How To Be Successful With Your Small Hardwood Sawmill

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Typical Small Portable Sawmill Setups

There are many good brands on the market. Choose the one that fits your needs.

Portable bandmill
Typically saws part-time, at customer’s convenience, customer’s species. Can’t provide dry lumber, can’t resell to other customers. Service-oriented rather than product-oriented, and paid by the job or by the hour accordingly.

Stationary bandmill
Logs are brought to the mill. More control over schedule. May do custom sawing. Might provide air-dried, solar-dried or other KD lumber. May have a retail sales orientation Product-oriented. Responsible for marketing business.
# Components of a Successful Small Sawmill Business

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<th>Off-Site Requirements</th>
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<td>1. Loggers</td>
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<td>2. Signage</td>
<td>2. Network of Colleagues</td>
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# Keys to Running A Profitable Sawmill Business
First Priorities

—Take the job seriously, be professional.
—Production and sales areas must look professional too.
—6 Ps (Proper planning prevents ...)
  • LLC, Insurance, Business plan
  • Know what customers want (or at least what’s otherwise locally unavailable)

Second Priority: Feeding Your Business

• Don’t buy logs just because they’re cheap, buy according to what you need
What are you going to do with all those ash logs, anyway?

Establish a good relationship with local loggers.

- Pay for better logs.
- Low-quality but cheap logs won’t save you any money.
Log Inventory Management

• Manage your log inventory (First In, First Out)
  – Don’t saw according to Lumber Inventory needs, saw to keep Log Inventory as fresh as possible, especially in warm weather.
  – If you overbought logs and let them sit, they’ll degrade and you’ve lost additional money.

Third Priority

Establish a reputation for quality (uniqueness?)

1. No sapwood on walnut and cherry
2. No decay/worm holes
3. Quartersawn lumber draws customers. “Oddball” species, turning blanks, bow staves may be valuable for some customers but won’t attract a lot of traffic.
Third Priority

Establish a reputation for quality (uniqueness?)

3. Live edge slabs have recently been popular but market may be oversupplied. Can you provide them flat and dry?
   ✓ (Alaska chainsaw mill - Collaborate with neighboring businesses.)

4. Lumber must be properly dried and stored!!!

If You Custom-Saw, Charge by the Hour (not by the board foot)
Successful Hardwood Sawmill Marketing

Principal Consideration

You need to market yourself almost as much as your products.
Look Professional, Give Business An Identity
Pretty Good Traffic

Air Drying Building
Don’t Do This!

4000 bf Capacity DH Kiln
Scale and QC the Lumber

Measure BF as you load so the customers know exactly how much they’re buying.

*Perhaps give lumber a quick swipe or two with a pinless moisture meter to prove properly dried?*

Receipt should include statement to effect that customer has inspected lumber and everything is satisfactory.

Lumber Grading

You may want to avoid grading lumber, but if you charge the same price per BF regardless of quality you’re losing money!

Good, Better, whatever your grades are called – if you’re a small mill you likely don’t have to grade your lumber according to NHLA standards. Most customers will visually inspect what they buy.

*Stack by grade* to make retail experience better – and to make your life easier for inventory and shipping.
Lumber Grading

Some customers will request standard grades – do your best to give them the quality they request and the lack of an NHLA-certified grader won’t be important. (You probably aren’t selling in truckload quantities.)

Retail Sales

Impress customers by keeping neat & tidy.
Retail Sales

For Kiln-Dry Lumber Especially: Be Sure to Dry and Store it Properly

• If you have a problem discover it in advance of sales.
  – Bugs? Moisture content? Honeycomb?
• Don’t wait for complaints to show up.
Improvement Possible

Butternut lumber

Turning Blanks, Bow Staves, Etc.
Other Product Possibilities

- Barn patterns, siding (not kiln dried)
- Live edge slabs for bars, countertops (dried?)
- Railroad ties
- Firewood (slabs)
- Sawdust (horse bedding – no walnut!)
- Air-dried eastern redcedar mailbox
- Cedar closet lining, HW flooring
  - Partner with local shop to S4S or T&G/back relief with moulder as needed (blunt end or 4-sided?)

Home Depot, October 2016

I’ve seen similar at Aubuchon’s Hardware and the like in New England.
Latvia? Really?

Take Credit Cards!
Maintain a Lumber Inventory Spreadsheet

- Put it online using Google Sheets or similar
- Share the spreadsheet with employees.
  - If you’re travelling you can still answer questions about whether you have 500 bf of dry red oak, for example.
  - People back at the office can update in real time if stock gets sold so you don’t promise what you don’t have in inventory when you’re away.

Increase Sales by Using the Internet!
October 2016

All featured mills are small businesses.
USE COLOR ON YOUR HOME PAGE

Welcome to the Bagdad Lumber Sawmill & Kiln LLC website. Here you will find what we do, what we carry in stock and prices. Our inventory changes by the minute.

We specialize in turning logs into furniture grade lumber. We dry the lumber in our kiln, we cut to size and shape, then finish the lumber. We do not mass produce, our intention is to make a sale as we work on saving the lumber. If you have any questions or comments, we would love to hear from you.

Click here for the most up to date status on our lumber!
Design Webpages With Users in Mind

- Make sure the pages load quickly. Check things periodically to be sure everything is still working!

- Fancy graphics or animations don’t help if the customer gets tired of waiting for something to show up.
  – A “woody-looking” background graphic on every page looks great but is an example of something that can bog your website down on slower connections.

Get a Real Website!

Frustrating!
Small Sawmill Marketing Strategies

Keep a Blog on the Website
Update 1-2X/week

It’s Hard to Overstate the Usefulness of a Free Craigslist Ad
A Good CL Ad:

- Photo
- Price
- Delivery available
- Hours open
- Location
- Phone
- Website

Use *Multiple* Craigslist Ads
Range of KY Customers from CL Ads

Internet sale, sold 400 bf

$6-8,000 lumber, three times a year

$30,000 trailer load

Maybe Add A Gimmick?
Facebook – In *Addition* to Main Website
Twitter

A Bagdad Lumber Hat? In Britain?

See YouTube videos by Gervais Sawyer:
“The SawDoctor Tensile Test”,
“The SawDoctor Water flow in Wood” and others.
Grow Sales Cooperatively

Deal With Other Small Wood Businesses
Wood Products Producer Networks

Consider Brokering

• You don’t have to saw every stick of lumber you sell. Maybe buy green and dry it for sale?

• Find a sawmill that specializes in cedar or yellow-poplar, for example. Buy from them instead of sawing these yourself. Even if you pay for trucking you’ll often come out ahead.

  — Conversely, only saw cedar or Y-P and find someone to buy from you a truckload at a time!
Summary

• Present yourself in a professional manner.
• Sell retail.
  – Dry lumber sells better than green lumber and has a higher margin.
• Market yourself and your business. You can do this effectively with little expense.
  – Craigslist
  – Website, social media
• Take credit cards.
• Broker/Collaborate with other mills.