



# The Starfish Studio Co: Aiming for the Moon

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*This case was written with the support of research assistants, Mansirat Singh and Payton Beckett, and was edited by Katie Oates. Final production of this case study was made possible by the Library and Learning Services team at Huron University College. The authors' intent for this material is to be used in a classroom or other management learning settings. Names or other identifying information may be altered to protect confidentiality.*

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## INTRODUCTION

After carefully packaging a handmade moon-shaped suncatcher, founder of The Starfish Studio (Starfish), Madeline Nofle, wondered how she could keep up with demand during the upcoming holiday season using her current production method. She was unsure if she was utilizing the most appropriate production process to maximize her efficiency without sacrificing the integrity of her products. If the demand for her products exceeded her current capacity, she wanted to explore the best option for alleviating this problem.

## THE STARFISH STUDIO

Founder and sole proprietor Nofle created The Starfish Studio Co to produce handmade art pieces out of resin, crystals, and flowers. She created pieces with the intention of spreading joy, and inciting change through her art. Nofle's moon-shaped resin suncatcher was a bestseller, which featured real pressed flowers, gold leaves, and multiple clear quartz crystals that dangled below (see Exhibit 1).<sup>1</sup> She was inspired by the sentiment in the famous "Starfish Thrower" story written by Loren Eiseley that small actions can have a meaningful impact on others.<sup>2</sup> Since founding the business, Nofle had committed 10% of her profits earned to Anova, a London based charity that provided safe places, shelter, support, counselling, and resources for abused women, their children, and all oppressed individuals looking to find a new start.<sup>3</sup>

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[1] "The Starfish Studio Co," *Etsy*, <https://www.etsy.com/ca/shop/TheStarfishStudioCo>.

[2] Loren Eiseley, *The Star Thrower* (New York: Harper Perennial, 1979).

[3] "About Us," *Anova*, March 11, 2022, <https://www.anovafuture.org/about-us/>.

## HISTORY

After taking a year off from university in 2021, Nofle set a bold goal for herself—to have her products sold in Purdy Natural, a well-known, local boutique in London, Ontario. She worked hard on her creations, and her efforts paid off when Purdy Natural decided to stock her products. Once on the shelves of Purdy Natural, her products were well received and she secured regular repeat orders that averaged 30 items each month. This success served as a testament to the quality and appeal of Nofle’s creations, and it ignited her confidence to continue pushing the enterprise forward.

As her business began to thrive and generate a more substantial income, she decided to leave her job as a barista at Starbucks. Her business was more financially and personally rewarding, and she realized that dedicating all of her time and energy to her venture was key to its continued growth and success.

In her quest to learn and grow as a new entrepreneur, Nofle had applied to and received a grant through the Founder’s Program from Morrissette Institute for Entrepreneurship during her first year as a student at Huron University College. This program connected her with a valuable mentor, Brittany DeSantis of Peak Paper Co.<sup>4</sup> With DeSantis’s guidance and expertise, Nofle gained valuable insights and knowledge that proved instrumental in navigating the challenges and opportunities of entrepreneurship.

Nofle had instilled value in her products and experienced success with almost every pop-up market and wholesale partner she approached, securing agreements with six active retail partners to date.<sup>5</sup> These included notable businesses like the Western Bookstore and Featherfields, and she extended her distribution to two partners in Alberta, Canada.

## INDUSTRY AND CUSTOMER

### Industry

The gift shop industry revenue was forecasted to grow at a compound annual growth rate (CAGR) of 0.9% to reach \$3.6 billion by 2027, while net profit margins were expected to climb to 5.1%.<sup>6</sup> Revenue for the jewelry manufacturing industry in Canada, however, was forecasted to grow at a slower rate of 0.4% CAGR to \$7.5 billion.<sup>7</sup> Barriers to entry were low for both industries, resulting in high levels of competition with major global companies like Amazon, as well as competition with other small-scale sellers on Etsy. With the increased demand of large ecommerce platforms like Amazon, many customers became accustomed to the lower prices at discounted retail channels, which decreased their willingness to pay for similar items at boutique shops or smaller businesses.

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[4] *Peak Paper Co.*, <https://www.peakpaperco.com/>.

[5] Starfish’s average retail selling price was \$39, and gross margins typically averaged 74%.

[6] “Gift Shops & Card Stores in Canada,” *IBISWorld*, <https://my.ibisworld.com/ca/en/industry/45322ca/industry-at-a-glance>.

[7] “Jewellery Manufacturing in Canada,” *IBISWorld*, <https://my.ibisworld.com/ca/en/industry/33991ca/industry-at-a-glance>.

## Customer

Starfish's primary target demographic was 16 to 22-year-olds who had limited disposable income but also limited expenses and obligations, and who were seeking affordable yet unique, artistic products. Starfish aimed to cater to this demographic by offering handmade items with a focus on individuality, ensuring that no two products were exactly alike. While price was a consideration, quality took precedence, and the target consumers valued the artistic touch and craftsmanship of Starfish's products. Volume of production was less important. They consistently aimed to sell out at pop-up markets, creating a sense of exclusivity around the products. They had a secondary target market of mothers aged 25 to 40, who were drawn to the higher priced items, such as the sun catcher priced at \$80. Starfish did not provide free delivery or any after-sale product services. Moreover, although custom options were available for occasions such as funerals or weddings, they were not the primary focus of the business.

## CURRENT PROCESS

Starfish's production process began with the creative art process, which was carried out sporadically by Noftle when she felt inspired. To manage the workload efficiently, her part-time employee assisted with many of the other production-related tasks. Among the products offered, the medium sized moon catcher was the most popular item by far. The process began by pouring resin into a mold, which took approximately 36 hours to set, and required two separate pours — one late in the day and a second pour nine hours later in the morning. During the first pour, individual metal molds were placed on a silicone mat, with a maximum capacity of the mold tray per table was 50 medium-sized moons (or equivalent items), which took approximately five hours to pour. The second pour took 30 minutes and needed to sit for at least 22 hours. If possible, Noftle liked to allow additional time for the resin to set for higher quality results. Once the moons were set, the excess resin was removed, and a quality check was conducted, which typically took 15 minutes per set of 10 moons, and it could be done by the part-time employee. Afterward, each moon was carefully drilled to accommodate the chain, and this took about eight minutes per piece. The final step involved assembling the moon catchers by attaching the chain and crystals, a process which took approximately 30 minutes for each set of 10 moon catchers.

Noftle did not start production until she received an order from one of her retail partners, though she had to create a variety of products in advance of pop-up markets she attended. She also aimed to adhere to a five-day work week to maintain a healthy work-life balance. See Exhibit 2 for an illustration of the current production process.

## HOLIDAY SEASON DEMAND

Noftle had enjoyed considerable success, and with an average order size of 30 units per month from as many as six different retailer partners, she was worried that during the peak holiday season (October – December) she would not be able to meet the monthly demand with her current production process.

Noftle promised to deliver orders to her retailer partner within one week of being placed. For London retailers, she could deliver the next day after production was complete, but for her Alberta customers, she knew that two days was the fastest her orders could arrive. She also anticipated that during the holiday season, all six of her retail partners would order every week. Noftle was not as concerned about production related to her pop-up markets, which typically averaged 50 units per month, and doubled during the holiday season, because she could produce her products in advance during the slower season and store the extra inventory.

## ALTERNATIVES

To increase her production capacity, Nofle came up with two options to consider, but she was unsure which option was best suited for her customers' priorities and Starfish's success.

### Rent a Studio

Nofle considered renting a studio space and moving her production out of her family's home. A new studio space would allow her to set up five production tables, three of which could be dedicated to holding resin molds, and the other two could be used for the remaining steps of the production process. There were a number of studio spaces available to rent in London that met her requirement of 500 square feet in size. Typically, rent including utilities was \$25 per square foot per annum at the locations she was considering. If Nofle rented a studio, she would need to sign a one-year lease. She planned to increase her part-time employee's working hours during the peak season by an extra 15-hours per week from October to December.<sup>8</sup> To set up the studio, Nofle would need to invest in several equipment assets (listed in Exhibit 3) and would have to purchase extra resin inventory for \$600 one-time.

### Offsite Employee Production Location

Nofle also considered having her part-time staff member run a partial production at a remote location during the peak season and pay her per unit created instead of on a per hour basis. She would need to purchase the same assets for her employee that she would if she rented a studio, though she would only need one table. While Nofle would still maintain full control over the artistic design of her products, they could be constructed offsite because her staff member had already been trained, and they could store the \$600 worth of resin inventory at their home. Instead of an hourly wage, Nofle would pay her staff a per unit rate of 25% of the average selling price as an incentive to complete work efficiently during the busy peak season. She believed it would be fair to pay a rent and utility stipend for the space that her staff would be using at her personal residence. After calculating costs, Nofle decided that \$500 for monthly rent and \$85 for monthly utilities would be fair.

## DECISION

After successfully establishing The Starfish Studio Co and experiencing a significant demand for her unique handmade products, Madeline Nofle faced the challenge of meeting the upcoming holiday season's increased demand in a cost effective and efficient way. She was uncertain of which approach was best — either renting a studio space or having an employee complete offsite production to expand the business's capacity. While she explored her options, Nofle's commitment to providing thoughtfully crafted art pieces, and her dedication to giving back to her community through charitable contributions, remained at the core of her business, and she hoped to find a sustainable way forward.

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[8] She paid her staff member \$18 per hour, plus the additional Mandatory Employment Related Costs (MERCs) of 17%.



EXHIBIT #1

THE STARFISH STUDIO CO  
EXAMPLES OF MOON CATCHER PRODUCT



## EXHIBIT #2

**THE STARFISH STUDIO CO**  
**DIAGRAM OF STARFISH'S CURRENT PRODUCTION PROCESS**



## EXHIBIT #3

**THE STARFISH STUDIO CO**  
**EQUIPMENT COSTS FOR NEW STUDIO**

Asset Name	Cost to Acquire
Production Table <sup>9</sup>	\$487
Drill and Accessories	\$389
Silicone Mats and Metal Molds	\$275
Storage Shelving and Bins	\$1,354
Other Supplies	\$950

[9] This represented the cost for one table.