



Sawmilling 101: Introduction to Softwood Sawmill Operations and Financial Performance

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Sponsored by:

The Beck Group and Western Forestry and Conservation Association

The Beck Group, an industry leader in wood products manufacturing consulting and benchmarking, will provide an inside look at the manufacturing process, key operating metrics and best practices for North American softwood sawmills.

Workshop Agenda



9:00 Sawmilling Overview

A *What are the Basic Manufacturing Processes?*

Follow a log along the manufacturing processes from delivery to the mill, through sawmilling and kiln drying, and on to the planer and shipping.

B *What does a Successful Sawmill Manager Pay Attention to?*

An introduction to key sawmill performance metrics and a sample sawmill income statement to illustrate how key metrics impact financial performance.

10:15 Break

10:30 Markets and Manufacturing in North America

C *Where Does the Lumber End Up?*

A review of the primary end users of lumber to include residential building, remodeling and repair and industrial distribution channels. Consumer preferences and green labeling round out the picture of market forces.

D *What are the Characteristics of Markets and Manufacturing in the Various Regions of North America?*

An overview of each major region is provided to cover population trends, characteristics of mills, regional market drivers and species mix.

Noon Lunch

1:00 Key Sawmilling Metrics in Detail

E *A Close-up of Key Metrics.*

The instructors will draw upon actual sawmill operating statistics from 20 years of benchmarking study data and how those factors impact financial performance.

1. Log Supply and Pricing.

Logs are typically 60 to 70 percent of a sawmill's total operating cost. This session will focus on the characteristics of logs that drive value, and the process of identifying the right log at the right price for the right mill.

2. Lumber Recovery.

What forces impact the amount of lumber recovered from each log? This session will focus on how mills measure and maximize the volume and value of lumber produced.

3. Productivity and Manufacturing Costs.

This session will review the key factors that drive mill productivity and manufacturing cost including log and lumber mix, technology, labor, energy, maintenance and supplies.

4. Lumber Products and Sales Values.

A look at key characteristics and market values for major lumber product categories including commodity and specialty product lines.

5. Sawmill Byproducts.

This session will focus on end uses and values for by-products including chips, sawdust, shavings, bark, and hog fuel.

3:00 Break

3:30 Characteristics of Top Performers

F *What are the Characteristics of Top Performing Sawmill Operations?*

The instructors will draw on more than 20 years of benchmarking experience to illustrate differences in key performance metrics between average and top performing sawmills, and will present several case studies of top performers.

4:30 Adjourn