



## The First Steps to a State Park

WyEast Timber Services LLC of Hood River, Ore.

*By Lindsay Mohlere*

Paul Jones and Matt Hegerberg, principals of WyEast Timber Services LLC of Hood River, Ore., lean against a log deck and survey a site map. Around them the forest grows with the sound of a Cat 525 skidder dragging another load up to the landing.

“How cool is this?” says Jones, looking at the thinning operation taking place in front of him. “Not too many people can say they took the first steps to create a state park.”

The project, destined to become Nisqually State Park, is a recent timber contract inked by WyEast and the Washington State Parks Commission. “We bought a timber sale through the Washington State Parks Commission up here in the Nisqually basin. The site is 106 acres and destined to be a future state park. Before they start putting in campgrounds, restrooms, and electricity, we’re up here to do a thinning on the site. It’s a very special project,” Jones says.

### An Award Winning Team

Although WyEast Timber Services is a small, relatively new company, it is carving out a unique reputation for its ability to handle difficult projects.

Jones and Hegerberg both brought backgrounds in the logging business when they came together to form the company.

Hegerberg, WyEast’s chief operating officer, has been around the logging business since an early age. Prior to starting his own logging operation, Hegerberg Timber Services, he worked for Boise Cascade in Quality Control and as a supervisor. He has a degree in forest management and agriculture from Oregon State University.

At present, Hegerberg is also a board member of the Association of Oregon Loggers and a forester for the American Tree Farm system.

Jones, WyEast CEO, began cutting firewood in high school and then moved on to logging until a market downturn forced him out of the business. At that point, he finished college at Eastern Oregon University with a degree in business management. He went to work in the ski industry where he eventually became the director of Guest Services at Mt. Hood Meadows and then the general manager of the Cooper Spur Mountain Resort. Currently, Jones is a board member on the Hood River Forestry Advisory board and the Eastern Oregon Regional Forest Practices Committee.

Last year, WyEast earned the 2014 Coos District Merit Award from the Oregon Department of Forestry for their work on an Oregon Department of Transportation timber sale. The purpose of the contract was to enhance a safety corridor along Highway 101, while opening up a scenic view of the ocean.

### Meeting Challenges Profitably

Like the Coos District job, the Nisqually project presented several challenges other logging companies might pass on.



“This is one of those kinds of jobs that is high profile and challenging on the contractual side and in the specs. It’s not a production job. We’re not going to come out here and get 20 or 30 loads a day. We’re out here to do a good job for the state and make a future state park,” Jones says.

Jones also pointed out that tackling the challenging jobs can be profitable if they adhere to strict cost accounting business practices—part of the backbone of WyEast’s operating philosophy.

“We spent hours, upon hours, walking through every unit,” says Jones. “We met with the contracting officer and asked the necessary questions both in meetings and by email to thoroughly understand the scope and nature of the job. Once we had that in hand, we checked with log buyers to find a support price. When that was in place, we did our due diligence and checked our logging schedule, estimated our average daily production, and what we think we can average from the mill per day. We also figured in our truckloads per day, travel expenses including the cost of moving all our equipment and housing our crew, plus how many days we were going to be working the side. Then we ran the numbers. It’s pretty easy to see the answer. Yes or no. In this case it was yes.”

### **The Ice Storm Cometh**

In 2012, a major ice storm hit Hood River County. Homes were cut off, trails crossed, streams littered, and roads were blocked by fallen trees, treetops, and splintered remnants. Over 30 million board feet of timber was damaged. Small stands of trees, farmer patches, large forest tracts, and everything in between were hit hard.

“Everywhere you went there were damaged trees. At that time, it opened up opportunities for me to get back into the business,” Jones says. “I started WyEast Forestry Management and rented a D5 with a winch from Peterson Cat and went to work. I also teamed up with Matt, who had his own logging operation. That year we did over 750,000 board feet and literally touched every single log with a choker and a chain saw. I was very cautious the first year. I didn’t want the debt monkey on my back.”

Because of the significant volume of work Jones and Hegerberg booked for the following year, they stepped up and, through their separate companies, purchased more iron to keep their jobs running at top production.

### **Merging Companies**

Jones and Hegerberg formally merged in 2014 and formed WyEast Timber Services LLC. Now the company owns a Komatsu 200 log loader, a Cat 525 skidder, a Cat D4H TSK grapple, and a Cat 518 grapple skidder with processing handled by a Link-Belt 240 with a Waratah 622B. They have recently added cable logging to their stable with the purchase of a 48’ Koller 501 equipped with an Eagle carriage.

The company has four fulltime employees and utilizes the services of several different subcontractors on their large and small sides. Last year the company worked 40 different jobs resulting in over three million board feet of timber harvested. WyEast has projected more than six million board feet for 2015.

Currently, Hegerberg side-rods the larger projects and generally operates the company’s Komatsu 200 log loader. He also runs the company’s reforestation and slash burning programs. Jones runs the smaller, farmer-patch type jobs, as well as the fire fighting contracts. Both partners manage the business aspects of the company.



“We’re more than just a logging company,” Jones says. “We’re a full-service, one-stop shopping center. Not only do we harvest the timber, we handle marketing the trees, take care of the permit work, mill contacts, piling and burning, in addition to spraying and reforestation. During the summer, we also work fire contracts. About 60 percent of our clients are private land owners and 40 percent are contract logging.”

### **Run Like the Big Boys**

The combination of nearly ten years of upper management, human relations experience, and high-level business practices know-how, coupled with the practical knowledge of making a living with a chain saw has been the foundation for Jones and Hegerberg’s business model.

In describing WyEast’s genesis, Jones equates his company’s structure to a much larger organization. “We decided to operate our company like a Fortune 500 company even though there’s just two of us,” he says. After developing a vision, creating a mission statement, identifying long-term and short-term goals and writing a business plan, Jones and Hegerberg put together a basic organization and implemented certain business practices that have allowed WyEast to take advantage of opportunities for future growth.

When they started looking at jobs and going through the bidding process, Jones and Hegerberg developed a process to help them determine budgets. The more jobs they did, the more refined their process became.

“We decided we were going to account for every penny on every job, every hour spent, everything there is so we could understand what our bottom line is. So when the next job came around, we could say ‘Well, here’s a job that’s similar,’ whether it was a clearcut, farmer’s patch, salvage job, or a specialty project like the state park,” Jones says. “We collected all this good data, and now we can give a potential new client a solid price. It might not be the cheapest, but we know we can do the job. It’s because we did the due diligence and did the numbers. It’s been very successful for us.”