

Custom Bullet Swaging Business

Six-Year Spreadsheet by Quarters

1990-1996

Averages for 100 Bullet Businesses

As part of a Marketing Information Package prepared to assist new custom bullet makers, Corbin Mfg. collected information from as many clients as would respond to questionnaires, discarded the highest and lowest return responses, and averaged the values of 100 businesses by investment, interest paid, overhead, income per quarter, and other financial information provided.

The result is this report, which in today's market (2009-current), is considered a "worst case" study because of these factors:

1. The market for custom bullets has improved dramatically since the 1990's. Ammunition shortages and increased handloading, plus many more published articles expressing admiration for custom bullets, are making it much easier and faster to reach a profitable sales level today.

2. The high interest rates and difficulty of starting a business in the 1990's are no longer a major issue today. Less exotic equipment is needed to be successful, since shooters are willing to purchase custom bullets across a wider range of calibers and styles, and see the benefit of custom weights and style more clearly today.

3. The value of money itself has decreased considerably since 1990, making it more attractive to store value in product or inventory with long-term appreciation or income production potential. The rate of interest available for holding cash is extremely low now, so that alternative uses for savings are no longer competitive with the returns and potential risks in a well-established and proven business plan. (Risk should never be taken to a level which would make a major negative impact on lifestyle. A business potential risk should only be taken with funds which are not needed to maintain an acceptable standard of living.)

4. The labor market is strained with high unemployment today, giving higher incentive to grow a successful home business which sells to the unique hunting and home defense markets, both of which tend to increase in difficult economic times.

5. The value of metals used in bullet production have gone up as much as 400% from the time of the study, meaning that the inherent value of raw inventory provides a better store of value than a low-interest savings account. Metals continually appreciate in value, so that stocking early can pay multiple dividends.

Averages for typical custom bullet business working from home:

Initial investment of \$8500, financed at 8%. (100 business averages, 1990s)

YEAR 1

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Boxes sold	18	27	41	61	146.25
Price/Box	37.50	37.50	37.50	37.50	
Qty/Box	25	25	25	25	
Cost/Box	8.75	8.75	8.75	8.75	
Time/Box (hrs)	0.50	0.50	0.50	0.50	
Labor cost/hr.	5.00	5.00	5.00	5.00	
Labor cost/box	2.50	2.50	2.50	2.50	
Sales	738.00	1,107.00	1,660.50	2,490.75	5,996.25
Material Cost	157.50	236.25	354.38	531.56	1,279.69
Labor Cost	45.00	67.50	101.25	151.88	365.63
Supplies	2.25	3.38	5.06	7.59	18.28
Packaging	26.82	40.23	60.35	90.52	217.91
Shipping	63.00	94.50	141.75	212.63	511.88
Cost of Sales	294.57	441.86	662.78	994.17	2,393.38
Gross Profit	443.43	665.15	997.72	1,496.58	3,602.87
Telephone	105.00	105.00	105.00	105.00	420.00
Shop rental					
Postage	45.00	45.00	45.00	45.00	180.00
Advertising	160.00	160.00	480.00	480.00	1,280.00
Interest	158.00	146.00	134.00	122.00	560.00
Depreciation	303.57	303.57	303.57	303.57	1,214.28
Total Expenses	771.57	759.57	1,067.57	1,055.57	3,654.29
Net Profit	<328.14>	<94.43>	<69.85>	441.00	<51.42>
Note payment	600.00	600.00	600.00	600.00	2,400.00
Note balance	7,900.00	7,300.00	6,700.00	6,100.00	6,100.00
Cash Flow	<624.57>	<390.86>	<366.28>	144.58	<1,237.13>
Owner Equity	600.00	1,200.00	1,800.00	2,400.00	2,400.00
Return/Hour	73.75	74.17	74.44	74.63	74.25
Original note	8,500.00				
Interest rate	8.00				

YEAR 2

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Boxes sold	90	113	141	176	518.91
Price/Box	37.50	37.50	37.50	37.50	
Qty/Box	25	25	25	25	
Cost/Box	8.75	8.75	8.75	8.75	
Time/Box (hrs)	0.50	0.50	0.50	0.50	
Labor cost/hr.	5.00	5.00	5.00	5.00	
Labor cost/box	2.50	2.50	2.50	2.50	
Sales	3,690.00	4,612.50	5,765.63	7,207.03	21,275.16
Material Cost	787.50	984.38	1,230.47	1,538.09	4,540.43
Labor Cost	225.00	281.25	351.56	439.45	1,297.27
Supplies	11.25	14.06	17.58	21.97	64.86
Packaging	134.10	167.63	209.53	261.91	773.17
Shipping	315.00	393.75	492.19	615.23	1,816.17
Cost of Sales	1,472.85	1,841.06	2,301.33	2,876.66	8,491.90
Gross Profit	2,217.15	2,771.44	3,464.30	4,330.37	12,783.26
Telephone	105.00	105.00	105.00	105.00	420.00
Shop rental					
Postage	45.00	45.00	45.00	45.00	180.00
Advertising	160.00	160.00	480.00	480.00	1,280.00
Interest	110.00	98.00	86.00	74.00	368.00
Depreciation	303.57	303.57	303.57	303.57	1,214.28
Total Expenses	637.86	625.86	933.86	921.86	3,119.43
Net Profit	1,579.29	2,145.58	2,530.44	3,408.51	9,663.83
Note payment	600.00	600.00	600.00	600.00	2,400.00
Note balance	5,500.00	4,900.00	4,300.00	3,700.00	3,700.00
Cash Flow	1,197.15	1,763.44	2,148.30	3,026.37	8,135.26
Owner Equity	600.00	1,200.00	1,800.00	2,400.00	2,400.00
Return/Hour	74.75	74.80	74.84	74.87	74.82
Beginning Note	6,100.00				
Interest rate	8.00				

YEAR 3

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Boxes sold	220	264	290	319	1,094
Price/Box	37.50	37.50	37.50	37.50	
Qty/Box	25	25	25	25	
Cost/Box	8.75	8.75	8.75	8.75	
Time/Box (hrs)	0.50	0.50	0.50	0.50	
Labor cost/hr.	5.00	5.00	5.00	5.00	
Labor cost/box	2.50	2.50	2.50	2.50	
Total bullets	5,500	6,600	7,260	7,986	27,346
Bullets/day	85.27	102.33	112.56	123.81	109.38
% capacity	33.051%	39.661%	43.627%	47.990%	41.082%
Sales	9,020.00	10,824.00	11,906.40	13,097.04	44,847.44
Material Cost	1,925.00	2,310.00	2,541.00	2,795.10	9,571.10
Labor Cost	550.00	660.00	726.00	798.60	2,734.60
Supplies	27.50	33.00	36.30	39.93	136.73
Packaging	327.80	393.36	432.70	475.97	1,629.82
Shipping	770.00	924.00	1,016.40	1,118.04	3,828.44
Cost of Sales	3,600.30	4,320.36	4,752.40	5,227.64	17,900.69
Gross Profit	5,419.70	6,503.64	7,154.00	7,869.40	26,946.75
Telephone	105.00	105.00	105.00	105.00	420.00
Shop rental					
Postage	45.00	45.00	45.00	45.00	180.00
Advertising	600.00	600.00	600.00	600.00	2,400.00
Interest					
Depreciation	303.57	303.57	303.57	303.57	1,214.28
Total Expenses	1,053.57	1,053.57	1,053.57	1,053.57	4,214.29
Net Profit	4,366.13	5,450.07	6,100.43	6,815.83	22,732.46
Cash Flow	4,669.70	5,753.64	6,404.00	7,119.40	23,946.75
Owner Equity	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00

YEAR 4

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Boxes sold	383	459	551	661	2,055
Price/Box	37.50	37.50	37.50	37.50	
Qty/Box	25	25	25	25	
Cost/Box	8.75	8.75	8.75	8.75	
Time/Box (hrs)	0.50	0.50	0.50	0.50	
Labor cost/hr.	5.00	5.00	5.00	5.00	
Labor cost/box	2.50	2.50	2.50	2.50	
Total bullets	9,570	11,484	13,781	16,537	51,372
Bullets/day	148.37	178.05	213.66	256.39	205.49
% capacity	57.509%	69.010%	82.812%	99.375%	77.176%
Sales	15,694.80	18,833.76	22,600.51	27,120.61	84,249.69
Material Cost	3,349.50	4,019.40	4,823.28	5,787.94	17,980.12
Labor Cost	957.00	1,148.40	1,378.08	1,653.70	5,137.18
Supplies	47.85	57.42	68.90	82.68	256.86
Packaging	570.37	684.45	821.34	985.60	3,061.76
Shipping	1,339.80	1,607.76	1,929.31	2,315.17	7,192.05
Cost of Sales	6,264.52	7,517.43	9,020.91	10,825.09	33,627.95
Gross Profit	9,430.28	11,316.33	13,579.60	16,295.52	50,621.73
Telephone	105.00	105.00	105.00	105.00	420.00
Shop rental					
Postage	45.00	45.00	45.00	45.00	180.00
Advertising	600.00	600.00	600.00	600.00	2,400.00
Interest					
Depreciation	303.57	303.57	303.57	303.57	1,214.28
Total Expenses	1,027.09	1,027.09	1,027.09	1,027.09	4,108.36
Net Profit	8,403.19	10,289.24	12,552.51	15,268.43	46,513.38
Cash Flow	8,680.28	10,566.33	12,829.60	15,545.52	47,621.73
Owner Equity	7,758.50	7,758.50	7,758.50	7,758.50	7,758.50

* Business has reached nearly 100% capacity at end of year. Additional demand can be satisfied by purchasing additional equipment, hiring help, or by raising prices slightly to control demand and maintain the same volume of sales.

YEAR 5

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Boxes sold	665	665	665	665	2,660
Price/Box	37.50	39.50	39.50	39.50	
Qty/Box	25	25	25	25	
Cost/Box	8.75	8.75	8.75	8.75	
Time/Box (hrs)	0.50	0.50	0.50	0.50	
Labor cost/hr.	5.00	5.00	5.00	5.00	
Labor cost/box	2.50	2.50	2.50	2.50	
Total bullets	16,625	16,625	16,625	16,625	66,500
Bullets/day	257.75	257.75	257.75	257.75	266.00
% capacity	99.904%	99.904%	99.904%	99.904%	99.904%
Sales	27,265.00	28,595.00	28,595.00	28,595.00	113,050.00
Material Cost	5,818.75	5,818.75	5,818.75	5,818.75	23,275.00
Labor Cost	1,662.50	1,662.50	1,662.50	1,662.50	6,650.00
Supplies	83.13	83.13	83.13	83.13	332.50
Packaging	990.85	990.85	990.85	990.85	3,963.40
Shipping	2,327.50	2,327.50	2,327.50	2,327.50	9,310.00
Cost of Sales	10,882.73	10,882.73	10,882.73	10,882.73	43,530.90
Gross Profit	16,382.28	17,712.28	17,712.28	17,712.28	69,519.10
Telephone	105.00	105.00	105.00	105.00	420.00
Shop rental					
Postage	45.00	45.00	45.00	45.00	180.00
Advertising	600.00	600.00	600.00	600.00	2,400.00
Interest					
Depreciation	303.57	303.57	303.57	303.57	1,214.28
Total Expenses	1,053.57	1,053.57	1,053.57	1,053.57	4,214.29
Net Profit	15,328.70	16,658.70	16,658.70	16,658.70	65,304.81
Cash Flow	15,632.28	16,962.28	16,962.28	16,962.28	66,519.10
Owner Equity	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00

* Price increased in 2nd quarter to test market elasticity and control volume. At this point the business is viable as a full time operation, and additional help can be hired, which might require reducing the price to increase the volume again.

YEAR 6

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year
Boxes sold	665	665	665	665	2,660
Price/Box	39.50	39.50	39.50	39.50	
Qty/Box	25	25	25	25	
Cost/Box	8.75	8.75	8.75	8.75	
Time/Box (hrs)	0.50	0.50	0.50	0.50	
Labor cost/hr.	5.00	5.00	5.00	5.00	
Labor cost/box	2.50	2.50	2.50	2.50	
Total bullets	16,625	16,625	16,625	16,625	66,500
Bullets/day	257.75	257.75	257.75	257.75	266.00
% capacity	99.904%	99.904%	99.904%	99.904%	99.904%
Sales	28,595.00	28,595.00	28,595.00	28,595.00	114,380.00
Material Cost	5,818.75	5,818.75	5,818.75	5,818.75	23,275.00
Labor Cost	1,662.50	1,662.50	1,662.50	1,662.50	6,650.00
Supplies	83.13	83.13	83.13	83.13	332.50
Packaging	990.85	990.85	990.85	990.85	3,963.40
Shipping	2,327.50	2,327.50	2,327.50	2,327.50	9,310.00
Cost of Sales	10,882.73	10,882.73	10,882.73	10,882.73	43,530.90
Gross Profit	17,712.28	17,712.28	17,712.28	17,712.28	70,849.10
Telephone	105.00	105.00	105.00	105.00	420.00
Shop rental					
Postage	45.00	45.00	45.00	45.00	180.00
Advertising	600.00	600.00	600.00	600.00	2,400.00
Interest					
Depreciation	303.57	303.57	303.57	303.57	1,214.28
Total Expenses	1,053.57	1,053.57	1,053.57	1,053.57	4,214.29
Net Profit	16,658.70	16,658.70	16,658.70	16,658.70	66,634.81
Cash Flow	16,962.28	16,962.28	16,962.28	16,962.28	67,849.10
Owner Equity	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00
Accumulated Depreciation:			7,285.68		
Depreciated value of Equity:			1,214.32		