

2010

2015

2020

2025

2030



# Innovative future for the forest sector: Making new opportunities real

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FTP Innovation Task Force

COST E51 Final Conference  
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# Innovation Task Force (ITF)

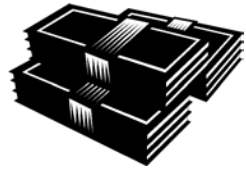
## ► Main Task

- Describe the present situation regarding innovation and innovation-related initiatives in the forest-based sector
- Identify important European and national initiatives and expertise
- Identify industry interests, challenges and needs regarding innovation
- Make a report and propose to FTP future initiatives and activities to support the fulfillment of Vision 2030 and the SRA

## ► Participants

- Active members from Austria, Finland, Germany, Norway, Spain and Sweden
- Passive members from Ireland, Italy, Lithuania, Poland, Romania, Russia and UK

# Research and Innovation



**Money**



**Knowledge**



# Future scenario – the forest sector a winner !?

- ▶ The interest for renewable materials and green business is bigger than ever
- ▶ New competition changes the business
- ▶ New opportunities
- ▶ Globalization – threats and opportunities
- ▶ "Innovative" SMEs with origin in universities and institutes or even other sectors will bring new "blood" into our sector



# Present situation – forest-based sector

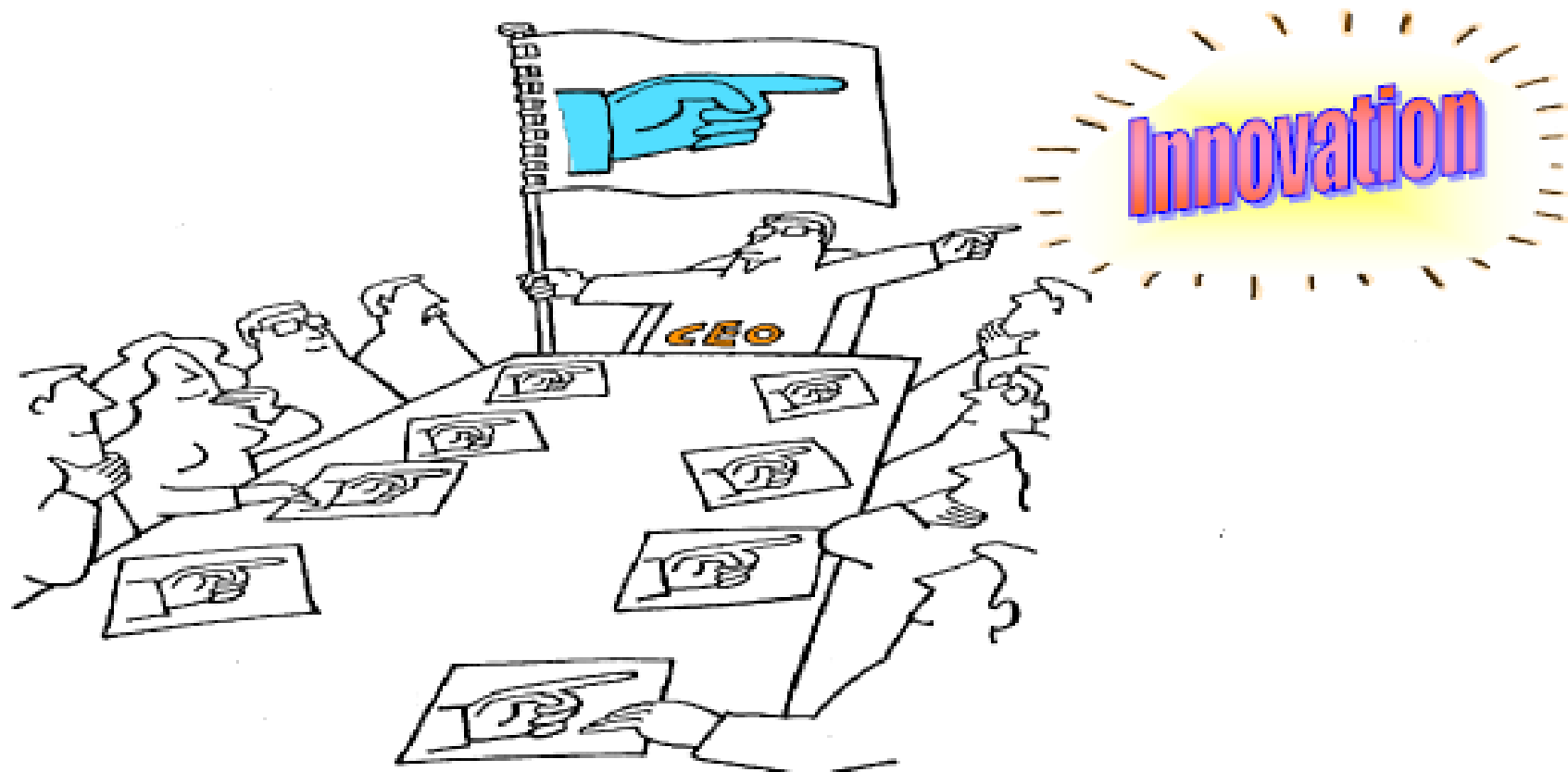
- ▶ Less than a quarter of the companies have introduced significantly improved goods or services in the last years.
- ▶ About a third have introduced new or significantly improved manufacturing methods or logistics.
- ▶ Innovation that occurs focuses mainly on cost cutting by incrementally improving production processes.
- ▶ Enterprises in the forest-based sector often seem to lack critical capacity, knowledge and leadership to push innovation – particularly SMEs
  
- ▶ All in all: Forest-based sector companies are lagging behind the innovation performance of key competing sectors

# How to change!

- ▶ Strong CEO leadership is essential for company innovativeness to emerge
- ▶ Innovation needs to be core part of a company vision and strategy
- ▶ Establish a creative climate in the company
- ▶ Innovation needs management
- ▶ Developing structures and procedures for innovation, always with market results in mind

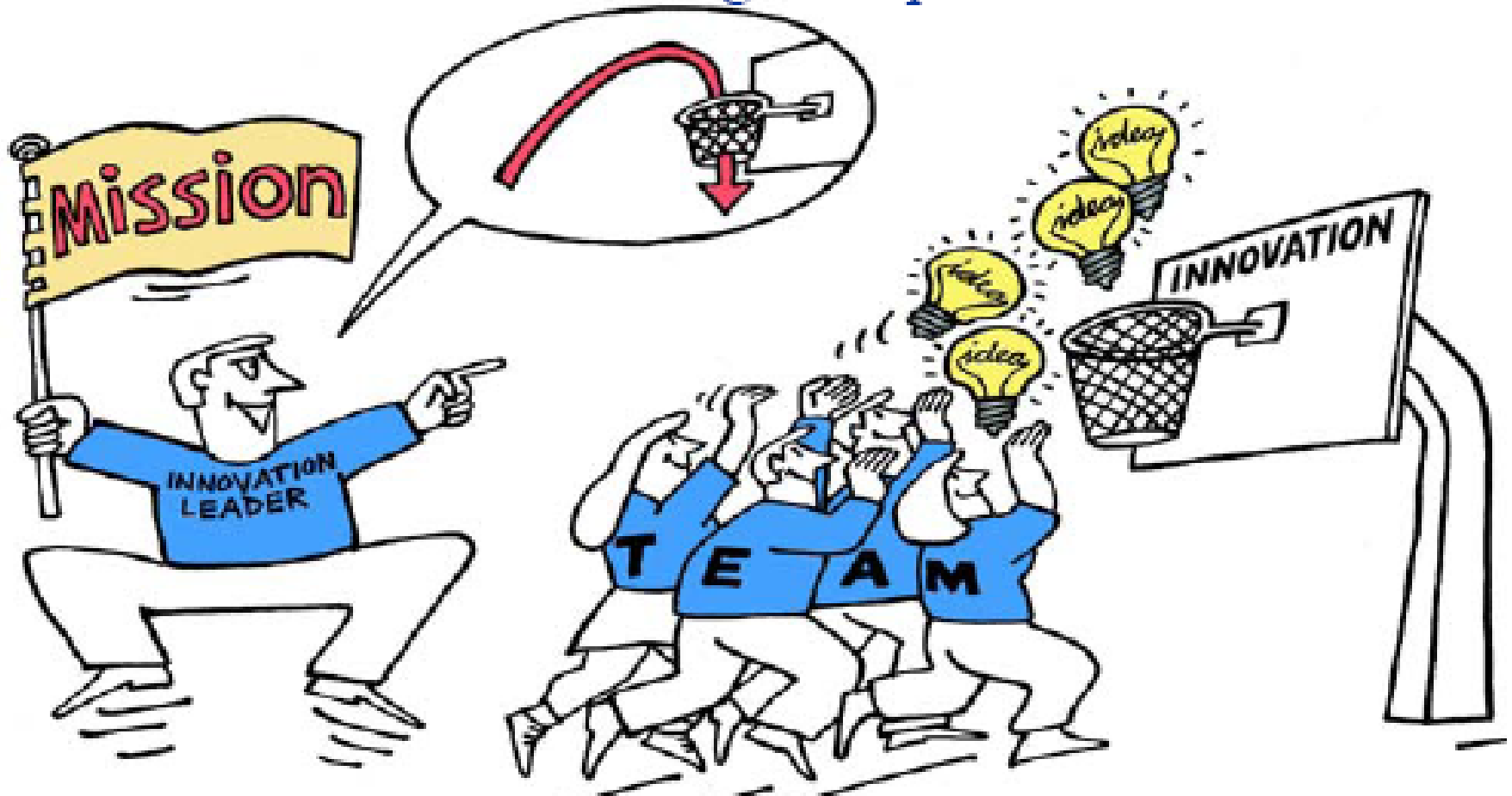
# Innovation Leaders

## *The Real 'Drivers' of Innovation Performance*



Source: J-P. Deschamps, IMD

... and an ardour for sharing their passion with their staff!



Source: J-P. Deschamps, IMD



# How to make new opportunities real?

- ▶ Changing business culture and leadership from supply chain oriented to market oriented: putting customers and consumers in focus
- ▶ New opportunities exist along the whole value chain
- ▶ All companies, SMEs as well as large, can do it

but

- ▶ Innovation is not a "quick fix". Successful innovations are investments, which take time

# Traditional forest industry and new business development

## Traditional products



Magazine & Catalogue Papers



Newsprint & Directory Papers



Fine & Speciality Papers



Label Stock & RFID Tags



Plywood & Timber

## New business development



Wood Plastic Composites



Electronic Laminates



Smart Labels

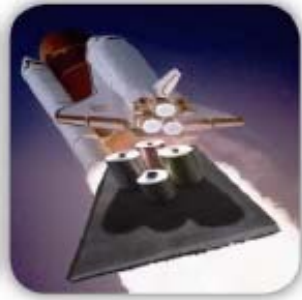


Bio-Chemicals

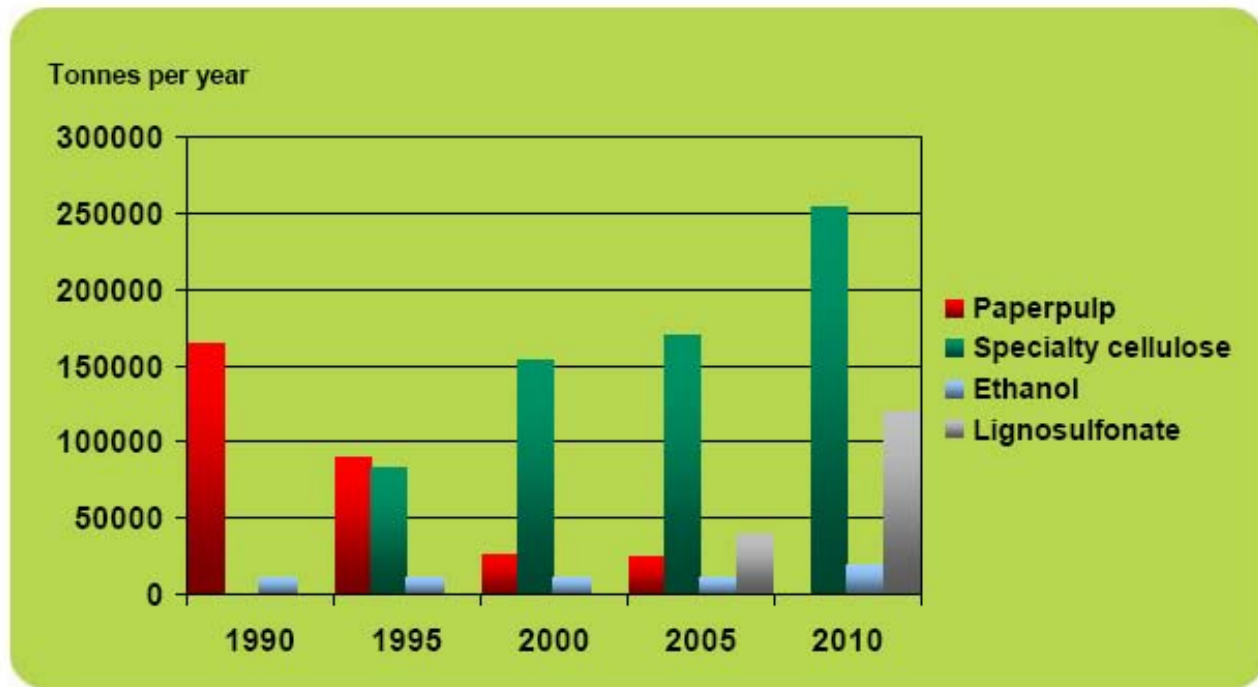


Bio-Fuels

Source: UPM



## Our product mix



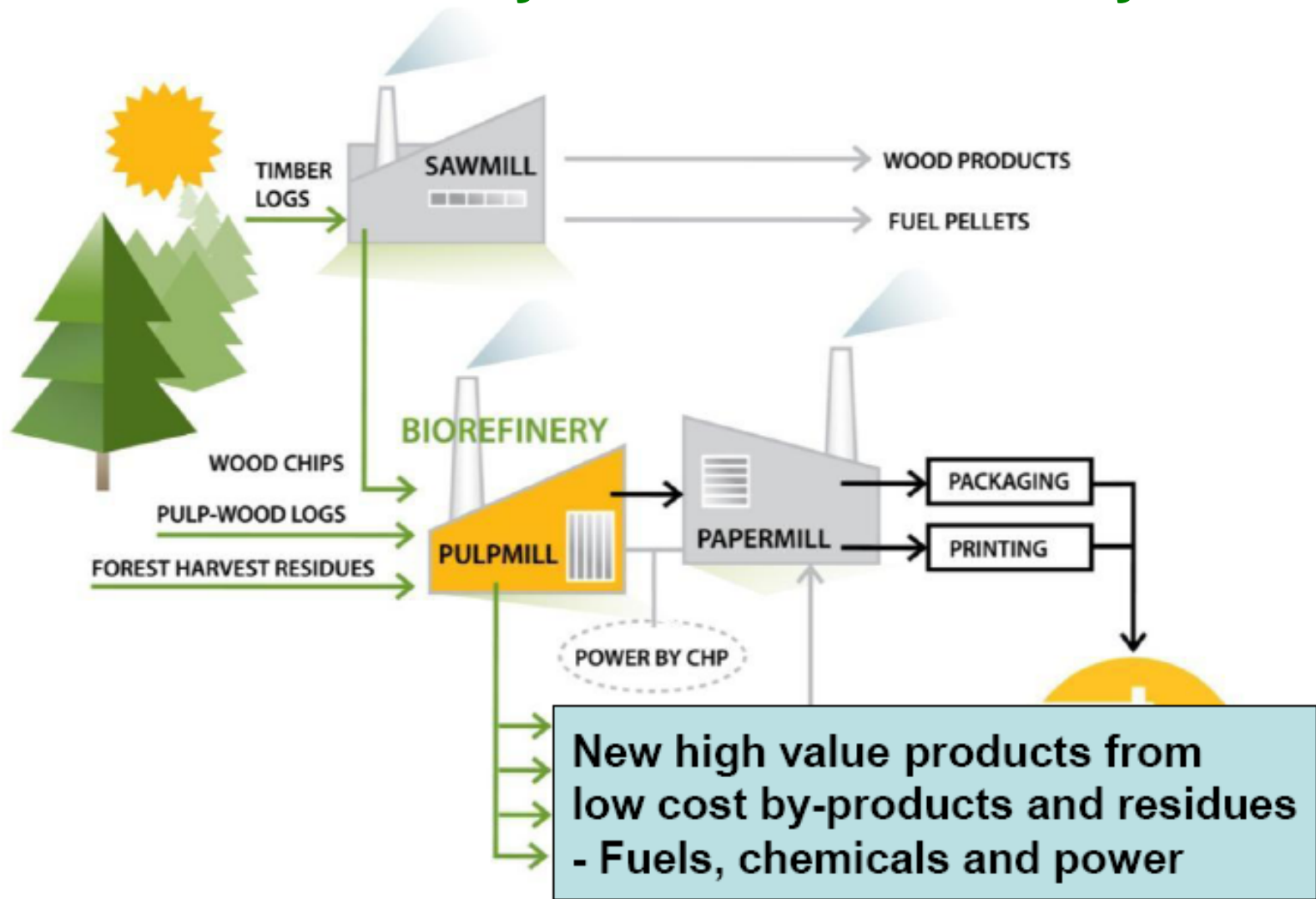


# Increased share of Timber Constructions?



Source: A. Teischinger and R. Stingl

# Forest industry 2020 – a biorefinery?



Source: ETC

# SME's in forest sector

- ▶ These enterprises, not proactively innovating, but initiate innovation processes
  - triggered by challenges from the competitors
  - as reactions to demanding users or customers
  - as a reaction to deteriorating competitiveness
- ▶ Innovations when among tools for Competitive Advantages could be
  - product differentiation
  - succesful specialization to niche markets
  - product innovations adapted to organized value chains



# ITF conclusions

- ▶ Innovation is more essential for the competitiveness of the forest-based sector now than ever
- ▶ Innovation is needed to take advantage of the "green business" trend – or others will
- ▶ Overall, the sector seems willing to push for new ways and profit from emerging opportunities – but is it also prepared and aware of what is needed to innovate successfully?
- ▶ There is a need for a mindset that promotes innovation in the forest-based sector.
- ▶ FTP is encouraged to treat innovation with the same effort and importance as it treats strategic research

## ITF proposes that ...

- ▶ FTP makes a road-show promoting innovation in the forest-based sector – to address and raise the awareness and attention of the need for change and innovation both for SMEs and large companies
- ▶ FTP's national support groups (NSGs) to take similar initiatives on national level. These initiatives can include practical guidelines and dialogues with public authorities
- ▶ FTP should together with an engaged NSG initiate a special tailored pilot project for SME's in the sector
- ▶ FTP should work together with the EU Commission and investigate the possibility to connect part of FTP's innovation initiative with the Lead Market initiative

**Thanks for your attention!**

