

From reactive contractors to proactive entrepreneurs,

a comparison of the Canadian and
Swedish approach

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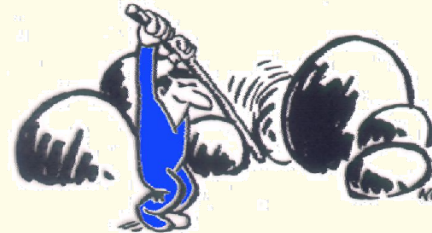


Outline

- Project background
- Objectives
- Methods
- Results
- Discussion

Research question

CAN REACTIVE CONTRACTORS
EVOLVE INTO PROACTIVE ENTREPRENEURS?



Background and objectives

1. Compare and conduct a strengths and weaknesses analysis of Swedish and Quebec approaches to contractors and buyers of logging services relationships.
2. Analyse the way Swedish and Quebec contractors could improve their business and leadership skills.

Methods

- Joint visits to both countries
- Four Swedish wood procurement organisations
- Interviews with eight Swedish entrepreneurs using a questionnaire
- Canadian data mostly based on a large-scale mail survey of Quebec's entrepreneurs
- SWOT analysis



DEFINITIONS

Contractor :

A hard working owner-operator that does what is asked, and bosses more than he manages his crew.

Entrepreneur :

A business man that, while still knowing about machines, focuses on management, customer satisfaction, and process improvement.

WHY PROACTIVE ENTREPRENEURS?

- Proactive entrepreneurs will find solutions to their own problems and those of their business partners.
- Proactive entrepreneurs will detect early signs of troubles in their environment and react to it.
- Entrepreneurs will allow forest companies to operate with a smaller supervision and technical staff.

IMPORTANT FINDINGS IN CANADA

- Today's contractors have evolved through "natural selection".
- "Natural selection" may not work in the future the "gene pool" has shrunken.
- Financial and management knowledge is not highly considered by contractors.
- 36% are expecting to quit forestry within five years.
- 73% are operating one crew or less.

IMPORTANT FINDINGS IN SWEDEN

- Contractors do not know how to work with every day rationalization in a systematic and continuous way.
- Small contractors operate machines and do not have enough energy left for development.
- The way a forest company does business with its contractors strongly affects the contractors possibilities and motivation to develop.

SWOT



- Strengths: attributes of the organization that are helpful to achieving the objective.
- Weaknesses: attributes of the organization that are harmful to achieving the objective.
- Opportunities: external conditions that are helpful to achieving the objective.
- Threats: external conditions which could do damage to the business's performance.

SWOT : Strength

- Excellent support from equipment manufacturers and dealerships.
- Proximity to work sites.
- A “healthy” level of excess capacity within the system
- Access to good quality timber.



SWOT : Strength (Ctd)

- Entrepreneurs with a positive attitude toward their line of work
- Employees (operators) share some management and supervisory duties with the entrepreneurs
- A machine owner association that provides business development assistants to its members



SWOT: Weaknesses

- Operational and tactical planning
- Risk of losing extra-capacity provided by single-machine-operations
- Lack of field foresters and support staff within WPO
- Cost reduction policies





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SWOT : Opportunities

- KPI and IT solutions accessible but not fully implemented
- Training school for operators (specific training)
- Operator versatility



Photo : Skogforsk



Photo : Valmet

SWOT : Threats

- Dependency on small private landowners for wood supply
- Labour shortage (operators)
- Some entrepreneurs expect difficulties finding someone to buy the business



Conclusions

- In both countries, the current wood supply system is performing fairly well.
- Fewer but larger and more diversified forest entrepreneurs are expected.
- Purposeful actions that involve all the business partners within the wood supply system are required.
 - These include the wood buyers, the entrepreneurs/contractors, entrepreneurs association, training schools, equipment dealership and manufacturers, accounting offices and finance officers.
 - Such a forum as yet to be put in place in both places.

BEST PRACTICE TO FOSTER PROACTIVE ENTREPRENEURS

..... IN THE CANADIEN ENVIRONMENT

- Quickly get the contractors involved in mentoring and coaching.
- Set up challenging management training.
- Promote contractors to grow and diversify.
- Enhance their business network (entrepreneur association, trustworthy consultant,...).

BEST PRACTICE TO FOSTER PROACTIVE ENTREPRENEURS

..... IN THE SWEDISH ENVIRONMENT

- Negotiated price or tender.
- Partnership.
- Development support.
- A business approach focusing on long term development.

A FAVORABLE ENVIRONMENT FOR THE DEVELOPMENT OF PROACTIVE ENTREPRENEURS?

- Give the entrepreneur “room” and support in your business approach, to experiment, attempt, succeed ... and fail ! – and of course make money!!!
- Find a way to attract the best, constantly.
- Have faith in competition.
- Create partnership with the best.
- Procurement organization must recognize that their own staff must also develop business management and entrepreneur relationship skills.

Thank you !



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