

BUSINESS PLAN ABC AUTO SALES LIMITED

123 Toronto Street,
Toronto, ON, L1H 5K5
April 21, 2022

The company

ABC Auto Sales Limited is a small family business that will buy/sell/lease quality and affordable used motor vehicles to consumers in the GTA area.

Company Goals and Objectives

Our main goals are to sell quality vehicles with excellent service and earn loyalty from our consumers. The dealership will work hard and focus on meeting and striving to exceed our customers' expectations and offer a wide selection of high-quality, competitively priced vehicles for sale in Toronto.

The dealership aims to accomplish the following goals and objectives:

- Earn and have a history of satisfied customers by providing high-quality used vehicles in GTA
- Provide the very best vehicles sales and related products
- Provide a best vehicle shopping experience
- Expand the business by adding at least two more branches in the next five years

Company Ownership and Structure

The company is a corporation with a sole officer.

Ownership Background

Shareholder/Officer/Director - John Smith.

Experience and Training

I, John Smith, founded multiple successful businesses in various industries, including retail/wholesale food and accommodation. In addition, I have experience working with consumers for the last ten years and know about their needs and rights. Through my business research, I learned that the motor vehicle industry is regulated in Ontario, which inspired my interest in vehicle sales. As a result, I decided to open a used car dealership and expand my

business into the motor vehicle sector. Moreover, I've completed my marketing diploma and entrepreneurship in a small business, which will help me achieve my industry goals.

Company Management Structure

The company will be managed by a hired manager, Robert Will, who will be obtaining his salesperson licence.

Other Management Details

The officer, John Smith and Robert Will, will make all business decisions such as purchasing inventories, finance, day-to-day operations, and other management determinations.

Company assets

The company has the following assets. The initial investment is valued at \$ 100,000

Real property with an estimated value of \$1,000,000

Secure line of credit of \$75,000

Savings \$50,000

The Product

The company's primary products/services are used motor vehicles and repairs. Once we obtain the dealership licence, we'll hire a certified mechanic for repairs and other services at the dealership.

Marketing Plans and Targets

The company's target market has the following characteristics

- Customers between 18 to 50 ages
- Families with children between the age of 1 to 12

Location Analysis

The business will be in a commercial area and minutes away from universities, colleges and the residential area.

Pricing

The company will use an economy pricing strategy and reward programs that offer special discounts to qualified customers.

Advertising

The company will promote the business through online channels, email marketing, social media, print magazines, and flyers. The annual budget for advertising is \$5000

Competitors' analysis

There are other dealerships around this area, and I have done some marketing research and identified some opportunities and risks associated with our business.

SWOT analysis of strengths, weaknesses, opportunities threats

Strength: The officer has a good reputation in the community and has established many loyal customers through previous retail business. In addition to that, this dealership will specialize in handpicked, affordable, late-model used Japanese import cars, SUVs and minivans for medium to large families. The dealership is excited to share its knowledge and enthusiasm with our consumers.

Weaknesses: Our business will be a standard dealership store with no online channels for car shoppers. This will be a weakness compared to other new car dealerships in this area.

Opportunities: Since this city is busy with young families, there is an opportunity to expand our business by opening branches in other locations.

Threats: The economy and COVID have slowed down the car industry and discouraged consumers from selling or purchasing used vehicles, especially without financing options. There are many new car dealers nearby this area, and they offer finance with fewer interest rates which might attract the consumers.

Operations - Daily operations

Our store will be open from 7 am till 8 pm on Monday to Saturday. All salespeople and the person in charge will be in the dealership.

Operational Facilities

Eight hundred square feet of business area will be located on the main level at 123 Main Street, Toronto. In addition, there is another business next door which a repair facility has recently leased for vehicle repairs and vehicle safeties.

Staffing

The dealership will have four staff including a store manager, a person in charge, a salesperson and a bookkeeper. Our goal is to retain these employees while adding two more salespeople who will focus mainly on retail sales while others focus on auction/wholesale deals.

Supplies

The dealership will mainly work with the wholesale auction house and public auctions for local used car dealerships.

Start-up inventory

The dealership will start with five Japanese automotive manufacturers models, including Toyota, Honda, Nissan, Mazda, Mitsubishi, and Subaru from years 5-10.

Financial and Capital Requirements

The shareholder's initial investment is valued at 100,000 Canadian dollars.

ABC Auto Sales		
Projected Income Statement		
For the year ending the 31st day of December		
Revenues:		
Vehicle Sales		\$80,000
Operating Expenses:		
Sales and marketing	2,000	
Insurance	2,000	
Legal and professional service	1,000	
Bookkeeping	1,000	
Rent	10,000	
Utilities	1,000	
Repairs and maintenance	1,000	
General office expense	1,000	
Loan payment	2,000	
Credit card payment	2,000	
Licensing fee	1,000	
Interest payment	2,000	
Salaries and benefits	30,000	
Miscellaneous expenses	2,000	
Total expenses		-58,000
Net income before tax (Gross sales – total expenses)		\$22,000

What is a fiscal year?

A fiscal year is a 12-month accounting period for a business operation.

What do you mean by projected information?

Projected information is an estimated/expected result for a new business or company. This projected information would show how a new company expects to perform over their first year of operation. If a company is already in operation, you should include the recent financial performance data and the projections.

What is net income?

Net income is an income minus total expense of a business.