



## Technology's Not Enough

Many blame the demise of the U.S. furniture industry on its persistent under investment in new manufacturing technology. How valid is that criticism?

To answer that question let's look at Germany, a prime source of today's leading edge woodworking equipment. In the last third of the 20<sup>th</sup> century German furniture plants were a source of wonder to U.S. furniture engineer types. These plants employed few workers, most of whom were skilled machinery tenders. High quality parts flowed quickly through the production process with minimal handling.

In 1992 German furniture exports to the U.S. totaled about \$100 million. In that year U.S. imports of Chinese furniture were valued at twice that amount. Over the next ten years Chinese shipments grew to an astounding \$5.7 billion, nearly 43% of U.S. imports. In contrast furniture shipments from Germany fell to \$75 million, less than 1 percent of total U.S. imports.

The majority of Chinese plants look nothing like those German wonder

plants. Basic, single function machinery is the norm. Materials handling is virtually 100 percent manual. The prime source of Chinese competitive advantage is cheap, reasonably productive labor. In the end this labor advantage has proven intractable to technology however efficient. Stripping all labor out of a U.S. built product is often not enough to achieve competitive selling prices.

But what about Italy? Even with high labor costs, that country has managed to maintain a near 10 percent market share as the third largest source country for U.S. furniture imports. Like Germany, Italy also employs lots of high tech woodworking equipment. Combined with a well-developed supply chain in low-cost Eastern Europe, this manufacturing base has made Italy a global furniture powerhouse.

This analysis is far from thorough, farther yet from conclusive. Intuitively how-

ever one might deduce that sound technology can at least aid competitiveness. Alone though, technology is not a total solution. Whiz bang machines and systems must be capable of manufacturing products that are desired by the consumer. Finding the right products and the right customers takes **good management**.

It seems fitting that a Chinese writer/diplomat should leave us with some useful words. Quoting Tehyi Hsieh, "It is said that one machine can do the work of 50 ordinary men. No machine however can do the work of one extraordinary man."

**Bottom Line** – If you have to choose between great management and great technology, choose great management. The right technology will follow.

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# Rank Your Customer Centricity

**“Teamwork – the meshing of all functions in a company – is the only solution.”**

These days there's lots of talk in the halls of senior management about being market driven, "getting close to the customer". That's an admirable goal. But it can't be achieved with just talk or worn-out slogans. Being 'customer centric' requires developing sound communication, coordination, and commitment within your company.

Companies today work in complex markets attempting to meet different customer demands with an often-global supply chain. No longer is their product line simple, their production process within a plant's four walls, or their competition unsophisticated. In this situation managers cannot afford to focus wholly on the success of their departments. Teamwork – the meshing of all functions in a company – is the only solution.

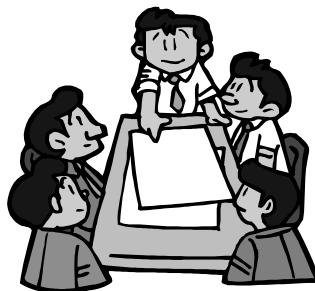
Communication, coordination, and commitment are based on three critical building blocks:

- **Information** about what influences its customers' buying decisions.
- **Decision making** that reconciles the various views of all company functions.
- **Execution** of plans and decisions with a 'one for all, and all for one' attitude.

Achieving these key elements takes hard work and investment. Customer information must be developed and spread throughout the organization. Often the distribution of this information necessitates spending on information technology. Teambuilding is not accomplished overnight. Senior management must convince every employee of the goals, the need to reach them, and what's in it for the work force. Such an effort takes time and repetition. And importantly, the right people must be hired and trained for critical assignments.

Once you begin your journey to becoming customer centric, how can you check your progress? Professor Benson Shapiro of the Harvard Business School offers the adjacent checklist.

List Source: Benson Shapiro, *Harvard Business Review*, November-December 1988.



## CUSTOMER FOCUS CHECKLIST

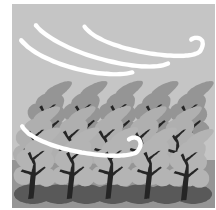
1. Are we easy to do business with?
  - East to contact?
  - Fast to provide information?
  - Easy to 'buy' from?
  - Make reasonable promises?
2. Do we keep our promises?
  - On 'product' performance?
  - On delivery?
3. Do we meet the standards we set?
  - General standards?
  - Specific standards?
  - Do we know our standards?
4. Are we responsive?
  - Do we listen?
  - Do we follow up?
  - Do we ask 'why not' rather than 'why'?
  - Do we treat clients as individual companies and individual people?
5. Do we work together?
  - Do we share the blame for failures?
  - Do we share information?
  - Do we make joint decisions?
  - Does our job provide satisfaction?



### Business Quote...

"Opportunity is missed by most people because it is dressed in overalls and looks like work."  
Thomas A. Edison

**“The Senate is now debating the health Forests Restoration Act already passed by the House of Representatives.”**



## Healthy Forests

### Golf Quote...

“Golf is more in your mind than in your clubs.”

Bruce Crampton



So far this year more than 2.4 million acres of forest have burned in wildfires. The Forest Service has spent more than \$550 million in suppression efforts. 16 firefighters have died. Worse yet, another 190 million acres, an area twice the size of California, remain at high risk of catastrophic fire. Ponderosa pine forests in the West are 15 times denser than a 100 years ago. A random lightning strike can set a massive conflagration.

Foresters say that such forests benefit from natural

fires but not before thinning of smaller trees and removal of deadwood. The purpose is to restore the forests to where fire again becomes part of the natural forest eco-system. Public opposition to such treatment has generated powerful political repercussions and deadlock in the forests.

The Senate is now debating the Healthy Forests Restoration Act already passed by the House of Representatives. This bill provides procedures that expedite consideration and approval of fuel suppression projects

in 20 million acres of non-wilderness areas. The aim is to reduce the risk of wildfire to communities, water supplies, and federal lands.

**Bottom Line** – This bill needs your support. Don’t let catastrophic wildfires become part of the cure for the problems in America’s forests.

For more information visit [www.fs.fed.us/projects/hfi](http://www.fs.fed.us/projects/hfi)

## White Collar Jobs Too

Times are good in San José. Not San Jose, California, once the poster city for high tech, but San José, Costa Rico. That small Central American country is a recipient of the next phase of globalization – the exodus of white collar jobs from the U.S.

Enabled by the internet, workers around the world are taking on a wide range of tasks deemed immune from globalization. Indian radiologists interpret CT scans for U.S. hospitals. Indian engineers design next-generation computer chips. Indian financial analysts crunch balance sheet data for Wall Street broker-

ages. These stories are repeated in the Philippines, China, and Eastern Europe.

Forrester Research predicts that about 3.3 million white collar jobs, mostly in knowledge fields, will shift to lower-cost countries by 2015. Costs in these countries are up to 60% lower than in the U.S.

Security and the need for face-to-face contact will keep the bulk of these jobs here. In addition the U.S. must hope that a new wave of innovation in IT, life sciences, and other, yet-to-be discovered technologies will maintain demand here for higher paying jobs. Such a

shift in our comparative advantage will also enable developing countries to increase their standards of living. Economic development in these countries will increase demand for those new technologies and products built in the U.S. Keep your fingers crossed that this forecast proves accurate.

**Bottom Line** – Talented people will adjust. But like the task facing those blue collar workers displaced by the Chinese tidal wave, the transition will be tough. Stay tuned, in our evolving world the winners and losers are yet to be decided.

### Philosophy Quote...

“Those who cannot change their minds cannot change anything.”

George Bernard Shaw



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THE  WOOD  
WORLD MONITOR

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*This newsletter is made possible by earnings from the world's forest products - the only renewable natural resource.*

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**“Is there an easier way to connect the hose and fitting than using pure brute force?”**

## Maintenance Corner



All previous issues of The Wood World Monitor can be found at our web site:

<http://www.raymondnet.com>

Any issue may be downloaded in Adobe PDF format for easy printing.

**Problem:** Inserting push-on style hose fittings such as brass fittings with hose barbs can be tough. Is there an easier way to connect the hose and fitting than using pure brute force?

**Solution:** First, find a piece of all-thread rod that is smaller in diameter than the fitting's opening. Then cut the rod to a convenient length of 6" – 12". Put a washer over the rod end and start threading a nut onto the rod end. Slide the fitting onto the rod with the fitting's exposed end or

non-hose end towards the rod's washer. Insert the "no nut" end of the rod into the hose, up to the fitting's base. Pinch the hose and rod together with vice-grips and start tightening the nut down the rod. As the nut travels down the rod's threads, the fitting is driven into the hose.

**Problem:** Is there an easy way to keep maintenance or adjustment tools near their designated machine?

**Solution:** Organize the tools somewhere on the

machine or nearby in a tool chest. Attach Velcro to both the tools and the tools' new home with epoxy or some other permanent glue. After the glue dries, hang up the tools in their new location. With Velcro in place equipment operators can grab and go with the tools.

