

MARKETING AND FINANCIAL FEASIBILITY STUDIES WITH MANUFACTURING SOLUTIONS SETS ROSEWOOD CLASSIC COACH ON A GROWTH JOURNEY WITH THE HELP OF: ARKANSAS MANUFACTURING SOLUTIONS

ABOUT ROSEWOOD CLASSIC COACH. Rosewood Classic Coach, founded by Richard Neal in 2011 and based in Central Arkansas, manufactures specialty vehicles for the funeral industry. Rosewood vehicles have a design and appearance unlike anything else currently on the market. The primary challenge today is that orders and inquiries are arriving much faster than production can fulfill. Recent and continuing high growth has presented cash needs that the company must meet in order to take full advantage of the opportunities for developing the business, and eventually expanding into other niches such as specialty limousines.

THE CHALLENGE. To stay competitive and grow their business, Rosewood needed a business plan and financial controls to facilitate meeting the high demand for the company's products. With cremation on the rise and expected to reach 55% in the US in 2020, it is no longer feasible for funeral homes to acquire contemporary funeral cars every 3-5 years, especially when body styles become visually outdated so quickly. Rosewood's timeless design allows operators to break the costly lease/purchase cycle and gives them better control of their overhead costs. From this small, niche market alone, Rosewood Classic Coach has maintained a substantial vehicle order backlog for the past two years. While this is an impressive demonstration of the desirability of this design, there was also considerable opportunity to capture additional market share.

MEP CENTER'S ROLE. Arkansas Manufacturing Solutions (AMS), part of the MEP National Network™, developed and assisted with implementing financial procedures and software. AMS also developed a financial project supported by an operating plan that allowed Rosewood manage the growth by acquiring and appropriately deploying capital. The issues Rosewood Classic Coach faced in growing production and creating a financial infrastructure to manage that growth.

First, Manufacturing Solutions helped Rosewood complete a Technology Transfer Assistance Grant (TTAG) to Develop a Financial System. The financial model would include capital, revenues, expenses, financing options, and more. Dexter Corporation, a leading provider of program management for records, document, quality assurance, and industrial facilities management, worked with Rosewood to develop the model.

To address the second situation, Rosewood applied for another TTAG for a Financial and operational plan to significantly increase production capacity and reduce the back-order time. Manufacturing Solutions and Dexter helped Rosewood acquire the tools and capital for high-growth specialty vehicle manufacturing. With an infusion of capital and increased investment in the operations, Rosewood Classic Coach is well on the way on the road to growth.

RESULTS



\$3,500,000 in increased or retained sales



28 created or retained jobs



\$2,800,000 in new investment



\$400,000 in cost savings

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"Excellent program - huge benefit!"

-Richard Neal, President