

ECC TIMBER SHINING BRIGHT

*Irish sawmiller **ECC Timber** is looking ambitiously to the future after company founder PJ Fahy and family acquire the full shareholding in the company*



ECC Timber based in Corr na Mona, Co. Galway in the scenic west of Ireland has proven to be one of the most progressive businesses in the timber industry over the past 25 years continuously growing annual production volumes from 20,000m³ in 1992 to over 450,000m³ today. The company produces quality timber products for construction, fencing and pallet markets in Ireland and the UK.

This progress and growth was recently capped off by founder and managing director PJ Fahy together with his son Daryl Fahy buying the majority shareholding from his partner Aurivo to wholly own the business, something Mr Fahy said he was extremely proud of.

"ECC has always been a family-run company but now it is a family-owned company", he added.

"It represents the culmination of 25 years of hard work, determination and commitment from our entire team. We enjoyed an excellent partnership with Aurivo since 1992 and now our family and team at ECC look forward to the next era."

With 40 years' experience in the industry, PJ Fahy has led and built ECC to become one of Ireland's leading wood processors and he is typically optimistic about prospects for the industry. "Pent-up demand for housing in both Britain and Ireland will ensure a bright future for timber demand in both these markets. A concerted effort by government and regulators to provide access to finance for new homeowners combined with availability of affordable homes from developers could unlock a surge in demand for construction materials including timber."

Since the company's inception, Mr Fahy

has continuously identified economic, currency and market uncertainties as opportunities to grow the business. This is best demonstrated by the company's growth since the downturn in 2008 when it was forced to quickly adapt and restructure the business towards the UK market.

An intense focus on quality product and service combined with capital investment exceeding €12m during this period has resulted in the company increasing production throughput by over 40% during these intervening years.

The success of the company is attributed to the talent and commitment of the company's workforce which numbers over 250 in fulltime direct and indirect employees.

Daryl Fahy who has worked in the business with his father PJ for over 16 years will be the new managing director. ►

The ECC board of directors: Pat Mullarkey, director, Daryl Fahy, managing director, PJ Fahy, chairman, John Diskin, director, Patricia Moran, director



Top: ECC's infeed and added value line
Above: The bin dropsorter at ECC

“Most of the young team that started with PJ almost 25 years ago are still here today, we are lucky to have colleagues who are so conscientious about what we do,” said Daryl Fahy.

“Looking at our staff inside the mill gate, we now have over 2,000 years’ experience within the business.”

CUSTOMER FOCUSED SALES GROWTH

An intense focus on customer service and quality product has formed the backbone of the company's strategy to become one of the major suppliers to the Irish and British timber markets with a customer portfolio which includes the large national merchants, buying groups and a large number of independent builder's merchants, fencing suppliers and pallet and packaging companies.

This extensive customer base is handled directly by ECC's highly experienced sales team which is led by sales director John Diskin on Irish sales and UK head of sales Martin Oxley. Both men have achieved increased sales driven by this continuous focus on customer requirements and quality.

“Improvements in product quality as a result of eased edge planing and intense production planning has resulted in higher customer service being achieved,” said Mr Diskin.

“Having our full basket of construction and fencing products on a single site allows us to provide a one-stop-shop service to our customers, it is now normal to supply mixed loads of over 20 different timber products in multi drop deliveries, this has given customers more options when they choose ECC,” added Mr Oxley.

Mr Diskin said he was delighted to see a recovery in volumes on the Irish timber market.

“After a number of tough years, we are delighted to see the perseverance of many of

our loyal customers rewarded with a return to more regular activity levels; our increased production volumes has ensured we could support all our customers as the Irish economy has emerged from the downturn,” said Mr Diskin.

Mr Oxley said increases in UK sales meant ECC now exported over 75% of output which equated to over 175,000m³ per annum or over 25 loads per day.”

The UK sales team operate from offices in both the UK and Ireland, with Donal McGuire and Luke O'Malley located at the head office in Corr na Mona; both being veterans of the timber industry having joined the company back in 1992. They have played a major role in driving the company's growth in the UK market.

There is further support to UK sales from David Reubins who is based at the UK head office located in Hadleigh outside Ipswich and has quickly become a valuable asset within the sales team since joining 3 years ago. ECC has also recently bolstered the sales team with the addition of two energetic new recruits Aiden Brennan on Irish sales and Gavin Walsh on UK sales.

The company also has a second UK office located in Liverpool run by Jimmy Thomas of Woodleigh Timber who markets and sells the company's pallet and packaging material.

Mr Thomas who joined the company 24 years ago is also pleased with the current level of service. “The company's kiln capacity, production planning and inventory management ensures order delivery within two – three days on pallet products,” he said.

The company's production co-ordinator Paraic O'Malley outlines how these service improvements take time. “Incremental improvements in our production planning process and sales coordination over the past 10 years has resulted in ECC now achieving over 90% order fulfilment in less than 5 days including shipping,” he said.

This culture of continuous improvement has helped ECC become the largest exporter of sawn timber products off the island of Ireland.

BREXIT

The outcome of the recent Brexit referendum may have created a short-term challenge for importers into the UK market due mainly to currency movement. However, ECC's management team can only see opportunity as the market for home-grown timber continues to increase, this change is already evident with many home-grown suppliers running low on stocks as market share moves back from traditional Scandinavian importers.

Although the referendum initially created some uncertainty, PJ Fahy is unconcerned with the long-term impacts of Brexit and currency.

“Britain is the world’s fifth largest economy with a population exceeding 65 million people and growing; it is the world’s largest timber market per head of capita,” he said.

“With a 75% dependence on imports for its timber supply, it is inevitable that prices will change to counter movements in currency.”

RELIABLE LOG SUPPLY & INNOVATIVE OPERATIONS

ECC’s growth success is underpinned by the achievements of the company’s highly motivated forestry and production teams to consistently grow intake and throughput over the past 25 years.

ECC’s procurement manager Willie Nally has spent more than 20 years looking after log purchases at ECC and has witnessed huge changes at ECC and the industry overall.

“During my first three months with PJ back in 1996, he outlined my job would be to double log intake over the following 12 month period, we achieved that and have continued growing ever since,” said Mr Nally.

Mr Nally is confident about increasing log supply coming from both public and private sources providing an extra 400,000m³ of raw material to the industry. “Maturing private forestry as well as increased supply from Coillte (Irish state forestry board) has created an opportunity for further growth,” he said.

ECC procure over 90% of its raw material from Coillte, all of which is FSC-certified. The company has built up an excellent working relationship with Coillte, growing intake with Coillte to become their largest customer.

PJ Fahy considers Coillte’s new annual contract timber sales system as essential for the Irish industry’s export markets.

“The ability to secure 50% of our annual supply under a market related pricing mechanism has provided security of supply for our UK customers,” he said. Mr Fahy is also supportive of changes taking place

within Coillte, adding that the appointment of Mr Fergal Leamy as CEO had given great confidence to the industry.

He said “Coillte has become more innovative and customer-focused under this new leadership.”

The current level of production demands a constant supply of raw material which is managed initially by log harvesting manager Dermot Morgan who is responsible for the company’s reliable team of log harvesting contractors while logistics manager Noel Egan coordinates the intake and grading of over 70 loads per day.

Both men recognise the importance of maintaining long-term relationships with suppliers and contractors in order to satisfy intake demands. “We have to compliment our harvesting and haulage contractors for the quality and consistency of their work,” said Mr Morgan.

ECC’s production team is led by production manager Christy Walsh. The implementation of OEE production philosophy combined with an obsessive approach to improving sawn recovery levels has resulted in throughput increasing by over 40% for the same production time. Mr Walsh was quick to praise the efforts of his team.

“We have a unique group of extremely committed people in production, they should be proud of the role they have played in driving the company’s growth,” he said.

AMBITIONS FOR THE FUTURE

Not content to rest on its laurels, the company is driving ahead with ambitious plans for growth on the back of further service improvements which Daryl Fahy views as fundamental to the company’s long-term success.

“Satisfying our customers’ increasing requirements will continue to drive our capital programmes in terms of plant, equipment and personnel,” he said. “Our team

is ready to build on our good name for quality product and service.”

Director of capital development and engineering Pat Mullarkey has 20 years’ experience with ECC specifying, procuring and managing the installation of almost all of the company’s extensive production, treatment and storage facilities.

Mr Mullarkey is responsible for the company’s five-year €20m capital investment programme which includes investment in almost every area of the plant.

“We are now in year two of a five-year programme with specific focus on increased treatment capacity, kiln drying facilities and upgrades to our main processing line,” said Mr Mullarkey.

“Advancements in drying, scanning and optimisation software together with integration with our wider ERP system will achieve increased recovery and allow market demands dictate our production setup.”

Finance director Patricia Moran has played a major role in ECC’s development, managing the finance department since its inception and has overseen the establishment of the company’s extensive financial and management systems. Mrs Moran joins Pat Mullarkey and John Diskin on ECC’s new board of directors.

PJ Fahy is content with the recent acquisition to wholly own the business. However, having achieved continuous growth over the past 24 years at ECC, he is eager to see this continue as the company enters a new era.

“The ability, talent and commitment of our entire team will ensure we continue to take opportunities for growth,” he said. In conclusion, he is also quick to acknowledge the ongoing support of ECC’s customer base. He added: “It is important to note that without our loyal customers we would not be here, we are very grateful for the ongoing business throughout Ireland and the UK.” ■



Above left (L-R): The ECC sales team: David Reubins, Martin Oxley, Paraic O’Malley, Jimmy Thomas, Gavin Walsh, Niamh Fahy, Aiden Brennan, Luke O’Malley, John Diskin Above right: The wrapping and finishing area