



REPORT
**“STRATEGIC PRODUCTS WITHIN THE FOOD AND
WOOD SECTOR”**
- From a marketing perspective

Submitted by: Swedish Development
Advisors together with Local Experts
Food and Local Experts
Wood for NERDA
December 10, 2009

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Introduction

The food and wood sectors have been selected as important sectors to develop the North East region. These sectors have traditionally been important for the region and have been, for long time, important sectors for both farmers and processed industrial products. Thereby these sectors also are important for the whole of Bosnia.

Overall goals

In general the main goal for this project is to develop labour, skills and GDP progress within the region. The efforts should reflect the wish to create a value increase for the region through creating the whole production process inside the region and reduce the outselling of raw material and unprocessed goods and products.

In order to analyse the region and these sectors we combined the products and segmentation to get an overall ranking of the possibilities for potential strategic products. Our main objective with this report is to establish an ABC analyse or ranking of products and possibilities.

Best practice.

To give us examples of strategic products we searched for a region, which during the last years has been a successful launching product that has been important for a region or a country.

“The biggest celebrity in Norway”

Norwegian fish farming has since its start grown to the second largest Norwegian industry after oil production. The farmed salmon is established as the most important product within fish-consumption in most of the west world, everyday each year, 27 million portions of Norwegian seafood are served in the world. Thus making Norway as the second largest producer of seafood measured in value, only China has a larger production, and has given great side effects to the total production in the Norwegian industry.

Numbers:

- Export value fish farming is 20 billion NOK
- Export value fishing is 40 billion NOK
- Total buying countries are 132
- Total value fish industry including side effects are 110 billion NOK

Through an interview with Mr. Grøttum at FIH (the Norwegian fish and seafood organisation) the success factors can be described as follows.

- Tradition in fishing
- Many small societies around the coast
- A coastline measuring two times around the world because of the fjords.

Furthermore the natural competitive advantages can be described as follows:

- Competitive advantages as a long coast with fjords both deep, filled with fresh waters and protected from heavy storms.

- Salmon was in the 60s a very exclusive fish which the consumer were willing to pay a premium price
- Possibility for side-effects among other industrial and service sectors
- Culture and tradition
- Logistic
- Product tracking
- Science and research
- Environmental
- Marketing
- Branding.

(See power point presentation Annex1 part one; the biggest celebrity in Norway)

Work organization

NERDA expert (NE), local expert (LE) and the international expert (IE) together with the sector boards were involved in the process finding potential strategic products.

During the four weeks that were decided for the work, two weeks were dedicated to the process of establishing potential strategic products. The last two weeks were dedicated for visiting and interviewing companies representing buyers, producers of strategic products and needs both national and international in following manner:

- Local expert prepared the sector documents related to strategic products
- The international expert visited and interviewed companies internationally.
- The wood board, NE, LE and IE were visiting the furniture fair in Belgrade
- NE, LE and IE were visiting and interviewing local companies representing the findings in the product matrix.

All answers from the field are filed in NERDA. To make an evaluation of products we decided to make a matrix that combines our potential strategic products with the different proven criteria mentioned below. These strategic products matrixes will be displayed under the different products. A number of international and local companies were visited and/or interviewed in the actual sectors. Questionnaires are enclosed as appendices. The companies are presented under respective sector.

Methodology strategic products criteria

We have used the Norwegian salmon examples in our efforts to find strategic products for our region. Most important factors for success are the factors mentioned above. We translated the factors to Bosnia conditions, factors that could be useful to investigate locally.

a. Competitive advantage: Having natural conditions for raw material, farming, growing and production.

b. Exclusive products; See future created values for the product over average.

c. Positive products side effects: To see values creating in other sectors as a result of focusing a sector or product.

- d. Culture and tradition; A long experience in the sector or product to be sure that we have necessary competence and experience to meet future needs and obligations.
- e. Logistic and product tracking; A good market availability and product safety.
- f. Science and research: Availability within product and market research and development.
- g. Environmental issues: The importance of clean and fresh environments without contamination or environmental destruction.
- h. Marketing. Alternatively establish a Marketing and Export Association for coordination of common marketing and strategic goals among companies within the region.
- i. Branding. Establish a perceived feature benefit in mind of buyers

Market and segmentations criteria

Introduction

The second part of the project was to estimate the market and segmentation possibilities for strategic products, the potential of qualities, needs and benefits included in the chosen products and services. The research should include both national and international segments and needs. Horizontal segmentation means investigating the size of the market and potential buyers while vertical segmentation means to investigate the actual needs and purchasing behaviours. Vertical segmentation will be preferred as the most important segmentation variable due to fact that the region and region production is based on a smaller production volume.

Horizontal segmentation

Another name for this is macro-segmentation; it is based on industrial statistics and general research, giving us actual numbers and volume. The objective is to define the type of industry or business (according to ISIC; NACE or equivalent industrial classifications) together with such particulars as size of company, geographical location and organizational structure that are suitable for this project. This process has already started and some has already been chosen among many of our businesses through consensus or no consensus.

Vertical segmentation

This consists of qualitative research findings concerning actual needs and buying behaviours, also known as micro-segmentation. The aim is to establish, within the horizontal segmentation, the kind of needs, buying group, decision maker, decision-making situation etc. that the company is going to focus on. Most companies have more options here, and the choice is by no mean as obvious as in the horizontal segmentation.

Food

Strategic products matrixes

Following matrixes are based on material and competence from expert combined guidance from the Norwegian salmon-scenario. We did different matrixes to analyze the situation on the market.

The matrixes were presented for the board on a workshop at the NERDA office.

Matrix 1-3 was preliminary matrixes used for limitation of further strategic products and to obtain Final Food Matrix 4.

Food Working Matrix 1:

Market criteria	Quality, fruit sugar, density	Natural conditions, soil, plants	Image	Labour, domestic, import	Producers, tradition, culture
Products					
Wild berries, herbs					
Farmed berries, fruit					
Farmed vegetable					
Diary					
Meat					
Fish					

Food Working Matrix 2:

Market criteria	Fresh	Freezing and drying	General extraction	Nutrition	Pharmacy
Products					
Wild berries					
Wild herbs					
Farmed vegetable					
Farmed fruits					
Farmed berries					

Food Working Matrix 3:

Market Criteria	Fresh	Dried and frozen	Food processing	Extraction	Nutritive	Pharmacy
Product						
Blueberries						
Bilberries						
Strawberries						
Raspberries						
Wild herbs						
Mushrooms						
Tomato						
Pepper						
Carrot						
Beetroot						
Farmed fruits						
Other						

Final Food Matrix 4:

Market criteria	Image	Tradition	Technology Classic Sophisticate	Market		Volume		Value Side effects	
Products									
Plums									1
Apples domestic									4
Wild berries And herbs									2
Vegetables Cucumber/ Pepper									3
Fruit/Berries									5

Ranked results

1. Plums
2. Wild berries and herbs
3. Vegetables such as peppers and cucumbers
4. Domestic apples
5. Fresh fruit and berries

Vertical segmentation

To get an overall view of the needs in food processing we visited SIK, Swedish Institute of food and biotechnology. They are responsible for developing new qualities and processes within the food market for several food companies. Subsequently they are in forefront of what international food companies seek concerning new and improved qualities within food and food processing. SIK is an industrial research institute owned by SP Technical research institute of Sweden. The purpose is to strengthen the competitiveness of food industry.

The last years it has been a very clear trend towards locally produced food due to a heavy environmental focus. The uses of ecological produced food have been an important differentiation among food producers to meet the need from a growing and more demanding market segment.

An even more interesting trend is the focus on what the food do or do not contain. Chemical ingredients are removed to solemnly focus on the natural bioactive components. However the content and processing of bioactive components are so far limited but will be a big differentiation factor between “traditional-food”, “eco-food” and “healthy food.”

We know that forest berries have a high content of bioactive components, but also fruits and vegetables have different sources of bioactive components and some even more! The content levels of bioactive components do of course depend on seasonal variation, light, heat and soil. Forrest berries and fruits are seen as important recourses but also farmed old sorts of fruits and vegetables.

Source;
Camilla Öhgren SIK
Roger Uddestål SIK
www.sik.se

Horizontal Segmentation

The segments to focus on are still the traditional food producers. The last year's change from traditional food to ecological food qualities has started, with a strong increase in demand for more healthy alternatives. So far the ecological food volume is not enough to meet the market demands. Another problem is the fact that the overall need for food increases which works against the limited ecological producers. However the focus on bioactive components have combined both sides. Extraction and the use of old and new cultivations give interesting views combining the different demands and segments. As an addition to that traditional food producer buys new qualities we will find new food producers as well as pharmaceutical companies as our future buyers.

Companies visited and/or interviewed food companies and investigated products.

- Olle Svensson AB Sweden
- Procordia AB Sweden
- Biljana.
- Vega fruit
- Jukan/Products Products
- Bosnaplod/products - visited two times before and participated in meeting with Bosnaplos and Procordia in Sweden

Food Position from a sector perspective

Our goal from a food sector level is to establish a perceived value of having a health perspective in our food production offered. We want to establish, position and communicate the local healthy products with its bioactive components to a broad customer base as products that will boost health and good life

Food differentiation from a sector perspective

Fruit, berries and vegetables from the region have high sugar, high density and most probably higher content of bioactive components than products from competing regions, such as Poland, Ukraine and the Baltic countries.

We have a natural variation of different traditionally farmed products, which contains more and a wider range of bioactive element.

The trends from last decade have been to use new-farmed fruits and berries that are able to easier sustain transport and longer exposure time before they have to be removed from the shelters. This transportation and cultivation of the products have reduced the content of bioactive.

Our fruits and berries must be handled locally to keep the high content of bioactive elements.

Sector perspective on food segmentation

Providing new food qualities, semi-products, extractions, processed products or extractions, needs a more sophisticated segmentation. We believe the traditional food producers will buy new qualities. But it is not believable that the same purchasing behaviours will remain. New vertical segment will open up for new products and qualities within pharmaceutical and specialized food additive companies.

Strategic scenarios for food

These scenarios are a presentation of the evaluation of different ways to explore and investigate the local and regional possibilities for fruit, berries, herbs and vegetables from a marketing point of view. It is a description of the potential that has to be further evaluated throughout the process of establishing a sector strategy and branding strategy

As mentioned in earlier reports within CREDO, Bosnian food production should categorize itself in business to business as a qualitative supplier. Which means that we will position our self towards other companies with a *customer product qualities* strategy. Bosnia has a small market giving limited possibilities to expose own brands in the retail shelters. We do not have the sufficient company infrastructure, market access, local market or strength to out compete exciting brands or guarantee a stabile delivery to consumer, these are important in order to compete with other regions in the area. As a supplier of brands to retail we are not reliable. (CREDO report)

However this does not mean that the specific companies will not succeed in building local and international brands in the future in niche markets.

A. Plums and domestic apples

The region has an interesting fragmented market with many small producers of high quality raw material in fruits. The raw material is of different sorts including old sorts of domestic fruits. Especially within the plum production there are a variation with different qualities and possibilities. Even if the trend among producers is towards growing new cultivated sorts the old sorts are still frequently grown in the region. The same is currently happening within the apple business. The high content of bioactive components reduces very fast if not taken care of immediately on place. These old sorts should be used for its high bioactive elements and processed locally. Generally the content of bioactive elements is reduced in processing. As an example, juices that are necessary to heat up to more than 100 C for their pasteurization process loose all their bioactivity. Now there is a need for new and different processes to influence the content of bioactive elements.

The old sorts are different from the new cultivated sorts in the way that they are not easy to store and transport. It is a reason for the fruit industry to develop fruit that can stand storage and transport and look nice in the shelters.

We can divide the products into two main qualities:

- Fruit suited for the fresh market with a high quality in exposure they are suited for transport and storage mainly used in big quantitative processing
- Fruit suited for product qualities for the nutrition and pharmaceutical market. They have to be processed locally to keep their specific quality.

Traditional producers have so far not focused on bioactivity in their marketing, but will soon be aware of the strong trends within the category of functional and healthy food.

Since it is an open window to establish new brands in the market it is necessary to think outside the box when it comes to attract customers to our qualities. We believe that the trend towards more healthy food with focus on bioactive elements suite our situation. Our different qualities existing among our farmers should be the base in our efforts to increase value in our food production. As in the berry scenario, the image of old tradition will strengthen our image.

The reason to rank plums and domestic apples first are that forest berries in general are more difficult to harvest and that other regions for example Scandinavia region already has positioned themselves within these products.

B. Berries and herbs

Berries and herbs have during a long time been an obvious recourse in the northern part of Bosnia. The beery business consists of; harvesting, cleaning, and freezing, today only 4% of the berries are being harvested. Berries are an international business. Very few know about our Bosnian berries. A “secret” is that berries are commonly used in bio-extraction for natural pharmaceutical and nutritional supplements, which are a billion Euro businesses.

The Asian market and culture is highly interested in wild berries and their medical bioactivity another example is that blueberry is a well-established raw material in nutrition and pharmaceutical industry. Nordic companies and particularly one region in the north (Västerbotten, Sweden), supported buy EU, has started to build knowledge about pharmaceutical use of berries.

In BiH it is a limited acceptance of the use of berries and the region has not explored the knowledge business, which is possible if the region together with what companies want.

Herbs and their use are by tradition an old science, traditionally developed in the country. Similar to the berry situation only a small part of the herbs are harvested and just a fraction of the herbs harvested are processed or presented to the market in finalized forms as tea or extracts.

- BiH has a better standing regarding their recourses and climate than other international regions.
- BiH has the fresh and high clear sky, hills and mountains, winter and summer, seasons, which gives a fresh and good feeling of clean and healthy food.
- BiH should have a good image supporting berries and herbs

C. Vegetables

Cucumbers, peppers and cabbage have a strong position on the market, with a stable home market as well as sufficient exports. We will as part of choosing strategic products increase our efforts to develop these products in the same direction as mentioned above.

It is a fact that different production methods keep different existence of bioactive components. It is important to strengthen the efforts to keep up with market of healthy products also in existing products on existing markets.

Strategic steps to take:

- Improve the producer’s traditional production regarding food safety and healthy food.
- Research the type of raw material for bioactive components, food additives and extractions
- Research the value chain and the markets. Establish new qualities and product development
- Establish local processing.

- Natural recourse marketing associated within fruit, herbs, berries and vegetables. (An association must not take away the responsibility among companies to invest in marketing)

Wood

Strategic product matrixes:

Based on material from the local expert we analyzed the wood market based on the matrixes shown below.

A workshop with the wood board was executed on the NERDA office to shorten in the future strategic products.

The matrix 1-2 is used to agree about matrix 3, Final Wood Matrix.

Wood Working Matrix 1: Product/Criteria Matrix

Market Criteria	Quality	Natural Conditions	Image	Labour	Producers numbers, tradition, culture	Side effects / Multiple	Ranking
Product							
Beech							
Oak							
Pine							
Spruce							
Fruit trees							

Wood Working Matrix 2: Product-processing Matrix

Processing value	Log/cutting /sawmill	Elements	Steaming/ Dr Ying	Elements for furniture (mechanical & processed)	Gluing/Finger joint/brushing/ Semi-finished	Ranking
Product						
Beech						
Oak						
Pine						
Spruce						
Fruit trees						

Final Wood Matrix 3: Product-processing value Matrix:

Process	Raw material	Labour	Technology	Tradition	Infrastructure/cooperation	Ranking
Product						
Veneer and moulders						7
Finger joined boards Hardwood/Softwood						5
Thermo treated wood						8
Windows/Doors						1
Beams laminate. parquet flooring						4
Prefabricated houses						6
Furniture of solid wood						3
Upholstered						2

Ranked results

1. Beech in general
2. Finished products from solid wood
3. Upholstered furniture (Do not suit the strategic categories)
4. Construction joinery
5. Beams and laminates.

Vertical segmentation

The most important factors for being a good supplier are:

- Design
- Quality
- Price
- Logistic

Based on the strategic results above we separate in three main strategic groups:

- a. Beech
- b. Constructions joinery
- c. Furniture

Beech/Furniture

Beech furniture from North East Bosnia has been valued as the best furniture wood. From time to time the beech has been seen as boring and out competed of darker wood like oak and walnut, but as light wood beech is preferred. This has of course to do with changing in trends and different taste. Research shows that it seems as Europe still prefer oak and walnut, but in the middle and south of Europe, natural beech still has its markets.

The Bosnia beeches has a special quality as a more live full beech and are seen as the best furniture wood when it comes to processing like sawing, bending and construction.

Furthermore this beech suits furniture companies perfect, both as a natural material and painted, using beech is preferable as the base in furniture production.

The type of furniture demanded from our region is wood furniture. The tradition influenced of beech still is strong and our furniture producers are increasing skills both in quality and finish. But it is still much to do. Interviewing the Scandinavian market they are very positive but see further investments in technology as a must.

(The Bosnia beech is world best in furniture; Ivar Sandnes purchase manager Stokke Norway.)

A strong segmentation factor is logistics and administration. Sustainability is an important factor and in many cases out competes price and quality as important factor for purchasing.

Construction joinery

Windows and doors have always been an important product in among the wood companies in NE BiH. The logistic and political chaos created by the war has made a set back for the industry. Local producers are not able to meet the demand as it is supposed to. PVC was an easy and cheap way to repair and rebuild houses and powerful plastic companies established a strong hold on the construction joinery storages. They could show good quality certificates and organization when the focuses on aesthetics were low, due to economic factors.

The situation changes rapidly and demand for more wood in windows and doors in the future instead of PVC are increasing. The change in rules regarding plastics in construction joinery from 2014 in EU will probably do the pressure from plastic companies even stronger on a short time basis, but the change to wooden windows and doors will come and it will come massively. The windows and doors will contain different solutions of mix metal, new plastic qualities and wood.

Horizontal segmentation

Furniture

The macro-segmentation addresses the traditional segments as furniture and kitchen supplies and brands. The purchasing managers from this companies travel all over the world to find the right products and qualities for their range of selections. It was mentioned in interviews with MIO that they are less into fairs and exhibitions than personal visits to potential customers. A segment that is neglected so far is the subscribers. We know from experience that architects, designers and other subscribers plays an important role in planning on the b2b or official tenders. South Europe are special regions within segmentation.

Construction joinery

The macro-segmentation addresses segments as construction joinery storage and builders. The b2b segment is the most important segment to address. It was mentioned among our local companies that the subscribing market within the furniture segmentation has not been addressed in a proper way.

Companies visited and/or interviewed wood companies and investigated products.

Internationally

- Ikea, Sweden (www.ikea.se)
- Mio, Sweden (www.mio.se)
- Stokke, Norway (www.stokke.com)

Locally

- Ramex
- Konjuh
- Sloboprom
- Omega
- Global enetrijeri
- Intergaj
- FIS

Construction joinery international

- Bauhaus, Germany and Sweden (www.bauhaus.se)

Construction joinery and wood processing local

- Jafa Jasa
- Obrt Commerce
- Intal
- Savox

Construction joinery storage and wholesale

- MDM Komerc
- Rimax
- Doo Brankom

Forest locally

- JP Sume TK

General strategy beech and beech furniture

Positioning

Claim the Bosnia beech position as the most valuable wood quality for processing furniture instead of trying to meet or change trends focusing on surface. Bosnia beech surface is among the best qualities in Europe but not yet up to scale in finishing among local companies.

Differentiation

Best processing wood for furniture

Segmentation

Focus on leading furniture companies, like Ikea and Stokke, internationally as well as architects and subscribers within the building and design area.

General strategy construction joinery

Positioning

We will claim the value for money position to out compete traditional PVC. It is an obvious strategy that has to be implemented among our wood construction joineries. The fact that EU wants to change from PVC to wood, or different solutions using natural material in construction joineries, helps positioning.

One problem is that this will happen during next 10 years and the plastic and metal companies will not just be waiting be out competed.

Differentiation

Three important words are: Aesthetics, Ecology and Economy.

A change in the market is an opportunity to make a clear differentiation. The changes in construction joinery business phasing out PVC to other natural material is an “open marketing window”

Segmentation

Focus on traditional construction joineries, storages and builders. An important segment to face is the architects and subscribers specially focused on official and big tenders.

Strategic scenarios for Wood

These scenarios are a presentation of a possibility of different ways to explore and investigate the local and regional market possibilities from a marketing point of view.

It is a description of potential that has to be evaluated further and deeper in the process of establishing a sector and branding strategy.

A. Beech

It can be dangerous to make a special effort for beech wood alone. Our ultimate goal is to try to increase the finalization of the beech locally to create more value in the region. But it is important to make a repositioning of our beech as a world-class product. Bosnia beech was a USP unique selling point before the war. The last years have of natural reasons been difficult for forest and wood industry. Rules and regulations are not functioning, insecurity and low cash flow creates short term thinking etc. But when market grows, companies and products that are facing a low rank on the ladder must reposition themselves.

Bosnia beech as has a low profile today due to company standards and not the quality in itself. To avoid positioning it the wrong way, or the old way, and not see the many markets and

positioning possibilities is essential. Failure to adjust the positioning to keep pace with changes is an obvious risk. Repositioning means systematic and sustained marketing communication aimed to broadening the market for beech.

B. Furniture and beech

The region has a number of furniture companies that are more or less doing well. Despite this beech furniture keep a high quality in many aspects. The Bosnia beech is special, both in colours and its live full surface makes the wood nr. 1 when it comes to the furniture wood in general. The wood quality make it easy to process, as a furniture is perfect and the competence among our sawmills and processing companies is unbeaten. The finish is still something to focus on.

Combined with the fact that the prices for beech do not overcome pine etc. it is the perfect candidate as a base for general furniture making. Both natural and painted it is value for money. Unfortunately there is low quality in logistic and low cash flow within the industry.

Strategic steps to take within beech and furniture

- Repositioning the Bosnia beech among international furniture and brand companies.
- Strengthen the logistics and create a sustainable cash flow situation in the value chain with long term contracts with customer/brands (like IKEA or Stokke)
- Better and more sophisticated horizontal segmentation against branded furniture producers.
- Create a beech association for strengthen the regional focus on the beech wood and create a sustainable use of the recourse.

C. Construction joinery

The companies producing windows and doors will, based on an increasing quality level in the whole value chain, produce better quality products. Finger joint spruce technique used here and elements are good.

Unfortunately the rules and regulations within the wood sector do not cover soft wood. This lack of quality certification does of course give difficulties to be sure of what quality you get. For this reason many doors and window producers' import theirs raw material that are quality certified.

Anyway the upcoming market situation gives great possibilities. The EU rule to avoid PVC in construction joinery from 2014 will put a focus on wood and other different solutions in the windows and door market. With that said it would be more important for local companies to positioning themselves against construction joinery storages. Today the PVC companies are the market leaders, not only due to the cheap material and easy to handle arguments, but mainly because of the low profile from wood and doors producers locally.

The impression we got by interviewing the storages is that the reason to favourite PVC was that our local producers can not prove that their products was certified and product tested in the way that the PVC producers can.

We are sure that the wood windows and doors combined with different metal or new plastic qualities will be the future material to use.

Our key finding is that it is of much importance in what way our local producers will handle the market situation from now and in the future in order to meet the challenge from the market. If not changes are that foreign producers will take over the wood market in the same way as they did with PVC.

Strategic steps to take

1. Information to construction joinery about our products – quality and finish.

2. Certifications and energy tests must be improved.
3. Producers should join forces to increase their strength since they separately are too small.
4. Address the architects and subscribers to meet the demands from the b2b, official, and big tenders.

General steps to take

The mission is that both existing and new companies should invest in an innovation and knowledge driven business development and trends. This will stimulate market driven research for new qualities.

What to do

- Build relations between local companies and international customers
- Inspire SME s to expand within differentiated processing.
- Inspire and educate SMEs in business. IYB
- Make a network of SMEs, which can boost the development of the business in the region.

We should

- Work market oriented in cooperation with international customers
- Stimulate infrastructure in new products and processes.
- Make the local business stakeholders share new knowledge and processing
- Summarize research and develop scientifically contacts

Appendices

Appendix 1

Questionnaire for purchase managers who are responsible for buying raw material for biotechnical products.

1. Describe your role in the company
2. How is the purchasing procedure look like regarding bioactive components?
 - i. *Ask the customer to describe the steps in the process*
3. Who are participants in the process?
 - i. *Open answer, It can be stakeholders regarding companies, functions or persons*
4. What roles have the stakeholders in the process?
5. What are the criteria's for a good supplier of material?
 - i. *Ex. Price, lead-time, quality and formalities etc.*
6. What suppliers do you know?
7. What are the differences between them?
8. What suppliers do you have today?
9. From whom are you buying what?
10. What cooperation do you have with local suppliers regionally?
11. What do we have to change to increase the supply from local suppliers?
12. What do we need to expand the activities in the industry?

Appendix 2

Questions to purchasing managers, concerning wood

1. Describe your role in the company
2. What do you buy?
3. How is the purchasing procedure look like?
 - i. *Ask him/her to describe the steps in the process*
4. Who are participants in the process?
 - i. *Open answer, It can be stakeholders regarding companies, functions or persons*
5. What roles has the stakeholders in the process
6. What are the criteria's for a good supplier of material
 - i. *Ex. Price, lead-time, quality, formalities etc.*
7. What suppliers do you know?
8. What are the differences between them?
9. What suppliers do you have today?
10. From whom are you buying what?
11. What cooperation do you have with local suppliers region?
12. What do we have to change to increase the supply from the region?
13. What do we need to expand the activities in the regional industry?

Appendix 3

Questions to marketing reps. concerning wood

1. What is your view of the value chain?
2. Describe the value chain and steps in the process?
3. What strategic factors in the value chain are the most important – ranked?
 - i. *Quality of raw material, formalities etc.*
4. In what way has the origin of raw material an importance?
 - i. *Quality, image etc.*
5. Describe the value of these regional recourses.
6. Describe it in relation of the region to other region in the world.
7. What do we need to change according to future demands?
 - i. *Communication, technology, formalities etc.*
8. Do you often communicate with parts in the value chain?
9. What changes are needed to increase the value of our regional recourses?