

An Update on the Proposed Catskill WoodNet Online Store

Joshua D. VanBrakle

Wood Products Utilization and Marketing Specialist

Watershed Agricultural Council Forestry Program

Forestry Committee Meeting

March 17, 2011



Watershed Agricultural Council
Forestry Program
www.nycwatershed.org





- Mission:

“To support the economic viability of agriculture and forestry through the protection of water quality and the promotion of land conservation in the New York City watershed region.”



Tree to Table



Overview

1. Brief Review of Proposed WoodNet Overhaul
2. Industry Survey Results
3. Costs
4. Benefits
5. Recommendations



A Brief Review

- Catskill WoodNet needs an overhaul
 - Site bugs
 - Increasing irrelevancy to visitors
- 11/18/10: “Preproposal” given to Forestry Committee, including online store
 - Directive: Refine idea gathering data on costs, benefits, and industry knowledge & interest



The Inadequacy of WoodNet

- Current design: business-to-business
 - Useful early on for networking purposes
 - Companies came looking for companies
- New need: customer-to-business
 - Use WoodNet to drive customers to members (similar to *Pure Catskills Ag*)
 - Customers come to WoodNet looking for products



High Priority
of Contact Info

Low Priority
of Product

Catskill Craftsmen, Inc.

**Catskill
Craftsmen, Inc.**
15 West End Avenue
Stamford , NY 12167-1296

Town/Village:
Stamford

County:
Delaware

Physical Address:
15 West End Avenue
Stamford , NY 12167-1296

Contact Details

Contact Person:
Adam Cornell

Title:
Sales Manager

Phone Number:
607-652-7321

**Toll Free
Sales**

Number:
888-732-7321

Fax Number:
607-652-7293

Email
adamc@catskillcraftsmen.com

WebSite:
<http://www.catskillcraftsmen.com>

Sales Details.

Product Categories: Building Products,
Home Furnishings, Specialty Items

Products: Cabinets(Kitchen/Bath),
Shelving , Bookcase, Butcher Blocks,



Fine Hardwood Products
for the Kitchen

Few Pictures

Company Profile:

America's premier manufacturer of ready-to-assemble kitchen carts, islands, work centers, gourmet butcher blocks, cutting boards, cabinets, furniture, book carts and racks, Catskill Craftsmen has locally produced and distributed quality wooden products for nearly 60 years from non-endangered, select hardwoods purchased from local sawmills and kiln dried on-site.

Showrooms:

Catskill Craftsmen
15 West End Ave Stamford, NY [View Map](#)
12167

Hours Of Operation: Mon - Fri 8am- 4pm

Will visitors be allowed to tour this facility? Yes

Additional Location Information: Group tours are available with advance inquiry. Walk-in tours for individuals or small groups are not available.

Gallery URL: <http://www.catskillstore.com>

County Trolley

Will visitors be allowed to tour this facility? No

Additional Location Information:

Gallery URL: <http://www.countytrolleys.co.uk>

Industry Interest

- Surveyed 200 regional wood businesses
 - 45 surveys returned, 37 in favor
- “If a WoodNet store opened tomorrow, would you join...”
 - 20 said “right away”
 - 12 said “within 6 months”
- WoodNet had 34 members after 1st six months



Industry Knowledge

- **78%** had DSL or faster Internet
- **78%** check email daily
- **70%** have used PayPal
- **All but one** believed a market existed online for their product
- **50%** could reliably ship within 48 hours
 - Issue: custom orders



Survey Conclusions

- Documented industry interest (comparable to WoodNet's debut)
- Internet access not a barrier
- Internet/shipping knowledge adequate
- Strong interest in “e-marketing” workshops
- Timely shipping may be issue
- WoodNet store is technically doable



Costs

- Startup costs (estimates from CRSR Designs):
 1. Initial overhaul, updating site but retaining current functions: \$18,000
 - Already underway using EAP
 2. Develop an online store: \$10,000 - \$20,000
 3. Marketing: \$5,000 - \$30,000
- Maintenance costs:
 - At least ½ FTE to troubleshoot and direct marketing



Costs

- Total setup: \$15,000 - \$50,000
- Annual maintenance: \geq \$35,000
- Comparable startup cost to WoodNet, but higher administration cost (staff time)
 - Initial WoodNet funding: \$84,000
 - Promotion and *Pure Catskills* logo: \$100,000



Benefits

- Based on Adirondack Craft's 1st three years)
 - Annual sales:
 - Y1: \$20,000
 - Y2: \$25,000
 - Y3: \$30,000
 - AC takes 40% commission
 - Industry survey indicates too high
 - More likely 15%



Benefits

- 15% commissions
(using AC's sales)
 - Y1: \$3000
 - Y2: \$3750
 - Y3: \$4500



Costs v. Benefits

- Annual maintenance **cost: \$35,000**
- Annual commission **benefit: \$3,000**
- *Total sales* could surpass maintenance costs by year 5
- *As is, the store itself would not be profitable for many years, if ever*



Non-Market Benefits

- Increased sales to regional businesses
 - Money they have earned rather than given (grants)
- Participation not limited (grants)
- Potential (remote) of cost neutrality
- Means to enter 21st century marketplace
 - Few regional companies have done this



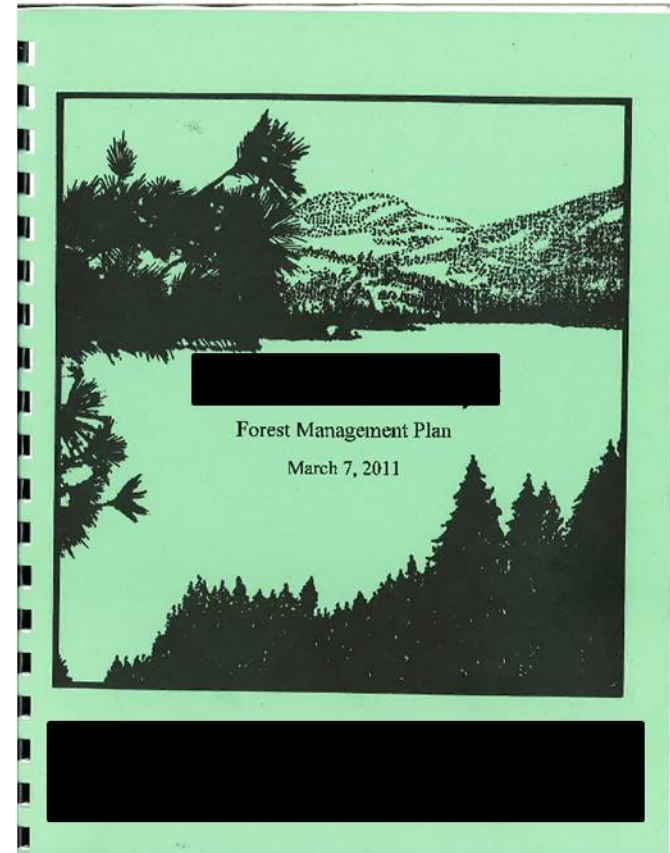
Non-Market Benefits

- Superior reporting to other U&M initiatives
 - Direct, trackable impacts (sales!)
 - Short vs. long run accomplishments (biomass)
- Companies that benefit good entrepreneurs, not grant writers



Recommendations

- Store as first proposed not profitable
 - Could be run as WAC program (e.g., management plans)
- Improved design could make it more cost effective



Recommendations

1. Develop membership “tiers”
 - Many comparable sites do this
 - Free “basic” listing
 - Increased fees for more advanced services



Local initiatives with tiered membership

Watershed Agricultural Council
Forestry Program
www.nycwatershed.org



Recommendations

2. Mimic

custommade.com

- Online store, BUT
- Main purpose is showing examples of work
- Income from commissions and member subscriptions
- Highlights *product* more than *member*

CustomMade



Get a Free Custom Match

Fill out your project's details and our selected makers will contact you!

Get Makers >



Majestic Bubinga and Turquoise...
Pens By Lanier



End Table
Maxwell Furniture

VA



Walnut Display Case
Eidos Design Studio

ON

Related Galleries

Furniture

Home Décor

Custom Lighting

Custom Home Remodeling

Custom Bathroom

Custom Bedroom

Custom Entry Hall

Custom Garage

Custom Home Office

Custom Desks

Custom Desk Chairs

Custom Storage

Custom Office Accessories

Custom Kitchen and Dining

Custom Library

Emphasis on product

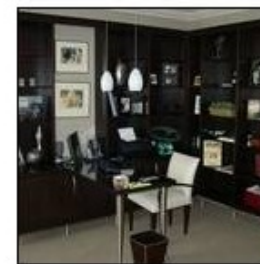


Bloom Table Set - Walnut/Tamo
Furniture by Design



Showcase Stair in Our Front Of...
Signature Staircase Corp.

AB



Home Office
Hudson River Woodworks, LLC

NY



home office
Custom Wood Creations

MI



Jewelry Box
E.S Designs / The Menage Gallery



Walnut Laptop Desk
Turner Custom Furniture

GA



Lawrence Cabinet
City Joinery

NY



Found Table Lamp
Rough Edges Design LLC

IN

Recommendations

3. Expand membership categories
 - AC includes local artist products
 - “Durable” farm products
 - Plays to traditional “buy local” market
 - **More sellers + more buyers = more sales**
 - May attract support beyond WAC



Recommendations

4. Expand beyond Catskills?

- If don't want to add categories
- “NY Wood”
- Partner with other groups



Holmes & Associates 
Putting Information to Work in Rural Regions



Watershed Agricultural Council
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www.nycwatershed.org



Key Points

1. WoodNet store not profitable as is, *but*
 - Documented industry interest and knowledge
 - Benefits beyond market objectives
2. To make it more cost-effective:
 - Tiered membership
 - Highlight *products*
 - Expand categories
 - Look beyond Catskills

