

REMSOFT

CASE STUDY

TimberWest selects Remsoft for analyzing current sustainable harvest level, certification requirements, financial analysis and tactical planning



- Certification
- Financial analysis
- Trade off scenarios
- From strategic to operational planning

THE CLIENT

TimberWest is uniquely positioned as Western Canada's largest private land management company. The Company owns approximately 322,000 hectares/ 796,000 acres of private land on Vancouver Island.

TimberWest's land management plans seek out the best and highest use of its lands, identifying strategies for both sustainable forest management and real estate. The Company's land management priorities include unlocking opportunities for conservation and preservation of special lands, using landholdings in ways that help communities achieve their goals, and ensuring that only high-quality, conservation-minded developments occur on TimberWest lands.

Third party auditors have certified that the management of the TimberWest's private forest land conforms to the objectives and performance measures of the Sustainable Forestry Initiative (SFI®). Certification requirements and the need to confirm the sustainability of planned harvest levels led TimberWest to seek an appropriate modeling system for their private lands.

TIMBERWEST SELECTED REMSOFT

TimberWest worked with Cortex Consultants Inc. to build a model that would accurately represent their management assumptions and provide detailed reporting of product yields and financial measures. Cortex proposed developing a model using the Remsoft Spatial Planning System because of its ability to model TimberWest's spatially detailed land base, very large yield sets, and complex forest cover requirements.

Doug Williams of Cortex also points out that "TimberWest makes quarterly distributions to its unit-holders and needs a model that incorporates the company's financial objectives. Woodstock linear programming capability determines sustainable harvest levels and management activities that are optimal with respect to those objectives."

Cortex worked with Jim McPhalen, TimberWest Manager of Forest Inventory, to transfer TimberWest's previous strategic model into Woodstock format, and then to update and improve the model. "Both DLL and standard yield sets are used to model TimberWest's varied products" explains Cortex analyst Mike Buell. "Once the detailed financial and volume yield functions are in place, model updates are easy to implement."



STRATEGIC, TACTICAL AND OPERATIONS PLANNING

Cortex has also added substantial spatial and operational detail to the model, linking TimberWest's strategic, tactical and operational planning efforts.

According to Mr. McPhalen, the model outputs inform strategic decisions: "Cortex has developed a reporting tool which exports key data from the Woodstock solution into charts and tabular summaries. This data provides the basis for most of the presentations to senior management. And in my job, Woodstock has helped us identify the key variables which impact our long-term harvest levels and helped us to focus our inventory and research efforts."

The modeling system also provides necessary information for TimberWest's SFI auditors, Mr. McPhalen explains.

"Our SFI commitments can be validated through our ability to map 20-year tactical plans consistent with the Woodstock solution. The model also allows us to track very specific quantities over time, such as hectares of suitable deer winter range."

Rory Hill, TimberWest's Manager of Production Planning, works with the model results: "Woodstock allows us to take actual outputs, volume, revenue, and cost information from the model and produce tables that are easily linked to our existing GIS. This type of detail has allowed operations to quickly discover discrepancies in the current inventory and future projections. Operations can now help update the strategic model with the expected yields and harvesting costs."

TIMBERLAND BUY/SELL DECISIONS

One of the most important decisions encountered by a private forestland holder is whether to buy or sell a parcel of land. The TimberWest private lands model plays a key role in evaluating the benefits from possible buy or sell decisions.

"TimberWest has been impressed by our ability to quickly add and remove parcels from their private landbase and provide the data required to make sensible decisions in a timely fashion," Mr. Buell says.

