

Know the Economics of Your Business; So You Can Stay in Business

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Among small to mid-sized, privately-held businesses, logging contractors rank as some of the most capital-intensive. Loggers invest hundreds of thousands of dollars in log harvesting and hauling equipment for their business, but often allocate few, if any, resources to understanding the economics of their business. However, failing to do so can be devastating for such a capital-intensive business.

Equipped with knowledge about best practices, effective systems and methods, and the right tools in your office, monitoring the economics of your business doesn't have to be an overwhelming task.

Caribou Software has been assisting logging contractors across North America in doing just that for over 15 years. Through our

experience observing the best practices of over 300 logging contractors across North America, coupled with our background as economists, we've identified a few key business metrics that some of our most successful loggers regularly track:

1. Average cost per ton (or MBF or cord or cubic meter) of wood.
2. Ratio of volume produced to machine hours spent.
3. Truck cash flow (i.e., the portion of revenue attributed to the hauling phase for the loads delivered by a given truck relative to the truck expenses for the same period, including driver wages, fuel, insurance costs, and major repair bills).

4. Major equipment expenses by machine unit.
5. Truck revenue per driver hour worked and per loaded mile traveled.

The first two metrics in the above list are the most important. Yet surprisingly few logging contractors have good methods and tools to calculate those statistics, and thus run their businesses with a lot of hard work in the woods, and a hope and a prayer that the economics works out. That's no way to run a business.

You need the right tools in the office (not spreadsheets or—worse yet—a No. 2 pencil) to track your loads, your time sheets, and your equipment data, to pay your contractors and landowners, and to reconcile your revenue.


With a software system built specifically for loggers, like our Caribou Software 'Logger's Edge' system or our 'StumpGeek' system, you can review average costs and productivity statistics (e.g., volume per hour) pretty readily—on a job-by-job basis no less! Simply by managing your load tickets and time sheets through the software, tracking your average costs on a job-by-job basis is all but done for you, essentially as a byproduct of the work you already have to do every month: pay your contractors and landowners, pay your employees, and reconcile your revenue.

Whether you own two pieces of equipment or 100, Caribou has software to fit your size and help you monitor your key business metrics.

The bottom line:

Your employees, family, and the mills with whom you work, count on you to run a profitable logging operation. It's imperative that you have the right tools in the woods and in the office to do so. Otherwise, you may just have an expensive hobby on your hands.

To learn more, visit us at www.CaribouSoftware.com or call 850.532.6206 x1. 🌲



Boise Cascade

Boise Cascade purchases logs and standing timber, manufactures engineered wood products and plywood and distributes a broad line of building materials. Our log procurement group is certified under the SFI®, PEFC™ and FSC® COC certification systems. It has log using mills in Oregon located in Elgin, White City and Willamina.

Medford Area Log buyers:
 Brian Sutch
 541-776-6606 cell 541-821-1873
 Ryan Hite
 541-776-6656 cell 541-326-7804
 Kyle Syfert
 541-776-6684 cell 541-821-3559

Monmouth Area Log buyers:
 Jay Sandmann
 cell 503-758-6181
 Tye Copple
 cell 503-338-8395

Northeast Oregon Log buyers:
 Kaden Titus
 541-437-1687 cell 541-910-6701
 Michael Kreachbaum
 541-437-1682 cell 541-771-2749