

MICRO-BUSINESSES, WITH SURVEY RESULTS
MAINE FUTURE FOREST ECONOMY PROJECT



**CURRENT CONDITIONS AND FACTORS INFLUENCING THE
FUTURE OF MAINE'S FOREST PRODUCTS INDUSTRY**

MARCH 2005

PREPARED FOR:

**DEPARTMENT OF CONSERVATION – MAINE FOREST SERVICE
AND
MAINE TECHNOLOGY INSTITUTE**



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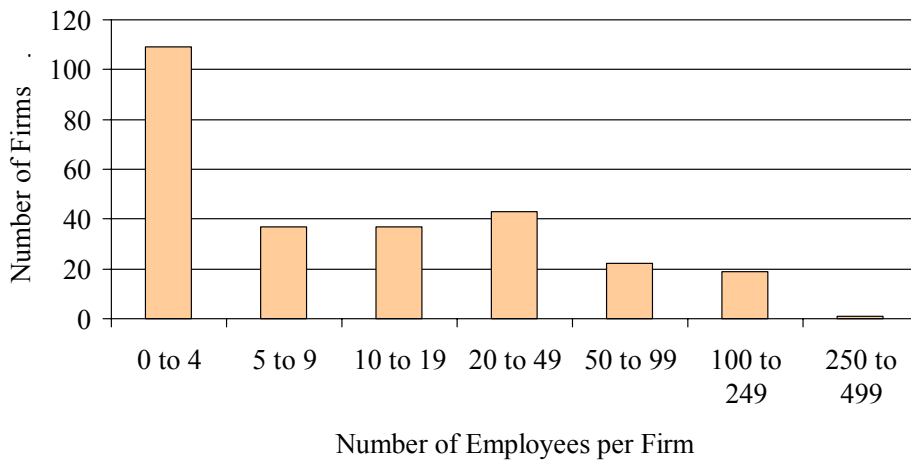
MICRO-BUSINESSES IN THE FOREST PRODUCTS MANUFACTURING SECTOR



Micro-businesses in the Forest Products Manufacturing Sector

While many of Maine’s secondary wood manufacturers are larger, a good percentage of firms in this sector are what some classify as “micro-businesses” that employ a small number of individuals. In 2002, over half (53%) of the business entities in Maine’s sawmill and wood products sector had fewer than ten employees

Figure 114. Number of firms by firm size, sawmills and wood products, 2002

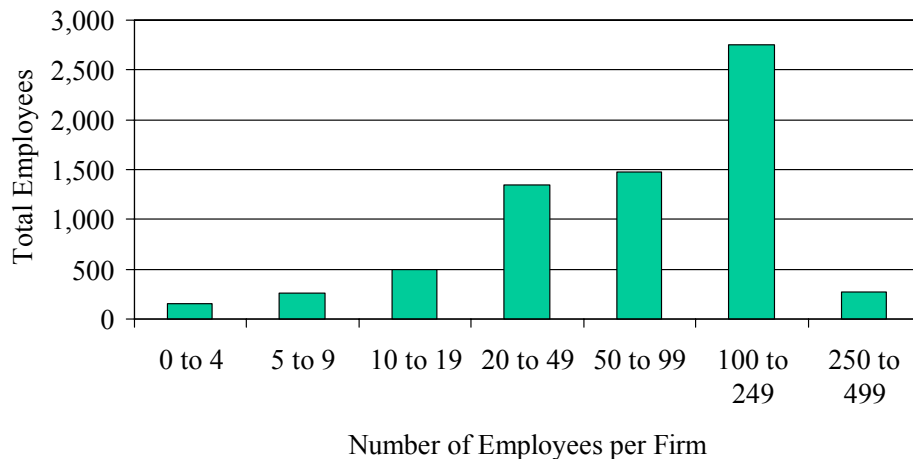


Data source: Maine Department of Labor



While this represents a large number of firms, this does not necessarily represent a large number of employees. In 2002, six percent of the employees in the sawmill and wood products sector worked at firms with fewer than ten employees.

Figure 115. Number of employees by firm size, sawmills and wood products, 2002



Data source: Maine Department of Labor

Micro-businesses are often the creation of a rural entrepreneur, and produce an amazingly large variety of products, from lumber to musical instruments and lawn ornaments. Businesses in this size category face challenges that other forest industries face – e.g., the cost of electricity, access to affordable health care, and the cost of raw materials – but also face challenges due to their small size.

Micro-businesses are often one individual who must handle all aspects of the business – manufacturing, financing, advertising and marketing, bookkeeping, and other duties that are often handled by administrative and support staff in larger businesses. Often, though certainly not always, “micro-businesses” are a second job, part-time, or post-career.¹⁵⁷

Additionally, many micro-businesses are new businesses that have issues often associated with any start-up. These include cash flow, development of customers, and dealing with the legal and regulatory requirements of establishing an enterprise. In spite of their size and challenges, many of these micro-businesses are very successful and provide their owners with a lifestyle with which they are satisfied. In general, micro-businesses represent a microcosm of the forest products industry, with many of the same challenges and needs. As with larger businesses, these businesses also often lack an understanding of existing programs and trade groups in the state, a perennial problem.

¹⁵⁷ Personal communication, Professor Mark Lapping, University of Southern Maine, August 1, 2004.



Case Study - Maine WoodNet

Maine WoodNet was founded in the mid-1990s as a way to urge quality manufacturing of wood products coming from sustainably managed forestland in the region. Its membership is comprised of approximately 50 small firms (many 1-person shops) that seek to fulfill the Mission of the organization:

“...to facilitate cooperative manufacturing, innovating marketing, and wood-use efficiency by forest based businesses, while promoting networking and educational opportunities focused on improved forest stewardship.”

The Wilderness Society, a national non-profit organization founded in 1935 and with a mission to:

“Deliver to future generations an unspoiled legacy of wild places, with all the precious values they hold: Biological diversity; clean air and water; towering forests, rushing rivers, and sage-sweet, silent deserts.”

... founded Maine WoodNet after completing several forest-based economic studies in the Northern Forest region. As Spencer Philips, The Wilderness Society’s resident economist in the Northern Forest region said, "It’s not how many logs that come out of the forest ... its how many dollars come out of the logs."

Maine WoodNet is a marketing and manufacturing network comprised of wood products businesses located in the western lakes and mountains region of Maine. It attempts to put into practice its ideas for improving the health and sustainability of forest-based businesses. By helping its members work together to make and market wood products, to build business and woodworking capacity, and to better connect fine craftsmanship with good forestry, Maine WoodNet strives to help small businesses in this region compete in an increasingly global market for furniture and other solid wood products.

Greater “wood-use efficiency” is a key goal of Maine WoodNet – leaving more space on the land and in the economy for wildland conservation.

Maine WoodNet focuses on the following in its quest to meet this goal:

- Facilitating member-to-member collaboration – enabling members to improve products design, better utilize surplus and scrap wood, and produce joint products;
- Providing marketing assistance – helping members position their products to the greatest advantage in the marketplace;



- Providing or facilitating technical assistance – connecting members with training and information they can use to improve their products and business management;
- Organizing members’ participation in tradeshow and events – helping members increase access to wholesale and retail buyers and the public;
- Creating opportunities using forest products certification – developing and implementing a “group chain of custody” certification under the Forest Stewardship Council system;
- Creating opportunities for retail merchandising – launching SugarWood Gallery, Inc. as a venue for showcasing and selling members’ products and educating the public about forest/community interactions.

Is any of this working? One WoodNet member’s testament suggests it is:

“Since we joined the organization, Maine WoodNet has significantly expanded the business opportunities for W.A. Mitchell Fine Furniture [Temple, Maine]. Our association with fellow members has provided us with resources to value-add our product line. Many doors of opportunity have been opened including Forest Stewardship Council Group Chain of Custody Certification. These tools will help us to achieve our growth and market placement objectives.” *Dan and Janice Maxham*



Survey of Maine Forest Industries – Micro-business Sector

Description of Survey

In order to solicit information and input from a broad range of Maine forest industries, INRS conducted surveys of both larger and small (micro) forest product manufacturers. For the survey of micro-businesses, a copy of the survey (including a signed cover letter and self-addressed stamped envelope) was sent to 49 forest products companies with 10 or fewer employees in August 2004. The list included sawmills, wood product companies, loggers, and carpenters, and was provided by Maine WoodNet (with additions of some known forest product micro-businesses by INRS) for purposes of this survey. As some of the questions were tailored directly to micro-businesses, the results are presented separately. INRS recognizes that the list used is not a complete inventory of all forest product micro-businesses in the state of Maine, but believes that the list represents a fair sample of the range of Maine forest-based micro-businesses.

The survey was anonymous, allowing companies to share information without concern competitors or others would use information provided by a company. A copy of the survey is included in the Appendix D of this report.

Survey Respondents

A total of 13 responses were received, for a response rate of 26.6%. This response rate is considered acceptable for a survey of this nature. Survey respondents included artisans, a logger, and a variety of wood products manufacturers. INRS recognizes that this is a small sample; this segment of the industry is difficult to reach.



Survey Results

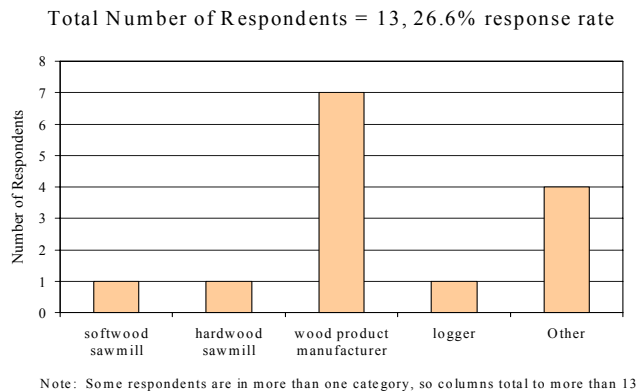
The following information describes the responses received from this survey. It should be noted that not all respondents answered every question, and information is provided only for questions that were answered by eight or more of the respondents.

Demographic

The 13 small businesses that responded employ a total of approximately 37 employees, including full-time, part-time, and seasonal employees. Of those, 26 are full-time employees. The mean (average) number of full-time employees per respondent is 2; the median is 1.

Survey responses were received from a wide variety of the micro-enterprise component of Maine's forest industry, with the greatest number of responses (7) coming from wood products manufacturers producing a range of products, from balsam fir pillows to furniture.

Figure 116. Survey Responses by Forest Industry Sector



As seen in Figure 2, when viewed by employees, the largest response came from wood products manufacturers, who represent a diversity of products from balsam pillows to furniture.

Figure 117. Total Employees for Survey Respondents by Sector

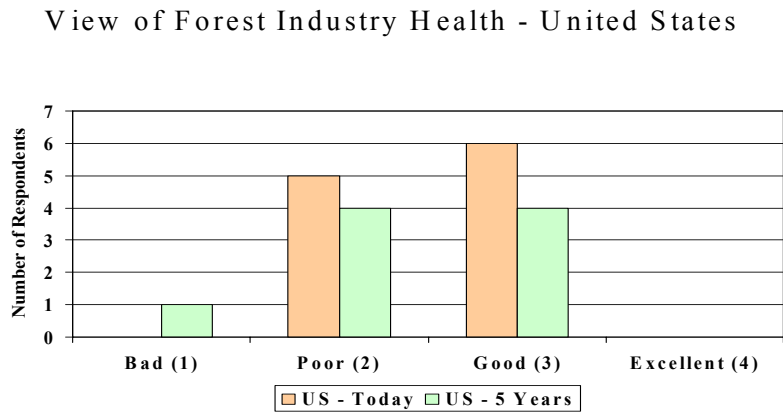
	Employees
	Total
Softwood Sawmill	1*
Hardwood Sawmill	1*
Wood Products Manufacturer	15
Logger	4
Other	16
All Respondents	37

*These represent the same firm.

Perception of industry health

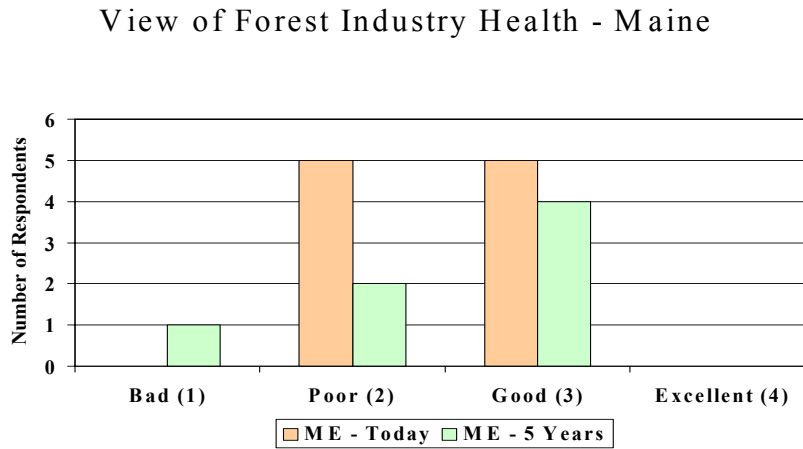
As a key component of the survey, respondents were asked about their perception of forest industry health, both today and in five years. This question was asked for the forest industry in the entire United States and in Maine specifically. The average respondent indicated that they view industry health nationwide as relatively poor (2.5), and that they are not optimistic about industry health five years from now (2.3).

Figure 118. View of Forest Industry Health in the United States



Similar to the current view of the U.S. forest industry, the average respondent indicated that they view the current health of Maine’s forest industry as between poor and good (2.5), and on average do not see this changing in five years (2.4).

Figure 119. View of Forest Industry Health - Maine



Responses were similar when respondents were asked about the health of their sector.

Figure 120. Respondent View of Forest Industry Health

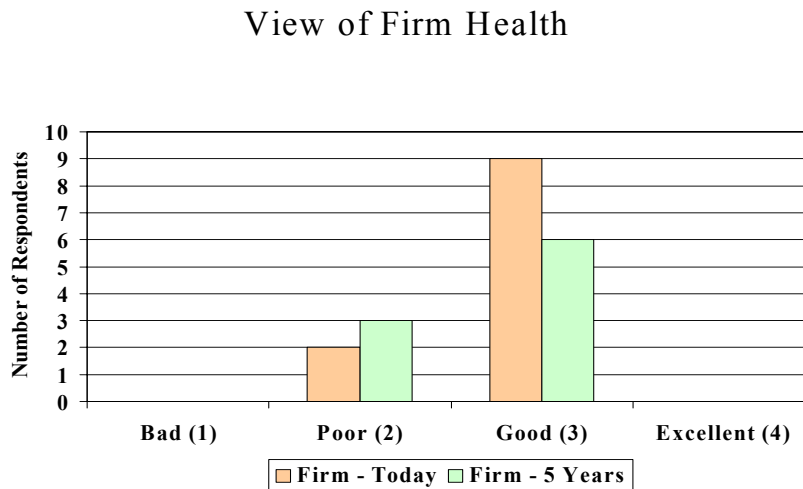
		Number of Responses				Average
		Bad (1)	Poor (2)	Good (3)	Excellent (4)	
Today	Industry - US	0	5	6	0	2.5
	Industry - ME	0	5	5	0	2.5
	Sector - US	0	4	6	0	2.6
	Sector - ME	0	5	5	0	2.5
	Firm	0	2	9	0	2.8
5 Years	Industry - US	1	4	4	0	2.3
	Industry - ME	1	2	4	0	2.4
	Sector - US	1	2	5	0	2.5
	Sector - ME	1	4	3	0	2.3
	Firm	0	3	6	0	2.7



Most respondents viewed their firm’s current health as better than the national or state average (2.8), but were slightly less optimistic on average about the future health of their firm (2.7). As with the results from the survey of larger firms, there are a number of possible explanations for this, including:

- The firms that responded to the survey may, on average, be in better financial health than the industry as a whole, either nationally or in Maine;
- It is possible that respondents self-selected, and those in good financial health were more likely to complete and return the survey; or
- Those that completed the survey are quite familiar with the finances and plans of their individual firm, but are not as aware of the finances and plans of others in the industry.

Figure 121. View of Firm Health

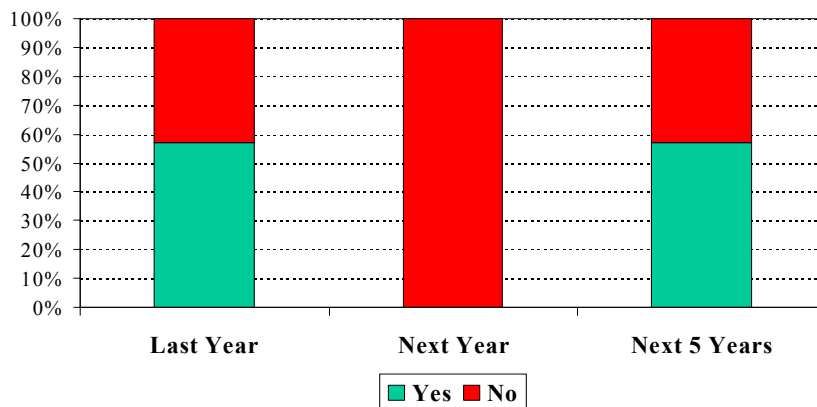


Investments and Investment plans

In order to survive and prosper in the increasingly competitive global marketplace, Maine firms have been investing, and continue to invest in their operations. Survey respondents were asked if they had made, and intended to make “major investments in new equipment” (the level of “major investment” was not defined). In an encouraging sign, over half of the respondents have made investments in the past year and plan to make additional investments in the next five years. However, no firms had concrete plans to make additional investments in the coming year.

Figure 122. Major Investments in New Equipment

Has your facility made major investments in new equipment, or have plans to do so?



Forest Certification

Firms were asked if their operations are certified by third-party auditors such as the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), or other certification entities. Of the 13 respondents, three had FSC-certified operations and one was certified by another entity. Together this accounts for 31% of respondents.

Rediscovered Wood

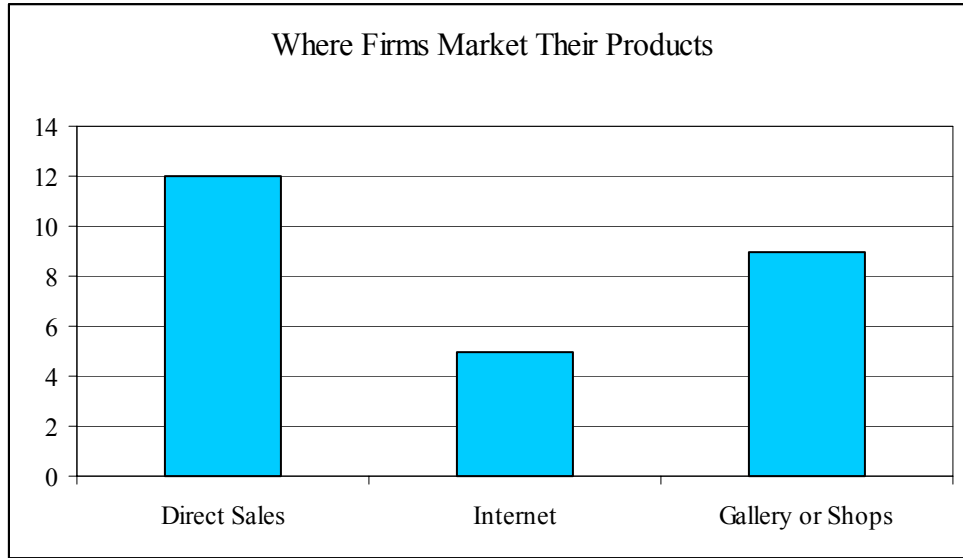
Firms were asked if they use rediscovered wood in their products. Nearly half (6) of respondents, or 46%, use rediscovered wood in their products.



Marketing

Firms were asked where they marketed their products. Most firms (13) use direct marketing to sell their products. Second to direct marketing is marketing through galleries and shops (9). Internet sales are used by only five businesses. This indicates a likely technology gap for these firms, who potentially could increase their marketing at relatively low cost through Internet channels.

Figure 123. Where Firms Market Their Products



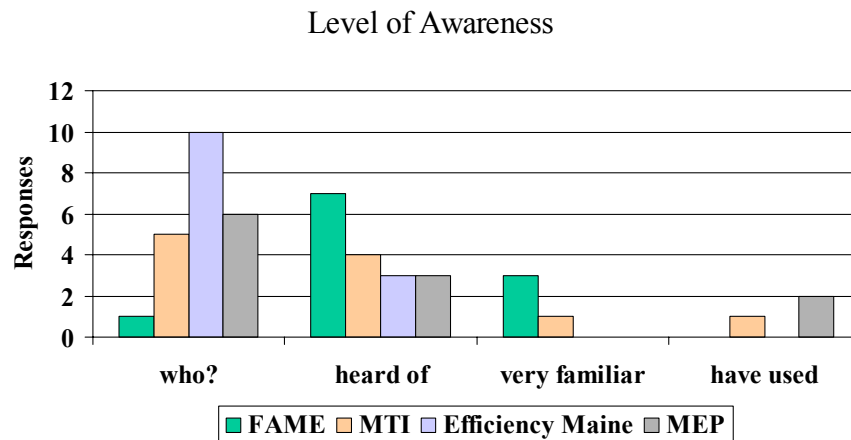
Programs available to the forest industry

Maine has a number of business assistance programs available to forest industries (as well as other industries). In an effort to gauge how well forest product micro-businesses know these programs, and to determine whether forest industry perceives these programs as meeting their needs, respondents were asked about their awareness of four programs, and whether they perceived these programs fit their needs:

- FAME – The Finance Authority of Maine
- MTI – The Maine Technology Institute
- Efficiency Maine
- MEP – The Manufacturing Extension Partnership

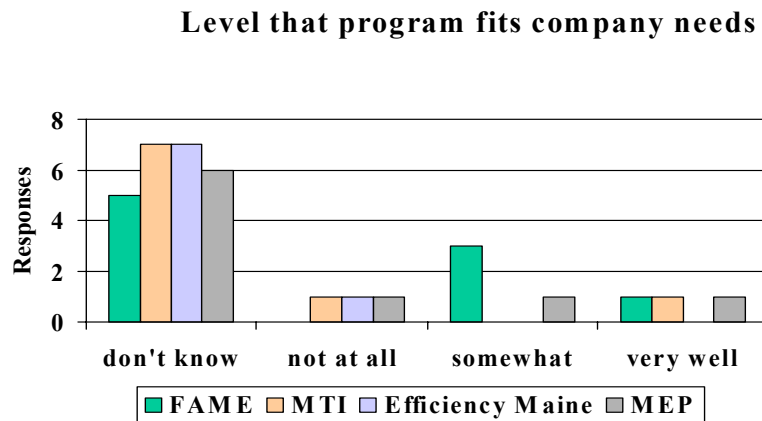
These are the same industry assistance programs that larger forest product manufacturers were surveyed about; the responses from micro-businesses are similar.

Figure 124. Micro-business Awareness of Business Assistance Programs & Organizations



In addition to knowing little about these four programs, industries also don't know if the programs and services offered fit their needs. While it may be true that some organizations or programs do not offer products that meet the needs of the forest-based micro-businesses, it is surprising to find that the majority of respondents did not know whether these programs fit their needs. This clearly points to a need to connect forest micro-businesses to programs that exist. In addition to the four programs surveyed, Maine offers a number of other programs to industries; there is no reason to believe that other programs have greater awareness levels.

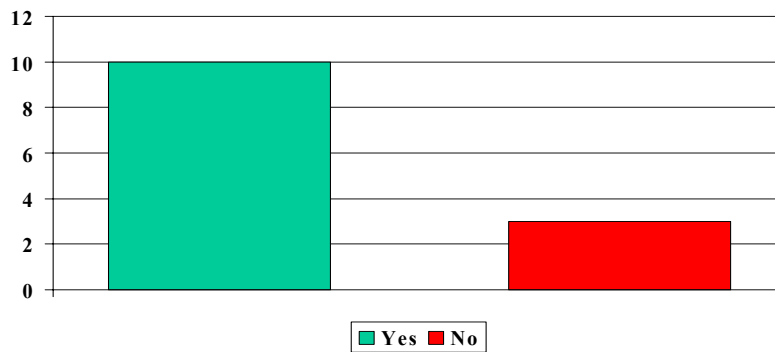
Figure 125. Micro-business Belief that Organizations/Programs Meet Their Needs.



Doing business in Maine

Respondents were asked whether they would consider siting a new forest product micro-business in Maine, assuming necessary resource availability. Seventy-seven percent indicated that they would; the remainder, excluding one non-respondent, indicated that they would not. This is a dramatic difference when compared to the survey of larger forest industries.

Figure 126. Number of Respondents Who Would Consider A New Facility in Maine.

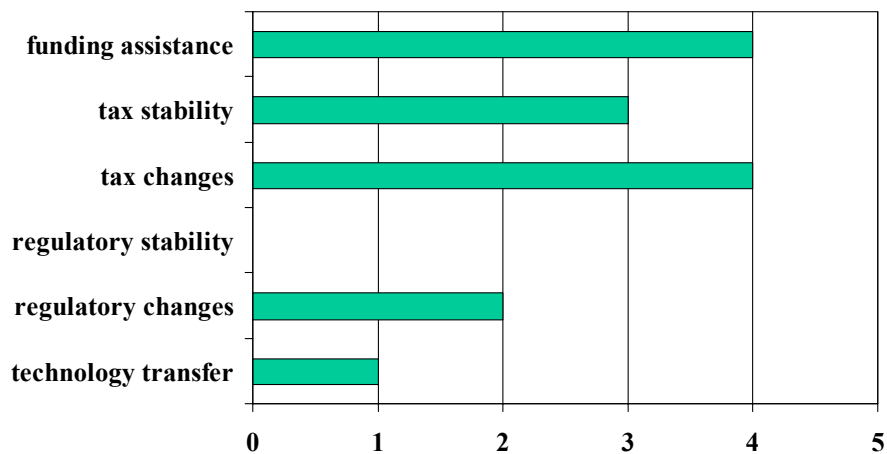


Technology Issues

The investment in and implementation of new technology has been, and will continue to be, an important part of the success of Maine's forest industry. Given the role that increased productivity and new product development may play in the future, respondents were asked several questions regarding their perspective on adopting new technology.

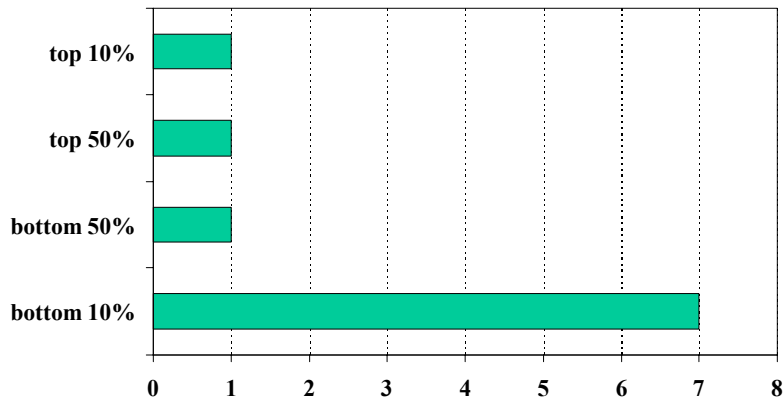
Recognizing that many Maine forest industries -- across all sectors -- will need to make continued investments in technology, respondents were asked what Maine could do to encourage investment. These data do not offer a clear pattern. Many respondents indicated that that tax changes and funding assistance would encourage technology investment, with tax stability also frequently cited.

Figure 127. Respondent View of How Maine Could Encourage Technology Investment



Respondents were asked where they view their facility in technology investments over the last five to ten years, when compared to global competitors. The response is dramatic, with most respondents saying they were in the bottom ten percent (70%) of technology investment globally.

Figure 128. Respondent Perception of Firm’s Technology Investment in Last 5 – 10 Years



Open-Ended Questions

Firms were asked a series of open-ended questions. A complete listing of survey responses follows. *It should be noted that the opinions expressed are those of the survey respondents, and do not necessarily reflect the opinions of INRS or findings elsewhere in this report.* INRS has attempted to group and summarize responses, but readers are encouraged to read all responses in order to best understand the range of comments and suggestions received.

Respondents were asked what they thought the most important thing Maine could do to help the long-term competitive position of the forest industry. Although no clear trend arose, a number of respondents focused on business climate issues and foreign competition and others highlighted resource sustainability issues.

When asked what the industry could do to help its own long-term competitive position, the largest number indicated that foreign competition, with Canada in particular, posed the greatest threat to competitiveness. One respondent highlighted the workers' compensation system as needing reform.

When asked what would encourage increased investment in their facilities there was no clear pattern among the responses. The issue of Canadian and global competition was highlighted again. Some responses highlighted rising energy, fuel, and insurance costs as being an obstacle.

When asked what would help employers find, train and keep workers, there was no clear pattern among the responses, which ranged from better tax policies for small businesses to improving the image of the industry, and the need for lower workers' compensation rates and for import duties.

Respondents were asked who they would contact if they had a problem with Maine state government. Except for three respondents who didn't know, the five other respondents had very specific answers, highlighting their knowledge of where to find answers to their questions.

When asked what the state could do to help firms market their products, there was again no distinct trend among responses. Some respondents recommended that the state provide grants for marketing expenses. One respondent recommended an overall improvement in the state's business climate.



Responses to Open-Ended Questions

The following are the questions asked and responses received to the open-ended questions asked in the survey, along with a description of the respondent.

Question 27 -- What is the most important thing Maine state government could do to help forest industries long-term competitive position? Why (please be as specific as possible).

- There is more money per unit of forestland in good wood into good products than there is in poor wood into cheap products. This takes time and effort per unit of forest and a consistent long-term effort toward good, private wood lands is essential to this state. (Sawmill, 1 employee)
- Do like Canada and ban export of logs and give grants for equipment to create jobs (Wood product manufacturer, 6 employees)
- Promotion of “Made in Maine” (wood product manufacturer)
- Reduce taxes (Wood product manufacturer, 1 employee)
- Try to keep and use as much of our resources in Maine instead of sending ours out of state and import other states’ and countries’ products (1 employee)
- Healthy forest with sustainable growth, harvesting mature tree, especially hardwoods (Wood product manufacturer, < 5 employees)
- Better marketing assistance. I do not benefit at all by any Maine DECD program. And I have tried, believe me! (Wood product manufacturer, 8 employees)
 - Help/leverage with MEMIC. It’s my worst nightmare
 - Lower payroll tax rate
 - Funding assistance for capital investment. We need to upgrade but the last three years have been devastating financially.
 - More \$\$\$ for grants/assistance for innovations and product development that help us overcome the problems with foreign competition.
- Create some incentives for young people to enter this industry. Without a willing and able workforce I don’t see how we will survive another 25 years. (Wood product, 2 full-time and 5 part-time employees)
- Be more business friendly, lower tax burden, find a way to keep manufacturing jobs in US. NAFTA is not free trade, it is costing many US manufacturing jobs that will never return. (Logger, 3 full-time and 1 part-time employees)
- Cut out the red tape (LURC). (Wood product artisan, no employees)



Question 28 -- What is the most important thing Maine forest industry could do to help its long-term competitive position? Why (please be as specific as possible).

- Develop a consistent policy to help the small private woodland owner. Develop a consistent policy to help the small private user of high-grade wood – small furniture-, cabinet-makers (Sawmill, 1 employee)
- Ban log export (Wood product manufacturer, 6 employees)
- Effective management (Wood product manufacturer, 1 employee)
- Worker's comp! We are literally being hung out to dry by a hostile, arrogant, Byzantine insurance system. It's our biggest frustration and financial drain. Why can't we create an industry self-help group-we all share the same problems (Wood product manufacturer, 8 employees)
- We must be able to compete fairly with Canada – right now it is not a level playing field. (Wood product manufacturer, 2 full-time and 5 part-time employees)
- Make world or global trade a level playing field. We cannot compete with third world countries that do not pay workers' comp, payroll taxes, livable wages, benefits, etc. (Logger, 3 full-time and 1 part-time employees)
- Cut out the red tape. (Wood product artisan, no employees)
- Easing of taxes related to forests and facilities (wood product manufacturer)

Question 29 -- What would make you more likely to make capital investments in your Maine facility?

- A stronger more viable base of high quality wood users in this state (Sawmill, 1 employee)
- Eliminate competition with foreign countries such as Canada and China (Wood product manufacturer, 6 employees)
- Lower taxes (Wood product manufacturer, 1 employee)
- Knowing that the economy would hold on long enough to let me pay back my investments (1 employee)
- Lower overhead costs! Better financing. (Wood product manufacturer, 8 employees)
- Elimination of personal property tax without returning to the inventory tax (wood product manufacturer, 1 employee)
- I am making capital investments with the idea of selling my operation in 10 years. (Wood product manufacturer, 2 full-time and 5 part-time employees)
- Profit margins. Fuel. Insurance prices keep going up. There is nowhere to pass this cost onto. Workers should be getting paid more but we are unable to do so. (Logger, 3 full-time and 1 part-time employees)



Question 30 -- What would it take to have you make significant investments in energy conservation?

- With the current cost of help for small industries, it's cheaper to buy energy (Sawmill, 1 employee)
- Quick payback ROI (Wood product manufacturer, 6 employees)
- Government subsidy programs (Wood product manufacturer, 1 employee)
- That's not a major factor for us. Not a front burner issue. I'd like to find ways to conserve energy but I can't figure out what else I can do. (Wood product manufacturer, 8 employees)

Question 31 -- What would help you find, train and keep qualified workers for your facility?

- Better education in the schools, better tax policies for small business (Sawmill, 1 employee)
- Market share -- limit imports, have tariff, tax or duty on imports
- Lower comp rates and knowing business would hold on (1 employee)
- Labor is too expensive in relation to prices I can get for product (Wood product manufacturer, 1 employee)
- Retention is not a problem. However, I am now in the process of learning about the worker training grants/program. Certainly the cost of training is a factor in holding us back from hiring. Career Center in South Paris seems to be a good resource. (Wood product manufacturer, 8 employees)
- Creating the positive image this industry deserves. We pay an excellent wage for our area – we have never had trouble finding employees. It's the lack of suppliers that has us worried. (Wood product manufacturer, 2 full-time and 5 part-time employees)

Question 32 -- If you had a problem with Maine state government, who would you call?

- Don't know (3 responses)
- Local state legislator (2 responses)
- Monica McCaughlin (1 responses)
- The applicable agency. The Bureau of Insurance and Workers Comp Dept. has been exceptionally helpful and responsive, but their mandate is so limited that they cannot serve all the needs of the insured. (1 response)
- My local legislator, the governor's office, or the commissioner's office of whatever branch I might be having trouble with. (1 response)
- Problem state agency for meeting of the minds – seek understanding first (wood product manufacturer)



Question 33 -- What could state do to help you market your products?

- Improve the overall climate for small business in this state (Sawmill, 1 employee)
- State should have a directory or website of businesses in Maine (1 employee)
- Direct money for marketing expenses, i.e. photography, printing, web development, trade shows. As stated in #27, the current program does not help us. How about including marketing expenses in MTI seed grants and other grants???
- (Wood product manufacturer, 8 employees)
- Take the Maine Products Trade Show back from the private sector and make it affordable again. (Wood product, 2 full-time and 5 part-time employees)
- Promote “Made in Maine”, and provide a group freight cost cushion for all “made in Maine” products. Shipping furniture can be costly. (wood product manufacturer)

Question 34 -- Is there anything else you would like to tell us?

- I use the term small business here as less than five employees (Sawmill, 1 employee)
- Stop handing out money to healthy young people that milk the system (work for welfare), crack down on fraudulent cases. Collect welfare work for cash money. People move to state to get on system. Also, honest people have a hard time to get off because they get cut off from benefits before they have a chance to get on company insurance, etc.
- Most all of these questions depend on the economy and other businesses to stay in business (1 employee)
- Sorry about the lack of responses. I’m just a one-man operation and am going to keep it that way. Too many headaches with hiring employees – both regulatory and reliability headaches. I am building my business by finding my niche and concentrating on making things that can’t be mass produced (Wood product manufacturer, 1 employee)
- The last three years have been absolutely horrible, due to foreign competition. We have had to change everything we do in order to survive, which has been fruitful but expensive. So many businesses like ours have disappeared. Any help targeted to our needs would be greatly appreciated. MTI has been great. All of our insurers have been rapacious in their collection policies, rate increases, and self-serving policies. (Wood product manufacturer, 8 employees)
- Promote carved products. (Wood product artisan, no employees)
- Although I have always appreciated the supposed help of the state government, I don’t believe much has actually helped. Most likely, just allow our businesses to do their work with the integrity we are known for. (Wood product manufacturer, 2 full-time and 5 part-time employees)
 - Perhaps-boost the tourism budget to get more people here.
- No, but thanks for the survey. (Wood product artisan, no employees)



Appendix D

Micro-Business Survey – Page 1

Maine Future Forest Economy Project – Survey of Forest Products Businesses

Facility Information

Please provide the following information so that we can better understand your business.

1. How would you characterize your business?

Softwood Sawmill	<input type="checkbox"/>	Logger	<input type="checkbox"/>
Hardwood Sawmill	<input type="checkbox"/>	Other (describe)	<input type="checkbox"/>
Wood Product Manufacturer (turnery, furniture, etc.)	<input type="checkbox"/>		

2. What is the ownership structure of your business?

Privately held – sole proprietor	<input type="checkbox"/>
Privately held – group	<input type="checkbox"/>
Other (specify)	<input type="checkbox"/>

3. How many employees do you currently have?

_____	Full Time
_____	Part Time
_____	Seasonal

4. What is your position at the mill / facility (circle one)?

<i>Owner</i>	<i>Manager</i>	<i>Supervisor</i>	<i>Other</i>	_____
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Competitive Pressures

5. Please check the three areas of the country or world that are the largest direct competitors with your business, today and in the future:

Today	Location	5 Years	Location	10 Years
_____	Maine	_____	Maine	_____
_____	New England	_____	New England	_____
_____	United States (other)	_____	United States (other)	_____
_____	Canada	_____	Canada	_____
_____	South America	_____	South America	_____
_____	Europe	_____	Europe	_____
_____	Asia	_____	Asia	_____
_____	Australia / N.Z.	_____	Australia / N.Z.	_____
_____	Russia	_____	Russia	_____
_____	Other (_____)	_____	Other (_____)	_____



Micro-Business Survey – Page 2

Forest Industry Health

6. Please circle your perception of the forest industry’s overall health -- today and in the future.

Today					5 Years			
Bad	Poor	Good	Excellent		Bad	Poor	Good	Excellent
1	2	3	4	Overall Industry Health (U.S.)	1	2	3	4
1	2	3	4	Overall Industry Health (ME)	1	2	3	4
1	2	3	4	Sector Industry Health (U.S.)	1	2	3	4
1	2	3	4	Sector Industry Health (Maine)	1	2	3	4
1	2	3	4	Your Firm’s Health	1	2	3	4

7. In the past year, has your facility had curtailments / reductions in operations? *Yes* *No*

8. Has your facility made major investments in new equipment, or have plans to do so?

- _____ Within the past year
- _____ Plans for the coming year
- _____ Plans for the next 5 years

9. If you plan to make new investments, or have recently, please describe your source of capital.

- _____ Not applicable
- _____ Bank / lending institution
- _____ Private investor
- _____ Internal company sources
- _____ Other (please specify) _____

10. Do you believe that your facility will be operating in 20 years? *Yes* *No*

11. Where do you get your raw material? (circle) Maine New Hampshire Canada Other (specify)

12. Where do you get your components (turned parts or other wood components)?

Maine New Hampshire Canada Other (specify)

13. Are you certified? (circle all that apply) FSC SFI Other (specify)

14. Do you use rediscovered wood to make your products? Yes No

15. Where do you market your products? (check all that apply, X the major method)

- _____ direct sales (out of business location)
- _____ internet
- _____ gallery or shops



Micro-Business Survey – Page 3

_____ shows: retail or wholesale
 _____ other (specify) _____

Programs Available to Maine Forest Industry

16. Please indicate your familiarity with the following programs available to Maine forest industries, and whether you believe these programs / organizations address your needs:

Who?	Awareness				Fits Your Needs			
	Heard of	Very Familiar	Have Used		Don't Know	Not at All	Some-what	Ver We
1	2	3	4	FAME – Finance Authority of Maine	1	2	3	4
1	2	3	4	MTI – Maine Technology Institute	1	2	3	4
1	2	3	4	Efficiency Maine	1	2	3	4
1	2	3	4	Manufacturing Extension Partnership	1	2	3	4

Doing Business in Maine

17. If your firm were considering a new forest industry operation (please assume necessary resource availability), would you consider locating in Maine? *Yes* *No*

a. What other states, provinces or countries would you consider?

18. Do you currently generate electricity for your own use? *Yes* *No*

a. If there were technical assistance or financial incentives to generate your own electricity, would you consider doing so? *Yes* *No*

b. If generating your own electricity were cost-effective, what payback period would be required for you to give it serious consideration (in years)? _____

19. Do you currently have trouble finding qualified workers? *Yes* *No*

a. Do you believe that you will have trouble finding qualified workers in 5 years? *Yes* *No*

20. Have you researched public sector or private sector workforce training opportunities?

- _____ Researched
- _____ Used
- _____ Not aware of any
- _____ Not an issue



Micro-Business Survey – Page 4

- 21. Please estimate the average age of your employees (years) _____
- 22. When was the last time you hired a new employee? _____
- 23. When was the last time you laid an employee off? _____

Technology Issues

- 24. Do you foresee major technology improvements in your sector in the next ten years?
 - _____ Continued process improvement
 - _____ Significant changes
 - _____ Changes large enough to make existing mills obsolete
 - _____ Significant changes in non-wood competitors with my sector

- 25. If you were looking at major technology changes, what could Maine do to encourage you to invest?
 - _____ Technology transfer (getting information to mills)
 - _____ Regulatory changes (e.g., permitting)
 - _____ Regulatory stability
 - _____ Tax changes
 - _____ Tax stability
 - _____ Funding assistance
 - _____ Other (please specify _____)

- 26. For your forest industry sector, where do you see your facility in terms of new technology investment in the last 5 to 10 years (globally)?
 - _____ Top 10%
 - _____ Top 50%
 - _____ Bottom 50%
 - _____ Bottom 10%

Open-ended Questions

- 27. What is the most important thing Maine state government could do to help forest industries long-term competitive position? Why (please be as specific as possible)



