Success Story

On-Site Heavy Equipment Repair is Up and Running with SBDC Assistance

Project Background:

In late 2007, Don and his wife Coleen began seriously thinking about starting a business to do on-site equipment repair for heavy equipment. Don had been employed as a heavy equipment mechanic for 21 years and worked 50 and 60 hour work weeks for other businesses, operating under their policies. He had always thought about the idea of starting his own business. Don decided to evaluate the possibility of opening his own on-site equipment repair business, focusing on the needs of the equipment owners. Coleen, his wife, has an accounting degree and would handle the office duties and finances of the business.

His vision for a business was to have on-site repairs while keeping his overhead low by operating as a home-based business. Field services would include air conditioning work, electrical and hydraulic repairs, welding, fabrication and preventative maintenance. The types of equipment the business would repair include: backhoes, excavators, loaders, heavy haul trucks, dump trucks and fork lifts.

Don felt that he had the opportunity to provide a high quality of service at rates that were significantly below the competition. Don was well known to many of the companies that used heavy equipment repair services. Don believed that by providing “personalized, individual” attention, which many of his past customers indicated is a trait that is lacking in this industry, he would have a competitive advantage.

SBDC Assistance:

The Central PA Chapter of SCORE referred Coleen and Don to the Penn State SBDC in late 2007. Don contacted the SBDC to discuss his proposed business, seeking advice on the development of his business plan. A number of scenarios for the business were reviewed. Cost estimates were obtained, pricing for services was discussed, the narrative was completed, and financial projections were finalized. The SBDC also assisted in this process through market research activities and frequent feedback into the development of financial pro formas. Also during this time, the SBDC was exploring various funding options for the new business.

By the end of January 2008, Don had a completed business plan that he could submit to the banks along with the request for financing. By the end of March 2008, Don and Coleen had secured the needed $69,000 in start up funding through an arrangement that included owner’s equity as well as participation by the Jersey Shore State Bank and the Federal Home Loan Bank of Pittsburgh’s Banking on Business Program.

Don and Coleen started the business known as On-Site Heavy Equipment Repair in April of 2008. The business has been well received and Don is exceeding his projections for revenues. They have continued to use the services of the SBDCs for marketing and QuickBooks assistance.

Don enjoys being self-employed and believes that starting his own heavy equipment repair business will provide a valuable service to a long underserved segment of the market. Don and Coleen expressed that SCORE and the SBDC “are phenomenal and we could not have started without their help.”