**Dover Manufacturing Company (DMC)**

Dover Manufacturing Company (DMC) is being founded by two experienced business professionals as a corporation to provide custom sheet metal and painting services. The company will be located in Western New York and will primarily service customers in this region.

The founders will invest a total of $100,000 in the company, as follows:

$50,000 in the form of equity investment and the remaining $50,000 in the form of a bank loan.

The two founders will have the following ownership interests:

Robert Norris 60%

David Trump 40%

**Loan request:**

1. $100,000 line of credit with accounts receivables and inventory taken as collateral.
2. A five year $200,000 term loan to be paid in equal monthly payments to purchase new machinery and equipment costing $250,000. The bank will take the machinery and equipment as collateral at 80% of the total value. The owners will provide the remaining $50,000.

**Industry Profile:**

Custom sheet metal fabrication is a capital intensive industry that involves the manufacture of metal parts from raw sheet steel or from steel coil stock starting from shearing of the raw material through perforating, punching, forming, welding and finishing processes such as painting. Fabrications or individual parts are made from drawings in response to customers' specifications.

The customers of DMC are expected to be original equipment manufacturers who generally do not have an in-house capability necessary to make metal parts. The company expects to be manufacturing completed products such as filing cabinets, hospital beds, truck bodies and metal office furniture, and parts that will go into the manufacture of other products such as casings for personal computers and television sets.

**Management:**

The success of the company lies in the strength of its two founders: Robert Norris and David Trump. Robert Norris, age 51, is the Chief Executive Officer while David Trump, age 53, is the Executive Vice President.

Norris possesses twenty-three years of technical and manufacturing experience. He has served as the Chairman and CEO of a large defense contractor and currently serves as the CEO of a very large manufacturer of air conditioning equipment.

Trump has over thirty years of metal fabrication and manufacturing experience. He was until recently the General Manager of a medium­ sized manufacturer of sheet metal and prior to that was the manufacturing manager of a company that made truck bodies.

Two additional key personnel from Trump's former employer will join the company and will initially work on a part-time basis.

**Business Strategy:**

The management of DMC is determined to make their company a world class manufacturer of sheet metal products. They have identified a large market segment niche in which they will apply the latest technology and total quality management concepts. The business plan prepared by the founders addresses the following strategies:

1. Full Service Shop. The company will have the capability to design, engineer, prototype, manufacture, paint, package and deliver in its own vehicle all products specified by its customers.

2. Relationship Marketing. Management intends to rely on close business associations they have developed over the years to launch and grow the company. They have obtained letters of intent from three local companies to begin to move their metal fabrication and painting business to DMC as soon as it launches its operations. In 2012 these three companies subcontracted over $2 million of sheet metal fabrication. DMC is expected to become an extension of its customers' businesses. All sales and customer support activity will be conducted by the principals and DMC personnel and not by independent representatives as is customary in the industry.

3. Low Cost Producer. Management expects their company to be the lowest cost producer in Western New York in the $1 to $5 million sales revenue range. They expect to acquire pre-owned equipment in excellent condition and adopt a program of total preventive maintenance.

**Initial Customer Base**

Management is confident that they will have 6 to 10 customers by the end of their first year of operations. Their business plan is based on the assumption that during their first year of operations they will derive 95% of their revenue from the three key customers who gave them letters of intent to begin to move some of their business to DMC.