

As seen in June 2016

PALLET ENTERPRISE

A Birthday Worth Remembering

Innovation and Quality Drive Mt. Eaton Pallet and Kiln-Direct

By Chaille Brindley



Aerial view of Mt. Eaton Pallet in Ohio. The company is celebrating its 25th anniversary. It will quickly volunteer that its people are the secret of its growth and success.

Dwain Schlabach got into the pallet business about 25 years ago since “he didn’t have anything better to do.” And he has never looked back having built a major pallet manufacturing operation in Ohio. Schlabach’s company, Mt. Eaton Pallet, has made a reputation for quality, environmentally sound practices and never being afraid to innovate. This same commitment to quality and innovation has driven the relationship Mt. Eaton Pallet, Ltd. has with its suppliers, especially Kiln-Direct. The pallet company has been the test site for the next generation of heat treatment chambers produced by Kiln-Direct and is elated with the results.

From installing a compressed natural gas (CNG) station at its facility and transforming its fleet into CNG burning vehicles to working to become ISO 9001-2000 certified to being one of the first companies in the country with a heat treatment chamber in the early

2000s, Mt. Eaton Pallet has never shied away from taking risks and being an early adopter.

Dwain Schlabach, president of Mt. Eaton Pallet, said, “We are doing the things we have always done, only better.” The company has grown from a few loads in 1991 to over \$10 million in sales today with more than 40 employees.

CNG and Greener Fuel

Wanting to use cleaner burning energy and reduce costs compared to traditional fossil fuels, Schlabach installed a CNG filling station for his fleet as well as others to use. Located along the road in front of its facility, the refueling station services anyone with a credit card. Even though diesel prices have dropped over the last few years, Schlabach doesn’t regret his decision.

He said, “CNG is safer, greener and more economical than gasoline. And when the cost of traditional fuel is up

over \$2 per gallon, CNG is cheaper.”

Schlabach added, “There are benefits to CNG that you don’t see at the fuel pump. CNG is cleaner so you don’t have to change your oil as often and engines last longer. At the end of the day it is a better alternative than gasoline.”

Mt. Eaton Pallet is one of the few companies that has received a 5-star rating and has been certified in the Ohio Green Fleets Program. This commitment to green fuels demonstrates the company’s environmental focus.

New Kiln Improves Performance and Reduces Mold Concerns

Schlabach has never been afraid to take risks or invest in developing technology. And Mt. Eaton Pallet has served as the launch customer for the new Kiln-Direct 2016 Performance model. This was the first major overhaul of Kiln-Direct’s end-load kiln design in ten years and was done to make it more efficient and compliant with UL-field in-

spectations reflecting changes in local regulations in some parts of the country.

Niels Jorgensen, president of Kiln-Direct, explained, “We considered really all areas open for improvement and made major changes.”

This includes: greater fan capacity, hinged between baffles for more efficient airflow, larger burner with more heat, better burner design with more efficient combustion, constant pilot quicker heat responds, and higher operating temperatures in the kiln. The software was improved and a feature was added to allow kiln messages to be automatically sent to the operator.

All these changes make the kiln ready for UL-field inspection should a customer need it. Jorgensen stated, “The result was amazing during test runs with frozen pallets. The Wide Performance model heat treated pallets in two hours. This was much faster than previous Kiln-Direct pallet kilns. Even on the coldest days in the winter (single digits) Mt. Eaton can get three truck loads heat treated during a 9-10 hour work day.”

Schlabach admired, “I think I have the best pallet kiln in the country. We have worked with Kiln-Direct to modify the chamber to allow us to rapidly reduce moisture content of the wood.”

Jorgensen echoed this by saying, “This kiln is the best pallet kiln we have ever built, and Mt. Eaton Pallet has been great to work with on launching our latest pallet kiln model.”

Quality Drives Everything

What the customers want impacts what Mt. Eaton does. Schlabach explained, “All customers want the exact same thing – price, service and quality. And that goes across all industries. We have made a conscientious decision to be the best provider in terms of quality and service.”

Working with the best suppliers allows Mt. Eaton to offer consistently high quality pallets and containers. The company has longstanding relationships with major suppliers from Kiln-Direct and Brewer to Viking and Mid-Continent.

Schlabach praised Mid-Continent, “At the end of the day, Mid-Continent has cleaner nails and fewer bad nails than the competition, which means less downtime due to nail issues.”



Mt. Eaton manufactures pallets on six Viking Champion nailing systems. They like them for the pallet quality that comes from hand placement and inspection of each board. They also provide the flexibility to build more pallet specifications in a single shift. Mt. Eaton uses Mid Continent bulk nails, as illustrated here.

Although he has tried other nails through the years, Schlabach sticks with Mid-Continent due to the consistency of its nail. He added that its price is usually very competitive too for bulk and colated nails.

Schlabach said, “Mid-Continent has been able to get us rush orders when we need it, the company has always been

more than we bargained for.”

One way that Mt. Eaton has saved money on its nails is to buy hand nail tools outright and do all the servicing itself. Schlabach commented, “We work on complicated nailing machines, why can’t we service hand nail tools? We used to rely on Senco to provide and service hand tools. But we learned that



Mt. Eaton replaced its thin-kerf sawing system with its Brewer circular blade sawing lines because it gets better quality finished lumber, eliminating bearded lumber and sawdust on the boards. With their thin-kerf system their experience was that sawdust from frozen cants in the middle of the winter freezes back to the boards before you can get them to the deduster.

we were paying dearly for that service when we switched to owning them ourselves and doing our own service work.”

Another key in its quality consistency is the Brewer sawing lines the company uses in turning cants into boards. Mt Eaton switched from a thin-kerf system to circular blades because the finished lumber was of better quality since this eliminated bearding and sawdust on the boards. Also, the thin-kerf approach was problematic with frozen lumber in the winter.

Schlabach explained, “If you get frozen cants in the middle of the winter, sawdust freezes back to the boards within two inches, long before they are able to get to the deduster. And you can’t possibly dust frozen sawdust off the wood. This caused problems when pallets with these sawdust covered boards were exposed to warm environments. Wood dust particles began to float into the air. The problem became so bad that we were going to lose some major clients, so we had to make the switch.”

Mt. Eaton Pallet has developed a network of seven sawmills that process logs and turn them into cants. Some of the logs come from land that Mt. Eaton

owns. But most comes from private land. Schlabach said, “We do go out and buy standing timber. We don’t try to compete for timber that other sawmills might want. We try to concentrate on low-grade, off-species forests that other companies have little interest in.”

In 2008, the company started developing its network of sawmills. Schlabach commented, “The biggest benefit of having our own sawmills and controlling our own production is that we can saw that log into whatever we want.”

Mt. Eaton focuses on buying a wide variety of hardwood species and low-grade, off-species, tailgated logs from other companies and turns them into pallet cants.

Another key to consistent quality is the nailing machines the company uses. Schlabach suggested, “The Viking Champion is the most economical, quality controlled way of making a wooden pallet. It is far superior in terms of quality than the Duo Matic or Turbo because every board is hand placed so the operator can look at the boards 100% of the time.”

Instead of operating a Turbo, the company uses six Viking Champions.

Schlabach stated, “I realize it takes three Champions to produce the same amount as one Turbo. But it takes the same amount of people. A little more money and bigger footprint, but multiple Champions give more flexibility in terms of what can run in a shift...And I just feel there is nothing that compares to a Viking Champion on the market.”

The Champion uses blunt nails pushed in with hydraulic force compared to some competitors that pneumatically drive pointed nails, and every board is hand placed. This approach allows for a better pallet according to Schlabach.

Good People Make All the Difference

The reasons for Mt. Eaton’s success are simple. Schlabach is an Amish Christian who believes that those who give unto God will be blessed. And secondly, he pointed to the good people who work for him.

Schlabach praised, “From my sales guy to the plant manager, timber buyer, shop foreman, I wouldn’t trade these guys for anybody else that I know in the industry.”

Schlabach said, “I surrounded myself with quality people who are smarter than



Mt. Eaton has served as the launch customer for the new Kiln-Direct 2016 Performance model pallet heat treating chamber (new Kiln-Direct 2016 Performance model on the left and older SII dry kiln on the right). This is the first major overhaul of Kiln-Direct’s end-load kiln design in ten years.



The new Kiln-Direct kiln features a greater fan capacity, hinged baffles for more efficient airflow, and a larger burner for more heat.

I am so they can make money while I go fishing.”

As the company celebrates its 25th anniversary, its people are critical for its success. Mt. Eaton was among one of the first ISO 9001-2000 certified pallet plants in the country. And even though it did not retain that certification due to the costs associated with it, the company still follows many of the quality principles required for certification.

Schlabach said, “The biggest thing we learned and kept was that any time anybody touches or looks at a piece of wood, that person is performing a visual inspection of it and is authorized to take action if the product doesn’t meet quality standards.”

This approach makes everyone responsible for quality control.

Another major turning point came when Schlabach decided to go direct and build relationships with customers. He brought on Roger Chenevey as the sales manager in the early 2000s. Schlabach said, “With Roger’s hard work and dedication, we started picking up direct accounts.”

Schlabach also credited Roger Chenevey for pushing the company to

become an early adopter of heat treatment technology. Mt. Eaton was the first in Ohio to install a Pest Heat system in the early 2000s. The company replaced it with two SII dry kilns. Since then, the company has now installed a new Kiln-Direct system to replace one of the SII kilns which has sped up the process.

Schlabach commented, “We were ahead of the curve when it came to heat treating. We were running while others were trying to walk.”

The company’s plant manager is also key to the success. Chenevey called Roman Raber, the long-time plant manager, the resident magician because he can always find a way to solve customer problems.

Another key person who has helped the company is Mark White, a Ph.D. consultant on pallets. From technical training to communicating with customers, White & Company has become an important resource.

Focus on Customer Needs

Mt. Eaton serves a wide variety of customers because you never know what area will be hot and cold. Schlabach explained, “All industries ebb and flow and

that is why we have diversified.”

The company’s environmental focus is a good selling point. It lets nothing go to waste as even the sawdust is sold off for animal bedding.

Every pallet is designed to do exactly what the customer needs. Chenevey said, “Dwain wanted to stay on the cutting edge of what the customer needs – more than just providing wood and nails. We are using both the Pallet Design System™ and Best Pallet™ optimization software to design pallets.

Customers can also order pallets and pay online through a secure portal. Mold problems have been addressed by drying pallets in the heat chambers as well as treating some pallets with PQ80, which is actively sold by ISK Biocides. All of this grew out of customer needs too.

As Mt. Eaton celebrates its 25th anniversary, it is easy to see why the company has been successful. Good people, a strong commitment to quality and the willingness to innovate. Those three things means it is leading the pack not following. Its relationship with Kiln-Direct is just one example of how the company has found innovative ways to work with suppliers to solve challenges. 