



## **MIGWiz LLC - Executive Summary**

MIGWiz was founded to address the frustration of MIG welders, caused by the constant removal of stubborn spatter (*molten metal blow back common in GMAW welding processes*) from the nozzle and contact tip of the MIG welding gun during welding. It is our intent, through our patented MIG plier design, to gain a foothold in the MIG welding plier market and provide an improved tool to the industry (see Patent No. US 8,001,640).

MIGWiz adds a file grooved surface to the pliers' jaws, allowing for seamless removal of spatter build up from the MIG gun nozzle and contact tip because it negates the need for additional tools or spatter control products. This innovation increases the welder's efficiency and saves costs for the welding shop. MIGWiz' patented improvement to the standard MIG plier adds a file grooved surface to the plier itself, enabling MIG welders to use the plier itself to clean stubborn spatter from the MIG welding gun instead of using a separate file. Additionally, the use of this improved tool will allow welding shop owners to save costs by reducing the frequency of replacing contact tips and by reducing the need for anti-spatter sprays and gels.

The MIG welding supply industry, of which MIG welding pliers is a subset, is a robust and stable worldwide market. The welding industry as a whole has been experiencing constant growth since its inception. This industry is not substantially affected by seasonal construction work cycles because it is used in several economic sectors (auto industry, building trades, furniture, etc.). The most popular welding process both domestically and worldwide is GMAW or MIG welding, as it is faster and much more cost effective than alternatives.

The target Market for the MIGWiz welding pliers is the US MIG welding plier market, which is currently estimated at a size of \$26.8 mil per year in sales. The MIG welding plier market is a subset of the larger welding accessories market. The welding accessories market, estimated at \$852 mil in 2011, showed rapid growth of over 17% from 2010 – 2011. We surmise that this growth rate is abnormal and due to rapid recovery of the industry following the lows of the Great Recession, and estimate that growth will settle to pre-recession figures of 5% - 7% growth. Our preferred outcome is to license our patented idea to a portfolio of strategic partners which together can address 65% of the MIG welding plier market by our 6th year.

Our marketing and sales strategy will depend on the company(s) we decided to license our IP to. We intend to rely on established marketing and sales channels by partnering with existing players in the welding supply market who serve the MIG welding industry. Our product will be positioned as a high end MIG plier and we will seek licensing agreements with companies who currently carry an elite MIG plier line or who have plans to develop one. Our improved plier has application at every level of the market, therefore we plan to market to distributors that feed national, regional and local suppliers. This strategy should facilitate a stable royalty stream.

The essential differentiator between our product and the competition is the patented addition of the file grooved surface to MIG plier itself (see Figure i). The addition of the file grooved surface onto the pliers' jaws represents a useful improvement over the current state of the art.

Direct competition to MIGWIZ' improved MIG plier are suppliers of high end MIG pliers. The established players in MIG welding plier market will compete with MIGWiz' licensees to hold onto their current market share. Indirect competition comes by way of the secondary products that currently serve to deal with spatter blow back such as anti-spatter sprays and gels. Our



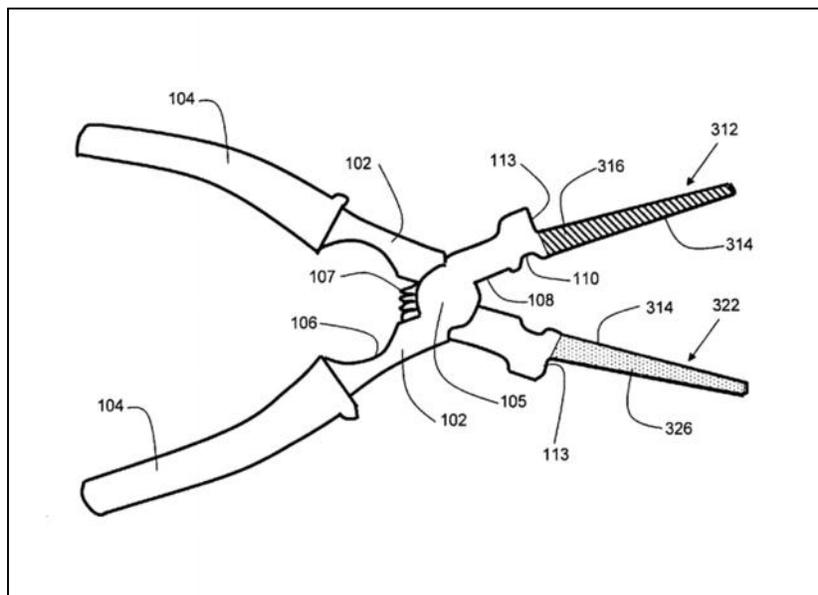
improved plier improves productivity for the welder and lowers operating costs for the welding shop owner, threatening the market position of standard MIG plier suppliers and suppliers of anti-spatter sprays and gels.

Our management team consists of Jason Lamb (CEO/ General Partner) and Rahman Carter (VP/General Partner). MIGWiz will also contract with forensic accountants, patent attorneys and corporate attorneys, and marketing professionals experienced in the manufacturing sector to aid in the negotiation and maintenance of licensing agreements.

MIGWiz plans to begin actively operating once the start-up and first year financial requirements have been met. It may take some time to raise the startup and first year capital requirement of \$303,560. These initial expenses include costs associated with product development, market analysis, patent evaluation, and consulting services needed to successfully pursue potential licensees. The estimated start date is summer 2013, with our year one activities beginning in 2014. In the long term, MIGWiz hopes to obtain at least 65% market share in the MIG plier market.

Investors in MIGWiz will have several exit opportunities available to them. A liquidity event for investors would include the sale of MIGWiz to one of its strategic partners, a buy back of the outstanding shares using cash on the MIGWiz' balance sheet or through the exchange of the stock with long term capital provided by an institutional lender.

MIGWiz intends to reach 15% of the MIG welding plier market in its 2nd year of operation resulting in \$213,215 in revenues. By year 4 we intend to address 35% of the market and begin making a net profit. By year 6 we project that we will have captured 65% of the MIG welding plier market resulting in \$1,166,443 in yearly revenue and \$2,018,517 in cash on hand.



**Figure i**  
(diagram of MIGWiz welding plier with file grooved surface)