



U.S. Small Business
Administration

Success Story

| BUFFALO DISTRICT

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Manufacturing Success with Help of SBA 504 Loan

Veteran-owned business turns to SBA for PPP assistance and successfully obtains loan

BUFFALO, NY – For Elite Turning & Manufacturing Corporation owner Paul Pettrone, the difference between success and failure was not being afraid to ask for help.

From its humble beginnings in 2012, Paul and his son Anthony started the manufacturing company from the ground up in borrowed space. With only one working machine, Paul and his son begin constructing components. Later, after serving in the military as a Marine, Paul's other son Joseph joined the company to help it grow into the business it is today.

As the business quickly advanced, Paul and his sons realized they had outgrown their space. Paul was able to secure funds for expansion through reaching out to the U.S. Small Business Administration where he learned about the SBA's 504 loan program; this program helps entrepreneurs obtain financing for fixed assets with a 10 percent equity down payment. M&T Bank issued the loan for 50 percent of the total and MCIDA covered the remaining 40 percent.

As a result, Paul and his sons were able to purchase a 15,000 square foot building in 2016 and just this past year, purchased another building three door down from their home space.

“The SBA really forced me to organize my thoughts and forced me to look at all the different loan programs they offer,” said Paul. “I was able to organize a solid business plan and financial forecast that allowed us to move forward and expand.”

Elite is considered an essential business, yet incoming orders did slow down when the COVID-19 pandemic hit. Paul and his sons decided to seek additional guidance from the SBA where they applied and obtained an SBA-backed PPP loan and an EIDL loan.

“Sales have since increased with additional work from suppliers who have needed Elite to manufacture parts they cannot,” stated Paul. “PPP and EIDL allowed us to retain our 20 employees and continue to work behind the scenes reaching outside of NYS to include new customers and increase our sales.”

Elite currently manufactures for many different types of industries. These industries include, but are not exclusive to train, electrical, automotive diesel, medical, and military. The company offers a wide variety of services that help companies create products with crafted parts from a wide range of raw materials. Elite works with various metals, alloys and plastics including Ultem, Delrin, Nylon, and Peek. Some of Elite's customers include industrial manufacturing sectors such as optics, Steinway pianos, firearms, electronic devices, snow machines, and components for all types of consumer electronic devices.

When the time comes Paul said he'll draw on his "...previous experience with the SBA and may pursue other opportunities for financing. With the changes we have made and the changes in the economy, my sons and I feel optimistic for the future of our company."

SBA is here to help small businesses overcome the challenges created by this health crisis. We help in financing, education and training and government contracting. We aim to help entrepreneurs start and grow their businesses and keep them thriving. For more information, please contact your local SBA Buffalo district office at (716) 551-4301 or visit us online at sba.gov/ny/buffalo.

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