



Manufacturing

1.0 EXECUTIVE SUMMARY

1.1 COMPANY

Titus Mold Manufacturing, Inc. designs prototypes and molds, which are used by production manufacturers to fabricate consumer products. We are a start-up company that developed and patented revolutionary design software called Virtual Design Center. Our initial plan is to create a precision manufacturing facility to produce prototypes and molds for clients. Our goal is to provide our customers with fast turnaround, exceptional quality, unparalleled customer service, and competitive pricing.

1.2 PRODUCTS & SERVICES

We design and manufacture prototypes and molds. By utilizing Virtual Design Center, we will work in real-time with our customers to meet their design needs, which will reduce errors and detect design flaws early in the process. In turn, this will save the customer time and money. We plan to position ourselves as a forward-thinking company that continually invests in new ideas and technologies – unlike our competitors, which are similar mold manufacturing facilities. Because of our unique software, sophisticated technology and efficient processes, we will be in a position to potentially compete on price and quality. Additionally, our unique Virtual Design Center gives us a definitive advantage.

1.3 MARKET ANALYSIS

The U.S. manufacturing industry makes up a substantial portion of the GDP, and the mold-manufacturing sector generates sales of more than \$5 billion. Manufacturing drives the U.S. economy more than any other industry. Within that enormous industry, we have identified two strong markets with very high growth potential – automotive parts and medical devices manufacturing. As new car companies respond to shifting consumer demands for more fuel-efficient cars, and as the medical community develops new technologies, the need for new parts, designs and molds grows.

1.4 STRATEGY & IMPLEMENTATION

To achieve our business goals, we will create a high-tech, precision manufacturing facility and will implement highly efficient operations processes. We plan to promote Titus Mold Manufacturing and our proprietary Virtual Design Software with an aggressive, targeted marketing campaign. This will include a media campaign, print and online advertising and a targeted direct-mail campaign. In addition, we will focus heavily on establishing our presence within the industry at relevant trade shows.

1.5 MANAGEMENT

Our leadership team currently consists of Chief Executive Officer John Baker, President Michael Smith, and Vice President Susan Jones. Additional key leaders will include directors of finance, marketing and sales, human resources, information technology and operations. While these positions remain unfilled at this time, we do have several extremely qualified candidates interested in joining with us in this new venture.

1.6 FINANCIAL PLAN

Our Company will earn revenue from the sale of design services and manufactured molds. The attached Income Statement demonstrates that our gross profit margin will exceed 72%, and we will achieve break-even with sales of \$XXX,XXX. We expect to reach profitability by the middle of Year 2.



1.7 SOURCES & USE OF FUNDS

Titus Mold Manufacturing, Inc. requires \$4,450,000 to launch. At present, we have raised \$150,000 in venture capital funds. In addition, co-owners John Baker, Michael Smith and Susan Jones have each invested \$100,000 into the company. We are currently seeking funds from outside investors and business loans.

The start-up funds will be used to cover the facility, build-out costs, equipment, software and initial operating costs including payroll, taxes, and utilities.

2.0 COMPANY

2.1 COMPANY & INDUSTRY

Titus Mold Manufacturing, Inc. is located in Molder, Missouri. Our company designs and manufactures prototypes and molds for use in casting metals or forming other materials, such as plastics, glass or rubber. Our business operates within the manufacturing industry and is classified under NAICS code 333511 – industrial mold manufacturing.

2.2 LEGAL ENTITY & OWNERSHIP

Titus Mold Manufacturing is an S-Corporation that was formally organized in Missouri. The company's principal owners are John Baker, Michael Smith and Susan Jones, who hold equal shares of ownership in the company.

2.3 COMPANY HISTORY TO DATE

Our company is a new business that will create prototypes and quality molds, utilizing the latest design software, e-commerce technology, high tech machinery and innovative operations processes. As the company's founders and owners, we have a combined 40 years of experience in software development and the manufacturing industry. Our experience includes product research and development, engineering and production management. After recognizing the need for and value of creating a more efficient customer experience to secure and retain business, we decided to create Titus Mold Manufacturing, Inc.

2.4 FACILITIES

Our company is preparing to lease a manufacturing facility in Molder, Missouri. We are presently operating out of temporary administrative offices at the Barton Business Incubation Center.

We are working with a local realtor and BBIC to identify potential industrial space available for lease. We require a 10-12,000 sq. ft. facility to accommodate product development and engineering, a mold shop, a tool shop, quality assurance area, inventory storage and administrative offices. As the business grows, we intend to add injection-molding capabilities.

2.5 KEY ASSETS

Titus Mold Manufacturing holds a patent for its revolutionary Virtual Design Center (VDC). The VDC combines the best of virtual and in-person presentations and meetings, allowing customers to work in real-time with our design engineers. This allows us to serve clients nationwide.

3.0 PRODUCTS/SERVICES

3.1 DESCRIPTION

Titus Mold Manufacturing, Inc. will make prototypes and molds for the manufacturing of consumer products.

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A mold, which is usually made from aluminum or steel, is a hollow form that gives a particular shape to a product while it is in a liquid state. The molds are used for products made from plastic, glass, metal or other raw materials.

There are three main phases to manufacturing a prototype or mold. First, engineers and product developers create a design. Titus Mold Manufacturing is able to complete a design from start to finish for a customer. If need be, Titus will work with the customer through the design process via our one of a kind Virtual Design Center. Secondly, we make test molds. We then inspect and test the molds for quality assurance. Finally, we manufacture prototypes and molds based on specific design specifications, using precision machinery to form the desired prototype or mold.

3.2 FEATURES & BENEFITS

Virtual Design Center will be the key to distinguishing and drawing attention to our company. Once we have a particular industry or customer's attention, we will sell them on our fast turnaround, exceptional quality, unparalleled customer service and competitive pricing.

Obviously, speed, quality, service and price are qualities most of our competitors will list in their mission statement. However, Titus Mold Manufacturing will – from the beginning – invest in top quality, highly sophisticated machinery as well as implement innovative operations policies. These steps will ensure our ability to deliver beyond normal industry standard and surpass our customers' expectations saving them time and money.

3.3 COMPETITION

Our competitors are companies that provide similar types of design and mold-making services. There are far too many competitors to list specifically. To their advantage, they have an established customer base. Further, many mold-making companies also have injection-molding machinery, which enables them to manufacture actual products. However, the vast majority of our competitors are not taking full advantage of current technology, nor are they implementing modern operational systems. Their waste is ultimately passed along to the customer via longer turnaround times and higher overhead costs.

3.4 COMPETITIVE ADVANTAGE/BARRIERS TO ENTRY

By relying on our technology and an activity-based costing system, rather than a time-based system, we will be able to maintain competitive prices and sustain high profitability. Our technology and systematic efficiencies will allow us to have advantages in cost, speed and design capability. Ultimately, these advantages will quickly come to define Titus Mold Manufacturing as an industry leader.

Our Virtual Design Center technology gives us a significant advantage over our competitors, and our patent prevents others from being able to replicate the services we offer.

3.5 DEVELOPMENT

As our company grows, we plan to expand our facility and create an injection-mold manufacturing plant. At that point, we will be able to control all operations in-house from initial design to mold creation and even mass production of the finished products. In addition, we will stay atop technology trends and upgrade equipment and processes as needed and can be afforded. We will also continue to research and pursue shares of existing markets such as packing, defense, electronics and telecommunications.

4.0 MARKET ANALYSIS

4.1 MARKET SIZE

The US manufacturing sector includes more than 300,000 companies with combined annual sales of about \$4

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trillion. Furthermore there are approximately 2,500 mold manufacturers with combined annual sales of more than \$5 billion. To capture a portion of those sales, Titus Mold Manufacturing will utilize a targeted industry approach to pursue specific, definable, market segments.

4.2 TARGET CUSTOMER

After extensive research, we decided to initially pursue market segments in the automotive and medical devices industries. These are two very distinct markets with very different needs. While the automotive industry's purchasing decisions are driven primarily by price, the medical device industry focuses on a fast turnaround time and quality to make purchasing decisions.

4.3 TRENDS

The U.S. automobile manufacturing industry includes about 160 companies with combined annual revenue of about \$250 billion. While the majority of those sales are swallowed up by a handful of major car manufacturers, there are thousands upon thousands of parts needing to be manufactured for each vehicle. By specializing in manufacturing molds for certain parts, we will establish our niche in the market. Our research indicates this is a perfect time to assimilate into this industry as carmakers make dramatic shifts in design and efficiency to address rising fuel costs.

The medical devices industry is by far one of the most forward-thinking, always-evolving industries. Researchers and product developers are continually striving to improve products and procedures. With this constant change and product evolution comes the constant need for new product molds. Couple the advances in medical technology with an increasingly aging population, and it's clear the healthcare industry as a whole is a solid market and mold manufacturers will reap the benefits.

4.4 SWOT ANALYSIS

Strengths

- Propriety software (Virtual Design Center)
- Potential for global customer base
- Manufacturing & production expertise
- Software development expertise
- Understanding of emerging technologies
- Understanding of target markets
- Competitive product pricing
- Exceptional quality and customer service
- Implementation of cost saving processes

Weaknesses

- No company history
- Small initial customer base
- New staff
- Lack of leverage with new relationships

Opportunities

- New products & processes
- Bringing new technology into the industry
- Developing a new reputation
- Hiring new talent
- New innovations and applications of our technology

Threats



- Impact of new legislation
- Technologies developed by competitors
- Challenges in building a talented staff
- Retaining key staff members
- Market demand fluctuations

5.0 STRATEGY & IMPLEMENTATION

5.1 PHILOSOPHY

Titus Mold Manufacturing's business philosophy is to make the needs of our customers our main priority. It is our mission to provide our customers with fast turnaround, exceptional quality, unparalleled customer service and competitive pricing. With the introduction of our patented Virtual Design Center program and the unveiling of our modern design and manufacturing facility, we will position Titus Mold Manufacturing as a superbly innovative company and a future industry leader.

To achieve this position, we will implement our company's plan to create a state-of-the-art mold-manufacturing facility and invest in the most accurate precision machinery available. We will implement the most comprehensive design software and set the highest standards of operational systems and quality control.

5.2 INTERNET STRATEGY

Our plan is to position Titus Mold Manufacturing as a technology-driven innovative company within the mold-manufacturing sector of the manufacturing industry. To do this, we are putting forth a great amount of time and resources into developing a premiere Web site. We are working with a design firm and have secured a domain name – TitusMolds.com. We have already initiated the process of integrating our Virtual Design Center into the site.

In addition to describing our manufacturing processes and design capabilities, we will feature numerous success stories and images of prototypes and molds we have produced. Our site will also include a simple online form to complete for custom quotes as well as a generic form to submit questions and comments. Our vision is to create a Web site that will become an integral part of our marketing, sales and daily operations.

5.3 MARKETING STRATEGY

Titus Mold Manufacturing recognizes the critical importance of marketing. We will require a properly designed and executed marketing plan to ensure market penetration and business success. Until we hire an in-house sales and marketing team, we will work with a marketing and public relations firm. Once a sales and marketing staff is in place, we will reassess the need for an outside firm.

In addition to conveying to our potential customers the fast turnaround, exceptional quality, unparalleled customer service and competitive pricing offered by Titus Mold Manufacturing, we will also position our company as future-minded and a leader in the integration of innovative technology into the mold manufacturing process.

Our marketing plan will include an initial publicity campaign that introduces our company and patented Virtual Design Center. Further, we will launch a comprehensive advertising campaign in automotive manufacturing and medical device trade publications and related Web sites. The publicity campaign will be closely followed by a direct-mail campaign to targeted customers.

The other main component of our marketing plan will be to attend trade shows which will require booth construction and maintenance, marketing materials such as brochures, and promotional items such as pens with our logo.

To increase local awareness of our company and to foster a positive public perception, we will participate in



and sponsor local charity events such as Walk for the Cure and March of Dimes and youth sports teams. We will also reach out to local high schools and colleges to offer internships and promote careers in manufacturing.

5.4 SALES STRATEGY

Titus Mold Manufacturing will build a sales team focused on securing new business in the short and long term. The sales team will be motivated by commissions and performance-based bonuses.

Under the direction of executive management, we will employ an outside sales staff as well as an inside sales staff, which will be cross-trained to handle general customer service calls. The outside sales staff will focus primarily on trade show attendance, comprehensive follow up, relationship building, closing deals, and securing referrals.

5.5 STRATEGIC ALLIANCES

We plan to develop strategic alliances with local and regional injection-molding manufacturing facilities that do not have mold-making capabilities within their facilities. One such alliance has been developed with Hilden Manufacturing Company located within our region. More are developing.

5.6 OPERATIONS

Our facility's space will be divided in proportion to our needs and will include product development and engineering labs, mold shop, tool shop, quality control and testing area, inventory storage and administrative offices. Each area will be staffed with trained employees and wherever possible factory-floor technicians will be cross-trained. Our administrative offices will include space for executive, marketing and sales, accounting, information technology, security, maintenance, and human resource departments. To become a fully operational mold-manufacturing facility, we will require the following machinery and software.

Machines

- Viper, SLA 7000 & SLA 5000
- Eden260, Eden333 & Eden500V
- Vantage, Titan & Maxum
- RTV Tooling

Software

- SolidWorks
- Surfcam
- AutoCAD

By utilizing the latest precision machinery and software and superior operational and quality control processes such as LEAN Manufacturing, Rapid Prototyping and Manufacturing, and Sigma Six, Titus Mold Manufacturing will control costs while ensuring quality. Additionally, once we are operational, our company will become ISO 9001-2000 certified. Titus will also follow FDA requirements and comply with Medical Directive standards to further ensure quality control.

Operationally, our strengths lie in our knowledge and expertise within the manufacturing industry. We know what fixed assets we require and what regulations we must adhere to. However, while we cannot know for certain the quality of our managerial team at this point, we expect to hire and implement a top notch team. As previously mentioned, we have several promising prospects and will, of course, strive to recruit top talent.

5.7 GOALS

The following is a list of business goals and milestones we wish to accomplish within the next three years.

- Secure necessary funds.
- Locate and lease suitable manufacturing facility.

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- Purchase machinery, equipment and supplies.
- Hire skilled employees to complete our team.
- Set up shop and open for business.
- Successfully penetrate targeted markets.
- Secure contracts to achieve projected sales goals.
- Become a profitable company.
- Establish a solid reputation as an industry leader.

Our first major milestones will be securing funds and setting up our business. This is our primary focus right now. In three years, we hope to have established our company in the community and within our industry.

5.8 EXIT STRATEGY

Should management or our investors seek a business exit, there are several options we would be willing to pursue. Our company could most likely be sold to a manufacturing company that does not already have mold manufacturing capabilities. A management buyout could also be pursued once our business credit is firmly established.

6.0 MANAGEMENT ORGANIZATIONAL STRUCTURE

6.1 ORGANIZATIONAL STRUCTURE

Titus Mold Manufacturing understands the importance of a loyal and enthusiastic team to reduce turnover and increase productivity. Our company's management philosophy will encourage responsibility and mutual respect. While we will present a strong decisive management team, we will also foster an atmosphere of genuine employee appreciation and open communication.

6.2 LEADERSHIP

Our company will be managed and run by our executive staff including Chief Executive Officer John Baker, President Michael Smith, and Vice President Susan Jones, as well as our Board of Directors. Our management staff of directors and supervisors will oversee daily operations. However, as a small manufacturing facility starting out, the CEO, President and VP will be responsible for the majority of purchasing, hiring, training, quality control, and additional day-to-day duties.

Additional key leaders will include directors of finance, marketing and sales, human resources, information technology and operations. While these positions remain unfilled at this time, we do have several extremely qualified candidates interested in joining with us in this new venture.

As we start our mold manufacturing business, we will implement a plan to hire management and production staff first and fill in with mid-level management and administrative staff as our budget and needs change.

6.3 BOARD MEMBERS & ADVISORS

Our Board of Directors is not yet fully formed. CEO John Baker will serve as Chairman. The board will consist of company owners (shareholders), officers and directors.

Duties of the Board of Directors may include:

- Establishing broad company policies and objectives.
- Selecting, appointing, and reviewing the performance of executive staff.
- Insuring the availability of adequate financial resources and approving annual budgets.
- Accounting to the stakeholders for the organization's performance

We will actively seek individuals to sit on our Board of Directors who will have the ability to add to and advise our organization such as lawyers, accountants, and professionals in the automotive or medical fields.



7.0 FINANCIAL PLAN

7.1 REQUIREMENTS

Titus Mold Manufacturing, Inc. requires \$4,450,000 to launch and operate. We are currently seeking funding from outside investors and business loans. We are also looking into additional options including supplier financing, deferred rent, subleasing space, partnerships, vending and client advance payment.

At this time, we have raised \$450,000 in working capital and are seeking the additional funds to start our business. We have raised \$150,000 in venture capital funds. In addition, co-owners John Baker, Michael Smith and Susan Jones have each invested \$100,000 into the company.

7.2 USE OF FUNDS

The start-up funds will be used to cover operating costs including payroll, taxes, and utilities. Start-up funds will also be used to purchase capital expenditures such as leasehold improvements, software and machinery, which will produce future benefits for the company. Approximately forty percent will be spent on assets, while the other sixty percent will be spent on operations until we realize profitability.

7.3 INCOME STATEMENT PROJECTIONS

The accompanying income statement demonstrates our company's profitability. Our income shows a gross profit margin of seventy-two percent. Our monthly operating expenses average \$116,325. Projected net income will average \$54,075 per month in our third year.

After completing a comprehensive break-even analysis, we will achieve our break-even point by the middle of year two.

7.4 CASH FLOW PROJECTIONS

The nature of our business requires that our company collect payment after the product is complete. So we have included the accompanying cash flow statement, which projects our monthly flow of cash. While we expect to reach break-even by our eighteenth month, it will take nearly two years to become cash flow positive.

7.5 BALANCE SHEET

Our balance sheet will depend greatly on our sources of capital. We expect to raise approximately \$1.5 million through loans and \$2.95 million through equity capital.

Our assets will be comprised of cash, leasehold improvements, equipment, software and other tangible assets.

7.6 ASSUMPTIONS

Our projections are based on the assumption that the manufacturing industry, particularly the medical and automotive industries, will continue to follow present trends. Industry regulation and government legislation is always poised to interfere with business projections, but there are no indications at this time to expect any negative influence to our projections. Additionally, we are not relying on new regulations or the passage of new legislation to enable our company to reach our projected numbers.