

Business Model:

Woodchip supply from private forests and landscape resources in Rotenburg (Wümme) County, Germany

Key Partners

- Who are our Key Partners?
 - County Administration
 - Municipalities
 - Forest Consultants
 - Researchers
 - Neighbour Forest Owners' Associations
- Who are our key suppliers?
 1. Forest Owners
 2. Biogas plants
 3. Contractors
 4. Carriers
 5. Software Companies
- Which Key Resources are we acquiring from partners?
 1. Harvesting rights
 2. Drying of woodchips
 3. Harvesting, extraction, chipping
 4. Transportation
 5. Planning and accountancy programs and data
- Which Key Activities do partners perform?
 - Making resources available
 - Transformation of raw material to energy carrier
 - Technical services

Motivations for partnerships:

- Optimization and economy
 - Supply chains
 - Undisturbed data exchange
- Reduction of risk and uncertainty
 - flexibility
 - Long term framework contracts
 - Common perception of sustainability
- Acquisition of particular resources and activities
 - Repair services
 - Maintenance
 - New developments, trials

Key activities

- What Key Activities do our Value Propositions require?
 - Acquisition of harvesting rights
 - Order of supply chain services
 - Adaption to changing customer requirements
- Our Distribution Channels?
 - Direct supply, using carriers as sub-contractors
- Customer Relationships?
 - Long-term framework contracts
 - Mutual knowledge about conditions etc
- Revenue streams?
 - One-stop-shop approach for payments
 - Fixed IT-supported quick payments for goods and services

Key resources

- What Key Resources do our Value Propositions require?
 - Reliable quality of woodchips
 - Flexibility in supply
 - Reliable service providers
 - Informal exchange platform through County business development platform

Types of resources:

- Physical
 - Wood
 - Woodchips
 - Equipment
 - Office equipment
- Intellectual (brand patents, copyrights, data)
 - Standard IT
 - IT adaption for individual tasks
 - Data on forests, raw material, energy carriers, stakeholder (companies)
 - Cash flow
- Human
 - Skilled workers/drivers with knowledge of local conditions
 - Skilled office staff
 - Consultants
 - Researchers
 - Forest owners willing to cooperate
- Financial
 - Own resources
 - Bank loans in case of calamities
 - Financial support for improvement of framework conditions (inventory data etc)

Cost structures

- What are the most important costs inherent in our business model?
 - Operations costs
- Which Key Resources are most expensive?
 - Transportation
- Which Key Activities are most expensive?
 - Operations in scattered small scale areas
 - Not thoroughly planned operations

is your business more:

- Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)
 - Big number of suppliers needed
 - Low-value product

sample characteristics:

- Fixed Costs (salaries, rents, utilities)
 - Office
 - Consultancy contracts
- Variable costs
 - Contractors
 - Carriers
 - Drying on biogas plants
- Economies of scale
 - Goal: Medium-sized heat consumers (appr 15 MW therm)
- Economies of scope
 - Woodchips a more or less uniform product

Value proposition

- What value do we deliver to the customer?
 - Standardized woodchips (size, moisture)
 - Flexible supply
- Which one of our customer's problems are we helping to solve?
 - Changing demand (seasons, production level)
- What bundles of products and services are we offering to each Customer Segment?
 - Flexible just-in-time supply
 - A carbon-neutral energy resource
- Which customer needs are we satisfying?
 - Environmentally friendly energy
 - A stable local resource

Customer relationships

- What type of relationship does each of our Customer
 - A standardized product according to individual supply demand
 - If wanted, removal of wood ash for recycling in forests (pre-condition: Plant uses only natural woody resources)

Channels

- Through which Channels do our Customer Segments want to be reached?
 - Direct delivery
- How are we reaching them now?
 - Direct delivery
- How are our Channels integrated?
 - Delivery from stock
 - Delivery after drying
- Which ones work best?
 - Depends on drying capacity on biogas plants
- Which ones are most cost-efficient?
 - Delivery after drying
- How are we integrating them with customer routines?
 - We try to not disturb c's production by separating delivery in space and/or time (Problems: Noise, dust)

channel phases:

1. Awareness
How do we raise awareness about our company's products and services?
 - a. Visibility of woodchip stock
 - b. Press releases
 - c. brochures
2. Evaluation
How do we help customers evaluate our organization's Value Proposition?
 - a. Prepared to deliver in urgent situations
3. Purchase
How do we allow customers to purchase specific products and services?
 - a. Energy content as a basis for payment
4. Delivery
How do we deliver a Value Proposition to customers?
 - a. Consignments accompanied by certified moisture assessment documents and sample chemical analyses
 - b. Mapping of raw material origin allows follow-up sustainable forest management

5. After sales

How do we provide post-purchase customer support?

- a. Regular visits in customers premises
- b. Tests and analyses of wood ash
- c. Immediate visits if problems occur

Customer segments

- For whom are we creating value?
 - Industrial heat plants (appr 15 MW) with hot water/steam consumption
- Who are our most important customers?
 - Food industry
 - Big laundries

Revenue streams

- For what value are our customers really willing to pay?
 - Sales
- For what do they currently pay?
 - Sales
- How are they currently paying?
 - List price (basis: Basket pulpwood/coal/labor costs index)
- How would they prefer to pay?
 - Volume dependent
- How much does each Revenue Stream contribute to overall revenues?
 1. Laundries with fix range of regional customers (hotels, hospitals, retirement homes)
 2. Specialised Food industry
 3. Common food industry (slaughterhouses, bakeries)