

NWPCA

Strategic Plan

(Board Last Reviewed June 5, 2016)

(Board Adopted August 26, 2014)

Timeless Core Ideology

Core Ideology describes an organization's consistent identity that transcends all changes related to its relevant environment. Core ideology consists of two elements: **Core Purpose** – the organization's reason for being – and **Core Organizational Values** – essential and enduring principles that guide the behavior of an organization.

Core Purpose (Mission):

To provide an environment for our members to succeed while promoting the wood pallet and wood packaging industry.

Core Values:

NWPCA is committed to:

- Wood as a sustainable and highly-valued resource
- Exemplary service to members
- High ethical standards and integrity
- Building collaboration and community

Longer-term Envisioned Future (10+ years)

The **envisioned future** conveys a concrete yet unrealized future for the organization. It consists of a **vision or big (hairy) audacious goal (BHAG)** – a clear and compelling catalyst that serves as a focal point for effort and a **vivid description of a desired future** which is a vibrant and engaging description of what it will be like to achieve the vision/BHAG.

Vision (BHAG):

Achieve and sustain worldwide acceptance of the NWPCA as the thought and information leader on wood packaging in unit-load solutions.

Vivid Description of a Desired Future:

As a result of NWPCA's estimable leadership, the benefits of wood packaging are understood and wood packaging is utilized as the solution of choice for securing and transporting the unit-load globally. The demand for a wood packaging solution has grown. Wood packaging is recognized as the high-quality and low-cost solution when compared to other shipping platform options. It is accepted as an economical, sustainable, flexible, clean, and environmentally friendly product.

NWPCA is recognized as the "go to" resource for supportive research and expertise on the advantages of wood packaging. NWPCA is a unifying voice for the global wood packaging industry. Members, government decision-makers, end-users, universities, and the consumer utilize NWPCA as the information source on wood packaging design and unit-load solutions. NWPCA's global membership is extremely satisfied with the opportunities provided by the association for networking, business development, education, and finding solutions.

Goals and Objectives (3-5 years)

Goals represent **outcome-oriented statements** intended to guide and measure the organization's future success. The achievement of each goal will move the organization towards the realization of its "Envisioned Future." Supporting **objectives further clarify direction** and describe what the organization wants to have happen; a descriptive statement of what constitutes success in measurable terms.

Priority Key:

(H) = Must begin objective in next fiscal year

(M) = May begin objective, if resources permit, in next fiscal year

(L) = Begin objective in subsequent fiscal year

Pallet Design System (PDS)

Goal: NWPCA's PDS is the leading Pallet and Unit Load Design System.

Objectives:

1. Ensure that PDS remains cutting-edge technology. (H)
2. Ensure that PDS remains most-used pallet and unit load design system. (H/M)

Advocacy

Goal: NWPCA is well-known, respected, and relevant, actively anticipating and reacting accordingly to strategic government and non-government entities specific to wood packaging markets and issues.

Objectives:

1. Increase dialogue with strategic entities on relevant issues. (H)
2. Increase effectiveness of members in communicating legislative and regulatory issues and the effects on business with government officials. (M)
3. Improve member engagement with strategic entities. (L)

Web Presence

Goal: NWPCA's virtual presence is utilized by our members, their customers and other strategic entities for easily accessible and useable information.

Objectives:

1. Increase accessibility and relevance of member information. (H)
2. Increase effectiveness of infrastructure to keep web presence current. (H)
3. Expand virtual training for PDS and educational needs of members. (M)
4. Increase accessibility and sharing of industry practices. (M)
5. Increase effectiveness of communications on regulations. (M)
6. Increase understanding of the value of wood by member customers. (L)

Appendix A

Assumptions About the Future

In order to make progress toward an envisioned future, an organization must constantly anticipate the strategic factors likely to affect its ability to succeed and to assess the implications of those factors. This process of building foresight about the future will assist NWPCA to constantly recalibrate its view of the relevant future, a basis upon which to update the strategic plan.

Global Business and Economic Factors

1. Foreign markets are increasingly importing and exporting materials, goods and services.
2. The cost of lumber is increasing and the availability of lumber is decreasing.
3. The standards for lumber will be more global.
4. Losing market segment in hardwood market.
5. The overall cost to do business (labor, regulations) and general business costs will continue to rise.
6. There will continue to be a labor shortage.
7. Global business will be increasingly conducted on the Internet and through social media.
8. There will be greater focus on automation due to labor shortage.
9. There will continue to be an imbalance in global population growth.
10. Good actors will continue to face business challenges from bad actors.
11. It will continue to be difficult to manage currency/exchange rates
12. There will be a shift from off-shoring to on-shoring.
13. Industry consolidation in lumber will continue, but less so in recycling.

Social Values and Demographics

1. The growing acceptance and legalization of drugs will lead to employee management complications and safety issues.
2. Employees value personal time more and are not as interested in working second shifts and overtime.
3. There is greater social emphasis on environmental issues.
4. There will continue to be misconceptions of the impacts of wood use.

Technology and Science

1. There will be increased used of automation and robotics to reduce manual labor, improve workplace ergonomics, and increase safety.
2. There will be customizable ERP and yield information versus source and real-time inventory.
3. There will continue to be pallet sanitation issues.
4. There will continue to be new materials, coatings, and add-ons.
5. ASRS will create greater customer requirements and impact on specs/standards.

Legislation and Regulation

1. It is unclear whether immigration reform will happen in the near future, but important to watch.
2. There will be an increase in trucking regulations impacting pallet industry costs/efficiencies.
3. Regulations expected to become more challenging to the industry creating overlaying of rules (e.g. EPA, OSHA, FSMA, fire/safety). Other regulations may increasingly impact availability of timber resources (e.g. ESA, CWA and federal land management rules).
4. There will be more regulations relating to wood versus plastic packaging materials (ie. EPA, export rules, government procurement, EG oil export ban).
5. The cost burden of escalating regulation will particularly weigh on smaller companies <50 employees, while larger companies, because of their size, will be impacted differently by laws like the Affordable Care Act.
6. Upcoming state and federal elections may have consequences on issues such as national forest policies, private landowner rules, and the Clean Water Act.
7. There will be more FSC/Certification.

Industry Competition and Structure

1. Availability of lumber will continue to be a challenge
2. Lumber will continue to go to export and other industries because they can pay more for it.
3. Will have to continue to go further to acquire materials; increasing shipping costs.
4. Competition from alternate products will continue.
5. There will be more competition for non-skilled labor from other industries.
6. The cost of shipping will continue to increase because of additional regulations of shippers.
7. Competition for trucks and drivers will continue to increase.
8. Overall transportation costs will continue to increase.
9. Energy boom will continue to affect availability and cost, but may moderate over time.