



Company Newsletter

This issue features an article on the company's new technology upgrades. The key indicators for the lumber and woods divisions can be found on page two. The company biographies are on page three.



The Hype at Hardwoods

New Technology Upgrades Increase Efficiency

BWP Hardwoods relies on information technology systems to make decisions on buying, selling, manufacturing, and marketing. "We use technology to feed info systems to give us concise information in a timely manner so we can give feedback to the people making the decisions," says Terry Stockdale. The company's four major technology systems include the main info system, the 3-D head rig scanner, the 3-D edger scanner, and the voice tally system. The main info system was upgraded in 2001, the 3D scanner in January 2005, and the 3D edger in January 2006. The voice tally system for logs and lumber was just upgraded this August.

The company procures and harvests approximately 120 timber jobs per year. When timber is purchased, data about its cost, volume, species and grade is recorded. The logs are then delivered to the yard, where the voice tally system records the timber tract and log information. Then the log is labeled with a barcode. "A voice recognition system is used so when Todd scales the logs, we know what job it is, we can tell how much we paid for it, who cut it, and hauled it," says Stockdale.

When logs are delivered to the mill their barcodes are scanned again using hand held computers so the company knows the amount and value of the logs used for production. The logs are then sent through the 3-D head rig scanner, which determines the best way to cut them. Outside jacket boards are sent to the 3-D edger, which determines the best way to edge the boards. Then all boards are graded and tallied using another voice tally system setting up the loads of lumber for shipment.

In the end when production is calculated, the costs for purchasing the timber are compared to the market values of the lumber to determine whether a profit was made. "What we produce is a commodity. There's a market value we can sell at, and we need to understand the costs in order to control them" says Stockdale.

These information systems provide management with the key indicators. "The key indicators are a small part of the information we look at to make decisions. We want to understand our costs then to be able to look at those costs and adjust our business practices to be the most efficient. Efficiency is the key. We're in a commodity business and we have to be most efficient to survive," says Stockdale.

Be In the Know: Key Indicators

Woods Division

	Jul-06	12 Month Average	Jul-05
Logs from Timber	489,723	815,326	370,858
Logs from Vendors	381,245	462,227	381,336
Total Logs Delivered (BF)	870,968	1,277,553	752,194
% Timber Logs 10' & shorter	67%	53%	56%
Logs to Mills	981,614	1,099,162	814,427
Logs Sold	79,067	118,330	55,974
Total Logs Used (BF)	1,060,681	1,217,492	870,401

Lumber Division

	Jul-06	12 Month Average	Jul-05
Log BF per Hour	3,518	3,415	3,580
Yield	135%	135%	130%
%Downtime	04.1%	03.2%	04.7%
Hrs. Runtime	279	322	227.5
Lumber Sold (BF)	1,146,370	1,551,488	1,267,672

Get To Know Your Co-Workers

Company Biographies

Billie Brewer has been a stacker on the green chain for a few weeks. He enjoys fishing and hunting. He also enjoys, “sitting around, and getting hunting gear rounded up.” He’ll hunt any type of animal including squirrels and deer. In regards to television shows Billie states, “I watch whatever’s on. If it’s on I’ll watch it.”

James Brown has been a stacker for about a month. His favorite color is navy blue. He likes to fish and hunt around Brookville. “I usually hunt white tail deer. We usually don’t make jerky. We do everything else though like steaks, hamburgers— all that good stuff.”

Billy Davis has been part of the crew for a couple months. “The only thing I don’t like is second shift. It’s hard when you have a 17-month old daughter.” Billy likes repairing cars. “I can replace a motor if I have to.” His brothers are mechanics. “Once you learn how to do it, it’s easy.” His favorite sports team is the Philadelphia Eagles.

Joe Domitrovich has been a stacker for a few weeks. In his spare time he likes to play video games. “I usually play PS2. I try’em all. You just can’t put it down.” Joe likes to listen to rap music. He and his friends like to freestyle. “I just want to rap with my friends and have fun,” says Joe.

Kyle Fridley has been a forklift driver since January. “I like to go to dirt track races and ride my four-wheeler.” He enjoys watching “Family Guy” when he has time. “I watch it whenever. It’s something to laugh about.” Kyle is a habitual spaghettiOs eater who likes to watch the Denver Broncos play ball. “I like them because of their logo, [they have] a horse on their helmet.”

Jeffrey Kline Jr. has been a stacker for two years. “I like the people. I get along with them,” says Jeffrey who would like to visit all the states. “I’d like to drive through and see all the scenery. I’ve been to Idaho, Michigan, Ohio, North Dakota, South Dakota, and Montana.” He’s also been to Wyoming where he saw a real rodeo. Jeffrey goes camping and fishing when he has time.

Andrew Schneider has been a lumber handler for a few months. Andrew is a family guy who likes spending time with his wife Tina and children, Jasmin, Donovan, Chevy, and Colton. His favorite tv show to watch is CSI. “I like the way they solve the crimes.” His favorite color is charcoal gray. “My first car was that color,” says the family guy.

