

Other services

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Performance Improvement / Cost Reduction

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Margin improvement

Our consulting practice brings knowledge of business processes, extensive industry expertise and a creative approach to problem solving to enhance and engage staff, build value, manage risk and improve performance.

Deals

Our Corporate Finance and Deals team provides insight and information to support deal decisions. Whether it's an investment, divestiture or strategic partnership, our financial and transaction specialists will help optimize the value of your business, before and after a transaction.

Sustainability and corporate social responsibility

At PwC we understand the concept of a social license to operate. We have contributed to some of the current thinking on this topic and are excited by the opportunities created by changing customer values, community needs and environmental regulations. We have helped many businesses improve their operational processes, certify their forestry and environmental management systems and validate their sustainability performance reporting, including verification of green-house gas emissions.

Converting to IFRS

Our team has helped many of the world's largest resource companies make a seamless transition to IFRS. We can help you plan and complete your conversion process before the 2011 deadline.

Business reorganization

Our PwC specialists bring a deep understanding of the complete forest products value chain. We assist with scenario planning, competitive cost assessment, operational reviews, performance benchmarking, portfolio reviews, and financial restructuring and reorganization. To unlock the value in your supply chain, we also undertake treasury, debt and working capital reviews.

Accessing emerging markets

PwC's network of forest and paper specialists spans the world's major forest products regions, bringing knowledge of local markets and business issues to your doorstep. From strategic planning, due diligence and sourcing for products in China, Asia, Russia, Latin America and other emerging markets, we can develop a strategy that will help you stay competitive.

Tax services

With the growing number of international transactions, effective tax planning is essential for forest and paper companies. As well as providing compliance services, our tax professionals also understand the intricacies of income and commodity taxes in every major forest products region in the world. We formulate effective innovative strategies to plan and manage your taxes, provide improved financial results and increase shareholder value.

Audit & Assurance

An independent, objective and transparent audit is top of mind for organizations and their shareholders, PwC's audit and assurance methodology sets the quality standard for the profession. We audit many of the world's largest forest, paper and fibre-based packing companies.

Improving processes
Cost reduction and performance improvement in the forest industry



Improving processes

Effective and sustainable cost reduction

We need to cut costs, our margins are shrinking.

Raise your hand if you've recently heard this request from one of your company's stakeholders.

It's simply the business reality of today – production costs are rising, business models are changing and people want more for less leaving your stakeholders looking to you to come up with creative ways to make it all happen.

So what do you do? Pull out the trusty red pen and begin to slash and burn? Or is your strategy to sit back and analyze, and analyze, and analyze the situation?

It's tempting when the pressure is on to think of the here and now, without considering the long-term impact and viability of your decisions. Not taking the short-term and long-term into consideration when developing your cost reduction strategy may hinder the future flexibility of your organization and continued success of your plan. But be careful not to get bogged down with analysis. You can easily become too overwhelmed to move forward with your plan. The key is in balancing the right amount of analysis with the correct amount of immediate cost cutting.

At PwC, we challenge conventional thinking around operational cost management, and work to develop a framework for your company that will bring you a competitive edge in the marketplace.

We will help you get production in sync with sales, so products are produced as a reflection of the current market conditions. We will focus on the individual links along the value chain, encouraging stronger communication between the procurement team, maintenance team and the production team. Stronger communication will minimize inventory and unscheduled downtime, while maximizing quality and volume.

You live and breathe the intricacies of the forest and paper industry, so you want an advisor who understands these intricacies. PwC provides professional services to over 50% of the world's top 100 forest and paper companies, forest products associations and government agencies.

Please read on to see how we helped companies in the forest sector undergo significant transformations.

How can we help you?

By sharing our forest sector knowledge, we have supported clients undergoing significant transformation and helped implement changes in an efficient and sustainable manner.

Tolko Industries Ltd.

PwC provided a broad range of integration services to Tolko when the company acquired Riverside Forest Products (which had very recently acquired Lignum Forest Products). Tolko is a \$2 billion private forest company.

We advised Tolko through the creation of an integration project structure and charter. Over the course of 14 months, we also provided specialists to advise and assist with finance integration, IT integration, HR integration, communications synergy tracking and revising Tolko's performance management framework.

"We interviewed three firms to assist us with merger integration. We selected PwC because they were receptive to our needs and had the experience from similar engagements. PwC's organized approach, boundless energy, relentless focus and wealth of creative ideas provided the catalyst for a very successful integration process."

Al Thorlakson, Owner and CEO,
Tolko Industries Ltd.

Western Forest Products

PwC advised Western Forest Products through the integration of the company's acquisition of Cascadia Forest Products (Weyerhaeuser) and Canfor's Englewood Division.

We assisted Western Forest Products in obtaining Cascadia's approval to establish an integration steering committee, guidelines for integration and an integration project structure prior to completion of the transaction. This enabled integration project teams to develop work plans so that upon completion of the transaction, the company could move swiftly and decisively on many fronts. We provided experienced advisors to assist with overall coordination as well as the integration of finance, IT, Timberlands, HR and synergy tracking. We also provided assistance with several business systems implementations.

"PwC met or exceeded all expectations; they played a very significant role in helping us achieve a superior result, faster than we would ever have been able to accomplish on our own. PwC's ability to tailor the support for our organization, both in terms of selecting top caliber individuals for the situation and then tailoring the level of engagement for our circumstances, was invaluable."

Duncan Kerr, Sr. VP Operations and COO,
Western Forest Products

Brookfield Asset Management

After being acquired by Brookfield Asset Management, Longview Fibre Paper and Packaging Inc. (LFPPI) retained PwC to help the company develop and implement a framework to accelerate the achievement of an aggressive new trend EBITDA target.

LFPPI initiated a series of improvement initiatives spanning primary mill production, sales & marketing, logistics, mill shipping, procurement, HR, finance, IT, fiber supply and the company's box plants. We provided coaching and support to the LFPPI employees leading and participating on the improvement initiatives and also helped establish a steering committee to oversee the initiatives as well as reporting and benefits tracking.

"I have been very happy with the PwC people helping at Longview. They have added value in a rapidly changing restructuring environment"

Hugh Sutcliffe, Managing Partner,
Brookfield Asset Management