

Car service business plan marketing essay



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The Business Plan is a professional study that analyzes a prospective project, also highlighting the benefits that may get from establishing such project. In addition to bring the necessary warnings of the considered risks might be occurred. This is besides giving a full analytic view in order to minimize the establishing and operational costs in the beginning stage of the project. Moreover the plan will release its own conclusion to the owners advising whether to begin the project or cancelled.

The propose of this business plan is studying the possibility to establish and operate a new Car Service Center in Abu Dhabi, the Capital of United Arab Emirates. We will concentrate on the financial aspect, proving the profitability of the project. With reviewing the relative business aspects such like Marketing and Management.

The Car Service center will serve small and medium range of private saloon cars of providing them the basic routine auto services for maintaining their cars and keep them running. The project will be within Abu Dhabi City, but not at the Industrial town " Mussafah", a suburb of Abu Dhabi City.

II. Business Description:

Private cars " Saloon" become as the main transportation mean in the end of the twenty-century. It is integrated with the human privacy nature for everybody in this time. Moreover, the high income per capita in UAE (Which is estimated to be around UAE Dhs. 65, 000 per capita) is driving people to fulfill their personal needs. However, transportation is one of the main essential things of these needs. That gives the enforcement to every family to have their own private car.

By the end of the seventies, Abu Dhabi municipality ordered the entire car service workshops to move from Abu Dhabi Island. Therefore the Municipality established a new industrial suburb at the West Side of Abu Dhabi Island. The new Industrial area called “ Mussafah” and it had been accommodated with all required infrastructure that might be needed for a modern industrial area.

However, the distance Abu Dhabi city center to the new industrial area ‘ Mussafah” is about (30) kilometer. That is considering a far distance to the routine car servicing to the people living in Abu Dhabi. Therefore, we are suggesting having our new car service center at a new unique location located beyond Al-Maqta Bridge on the right side of the main Alain - Abu Dhabi Road. However, it is required to have a necessary license approval from the concern local authorities at Abu Dhabi Municipality. That is expected to be not easy to get from the first attempt, however it is not impossible.

III. Product and Service

The car service center will offer two major things as products and services to its variable customers:

Servicing Automobiles:

These automobiles are in the range from small to medium size of mainly Japanese and Korean cars in addition to other running cars in the town such like European and American cars. This service will include changing all the automobile fluids (Motor oil, Transmission fluid, Brake oil ... etc), replacing consumable items which is keeping the car running safely (Brake pads,

sparks, plugs, Fuses, lamps), fixing the flat tires. In addition to fixing the minor problems that might occur to the automobiles.

Spare Parts:

The car service center will have compact sales counter for the consumable spare parts. These spare parts which are using in performing the routine daily jobs for the most common Japanese and Korean cars. Besides that, the sale counter will have some of the decorative accessories items.

Refreshments:

The customer lounge will be furnished with some self-service refreshment machines. These machines might include coffee, tea and hot chocolate machines, soft drinks and cold water machines, in addition to biscuits and chocolate candies machines.

IV. Service Operation

Establishing a state of art place to offer a remarkable service for saloon automobiles at Abu Dhabi City is the chief objective of this plan.

The car service center is suggested to be at a unique place where it is easy to get, and not far from the city, as it should be within the metropolitan area of Abu Dhabi city. Therefore, the ideal place can be immediately after Al-Maqta Bridge on the right side of the main Alain – Abu Dhabi Road. That area already contains several car agents like “ BMW Motors” in addition to agents and distributors of major automobile spare parts and car accessories.

The area of the suggested place will not be less than (500) square meters.

That should contain the following:

Workshop:

Its area will be around (200) square meter. It will be furnished with the necessary heavy and light equipment to perform the required mechanical jobs. Moreover, it will include a small tool store with area of (9) square meter.

Administration Section:

Its area will be around (55) square meter. Which will contain a manager office with area of (12) square meters, accountant office with area of (9) square meter. Along with that the reception area will be with an area of (20) Square meters a compact kitchen with an area (4) square meters and a small store with an area of (6) square meters.

Customer waiting lounge:

Its area will be estimated at (20) square meters. It will be furnished with nice compact sofas. Along with that, some self-service refreshment machines will be distributed there. These machines might include coffee and hot chocolate machines, soft drinks machines, biscuits and chocolate candies machines, beside a small bathroom to be with an area of (4) square meters. In front of the customers waiting lounge will be a sales counter for the major spare parts, which is required to perform the project job. Along with the spare parts some auto decoration accessories can be offered. Back of this counter a spare parts store will be located with an area of (6) square meters.

Staff Accommodation:

The upper side of the customers waiting lounge and the administration section can be utilized as a staff accommodation place. It might contain three bedrooms, small living room, kitchen and two bathrooms.

V. Market Analysis

The target market is broadly based and is defined as the middle class person who owns a saloon car (mainly Japanese or Korean). Since the customer of this social class of the society is widely known that he is taking care of his car to keep it running in a safe manner with minimum cost. However, the customers from high class who usually have European and American cars are servicing their car with the main cars' agents.

V. I Market Segmentation:

The market for the car service center is not particularly segmented as a potential customer base. However, the customer's categories can be included with the following according to their importance:

Employed staff with national oil and gas companies.

Employed staff with official firms such like: Government's ministries, departments and authorities.

Professional staffs such like: Engineers, Doctors, Lawyers, Accountants, etc.

4) Employed staff with semi government authorities such as national banks, government's own companies (i. e. ETISALAT), insurance companies, etc.

These market segments are widely known that they do not want to lose their time for going to the far place of the Industrial area " Mussafah". In addition that they are willing to deal with a professional reputable firm that can take care of their automobiles. Besides they are worries to keeping their car running smoothly and safely.

V. II Market Needs:

There is an important underlying need for the car service center at a particular location with offering basic car servicing facilities at a very reasonable price with a professional modernize firm.

There is a real need for a highly professional car-servicing provider. That is having valuable high techniques service might be offered to the assigned target market.

There is also a particular need for care service, which is relatively close to the customers.

V. III Industry Analysis:

Having an automobile and maintaining it in a satisfactory level has become more expensive than ever. We find people we can conclude that people are still willing to buy cars. As the standard of living in UAE has become very high comparing to the past. The family requirements are pressing to have a car in front of each house. Those requirements include taking the children to their schools, going for shopping with the family at afternoon. In addition to the living places are become little far from working places as the new modernize suburbs of Abu Dhabi city are spread in all directions out of the city (Al-Maqta, Um-Alnar, Shahama, Rahba, Bani Yas, Al-Wathbah and Jurn

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Yafour, etc.). Moreover, the new announced long weekends for most of the employed staff to UAE add its own remarkable value. This new weekend is forcing the families to go out of town during it. Specially, when the new attraction tourist facility have been spread in other UAE cities such like Dubai, Sharjah, Al-Ain, etc.

V. IV Competitors:

Our car service center will face direct competition from several service providers, which can be concluded as per the following:

1) Gasoline Service stations:

These stations are belonged to Abu Dhabi Oil Company for Distribution (ADNOC FOD). Some ADNOC FOD Gasoline stations are providing the basic automobile servicing facilities, like changing the consumable fluids. In addition to that, some of them are having the automatic car washing facilities.

a) Strengths:

These stations are distributed all over Abu Dhabi City. They are enjoying the prestige and reputation of a respectful oil service national company.

b) Weakness:

These stations are providing the service of changing the motor and brake oil only. They are not having the facility to change other fluids such like transmission fluids. They are also can not replacing any of the consumable items such like brake pads. Their staffs are not well-trained and professional technicians. They are classified as helpers more than technicians are. In

addition to that their space which is available for the service is very limit. It can only accommodate two cars at a time.

2) Fixing Tires Shops in the Town:

It is by Abu Dhabi Municipality local laws, that all the workshops, which are being classified as industrial category, have to be located out of Abu Dhabi City. They have to be in the assigned Industrial area “ Mussafah”, however small shops (One door shop only) are allowed to perform their jobs in the town. These shops can only provide the service of fixing flat tires and changing motor oil.

a) Strengths:

These shops are very close to customers as they are distributed all over town. However, they are offering very competitive prices, as their overheads are very low.

b) Weakness:

Their offered services are too limited (Changing motor oil and fixing flat tires). The workers in these shops are not professionals at all. Moreover, they are suffering from space limitations outside their shops.

3) The Industrial Area Workshops:

These workshops are located at the Industrial Area, which is called “ Mussafah”. These workshops are ranged from small shops with one door shop (fixing tires and changing motor oil) to very big workshops that are having more than (15) staff.

a) Strengths:

The bargaining in selling prices be highlighted the reputation of these workshops, besides the availability of all integrated automobile maintenance facilities in these workshops from light and minor problems too complicated and major problems.

b) Weakness:

They are suffering from the far distance between “ Mussafah” and Abu Dhabi City. Besides, the nonprofessionally and not well-trained staff is the image of their reputation in the market. This leads that customers are losing the performance satisfactions of their jobs.

VI. Marketing Strategy

Car service center will develop the project by beginning with few employees to reduce costs. All employees will be very motivated, resulting in a positive and strong firm culture. This culture will carry over to all new staff, which is a prime objective for the expansion of Car service center.

The first year of service may be possible the mainly significant, as Car service center plans to establish strong relations with customers. These relationships will help as Car service center to grow and evolve in this industry.

Car service center will focus on three local geographical markets, the Um Alnar residential complexes, Al-Maqta residential suburb and North side of Abu Dhabi Island.

Offering special coupon prices for the proposed customers will also integrate a particular marketing plan. Car service center will build up a character in favor of quality as well as customer service.

VI. I Pricing Strategy:

Our customers are especially sensitive to value of the work you are doing it for them. The car service center should guarantee that prices as well as service are alleged to be good assessment to the customer. Our Car services center is a firm that is positioned for impulse servicing; Price may be to meet up the demand curve. On the other hand, Car service center is not scared of best pricing a best product.

VI. II Promotion Strategy:

The car service center will put into practice a well-built sales promotion strategy. Moreover, advertising might be as secondary option, as the Sales promotions along with public relation strategies to encourage an image of community involvement for car service center, moreover to limit environmental impact.

Advertising budgets is a continuing progression of management geared to endorse the center brand name moreover maintains the car service center at the forefront of each local marketing area.

VII. Management & Organization

The management in the Car service center accepts as true very powerfully that relationships ought to be forthright, effort must be structured through sufficient room for creativeness, and also pay might be adequate via the amount as well as quality of work finished.

VII. I Organization Chart:

Workshop Manager

Accountant

Public Relation Officer

Sales Supervisor Technician Supervisor

Technician/Assistants/Helpers

(4)

VII. II Operation Team:

Workshop Manager:

He will be responsible for the workshop affairs and control the technical side of the whole firm. He should be very well oriented and experienced in the auto industry and his education not less than Technical Secondary School Certificate. Being an Arab nationality will be added advantage. However, he should possess good English spoken/reading and writing. He has to have valid UAE driving license.

Accountant:

He will be responsible for the bookkeeping daily routine procedures, preparing the banking statements, conducting the cash flows and stock controlling. He should have a degree in accounts with adequate experience in a similar position for the same industry and familiar with the computer accounts and having typing skills. He will follow up the official duties towards the different government departments. Having UAE driving license will be added advantage.

Technician (2):

They should have excellent experiences in the Auto Industry, and preferred to be Arabs nationalities. That will make them communicate easily with Arab customers. However English language will be extra benefit. In accumulation they might have UAE driving license.

Salesman/Storekeeper:

He will be responsible for the spare parts counter and sales activities besides coordinating between customers and the workshop. He will keep control of spare parts in the store. His education has to be minimum secondary school and have a university degree is an advantage. He should be an Arab and speaking English very well. In addition he might have a UAE driving license.

Assistant/Helper (4):

They should have good experience in the auto industry.

IX. Failure Factors:

There are some factors that will affect severely on the growing of any Business Project when the management will neglect them. Therefore, it is highly advised to study them very carefully. However these factors can be included by the following:

- 1- Inefficient controls over costs and quality of product.
- 2- Under-pricing of goods sold.
- 3- Bad relations with customers or suppliers.
- 4- Failure to promote and maintain a favorable public image.

5- Inability of management to reach decisions and acts on them or failure to keep pace with management system.

6- Reluctance to seek professional assistance.

7- Inadequate insurance.

8- Loss of impetus in selling.

9- Lack of staff training and knowledge of merchandise.

10- Bad personal relation.

11- Inability to cope adequately with competition.

12- Failure to anticipate market trends.

13- Loose control of liquid assets.

14- Insufficient working capital or incorrect gearing of capital borrowing.

15- Growth without adequate capitalization.

16- Bad budgeting.

17- Ignoring data on the company financial position.

18- Inadequate financial records.

19- Over-borrowing or using too much credit.

X. CONCLUSION:

As we have mentioned in the beginning that the auto service markets in Abu Dhabi City is a very prosperous market and has its noticeable advantages. As the project is having a good opportunity to successes, but the use of a high degree of leverage increases financial risk of not being able to meet debt service payments as they come due. Because of the key role played by the debt financing in most development projects, the financial risks are often substantial. The financial costs become the major carrying cost for any investment project.

However this business plan is encouraging to enter this market with taking in consideration the marketing and finance remarks that have been explained in detail.