

# PERFORMANCE — QUEST — INTERNATIONAL

## Plum Creek Transformation: Culture Change Brings ROI at Columbia Falls Sawmill

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When an organization exceeds its forecasts, there is always a logically robust reason.

In an idyllic valley in Montana, the Columbia Falls Sawmill achieved double-digit improvement without capital investment.

According to Site Manager, **Terry Moore**, we achieved “significant ROI by creating a culture of involvement and recognition.”

Moore is a wood products veteran. He’s been at Plum Creek for ten years and holds a degree in mechanical engineering.



“This link between metric and action-- to me, it’s relatively obvious— trend it and track it. But the missing link is training.”

“Most companies, good companies, need to do a better job giving people the necessary skill set required to manage and improve the business on an on-going basis. Despite this, we ask our people to perform miracles.”

Columbia Falls Sawmill faces the enormous challenge of a shrinking log diameter, a factor that pressurizes a production system that measures performance in volume per hour.

Log size has declined nearly  $\frac{3}{4}$  inch for the pine species that the mill produces mainly for fencing. When log size shrinks, demands are placed on both people and machinery. The flip side of the story is that mechanical errors, such as scanning errors multiply.

Moore recognized that something needed to be done:

**“We knew we had to operate differently.”**

The mill brought in PQI (Performance Quest International) an on-site consulting firm with a track record in helping companies create record turnarounds.

“PQI helped us develop our leadership and business skills. We began to see fundamental changes in how people approached their

jobs. We began recognizing achievement.”

“When I talk about recognizing achievement, I’m not talking about a monetary thing. It’s verbal acknowledgement. It’s about knowing how to talk to people.”

**Production man/hour improvement: 9.5%**  
**Dollar Impact: \$1,435,000**

**F**or Sawmill Supervisor, **Bryan Osborne**, “it amounts to a change in mindset.”

Osborne was used to teams setting production records, but he also knew that if there was any downtime at the start of a shift, “everybody just relaxed.”

“So,” says Osborne who went back to school at age 35 to earn an associate degree in business, “we changed the goals.”

Osborne saw tremendous value in getting people to see the larger goals of the organization.

**“The main thing I learned from the PQI initiative is how to get people to work together.”**

“It’s about constant communication. Each guy needed to see how his work impacts the other guy. Sometimes you’d get one guy who would have a lot of animosity toward another guy. That stops when people understand each other’s jobs.”

The excitement is obvious in Osborne’s voice.

“I’m really proud of my guys. A year ago, we’d run 12-18 thousand pieces. Now we’re doing 33 thousand pieces. We set the goals, we created the action plans, and we changed the mindset.”

**Production/Hour Improvement: 8.3%**  
**Dollar impact: \$2,490,00**

**L**ike Osborne, Sawmill Superintendent, **Peter Madison**, thrives on challenge.



“Look, Columbia Falls is the oldest plant in the company. It’s probably the most outdated place. We had guys here who’d never turned on a computer before. Now, the situation has changed. This is the best place I’ve ever worked. Now every supervisor does daily reports, builds spreadsheets. We know to measure our wins.”

Madison recognizes that these changes were the result of a cultural change.

“We’ve got a lot of people here with over 20 years of seniority. They respect the old ways.”

**“But even our veterans are starting to look at things differently.”**

“Now they’re starting to come in and check their numbers. They’ve seen the impacts.”

**Planermill, FBM/Hour  
Improvement: 17.3%  
Dollar impact: \$1,488,000**

**M**adison received targeted coaching from PQI consultants.

“Many times, after a shift, they’d challenge me. PQI knew what I was going through. They had the experience. When you listen carefully to somebody, you can tell what is true and what is B.S. They came down on me: they came down on me for improving my communication skills.”

**“Following-up with people, holding them accountable, setting clear goals—these seem like small things, but they’re not.”**

“My dad was a merchant marine captain. He told me when you ask someone to do something, you say please. You always show respect.”

With 25 years and a degree in Forest Products under his belt, Madison has respect for the successes at the planer and the maintenance department.

**John DeReu**, Maintenance Supervisor, knows that down time is the real killer.

Add new machinery in the form of a vector drive and the problems compound. The vector drive is mechanically and electrically different, requiring operators to make significant adjustments.

“It took us a long time to figure out that we needed to change our habits. Not just in adjusting to the vector drive, but to a new way of doing things. There’s always been a definite division between maintenance and production—a lot of finger pointing, but the atmosphere has changed.”

**“Each side needs to know what the other is doing.”**

“Today, we work as a team. It’s tremendous. We share information. The total picture has helped out down time.”

“My guys have really stepped it up.”

**Sawmill Uptime  
Improvement: 3.3%  
Dollar impact: \$531,000**

“**C**ultural changes begins at the personal level,” states **Cliff Lengstorf** Planer Leader Supervisor.

Lengstorf grew up in the valley. He attended high school in Whitefish. He earned a degree in forest management.



**“I’ve tried to change. I put in the effort. I’ve changed a lot.”**

Lengstorf points to his enhanced “people skills.” He sees an improved ability to build consensus.

“The biggest challenge is to change behaviors. You just get used to your

habits. It begins with self-evaluation.”

“Then you learn about the tools you need to change. My biggest change regarded involving more people in the decision-making. Now I capitalize on the team concept. I used to be real frank about how I said things. I think I turned people off.”

“Since I’ve gained more confidence, I’ve done a lot more listening. We completely re-did the production reporting metrics.”

“We put in a web-based production system. It’s a big accomplishment. My people, guys like Rod, have grown a lot. He’s making solid decisions. He takes ownership. He listens during meetings. He’s really grown.”

“It’s all about influence, setting a good example, tracking the data, but most of all, it’s about people development.”

“I think we’ve come a long way but every day I realize that keeping people involved is a continual process.”

“It’s all about learning.”

**Rod Ward**, Planer Hourly Supervisor, has been with the company for 17 years. At the age of 35, he’s accomplished a lot and the achievements show.

“Since the PQI project began, I’ve really begun to understand my strengths and my challenges. I know I’ve got to listen better. I try not to

shoot people’s ideas down. We put the ideas down on paper; we take the ideas forward; we don’t let them sit on the shelf. I think it’s important to follow through on your action plans.”

**“It’s not about dictating. It’s about listening.”**

“Cliff and I are on the same page now. We’re pretty much looking at the same things. We take things step by step. The PQI consultant called it eating an elephant. You do it one piece at a time.”

Ward also emphasizes his own personal changes.

“I think I’ve changed a lot. I don’t get as excited. I’m more willing to listen. I’m more apt to listen. Let’s see what happens. At home with the kids, I’ve been less eager to lay down the law. We ask for involvement. We quiz them. We want to hear their views.”

“And at work, we’ve got a pretty good team. We don’t have any real glory hounds. Everybody shares the credit equally.”

<b>Quality - % 2&amp;Better Improvement: 6.5% Dollar Impact: \$1,729,000</b>
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#### **FINAL THOUGHTS**

According to Site Manager **Terry Moore**, the results have been amazing.

## The PQI process melds measurement systems with human actions plans.

The results not only speak for themselves in terms of ROI and dollar impact, but the investment in learning has set the stage for a cultural change.

Adds Moore, “the Columbia Falls Sawmill was a pretty archaic place, but we’ve done amazing things without much capital.”

“We’ve made significant strides in our piece counts. In term of learning, we’ve brought in a much more formal process along with the data to back up solid decision-making.”

“One of the things I’d like to see is that the people here stand up and recognize their accomplishment. I’d start by saying thank you.”

### Just the Facts

Client: Plum Creek Timber  
 Profile: Premier land & timber co.  
 People: 2,000 employees in 19 states

Site: Columbia Falls Sawmill, Montana  
 Project lead: Terry Moore, Site Manager

Length of project: 24 months  
 Impact: \$5.3 million annually

Projects: leadership development, process optimization, production tracking, performance management, continuous improvement.

Key Metric Improvements		
Key Indicator	% Improvement	\$ Impact Annualized
Production / ManHour	9.5%	\$1,434,500
Production / Hour	8.3%	\$2,490,000
Sawmill Uptime	3.3%	\$531,300
#2 & Better	6.5%	\$1,729,000
Twin Block Count Per Hour	12.0%	\$300,000
Headrig Block Count Per Hour	12.5%	\$275,000
Planermill FBM Per Hour	17.3%	\$1,487,800