

# Center Focus

A Publication from the  
Center for Forest Products Marketing and Management  
Department of Wood Science and Forest Products  
Virginia Polytechnic Institute and State University  
<http://www.woodscience.vt.edu>

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## Center Director Travels to Taiwan

I would first like to wish you the very happiest of holidays. It has been another exciting year for the Center. This issue will update you with the progress of the Sloan Industry Center that was discussed during our annual meeting last spring and other 2004 activities. I recently returned from time in Taiwan and China evaluating wood science educational programs and our competition in the furniture industry.

I was invited by the National Chung Hsing University in Taichung, Taiwan to visit their program and participate in collaborative research efforts. During my visit, I had the opportunity to speak at all four Universities in Taiwan that have wood science programs. Not any of the Universities I visited had marketing or business programs integrated with wood science.

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## Sloan Center Takes Shape

A new research center, established with funding from the Sloan Foundation, forest industry organizations, USDA Forest Service, and Virginia Tech, will seek to promote the global competitiveness and sustainable growth of America's diverse forest industries.

Announcing the establishment of the Forest Industries Center at Virginia Tech during a conference in Reston, Va., Virginia Secretary of Commerce and Trade Michael J. Schewel said the center will assist the nation's forest industries through research, teaching, and industry outreach programs that will enhance the industries' manufacturing technology and efficiency and workforce education and skills.

"The center," he said, "will bring together all the key stakeholders in forest industries to address the challenges facing this sector and enable the commonwealth to leverage its investments in worker training and research and development to attract new businesses into the commonwealth and support our current industries."

Virginia Tech joins 17 other universities across the nation, including Harvard, MIT, Berkeley, and Columbia, which house Sloan Industry Centers. "Given the selectiveness of the Sloan Foundation's awards for such centers," Virginia Tech President Charles Steger said, "we're delighted to have its support—which is a recognition of the quality of our researchers and our leadership in forest industries."

The center will work with companies in primary processing and secondary manufacturing industries; retailers of forest products; academic experts in forestry, wood products, engineering and business; state government officials; and representatives of the USDA Forest Service.

**Continued on page 2.....**



# Member Spotlight

## Morgan Lumber

Morgan Lumber, located in Red Oak, Virginia is a very active and supportive member of the Center. As a producer of southern yellow pine lumber, Morgan Lumber Company was founded in the early 1940's with deep vision and a strong desire to form and maintain a reputation of producing only the finest southern yellow pine lumber products. The company now celebrates a legacy of three generations and sixty years. It has not only grown physically, but also that desire for integrity, trust, and longevity has flourished. Today Morgan Lumber Company stands proudly at the forefront of Virginia's lumber industry. It continues to be dedicated to the establishment and maintenance of positive employee and customer relationships. Stemming from that dedication, Morgan Lumber Company encourages and welcomes suggestions as a way to successfully advance into the 21st century, while preserving the ideals upon which it was established.

In continuing to innovate and improve their business Morgan Lumber has partnered up with Royal Wood Shavings of Quebec City, Quebec, Canada, to form Sunrise Shavings. They began production on November 1<sup>st</sup>, 2004. The Center for Forest Products Marketing and Management helped Morgan Lumber in the initial planning stages of the operation by doing a marketing study with the forest products marketing class. Sunrise Shavings and Virginia Tech will revisit the marketing plan as operations continue and information is gathered, to assess the projection that the students developed.

Like many of the members of the Center for Forest Products Marketing and Management, Morgan Lumber employs two Virginia Tech wood science graduates. Brian Sheply, the sales manager at Morgan, holds a masters degree in forest products marketing, as well as a bachelor's degree in wood science and forest products. Don Bright, the operations manager at Morgan, holds a bachelor's degree in wood science and forest products.

## Sloan Center cont.....

Center director and marketing professor David Brinberg said the center's faculty will examine issues specific to the industry, conduct executive and continuing education programs, and prepare graduate and undergraduate students for careers in forest industries.

At last springs annual meeting the membership of the CFPMM were presented this initiative. We fully supported the creation of the Sloan Center and many Center member companies wrote letters to support its creation. The CFPMM will be an integral part of the future success of the Sloan Center. The strong relationship that Virginia Tech has with the Forest Products industry was important in having the Sloan Foundation locate this Center at Virginia Tech. We would like to thank all of you for your support in this effort.

The Sloan Foundation is a philanthropic, nonprofit organization established in 1934 by Alfred P. Sloan Jr., then president and CEO of General Motors.

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## Fall short Courses a Success!

Two short courses were conducted by the Center for Forest Products Marketing and Management this fall. The advanced sales training course was held at the Donaldson Brown Conference Center here on the Virginia Tech campus in Blacksburg. The short course, held 23-24 September, had 29 participants all of which were from industry. The course helped new sales personnel understand the finer points of selling wood products as well as help the more experienced sales personnel brush up on their skills.

The Center for Forest Products Marketing and Management also offered its 3rd Wood Industry Management Series Workshop in Lean Manufacturing. This workshop, held 20-22 October, helped 15 participants identify target opportunity areas in their company for lean manufacturing, provided a step-by-step guide for the implementation of “lean systems” and, showed how these steps will lead to significantly reduced manufacturing costs and increased competitiveness. Participants represented a broad cross-section of the forest products industry segments in both primary and secondary manufacturing. Stay tuned for the next Lean Manufacturing Workshop in May, 2005, as well as other short courses hosted by the Center for Forest Products Marketing and Management.

### Center Director Travels to Taiwan cont.....

In the middle of the 1980s, Taiwan banned the harvesting of trees, with the exception of downed material from storms or earthquakes. This was when the Taiwanese industry started to move to mainland China., and led to a great reduction in wood processing in Taiwan. Most plants now import the wood they use. I did have the opportunity to visit the national forests, furniture manufacturing and wood flooring facilities, and a company that imports/exports a variety of products made from charcoal. I also experienced one typhoon and two earthquakes during my visit.

I had the opportunity to visit southern China and toured one of China’s largest furniture manufacturers in Guangdong Province and met with a furniture trade association that had over 100 members. The company stated that the monthly wage rate was about \$120 plus room/board. Most of the younger workers send about 75% of their wages back to their families in the country. The normal work day was 10 hours and workers can start at the age of 16. The managers of the companies did state that these wages were 3 to 4 times as much as the employees could make working in the countryside. They also stated that most of their production is domestic and exports represent less than 20%. I also had the opportunity to tour China’s “High Point”, with miles of show rooms of wood furniture.

During the discussions with the trade association, it became apparent that we share some of the same challenges in both countries. The representatives said that the companies lack qualified workers and were actually having a difficult time keeping employees at the factories. The country folks do not like living in the city and work for a while and return home. We had interesting conversations on the furniture tariffs and it was apparent that this is a very sore subject. Many Chinese firms are looking elsewhere to sell their products and many believe that we caused the problem by US companies requesting cheaper furniture from Chinese manufacturers. Although I only saw a small portion of the Chinese industry, it is apparent that they have made a very large investment to make them successful. They have also created manufacturing clusters for increased efficiency in these areas. The government has provided incentives for investment to make the clusters succeed. My visit confirmed what we have been seeing and hearing during the past few years.

This substantiates our continued efforts in marketing and manufacturing education to provide you with the most highly skilled employees to meet this formidable competition.



Center for Forest Products Marketing and Management  
Virginia Tech

## Wood Bits

A study conducted by the Consortium for Research on Renewable Industrial Materials (CORRIM), compared the energy required to produce building materials, construct, maintain, and demolish homes framed with wood and steel in Minneapolis, Minnesota, and homes framed with wood and concrete in Atlanta, Georgia.

According to the report, construction of steel framed homes used 17 percent more energy than matching wood framed homes, and the concrete framed homes used 16 percent more energy than the matching wood framed home.

Researchers also considered emissions of carbon dioxide, methane and nitrous oxide, and the length of time the substances linger in the environment. They concluded that the global warming potential of the hypothetical steel framed home is 26 percent higher and the concrete framed home is 31 percent higher than matching homes framed with wood.

A nonprofit research organization, CORRIM was created to update and expand a 1976 report by the National Academy of Science regarding the impacts of producing and using renewable materials. The report has been reviewed by experts and will become part of a database for designers and engineers. It is available at [www.corrim.org/reports](http://www.corrim.org/reports).

## *Calendar of Events*

### **Department of Wood Science and Forest Products**

### **Virginia Tech**

<http://vtwood.forprod.vt.edu>

March 30, 2005

#### *Annual Meeting*

The Center for Forest Products Marketing and Management will be holding its 13<sup>th</sup> annual meeting and awards reception on March 30, 2005. Mark Barford of Appalachian Hardwood Manufacturers Inc will be the guest speaker this year. The meeting will take place in Blacksburg.

April 2005

#### *Forest Products Marketing Short Course*

The Center for Forest Products marketing will hold another forest products marketing short course in April. Stay tuned to the Center Focus and other Center publications for more details, or contact Bob Smith at 540-231-9759.

May 2005

#### *Lean Manufacturing Short Course*

The Center for Forest Products Marketing will hold another short course in Lean Manufacturing. For more information stay tuned to the Center Focus and other Center publications, or contact Earl Kline at 540-231-8841.