

by WARD WILLIAMS

Mr MDF — Part 2

In this second part of the two-part feature, we continue to reveal a panelboard success story that has its roots in UK, Ireland and the US by Mr Geoff Rhodes, Marketing & Business Development Director of Coillte Panel Products. To read the first part of the story, please refer to *Panels & Furniture Asia Feb/Mar 2009* issue, pages 20-23.

Marketing Development

Q: What were your principal market expectations that Clonmel output could be shipped out by water and still sold competitively, in view of the established MDF capacities in the UK and across the Channel on the Continent?

A: (by Mr Geoff Rhodes, Marketing & Business Development Director of Coillte Panel Products): Such expectations were built on an inner confidence that the popularity seen in the US for this incredible “new generation” wood-based panel product – MDF, could be mirrored in the UK, Ireland and Continental Europe. But, much had to be done to alert the market on the European side of the Atlantic, of the scope and potential for this great new product, emerging from within our industry. As Medite was promoted as the pioneering MDF brand, we never feared the competition and quickly established a network of loyal distributors and industrial clients, both domestically and internationally. As we grew – they grew, based significantly on a trust and passion for the business.

Q: What panel qualities did you promote to help build your exports?

A: In the early initial stages, it was a lot to do with design freedom being one of the unique and strongest selling points that MDF as a product was bringing to the market. The elimination of, for instance, the need to use solid wood edge lippings combined with veneered particleboard in furniture manufacturing and the development of specific MDF edge sealers and pigmented coatings which could be applied to machined and profiled MDF panels bought great momentum in the early days of MDF's acceptance as a brilliant product.

On top of these points, having a panel that was stable, defect-free, smooth-surfaced and available in many sizes combined with an engineering thickness tolerance were all positive and strong panel qualities that the market quickly appreciated.

Q: How were you structured to supply (and compete) on the continent? Are the extra distance and handling significant cost factors in competing with mills there?

A: In the early days of the development of the MDF market, extra distance from the mill in Ireland purely



meant that the additional freight costs involved needed to be costed into the sales and pricing model. Remember, when Medite started to supply from Ireland with the European plant operational in the autumn of 1983, the European market was small, and we had an installed capacity of 140,000 cbm to work with! Plenty of geographical scope, with markets ranging from Israel and the Middle East through to Italy, Greece and up to Scandinavia, plus we were serving the whole of Continental Europe, UK and Ireland.

Then, as time moved on and the MDF market in Europe grew and expanded (now estimated to be over 13,000,000 cbm/year in 2007), Medite started to differentiate itself from other European producers with an added-value business and specialty model, linked to a very strong brand value and high-quality marketing – a theme that has always been associated with the Medite MDF in Europe.

Q: Please give us your thoughts on the competitive picture in European MDF, especially in view of recent (i.e., late 2008 economic conditions).

A: Naturally, everybody is currently concerned with the effects on all of our businesses of the recent '08 global financial crisis. But, having said that, I am still of the opinion that MDF has much further to go progressively, if we look out further ahead. Think of this in terms of technology developments and what may be the next generation of MDF products.

Along with close colleagues, we launched in the autumn of 2006 the “Medite2016 Forum” – a think tank designed to look at and evaluate the issues that will drive and affect the business for us all in this sector. I would invite readers to look and register at www.medite2016.com to see some of the ideas and issues that are being debated.

In the short term, the MDF industry in Europe is obliged to try balancing demand and production more closely together, whilst managing a highly fluctuating cost base. Also, demand for laminate flooring products, which does consume large volumes of MDF, is somewhat dull, and this factor needs to be taken into consideration.

With exchange rates between the Euro, US Dollar, Sterling and other currencies moving dynamically, some export opportunities from Europe will again probably come into play. There will be winners and losers – but we intend to remain winners!



How industry statesman Geoff Rhodes – a market-maker and salesman – helped build bridges to European markets

Early on, Geoff began reaching out to his tough competitors at home and abroad and was able to convince them that there was much value and reward joining together to build the European markets not only for MDF but also for PB (particleboard), OSB and other wood products as well. One of the finest examples of his cellulosic statesmanship was convincing his industry peers that there was more to be gained by this cooperation to promote wood panels rather than the industry being segmented in such efforts.

He was there at the genesis of the European Panels Federation (EPF) while President of the European MDF Manufacturers Board Association (EMB) 1993-1997, bringing together both FESYP (European PB and OSB producers) and EMB together during 1997 with the creation of a new office and staff structure in Brussels, Belgium. Other industry posts held include those of the President of the UK organisations FIDOR (Fibre Building Board Organisation) 1990-1992, and President of the Timber Trade Federation (TTF) 2002-2004.

Geoff currently remains on the management Boards of EPF in Europe, Wood Panel Industry Federation (WPIF) in the UK and also the Education, Training and Careers development committee within the TTF.



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Choosing Wood Products Marketing as a Lifetime Career

Q: On the personal side, how did you get your start in the wood products/based panels sector?

A: My father was a fully qualified architect practicing in London, so I grew up in an environment of quality design, building and the UK construction industry.

I have to hand him the thanks for spotting a three-year management training programme with Denny Mott & Dickson that was designed to attract young people into the forest products industry and I was able to join the programme, after finishing senior school and to enter the trade. I always enjoyed geography and making things from wood, so I guess the industry has suited me well.

That was in 1969 – quite a while ago now and I have enjoyed the experience down the years immensely. The industry has great people in it internationally – one of its strengths; long may it continue.

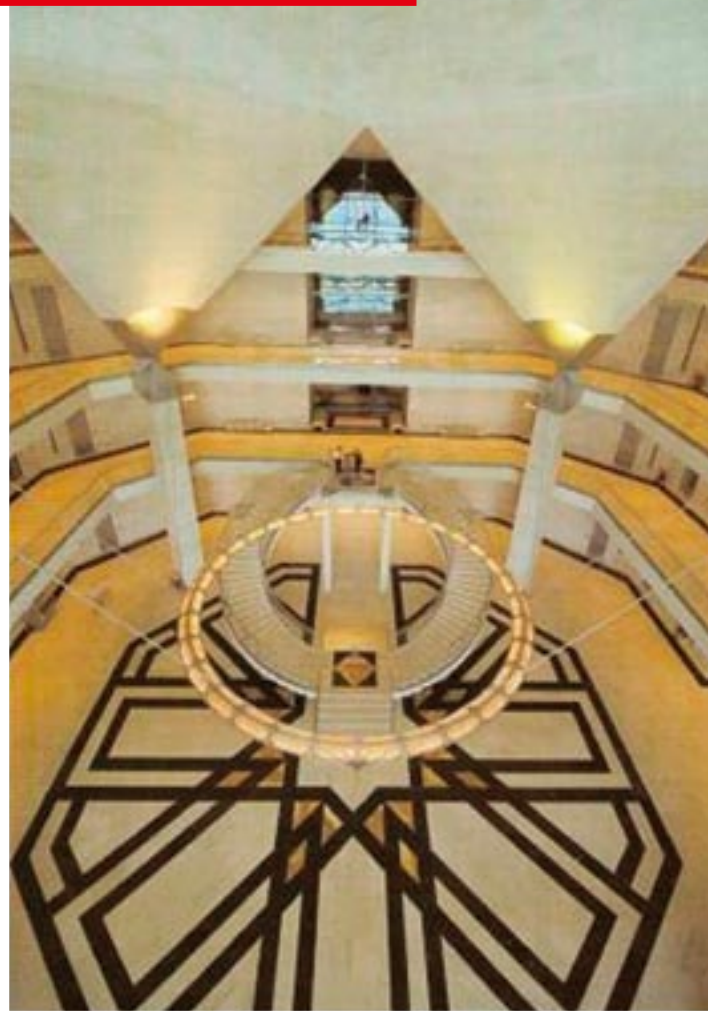
Q: What elements or satisfactions stand out when you look back on your career in this field?

A: Having worked with great people within this industry has been an inspiration to me. All of the way throughout my career I have been very fortunate to be working with and in close contact with leaders in their respective fields.

Being associated with and then playing an active part in driving forward the MDF revolution in Europe have been demanding, stimulating and, of course, very satisfying, and it is not over yet! Many creative marketing initiatives that we have developed and used positively over the years, as a part of this work, have been particularly professionally satisfying.

My responsibilities at an industry level, both in the UK and internationally in Europe, have been a great privilege, and I have done my best to bring the many fragmented elements of the forest products sector closer together and for the industry's future benefit.

FSC-certified Medite Ecologique provides a stable and non-invasive atmosphere for the wall systems and integral display units containing the precious exhibits of the Museum of Islamic Arts in Qatar. It was also used to form interior display panels.



Q: Would you recommend the “wood side” to today’s young graduates? And what are the rewards they could look forward to?

A: Definitely. In wood and wood-based panels and across the forest products sector, we have the world’s most sustainable renewable resources, and with the wood supply independently certified by the likes of SFI, CSA, PEFC and FSC, we have a very strong message to bring to the audience that is internationally out there. We are the solution – not the problem, but globally we must be consistent and finally eliminate ‘Achilles heels’ such as illegal logging in parts of the world.

Linked to new technologies and product developments, carbon credits and climate change, logistics and finance, environmental issues and sales and marketing, the industry offers great career prospects for bright, energetic young graduates. Using our planet’s resources better is what so much of this is all about – and should be pretty inspirational for those that care and want to play a proactive part.

We must welcome them in.

PFA



In this £70-million refurbishment of the Royal Festival Hall, London South Bank, Medite FR veneered in sycamore provides the front of acoustic ceiling panels used above the extensive space occupied by the orchestra and chorus. The new curved panels provide an eye-catching feature.

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