



## Staying Flexible

### **Pine Creek Logging LLC doesn't let a downsizing economy slow it down**

*By Barbara Coyner*

At a recent Potlatch Corporation retirement party, the honored retiree was praised for his family name being on the company's payroll for over a hundred years. Deary, Idaho logging contractor Steve Henderson did some quick calculations as he listened to the tribute. His grandfather, Art Henderson, had started with the company's flagship mill in Potlatch, Idaho, just after the dawn of the 20th century, and his father Wesley also drew a Potlatch paycheck for years. Today, Henderson's company, Pine Creek Logging LLC, takes in about 75 percent of its income logging for Potlatch Corporation.

Steve Henderson (not to be confused with "the other Steve Henderson" who operates Steve Henderson Logging in the same area) and his wife Diana credit Potlatch Corporation for furnishing the bulk of the work for their 27 employees. The rest of the jobs come from nearby Bennett Lumber Products in Princeton and various state and Forest Service jobs.

### **CTL Keeps Them Competitive**

With a less-than-stellar economy, Steve and Diana say that cut-to-length has been a key factor in staying competitive. The heart of their production is a fleet of five Valmet processors and five forwarders, plus an adaptable stable of feller bunchers and line machines. Pine Creek also operates a cat skidding side and a road construction side, making it a "one-stop" logging operation. A seasoned crew is basic to success, as well, because a contractor can't devote much time to teaching new hires the different tree species, forestry practices, and equipment operations.

"This is a hit-the-ground-running industry," says Henderson, noting that he pairs new hires with veteran crewmembers during the break-in period. He also relies on a Valmet simulator furnished by Modern Machinery in Spokane, Wash., as an efficient equipment trainer. Fortunately, he adds, he doesn't have a high turnover among his crew.

### **Trial by Fire**

Although the bursting of the housing bubble has given area loggers plenty of heartburn, Henderson's economic challenges came earlier when partner Roy Lawson died suddenly in 2007.

Reviewing her options, Lawson's wife Linda chose to divest of her share of the company, so Steve and Diana Henderson took over as Pine Creek Logging in January 2008.

"When Linda chose to get out, the market was at its peak," Henderson recalls. "I said I'd buy her out, and soon after that the market fell." For Henderson, it was baptism by fire. "I concentrated on just getting through it. I wasn't new to the business, but I was new to sole ownership. Roy had done all the negotiations on the jobs, all the business side, and I had done the woods end of it."

Fortunately for Henderson, his wife Diana became an avid partner as she took over the books, ran parts, and went out to various jobs to learn the ropes of the woods trade. "I grew up on a farm at Genesee, so I didn't know a thing about log-



ging,” Diana admits. The couple, married for ten years, had met while serving on an emergency medical services board for Latah County, and Diana instantly became a dedicated student of forestry and logging.

### **Roy’s Legacy & Modern’s Support**

As the business transitioned from the Lawson name to new ownership, Steve and Diana credited Roy’s technological talents for helping them make a smooth changeover. “Thankfully, Roy was brilliant on the computer,” Diana says. “He left us very well set up with programs.” Noting that Lawson was completely self-taught, Steve recalls watching Roy tinker with a computer challenge until he got it right. “He wrote his own programs,” Steve points out. “When we were dealing with fuel surcharges at Potlatch, for example, he created a program to track that. He wrote a program that is better than you can buy on the market, and we still use the formulas he created for tracking bids.”

Quick to praise others for the company’s staying power, Henderson also credits Rene Van der Merwe of Modern Machinery for much of Pine Creek’s equipment advantage. “Modern Machinery has really been good in their support and parts and service, and Rene is the best I’ve dealt with.”

Pine Creek currently relies on a Valmet 445 harvester with a 385 head, four 500T harvesters with 965 heads, three Valmet 890 forwarders, and two 892s. Henderson has stuck with the Valmet brand partly because of the dealer support, but also because the equipment performs well on the steep topography of the Palouse country. He especially likes the speed and power of the harvesting heads as an asset to staying productive. The crew is accustomed to the equipment, as well, and they are familiar with the maintenance and repairs aspects.

### **Adapting to Change**

As Henderson describes the constant fluctuation in being a Potlatch Corporation contractor, he says the cut-to-length equipment has been adaptable to changing harvest philosophies.

He says the company currently requires up to 16 sorts, and there’s always talk of processing long logs over cut-to-length. But he feels making a log in the woods is just as efficient in getting the right log to the right mill the first time versus hauling tree lengths to another location for further handling.

As Henderson watches the emerging markets for woody biomass, he sees transportation as a key challenge. “It might be a niche I want to get into,” he says of biomass. In fact, Henderson is currently using the forwarders to haul biomass to roadside for future grinding.

While Henderson is cautious about moving too quickly into the still-unproven biomass territory, he is always willing to adapt and improvise, especially when it comes to equipment. For example, he paired a Jewell line skidding package with a Timbco, using it for some of the steeper cut-to-length jobs and roadside work. The machine is self-leveling and can do a good job around steep draws and class 2 streams.

### **A Mix of Machines**

“Having that machine enables us to bid a whole job,” Diana explains, noting that the company doesn’t have to subcontract. Pine Creek also runs a Linkbelt 98 with an 1800-foot reach.



“We can reach 1000 feet with our little machine,” Steve says. “It’s got enough power and speed if we’re working in smaller trees. But the 98 enables us to skid larger timber over a greater distance. If you want to be a player in this game, you have to be willing to be flexible, and our equipment allows us to do that.”

Facing challenges in the past to keep processing on par with production, the company previously resorted to renting a processor. When rental fees ratcheted up to thousands of dollars per month, Henderson resolved the problem by pairing a Timbco 445 feller buncher with a 385 head. But the Timbco didn’t have enough reach, so Henderson went back to the drawing board this spring, purchasing a 330 Cat log loader at auction and retrofitting the head to that. The adapted machine works well for production needs, and the Timbco is back to its original configuration, giving the company two feller bunchers. Again, it’s that flexibility that gives Pine Creek an edge.

“In this business you have to be very efficient and flexible,” Henderson sums up. But according to his wife, it also helps to have a long and proven track record in the business