

# Adding value, innovating, and collaborating: Lessons learned through economic diversification in forest-dependent communities

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## Abstract

British Columbia's forest sector has seen substantial changes over the last 5 years, particularly in the areas of forest resource management, forest products markets, international trade conditions, provincial forest policy, and harvesting and processing technology, all with consequent impacts on the province's forest-dependent communities. In light of global patterns and pressures, it seems unlikely that British Columbia's forest sector will thrive by doing what's always been done. In response to these challenges, many forest-dependent communities have adopted innovative strategies to increase the economic benefits from their local forests.

This paper summarizes some of these community economic development ventures. The emphasis is on the lessons learned from the adoption of several new business models that aim to address the challenges faced by forest-dependent communities in British Columbia. Six guiding principles that contributed to the success of these community-based initiatives emerge from this review: passion and vision; preparation, planning, and defining clear measures of success; people, partnerships, and communication; the unique qualities and resources of a place; a combination of patience and persistence; and supportive government policy.

Communities are encouraged to look at the value and potential use of their natural resources from different perspectives, considering not just short-term returns, but long-term economic, social, and environmental sustainability.

**KEYWORDS:** *community economic development, community forests, co-operative ventures, creative marketing, infrastructure, supply and demand.*

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## Context

British Columbia's forest sector has seen substantial changes over the last 5 years, particularly in the areas of forest resource management, forest products markets, international trade conditions, provincial forest policy, and harvesting and processing technology. In light of global patterns and pressures, it seems unlikely that British Columbia's forest sector will thrive by doing what's always been done. As the forest sector has evolved to remain globally competitive, many forest-dependent communities in the province have been negatively affected by consequent change in employment patterns and the benefits that traditionally flowed from the forest resource.

In response to these challenges, many communities have adopted innovative business strategies to increase the economic benefits from their local forests. Recent and ongoing reallocation of forest tenure in British Columbia continues to expand the volume of timber available to these community-based strategies. Although these ventures are subject to the same business dynamics as any commercial enterprise, they can reflect community values and aspirations in how they identify and respond to opportunities.

Based on selected presentations at the XXII International Union of Forest Research Organizations (IUFRO) World Congress, Kozak (2005) noted growing opportunities for forest-dependent communities in the areas of value-added wood products, non-timber goods and services, and new business approaches. In British Columbia, sector-wide recognition of the need to innovate in the area of value-added forest products was first articulated through Forest Renewal BC's (FRBC) Value Added Strategy, a plan designed to co-ordinate and assist the value-added sector in realizing its growth and job creation potential. This strategy focussed on strengthening industry infrastructure, marketing, training, technology, and business development. Since FRBC's demise in 2002, efforts to explore alternative products and business models have continued, but have not been well documented.

Our paper summarizes various published and unpublished<sup>1</sup> community economic development case studies that focus on the adoption of new business models which aimed to address the challenges faced by

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forest-dependent communities in British Columbia. Because sharing experiential knowledge is one way to "strengthen community capacity to anticipate and deal with problems and to seize opportunities" (Pearce 2005), we have chosen to emphasize the lessons learned through a subjective synthesis of the insights shared by the case study authors. Six guiding principles are presented that contributed to the success of these community-based initiatives. These principles encourage communities to look at the value and potential use of their natural resources from different perspectives. Any adopted strategy should enhance the community's long-term economic, social, and environmental sustainability.

## Innovative Business Models

Several new business models or approaches are helping to address the challenges faced by forest-dependent communities in British Columbia. Kozak *et al.* (2000) identified the need for "bridges" among stakeholders—community groups, local and provincial agencies, and private entrepreneurs—so that barriers to economic growth and diversification can be addressed in an integrated way. While their exploration focussed on co-operatives and shared-use facilities, the principles underlying the potential success of these "mini-communities linked by shared business interests and goals" (Kozak *et al.* 2000:152) are applicable to a range of innovative models. These models have served to revitalize communities from several different angles, such as:

- community management of shared resources, including natural resources, infrastructure, and scenic or recreational assets;
- supply, and matching supply with demand;
- co-operative ventures to share costs as well as economy-of-scale benefits; and
- creative marketing reflective of a group's shared values (Kozak 2005).

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<sup>1</sup> Where a cited study is available in published form, only highlights are provided in this article. When results are unpublished, more details are provided within this overview.



FIGURE 1. Location of British Columbia communities discussed in case studies of new business models.

Case studies of initiatives in each of these categories are summarized below. Communities in which the ventures originated are shown in Figure 1.

### **Community Management of Shared Resources**

#### ***The Harrop-Procter Community Forest***

Provincially, nationally, and globally, communities are exploring community forests as a way of becoming more active stewards and beneficiaries of nearby forest lands. After years of protesting against logging in their watersheds, the communities of Harrop and Procter, through an application by the Harrop-Procter Watershed Protection Society, secured a 5-year forest pilot agreement of 11 000 ha from the Province of British Columbia in 1999 (Lerner 2002). The Harrop-Procter

Community Co-operative was formed to manage the community forest with guidance from the Society. Lerner noted that, despite progress over the years towards the goal of “managing the land base according to local values and as a means of creating local jobs,” challenges remained in stabilizing cash flow, marketing products, and improving management systems—challenges that are common to many co-operatives. Lerner (2002) outlined the following lessons learned by the Harrop-Procter experience.

- Be realistic in terms of your resources and goals: it’s better to do fewer projects, and do them well.
- Screen, recruit, and train members of the co-operative’s Board.
- Outline responsibilities and authority for management and decision making clearly.

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- Communicate with stakeholders regularly.
- Allow considerable time for certification-related paperwork and process.
- Make sound business decisions.
- Understand availability of merchantable timber and costs associated with developing a commercial forest (especially challenging if certification is a goal).

Today, the Harrop-Procter Community Forest Web site ([www.hpcommunityforest.org/](http://www.hpcommunityforest.org/)), which aims to support similar initiatives by sharing the group's experiences, provides the following update:

*The Harrop-Procter Pilot has gone two steps past the typical community forest by implementing an ecosystem-based plan as well as value-added strategies to expand local employment . . . So far, Harrop-Procter has the only community forest in BC with ecosystem-based plans in place at both the landscape and timber stand level.*

In response to the increasing demand for information about community forestry, the British Columbia Community Forest Association ([www.bccfa.ca](http://www.bccfa.ca)) co-published the *Community Forestry Guidebook* (Gunter [editor] 2004) with FORREX to provide a resource for communities moving ahead with such ventures. The Guidebook's overall goal is:

*To enhance the capacity of rural communities to manage the forests in which they live in a culturally, ecologically, and economically sustainable manner.*  
(Gunter [editor] 2004:1)

This guidebook offers general information on aspects of community forestry such as conflict management, business planning, marketing, and tracking the venture's progress. It aims to provide a reality check to aspiring community forest organizations and to assist communities in determining their readiness for this challenging type of resource management.

### **Golden's Kicking Horse Bridge**

The Town of Golden, B.C., depended on resource industries such as forestry for generations, but learned, by necessity, to take advantage of its natural assets to



**FIGURE 2.** Citizens of Golden, B.C., celebrate the construction of the 46-m Kicking Horse pedestrian bridge. More photos of this project are available at: [www.cwc.ca/design/architectural/projects/Kicking\\_Horse/index.php](http://www.cwc.ca/design/architectural/projects/Kicking_Horse/index.php)

generate a more diverse and stable economic climate. The need for downtown revitalization led to “some forensic gazing at physical infrastructure through a socio-economic lens” (Malleau 2002). One outcome of the 1996–97 revitalization planning process was a commitment to “take advantage of the appealing waterfront geography provided by the Kicking Horse River.” Between August and October, 2001, the community rallied around members of the International Timber Framers Guild (and other timber framers, carpenters, and bridge enthusiasts from around the world) to construct a 46-m pedestrian bridge (Figure 2). Malleau, past Economic Development Officer, concluded her report on the inspiring Kicking Horse Bridge project with the following thoughts:

*Though infrastructure projects are a major part of everyday local government, officials sometime forget there is tremendous value in public projects not strictly related to traditional municipal responsibility. This is even truer for smaller resource-based communities with limited funds and increasing pressure to take on broader and broader responsibility . . . Symbolic infrastructure projects play a large role in defining local spirit and act as generators of community pride, inspiration, and positive attention both internally and externally.* (Malleau 2002)

After an infrastructure project reaches the “go” phase, Malleau maintains that strategic thinking and planning, with broad input and focussed implementation, are

crucial approaches in managing such projects. Some other important elements include:

- maintaining flexibility;
- understanding and overcoming adversity;
- treating volunteers with respect;
- demonstrating an open and generous gratitude toward supporters and sponsors;
- communicating effectively with everyone;
- celebrating originality and innovative thinking;
- employing every possible resource;
- sending out fundraisers to obtain sponsorships and donations;
- engaging local and non-local partners with expertise and access to the right tools and equipment;
- focussing on relationship building as much as on the project;
- acquiring several local champions who have enough influence and capacity to push the project through the sometimes difficult stages; and
- making the project exciting and creating exclusive benefits for participation (Malleau 2002).

A brochure and interpretive sign program have been developed to respond to visitors' curiosity about the bridge. Jon Wilsgard, Golden's Manager of Community Economic Development, notes that the bridge "has certainly now become a centrepiece within the community and has taught me the value of a community creating something unique in order to maintain its marketability and interest" (pers. comm., 2005).

### **Chunzoolh Forest Products**

Barry (2002) researched and described the creation of Chunzoolh Forest Products, a joint-venture forest products company. In 1912 when the railway was built, the Lheidli T'enneh First Nation was moved to two reserves 30 km from what is now downtown Prince George, B.C. Although this location originally supported their traditional hunting, fishing, and trading practices, it became an obstacle to Band members' transition into the region's modern-day wage economy. The Band faced high debts and a demoralized population. Under- and unemployment had resulted in dependency on social assistance, and severe community and social development issues, including substance and alcohol abuse.

In 1995, the election of Chief Seymour and a new Council acted as a catalyst for the Band. Chief and Council, with support of the community, developed an aggressive business development strategy "to build on their strengths and interests in the land, both current and

future, and parlay this into viable operating businesses that could provide jobs, the opportunity for developing management capacity, and the generation of profits" (Barry 2002). Investment in a wholly owned economic development organization, the Lheit-Lit'en Development Corporation, laid the foundation for a joint venture with Northwood Pulp and Timber Ltd., and after 8 months of intensive negotiations, Chunzoolh Forest Products was established. After Canfor took over Northwood Pulp and Timber Ltd., they decided that the joint-venture relationship was not in their interest. Chunzoolh ceased to be a joint venture and became a wholly owned subsidiary of the Lheit-Lit'en Development Corporation. The challenges facing the company in the areas of marketing, fibre supply, and corporate ownership were more than this fledgling company could negotiate, and it was forced to shut down operations in February 2002.

Barry (2002) shared the following insights about the Chunzoolh Forest Products experience.

- Right ingredients: Leadership is critical, but needs to be complemented with vision and the commitment to realize the vision through perseverance, dedication, and resource investment.
- Champions: Individuals who believe in and actively promote a venture are critical to its success.
- Governance: Despite the intent to have the Development Corporation make decisions at arms length from the community, it was impossible to totally divorce politics from business in this case, to the detriment of the business' viability.
- Organizational structure: In order to ensure accountability to the community and political independence, it may be necessary to invite non-Band members to sit on the Board. An added benefit is the potential to bring valuable business experience to the organization.
- Financial arrangements: Business ventures must be viable on their own, and not be tied to or reliant on other businesses' sources of income (i.e., there is a need for insulation from other non-related businesses and independence from community politics). Debt management is crucial as is accurate and timely financial reporting, without which sound management decisions cannot be made.
- Management capacity building: Mentoring arrangements and contingency plans should be in place so that a new organization can learn, adapt, and avoid others' mistakes.
- Fibre supply: A secure fibre supply is needed to allow a small venture to focus on production, marketing, and distribution.

## Addressing Supply and Demand

### *Establishment of the Creston Log Sort Yard*

Sunderman (2003b) described the establishment of a log sort yard in Creston, B.C., that sought to diversify and enhance the viability of small wood-manufacturing businesses in the community, as well as bridge the gap between wood suppliers and users. The log sort yard operated from 1999 to 2002 after which it was privatized. This move allowed the area's community forest to be managed independently of the log sort yard by the Creston Valley Forestry Corporation (CVFC). Sunderman (2003b) noted the following insights on the success of the log sort yard.

- Develop a positive and constructive relationship with banking partners.
- Maintain positive working relationships with local licensees to support trading and entrepreneurship.
- Prepare to be adaptable.
- Build a solid track record.
- Stay in touch with the Ministry of Forests.
- Maintain patience and flexibility.

According to Jim Smith, the CVFC's current Forest Manager, important considerations include economies of scale and being able to export logs that are surplus to the needs of the milling industry in British Columbia (pers. comm., 2005; see <http://crestonbc.com/communityforest>). A minimum of 40 000–50 000 m<sup>3</sup> of logs is required to reach economic efficiency. Any less volume pushes unit costs too high to maintain economic viability, which was the community forest's problem when it ran the yard. The log yard, started by the CVFC, has since evolved into a successful collaboration between First Nations and local loggers and business people.

### *Adams Lake Band Kodiak Sawmill Venture and Partnership Development*

Sunderman (2003a) outlined the approach taken by the Adams Lake Band in identifying a value-added wood venture and a collaborative process to establish a sound business relationship with industry partners. The Band focussed on isolating viable, but low-priority, aspects of Interfor's Adams Lake Lumber operations. Through this process, "it became clear that the Adams Lake Band should explore opportunities to use the oversized wood" (Sunderman 2003a). The need to generate a fibre supply to trade for these oversized logs led the Adams Lake Band to discuss a liaison with BigFoot Homes (Canada) Inc., which partnered with the Band on a successful joint

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*Fill a niche—seek out an industry partner who “doesn’t do it all.”*

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timber license application. The Band had established a development corporation structure, and were then able to negotiate formal log trade agreements with Adams Lake Lumber and BigFoot. A business plan laid the foundation for a \$1 million investment in infrastructure, which was developed on industrial lands of the nearby Little Shuswap Band in Chase, B.C. To maximize employment benefits within the community, the Band invested in the training of 20 of its members, 19 of whom successfully completed the program and went on to fill all the production jobs at the mill. Several months before the mill began operating, the Band hired an experienced and respected mill manager whose role in mill design and layout proved critical in ensuring maximum efficiency and production.

The mill processed approximately 14 000 m<sup>3</sup> of logs in its first full year of operation; of this volume, 5 000 m<sup>3</sup> were traded or purchased from Adams Lake Lumber. The remaining volume was obtained through a partnership established with an area log broker. During this first year, the mill managed to break even. Although the original objective was to supply BigFoot with cants, the Band found that they could derive a much higher value by cutting for clears (i.e., high-value, knot-free lumber) and selling these on the open market. The Band also arranged to provide all their dimensional lumber to Adams Lake Lumber at an agreed-upon price. This agreement was a critical component of the Band's first year of operation as they supplied more than one half of their volume back to Adams Lake Lumber. Today, the Kodiak Sawmill is still operating, but the Band does not have an industry partner—Adams Lake Lumber still sells the Band oversized logs occasionally, but a formal agreement is no longer in place (D. Nordquist, Adams Lake Indian Band, pers. comm., 2005).

Based on the early success of the Adams Lake Band's venture, Sunderman (2003a) made the following recommendations for those undertaking similar ventures:

- Fill a niche—seek out an industry partner who “doesn’t do it all.”
- Co-operate with influential personnel from the partner business; be up front and open about your business aspirations for the project.

- Hire a knowledgeable, experienced, and insightful mill manager to ensure that the new operation is set up properly.
- Recognize the activities that you and your business partners do well and those activities you cannot do well.
- Spend the money required to do the project right the first time; this includes investment in the hiring and training of dedicated and committed staff.

**Co-Operative Ventures: Sharing Costs and Benefits**

Kozak *et al.* (2000) explored the potential for shared-use facilities to provide a “bridge” for efforts by community groups, local and provincial agencies, and private entrepreneurs around economic diversification. Along with models for shared-use manufacturing facilities and business incubators or multi-tenant facilities, Kozak *et al.* (2000) outlined the underlying principles of co-operatives. These authors cautioned that decisions to initiate such ventures should be based on a solid understanding of other operations’ successes and failures as well as local, regional, and even broader-scale issues. The British Columbia Co-operatives Association ([www.bcca.coop](http://www.bcca.coop)) uses a newsletter, Internet links, publications, and other information resources to support and promote the growth and development of the co-operative sector in the province.

**The Quesnel Hardwood Co-operative**

In his 2003 case study, Hilbert described the Quesnel Hardwood Co-operative’s integration of wood supply and sales. The co-operative structure provided the means to create a larger forest enterprise, enhancing competitiveness and stimulating employment in a region of British Columbia that was struggling socio-economically in 1999. The Co-operative aimed to use the neglected birch hardwood resource in the area and add value by processing more of the wood locally. Although the Co-operative dissolved in 2000, longer-term benefits have been realized through start-up and expansion of value-added businesses and the increased value and use of birch. Figure 3 illustrates the member-defined business model followed by the Co-operative.

Following a discussion of early successes, problems encountered, and responses by the Co-operative, Hilbert (2003) noted the following “lessons learned.”

- Understand and commit to roles and responsibilities of membership.
- Address the “culture of free enterprise and individual entrepreneurship” that generally motivates formation of co-operatives, but can also prove to be their undoing.
- Clearly define a decision-making process to minimize conflicts between diverse participants in a multi-stakeholder environment.
- Learn from your experiences, regardless of the outcome—casual contact with many of those

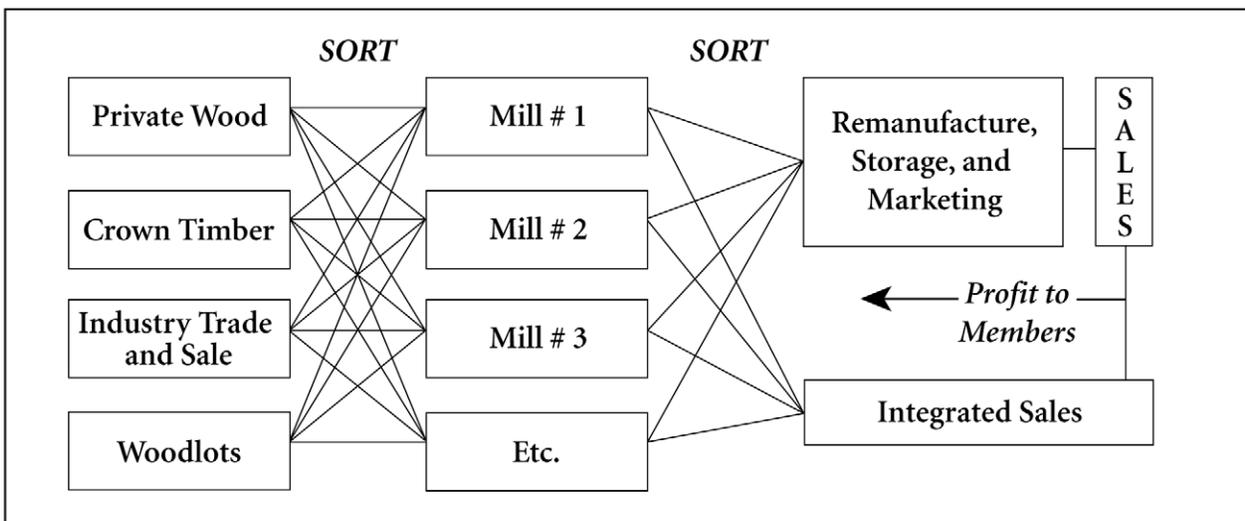


FIGURE 3. Business model for the Quesnel Hardwood Co-operative, as developed by the members (Hilbert 2003).

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involved in the Quesnel Hardwood Co-operative indicates that they have been able to apply what they learned to their ongoing endeavours.

**The Wood Enterprise Centre**

Kozak *et al.* (2000) described the Quesnel-based Wood Enterprise Centre Shared-use Manufacturing Facility, which was established as a division of Community Futures Development Corporation (CFDC) of the North Cariboo in 1999. A small staff reports to a Board of Directors made up of community stakeholder representatives. In the original vision, the Centre provided access for small, value-added wood producers to equipment that they could not have afforded on their own. The Centre also offered training, supported product development and marketing, and facilitated the building of partnerships. Today, the Centre's revenues from local shared-use fees and from a broader batch-manufacturing client base fully cover its operating costs, though not capital costs (G. Lawrence, Wood Enterprise Centre, pers. comm., 2005; see [www.woodent.com](http://www.woodent.com)). Business planning support is available through the CFDC, which also provides funding for management and operations staff. The Centre's staff offers advice based on their experience and established network of contacts; however, research on new opportunities isn't possible unless proponents are already funded.

**Koocanusa Value-Added Co-operative**

Small operations face challenges concerning log supply, market access, training, and economies of scale, all of which can be addressed through collaboration (D. Cohen, University of British Columbia, pers. comm., 2004). Goldsmith (2003) described the rise and eventual dissolution of the Koocanusa Value-added Co-operative, a collection of small, independent mill operators centred on Cranbrook in the East Kootenay region of British Columbia. Initially, a process facilitated by Community Futures Development Corporation (CFDC) and the Ministry of Community Development, Co-operatives and Volunteers led a number of small mill operators to (reluctantly) conclude that their only hope of financial viability lay in

co-operating rather than competing with each other. This initial collaboration involved:

- five mill members of the East Kootenay Value Added Society; four more mill members joined after participating in the course offered by the College of the Rockies, each of whom committed to convert logs to lumber and deliver them on time;
- the BC Wood Specialties Group, a government-sponsored training facility in Abbotsford, which offered a "Selective Sawing for Value Added Products" course in Cranbrook, B.C.;
- Tembec Forest Industries, which supplied oversized logs to the co-operative at a fair market price;
- the CFDC, which committed to provide financial as well as co-ordination services;
- the College of the Rockies (Planer Mill Division), which offered their site as a concentration point for the processing of the mills' dimension lumber into semi-finished products; and
- VA Wood Inc., a wholesale lumber buyer from the West Coast, which provided a grader for quality control and pre-arranged for marketing and sale of the products.

The initial group of collaborators aimed to manufacture 240 m<sup>3</sup> of fibre into 60 000 fbm of semi-finished lumber products. On the basis of benefits realized (e.g., volume discounts, additional value-added opportunities, increased production capacity, marketing services, member specialization, economies of scale, and centralized administration), the group decided to formalize the co-operative arrangement. The Koocanusa Value-added Co-operative, formed in March 2001 with logistical and financial support from the CFDC, extensive volunteer and in-kind investment, and funding from the Ministry of Community Development, Co-operatives and Volunteers, was seen as a model for the growing value-added wood industry. Although 14 independent mills were members of this lumber producers' co-operative at one time, the group disbanded after only 2 years of operations. In analyzing the reasons for failure of a model that all participants still "think is an excellent idea," Goldsmith (2003) cited the following issues.

- Members had low tolerance for financial risk, and declined to purchase "investment" shares to generate seed capital.
- In moving towards a stand-alone operation, the Co-operative lost the support of a number of volunteers and participants who made the initial pilot venture a success.

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- When members were required to invest time or effort “for the good of the whole” (e.g., grading or sorting), very few were willing to do so.
- The manager and bookkeeper, the only paid staff, were responsible for more than they could realistically handle. This contributed to the manager’s resignation, and with no one being willing to replace him, the Co-operative was unable to continue operating.
- Shifting markets resulted in fluctuating demand and specifications. This made it difficult to anticipate inventory needs, and created competition and dissent within the Co-operative.
- As a result of inconsistent grading expertise, some members’ shipments were downgraded or rejected, causing dissent and mistrust within the Co-operative.
- Part-time mill operators had trouble delivering on time. This damaged relationships within the Co-operative as well as with brokers and buyers who reverted to using reliable suppliers.
- Forest Renewal BC and the Ministry of Community Development, Co-operatives and Volunteers were being dismantled, which resulted in a loss of funding support.
- All participants need to agree on a common way to define and measure success, and must be prepared to respond quickly to market forces based on their fundamental goals.

Cohen (University of British Columbia, pers. comm., 2004) emphasized that mistakes were made in formation and management of this co-operative that are well catalogued in the business literature. For example, it is essential that “future proponents of co-operatives understand basic business dynamics apply to co-operatives as well as individual businesses.” Rob Gay, General Manager of the Southeast Region’s CFDC, attributed the failure of the Co-operative primarily to organizational problems: “Taking independent individuals and bringing them together in a new culture takes time, reflecting the need for participants to clarify governance structures, expectations, and how to evaluate and distribute benefits and losses” (pers. comm., 2005).

## **Creative Marketing Based on Shared Values**

### *Adventure Okanagan Co-operative*

Many forest-based communities consider ecotourism (also called nature-based tourism or adventure tourism) as a method by which to diversify the local economy; however, much of this sector consists of small tourism operators who generally lack resources and face challenges forming the relationships needed to promote and market their ventures, which diminishes their potential contribution to a community’s economy (Elzer 2002). Small tour operators (i.e., those without the property equity of hotels, lodges, and resorts) do not have access to the capital necessary to invest in marketing programs; as a result, they are often left out of community or provincial “pay to play” tourism marketing initiatives.

A group of Vernon businesses (i.e., Beaver Lake Resort, Okanagan Opals, Kelowna-based Monashee Adventure Tours, Paraglide Canada, Richmond House Bed and Breakfast, Wind and Rivers Escapes, and the Lodged Inn Hostel) emerged to “lay a groundwork for a sustained adventure tourism initiative.” Patrick Allen, owner of the Lodged Inn Hostel, provided initial leadership in the development of the Okanagan Adventure Connections consortium. With the support of Vernon Tourism and the Greater Vernon Chamber of Commerce, the group met and undertook various joint marketing projects over 2 years. Paul Cabaj, a partner in Lodged Inn, helped the group secure \$20 000 from the Ministry of Community Development, Co-operatives and Volunteers in 2000, and a longer-term vision called “Adventure Okanagan” was created.

The development of the Adventure Okanagan Co-operative’s (AOC) business plan was stalled because of limited time, commitment, and knowledge. Don Elzer, the new leader of the business planning team, worked with Cabaj to identify a common vision as the basis for a long-term strategic plan.

In the wake of external events and obstacles (e.g., 9/11, SARS, skyrocketing liability insurance premiums, and the wildfires that closed down backcountry tourism operations in the Okanagan in 2003), the nature-based tourism sector in the Okanagan used the AOC to solve problems around these obstacles. The sector continues to value the AOC as an advocacy voice as well as a vehicle for researching and developing new products and opportunities.

The AOC is, however, a membership-driven organization. This means that the AOC competes for membership dollars with community destination marketing

organizations (DMOs). As this prevents partnership opportunities with the DMOs, the Co-operative continues to seek new methods of securing revenues to build much-needed capacity without depending on memberships.

Presently, members of the AOC ([www.adventureokanagan.com/](http://www.adventureokanagan.com/)) enjoy benefits of joint marketing, packaging, business sector development, and various member services. The values that underpinned formation of the Co-operative still offer guidance.

- A common philosophy that includes preserving natural habitat and engaging clients in a passionate and healthy wilderness experience.
- A need to increase measurable income and prosperity.
- A curiosity and the learning that takes place through dialogue with other sector participants.
- An emphasis on new, positive, supportive, and helpful relationships.
- A desire to be all-inclusive in supporting the nature-based tourism sector.

The resilience of this organization is reflected by the businesses guiding it, who all believe that having the patience to take small steps forward is the most important ingredient for success.

## Guiding Principles

Certain common recommendations emerge on review of these diverse initiatives. Whether the ventures succeeded or not, the participants learned valuable lessons. Below we present a subjective synthesis of the insights shared by the authors of the foregoing case studies. Our intent, like theirs, is to create a legacy of shared experience on which to found future innovative, collaborative, community-based ventures.

### PASSION

- A clear vision developed by a passionate group of people, and founded on common values, is essential to create initial enthusiasm, sustain momentum, overcome obstacles, and make the community's effort worthwhile.

### PREPARATION

- Realistic planning is critical, from defining objectives, setting priorities, assigning clear roles and responsibilities, and creating contingency plans. In particular, agreeing upon clear measures of success ensures that all collaborators' efforts contribute to shared goals and outcomes.
- Business savvy is essential—proponents must be prepared to compete in the real world. Expertise and

investment is needed in business planning, marketing, day-to-day operational planning, and financial tracking and reporting.

### PEOPLE

- Relationships and partnerships (whether formally defined or not) are the backbone of collaborative ventures. Individuals can make a difference, as leaders or as champions, but without a network of strong, open, and trusting relationships, the venture is at risk.
- Communication is vital, both within collaborating groups and with other stakeholders, suppliers, and clients. Extra time, effort, and resources are needed to navigate the challenges posed by new business approaches and new products.
- An understanding of participants' complementary strengths, as well as acknowledgement of gaps in skills or capacity, is essential. Investment in training and in hiring skilled, open-minded, business-savvy managers pays off.
- When an effort is community-based, it must meaningfully engage representatives from the whole community, including First Nations, and recognize the diversity of values and knowledge that each brings to the venture. Local leadership and regional interest are important ingredients for success (Kozak *et al.* 2000).

### PLACE

- Each community is unique—what worked in one place needs to be adapted, customized, and “owned” by the community establishing the venture to reflect local socio-economic, geopolitical, ecological, and historical factors.

### PERSISTENCE AND PATIENCE

- Virtually every case study ended with the advice to “be persistent, but be patient.” No amount of planning can anticipate every pitfall, and no amount of investment can create an overnight success; however, if due diligence is present in all other respects, persistence and patience will generally pave the way for the community-based venture to succeed.

### SUPPORTIVE GOVERNMENT POLICY

- For community-based ventures to thrive, institutional frameworks must promote their establishment through funding and other start-up support, and must minimize regulatory barriers that might impede innovation and long-term viability.

This overview of various community-based ventures has aimed to illuminate some of the diverse “lenses” through which communities can consider the value and potential use of their natural resources. As reflected by the variable successes of the ventures discussed, strategies need to address not just short-term returns, but long-term economic, social, and environmental sustainability.

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## Test Your Knowledge . . .

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*Adding value, innovating, and collaborating: Lessons learned through economic diversification in forest-dependent communities*

How well can you recall some of the main messages in the preceding extension note? Test your knowledge by answering the following questions. Answers are at the bottom of the page.

1. Which of the following opportunities for British Columbia does Kozak (2005) identify based on presentations he attended at the IUFRO World Congress?
  - A) non-timber goods and services
  - B) value-added wood products
  - C) new business approaches
  - D) all of the above
2. Which of the following case studies cited investment in hiring an experienced manager as a key to success?
  - A) Harrop-Procter Community Forest
  - B) Chunzoolh Forest Products
  - C) Creston Log Sort Yard
  - D) Adams Lake Band Kodiak Sawmill Venture and Partnership Development
3. Which case study lists all of the following principles: clarifying roles and responsibilities; defining decision-making processes; and learning from past experience?
  - A) Harrop-Procter Community Forest
  - B) Quesnel Hardwood Co-operative
  - C) Koocanusa Value-added Co-operative
  - D) Adventure Okanagan Co-operative

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ANSWERS

1. D    2. D    3. B