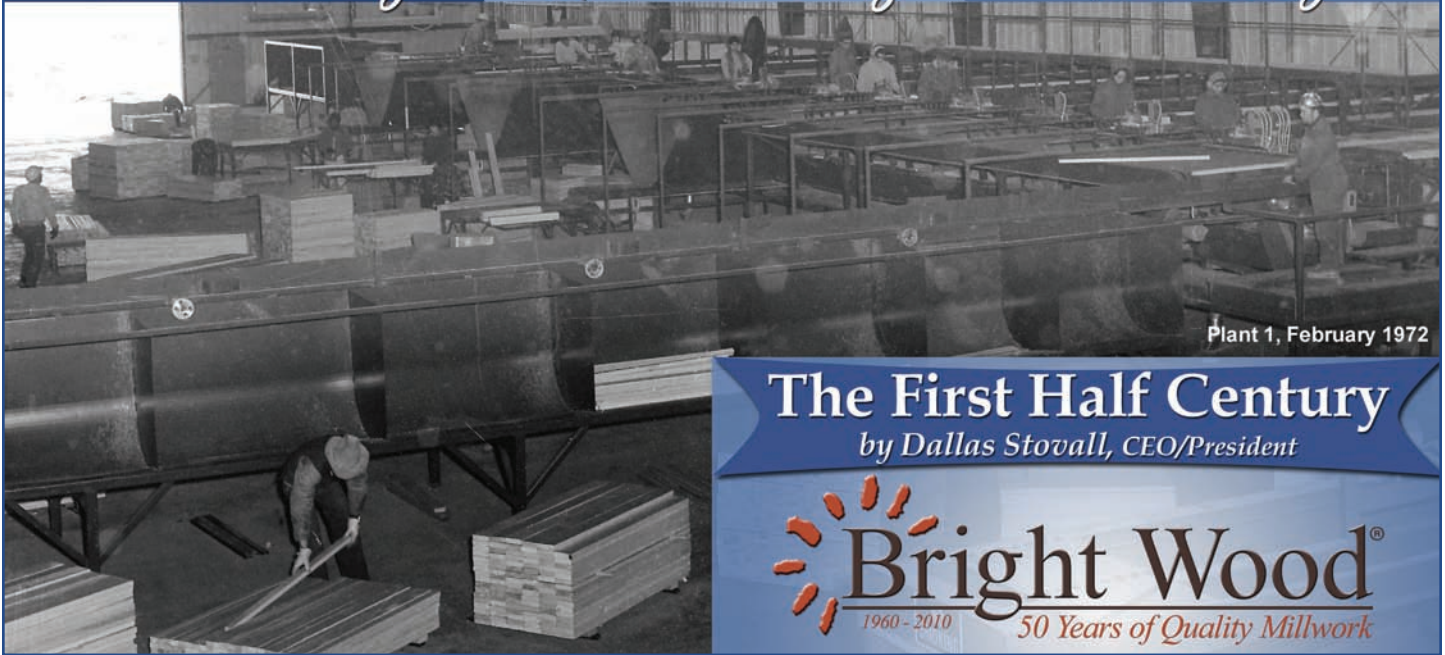


Celebrating

Remembering

Thanking

This and all pre-1980 photos courtesy of the Madras Pioneer



The First Half Century

by Dallas Stovall, CEO/President



In the Beginning

In the beginning, October 1960, the first sale for Brightwood Corporation was pine box cleats hand-loaded into a rail car by the three new partners: Carl Peterson, Jack Stockton, and Ken Stovall.

Earlier in the year, Carl, a partner and the general manager of Clear Pine Mouldings in Prineville, sold his interest so that he could start a new plant in Madras. He located it in an old three-walled lumber planer mill, located on Hess Street in the Madras Industrial Park. The building is still in use today (with a fourth wall) and is called Plant #3.

Recruiting the Right Team

Carl's first order of business was to hire a management team. Carl turned to Jack, who at the time was the bookkeeper at Clear Pine and had 10 years industry experience having also worked for Alexander-Yawkey Sawmills in Prineville. And to make the partnership even better, they were both Oregon State University alumni — the beginning of a Beaver legacy for sure. Both Carl and Jack were Oregonians and Army veterans of WWII.

Next Carl needed a production foreman who had experience in the process of ripping and cutting lumber. According to Jack, Ken — then 25 years old — was Carl's first choice. Ken had moved to Glendale, Oregon from Arkansas after graduating from high school in 1953. He relocated to Prineville in 1956 with his wife, Charlotte, and newborn son to work at a small box factory, which closed soon after he started. His boss at the time called Carl and told him Ken would be a very good employee so Carl immediately hired him at Clear Pine.

According to Jack, "Ken was a quick study and lightening fast on a chop saw and he could bury the floor stackers faster than anyone I ever saw."

At Clear Pine, Ken had worked his way up to a foreman when Carl made a very generous proposal: He told Jack and Ken he would give each a 10 percent ownership share if they came with him to start Brightwood.



Brightwood founder **Carl Peterson** raised start-up funds by selling his interest in Clear Pine Mouldings of Prineville. Carl recruited bookkeeper, Jack Stockton, and 25-year-old production foreman, Ken Stovall, to join him by offering each 10 percent ownership in the new pine cutstock venture in Madras.

Building on Innovation

So with \$18,000 the three hard working partners set out on the great American dream of creating their own business. Times were tight but Carl was innovative and was always looking for ways to get an advantage. One innovation occurred in the early 1960s when Carl asked a local Prineville sawmill, Ochoco Lumber, to change how thick they planed their 1-5/32" (5/4) lumber. Carl asked them to remove as little wood as possible, making the boards "heavier" or thicker at 1-5/16", even if in doing so both board faces were not completely smooth as required by the industry. All door frames at that time were made from 1-13/32" (6/4) lumber. By downsizing to 5/4 lumber, Carl could manufacture them using 15 percent less wood fiber, which was a huge market advantage for Brightwood. In the end it proved so successful

that this new lumber thickness "Heavy 5/4" became the standard and proved to be one of the biggest innovations ever in the millwork industry. I suppose Carl was green before green was green.

Another change Carl pushed for was loading rail cars with palletized units rather than the time-consuming industry standard of stacking products by hand. Having loaded many of

these rail cars, Carl knew there had to be a better way.

Carl also took a real interest in the welfare of his people. Carl instituted a profit sharing plan and a college scholarship program for his associates' children, both of which were unique and continue to this day. Among other philanthropic endeavors, Carl and Ellen donated the land where the Jefferson County Library now sits.

Madras: Where They Wanted to Be

In the early 1970s, Carl needed to expand but he didn't have enough land in Madras, so he began looking at alternative locations. At one point, Carl had some very serious discussions with the city of Hood River since they were on the railroad and hungry for new business. According to Dolf, Carl's eldest son, Madras was where they wanted to be, so Carl met with the city and local community leaders and they came up with a solution.

The city of Madras came through with good terms and land to build on. Community leaders, with Sumner Rodriguez playing a pivotal role, started the Jefferson County Development Corp. They sold shares locally, although only in a limited amount to any one individual or company, with the immediate goal of raising funds for Brightwood's new plant and then

helping others in the future. Brightwood eventually paid off the loan and JCDC is still operating today, making loans to local businesses. Bright Wood remains a shareholder.

Jack and Ken's wives became close friends, so much so that Jack's wife was referred to as "Grandma Margret" by my three brothers and me. My mother, Charlotte Stovall, related the story that when Jack went to WWII, Margret felt it was her duty to help the war cause in order to get Jack back to marry her, so she signed up to be a welder in the shipyards of Portland and Sausalito, Calif.

Growing the Business

The new company operated with about six employees for a couple of years. Ken ran production, Carl all the sales and purchasing, and Jack the bookkeeping and whatever else was needed. In the early '60s Carl wanted to see if he could sell product to Andersen Windows so he and Ken drove to Bayport, Minn. in Carl's Volkswagen van. Still tight on money, they slept in the van and ate mostly cheese and crackers on the way. Carl was able to secure a startup order and this early success led to a relationship that still endures today, as Andersen remains Bright Wood's largest customer.

The partners decided to expand into value-added manufac-

turing in 1963 with a new milling plant to produce door frames for Brockway Smith, which serviced the New England market. Soon new products began rolling in. One of those unique products was Fisher-Price toy parts — if you have a Fisher-Price toy with wood in it, it most likely came from Brightwood. In 1966, Don York brought his value-added experience from Clear Pine Mouldings to manage the new and growing milling plant, which is called Plant #2 today. Don became Brightwood's fourth partner

From Brightwood to Bright Wood

Carl and Jack left the company in great financial shape in 1978 when they sold their interest to Ken. Ken then brought in a third partner, Dale Johnson, whom Carl had hired earlier from Andersen Windows to work in sales and purchasing. After creating a new corporation, Ken needed to register it under a different



Ken Stovall became the sole owner of Bright Wood in 1983. The company grew from 110 people and \$20 million in sales to over 1,000 associates and more than \$200 million in sales during his 12 years of leadership. Bright Wood was one of the largest single-site processors of pine lumber and manufacturers of window and door components in the U.S. when Ken died in 1995.

name so he called it "Bright Wood," two words instead of one. This partnership continued until 1983 when Dale became sick and needed to retire and Don wanted to start a new business venture so Ken purchased 100 percent of the company. Don York went on to start ESCO Wholesale Supply, a very successful electrical supply company in Bend, Oregon.

Following the ownership change, Ken went on an aggressive growth track that took the company from 110 people and \$20 million in sales in 1983, to over 1,000 associates and more than \$200 million in sales by the time he passed away in 1995. During his tenure, Ken grew Bright Wood into one of the largest single-site processors of pine lumber and manufacturers of window and door components in the U.S.

Introduction of Radiata Pine

Ken recognized the shrinking supply of domestic pine in the late 1980s, so he began



Bright Wood founders (left) Carl Peterson, Jack Stockton, and (below) Ken Stovall in 1972 shortly after the construction of Plant 1. Ninety percent of the operation's output was loaded on rail cars bound for customers in the Midwest and East Coast. Window frames for Andersen

Windows were one of the fledgling company's first and biggest product lines.



1975
First fingerjoint machine
Dallas Stovall is the stacker/grader

1960
First order of 5/4-pine cutstock ships

1970
33 associates

1983
Ken Stovall becomes sole owner

Plant 4
cutting

170 associates

Columbia Cutstock

Ken Stovall & Dennis Lockard partner in the Dayton, Washington operation

1986
Plant 2 converted to door frame manufacturing includes the first preservative treat tank

Original cut plant remodeled & restarted as Plant 3

Plant 6
fingerjoint

1993
Plant 13 window component milling

880 associates



1991
Plant 10 bifold doors

1995
Plant 14 lineal moulding

1999
Bend Wood Remanufacturing Operation
Bend, Oregon facility adds to cut, fingerjoint, lamination & sawn veneer capacity

Redmond's "Area 51"
Engineered door component line & LVL processing

2002
1,500 associates



2007
First-ever staff layoffs

2010
FSC Chain of Custody Certification

787 Dreamliner Engineered door component lamination center

650 associates

1960s

1966
Plant 2 moulding



Moulding plant superintendent Don York became the fourth partner in 1966.

1972
Plant 1 adds 12 chop saws to the two in the original cut plant

50 associates

First chipper

1978
Carl Peterson & Jack Stockton sell their shares to Ken Stovall. Dale Johnson becomes a partner.



One of Brightwood's most unusual product lines was wooden parts for Fisher-Price toys. The company also made jump rope handles and sold bundled firewood to keep the plants working in the early days.

Photo courtesy of Fisher-Price

1980s

1985
Plant 5 lineal mouldings & specialty millwork

1988
Plant 7 lamination of engineered wood products

Plant 8
5/4 cutting

Plant 9
5/4 fingerjoint

1992
Plant 11 optimized 6/4-pine cutting

Plant 12
6/4-pine fingerjoint

Introduction of Total Quality Management using Lean, Motorola, Juran & Deming models

1990s

1994
3,136 suggestions

Introduction of STOP Safety Training Observation Program

520 truckloads shipped monthly

1,040 associates

1997
Crown Pacific Remanufacturing Operation
Redmond, Oregon facility adds to cut, fingerjoint, lamination & veneer slicing capacity

Computerworld Smithsonian Award for use of Information Technology in Plant 11



2000s

2001
Wisconsin Warehouse for Andersen Vendor-Managed Inventory

2006
Three optical scanners added to Plant 11

Bend people & machinery consolidated into other sites

2009
Injury rate down 85 percent since STOP



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looking overseas for other species that could be sold alongside ponderosa pine. He found what he was looking for in radiata pine from Chile and New Zealand. Radiata is the given name for the plantation-grown Monterey pine species transplanted from California seedlings. Ken and Dean Collins, a good friend from Cascade Wood in Medford, purchased the first radiata ever shipped to the U.S. from Chile, from a young engineer named Fernando Olave, who is now Bright Wood's representative in Chile.

Less than a year later the first New Zealand radiata purchased from Arthur Managh was delivered to Bright Wood, and a few years later Arthur became a full-time Bright Wood associate working in New Zealand developing the new supply. Presently radiata makes up over 20 percent of Bright Wood's woodpile.

Ken's Legacy

Today, my brothers Derl and Kevin and I make up Bright Wood's executive management team. I assumed the President/CEO position after Ken passed away, Derl took over for Jack Stockton as the Chief Financial Officer in the late '70s, and Kevin is presently the Board Chairman, President of Bright Wood New Zealand, and Purchasing Manager.

Growth continued after Ken's death, with the purchase of Crown Pacific's Redmond, Oregon millwork plant in 1997 and then Bend Wood Products in 1999, both competitors at the time. The Redmond plant is still operational today with over 100 people, while the Bend, Oregon plant was slowly downsized in anticipation of the building's lease expiring in 2009. In 1996 Bright Wood leased a small sawmill on the South Island of New Zealand located in Otatautu, and then completed a purchase in 1998.

In 2001 Bright Wood took a major step in customer service by purchasing a 60,000 square foot warehouse in Menomonie, Wisconsin just five minutes from a new window factory being built by Andersen Windows. The strategy was to offer a "Vendor Managed Inventory" (VMI), much like the auto industry, providing daily deliveries of ready-to-assemble win-

dow components to match Andersen's production schedule. Today this warehouse has expanded to 90,000 square feet and supplies five separate Andersen facilities with VMI services.

Bright Wood has seen many tough markets, and was able to weather them with no layoffs until 2007. The company started cost cutting by consolidating Bend into the extra capacity located at both Madras and Redmond. Then, over the next three years, the housing market began to unravel and total employment shrank from 1,380 in February 2007 down to 675 in July 2010.

Moving Forward with Engineered Wood Products

Bright Wood continues to remain aggressive and innovative, much like its founders. We see many opportunities, not only with the new products we are developing, but also helping our strategic customers in the window and door industry as they redesign and improve their product lines. In the last 10 years we have become more of an engineered wood products

company by wrapping low-cost fingerjointed wood profiles with other materials like vinyl and wood veneer, thereby reducing the use of clear wood. We constantly work with our customers to decrease cost and improve the performance of their products utilizing better designed wood components. We have saved our customers well over \$10 million in the past five years through product re-engineering alone. Presently 60 percent of our product lines are directed to the wood window and door industry. The other 35 percent include domestic interior and exterior mouldings and millwork products, with the rest going into many unique specialty products.

We are confident we will come out stronger and more competitive after this inconvenient recession.



Dallas Stovall has been Bright Wood's CEO and President for 15 years. The company expanded its operations to additional sites in Oregon, Wisconsin, and New Zealand during his tenure and shifted its focus to engineered wood products.