

Berkshire Burned Woodnets

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I. The Business

A. Description of Business:

The business will be called Berkshire Burned Woodnets and will have two initial products both wood burned fridge magnets. The first will be a more artisanal magnet glued to a cookie of wood from a locally sourced from branch offcuts and sustainable byproducts from landscape companies. This magnet will then be wood burned with either inspirational messages, quotes, classic phrases like “Home Sweet Home”, or customizable messages for gifts. The second product will be another magnet, this time glued to thin business card sized sustainable byproduct wood from the local ukulele business the Magic Fluke. These magnets will be marketed to businesses who want to bulk order them and use them for marketing and advertisement and as an alternative to traditional business cards. They will be wood burned with the businesses contact information and. People will buy this product because it is locally supplied and produced from sustainable waste products, it supports local businesses and industry. It markets an unusual and unique product that displays messages in a creative way.

B. Target Market:

The first artisanal product can be marketed to tourists, and anyone who is looking for an easy souvenir or gift, events like wedding, anniversaries, baby showers, and graduations and can be customized in small quantities. It can be sold at retail outlets like local stores and museums for example the South Egremont Country Market, Kenver’s, and the Norman Rockwell Museum. The second product would be marketed to local businesses, clubs, groups, or any business or organization who is looking for unique advertisement. This business will be advertised in the Shoppers Guide, local newspapers, and have its own website. As it is a strictly local business, it will only sell to local businesses, so distribution is local and with a fast turnaround.

C. Competition:

This business has no competition in this area and even the global economy. However, it does have indirect competition from companies who mass produce business card fridge magnets like Vista Print, and those who create custom messages on objects like Shutterfly. This business will be distinguished from its competition because it is artisanal, handmade, unique, and a work of art. Small businesses will support this business because it can become a symbiotic relationship. People are more likely to buy from local businesses and if they support other local businesses, then our local economy grows and we all benefit. This is a high-end value added marketing gift idea, or simply put, an artfully crafted advertisement form for a business. This product will be made from offcuts of businesses that craft in thin high quality wood.

D. Team:

As the business will start off as a sole proprietorship, Finn Chebatoris will be the only employee until the business grows substantially to hire a salesman, distributor, an assembler, a designated wood burner, and an advertising agent.

E. Skills and Experience:

Finn Chebatoris has wood burning experience from making the artisanal product in the past. He marketed this product in a craft fair last year as a focus group test to see if there were potential customers in the region.

F. Timeline

Currently, the business has all of the assets needed for small scale production: a handheld wood burner, magnet inventory, wood cookie inventory, and wood glue. This is the first scale of the business. The second potential phase is moving from handmade, original, individual, custom single order magnets for independent use, to expand to the commercial market. The third potential phase becomes up scaling production. This will need an investment of a wood burning drill press. This will be used for the commercial magnets, and will require a hired operator. At this point, the business will need more space so we will need to rent commercial space, and hire employees.

III. Financial Data

A. Start Up Expenses

For this business, an upfront investment of approximately \$950 would be required. This amount of capital will include a slight buffer and close to \$200 of working capital. These costs will be covered with profit over time as this business has a relatively high return for the amount of work and upfront capital investment. The \$200 would be used to pay for extra materials, labor, or any eventuality not covered in the pre-calculated start up amount. I will obtain this amount of capital through either investors, deposits from potential retailers, and personal funds. This number includes \$50 for equipment, \$50 for supplies and materials, \$50 for advertising and a website, \$100 for registration, licensing, and permits, and \$500 for legal and accounting services.

| Item: | Cost: |
|---|--------------|
| Equipment | \$50 |
| Supplies | \$50 |
| Advertising | \$50 |
| Registration, Licenses and Permits | \$100 |
| Insurance | \$300 |
| Legal Services | \$300 |
| Accounting Services | \$200 |
| Working Capital | \$200 |

| Total: |
|---------------|
| \$1250 |

B. Budget

Expenses for a year of business would be around \$350, which would remain constant until the business grows significantly, there are major changes, or

production is up scaled. Income would vary depending on how much inventory was created, and how many retailers the business is marketed to. As an estimate, anywhere from \$1,000 to \$4,000, or even higher. For the second phase of production, a drill press industrial wood burner would be required. These can be purchased for around \$700, with another \$1000 for the drill press. Then to upscale and increase production, a part time employee would have to be hired and work around 30 hours a week so \$300 a week for employees would need to be included in the budget. For space and utilities, it would cost another \$400 a month.

| Item: | Cost: |
|------------------------------------|--------------|
| Advertising | \$200 |
| General Supplies | \$200 |
| Utilities and Rent | \$350 |
| Insurance | \$350 |
| Drill Press | \$1000 |
| Industrial Wood Burning Bit | \$700 |
| Employee | \$300 |

Total per Month:

\$3100
