**1.0 Executive Summary**

The purpose of this business plan is to raise $200,000 for the development of a machine and lathe service shop to be marketed as a rapid production center in the Cincinnati area. Brinker Machine (“the Company”) will provide custom development of metal, ceramic, steel, and alloy components to manufacturing partners and other businesses within its target market, focusing on breakdown work that can be rapidly machined using top of the line equipment, and then delivered using an inhouse delivery service.

**1.1 Products and Services**

On an outsourced basis, the Company will be able to produce, to customer specifications, any type of specialized metal, ceramic, steel, or alloy product. The Company will maintain an extensive industrial working room that will allow the Company’s machinists to effectively produce the products needed. The business will also generate secondary streams of revenue from the transportation of completed goods to its customers.

**1.2 The Financing**

Brinker Machine is seeking to raise $200,000 from a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 5-year loan with a 6% fixed interest rate.

**1.3 Mission Statement**

Brinker Machine’s mission is to become a trusted partner for local companies, and to one day expand by opening locations in varying locales.

**1.4 Management Team**

The Company is to be founded by Andrew Brinker. He has an engineering degree from a well-regarded university, approximately 2 years of experience in the manufacturing field, hands on experience in the machining world, and a Master of Business of Administration. Having developed excellent professional connections with topnotch machinists and managers with decades of experience, they would also be at the core of the fledgling business.

**1.5 Sales Forecasts**

The sales for the company are expected to grow exponentially for the first 3 years, and then level off until a second location is opened (outside of the scope of this timeframe). For year 1, sales are expected to be between 150,000 to 250,000 dollars, which will likely mean taking a loss on the first year. The following year, when marketing and word of mouth about our reputation comes into its own, we expect sales to be between 380,000 and 500,000 dollars. This trend is expected to continue, with third year sales approaching 800,000 to one million dollars. This is based on current demand, market indicators of growth, and sustainable local economic success. After this period of the first three years, the sales of the company are more or less expected to grow at 4% per year without massive reinvestment.

**2.0 Company and Financing Summary**

**2.1 Registered Name and Corporate Structure**

Brinker Machine, The Company will be registered as a corporation in the State of Ohio.

**2.2 Required Funds**

At this time, Brinker Machine requires $200,000 of debt funds. Below is a breakdown of how these funds will be used:

* 40,000 for CNC lathes and mills
* 120,000 for salaries (skilled machinist and delivery driver)
* 40,000 for rental space, utilities, various daily expenses not covered by monthly profits

**2.3 Investor Equity**

Mr. Brinker is not seeking an investment from a third party at this time.

**2.4 Management Equity**

Mr. Brinker owns 100% of Brinker Machine.

**2.5 Exit Strategy**

If the business is extraordinarily successful, Mr. Brinker may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of Brinker Machine. Based on historical numbers, the business could fetch a sales premium of up to 7 times earnings.

**3.0 Products and Services**

Below is a description of the machining services offered by Brinker Machine.

**3.1 Machine and Lathe Services**

As stated in the executive summary, the primary revenue stream for the business will come from machine and lathe services rendered to local manufacturers, trades businesses, and other organizations that have an ongoing need for “one-off” or custom-made metal, ceramic, alloy, and steel pieces. The business, with its extensive inventory of machines, will be able to produce any piece requested by a customer in a timely manner. The Company intends to begin with one machinist programming multiple machines to maximize efficiencies in regard to salary costs. Finding workers that can be trained under the senior machinist will be difficult but not impossible as demand for our quality, timely product grows.

**3.2 Transportation Services**

It is expected that 10% of the Company’s revenues will come from transportation and delivery services related to the machined products produced for clients. The business will mark up its direct transportation and delivery costs by approximately 40%. This is an important secondary source of income for the business. Because the business is targeting organizations that will be losing significant sums of money because production equipment is not operational, the Company foresees that they will be willing to pay top dollar for hours saved via rapid manufacturing as well as immediate delivery of a quality product.

**4.0 Strategic and Market Analysis**

**4.1 Economic Outlook**

This section of the analysis will detail the economic climate, the machine and lathe industry, the customer profile, and the competition that the business will face as it progresses through its business operations. Currently, the economic market condition in the United States is tentatively growing. Many economists fear that this uptick is short lived and cannot be relied upon because a market reset is impending. This in turn has also led to a cautious increase in demand for manufacturing services, of which machine and lathing services are classified. This could rapidly lead to a recessionary period given the current local and global political climate. However, the high gross margins generated by the business will ensure that Brinker Machine can continue to offer its services at a profit despite moderate declines in aggregate demand.

**4.2 Industry Analysis**

Within the United States, there are approximately 18,000 machine and lathe shops that provide specialty metal/ceramic/alloy/steel working to customers. In total, these businesses generate approximately $26 billion per year of revenue while providing jobs to almost 280,000 people. Aggregate payrolls in each of the last five years have exceeded $8.5 billion. This is a mature industry, and the future expected growth rate is expected to mirror that of the general economy. Once the economy completes its correction, Management expects that the machine and lathe industry will resume a more normal growth cycle.

**4.3 Customer Profile**

Brinker Machine’s average customer will be a business that requires ongoing specialized metal works in conjunction with their manufacturing or small-scale production breakdowns. This is an extremely large demographic, and as such, it is difficult to determine the demographics of an “average” Brinker Machine client.

**5.0 Marketing Plan**

Brinker Machine intends to maintain an extensive yet cost-effective marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of Brinker Machine. To keep costs low much of the marketing campaign will be completed by Mr. Brinker personally until the business grows enough to justify a marketing specialist.

**5.1 Marketing Objectives**

* Establish relationships with manufacturers, automotive repair companies, and trucking companies within the target market that have a continued demand for custom metal products.
* Develop an online presence by developing a website and placing the Company’s name and contact information.

**5.2 Marketing Strategies**

As the Company’s primary market will consist of other businesses, it is imperative that Mr. Brinker develop a highly targeted marketing campaign that will focus on producing ongoing relationships with customers that will place regular purchase orders for machined/lathed products with the Company. To that end, Mr. Brinker intends to develop an extensive sales brochure that will showcase the Company’s ability to produce any type of machined product in a rapid and efficient manner. This brochure will provide all necessary contact information and preliminary pricing information for the customer. Brinker Machine will also use an internet based strategy. This is very important as many people seeking local services, such as machine and lathe shops, now the Internet to conduct their preliminary searches. Mr. Brinker will register the Company with online portals so that potential customers can easily reach the business. The Company will also develop its own website that will showcase the operations of Brinker Machine, its facilities, preliminary pricing, and other information that is contained in the Company’s sales brochures.

**6.0 Management Biographies**

**6.1 Andrew Brinker**

A. Brinker is a recent graduate of the University of Cincinnati Mechanical Engineering program, as well as a Master in Business Administration. He has multiple years of relevant work experience with some hands-on machining knowledge. He has some experience in marketing campaigns and also in selling high quality, top-of-the-line mechanical products.

**6.2 Tom Smithson**

T. Smithson has worked for 24 years in the machining industry, surviving the change from manual to CNC machining. He is an expert in shop layout and design management, as well as training other individuals to maintain the high quality a small shop needs and respects. He has a Master Machinist certification through IAM (International Association of Machinists) Chapter 142. His union ties will also be useful in scaling up the organization through hiring qualified personnel.

**7.0 Financial Plan**

**7.1 Underlying Assumptions**

* Brinker Machine will have an annual average revenue growth rate of ~18% per year.
* The Owner will acquire $200,000 of debt funds to develop the business.
* The loan will have a 5 year term with a 6% interest rate.

**7.2 Sensitivity Analysis**

In the event of an economic downturn, the business may have a decline in its revenues. Manufactured and machined products have declines in demand during economic recessions, and as such, Brinker Machine may see lower revenues during recessionary business cycles. However, the high margins generated by the business will ensure that the business can remain profitable and cash flow positive despite moderate declines in revenue.

**7.3 Sample Balance Sheet**



**7.4 SWOT Analysis**

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