



Loggers' Success Tied to Embracing Technology and Diversifying Operations in 2011

While economic challenges are not new to the logging industry, logging communities in the United States have been particularly hard hit over the past three years. According to the Bureau of Labor Statistics, the number of loggers employed in the U.S. dropped from approximately 59,000 to 47,000 between December 2007 and December 2010 — a workforce reduction of twenty percent. Job losses have slowed in recent months, but the industry remains at extraordinarily low levels of employment. The prospects for recovery may well hinge on the industry learning from the past and adopting new operations strategies going forward.

For North American logging contractors who have survived the challenges of the recession, two specific strategies can help make the most of every business opportunity in 2011: embracing information technology and diversifying their operations.

Embrace Technology to Maximize Performance

The ongoing mantra for loggers has been to sustain operational efficiency with fewer resources. Technology systems that monitor equipment operation and performance are key to achieving efficiency.

John Deere's JDLink™ Machine Monitoring System, for example, provides state-of-the-art access to fleet location and utilization and maintenance management tools.

By remotely connecting logging contractors and dealers to equipment in the bush, such monitoring systems provide up-to-the-minute data, including average fuel consumption, driving distance per load, completed loads, and tree species and assortments. With ready access to this data, loggers are able to quickly make educated maintenance decisions. The result is better Nate Clark, Manager, Forestry Marketing, John Deere efficiency across machine performance, increased uptime, and lower daily operating costs.

Diversify to Boost the Bottom Line

To remain productive and maintain profit margins, loggers need to serve multiple geographic and specialty logging markets. New revenue streams within North America can be a key to business success in the coming years. From clear cuts and thinning operations to industrial roundwood and biomass, diversification can create security and opportunity. To facilitate this diversification, many equipment manufacturers now offer a number of machines that can handle multiple tasks.

There is also power in numbers. Some loggers and contractors have opted to form larger logging businesses. While these businesses haven't displaced smaller operations, they may provide a stronger foundation upon which to weather future economic downturns.

Ultimately, loggers must create competitive advantages for themselves in a market that increasingly necessitates innovation to win more contracts and achieve profitability.



AOL Logger of the Year says Diversification a Key

The logging industry is moving toward diversification.

Evidence is all around. Take a look at the Associated Oregon Logger's (AOL) recent Logger of the Year award. The honor went to Lee Miller of Miller Timber Service in Philomath, Ore., known for embracing diversification. Since Miller Timber Service began back in the 1980s, it has done everything from commercial thinning, to clear cutting to reforestation and wild land firefighting. Miller told the Gazette-Times, "I always want to learn something I didn't know.

I'm always looking for the technology that's going to improve the way we do our job." AOL Logger of the Year says Diversification a Key He adds "There is nobody else who does full-circle service like we do. If you do it in the woods, we do it." "He was one of the first loggers to diversify his business," said AOL executive vice president Jim Geisinger. "Every business has its own business model, but I think there are others that look to him as a very successful business." Miller's secret to diversification? No one job is more important than another. That advice is serving him well. Miller Tree Service, which employs 140, is alive and well during one of the hardest times for this industry.