

# SetraNews

January 2014



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IN FOCUS!**

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# Strong belief in the future for wood

**A NEW YEAR** has just started and this brings new opportunities and challenges. The only thing we actually know about the future is that it will not be like today. However, I am totally convinced that Setra will be a key part of the wood industry of tomorrow.

As a new CEO I have devoted my first months to listening and learning. I have travelled round and visited our units and everywhere I meet great commitment and a belief in the future. Setra's employees have expertise, experience and a strong determination to further develop Setra to be "best in class".

**SETRA'S CUSTOMERS** are found worldwide and we work continuously to adapt our business and working methods to meet the different needs of our customers and our customers' customers. It must be easy to do business with Setra and we aim to expand our presence in key markets.

Concrete proof of our increased market presence is that since December Flora Chen has been our own sales representative in China. In this issue of SetraNews we will get to know part of this large Chinese market a little better.

You can also read the feature article about Setra Malå which through co-operation and dialogue with customers and suppliers has succeeded in raising quality and efficiency in the entire chain from forest to product. Flooring training for the building materials trade is another example of how Setra delivers customer value.

Don't miss the trend spotting:  
wood is the material of the future!

Enjoy the newsletter!

Hannele Arvonen,  
CEO



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**Cover photo:** Setra's Marlene Bergström visits a felling site outside Malå. Photo: Paulina Holmgren.

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Flora Chen



Peter Wejbro



Lisa Olofsson

## New faces

**SETRA** Flora Chen is Setra's new sales representative in the growing Chinese market. Flora previously worked at Business Sweden and will continue to share offices with them in Guangzhou, southern China.

Lisa Olofsson starts in January as new customer service manager for wood products, located at Setra Kastet.

Lisa previously worked with logistics and project management at supply chain solutions provider Panalpina.

Peter Wejbro has been the new manager of Setra's processing unit in Skutskär since October. Peter has a sound background in the wood products industry, most recently at AB Karl Hedin.



## COMMITTED AND PROUD EMPLOYEES

**EMPLOYEES** Setra's regular employee survey SetraRinggen shows considerable commitment among Setra's employees. The response rate has increased significantly and this year the survey was answered by 84% of Setra's employees.

The results show that the MEI, motivated employee index, has increased since the previous survey as has pride in working at Setra. Leadership within the

organisation is also perceived as more positive.

"We have put a lot of effort into internal leadership development in recent years and it is very gratifying to see that this has yielded results," says Fredrik Löfgren, HR Manager at Setra.

The employee survey also shows areas where there is room for improvement. Setra will take these on board in the year ahead.



## DID YOU KNOW THAT...

The world's oldest clonal tree is the Old Tjikko spruce on Fulufjället Mountain in the Swedish province of Dalarna. Old Tjikko's root system is estimated to be about 9,500 years old, but the tree has had several different trunks over the years. Genetically, however, it is the same individual as the original spruce which grew on the mountain almost 10,000 years ago.

## Automated sorting for the trimmer in Färila

**TECHNOLOGY** Setra is improving the efficiency of its operations in order to further strengthen competitiveness. Part of these efforts include the investment in automated sorting at Färila sawmill which is expected to go into operation in the next few months.

The market for the Helsing spruce is good and combined with stable raw material flows and skilled and motivated employees, investments are now being made for the future in Färila. Production volume was raised by 25% last year and in order to use the facilities even more efficiently, the investment in automated sorting is strategically important.

"If we want to be a long-term partner to our customers, we must keep up with development in terms of both technology and working methods," says Mattias Forslund, Mill Manager at Setra Färila.

The major gains from automated sorting will be more efficient production and more consistent quality.



Mattias Forslund, Mill Manager at Setra Färila



## SEK 55 MILLION ORDER TO PLUSSHUS

### NEW CONSTRUCTION

Setra's subsidiary Plusshus, which started assembly of the new Sågen housing area in Knivsta, in the Swedish county of Uppsala, during the autumn, has won a new order for a second phase of apartments in Knivsta. The homes will be built using Trålyftet, Setra's patented building system with modules in solid wood.

The assembly of the Sågen development's second phase will start in the first quarter of 2014. Assembly of 19 terraced houses in a new housing area in Barkarby, north

of Stockholm, will start at the same time.

"This is a good start to 2014 and confirms that interest in industrial and climate-smart timber construction continues to grow," says Nils Clausén, CEO of Plusshus.

Both projects will be manufactured on an industrial scale at the Plusshus factories in Skellefteå and Kristinehamn. Taken together, the orders are worth SEK 55 million.

## SETRA GLULAM GAINS MARKET SHARES

**GLULAM** Despite tough times for glulam, Setra Långshyttan succeeded in increasing its glulam production in 2013. The autumn brought both production and delivery records and in the Swedish market Setra is now gaining market shares.

"In Sweden, the glulam market has been tough over the past year. But despite this we managed to increase our sales volume," says Leif Cederlöf, Sales Manager at Långshyttan.

"I believe this is mainly because we offer such reliable deliveries and our customer service people do such a great job."

Orders from the Japanese market have also increased significantly and currently Långshyttan exports glulam beams in both spruce and pine to Japan. Other export markets remain at stable levels and since the summer production has run three shifts to meet demand. Innovation has been key to making production as efficient as possible. For a year now, Setra Långshyttan has mostly been working according to the Lean process philosophy.

# Fair winds for wood in the Middle Kingdom

**China's rapid development and economic growth have turned the West's gaze eastwards. Improved standards of living, increased consumption and a shortage of domestic raw materials has put wind in the sails of the Swedish wood products industry. With a new sales representative in place in China, Setra is ready for a new era in Sino-Swedish trade.**

TEXT & PHOTO: KAROLINA GRUNDIN

**WHEN THE SWEDISH** East India Company was founded in 1731, it had its sights set on Chinese porcelain, silk and spices. The trading base was the port of Guangzhou in south-east China and business bloomed for over fifty years. Today the ships have started to sail in the opposite direction loaded with Swedish spruce and pine and Guangzhou has a new significance for Setra. Since 1 December this is where Setra's new sales representative, Flora Chen, has her base.

But it is north of Guangzhou, in Shanghai, a city of 20 million people, that

SetraNews has arranged to meet Setra's new salesperson. The Shanghai region is the main hub of the Chinese economy and many Chinese companies have offices here. When we meet Flora she has had a couple of intensive first weeks in her new job. Consumption of woods products in China has seen a vast increase and according to the Swedish Forest Industries Federation imports of Swedish wood products has nearly trebled since 2012. And demand for Nordic wood types is expected to increase further in 2014. In other words, business is looking good.

"Chinese customers like the look of light Swedish wood and know that the products maintain a high quality. In addition, prices are relatively stable and Swedish suppliers are regarded as reliable," explains Flora Chen.

## Long-term focus

Although Setra has had its eye on the Chinese market for some time, it is only in this last year that business has really taken off. A local sales representative in place in China is a key component of a long-term focus.

"There is great potential in the Chinese market and even if prices are relative low at the moment, I believe there will be good future development. Growth markets are extremely interesting for Setra and our investment in China is for the

long term," says Henrik Bertilsson, Sales Manager Southeast Asia/New Markets.

Olle Berg, Setra's Market Director, with long experience of doing business in growth markets, agrees.

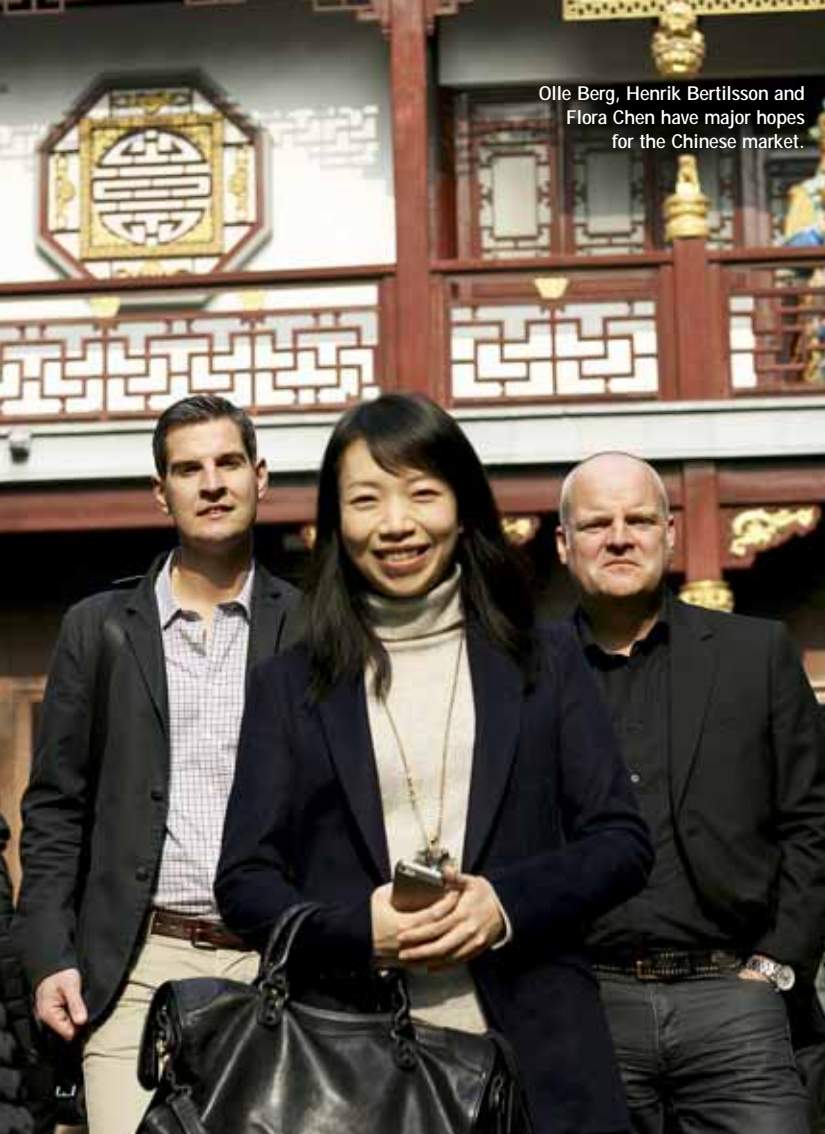
"It's all happening in China, and it's happening fast. Although it's difficult to be sure how things will map out in five to ten years, we can be certain that the Chinese market has the potential to change the entire wood products industry. Therefore we need to position ourselves and be there when it happens," says Olle.

China's economic reforms and development during the past 30 years have led to a general increase in the standard of living and improved conditions for large sections of the population. Higher incomes and growing domestic consumption mean that China is fast on the way to becoming the world's largest consumer market. China is already the world's second-largest consumer of wood products.

Manufacture of domestic wood products is minimal, mainly due to earlier mismanagement and destruction of the Chinese forests. For many years felling has been forbidden in most of the country at the same time as the need for wood for construction and interiors has risen. The solution is vast imports of both sawn and processed wood products as well as logs. Canada, Russia, Chile and New Zealand



Flora Chen is Setra's new sales representative in China.



Olle Berg, Henrik Bertilsson and Flora Chen have major hopes for the Chinese market.



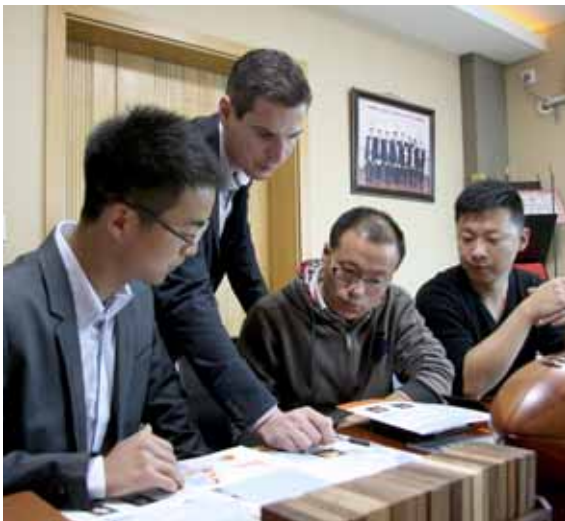
Growth in China has been sensational over the past 30 years and today the Shanghai region is the hub of the Chinese economy.



China's population is growing fast. One of several explanations is some relaxation of the one-child policy.



Flora Chen visits a picture frame manufacturer in Huaian.



Setra's Sales Manager, Henrik Bertilsson, meets potential Chinese customers.

## “The Chinese market has the potential to change the entire wood industry”

are among the countries that have been active in the Chinese market for a long time, but the Nordic wood types are relatively new to the Chinese.

### Environmental focus and Scandinavian design

Wood has always been an important part of the Chinese interior tradition. Previously dark and more robust furniture dominated in homes, but now the Scandinavian light interior style is gaining in popularity. We can mostly thank Swedish IKEA for this growing trend. The furniture giant has had much of its production in China for many years but now they are investing more and more in China as a consumer market.

And consumers have in turn adopted the Scandinavian style on more levels. In a country where it is becoming difficult to ignore environmental problems, Chinese consumers are making tougher demands on environmental focus and sustainability.

When SetraNews visited expanding Shanghai, air pollution had reached new record levels. Long queues of cars snaked through the misty-grey city while the Chinese hid their faces behind masks to escape the worst pollutants.

“We have enormous environmental problems in, for example, Beijing and Shanghai and people are more and more worried about how the bad air and all those chemicals are affecting them,” says Flora.

“Above all they want clean wood in children's furniture and are prepared to pay for it, even if it is more expensive. Parents think that it feels good to choose Scandinavian wood species which are free from poisons and not the result of deforestation.”

### Enormous need for homes and construction

China is well-known for its one-child policy, which is starting to be relaxed. Today couples where at least one parent is an only child are allowed to have two children. The growing population has, among other things, led to accelerated

urbanisation. Currently about half the population live in cities. By 2030 this figure is expected to be three-quarters. Population increase and rural-urban migration make big demands on infrastructure and house building.

Shanghai's silhouette today is entirely dominated by newly-built skyscrapers of every shape and size. The beautiful decorated wooden houses that used to be so common are now hidden away. There are newly-built wooden houses, but only in the more prosperous suburbs, and current legislation forbids wooden houses with more than four floors. However, there is considerable interest in increased use of wood, even for construction.

### Strong belief in wood

Zhu Guangqian, Chairman of the China Timber and Wood Products Distribution Association, strongly believes that wood is part of the solution to China's growing construction needs.

“We cannot rely on concrete for future construction, we must look more closely at alternatives with wood. Wood is a growing trend in China and as knowledge increases there will be more possibilities,” Zhu Guangqian believes.

The Hong Kong based design bureau Awawa is also convinced that we will see increased use of wood in Chinese interiors and construction. They have themselves a close association with wood, which they try to convey to their Asian customers with the environmental argument being one of the strongest.

“If we are going to save the planet we must get the process started now! We humans are very good at taking raw materials from our planet, but not as good at using them in a respectful way,” says Roberto Davolio at Awawa.

“Wood is a very generous material and provides opportunities for creativity. We try to grasp the nature and strength of wood and combine these with both craftsmanship and hi-tech solutions.”

And there are plenty of hi-tech solutions in China's major cities. At the same time China is a huge country with many



contrasts and regional differences.

“Production is already quite advanced in many places and is continually becoming more automated. Improved incomes and education levels are driving technological development,” says Flora.

The cost of labour is also increasing in towns outside China’s city regions. Wages have gone up for a major part of the population which has improved living standards but also raised production costs.

### Swedish spruce on the walls

In Huaian, a few hours north of Shanghai, picture frame manufacturer Pan Yi Jun is waiting for his first delivery of Setra products. Increased wages are a challenge for Pan Yi Jun and he has already moved some production to Cambodia where labour is cheaper. However, he also plans to expand the Chinese operations and raw material supply will play a key role.

“In order to expand we must secure a stable supply of raw materials of the right quality. We have had problems with some of our intermediaries and are now hoping instead to have a closer co-operation directly with producers,” says Pan Yi Jun.

Work in the relatively well-organised production facility is still mainly craftsmanship. Much of the job is done manually and every little piece of the wood raw material is used, sometimes by finger-jointing. The nimble fingers of the 600 employees turn whitewood and redwood products into picture frames which are covered with canvas. By far the main

part of production is exported to the US and Europe and in time the world’s artists will be able to hang Setra wood on their walls. Painters in Sweden will find these stretched canvases at the store chain Clas Olsson.

The wood map of the world is being redrawn. Nearly 300 years after the Swedish trading company’s boats left China filled with porcelain, tea and silk, Swedish-loaded ships are returning to China with spruce and pine. And all indications are that Swedish wood trade with China has only just started.

“Here in China there are lots more people than trees, but in Sweden it’s the opposite! Swedish wood companies have a lot of competitive advantages and I can see a bright future for Setra in China,” says Flora.

An employee in Pan Yi Jun’s factory in Huaian with finished picture frames.



On a terrace in Hong Kong, design bureau Awawa has built this beautiful sun and wind shield entirely of wood.



## FACTS ABOUT CHINA

**CHINESE NAME:** Zhōngguó (“Middle Kingdom”)

**POPULATION:** c. 1.4 billion

**IMPORT OF SAWN SOFTWOOD PRODUCTS:** c. 16 million m<sup>3</sup> (2013)

**SWEDISH EXPORTS OF WOOD PRODUCTS TO CHINA:** c. 400,000 m<sup>3</sup> sawn timber during 2013. Forecast for 2014 is over 700,000 m<sup>3</sup> sawn timber.

**APPLICATIONS FOR NORDIC WHITE-WOOD AND REDWOOD:** furniture, decking, construction, interiors.

## SWEDISH WOOD IN CHINA

The Swedish Forest Industries Federation’s action group Swedish Wood will be making a major initiative in China in 2014. The idea is to investigate how the use, interest and need for wood looks today and also to create conditions for new applications and co-operation.

The initiative made a partial start in 2013 when two events aimed at Chinese wood importers took place in Shanghai. In September Swedish Wood participated in the FMC China exhibition which focuses on furniture, joinery and interiors. In December an own exhibition, Sino-Swedish Wood Day, was organised to which the Chinese furniture and joinery industry was invited as well as interior designers and architects. The day provided possibilities for customer contacts and also included many interesting lectures on the theme of Swedish wood in China. The event attracted over 400 visitors. Among the speakers was Setra’s Market Director, Olle Berg, who spoke about how important China has become for the balance of the global wood market.

# WOOD

## – a sustainable trend!

**Right now we can see a wood trend sweeping over Sweden and large parts of the world. Wood is hotter than ever and according to the experts this trend will last.** TEXT: KATARINA BRANDT

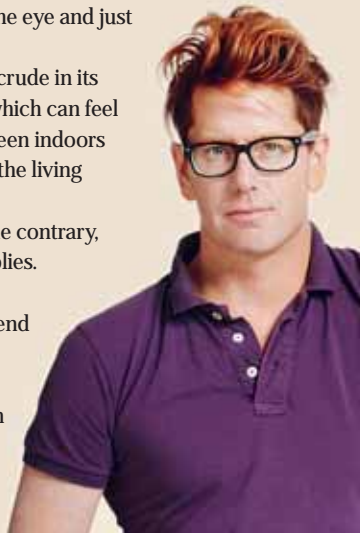
**TREND EXPERT STEFAN NILSSON** says that we love to surround ourselves with wood, partly because it is a material that can change, acquire patina and age with us.

“The current trend is some kind of reaction against the 90s which was a minimalist age,” says Stefan. “Everything was white, white, white and with a high-gloss finish. All those white-painted surfaces feel rather cold today. The natural wood surface on the other hand feels nice to touch, is easy on the eye and just as fine when it ages.”

The wood should preferably be untreated and rather crude in its expression. For example, you can decorate with pallets which can feel exciting and almost slightly daring. The boundaries between indoors and out are becoming blurred and wood is just as hot on the living room floor as on the patio.

“It doesn’t matter if the wood gets a little worn. On the contrary, right now it’s a patinated and rustic wood feeling that applies. How about veined pieces of wood with visible knots?”

When it comes to wood in a wider perspective, the trend has primarily been technology-oriented and focused on how we can actually build in wood. High, big and with consideration for the environment, like the 14-storey high wooden building currently under construction in Bergen, Norway. This building, which has been named “The Tree”, will be the highest wooden building in the world.



Let the balcony be green! Latest news is decorative balcony boxes made of wood.



The stylish mix of aluminium and wood gives a slightly warmer feel to the letters on this laptop.



Architect Daniel Franzén has created a fine wooden decor for the Mr Mudd and Mr Gold store on Södermalm in Stockholm. The decor is sparse and untreated redwood cladding from Setra lines the walls halfway to the ceiling. Loose details such as fitting rooms and displays are handmade in glulam and lamps are made of pine veneer wrapped round cardboard tubes. The hipster crowd in Stockholm flocks to the shop which has been named “Store of the year” by the magazine Café.



Piet Hein Eek is a Dutch designer who loves to work with wood. Among other things he has made an entire furniture collection of recovered off cuts.





Fantasy and harmony characterise the "Link" floor lamp which is made of wood veneer strips and designed by the Irish designer Ray Power.

Photo: Petra Bindele



Wood has made a comeback as a building material in large buildings. In Sundbyberg, the Stockholm area's highest wooden building has now been completed. The building was designed by Wingårdhs Arkitekter and has a solid redwood frame and a chipboard cedar wood facade.



This beautiful, wooden-decked walkway, with cleverly recessed benches, goes along the water's edge in the new Annedal district on the border between Stockholm and Sundbyberg.



Eco-friendly sound from the American company Grape which makes earphones in wood. For every earphone sold, a dollar is donated to organisations which work to prevent deforestation in threatened environments.

The white minimalist kitchen is on its way out. Now we want a warmer, more rustic and living kitchen fitted with different woods.



The French design studio boltz & saos has developed a series of handmade wooden bicycles under the concept WOOD.b.

# Malå's goal

– A COMMON LANGUAGE FROM FOREST TO CUSTOMER

**Setra Malå works in a results-oriented manner with both customers and suppliers to create efficient flows and sustained profitability. There are many projects and momentum is considerable. The goal is to create an understanding of the big picture and each other's processes.** TEXT: KAROLINA GRUNDIN & KATARINA BRANDT PHOTO: PAULINA HOLMGREN



Setra Malå is in the Swedish county of Västerbotten and is one of Setra's five redwood sawmills.

**THE FIRST SNOW** of the season is falling from the sky and lying like a thin quilt on the ground. A herd of reindeer stand at the roadside and appear not to notice the arrival of winter or our progress through the Norrland forest landscape. It is from here Setra Malå obtains its raw material in the form of slow-growing Norrland pine. The sawmill's customers like to have high-quality redwood products and appreciate the regular structure of the annual rings

which makes the wood highly suitable for furniture, claddings and floors.

"Our sawn and planed wood products have a high proportion of heartwood which makes them highly suitable for products that are subjected to major exposure to the elements, such as windows," says Rickard Westerberg who is Mill Manager.

The sawn products are mainly sold to customers in Sweden, Norway and North Africa but also to the internal planing units

in Setra Group. The Norwegian construction market accounts for the largest volumes of claddings and impregnated products.

The sawmill in Malå has been in operation since 1946 and had several owners over the years. When AssiDomän Timber and Mellanskog Industri AB merged and formed Setra Group in 2003, the sawmill and planing operations in Malå became part of Setra Group.

**"Now we are suddenly talking about products all the way out in the forest"**



“Between spring 2011 and autumn 2012 we and several other Setra units were up for sale,” explains Rickard. “This was a challenge in several ways but we learnt a lot during this period. We had a knife at our throat and were forced to identify our weaknesses and think creatively.”

### New drying kilns reduce energy consumption

Setra decided to keep the sawmill in Malå which today is just as much part of Setra as all the other units. So in retrospect it is clear that one positive consequence of that period was that many projects were initiated in Malå. The operations started to be seen with new eyes and employees, customers and suppliers began to work together to strengthen the business.

One example is the new timber drying system which was installed in co-operation with SP Technical Research Institute of Sweden. The purpose of this project was to reduce energy consumption within the sawmill industry and Setra Malå became one of the participants. Today, 18 Alent drying kilns are running flat out at the sawmill and provide a more energy efficient drying process than previously.

At the same time as the Alent system was implemented, Setra Malå initiated a development project together with its floor manufacturing customer Baseco. One challenge with the transfer to a new drying system was to retain an even and high quality. Drying out wood for floors



Real enthusiasts Åke Eriksson and Marlene Bergström see the sawmill's current projects as an enjoyable challenge.

is difficult and there are many aspects to take into consideration.

“We like challenges,” says Marlene Bergström, Sales Manager for Scandinavia based in Malå. “By working with different projects we can test ourselves and see where we stand. Along the way, we have made corrections which have had a major impact. Among other things, we adapted both drying programmes and routines in particular so as to minimise bow. This is a structural defect which causes major problems in Baseco's production.”

Neighbour Skellefteå Kraft is another customer with which the sawmill has conducted a joint improvement project. The focus here was on bioproducts that are used for district heating



In Malå 18 Alent drying kilns have been installed to achieve a more energy efficient drying process.



Laila Broberg and Mats Grundberg are two of Malå's 75 employees.

## Setra Malå

**RAW MATERIAL** Pine

**PRODUCTS** Sawn and processed wood products, biofuels

**PRODUCTION VOLUME 2012** 163,000 m<sup>3</sup>

**MAIN MARKETS** Sweden, Norway, North Africa and Japan

**NUMBER OF EMPLOYEES** Approximately 75

**FIRST ESTABLISHED** 1946



Malå's Mill Manager Rickard Westerberg is convinced that customer-oriented projects increase participation and pave the way for a development environment.



Mats Boman sits in the control room and monitors the entire sawing process. Via screens he controls the flows so that production moves in an optimal manner.

in the heating plant's boiler.

Together with raw material supplier Sveaskog, Setra Malå also works with a development project within raw material. The project focuses on handling the cross-cutting and felling cracks that occur in the wood raw material at harvesting.

"Both we and our suppliers win from customer-oriented projects," says Rickard. "Everyone feels involved and it paves the

way for a development environment where a good dialogue is possible."

"We have also gained a greater understanding of each other's processes and suddenly we are talking about products all the way out in the forest," confirms Åke Eriksson who is Raw Material co-ordinator and the one who together with Marlene has worked with raw material projects on Setra's behalf.

**Core values project increases interest in sawmill**

In parallel with various improvement projects with customers and suppliers, an internal core values project is also underway. It was started in order to persuade more women to be interested in a job at the sawmill. The hope was that the project would also raise awareness of Setra Malå and clarify its ambitions in the community.

# Award-winning co-operation

**SETRA MALÅ AND RAW** material supplier Sveaskog have been co-operating closely for just over a year with a focus on development and increased customer value. The project originated in problems with cross-cutting and felling cracks in the timber, which arise at the felling site and lead to a loss of material in the production phase.

"It started when we received complaints from one of our Norwegian customers. The industrial segment in Scandinavia is very demanding and it's up to us as producers to meet their requirements," says Marlene Bergström, Sales Manager for the Scandinavian market and one of the initiators of the improvement project.

Together with her colleague and raw material co-ordinator Åke Eriksson, Marlene worked determinedly to find solutions to the raw material problem.

"Felling with harvesters can damage the timber, but crack formations can be reduced if certain measures are taken out in the forest," explains Åke Eriksson.



Since the problem with cross-cutting and felling cracks arises at the felling sites, Sveaskog and Setra chose to involve the machine operators in this improvement programme.

"Cross-cutting and felling cracks mean major losses for us. And if nothing is done on site in the forest, the damaged parts of the log must be sawn off in production. The bigger the cross-cutting cracks, the smaller the part of the log that can be used."

The solution was to start an open dialogue with raw material supplier Sveaskog in the county of Västerbotten. Together with, among others, Ulf Jonsson at Sveaskog the Malå team drew up an ac-

tion list which is now being dealt with point by point. All Sveaskog's machine operators in Västerbotten have undergone training and the harvesters have been fitted with new saw motors for more even sawing.

"Changing focus and thinking products, not just trees, has been a very useful journey for us. The dialogue we have had with Setra is really good and has made us see our co-operation

When new generations take over, the sawmill wants to be an attractive employer.

In June 2013 the sawmill arranged an open house for the first time since 1996. A popular event which attracted over 300 visitors.

"It is important that we open our gates every so often and show people what the business looks like," says Rickard. "Many of the visitors had a different, far more positive, impression of us when they left than when they arrived. This can be seen in particular from all the spontaneous job applications we received during the autumn."

"We want to develop both as people and as a workplace. Diversity at the sawmill is therefore extremely important and in little Malå we need all the expertise we can get," say Marlene and Åke.

At the sawmill in Malå efforts are made to deal with issues as soon as they arise. People like to talk to each other and are happy to work in projects that involve employees, customers and suppliers. If problems occur, they choose to solve instead of sweeping them under the carpet.

in a new light," explains Ulf Jonsson.

And it is not only Marlene, Åke and Ulf who are pleased with this new co-operation. Sveaskog's national operations have also noted this venture and in the autumn the project was named as the winner in the "customer focus" category of their internal competition "Improvement of the year 2013".

The project has also started to yield results in the purchased raw material. Cross-cutting and felling cracks have become shorter and less of the log needs to be cut off in the sawing process.

## WHAT ARE CROSS-CUTTING AND FELLING CRACKS?

Cross-cutting and felling cracks are damage that occurs when felling with harvesters. Both the actual sawing and the way the operator drives can lead to felling damage.

If a log is damaged during felling, the sawmill must cut away the split part. This loss of material is expensive and mainly affects the sawmill which sells products of a specific length or with high quality requirements.

# Good neighbours spread warmth in Malå



"Our co-operation benefits Skellefteå Kraft, the sawmill and the local community," says Kjell-Olov Lindblad at the CHP plant in Malå.

The conveyor link between Skellefteå Kraft's combined heat and power plant in Malå and the sawmill on the other side of the road hovers in the air. Setra Malå supplies the CHP plant with biofuel and over the past year the two companies have worked to better align their processes with each other. This strengthens co-operation and is positive for the sawmill, Skellefteå Kraft and the whole of the Malå community.

**SETRA MALÅ IS JUST** a stone's throw from Skellefteå Kraft's CHP plant which purchases the sawmill's bioproducts such as shavings, sawdust and bark. In the power plant these are transformed into district heating which then returns and heats the sawmill's drying kilns. The heat also reaches all the homes and businesses in Malå which are connected to the district heating network. The short distance between these operations means that expensive transportation and unnecessary environmental impact are avoided.

"We are dependent on each other and if the sawmill disappears, so do we," says Kjell-Olov Lindblad who is the manager and shows us round the CHP plant in Malå.

The biofuel boiler in the CHP plant is built to maintain a temperature of 840 degrees. If damp fuel gets in, the temperature drops and pellets need to be fed in to raise the heat. If that is not enough an oil burner cuts in. This is a situation that Skellefteå Kraft would prefer to avoid for several reasons.

In autumn 2012 a project started up at Skellefteå Kraft where employees were encouraged to come up with ideas to improve operations. At the CHP plant in Malå they came up with a suggestion as to how the problem with fuel that is too damp could be

solved. This proposal was so appreciated that six months later it was nominated to receive Skellefteå Kraft's internal award for best improvement activity.

"For us it's all about economics," says Kjell-Olov. "The bioproducts which come directly from the sawmill are cheaper than pellets and oil. Furthermore shavings are difficult to transport which means we want to use what we have here in Malå."

The proposed improvement involves installing a hygrometer which reads the fuel's moisture content directly on the conveyor belt from the sawmill, instead of subsequently. If the fuel has a high moisture content, dried shavings are added back at the sawmill instead of in the plant's stockpile as today.

Implementation of this project will soon be completed and has taken place in close co-operation with Setra Malå. This is an excellent example of how the sawmill works with improvements together with its external partners.

"We talk a lot about co-operation with the forest but we seldom think about the fact that it's only half the log that we turn into wood products. The business we have with our bioproduct customers is therefore also very important," says Setra Malå's Mill Manager Rickard Westerberg.

## PETER BRINGS OUT THE NOTES IN WOOD

**Can the violin makers of today begin to match the old masters who were responsible for the wooden instruments that are sold today for many millions? Of course, says Peter Westerlund from his workshop in the beautiful small community of Norberg. He has taken up the challenge and is currently working on violin number 317.** TEXT: KATARINA BRANDT PHOTO: IRENE WESTERLUND

**PETER WESTERLUND IS** an internationally recognised violin maker. He started making violins mainly to see if he could, on his own, achieve something better than the fiddle he had found in a sale for 350 Swedish crowns.

“When I moved to Umeå to train as a teacher I had with me a guitar and a violin bow. Drawing the bow across the guitar strings was not a great success, so I bought a fiddle. It was pretty awful so I started to wonder how difficult it could really be to build something better.”

### Instruments for world-class soloists

No sooner said than done. Peter started to build. Violin number one was not brilliant, but number two was significantly better. The third was so good that he was able to sell it and buy wood for more violins. Since 1990 Peter has been a full-time violin maker and makes violins, violas and cellos. Annual production is between 12 and 15 instruments and customers, who range from amateurs to world-class soloists, are found all over the world.

What then is the real secret behind a good violin?

“There are many ways to make a good violin, but I think you must be consistent and not chop and change too much. It’s about finding a harmony and getting the different pieces to work together. Then you’ve come a long way.”

Four different kinds of wood go into Peter’s instruments. The top plate is spruce. Boxwood and ebony are used for some details while the rest is maple.

“Wood is an exciting material since it is living and both hard and supple at the same time. Just look at a spruce which is strong and durable and yet so dynamic. The friability of the wood propagates the vibrations which arise when a note is produced and just by listening I can get a feeling for the quality.”

### Oldest doesn’t always sound best

Since the Italian instrument maker Antonio Stradivari died 277 years ago, violin



Craftsmanship in the smallest detail and with only a few practitioners. Peter Westerlund is Sweden’s only full-time violin maker.

makers all over the world have tried to discover the secret behind his instruments. Peter thinks that it is something really special to listen to an instrument that was made several hundred years ago. At the same time, there are a lot of myths that contribute to inflated prices. That oldest doesn’t always have to sound best was demonstrated in a blind test that received a lot of attention a few years ago. The test was carried out by ESTA Sweden together with the Swedish Violin and Bowmakers Association. Top of the list came a violin

signed Peter Westerlund. Bottom was an instrument valued at 20 million Swedish crowns.

“A lot of fine violins were made in the 18th century, but I am convinced that we are currently in a golden age of violin building. Today’s instruments are of an extremely high class,” concludes Peter, whose violins sell for a fraction of the fantastic prices fetched by a Stradivarius. Just a few years ago a violin signed by the Italian master was sold for 100 million Swedish crowns.

# CREATING CUSTOMER VALUE

**What is it that makes solid wood flooring so special? How do you lay it and what kind of care does it need? These are some of the questions that Setra's Lars Eriksson has tried to clear up during this autumn's training roadshow for retailers.**

TEXT: KAROLINA GRUNDIN PHOTO: CHRISTIAN LJUNG

**LARS ERIKSSON, A SALESPERSON** for Setra's value-added range, has had a packed autumn schedule. Over a couple of months he has visited Swedish builders' merchants from north to south to spread knowledge of solid wood floors in general and Setra's new flooring range in particular.

"When you're dealing with solid wood flooring, the right know-how is essential. You don't sell a pine or oak floor with a brochure, the customer must get a feel for the floor. So it's vital that store personnel really know the product," emphasises Lars.

## A real floor veteran

You can hear that Lars knows what he is talking about. He has worked in the wood industry for nearly 30 years and flooring is something of his speciality.

When SetraNews joins him on the trail, it is the turn of Beijer in Södertälje, south of Stockholm. Loaded with information brochures and samples Lars steps into the store to begin today's training session. With studied calm he explains the importance of choosing the right raw materials, how a solid wood floor is best laid, the advantages of surface treatment with hardwax oil and how simple it is to take care of the finished floor.

The audience listens, nods and from time to time interjects a comment or question. They feel the structure of the hard-waxed floor samples and someone wonders how often the floor needs to be re-oiled.

"With normal wear it shouldn't be needed before 5 to 10 years. Hardwax oil is extremely resilient and also easy to maintain," explains Lars.

## Warm welcome from builders' merchants

The response from the retailers has been extremely positive. Frequently it is the merchants themselves who get in touch and want Lars to come and train them. And following today's session, the Beijer team in Södertälje also appears to be pleased.

"The training is extremely good. We get in lots of products, but we don't always know so much about them. With greater knowledge we can be better at helping customers," says Johan Wallenberg, one of the people on the course.

The store manager, Stefan Boman, agrees with him: "Flooring is a major product for us and even if I already knew most of it, I think that these sessions are great. They provide a greater understanding of the product, which is important when customers start asking questions."



Setra's flooring expert Lars Eriksson enjoys visiting builders' merchants to talk about wood products.



Physical flooring samples are a good complement to brochures and information.



Stefan Boman at Beijer in Södertälje shows Lars Eriksson the store's flooring display stand.



Maria Jansson  
Title: Logistics Manager  
Age: 34  
Lives: Valbo  
Family: Husband and two children  
Interests: Spending time with her family, looking after the house and garden

# With a feeling for small details and large volumes

TEXT: KAROLINA GRUNDIN PHOTO: CHRISTIAN LJUNG

**SETRA'S LOGISTICS MANAGER**, Maria Jansson, is inspired by challenges. And there are plenty of challenges in logistics. Choice of transport, costs, time aspects and contract negotiations are just some of the questions Maria wrestles with on a daily basis.

"The most enjoyable part of my job is that it is so very varied and I get to meet so many different people, both within and outside Setra," says Maria.

One of Maria's biggest challenges is transport costs. With an annual production of approximately 1.6 million m<sup>3</sup>, there are large volumes to handle. Even so it is mainly at the detailed level that Maria believes she can achieve the biggest improvements.

"The challenge is to constantly find smarter solutions that are time and cost effective both for us and for our customers. Often it's about finding those small details that fine tune the process even more and there close co-operation between sales, logistics and customer service is essential," explains Maria.

## **Flexibility important**

Although the transport industry is relatively traditional, even logistics have trends. Maria notes that containerised sea freight is increasing which results in greater flexibility.

"The container market is extremely uncertain and the cost situation varies from month to month. At the same time

container freight makes it possible to ship smaller volumes with increased frequency."

Setra's products are mainly transported by road and by sea. Maria has noticed, however, that intermodal solutions, where several means of transport are combined, is increasing.

"Today we transport a number of products with trailers that can be loaded onto both lorries and trains. You still get flexibility since the goods can partly go by rail and then be reloaded onto lorries to reach the final destination. This is an eco-friendly transport solution that we like to work with when we can."

**SETRA** is one of Sweden's largest wood products companies and a leading player in Europe. We offer eco-certified wood products for interiors and construction to customers in the building materials trade and industry.

Sawn and planed wood products in redwood and whitewood account for most of sales. The assortment for the building materials trade includes products such as floors, glulams, exterior claddings, interior claddings and decking.

Setra has 1,000 employees and annual sales of approximately SEK 4 billion. Exports to Europe, North Africa, the Middle East and Japan account for almost 60% of sales.

Setra Group includes nine sawmills, three independent wood processing units and two modular building factories.

Setra's principal owners are Sveaskog (50.0%) and Mellanskog (49.5%). The other approximately 1,500 shareholders together own 0.5% of the shares in the company.