



## A scrappy sawmill

**A group of New Brunswick entrepreneurs have taken a fence company that had closed its doors and turned it around, utilizing almost every scrap of wood--and along the way, getting the most out of their residual wood.**

*By George Fullerton*

A business model in the forest industry does not have to be complicated.

For example, Stephen Crabbe, the president and majority owner of SWP Industries in St. Stephen, New Brunswick, believes that producing a high quality product and delivering it on time is the key to a successful manufacturing business.

The company was born out of the ashes of the St. Stephen Fence Company, an American-owned firm that closed its doors in 1995. At that time, Crabbe and three partners bought St. Stephen Fence Company's assets and since then have turned a money losing operation into a leading supplier of fence products to the northeast United States.

Crabbe says SWP Industries is a tight knit operation.

"It's very much a family business--my brother and my brother in-law are both partners, along with the most intelligent fence industry sales person I have ever known," says Crabbe. "We all actively work in the business."

SWP is a business that is supported by more than a century of experience among the partners.

Crabbe grew up working at his grandfather's mill in Bristol, New Brunswick. After getting a business degree from Husson College in Bangor, Maine, he moved on to management positions with major wood products companies in Labrador, New Brunswick and South Carolina.

"It's that experience that informs SWP Industries' strategy," adds Crabbe.

There are lots of fence businesses selling into the market, but SWP stands apart, with its strong focus on customer and quality, he says. "We're different because we have a lot of control over quality at every step of the process-- and we are a customer first company."

While the current recession has a lot of wood products companies hanging on for dear life, Crabbe is making deals and securing more market share.

"We had 350 customers at the start of this year, which we have since grown to 700 through a strategic business agreement with LR McCoy out of Massachusetts. We're going to join our sales and marketing teams, and SWP is going to look after manufacturing, inventory and delivery. It's a win-win as I see it."

Crabbe says that SWP provides their customers with a large selection of product and delivery options.

"We deliver catalogue pricing to all our customers. It is simple, clean and easy to follow delivered pricing for customers



between here and Baltimore. Our customers have the freedom of dealing with a salesman, or our order desk direct.”

Crabbe says SWP’s website has engineered drawings and specifications of all of the company’s products, including cedar fence panels, as well as vinyl and aluminium.

“Homeowners, especially in the northeast U.S., consider a fenced yard a key part of the American homeowner’s dream. You can make a fence out of a lot of different materials, but a natural cedar panel fence is still the market leader,” explained Crabbe.

In addition to the manufacturing plant at St. Stephen a couple of minutes from the U.S. border crossing, SWP also operates two sawmills, one at Bayside in southwest New Brunswick, and another at Arthurette in northwest New Brunswick.

Crabbe points out that because the mills are spread out, yet close to the Maine border, they are strategically situated to extend SWP’s potential wood basket.

“Our wood supply is second growth northern (eastern) white cedar. Half of our wood supply is out of Maine, the other half comes from private woodlots and Crown land in New Brunswick,” he explains.

The processing in both sawmills starts with logs going through Morbark 531 Rosser debarkers and then feeding into PHL and Keystone twin-saws.

At the Arthurette mill, the wood feeds into a Cardinal circular resaw. At Bayside, a Mainland circular resaw and a Yates band saw are used. Both mills use Valley 3-10 trim-saws.

Mobile equipment at both sawmills consists of Volvo L110 loaders to handle roundwood and Volvo L50’s for moving bundles. SWP has three transport trucks, a Peterbilt, Kenworth, and Western Star. The company also has two leased units for multi-drop deliveries.

Since 1999, SWP’s headquarters and manufacturing facility has occupied a 120,000 square foot building in the St. Stephen, New Brunswick, business park. The building provides space for inside lumber storage and several production lines.

A 60,000 board-foot Nyle dehumidifying kiln dries lumber for finger-jointing, paneling and engineered lamp-posts. The finger jointing equipment is made by Grecon. The value-add plant in St. Stephen has two moulders, a Weinig and a Waco line.

Crabbe says a lot of the equipment in the plant--like transfer tables and machines to make lattice--have been designed and constructed in-house.

“We want to scratch as much value as we can out of every log and every piece of lumber that we handle,” explained Crabbe. “When most fence manufactures look at six-foot fence panels, they think six-foot lumber. We look at six-foot fence panels and come up with ways to make them out of four-foot and two-foot pieces of lumber as well.”

Crabbe says getting the most value out of every board means finding profitable ways to deal with low-grade lumber.



“We’ve developed a one-way cedar pallet made out of our low-grade materials. We sell a lot to the aquaculture industry-- they like it because a lot of their product only ships one-way, and these pallets are cheaper and lighter. So our pallets can save money for those companies.”

Sill, Crabbe says all their efforts would be for naught without good people working in the plant.

“Our workforce is absolutely key to our success,” he emphasizes. “I’ve worked all over North America, and our workers in Charlotte County are as good as I’ve seen. We pay above average wages and we get above average performance from our people.”

That said, like most every business struggling with the economic downturn, Crabbe says that their major challenge is securing financing.

“Right now, the banks aren’t making things very easy for us.”