

# Application for Public Hearing

## City of Napoleon, Ohio

I/We hereby request a public hearing to consider the following:

<p><b><u>Planning Commission</u></b> (MZON 100.1700.46690)</p> <p><input checked="" type="checkbox"/> Conditional Use <b>\$125.00</b></p> <p><input type="checkbox"/> Amendment <b>\$125.00</b></p> <p><input type="checkbox"/> Subdivision in City <b>\$75.00 + \$5.00 each, after two</b></p> <p><input type="checkbox"/> Preliminary Plat of Development <b>\$125.00</b></p> <p><input type="checkbox"/> Alley Vacation <b>\$25.00 + publication cost</b></p>	<p><b><u>Preservation Commission</u></b> MZON 100.1700.46690)</p> <p><input type="checkbox"/> Certificate of Appropriateness <b>\$25.00</b></p>	<p><b><u>Board of Zoning Appeals</u></b> (MZON 100.1700.46690)</p> <p><input type="checkbox"/> Certificate of Zoning <b>\$25.00</b></p> <p><input type="checkbox"/> Re-Zoning <b>\$125.00</b></p> <p><input type="checkbox"/> Variance <b>\$125.00</b></p> <p><input type="checkbox"/> Administrative Appeal <b>\$50.00</b></p>
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Address of property: 1851 Oakwood Ave Napoleon, OH 43545

Description of request:  
Manufacturing of N95 and disposable mask for US govt, Healthcare and 1<sup>st</sup> responders. Will be bringing in approx 150-200 jobs into Napoleon along with \$1,000,000,000+ in annual revenue

Adam Harmon  
 OWNER(S) NAME (PRINT)

2106 Baltimore St Defiance, OH 43512  
 ADDRESS- CITY, STATE, ZIP

843.694.6469  
 PHONE NUMBER

  
 SIGNATURE

**\*\*\*Public hearings are held on the second Tuesday of each month; this petition must be filed with the Zoning Administrator thirty (30) days before the public hearing date. All plans, plats, deeds and other requested information must accompany this application before the hearing will be scheduled. \*\*\***

**APPLICANT MUST BE AN OWNER OR AN AUTHORIZED REPRESENTATIVE EVIDENCED BY LETTER OF APPOINTMENT.**

Adam Harmon  
 APPLICANT NAME (PRINT)

2106 Baltimore St  
 ADDRESS

  
 APPLICANT SIGNATURE

Defiance, OH 43512  
 CITY, STATE, ZIP

843.694.6469  
 PHONE

Hearing #: \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Zoning District: \_\_\_\_\_

<b>Office Use Only</b>		
Batch # _____	Check # _____	Date _____



Let's Make It In The **USA**



## PPE & MASK MAUFACTURING



CE FDA



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## 1.0 EXECUTIVE SUMMARY

**Company Name:** Axis LED Group (ALG)

**Company Location:** Defiance OH

**Company owners:** /AXIS (ALG)

**Company Website:** [www.ALG-HEALTH.com](http://www.ALG-HEALTH.com) (coming soon)

### Introduction

In extreme crisis new opportunities are created. The COVID-19 Pandemic is rapidly spreading as the number of cases in the United States continues to grow, there is a critical shortage for PPE during the current and future crisis. PPE is used every day by healthcare personnel (HCP) to protect themselves, patients, and others when providing care. PPE shortages are currently posing a tremendous challenge to the US healthcare system because of the COVID-19 pandemic.

ALG was established in 2014 and has become a top-tier provider of LED lighting products that are made in the USA playing into a similar unique opportunity created by the Congress's "Buy American Act (BAA)". With 2019 gross revenues of \$6.8M (and 30% net margin) has grown from a tiny importing operation to a manufacturer (with its own assembly plant) competing head to head with top-tier names such as Philips, GE, Sylvania and Lithonia in supplying large scale projects.

The COVID-19 PPE shortage demands a drastically quick response. Personal protective equipment, or PPE, and tough work wear is a requirement in a large number of different industries. We consider legal –moral, social on the part of employers. In addition public health officials are just now waking up to their (heretofore lacking) responsibility to maintain a strategic supply of PPEs just as critically important as drugs and vaccines. It is the main goal of our President **Adam Harmon** is to provide certified PPE nationally and internationally, including manufacturing key items within the US.

**ALG** has a newly formed medical supplies company located in Defiance Ohio, within the United States of America. The company purchases and resells PPE, such as, Masks, gowns, gloves, goggles and the like to customers in the United States. **ALG** has established a China-based emergency KN95 and N95 Mask production facility with initial capacity of 1 million certified KN95 masks within 14 days plus delivery. ALG has

extensive experience in importing finished and unfinished goods into the United States and has secured significant relationships with US based assembly resources in partnership with UNICOR to meet (Buy American Act) BAA compliance for products. In this instance, ALG has worked with its Chinese manufacturing counterparts to secure resources to produce and import much needed N95 masks for healthcare professionals and patient use during the COVID 19 emergency. Our goal is twofold: First to quickly import and install the necessary equipment to produce both surgical and N-95 masks within our existing Defiance OH manufacturing facility. Secondly, to purchase the equipment required for production of the raw materials used to create both mask types. We plan on beginning production within the United States under strict supervision and high standards set and certified by the FDA as well as ISO credentials. CEO, Adam Harmon, has committed the company to manufacture and distribute a variety of medical supplies. We intend to invest much more within the medical care market in the 2020 fiscal year. With the growing global spread of COVID-19 been for, asks, gowns, gloves, goggles, and face masks

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According to the World Health Organization (WHO), qualified pharmaceutical are the main producers of PPE. There are few non-pharma manufacturer and with it insufficient competition to reduce pricing while maintaining quality especially those manufactured within the US. The unprecedented market growth flourishing recently and during the forecast period can afford the opportunity for companies such as Axis Health to enter the fray and make a meaningful difference. In addition to new need in commercial setting The use of PPE, has grown incredibly fast in popularity because of washing hands repeatedly and is now official public health policy in commercial settings. Because {masks are worn even when soap and water are present, they especially predominate among PPE}, in the prevention of airborne transmission of pathogens such as viruses.

### **Purpose**

This document will be used for multiple purposes some of which include:

- ♣ **Management:** Our business plan will be used to set a course for establishing a manufacturing process within our Defiance ~~OH, Ohio~~ facility and successfully produce, distribute, and provide PPE materials.
- ♣ **Finance:** ALG will present this document to ~~numerous-various Commercial Banks and other financial institutions/lenders.~~ This will purposely we will be to seek

funds for production ~~and a suitable location to sell of~~ our PPE products, initially masks.

### Location

ALG will produce pharmaceutical grade PPE within our existing Ohio factory, will utilize on site storage and provide distribution from this same facility. The eventual goal is to purchase a 2<sup>nd</sup> facility located within a few miles from the current factory in order improve warehouse space and free up additional manufacturing areas.

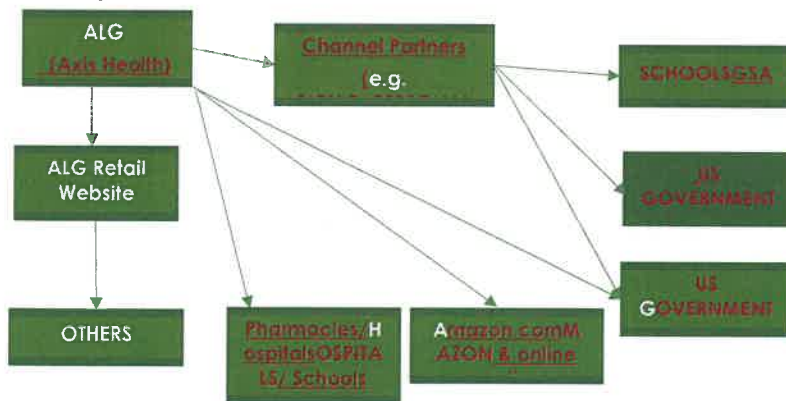
### Operations

ALG will be responsible for the manufacture of pharmaceutical Grade N-95 and surgical mask; along with sourcing other PPE from providers nationally and from China.

ALG will distribute the products to ~~top~~ government agencies, pharmaceutical distributors, hospitals, schools, personal websites and even on online platforms like Amazon. ALG has also created a website specifically dedicated to medical supply, which will operate as our primary page for PPE: <https://stockmedicalsupply.com/>.

The operation process is illustrated on the chart below.

Chart: Operations

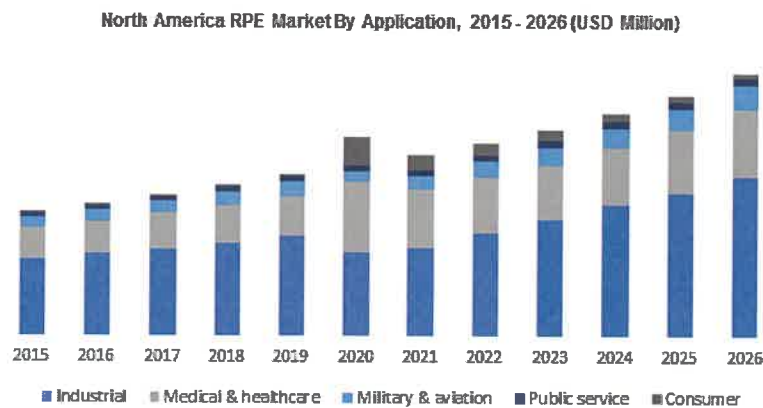
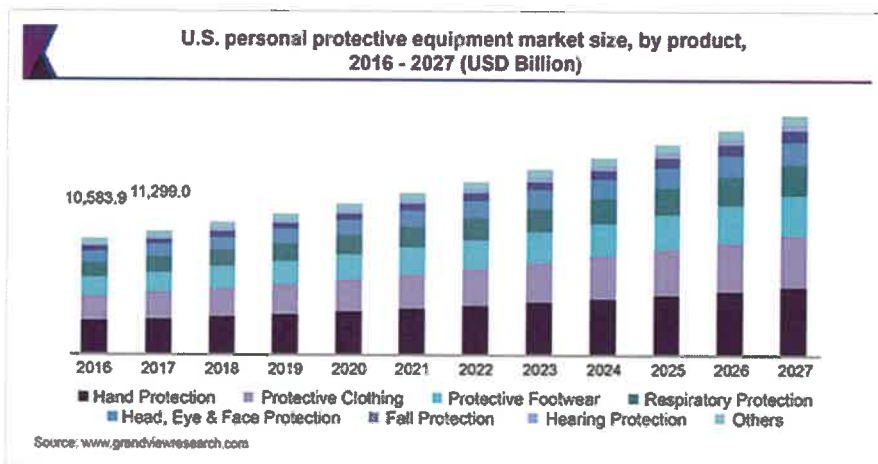


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### Market

Manufacturing the PPE in the USA will help minimize our dependency on foreign countries and shorten the supply chain. Government policy trends, general sentiment, and cost currently drive this business decision. With the current crisis, PPE ~~could~~ is increasingly be required to be worn by everyone. For example, Costco and other national retailers, hospitals and airlines have made wearing masks compulsory. It is safe to assume once the schools open, kids will have to wear masks. The current requirement is over hundreds of million per month. In several states possible it will be

required to wear masks in public. Increasing ease of use and growing awareness regarding the prevalence of infectious agents are the factors driving the growth of the Respiratory Protective Equipment (RPE) market. According to recent research report from Industry ARC, the market was estimated around \$1Billion as of 2018. With the early onset of COVID it was raised to \$6.8B as of 2019<sup>1</sup>. It is even higher as of this writing in 2020Q2. Estimates of annual growth range from 5% to 9% during the forecast period of 2019 to 2025.



Source: [www.gminsights.com](http://www.gminsights.com)

<sup>1</sup> <https://www.gminsights.com/industry-analysis/respiratory-protective-equipment-market>



## Financial Consideration

ALG will require \$24,000,000 in investments, kick start the operation, and implement near term ex[a]. These funds will be used to primarily purchase necessary manufacturing equipment and raw materials. In addition we need to secure more trade agreements, Labor and overhead, marketing and channels, obtain certifications (FDA/ISO/UL/NIOSH etc), and meet regulatory requirements.

### 1.1 Objectives

The objectives of **ALG** are to:

- Leverage our 7 years of experience and existing manufacturing facility to produce and distribute specific PPE equipment. Primarily N-95 & surgical masks.
- To increase business portfolio, size, and turnover.
- Obtain immediately needed capital from investor and/or other financial institutions.
- Provide a moderate but recurring income for executives and dividends to share-holders.
- Create a remarkable experience for the Company's customers by providing them with top-notch products and service.
- Develop a repeat customer base that continues to purchase time and again, as we have with LED lighting products since 2014.

### 1.2 Mission

The mission of **ALG** is to provide the best possible combination of customer service quality, product quality, and price. The Goal is to have each customer feel they have received excellent value and is eager to continue to purchase from the Company in the future. ALG has already demonstrated this with its line of LED products over the last six years.

### 1.3 Keys to Success

Keys to the Company's success lie in management's ability to:

- Execute the business plan as described herein.
- Secure needed capital
- Reliably administer and manage the Company daily so that a successful and growth-oriented business is developed and maintained.

- Attract new customers, retain existing customers, continue to grow sales, improve profit margins, control expenses, and meet or exceed the financial projections outlined within this Business Plan.
- Provide exceptional service to every customer to stimulate word-of-mouth referrals and repeat customers.
- The determination of the owners to make this Company successful and financially stable

#### 1.4 Core Values

**ALG** has established a culture with a set of core values that help define how the Company does business and pursues its mission. The **ALG** team applies these values every day as they serve as the foundation for interactions with customers. **ALG** embraces these core values as essential in achieving the long-term goal of becoming one of the leading vertically integrated companies in the Medical supplies market.

- **Integrity:** At the core of **ALGs** values is integrity. The company firmly maintains the highest standards of integrity in all its business relationships and works with team members who share this view
- **Quality:** **ALG** adheres to premium quality standards and institutes stringent quality control processes in its operations. The company strives to deliver professional services consistently.
- **Accountability:** **ALGs** team embodies a strong sense of professionalism and accountability. The company seeks to build strong relationships with partners who share a commitment to proffering lasting solutions to people's problems
- **Innovation:** **ALG** will invest in the research and procurement of the necessary PPE manufacturing equipment and continue to emphasize its technological development. We seek to collaborate with long-term partners who can help to develop and invest in evolving technologies and bring these innovations to the market
- **Teamwork:** Teamwork is a crucial component of **ALGs** success. Over the years, The company has built a team of highly qualified individuals who share this philosophy of teamwork.
- **Passion:** The success of **ALG** is driven by a management team who are enthusiastic about our business model and our mission. The team translate such energy into stronger relationships with customers daily, and that will continue to fuel the development of **ALG**.

- **Customer Retention:** **ALG** will tend to provide exceptional service to every customer to stimulate word-of-mouth referrals and repeat customers. This will go a long way to attract new customers, retain existing customers, continue to grow sales, maintain, or improve profit margins, control expenses, and meet or exceed the financial projections outlined within this Business Plan.

## 2.0 COMPANY SUMMARY

**ALG** is an Ohio based manufacturing Company created in 2014 and is a primary supplier of LED lighting equipment with the Federal energy efficiency market including the major contactors who participate in this arena (Siemens, Lockheed Martin, Honeywell, etc...) **ALG** will both manufacture and purchase pharmaceutical grade PPE from and for producers nationwide. **ALG** will provide PPE, such as, masks, gowns, gloves, goggles etc. and will heavily rely on its partnership and network of existing customers and suppliers to effectively make available our required PPE stock. The reliability and cooperation will enable **ALG** to supply the extreme and large orders demanded by the US Government, Schools, Hospitals and Health Facilities as well as the Amazon market demands.

### 2.1 Company Ownership and Legality

After extensive research and working closely with professionals to determine which form of organization would be best for the Company's circumstances, the founder chose to legally structure and organize the business as a Limited Liability Company (LLC).

**ALG** is managed and operated actively by **Adam Harmon**. **SYSTEMS** is managed by . In the future, we will look for possible shareholders and investors who will provide funds for expansion and aid in positively brandishing the company's image to the public.

### 2.2 Start-up Summary

Within the Start-Up table below, the cost of required expenses and asset acquisitions are considered. The plan here is specifically intended to produce upward of 50 Million cup-style N95 masks per month. We should be able to produce nearly twice that figure if we produce the folding (fish) style. The plan consists of purchasing 60 manufacturing machines and 12 quality control testing machines. We also plan to purchase a 25ksf warehouse sufficient to house these machines requiring 175sf/unit. We will then dedicate 10ksf to storage, 1000sf to miscellaneous operations such as boxing and shipping. This allow 1500sf for offices

**Table: Start-up**

<b>Start-up Requirements</b>	
<b>One-time Expenses</b>	
Installation & Mobilization	\$ 60,000
Purchase warehouse	\$ 250,000
Machinery	\$ 9,620,000
Cash Required (liquidity due to A/R)	\$ 7,300,000
<b>Total One Time Expenses</b>	<b>\$ 17,230,000</b>
<b>Ongoing Expenses (per month)</b>	
Licenses and Insurance	\$ 175,000
Training	\$ 10,000
Marketing (Including salaries)	\$ 50,000
Labor	\$ 1,200,000
Raw material for RPE	\$ 4,850,000
Maintenance	\$ 125,000
SG&A and Miscellaneous	\$ 800,000
<b>Total Ongoing Expenses</b>	<b>\$ 7,210,000</b>
<b>Total Start-up Requirements</b>	<b>\$ 24,440,000</b>

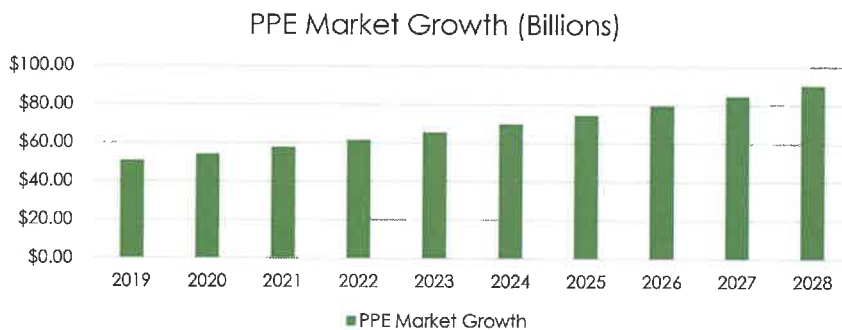
### 3.0 PRODUCT AND SERVICES

The goal is to always provide the Company's customers with quality products so that great value is realized by every customer. This will be instrumental in maintaining repeat customers and gaining first-time customers. **ALG** manufactures and distributes pharmaceutical-grade medical supplies products, to Governments, Schools, hospital, and other online platforms. Current products being offered are:

- ♣ **Masks** (Manufactured in house)
- ♣ **Gowns** (initially Outsourced)
- ♣ **Goggles** (initially Outsourced)
- ♣ **Hand sanitizer** (initially Outsourced)
- ♣ **Gloves** (initially Outsourced)

## 4.0 MARKET ANALYSIS – PRE-COVID PANDEMIC

The global personal protective equipment (PPE) market size was estimated at USD 50.9 billion in 2019 and expected to register a CAGR of 6.6% over the forecast period. Increasing need for respiratory protective equipment (RPE) in mining, emergency response, military and law enforcement, healthcare, and fire services, coupled with rising instances of hand injuries at the workplace, is anticipated to propel market growth over the coming years. Growing awareness regarding workers' health and safety, in addition to rising industrial fatalities primarily in emerging economies owing to lack of personal protective equipment (PPE), is anticipated to steer the market over the forecast years. Technological innovation, accompanied by changing consumer needs for PPE, is further projected to augment market expansion.



The above chart provides a look at the PPE market *without* consideration of COVID19. Healthcare, Government, Education and Retail establishment are already procuring materials and will continue to procure FUTURE STOCK of PPE equipment, especially Masks RPE. **ALGs** current personnel have years of experience and established relationships selling to these markets. Although predicting how COVID19 will increase the PPE marketplace may be a hard task, the bottom line is usage has exploded and stock piling for the future will continue to years.

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Lack of knowledge regarding workplace safety and health hazards is a major issue promulgating among workers. To raise health and safety awareness, the Occupational Safety and Health Act (OSHA) has teamed up with various health and safety organizations for unique ideas and solutions through the Workplace Innovator Award campaign. Such initiatives by agencies in collaboration with market players to

improve safety standards is anticipated to stimulate demand for personal safety equipment growth over the coming years.

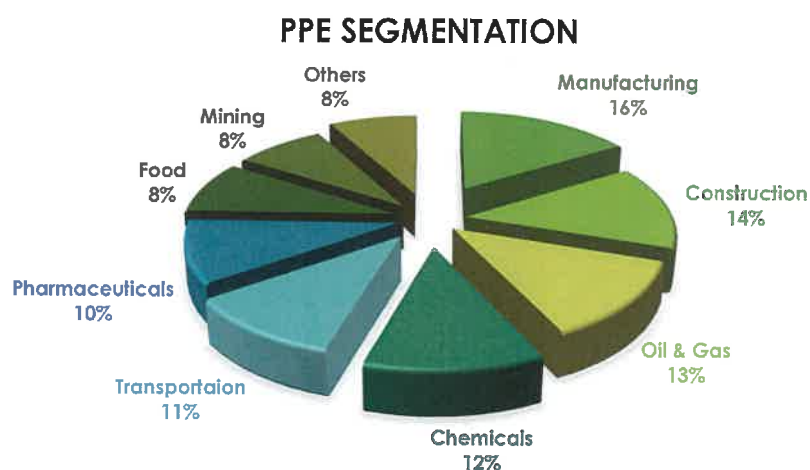
Glove manufacturers are shifting their focus toward greener manufacturing technologies by employing renewable resources such as solar and wind power. They are striving to reduce costs by using less water and synthetic fuels, which is expected to spur product demand over the forecast period. Rising concerns regarding employee health and safety in earthquake-prone areas is expected to urge employers to adhere to workplace safety regulations and encourage the use of personal safety equipment while working in high-risk activities. Moreover, growing awareness regarding the precautions to be taken post disasters is expected to urge various industries to prepare for natural calamities. This is projected to drive product demand over the forecast period.

Technological advancements, coupled with changing consumer trends, have led to a significant change in manufacturing techniques to obtain superior quality finished products. The industry has also been witnessing a surge in engineered and high-performance multifunctional protective clothing. However, these manufacturing processes are highly cost-intensive and complex for shop-floor workers to comprehend. This could act as a deterrent to market growth. In terms of product, the protective equipment market is categorized into hearing protection, head, eye and face protection, protective clothing, protective footwear, respiratory protection, hand protection, and fall protection. Growing concern regarding employee safety and initiatives for reducing injury rates in industrial and commercial sectors is expected to drive the demand for personal protective gloves over the forecast period.

Rising demand for unpowered respirators particularly in the mining, petrochemical, and oil and gas sectors is expected to drive market growth over the forecast period. Technological innovation, improved performance of respirators, and stringent enforcement of workplace safety standards across Europe and North America are expected to drive investment and innovation in the field of personal safety equipment, which is projected to further propel the PPE market over the coming years. Increasing use of durable protective clothing in core industries such as oil and gas, construction, and mining is expected to enhance market penetration over the forecast period. In addition, rising demand for disposable industrial protective clothing in industries such as healthcare and chemicals where protective clothing cannot be reused owing to contamination is expected to complement segment growth.

In terms of end-use industry, the market for personal safety equipment is categorized into construction, manufacturing, oil and gas, chemicals, food, pharmaceuticals, transportation, and mining. Demand for personal protective equipment in the oil and gas industry is projected to grow at a significant rate owing to increasing popularity of natural gas, rising deals by the Organization of Petroleum Exporting Countries (OPEC), and landmark shale oil discovery over the forecast period.

End-use industries like manufacturing, oil and gas, and chemical are likely to witness substantial growth owing to rising workforce in large economies such as U.S., Japan, India, Germany, and China. Increasing demand for better public infrastructure, including harbours, roadways, airports, and rail transport systems, is expected to drive the construction industry across the globe, thereby stimulating demand for personal safety equipment over the coming years.



The mining industry is anticipated to remain a key application sector for personal protective equipment owing to the high risk of industrial hazards. Mining is associated with many hazards such as contact of chemicals to the skin and inhalation of harmful gases that may cause diseases and risk the life of an employee. Rising prevalence of diseases caused by airborne contaminants is expected to spur demand for personal protection equipment over the next few years.

Europe and North have been the largest consumer of PPE and is expected to witness moderate growth over the forecast period. There has been a growing need for highly effective wear-and-tear-resistant and high-utility personal protective equipment in

most core industries such as metal manufacturing, oil, and gas, automotive, and refining. This, coupled with increasing number of occupational injuries, is expected to augment the uptake of personal protective equipment in the region over the forecast period. Rising number of industrial fatalities in emerging economies of Asia Pacific, due to lack of appropriate protective gear and low awareness regarding employee safety, is anticipated to propel market growth. In addition, technological innovation and changing consumer preference for personal protective equipment that combines safety and fashion are expected to augment market growth.

Limited commodity exports have been slowing down the Central and South American economies by reducing investment levels and resource employment. Furthermore, economic turmoil in the largest economy of the region, Brazil, is expected to negatively impact the demand for personal protective equipment in key application industries, which is expected to hamper market growth over the forecast period.

Key players in the industry offer personal safety equipment with distinctive features such as additional benefits in coveralls, customized gloves, and boots for diverse applications to gain dominance in the global market. The PPE market is estimated to struggle with pricing pressures and growing commoditization of products owing to which, strategic differentiation of products and services is predicted to separate leaders from other competitors in the industry. Strategies adopted by companies include product portfolio expansion, product development, and distribution network expansion. Honeywell International, Inc. is one of the key players engaged in launching new products as a part of its strategic initiative. The products launched by the company in the last few years include portable gas detectors, Ne-Hon-6, and toxin-resistant hoods for fire-fighters.

#### **4.1 Market Segmentation**

Several market groups (segments) have been identified as critical targets for the continued success of **ALG**. The definition of each market group (segment) is:

**Primary Market** - This segment consists of the Company's existing repeat customers. The objective will be to find ways to further develop repeat customers into extremely loyal and long-time customers that purchase repeatedly (the US Government and schools). **ALG** will utilize their existing government relationships, channel partners and past experiences to gain traction.

**Secondary Market** - This segment consists of first-time customers. The objective will be to find ways to continue existing momentum already established and further develop



first-time customers into repeat customers (hospital, clinics, and other medical facilities).

**Tertiary Market** - This segment consists of every person, or institution globally. The objective will be to identify the most popular products, identify the people and organizations in this segment that are most likely to purchase our products, then we follow Company sales strategies to attract new customers who make their first purchase.

**Table: Market Analysis**

Market Analysis		Average Gross Sales (MILLIONS)					
Potential Customers	Growth	2020	2021	2022	2023	2024	CAGR
Government	6%	25	27	28	30	32	6.00%
Hospitals	5%	18	19	20	21	23	5.00%
Schools	5%	17	18	19	20	21	5.00%
Others	4% nominal	300 special pricing	500 special pricing	600 Regular pricing	625	650	4.00%
<b>Total</b>	<b>5.00%</b>	<b>75</b>	<b>80</b>	<b>84</b>	<b>89</b>	<b>95</b>	<b>5.00%</b>

*We intend to offer very low pricing for all of first year and part of our second year of operation. This will help capture market share that we can leverage towards lower marketing costs and help upsell additional product lines where we do not yet have manufacturing in house.*

#### 4.2 Target Market Segment Strategy

Experience has shown that most customers in this industry will not join this company of their own accord. Instead, **ALG** must mount an aggressive awareness campaign. In addition, the Company must aggressively contact local businesses, associations, and organizations that wish assistance with their demand. This way **ALG** can receive outsourced business and further help the United States, and other earmarked areas of investment.

#### 4.3 Competition and Buying Patterns

In the medical supplies industry, there are several factors influencing purchases:

- **Product Features:** Some services and products may be "better" than others since it may contain a feature that will make that service easier to use, more functional, versatile, etc. *The prime example is doing masks with the valve in them.*
- **Reputation:** Some products and services may carry a reputation of being excellent (i.e.: strong, durable, long lasting, reliable etc.) services.
- **Word of Mouth:** Often purchases are made simply based on word-of-mouth and web advertisements.
- **Pricing:** Depending on income, especially for non-professional clients, an affordable price will be the determining factor between two services.

## 5.0 STRATEGY AND IMPLEMENTATION SUMMARY

Parralleling its success in LED products **ALG** will seek to become the top-tier medical supplies manufacturing and distribution company. With companies like Purell, Reckitt Benckiser Group, The Himalaya group, Henkel Corporation, Unilever, The Dial Corporation, 3M Co., Gojo industry, Unilever PLC., Chatterm Inc., and Best Sanitizers, Inc., etc. This strategy will rely on a competitive edge and a strong marketing and sales campaign.

**ALG** will leverage their competitive edge, on offering the finest selection of services, with strong marketing, and better pricing strategy campaign to develop awareness. The sales campaign will emphasize **ALG** ability to offer the highest level of customer satisfaction at the most affordable prices in the industry with the easiest and most inclusive pickup and drop off strategies.

### 5.1 SWOT Analysis

Potential future threats facing **ALG** include devastating economic downturn, catastrophic uninsured loss, rapid technological change, buying pattern change, or extremely well-capitalized competition willing to price gouge to destroy competition.

The future of the Company is positive if these unlikely threats do not materialize. There are several notable opportunities available and the Company's strengths far exceed its weaknesses. The management of **ALG** is experienced, skilled, hardworking, and knowledgeable in their decision to obtain and adopt this Business Plan. It gives Company management the groundwork to develop a thriving business.

### **5.1.1 Strengths**

- A comprehensive, written Business Plan
- An existing established network of channel partners and sales reps.
- ALG is committed to minimize our dependency on foreign suppliers and honestly believe in made in the USA.
- Established in the PPE manufacturing market with existing large & existing sales
- Strong team positioned to succeed, paralleling LED product line.
- The skills and talents of the dedicated, hardworking, and trustworthy Company management team
- A proven marketing strategy, sales strategy, financial plan, and milestone review system that will ensure the longevity of the Company
- Financial projections that predict growing sales, profits, and net worth if capital funding can be obtained
- Our manufacturing facility is in a federal HUB-Zone, making it eligible for sizable set-asides in federal purchasing.
- The owner is hardworking and dedicated with strong ties to the community
- Good partnership deals and inter-agency agreements.

### **5.1.2 Weaknesses**

- Immediate capital requirements.
- Limited number of borrowed employees and resources at the startup phase.

### **5.1.3 Opportunities**

- The ability to obtain a small portion of market share, where we currently sell other equipment.
- Company growth and prosperity for years to come if the required capital is obtained.
- Potential Government backing through the use of the UNICOR Program.
- Several markets segments including Government, Healthcare, Retail and Education
- Unlimited demographic and wide customers range

### **5.1.4 Threats**

- Catastrophic uninsured loss from fire, wind, theft, vandalism, or embezzlement

- New, old, and extremely well-capitalized competitors with the business strategy of price gouging to destroy competition

## 5.2 Competitive Edge

The advantages **ALG** has over its competitors are numerous but as a matter of fact, we can subdivide them into the following sub-heading to ease understanding.

- ♣ **The breadth of solutions:** We will produce and offer distinctive products which are currently in short supply nationwide, and will have a great demand for the long-term future. These products include Pharmaceutical grade N-95 and surgical mask, gloves, touchless thermostats, disposable thermostats etc.
- ♣ **Valuable partnerships:** In conjunction with our products offer we also affiliate and partner ourselves with major producers of personal protective equipment (PPE). **ALG** will partner will companies producing PPE products to purchase and distribute our products accurately effectively and efficiently.
- ♣ **Location:** **ALG** will purchase Pharmaceutical grade PPEs and distribute from our existing warehouse in Defiance, OH. These locations are easily accessible markets for our customers and suppliers. These are location that will prompt and increase customer turn out and patronage.

## 5.3 Service Business Analysis

In the Company's industry, competition is fierce. The industry has an assortment of competing businesses with many of them having more time in business, better name recognition, and a clearer, better-defined reputation for the products they provide.

**ALG** must continue to develop and fine-tune both manufacturing and marketing/sales strategies to counteract stronger competitors while taking advantage of the weaknesses of less strong competitors. The best way to accomplish this is to obtain as much knowledge as possible about the Company's direct competitors.

## 5.4 Marketing Strategy

Continue to improve and escalating an already established public interest in the newest communication devises is well documented and has become an important part of everyday life for virtually every age group and ethnic background. Modern communication methods such as texting, emails, social websites, blogs, and a sophisticated Company website must be an integral part of the Company's marketing strategy for it to become successful and remain successful.

Every effort should be made to develop printed and publicly available marketing pieces in an identical and consistent manner.

Company "branding" means advertisements, flyers, business cards, letterhead, forms, marketing items, and the Company website will all have identical design, color, logo, and appearance features. By branding the Company at this early stage, the public will immediately identify and recognize a marketing piece as belonging to the Company once they have been sufficiently exposed.

Not more than 10% of annual gross sales will be allocated to the marketing budget. Regardless of what type of marketing campaign is developed, management must make a conscious effort to research and gather data supporting the campaign, test it, and analyze the direct expenses associated with the campaign against its potential profit to determine whether the campaign is cost justified.

## **5.5 Sales Strategy**

The sales plan is to continue to actively promote the Company and its offerings as soon as possible. The Company exists to attract new customers and maintain existing customers for the purpose of making sales to them. If we adhere to this maxim, everything else will fall into place.

Our sales and marketing strategies must be developed within our existing customer base and must find ways to bring in new customers, followed by converting first-time customers into repeat customers, followed by maintaining repeat customers and giving them a reason to purchase time and time again.

The Company's sales strategy is based on capturing only a very small percentage of the tertiary market segment (general public), converting over 50% of the secondary market segment (first-time customers) to the primary market segment (repeat customers), and maintaining near 100% of the primary market segment (repeat customers).

An important strategy to increase sales and new customers is to inject as much relevant, accurate, and original product description and illustration as possible, regardless of how the information is distributed to the customer. This is especially true of the Company website where it is important to give potential customers the information, they need to make their purchasing decision online.

### 5.5.1 Sales Forecast

The sales forecast has been developed from a conservative perspective to ensure that the sales targets are met. The table and charts below illustrate our explicit sales forecast

Table: Sales Forecast

Sales Forecast			
Sales (Millions)	2020-21	2021-22	2022-23
Sales of RPE	\$ 300	\$ 500	\$ 600
Sales from other Medical Supplies		\$ 10	\$ 20
<b>Total Sales Revenue</b>	<b>\$ 300</b>	<b>\$ 510</b>	<b>\$ 620</b>
<b>Cost of sales</b>			
Cost of goods, Labor, Admin & OH	\$ 91	\$ 97	\$ 106
Transportation & Storage	\$ 15	\$ 17	\$ 19
<b>Total Cost Of Sales</b>	<b>\$ 106</b>	<b>\$ 114</b>	<b>\$ 125</b>
<b>EBDITA</b>	<b>\$ 194</b>	<b>\$ 396</b>	<b>\$ 495</b>
<b>Gross Margin%</b>	<b>64%</b>	<b>77%</b>	<b>80%</b>

## 6.0 FINANCIAL PLAN

ALG will finance the company from both equity and debt financing sources, which will project portable sales forecast, financial cash flow projections and balance sheet projections. These financial statements below including chart discrepancies

### 6.1 Important Assumptions

- ALG is based in Defiance Ohio, in the US, with its HQ in the same geographical region.
- After the first-year revenue will increase by at least 30%.
- Tax rates are based on the US tax Systems.
- ALG will manufacture and sell PPE materials not only for the pharmaceutical industry but other industries like manufacturing, gas & oil Food Processing, and construction.
- Operating costs are to increase annually by at least 10%

### 6.2 Pro-forma profit and loss

There are many factors to include when determining a projected profit and loss statement. For readability they are lumped into few rows in the sales forecast in section 5.5.1. However, the costs have been carefully tallied. The major items include the following (with first year's expected costs indicated):

- Cost of materials (\$68M),
- Labor & employee expenses(\$21M),
- Marketing & Branding (\$4.5M)
- Storage (\$1M)
- Transportation (\$4.5M)
- Office expenses, Overheads and Admin (\$6M)

### 6.3 Projected Balance Sheet

The table below outlines the projected balance sheet.

**Table: Projected Pro-forma Balance Sheet**

Pro Forma Balance Sheet (in \$Millions)			
Assets	2020-21	2021-22	2022-23

<b>Current Assets</b>			
Cash	\$194	\$396	\$495
Other Current Assets	\$10	\$15	\$20
<b>Total Current Assets</b>	<b>\$204</b>	<b>\$411</b>	<b>\$515</b>
Long-term Assets	\$10	\$15	\$18
Accumulated Depreciation	\$1	\$2	\$2
<b>Total Long-term Assets</b>	<b>\$9</b>	<b>\$14</b>	<b>\$16</b>
<b>Total Assets</b>	<b>\$213</b>	<b>\$425</b>	<b>\$531</b>
<b>Liabilities and Capital</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Current Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Current Borrowing	\$ -	\$ -	\$ -
Other Current Liabilities	2	4	5
<b>Subtotal Current Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Long-term Liabilities</b>	<b>\$14</b>	<b>16</b>	<b>20</b>
<b>Total Liabilities</b>	<b>16</b>	<b>20</b>	<b>25</b>
<b>Paid-in Capital</b>	<b>\$27</b>	<b>27</b>	<b>27</b>
Retained Earnings		\$100	\$150
<b>Total Capital</b>	<b>\$27</b>	<b>\$127</b>	<b>\$177</b>
<b>Total Liabilities and Capital</b>	<b>\$43</b>	<b>\$147</b>	<b>\$202</b>
<b>Net Worth</b>	<b>\$170</b>	<b>\$278</b>	<b>\$329</b>



## 7.0 RISK MANAGEMENT

A risk management plan is set out below that identifies common risks and indicates a suitable level of mitigation should these arise.

RISK:	MITIGATION:
<b>Economic factors affecting customer purchasing power; ultimately leading to falling revenue.</b>	Monitor business performance to ensure early identification of dwindling results.  Ensure that the business is in a position to react to change, minimizing the impact on business profits. <i>Finally, judicious cost controls should allow temporarily lower margins to maintain market share.</i>
<b><u>Competitive pressures</u></b>	<i>Apply existing and very directly comparable experience from the LED product line=. Maintain judicious cost controls should allow temporarily lower margins to maintain market share.</i>
<b>Poor performance that ultimately leads to cash flow issues.</b>	Maintain budgetary processes that monitor business financial performance. Consider the use of external advisor should this be appropriate.
<b>Insufficient staff to successfully operate the business.</b>	Recruit staff: targeting key areas which are under performing.
<b>Future development delays.</b>	Ensure problems are addressed as soon as they are discovered.
<b>Risk of fraud.</b>	Maintain effective internal audit control procedures. Consider option to bring in an external auditor should this be deemed necessary.
<b>Loss of a key member of staff.</b>	Ensure each important task is understood by more than one member of staff. Produce instruction manuals where applicable.