

## **OPERATIONS PLAN**

### **Will Jacob Bromwell Continue to Manufacture Products in the USA?**

Jacob Bromwell has manufactured all its products in the USA since its inception in 1819. Although manufacturing in the United States is not the most cost-effective solution, our “Made in USA” appeal is a critical component of our marketing message and distinguishes us from our direct competitors.<sup>i</sup> Furthermore, “Made in USA” is becoming increasingly embraced by younger, more stylish consumers.<sup>ii</sup> This is a major competitive advantage, and therefore, we will continue to manufacture all our products in America.

### **How Will Jacob Bromwell Improve Operational Efficiency?**

We have determined that it is more cost-effective to shut down our plant in Michigan City, Indiana, and outsource our manufacturing to a third-party contract manufacturer in the United States. After months of research, we have secured agreements with contract manufacturers. These companies will manufacture, assemble, and label our products at their facility. These companies also specialize in short-run metal stamping, and are experienced, knowledgeable, established (some in business for over 35 years), and are cost-competitive.

Under this new model, the manufacturing operations of the business that were previously done in-house will be outsourced, including: product manufacturing, component parts manufacturing, product assembly, and labeling.

During Year 1, we will take advantage of MistyMate’s large warehouse facility to store, pack, and ship all of our inventory from Michigan City, Indiana. However, once we sell through the inventory, our long-term plan is to outsource our order fulfillment needs to Shipwire, a third-party storage and shipping company with Class A warehouses throughout the United States. All new products will ship directly from our contract manufacturers to their distribution centers.

### **Who Are Jacob Bromwell’s Suppliers?**

Jacob Bromwell works with about a dozen U.S.-based raw material suppliers who provide us with tin, stainless steel, and steel. Our new contract manufacturers will also be our suppliers for turning raw materials into finished product.

### **What Is Jacob Bromwell’s Value Chain?**

Jacob Bromwell’s value chain is broken into five steps: