

# [Motor auto repairs business plan](https://assignbuster.com/motor-auto-repairs-business-plan/)

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## Cover Letter

Office number:
Cell number:
Recipients name:
Dear Sir / Madam,
Enclosed kindly find a copy of a plan (Motor Auto Repairs). The reason for us wanting to start up this is because we have experience in the field, we have found a perfect location for setting up the and we have some funds set aside for starting up the . Thank you for your time and looking forward to hearing a reply from you after some kind consideration of our proposal.
Sincerely,
1. 0 Executive summary
Motor auto repair is a Chicago based business whose main purpose will to be a one stop shop that provides solutions for all car problems.

## Objectives

The objectives of the business in the near future are:
Increase sales revenue
Offer customers services that are superior to its competitors
Maximize profit levels
Be environmental friendly
Follow government regulations including the set code of conduct
Mission
Vision
2. 0 Business background
The business will be a family venture between a husband and a wife; Jacob and Mary with the husband being the sole owner of the business. The location of the business shall be on State Street in Chicago. The facility in which the office shall be hosted will contain three bay garages, a huge office space and a storage place for the many tools and spare parts. The husband shall be in charge of coming up with the money needed to start up the business. An advantage is that both owners had experience in the field and they personally owned some equipment’s that are vital to the business and this helps in cutting the costs of purchasing new ones.

## Products and services

The business shall be engaged in of provision of both automotive repair services and the automotive services to their customers. The business shall have the personnel that can service both the foreign and the domestic automobiles. Revenues to the business will be generated from both the sale of mechanic labor and also from the after-market replacement of automobile spare parts. Once the business has established itself in the market through vigorous marketing and after sale services, the business shall then expand. This shall be experienced form the provision of after-market parts, increase the number of sports tuning services varieties that, command higher returns than the standard repairs of automotive.

## Technology

The revolution of computers that has taken place in the past years has enhanced the ability to diagnose and also repair the vehicles of the clients. The equipment’s that shall be installed in the business premises shall be top notch and this shall help to keep the business ahead of competition. The goal of the business shall to keep on looking for ways to provide better quality of services to the customers through technology.
3. 0 Management team
Jack has a degree in mechanical engineering, a subsequent master’s course on the same and a second degree in computer programming. He has a ten year experience working in an automobile repair business. These two degrees shall come in handy when it comes to dealing with the day to day operations of the business. Mary on the other hand has a bachelor’s degree in commerce marketing option, a master’s in administration and a second degree in mechanical engineering. His fifteen years’ experience working in an automobile store gives him all the experience he needs to manage and run the business.

## Personnel

Recruitments shall be made in the other departments that include, accounting, and front office and some fully trained and equipped full time six mechanics. There will be no need of employing too many employees as the business is only starting up and the educational knowledge that the two owners shall come in handy in the marketing, managements and manufacturing departments of the business. In case of any extra unanticipated work part time employees shall be hired to help in the operations department.
4. 0 Financial plan
The breakeven point analysis of the business shall be based on the average of the business’s costs of running in the industry including the payroll of the employees and the fixed costs. A projected flow of cash within the months is drawn that takes into consideration the cash received the expenses that shall be incurred to get the cash balance after a period. A projected balance sheet is drawn that takes into consideration the amount of fixed and non-fixed assets that the business shall acquire the liabilities and the capital input so as to find out if they balance off and consequentially the net worth of the business.

## Ratios

They help to bring out an idea of how profitable the business shall be and the risks that shall be involved. The ratios help to compare the business’s with the prevailing industry. These differ as they are reliant on the assets and the number of assets that the business will have in the early years are few compared to the competitors who have been in operation for a while.
5. 0 Capital required
6. 0 Marketing plan
The business will achieve this through flyers, newspapers ads, discount offers to customers, the yellow pages, direct mails and referrals. A grand opening of the business helps to create awareness of its presence in the market to its customers. Using of the database that both managers created in their previous places of work shall and contacting them to inform them of the shift shall help in drawing them to the new business.

## Competition

This industry is very competitive and the supplies of the spare parts have an advantage of setting the prices of their products to the repair shops. The fact that the customers perceive the products as undifferentiated the buyer power is very high as they can buy the product from any shop if only the price fits their pockets does not help the situation. There are few barriers to the entry of a new business in the field and this makes competition stiff and this makes pricing criteria’s very competitive. The business in order to beat the high competition rates shall create higher switching costs of the customer by focusing on always build strong customer ties.
A sales forecast can only be made based on these assumptions: The job types that shall occur in each month, the prevailing prices and costs of doing business, the effects of the various promotions and marketing programs that have been put in place and the number of clients that shall be attracted to the new business from where they both worked.
7. 0 Location analysis
The business will be set in a location whereby a careful consideration has been done. The place should be in along a major highway in Chicago for visual effects and free from lots competition. After careful consideration the state street was chosen because of its easy accessibility and it is among the longest streets in Chicago. This makes the number of vehicles that use the street many and therefore a key location for setting up the store. Location play a vital role in having a successful venture as it will help to market the business to the customers.
8. 0 Manufacturing plan
The employees will have to know how to use the electronics well to avoid any unforeseen expenses as these would cut into the profits of the business. The service decks shall be enough to fit five cars at a go so as to increase efficiency in customer service. The employees shall always be busy tending to the needs to customers and when there are not that many cars in for servicing they shall offer help to the other colleagues or tend to other es in the business. The employees shall be well aware of the pricing criteria so that they can be able to charge the customers for services rendered without consulting the management.
9. 0 Appendix references and documentation

## References

McKinney, A. (2003). Real plans & marketing tools: Including samples to use in starting, growing, marketing, and selling your . Fayetteville, NC: PREP Pub
Rogoff, E. G, (2007). Bankable plans for entrepreneurial ventures. New York: Rowhouse Pub