



**columbia**  
FOREST PRODUCTS

# Innovation in its DNA

How the Forest Stewardship Council  
helps Columbia Forest Products  
compete in a tough market



Hardwood plywood is manufactured to an aesthetic standard.

“Markets are trending toward products that have a good environmental story.”

**ED WOODS**

VP OF CORPORATE STRATEGY,  
COLUMBIA FOREST PRODUCTS

## Founded on Innovation

Innovation is a concept many companies claim to embrace. It is a term used so regularly, its true meaning can be lost amidst jargon and rhetoric.

For Columbia Forest Products, however, innovation is a value at the core of the organization’s identity; one that has helped fuel the company’s rise to become the leading hardwood plywood and decorative veneer manufacturer in North America.

From its embrace of Forest Stewardship Council® certification in 1998, to the use of soy-based technology in its manufacturing process in 2006, support of a strengthened Lacey Act amendment in 2008, LEED sponsorship, and embrace of the International Living Future Institute’s Living Building Challenge, Columbia has laid the groundwork required to differentiate production for the markets it serves.

## Focused on Hardwood Plywood

An exclusive focus on hardwoods differentiates Columbia from many of its competitors – most of whom started in the softwood sector before expanding into hardwood panel production.

Yet there are significant differences between the two. Softwood plywood is for construction, where panel performance is required by code. Softwood plywood is viewed as a commodity, driven largely by housing starts and remodeling. Hardwood plywood, on the other hand, is manufactured to an aesthetic standard, is more valuable per square foot, and is driven by a combination of housing starts and remodeling activity.

Decorative hardwood plywood offers opportunities for companies to differentiate their products based on appearance and performance, for fabricators of fine interiors. But there are fewer constraints on imported alternatives, which adds competitive pressure when it comes to wood sourcing and product safety.

In this environment, Columbia's drive to innovate – and to stay ahead of domestic and imported competitors – is required for the company to survive.

“When I first started in the forest products industry in the 1980s, first-party claims were not viewed as trustworthy,” said Ed Wood, Columbia's VP of Corporate Strategy. “Independent, third-party certification late in the 90s for Columbia was a key to changing that,” he added.

Columbia's mission made the Forest Stewardship Council a natural fit for the organization. First certified in 1998, Columbia was the first decorative hardwood plywood and veneer manufacturer to earn FSC® chain-of-custody certification. Over the years, FSC helped Columbia's plywood and veneer products stand out in the marketplace, aligning with the company's ongoing commitment to be “forever mindful of the ground we live on.”

FSC also helps bring meaning to work done day-to-day by Columbia's employees. “People don't necessarily get bounced out of bed making hardwood plywood every day,” said Brad Thompson, Columbia's CEO. “We want to provide employees with personal significance in their work,” he added.

Thanks to its structure as an employee-owned company with no single person owning more than two percent, Columbia's employees are uncommonly connected to its success. It is this sense of ownership – in the form of retirement accounts valued in company stock – that drives an organizational mindset about innovation as key to survival in an increasingly competitive, global landscape.



**Columbia's drive to innovate is an innate part of the company's continued success.**

“Columbia's drive to innovate – and to stay ahead of domestic and imported competitors – is required for the company to survive.”



## Replacing Formaldehyde

A known carcinogen, formaldehyde in wood products has been a topic of debate for decades. Its use as urea formaldehyde binders in production of interior veneer core panels was so pervasive that few questioned its future. So when Columbia introduced its formaldehyde-free PureBond® veneer panels in 2005, it sent shockwaves through the industry.

“There was significant backlash in the marketplace,” said Brad Thompson, adding, “We were replacing a chemical that people were using every day. Many of our stakeholders asked us ‘what are you doing?’”

With a team focused on innovation, Columbia saw where the market was headed before others. In 2006, they converted their domestic, veneer core operations to formaldehyde-free, soy-based manufacturing, seizing an initial market niche. As awareness about the negative health impacts of formaldehyde has grown, Columbia’s early investment seems prescient, and its PureBond products have helped Columbia compete with domestic and imported competitors.

“Distributors need to have products that are different, and PureBond and FSC are part of that,” said Rick Turk of Metro Hardwoods (the 8th FSC chain-of-custody business certified by Rainforest Alliance to FSC standards and one of the largest distributors of Columbia’s products). “Our company believes in having inventory in stock, which means we get calls from all over the country. Not a day goes by that we don’t sell some FSC product,” he added.

“We want to provide employees with personal significance in their work.”

**BRAD THOMPSON**

CEO, COLUMBIA FOREST PRODUCTS



## Supporting Family Woodlands

Columbia's mill in Old Fort, North Carolina sits amidst a rolling landscape of family woodlands. Managing a group certificate covering more than 135,000 acres, Columbia consults with small woodland owners to earn and maintain FSC certification. The goal is twofold: to advance the company's stewardship mission, and to ensure sufficient supply of FSC inputs to its mill to meet growing demand.

To build on this group model, Columbia has partnered with Rainforest Alliance, Avery Dennison, Domtar, Evergreen Packaging, Kimberly-Clark, and Staples, along with the US Forest Service, to create the Appalachian Woodlands Alliance. This three-year project, launched in 2015, aims to improve the productivity and health of forests in the southeastern US through responsible management.

Harvesting entirely from natural regenerating mixed hardwood forests in the eastern US, Columbia invested in the partnership to develop new relationships and better understand how FSC can serve small landowners. The Appalachian Woodlands Alliance also offers an opportunity to document – and in some cases, to enhance – ecological values while also accelerating demand for locally sourced forest products.

**Columbia consults with small woodland owners to earn and maintain FSC certification.**

# Educating Customers and Distributors

While innovation has served Columbia well, it is not without its challenges. For example, during a recent visit to a distributor, Brad Thompson learned about a couple building a substantial new house that was designed to include \$250,000 of cabinets and built-ins.

For the job, the distributor was planning to use inexpensive, uncertified, imported veneer core hardwood panels glued with a urea formaldehyde binder. The total savings on this high-end job, compared to Columbia's domestically sourced PureBond, was \$6 per panel – or \$2,400 for the whole job.

For a relatively small premium, the couple could have used FSC-certified, formaldehyde-free hardwood plywood in their cabinets. If they had known, what would they have done?

Mindful of getting ahead of their customers, Columbia works hard to educate its staff members, sales teams and distributor network about its products and the value they deliver. But there is always more work to do to make sure customers understand their options in an ever-changing marketplace.

For example, Columbia distributor Rick Turk of Metro Hardwoods describes his approach: “We want the decision maker on a custom kitchen cabinet to open the cabinet, see the FSC PureBond label, and tell his friends that this is the right thing to do.”



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**RICK TURK**  
METRO HARDWOODS

# Leading into the Future

How does a company like Columbia Forest Products continue to compete? The answer to this age-old question is to innovate around the values that their customers and employee-owners hold dear.

“We are not trying to sell a commodity. We strive to do exactly the opposite,” said Ed Woods. “Markets are trending toward products that have a good environmental story. This marries up well with PureBond and FSC,” he added.

Climate change will drive awareness about the importance of responsibly managed forests. Health concerns will cause people to look more closely at chemicals in the products they buy. Columbia is driven to seize upon these trends and others, because innovation is baked into its DNA.

## For more information

### **Columbia Forest Products**

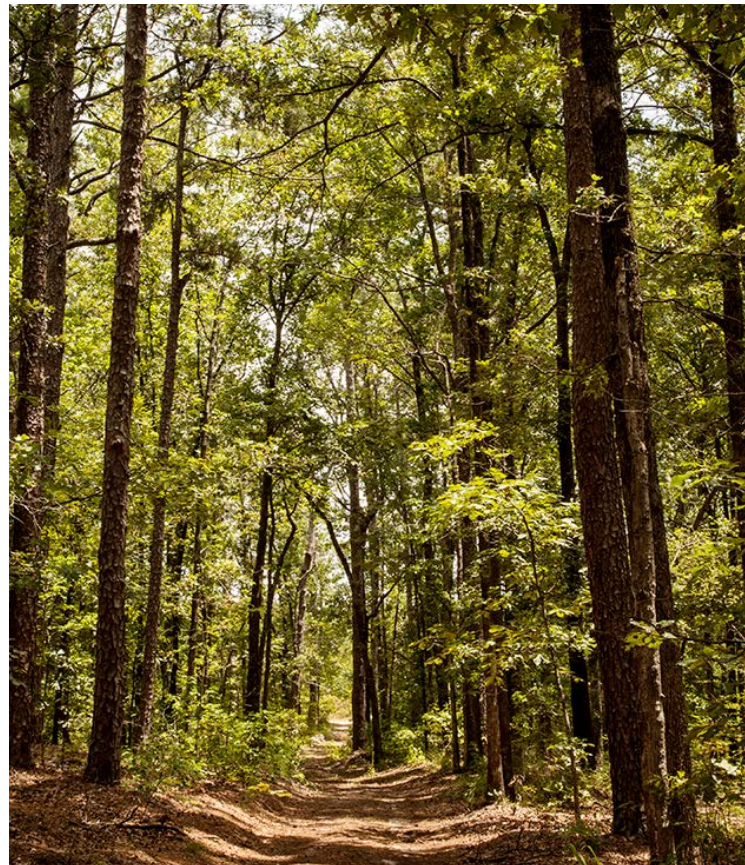
[www.columbiaforestproducts.com](http://www.columbiaforestproducts.com)

### **Forest Stewardship Council**

[us.fsc.org](http://us.fsc.org)

[info@us.fsc.org](mailto:info@us.fsc.org)

612-353-4511



“Our ideas will be groundbreaking, and our stewardship will be forever mindful of the ground we live on.”

COLUMBIA FOREST PRODUCTS MISSION