



President's Column
**A Day in the Foothills of
West Virginia**

By **Bob Mapes**, President

In this quarter's newsletter I'd like to highlight our Rolling Ridge Woods (RRW), division. As a division of Yoder Lumber, RRW enjoys the full benefit of all the financial and human resources of Yoder Lumber as it works to acquire a larger market share of the export and domestic veneer log market.

The veneer log operation is one of the more unusual aspects of the Appalachian Hardwood merchandising market. Since I am not a forester or a veneer log buyer,



*Rolling Ridge Woods,
Parkersburg, West Virginia.*

I'll provide you with a larger scope of what this division does.

A bit of background on how our veneer division operates: Each log is individually inspected, graded, valued, and tagged for inventory control by a log buyer. Most of the time when a log buyer purchases the log, he has some idea of which particular customer will buy it.

The bulk of our veneer logs come from Ohio, West Virginia, Pennsylvania, and Virginia. Some are containerized at off-site log yards but 90 percent of the time, the logs are shipped to our log yard in Parkersburg where they are sorted, regraded, rescaled, and prepared for 'log sales'. The preparation process involves trimming the ends of the log, inserting S-irons into the butt ends to prevent splitting, and, spraying with wax to prevent minimum checking or splitting.

One item to keep in mind is that these logs are the very best of the best logs available. The amount of

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***Our goal is
to make our
employees
happy and
our customers
even happier.***

— *Bob Mapes,
President*



The Rolling Ridge Woods team.

harvested veneer logs from an average Appalachian timber tract now ranges from 3% to 5%; a decade or two ago that yield was closer to 5% to 7%. As you can see, when the supply volume of the best of the best has shrunk 30% to 40%, it creates a very interesting demand market place for log buyers.

The veneer log market is also at the mercy of world-wide demand for the different species. The US and Chinese designer demand has the largest impact on what is 'hot' and what is not. Currently the hottest species are white oak and black walnut. Other species currently fashionable are red oak, hard maple, and hickory. For several years, ones species that has had a challenging time gaining traction is black cherry.

As an aside, the white oak log market is currently being stretched further by the increased demand for quarter-sawn lumber to make upscale flooring and by the barrel stave market because of the increased demand for spirit and wine barrels.

When it comes time to conduct a log sale, the domestic and export customers visit the yard to inspect logs that have been chosen specifically for them. During this inspection the customer, our log yard team, and the log buyer interact and solicit feedback as to what the customer wants today as well as for future sales. The quality and underlying value of a veneer log is subjective; it is

imperative that the log buyers know the customer's precise expectations. Every time I visit the RRW log yard, I ask more questions about our customers and what makes one veneer log more valuable than another. There are times I am absolutely amazed that our log buyers can find what the customer wants.

The final step in the veneer log export business is contacting a freight forwarder to obtain the necessary trucks and containers. The logs are stuffed into containers and trucked to either Columbus, Ohio, railed to California or trucked directly to Norfolk, VA to be loaded onto a container. It takes about 14

days longer for the logs to arrive in Asia if they go through the Panama Canal. We choose the shipping route based on the best freight rate and the customer's time line.

Yoder Lumber primarily conducts our export business with substantial down payments or sends the ownership documents to our Chinese agent who then releases the documents when he receives payment. In the export business, this is referred to as "Cash against Documents". If necessary, we can arrange to handle qualified accounts on open credit through the SBA.

If you'd like to know more about our veneer log business please contact our RRW office at 304-464-4980 or visit our website for their full contact information.

"I like people who disagree with me; it challenges me and makes me think."

— Bob Mapes, President



Your Business's Check Engine Light

By **Tony Yoder**, Chief Production Technology Officer (CPtO)

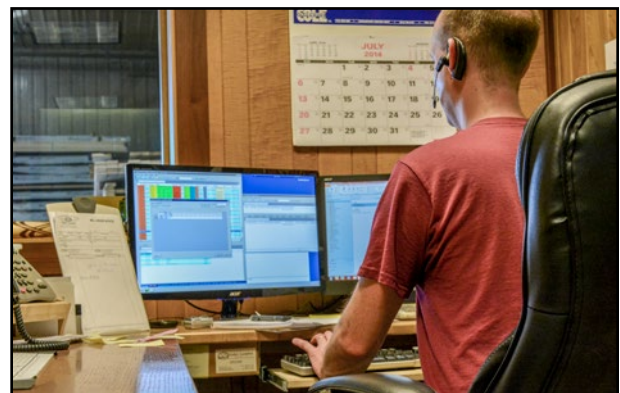
Imagine you're driving down a dark road late at night when suddenly your 'check engine' light turns on. Though you know it's not a good thing, you're thankful to have a chance to find a gas station or another safe place to pull over and take a look before things get even worse. Wouldn't it be nice to have this type of indicator in your business?

There's a field of business analysis that strives to do for managers what automakers have accomplished with the 'check engine' light. Business Intelligence, or simply BI, is a set of techniques and tools that can be used to take huge amounts of complex data and turn it into concise and meaningful information to assist managers in making better decisions.

One of the more commonly used tools in BI is the "dashboard," which is generally an electronic display of business information such as sales, budgetary, market, and production information (among many other types) focused on displaying "Key Performance Indicators" (KPIs) which are updated in near-real-time. Dashboards can be tailored to the end-user, so an accounting professional focuses on what is important to her while a production manager can see vastly different information that may be more relevant to him.

You might be thinking 'Why would we need to invest in developing dashboards when

we regularly review this type of information during business meetings?" There are two main advantages to BI over traditional report-based information. The first is the timeliness of the information. How often do you actually review reports? Weekly? Monthly? Given the speed of change in the business world, knowing something a week or a month after-the-fact is nowhere near fast enough. Imagine what would happen if your check engine light was delayed by a week! You would likely have been left stranded by the side of the road days ago. In that vein, how much does it help you to know that your customers shifted 50% of their purchases from you to a competitor a month ago? Couldn't you much more effectively deal with the problem if you knew about it sooner?



The second advantage of BI is that this information is designed to be concise. Most managers don't lack available data to pore through. Businesses tend to go overboard

when it comes to writing and publishing reports, using reams and reams of paper or spreadsheets that are well-intended but often poorly executed. Report writers often think it's better to have too much data than not enough. What this leaves decision-makers with is the monumental task of sifting through these reports to get what they need. Not surprisingly, most often the information is just ignored—after all, who has the time to trudge through all of it? BI's focus on KPIs forces report designers to provide only the minimum amount of information needed to allow decision makers to understand things at a glance. This saves time and helps motivate users to actually look at the information regularly.

How does this fit into Lean? The DMAIC process (Define, Measure, Analyze, Improve, Control) is highly dependent on metrics for feedback into how effective improvements have been as well as to aid in identifying areas that need priority attention. If this feedback process is delayed by weeks or months, it can seriously hamper a team's efforts. Imagine



As technology improves, we will see an increase in Power BI's role in business decision-making.

a team that has been working to improve material yields at a key production process. They made several improvements and needed a way to check their progress. In a report-based

business this could mean they have to wait until the following week or month to get a report telling them how effective their efforts have been. A BI-based business could potentially provide them with that information only hours after the improvements are implemented, allowing them to adjust on-the-fly and refine their improvements immediately. Projects that used to move in weekly increments now have the chance to move daily or even hourly.

Have we convinced a few of you that BI is worth a try? What's next? As usual, it depends. Obviously the BI field is heavily dependent on computer-based systems so if you're still using a paper-based accounting/ERP system, you're not going to be able to do much without upgrading. For the majority of businesses using computer-based systems, there are many options. Some larger systems like SAP already have BI built-in with many more adding this functionality regularly. There are also stand-alone services like Microsoft's Power BI that can interface with a range of services like SQL servers, Excel spreadsheets, and a wide range of cloud-based services (Quickbooks Online, Salesforce, etc.). Interested decision-makers should talk to their software providers to see which service would work best. The cost of the service depends on the provider and the scale of the BI implementation, ranging from a few dollars a month into the thousands and tens of thousands of dollars for large operations.

As the technology improves, BI's role in business decision-making will increase significantly. Dashboard technology has already moved out of the IT department onto the end-user's computer, allowing non-coders to design, create, and publish their own dashboards simply and efficiently. This will change BI's from being utilized only by the large companies that can afford a team to administer them to being accessible by even small businesses who just want to know how they're doing at a glance.



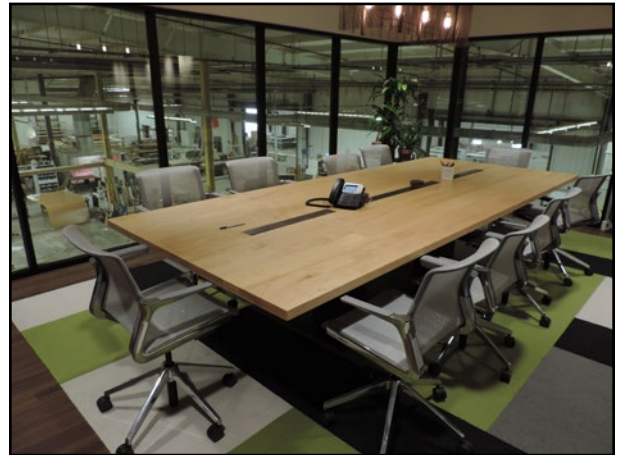
MRO Built: Strong in Roots

By **Danielle Scott**, Sales/Customer Service Department

Appearance has become a driving factor in the retail and commercial world where it's all about the showcase, about displaying the product or atmosphere in the most enticing manner. MRO specializes in custom fixtures for national retail stores, grocery stores, commercial businesses, and the restaurant industry. Taking ideas, applying quality design and engineering skills of the project management team, MRO Built has created a company mastering their market of presentation. After a recent tour with MRO, it's true that the excellence is in the showcase;



MRO Built provides a diversity of finishing services to its customers.



MRO's beautiful conference room allows customers to view out into the plant.

however, that excellence extends beyond the surface.

The company timeline gives a great play-by-play on the website of how it all started, how all the hard work and all the learning experiences that build character and, in this case, also builds a strong company. The once viewed “mom & pop” business, formerly known as Mr. O's Cabinet Shop, began as a side business to help in the finishing aspects of Fred Olivieri Construction projects; however, soon discovered the business found its niche and ran with it. Due to the broadened array of capabilities and growth over the years, management decided to better capitalize on those capabilities with a more professional entity name while incorporating its original name. Taking from the roots of the company, Mr. O's became what is now known as MRO Built.

In demonstrating a solid perspective in the roots of the company and a strong foundation



A large American flag can be seen from almost anywhere in the plant.

to build from, MRO's motto, "grounded by heritage, motivated by pride", may cliché; but a significant reinforcement. MRO upholds the quality and standards that were once established by Fred Olivieri and today is continually looking for ways to improve and set the bar higher. The oversized American flag covering the rear wall of the shop for all to see is a focal point driving home the concept of heritage and pride. There is not a better symbolic piece to demonstrate the motto and honoring the Made-in-America history.

The employees, the company's labor force, play a significant part in the roots at MRO. The view from the conference room with open glass overlooking the labor force hard at work may appear to some that it is a "watch tower"; however, management describes it as the "heart

view" of the company. It is a motivational factor, reinforcing the heritage into the day to day



North Star Cafe in Cincinnati, OH. Photo courtesy of MRO Built.

operation not just at a management level, but an overall reminder of the important role each employee plays in the company. The creativity, hard work, and dedication of the employees continues to be present throughout the facility from the exquisite design of the walnut

The way MRO Built stays connected and firm in its roots is why they are able to have such strong, long lasting relationships with their customers.

entryway staircase, to other intricately designed areas such as the breakroom, bathrooms, and various tables and furniture pieces. It is evident that the entire facility has a visual sense of accomplishment and pride.

These key factors in the way MRO Built stays connected and firm in its roots are why they are able to have such strong, long lasting relationships with their customers such as McDonalds, Kay Jewelers, and the Pro Football Hall of Fame. It has given them a solid reputation to build from as they venture into new relationships, including one of their newest customers, North Star Café. The end result to the customer is a masterpiece, but it is the journey and all the little lines that connect the dots that are so intriguing. MRO's growth continues on a foundation born and embedded in deep roots.

Visit www.mrobuilt.com to find out more.



A breathtaking view of the beautiful millwork in the North Star Cafe in Cincinnati, Ohio. Photo courtesy of MRO Built.



CEO Mel Yoder Announces His Retirement

Yoder Lumber Company, a major manufacturer of Appalachian Hardwoods, is pleased to announce the following management changes:

Mr. Melvin Yoder has announced that he will retire as the Chief Executive Officer effective Dec. 31, 2016. Mr. Yoder has served the company for the past 52 years in many different positions and has lead the



L-R: Trent, Nan, Melvin, and Nathan Yoder

organization for the past 35 years.

The company has appointed Robert Mapes, the company's current president, to succeed Mr. Yoder as Chief Executive Officer effective Jan. 1, 2017. Effective immediately, Mr. Trent Yoder has been named Chief Operating Officer and Mr.

Tony Yoder has been named Chief Production and technology Officer [CPtO].

These appointments and changes are being implemented to facilitate the operational succession of the family-owned business from the three second generation owners to the six third generation owners. These appointments will enhance the company's renewed emphasis on the success of its employees, market growth, and customer service.

Additional information about Yoder Lumber is available at www.yoderlumber.com.



Trent Yoder



Tony Yoder



Bob Mapes



Star Laser

By **Denice Rovira Hazlett**, Marketing Assistant

Wes Schmucker couldn't paint. He couldn't draw. He couldn't sculpt or carve. And yet, he knew he had a creative bent and enjoyed working with wood.

Then one year in the mid 90's as he was scroll sawing Christmas ornaments, a good friend made a suggestion that would not only affect his woodworking hobby, but would change his entire career.

Schmucker had never heard of the piece of equipment his friend recommended, but it piqued his interest enough to check it out. He attended a woodworking show in Chicago and had the opportunity to see the machine in action. It could cut wood. It could cut plastic. It could cut acrylic, and just about anything else, and it did it all with precision, engraving intricate images like photographs and text onto a wide variety of materials.

The wheels in Schmucker's head began to turn.

The machine was a laser engraver, and as soon as he saw it, Wes Schmucker knew he wanted one. Something like this could help him achieve his goal of becoming self-employed in a creative field. The problem? The cost of a laser engraver was about \$52,000. Schmucker knew there was just one thing he could do.

"I started talking to the Creator of the universe," Schmucker says. "I began to pray that God would provide."

To help decide if making this significant financial and career choice was really where God was leading



Wes Schmucker created a wood collage featuring the townships of Holmes County for the Holmes County Fair.

him, Schmucker laid out a fleece. He needed to have a laser-engraving order for \$2500 worth of product. Never mind that he didn't yet have the engraver. Never mind that he didn't know how to operate one if he did have it. He just laid out the fleece and got to work learning how to run a computer and operate the required software. He remodeled half of his two-car garage, leaving space for the would-be laser.

His day job required him to visit suppliers. While in Findlay, Ohio, visiting one such supplier, Schmucker says the Lord gave him the idea to ask if there was anything they needed engraved or cut out. In fact, they said, they did. The supplier pulled out a product and, on his drive back to Holmes County, Schmucker came up with a way to modify and improve it. He called the supplier and explained his idea. Within two weeks—without a prototype or a drawing—the supplier ordered 500 pieces.

"When everything was said and done, the invoice was almost double what I had set out as a fleece," Schmucker says. "It was the largest order placed for



Engraved business card created by Star Laser Engraving.

custom baby blocks engraved with the child's photo, name, birth date, and parents' name. He also offers engraved ice cream spades, name tags, cheese slicers, ID tags for products, and many, many custom orders. Yoder Lumber has appreciated the pens, coffee mugs, and other promotional pieces Star Laser has created in addition to the beautiful five foot Ohio county wall art featuring all 88 counties on a variety of stained, solid woods provided by Yoder Lumber.

Star Laser can do big quantities with a quick turnaround time.

"We're not afraid of large jobs," Schmucker says. "Wood, glass, leather, marble, brick, plexiglass. We'll try things that other companies won't."

Wes Schmucker says he's very grateful for the opportunities he has been given.

"I'm an average guy who God has been exceptionally kind to," Schmucker says. "God has allowed me to do what I really enjoy."

Visit Star Laser at www.starlaserengraving.com or call Wes at 330-674-5900.

the next 10 years."

The day Schmucker received the order, was the day he called to purchase the laser, borrowing every penny available against his house. He began cranking out orders on evenings and Saturdays for eight years before leaving his day job to go into laser engraving full time. He has never regretted the decision.

Star Laser was created with an innovative idea to create unique products that people can use as gifts, awards, and more. Unique products can be customized. Any idea is welcome, and it is Star Laser's mission to provide top-quality products and superior service. One of their most popular items are



Business card holder created by Star Laser.



Yoder Lumber
Quality is Our Tradition

The Branch of Success