

# A CUSTOMER'S SUCCESS STORY

Volvo Construction Equipment

## SPELL ROI. V-O-L-V-O

“A positive return-on-investment. Our loyal employees and Volvo have helped us do that...”

Trevor Reid – President/CFO NorSask Forest Products Limited Partnership.

History... the factual record of things past... and everyone fully understands that you can't change history!

Local historians, based in the north-central regions of the Canadian Province of Saskatchewan record that in the very early decades of the current century there was a busy sawmill and a heavy equipment dealer group, both in the startup phase and both achieving a recognized portion of success. This customer success story will not only recount the history of these two companies but more importantly that of a pair of Volvo wheel loaders... and certainly nobody associated with NorSask Forest Products Limited Partnership nor Redhead Equipment Ltd. would want to change or even tamper with this 'wheel loader' bit of history.

First the history part of our story. In the spring of 2001, a modest, family-owned company that was successfully specializing in the sale and service of agriculture and medium-duty construction equipment was awarded the province-wide franchise for the relatively 'new to Canada' Volvo Construction Equipment line of heavy equipment. This was the opportunity that Regina, Saskatchewan-based Redhead Equipment had been looking for to take them take them to the next level while rewarding them with a positive return-on-investment. A few hundred kilometers away, in the forestry resources rich area of Meadow Lake, Saskatchewan, NorSask Forest Products a moderately sized, very productive sawmill operation was also breaking into the big leagues and were in need of a wheel loader that would fit their demanding requirements.

Enter Chuck Miles, a young customer service representative who had just successfully



NorSask's **Volvo L70D** (left) and **Volvo L70C** (right) have worked side-by-side for almost 30,000 productive hours each.

completed his professional and intense Volvo Construction Equipment training in Asheville, North Carolina. NorSask Forest Products was in Chuck's territory... as a matter of fact, as he tells it, in those early days all of the Province of Saskatchewan was in his territory. Chuck was aware that Redhead Equipment had placed their first order with Volvo Construction Equipment and that order included a **Volvo L70D** wheel loader.

Calling on NorSask Forest Products, he learned that this busy lumber sawmill was looking to add a new wheel loader to their growing heavy-equipment fleet. The competition was strong for this order, but Chuck was also aware that NorSask had a little experience with Volvo wheel loaders as they had recently purchased a used **Volvo L70C** with which they were very pleased. As a result of this positive experience when he approached the company they had no hesitation in signing a purchase order for the new **Volvo L70D** giving Redhead Equipment a quick start with Volvo... much to the dismay of the other regional heavy-equipment dealers.

### The Results

Today, almost 30,000 productive hours later, that first **Volvo L70D** sold by Redhead Equipment is still working daily in NorSask's Meadow Lake operation.

Now, almost 30,000 hours on the meter of a wheel loader may not be historically significant, but 30,000 hours of hard labor, in what could be best described as extremely difficult working conditions and having the complete drive-train remaining untouched and intact certainly is.



NorSask Forest Products and Redhead Equipment still making ROI history.



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NorSask's Volvo L70D on delivery day.



Add nearly 30,000 hours and no downtime.



And it remains working everyday. That's ROI.

"We have never had a problem with this loader," states Chuck Brander, Heavy Equipment Maintenance Supervisor for NorSask. "It continues to work every shift and we have never had to do anything to it, the drivetrain is all original, it just keeps running. Our results with Volvo have been very good."

It's worthy to note that the company's slightly older Volvo L70C has worked right alongside its younger counterpart amassing almost as many operational hours and only has had the fuel injectors replaced. Other than that, its drivetrain remains virtually untouched.

## ROI Help

NorSask Forest Products specializes in the production of eight and nine foot stud lumber, and has a capacity of 140,000,000 board feet annually. Over fifty percent of their product is shipped to and consumed in the mid-west USA with the balance being sold to Canadian retailers and brokers. Currently, as a result of market conditions the plant is running at about fifty percent capacity but that is expected to experience a dramatic change for the positive as the global home building market re-adjusts. The company is also seriously considering re-tooling, allowing them to access the burgeoning Asian market.

According to Trevor Reid, NorSask's President and Chief Financial Officer, "As a company we have adjusted very well to the current market conditions. Since all of our products have to be taken to market by over-the-road trucks, we have gone to a 'just-in-time' inventory and delivery system which makes life a lot more simple for our customers."

Reid went on to explain that NorSask's

ownership is somewhat unique in the Canadian sawmill and lumber business. "We are 100% owned by the Meadow Lake Tribal Council, a consortium of nine First Nations. It is very important to our owners to keep our staff of over sixty employees gainfully employed and to provide the Tribal Council with a positive return-on-investment. Our loyal employees and Volvo have helped us do that... just look at what our Volvo wheel loaders have done for us. Almost 30,000 hours on the meter of each machine, with virtually no downtime... I wish I could make that same statement about some of our other (branded) heavy-equipment."

## Secret?

Asked what his secret is to be able to get such positive, high-hour endurance from the company's two Volvo wheel loaders, Chuck Brander was quick to respond. "We hire good operators and simply follow Volvo's recommended maintenance schedule. We change the oil and filters along with all coolant elements every two hundred and fifty hours and all fuel, transmission and hydraulic filters every five hundred hours. The only time we depart from Volvo's recommended maintenance schedule is in the winter. It can be minus 40 Celsius (minus 40 Fahrenheit) for days here in the winter and we will change to a synthetic oil and grease package then. Other than that, we just follow Volvo's operator and maintenance schedule."

## Good Neighbors

Just across the road, NorSask's neighbor and wood chip customer, Meadow Lake Mechanical Pulp owns a Volvo L150E wheel loader. "Our loader easily handles 250,000

tons of bark, chips, sludge and grit annually," states Dwayne Mysko, Wood-room Resource Leader. "Our operators work our loaders pretty hard, but we were able to get over 25,000 hours and 135,000 kilometers from our 150 before we had engine concerns. Even at that, when it was in our shop we checked all the brakes, transmission, differentials... the works, and everything was still just like new. Maintenance-wise Volvo has been a good machine for us."

## History Recap

So let's do a little recap of Volvo Construction Equipment's history in Saskatchewan. NorSask Forest Products with two Volvo wheel loaders both with almost 30,000 hours on each meter and no serious maintenance concerns. Meadow Lake Mechanical Pulp Mill; one Volvo wheel loader with over 25,000 hours on the meter and only an engine replacement, while all other major drivetrain and hydraulic components were just like new. Redhead Equipment, still a family-owned business, now with stores in Regina, Saskatoon, Lloydminster, Swift Current and Estevan, Saskatchewan, has grown to be one of Volvo Construction Equipment's premier North American dealer groups.

There seems to be little question that these two Canadian forestry resource companies along with the Regina-based Redhead dealer group have proven that one of the best ways to experience an historical, positive, heavy-equipment, Return-On-Investment is to spell it V-O-L-V-O.

Why not start enhancing your ROI by giving your Volvo Construction Equipment dealer a call?

