

MONITOR AND MANAGE

Abstract

This paper traces the management changes made in response to perceived threats to the viability of Carroll Skyline Logging Ltd. Some of those changes were unsuccessful and I dropped them: extended hours as a principle was a failure due to a real drop in crew performance. On the other hand production monitoring, another hauler, a culture survey and especially the introduction of job rotation have turned the business around. The value of monitoring productivity is shown and discussed: the present benefits being learned about and used are in the area of tracking the performance of individual team members.

Background

Carroll Skyline Logging Ltd (CSL) is a company I started in 1994 with one Madill 171, purchased as a going concern from Pat O'Sullivan. It was employed by Forestry Corp. in Kaingaroa and Minginui and in late 1997 I purchased a second 171 to meet a tender that I won. During the FCF restructuring in November last year my contract with FCF was terminated. I was offered work by Professional Harvesting Services: (PHS) I accepted. Initially it was as a supplier of processed logs but as log yards have developed we have moved to full stem harvesting only: within Kaingaroa. In December last year I purchased a Thunderbird TMY70 and now operate it in Hawkes Bay for John Burt, a Carter Holt Harvey Key Supplier. While this operation stands alone from my PHS operations and is not the subject of this paper it does attract significant management time.

Threats

The threats were simple and direct. They developed within weeks. They combined to place upon me a pressure that spiralled down through the books into my relationships with the team.

Firstly I considered that unit rates paid to PHS, and therefore to CSL, were too low. We could not meet the targets that were necessary, given the unit rates, to meet adequate daily rates. Cashflow was strongly negative. The old tactic of producing evidence, building a case and putting it to the Forest Owner did not work. I was faced with the usual choice for logging contractors in these situations: go broke slowly if I ignored depreciation, or quickly if I counted it.

Secondly the crews, now doing long days as a first response to the situation, picked up the vibes and the culture was negative and dropping. We were going to have some health and safety disasters. They had insufficient time to take care over environmental issues because production ruled. A culture survey taken by LIRO when they completed their trials and started the monitoring proper tells a story:

- 25% of the crew did not understand our company goal, which was to be the safest crew in FCF. They saw production targets receive priority.
- 35% of the crew did not understand the chain of responsibility within management.
- 60% of the crew expressed concern over management setting a poor safety example.
- 30% expressed low mutual respect.

But there were some good points, even though it also showed some confusion:

- 97% understood that safety came before production.
- 90% were proud to work for CSL.
- 92% were prepared to work overtime to catch up.

These two circumstances forced me to chose. On the one hand I could go under, and quickly. On the other hand I could do something about it. The data from the survey, an independent opinion, showed that there was a base there to work from, even though there was confusion. With logging being in my blood as much as in anyone's, with the crew – especially the Murupara guys – needing to hang onto their jobs, with nothing else to do and nowhere to do it, I decided to try the positive approach.

First Steps

First, we extended the hours of work, the time honoured technique to make more use of the capital at the minor expense of a slight increase in running costs. In addition, the job had been costed at 10 hrs per day, six days a week (plus travel) in the original tenders. Well, it didn't work for CSL. For a start there was an improvement and production was close to target. Then three effects began to show. Firstly fatigue. Productivity dropped away. The health and safety warning signals started showing up, and FCF communicated their concern that there was no emphasis on safety. Secondly R&M began to climb as damage to machines and rigging increased: not sabotage, just damage. And thirdly depreciation increased.

Over a period of weeks, I came to the conclusion that I was jeopardising people's safety, and there had to be a better way for CSL.

At the same time as all this was going on, LIRO began to introduce its monitoring process. For some time CSL was a trial crew for them to learn how to put it together. Although I was slow to learn to use it, now that I have grasped the principles I am able to use the data as part of daily management. There is no intention to give you the technical details in this paper, but rather a brief explanation of how we use it.

- The first use is usually within a day or two of the collection of data and ironically does not make use of the analysis service. We use the raw data sheets, filled out by the hauler driver, to help in performance measuring, mostly of breaking out.
- The second use is the slightly longer term business monitoring that you would expect from a tool of this sort: fortnightly comparisons with production targets, machine utilisation trends, drag size consistency, etc.

The Turnaround

I think that five different measures, introduced slowly, or developed as we learn, and allied with dropping the extended hours problem, are turning us around:

- ***Job Rotation.*** This does not happen with the key positions of hauler drivers and some loader operators, (although each of these positions has a backup under training) nor does it apply to foremen. But all but a couple of the other guys rotate on a weekly basis. Sometimes the rotation is between crews, but doing the same job. When that happens, say a breaker out moves between crews, he does not break out for the 071 one week and then the 171 next week: there is a change of jobs in between. With felling, breaking out, working under the pole, system set ups, some skid work and some machinery operating, plus with the three crews, we are able to assure everyone of a three week rotation and sometimes a four week rotation. The planning for this is still done by the foremen and me, and generally only a week in advance. The couple of guys who don't want to rotate get looked after: they are comfortable as they are and there is enough flexibility to accommodate them. We look at what each guy is doing, what he did last week and the week before, his performance in each task, and allocate him a task for next week.
- ***Production monitoring.*** It has been the use we have made of the raw data that has provided real value. We examine the production of each task in each hauler each day, while the conditions that affect productivity are fresh in our minds. Taking break out as an example, we look at the number of butts and heads, drag by drag. We are not as concerned with the time taken, although the total number of drags in a day is critical, but with the makeup of each drag. Consistency of hookups is important. For example, four heads followed by five butts, if that happened all the time,

would be questioned. Our aim is consistency, uniformity, smoothness. It is easy (now I know how) to track one man or team through several weeks and watch the productivity of that process. He can easily be compared with another breaker out or team who in similar conditions (for example) regularly hooks on one more butt.

- ***Increased Foreman involvement.*** I have made a conscious effort to pull away from day to day running the crews for a number of reasons. I have a bigger business to run now and must spend time on management. When I do carry out operational stuff I want it to be in hauler setup work which I enjoy and think is critical to overall productivity. The foremen are easily capable, given training and the responsibility, of running the crews, and if I don't step back, I will block their ability to grow. So, with these guys more closely involved and especially given the responsibility, and being closer to the action, the guys feel closer to management and the daily decisions.
- ***Keeping people informed.*** We make a greater effort to keep the team informed. Tailgate meetings each day are used not only for health and safety but to inform people of tasks next week, production data and overall performance. These meetings include all staff of all three hauler operations, unless the two crews are just too far apart. At the individual level the monitoring data is fed to each person, in an informal way, so that he knows how his work is regarded and where he fits in comparison with others.
- ***Murupara Crew.*** I have kept on a crew from Murupara, and a gangbus runs each day from there. While it is not always possible to keep the crew completely together, due to the rotation discussed above, we try to do so. I have great respect for Murupara bushmen: they have high standards and good attitudes to work. Issues are sorted out quickly, by themselves, with a view to their own mana. With high unemployment in Murupara the crew considers it important that they do well for the town, and set a good example to others there. In some way that I cannot explain this culture spreads through the rest of the team.

Consolidation

Those steps have merely given us time and started to remove the real Health and Safety dangers we are to some extent still facing. We still need to get volumes up, to take pressure off while we work out a strategy to move back to profitability.

To increase production, we purchased a Madill 071 as a scout haul machine. It was not intended as a high producer in its own right but as a tool to lift the productivity of the 171 by picking up the difficult corners and the rubbish wood etc. We thought it would lift production by about 20%, and that would be OK

because the increase in daily cost would be hopefully less. The increase in production in what is now a twin hauler operation has been closer to 40% as the guys working in the team running it have worked really hard to prove it. The result is we are now not so far away from production targets.

Management has become more involved in the personal lives of the team, as both parties work to make the whole thing successful.

A team building exercise is planned for next month to reinforce what seems to me to be a more positive culture. We would like to repeat the LIRO culture survey: that will be an interesting comparison with the last one.

We have to watch that people are trained for the task they do. It is more difficult than in a situation where there is no job rotation, and is one of the considerations when planning tasks for the next week. We have to include a moduled person in the team, and ensure that daily visits are made, hazards discussed etc. The other result has been increased use of our company trainer to assess for modules.

There is a need to keep our eye on the ball: that is, the need to extract logs in as uniform a manner as possible, smoothly and consistently.

The data from monitoring can be used in ways that we have not thought of yet. We have to think of those ways to use it and improve the operation another few steps.

I'm not saying it has worked. I'm saying there has been an improvement, and with good data, a positive atmosphere, reasonable cashflow and more improvement, CSL may just possibly still be here in a year's time.

