

The ENFE newsletter

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Chairman's Voice

In October 2009 the ENFE General Assembly in Copenhagen elected me as the new ENFE Chairman. I am glad and proud to take over this honour from my predecessor Barrie Hudson. He chaired our organisation for ten years, and was the major driver for the

This ENFE News is intended to provide a look on my first "100 days" in the ENFE Chair. Based on the work done in the last years we now have drafted our Political Strategic Agenda. It summarizes the most crucial issues to which we need to draw the attention of political opinion formers. The content of this agenda



summarise our development objectives. We see a demand for research activities to facilitate the development of forest entrepreneurs as important service providers in the forest based value chains.

ENFE has over the last years considerably contributed to research and development activities, which all aim at improving the economic and working environment in forest operations.

Therefore, I am delighted to present in this News our Research and Development Strategy, as a baseline for further discussion, both in the industry and with our partners in research institutions.

Last year our sector has suffered from the economic crisis which paralysed many forest enterprises. I sincerely hope that we have passed the worst period.

Yours

Simo Jaakkola
ENFE Chairman



For his ten years of service for European Forestry Contractors Barrie Hudson was awarded at the ENFE General Assembly 2009 with the ENFE Honorary Chairmanship

European contractors' representation in precedent years.

My succession in the Chair of ENFE is well prepared. From the very beginning of our organisation I could serve on the Board. In recent years I could support Barrie in his leadership as the Vice Chairman.

can be viewed on the following page. Now it is in the stage of being discussed in the ENFE membership and will further be developed.

The second issue which I wish to present is our Research and Development Strategy.

The ongoing review of the **Forest Based Technological Platform** was an incentive to

ENFE CHAIRMAN'S STRATEGIC AGENDA

A competitive, economically successful and environmental friendly European Forestry needs viable and competent contractors.

ENFE's priorities are aimed at a European political framework and at support that helps facilitating the development of competent and viable forestry contractors by

- Fostering enterprise development and increase attractiveness of forestry work
- Encouraging certification and quality management
- Providing access to rural development funds
- Enabling fair competition

BACKGROUND

Forestry contractors face a number of constraints particularly due to a asymmetric and therefore often difficult business relationship between large forest properties and wood industries and these small enterprises which again compete among each other Europe wide. This market structure results in permanent hard competition, low profit margins, and stagnation in business development. The small enterprise environment between forest and industry is a barrier to viable development of the forest value chain. Therefore, we call for political attention for the situation of forestry contractors and forestry workers. Political support of small enterprises in forest operations and supportive measures for forestry contractors would

considerably help to ensure that forestry work in Europe can be carried out competently and with a high quality to benefit sustainability of Europe's forests.

PRIORITIES

Fostering enterprise development and increasing attractiveness of forestry work

Political support is required to support the development of small enterprises in rural areas. This comprises of

- capacity building: more and better trained contractors and staff will be needed to cope with the increasing demand for timber from European forests (bio-fuel)
- competence development: training for workers, technical staff and contractors for the specific requirements in small enterprises. Training and education has to be focused particularly on the emerging political priority issues, i.e. biodiversity, carbon fixation, climate change, but also on the basic competences needed to manage a viable forestry enterprise
- technological development: investment in advanced technology will be needed to cope with the increased timber demand, to combat the lack of qualified workers in the future, and to improve the competitiveness of European forestry.

Encouraging certification and quality management

Public procurement policies and private contracts should include preconditions for

requiring certified contractors, or contractors who can prove that they work according acknowledged good practices. This is expected to be a accompanying measure to promote good practice among contractors, to combat illegal logging and to enable fair competition.

Providing access to rural development funds

Contractors in many parts of Europe do not have the resources to invest in the crucially needed technology (harvesters, forwarders) for mechanized harvesting operations of industrial round wood and energy wood. Financial measures aiming at stimulating rural development including employment in rural areas should be directed at better management of forests, at the application of up to date technology and business software, and should include provisions to support investment in human and technological development in small enterprises. This will contribute to making forestry work more safe, cost-effective and attractive. In global scale this will result in a higher competitiveness of European forestry.

Enabling fair competition

Political attention should be drawn to the fact, that large clients of services (e.g. state forests) use their strong market position to beat down the prices for services. Furthermore small enterprises are under severe competition with public services, which impedes the market access and growth potential for small enterprises. A political and economic environment should be aspired which allows fair competition and thus profitability and viability of forestry contractors.

ENFE'S CONTRACTOR DEVELOPMENT STRATEGY

Enterprise development and competence development are among the foremost objectives of ENFE. They are crucially needed to prepare the forestry contracting sector for the future demands from forest management and forest based industries. Therefore ENFE follows a strategy of research and development which serves its membership with tools for continuous development.

Management competences form a basis of entrepreneurship and

successful businesses. Therefore ConCert has an outstanding importance in the development strategy.

A number of recent and actual projects under leadership or participation of, and contribute to the overall goal of viable forest enterprises ENFE established the networks to implement results.

Training and Competence Development

- ENQuaFor
- Innovawood EDU
- EFESC
- ConCert

Health and Safety

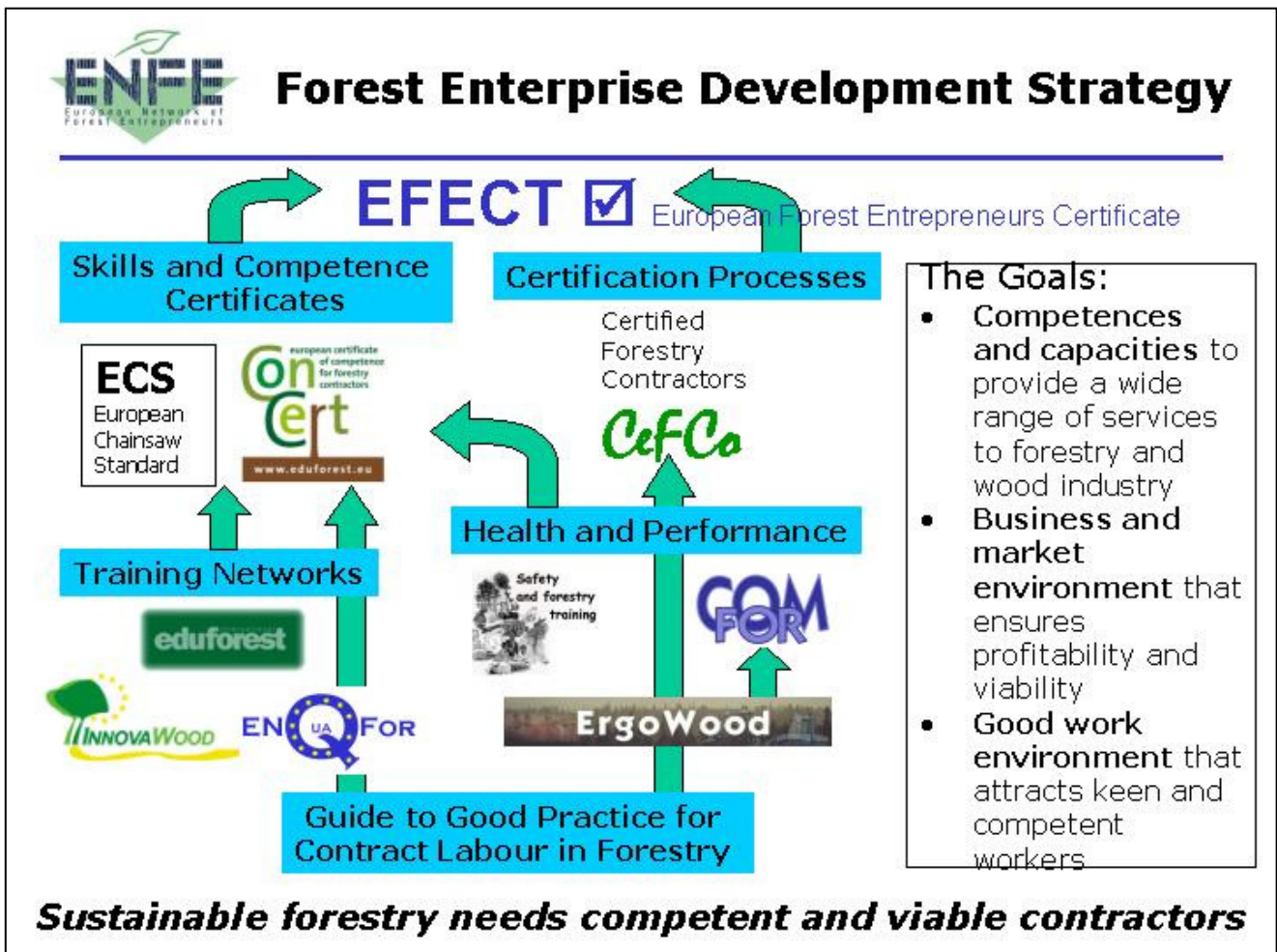
- Ergowood
- COMFOR
- Safety and Forestry Training

Quality Management and Certification

- Good Practice in Forest Contracting
- CeFCo
- EFECT

All these projects and initiatives are closely bound into our enterprise development strategy. They build upon each other and are assigned to form complementary elements in the European Forest Entrepreneurs Certificate EFECT which is under construction and shall become the European Standard for good performance of forestry contractors.

The research needs addressed here are based on the actual scientific and practical experience and



observations about the increasing demand for competent and viable contractors in forests and rural areas in Europe

Research Priorities

Development of business model for small enterprises

1) Advanced business models for small enterprises in forest operations have to be developed to facilitate effective and productive timber and biomass supply processes.

Business models shall define development goals for small enterprises to become effective and viable service providers;

- integrate small enterprises in stable business to business networks in the forestry wood chain;
- facilitate co-operation between SMEs in forest operations.

2) Development of the technical and logistical processes in timber and biomass harvesting and transport with particular regard to the role of SMEs in forest operations

Among others, IT based decision supporting tools need to be designed which facilitate the efficient integration of small enterprises in the wood and biomass supply chain.

Technological research has led in the recent past to a high knowledge base for the optimisation of timber and biomass flow from the stump to the mill. A knowledge deficit exists on how different actors in the value chain plan and interact with each other to implement complex tasks to optimize the processes for suppliers of raw material and

customers of timber and fibre. Particular attention should be paid to the development of standardized IT systems which offer an effective interaction between various existing IT solutions.

3) Knowledge transfer to SMEs in forest operations as a means for enterprise development and capacity building

Research needs to be carried out to define the knowledge demand for actors in the forest value chain and to define appropriate knowledge transfer processes and tools which meet the learning culture and the knowledge demand of SMEs in rural environments.

The forecasted increasing timber demand for industrial and energy use requires more capacities in the forest operations sector, both in human and technical resources. Therefore, enterprise development is needed to cope with the manifold tasks which have to be carried out to ensure sustainable forest management.

Advanced harvesting techniques and logistical processes require higher skills and competences from contractors than forest operations needed in the past.

The dramatic change of forest management due to biodiversity and nature protection goals, changing forest products (e.g. bio-fuel) expected impact of climate change on forest management and operations, and increased society demands for forest services require more knowledge and competences from contractors, not at least to facilitate their adaptability to changing markets and tasks. To this end curricula for

technical and higher education of forest entrepreneurs and technical staff are needed, and should be based on a scientific needs analysis. Work has already started, and there is further need for extensive development work, knowledge dissemination and real application in European countries.

4) Pedagogic Research into the possibilities of e-learning for small enterprises

The possibilities and opportunities of applying e-learning techniques and content to train and educate people in small enterprises need to be analysed further. This shall be based on existing knowledge about learning cultures in a small enterprise milieu and learning culture which offers some considerable barriers for the direct application of e-learning techniques. Research shall deliver answers to the question how e-learning can be designed as a means for competence development in small enterprises.



To learn more about the progress of our project **CefCo** that was launched last summer please visit

www.cefcoproject.org