

Petra Drilling



Clients: Casey Heckman
Business: Petra Drilling
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Industry: Mining – Stone and Coal Drilling
Date Established: Opened in 2008
Year Assisted: 2007 & 2008
SBDC Assistance: Assistance with developing a business plan to obtain financing

Indiana University of PA SBDC
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Background – The Challenge

Casey Heckman had over twenty-six years of experience working with and selling supplies to the operators of stone quarry and coal mining businesses. He was intimately familiar with the operating costs and the opportunities available in these industries. One of the opportunities which he wanted to pursue was in providing drilling services to the operators of stone quarries and surface coal mines. He was confident with his knowledge, experience and contacts that he could establish a successful business. The challenge was that the capital cost of the equipment needed to establish this type of business is high. Consequently, obtaining bank financing for a start-up business in this field represented a challenge.

The Problem

The problem was to adequately represent the nature of the opportunity and to clearly explain why the risks that might be perceived by banks were really quite minimal given Casey's knowledge, contacts and ability to get contracts even before he had the equipment.

SBDC Assistance

The SBDC helped Casey communicate the nature of the opportunity and how the downside risks were minimized. The SBDC exercised its core competency by helping transform Casey's knowledge of the operating costs into credible pro-formas in the formats that banks prefer, i.e. Balance Sheets, Income Statements and Cash Flows.

Results

Casey was successful in raising the financing he needed and not only started his business, but has grown sales to the neighborhood of half a million dollars. Casey is optimistic about the future growth prospects of his business.