SWANSON GROUP Making Capital Improvements Despite Challenging Times

Springfield, Ore.—Swanson Group Manufacturing LLC, recently underwent major capital upgrades to their plywood and veneer operation, located here, in spite of the challenging economy. Swanson Group Inc. which is a holding company for several mill operations, specializes in dimension lumber, studs and structural panels that are used in a variety of non-residential and industrial applications and is one of the largest wood products producers in Oregon.

Swanson's Springfield operation was built around 1960 by Georgia-Pacific and labeled at the time as one of the leading modern plywood operations on the West Coast. With two lathe lines, an automatic lay up line, and a double 3- ply it was originally designed to make web stock for I-joist systems. The Swanson Group purchased the location from McKenzie Forest Products in 2007 and invested the necessary capital for the facility to undergo an entire transformation.

"The Springfield plant was acquired in late 2007 and as part of the due diligence process all phases of the manufacturing infrastructure were evaluated," plant superintendent Joe Andrews said. "The plant was capital constrained for a long period of time prior to the acquisition and therefore an aggressive schedule was implemented to update the plant and improve its competitive position in the market."

According to Andrews four major capital improvements were identified that would yield the best return, and the company set up an implementation schedule that was dictated by delivery and group resources.

"The first upgrade was replacing a 22- inch Nicholson ring debarker on one of the two merchandising lines with a 27- inch Nicholson," Andrews explained. "Our internal controls group built and programmed the control system and the mechanical changes included a linear positioned fence and linear positioned zero saw on the six saw bucking line. Because of the automation, the merchandising line can now be operated by one person instead of two and the diameter sort to the block bins is optimized for the conditioning vats."

Andrews said the second project involved improving dryer output and grading. "The plant had four older COE dryers that were in poor condition. The dryer project consisted of lengthening a 16 hot section longitudinal dryer to 24 hot sections and an 18 hot section jet to 24 hot sections. The dryers were rebuilt with insulated floors and new insulated upper hot boxes with door cartridges. Fans and motors were upgraded and the outfeed hand pull dry chains were replaced with a 12-bin automatic grading line that stacks the volume from both dryers."

Next, the company completed a lathe modernization with Raute as the primary supplier. The project consisted of replacing an old geometric charger with a new Raute charger and Smart Scan system that included new controls for the clipper. “The existing COE lathe was rebuilt and re-geared and a carriage clamp and Raute Roller screw was installed,” Andrews added. “The upgrade also included a new log ladder and tipple diverters for trays.”

The last of the four projects to be completed is currently underway. “The last project to be completed will be a continuous lay up line that will replace a first generation 4-ply GP line and allow us to lay up a much wider range of products at much higher production rates,” he said.

“Our lathe project is probably the best I’ve ever seen, probably one of the best in the industry. We’re pretty proud of it and excited about seeing the same results from the lay up line.

“To do a lathe project is really complicated. Veneer is moving at such high speeds, from 1,300 up to 1,350 feet per minute all while controlling accuracy,” he explained. “We are less than 1-1/2 thousands of variation within two standard deviations. Our people work hard to get the results we need to remain competitive.”

An inventory tag system was implemented that ensures the veneer is watched until the final stages of shipment. “When we peel veneer, the units get squeezed and we calculate how much volume is in that unit. The unit then gets identified by the date it was manufactured and the thickness,” Andrews clarified. “Further downstream the veneer goes through the process and the dryers and gets re-tagged, re-inventoried and goes on to the layup line where another tag is created. When it’s made into a panel from the rough panel to a finished panel another tag is added between the saw and the sander. So perpetually we watch our veneer as it goes through the entire system to the final stages of shipment. It’s a very accurate way of inventorying.”

Primary panel items offered by the company include: MDO and HDO overlay panels, CCPTS Industrial panels, sturdifloor, sanded and sidings. “Most of the veneer we produce is used internally to make our own plywood,” added Marketing Director Bob Maurer. “Although, we do buy and sell veneer to balance out our needs and to move off those items we don’t need for production.”

Swanson Group’s plywood carries the APA stamp and along with their other sawmills is a Union Pacific origin shipper.

With history that dates back to 1951, Swanson Group began with a small mill, Superior Lumber Co. in Glendale, Ore. From this small company with 35 employees, Swanson Group has developed into an extensive operation.

Their stud mill operation in Roseburg, Ore. manufactures kiln-dried Hem-Fir and White-Fir studs in 2x4 and 2x6 and in 8-, 9-, and 10-foot trims. This mill has the capability to

produce kiln-dried Doug-Fir and also cuts Incense Cedar in 2x4 and 4x4 for post and rail applications.

The original Glendale sawmill, located in southern Douglas county about 45 miles south of Roseburg, produces Green Douglas Fir in 2x4 and 2x6, 8- feet to 20-feet in length and some 2x8 and 2x10 with some developing 1x4s, 1x6s and 2x3s. A second plywood and veneer operation is also located in Glendale as is the company's headquarters building for all divisions. The company also operates another dimension mill in Noti, Ore., near Eugene that also produces Green Douglas Fir dimension. Combined the two dimension mills have a capacity to produce 350-million board feet annually.

Along with Joe Andrews and Bob Maurer, key employees of the Swanson Group are: Steve Swanson, president and CEO; Chuck Wert, chief operating officer; John Stembridge, vice president sales and distribution; Rick Bernheisel, chief financial officer; Carson Johnson, vice president of aviation services; Tim Hennessey, vice president of human resources; Don Hardwick, vice president of timber resources; Rob Landau, vice president of operations; and Cameron Krauss, vice president of legal affairs.

Member of both the APA and WWPA, Swanson Group Manufacturing is certified under the Sustainable Forestry Initiative (SFI). The sales department is a member of NAWLA, LACN and the LAT, wholesale and dealer associations.

For more information about Swanson Group Manufacturing and its products and services, visit them online at www.swansongroupinc.com.