

## **OXLODGEWOOD**

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### **Running a small woodland commercially**

#### ***Background***

In the summer of 1957 I was fortunate to get a summer job in the timber yard of a Swedish sawmill.

That led to several years working in Scandinavian forests, sawmills, exporting offices, docks, a London merchant banking house, a Belfast timber importers yard and mill, before becoming a salesman with a Timber Agency mainly representing Scandinavian, Canadian and African sawmills.

Subsequently I became instrumental in building sawmills in Ireland, South America and The Baltic states. And set up my own Timber Agency brokerage in Ross-on-Wye from which I retired in 2000.

#### ***Woodland acquisition***

By 2008, becoming bored with retirement, I was again fortunate in being able to acquire; or rather become the custodian of; a totally unmanaged, seriously over stocked 22 acre Oak woodland. 1 2 3

Since then I have been working to bring it into sustainable and ecologically friendly management, and to create an asset for the area.

This is an expensive operation that must be self-funding.

#### ***Initial results***

My initial game plan was to simply fell and sell the resultant logs and cordwood.

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But it hurt to watch a fully laden 40' lorry leaving the woods with a fine load of prime logs that produced hardly enough revenue to cover felling costs.

To add insult a firewood manufacturer, who had set up a big big grant aided operation, offered peanuts for the cordwood.

Clearly there was no margin and no future in playing this game.

### ***The way forward***

Discussing my plight with the two guys who were felling and extracting for me I discovered one had some older mobile sawmill kit and the other a small firewood processor.

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We finished that first season trialing planking sawn timber and bagging some firewood. The demand for quality and versatile production was illuminating.

Individually, the three of us could not afford the equipment, nor had the raw material resources to do an economic and professional job.

We had to find a way to establish a working collaboration where we had input in supporting each other while getting on with our existing work.

We made a collaborative business plan and were able, with the help of Confor, Heartwoods, and the Herefordshire Council, to get a Woodlands Enterprise Grant that enabled us to get a slap bang up to date mobile band-sawmill, latest technology firewood processor and mechanical handling equipment to make the concept work.

This was perhaps the first “collaborative” application the authorities had had. They seemed somewhat bemused by our project.

### ***The result***

The collaboration has run well, Paul and Gordon fell and extract, Paul converts logs to sawn products, Gordon processes cordwood into top grade firewood and I look after sales.

This takes up about one third of each party's time, leaving the balance for each individuals established businesses and for more contract work.

It works well, we support each other, and have some fun.

### ***The customers***

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Our customers are small and demanding; by giving what they want, when they want it, in top quality it works. Thus Oak beams, planks, boards, machined TG floorings, firewood, and bespoke specials are produced.

### ***Bespoke sales***

We have been delivering children's playground material to a rather posh London client in full artic loads.

They tagged a Canoe onto last years order. I said we could source a 12' four seat Canadian double ender from friends in British Columbia.

No No No !!

They wanted it carved from a single Oak log. We got a chainsaw carver in and delivered.

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That's what I call bespoke.

## ***Niche sales***

There appears to be an insatiable demand for rustic – feature – tabletops, island units and bar tops.

Big, knarled, knotty, thunder struck twisted logs that would usually go to firewood are cut through and through at 2”, stripped and stored under cover to dry.

These fiercely knotty, wild grained, colourful pieces are up to 10 feet in length and 2’6” wide and go for over £40 cuft.

This is niche marketing.

## ***Customer retention***

Being fussy does not cost much but creates a really nice clean, quality presentation that the customers love and come back for again and again.

Whilst we run low-key advertising in the local church magazine, our best sales come from word of mouth recommendations.

We invite customers to visit and walk the woods, encourage them to come and see their orders being processed in the woods and to select what they take.

We have an annual midsummer BBQ in the woods, with wine tasting and music.

The cost is the equivalent to some eight bags of firewood – however this led to firewood orders on the day for 55/60 bags, and new orders for sawn timber --- with deliveries starting July and August.

Customers have the feeling of a club like involvement in what we are doing

We enjoy customer retention, meaning we are not hunting for new customers all the time.

### ***Expanded collaboration***

Recently two neighbouring woodland owners, and a Welshman approached us for guidance. They came and saw what we are up to, and adopted some of our approach. They have bought big bags from us, hired Gordon and Paul's services for their production.

We have all gained through collaboration. We work to the same quality standards so can interchange stock and adopt a united sales philosophy.

### ***Firewood Quality Standards***

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I believe strongly that there should be a quality standard requirement for firewood ---- even for us small players.

Anyone with an axe and a pick up truck is able to plunder for raw material, wet or dry, randomly split to size and length, chuck it in a truck and sell it door to door. It does the trade no good.

For firewood we only use raw material felled in December/January, when the sap is down, and the forest floor is dormant, let it dry for a summer before processing it.

We take off all the knobbly bits and scraggy awkward stuff, cut to a regular dimension and length, pack in "ventilated one m3 drying bags" and keep it under cover until it is fully dry.

"Knobbly, scraggy" bits and "slab wood" are bagged, dried and sold cheaper – mostly going for closed wood burners or those with "smaller pockets".

If someone wants to buy by weight we tell them we need time to soak the dry wood to get the weight up. Selling by weight is misleading to both seller and buyer.

## ***The “ Big Boys”***

Our prices are competitive but sometimes we find “the big boys” undercutting us.

It is not the intention to fall out with “the big boys” – from whom you have heard earlier.

There is clearly a small bespoke, niche, market for us “small boys” to collaborate in, serving our small local customers --- most of whom are not really of interest to big producers/retailers.

Elephants dance with Elephants  
Mice dance with Mice  
Mice do not dance with Elephants

## ***Financial results***

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This collaboration, pooling of resources and experience, has turned a rather pathetic financial result into a sound 12 % to 15 % net return on capital employed, which has enabled investment in the wood’s future.

Coupled to this is a meaningful increase in asset value of what has become a classic English Oak wood.

## ***The future***

As tree density normalises extraction from OxLodge is reducing. We will be able to continue collaboration by using our customer base and our partners improved production volumes. This will allow OxLodge to participate profitably at a lower level.

Thank you for your time.