

# Competitive positioning of Northwest Russian wood industry SMEs

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## ABSTRACT

Exports of sawnwood from Russian Federation have tripled and plywood exports have doubled since the mid 1990s, which points out for the clear improvement in international competitiveness of Russian wood industry. Competitive positioning forms a dynamic link between company resources and capabilities, strategies and performance, and provides means for benchmarking of the company against its rivals. This paper examines the issue in a case study of 18 small and medium-sized wood industry companies in Leningrad and Vologda regions of Northwest Russia using thematic semi-structured interviews. Companies' internal strengths and weaknesses and external opportunities and threats are also identified using SWOT-analysis. Generally, the wood industry companies' competitive position attributes were condensed into three main dimensions: 1) company and personnel factors, 2) product and production technology factors, and 3) operating environment. Results indicate that the company and personnel dimension was perceived the most critical: overall reliability of the company, good image and reputation of the company, and qualified and skilled personnel were considered as the three most important attributes regarding competitive positioning. From managerial point of view, these factors are related to the use of intangible resources in companies instead of physical resources such as raw material or the location of the company. Regarding environmental performance, companies did not perceive themselves being superior compared to their rivals. In the future, the interviewed Russian SMEs' aim to shifting their production from commodity products towards more specialized products and focus on increasing their exports to the markets of European Union. If our case study based results are generalizable, competition in the European markets for wood products will intensify in the future.

**Key words:** SMEs, Leningrad and Vologda regions, competitive positioning, SWOT-analysis