

A Silent Partner That's Truthful About Business Performance

There are a lot of moving parts involved in running any type of business, but this is especially true in logging. You make big investments in equipment and in training and retaining good operators. You carry insurance, incur big fuel bills, fork over a lot for repairs, may be involved in trucking, and sometimes may lose sleep at night trying to keep track of it all.

Given all these moving parts, how can you keep accurate track of everything so you can run a profitable operation?

To succeed you need well-maintained equipment, follow productive harvesting and hauling methods, and

corporate the detailed information that an astute logger needs to understand business economics. Nor do they provide the checks and balances needed for ensuring that you are paid for all the wood you harvest.

'Packed' Package

Managers at Hadaller Logging in Kelso, Wash. understand just how valuable it is to have an industry-specific software tool to supplement an accounting package. They adopted Caribou Software's Logger's Edge system four years ago, primarily with the objective of tracking weekly production and paying truckers, but they have come to rely on Logger's Edge for much more.

They now rely on it to keep up with detailed time sheet information; estimate costs per productive machine hour for each equipment unit; generate detailed profitability and productivity reports on every job; monitor daily deliveries to ensure truckers are dispatched effectively; and estimate anticipated revenues even before they receive payment.

Since adopting Logger's Edge, Hadaller has expanded from two crews to five. "I honestly don't know how we could have grown the business without the software," asserts Julie Hodges, Hadaller's office manager, who supervised the original implementation. "The way

information is linked between time sheets and load tickets lets us easily pull comprehensive job costing information that would otherwise have taken hours to compile, and would have been much more prone to error."

Each day, the company's loader operators turn in load sheets, which itemize all loads, complete with the trucker, mill, and species/product information. This enables managers to monitor loads per day to ensure truckers are getting at least the minimum loads they need to cover their costs. They can spot problems while they are happening, identify the cause

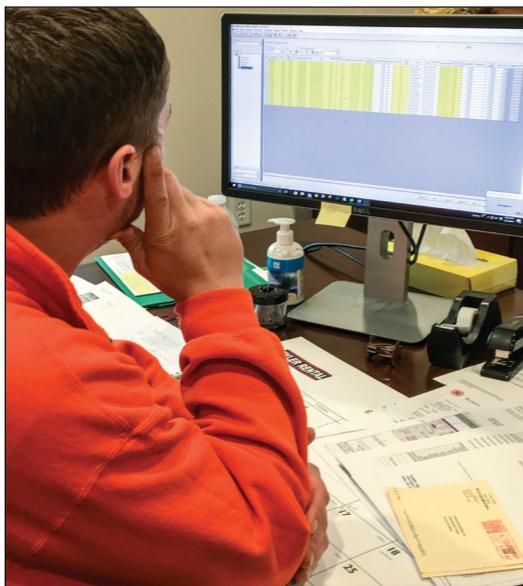
of bottlenecks and take corrective action immediately.

Each pay period Hadaller receives an electronic load ticket listing from Weyerhaeuser, its primary market. The listing is imported into the software, which automatically matches the load list with the loads entered by loader operators. This makes it easy for office personnel to spot 'missing payments' from Weyerhaeuser. Because the software calculates the expected revenue due for each ticket, it makes for a very efficient revenue reconciliation process. Once that process is complete, generating pay statements for truckers is as simple as the click of a button.

Hadaller also enters machine operator and driver time sheets in the software. "We used to enter time sheets directly into Quickbooks," says Hodges. "But now we enter details into Logger's Edge and only enter summary data into QuickBooks. This way we can capture things like uptime versus downtime, the equipment unit used and activity performed, and small comments from the operators explaining downtime or other job anomalies. We now run weekly reports showing labor costs and hours by person by day for each job."

With this information, they monitor actual driving versus non-driving hours for their own trucks, which has been very helpful in terms of demonstrating compliance with DOT requirements of no more than 60 hours per week of driving time per driver. They also have a custom report that allows Hodges to easily review gross hourly wages and hours by activity. This report helps with worker's compensation reporting by providing the supporting details needed to show relative labor hours by type of logging activity and enabling Hadaller to receive WCB rate discounts through the Logger Safety Initiative program.

When it comes to understanding the economics of your business, and helping your administrative staff and management work smarter, a good information management system is one of the most valuable business partners you can have. It's a business partner that will help you sleep better at night, either knowing that your gut instincts have been validated by what your data tell you, or helping you identify where the problems are that you need to correct. **TH**



A powerful information management system is a valuable 'business partner.'

rely on competent, dedicated employees. But there is one not so obvious asset critical to financial success: a well-designed software system to track core business information such as job type and characteristics, compensation, load tickets and time sheets. A good software system is like a good business partner—you come to rely on it to tell you the unvarnished truth about how your business is doing and where you need to improve.

General accounting packages such as QuickBooks or Sage 50 are great for the big picture tracking of revenues and costs, but are not designed to in-