



# STRATEGIES FOR MANAGING RISK TO MEET FOREST LANDOWNER OBJECTIVES

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While forest landowners deal with a range of forest health, wood market, and resource policy risks, the most critical and manageable risks are those associated with the people they hire to help them, whose judgment and expertise they rely and depend on to meet their forest management objectives.

Successful forest owners consistently do two things well: first, they hire qualified professionals at the right price; second, they manage these professionals to get what they paid for. These professionals include those who are forestry specific—such as forestry consultants, loggers, and planting crews, and non-forestry specific service providers—such as lawyers, accountants, and surveyors.

To systematically evaluate and select supporting professionals, apply the following four-step approach: write an interview guide, do research, check references, and get it in writing.



## INTERVIEW GUIDE

An interview guide prepares you and allows you to get your thoughts down on paper for the first time you will meet this person. We have all had experiences when we have said to ourselves, after the fact, "Boy, I wish I had asked that!" An interview guide eliminates this problem. It also lets the candidates know that you care and are prepared, so they should be prepared for working with you forever into the future. Second, a guide helps you compare candidates across a common set of questions. An interview guide also protects you: "Well, it says right here in my notes from our interview last month that this is how you charge....that you return calls within 24 hours....that you would send proof of insurance...." It also protects the service provider. Professional, well-prepared service providers like organized clients and customers.

What types of questions should be included in the interview guide?

- **Background and experience:** Ask about education, how long they have been in business, and where they have performed most of their work. One red flag: service providers who relocated their businesses and services frequently. As my Dad taught me years ago, "Ask yourself, 'are they running from something?'"
- **Training and certification:** The best loggers participate in their state and association training programs, such as Master Timber Harvester in Georgia. Confirm the registration and certification of forestry consultants, CPAs, and attorneys.
- **Approach to the job:** In meeting with a potential service provider, ask, with respect to the work, "How would you approach this? Can you walk me through this?" Then ask yourself, "Are they organized and clear? Are they answering your questions?" Make sure you understand exactly.
- **Communication:** How do they stay in touch with the forest owner? How can you reach them? With so many options today for communicating, it helps to specify how communication will take place.
- **Insurance and liability:** Confirm they have the required coverages and get the documentation to prove it. If the service provider cannot establish this, or is unwilling to provide a copy of insurance certificates, the interview is over. This risk is entirely manageable.
- **Fees and expenses:** How much do these services cost? Who pays the expenses? Understand how this firm makes money. For example, if you are negotiating with a logger, understand who is actually buying the timber. Mill? Awareness of the relationships helps avoid future conflicts.
- **References:** Ask for and get names and contact information, including their relationships to the service provider. Are they former clients? His Mom?

## RESEARCH

Before you start meeting with and interviewing potential service providers, do your research. This includes checking the internet and using Google to search the person and visiting the firm's website. I learned early in running small businesses that the old adage "no sign, no business" is true. Nowadays, if a firm lacks a "sign", or a website, it may be very local—in which case you'll know the firm well—or it may not be well established. If you do not have access to the internet, or do not like to use it, call someone who does. Research is like doing your reading before a lecture in school. If you do it, you will understand a lot more and know what to look for during the interview.

## REFERENCES

After the interview, and assuming you are interested in this person and their firm, check the references. Visit the jobs they worked on. At the end of the day, success in forestry is about referrals and repeat business. Understand exactly why someone provided a positive referral.

## GET IT IN WRITING

Once you decide to move forward, get agreement to work and terms in writing (never agree to forestry work without a contract), and know what you are signing.



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## MANAGE YOUR PROFESSIONALS

Once you have signed a contract and the work begins, manage the relationship with your forestry professional for results. What does this mean?

- Ask questions and get answers. These are two different things. Ask clarifying questions. Professionals have a responsibility to be able to communicate what they are doing and how it affects you. Listen and confirm that you understand, that they answered your questions. Someone who talks a little and someone who talks a lot may both be telling you nothing. Aside from technical competence, consulting foresters must demonstrate abilities to listen and communicate.
- Check the work. As Ronald Reagan used to say, "trust and verify." Your logger and forestry consultant will know you care if you walk the forest and check the work. You will get a better result. If the work is not getting done per the contract, it is time to make a change. I do my best to be nice to people, but tough on issues that matter to my family, employees, and clients.
- Write letters. Follow up in writing after meeting with people and agreeing to next steps. Write thank you notes for work well done or helpful referrals. Request written confirmation of work completed. Documentation is a powerful risk management tool.



## CONCLUSION

The best risk management strategy remains vigilant attention to and oversight of the professionals you retain to help you meet your forestland objectives. These are individuals who operate on your behalf, on your land, and with your finances. At the end of the day, do they do what they say they are going to do when they say they are going to do it? Nice does not equal trustworthy does not equal effective. The good ones—those professionals with whom we end up building strong working and personal relationships—are technically strong, have strong references, and communicate well.

## ABOUT THE AUTHOR

This article summarizes key points made by Dr. Mendell during his presentation at the May 2009 National Forest Landowners Conference in Amelia Island, Florida. It also draws from his book, *Loving Trees is Not Enough: Communication Skills for Natural Resource Professionals*. Dr. Mendell is President of Forisk Consulting ([www.forisk.com](http://www.forisk.com)), a timber market research and education firm. He can be reached at [bmendell@forisk.com](mailto:bmendell@forisk.com). ♦