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| 555 St. Rte. 53  Tiffin, OH 44883 |  | Phone. 1800-EZ-TEETH |  | thefusionbrush@gmail.com  www.thefusionbrush.com |

The Fusion Brush

“Clean & Easy”

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# Executive Summary

## The Fusion Brush Company is striving to bring a new product to the dental health market. Our products are based off of two elements of convenience and efficiency. Our clients can be anyone throughout that cares about their own dental health, but definitely features some perks that many other products in the same market do not. The Fusion Brush offers a screw on toothbrush top that can fit on any toothpaste dispenser that features a top that can be screwed on.

The dental health care industry has seen a growth in its market size. If you would search throughout the market you can find similar products to that of The Fusion Brush. Our product emphasizes the convenience factor and the fact that this toothbrush that will be able to be used during any circumstance. For instance when you need to brush your after a messy lunch or just feel your breathe isn’t smelling as fresh as you would like, screw on your Fusion Brush and good as gold.

The management of The Fusion Brush Company will consists of the five individuals in this group. Each of the five of us comes from different backgrounds and each will have a field of expertise within the business. Ultimately the goal is to grow the company large enough and have one of the established corporations in the industry to buy out our company. To start off with there will be no hired staff. With progression we expect to possibly hire on a few employees and will use professional help when it comes to some of the accounting and other financials dealing with our business.

At the end of our first year our projected sales look to be over $300,000. The salary for each of the five owners will be profit based. We hope to find investors that realize we have a pretty low cost business and we plan to make a profit right from the start. The upfront costs are pretty limited and other than the equipment we will need to get production rolling and the roof that our production will take place under.

## Mission Statement

Here to bring you the best and most convenient toothbrush in the industry.

## Keys to Success

In order for our company to hit the ground running we need to establish ourselves in the local market. We will promote our product and plan to find retail outlets in the immediate area. As we gain funding we plan to expand our products and begin to produce a variety of toothbrushes. We have plenty of great ideas and it is all about gaining the funding for the engineering to allow this company to continue to grow.

# Description of Business

## Company Ownership/Legal Entity

As a whole it was our decision to run our own business. We will start as an LLC and each of the five of us will be managing the business in our spare time. It will require a lot of effort, but with all hands on deck we plan to make this thing work.

## Location

We have decided that the most suitable location for our business is in a building outside of Tiffin, Ohio.

Location is not of paramount importance for our business, but we would like to keep it local so that we can stay close to where we currently live.

In the country we would have open area for expansion and a parking lot for trucks. We would locate ourselves on a major road, like State Route 53, so that we could easily get our goods out to the businesses where we will sell them.

In the country we would be able to avoid city ordinances, city water, and city sewer. This would help us with keeping costs lower and give us the freedom to build a company that best suites our needs.

## Products

Our company is selling toothbrushes that screw onto a toothpaste tube and allow customers to brush their teeth faster and easier. Our toothbrush would be half the length of a normal toothbrush, but it would be hollow and have an opening in the center of the brush head that would allow for toothpaste to be pushed through it.

This product will appeal to everyone who brushes their teeth because it makes teeth cleaning faster and easier. The customer will no longer have a separate toothbrush and toothpaste container; they will both be combined when you screw the toothbrush onto the toothpaste container.

It will be especially appealing to travelers because it will make it simpler to just carry their toothpaste and toothbrush together. No longer will people have to deal with putting toothpaste on their brush and cleaning up the mess when the toothpaste falls off of the bristles. When the tube runs out of toothpaste, simply unscrew the brush and put it on a new tube. Customers will love this simpler and easier way to brush their teeth.

We will have room in our company building to hold an inventory and we will not have to worry about the product going bad because it is plastic. We will keep enough inventories to cover future orders and avoid wait times for customers. We want to make sure that customers are constantly able to get their much-needed toothbrush, so that we can run a successful business in the dental hygiene industry.

## Suppliers

Our company will be producing our own toothbrushes and running our own injection-molding machine, so we will have to buy plastic and packaging containers. We can receive our injection molding pellets from many places, but one of our best options is Professional Plastics. These pellets can be purchased as fifty-pound boxes or one thousand pound totes. Many of these pellets can be purchases for fewer than fifty cents per pound. For our packaging containers we will use clear plastic keepers, such as the ones from HLP Klearfold. There are many suppliers for these products, but a common price for these containers would be one cent apiece when bought by the thousands. We will also need to buy cardboard boxes to hold our product when complete, and one source that we could use for this would be Uline, which has a price of less than fifty cents per cardboard box.

## Service

The company will produce toothbrushes and either delivers them personally or by a hired company to the store for customer purchase. We will have a line for customer service, but we will try to keep limited contact with customers. We will let customers contact us if they have a problem, but the stores will be in charge of selling the product.

## Manufacturing

Our company will be manufacturing our toothpaste accessories by using a plastic injection molding machine. We will be using a small shop to house our machine and inventory. We will be using small plastic beads to be melted down into a liquid, and then the liquid will be poured into a mold of the toothbrush head. After it has solidified, we will be placing the fibers of the brush into the head. The same process will be used to make the handle attachment with a different mold. As for selling, we will be targeting small, regional drug stores and grocery stores. We will ask them to purchase enough for them to hold inventory, then sell to their customers.

## Management

Within our company, we have men who have had many experiences that will help make this a successful business. We have been exposed to all sides of the business world from agriculture to manufacturing. Many members of this company also have a sports background. We believe that this has instilled us with a sense of teamwork and determination, which is a key for any successful company. Our staff will be made of the five men you see in front of you. We will contract out legal, mechanical, and any other specialty skill that will be needed to further our company. All five of us will be trained to use and run the injection molding machine. This company will essentially be a side endeavor, as we will keep other jobs until the business takes off like we expect. Our business will be owned and operated by all five of us.

## Financial Management

As a company, we understand that there is going to be bumps in the road. We plan to become a profitable business as quickly as possible. Being a startup company, cash flow will be a minimum, as we have to spend money before we plan to make money. We plan to contract out the accounting portion of the business, as we have it labeled as a special skill. Our company will take its own inventory, which will be controlled on each of our computers. Our business’ finances are shown in the appendix.

## Start-Up/Acquisition Summary

This company is going to be built completely from the ground up. We plan to start this company with our own hard work and determination. We believe that we have the qualities and understanding to have a very successful business. We plan to first get all the legal paperwork lined out (controlled by a contracted lawyer). After that, we plan to purchase and or build a small, metal building outside of Tiffin. After we have a building that has been modified to fit our company’s needs, we plan to purchase our injection molding machine, plastic beads, and any other materials we will need to manufacture our product. Once we have our materials, we will begin to market and sell our product, and eventually, our company to a larger, more established company.

# Marketing

## Market Analysis

With our company being a dental hygiene product, we have an endless number of people that we can appeal to. We have over 67 million people in the Midwest, which is where we plan to start our business. This accounts for more than 21% of the U.S. population (census.gov). Almost every single person in that 67 million has a toothbrush and a need for dental hygiene. We believe that we will appeal to younger people who are in a quick pinch whether with work or school that need a quick fix. We also believe that we will strongly appeal to people that travel, as our product will save them space, time, and money.

We plan to use social media as our biggest marketing strategy, as many young people have some sort of social media. Also, a social media page is a free resource that we can use to our advantage. Our market is growing, as people are traveling more than ever, and personal image is becoming more important than ever. We are being hopeful that we will be able to reach 25% of that 67 million, which is just under 17 million people. If 25% is not working out or in our near future, our base market would try to be 5% of our market, which would be just over 3 million people. This bottom percentage would still be a very good sales year.

## Market Segmentation

Our market is very base. Yes, there are many different companies that sell many different toothbrushes, but most tooth brushes are the same and not many stand out. You would rarely hear someone say, “Wow, that toothbrush is really cool!” and that is where we intend to change that.

## [http://static.cdn-seekingalpha.com/uploads/2012/10/15/saupload_Colgate-Palmolive-Sales_thumb1.png](http://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=0ahUKEwjW1ryVkLzJAhXLXD4KHXPPCvQQjRwIBw&url=http://hdimagelib.com/colgate%2Bpalmolive%2Blogo%2Bpng&psig=AFQjCNFwn7cTLKjQb7QKvCfCH8YnUMdTOg&ust=1449109538774616)

## Competition

Briefly our competitors are other toothpaste and toothbrush companies, such as Crest and Colgate. In addition, both of these companies have a large percentage of the market and have a large number of customers in many different countries. Also, they offer good customer services. As a result, our company will focuses on their weaknesses. One of the important weaknesses they have is saturated market. Moreover, they offer two different products that are the toothpaste and the toothbrush, so our company has two products in one product that most people will prefer. For the future, we are going to continue studying our competitors in different views.

## Pricing

After we looked at the competition pricing, cost based price, and value-based price, we came up with specific price of our product. As a result, the price of our product is $5.99. In addition, the price is kind of average price because we are looking to have a high numbers of customers and to have good started profit. Charging a high price is kind of dangerous especially for new product, and charging a low price is not a good idea because it is very difficult to increase the price in the market and in the future.

### Advertising and Promotion

Social media is our main way of advertising because most of the people in these days use social during their daily life. As a result, using social media to advertise is going to help us to hit a high number of customers because all the groups of customers use social media, such as men, women, and kids. Also, it will help us to save a high amount of our budget because they are free. We are going to have an Instagram and a Facebook account, so we will update all of the new pictures and news of the product. For promotion, during the world oral health day, we are going to provide our customers with 50 percent off of our products.

### Strategy and Implementation

For strategy implementation, we are going to continue improving and achieving our visions. Improving our advertising, pricing, competition strategies are the important goals that we are going to develop for our long term plan.

# Appendix

## Balance Sheet

The Fusion Brush

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Assets |  | | --- | --- | | Current Assets: |  | | Cash: | 10,000 | | Petty Cash |  | | Accounts Receivable |  | | Inventory | - | | Short-Term Investment |  | | Prepaid Expense | - | | Long-Term Investment | - | | Fixed Assets: |  | | Land | - | | Buildings | 85,000 | | Improvements | - | | Equipment | 40,000 | | Furniture | - | | Automobiles/Vehicles | - | | Other Assets: |  | | Item 1 | - | | Item 2 | - | | Item 3 | - | |  | | Liabilities |  | | --- | --- | | Current Liabilities: |  | | Accounts Payable | - | | Notes Payable | - | | Interest Payable | - | | Taxes Payable: |  | | Federal Income Tax | - | | State Income Tax | - | | Self-Employment Tax | - | | Sales Tax (SBE) | - | | Property Tax | - | | Payroll Accrual | - | | Long-Term Liabilities | 125,000 | | Notes Payable | 9,000 | | Net Worth/Owner’s Equity/Retained Earnings | 1,000 | |
| |  |  | | --- | --- | | Total Assets: | 135,000 | |  | |  |  | | --- | --- | | Total Liabilities: | 124,000 | |

## Income Projection Statement

| December 2015 | Ind. % | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Annual Total | Annual % |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Est. Net Sales |  | 46,000 | 46,000 | 46500 | 69750 | 69750 | 74400 | 79900 | 89300 | 94000 | 103400 | 103400 | 112800 | 936000 |  |
| Cost Of Sales |  | (25000) | (25000) | (25000) | (37500) | (37500) | (40000) | (42500) | (47500) | (50000) | (55000) | (55000) | (60000) | (533150) |  |
| Gross Profit |  | 21000 | 21000 | 21500 | 32250 | 32250 | 34400 | 37400 | 41800 | 44000 | 48400 | 48400 | 52800 | **402,950** |  |
| Controllable Expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries/Wages |  | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 24000 |  |
| Payroll Taxes |  | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 1680 |  |
| Legal/Accounting |  | 500 | 500 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 100 | 500 | 2100 |  |
| Advertising |  | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 12000 |  |
| Travel/Auto |  | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1200 |  |
| Maintenance |  | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3000 |  |
| Utilities |  | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3000 |  |
| Misc. |  | - | - | - | - | - | - | - | - | - | - | - | 500 | 500 |  |
| *Total Controllable Exp.* |  | *4240* | *4240* | *3790* | *3790* | *3790* | *3790* | *3790* | *3790* | *3790* | *3790* | *3840* | *4740* | **47,480** |  |
| Fixed Expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchase (5 yr loan) |  | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 18000 |  |
| Depreciation |  | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 1800 |  |
| Office Supplies & Postage |  | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |  |
| Equipment |  | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 8400 |  |
| Interest on loans |  | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 520 | 6240 |  |
| Misc. (Packaging) |  | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 12000 |  |
| *Total Fixed Expenses* |  | *3990* | *3990* | *3990* | *3990* | *3990* | *3990* | *3990* | *3990* | *3990* | *3990* | *3990* |  | 46,560 |  |
| *Total Expenses* |  |  |  |  |  |  |  |  |  |  |  |  |  | **94,040** |  |
| Net Profit/Loss Before Taxes |  | 8230 | 8230 | 7780 | 7780 | 7780 | 7780 | 7780 | 7780 | 7780 | 7780 | 7830 | 8730 | **308,900** |  |
| Taxes |  | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 1,680 |  |
| Net Profit/Loss  After Taxes |  | 12,630 | 12,630 | 13,580 | 24,330 | 24,330 | 26,480 | 29,480 | 33,880 | 36,080 | 40,480 | 40,430 | 43,930 | $307,220 |  |