



G. Adolf Hertrich

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G. Adolf Hertrich, chairman of Vanport International and Vanport Manufacturing, is one of the most successful American businessmen to develop an export market for wood products to Japan. He was born in 1933 in Bavaria in southwest Germany, one of five children born to his parents, two older brothers and two younger sisters.

His interest in forestry began at his grandfather's sawmill where he spent his summers. When he graduated from high school in 1952, he decided to follow a career in forestry. He immigrated to this country to enroll at the University of Michigan Department of Forestry.

Before he could begin his college studies, the Cold War changed his plans. While an able-bodied American citizen might be classified as 1-A, as an alien, Hertrich was classified as 1-AA. He was drafted into the U. S. Army, serving two years in Kentucky, Georgia, and Alaska, first in the Signal Corps and later in the Corps of Engineers. During his military service, he became a United States citizen.

Discharged from the service, Hertrich enrolled at the University of Michigan. He worked one summer in watershed management with the U. S. Forest Service in Colorado and after graduating in 1958, another summer in administration on the Mount Hood National Forest in Oregon. With one year left of his G.I. Bill education benefit, he returned to Germany and studied in the Black Forest.

Returning to the United States, he began a seven-year career with the Mount Hood National Forest, working first in timber management and later in recreation and special uses including the Timberline Lodge ski areas. Later, he worked as a consulting forester cruising timber, bidding on timber sales, and advising on skyline logging.

This consulting work brought him into contact with three individuals who invited Hertrich to join them in a business venture. In 1967, Hertrich and the others founded Vanport Manufacturing, Inc., named for the ports of Vancouver and Portland. The new company purchased an inactive sawmill in Boring, Oregon, an unincorporated village of 5,000 residents about 30 miles east of Portland. The company's sawmill was almost completely dependent on logs purchased from the nearby Mount Hood National Forest. Much of their production went to overseas markets. Gradually the company increased its work force to almost 300. Later, the company purchased two other mills in the Boring area.

From the beginning Vanport Manufacturing looked at the growing market in Japan, still rebuilding after World War II. The company specialized in producing lumber from small logs that were not sought after by most sawmills and exporting most of the larger logs to Japan. Gradually, restrictions were placed on the export of logs from federal lands until by 1974, exporting of federal logs was not allowed. Hertrich had two choices, to go out of business or to remodel the sawmill to meet the growing needs of Japanese markets.

Vanport Manufacturing began to expand their business from log exports to manufacturing lumber. Hertrich saw a growing Japanese market as the future for Vanport Manufacturing, but with some major challenges. While Japanese lumbermen and construction firms had long purchased whole logs shipped from Pacific Northwest forests, they had rarely bought finished lumber from the region's mills because of concerns on

quality of the wood products and on the grading of these products to Japanese standards. They wanted finished lumber to meet traditional Japanese specifications that often varied within Japan. In addition, Japanese wanted more than lumber with strength; they were very concerned about the appearance of the lumber. Hertrich remembers that the Japanese didn't believe that his company's sawmills could do the right job and they didn't think American lumber manufacturers understood the needs of Japanese markets.

Hertrich developed a plan similar to what Japanese businesses had followed in increasing their market sales in the United States including automobiles and electronics. He believed that if he learned the culture, the specific needs, and the construction standards of Japanese markets, plus if he earned the trust and confidence of Japanese businessmen, he could be successful. To do this Hertrich made many visits to Japan to meet with Japanese lumber suppliers and prospective customers. He toured Japanese mills to see how they were manufacturing lumber products for local markets.

By the mid-1970s, he had redesigned his mill from head saw to edger to trim saw. The log carriage was computerized to accommodate metric measurements. He brought Japanese lumber graders to this country to instruct his graders on their complex lumber-grading systems based on such aesthetic factors as color and graining.

It took Hertrich and his people two years before they were confident that they could produce lumber just like a Japanese sawmill. Because the small community of Boring offered no overnight lodging facilities and few eating establishments, he filled that need. The company hired a Japanese architect and a Japanese carpenter to design and construct a traditional Japanese guest house on the company grounds to serve both as display of how the company's lumber would look in a home and to serve as a guest house for visitors. The 900-square-foot structure was built in a forested setting on company grounds and landscaped by a Japanese landscaper. The house is traditional Japanese in every respect from the exterior to the interior including the dining area and bathroom. When visitors arrive from Japan, they feel at home as they admire the quality of wood products displayed. Guests also are served an authentic Japanese meal prepared by a Japanese restaurant several miles away. To the Japanese businessman, who has always suffered some cultural discomfort when dealing with westerners, this willingness to accommodate guests was a powerful and persuasive marketing strategy.

About this time, during the 1980s, other forest industries in the United States were directing their attention to growing Japanese markets. These industries tried to force their way of sawing lumber onto Japan markets by convincing potential overseas buyers that the 2-by-4 building method followed in the United States was better than the post-and-beam approach followed in Japan. Hertrich opposed this approach which had only limited success, while he continued his efforts to understand specific needs for Japanese markets. That led to Vanport Manufacturing becoming the first foreign company certified to grade lumber for Japan.

In 1994 Hertrich split the sales arm off from Vanport Manufacturing naming it Vanport International. Today, Vanport International has offices in Canada, China and Russia, with personnel also located in Germany and Japan. This new company began

marketing Japanese-style lumber, milling and exporting metric-dimension lumber to Asia and training mill operators in Europe and elsewhere to produce it. Vanport's main business became marketing and consulting, although the company quickly got back into manufacturing. Today there are 48 employees in marketing and mill management and 160 in manufacturing.

In 1995 Vanport trained workers on the Yakama Indian Reservation in southern Washington how to sort logs for sale. Using profits from the log sales, the company assisted tribal members to build and manage two saw mills. In 2003 Vanport turned management of the plants over to local managers.

In 2008, Warm Springs tribal members were about to close their mill located at Warm Springs in central Oregon, a mill which once had employed more than 350. They approached Vanport and entered a last-minute agreement for the company to take over operations. Hertrich knew the lease agreement was risky during the recession. However, Vanport invested in equipment and trained workers at the Warm Springs Indian Reservation mill how to cut lumber meeting Japanese standards, converting from cutting 2-by-4s for the U.S. market to milling post-and-beam lumber for Japan. Now the mill employs about 130 workers on the reservation. It produces more than 40 million board feet of fir, hemlock and ponderosa pine a year, sending 65 percent of it to Japan and another 10 percent to mainland China and Taiwan.

The 2011 Japan Tsunami resulted in more than 20,000 deaths and missing persons, plus destroyed or damaged more than one million buildings. With Japan ready to repair or rebuild more than 300,000 home lost in the tsunami, Vanport International was ready to meet the demand.

Today, Hertrich retains the role of chairman of Vanport International and Vanport Manufacturing. President of Vanport International is Paul Owen, an Oregon State business graduate who was raised in Japan. Hertrich's son, Martin, is president of Vanport Manufacturing. Another son, Fred, lives in Germany and has a daughter, Sylvia, who lives in Denver. Hertrich has been married to Gabriele since 1960.

Hertrich's successful efforts to cultivate Asian markets have not been limited to the business side of his enterprises. He maintains friendships with several presidents of lumber companies in Japan, many who worked in internships at Vanport and stayed at his family home.

Hertrich has contributed time to activities off the job, serving on boards of directors of several banks, the Mount Hood Community College Foundation, the Western Forest Industries Association, the Oregon Trade and Marketing Center, the Associated Oregon Industries, and the National Association of Independent Lumbermen. He also has served as Chairman of the Japan-America Society of Oregon and has been a Trustee of the World Affairs Council of Oregon and Linfield College. He was on the Oregon State University College of Business Advisory Council. He is a member of the Society of American Foresters.

With Vanport International extending its contacts to China and Russia and with Japanese demand for its products outstripping supply, the company under the guidance of its founder, G. Adolf Hertrich, has demonstrated how an American company can use personal contacts and effective marketing to survive and prosper in challenging economic times.

September, 2014