

# **Profitability Drivers Through Block & Tackling**

*It's the Fundamentals  
"Always has been, Always will be"*

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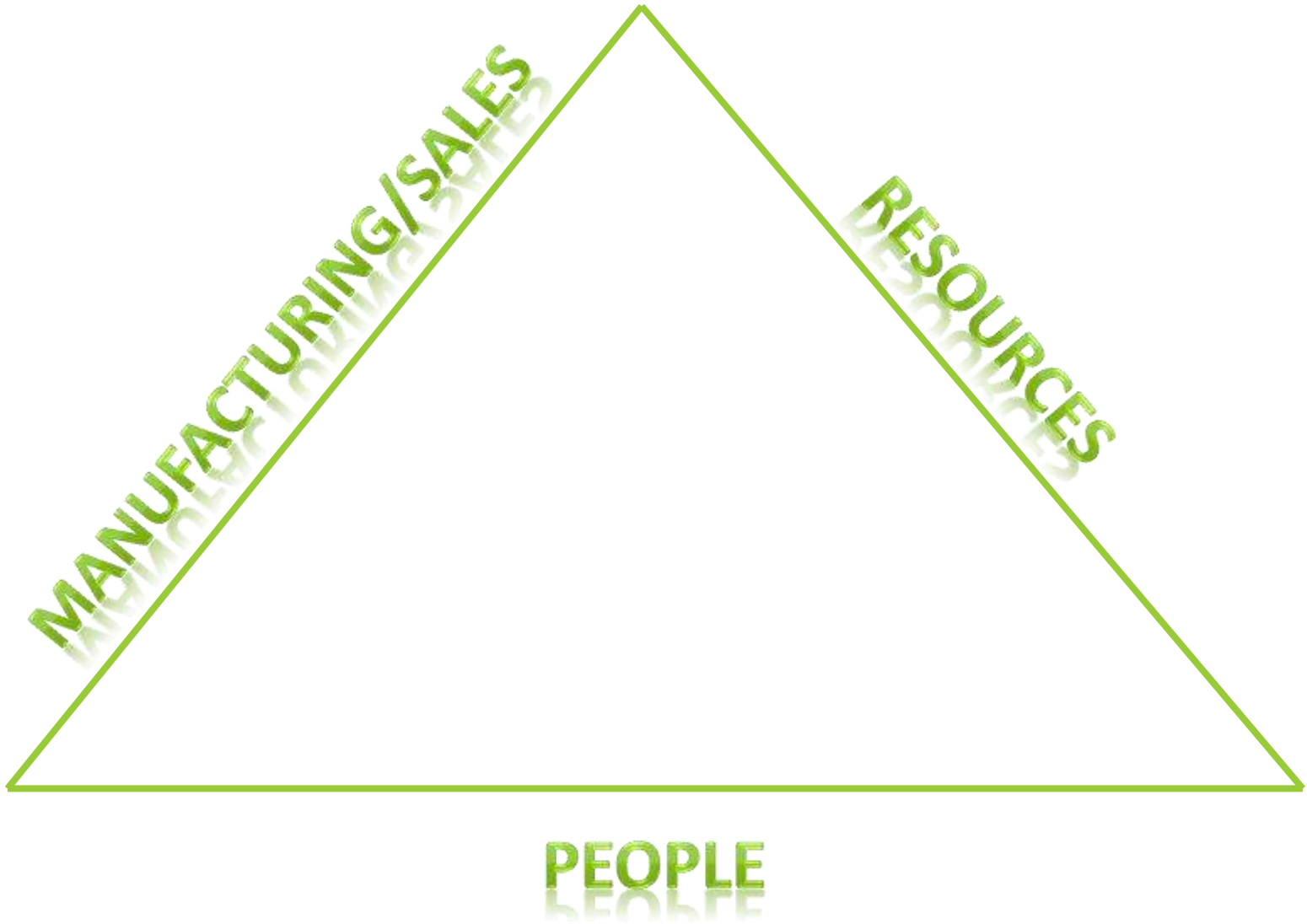
***Timber Measurement Presentation***

# Define the Vision/Road Map

Can't hit the target unless you define the target.



“We’re going back to the gym and getting some sweat in our eyes”



# Build the Team to Support the Vision

Set the Culture and Expectations

*“Culture will eat strategy for breakfast”*

# Safety – First Core Value

It's about our people. It's about keeping our people safe!



# Build the Team to Support the Vision

- Let the Team execute
- Let the Team make mistakes
- Catch the Arrows

# Build the Team to Support the Vision

- Optimize to the Moment
- Match the resources to the iron
- Apply Theory of Constraints



# Build the Team to Support the Vision

- Attack the constraints with Capital
  - Attack the constraints with mix, species, RTL's
  - Give a mouse a cookie, he will always ask for a glass of milk.

The 800 lb. Gorilla will  
Always be the 800 lb. Gorilla



“The Main Thing is to Keep the  
Main Thing, the Main Thing”

*Stephen Covey*

# Know Thy Resource or better yet “It’s the Resource Stupid!”

- 50 – 70% of your inbound cost will be logs
  - Get it Right!
- Know more about your RTL and highest profitability log than your competition.
- The Right Log at the Right Time at the Right Mill at the Right Cost/Value to maximize profitability.

# Resource Log Test Plywood/Lumber

Hem Fir Return to Log P&L	
Log ScaleType	Eastside
Log Segment Diameter	
Log Vol Grs MBF	
Log Vol Net MBF	
Log Defect %	
Sawmill Grs Lumber Vol MBF	
Sawmill Grs Production/Hr	
Sawmill Net Lumber	
Waste %	
Net Overrun	
<b>LBR DRIED (MBF)</b>	
<b>LBR PLANED (MBF)</b>	
<b>Saleable Lumber</b>	
	<b>\$ Amount Per M</b>
<b>Sales</b>	
<b>Discounts</b>	
<b>Net Sales</b>	
Logs (Per MBF Log Scale)	
<b>Less By-Products</b>	
<b>Total Wood Cost</b>	
<b>Log Handling</b>	
<b>Sawmill</b>	
<b>Dry Kilns</b>	
<b>Planer</b>	
<b>Plant General/Fixed Cost</b>	
<b>Total Mfg Costs</b>	
<b>Total Cost of Sales</b>	
<b>Shipping</b>	
<b>Admin/Sales Expense</b>	
<b>Total Cost</b>	
<b>Net Profit</b>	
<b>Net Profit Per Hour</b>	
<b>Mill Fully Loaded Breakeven Log P/MBF</b>	

# Resource RTL

## Plywood/Lumber

### Return-to-Log Test Summary

	Grs							Sales &							Breaeven
	Number of Tests	Net Log Volume	Lumber Prod	MBF Prod/Hr	Waste %	Net Lumber Prod	Net Overrun	Sales Value P/MBF	Net Fiber Cost P/MBF	Processin g Costs P/MBF	Admin Exp P/MBF	Cost of Sales/MBF	Net Profit (Lumber)	Profit/M BF (Log Scale)	
<b>Cedar</b>															
6-7															
8-9															
+10															
<b>Doug Fir</b>															
6-7															
8-9															
+10															
<b>ESLP</b>															
6-7															
8-9															
+10															
<b>Hem Fir</b>															
6-7															
8-9															
+10															
<b>Larch</b>															
6-7															
8-9															
+10															

# Log Cost to Lumber/Panel Pricing

Always keep your eye on the “Margins”. Inbound log cost to final product pricing. We manage margins!

# What gets Measured gets – Rewarded/Replaced/Refined

Have a Great “Dashboard” to  
Monitor/Drive/Improve your KPI’s or metrics.

## Sawmill KPI Summary

Key Measurement	Species	Current Month		Dollar Impact	Current Month Indicator	
		Budget	Actual			
Sales Realization	Cedar					
	Non-Cedar					
Gross Overrun	Cedar					
	Non-Cedar					
Gross Production/Hr	Cedar					
	Non-Cedar					
Waste %	Cedar					
	Non-Cedar					
Net Overrun	Cedar					
	Non-Cedar					
Labor Overtime %						
Net Lumber Production Lumber Shipments Productivity						



