

WHAT TO EXPECT

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**Seminar on the
Transformation of the Canadian Forest Sector and
Swedish Experiences**

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STRUCTURAL CHANGES

- The megatrends have, during the last 15 years, resulted in a radical reduction in the life expectancy of businesses and business models
- Businesses are forced to transform themselves from fortresses to networking systems (e.g. Proctor & Gamble, 50% of ideas stemming from outside the company)
- The developments above will escalate

STORMS OF CREATIVE DESTRUCTION WILL RAGE MORE FURIOUSLY

- Revolution in manufacturing: three-dimensional printing will turn manufacturing up-side-down
- Internet of things
- Robots will take on a growing number of tasks and will have cousins in the form of electronic secretaries
- The future belongs to biology in combination with nanoscience and information science

FRUGAL INNOVATIONS IN EMERGING ECONOMIES

\$ 2 200 Tata car

\$ 400 Electrocardiogram (GE)

\$ 70 Refrigerator

\$ 300 Single family houses

\$ 80 Computer

Industry in developed economies is forced to produce more value or go out of business

COMPETITION

- For most companies, the greatest challenge is how to innovate as quickly as the competitors and to cope with the societal changes following the new innovations

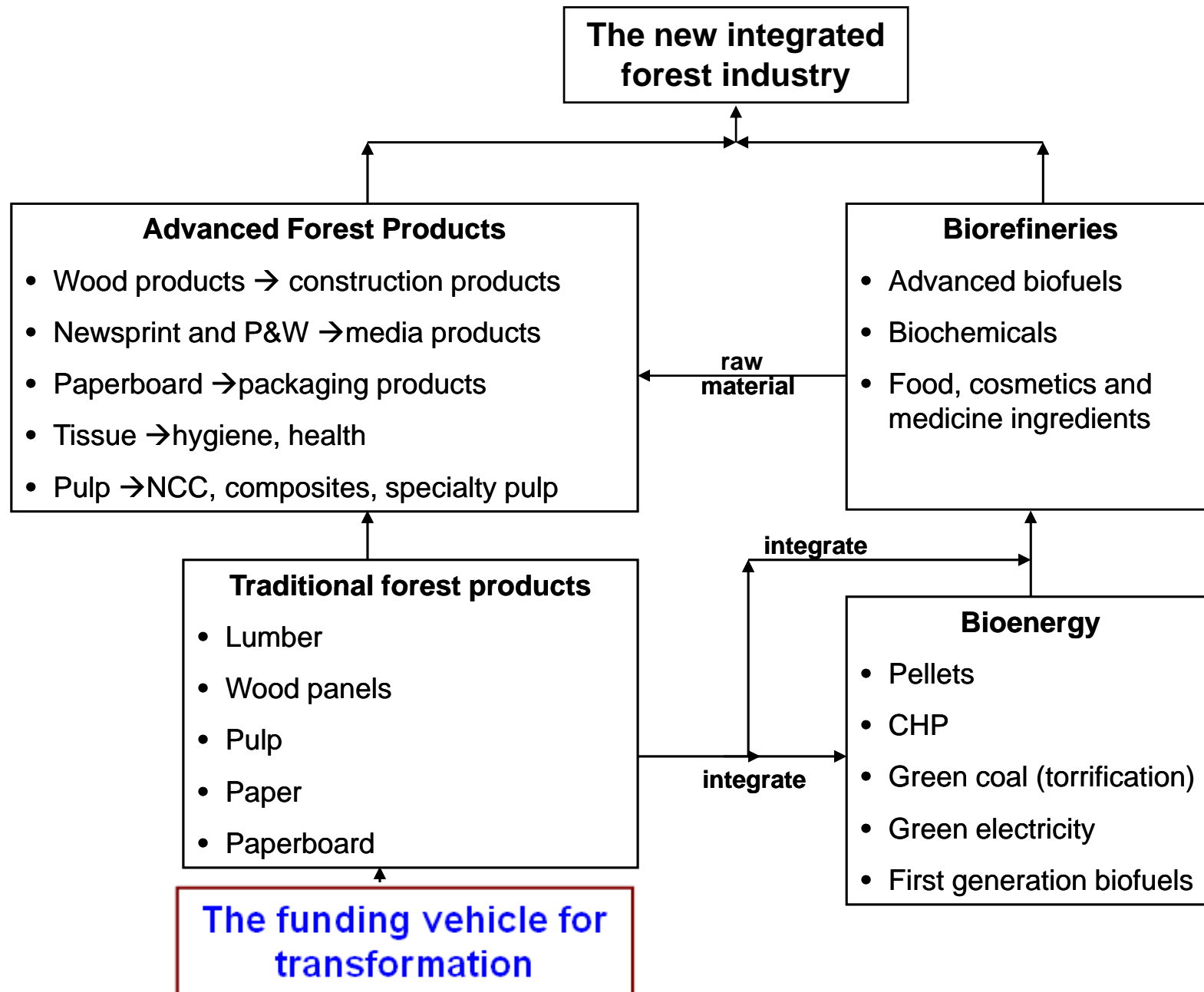
THE FOREST SECTOR - 1

- The forest sector will be much more embedded in other societal spheres influencing the future framework of the sector
- These other societal spheres will have an ever greater influence on the use of the forest resources through increased social connectivity
- The forest sector will play a crucial part in the green economy.

THE FOREST SECTOR - 2

- The long-term transformation of the sector must operate with short-term concrete goals and with the involvement of all interest groups
- At the company level, the transformation will be a major responsibility for CEOs and their Boards
- The transformation will, however, mean that there will be old technologies alongside new technologies and ideas
- The future of the forest industry/sector in the Northern Hemisphere will depend on with whom the industry/sector will partner with and how innovative the partnership will be

OVERALL TRANSFORMATON



AVOID THE 'KODAK MOMENT'

- The company laid out a timeline already in 1979 of Kodak's digital transition
- Kodak developed, together with Apple, a digital camera in the early 1990s
- “Maximize what you can earn out of a traditional business”
- Financial analysts argued “...preserve an extend the old technology, Kodak should not squander investors' money on digital nonsense...”
- The transformation “would destroy margins and values”
- The transformation failed to breakdown the structural, cultural, and strategic obstacles inside the company
- We need, every day, to ask the question: What is the 'Kodak moment' for our forest industry in the Boreal region? How can we avoid it?

THE OPPORTUNITY

- The forest industry in the Northern Hemisphere is, today, dominating the making of a new industry. The Southern Hemisphere is still concentrating on yesterday's products and business models and is not really involved in the development of a new industry
- It is existentially important for the Boreal region to keep momentum in the business innovation approach

Thank you for your attention!



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