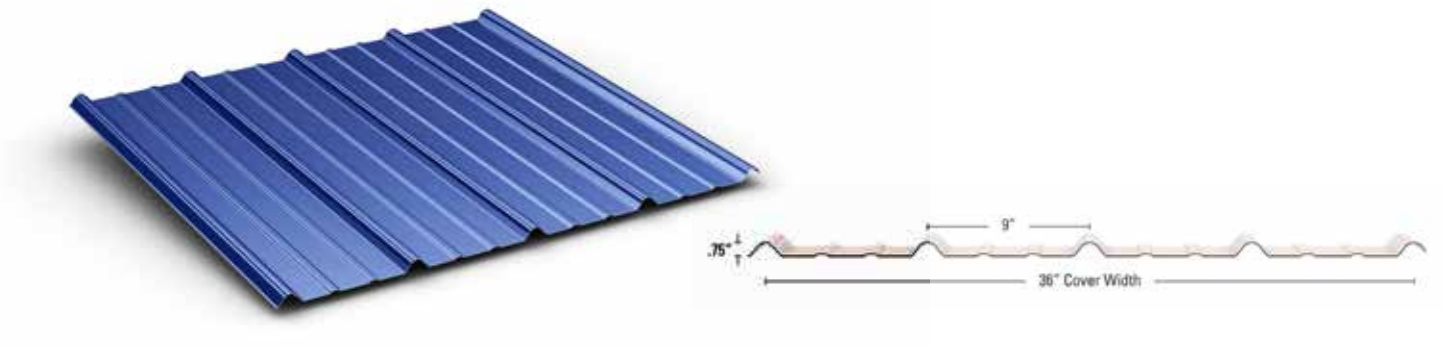
DEPTH OF PRODUCT OFFERING

Much like many other industries, the metal panel wall and roof industry has changed dramatically since its inception. For the first few decades, manufacturers could offer just a few profiles and colors. However, contractors and building owners alike have demanded more over time. They now want more of everything: more profiles, more colors, more paint systems, more gauges, more accessory products, more testing and more performance than they did in the past.

PANEL OPTIONS

EXPOSED FASTENER SYSTEMS: Due to their low price point and relatively quick installation, exposed fastener systems continue to be a workhorse in the post-frame industry. Both national and regional manufacturers routinely offer these panels. However, as might be expected, there are many more profiles, colors and gauges to choose from when working with a national manufacturer. Regional manufacturers tend to offer only one or two profiles and gauges.

In fact, some national manufacturers even offer their own proprietary exposed fastener systems, meaning that they are unique to the manufacturer. For example, at McElroy Metal, we offer our Max-Rib, a standard industry ag panel. However, we also provide our Mesa panel, an additional type of ag panel we developed and patented offering a nearly invisible lap.



CONCEALED FASTENER SYSTEMS/STANDING SEAMS: As the name “concealed fastener” implies, panels in this category are attached to the substructure through either prepunched nailing flanges or with a series of clips. Due to their improved weatherability, concealed fastener and standing seam products continue to gain market share.

There are three basic types of panels within this product family: nailing flange, clipped and mechanically seamed. Residential projects most often use the nailing flange-style systems widely available from both national and some regional manufacturers. Clipped and mechanically seamed systems have a clip that allows the panel to expand and contract at a greater level than nailing flange systems. Consequently, they are used primarily for larger roof areas and light commercial projects. Most often, national manufacturers supply clipped and mechanically seamed systems. They aren’t routinely available from regional manufacturers.

DEPTH OF PRODUCT OFFERING

CONCEALED FASTENER SYSTEMS/STANDING SEAMS (CONTINUED)

Additionally, standing seam projects often require a warranty called a Weathertightness Warranty. These warranties extend liability for the weathertightness of the roof to the panel manufacturer. As you might expect, the liability potential can be substantial and, in many cases, larger than what a regional manufacturer can afford to support. Consequently, national manufacturers routinely participate in weathertightness warranty projects while regional manufacturers do not.

BOTTOM LINE: Regional manufacturers typically offer just a handful of panel styles and rarely offer weathertightness warranties on their products. Conversely, customers, distributors and contractors working with national manufacturers can often choose between 15 to 20 different panel profiles from a single manufacturer. For example, at McElroy Metal, we offer 23 different profiles. Consequently, the push for "more" is one of the key reasons contractors leave regionals and return to national manufacturers.

PAINT SYSTEMS

No discussion on depth of product offering would be complete without addressing paint systems. National manufacturers tend to stock both SMP and Kynar 500 products; however, most tend to stock SMP for their light gauge (post frame) market segment and Kynar 500 for their architectural products. McElroy is a bit different on this front and has also chosen to offer Kynar 500 products for the light gauge, or post frame, market. This approach allows our post-frame contractors the flexibility to sell on price when necessary with an SMP finish yet also offer Kynar 500 products for their customers that desire the highest quality. Regional manufacturers routinely offer only SMP paint systems.

PANEL GAUGE

Earlier, we discussed the importance of understanding the difference between gauge and thickness, and ultimately how it impacts product quality. Panel gauge is also a relevant topic to the breadth of product offering. To control cost, regional manufacturers tend to offer one or two different thicknesses or gauges of panels, where national manufacturers routinely stock material ranging from 29 Ga. to 18 Ga.

Example: If a regional manufacturer offers standing seam at all, it's often only a nailing flange-style panel and likely in 29 Ga. only. Again, this fits nicely into their low-cost operational and marketing approach. Some national manufacturers, including McElroy Metal, feel that 29 Ga. materials aren't conducive to standing seam panels because they simply don't offer acceptable wind uplift values and are more prone to oil canning, which is not aesthetically pleasing. Instead, national manufacturers routinely provide standing seam panels in 26 Ga., 24 Ga. and even 22 Ga. for some panel profiles. While you might not need heavier gauges for every project, most would agree that it's advantageous to work with a manufacturer that has them readily available when needed to meet specifications, local building codes and customer requests.

DEPTH OF PRODUCT OFFERING

TRIM

There are also significant trim differences between regional and national players. Typically, "full hard" or 80,000 psi steel should be used to produce 29 Ga. panels. This steel strength is critical to achieving the necessary load-carrying capabilities. Conversely, as a best practice, 29 Ga. trims are routinely made from 30,000 to 50,000 psi material to facilitate tight bends and prevent microfracturing during production. The difficulty lies in the fact that in order to minimize inventory, some regionals make their 29 Ga. trims from the same material they use for panels. While that may not seem problematic, it is an issue. When 29 Ga. trim is produced in the higher hardness level 80,000 psi material, it can be difficult, if not impossible, to create tight bends and hems. Consequently, regional manufacturers running 29 Ga. trim from their 80,000 psi panel coils often omit hems. As a result, trims tend to be wavy and challenging to install flat. Further, crews are cut with much higher frequency when installing trims without hems, so safety is also often an issue.

While there are certainly exceptions, many regional manufacturers also offer trims in only 10' lengths, while national manufacturers tend to provide lengths up to 20' 3" long. While small contractors might prefer the shorter length since it's easier for a single person to install, larger crews tend to prefer trim in the longest possible lengths. Longer trim pieces allow crews to install faster, create cleaner visual lines and, perhaps most importantly, lead to fewer leaks. Selecting a regional manufacturer can sometimes mean limiting the trim length to 10', while selecting a national manufacturer might give the contractor the best of both worlds. Based on his specific project and crew size, he can order a 10' piece today and a 20' 3" part tomorrow. While that option might be available with regional manufacturers, it certainly isn't a guarantee, and should be confirmed if that criteria is important in your buying decision.

Custom trim capability is another potential difference between the two manufacturer options. Regional players sometimes offer only the simplest trim shapes, and may not be as open to producing custom trim shapes. National manufacturers, on the other hand, tend to specialize in custom trim. It is in part because their sophisticated equipment allows for the physical production of almost unlimited shapes, but also at play in their decision is the importance of supporting their contractor base. While that same level of support may be available with regional manufacturers, it also may be a differentiating factor. Consequently, if custom trims are important to you, always ask about the potential for custom trim fabrication before partnering with a regional manufacturer.

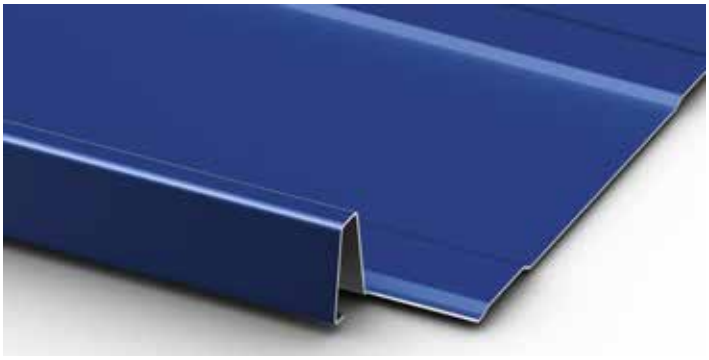
DEPTH OF PRODUCT OFFERING

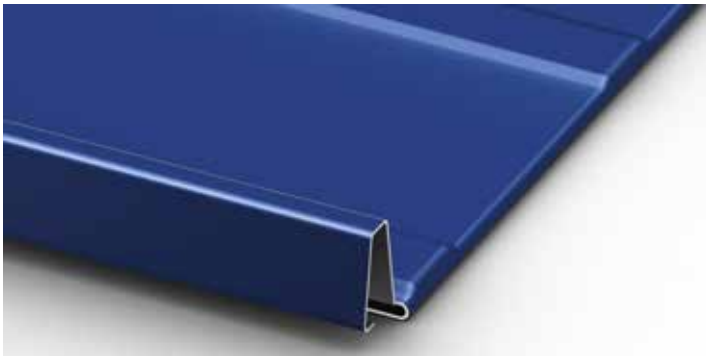
EAVE NOTCHING

Post-frame construction doesn't routinely use standing seam panels for agricultural buildings. However, they are used widely for commercial and residential roofing applications. As interest builds for residential metal roofing with homeowners, many post-frame contractors have begun to diversify and participate in this market sector. It's just one more trend that we're seeing evolve.

Standing seam panels can be finished in a few different ways at the building's eave edge, depending on budget and aesthetic factors. Of course, the most economical option is to use exposed fasteners. However, many discerning owners opt for an architectural eave detail due to the appearance and decreased risk for leaks.

Architectural eave details involve trimming the panel and "hooking" it onto an eave plate instead of using screws. While this detail looks great, it can be very time-consuming to create because it requires crews to spend an average of 2 to 3 minutes per panel measuring and cutting it before installation. Many national manufacturers realize this is a pain point for contractors and now offer what is called an "eave notch" on some of their concealed and standing seam systems. Panels ordered with eave notching arrive at the job site ready to be folded and installed. Since no measuring or cutting is required, eave notching saves contractors time and, consequently, building owners money.





If you're interested in eave notching, it's always best to check availability with both regional and national manufacturers in your area. You'll likely find that national manufacturers more commonly offer eave notching.

DEPTH OF PRODUCT OFFERING

SUBSTRUCTURAL COMPONENTS

While lumber use is still the predominant choice, as post-frame building uses stretch into larger commercial structures, there is an increasing need for cold-formed substructural components such as Cee, Zee and angles. National manufacturers routinely have a robust offering of these parts where they are rare, if not impossible, to find offered at regional manufacturers.

ACCESSORIES

The accessories used with metal panels are almost as important as the panels themselves. In fact, the combination of metal panels and accessories work together to create a "system." Yet to keep minimal inventories and low overhead, some regional manufacturers offer few, if any, accessory items, leaving contractors with the burden of running around town to source them locally. Not only is this incredibly time-consuming for contractors, but they are also often unable to source similar quality products. They are then sometimes forced to purchase lower quality materials.

Let's look at building ventilation as an example. Buildings with conditioned space require some sort of vented soffit. Yet, some regional manufacturers either offer nothing or a white only option for vented soffit material. While that's a very effective way to reduce overhead, it doesn't do much to help out their contractors and end customers. Conversely, national manufacturers tend to offer all of the necessary components. For example, at McElroy Metal, we provide color-matched soffit systems to ensure owners and contractors have access to the same quality and colors for soffit as their metal roof and wall panels. After all, as design trends move toward large outdoor covered spaces, the feel and aesthetics of outdoor spaces are often equally if not even more important than other design elements.

DEPTH OF PRODUCT OFFERING

ACCESSORIES (CONTINUED)

Let's also chat for a moment about non-climate-controlled buildings. Historically, contractors haven't had many options to address condensation on these types of buildings. Consequently, they most often resort to some kind of field applied condensation control. The product cost isn't necessarily prohibitive, but the labor to install it can be. Sure, the labor cost can be passed on to customers. However, since the construction industry is currently experiencing a labor shortage, the soft labor costs (or opportunity costs of what else the crew could be doing) are often the higher cost.

Just imagine, if you will, what it would mean if a metal product could show up at your job site with an economical factory-applied condensation control membrane already applied. That would be a big deal, right? At McElroy Metal, we are proud to offer MoistureLok® on several of our products. Our MoistureLok® membrane provides a medium for trapping moisture and holding droplets in place until conditions go back below the dew point. At that point, the moisture is simply released back into the atmosphere as natural humidity.

DEPTH OF PRODUCT OFFERING

VENDOR SIMPLIFICATION

Life is admittedly busy. It often seems we don't have enough hours in the day. As a result, retailers specializing in one-stop shopping have experienced phenomenal growth because consumers love the idea of buying everything from tires to groceries to clothing in one place. Why? It simplifies their lives.

Over time, we've seen those same buying tendencies in construction. Owners pressed for time are placing increasing emphasis on buying more products from fewer vendors. Time is money. The days of calling one place for this and the other for that just don't make sense for most successful contractors in today's fast-paced world. It's simply easier and quicker, and causes fewer headaches when one supplier can deliver everything for the job.

Bottom Line: Given their broad product offerings (including necessary accessory products), national manufacturers tend to be the much better choice for contractors interested in one-stop shopping than their regional counterparts.

NATIONAL VS. REGIONAL: There is simply no comparison between the options and support available with a national manufacturer vs. a regional roll-former. Regional manufacturers' facilities simply aren't large enough to house multiple types of tooling, colors, paint systems, accessories and material gauges. In addition to space constraints, regional roll-formers typically aren't interested in making the necessary financial investments in equipment and staffing required to offer the wide range of core and accessory products that national manufacturers provide.

DEPTH OF PRODUCT OFFERING

VENDOR SIMPLIFICATION (CONTINUED)

SUMMARY: When the metal panel industry first started, life was pretty simple. Since most of the post-frame projects were initially related to agricultural operations, there simply wasn't a significant need for product variety, but that has all changed.

Today's post-frame contractors might be working on a large church, extravagant horse barn and private residence all in the same month. As projects become more diverse, product diversification from suppliers becomes increasingly important. However, this is where the gap widens between national and regional manufacturers. While regional manufacturers can offer lightning-fast lead-time, their limited product offering often fails to support today's contractors, building owners and distributors' diverse needs. Instead of flexing to customer needs by adding more profiles, more colors, more gauges, more accessories and more testing, regional manufacturers continue to market with a minimal product offering.

BOTTOM LINE: Choosing between a national and regional manufacturer depends on your goals. If you just want basic products with quick lead-time and can accept the offered quality as a trade-off, then a regional may well be your best option. If you want multiple panel options, color-matched accessories, vendor support and multiple paint systems to support your clients, chances are you'll be much better suited to a national manufacturer.

PRICING

Product price is an integral part of every buying decision and consequently bears discussion. With that said, there are three factors to consider: price, cost and value. Price is represented by what you physically pay for the product. Product cost includes things like overall product life expectancy and labor differences to install one product over the other. Ultimately, value is the most crucial factor in the equation since it represents what contractors and building owners believe the product is worth.

Let's consider an example to bring some clarity to this topic. Earlier, we discussed factory eave notching on standing seam panels and identified that they are typically offered by national manufacturers more often than regional manufacturers. As a reminder, factory notched panels save contractors 2 to 3 minutes on every panel. Suppose that a project has 100 panels. In that case, crews spend approximately 5 "additional" hours measuring, cutting and folding panels before installation, not to mention the time wasted by other crew members waiting during the process.

As you can see, costs can spiral rather quickly. If someone with eave notching capability manufactured those same panels, chances are good that they could arrive at the job site ready to be unpacked and immediately installed on the roof. Again, given current labor shortages, finding crew efficiencies are the name of the game. In this example, when labor is considered, panels with eave notching that "cost" more might actually be the most economical option.

Trim is another excellent example. As mentioned earlier, some regional manufacturers offer trim only in 10' length, yet national manufacturers will often produce trim up to 20' in length. The 10' option requires crew members to handle twice as much material; and requires extra time to perform an adequate lap condition, and install sealants or butyl tape. Laps can also create an aesthetic concern with owners and, perhaps most importantly, allow one more opportunity to water infiltration into the building. Consequently, while the trim "price" might be higher from a national manufacturer, the "cost" for longer trim may be considerably lower than that offered by a regional manufacturer.

PRICING

NATIONAL VS. REGIONAL: Regional roll-former's products will almost always be lower "priced" than their national manufacturer counterparts. However, it's essential to realize that they can actually "cost" more in the long run. Sometimes the additional costs can occur in labor due to the lesser manufacturing equipment and processes discussed previously. In other cases, the overall "cost" can be higher because the lower quality paint and substrates simply don't perform as well as those historically used by national manufacturers.

SUMMARY: While contractors can experience soft "costs" during installation, building owners are faced with long-term "cost" consequences if the material doesn't perform as expected. For this reason, contractors are beginning to bring building owners into the manufacturer-selection process and ultimately placing a higher emphasis on value than price.

Only you can decide what is best for your customers or projects. While "price" is a healthy part of every purchase decision, "cost" and ultimately "value" should also be considered in the decision-making process.

RISK

Admittedly, successful business owners and consumers keep a constant eye on trends. They also routinely consider risk in their decision-making. Granted, some folks by nature are risk-averse while others are risk-tolerant.

Regardless of which profile best fits you, the reality is that you intentionally think about risk. For example, if you decide to wait until next year to start a project, interest rates or product costs might go up. It's a risk you either accept or decline. Accepting the risk means you might delay your project start. You might also decide the risk (or potential loss is too great), and move forward with your project now.

Interestingly enough, many contractors, distributors and building owners fail to consider risk in their decision-making process when comparing national and regional manufacturers. Much like your other decisions, the risk is an essential element and bears consideration.

There are three main types of risk concerning national vs. regional manufacturers: risks rooted in product quality, risks involving the manufacturer solvency and risks to your reputation.

RISK

PRODUCT QUALITY

Let's start by addressing risks rooted in product quality. First, it's important to realize that whether you're working with a national or regional manufacturer, product failures can happen. Metal panels are no different than any other product you might purchase. When something in the supply chain doesn't work as expected, products can fail.

Here's the real risk on this topic: National and regional manufacturers work with entirely different types of suppliers. National manufacturers work with a very small number of the most respected steel mills in the industry, many of whom have been in business for literally decades. Conversely, regional manufacturers rarely buy their coils directly from the steel mills. Instead, they buy their coils from a middle man, often referred to as a service center. Instead of buying based on relationships and loyalty like the national players do, regional manufacturers often purchase their coils primarily on price. Consequently, with little margin to sustain their operations, these steel coil service centers come and go with alarming frequency.

While there are many reputable service centers in the market that sell high-quality, domestic (U.S.-produced) steel, there are others that offer a much lower product quality. As an example, it's not unusual for service centers to supply foreign instead of U.S.-produced steel. Does that mean that foreign steel is bad? Not necessarily. However, a large percentage of our contractors and building owners, and almost all government projects, place a large emphasis on using American-made products. In those cases, working with a service center supplying foreign steel is often a resounding no-go. Even for those without a strong opinion of domestic (U.S.-produced) vs. foreign steel, this decision should be heavily considered. Like many other products, there are many different levels of quality available from foreign steel producers. Some are high in quality, but you'll also find some poor-quality products that may even be coated with generic paint systems.

For all of the aforementioned reasons, it's best to ask your manufacturer or supplier about their source of steel. You might also consider requesting mill certifications that show the actual specifications and origin of the steel (foreign or domestic). While these aren't automatically provided, steel mills do provide mill certifications upon request.

RISK

PRODUCT QUALITY (CONTINUED)

Keep in mind that this isn't to say that you will have more product failures when working with a regional vs. national manufacturer, merely that you assume more risk by working with someone with an inconsistent supply chain. While catastrophic failures aren't common in our industry, they do happen. The question to consider is if the risk is acceptable to you. If you choose to work with a regional manufacturer, weighing the risk means answering these types of questions:

1. Will the regional manufacturers' records be good enough to determine who supplied the coil to them?
2. Will the service center, or regional roll-former, still be in business to respond to the claim?
3. Has the regional manufacturer done enough business with the service center to gain any loyalty and sway in the event of gray areas?
4. Is the material supplied by the service center seconds or lesser quality than that provided by national manufacturers?

RISK

MANUFACTURER RISKS

The second type of risk to evaluate involves the actual national or regional manufacturer. We've talked rather frankly throughout this e-book about the differences in their respective market approach. These differences are especially relevant when considering risk. To reiterate, many regional manufacturers position themselves on lead-time and low cost, where national manufacturers position themselves on their long-term reputation, service and product quality.

Stability and long-term reputations are key hallmarks for most national manufacturers. That's why most of them have been in business for literally decades. For example, McElroy Metal is privately owned by the McElroy family, and has been in business for more than 57 years. We simply couldn't have achieved that type of success without providing quality products and taking care of our customers.

In sharp contrast lie the regional manufacturers who appear (and disappear) often overnight. The reality is that some have been in business only 2 to 5 years. With minimal capital required to jump into the manufacturing business, they find it equally easy to jump out in some cases, leaving customers holding the bag.

Service interruptions are another differentiator between national and regional players. Severe weather events like tornadoes and hurricanes, and even structure fires, can easily idle the single-location manufacturing facilities that are the regional manufacturers' hallmarks. Conversely, because national manufacturers have multiple facilities, they can flex production during these events to other facilities and continue uninterrupted material supply to their customers. While granted that these events don't occur often, the risk to business operations is significant when they do. Consequently, working with smaller regional manufacturers carries more risk than working with their national counterparts.

MANUFACTURER RISKS (CONTINUED)

Does all of this mean that you shouldn't partner with a regional manufacturer? Not necessarily. However, it does mean that before agreeing to do so, you should thoroughly consider and be willing to accept the risks associated. If you choose to work with a regional manufacturer, weighing this risk means answering questions like:

1. How will you get products to satisfy your customers and keep crews busy if the facility unexpectedly closes due to an unexpected fire or weather event?
2. Since service isn't a primary component of their marketing approach, can you expect support from them when you need it?
3. Will the regional manufacturer still be in business if/when you have a product issue?
4. Is the regional manufacturer supplying you the same quality of material as their national counterparts?

RISK

REPUTATION RISK

The last of the three risks to consider is potentially the most important. Regardless of whether you choose a regional or national manufacturer, that choice becomes an extension of you, your brand and ultimately your reputation. Consequently, it's vital to pick a manufacturer who aligns with your values. After all, no one has more at stake than you do.

While satisfied customers can be generous with praise, unsatisfied customers can also be quite vocal about their dissatisfaction. In fact, statistics tell us that one dissatisfied customer tells seven more people. While that's not the kind of publicity any business owner wants, buying and selling on price instead of quality can encourage just that behavior. As Benjamin Franklin once said, "The bitterness of poor quality remains long after the sweetness of low price is forgotten."

NATIONAL VS. REGIONAL: Given their inconsistent suppliers, the propensity to pop into and out of the market, reduced financial strength, and impact on contractor reputations, most would agree that regional manufacturers present far greater risk than national manufacturers.

SUMMARY: It's impossible to eliminate risk. It's essential to intentionally consider the risks that different types of manufacturers expose you to in your decision-making process. For the reasons we've discussed, working with regional manufacturers often carries more risk than working with national manufacturers. Only you can decide if the additional risk is worth your reputation.

Again, the question to consider is if the risk is acceptable to you. If you choose to work with a regional manufacturer, weighing this risk means answering these types of questions:

1. What happens to your reputation if you can't resolve product issues for your customers?
2. Ultimately what do you want your legacy to be? (supplying quality products or lower-priced products with perhaps quicker lead-time)
3. How do you support your customers if the manufacturer you used goes out of business?

SERVICE AND SUPPORT

When asked, most buyers agree that service is important in their buying decisions. However, service can mean a host of different things. To some, it simply means the speed of delivery, but to others, it often means much more. In this section, we will cover a few of the most common topics successful contractors include when they're evaluating "service."

DELIVERY

Given their broad geographic coverage, national manufacturers routinely offer delivery services to contractor locations and even direct to job sites. Conversely, regional manufacturers often require contractors to pick up material. While there usually is a fee associated with delivery from a national manufacturer, picking up material from a regional manufacturer bears cost as well. While those costs associated with picking up your material might fly under the radar, they are real, and they affect your profitability. Consequently, they bear consideration. Fuel and vehicle expenses are obvious costs, but you also need to put labor into the equation. Labor should include both the time you paid an employee to pick up the material and the soft opportunity costs of what else they could have been doing during that time.

BOTTOM LINE: Delivery simply isn't an option with many regional manufacturers. However, it's available with virtually all national manufacturers. Given the current tight labor market, many contractors prefer to keep their crews focused on installation while someone else handles getting material to the job site. Suppose you're in this camp and deciding between regional and national manufacturers. In that case, you'll want to dig into this topic and ask some questions regarding delivery availability before determining which type of manufacturer is better suited to you.

SERVICE AND SUPPORT

PACKAGING

Anyone who has waited for material only to receive damaged products understands the importance of good packaging. Admittedly, robust packaging isn't cheap. Neither is pulling crews off of one job and sending them to another due to material damage. While no one is exempt from occasional damage, national manufacturers go to far greater lengths than their regional counterparts to protect products and consequently minimize damage.

Admittedly, part of their packaging approach lies in self-preservation. Because national manufacturers routinely deliver products several states away from their production facilities, their packaging is by design more substantial. It simply must be to ensure the product is received in excellent condition. In fact, at McElroy Metal, we've even designed custom trailers to help minimize the damage that drivers often cause while tarping flatbed trailers.

Another excellent example of the enhanced packaging used by national manufacturers is banding their panels onto wood blocking. This blocking stabilizes the panels from bending or flexing, and provides a level of protection far greater than the block's cost. Yet, most regional manufacturers do not use the block and band packaging approach for their panels. Instead, their packaging tends to be bare bones.

Generally speaking, a regional manufacturer's goal is simply for their packaging to be substantial enough to successfully hand the product off to the customer. Conversely, the packaging offered by national manufacturers offers contractors benefits extending past the initial delivery. For contractors that have material delivered to their shop instead of directly to the job site, it's much easier for contractors to reload material onto their trailers when the packaging is more robust like that typically offered by national manufacturers. Additionally, well-packaged materials are easier to move around on job sites.

Many national manufacturers, including McElroy Metal, also offer project-specific packaging and tag their bundles with certain building areas. For example, one bundle might be labeled "west end" and another "east end." As you can imagine with this sort of packaging, there is a much lower possibility for crew damage and a much higher crew productivity. If you're intrigued with this type of packaging, it's always best to ask questions of any manufacturer that you're considering partnering with to determine the availability.

BOTTOM LINE: National manufacturers realize that properly packaged products impact everything from crew production schedules to employees' paycheck and ultimately building owners' happiness, and design their standard packaging accordingly. Packaging costs are expensive and, consequently, an area where most regional manufacturers cut their costs, often at contractors' expense.

SERVICE AND SUPPORT

TECHNOLOGY

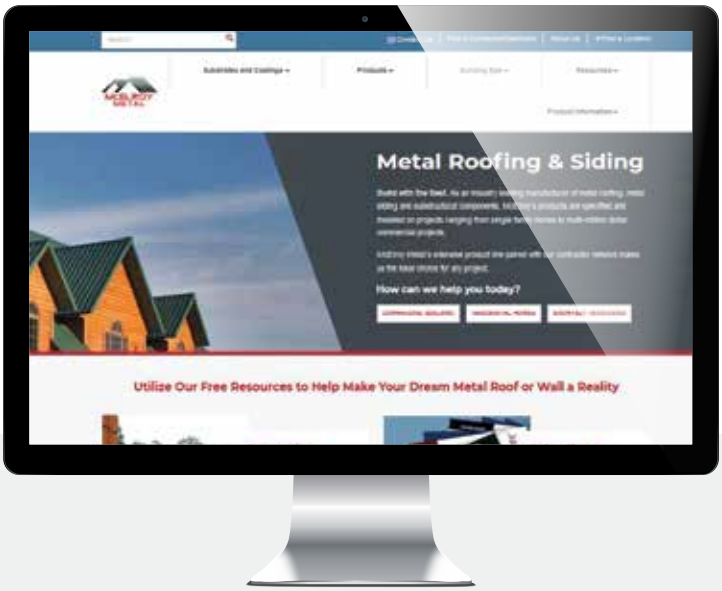
Technology is another differentiator between national and regional manufacturers. As a rule of thumb, regional manufacturers simply don't have the expertise or staffing to capitalize on some newer technologies like national manufacturers do. Let's look at e-commerce and material scanning during the loading process as examples.

In case you aren't familiar, the term e-commerce refers to buying items online. The chances are good that you do quite a bit of e-commerce in your personal life. While our industry has been slower to embrace digital ordering than some other industries, the national manufacturers are catching up quickly.

Properly designed e-commerce systems allow contractors to prepare their quotes and orders when it is convenient to them. They also enable contractors to upload custom trims and a host of other benefits. No longer are contractors confined to a manufacturer's business hours. In our fast-paced 24/7 world, busy contractors embrace this technology. In fact, many actually demand it and consider it a critical feature when choosing their manufacturer. While many national manufacturers have developed advanced e-commerce systems, few regional manufacturers are active in this space.

Material scanning during loading and unloading is another newer technological advancement that we're proud to offer at McElroy Metal. Few, if any, other national or regional manufacturers offer this service. Material scanning helps resolve the age-old problem of material that was supposedly loaded onto a truck but never delivered. The process helps keep replacement costs in line for manufacturers and, consequently, costs down for both contractors and building owners.

BOTTOM LINE: There is, of course, a cost to purchase technology, and it is one that regional manufacturers typically aren't willing to invest. Again, regional manufacturers usually have one goal in mind: low-cost products and quick lead-times. Consequently, investing in new technologies is rarely a priority for them, but it is a continual priority for national manufacturers who prioritize service for their customers.



SERVICE AND SUPPORT

WEBSITE

Speaking of technology, we also need to address websites. While the smallest of regional players may not host a website, most medium-sized regional players and virtually all national manufacturers offer a website for customers to view their product offerings. In this digital age, most customers consider websites a requirement. However, you can expect to find significant differences in both the types and quantity of content on national manufacturers' sites compared to the regional manufacturers. Typically, regional manufacturers' websites contain only basic information such as panel shapes and color availability.

Conversely, national manufacturers' websites are much more robust and offer all sorts of free resources and downloads designed to support their contractors, building owners and distributors. While each manufacturer's website may vary, you can routinely expect to find the following types of documents: installation manuals, product-specific load tables, CAD/PDF files, testing information, product specification templates, case studies, design tips, warranties and maintenance information. It's also common to find building design tools like photo galleries and even interactive visualizers on national manufacturer websites. Some of the more robust visualizers even allow users to upload photos of their projects and experiment with color. Tools of this nature simply aren't the norm with regional manufacturers' websites.

BOTTOM LINE: National manufacturers are much more willing to spend the money necessary to develop and maintain robust websites to support their customers. If powerful websites are important to you, this may be a critical factor in your decision-making. However, if you rarely visit websites and don't find them beneficial for your business, this may be a non-issue.

SERVICE AND SUPPORT

EDUCATIONAL MATERIALS

Educational materials are another big difference between regional and national manufacturers. Because they try to operate with very low overhead, regional manufacturers rarely spend the time and money necessary to develop educational content. In contrast, national manufacturers freely share tips and best practices through extensive blogs, e-books like this one and video tutorials hosted on their website.

BOTTOM LINE: If you're an experienced contractor selling basic products and have customers that aren't interested in educating themselves, you may not care about educational materials. If you like to be on the cutting edge of new products and enjoy the reputation of being an expert in your field, then chances are you do! If that's the case, national manufacturers offer a distinct advantage in the arena of educational materials.

INDUSTRY SUPPORT

Another area of support that sometimes flies under the radar is the amount of involvement or support the manufacturer offers to the industry. Several industry organizations in the metal roofing and siding industry work tirelessly to advance the industry through market development, building code work, and even research and development efforts.

Many national manufacturers make significant financial commitments to these groups since they realize their efforts directly benefit everyone from contractors to building owners and manufacturers. For example, at McElroy Metal, we take great pride in our active participation and leadership positions with the following trade organizations: National Frame Building Association (NFBA), Metal Roofing Construction Association (MRCA), Metal Roofing Alliance (MRA), and Metal Construction Association (MCA). Conversely, many regional manufacturers benefit from these efforts but provide little (to no) financial support nor active participation.

SERVICE AND SUPPORT

LEAD-TIME

As mentioned previously, due to their proximity and small-scale operations, regional manufacturers typically offer lead-times that national manufacturers struggle to match. Generally speaking, it is their claim to fame. However, some national manufacturers have gotten pretty creative and began offering a hybrid approach to close this gap. For example, at McElroy Metal, we introduced the concept of local service centers. These physical storefronts stock basic products, produce standard and custom trims (often with 1-day lead-time), and stock a full line of accessories. We presently have 26 of these facilities located around the country, and are constantly adding more. In many cases, this model allows our contractors and owners the opportunity to experience the best of both national and regional manufacturers.

BOTTOM LINE: If material availability is consistently your number one priority, then a regional manufacturer is likely a solid choice regardless of product quality and service. If you can organize your business to allow for a bit longer lead-time, chances are good that both you and your building owners will experience a big bump in quality, depth of product options and service from working with national manufacturers.

SUPPORT STAFF

To date, most of the manufacturer support we've addressed involves behind-the-scenes activities. However, some manufacturers also employ teams of people to offer front-line support to both contractors and building owners.

Local sales representatives are a great example of manufacturer-supplied support staff. Experienced reps routinely make themselves available for face-to-face meetings with contractors, installation crews, architects and even building owners. Topics for these meetings include everything from product education to product selection, product availability and even installation training.

SERVICE AND SUPPORT

SUPPORT STAFF (CONTINUED)

Estimating, engineering and drafting services are also great examples of common support staff supplied by many national manufacturers to assist their customers. Estimating services are typically provided free of charge, and (as the name implies) these folks prepare job-specific estimates for metal panels and related trims. In today's competitive environment, we've seen many of our customers reduce the size of their internal estimating departments and instead utilize a manufacturer provided in-house estimating team.

While most manufacturers don't charge for estimating services, they usually do charge nominal fees for engineering and drafting services. As a rule of thumb, the fees charged are still less than what you pay for similar services locally, and you gain the benefit of working with someone who has a high focus and product knowledge on metal roofing and siding panels.

BOTTOM LINE: If you like access to a team of experts to support both you and your customers, it's important to consider support staff when comparing national and regional manufacturers. As might be expected, regional manufacturers typically offer these types of support staff with less frequency given their low overhead and staffing levels. Conversely, national manufacturers routinely provide these, and many other, types of support staff. With that said, there are variances to the norm on both sides, so it's always best to ask potential vendors to determine the available services.

NATIONAL VS. REGIONAL MANUFACTURERS: When comparing service levels between regional and national manufacturers, it's usually best to consider their market approach. A wise man once said you can't have good, fast and cheap. Since regional manufacturers' value proposition is cheap and fast, it stands to reason that you'll likely give up good in either product quality or service. Which one depends on the manufacturer. It doesn't mean that regional manufacturers can't be a good fit for you, but it's important to temper your expectations.

On the other hand, national manufacturers consider their service as one of the most important attributes to their business model, and consequently offer service levels that simply outshine the regional manufacturers.

SUMMARY: The first question to answer when considering service levels between national and regional manufacturers should be defining what service means to you. Suppose the only factor you're looking for with regard to service is lead-time. In that case, a regional manufacturer or a national manufacturer who also has regional storefronts (like McElroy Metal) may be your best partner. If you include things like delivery services, robust packaging, technology, support staff, training and educational materials when you define service, then you're likely far better suited to work with a national manufacturer.

CONTRACTOR CRITERIA

While selecting between a national and regional manufacturer affects product quality, manufacturing differences, depth of product offering, pricing, risk and support, the choice also impacts the contractor's overall business model.

LABOR: It's time to address the elephant in the room. We've shared numerous times that you can purchase material cheaper from regional roll-formers. However, what we haven't addressed is that most jobs aren't won or lost on material cost. As any contractor knows, labor (not material) is the biggest risk for a project's gain or loss.

When contractors bid on a project, they typically have a pretty good idea of their material costs. On the other hand, labor can be a wild card that varies significantly from bidding to job completion. While not always the case, poor manufacturing quality is often to blame for the additional labor. Product deficiencies can force crews to spend extra time to make things work and quickly take a job from the win column to the loss column. While both national and regional manufacturers can experience manufacturing problems, they are certainly less frequent with national manufacturers due to the higher quality machinery and robust quality-control programs they leverage.

NATIONAL VS. REGIONAL MANUFACTURERS: Based on their market approach, regional manufacturers tend to align you with a smaller number of price-driven buyers who use only the most common products. Working with national manufacturers allows you to grow your business with quality-minded folks looking to use diverse product offerings.

Do the benefits offered by working with a national manufacturer come with a price? Yes, but they also provide you a way to:

1. Supply the highest quality products.
2. Reduce risk.
3. Remain competitive.
4. Minimize product issues and maximize profitability.
5. Position yourself as the premier/quality guy.
6. Chase light commercial/high-end projects your competitors can't.
7. Be confident that your reputation remains strong when your manufacturer is still there to deal with issues, building additions, and repairs in 30 or even 40 years.
8. Simplify your life by working with one manufacturer who can supply all your project needs from the basic to the once-in-a-lifetime builds.

SUMMARY: Which is best for you? Again, only you can decide that, but hopefully you're starting to see that there are certainly some critical considerations. Choosing the proper manufacturer as a partner can be a growth or limiting factor to your profitability and, ultimately, your business. Hence, it's essential to consider all the aspects, including the type of clients you prefer.

BUILDING-OWNER CRITERIA

It's important to highlight that all of the topics addressed in this e-book are also relevant for our building-owner readers. Thanks to the internet, it's easy for buyers to research their options. In fact, chances are that you are far more educated and savvy than you were even a few short years ago. This e-book is a perfect example of resources available to you that previously weren't.

As you work to select a contractor for your next project, you should consider the ramifications of the contractor's choice between regional and national manufacturers and, ultimately, how their decision affects both your project and long-term expectations.

NATIONAL VS. REGIONAL MANUFACTURERS: By choosing to work with a contractor who selects regional manufacturers, your project might indeed get finished a week or two earlier. The trade-offs? You're likely to accept fewer product options and potential quality trade-offs like lighter gauges and lower quality paint systems like SMP vs. Kynar 500®. There's also a good chance that you're accepting reduced (or nonexistent) long-term support should you have a quality issue down the road.

SUMMARY: If speed to building completion is your top priority, you may prefer working with a regional manufacturer. Conversely, suppose quality, service, long-term performance and more product options are important to you. In that case, you'll likely be better suited to a contractor who chooses a national manufacturer for their partner. Sure, your construction phase might be a few weeks longer, but (on the plus side) you'll likely still be happy with your building decades from now.

SUMMARY

In summary, our goal through this e-book has simply been to open your eyes to the possibilities and differences available to you. Of course, some regional players trend toward quality levels closer to national manufacturers, and some national manufacturers offer lower quality products that match those of regional players.

Consequently, we hope that you will begin to interview potential vendors with questions ranging from substrates to standard steel thickness and standard stocked paint systems. While these types of questions will undoubtedly help indicate the product quality you can expect, you shouldn't stop there. It's also essential to explore topics like product offering depth, support staff, packaging and even their willingness to offer manufacturing advances like warm forming and edge coating.

BOTTOM LINE: You should plan to invest time researching and talking to folks to find the right metal roof and wall panel manufacturer for you. Like much else in life, there are admittedly trade-offs to consider. However, it's essential to realize the stakes are especially high with this decision because the choice you make affects every single aspect of your business, from your profitability to the type of clients you attract and the services you can offer them.

If you'd like to explore the opportunity of working with us along the way, please **contact us**.
We're always here to help!