

Sammy's motor repair shop: in the beginning essay sample

[Environment](#), [Air](#)



At age 26, Sammy Bugarin established his motor repair shop along the highway, one kilometer away from the commercial district of his town. He holds a degree in Mechanical Engineering and just after graduation; he started working as an apprentice in his uncle's motor repair shop. He prodded his uncle to expand his business but his advice was not heeded. He thinks that the motor repair business is growing steadily. He noticed that the new car models are operated with electronic systems installed in them. Sammy believes that repair and maintenance of the new car models cannot be served adequately by repair shops existing in the area. Sammy immersed himself into learning the care and maintenance of electronic installations in cars. He also acquired the skills necessary for maintaining efficient performance of cars. When he thought he already possessed the required training, he decided to become a motor repair shop entrepreneur. Sammy gathered relevant information he thought would be necessary in the preparation of a business plan. He considered hiring at least five experienced mechanics. He started constructing the building where his office and service facilities will be housed.

He made sure that customers can contact him through the telephone he installed in his office. In addition, he maintains a handy phone so he can serve those whose cars get stalled somewhere. Sammy stuck to his business plan and business was very encouraging during the first three years. On the fourth year of his operation, a new motor repair shop opened just across the highway from his shop. It was inevitable that some of his customers would move over to his new competitor. Sammy did not anticipate the threat now confronting his business. He was already entertaining the idea of putting up

another shop at the other end of the commercial district. But now, it seems that his dream of opening another shop is slowly drifting away. With the entry of the competitor, he is beginning to lose faith in the usefulness of a business plan. He is apprehensive and he wants quick advice.

II. TIME CONTEXT

Considering the economic and social conditions nowadays, a motor repair shop can be considered a viable business. The case study is bound to provide alternative courses of action set to be implemented til the end of the year and up to 3-5 years more in order to achieve objectives.

III. VIEWPOINT

Sammy Bugarin, the owner of the motor repair shop is the one to make the decision in the required course of action to take. As the owner, he gets the last say to what is needed to be done. Though it may be up to him, seeking the advice of the shop supervisor or the manager is crucial. . Aside from the fact that they know the ins and outs of the business, they are also able to observe the day by day operations of the shop including the performance of the mechanics hired on it. The thoughts, suggestions and feedbacks of customers may also help in the decision process.

IV. CENTRAL PROBLEM

* The competitor is eating a significant share of target market of the business. * The decreased market share due to competitor is postponing the planned second branch construction.

V. OBJECTIVES:

Must: Counter-attack for the competitor must be set to stop it from further eating shares of target market. Customer satisfaction must increase at least 10% by the end of the year to keep their patronage and loyalty. Want: Customer satisfaction must lead to increase of at least 25% of annual sales for the next 3-5 years to be able to address the needs of putting up the second branch. The problem is important to solve because if the competitor continue causing customer decline, eventually this will lead to loss in sales and loss in total market share.

VI.

AREAS OF CONSIDERATION (SWOT ANALYSIS)

STRENGTHS:

* Good skills and proven expertise of mechanics in key areas. * Complete facilities and systems required in the industry of motor repair. * Strong image and known good company reputation.

WEAKNESSES:

* No clear strategies as to how to drive out competition.
* Lack of management depth

OPPORTUNITIES:

* Explore emerging technologies to meet broader range of customer's needs.

THREATS:

* Slow down in market growth due to competitors.
* Likely entry of competitor to emerging technologies too.

VII. ALTERNATIVE COURSES OF ACTIONS (ACAs)

a) Extending services offered as to adding car wash, installation of carbon fibers, tinting of car windows and wind shield etc. Advantage: Expanding of target market, acquiring new clients. Disadvantage: Additional manpower and capitalization needed; may also require expanding of shop area.

b) Offering promos, membership cards and discounts. e. g: (free car wash, change oil and tune up, and free car check-up) Advantage: Attract customers and maintain loyalists because of freebies and promos. A very effective attraction to clients. Disadvantage: May incur little to fair increase in overhead expenses and additional work for manpower.

c) Advertise. This can be done through radio commercials at local radio stations of the city, give away pamphlets and post tarpaulins at locations that are usually congested with people. Advantage: Will give awareness to other possible customers therefore adding to his market. Disadvantage: Additional overhead costs will be incurred.

d) Acquire loan and put up the second branch sooner rather than waiting for 3-5years more. Advantage: In such way, the level of competition may be lessened since another branch will be further from the direct competition and will be located at the commercial district which means more possible clients and new market. Disadvantage: This course of action will imply a high risk as to the feasibility of the new shop and its profitability and ability to pay up for the loan it used up for construction and set up of the second branch of the shop. This step will also take a lot of time in the making.