

APA Automotive

Business Plan

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342 Bronte Street South
Milton, Ontario
L9T 5B6
Canada

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Strategy and Implementation

Executive Summary

This Business Plan gives an overview of APA Automotive and gives a detailed analysis of the Financial Plan and Marketing Plan required to implement a successful Business Plan.

Vision

APA Automotive is the desire of Borislav Pujin, who has 12 years of education and work experience in the automotive and auto repair industry. Pujin's dream was to open his own mechanic company and offer better services than his competitors. He turned his dream into reality on September 5th, 2018 when he opened APA Automotive.

Mission Statement

APA Automotive aims to provide high-quality, convenient and comprehensive automotive services at a low cost. The most important aspect of our business is to work under a principle of trust. It is the goal of APA Automotive to have 100% customer satisfaction with regards to quality, friendliness, time to completion, and to discover new ways of exceeding the expectations of each client.

Goals and Objectives

The objectives over the next three years for APA Automotive are the following:

- Increase sales revenue by at least 30% annually for three years
- Increase profit margin consistently for the next two years
- Hire two entry-level mechanics
- Provide service at a better price than competitors
- Implement superior customer service

Keys to Success

In the mechanic industry a company builds its client base one customer at a time and mostly through word of mouth marketing.

With this in mind, the keys to success for APA Automotive are:

- High-quality mechanic work
- Constant contact with clients to inform them about the state of their automobile and the progress of the repair job
- Knowledgeable mechanics that are friendly, customer oriented, and take the time to explain to the customer the intricate nature of our business and work

- Offering automotive service at a lower cost than our leading competitors

Market Overview

The automotive market is a strong and stable market all year long, because it is seldom affected by the change in seasons. The growing market will continue to rise, as more consumers purchase newer vehicles in parallel to the increasingly steady revenue growth.

Transmission repairs alone account for a vast majority of the industry revenue and APA Automotive will continue to provide a competitive market price for all maintenance fees. This will create a high volume of customers that may inevitably become long-term clients of APA Automotive.

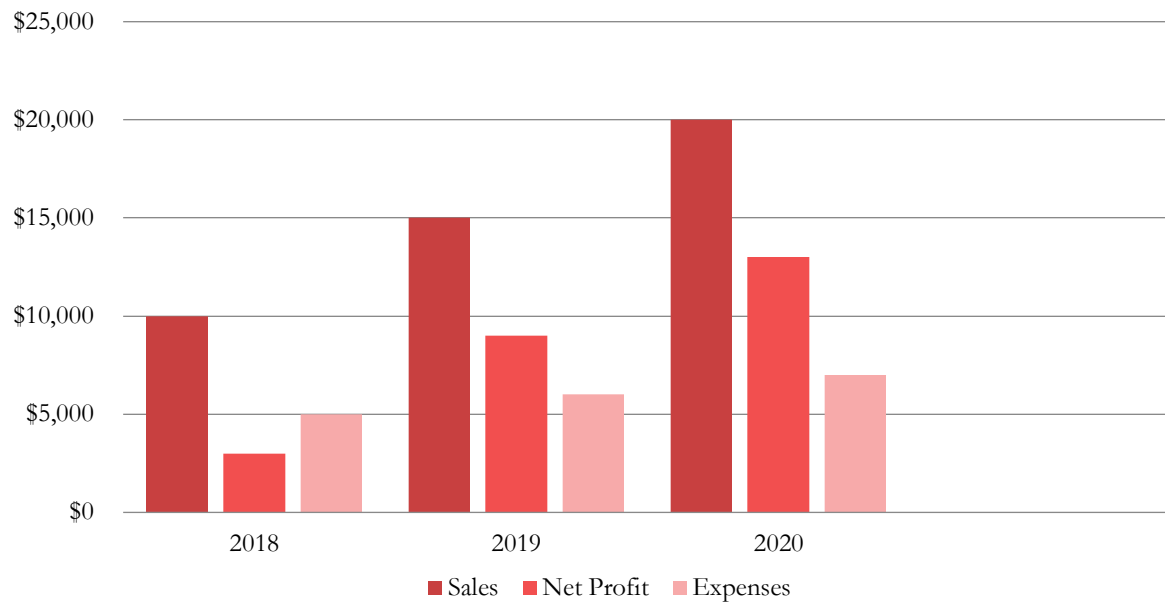
APA Automotive rests on a principle of trust, along with high-quality automotive service and excellent customer service skills. We know that our commitment to excellence will draw new clients and their families. Our current demographic stretches towards the entire Halton Region and is primarily based on word of mouth recommendations.

Start-up Summary

The Start-up Summary provides the financial forecast for the next two years. The start-up costs required to open APA Automotive comes to a total amount of \$33,060. All start-up expenses have been paid in full. For a complete and detailed description of the start-up summary, see Financial Plan.

The Financial Summary highlights the progressive direction of APA Automotive. The initial profit for 2018 is low because majority of the Net Profit is covering any start-up expenses. However, once the break-even point is reached in the beginning of 2019, the sales revenue and net profit outweigh the yearly cost of expenses.

Financial Summary



Business Description

APA Automotive is founded on a principle of trust and is dedicated to established strong relationships with both its customers and suppliers. The company is a high-quality automotive and auto repair shop, registered in the province of Ontario. The ideal customer is anyone in the Halton Region that owns one or more vehicles.

Ownership

The sole ownership of APA Automotive belongs to 29-year-old, Borislav Pujin.

Location

APA Automotive is located at 342 Main Street, Milton, Ontario. The location is ideal for auto repair shops given the traffic flow from Bronte Road and Derry Road. It is located near suppliers to ensure low cost of equipment transportation. The location is also near the Milton General Hospital and our MPP's office, in addition to three plazas in the distance of 150 meters. The owner's family and friends are all located nearby and have booked appointments before the opening date, on September 5th, 2018.

Interior

The interior of the auto shop has been newly renovated. The building is in a clean environment with cool air flow. The shop is a two door garage with office space and space for tools and parts. The office space includes one large office desk, two comfortable couches, in addition to a couple of extra seats and refreshments for customers waiting for repair.

Hours of Operation

APA Automotive's business hours are from 8 a.m. – 6 p.m. Monday – Friday, and 8 a.m. – 5 p.m. on Saturdays.

Services

APA Automotive offers a wide range of services as outlined below. It is ultimately the goal of the company to offer a one-stop facility for all auto servicing needs, including breaks, transmission, wheel alignment, season tire change, oil change, and so forth. In this way the company can offer great perceived value for the customer than many other shops which specialize in specific areas.

APA Automotive provides a wide range of automotive services. These include:

- Scheduled maintenance

- Wheel alignments, tire and rim changes
- Brake repair
- Comprehensive engine repair
- Transmission

Each job will be on a reservation basis, although we will accept a small percentage of drive in repair work.

Suppliers

The industry is highly competitive with suppliers having a great deal of power in setting and negotiating the prices of products. The industry is highly competitive with supplies and it is advantageous to apply a trust principle with all suppliers to ensure low cost service to customers. APA Auto Repair has trained and certified mechanics who are able to prove they have superior customer awareness and interaction. It is APA's professional employee who will fulfill the firm's contracts and goals.

Suppliers have a great deal of power in setting and negotiating the prices of their products and services to repair shops. We have a strong relationship with our suppliers, ensuring high quality products for our clients at a low cost. We have two suppliers: MODATEK and Halton Automotive Industrial Supply. Both suppliers are located near APA Automotive to ensure low transportation cost.

Competitive Comparison

The automotive industry is highly competitive and requires a loyal customer. APA Automotive is located in a plaza with two competitors. APA Automotive has a competitive edge on its competitors because of its marketing strategy. The implementation of their marketing strategy allows the business to provide low-price service for oil-change. For details regarding the marketing strategy, see [Pricing in Marketing Strategy](#).

Management

Borislav Pujin began working as an apprentice in the automotive industry at age 17. Since that time, he has worked for a variety of automotive shops and dealerships. Pujin has strong leadership skills which he learned as a lead mechanic at his previous employment. Pujin has gained a reputation for being trustworthy when it comes to automotive maintenance and repairs – which is a rare quality in the industry. When the business grows as expected, Pujin plans to hire two apprentice mechanics and a part-time office manager.

Financial Plan

The data obtained in this Financial Plan takes into consideration inflation and comes from research done in the Halton Region with other small mechanic shops who have started their own business. Inflation has been taken into account between the estimates of these fellow business owners and the current process for expensed items.

Start-up Capital

The start-up capital is calculated based on the initial expenses required for opening APA Automotive. This includes first and last month's rent, two car-lift hoists, two wheel balancers, a diagnostic, tools, in addition to marketing and a one-time license fee. The total amount of \$33,060 was required to cover the cost of the start-up expenses. The table below illustrates an overview of the total start-up expenses required to open APA Automotive.

Start-Up Expenses

Business Licenses	# 280935149
Incorporation Expenses	# 002653368
Accounting	\$250
Rent	\$ 4,800
Suppliers	\$2,000
<i>Equipment/Machinery Required:</i>	
Car lift hoists	\$ 10,000
Wheel balancers	\$ 4,800
Diagnostic	\$ 6,000
Tools	\$ 5,000
Total Equipment/Machinery	\$ 25,800
Marketing	\$ 150
Total Opening Inventory	\$33,000
License	\$60
TOTAL STARTUP EXPENSES	\$33,060

Break-even Analysis

The Break-even Analysis is based on APA Automotive's average running costs within the mechanic industry, including payroll, and its fixed costs for such things as rent, utilities, etc.

Break-even Analysis		Year 1	Year 2	Year 3
Monthly revenue break-even		\$6,000	\$12,000	\$15,000
Average percent variable cost		10%	10%	10%
Estimated Monthly Fixed Cost		\$5,400	\$10,800	\$13,500`

The break-even analysis describes the point at which the start-up sales are covered by the estimated income. According to the break-even analysis, APA Automotive's zero point is at the end of year one, in 2019. The projection is positive and consistently growing from the point forward. APA Automotive is confident in this analysis, given the strong marketing approach and competitive service.

Projected Cash Flow

The projected cash flow is illustrated in table and is based on current client interests and sales forecast. The cost required for start-up capital is calculated as the “Starting cash” for Month 1 of the Project Cash Sheet. This is a projection of the amount of monthly cash flow, including the operating budget required for the duration of a year. The Projected Cash Sheet indicated that APA Automotive will hit the break-even point in the first month of the second year.

Projected Cash Sheet*

[illegible]

	M. 1	M. 2	M. 3	M. 4	M. 5	M. 6	M. 7	M. 8	M. 9	M. 10	M. 11	M. 12
Office supplies	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30
Supplier	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Telephone	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20
Internet	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30
Bank fees	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Total Cash Outgo	\$7,960	\$5,560	\$5,560	\$5,560	\$5,560	\$6,060	\$6,760	\$6,760	\$6,760	\$6,760	\$6,760	\$6,760
ENDING BALANCE (\$)	- 33,020	- 30,636	-28,240	-25,850	-23,460	-20,620	-17,480	-14,340	-11,200	-8,060	-4,920	-1,780

Projected cash flow from operating activities	
Cash receipts from customers	\$10,000
Cash paid to suppliers and employees	\$2,000
Cash generated (sum)	\$8,000
Interest paid	\$800
Net cash flows from operating activities	\$7,200

Income Projection Statement

The income projection sheet demonstrates the estimated net sales and total expenses for the duration of two years. The Estimated Net Sales (\$) are based on two factors: (1) the amount of interest before the opening date, and (2) the assumption that current sales will be constant or increase. The Cost of Sales (\$) includes the direct cost of equipment and labor required to provide service; it does not include the open inventory (start-up) cost. The Gross Profit only includes Cost of Sales (\$), excluding Controllable and Fixed Expenses. Loss After Taxes is the total sum of Fixed and Controllable Expenses.

[illegible]

2019/2020	Sept.	Oct.	Nov.	Dec	Jan	Feb.	Mar.	Apr.	May	June	July	Aug	Total (\$)
Estimated Net Sales (\$)	10,000	10,000	10,000	10,000	10,000	12,000	12,000	12,000	14,000	15,000	15,000	15,000	145,000
Cost Of Sales (\$)	2,500	2,500	2,500	2,500	2,500	3,300	3,300	3,300	3,300	3,300	3,300	3,300	35,600
Gross Profit	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$8,700	\$8,700	\$8,700	\$10,700	\$11,700	\$11,700	\$11,700	109,400
Wages	0	0	0	0	0	800	800	800	800	800	800	800	0
Accounting	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Suppliers	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	27,500
Utilities	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Misc.	100	100	100	100	100	100	100	100	100	100	100	100	1,200
<i>Total Controllable Exp.(\$)</i>	<i>3,350</i>	<i>3,350</i>	<i>3,350</i>	<i>3,350</i>	<i>3,350</i>	<i>4,150</i>	<i>4,150</i>	<i>4,150</i>	<i>4,150</i>	<i>4,150</i>	<i>4,150</i>	<i>4,150</i>	<i>38,300</i>
Rent	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	28,800
Insurance	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	300
License	\$60	-	-	-	-	-	-	-	-	-	-	-	60
Loan Payments	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	3,600
<i>Total Fixed Expenses</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>\$2,730</i>	<i>32,760</i>
<i>Total Expenses</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>\$6,080</i>	<i>72,960</i>
Taxes	\$790	\$790	\$790	\$790	\$790	\$790	\$790	\$790	\$790	\$790	\$790	\$790	9,480
LOSS AFTER TAXES(\$)	5,289	5,289	5,289	5,289	5,289	5,289	5,289	5,289	5,289	5,289	5,289	5,289	63,468

Direct Cost of Sales

Includes the amount of costs needed to produce the labor - directly related to the expenses required for producing the final product, including equipment and labor. These prices are generated with inflation in mind, and are entirely influenced by suppliers and the general market price.

Direct Cost of Sales 2018/2019	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
Routine maintenance	\$500	\$500	\$500	\$500	\$500	\$700	\$700	\$700	\$700	\$700	\$700
Small repair jobs	\$650	\$650	\$650	\$650	\$650	\$850	\$850	\$850	\$850	\$850	\$850
Large repair jobs	\$750	\$750	\$750	\$750	\$750	\$950	\$950	\$950	\$950	\$950	\$950
Subtotal Direct Cost of Sales	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500

Direct Cost of Sales 2019/2020	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11
Routine maintenance	\$700	\$700	\$700	\$700	\$700	\$800	\$800	\$800	\$800	\$800	\$800
Small repair jobs	\$850	\$850	\$850	\$850	\$850	\$1000	\$1000	\$1000	\$1000	\$1000	\$1000
Large repair jobs	\$950	\$950	\$950	\$950	\$950	\$1500	\$1500	\$1500	\$1500	\$1500	\$1500
Subtotal Direct Cost of Sales	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300

Estimated Net Sales

The amount of sales generated over the next two years on a monthly basis. This is a projected total amount of net sales which APA Automotive can sustain.

Est. Net Sales 2018/2019	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Routine maintenance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Small repair jobs	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Large repair jobs	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
TOTAL SALES	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

Est. Net Sales 2019/2020	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Routine maintenance	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Small repair jobs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Large repair jobs	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
TOTAL SALES	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

Controllable and Fixed Expenses

The tables below present the total number of fixed and controllable expenses in the duration of a year. The Net Profit is calculated based on the estimated monthly sales of \$8,000, as stated in the Projected Cash Sheet and Estimated Net Sales.

2018/2019

Controllable Expenses	Sept.	Oct.	Nov.	Dec.	Jan	Feb.	Mar.	Apr.	May	June	July	Aug
Accounting	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Advertising	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Travel	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Utilities	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Payroll	\$0	\$0	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Total Controllable Exp.	<i>\$950</i>	<i>\$950</i>	<i>\$950</i>	<i>\$950</i>	<i>\$1,650</i>	<i>\$1,650</i>	<i>\$1,650</i>	<i>\$1,650</i>	<i>\$1,650</i>	<i>\$1,650</i>	<i>\$1,650</i>	<i>\$1,650</i>
Fixed Expenses												
Rent (4)	4,800	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Suppliers	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Equipment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Permits/Licenses	\$60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Payments	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Misc.	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Total Fixed Expenses	<i>\$7,260</i>	<i>\$4,860</i>	<i>\$4,860</i>	<i>\$4,860</i>	<i>\$4,860</i>	<i>\$5,360</i>	<i>\$5,360</i>	<i>\$5,360</i>	<i>\$5,360</i>	<i>\$5,360</i>	<i>\$5,360</i>	<i>\$5,360</i>
Total Expenses	<i>\$8,210</i>	<i>\$5,810</i>	<i>\$5,810</i>	<i>\$5,810</i>	<i>\$6,510</i>	<i>\$7,010</i>	<i>\$7,010</i>	<i>\$7,010</i>	<i>\$7,010</i>	<i>\$7,010</i>	<i>\$7,010</i>	<i>\$7,010</i>
Taxes	\$1231	\$871	\$871	\$871	\$976	\$1,051	\$1,051	\$1,051	\$1,051	\$1,051	\$1,051	\$1,051
NET PROFIT (\$)	1,022	4,938	4,938	4,938	5,533	5,958	5,958	5,958	5,958	5,958	5,958	5,958

2019/2020

Controllable Expenses	Sept.	Oct.	Nov.	Dec.	Jan	Feb.	Mar.	Apr.	May	June	July	Aug
Accounting	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Advertising	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Travel	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Utilities	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Payroll	\$0	\$0	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Total Controllable Exp.	<i>\$950</i>	<i>\$950</i>	<i>\$950</i>	<i>\$950</i>	<i>\$1,650</i>	<i>\$1,750</i>	<i>\$1,750</i>	<i>\$1,750</i>	<i>\$1,750</i>	<i>\$1,750</i>	<i>\$1,750</i>	<i>\$1,750</i>
Fixed Expenses												
Rent (4)	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Suppliers	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Loan Payments	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Misc.	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Total Fixed Expenses	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>	<i>\$5,300</i>
Total Expenses	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>	<i>\$6,250</i>
Taxes	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812
NET PROFIT (\$)	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568	9,568

Projected Profit and Loss

The projected profit and loss for APA Automotive is outlined below, in terms of amount over projected operating budget from 2018 to 2019.

Profit and Loss, Budget vs. Actual

	[Starting Month, Year]— [Ending Month, Year]	Budget	Amount over Budget
Expenses	September 2018 – September 2019	\$40,000	\$0
Sales	September 2018 – September 2019	\$109,000	\$0
Total Income	September 2018 – September 2019	\$40,000	\$0
Payroll Expenses	September 2018 – September 2019	\$0	\$0
Legal/Accounting	September 2018 – September 2019	\$3,000	\$500
Advertising	September 2018 – September 2019	\$600	\$0
Travel/Auto	September 2018 – September 2019	\$1,800	\$0
Utilities	September 2018 – September 2019	\$6,000	\$500
Rent	September 2018 – September 2019	\$28,800	\$0
Supplies	September 2018 – September 2019	40	\$0
Permits/Licenses	September 2018 – September 2019	\$60	\$0
Loan Repayments	September 2018 – September 2019	\$3,600	\$0
TOTAL EXPENSES	SEPTEMBER 2018 – SEPTEMBER 2019	\$43,860	\$1,000

Projected Balance Sheet

The projected balance sheet is based on the current market and start-up investment. The sheet takes into consideration inflation of the market and APA Automotive's initial investment prior to sales.

Current Assets			Current Liabilities	
Cash:	\$2,000		Current Liabilities:	\$33,060
Tools:	\$5,000		Taxes:	\$11,200
Petty Cash	\$100		Provincial Tax (HST):	\$3,200
Equipment	\$25,000		Federal Income Tax	\$2,000
Supplies	\$2,500		Self-Employment Tax	\$6,000
Vehicles	\$5,000		TOTAL LIABILITIES	\$38,260
Furniture	\$550			
TOTAL ASSETS:	\$44,150			
			Owner's Equity	\$5,910

Sales Forecast

For the most part sales for automotive service are steady throughout the year and are not affected by the change in seasons. The tables and charts below outline the sales forecast. The forecast analysis is based on a three-year overview, with twelve-month specifications. The sales forecast is founded on three main factors:

1. Effect of planned promotions and word of mouth marketing
2. Current prices and cost of doing business
3. The types of automobiles and jobs that will occur every month.

A detailed review can be found in the next section, under Marketing Strategy.

Personnel Plan

APA Automotive's initial staffing will consist solely of Borislav Pujin, plus Pujin's wife who will act as a part-time office manager. The company will later seek an entry level mechanic to be hired within the first year after the company is operating. Accounting, bookkeeping, and marketing will be outsourced. The company's intermediate goal is to hire three full time mechanics, plus a fulltime office manager. Management has decided to wait for future growth until they determine the right time to bring on such personnel.

Personnel	Year 1	Year 2	Year 3
Borislav Pujin	40,000	45,000	\$50,000
Office manager (part time)	\$0	\$1,800	\$10,000
Apprentice mechanic (part time)	\$0	\$2,000	\$10,000
Apprentice mechanic (part time)	\$0	\$0	\$10,000

TOTAL	\$40,000	\$48,800	\$80,000
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Marketing Strategy

The market in the Halton Region is strong all year long because the automotive industry is not affected by seasonal change. The steady market allows for a constant sales flow and Our potential client includes every household in the Milton region that owns one or more vehicles, as well as their friends and family and the surrounding Halton Region.

Sales Strategy

APA Automotive will cater to all citizens in Milton, Ontario, and the surrounding Halton Region. The business is also largely advertised through word-of-mouth, and is close to loyal family and friends who are long-term clients of APA Automotive.

The automotive business is competitive and it is important to get the competitive edge on your competitors. APA Automotive prides itself in its strong relationship with its suppliers, to ensure customers can receive service at a low-cost. The main sales strategy APA Automotive will implement is market-price oil change. This will provide a customer flow and our customer service based in trust, will ensure loyal clients.

The market is increasingly growing and because of the high-traffic flow at the location, APA Automotive aims to reach at least 20% of the citizen in Milton, Ontario and the surrounding Halton Region. The Halton Region has grown four-fold in the last ten years and it will continue to grow as the GTA expands. The large-target audience and market strategy will allow for a large network of new and loyal customer base.

Positioning statement

APA Automotive is able to sell its automotive service at a cost lower than its competitors. The mechanic market is a large niche that the owner excels at with his relationship-focused service. The price will ensure a constant traffic of customers, and the high-quality service will ensure long-term clients.

APA Automotive Advantage

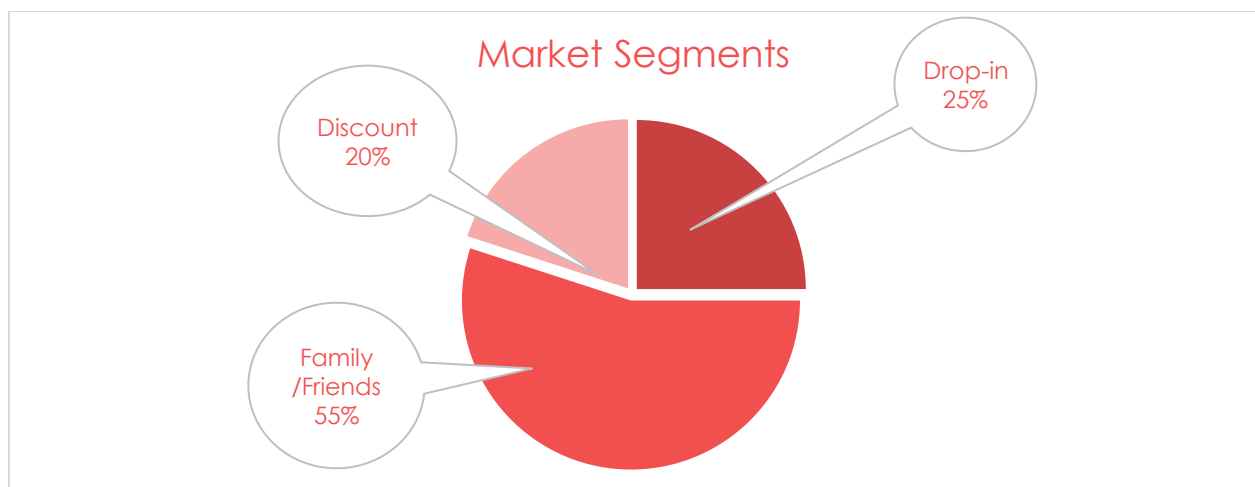
APA Automotive has a great advantage on a wide range of factors. The business is located in a prime location, which breathes new customers due to the high flow of car traffic coming from Bronte Street & Derry Road. It is located to near the Hospital and Town Hall. A solid location for a new business who has a large network of clients living nearby.

The owner's family and friends live nearby and have already scheduled appointments before opening day on September 5th, 2018. Since the opening, the owner has booked up a months-worth of work and is looking forward to the progress and positive interest. The word of mouth

marketing strategy and relationship-based service, allows the business to provide low-cost maintenance service, in order to invite new customers and ensure long-term satisfaction.

APA Automotive is committed to excellent customer service and aims to provide high-quality automotive service. To ensure this is prioritized, APA Automotive has purchased the best equipment (including a brand new diagnostic) and is planning on hiring a mechanic apprentice at the beginning of the second year.

The business gives market price oil change (discount) which attracts a large traffic flow of customers into the automotive shop. The large segment of the marketing strategy has to do with word of mouth, as stated above.



Competition

The automotive industry is highly competitive. Each company within this field has high capital costs, low margins, and a high intensity of competition. APA Automotive's competitive edge lies in the vision that a service visit does not just include repairing a client's car, it includes the entire service experience from the first time a client enters the shop until they decide to stop driving. The long-term profitability of a service of this type lies in the repeated customer base that finds our services an excellent experience.

The company will seek to examine all aspects of the service experience to seek ways of improving customer satisfaction. In addition, all employees will be rigorously trained and retained to think about customer satisfaction in order to create a self-sustaining service culture that revolves around customer satisfaction.

Strengths

There are numerous strengths of APA Automotive outlined in the Business Plan, regarding competitive pricing, location, and high success rate with customer satisfaction due to high-

quality work. The business also runs on a principle of trust and uses a relationship-focused approach to ensure excellent service.

Weakness

The company is new and vulnerable to competitors who have been on site longer. This is also an opportunity to expose the shop further because of high traffic in that area and the low-cost service (see table below for example). We are fully in control of the direction this business may take because the market is strong and our customer base is strong.

Pricing Strategy

APA Auto Repair has no ability to affect the market price of its service. The industry pricing is largely based on the suppliers' price of the parts. Suppliers market low price oil change tire change

APA Auto Repair's pricing is based on the principle that the marginal costs do not exceed revenues, in order to maximize short-run profits (%). The marginal revenue is equal to the price charged. The demand curve continues to grow positively. This means that APA Auto Repair must seek to charge its clients at the market price or lower.

Pricing Example		
APA Automotive	Low cost oil change (regular)	\$23
Competitors	Market price oil change (regular)	\$40

APA Automotive is able to charge its customers at a lower price than the market price for oil changes, because the customer returns for small or large repair jobs. This is an investment strategy, that allows long-term customer satisfaction and larger gain.

Advertising and Promotions

With the pricing statistics stated above in mind, our initial promotion is supplier pricing gas change and tire change. This will get a large customer flow and our company's policy of excellent customer service will ensure longevity of each customer.

APA Auto Repair has a modest program of marketing its service that include the following:

- Word of mouth/referrals
- Flyers
- Discounts

- Yellow pages
- Online forums and Social media (facebook)

Each of these marketing approaches has the advantage of being low cost while at the same time creating solid service awareness. APA's long-term marketing goals are to use online platforms, radio, and advertisement boards in order to broaden its customer marketing reach. APA is also investigating the possibility of having a grand opening that would feature discounts, food, local radio and other promotional ideas.

Measuring and Evaluating

APA Automotive is profitable because of its wide-range of networks that bring in new customers that remain loyal because APA Automotive's high quality service and relationship-focused business approach. The steps required to implement the approach outlined in this Business Plan are:

- Word of mouth marketing
- High-quality service
- Competitive price
- Excellent customer service

Strategy and Implementation

APA Automotive aims to implement its marketing strategic through its initiative to provide relationships based on trust, and The target audience is anyone who lives in the Halton Region and drives one or more cars. The implementation of the strategy begins with word-of-mouth marketing amongst the owner's family and friends. The owner has a large customer base from friends and family alone, and the customer flow is projected to grow continuously.

The key element in the marketing strategy is the low cost, and high-quality service. If we provide low-cost oil change for example, the customer will continue to come for small and big repair jobs. We will ensure the customer receives high-quality service and excellent customer service, to ensure they leave every visit with a smile, no matter the size of the repair job.

The business has one threat and that is the two auto repair shops located in the same plaza. APA Automotive chooses to see this as an opportunity for growth, to ensure every customer receive top of the line service, in order to maintain long-term relationships. The opportunity for growth is large not only in the automotive industry but also in the specific location of APA Automotives and we will use this to our advantage to implement strategies successfully.