Shifting the logging into high gear

B.C.’s Lizzie Bay Logging adeptly shifted gears into doing more construction work during the downturn, and with the recovery in the forest industry, is now shifting gears to build up its logging side, adding equipment and people.

By Paul MacDonald

Lizzie Bay Logging owner Norm LeBlanc is very direct about how the company has benefited from doing both construction and logging.

“If we did not have any construction work in the last five years, if we had insisted on just being a logging company, we would not be here today,” says LeBlanc.

“With the forest industry downturn, we had to turn around and focus on construction. We went from being a logging company that dabbled in construction, to being a construction company that dabbled in logging.”

In addition to being involved in construction, a big part of why Lizzie Bay Logging was able to weather the forest industry downturn had to do with LeBlanc’s resourcefulness and the dedication of a core group of employees.

And LeBlanc does not underestimate that last part, nor take employees for granted.

“The people element is the most important part of the business puzzle these days,” he says. “It’s at least as important as the equipment that you are working with.”

Like most contractors in the industry, Lizzie Bay is now rebuilding its logging operations, looking to add both people and equipment.

And like many logging operations right across the country, Lizzie Bay is looking for a few good men—and women, for that matter, too, if they are interested.

“Right now, things are limited in logging by the people—there simply aren’t enough experienced, skilled people out there to do the work.”

So Pemberton, B.C.-based Lizzie Bay Logging is working to develop its own skilled people.

“In the last few months,” says LeBlanc, “we have committed to bringing on green people and training them. If we’re going to stay in business, we need to rebuild those skills, and we’re doing that. We have a number of people on our crew now who had never seen a log before they started working for us. But if their attitude is good, we’re willing to work with them. Because in a couple of years, we’re going to have those skillsets back—and we’re going to need them.”

Building capacities and skills in-house is the best way to go, rather than “trophy hunting” skilled people from other contractors, says LeBlanc.
So, what is the right attitude?

“Well, we’re looking for young people who do not see the forest industry as a part-time job. We’re looking for someone who is looking at a job in the forest industry as a career, who is willing to work hard and willing to learn.”

LeBlanc is very realistic about how much these people need to learn, and that they will be learning from the experienced people on his crew—and that it is going to take some time. “You can’t learn to be a logger in a weekend. There’s a learning curve. We need to make sure the training is done properly, and safely. We need to make sure that people don’t get hurt.”

Their preference is to hire local, where possible. But Lizzie Bay Logging has also been successful in getting a few equipment operators back from what looked to be greener pastures, and the big money, in the energy industry, in Alberta and northeastern B.C. “It hasn’t been easy, but some of them are coming back.” He noted that in the energy industry, skilled people often follow a fly-in work rotation—not ideal when you want to spend time with family. “A lot of people want that family life.”

And no slag intended, but when you compare living in Fort McMurray vs. living in the spectacularly beautiful setting of Pemberton, which sits at the foot of 8,500-foot Mt. Currie, about a half-hour northeast of Whistler, well, that brings its own attractions.

Also part of the strategy for Lizzie Bay Logging in attracting operators is keeping its equipment in good shape and as up to date as possible.

“We try to keep a current fleet of equipment,” explains LeBlanc. “Since 2007, when the downturn started, we’ve been focusing on getting equipment that we can flip back and forth between a logging environment and a construction environment.”

That essentially means looking for the best equipment for specific applications, rather than looking for one brand to supply all their needs.

“We have not really maintained any brand loyalty. We go out there and purchase a machine that we feel will be good value for what we need. I think there are equipment manufacturers out there that produce better machines for specific applications, and we will buy their equipment.”

He noted that they are in the process of building back the equipment fleet that is used more on the logging side, with new, and newer, equipment. Last year, they purchased a new Hitachi 370 log loader. Other recent purchases are a Hitachi 350 with a forestry package, and a Kobelco 400 with forestry package and west coast road package. That accompanies a Kobelco 400 already in the fleet.

The log loader has been on the receiving end of praise from Lizzie Bay Logging operators. “The operators say the Hitachi 370 is the best log loader they’ve ever sat in,” says LeBlanc.

They have what LeBlanc calls a “mixed bag” of heavy equipment. Their equipment fleet also includes John Deere log loaders, Cat skidders, Cat rock drills, and Cat front end loaders, as well as the above Kobelco excavators.
They have been especially impressed and pleased with the large Kobelco excavators, which more than pull their weight. Interestingly, they also have some purpose-built logging equipment. After some extensive research by LeBlanc, they bought a year-old Tigercat 870 tilter buncher, which came with low hours and a Tigercat ST 5702, 24” 360-degree rotation head.

“We can jump back and forth between logging and construction quite nicely with the Tigercat—on the construction side, sometimes we are doing transmission line right-of-way, and a lot of that ground can be accessible for a buncher.”

On the construction side, they have Cat articulated trucks, and their logging truck fleet is all Kenworth.

Like other contractors, they have also focused on preventative maintenance, to get more life, and operating hours, out of their existing equipment. “We have some older equipment in our inventory and where possible, we’d prefer to maintain that or rebuild that, rather than going out and purchasing new.”

That focus on hanging on to existing equipment has been in place for the last four or five years, and they’ve been working to increase their maintenance staff. “Again, those highly skilled people have been difficult to find. We have two mechanics that we have supported through their certification—one of them graduated five years ago, and the other last year. So we are slowly building up our skills in-house.” They also rely on several contract mechanics to help fill in any gaps, he added.

LeBlanc noted that in 2009/2010, they actually rented a lot of equipment, which worked out just fine. “It’s a short term equipment commitment—we get enough equipment to do a construction job that we know is going to be of a certain duration, so we got the equipment for that set period of time. We did not want to commit to having too much iron, and not having the work for it in front of us.”

Lizzie Bay Logging are tenure holders, meaning they are subject to the ups and downs of the market for logs on the coast. “Everything we do on the logging side is market driven, which makes it very difficult to forecast your equipment needs, and have any certainty. But it’s different on the construction side. You can establish a business plan for a project, whether it is a month, two months or a year, and decisions on equipment requirements can be made early on with some certainty—you won’t have a yard full of equipment sitting around because a job does not go ahead.”

On the logging side, the business plan is, by necessity, a flexible and rolling one over the last few years, says LeBlanc. “With the volatility in the industry, it’s difficult to manage beyond a certain point. You need to make sure you have things covered, but at times you can’t rely on the log market getting better—or even staying where it is.”

That said, he noted they are currently looking to pick up some additional equipment. “I think if we saw some value, whether it was used or new, we’d be increasing our excavator and hoe chucking capacity. Right now, our loading capabilities are probably more than what we need.”

Since they work on the Coast, they work in some steep ground. They contract part of that, but also have two Madill 071 yarders of their own. “I don’t think we will be increasing our yarding capabilities for at least a year or so. But we will likely be picking up smaller construction equipment, dozers, excavators, compactors, things like that.”

On the construction side, Lizzie Bay has worked on some independent power producer (IPP) run-of-river power projects in the region. “With our First Nations partners, we’ve worked on five IPP projects. We’re involved in doing penstock
installations, access roads, clearing, transmission line contracts, access roads and pole installations. We’ve also done a considerable amount of new road construction, for the Ministry of Highways.”

They have two larger road contracts, one for BC Timber Sales, for maintaining and upgrading the majority of forest roads in the district, and the other on the In-SHUCK-ch forest service road, that runs from Lilooet to Harrison Lake.

“Altogether we have about 130 kilometres of road that we maintain, year ’round.”

Some years ago, changes in provincial government forest policy resulted in 20 per cent of the provincial annual cut being reallocated from forest companies to First Nations and community forests. As a result, First Nations bands now have a much bigger stake in the forest resource. In fact, in the Pemberton area, First Nations groups own the majority of the tenure.

LeBlanc is a second generation logger in the Pemberton area and knows many of the First Nations leaders. He has partnered with local First Nations groups on logging and forest management, including with the In-SHUCK-ch Nation, which represents three bands: the Samahquam, Skatin, and Douglas First Nations. Lizzie Bay Logging and First Nations groups have contributed forest licences cut to joint ventures, and they have purchased licences together.

“Our first agreement was seven years ago, and we are still in that partnership,” he says. “We went through that really bad time in the industry, but we went through it together, and I think our partnerships are stronger than ever.”

He noted that there is one key to any business relationship, including with First Nations groups: “It’s all about trust. The first meeting you walk into, that’s when the trust starts.”

In general, LeBlanc noted some First Nations joint ventures in logging in B.C. have worked out, and others, well, not so much.

“I think we have seen some bad examples of joint ventures out there. One of the important things I have learned about joint ventures is you need to be realistic about expectations. Don’t promise a home run—hope for a base hit. You can have lots of base hits, and still move things forward—and our First Nations partners understand that.

“Employment opportunities are going to be there, but you need to be realistic about that, too. There won’t be an immediate full phase operation where it is all First Nations employment. It gets blended in.

“We base our relationships on business—nothing is going to be subsidized,” he added. “And we maintain that through our employment policy. A pretty significant portion of our crew is from First Nations communities.” But it’s clear, says LeBlanc, that First Nations or not, every person needs to earn their job.

Some First Nations bands, especially in B.C., are sometimes viewed as anti-resource development, an example being the Northern Gateway oil pipeline. But LeBlanc works with First Nations bands that believe in the sustainability of the forests, and they realize that logging is a major contributor to the local economy.

“Our partners know that it provides jobs to band members. The other part of the equation with First Nations being
involved in tenure and partnerships is that it comes with an ability to provide input into what is happening in their neighborhood. Having a forest tenure is not all about logging—it’s also about being involved in forest management and the development of the area.”

Going forward, LeBlanc would like to grow Lizzie Bay’s involvement with First Nations groups. He noted that there is opportunity for further growth in the forest industry, and generally, in the Pemberton area if a treaty is signed.

And he’d also like to step up the logging side of the business, so it gets back to being more of a 50/50 division between construction and logging. “We have lots of people and resources that can be deployed in either direction—it’s a pretty good fit.

“We’re busy now, and that’s good,” he added. “It’s a big change from a few years ago. It’s been a tough pull. It’s taken its toll. But I think we’re seeing some light at the end of the tunnel.”