



The right production Links

Having the right combination of equipment--including an emphasis on Link-Belt machines--helps B.C.'s Ironside Contracting keep their operations busy, and productive, in some challenging times.

By Paul MacDonald

As logging contractors know, not only do they have to keep their equipment out in the bush and busy, but more than ever they have to be right on top of the financials of their business.

In fact, loggers--along with every other business person with a good amount of common sense--would have a term for the credit swaps, derivatives and other high concept financial vehicles that have sunk global financial markets in the last year. To put it politely, it's all bullcrap.

In business, what really counts are the numbers at the bottom of the page.

B.C. contractor Gord Thompson of Ironside Contracting, based in Campbell River on Vancouver Island, says it can be a challenge keeping equipment busy in the bush and taking care of financial matters--and he's thankful of ways to run things more efficiently.

The numbers side of their business, like many other contractors, runs on financial software which is ably handled by Gord's Mom, Laura-jean, who works in the Ironside Contracting office. "I can't imagine doing all that we do now on those computer programs, manually," says Gord.

The driving force for all of this is to certainly keep the office efficient--but the higher goal is to keep all their logging activities productive and efficient. And there's one heck of an amount of Ironside iron to keep busy logging on the B.C. Coast.

Thompson's exposure to the forest industry came at a young age; his dad, Brian, owns and operates logging trucks, and Gord travelled into logging camps when he was still a kid. Sawdust quickly got into his blood.

He started Ironside Contracting in 1996 with a Cypress 7280 yarder, doing phase contracting for Western Forest Products, operating on the mid-coast area of B.C. But through the early part of this decade, the B.C. government brought in changes to the industry, some of which left logging contractors on the coast in limbo.

Well, being in limbo does not pay the bills, so Thompson seized an opportunity to get into full phase, stump to dump logging. "So we've gone from owning that one grapple yarder back then to the 25 pieces of equipment we have right now," he explains.

"We bought the tools--in terms of equipment--we needed as we went along. We financed a lot of the equipment so we could go full phase right away." Having access to his dad's trucking operation was a huge help, and a good fit with the sometimes unpredictable amount of yarding and loading they had to do, going full phase.



“Sometimes we would need five trucks one week and 15 trucks the next week, so it was a really big help being able to use my dad’s trucks. That way, in addition to investing in the logging equipment, we did not have to invest in logging trucks, as well.” That relationship continues through to today, with Gord’s dad’s operation, Brian Thompson Trucking, and its fleet of Kenworth, Mack and Hayes trucks.

Besides making sure his equipment is as busy, and as well maintained, as possible, Thompson makes a conscious effort to stay on top of the finances that, just as much as fuel, keep that equipment running.

“It can be hard not to get overextended when you have opportunities staring you in the face--but you have to look down the road,” says Thompson.

“One of the biggest adversers to this business is you can get into a situation where you have some steady work ahead of you for five or six months, with some good cash flow happening--and then all of a sudden you are down for two months and you have to carry all that debt.

“That monthly number, it could be \$50,000 or \$100,000 a month for your equipment, is still there. If your equipment is sitting for three months, you will not be able to recover the payments you’ve had to make during those three months. That money is simply not there in the cubic metre rate that you are getting paid when you are working.”

The approach that Thompson finds works best for them is to have 40 to 50 per cent newer equipment, which is financed. “The rest, 50 to 60 per cent of our equipment, is a bit older--and paid for.

“You can’t have 100 per cent financed equipment. The money is not there to support that, at least not in this industry. It might work in a perfect world, if you are working steadily, but often that is not happening in this business. Your capital can get exhausted if you sit too long and that puts even more pressure on the availability of capital.”

In addition to being focused on the logging work at hand, Thompson is always thinking of the next logging contract, and the contract after that.

“I work really hard at keeping work in front of us. Slowly, over the last five to seven years, business has developed so that we’re working steady. But you’ve got to have the right tools.”

Just as Ironside Contracting has its approach in the allocation of new vs. used, it also has its own way of choosing exactly what equipment it has, and how long it hangs on to it for.

“Some pieces of equipment have, if you want to see it this way, their own culture and history, and it can be hard to let it go,” Thompson says. “You can get a piece of equipment that can just run, and run and run. You could say, well, I should flip this piece at 8,000 hours, at 10,000 hours, at 12,000 hours. But we don’t always do that because it might be doing fine.”

Thompson added, however, that some equipment makes it to 10,000 hours and cylinders start to leak, valves, hoses and the little things and big, such as motors, start to go. “If you’re not careful, pretty soon you can have the equivalent of six



months of payments on a new machine spent in a month on repairs, not to mention the labour and downtime.”

Thompson noted that they have some older equipment--a Cypress 7280C yarder and a 7230 super snorkel yarder--that are “irreplaceable” and still going strong.

When it comes to more recent equipment, Link-Belt dominates in terms of loading and processing. Ironside Contracting has two Link-Belt 4300 Quantum log loaders, two Link-Belt LX350 log loaders, and a Link-Belt LX350 with a LogMax 12000 processor head. The LX350 with the processor head, and all of the LX350 loaders, are equipped with Isuzu engines that are much more fuel efficient than their predecessor engines.

“They’re probably burning 50 or 60 litres less a day than what we had before--and that adds up real quick,” says Thompson. The yarders have also been re-engined, with Detroit Diesel Series 60 engines.

Thompson said the 12000 LogMax head generally works in 24 to 36 inch wood, and is very efficient. “The reason we went for a larger head with the 12000 was that we kept getting into big stands. We struggled with a smaller head--but it was not always the diameter of the wood as much as it was the length of the wood.” They previously had a LogMax 9000.

“What we found is that we could never keep it falling and processing all the time, we’d catch up to it too quickly. And with it being a smaller head and on a smaller carrier (it was on a Tigercat L870), it did not have the ability to reach below grade or high into grapple yarder piles. We always had to put a loader with it to feed the processor.”

The larger head allows them to be much more efficient, and paired with the Link-Belt, it can easily reach down and break up grapple yarder piles.

The newest piece to the operation is a Tigercat L870C feller buncher, which is working out just fine in smaller and second growth wood.

Ironside Contracting has had a long successful, relationship with Link-Belt and Parker Pacific, the local dealer. “Some people might think that Link-Belts are lighter machines, but they take a beating with us because we work on the coast and in rough terrain--and they do just fine,” he says. “The Link-Belts are well balanced machines, fuel efficient and we have had very little downtime with them.”

Thompson says he likes dealing with companies long term, unless there’s a reason to look elsewhere. “It’s the way I do business--we have a relationship with Parker Pacific and Link-Belt along with a lot of other suppliers and customers.”

Good equipment is important, but key to the operation’s efficiency is the flexibility and initiative of the people who are operating it, says Thompson.

“Our people can do a lot,” he says. “For example, our foremen are working foremen. They’re not necessarily driving around in a pick-up all day--if they need to jump on a log loader, they do it.”

And that carries through right to the boss, with Thompson quite happy to get in there running whatever machine needs an operator, doing some welding or moving equipment with the low-bed. “We’re all in this together,” he says.



