REMSOFT®

CASE STUDY

CASE STUDY HIGHLIGHTS

Improvement in Production, Profit and Overall Sustainability, Including a $5 Million Benefit from Optimizing its Smallest Acreages

Advanced Analytics Assists The Westervelt Company in Optimizing Timberland and Natural Resource Management

A STORIED HISTORY

Founded by Herbert Westervelt as the Prairie States Paper Corporation in 1884, The Westervelt Company has seen much in its 127 year history: The Great Depression, both World Wars, not one but two turns-of-the-century, and a host of its own historical events that have made it the company it is today. While the company's past has seen it make grocery bags, paper and paperboard packaging, today it is a land resource organization taking an environmentally responsible, socially aware Highest And Best Use (HBU) approach to nearly 500,000 acres of timberland and natural resources.

"Remsoft was everything we were looking for; we've been able to add more and more variables into the solution and easily maintain the sustainability of our land throughout our continued growth."

A BELIEF IN OPTIMIZATION AND CONSERVATION

With a variety of land resource-based businesses, such as timber harvesting, outdoor recreation, renewable energy and mitigation banking built around the land it owns, The Westervelt Company relies on optimization to help ensure it maximizes the current and future value of its assets.

The company's initial approach to optimization included few variables, focusing mostly on the sequence of planting, growing and harvesting, forming a harvesting schedule and improving its harvesting processes. The tool evolved over the years, increasing functionality bit-by-bit and incorporated additional variables such as improved spatial planning, along the way.

After several years, Westervelt's business began to diversify and expand, which lead to the internal team spending too much time regularly updating and managing their solution. They realized it would be beneficial to transition to an outside solution that could grow with Westervelt and handle any challenges thrown at it.

THE PATH LEADS TO REMSOFT

As the team began to look for an answer, they soon realized they needed a partner and a stronger optimization solution that could grow with them. "We had reached the end of our solution's lifecycle and needed a best-of-breed solution that was well supported, continuously updated and low-risk," said John Bryant, RF, The Westervelt Company.

This lead them to Remsoft, the world's leading provider of asset lifecycle optimization solutions for land-based and infrastructure assets. Through advanced analytics, modeling and spatial planning technology, Remsoft helps companies simplify complex, high-variable decisions and fuel long-term sustainability. "Remsoft was everything we were looking for; we've been able to add more and more variables into the solution and easily maintain the sustainability of our land throughout our continued growth."

One of the biggest issues Westervelt faced was constantly changing variables that needed to be factored into any schedule or long-term plan. With Remsoft, this wasn't a problem as Westervelt was now able to tweak—not re-do—the model each time the variables changed, saving time and money for the company.

EFFICIENT MANAGEMENT AND BETTER DECISION-MAKING

Privately-owned and under its fourth generation of family leadership, Westervelt's businesses span a vast range - sporting lodges, comprehensive wildlife management, SFI-certified forestry, Southern yellow pine lumber manufacturing, residential real estate and ecological restoration—including mitigation, conservation banking and geographic information services. With such a wide array of businesses, Westervelt needed a solution that helped it to be successful from a business standpoint, but also socially aware and environmentally responsible.

With Remsoft's asset lifecycle optimization technology in place, Westervelt was able to efficiently and cost-effectively manage its operations, consider more variables and make better, more informed decisions.

HARVESTING EVEN THE SMALLEST ACREAGES

In the past, a 30-acre piece of land was the smallest Westervelt felt it could operate on in order for the land harvesting process to be profitable. Recently, the team decided to look at the 30-acre number and found that there was no real reason behind it; during the initial process, the number was simply selected without further analysis and was influenced by conventional timber harvest wisdom.

The team used Remsoft to run analysis for the harvesting and use of land ranging from a high of 40 acres to a low of an acre. What they found surprised them—the 30 acres rule was a false basement.

The team was able to use Remsoft to factor variables such as how the land was currently being used and what was more profitable. By not harvesting these smaller pieces of land on a regular basis through the years, the analysis showed that they had missed significant potential profit.

As a result, Westervelt has now begun evaluating each piece of land individually. It has begun harvesting operations on land that is smaller (5-6 acres on up) and expects to increase profit this year.

In one specific example, Westervelt owned a 2,500 acre piece of timberland, located next to a river that was considered prime hunting grounds and generated a high lease value per acre for the company. By agreement with those leasing the land, it was only scheduled for harvest every four years or so, and done so in a way as to not upset the hunting grounds.

Westervelt used Remsoft to run an analysis of the lands and see what the cost of harvesting only every four years was, as it had never been fully analyzed. It turned out in this example the cost of operating was high, and that harvesting on a more regular schedule could improve ROI by $1 million without disrupting the hunting use of the land.

These examples show just how powerful the Remsoft solution can be—not only can the whole operation, spanning several diverse interests, be optimized to increase value—but assets that were originally considered almost "too small to matter" can be reviewed and fully optimized, adding value where none was thought to exist.