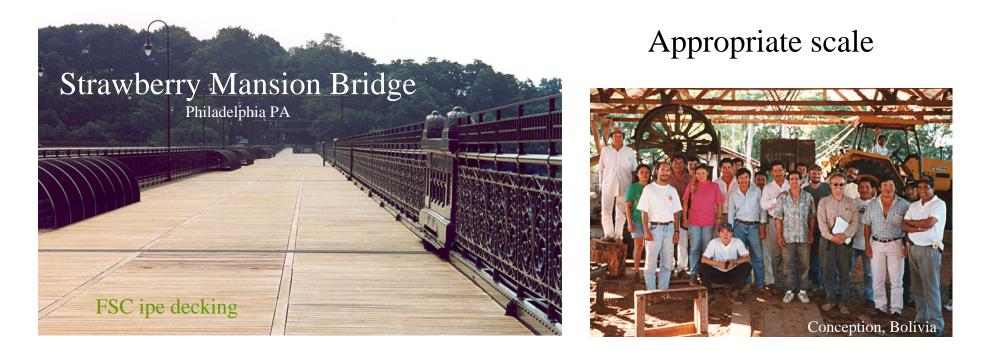


#### From the perspective of small business

- Deal oriented, opportunistic involvement
- We worked within the given context
- Sought balance between heart and mind
- Worked to connect the dots and fill in gaps
- Struggled with language and cultural context
- Coped with impatience of northern consumers
- Recognized seasonal and ceremonial cycles
- Saw de-capitalization of productive capacity
- Faced insufficient financial capacity and production infra-structure
- Etc, etc, etc!



This project required many post community manufacturing operations between the forest and the completed project.

It was only feasible because of commitments on the part of many people along the chain.

Only a small part of the wood required came from community forest projects.



The wood product part is always highly competitive regardless of how much money may be close by.

Our competition here was the normal commercial supply chain.

Ironically as a small business, we have had to fight a stereotype fostered by the fervid environmental, sociological community that business is bad, exploitive, highly profitable, and generally not to be trusted. We are not big enough to be bad.



Our first concentration yard in Bolivia

#### over Mind

This pile of *cedrella fissilis* illustrates the extent to which it is possible to get lost in the grand mission and forget completely the practical aspects of a deal.



Community Forest & Sawmill Oaxaca, MX

#### Mind over Heart



Sierra Madre Pine Flooring New Mexico



This connection seemed like a no-brainer. We stopped (so far) because completing the supply chain was too complicated to make good business sense.

# Language

- It goes way beyond translation
- Very different frames of reference
- Very different education systems
- Very different concepts of value
- Completely different life experiences
- A "Third Language" in between the words

## Time

- Productivity expectations relating to seasonal and ceremonial calendars
- Is time of the essence Contracts
- What are reasonable expectations
- What is "Plan B"

# Money

- What is the value of the product
- Dinero no tiene valor
- Financial mechanisms and cultural expectations
- Savings and investment
- De-capitalization

### Timber is a subsidized business

- Environmental capital provided the initial subsidy to the timber industry centuries ago. And it still does today.
- How to solve the conundrum of sustainable communities and forest management v.s. the long term investment needs of this infant industry.

### Who are the intermediaries?

- Unusual individuals from both sides
- Mind and heart working together
- Travel is necessary to promote understanding
- Technical and cultural training is necessary to avoid and to solve problems

## What will we do next?

- Maintain our enthusiasm for indigenous community forest products
- Enter deals with a greater awareness of the risk factors
- Avoid dependence on non-business knowledgeable intermediaries
- Elicit the help of partners who are capable of performance based technical and financial assistance
- Avoid the poison price premium
- Invite communitarios to visit and gain understanding of our customer's needs
- Shift to inventory based purchasing
- Develop robust plan "B's" to avoid disappointment
- Encourage communities across borders, in different regions to work together on the interface between their cultures and the business world