



2015 - 2017 Strategic Plan



**Northwest
Natural Resource
Group**

2015 – 2017 Northwest Natural Resource Group Strategic Plan

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Contact:

1917 1st Avenue
Level A, Suite 200
Seattle, WA 98101
www.nnrg.org

Dan Stonington, Executive Director
dan@nnrg.org
206.715.2368

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Foreward



Three years ago we gathered with new board members and the first new executive director in NNRG's 20-year history to create a strategic plan. At that time we needed to figure out not only our mission-oriented goals but also our strategy for balancing our books after investing in the development of our forest carbon protocol, Northwest Neutral, and our certification and fee-for-service program, Northwest Certified Forestry. In that planning process the strategic questions we asked revolved around value.

- What is the unique role we play?
- What value do we add?
- What would the world lose if we didn't exist?

We realized that our key value lies in our relationships with landowners and our ability to provide that network with high quality services and information. We figured out how to leverage and augment that value to strengthen our organization and achieve our goals.

Today, we can see that our investment strategy worked. We are back in the black with a viable fee-for-service program that reinforces our competitive advantage by building and strengthening relationships with more and more forest owners and by helping them transition to ecological management. Northwest Certified Forestry both augments our goals and enables us to stay on the cutting edge (pun intended!) of advancing sustainable forestry.

This year, we focused our strategic questions around impact.

- What is the impact we seek to achieve?
- As a small organization, what are we capable of?
- How can we tap and leverage other resources to achieve our desired impact?

This plan provides the answers to those questions. We welcome you to join us in this great adventure – showing how a nimble and creative organization can use all of the resources at its disposal to restore forests, shift the economy, and tell a new story.

A handwritten signature in black ink, appearing to read 'Christine Johnson'.

Christine Johnson, Board Chair

Mission

To use the marketplace to restore forest ecosystems and local economies

Big Hairy Audacious Goals

1. To shift the majority of non-industrial forestland owners in Washington and Oregon to managing to Forest Stewardship Council® (FSC®) or stronger standards, thus measurably increasing the natural capital assets of the region.
2. To shift the economics of ecological forestry so that all landowners have the resources to steward their lands, producers see clear benefits to participation, and consumers are recognized for their support for local forest communities.
3. To enable forest owners, producers, consumers, organizations, and businesses of the Pacific Northwest to join together in a strong community of practice, advocating for and championing ecological forestry.

Leverage Points

1. INDIVIDUALS: Empower individual actors to change management practices
2. MARKETPLACE: Leverage forest businesses and shift the economy
3. NON-PROFIT NETWORK: Develop stronger networks and build community

Strategic Activities

1. Collaborate on geographically-targeted outreach
2. Expand workshops, site visits, and information distribution in targeted areas
3. Provide access to on-line forest management info and mapping
4. Invest in and grow Northwest Certified Forestry
5. Advance the community forest business model
6. Pursue FSC® vertical integration, supply chain development, and green building outreach
7. Promote ecosystem service payments
8. Cultivate champions of ecological forestry
9. Develop and share stories
10. Convene partners in South Puget Sound

I. The Context

A Brief History

The Northwest Natural Resource Group (NNRG) began in 1992 as a community based non-profit organization dedicated to economic and environmental vitality in one of the world's most unique ecosystems, the Olympic Peninsula of Washington State. The organization changed its name from the Olympic Peninsula Foundation to Northwest Natural Resource Group in 1997 to reflect an expanded geographic focus. NNRG spent the next nine years advancing FSC® certification and sustainable forest projects and policies for non-industrial forestland owners throughout the Pacific Northwest.

In 2005, NNRG developed a fee-for-service consulting program in conjunction with and in support of its non-profit activities. This program, Northwest Certified Forestry (NCF), has grown into a large member-based network of forest owners and wood products manufacturers that specialize in locally produced forest products certified to the high standards of the Forest Stewardship Council®. NCF is the practical demonstration of the NNRG mission: the program allows us to live our mission while we move toward achieving it. This approach refines our thinking and informs our strategy. By engaging in real-world implementation of our long-term vision, we ensure that our solutions demonstrate our ideals while being fundamentally pragmatic.

Current Conditions and Trends

In considering our focus over the next three years, it is important to document both current conditions and relevant trends. This context influences both the challenges we face and the opportunities available to us. The significant conditions and trends that will affect our work in the coming years include the following:

- ***The forest ownership landscape in the Northwest is changing*** – In 2013, Washington State Department of Natural Resources (DNR) purchased and established the 50,000-acre Teanaway Community Forest. Land trusts like Jefferson, Columbia, Nisqually,



and Great Peninsula are pursuing community forest projects. The Nature Conservancy of Washington purchased 48,000 acres from Plum Creek in 2014, and the Muckleshoot Tribe purchased nearly 100,000 acres from Hancock Timber Resources Group in 2012.

- ***Global warming is bringing significant challenges for forest owners*** – Recent analyses indicate that western Washington will likely experience warmer temperatures, more frequent and intense winter storms, higher winter precipitation, and reduced

snowpack.¹ For family forest owners, this means changes to the core conditions in which current forests thrive,² heightened stress on wildlife habitat and salmon runs,³ and increased forest health risks from fire, insects, and disease.⁴

- **Most small private woodland owners are not engaged in stewardship** – The National Woodland Owner Survey shows that only 7% of ownerships nationwide and 12% in the Pacific Northwest have a management plan. Over 60% of landowners in the Northwest have a stewardship mindset but are still not engaged in managing their woods.⁵
- **Carbon pricing efforts are expanding** – California’s cap and trade system continues to expand as fuels come under the cap in 2015.⁶ In Washington State’s 2015 legislative session, Governor Jay Inslee proposed legislation for a similar cap and trade system.⁷
- **FSC markets are growing nationally and internationally, but have untapped potential in the Northwest** – Global FSC[®]-certified acreage increased from 367 million in early 2012 to 452 million at the end of 2014, a 23% increase over three years,⁸ but growth in Washington State over the same period was only

about 6%.⁹

- **Technology is changing the possibilities for forestry** – In 2018, NASA will launch satellites that will be able to determine forest inventory information around the globe.¹⁰ Multiple web-based mapping services have emerged for landowners such as Forest Planner and My Land Plan.¹¹ These new tools and others have the potential to significantly lower the cost of forest management and carbon project development by reducing the need for on-the-ground monitoring and verification work.
- **The lines are blurring between for-profit and non-profit organizations** – For-profit firms increasingly incorporate social or environmental objectives into their business models,¹² and non-profit firms are increasingly looking to sustain their activities and accomplish their missions through earned revenue.¹³
- **This is the century of natural resources** – A McKinsey report published in 2011 shows that while labor and capital were constraints for growth in 20th century, natural resources are forecast to be constraints in the 21st century, placing new importance on sustainable resource management including forests.¹⁴

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II. Our Mission

Purpose

Northwest Natural Resource Group exists because healthy working forests are essential to our world. Our mission is to use the marketplace to restore forest ecosystems and local economies.



Core Values

Northwest Natural Resource Group is dedicated to promoting a sustainable, environmentally sound economy in the forestlands and watersheds of the Pacific Northwest. We focus on the smaller woodlands owned and managed by private landowners, smaller forest product companies, governmental agencies, and non-profit organizations.

Our work is informed by the following fundamental and enduring principles. Taken collectively, these principles define the beliefs and values that ground our organization as we pursue our vision.

Integrity... We pursue our work with the highest standards of honesty, independence, and candor, adhering to our core values in constant pursuit of our mission.

Market-based, Entrepreneurial Solutions... We believe that private markets can create solutions to today's challenges. With the right economic incentives and information, landowners will make the best decisions for their land, their communities, and themselves.

Innovation... We seek new and better ways to solve real problems. Our challenges and opportunities require creativity and forward thinking, coupled with nimble and adaptive management.

Active Conservation-based Forest Management... We believe that people and forests have a mutually beneficial relationship. Therefore, we promote hands-on approaches to steward, manage, and restore resilient forests.

Empower Landowners... We believe that landowners see their forests as an investment in their quality-of-life, financial security, and environmental legacy. We provide landowners with tools, resources, and knowledge to nurture that investment.



“I didn’t realize until recently, when I attended an NNRG informational meeting, that just leaving a logged forest alone to regrow actually isn’t very good for its health.”

— Jill Patten, Forest Landowner,
Waldron Island, WA

Vision

We see a time when the forest owners of the Pacific Northwest are joined together in a strong community advocating for conservation-based forestry that creates prosperity in the long term.

We see a time when the true value of the forests of the Pacific Northwest – forests that provide beauty, ecological and financial benefits, and a way of life – are fully integrated into our economy.

We see a time when the ecological capital of forests of the Pacific Northwest grows each year, providing more and more benefits to our communities in the form of carbon storage, clean water, fish and wildlife habitat, and biodiversity.

We see a time when forest management that honors generational sustainability is the right choice ecologically, and the right choice economically.

We see a time when the necessary forest management information for landowners and managers, be it the latest state-of-the-art research or traditional approaches, will be easily accessible – wherever and whenever it’s needed.

Big Hairy Audacious Goals (BHAGs)

We organize our work around three long-term primary, mission-oriented goals. The activities we undertake are in service to these goals.

1. Forest Stewardship

To shift the majority of non-industrial forestland owners in Washington and Oregon to managing to Forest Stewardship Council® (FSC®) or stronger standards, thus measurably increasing the natural capital assets of the region.

2. Forest Economics

To shift the economics of ecological forestry so that all landowners have the resources to steward their lands, producers see clear benefits to participation, and consumers can express their support for local forest communities.

3. Community of Practice

To enable forest owners, producers, consumers, organizations, and businesses of the Pacific Northwest to join together in a strong community of practice, advocating for and championing ecological forestry.

III. Our Strategy

Our strategy is our logical plan of action to achieve our long-term primary goals. The disciplined execution of our mission requires prioritizing the allocation of resources toward those activities and policies that strengthen our competitive advantage. In addition, NNRG is well-positioned to leverage other resources to amplify our impact, even as we remain a small and nimble organization. For example, Northwest Certified Forestry, a fee-for-service program (see pull out box), allows us to leverage both business and individual actors to expand and champion the cause of ecological forestry. Our strong relationships with other agencies and organizations such as the Washington Department of Natural Resources provide win-win opportunities for partnership.

Competitive Advantage

Our competitive advantage is our diverse network of forest landowners and our ability to effectively both serve and leverage that network to accelerate the transition to ecological forestry. We understand changing landowner demographics and values. We offer emotional reassurance as well as technical expertise in the form of tools, knowledge, and resources to diverse landowners in the Northwest.

Theory of Change

Our theory of change explains the cause-and-effect logic showing how our investment of resources will lead to our desired outcomes, long-term goals, and ultimately mission of the organization. The three opportunities for leverage, or levers, that we identified—individuals, marketplace, and non-profit network—are utilized for multiple objectives. We think of our strategic activities as fulcrums on which to place these levers to achieve desired impacts. Each of the strategic activities contributes to multiple outcomes. Collectively, these outcomes aggregate, over time, into achievement of our long-term goals, or BHAGs.

“I’m proud to serve on the board of Northwest Natural Resource Group. The organization is making great strides for sustainable forestry in our region.”

— Sue Long, Environmental Impact Manager,
Starbucks Coffee Company

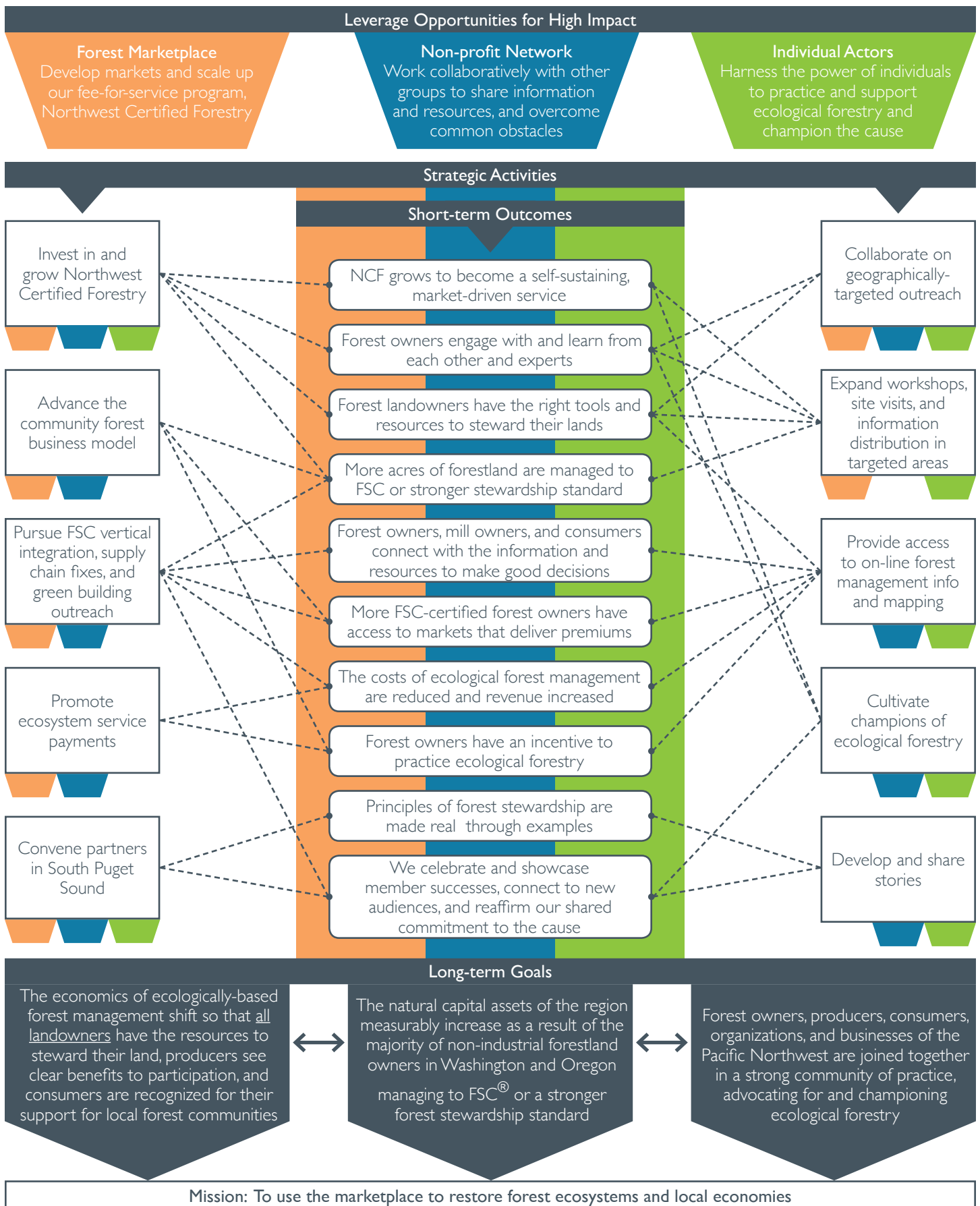
Northwest Certified Forestry (NCF)



A fee-for-service program helping small woodland owners to optimize the economic and ecological potential of their land. NCF specializes in ecologically-based forest management and consulting and provides a broad suite of services ranging from forest management planning to timber harvest administration to wildlife habitat enhancement. NCF also offers access to FSC certification through one of the largest group certificates in the US with over 100 members across 150,000 acres.

Our clients include family forests, land trusts, tribes, public land managers, and more.

Theory of Change Diagram: NNRG Strategic Plan - Making Connections that Lead to Change



Points of Leverage to Elevate Our Impact

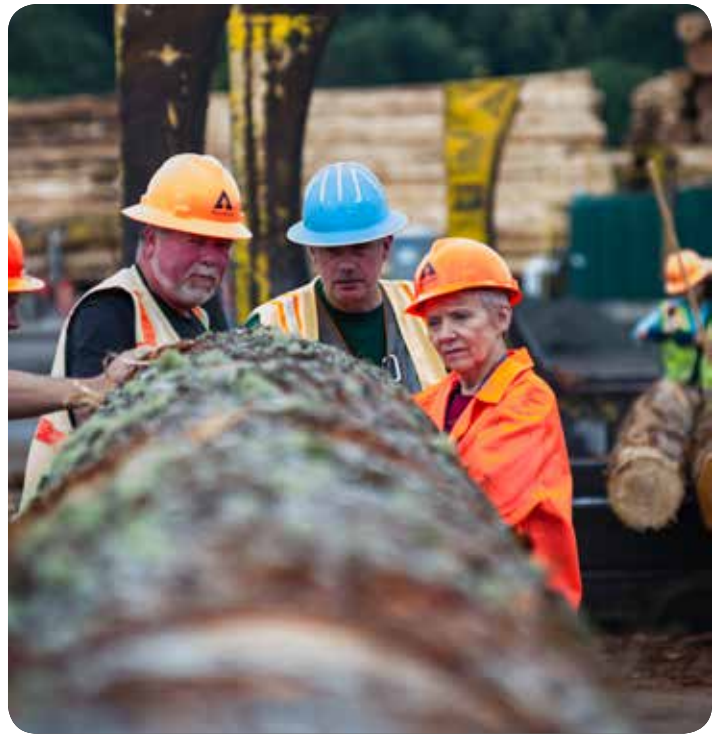
NNRG operates within a system of individuals, businesses, non-profit organizations, and governments. In order to achieve our goals and realize our mission, we need to harness the power and support of this wider system.

We believe that the long-term vitality of our forests and local economies are dependent upon market-based solutions; therefore, we explicitly strive to shift market conditions to support ecological forest management practices.

While we recognize the role of public policy in encouraging and fostering an environment favorable for ecological forestry practices and we value the contributions of partner organizations to advocate for policy change, NNRG's theory of change is based on leveraging the other three quadrants of the system: business, non-profits, and individuals.

Specifically, over the coming years, we plan to:

1. **Leverage Individual Actors** by harnessing the power of individuals to practice forest stewardship and champion the cause.
2. **Leverage Forest Businesses** by developing markets and scaling up our fee-for-service consulting program, Northwest Certified Forestry (NCF).
3. **Leverage our Non-profit Network** by working collaboratively with other groups to share information and resources, and overcome common obstacles.



“In my work, I get to see what’s happening in family forest advocacy at the national and international levels. Only a handful of organizations and agencies are close to NNRG in terms of innovation, effectiveness, efficiency, or vision.”

— Ian Hanna, Director of Strategic Development,
Forest Stewardship Council® International



Strategic Activities

If we consider businesses, non-profit networks, and individuals as the levers of change, we think of our strategic activities as fulcrums. Employing the two together allows us to scale our impact. The following leverage points are not exclusively associated with the strategic activities listed immediately below them. However, they are included here to show how we expect these activities to have the most impact. The diagram on Page 8 shows the interrelationships between all of the BHAGs, leverage points, strategic activities, and short- and long-term outcomes.

Leverage Point 1

Empower individual actors to change management practices

1: Collaborate with the University of Washington, Washington State Department of Natural Resources, and other local partners to enable geographically-targeted outreach and data-driven recruitment of forest landowners.

2: Expand workshops, site visits, and information distribution in targeted areas to provide landowners with the education and resources necessary to change management practices on their forests.

3: Collaborate with partners to develop and deploy effective on-line forest management information and mapping tools for landowners, mill owners, and consumers.

Leverage Point 2

Leverage forest businesses and shift the economy

4: Lead by example by investing in and growing Northwest Certified Forestry so that it provides market-rate tools, services, and guidance for sustainable management of the region's forests.

5: Strengthen FSC[®]-certified markets in the Northwest through vertical integration, supply chain fixes, and outreach to the green building community.

6: Promote ecosystem service payments and markets by preparing landowners with management plans and by establishing key organizational partnerships for market development.

7: Advance the community forest business model by providing ecological forestry services to community forests, working with partners to promote community forestry, and exploring a cooperative structure for marketing the logs sold from community forests.

Leverage Point 3

Develop stronger networks and build community

8: Cultivate champions of ecological forestry such as landowners, foresters, architects, mills, and manufacturers, in target geographies. Provide multiple outlets for champions to share their stories, be role models, enlist others, and champion the cause.

9: Develop and share stories of people working in sustainable forestry. Cultivate relationships with journalists and share stories with them to coincide with timely events of public interest (policy debates, current events, etc.).

10: In the South Puget Sound geography, convene a comprehensive suite of partners to develop a joint action plan to significantly increase the percentage of forest owners actively stewarding their property.



Three-Year Outcomes

1. NCF grows to become a self-sustaining, market-driven service
2. Forest owners engage with and learn from each other and experts
3. Forest owners have the right tools and resources to steward their lands
4. More acres of forestland are managed to an FSC® or stronger stewardship standard
5. Forest owners, mill owners, and consumers connect with the information and resources to make good decisions
6. More FSC®-certified forest owners have access to markets that deliver consistent premiums
7. The costs of ecological forest management are reduced and revenue is increased
8. Forest owners have awareness of and access to incentives to practice ecological forestry
9. Principles of ecological forestry are made real through examples
10. We celebrate and showcase member successes, connect to new audiences, and reaffirm our shared commitment to the cause



