Building a profitable firewood business
Introduction

- Started selling Firewood Winter of 2010 as a side business
- Ran the business out of our parents backyard
- Used an axe and rented a log splitter
- Saw a demand and not enough supply in our target markets
Continued splitting our own firewood
- 2 years

Demand began to exceed production

Ultimately taking the majority of the market share
- Flush out competition

Developed a business plan
Burnwood Industries

Founded in June 2012

Primary goal:

To sell a high quality product for an affordable price in large volumes
Capital Investments

- **Rented:**
  - Industrial land

- **Purchased:**
  - Log truck
  - Timberwolf TW-6
  - Processor (CRD Rapido Loco)
  - Timber Wolf TW-10 Log buster
Operations

- Sold green wood
- Reduced Price
- High Volume
- Expansive Delivery Radius
- Minimum order of 3 cords
- Residential Clientele
June 2014:
- Found Investor
- Purchased a Multitek 2040
- Transitional sales focus to the wholesale side of the industry
Create a Realistic Business Plan:

- Projection of 3-5 years
  - Sale Targets
  - Yearly Growth
  - Investment Goals
  - Time Schedule

- Set a Budget
  - Stick to it!

- Sourcing your Wood

- Decide on your Customer

- Set a Price

- Build your Brand
  - Marketing
### Sourcing Material

#### Residential Wood
- **Pros**
  - Charge to take wood in
  - Take the wood for free
  - Fulfills a recycling need
  - Tree companies & landscapers need you
  - More bi-products

- **Cons**
  - More waste
  - Abusive to equipment
  - Additional work needed to make wood usable

#### Logging Wood
- **Pros**
  - Very efficient
  - Low waste
  - Ready to spilt

- **Cons**
  - Cuts in to cost per unit
  - Reliant on logging companies
  - At the mercy of the weather
  - Price fluctuates
Target Market

Whole Sale vs. Home Owner

Volume vs. Price

Quality vs. Quantity
Price Strategy

- **Cost Per Unit**
  - Labor, loans, fuel, rent, insurance, etc.

- **Seasoned vs. Green Wood**
  - Time invested

- Provide a quality product and the price will reflect

- Delivery is a separate charge, always!

- Do not negotiate on your price
Build a Brand...Not an Item

- Convince the buyer your product is superior than any other on the market
- Reinforce the quality of your product over competitors
- Never leave a sale on the table!
- Look for free marketing:
  - Facebook, Instagram, Craigslist, Blog Sites, Magazines
The Business

End of Firewood

Mike Dugas and Jeff Commins always knew they wanted to run their own businesses, but each did so at a very young age. After completing a short management program at Johnson and Wales University, Mike started working for a landscape contractor. Then, at the age of 20, he borrowed his dad’s equipment and started cutting trees. With the proceeds, he bought a small lot and the rest is history. Jeff also started his own business at the age of 20, and he was one of the first to make money out of the business. After a few years, Mike’s business grew to include a fleet of trucks and a crew of workers. Jeff’s business grew to include a fleet of trucks and a crew of workers as well. Eventually, Mike bought his own equipment and started his own business. Jeff, on the other hand, continued to expand his business and became one of the largest operators in the area. The two friends eventually joined forces and started a new business together. They now operate a successful business with a fleet of trucks and a crew of workers.