



## **SALES STRATEGY & IMPLEMENTATION**

### **POST MERGER**

#### **Strategy and Implementation Summary**

Since AGR Tools, Inc. (AGR) recognized the mistakes made by the other major manufacturers and distributors by committing to catalogue sales organizations; the stocking dealer program was developed. The stocking dealers are both, a support warehouse sharing a portion of the total dealer fulfillment for the shopping cart and re-order program. The dealers provide a face-to-face contact for the customers to speak directly with a factory trained manufacturer representative.

#### **Strengths**

The ability to design and provide the specialty tools required for any project needed by our customers. This ability is a key factor in securing new customers who have been limited to what they could find from catalogue suppliers. AGR is the only vendor that offers to assist customers by expending its own funds for the research and development of new tools or accessory's that is considered a viable product. No one else offers this service.

#### **Opportunities**

Since there are no companies except AGR that can supply a single source and factory involvement, the opportunity to capture at least 20% of this unregulated industry is very possible within the five (5) years if sufficient capital becomes available.

#### **Strategy Pyramid**

There are three (3) sides of the Company's development to be continually researched:

- 1) the ongoing growth of the stocking dealers to make larger areas more complete.
- 2) the continued monitoring for quality of present and new products and accessories.
- 3) the aggressive development of marketing exposure to more of the industry.

#### **Competitive Edge**

The quality of the Company's products gives it the ability to prove itself by actual use in side-by-side comparison tests. The economy of scale, cost and production achieved from our tools and accessories is far superior to products offered from catalogue suppliers in most cases.

#### **Marketing Strategy**

AGR recognizing that other major manufacturers that, by committing to catalogue sales organizations have locked themselves into a position that they cannot compete with the stocking dealer program being developed by AGR. The stocking dealers are both a support, warehousing and fulfillment center for the shopping cart and re-order program. The program offers a face-to-face contact for customers to speak directly with a factory trained manufacturer representative.

#### **Positioning Statement**

AGR has positioned itself to secure business from other suppliers by providing quality products and services not seen from a single source supplier in the construction, building and demolition industry before AGR'S entrance into the American and Canadian market in 2004.

### **Pricing Strategy**

AGR has the ability to eliminate the two stages of marketing usually associated with catalogue suppliers by offering a higher quality product at an economical price. The Company does not have brokers or commission sales representatives involved in the promotion of its goods thus out performing its competitors.

### **Promotion Strategy**

The Company can offer all of its goods and services on-line with a shopping cart, direct ordering or personal meetings which offer price advantages that cannot be offered from other sources unless they sell below market. Even for companies who would attempt to compete cannot compare in quality. As a result, AGR's quality and economy of production of its tools would still be less expensive to the buyer.

### **Distribution Strategy**

The ability to have warehousing provided through a network of stocking dealers across America and Canada provides a rapid response and personal delivery that is an important key to the continued success and growth of AGR. Corporate warehousing and a continual supply of goods that are arriving on a constant basis into these locations support the stocking dealers. Competitors in this industry have been content to work from a small group of retail outlets covering no more than 7 to 14 areas of America. These companies have always been dependant on the customer ordering by phone, lack of knowledge or catalogue sales.

### **Marketing Programs**

Every stocking dealer has an assigned area of America or Canada that is there responsibility to service on a continuing basis. AGR has an extensive advertising program on both the Internet and in print. The Company uses sales brochures to supply customers with a miniature version of its product catalogue. AGR has an advertising department that supplies a constant flow of press releases announcing new dealers, tools and affiliations. Every company that uses products for the construction, building and demolition industry will be contacted personally and pursued for their business within our stocking dealers areas.

### **Sales Strategy**

All construction, building and demolition companies are constantly looking for a larger bottom line profits. AGR can show in a personal demonstration that its quality and reliability of personal service will help them achieve their goal. The Company manufactures and distributes more than seven hundred (700+) products through its dealer network to the construction, building maintenance and demolition industries. AGR offers personal service to all customers and maintains a vendor position for the projects it supplies. All products meet or exceed all standards established for products that bear the AGR logo. Dealer and distribution centers provide personal contact service on a face-to-face basis. AGR are leaders in creating new tools for its customer base as it continues to grow. AGR's continued testing becomes a major part of its reputation for quality and service.

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