

MANUFACTORY COLLECTIVE

A Manufacturing Incubator for the Shenandoah Valley

Summary

The Manufactory Collective is a manufacturing incubator in Harrisonburg, VA that will help entrepreneurs in the Shenandoah Valley gain access to the tools, space, and resources they need to scale quickly and efficiently, creating a more robust manufacturing ecosystem in the region



Launching Summer 2023



Raising \$300,000



Strong Team & Community Backing



Debbie Irwin is a skilled entrepreneurial ecosystem builder with deep ties to the Shenandoah Valley's key economic development players. She has driven over \$3.7 million of investment into the region for entrepreneur development and continues to develop innovative strategies for sustainable economic growth in the region. Her skills can easily be applied to building out the manufacturing ecosystem like the entrepreneurial ecosystem.



Nate Irwin is aerospace engineer with a 12-year history in the aircraft modification and maintenance industry, where he has managed technical build programs as well as leading teams of engineers and technicians. He is currently managing the engineering for a new start-up airline that aims to be the first operator of hydrogen powered aircraft. Nate enjoys finding novel solutions to problems and has the experience to manage multiple types of complex machines.



The Problem

Companies with short product runs, piloting new product concepts, or scaling production operations lack access to affordable manufacturing space and equipment in the Shenandoah Valley.

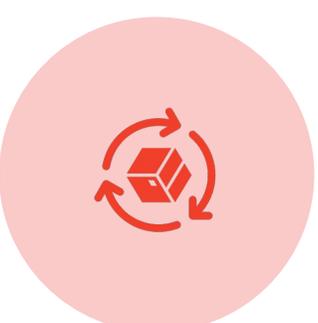
Existing barriers include:



LACK OF ACCESS TO
SOCIAL & KNOWLEDGE
CAPITAL



TOOLING AND RENT COST



LACK OF SMALL-SCALE
MANUFACTURING SPACE

The Solution

The Manufactory collective aims to fill a regional gap in the manufacturing ecosystem by providing access to space and equipment to micro manufacturers and startups.



**STRONGER REGIONAL SUPPLY CHAIN
CREATING LESS DEPENDANCE ON
INTERNATIONAL SUPPLIERS**



**BETTER COMMERCIALIZATION PIPELINE
WHICH HELPS TO GENERATE MORE
JOBS AND REVENUE FOR THE REGION**



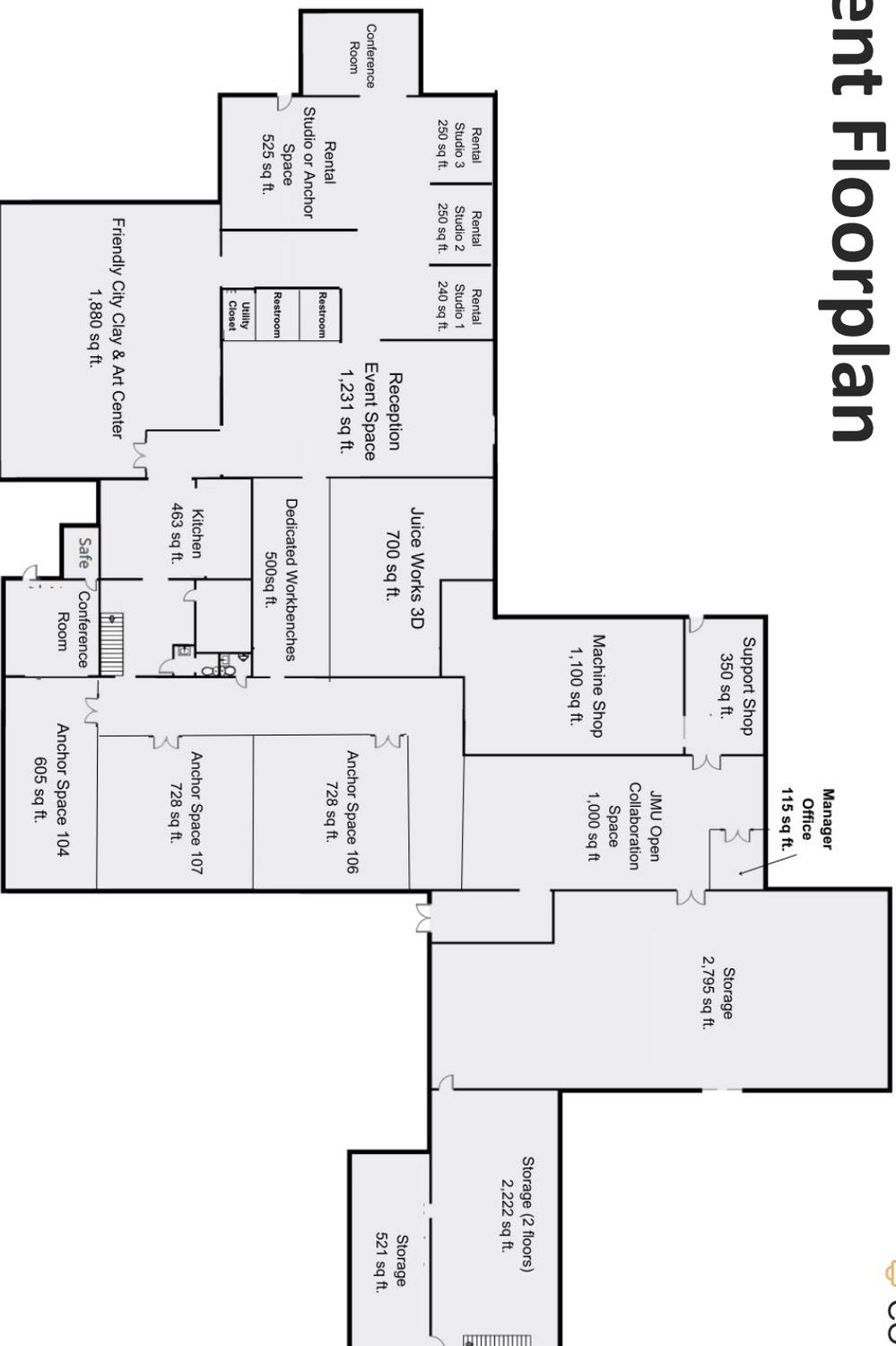
**FOSTERING THE GROWTH OF LOCAL
COMPANIES ALREADY INCENTIVIZED
TO STAY IN THE REGION**

What the Space Will Include



- Anchor Spaces 525 sq ft to 1,880 sq ft.
- Rental Studios – 250 sq ft. & 100 sq ft.
 - General Workspace
 - Tabletops
 - Drop Electrical and Air
 - Workbench Lighting
 - Locked Storage
 - Inventory and Raw Material Storage
 - Shipping and Fulfillment
 - Support staff and Entrepreneur community
 - Training programs
- Fabrication
 - CNC Machine
 - Laser Cutters
 - Woodworking
 - Additive Manufacturing Capabilities
 - 3D Printing
 - 3D CAD/CAM Workstations
 - Desktop Injection Molding

Current Floorplan





Anchor Spaces - 106



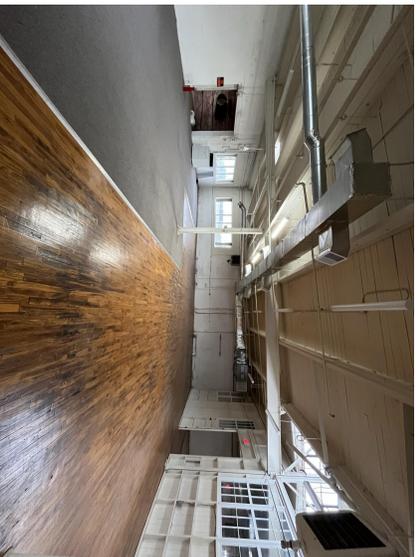
Anchor Space - Friendly City Clay



Training Center



Flex Member Space & Reception



Rental Studio Space



Machine Shop



MANUFACTORY
COLLECTIVE

Market & Customer
Acquisition

The Market

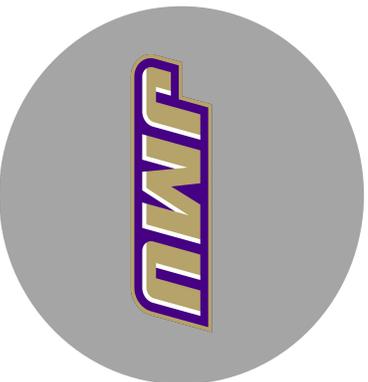


FOOD AND BEVERAGE, PLASTICS, METAL AND AUTOMOTIVE, HVAC AND LIFE SCIENCES ARE THE MAIN MANUFACTURING INDUSTRIES IN THE REGION. MANUFACTURING HAS A HEAVIER CONCENTRATION IN THE SHENANDOAH VALLEY THAN IN MOST REGIONS OF VIRGINIA AND, ACCORDING TO THE VIRGINIA EMPLOYMENT COMMISSION'S DEMOGRAPHIC PROFILE, MANUFACTURING CONSTITUTES THE LARGEST PRIVATE-SECTOR EMPLOYMENT

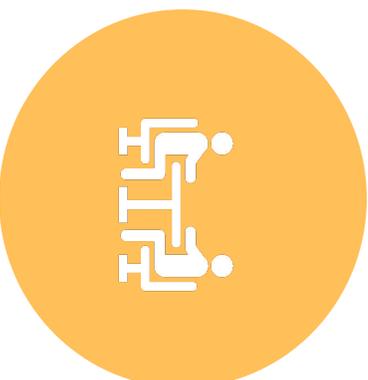


WITH THE STAUNTON-WAYNESBORO-AUGUSTA MSA RANKING 10TH AND THE HARRISONBURG MSA RANKING 21ST FOR BEST PLACES TO WORK IN MANUFACTURING, THE OPPORTUNITY TO CREATE NEW BUSINESSES THAT SUPPORT THE MANUFACTURERS THAT ALREADY EXIST IN THE REGION IS SUBSTANTIAL. BUILDING OUT SUPPLY CHAIN CAPABILITIES WITH THE ALREADY ROBUST TRANSPORTATION AND LOGISTICS CAPABILITIES IS A BIG DRIVER FOR ECONOMIC DEVELOPMENT AND THE REASON EARLY-STAGE COMPANIES NEED INVESTMENT AND SUPPORT

Customer Acquisition



WE ARE IN NEGOTIATIONS WITH JMU TO SUPPORT A RAPID PROTOTYPING CENTER THAT WILL EXPAND THE EARLY MANUFACTORY COLLECTIVE PIPELINE. THIS WILL HELP US TO PUSH COMMERCIALIZATION EFFORTS FORWARD.



PARTNERSHIP WITH REGIONAL NONPROFITS LIKE SCCF'S ACCELERATOR PROGRAM AND THE VALLEY MAKERS ASSOCIATION WILL HELP TO IDENTIFY USERS OF THE SPACE



BUILD OUT OF THE MANUFACTURING ECOSYSTEM, SUCH AS PARTNERSHIPS WITH LOCAL MACHINE SHOPS, WILL HELP IDENTIFY PROJECTS TOO SMALL FOR LOCAL SHOPS, BUT SUITABLE FOR THE MANUFACTORY COLLECTIVE SPACE. WE HAVE FINALIZED PARTNERSHIPS WITH DOMINION ENERGY INNOVATION CENTER AND VIRGINIA TECH TO HELP IN THEIR CLEAN ENERGY AND ADVANCED MATERIALS INNOVATION INITIATIVES



MANUFACTORY
COLLECTIVE

Getting into the
Numbers

Current Status of the Project



The space is currently under construction. We had an investor signed on to the project, but they backed out due to extenuating personal circumstances (we can provide more information if requested). We need to close the \$275,000 funding gap to complete build-out and start generating revenue on the pre-leased spaces.

Out of the 8 anchor spaces, 7 are already claimed with signed leases. Monthly income from anchor spaces storage agreements is \$7,069. There are 3 rental studios in the 1157 S. High building 2 of the 3 rental studios are currently leased representing \$880 per month. Total potential revenue from rental studios and anchor spaces is \$8,389. We project to able to fully lease the remaining spaces within the first 6 months of the project based on current interest or active negotiations.

There is 5,557 sq ft of storage. 1,000 sq ft is rented. We project that no more that 4,200 sq ft will be rented at anytime representing \$5,250 in monthly income.

We have 2 flexible members signed up for the space and expect to increase that to 4 flexible members and 4 dedicated desk members within the first 4 months, representing \$1,500 in monthly income.

REVENUE MODEL – YEAR 1 & 2

- Memberships
 - Dedicated Workstation Member - \$225/month
 - Flex Member - \$150/month
 - Student Member - \$50/month
- Rentals
 - 250 sq ft studios: \$1.75/sq. ft/month
 - Storage - \$1.25/sq. ft
- Anchor Space
 - See Income Detail in Projections
- Machine Time
 - Average hourly rate is \$20. This is assuming growing to 12 hours of usage daily across two machines. This number will need to be adjusted as final equipment purchases and utilization rate is determined.
- Other Revenue Streams
 - Additional revenue streams include classes, community rentals for youth camps and other community engagement, consulting services provided to member companies. These revenue streams will be built out in years 3-4

FUNDRAISING – OUR ASK

We are looking to raise roughly \$275,000 through numerous funding opportunities. As the founders of the space, we have already invested \$100,000 to go towards rent payments, legal fees, architectural drawings, floor refinishing, feasibility studies, engineering, and other minor repairs.

We have received the quote from the contractor for \$246,000 for the build-out in which the City of Harrisonburg has granted permits.

Break-down of the use of the \$275,000 is below

- Build-out - \$246,000
- Working Capital - \$29,000

We are working with Valley Makers Association to procure some grants for additional equipment so additional fundraising through those opportunities will happen in the first 9 months after opening.

Potential Deal

We have an offer from Bank of the James for the \$275,000 loan. It would be amortized over 9 years at 9.5% to 11%.

Nate and Debbie will be personally guaranteeing the loan, but they need an additional guarantee.

We are open to offering equity in the business, guarantee fee, or some combination of the two in exchange for the \$275,000 guarantee on the loan.

Contact

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