

Yoder Lumber endures tough times, begins to reap the rewards of economic recovery





all it a downturn. C all it a recession. C all it a really bad stretch of economic road. W hatever it was, Mel Yoder was all too aware of it and the havoc it was wreaking on the decades-old business - Yoder Lumber C ompany Inc. - that bears his family's name.

Staff hours were trimmed and positions were eliminated. The Appalachian hardwood industry's production plummeted from a record-high 1 3 billion board feet in 2007, to only 5 million within just a few years.



As leaders in corner offices across America panicked, Yoder preached calm.

Now a few years later, staff levels are exceeding pre-recession levels and production is reaching 90 percent of the pre-recession years. The steady veteran hand is primed for sunnier days.

"I see continued growth and I anticipate probably an average of close to 10percent a year," Yoder said. "It's full-speed ahead for the time being. That's definitely the feel that we have." The prodigious growth forecast is welcome news within the walls at the 70-year-old operation, which began in 1944. Mel's father, John Yoder, merged his past sawmill experience with his passion for timber and lumber work and went into business cutting materials for area farmers to build barns.

He'd go into the woods on a farmer's property and cut beams and whatever else was needed for the construction. The lumber and timber bloodlines continued when John's children were introduced to the business. The second generation



ultimately took over – Mel Yoder is chief executive officer these days – and six members of the third generation are already on the scene, basically running the company.

Between 180and 190employees now head to work each day at one of four companyaffiliated facilities, three within 15miles of each other in north central Ohio and the other about 120miles south in Parkersburg, W.Va. Two of the Ohio locations have sawmills, while the third is home to the lumber processing division that provides





custom glue-up panels and parts for the staircase industry. One of the Ohio locations also has a full-service custom millwork and S4S operation.

The West Virginia location, Rolling Ridge Woods, houses an operation that sells logs to the domestic and export veneer business. Plywood manufacturers, for example, will put an oak veneer on the face of a product, Yoder said. All of the veneer products are used for exposed decorative purposes rather than internal framework.

Here's to a *bright* tomorrow.

Wishing our friends at **YODER LUMBER** continued success. Thanks for having us along for the journey.

Reas ass

CPAs & business consultants ReaCPA.com | 330.674.6055 Most of the non-veneer transactions are wholesale in nature, however, one Ohio location also makes retail sales.

"Business has been steadily increasing the last three or four years, and, since November of 2013, we've probably added about 15 people," he said. And with increased demand for the products comes the need for increased production, which in turn requires an increased focus on efficiencies.

The company has recently embraced Six Sigma and lean manufacturing principles, which are aimed at eliminating non-value added activities while delivering quality products on time at less cost. The statistical











tools of the system are designed to help diagnose root causes of performance gaps and variability, and apply the most appropriate tools and solutions to increase throughput.

Yoder is negotiating with Eagle Machine & Supply of Sugarcreek, Ohio to add more innovative technology (including a WoodEye 5 scanner and Talon Crosscut saw) to its cut-up line. It represents a significant capital investment in the future of the company by the third generation of the Yoder family.

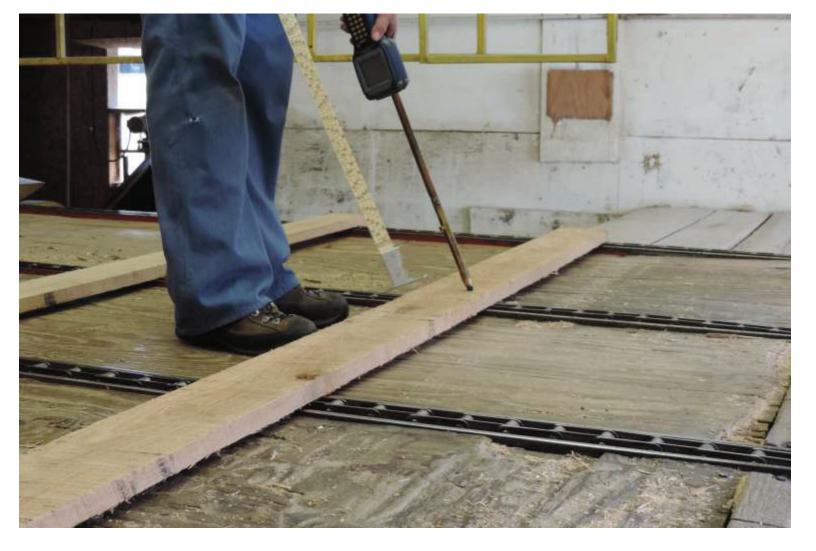
"Over the last couple years, we've made quite a few improvements on equipment



and machinery to ensure faster production and better quality," Yoder said. "The actual machine operations – like the iron in it – usually last 10 to 15 years, but the technology in it keeps changing quite rapidly."

Yoder said the company has gained traction with some customers thanks to its proactive stance on the environment and forest sustainability. This is manifested through the use of modern forestry management, and continued improvements to generate greater yields from the timber that is harvested.

"We feel there's a lot of importance to that," Yoder said. "We pay close attention. We try to be conscious of any environmental impact that we might have in the timber



harvest, and we try to work with landowners and try to teach landowners what's good for their property. There are a few out there that do pay attention to that, and we've had comments already that they like our philosophy and they like the position we take on the environmental impact, so they will continue to work with us."

Yoder Lumber works closely with certified foresters to ensure proper harvesting, and master loggers use advanced equipment and techniques to minimize residual damage to the forest.

Their facilities are designed to use as much of every log as possible to reduce waste. One-hundred percent of the wood-fiber by-products are used or sold, eliminating the need to send any by-products to landfills. A significant portion of the wood by-products are used to heat 10kilns, as well as their offices and manufacturing facilities.

As much he covets the positive feedback from the outside, however, Yoder said many

AT A GLANCE

WHO: Yoder Lumber Company, Inc.

WHAT:

Hardwood products manufacturer that specializes in dried grade lumber production for domestic and international sale and use

WHERE: Millersburg, Ohio

WEBSITE: www.YoderLumber.com

of his best moments on the job have come because of the internal employee culture that's been created over seven decades. And while the aforementioned dark days a few years back were undeniably harrowing, it's the strength of the company's core that reinforced his belief that the dreariness wouldn't be permanent.

"We try to keep more of a family atmosphere and stay in contact with employees, and the employees respond to that," he said. "They're willing to share ideas, probably because management makes itself available. If management goes the extramile, the employees will do the same."

