

MARKETING

Your Small Hardwood Sawmill Business

● BY TERRY CONNERS ●

To start a successful hardwood sawmill business, you need both a sound business plan and a good marketing plan. Before you begin, you'll need to decide the species you're going to saw, the kind of saw you'll use, whether you want to do custom sawing or drying, how much space you're going to need and so forth. But none of the answers to these questions address how you will find customers, and how customers will find you.

THE 4 PS

Back in the mists of time, I remember my wife taking a Marketing 101 class from a professor at Virginia Tech. That was the first time I'd ever heard of marketing being broken down into something called The 4 Ps—Product, Place, Price, and Promotion. Some people have expanded on that list in the intervening decades, but just those four words will give anyone starting a business a lot to think about. Getting rid of the academic mumbo-jumbo, here's what those words might mean to us.

Product: Lumber should be produced according to the expectations of the buyer. For example, it should be flat and have a uniform thickness. The species should be identified accurately and, if appropriate, the lumber should be properly dried to the moisture content required by the customer. Lumber should be correctly sorted by species and by grade as desired by the customer.

Place: Before the Internet, “place” only referred to a physical location where customers could find your product. Even in the Internet age, place is still important. Your customers have to be able to easily find you, and your location must be properly zoned for the signs you want to put up to identify your business.

Price: In marketing, “price” might mean that customers are getting good value for their money. This doesn't mean that you will need to match the prices

in the Hardwood Market Report—you probably won't be selling the truckload quantities that those prices are based on, and your costs might dictate that you charge more than larger mills. That doesn't mean you won't be able to compete. Many customers deal directly with producers, and you're providing intangibles such as personal service and a reputation for good work that customers are willing to pay for. It's not an exact analogy, but you might think of yourself as a vendor at a farmers market. People often decide to buy vegetables there not because the prices are better than in the supermarkets, but because they like supporting local businesses and they like dealing directly with the farmer.

Promotion: “Promotion” includes all elements that lead up to a sale. This includes conventional advertising as well as the advertising you do on social media. One aspect of promotion that is often overlooked is the effect of word of mouth. I've had occasions to find out that things I've said got passed along sequentially to at least three other people. This means that your reputation for good products, the cleanliness of your operation, your professionalism in dealing with customers, and the friendliness with which you and your employees treat customers must all be considered as important parts of how you promote your enterprise. You must market yourself just as much as you plan on marketing your products.

ELEMENTS OF SUCCESSFUL HARDWOOD SAWMILL PROMOTION AND SALES

There are a number of things you can do to promote yourself and your business, and most of these will cost you little or nothing. For convenience, I'm going to break them down into things you can do at your mill site and things you should do online.

At Your Mill:

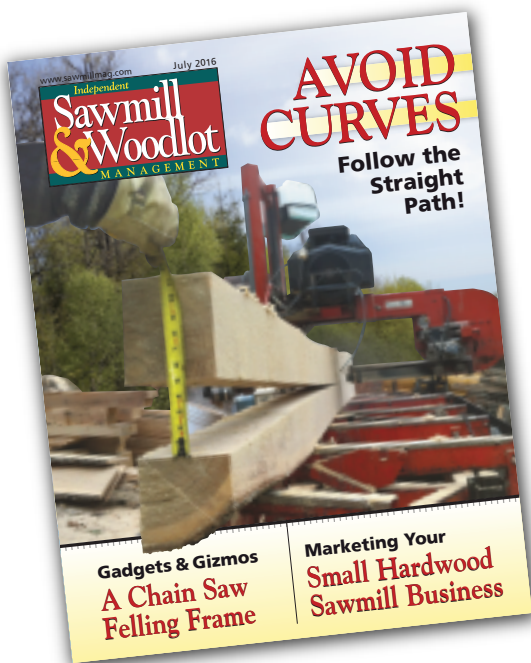
- Network with people you deal with professionally, including loggers, equipment dealers, and customers. They'll be interested to know what you want to buy and what you have for sale. They'll help spread the word that you're in business, and at the same time you'll be able to ask what kinds of products your customers might be interested in.
- Build yourself an office. Even if you think you're short of space, carve out a well-defined place for a desk and computer, at a minimum. In some locations you're going to need a landline-based telephone too, because cell phone reception might not be good enough or you may need multiple phone numbers. Make room for a credit card processor, and include a chair for customers. You don't want to encourage hangers-on, but there will be times when you want to sit down with someone and have a business-related chat.
- Sales should be documented with professional receipts. Put your business name and address at the top with your logo if you have one. I recommend that

you have customers sign this to acknowledge that they've taken possession of the lumber listed and that it is in good condition and suitable for their purposes.

- Get professional signage for your business. This includes signs by your driveway as well as magnetic signs for your vehicles. Magnetic signs don't cost very much, but think about all the people who will see your bumper or truck doors as you run errands around town.
- One very creative sawmill owner I know decided to have an open house for his sawmill and dry kiln business. He took out a quarter-page ad in the local county newspaper, cleaned up everything so as to show off his facility, invited a few people to bring interesting things for his guests, and waited hopefully. On a rainy day with the threat of thunderstorms, over 100 people showed up! His open house did a lot to publicize a relatively new business.

Think about it: How many people outside of our profession have ever been to a sawmill? How many grade schools have ever taken their students on a tour of a sawmill? Publicity like this is invaluable for reminding people of the importance of forestry and forest products to their communities.

- Keep your log piles well organized and your sawmill neat and clean. Piles of sawdust encourage



If you're enjoying this article from the July 2016 issue, check us out online to see what else you've been missing!

Subscribe Today 1/888-762-8476
Online @ www.sawmillmag.com



bugs, and they also inform your customers about how you treat your lumber. It takes only a little effort to make a good impression.

- Set up an area for lumber display and retail sales. Some companies set up racks to display lumber vertically; others keep their lumber dead stacked. Either way, keep the species and thicknesses separate. Separating by quality may save time with customers later on. If you sell slabs for tabletops and such, set up an area to display them vertically so they can be easily examined. Let people know if you intend to sell sawdust or log slabs for firewood.

- Make a set of finished wood samples for retail customers and find a place to display them, especially if you deal with less-common species. This will help customers get an idea of what these unfamiliar species will look like in their projects. One sawyer I know had a desk made out of Kentucky coffeetree and got a lot of comments about it from people who'd never seen wood that looked like that before.

- Take credit cards. Many people will show up to buy small quantities but will take the time to look around before they leave, only to find they don't have enough cash on them to buy that gorgeous walnut slab that would be perfect for the new desk they're planning to make. Rather than lose a sale, sign up with a credit card processor. Several companies will set you up with a credit card reader that plugs into your smart phone; you can even buy the card readers at local electronics chain stores.

- Keep track of your inventory so you can answer phone inquiries with confidence. If you use a cell phone for business while an employee stays at the mill, think about keeping your inventory in a spreadsheet on cloud-based storage like Google Drive. If you maintain and use this, you won't mistakenly encourage someone to drive 50 miles for 500 BF of 4/4 red oak lumber when you really don't have that much on hand.



Promote your business and sell lumber using Craigslist (CL) ads. I'm a big believer in this, especially since CL ads are free!

Online Promotion:

- Hire someone to make a professional-looking home page for your business on the Internet. Don't be intimidated by the idea. There are a lot of talented people out there and it shouldn't be expensive to create. Ask to see some examples of other webpages your prospective designer has done. There are a few things that are important to include:

- Use color wherever you can.

- Include a photograph of yourself, your employees, and your mill site; this helps people who've never been to your business know who and what to expect when they visit you.

- Make sure your address is boldly displayed and easy to find on the webpage. A map or directions might be helpful if you're in a rural area.

- Put a photograph of your roadside sign on the webpage so people know what to look for.

- Include a blog on your website. A blog is just a word for a place where you can write notes to your cus-

Marketing Your Small Hardwood Sawmill Business

tomers. They might be interested in reading that you expect a load of 8/4 walnut to come out of the kiln around October 1, or they might be curious to see photos of the slabs you just cut. A blog doesn't have to be fancy, but it will pay if you take the time to update what's going on at your business once a week or so, and it will encourage people to keep coming back to your website.

Product, Place, Price and Promotion. —Four words that give anyone starting a business a lot to think about.

- Have your webpage designer add good metadata. Metadata is the term given to words that display in the browser when someone does a search for your sawmill, and having good metadata will help your webpage display higher in the rankings when web browsers present search results. There are four components to think about:

1. Page Headings. (your company name)

2. Page Title. This should include a keyword for your business (i.e., hardwood lumber), your business name, and your location. You can use up to 70 characters.

3. Description. (text that describes your site to search engines, up to 200 characters)

4. Keywords. Search engines look for keywords like lumber, oak, cherry, dry kiln, etc. Use words that are in the text on the page. Search engines will look for image descriptors (Alt Text), so be sure to include those with any images you include.

- Make a Facebook page for your business. Posting updates regularly on Facebook helps to keep your customers engaged with what you have for sale; remember that you have to take time to curate it now and then. Adding photographs of what's newly available or adding photos of projects your customers make with your lumber are examples of things that are easy to do.

- Promote your business and sell lumber using Craigslist (CL) ads. I'm a big believer in this, especially since CL ads are free! Here's my list of things to do to make an effective CL ad:

- Post in the For Sale-Materials-By Dealer section

- Make one ad for each species and thickness you have for sale, and be sure to include a good, well-lit photograph in the ad to show what the wood looks like. Creating multiple ads increases the chances that someone will click on an ad and find you.

- Include the price for the lumber (per board foot).

- Mention if delivery is available, and give a delivery radius if you like. It isn't necessary to specify the

delivery charge in the ad, though if you offer free delivery for larger orders that might be a good incentive for someone to do business with you.

- Include the days and hours when you're open. If you're willing to be open at other times by special arrangement, include that information.

- Provide your mill's location or give directions.

- Include your phone number so people can call with any questions.

- Include your business website URL. Even if someone clicks on your ad, it's no guarantee they will drive out to make a purchase that week. Setting up a link to your website will

introduce you to them and help future customers see the range of products you have for sale.

- Don't post identical ads within 48 hours, and be sure to delete old ads.

- You might find that you get customers from further away than you anticipate, so don't hesitate to place ads in cities up to several hundred miles away. Some hardwood lumber customers come to Kentucky from as far away as Florida or Arkansas, for example. Southern regions have less native hardwood timber, so people looking for particular species are sometimes willing to make long drives. These customers often buy larger loads of lumber to make their trips worthwhile.

A good Craigslist ad (see example on page 21) might include a photo of the lumber for sale, the price, delivery available, hours open, phone number, location, and website.

If you're curious about whether your Craigslist ads are being seen, you can add an ad tracker to your ads cheaply or even for free. Do a search for "Craigslist ad tracker" to see the options. You can also sign up for Google Analytics to learn about where your webpage visitors are coming from.

WRAP-UP

Marketing is something that most of us wouldn't normally do to earn a living, but what you do at the mill and what you do online are both essential for a modern business. Your success will depend on what you do to make people aware of your products and the quality and professionalism of the services you provide. Try out the ideas in this article and I'm sure you will notice an increase in traffic to your mill and (more importantly) an increase in sales! ■

Terry Conners is Wood Products Extension Specialist at the University of Kentucky and has been involved in small business start-ups, lumber drying, and grading railroad ties. Most of his work involves helping small wood businesses.