

Change Is Constant, Finding True North A Challenge



Chesapeake Timberjack **BLOUNT**



TREEmendous Forest Resource





Total Timber Harvest

2015 **15.3 billion cubic feet**

2016 **16.1 billion cubic feet**

South's share: 62% — 10 billion cubic feet

2005 **16.7 billion cubic feet — highest in last 15 years**

1988 **18.7 billion cubic feet — all time harvest high**

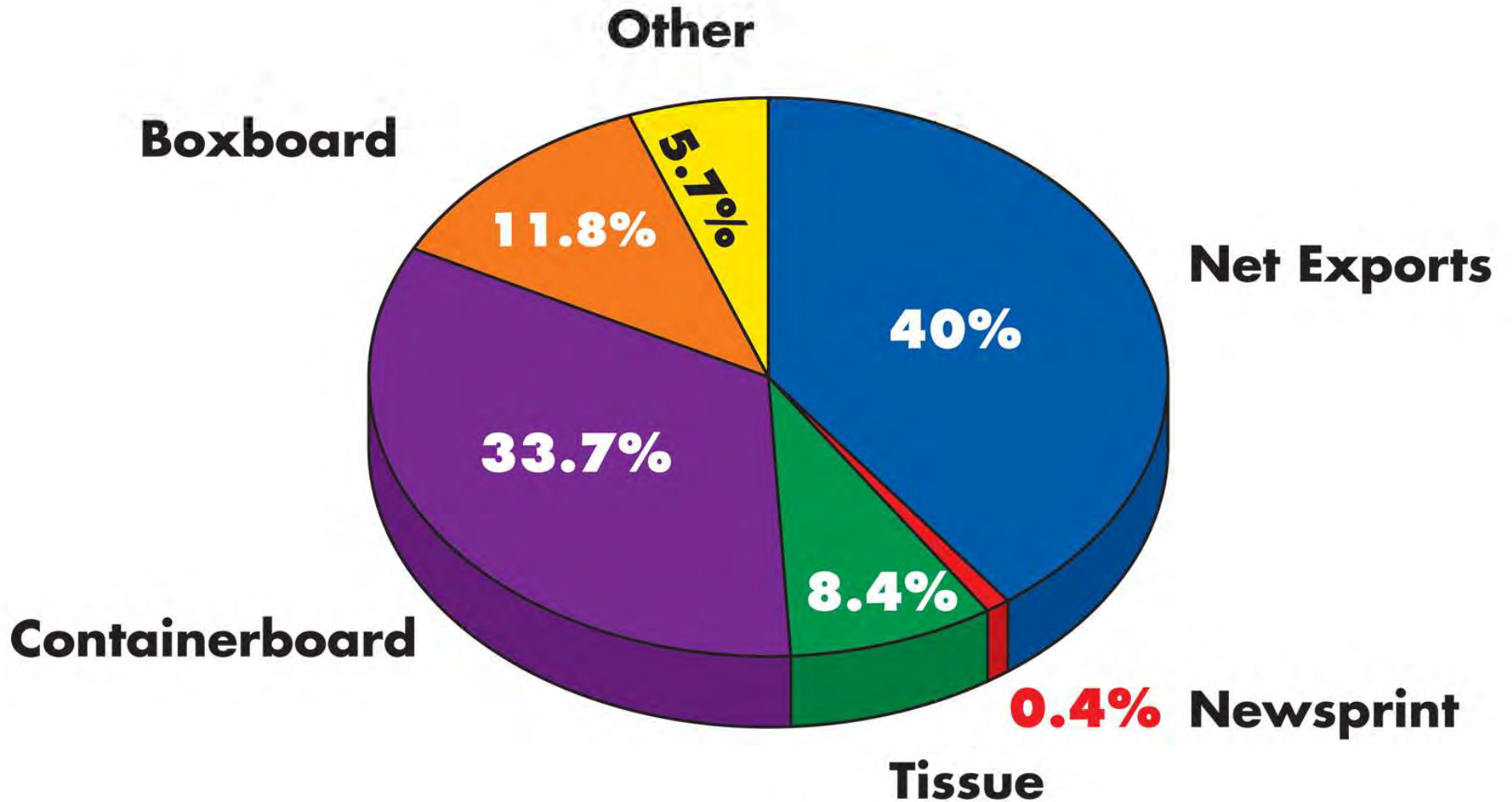
***Source: USFS**

Annual Wood Consumption: 250 Million Tons





Where Recycled Paper Goes



Source: AF&PA

Bear Island Mill Shut, Other 2017 Cutbacks Will Reduce Consumption By 1 Million Tons/Year



Pulp/Paper Consolidation, Wood Consumption

INTERNATIONAL  PAPER **58 Million Tons**

Georgia-Pacific  **40 Million Tons**

 **WestRock** **38 Million Tons**

**Only 3 companies consume just over half
the wood fiber in pulp/paper sector**



Willamette Industries, Inc. **1990**



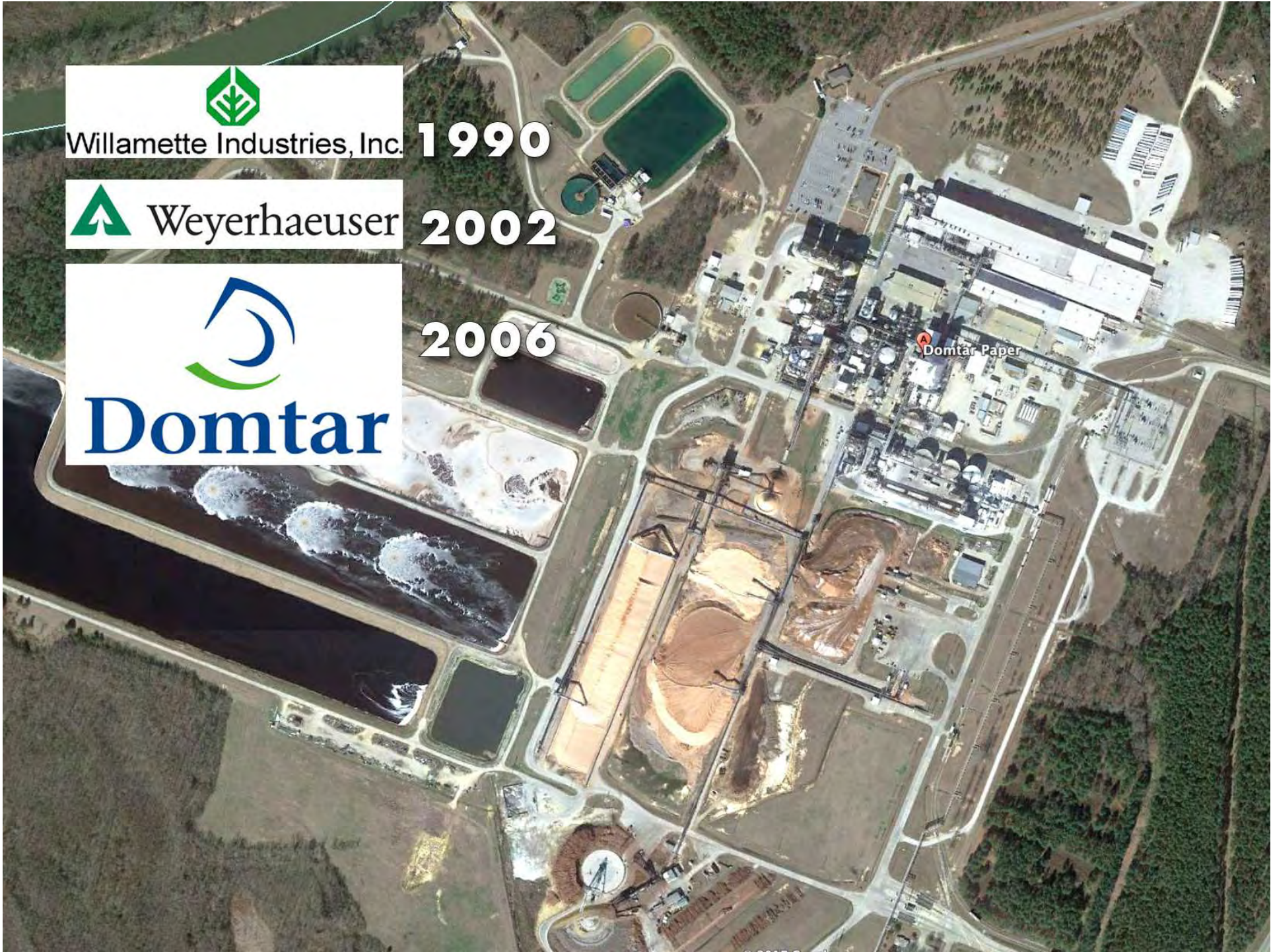
Weyerhaeuser **2002**



Domtar

2006

Domtar Paper





Potlatch



Value From The Ground Up™



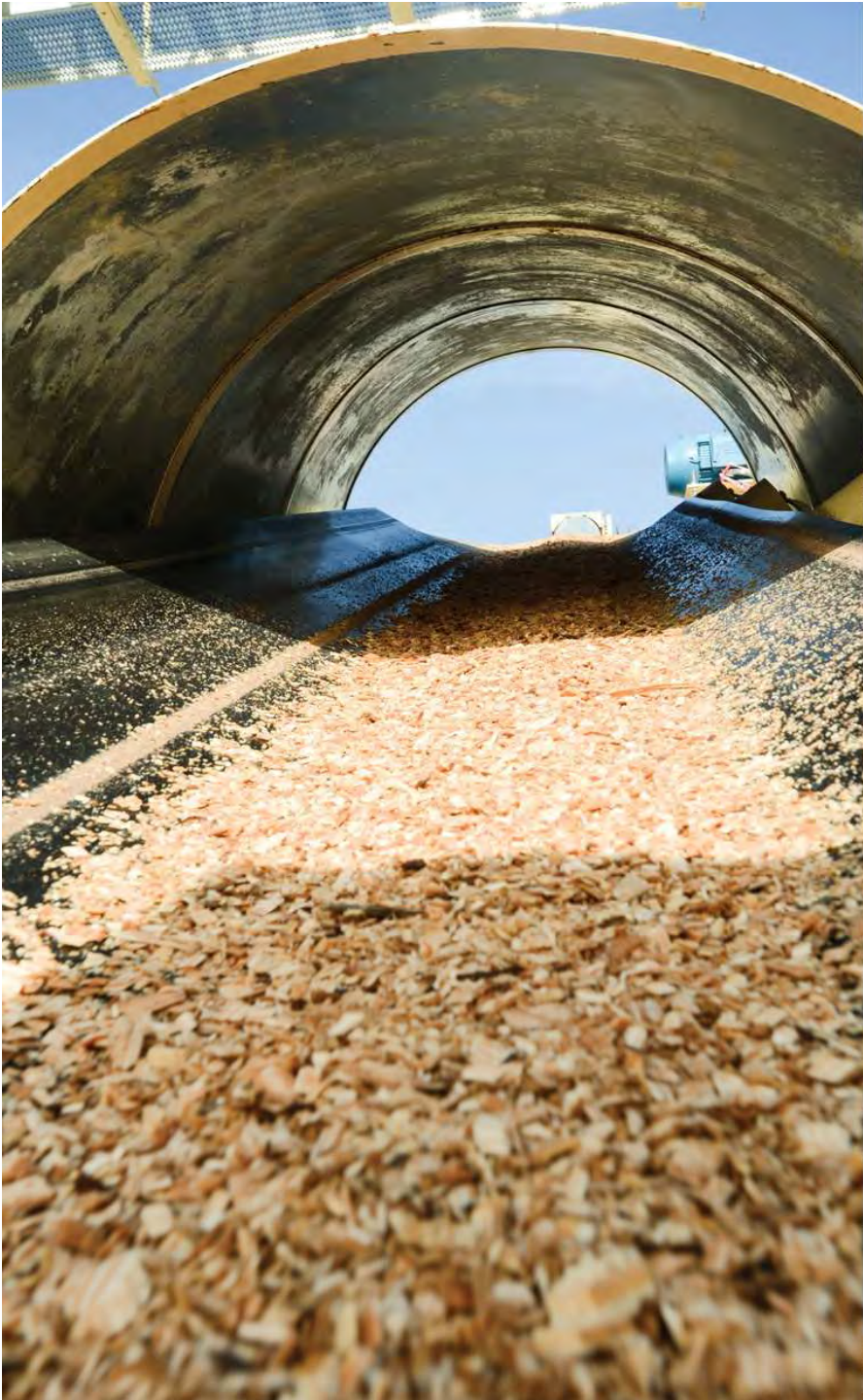
CampbellGlobal
FOREST & NATURAL RESOURCE INVESTMENTS



MOLPUS
WOODLANDS GROUP®



**Hancock
Timber
Resource
Group®**



A photograph of an OSB (Oriented Strand Board) production line. The image shows a large volume of wood chips being processed. A blue conveyor belt is visible, and the wood chips are being fed into a machine. The text "OSB: 8 Million Tons In 2018" is overlaid on the image in a large, white, bold font with a black outline.

**OSB: 8 Million Tons
In 2018**

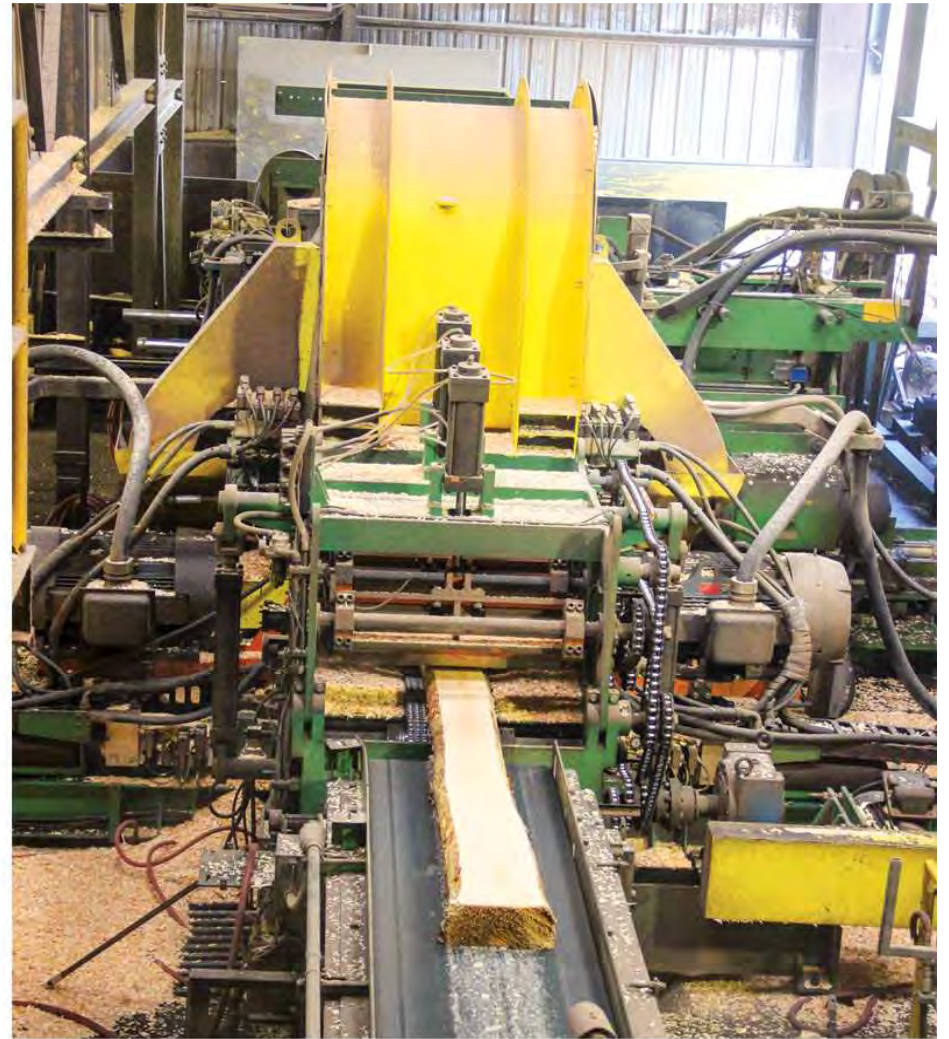
Optimism Abounds



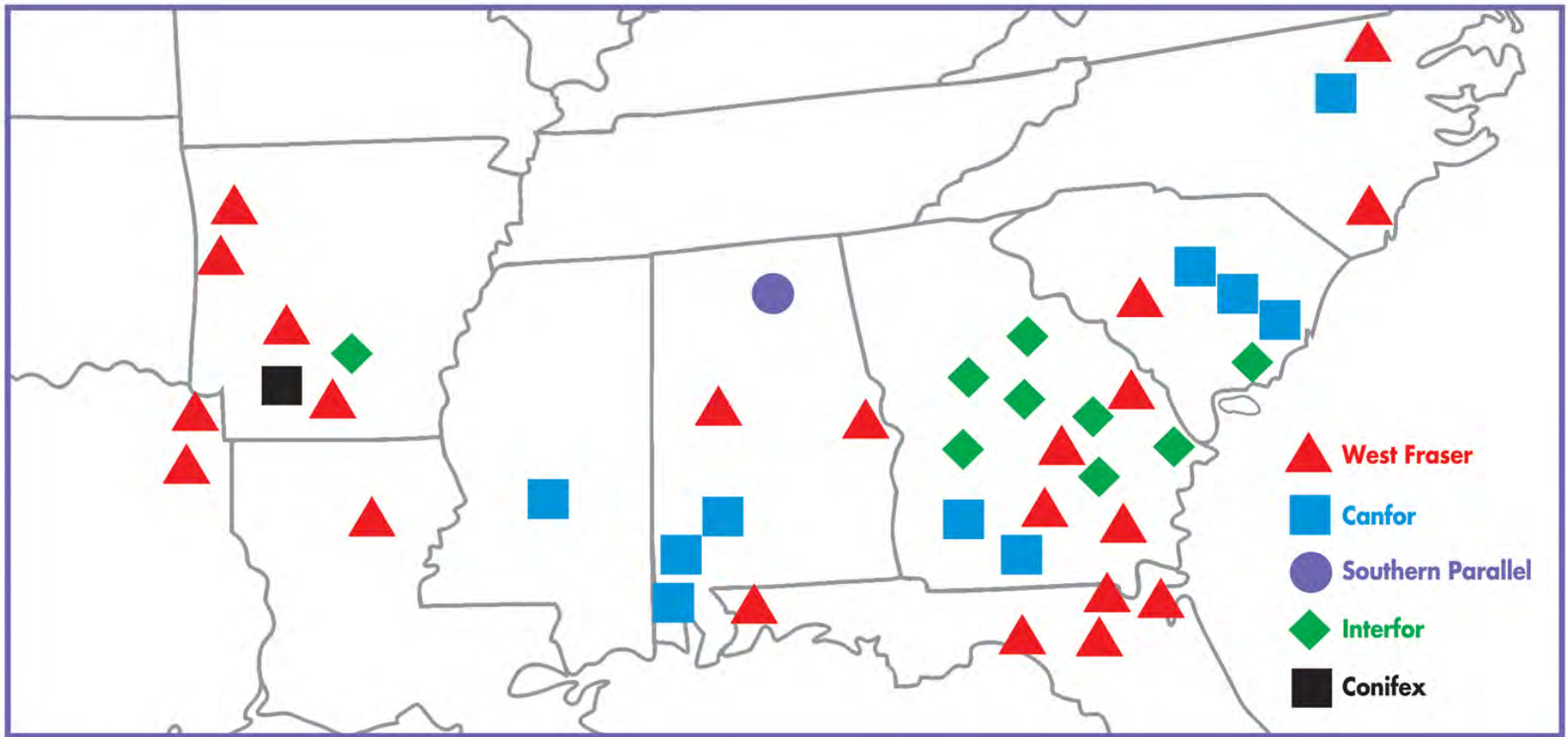
1977



2017



Southern Canadian Sawmill Locations



Mountain Pine Beetle Timber Devastation
Declining Allowable Annual Timber Cut
Decreasing Lumber Capacity
More Domestic Lumber Demand
Constrained Lumber Industry

Increasing Lumber Production
Increasing Lumber Capacity
Increasing Mill Investments
Higher Operating Margins
Geographical Market Advantage

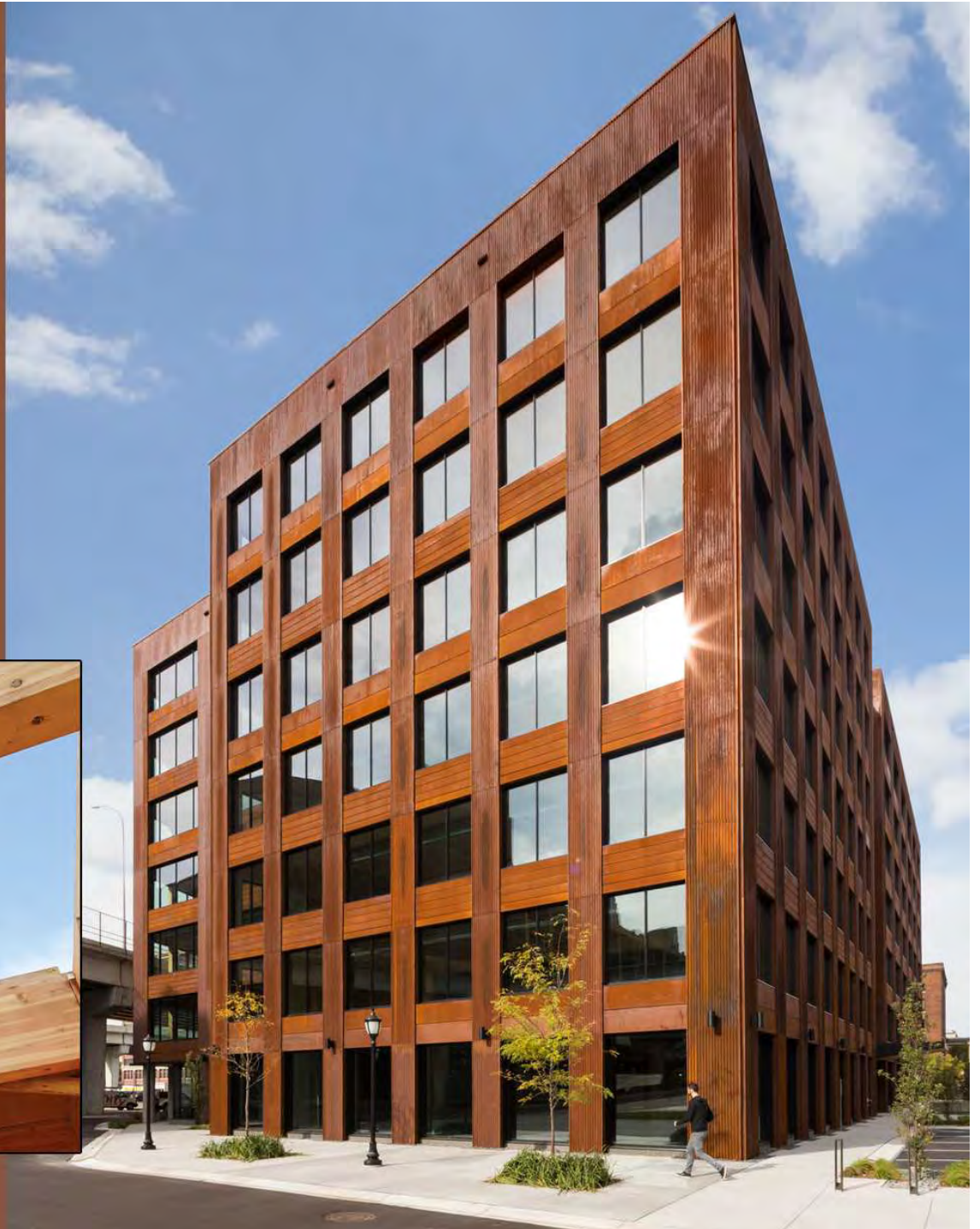
\$1 Billion & Growing



New Southern Sawmills, Canadian-Owned Or Otherwise?



New Uses For Wood In High-Rise Projects



Finding True North



loss of FOCUS

UNdisciplined

Poor At-ti-tude

NEGlignence

Guesses?

“We’ve Always Done It This Way”

underperformance

Traditions

ASSumptions

S W A T

STRENGTHENING WHAT'S ALREADY THERE



“The best way to measure constant improvement is to have good information in place and to use that information to help the company achieve more.”

Good Information Leads To A Better Business

BuildingBlocks

A Silent Partner That's Truthful About Business Performance

There are a lot of moving parts involved in running any type of business, but this is especially true in logging. You make big investments in equipment and in training and retaining good operators. You carry insurance, incur big fuel bills, fork over a lot for repairs, may be involved in trucking, and sometimes may lose sleep at night trying to keep track of it all.

Given all these moving parts, how can you keep accurate track of everything so you can run a profitable operation?

To succeed you need well-maintained equipment, follow productive harvesting and hauling methods, and

corporate the detailed information that an astute logger needs to understand business economics. Nor do they provide the checks and balances needed for ensuring that you are paid for all the wood you harvest.

'Packed' Package

Managers at Hadaller Logging in Kelso, Wash. understand just how valuable it is to have an industry-specific software tool to supplement an accounting package. They adopted Caribou Software's Logger's Edge system four years ago, primarily with the objective of tracking weekly production and paying truckers, but they have come to rely on Logger's Edge for much more.

They now rely on it to keep up with detailed time sheet information; estimate costs per productive machine hour for each equipment unit; generate detailed profitability and productivity reports on every job; monitor daily deliveries to ensure truckers are dispatched effectively; and estimate anticipated revenues even before they receive payment.

Since adopting Logger's Edge, Hadaller has expanded from two crews to five. "I honestly don't know how we could have grown the business without the software," asserts Julie Hodges, Hadaller's office manager, who supervised the original implementation. "The way

information is linked between time sheets and load tickets lets us easily pull comprehensive job costing information that would otherwise have taken hours to compile, and would have been much more prone to error."

of bottlenecks and take corrective action immediately.

Each pay period Hadaller receives an electronic load ticket listing from Weyerhaeuser, its primary market. The listing is imported into the software, which automatically matches the load list with the loads entered by loader operators. This makes it easy for office personnel to spot 'missing payments' from Weyerhaeuser. Because the software calculates the expected revenue due for each ticket, it makes for a very efficient revenue reconciliation process. Once that process is complete, generating pay statements for truckers is as simple as the click of a button.

Hadaller also enters machine operator and driver time sheets in the software. "We used to enter time sheets directly into Quickbooks," says Hodges. "But now we enter details into Logger's Edge and only enter summary data into QuickBooks. This way we can capture things like uptime versus downtime, the equipment unit used and activity performed, and small comments from the operators explaining downtime or other job anomalies. We now run weekly reports showing labor costs and hours by person by day for each job."

With this information, they monitor actual driving versus non-driving hours for their own trucks, which has been very helpful in terms of demonstrating compliance with DOT requirements of no more than 60 hours per week of driving time per driver. They also have a custom report that allows Hodges to easily review gross hourly wages and hours by activity. This report helps with worker's compensation reporting by providing the supporting details needed to show relative labor hours by type of logging activity and enabling Hadaller to receive WCB rate discounts through the Logger Safety Initiative program.

When it comes to understanding the economics of your business, and helping your administrative staff and



A powerful information management system is a valuable 'business partner.'

rely on competent, dedicated employees. But there is one not so obvious asset critical to financial success: a well-designed software system to track core business information such as job type and characteristics, compensa-

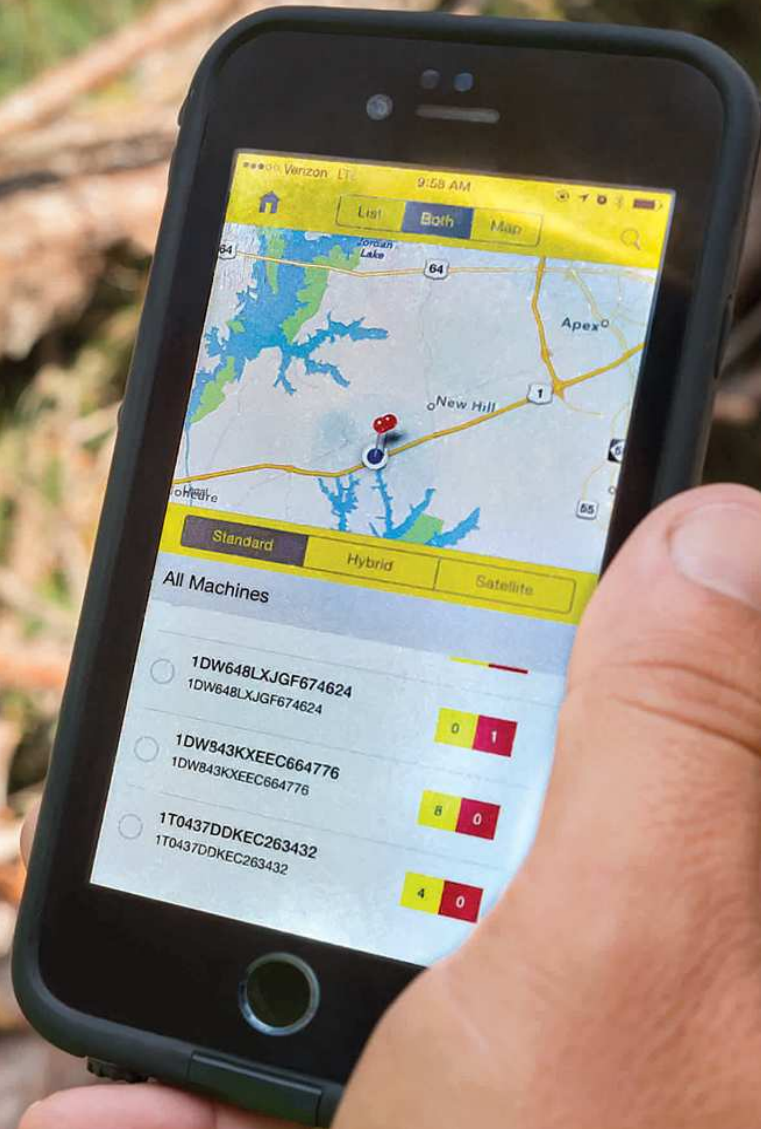


**Reevaluate!
Reevaluate!**

Consider Other Options



Make Technology Your Ally



Machine ID	Status
<input type="radio"/> 1DW648LXJGF674624 1DW648LXJGF674624	0 1
<input type="radio"/> 1DW843KXECC664776 1DW843KXECC664776	8 0
<input type="radio"/> 1T0437DDKEC263432 1T0437DDKEC263432	4 0

Maintain Equipment To The Utmost







**Engage
Employees,
Strengthen
Your Team**



Bum Phillips



Bear Bryant



**“How do you win?
By getting average
players to play
good, and good
players to play
great.”**

**“My idea of discipline is not making guys
do something; it’s getting them to do it.
There is a difference between bitching
and coaching.”**

Work To Keep Employees Honest



Trucking Tribulations



Sense Of Ownership

PICKETT LOGGING
INC



Hilliard, Fl

USDOT827661



PROFESSIONALLY HARVESTED BY:

Virginia Custom 
Thinning & Chipping LLC

**CONTACT: C.K. GREENE
804-586-7198**

Market Your Business!



Renewable Forests Grow Jobs

PITTS

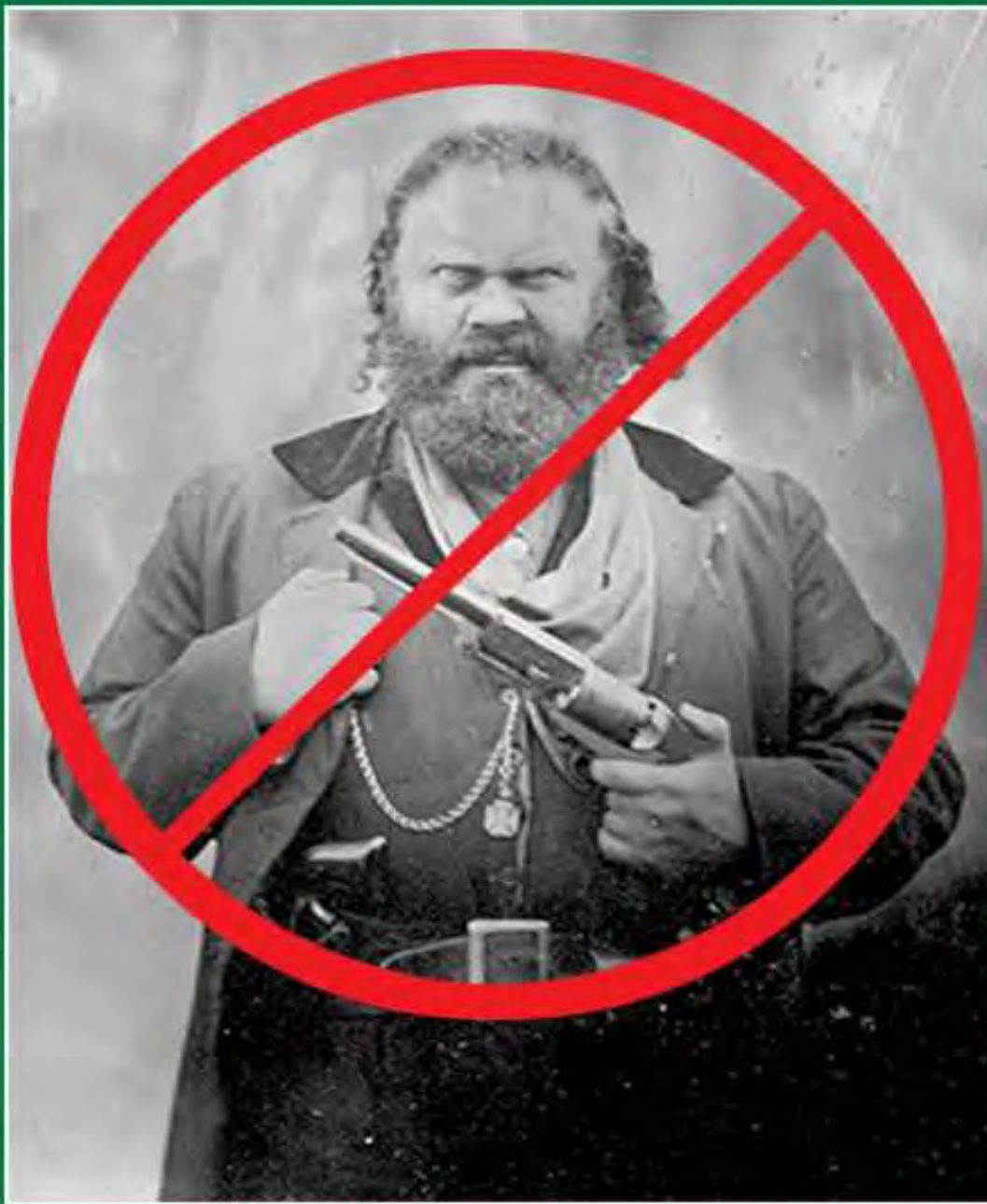


If Your Attitude Stinks, Work To Sweeten It









**Avoid
Negative
People**



Harvest Happy Logs