

Kernel Craze

Technology & E-Commerce Strategy

A Business Plan for Sustainable Growth

Prepared for: Steven Wolf, Founder Date: January 2026 Location: Henderson, NC

Executive Summary

Kernel Craze currently operates on Shopify, paying monthly subscription fees plus transaction fees that reduce profit margins. This document outlines a strategic path to reduce platform dependency, lower fees, and potentially build a custom fundraising system that could become a competitive advantage—keeping more money in Henderson.

Key Recommendations:

1. **Short-term:** Migrate from Shopify to WooCommerce (save \$500-1,000/year)
 2. **Medium-term:** Build custom fundraising module (\$5-10K investment)
 3. **Long-term:** Consider mobile app if volume justifies (\$15-25K)
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1. Current State Analysis

Platform: Shopify

Kernel Craze currently uses Shopify for e-commerce operations, including:

- Product catalog and inventory management
- Shopping cart and checkout
- Payment processing
- Basic fundraising via third-party apps

Current Capabilities

- 30+ popcorn flavors available online
- Holiday gift tins with local student artwork
- 50% fundraising program for local organizations
- QR code-based fundraiser tracking

Pain Points

- Monthly platform fees regardless of sales volume
 - Transaction fees on every sale
 - Limited customization of fundraising features
 - Dependency on third-party apps (additional costs)
 - Less money available for community reinvestment
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2. The Fee Problem

Shopify Fee Structure

Fee Type	Amount	Notes
Monthly Subscription (Basic)	\$39/month	Required minimum
Credit Card Processing	2.9% + \$0.30	Per transaction
External Gateway Fee	+2.0%	If not using Shopify Payments
Third-Party Apps	\$20-100+/month	Fundraising, email, analytics

Annual Cost Examples

At \$5,000/month in sales:

Item	Monthly	Annual
Shopify Subscription	\$39	\$468
Processing (2.9% + \$0.30)	~\$160	~\$1,920
Apps & Plugins	~\$50	~\$600
Total Fees	~\$249	~\$2,988

At \$15,000/month in sales:

Item	Monthly	Annual
Shopify Subscription	\$39	\$468
Processing (2.9% + \$0.30)	~\$480	~\$5,760
Apps & Plugins	~\$75	~\$900
Total Fees	~\$594	~\$7,128

The Opportunity

Every dollar saved on fees is a dollar that can go back to:

- Henderson community programs

- Local ingredient sourcing
 - School arts program donations
 - Business growth and job creation
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3. Local Resources & Partners

Vance-Granville Community College Small Business Center

Contact Information:

- **Phone:** 252-738-3509
- **Email:** baileym@vgcc.edu
- **Location:** Building 7, Main Campus
- **Facebook:** facebook.com/vgccsmallbusinesscenter

Services Available (Free or Low-Cost):

- Business counseling and planning
- Technology guidance and referrals
- Connections to local developers
- Training seminars on e-commerce
- Access to capital resources

Service Area: Franklin, Granville, Vance, and Warren Counties

Recommendation: Schedule a consultation to discuss technology needs. They may know local developers or students who could assist with implementation.

Local Web Development Companies

Company	Location	Services	Contact
Sandhills Geeks	Vance County	Web design, local business focus	sandhillsgeeks.com
Redwood Productions	Henderson	Web design since 1999, local SEO	redwoodproductions.com
Tech Solutions NC	Regional	IT support, small business	techsolutionsnc.com

Regional Resources (Triangle Area)

For more complex development work, Raleigh-Durham (30-45 minutes away) offers:

- Deeper talent pool for custom software development
- Competitive rates compared to larger metros
- Close enough for in-person collaboration

State Resources

NC Small Business and Technology Development Center (SBTDC)

- Website: sbtdc.org
 - Services: Technology commercialization, business growth consulting
 - Cost: Most services free
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4. Platform Alternatives

Option A: WooCommerce (Recommended for Short-Term)

What It Is: Free, open-source e-commerce plugin for WordPress

Cost Structure:

Item	Cost
Software	Free
Hosting	\$20-50/month
Payment Processing (Stripe)	2.9% + \$0.30
Premium Plugins (optional)	\$0-200/year

Pros:

- No monthly platform fee
- Full ownership of data and code
- Huge ecosystem of plugins
- Direct Stripe integration (no middleman fees)
- Can be self-hosted or managed

Cons:

- Requires initial setup (one-time cost)
- Some ongoing maintenance
- Less "plug and play" than Shopify

Best For: Businesses wanting to reduce fees while maintaining flexibility

Option B: Medusa (Modern Headless Commerce)

What It Is: Open-source, API-first e-commerce platform

Cost Structure:

Item	Cost
Software	Free
Hosting	\$20-100/month
Payment Processing (Stripe)	2.9% + \$0.30

Pros:

- Modern architecture
- Highly customizable
- Built for developers
- Great for custom fundraising features

Cons:

- Requires developer expertise
- More complex setup
- Smaller plugin ecosystem

Best For: Businesses planning significant custom development

Option C: Spree Commerce

What It Is: Open-source Ruby on Rails e-commerce framework

Cost Structure:

Item	Cost
Software	Free
Hosting	\$50-200/month
Development	Varies

Pros:

- Multi-tenant capable (could serve multiple fundraising orgs)
- Very flexible
- Strong API

Cons:

- Requires Ruby expertise
- Higher hosting requirements

Best For: Businesses planning to become a platform for others

Comparison Summary

Platform	Monthly Cost	Setup Cost	Flexibility	Maintenance
Shopify	\$39+	Low	Limited	Low
WooCommerce	\$20-50	\$500-2K	High	Medium
Medusa	\$20-100	\$2-5K	Very High	Medium-High
Spree	\$50-200	\$5-10K	Very High	High

5. Custom Fundraising System Analysis

What DoubleGood Does

DoubleGood is the industry leader in popcorn fundraising technology. Their platform includes:

1. Mobile App (iOS & Android)

- Sellers create personal "pop-up stores"
- Share via text, email, social media
- Track sales in real-time

2. Fundraising Management

- 4-day fundraising events
- Unique tracking links per seller
- Live leaderboards
- Team management

3. E-Commerce Backend

- Product catalog
- Shopping cart
- Secure checkout
- Order management

4. Financial Operations

- Automatic 50% split
- Direct deposit to organizations
- No cash handling

5. Fulfillment

- Made-to-order production
- Direct shipping to supporters

Building a Kernel Craze Equivalent

Phase 1: Core E-Commerce Platform

Timeline: 4-6 weeks **Cost:** \$5,000-10,000

Deliverables:

- Product catalog with all 30+ flavors
- Shopping cart and checkout
- Stripe payment integration
- Order management dashboard
- Customer accounts
- Basic analytics

Phase 2: Fundraising Module

Timeline: 6-8 weeks **Cost:** \$10,000-15,000

Deliverables:

- Organization registration system
- Unique tracking links per seller
- QR code generation
- Real-time sales dashboard
- Leaderboard functionality
- Automatic 50% commission calculation

- Stripe Connect for payouts
- Fundraiser management tools

Phase 3: Mobile Application

Timeline: 8-12 weeks **Cost:** \$15,000-25,000

Deliverables:

- iOS application
- Android application
- Push notifications
- In-app store creation
- Social sharing features
- Real-time sync with web platform

Total Investment Summary

Phase	Cost Range	Timeline
Phase 1: E-Commerce	\$5,000-10,000	4-6 weeks
Phase 2: Fundraising	\$10,000-15,000	6-8 weeks
Phase 3: Mobile App	\$15,000-25,000	8-12 weeks
Total	\$30,000-50,000	18-26 weeks

Build vs. Buy Comparison

Approach	Upfront Cost	Monthly Cost	Control	Time to Launch
Shopify + Apps	\$0	\$100-200	Low	1 week
WooCommerce + Plugins	\$500-2,000	\$30-50	Medium	2-4 weeks
Custom MVP (Phase 1-2)	\$15,000-25,000	\$50-100	High	10-14 weeks
Full Custom (All Phases)	\$30,000-50,000	\$100-200	Complete	18-26 weeks

6. Implementation Roadmap

Immediate (Month 1-2)

Actions:

1. Contact VGCC Small Business Center for consultation
2. Document current Shopify costs and pain points
3. Evaluate WooCommerce migration feasibility
4. Get quotes from local developers

Investment: \$0-500 (consultation fees) **Expected Savings:** N/A (research phase)

Short-Term (Month 3-6)

Actions:

1. Migrate from Shopify to WooCommerce
2. Integrate Stripe directly
3. Set up AffiliateWP or similar for fundraiser tracking
4. Launch on new platform

Investment: \$1,000-3,000 **Expected Annual Savings:** \$500-1,500

Medium-Term (Month 7-18)

Actions:

1. Spec out custom fundraising requirements
2. Hire developer (local or regional)
3. Build Phase 1 (core e-commerce) if needed
4. Build Phase 2 (fundraising module)
5. Beta test with 2-3 organizations

Investment: \$10,000-20,000 **Expected Benefit:** Competitive advantage, improved UX, no ongoing platform fees

Long-Term (Month 19+)

Actions:

1. Evaluate mobile app ROI based on fundraising volume
2. If justified, build Phase 3 (mobile apps)
3. Consider white-labeling platform for other small businesses

Investment: \$15,000-25,000 **Expected Benefit:** Market differentiation, potential new revenue stream

7. Financial Projections

Scenario A: Stay on Shopify

Assumptions: \$10,000/month average sales, 5% annual growth

Year	Sales	Fees (Est.)	Cumulative Fees
1	\$120,000	\$4,800	\$4,800
2	\$126,000	\$5,040	\$9,840
3	\$132,300	\$5,292	\$15,132
4	\$138,915	\$5,557	\$20,689
5	\$145,861	\$5,834	\$26,523

5-Year Total Fees: ~\$26,500

Scenario B: Migrate to WooCommerce

Assumptions: Same sales, \$2,000 migration cost

Year	Sales	Fees (Est.)	Cumulative Fees
1	\$120,000	\$4,100*	\$4,100
2	\$126,000	\$3,900	\$8,000
3	\$132,300	\$4,095	\$12,095
4	\$138,915	\$4,300	\$16,395
5	\$145,861	\$4,515	\$20,910

*Includes \$2,000 migration cost in Year 1

5-Year Total Fees: ~\$20,900 5-Year Savings vs. Shopify: ~\$5,600

Scenario C: Custom Platform (Phase 1-2)

Assumptions: Same sales, \$20,000 build cost in Year 1

Year	Sales	Fees (Est.)	Cumulative Fees
1	\$120,000	\$23,600*	\$23,600
2	\$126,000	\$3,780	\$27,380
3	\$132,300	\$3,969	\$31,349
4	\$138,915	\$4,167	\$35,516
5	\$145,861	\$4,376	\$39,892

*Includes \$20,000 build cost in Year 1

5-Year Total Cost: ~\$39,900 Break-Even vs. Shopify: Year 4-5

Recommendation

For Kernel Craze's current size, **Scenario B (WooCommerce migration)** offers the best balance of:

- Immediate cost savings
- Low risk
- Foundation for future custom development

The custom platform (Scenario C) becomes attractive when:

- Monthly sales exceed \$20,000 consistently
- Fundraising volume requires advanced features
- Mobile app would significantly increase sales

8. Appendix: Technical Specifications

WooCommerce Migration Checklist

Pre-Migration:

- Export all Shopify products (CSV)
- Export customer data
- Export order history
- Document current payment settings
- List all active apps/integrations

Infrastructure Setup:

- Select hosting provider (Recommended: SiteGround, Cloudways)
- Install WordPress
- Install WooCommerce
- Configure SSL certificate
- Set up staging environment

Data Migration:

- Import products
- Import customers
- Configure tax settings
- Set up shipping zones
- Configure payment gateway (Stripe)

Testing:

- Test checkout flow
- Test payment processing
- Test email notifications
- Test mobile responsiveness
- Load testing

Launch:

- DNS cutover
- Monitor for issues
- Redirect old URLs

Custom Fundraising Module Specifications

Database Schema (Simplified):

```
Organizations
└── id
└── name
└── contact_email
└── bank_account (encrypted)
└── commission_rate (default: 50%)
└── created_at
```

```
Fundraisers
└── id
└── organization_id
└── name
└── unique_code
└── qr_code_url
└── start_date
└── end_date
└── goal_amount
```

```
Sales
└── id
└── fundraiser_id
└── order_id
└── amount
└── commission_amount
└── created_at
```

```
Payouts
└── id
└── organization_id
└── amount
└── status
└── stripe_transfer_id
└── paid_at
```

API Endpoints (Simplified):

```
POST /api/organizations - Register new org
GET /api/organizations/:id - Get org details
POST /api/fundraisers - Create fundraiser
GET /api/fundraisers/:code - Get fundraiser by code
GET /api/fundraisers/:id/stats - Get real-time stats
POST /api/sales - Record sale with attribution
GET /api/leaderboard/:fundraiser_id - Get leaderboard
POST /api/payouts - Initiate payout
```

Third-Party Integrations:

Service	Purpose	Cost
Stripe	Payments	2.9% + \$0.30
Stripe Connect	Org payouts	Included
QR Code API	Code generation	Free tier available
SendGrid	Email notifications	Free tier available
Vercel/Railway	Hosting	\$20-50/month

Contact & Next Steps

Recommended First Actions

1. **This Week:** Call VGCC Small Business Center (252-738-3509)
2. **This Month:** Get 2-3 quotes for WooCommerce migration
3. **Next Quarter:** Evaluate results, plan Phase 2 if warranted

Questions to Ask Potential Developers

1. Have you built e-commerce sites for local businesses?
2. Do you have experience with WooCommerce/WordPress?
3. Can you provide references from Henderson/Vance County clients?
4. What is your hourly rate vs. project-based pricing?
5. Do you offer ongoing maintenance packages?
6. Are you familiar with Stripe Connect for marketplace payouts?

Document Prepared By: Technology Strategy Consultation **For:** Kernel Craze, Henderson, NC **Date:** January 2026

"Every bag brings Henderson together. Every dollar saved goes back to the community."