

SIMPSON

Strong-Tie®

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## STRUCTURALREPORT™

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50<sup>TH</sup>  
ANNIVERSARY  
1956-2006

## COMPANY SPOTLIGHT

## 50 YEARS OF DOING IT RIGHT!

Ask the president, CEO or chairman of Simpson Strong-Tie, "To what do you attribute the company's 50 years of growth and success?" and they'll each say – it's our people and the way we service our customers. Now that may seem like a canned response, but they really believe it.

"We have a simple philosophy, cherish our people and cherish our customers," says Tom Fitzmyers, CEO. "Without the customer you have nothing. We have great people who appreciate that and connect really well with our customers."

And Simpson Strong-Tie does take care of both its people and its customers. The company is known for its comprehensive employee benefits package, which includes stock options and a generous profit sharing program. Additionally, the company has a strong focus on education, funding employee tuition and providing scholarships to the children of employees and university students. More than that, the company believes in providing an environment where employees feel challenged and want to come to work each day. "If you enjoy what you do, you'll have a better overall contribution," says Steve Lamson, president.

Maintaining a flat organizational structure and empowering people to get their jobs done are also important values of the company. Each of Simpson's 11 branches is responsible for their own profits. Job titles and "corporate" terminology are also frowned upon because it doesn't fit with Simpson's informal atmosphere and culture.

This lack of structure and abundance of entrepreneurial spirit combined with a strong belief that people should be promoted from within, attracts and keeps Simpson employees. The company has many long-time veterans including the late Tyrell Gilb – resident genius – who was responsible for more than 47 product patents during his 35-year career.



*Simpson turns 50 in 2006 – our golden anniversary. To celebrate this milestone, we have several things planned to honor our customers and employees for their contributions and long-standing support. This special edition of the Structural Report covers a variety of topics that address the last 50 years. We hope you enjoy looking back with us and we look forward to continuing to serve you in the next 50 years and beyond.*

Simpson Strong-Tie recently honored Tye in 2003 when it named its new state-of-the-art research lab after him.

Customer service has also been paramount to the company's success. Simpson employs more than 2,100 people, including sales representatives who promptly respond to customer needs. Whether its providing installation training on jobsites or 24-hour technical support, Simpson Strong-Tie has earned a reputation for its responsiveness, on-time delivery and product innovation.

"Our parts have to be right and our numbers have to be right because people trust us," says Fitzmyers. Lamson adds, "If we say we're going to do something, we do it. Our customers can rely on that."

The company invests heavily in research and development to ensure its products perform to high quality standards. Simpson's products greatly impact the structural safety of the home. "Our products help to save lives and our employees know that. We encourage them to do everything in their power to make the best product possible – and they do."

Providing customers with low-cost, labor-saving solutions is also a main priority. Frequently, it's a customer's feedback that spurs a new product or a new version of a product. "Our customers will often tell us about a problem they're having or a specific

need," says Lamson. "With their feedback, we can then begin to develop a solution."

Not only does Simpson Strong-Tie appreciate its customers and employees, it also strongly believes in giving back to the community. The company makes frequent donations to a variety of local and national charities. An avid philanthropist, Barc Simpson initiated his "Put Some Back" (PSB) fund to contribute to various non-profit organizations. Additionally, the company matches 100 percent of employee's contributions to non-profit groups. "I feel very strongly that it's our responsibility to give back to the community to ensure the same opportunities are available for future generations," says Simpson.

As Simpson Strong-Tie looks ahead to the future, it sees many opportunities for growth. The company will continue to think globally, and expand its product offering by adding lines related to structural connectors and systems. However, Simpson doesn't plan to change its free-spirited company culture, and the integrity and trust it has built over the last 50 years.

"Doing it the right way – it's the foundation of what we do," says Lamson. And continuing to improve as a company is critical. Whether it's hiring people, launching a new product or taking care of its customers, Simpson Strong-Tie continues to focus on doing it right. ■



Barclay Simpson, Chairman



Steve Lamson, President



Tom Fitzmyers, CEO

## COMPANY HISTORY

### SIMPSON STRONG-TIE: 50 YEARS YOUNG

The entrepreneurial spirit is alive and well at Simpson Strong-Tie. Founder Barclay Simpson, 84 years old, is the chairman of the company. Simpson got its start in 1956 with a \$2,500 order, a sizeable amount in those days according to Barc. Today, Simpson is an international company, manufacturing over 2 billion parts annually.

#### THE EARLY YEARS

Inspired by his father, an entrepreneur and inventor of wooden window screens (*see photo below*), Barc Simpson found his own niche in the joist hanger business. On a Sunday evening in 1956, a brother of a neighbor stopped by to see if Barc could make a product that would connect the ends of 2x4s for a flat roof. The man worked for a company that erected commercial buildings. Although Barc didn't really know if he could make a product like that, he instantly replied "Of course!" and then went about seeing if he really could. This rather innocent request was the genesis of the company.

In its early years, Simpson Strong-Tie called Oakland, California home. The company produced its first product catalog in 1957, which offered only a handful of products including framing anchors, joist hangers and support angles. The business approach was modest – sell locally. And the company did just that, gradually increasing distribution throughout California.

In 1965, Simpson added its second plant in Los Angeles, which later moved to Brea, California. Seven years later, the Weldwood Structures division of United States Plywood was acquired and eventually renamed Simpson Structures. This acquisition, along with further expansion, provided extensive growth for the company in both its connector and structures business.

"When I joined the company 25 years ago, it was still a very regional company," says Tom Fitzmyers, CEO. "With facilities in northern and southern California, we were primarily a West Coast-based operation with a few accounts in other parts of the country."

#### SIMPSON EXPANDS EAST

Simpson may have been the largest company of its kind at the time, but it was not the most well-known. Realizing that it needed to move East to grow, the company hired a couple of salespeople to cover the eastern half of the U.S. Eventually, the company picked a small warehouse location near Dallas and started using that as its base. "That really was our big move away from California and a major step toward national expansion," adds Fitzmyers.

The Texas branch quickly outgrew its space, and in 1983 moved to a larger facility in McKinney. In 1985, the company sold Simpson Structures and several other small businesses to focus on its connector business. Two years later, a fourth branch was opened in Columbus, Ohio to service the Midwest and Northeast.

By 1990, the Simpson Strong-Tie name was prevalent in the building

industry and the company had salespeople and distribution throughout the U.S. Simpson's growth continued through the '90s with the addition of a warehouse in Jacksonville, Florida, and a new warehouse, office and training facility in San Leandro, California. The home office also moved to a new location in Pleasanton, California.

#### AN EYE ON EUROPE AND A PUBLIC OFFERING

International activities also began to heat up in the mid-'90s. To further expand the business, Simpson put stakes in England, Germany and Canada.

On May 26, 1994, Simpson Manufacturing Co., Inc., the parent company of Simpson Strong-Tie, went public – a true milestone for the company. "We wanted our people to own part of the company – it's the main reason we went public," says Barc Simpson.

Between 1995 and 1997 a number of new acquisitions grew the company even more. In 1995, the company went after a new market – fastening systems for concrete with the acquisition of a chemical (*epoxy*) manufacturer and then in 1997 purchased a mechanical anchor manufacturer. Around the same time frame, purchase of a British company known for its block wall products and a French producer of connectors, furthered expanded Simpson's product lines and European presence.

In 1996, the company reached another milestone, ISO 9001 registration, an internationally accepted quality management system. Simpson was the first company in the connector industry to become ISO registered. The next year, the Japanese C-Mark registration was earned. Simpson was the first non-Japanese company to meet these standards.

In 1999, Simpson introduced its Strong-Wall® shearwall – another step toward expanding its reputation as more than just a connector company by offering products related to a structure's entire system.

From the late '90s to early 2000, Simpson experienced significant growth in Canada, Great Britain and Denmark via acquisition. During this time, European sales doubled and the company's Anchor Systems product line continued to show great promise.

#### THE 21ST CENTURY

Simpson continued to expand its product offering and at the end of the year 2000, Simpson's home office moved from Pleasanton to Dublin, California, to accommodate its growth.

2003 marked another important milestone for the company. The Tyrell Gilb Research Laboratory was opened in Stockton, California. The state-of-the-art facility features highly specialized equipment to test a structure's resistance to extreme conditions, including high winds and strong earthquake forces. The lab gave Simpson the opportunity to look at buildings as whole systems, and test new products for load capacity and lateral resistance.

In 2004, Simpson's product line expanded once again with the acquisition of Quik Drive fastening systems and the introduction of its Steel Strong-Wall®.

In 2006, Simpson Strong-Tie is recognized around the world as the leader in structural product solutions. Although Barc Simpson would have never imagined that the company would have grown to such a size or international presence, he and the now 2,100+ Simpson employees certainly carry the same enthusiasm and spirit that launched the company in 1956. ■



**CODE CORNER**

**50 YEARS OF NATURAL DISASTERS: HOW THEY'VE STRENGTHENED BUILDING CODES**

In the last 50 years, we've seen some of the most expensive and deadly natural disasters in this nation's history. If there's a bright side, it's that we learn from each event, and building regulations and codes are improved as a result.

For this special issue, we took some time to look at the major earthquakes and hurricanes from recent history to see how they have impacted building codes and structural safety.

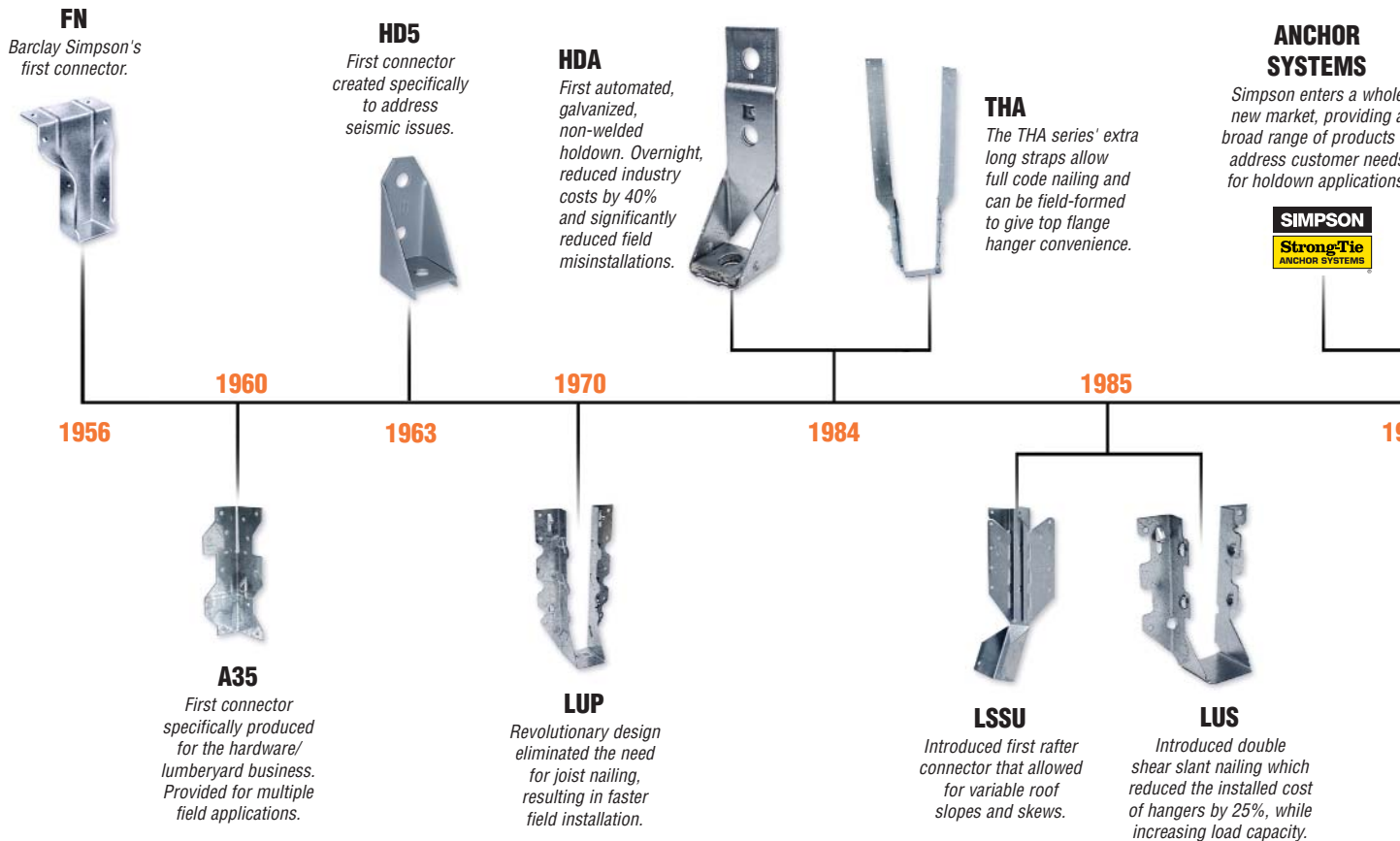
**FIVE DECADES OF EARTHQUAKES**

In 1959, the Structural Engineers Association of California published their first Blue Book, entitled "Recommended Lateral Force Requirements and Commentary." This book was written after studying the impact of the 1940 El Centro, California, earthquake. Based on the Blue Book, the 1961 edition of the Uniform Building Code (UBC) was revised to include design specifications that took into account a building's fundamental period of vibration and type of lateral force resisting system.

In 1971, the San Fernando, California, (Sylmar) earthquake produced much higher effective accelerations than were thought possible at the time, causing damage to newly constructed hospitals and concrete buildings. As a result, by 1976 the UBC had included an importance factor for such buildings and a soil factor for building sites.

More recently, code improvements have continued following the 1989 Loma Prieta earthquake in northern California and the Northridge, California earthquake in 1994. Lessons learned from these earthquakes resulted in several code enhancements, including higher design forces near faults, a better understanding of the effects of site soil properties and increased anchorage of nonstructural components. Aspect ratio reductions on wood shear walls, larger plate washers and 3-by sill plates on highly loaded shearwalls were also added to the code.

**A HISTORY OF INNOVATION**



### HIGH WINDS AND HURRICANES

Around the time that Simpson Strong-Tie was founded in 1956, engineers and other groups wrote the initial draft of the South Florida Building Code. This code was the first to focus on wind resistance, after several storms hit Florida in the late 1940s and early 1950s. It was adopted in Miami-Dade County in 1957, and later in Broward County.

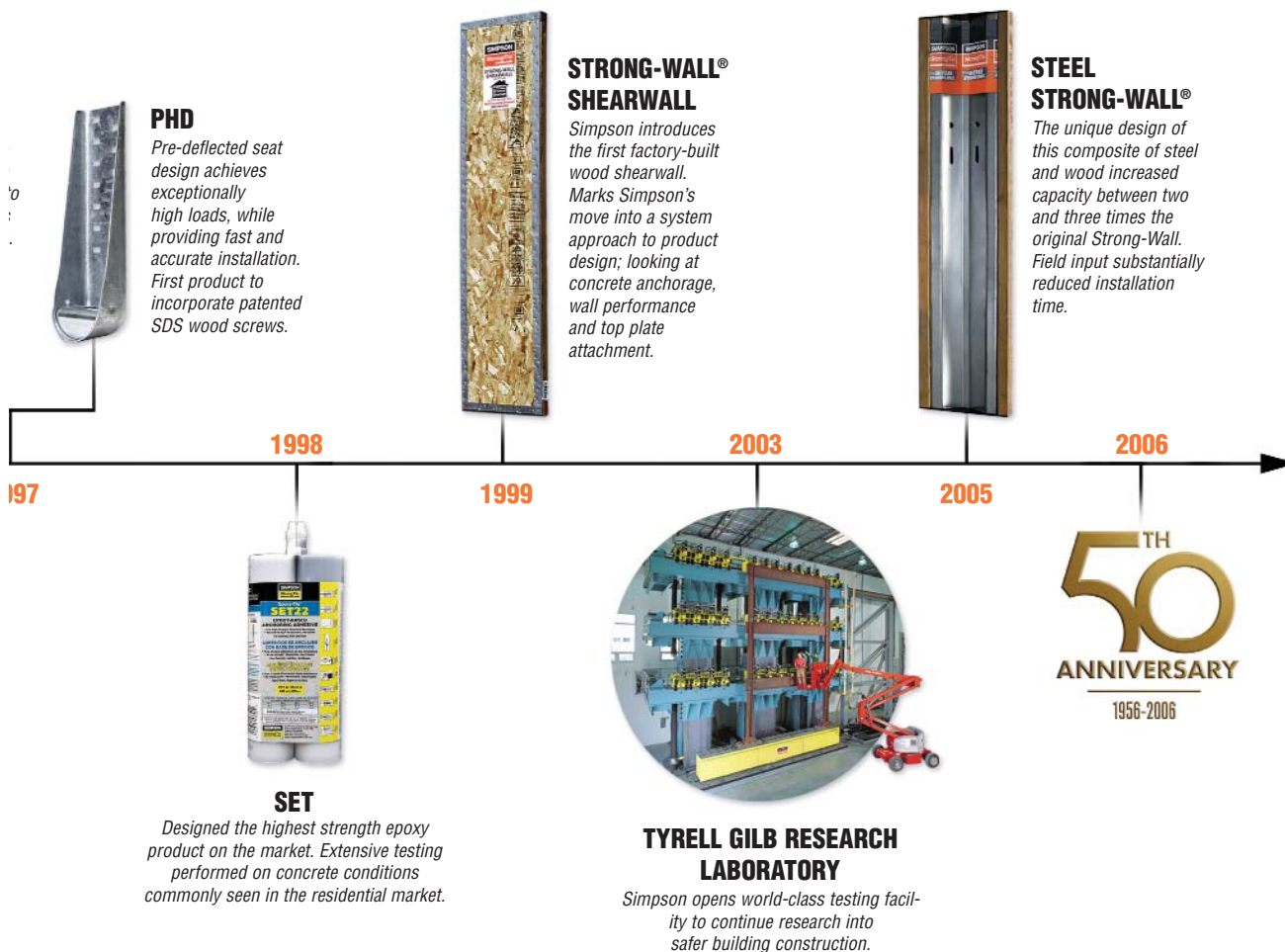
A few years later in 1965, Hurricane Betsy struck the southeastern part of the United States causing extensive flooding. This event spurred the creation of the National Flood Insurance Program in 1968.

In 1972, three young professors at Texas Tech University decided to investigate a tornado that hit Lubbock, Texas, to see what they could learn. Based on their findings, the U.S. wind engineering discipline was introduced. Two years later,

an event in Australia ultimately changed the focus of wind resistant construction. Cyclone Tracy hit the town of Darwin, causing 90 percent of homes to lose all or part of their roofs. However, those buildings that had been certified by an engineer survived relatively intact. This led to the principle that housing in high wind areas must have engineering assistance. In addition, wind loads were increased to take into account higher internal pressures from breached envelopes.

In 1983, more attention was brought to the problem of failed building envelopes when Hurricane Alicia hit downtown Houston, Texas, and roof gravel from a nearby building caused damage to multiple structures. Since much of the destruction in Galveston County occurred in areas where building inspections were not performed, more attention was brought to adopting and enforcing building codes. This storm

*(continued on page 6)*



## INDUSTRY HISTORY

### 1906-2006 REMEMBRANCE OF THE GREAT QUAKE

2006 marks another commemorative date in history, the centennial of the 1906 San Francisco earthquake – one of the most destructive and deadly earthquakes of our time. The San Francisco quake or “Great Earthquake” as it’s often called, hit the Bay Area on April 18, 2006 at 5:12 a.m. when opposing plates of the San Andreas Fault displaced. The epicenter was near San Francisco, however, ground motion spanned 375,000 square miles from southern Oregon to Los Angeles and as far East as central Nevada.



The city was virtually destroyed from the earthquake and the three-day fire that ensued. More than 28,000 buildings were lost with property damage estimated at \$400 million (in 1906 dollars). Half of the 400,000 population was left homeless, approximately 225,000 were injured and the death toll reached nearly 3,000.



Although the first seismographs were installed in 1887 in California, the exact magnitude of the earthquake is debated. Because of the lack of data at the time and the different methods used to measure the “size” of seismic activity, the quake varies from 7.7 to 8.3.

At the turn of the century, very little was known about earthquakes. Following the Great Earthquake, the government commissioned an investigation to study the causes and effects of seismic activity. Spearheaded by Andrew C. Lawson, chairman of the geology department at the University of California, a team of scientists

was assembled to compile data from earthquakes all around the world including surveys of northern California and the San Andreas Fault. The result of their work is what’s known as the 1908 Lawson’s report.

A highly regarded document, the Lawson’s report was the first of its kind to look at how, where and why earthquakes occur. It also pioneered the way for future investigation and observation of earthquake activity. Lawson’s research led to improved building codes and design standards as well as new zoning and land use regulations, affecting where structures are built. Today, there are more than 1,000 sites in California that measure ground motion as well as a comprehensive understanding of the hundreds of fault lines along the San Andreas Fault.

The 1906 earthquake is the event that spurred the next 100 years of research and investigation, broadening our knowledge and understanding of earthquake activity. However, there is still much to learn. Academia, engineers and Simpson Strong-Tie continue to study and find new design and building solutions, so we can all be better prepared when the next great quake strikes. ■



### 1956 FACTS

- Federal minimum wage rises to \$1.
- Yahtzee is born!
- Budweiser Brewery introduces Busch beer.
- On the air you’d find 2,790 AM radio, 540 FM radio and 442 TV Stations.
- Actress Grace Kelly marries Prince Rainier III of Monaco in a highly publicized Monte Carlo wedding on April 19.
- Laundry detergent – gets clothes cleaner than any other product and is especially made for automatic washers!
- President Eisenhower (R) is re-elected defeating Adlai E Stevenson (D).
- Certs, the first candy breath mint, is introduced.
- The Wizard of Oz first aired on TV.
- Elvis Presley makes his television debut on CBS Dorsey Brothers’ Stage Show.
- The Dow Jones Industrial Average marks a new high – 500.24 points.
- The average weekly take-home for a worker with three dependents is \$74.04.
- The average cost of a home is \$22,000. A gallon of milk costs 97¢ and a gallon of gas is 23¢.
- Samuel J. Seymour, the last eyewitness to the death of Abraham Lincoln dies.
- Marilyn Monroe marries Arthur Miller.
- By now, more than 80 percent of U.S. households have refrigerators. By contrast, only 8 percent of British households do.
- The U.S. Department of Agriculture formulates the four basic food groups.
- There is a 48% business failure rate.
- Barclay Simpson makes his first connector and a successful new company is born.

**CODE CORNER** *(continued from page 4)*

later became the impetus for the Texas Department of Insurance Windstorm Inspection Program.

In 1992, the most destructive hurricane to date struck the United States. Hurricane Andrew slammed into South Florida at wind speeds exceeding 145 mph. The storm caused approximately \$30 billion in property damage. Studies of the damage instigated several major code revisions including requirements for windborne debris protection in high wind regions, increased fastening of roof decking, better detailing for gable ends, and increased wind resistance for roof coverings.

As we look back over the last 50 years, we have made significant strides in improving codes and code enforcement. When Hurricane Charley hit Florida's coastline in 2004, the major source of damage was related to soffits rather than roofs blowing off homes. This is a testament to the importance of gathering information and applying lessons learned following natural disasters.

As we enter 2006, we are well aware of the destruction and devastation caused by natural disasters. Given the recent events in Pakistan and New Orleans, we are reminded how important it is to continue to look for ways to improve construction standards and building codes. These efforts can ultimately help protect lives and homes in future events. ■

*Structural Report is published by Simpson Strong-Tie Co., Inc. All information is meant to be relevant and useful. Information provided is for general understanding only. All designs or other information should be evaluated by a qualified design professional.*

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**STRUCTURALREPORT™**

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