PREPARING PLAN B

A Guidebook for Forest Industry-Reliant Communities Facing Economic Transition

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TABLE OF CONTENTS

INTRODUCTION

Across the country, communities that rely on one dominant employer are more vulnerable than those with a more diversified economy. In rural areas and small towns, when a plant closes after supporting families and their communities for generations, there is enormous economic dislocation. Jobs and income are lost. Local tax revenue declines, and if the mill is purchasing public water, municipal revenue can be lost. Suppliers and vendors may be left with unpaid bills or asked by the company to return payments for undelivered product or services. The economic challenge can become a social crisis and ill effects often cascade.

Many communities that rely on the forest products industry have experienced this collective dislocation—and more will if they fail to take preventive steps. Too often, residents whose lives have been turned upside down after a plant closes are left to wonder how this could happen.

This guidebook is designed to help community members and their leaders learn from the experience of others in forest-reliant towns. While it draws from a case study of a Central Wisconsin company in the pulp and paper industry, many of the lessons can readily be used in other communities dominated by one large employer. This guidebook invites leaders during prosperous times to look ahead to potential downturns that are structural, not cyclical, and create with residents a community that can withstand a plant closing. It encourages all who have a stake in the community's success to think creatively and work cooperatively to anticipate rather than react, always mindful that yes, it could happen here.

Working together across differences of status and perspective is key to success. To do this requires that all members of the community—including most pointedly the plant owners—embrace the civic ethic of **shared stewardship**.

***Shared stewardship** is the commitment of all to grow and safeguard essential community assets—human, social, economic, cultural, environmental—for the common good.*

This guidebook is chock-full of practical, action-oriented suggestions and strategies intended to help you serve as stewards of the community. It will help you navigate through turbulent times and add new capabilities learned from your experiences and those of others. It highlights the importance of stronger lines of communication between a community and mill leadership over near-term challenges. When combined with talents, optimism, and energy, you can increase the odds that your community will continue to benefit economically from forest resources and be more stable.

This guidebook was developed by an advisory council composed of forest industry-reliant community and industry representatives, and technical advisors working with the U.S. Endowment for Forestry and Communities.[1] The guidebook's aim is to help your community understand and apply three broad objectives:

1. To recognize and understand signals that a potentially disruptive corporate change may be on the horizon
2. To diagnose your community's capacity to anticipate change and respond positively when it happens
3. To act on broad strategies that increase the odds of shaping a future you desire for your community

Whatever your community is going through, chances are others have experienced it too. We live in a time of exceptional community dislocation, both economic and environmental. Recent natural disasters have forced unimaginable change on individuals, households, and communities across the United States. Ongoing globalization and new technologies reduce or change workforce demand and skill requirements. Finally, we must recognize that companies are in a highly competitive market and may be constrained to publicly share information that compromises their competitive advantage. While each of these challenges is different and each community unique, this guidebook explores some of the common threads. Know that there are other stakeholders and a wide network of peer communities for you to connect with and learn from. Each community must look out for itself—no one can do it for you. But if you take the initiative, many others will lend support. You don't have to go it alone.

It is critical, however, that you act early and decisively before a plant closes and a crisis unfolds. Sometimes it's difficult to see or imagine that the quality of life we have become accustomed to can change in a short period of time. Complacency sets in. A downside of being part of a community that relies on one dominant employer is that community dependance can harden and inhibit the development of healthy, diverse leadership. Residents and employees also may grow complacent by assuming the mill or plant will always be there. Complacency creates inattention; you don't see what's coming and can easily lose your ability to act decisively. Across America, shuttered plants and mills serve as visible reminders of the economic and social dislocation in communities that didn't think it could happen to them. But it did, and the same thing can happen to your community if you delay in finding alternatives. You can begin too late, but you cannot begin too soon to think of a plan B for crafting an alternate economic future for your community.

[1] See appendix.

Who is this guidebook for?

It's for your community. This guidebook is created first and foremost for community leaders, both formal and informal, in rural places and small towns. The guidebook, however, has practical relevance for all those who have a stake in the community: corporate leadership, management within the mill or plant, labor leadership, local elected and civic leaders, and those in state government. Positive and effective community outcomes will be far more likely when local leadership in communities most affected by mill or plant closures are well-informed, energetically work together, and network to create proactive strategies that yield new economic opportunities.

It's also for your region and economic sector. Community is always broader than we realize. It is the immediate municipality where the plant or mill is located, but it is also the broader region where the plant has economic connections through its vendors and supply chains; it's the rural crossroads where timber is harvested and hauled to the plant. It is the other municipalities from which residents commute to the plant to work. Community consists of all the stakeholders whose lives would be affected when a mill shuts its doors, and whose participation is required to craft a better future.

Industrialist and philanthropist Andrew Carnegie understood this when giving investment advice in an 1885 talk. "'Don't put all your eggs in one basket' is all wrong. I tell you put all your eggs in one basket, *and then watch that basket*."[2]

Carnegie's point clearly applies to rural communities with one major employer: *you had better watch that basket*. But how big is the basket? Is it the individual mill? The company? Carnegie's approach is useful to consider. He wasn't interested in individual companies but in sectors of the economy such as the wood products industry. Was the sector growing or declining? How was it adapting to change? It's important then that forest-reliant communities understand not only their local plant but also the corporation that owns it and their customers. Watching the basket means being aware of the external economic drivers pressing on your community.

[2] Andrew Carnegie, "The Road to Business Success: A Talk to Young Men," address to students of Curry Commercial College, Pittsburgh, June 23, 1885, transcript in Andrew Carnegie's *The Empire of Business* (New York: Doubleday, Page & Co., 1902), 17.

How did this guidebook come about?

The U.S. Endowment for Forestry and Communities commissioned this guidebook to help communities that rely on the forest products industry thrive and avert the devastating consequences of a plant closing. The Endowment aims to be "a catalyst for innovation that invigorates forest-rich, rural communities by keeping working forests as forests for all their environmental, societal, and economic benefits and values."

This guidebook focuses on several types of innovations:

- It encourages a civic mindset of shared stewardship.
- It promotes the value of the difficult—but ultimately rewarding—work of forming multi-stakeholder partnerships.
- It explores the growing interest in a specific approach to investments that generate positive environmental, social, and governance (ESG) returns to communities in addition to corporate profits.

__Multi-stakeholder partnerships__ occur when diverse interests and perspectives work together to advance shared interest in a way that creates shared benefits for community, corporations, and workers.

The U.S. Endowment for Forestry and Communities encourages **multi-stakeholder partnerships** to leverage skills, resources, and outcomes. It is committed to serving as a catalyst for all forest-reliant communities, whether a small rural community with a sawmill that employs 50 people or a larger community with a pulp and paper mill that employs 500. This guidebook is useful for communities of all sizes and, despite its focus on the forestry sector, can be used in any rural community or small town dominated by one industry.

__ESG practices__ can include, but are not limited to, strategies that include companies based on their stated commitment to one or more ESG factors — for example, companies with policies aimed at minimizing their negative impact on the environment or companies that focus on governance principles and transparency. (From U.S. Securities and Exchange Commission bulletin.)

It is now a time of accelerating change for both corporations and communities, but a bridge of shared interest is emerging that will encourage productive multi-stakeholder relationships. Analysts and leaders in the wood products industry and the U.S. Endowment for Forestry and Communities believe that in addition to financial profitability, a growing number of individual and institutional investors want their business investments to have a positive **environmental, social, and governance (ESG)** return. The growing corporate commitment to ESG reflects their need to attract investment capital and is a recognition that measuring broader impacts can also have positive financial return. For communities, this is an opportunity to both stimulate a deeper industry commitment to multi-stakeholder partnerships that have local and regional relevance and build the relationships that create the trust necessary to ask hard questions and take bold action.

This guidebook draws on a case study analysis of a Central Wisconsin community that was severely affected when a locally owned plant changed

*A **nonresident company** is a plant or mill whose ownership is not specific to the locality. Typically, these are corporations with widespread locations.*

__Private equity__ is an alternate mode of private financing, which is composed of funds that directly invest in and frequently restructure private companies.

ownership to a **nonresident corporation** in 2000 and immediately began downsizing its workforce. The plant changed ownership several more times before Verso Corporation shut down operations in 2020. The case study identified indicators of corporate mission shift or instability, with a particular focus on the role of **private equity** capital in the company's ownership and management. It is important to understand three critical points from the case study:

- First is the corporate ownership type. Not all nonresident companies or corporations are bad; not all locally owned businesses are good. But nonresident-owned companies, which might have many mills and plants scattered over many communities, are influenced by factors much wider than the interests of a given community.
- Second is the time frame for measuring success. Regardless of ownership type, some companies base decisions on immediate returns while others take a patient, longer-term perspective to achieve desired outcomes.
- The third is business intent. The case study highlighted the negative role that private equity interests had in decision-making leading to the closure of the Wisconsin Rapids mill. But the case study also points out—which the multi-stakeholder advisory council convened for this initiative affirms—that private equity ownership can also be an entirely positive presence. A company's business intent matters. Is the intent short-term profiteering that strips value from the company and indirectly the community? Or is the company intent on business strategy that increases company value, profitability, and market share for many years to come? Knowing the difference matters for communities.

How is the guidebook organized?

This guidebook consists of three sections. The first, ***How to Know if the Community's Economic Engine is Sputtering***, draws on indicators from Fowler's 2021 case study analysis on the role of private equity in driving decision-making that resulted in the decline and eventual closure of a forest products company.[3] Fowler notes these indicators "could be used by communities so as not to be caught unaware but rather anticipate, respond, and rally to mitigate significant economic and social turmoil caused by ownership changes of local employers."

[3] Paul Fowler, *Case Study: The Role of Private Equity in the Decline of a Major Forest Products Company*, NYU Stern Center for Sustainable Business, December 2021.

The second section, ***Getting Out in Front of a Potential Plant Closure***, has two subsections. The first introduces examples of actions that require long-term practice to build engaged leadership capacity and maximize the power of community networks. If in place, this community capacity can better anticipate and respond to an economic crisis. The second subsection proposes practical, responsive steps to take when it is clear that a plant closing or corporate restructuring is approaching. They are applicable to any forest-reliant community regardless of the size, type, or ownership structure of the mill or plant in jeopardy. It is recognized that each company, each plant and mill, and each community where the plant is located, has a large number of contingent conditions, so not every strategy presented will fit your community. Consequently, think of these actions not as a detailed roadmap but as a compass to navigate change, guide the acquisition of new skills, and create together the future you want for you and your children. This requires communities to ask the hard questions that come naturally when you have intentional conversations and deeper relationships.

The third section, ***What Success Can Look Like***, presents a range of qualities that flip the conventional deficit narrative into a positive portrait of assets and capacity. It is important that you have the qualities of success to aim for. The list is not definitive or static; it is equally important for your community to think through and prioritize your own punch list of what success looks like. Those who live in a community should define community outcomes.

Let’s get started

The introduction lays the groundwork for what follows. It gives the “why to” context necessary before you can go on to the “how to” tools and strategies. But remember, all the following indicators, tools, and strategies are starting points, not definitive answers. They are meant to prompt community conversations and encourage stakeholders to wrestle with the options and make choices for the benefit of all. Each community’s answers will be unique and crafted by all who participate. This guidebook shares the knowledge and perspectives of a number of people, but what your community knows matters a great deal.

If you are reading this, it’s highly likely your community is confronting change. It is time to begin again.

HOW TO KNOW IF THE COMMUNITY'S ECONOMIC ENGINE IS SPUTTERING

While your community and its residents may be a primary concern to you, larger corporate owners or investment funds, which often own wood products manufacturing plants or mills, have interests to consider beyond the communities in which they operate. Financial returns and shareholder expectations are major drivers, both in general and for publicly owned companies in particular. Companies sometimes prioritize short-term profits at the expense of long-term value. Further, large companies often have a portfolio of multiple mills or locations to consider and are making decisions that impact a particular community in the context of a larger regional, national, or multinational corporation.

The following list of indicators may signal corporate instability or strategic changes, and suggest the facility in your community is at risk.[4] Not all indicators must be present to merit concern, but the more you see, the greater the likelihood of risk. For public companies, some of the indicators can be gleaned from public statements such as company press releases, but most will be found in financial and legal records filed with the U.S. Securities and Exchange Commission (SEC). Beyond publicly available information, the company's local management will likely have a good sense of a plant's health and future. Engage with local plant managers and other corporate leadership as much as possible. Landowners, loggers, and truckers who supply the mill are another good source of information; those closest to the problem are the first to know. This guidebook's intent is to maximize a community's awareness when times turn tough.

Ownership Indicators

1. **Repeated changes in ownership.** If the dominant company or plant is locally owned, it is rooted in the community. Local company owners, while managing the challenge of building a successful company, often see themselves as a stakeholder in the community. This is often expressed

[4] These indicators summarize findings from: Paul Fowler, *Case Study: The Role of Private Equity in the Decline of a Major Forest Products Company*, NYU Stern Center for Sustainable Business, December 2021.

in the company's financial commitment to and leadership's participation with community public spaces, hospitals, schools, and civic pride. When ownership transfers to outside the community and becomes distant, that commitment to place and to local dialogue can be lost. When the company itself or ownership of the individual plant changes ownership repeatedly, this may be an indicator of instability.

2. **Proxy actions by activist shareholders. Proxy statements** generally signal that a shareholder (or group of shareholders) is dissatisfied with a public company's business decisions or its corporation's governance and is seeking to exert control. "Regardless of motivation, proxy actions distract the senior management team and disrupt the company's day-to-day operations."[5]

Proxy statement: *The SEC requires that shareholders of a public company receive a proxy statement prior to a shareholder meeting, whether an annual or special meeting. The information contained in the statement must be filed with the SEC before soliciting a shareholder vote on the election of directors and the approval of other corporate action. Solicitations, whether by management or shareholders, must disclose all important facts about the issues on which shareholders are asked to vote. (From SEC.)*

Leadership Indicators

1. **Frequent changes of leadership.** Frequent changes in company executive-level leadership suggest a lack of consensus in the company management. Disagreement can be internal within management, board leadership, or shareholders. The turnover of senior leadership increases the odds for instability, indecision, and, ultimately, loss of company competitiveness.

2. **Leadership compensation and performance benefits that incentivize short-term cash generation.** SEC filings provide details of senior leadership contracts and compensation. Sometimes compensation is conditional on meeting explicit management goals, which may indicate the intention to sell major assets or the entire company.

3. **Unconventional alignment of board membership.** If a significant percentage of the company's board members do not have background in the business's core operations and competencies, this can signal the board's intent to focus on something other than growing the company—like taking the company in a different direction. This is underscored if board members come from merger and acquisition backgrounds that prioritize extractive strategies.

[5] Fowler, *Case Study*, 2021.

Capital Structure Indicators

1. **Recapitalization actions to pay shareholder dividends.** A management and board decision to recapitalize the business to pay shareholder dividends—rather than investing in the business (especially after a recent acquisition where private equity interests dominate)—is a signal that their priorities are likely extractive rather than maintaining, strengthening, or growing the company's assets and profitability.

2. **Use of chapter 11 bankruptcy as a reorganization tool.** It is an indicator of concern for companies, just as it is for individuals or households, to declare bankruptcy as a means to reorganize debt and restructure relationships with creditors. This impacts suppliers, vendors, and other community stakeholders.

3. **High levels of indebtedness.** Sound business practices are designed to stabilize a company, work to increase productivity and sales, and open new markets. Debt is kept manageable and increased costs are passed on to customers. But when a business model uses a high level of debt and dividend recapitalizations, debt payments can become a driver of business decisions that can result in pressures to cut costs by closing mills and reducing employment.

Business Strategy Indicators

1. **Pursuing a business strategy that deviates significantly from other companies in their peer group.** Sometimes companies misread the market and make poor strategic decisions. This can happen even with skilled, seasoned leadership. But it is more prone to happen if boards are dominated by individuals who lack sector knowledge, or have other priorities altogether. In some cases, the strategy shift reflects reorientation of the company's business objectives.

2. **Withdrawal of engagement with the community in which the entity operates.** The shift from local to remote ownership changes the relationship between the company and the community. For example, the corporate philanthropy begins to go elsewhere, and plant management who were community leaders may disappear. Without local ownership, it becomes harder to retain or at least inform a company's stakeholder ethos and commitment to the community where it is located.

3. **Changes in company pension plans or other key benefits for employees.** Not noted in the case study analysis, substantial declines in company pension and health care benefits can signal that the company is facing financial difficulty, or is focused on cost reduction to support their commodity business model.

4. **De-emphasizing the role of, and resources for, research and development activities.** For a company that makes tangible products, resources have to be invested for research and development to develop new products or adapt existing ones. Pay attention when a company reduces its R & D efforts below the benchmark of its peer companies.

5. **Making insufficient capital expenditures to adequately maintain existing capacity.** Modern manufacturing is capital-intensive. Just as homeowners need to install new roofs or water heaters, manufacturing plants require significant and regular capital investment in physical plant and technology maintenance and upgrades to maintain productivity. When investment is eliminated or curtailed, it is important to understand the rationale for this decision.

6. **Lack of long-term commitment necessary for the development of new products even without capital expenditure.** To keep existing customers and grow new ones, companies have to always focus on new or improved products. Companies have to do this continually over two-to three-year planning cycles. A lack of long-term commitment to innovation is a telling sign of decline.

A positive example of private equity's role in company transformation.

The above indicators can help identify concerning trends. But the case study also examined a corporate transition that offers a useful counterpoint to the Verso Corporation analysis.

In 2013 KPS Capital Partners, a long-established private equity group, created Expera Specialty Solutions in Wisconsin to acquire two Wausau Paper Corp mills in Mosinee and Rhinelander, Wisconsin, and two Thilmany Papers mills in Kaukauna, and DePere, Wisconsin. The purchase was supported in the communities. KPS-Expera and United Steel Workers (USW), which represented employees at three of the four mills, negotiated a four year contract that increased wages, improved health care benefits and lock in retirement security. A USW Regional Director noted, "that a big part of value creation is people sitting down together to solve difficult problems." The new ownership also improved management and made capital investments that yielded higher efficiency and profitability of the mills. In 2018 the mills were sold to the Finnish company Ahlstrom-Munksjö.

What makes the KPS-Expera Specialty Solutions transition distinctive?

***First**, leadership executed on its strategy, combined company cultures quickly, and sought out efficiencies and opportunities.*

***Second**, the company built a strong customer base by custom manufacture of complex, technical "specialty" paper grades. Expera's infrastructure of relatively small, more nimble paper machines made this easier to do than could be done at the Verso mill in Wisconsin Rapids.*

***Third**, the principle of collaboration with customers to help meet technical and performance requirements in a product was highly ingrained and promoted in Expera.*

***Fourth**, capital investment opened up new business opportunities related to the manufacture of complex paper-based composites.*

***Fifth**, operational efficiencies, new product development and expanded customer positioned the company as an attractive buy-out proposition for a larger company seeking market synergies in the specialty paper space.*[6]

[6] Fowler, *Case Study*, 2021.

For publicly traded companies, the SEC is the best single source for data and information that can help you identify the status of most of the above indicators. The SEC says that its responsibility is "making Wall Street work for Main Street."[7] This is not an easy task, for large companies are complex institutions and the financial and management reporting requirements for publicly traded companies are equally so. Nonetheless, all company information filed with the SEC is made available in a publicly searchable database called EDGAR.

There is no getting around the reality that first-time exposure to the EDGAR database is daunting, but information and insights for almost all the company indicators noted above can be derived from data available in EDGAR—particularly in annual reports, quarterly reports, and proxy materials. A brief guide to accessing this valuable resource is included in the appendix.

The SEC filings give company-level insights. But what if the company owns a number of mills across the country? What about an individual plant—the one in your community? Each mill is different and perhaps serves a different market. Is there a way to gain insights about the plant in your community? RISI-Fastmarkets and Fisher International, two proprietary research sites from the pulp and paper industry trade, are tools that can help. For more general insights, consult Industry Intelligence. Links are provided below.

- RISI-Fastmarkets
- Fisher International
- Industry Intelligence

These sources are subscription services, although each offers free general industry stories and research articles. For more detailed company or plant analytics, a subscription is required. Fisher International has a mill sustainability caution indicator that pegs mills against their peers and can be a useful source of information.[8] RISI also covers a broader spectrum of the wood products industry. Industry Intelligence includes articles not picked up by the other sources and taps different researchers from the *Wall Street Journal*.[9]

[7] "Maintaining Fair, Orderly and Efficient Markets," U.S. Securities and Exchange Commission, last modified November 22, 2021, https://www.sec.gov/about/what-we-do.
[8] Paul Fowler (Executive Director of the Wisconsin Institute for Sustainable Technology, University of Wisconsin–Stevens Point), conversation, February 4, 2022.
[9] Chip Dillon (Managing Partner, CyPoint Partners, LLC), communication, February 22, 2022.

GETTING OUT IN FRONT OF A POTENTIAL PLANT CLOSURE

Learning to identify the business and financial signs that change may be afoot is necessary, but it's not sufficient to ensure the community's long-term well-being.

As the economic hardship caused by a plant closing unfolds, it's likely a local leader will say, "Well, we didn't see this coming." But it is more likely that small signs were everywhere—unseen or unheeded. Worse yet, perhaps it was simply easier to say you didn't see it coming than to acknowledge that yes, we saw it but felt powerless to do anything about it. The goal of this guidebook is to make clear that you can take actions that increase your odds of having a better future.

Natural disaster management, which has long been a civic function of all levels of government, offers lessons to communities needing to learn how to anticipate and proactively respond to an economic crisis. Communities and states understand far better now that crisis management isn't just the after-action response: the hard work is in preparing and anticipating. Since 2005, when Hurricane Katrina devastated the Gulf Coast, states and communities have been far more holistic and innovative about rebuilding, rebounding, and coming back under a framework of strategies called resilience. But resilience is more than simply improving your community's ability to take a punch and then return to the way things were before. Resilience is about growing and adapting to get a better outcome: to come back stronger and better than you were before.[10]

To anticipate and respond to economic threats, we must nurture the civic culture to engage in change. This is long-term work. We don't have to abandon a community's entire history when we adapt to the future. We can take that legacy with us, but change we must. The actions suggested below are clustered into three categories: 1) the prerequisites of leadership, networks, and collaboration; 2) see new community assets and claim a better future; and 3) secure new sources of financial capital to fuel your future.

[10] To compare environmental adaptation strategies to economic ones, visit Louisiana's Strategic Adaptations for Future Environments (LA SAFE).

Leadership, Networks, and Collaboration

1. **Initiate adaptive leadership training.** The long-term presence of a dominant employer in a community creates stable economic and civic conditions. But there is a downside: stability often entrenches long-term local leadership that defaults only to seeing and protecting the status quo. When sudden change is brought on by economic crisis, and what has worked in the past disappears, new leadership skills and outlooks are called for when problems are not easily defined, or solutions clear. Building strategies that benefit everyone will require participation from many and a consensus that crafts a new narrative of what is possible. Adaptive leadership focuses on developing skills of listening, relationship building, and mediating tough conversations. In Wisconsin Rapids, the Advanced Leadership Institute, initiated by the Incourage Community Foundation, introduced adaptive learning. The Institute was predicated on the belief that the relationships built on trust and shared stewardship of a community's assets were intertwined. In other words, building community capacity required an investment in human and social capital.[11]

2. **Enlarge the circle of leadership across generations, gender, wealth profile, and race.** Adaptive leadership requires widening of the circle of civic participation and leadership; it is about nurturing participation where it has not been the norm. In towns with dominant manufacturing employers, it is also about class—creating an environment where all people feel that their voice and contributions matter.

3. **Nurture your networks.** Even in smaller communities there are multiple networks and associations: faith communities, the medical community, your local economic development network, education, and care for the elderly. *All of these networks are touched by economic crisis, and all have a role in recovery.* You must break down network silos and build a common narrative of shared community stewardship. Equally important, how does each network see one another, and do they have a commonly shared narrative of community well-being? How do they manage change and conflict? Where are the trust gaps within or between networks? How deep are regular relationships within and across networks that can be flexibly and quickly deployed in a crisis? Answering these questions can strengthen the civic and cultural "muscle memory" to effectively manage change.

[11] A strong introduction to adaptive learning is by Doug Easterling and Judith Millesen, "Diversifying Civic Leadership: What It Takes to Move from 'New Faces' to Adaptive Problem Solving," *National Civic Review* 101, no. 2 (Summer 2012): 20–6.

Managing Multi-Stakeholder Partnerships

Partners and networks need to add value or they don't thrive.

Adding value in multi-stakeholder partnerships includes a clear roadmap of process and stages. What are the expectations of shared outcomes among diverse stakeholders?

Corporate and public partners must be clear and committed about what they are or are not contributing to the partnership.

Multi-stakeholder partnerships require that an individual or organization take the lead in managing logistics and facilitation.

Finally, multi-stakeholder partnerships take time. Be clear on small milestones of progress that give confidence that the partnership is yielding results.

4. **Increase collaboration and embrace multi-stakeholder partnerships rooted in shared stewardship, and shared prosperity.** Increased collaboration creates a community of individuals and institutions committed to shared prosperity that is "holding the whole." Such community agency and commitment to shared stewardship builds relationships and trust. The value of mutual benefit is also expressed in healthy, transparent public/corporate relations. Each contributes to the whole. Corporate partners, especially ones whose management and/or ownership are not located in the community, recognize that their decisions have serious consequences in rural communities and small towns and take that into account in measuring success. In turn, communities act on opportunities to enhance a quality of life necessary for corporate partners to be successful. One example of this is public/private coordination and support for education and workforce training in community colleges, technical colleges and even K-12 systems. A company's financial goals and a community's future will never be perfectly matched, but an ethic and spirit of shared stewardship can minimize disruptions.

5. **Understand and make meaning from your local information ecosystem.** Your local media, newspaper, TV news, or radio are important sources of information. However, we live in an age of rapidly diffuse systems of knowing what is going on in a community. Facebook and other social media vehicles are important, informal networks of knowing. The peer knowledge of workers in a plant and small business leaders are also important sources. It is also essential to communicate regularly with state legislators, especially if state assistance is part of a solution going forward. A systematic series of community listening sessions can contribute to creating a common narrative. The challenge is how to connect dots and create a public narrative of a story that has likely unfolded for many years.

See New Community Assets and Claim a Better Future

What is true in disaster planning is equally so for mitigating potential vulnerabilities to economic threats. A community can wait and respond, which usually means responding to a crisis on someone else's terms. Or, if you are "watching your basket," you can take charge before a crisis occurs, shape your priorities, and have more control over your future. The following steps can help.

1. **Construct a community historical timeline to see where you've come from.** Change requires that we honor heritage at the same time we frame a new future. A community's historical timeline can give invaluable context

on change over many years as well as locate the patterns of meaning that shape and inform both individual and community identity. It can also point to past changes, courageous moves, and innovation that can spark inspiration.[12]

2. **Break through the worst-case scenario to understand what is at stake.** What happens if nothing is done in your community? In communities long dependent on a major employer, it is easy for inertia to take hold; if this happens, the past will entirely shape the future. Understanding the opportunity cost of inertia is an essential community calculation that can motivate action to create a better future.

3. **Step back and see your community assets in new ways.** By understanding your past, you can step back and look at your current community assets and competitive advantages in new ways, and then do economic development differently; it can free your community to better appreciate a broader range of community capital. An assessment can be as simple as the shorthand diagnostic, or a sharply detailed and comprehensive analysis. Here are examples of each:

   a. A concise but mighty checklist may be found at 20 Clues to Rural Survival by the Heartland Center for Leadership Development. To better understand the demographic and socioeconomic context of change in your community, also consider the Economic Profile System data platform of Headwaters Economics.

   b. For a comprehensive analysis, the Community Strategies Group of the Aspen Institute recently released the Thrive Rural Framework, the distillation of learning from a highly experienced national advisory group. The Framework is "a new tool to help you take stock, target action, and gauge progress. We invite everyone involved in rural development—from local leaders to investors and philanthropists to state and national policymakers—to use this tool to spark new ways of thinking and acting to move communities, regions, and systems toward producing more widespread and equitable rural prosperity, and well-being." Knowing that work must take place at different levels, the Framework systematizes action into local-level building blocks carried out by communities themselves, and larger system-level building blocks that are beyond the reach of a community or region to change alone. It is notable that one of the system-level building blocks is local stakeholder equity: "Governments, businesses, and institutions operated by individuals and owners outside rural communities establish balanced relationships that produce mutual and fair value for

[12] For a basic description of a community history timeline, see "Historical Timeline" by Episcopal Relief and Development.

the rural community, Native nation, business, and worker stakeholders." As with the SEC's EDGAR database, this resource can look daunting at first glance, but it is a remarkably thoughtful and commonsense guide to doing economic development differently.

__Community development finance__ is a broad term encompassing the varied sources of funding that support stronger and more resilient communities. These funding sources promote new and established sources of community development finance for low-and-moderate-income (LMI) communities by working closely with financial institutions, community development organizations, nonprofits, foundations, research and policy centers, and government agencies. Community development finance often requires a creative mix of public, private, and philanthropic resources. (From U.S. Federal Reserve.)

__Community development finance institutions__ (CDFIs) share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses. They reach rural, urban, Native nation, and other communities that mainstream finance doesn't traditionally reach. Unlike traditional banks, many CDFIs offer clients financial education, business coaching, and low-interest rate loans that build economic potential and help build local wealth. (From CDFI Fund and Opportunity Finance Network.)

Secure New Sources of Financial Capital to Fuel Your Future

Communities need flexible capital to meet diverse opportunities. Grants and loans can come from local or non-local philanthropy, and from state and federal government agencies. A state's elected and department leaders are critical to coordinating state resources that can be deployed, and to facilitate the securing of federal resources. In addition, community foundations are an important source of funding for education and workforce development, and in ideal cases take on catalytic roles in community transformation. But grants alone are seldom enough for large or capital-intensive projects, and they are usually bundled with loan products.[13] Fortunately, there are more ways than ever to secure support under a broad umbrella of services called **community development finance**. Organizations and institutions that make up community development finance are diverse in institutional type and focus: they are credit unions, state agency development or housing finance organizations, or private investment firms that have a commitment to underwriting companies that define success through ESG principles and healthy financial returns.

Across both rural and urban America, one of the fastest growing institutions is **community development finance institutions**, or CDFIs for short. These organizations can customize and package services such as low-interest loans, financial education, and business development. CDFIs can be credit unions or small business lending organizations. They can focus on business, development, housing, or personal finance. Some CDFIs can also support municipalities through the CDFI Fund's CDFI Bond Guarantee Program. Chances are good that your community has a CDFI nearby.

A reality of financing projects, whether for businesses or communities, is that multiple sources of financing are needed, especially for larger projects.

[13] The Economic Development Administration's federal grant programs and the U.S. Department of Agriculture's Rural Development programs for community economic development are two such examples. Two Economic Development Administration programs that could be a model for transition assistance for forest-reliant communities are the Nuclear Closure Communities (NCC) Program and the Trade Adjustment Assistance for Firms (TAAF) Program.

*A **capital stack** is the total amount and various kinds of capital invested in a project, including equity, debt. The stack is often shown as layers containing the most risk at the top and the position with the least risk at the bottom. Higher positions in the stack expect higher returns for their capital because of the higher risk. (From Mission Investors Exchange.)*

Community development finance commonly addresses this through a financing structure, called a **capital stack**, that widens the range of investment by aligning investors with different tolerances for financial risk to contribute to a project. This not only widens the range of investment but also encourages the necessary support of entrepreneurs who are in the early stages of development where risk is higher.[14]

Community development finance, broadly defined, can contribute in practical ways to forest-reliant communities confronted with challenges. The following actions suggest how understanding community development finance and financial markets is essential to securing new sources of capital.

1. **Deploy financing solutions that contribute to the retention of an existing plant.** Community development finance, because of its mission of improving multiple forms of community capital, can be a preferable form of financial capital that is more flexible and patient than more conventional forms of debt or equity investment. Community development finance can also be structured to enhance multiple kinds of capital, financial, social, and natural, as the story from Lyme Timber Company demonstrates. State funding is another potential source of creative capital. Community groups and municipal stakeholders can assist plant management of potential workforce solutions and funding opportunities.

Keeping the sawmill open.

Lyme Timber Company has invested millions of dollars since the 1970s to purchase hundreds of thousands of acres of forest lands that are both working assets for the forest products industry, and often have conservation, mitigation bank, and forest sequestration benefits. The firm also advises private landowners, foundations, and philanthropist on conservation strategies for real estate decisions.

When the Danzer Company reduced production at its Bradford Pennsylvania sawmill and decided that it no longer fit the company strategic priorities, Lyme, in a joint venture with the Rossi Group, a forest products management company, stepped in to purchase the mill and preserve 85 existing high skill jobs in a very rural region of Pennsylvania. The preservation of the mill also assures that Lyme's regional forest assets are a source of revenue for timber operations that sell to the Bradford sawmill. This was a strategic financial intervention that benefited the company, the mill and its employees, the community of Bradford, and logging small businesses across the region.[15]

[14] See "Principal Ideas: How Can We Secure Enduring Capital for Equitable Rural Prosperity?," Aspen Institute Community Strategies Group, December 2021. Two sections are especially helpful: "Fiscal Policy and Rural Capital" by Mark Haggerty, Center for American Progress, and "Innovations in Regional Rural Capital" by Lisa Richter, Avivar Capital.
[15] Lyme Timber Company. "Partnership between the Rossi Group and Lyme Acquire the Danzer Sawmill in Bradford, Pennsylvania," April 19, 2021.

2. **Contribute innovative capital solutions to reconfigure an existing plant to a different use for renewed economic value.** Saving an existing plant in its current function may not be in the realm of possibility; there may, however, be options for an alternative use. If so, the use of flexible, patient, and innovative capital can be a contributor to a solution that softens the economic dislocation of a plant closure and perhaps even opens up new forms of competitive advantage. State economic development agencies should be a strong partner in repurposing a plant.

3. **Use community development finance tools and multi-stakeholder partners to support a community's small business development ecosystem.** Impact investing firms can aggregate capital to partner with mission-driven intermediaries (such as local and regional CDFIs, or community foundations) to accelerate favorable-term lending to small businesses and entrepreneurial startups. These financial institutions can also partner with a diverse network of small business support centers to offer wrap-around services to increase the number of vibrant small businesses that in turn diversify the economy.

__Impact investing__ is investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. Impact investors actively seek to place capital in businesses and funds that can harness the positive power of enterprise. (From Mission Investors Exchange.)

While community development finance practices can diversify economies to increase opportunity, more can be done to increase economic and social resilience in a region that aligns with ESG values-driven investment strategies. The growing field of **impact investing** is a way to better harness both public and private capital for community transformation. With their mission focus of enhancing diverse forms of capital, impact investing firms are often sources of patient capital that will work to create win-win solutions for the company and the community.[16] In recent decades, an impact-investing network of lending and financing organizations has grown significantly in number and complexity.

One example of this, in the Great Lakes' "fiber basket" where there are concentrations of forest-reliant communities and wood product industries, is the Incourage Community Foundation in Central Wisconsin. Over a period of years, Incourage committed a significant portion of its investment portfolio to mission-aligned investments. Examples include the creation of Wisconsin Shared Stewardship Equity Fund, and investments in state and local CDFIs that lend to entrepreneurs, small businesses, nonprofits, and low wealth individuals and households.

Impact investment coordinates the investment of public and private capital for social change, but its mission can also better align the interests of both corporations and communities. Incourage Community Foundation and a range

[16] A deeper, more detailed introduction to the practical value of impact investing can be found on the website of the Wisconsin Impact Investing Collaborative and their *2019 guidebook, Impact Investing: National Trend, Wisconsin Opportunity*.

of partners created Engage for Place to present the vision and the practical tools to make the vision useful and practical. It proposes corporate community stewardship guidelines, case studies, and more. It also takes the dramatic step of community stakeholders becoming company shareholders.

Communities and the private sector have a web of mutuality: they each provide benefits and value to the collaboration. But when signals arise of corporate or individual plant instability, it becomes useful for the town, or some designated entity, to become a shareholder of the company to access more up-to-date company information, and practice shareholder engagement through voting proxy statements and engaging company management. Depending on investment size, being a shareholder gives the community recognition and agency that it might not otherwise have.

***Municipal bonds** (or "Munis" for short) are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems. Generally, the interest on municipal bonds is exempt from federal income tax. The interest may also be exempt from state and local taxes if you reside in the state where the bond is issued.*[17]

Municipal bonds are a nearly $4 trillion source of market capital used to finance local government services and infrastructure.[18] For investors, Munis may be an attractive, low risk option that pays a stream of interest payments until the bond's principal is repaid. Increasingly, this significant capital source is deployed to finance community economic development projects by government and nonprofits.

State development organizations help communities access bond financing in a number of ways. They can issue their own bonds that may assume, or mitigate, risk on behalf of the locality. This is an important source of support for lower wealth or rural areas that have limited capacity, and help small businesses access capital markets that would otherwise be inaccessible. The Arkansas Development Finance Authority acts as a guarantor of the bond issue to make the bond marketable to buyers nationwide. Other states have state legislature created Bond Banks, that can offer more competitive rates than the state can offer, so check with your state economic development agency to see if this is an available resource.[19]

[17] Investor.gov.
[18] Municipal Securities Rulemaking Board. See Municipal Market 101.
[19] We are grateful to Heron Foundation staff for sharing this information and the example of the following success story.

__Net contribution__ is the aggregate effect of an enterprise on the world. Enterprises include for-profits, nonprofits, and government enterprises, and they can affect their communities in a variety of ways, both positive or negative.[20]

A Success Story: Municipal bonds fuel economic revitalization.

Hawley, Pennsylvania is the location of a silk mill that first opened in 1880. The handsome brick building was home to many other uses over its long history. In 2009, a group of local investors purchased the empty building and had an ambitious vision to make the historic building a hub for economic revitalization. In 2010, local investors sought assistance from the Wayne County Economic Development Corporation, which assisted in acquiring bond financing through the state economic development agency. Heron Foundation purchased $310,000 at the bond issuance in 2010. In 2022, seeing the project's potential to meet the foundation's mission to finance projects that have a __net contribution__, the Foundation purchased an additional $1.3 million over a period of months.

This successful project contributes to four major forms of capital that prioritize Heron Foundation's investments: human, civic, natural, and finance.

Human Capital

- *90% of the construction contractors were local.*

Civic Capital

- *Hawley Silk Mill is a multi-use facility for higher education, medical, and added 14 new small businesses. The site also has high end hotel and restaurant.*

Natural Capital

- *Over fifty percent of the roof surface is covered in solar panels.*
- *Much of the original wood and brick was recycled back into the renovated building.*

Financial Capital

- *The tender bond-option assures liquidity as investors can tender or "put back" the bonds at par within 7-days' notice. This allows flexibility for identifying other investment opportunities that better fit the long-term strategy and asset allocation of the portfolio.*

[20] A deeper introduction to net contribution can be found on the Heron Foundation website.

WHAT SUCCESS CAN LOOK LIKE

This guidebook introduces numerous tools and strategies that are available to your community, but they are a means to an end: only your community can determine what success can look like. This guidebook ends with its own list of what success looks like, as a way of encouraging your community to reflect on its own priorities.

__Inclusive__ draws a welcoming circle around diverse interests and stakeholders.

1. **Success is when your community has a productive relationship with your local forest products business.** Whether it is a locally owned sawmill employing dozens of people, or a local plant of a nonresident corporation employing hundreds, you will recognize and understand what makes your private sector partner successful.
2. **Success is knowing the parent company of your local plant or mill (if relevant) and its related wood product sub-sector.** You will know whether it is growing or retracting, or changing and adapting in specific ways. You will understand what this means for your community.
3. **Success is a multi-stakeholder partnership that is open, transparent, and inclusive.** This involves both the private and public sectors and is local and regional. Community leaders, especially elected ones, and corporate leadership will be engaging state elected and administrative leadership to leverage state resources and assistance. A multi-stakeholder partnership works for a prosperous future for all.
4. **Success is a community's long-term commitment to nurturing and strengthening local and regional leaders to manage change.** Adaptive leadership skills prepare your community to manage the not-yet-known: it will be more agile at listening and learning, will be inclusive of new voices and faces, and will not blink in the face of tough conversations.
5. **Success is a more inclusive community.** Small towns and rural areas will be more sustainable with a more diverse economy. It's the same with local leadership when you have a wider field of formal and informal leaders who are engaged with the community: your community will be tapping experienced problem-solvers who can drive momentum.
6. **Success is a community that understands and taps the power of its formal and informal networks.** There are dense webs of social, civic, and faith networks that root relationships to place, and create stronger community results that are greater than the sum of their parts. They are conduits of information and knowledge, and when tapped, they can be power lines that energize change.

7. **Success is a community that sees its current assets in new ways and has an actionable plan to create new ones.** Companies take stock of their assets through their balance sheet, communities should as well. When you are deeply embedded in a community, you sometime can't see the forest for the trees. Cultivating the ability to step back and see the landscape anew is an acquired skill. With this skill you can think and do economic and community development differently for the mutual benefit of your community.

8. **Success looks like a community that recognizes and takes advantage of diverse forms of financial capital to benefit the community.** Successful communities know both their local and distant philanthropic partners, credit unions, CDFIs, and traditional financing community. Successful communities understand community development finance and capital markets; they know how to connect with financing institutions that have business objectives inclusive of social and environmental metrics as well as financial return.

This is a partial list, to be sure. More important, however, is to ask, *how does your community define success?* What gets added or modified from this partial list? It is critical that your community craft its own goals of what success looks like. Take control. Craft a vision of success. Be audacious. Your future may look different from your past, but it can be a future worth working for.

Principles for measuring rural and native nation development progress.[21]

1. *Expand the range of individual and community assets used to indicate critical rural development progress.*
2. *Do not dictate what to measure. Work with rural initiatives to define the progress indicators that make local—and mutual—sense.*
3. *Measure progress relative to the rural effort's starting point at its current stage of development—not against an ideal "success" standard.*
4. *Measure decreases in place, race and class divides—and increases in the participation and decision-making that reduces these divides—as inherent elements of increasing rural prosperity.*
5. *Identify, value, and measure effective collaboration as progress toward rural prosperity.*
6. *Identify, value, and measure signals of local momentum as progress towards rural prosperity.*

[21] This extensive Call to Action documents learnings from rural and native nation development practitioners: Measure Up: A Call to Action. Principles for Measuring Rural and Native Nation Development Progress. Aspen Institute Community Strategies Group, June 2022.

CONCLUSION: CONVERSATIONS AND RELATIONSHIPS CAN GROW A SHARED DESTINY

America's small towns and rural communities value stability, growth, and stewardship. But the reality is that there has never been a period when economic change was not ongoing. It's often wrenching. In this new century, the accelerated pace of economic and cultural change reinforces this reality.

Such change is well understood in Wisconsin Rapids, Wisconsin, the community where the Verso Corporation closed its pulp and paper plant. Building on years of work of its Advanced Leadership Institute, local leaders coordinated with state leaders to explore strategies for how the plant could be sold and restarted. A federal Economic Development Administration grant was secured to identify reuse options of the mill site, and invited broad public input. This analysis will be completed in the first quarter of 2023. In March of 2022 the Finnish Company, BillerudKorsnäs, acquired Verso Corporation and all its plant locations. The new owner's intentions for their Wisconsin Rapids property are currently unknown. But come what may, Wisconsin Rapids will be better prepared to chart a stronger future.

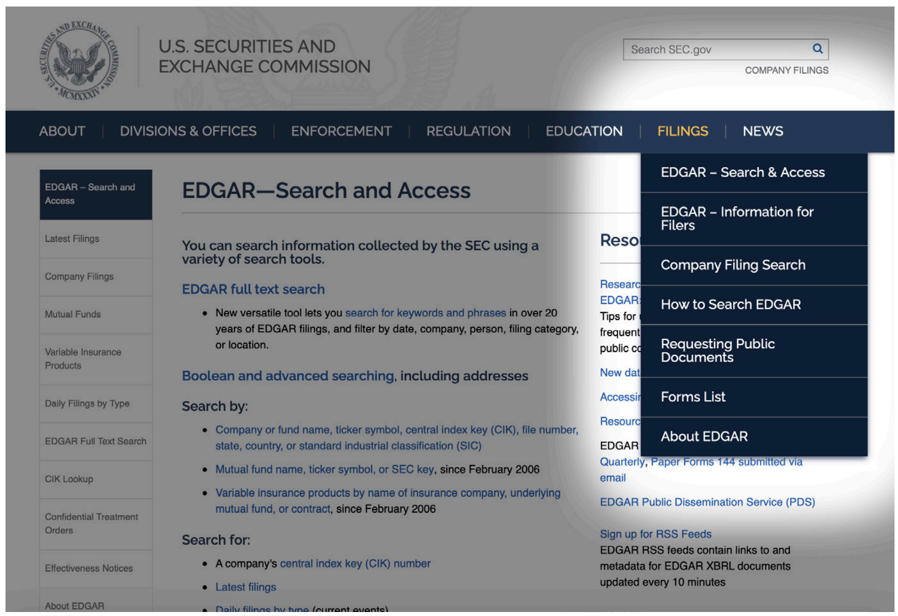
The wood products industry in North America is large and complex, and it, too, is changing: old business models fade and new opportunities emerge. There is both entrepreneurial energy and corporate consolidation. Amid this churn, there is a growing recognition that ESG principles supplement financial return objectives, and can encourage and shape the terms of multi-stakeholder partnerships—the values that shape relationships between community and business. Forging these relationships require explicit questions and answers: What do corporate stakeholders ask of their relationships with partner communities? In turn, what must communities ask of private sector partners? Beyond local relationships, what is the responsibility of state and federal government to facilitate and support local public-private relationships that make rural places and small towns thrive? To negotiate change?

Answering these questions require conversations and relationships between communities and companies that grow a shared destiny—conversations and relationships that must be intentional and deeper. For companies, especially those with a national or global footprint, this requires a stronger understanding that their decisions have profound consequences for the communities where their mills and plants are located, and that these broader impacts must be part of their accounting systems. For community leaders, deeper conversations and relationships require proactive decisions to better understand the metrics of success and sustainability for their local mills and plants, the company that owns them, the company's customers, and the entire sector. Competition between companies may require that an individual company not reveal its entire strategic plan, but a deeper understanding of the sector will minimize surprises. It requires that communities pursue every opportunity to maximize stability through economic diversification and to cultivate the leadership who can make it happen. When multiparty stakeholder partners do this, communities can mitigate the risk and impact of a plant closure and secure a brighter future. For the workforce, whether represented by organized labor or not, there is growing trust that they are respected, fairly compensated, and will have opportunities for professional development. There are no easy answers, but we are confident that any lasting answer must be rooted in the value of shared stewardship that nurtures a shared destiny.

APPENDIX

The SEC's EDGAR Database

Accessing the EDGAR database is relatively easy. On the right side of the top menu bar of the SEC home page, you will see a tab titled Filings. When you click on Filings, you will see the following pull-down menu:



1. If this is your first search experience with EDGAR, select EDGAR—Search and Access. From this main page, click on EDGAR full text search. This takes you to a page where you can search by company name and several other variables.

2. One critical field is titled Filing Types. The most important documents are:

   - all annual (Form 10-K) and quarterly (Form 10-Q) reports
   - proxy materials (Form DEF 14-A)

By focusing attention on these two categories of filings, patterns begin to emerge. You will see the difference between brief, routine boilerplate language and informative tidbits of knowledge that are often bigger text blocks. Proxy statements are particularly important as they cluster around significant events critical to the company.

The SEC also has an EDGAR user guide for deeper analysis and has a useful list of company document codes.

Who might be able to help

For Interpreting Company or Sector Information

Access to SEC company filings of proxy statements, annual and quarterly reports, and individual plant competitiveness can be obtained. Interpreting what you find, however, is more difficult. There are several avenues to consider for assistance.

- **Local company management or leadership.** Local mill managers, long-term workers in the mills, union leadership, and others can provide insights into the dynamics within their business as well as introductions to senior leadership to improve community engagement and communication. They may also be able to help interpret any specific forest-products business considerations or language that might be unfamiliar to broader community stakeholders.
- **Landowners, loggers, truckers, and other workers in the forest products supply chain.** Businesses and their workers who deliver fiber or who otherwise rely on local plants for their livelihoods, monitor plant health through local relationships as well as track prices of fiber and operating costs over time. They are also a group of stakeholders with a lot on the line if a plant is shuttered. What they know often gets shared directly or secondhand through social media.
- **Your local newspaper.** Evaluate how actively your local paper or other media (radio, local community discussion boards, etc.) have covered plant developments. Across rural America, small town newspapers provide an invaluable contribution to civic life. Locally owned newspapers have a legacy of professional skill and civic bravery. But a locally owned newspaper, like other small businesses, can also be influenced by the dominant local culture and may not wish to take on such a deep investigative role. If the local paper is part of a larger media company, this may make it easier for them to take on a research role, or to push research upstream to regional or state newspaper colleagues.
- **Local residents with corporate or legal training.** A local business executive or attorney, active or retired, would be comfortable with the material and could see patterns of meaning.
- **Your nearby private or public university.** Colleges and universities have public engagement and service as a core mission. They will vary in their interest and effectiveness, but they can be a significant resource. Embedded academic resources might be an innovation center, such as the University of Wisconsin–Stevens Point's Wisconsin Institute for Sustainable Technology which has a focus on pulp and paper technology, or it might be an MBA program that places quality graduate student researchers under faculty supervision.

- **Nonprofits with community economic development expertise.** Local and regional community economic development organizations are, or should be, natural allies. You will need to vet carefully the skill sets of individual staff to determine if their assistance is most needed for corporate discovery, or if they can best aid with small business lending.
- **Your state's department of commerce, or a regional economic development entity.** Depending on circumstances, they can be of assistance. At the very least, you should have open communications with relevant state agency personnel regarding the economic impact of a potential closure, and what their emergency workforce assistance role might be. When engaging your respective state agencies, coordinate with your local state elected officials. They will want to be proactive to prevent a closure or significant employment reduction. In some states, Cooperative Extension or Manufacturing Extension programs can be valuable partners.

For Assistance with Community Capacity and Responsive Strategies

In addition to the helpful resources listed in the previous section, the following firms, nonprofits, and networks can assist your community to get out in front of a potential mill or plant closure. There are numerous resources across the nation, and those in this small selection are highly regarded; they either assisted in the creation of this guidebook or provided direct support to Central Wisconsin when it confronted its own 20-year mill transition and closure.

- **Incourage Community Foundation**—The "Resources" and "News and Media" sections of their website give a real-time sense of what it was like to experience a major company reduction and its eventual closure. The site gives a terrific description of hard won, persistent action. In particular, note former Incourage CEO Kelly Ryan's blog post, "An Economy in Transition—Toward a Shared Vision." While particular to Wisconsin Rapids, what was learned and the strategies that emerged are universal to small towns with major employers.
- **Ki ThoughtBridge**—While there are many excellent consulting firms who do leadership development, Ki ThoughtBridge is known for its integrated approach to leadership development, change management, conflict resolution, and negotiation. They worked extensively with Incourage Community Foundation in Central Wisconsin to develop its leadership program.
- **Aspen Institute Community Strategies Group (CSG)**—Since 1985, CSG has helped convene, equip, and inspire local leaders to build more prosperous regions and advance those living on the economic margins—with more than 75 percent of that work in rural America. Their action frameworks are increasingly adopted to help rural and regional

economies grow and striving families to get ahead. CSG has cultivated a network of the nation's most experienced and creative rural development practitioners.

- **LOCUS**—LOCUS supports philanthropies and mission-driven investors to work alongside communities to grow economies that work for all. They partner with organizations to redefine their role as capital providers, activate investments and endowments for community impact, and use their capital as a tool to drive equitable prosperity.
- **Avivar Capital**—Avivar is an SEC-registered investment adviser that focuses on supporting clients to move from idea to action on impact investing. Avivar works with institutional investors ranging from small to among the nation's largest foundations, banks, health systems, and families. Avivar was instrumental in the creation of Incourage's investment policy and the creation of Wisconsin Impact Investing Collaborative.
- **Wisconsin Impact Investing Collaborative**—This new initiative is led by a group of Wisconsin foundations committed to leveraging their assets to build inclusive, vibrant, and environmentally sustainable communities across Wisconsin's urban, rural, and tribal areas. The Collaborative seeks to increase the practice of regional impact investing through shared learning, investment, and support services.

Guidebook Methodology

In the fall of 2021, The U.S. Endowment for Forestry and Communities reached out to community leaders, rural development and finance experts, and to experienced leaders and financial analysts in the wood products industry, to serve on an advisory council leading to the creation of this guidebook. Also assisting was a team of technical advisors with expertise in community development finance, rural development policy and research, and network analysis. The advisory council met monthly from December 2021 through March of 2022 and reviewed, commented, and approved several iterations of the guidebook. We are grateful for their time and outstanding contributions. We are also grateful to the community practitioners who reviewed a draft of the guidebook in two regional focus groups. Jason Gray, a rural development practitioner and researcher, wrote the drafts of the guidebook and coordinated the editorial conversations.

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