

Berkshire Pens

Business Plan

Executive Summary

Berkshire Pens will sell reusable, refillable, pens crafted from local wood: Oak, Pine and Hemlock to stores throughout the Berkshires. This will be done efficiently and will help the Berkshires by creating an opportunity to replace imported pens. In order for the product, Berkshire Pens will be making, to reach the preparation needed to be sold, I will need to carve and assemble the different parts of the the product. From that point of preparation they will be sold to local stores at wholesale for the stores to then sell the pens at retail. This will help the local economy through the replacement of imported pens and through creating a product in the Berkshires.

Description of Business

I am selling pens made from three types of local wood. Necessary supplies to make pens include the ink cartridges, the local wood, and the basic frame of the pen. The source in which the local wood will be provided from is still undecided but it will most likely be from scraps at a local lumber yard, due to the fact that a pen does not require very much wood to make. People will buy this product for two main reasons, one being that regardless of the person everyone uses pens and writing tools and this pen will be unique to all other types due to how and what it is made from. Secondly, that a person will enjoy getting to use a pen made locally from wood that surrounds them.

Target Market

The target customers of this product are people of all ages who can afford to spend extra on locally crafted luxury items, this including pens. This product will be distributed to customers through local stores and potentially on an online website.

Competition

They are currently no other local business doing what Berkshire Pens will do. Although there are other pen companies throughout the world, there are no companies that create pens made from wood that is local to the Berkshires. The unique quality of the pen being made from wood local to the berkshires will distinguish this product from all others and influence consumers to buy Berkshire Pens over competitors. The pens will be made locally and can be engraved, when bought in large parties, this will also separate Berkshire Pens from competitors.

Team

Berkshire Pens will be run by me as the sole employee in order to keep the expenses low at the beginning. I will not hire employees for the reason stated above. This will help the business grow due to the fact that all profits can be put back into the business.

Skills and Experience

Although I do not have much experience in the industry of manufacturing pens due to my young age, I do have first hand experience as a consumer of similar products. The knowledge I have obtained as a first hand consumer of similar products will help me when I begin to run my business. I will work with local lumber mills to obtain the wood. I will use friends and social media to build interest for my product.

Start Up Expenses

The start up investment to begin manufacturing this product would roughly be 4,000 dollars. This amount includes necessary equipment, supplies, advertising, registration, licenses, permits, insurance, and professional services. The necessary working capital would be 3,500 dollars. This cost will be covered through either a loan or investors. (See attached table)

Budget

The monthly income of the product would be 4,000 dollars, which is selling approximately 200 pens to retail stores. Thus, the yearly income would be 48,000 dollars. The required expenses of the product annually is 6,000 dollars. This amount is the sum of the costs for advertising, shipping fees, the upkeep of office supplies,

professional fees, supplies, telephone, internet, insurance, and credit card fees on an annual basis. (See attached table) The pens will be sold to retail stores at the wholesale price of 20 dollars. The price of a pen is based off the cost of materials, time, and craftsmanship. It costs approximately 13 dollars to make a single pen, this is because the materials for a pen are approximately 5 dollars and my time can be valued at 10 dollars an hour (It does not take a full hour to make a pen). Due to the cost of making a pen being 13 dollars and that it is being sold to retail stores for 20 dollars it has a profit of 7 dollars or 150%. The amount a retail store will mark up a pen from the wholesale value is at their discretion. It is likely that a pen would be sold retail for approximately 35 dollars.

Start Up Expenses

Equipment & Furnishings	1,400
Improvements	0
Supplies & Inventory	700
Advertising & Marketing	200
Registration, Licenses, Permits	500
Deposits	400
Professional Services	500
Working Capital	500
<u>Total</u>	4,000

Annual Expenses

Advertising	600
Shipping Fees	500
Repairs	400
Professional Fees	500
General Supplies	400
Telephone	600
Internet	700
Insurance	1,000
Credit Card Fees	300
<u>Total</u>	6,000

