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systems are set up it is cheap to run. By using jigs and standard components the skill is taken away from the operator, it is very inflexible. While mass production will be out of most of our league, we could all learn a lot from it.

Kiazen: Continuous improvement

Kiazen means good change in Japanese, most people running a small business will already be practising this without knowing, and there are many tools to help you do this. The principles were first used by the Toyota car factory and are now used around the world.

To practice Kiazen is to be always finding ways to improve quality and efficiency; it's the small changes that add up over time to make a big difference. As you are working think about how you can shave a second off here and there or up the quality. Or can the workstation be moved closer? Can another product be made from the rejects? Try to look at your business from the outside (or ask someone else to) what would make it easier for the customer, add value and save time? Think of ways to measure your improvement, it could be with volume or by looking at the accounts.

Just in Time, or Lean Manufacturing

This is an ideal to aim for and there is not enough time or space to cover it all here. The basic tenet is to only be holding stock and carrying out processes that directly impact on the value of a product as demanded by the customer. When planning your operations try to have the right materials, at the right time, at the right place and in the exact amount, without the safety net of added inventory. I know this sounds impossible given the rustic nature of our trades, but keeping mindful of these principles will save you money.

Imagine how good it would be if a customer ordered a load of firewood, we went straight out to a tree chopped it, then delivered it directly with no extra handling or holding stock involved. Obviously if we did this we would soon have a reputation for selling green logs and lose all our custom, but when compared to the normal model (fell tree, extract to roadside, haul to yard, chop, store 2 years, load onto truck, deliver to customer) it's easy to see there must be ways to improve.

I have only scratched the surface of the many ways we can use planning to improve efficiency and make more money. Hopefully I've given some food for thought and the start of using the many tools which are out there to grow our businesses.

With the drive to bring more woodlands into management and the desire for new wood culture the future for the forest industries is looking good. Our sector has a wealth of skill, expertise and entrepreneurship, which if we step up to the mark, puts us in a prime place to be leading these changes.

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This article was published in Living Woods,
July 2015 issue.*

Selling your forest

by **Graeme Leith,**
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The woodland investment market continues to perform well, and this has tempted many forest owners to seek to realise the value of their assets, either through private sale facilitated by their woodland advisors or by testing the market by means of a full marketing exercise. Before embarking on any sale process it is important that the seller engages a team of experienced professional advisors – investment agents, accountants, lawyers and woodland managers all have an important part to play in a sale, and an early constructive dialogue within the team will help ensure that all bases are covered.

There are several important practical matters which, if considered and addressed early in the marketing or sales process, will help avoid delays or obstacles to completing a sale. These include:

1. Title matters: instruct your lawyer to review your title deeds at the outset and obtain any searches and reports that will be needed to ensure that you will be able to provide a buyer with a 'clear' registered title to the forest. It is always better to identify a potential title problem when there is still an opportunity to put it right, rather than risk a sale falling through (or a lower price) because of a problem.

2. Management issues: a buyer and its advisors need to know that they will be able to carry on all of the intended forestry activity once the sale has taken place. There should be a complete package of grant scheme documentation – a buyer will need to know what grant entitlements and scheme obligations it will be taking over.

You should also make sure that someone is

thinking about access rights and timber haulage restrictions. On occasion, the actual position regarding such issues is not as expected so early due diligence will help avoid any nasty surprises a week before the sale is due to complete!

Buyers will generally expect warranties or confirmations on practical management issues so if you have not been a 'hands-on' owner then identify someone who will be willing and able to provide the necessary assurances in relation to issues such as tree health, sporting leases and potential boundary disputes.

3. Sale terms: any seller will wish to maximise the price for their forest but you should also think about any other commercial terms that you would wish to achieve and make sure that those are incorporated into the marketing process or early discussions on a proposed sale. If it is important to you that you share in any future development value (usually arising from renewable energy) in the forest then make it clear at the outset that this is to be part of the deal.

4. Taxation issues: If you wish to transfer a going concern for VAT purposes then make sure you have satisfied the various conditions, and that a buyer is made aware of this plan early in discussions.

Often a buyer will look to apportion price between land and trees so you should be prepared for this and take some preliminary advice on what would be a reasonable apportionment from your own perspective.

Most buyers will expect to manage the forest on a commercial basis. To ensure the asset qualifies for Business Property Relief from Inheritance Tax written management records and knowledgeable appointed managers can help establish a pattern of behaviour that a buyer can readily continue.

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MEMBER SERVICES LEGAL HELPLINE



Members can get 30 minutes of free legal advice from our associated specialist solicitors Brodies LLP and Atkinson Ritson. This is meant as a first guidance and does not constitute a full client-solicitor relationship. The teams of lawyers who provide our helpline and assist the work of Confor are experienced in all legal issues that impact on forest owners or those involved in the forest industry, including employment law, health and safety law, planning law, tax and property law.

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Please mention 'Confor helpline' when calling, describe your enquiry and a qualified legal advisor will call or email you back.