

Dream Business Model for Hardwood Industry

Sunday, June 7, 2009

How Important is the Forestry Industry Now and in the Future?

Since the objective of my blog is to promote the forestry industry and to exchange entrepreneurial experiences in this industry, I'd like to first define just what exactly the forestry industry is and define its significance to society.

Any business that has revenue generated from the forest or forest land belongs to the forestry industry. The ones most well-known to us are the lumber and paper industries. The ones lesser-known to people are the medicine, food, bio-energy, and recreational forestry industries.

Just how important is the forestry industry in the US? About 33% of the total land area in the US is covered by forest. In some eastern states, the forest land even covers 80 to 90% of the states. The traditional wood industry is often among the top three manufacturing industries in many eastern states; for example, it ranks number one in Alabama with total annual revenue of \$15.9 billion in 2005.

We have been harvesting trees from the forest lands in the US for decades. Nevertheless, we have more forest inventory now than we had 60 years ago. Not only is it because trees grow back naturally, but also because we manage our forests intelligently and utilize the wood efficiently. Most critically, from our needs from paper to lumber, we absolutely cannot live our daily lives without these forest products.

In recent years, global warming due to carbon release into the atmosphere has become a major issue in our society. I happened to run into some statistics showing the carbon release data for different raw materials, shown in the following table:

**Total Carbon Release for Gathering,
Processing, Manufacturing, and Transporting One
Metric Ton of the Following Raw Materials**

Purpose of Blog

To share and exchange entrepreneurial experiences and to promote the forestry industry.

The emphasis of the blog is business or academic related issues, such as:

(1) The industry and its market trend; (2) Competition; (3) Company vision and goals; (4) Principles and constraints of the business model; (5) Company culture; (6) Merchandising; (7) Sourcing; (8) Pricing; (9) Advertising; (10) Unique sales proposition; (11) Employee productivity; (12) Inventory turnover; (13) In-house manufacturing; (14) Custom-order service; (15) Internet sales.

Targeted Participants in US and China:

(1) Entrepreneurs; (2) Corporate Executives & Managers; (3) Academics; (4) College Students

(Responses can be in either English or Chinese)

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About Dr. Hardwood



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About Business Model

The Company: Global Forest Corp, Scottsboro, Alabama, founded in 1990.

Goals of the Dream Hardwood Center Business Model:

(1) A nationwide big box retail chain where consumers can find all their hardwood materials and finished products needs

Material	Carbon Release (kg)
Brick	88
Glass	154
Concrete	265
Steel	649
Plastic	2,502
Aluminum	4,532
Wood Frame	33
Wood Frame*	-457

*carbon sequestration before logging

In other words, wood as a raw material was not only essential to us centuries ago, it is still just as important now and will be crucial to us in the future.

With all these important merits, does the forestry industry today have a great social standing and reputation? Not really! The public generally tends to think that if we continually use wood products, we are helping deplete the world's forests. It is a misconception propagandized by some special interest groups to meet their own agenda. However, we have nobody to blame but ourselves for having this kind of image stored in people's minds. Because we, the members of the forestry community, have not done a good enough job to promote the right image for our industry.

So what is my proposal for a solution? Through using this blog, I will try my best to promote this fascinating industry by sharing my 35 years experiences in the industry (see my personal profile), especially the experience of being an entrepreneur.

Feel free to message me any questions or remarks you may have so I can start to blog some specifics!

Posted by [Spencer Lei](#) at 9:57 PM [No comments:](#)

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(2) A workplace ideal for wood technology graduates to develop lifelong careers and to own individual shares of the company

(3) A business that can stay innovative by guiding and funding academic wood product research projects and then utilizing the results

A prototype store, Hardwood Center®, was created in 1990, focusing primarily on research while waiting for the right opportunity to grow. The factors that have been researched include but are not limited to: (1) The industry and its market trend; (2) Competition; (3) Building and crafting a business model; (4) Establishing company goals; (5) Cultivating company culture; (6) Merchandising; (7) Sourcing; (8) Pricing; (9) Advertising; (10) Showroom innovation; (11) Employee productivity; (12) Inventory turnover; (13) In-house manufacturing; (14) Custom order service; (15) Internet sales.

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