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**BUSINESS PLAN: MYCAR DR SERVICES AND ACCESORIES**

**SALMAH DINTI HASSAN**

**UNIVERSITI TEKNOLOGI MALAYSIA**



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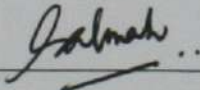
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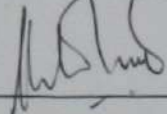
  
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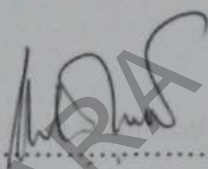
  
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**BUSINESS PLAN: MYCAR DR SERVICES AND ACCESORIES**

SALMAH BINTI HASSAN

A graduate project submitted in fulfilment of the  
requirements for the award of the degree of  
Master of Business Administration

International Business School, IBS  
Universiti Teknologi Malaysia

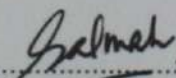
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ACKNOWLEDGEMENT

I would like to express my special appreciation to my family members who have supported me in completing my MBA. I would like to express my appreciation to my family members who have supported me in completing my MBA. I would like to express my appreciation to my family members who have supported me in completing my MBA.

Especially dedicated to my beloved husband and family members who have supported me in completing my MBA.

*~May Allah bless you, InsyaAllah~*

Hak Milik MIRA



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## EXECUTIVE SUMMARY

MyCar Dr Services and Accessories is a one stop centre for car maintenance and services with focus as listed below:

### 1) Scheduled Car Maintenance and Services

A comprehensive scheduled car maintenance and services ranging from basic to advance scheduled car maintenance encompassing engine, electrical, transmission, suspension, brake, safety system and wheels.

### 2) Car Accessories

This includes sound and alarm systems and other smaller accessories.

Our competitive edge will be the introduction of "MyCar Client Sphere Service Application" which will accommodate service record for all clients which includes the technician who handled that particular job; and expertise of our team. The software will also trigger short-message-service (sms) to car owner when next service is due. The car owner is also able to access the system by having the necessary identification and password. It is further supported by our high performance culture of honesty, integrity and value for money service. MyCar Dr Services and Accessories will need a total of RM 250,000 as start-up capital requirement to kick off with the business idea. The amount will be allocated specifically into workshop renovation, workshop equipments, software development, one year marketing plan and program, business operation up to six months as well as cash required to maintain the overall business.



## RINGKASAN EKSEKUTIF

MyCar Dr Services and Accessories adalah sebuah **pusat servis sehenti** untuk penyelenggaraan kereta yang menawarkan perkhidmatan seperti berikut:

### 1) Penyelenggaraan Berjadual

Keseluruhan penyelenggaraan berjadual dari yang asas hingga peringkat tinggi merangkumi enjin, pendawaian, transmisi, brek, suspensi, roda dan sistem keselamatan.

### 2) Alatan aksesori

Ini meliputi sistem audio dan penggera keselamatan serta aksesori-aksesori kecil lain.

Kelebihan pusat ini adalah dengan menyediakan sistem aplikasi "MyCar Client Sphere Service Application" yang membolehkan semua rekod penyelenggaraan disimpan lengkap dengan nama juruteknik yang mengendalikannya; serta kepakaran pasukan kami. Sistem aplikasi ini akan memberi peringatan kepada pemilik kenderaan bila penyelenggaraan seterusnya melalui sistem 'sms'. Pemilik juga boleh mengakses sistem dengan menggunakan pengenalan dan katakunci yang ditetapkan untuk melihat rekod penyelenggaraan yang lepas. Ia dikukuhkan lagi dengan budaya kerja prestasi cemerlang meliputi kejujuran, kebolehpercayaan yang diamalkan serta caj perkhidmatan yang setimpal. Perniagaan ini akan memerlukan modal permulaan sebanyak RM250,000 meliputi kerja-kerja ubahsuai bengkel, peralatan, pembangunan sistem aplikasi, kos pemasaran untuk setahun, kos operasi untuk enam bulan serta aliran tunai yang mencukupi untuk kelangsungan perniagaan ini.

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**LIST OF ABBREVIATION**

Not Applicable

Hak Milik MARA

### LIST OF SYMBOLS

Not Applicable

Hak Milik MARA



**LIST OF APPENDICES**

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Business and Company Information

The name of the company that is responsible to run the proposed business is MyCar Dr Services and Accessories. The company will be registered under the Companies Commission of Malaysia. The primary business to be registered is to provide car maintenance and services for specific type of cars. The business will be located at Setiawangsa, Kuala Lumpur. Below are the details of MyCar Dr Services and Accessories:

Registered Business Name: MyCar Dr Services and Accessories

Email Address: [enquiry@mycar.com.my](mailto:enquiry@mycar.com.my)

Telephone Number: +603 – 5612 5644

#### 1.2 Company Logo



**MyCar Dr Services & Accessories**

Figure 1.0 – MyCar Dr Services and Accessories Business Logo



## Chapter 2

### INDUSTRY ANALYSIS

#### 3.1 General Automotive Industry Analysis

The development of the Malaysian automotive industry started back in the early 1960s, where the government encouraged the setting of automobile assembly plants to reduce the completely built-up (CBU) cars. This will assist to stabilise balance of payments, to create employment and to provide the base for transfer of technology (Department of Statistics Malaysia, 2004). The Malaysian automobile industry has been constantly competitive throughout the past five decades. Even though there are elements of protecting and intervening of local car manufacturer, namely Proton and Perodua by the government of Malaysia, the automobile industry remains modest and viable for the foreign automobile manufacturer to penetrate the industry. The openness of the policy has let the industry to supply the modern basic necessity to the community. Malaysian automobile industry is seen as a platform to generate profits besides delivering the requirement of the local community.

The heavy price enforcement on foreign cars, through import tax authorised as Completely-Built-Up (CBU) status have effectively segregated the automobile industry into national and non-national automobile segmentations. According to the Economist, the enforcement of free trade agreement in Malaysia has resulted in the reduction of the import duties, but the status quo is maintained by the Malaysian government in enforcing the excise duties to offset the lost revenue generated for the past decades (The Economist, 2014). To explain the industry, the Automotive Permit (AP) system was introduced by the government which the objective was to regulate

the import cars in Malaysia. This is considered as another factor that further inflates the pricing of the imported vehicles In Malaysia.

The automobile industry has witnessed several revolutions, from western to the eastern automobile manufacturers, the rise of giant Japanese and Korean automobile manufacturers in offering competitive cars, which they have parked themselves at striking points globally. The Korean cars for example, offer conducive value and specification than the Japanese cars of equivalent price, and remains favoured for the overall brand perception, which have been built over years of competitive after sales service, affordable maintenance costs, and stable depreciation (Shares Investment, 2013). While Japanese car manufacturers are enjoying a renaissance in the local and global automotive industry with the the primary continental cars making big comebacks to compete against Japanese premium segment. They have spurred by attractive and affordable new car models, yet categorised as premium segments. The growth is constantly improved since 2010, becoming favourable cars of the years within the automobile industry. In Malaysia, the European division is revitalising from the predecessors through downsizing the engine capacities, better specifications to offer, class best fuel efficiency with enjoyable poer delivery.

The modernisation of the automobile industry has led the introduction of hybrid cars which are seem very attractive in providing the alternative solution of the current issue of expensive fuel consumption and the rise of the fuel prices. Globally, the hybrid cars have been placed as the best solutions to the community and the hybrid car growth have witnessed a meteoric surge in popularity over a decade ago. Big players, such as Toyota and Honda have been the best manufacturer to cater this segments with the recent introduction of some of the continental car manufacturer like Mercedes Benz and Audi. In Malaysia, the hybrid cars have been introduced by the automobile players since 2010/2011 with several incentive from the government to promote green and better environment as well as encourage to switch to this particular model. But due to less promotion and expensive price, even though the tax is reduced by the government, the perception of local mentality towards hybrid car is still very stagnant, which is not as attractive as t was targeted during the inception years in Malaysia.

Regionally, the Asean automotive industry offers a significant opportunity to global automobile manufacturer in the near to medium term as the region is likely to



be the fifth largest automobile market in the world by 2019 (Frost and Sullivan 2014). The "Strategic Analysis of Asean Automotive Outlook" by Frost and Sullivan shows that the Asean market is likely to grow at a compound annual growth rate of Cumulative Annual Growth Rate (CAGR) of 5.8% from 2012 to 2019; to reach 4.71 million in 2019, driven mainly by rapid market expansion in Indonesia and Thailand as well as Malaysia (Frost and Sullivan 2014).. It is further elaborated that low level of motorisation in Asean region would offer robust growth potential for the automobile market, adding that the passenger vehicle segment is likely to dominate the market. "High economic growth, increasing disposable incomes, increased investments, expanding production capacities, and launch of new models are key drivers of automotive market in Asean while global economic uncertainties, stricter regulations and taxes, and growth of public transport are the key factors that are likely to restrain the market during 2013-2019," (Frost and Sullivan 2014).

Whlist, to compete in the robust automobile industry, the car manufacturers are competing each other through a comprehensive after sales package which includes scheduled car maintenance and services for certain period of time though. The maintenance of brand new automobiles seem to be "a must" package in Malaysia. By looking at the current scheduled car maintenance and services in Malaysia, majority of the foreign automobile manufacturers provide several times free scheduled maintenance and services together with the valid warranty. The scenario will change once the car has been sold. The new owner may have not follow the original scheduled maintenance and services and switch to other car workshops though. Therefore, the customer may have an alternative options, whether to continue with the original car maintenance and services provider or to have the maintenance and services done by other workshops. This particular scenario, may open opportunity for entrepreneurs to provide such services to the potential customers. Based on the updated information by the Federation of Automobiles Workshop Owners Association of Malaysia, the total of registered workshop which provides scheduled car maintenance and services in Malaysia is increased by 10% in 2013, with the total registered workshop is exceeding more than 500, to support the existing demand from the customers.

## 3.2 PESTLE Analysis

### 3.2.1 Political Analysis

In Malaysia, the government plays a huge role in determining the movement of the automobile industry. The focus is more on pricing of automobiles and protection of the local car manufacture (National Automotive Policy, 2006). Back in the early 1980s, the government has been actively protecting the national automobile industry. The protection by the government has enabled the existing local automobile manufacturers to sustain and dominate the market. Overall, the government has imposed on high import and excise duties for Completely Built-Up CBU vehicles, with the primary aim to decrease the number of imported cars. Import and excise duties are also imposed on the Completely Knocked-Down (CKD) cars, which the car are locally assembled, with slightly reduction on the overall tax.

The government has initiated and introduced the National Automotive Policy in 2006 to facilitate the transformation and integration requirement of the local automobile industry into regional and global industry networks within the high competitive global environment. The policy is the primary agenda for the strategic direction of the automobile industry. The government has reviewed the policy several times in order to foster a more competitive market for the local and international car manufacturers. It focuses on the customers' perspective in terms of safety, environment protection, long term automotive industry viability and competitiveness. The primary objectives of the NAP are to:

- i) Promote a competitive and sustainable domestic automotive industry especially the national car manufacturers;
- ii) Develop Malaysia as a regional automotive hub in specific area;
- iii) Increase value added activities in a sustainably and automotive components;
- iv) Promote Bumiputera participation in the total value chain of the domestic automotive industry; and
- v) Safeguard customer interests by offering safer and better quality products at competitive prices.



The government encourages the participation of local entrepreneurs to be a part of the total supply chain of the automotive industry. The government, through its agencies, such as Majlis Amanah Rakyat MARA, Permodalan Usahawan Nasional Berhad and SME Corporation have created a platform for entrepreneurs to embark on this specific industry. The engagement provides a budget allocation, training and consultations, and industry exposure for those who are interested to open up a car service centre and produce automotive parts.

### 3.2.2 Economics

The rapid growth of the global and local economy and high purchasing power in the automobile industry have made the industry remains one of the primary income generations within the specific sector of the economy (MATRADE, 2014). Globally, the automobile industry provided a significant impact to the global economic growth to cater the modern basic necessity of each country and it is also one of the largest industries which provides large economic scale to the country. Global companies are pretty much balancing the priorities, ensuring the end of products are well maintained with automobile compliance while adding values internally and externally. The mass production of automobile in some countries have generated a new perspective in ensuring that the local community

Malaysia's automobile industry has contributed to the local economy in terms of employment, exports and revenue from the taxes imposed. The total sales of passenger and commercial vehicles in 2013 increased from 627,753 to 652,120 which is 3.9 percent increased. This has attributed to the four to five percent increased in the economic growth and customers' purchasing power. The total performance form 2009 to 2013, the automobile industry investment has increased from RM700 million to RM5 billion in 2012. Based on the analysis released by the Malaysian Automotive Association (MAA), the total investment from January to October 2013, Malaysian Automotive industry has accounted RM3 billion domestic and international direct investment.

In terms of employment, the automobile industry has employed more than 300,000 employees which includes the car manufacturing and after sales sectors. The foreign and local investment into the industry has opened more job opportunities to the local as well as to generate local community income. This is due to modest pace, which is in line with global, regional and local automobile industry demand. Through our automobile industry, there are more entrepreneurs to participate to ensure that the supply chain is hanging without a proper channels. The industry has created more new economic opportunities to the entrepreneurs.

### 3.2.3 Social

The current state of the automobile industry in Malaysia could be perceived as not as fragile and less dependent upon government's intervention to survive and sustain, even though the local car manufacturers are literally protected by the government. Such phenomenon happens because the industry could survive and remain in the market mainly due to its daily demands and needs. Hence, the industry is solely depending on the social demands and needs in order to survive competitively. The market demand now is initiated a remarkable acceptance towards a mixture of conventional and advanced industrial movement globally and locally. Putting a spring in step with next revolutionary aspect of the industry, the industry is accepted as community and social businesses especially in providing basic need of local community in having reliable transportation to commute from one destination to another which is presumed as social care provider. No doubt that technology has impacted the style of automotive industry, but the industry has significantly colored the plain vanilla of the sectors.

Appearing to be in positive phase, the automobile industry is now ready to go to a higher level of involvement including supporting the government businesses in major ministries and sectors. It also assist the private community to have better environment. It has in fact been paraded by few fortunate sectors that constantly require the services from the automobile companies to move the agenda to the community. This is a part of their community and social responsibility to ensure that the unfortunate ones are getting their rights and enjoy the equal economic



distribution within certain areas. These changes and market acceptance have expressively opened another new branch of the whole industry to be more concern about the social friendly business. Although the sustainable social practice in the industry is relatively new in Malaysia, but with the support from the government, the industry tends to move forward to ensure it is also meet the social responsibility to the community.

The social lifestyle of Malaysian customers may vary based on the geographical factors. The urban lifestyle within Klang Valley has encouraged the customers to fully outsource the maintenance of the car to the reliable workshops and service centres. This is mainly due to their busy working lifestyle and may have less time to provide full attention to their car maintenance. The scenario has led more businesses to provide variety of services such as pick-up services, express lane scheduled car maintenance and services and weekend car services. More business opportunities will be created to ensure that the urban customers get the car maintenance and services while enjoying the lifestyle.

#### **3.2.4 Technology**

The government of Malaysia through its National Automotive Policy 2014, has shifted the primary technology contribution of the Malaysian automobile industry towards for technological that has a positive impact on the overall industry. Based on the revised policy, the government plans to grow and enhance the low usage of technology in the industry and knowledge application of the current pattern of the industry via targeting Malaysia to become the regional hub for Energy Efficient Vehicles (EEV) through strategic investment and adaptation of high technology for domestic market and to penetrate regional and global markets by 2020 (National Automotive Policy 2014). This is a part of the responsibility to promote Green Technology to the local customers. The EEV is primarily defined as vehicles which meets a set of specification of carbon emission level (CO<sub>2</sub>/km) and fuel consumption (l/km). This includes fuel-efficient internal combustion engine (ICE) vehicles, hybrid vehicles, electric vehicles and other alternative fuelled vehicles.

This technological advancement is to be introduced based on the international benchmarking across the European countries, the United States, Japan and South Korea which it will ensure the technological investments into Malaysia will be strategic in nature with high uptake of technology (National Automotive Policy 2014). Responsiveness of the latest green technology application in the domestic automotive application in Malaysia is not only applicable to the primary car manufacturing sector, but it applies to the overall supply chain of the automobile industry which includes before and after sales sectors. This is highly important to fulfil the customer demand aligned with a positive technological environment. In the updated policy, the technology and engineering thrust emphasized the development of technology and engineering part of the industry.

The government through its Ministry of Plantation Industries and Commodities has started the B5 biodiesel programme to utilize biodiesel technology to replace and provide alternative solutions for the diesel consumption in the country. This has started through several research with the local universities and palm oil plantation to test the realibility of the biodiesel to become the next alternative fuel for the country. The B5 biodiesel is a blend of 5% palm or palm methyl ester (PME) and diesel (The Star, 2014). This new initiative may be applicable to the automobile industry in the future as for the current consumption focuses on the subsidised sections such as retail stations, fleetcard, skid tanks and fisheries in several regions locally (Ministry of Plantation Industries and Commodities, 2014).

Through the introduction of hybrid cars in Malaysia, the government has taken proper approach in promoting to the customers via discounted prices. The tax exemption for hybrid cars was introduced at the inception stage in 2010. The primary objective was to ensure that Malaysian customers would enjoy the low prices and to promote green car technology in Malaysia. The excise duty for CBU hybrids car currently is between 65% and 105% based on the engine displacement of the car while the duty on electric vehicles is based on their power output. The tax exemption was ended early 2014 for CBU models due to the primary reason of promoting locally assembled hybrid cars. "Car manufacturers who want to enjoy tax exemptions on hybrid and electric vehicles will have to assemble the vehicles



locally” Dato Seri Mustapa Mohamed, Minister of International Trade and Industry Malaysia.

### 3.2.5 Legal

The friendliness of Malaysian law and legislation has created more business opportunities to the automobile industry in the country. The automobile industry is well governed by the National Automotive Policy (NAP), which it was introduced to provide guideline on overall automobile industry in Malaysia. This is to incorporate several strategies and partnership movement to foster better automobile industry in Malaysia. The policy also focuses on the value-added activities, such as encouraging more entrepreneurs to participate in the industry to create a well balance strategy.

For a business start-up, there are several legal procedures should be followed by any company and business entity. A company should register the business with the Company Commission of Malaysia to enable the company to provide legal businesses in the market. For a private limited (Sendirian Berhad) company, the business owner should appoint a company secretary to embark with the registration process. This type of business entity falls under Companies Act 1965 (revised – 1973 and latest amendment 2007). Whlist for the enterprise type of business, the registration shall be made directly with the Company Commission of Malaysia and shall bound to the Registration Business Act 1957. The business scope of this type of business is limited compared to the private limited companies. Generally, basic documentation such as a copy of identity card and birth certificate are required for the registration. Both acts are the basic laws applicable for business and company registration in Malaysia. The business scope will be determined in order to assist the business owners to provide specific businesses in Malaysia.

As for the income tax jurisdiction, all businesses and companies are applicable to the local and current income tax charges should the company’s management and control is fully exercised in Malaysia. To further elaborate, the management and control is normally considered to be exercised at the place where directors’ meetings are held concerning management and control of the company (Inland Revenue Board of Malaysia, 2014). The current tax charges for a company

or business in Malaysia is at 25% of the total profit made for a year. Those applies to all type of business except for the green technology business which the business may enjoy several tax exemption. The deduction for payment of zakat made by a company, cooperative society or trust body shall not exceed 2.5% of its aggregate income in the relevant year of assessment. Deductions are allowed for contributions made to the government, state government and local authorities and some other institutions and activities to be approved by the several appointed ministries (Malaysian Investment Development Authority, 2014).

The law and legislation are further discussed within the context of local authorities if a company or business would like to open up an entity at certain places. shall oblige to the local authority's acts to run the business and operate the business. Each local or municipal would have different legal and acts to be followed. This is with regards to the local permits to run and operate the business. As for the business proposed in this business plan, the license application shall bound the procedure and process set by the Kuala Lumpur Municipal Council as the proposed location is within the territory of Kuala Lumpur. The requirements for the application of a business premise license and a signboard license may vary according to each local authority. Generally, an application for a business license and signboard license must be accompanied by:

- (i) Photocopy of the applicant's identity card
- (ii) Passport-sized photograph of the applicant
- (iii) Copy of the company's M&A and Forms 9, 24 and 49
- (iv) Copy of either the rental agreement or the sale and purchase agreement of the company's business premise
- (v) Copy of the Certificate of Fitness of the company's business premise
- (vi) Copy of the Fire Department's support letter
- (vii) Copy of the location plan of the company's business premise
- (viii) Photographs of the business premise
- (ix) Photographs showing the location of the company's signboard
- (ix) Samples of the signboard indicating its design and colors

The government through its agencies has encouraged the participation of the local, especially Bumiputera entrepreneurs to be part of any businesses and industry. Majlis Amanah Rakyat (MARA) is one of the prominent agency in ensuring the



young and new entrepreneurs will be equipped with knowledge and experience in the automobile industry. There are several programmes by MARA to provide basic and advance training for those who are interested in opening up car service centres in Malaysia. Beside than providing a comprehensive fund programme to those who are eligible, the agency shall provide professional assistance to entrepreneurs to encourage the sustainability of the business and overall participation in providing the best solutions to the customers.

### 3.2.6 Environment

The automobile industry in Malaysia is moving rapidly towards reducing the environmental impact of energy consumption and mitigating the global warming effects. The automotive business is a very diverse, with many sectors classified within the competitive market. The industry is still believed to be a big contributor to the Malaysian economy, as well as a leading importer and exporter of the total automotive services and which is why a decrease in its value could have a very significant impact on the environment. Another growing concern for automotive is the customer's concerns about their carbon footprint waste on the environment. These environmental worries are a constant concern, while the businesses are looking to reduce their waste, which often leads to a decline in the use of conventional end result. In the next five years, the automotive industry within the framework of environmental protection will become even greater pressure, particularly in the developed states like Selangor, Kuala Lumpur and Penang. Compliance with environmental laws and regulations will directly increase the cost of the business as a whole.

In Malaysia, the movement towards more eco-friendly has substantially improved the business landscape to become more eco-friendly or 'Green Car'. The new approach suggested that the first place to start to promote to the usage of alternative energy vehicle in the market. The reduction of the tax imposed on the hybrid car back then was the first step taken by the government to the global car manufacturer to sell more hybrid in local market and it was considered as the primary phase to educate the local community on the introduction of the hybrid car

in Malaysia. "Our aim at that time was to encourage production and local assembly, as these cars were built and assembled abroad, and after four years the idea did not take off and for that reason we have decided to discontinue this policy," Dato Seri Mustapa Mohamed said in Kuala Lumpur to promote car manufacturers who want to enjoy tax exemptions on hybrid and electric vehicles will have to assemble the vehicles locally, citing Honda Malaysia's recent launch of its completely-knocked down (CKD) Honda Jazz manufacturing plant in Malacca as an example. The excise duty for completely built units (CBU) of hybrids currently is between 65% and 105% based on the engine displacement of the car while the duty on electric vehicles is based on their power output (Matrade, 2013).

The sustainability of a business shall comply with the waste requirement. For a car service centre, the waste from the services should not be abandoned as it will harm the entire society surrounded. There are several companies which provide a waste management system for automobile service centres in Malaysia. The comprehensive waste services include the pre-treatment, intermediate storage and reconditioning of dangerous industrial waste products. The services provided by the companies may assist car service centre with a range of waste management and assessment services to increase awareness of the waste in production processes and how it can be recycled or safely disposed of. Beside than private companies, the business may also get the support extends by the local municipal to advice on production innovations that will help to decrease waste at the outset, reducing the need for disposal services.



## Chapter 3

### MARKET ANALYSIS

#### 4.1 Malaysian Automobile Market Analysis

Malaysian automobile market offers vast opportunities for global and regional automotive and component manufacturers to set up manufacturing and distribution operations in the country. The rapid growth of the Malaysian economy and high purchasing power has slowly shifted the overall market performance to be the largest passenger car market in ASEAN and particularly in Malaysia. Figure 2.0 shows the Total Production and Sales of Passenger and Commercial Vehicles in Malaysia from 1999 to 2009.

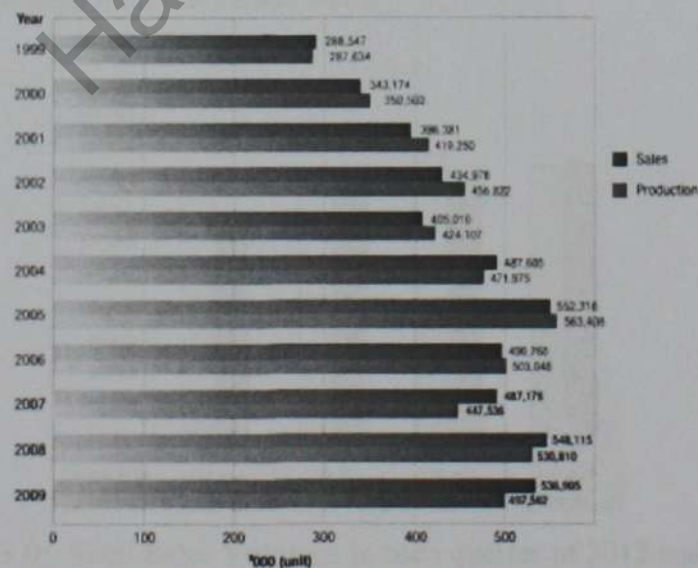


Figure 2.0 - Total Production and Sales of Passenger and Commercial Vehicles in Malaysia (Source: Matrade 2014)

The main objective of the promotion of the automotive industry constituted the limitation of import cars, the reduction of expenses in foreign exchange, the creation of employment and the development of the industrial sector. Even nowadays, the automotive industry is designated to boost Malaysian industrialization process and to enable it to reach the status of a developed nation by 2020. The Malaysian national automotive industry is not only one of the major industrial sectors, but also represents a matter of national pride. In terms of fact and figures, the sector ranks amongst the top twenty in the world and disposes of the largest passenger car market in the ASEAN region.

In spite of the problems that were experienced by the automobile industry recently in Malaysia, the Total Industry Volume (TIV) of new vehicles sold in 2013 for the Malaysian market was actually an all time record. Exceeding the Malaysian Automotive Association's forecast of 640,000 units, a total of 655,793 new vehicles were sold, of which 88% were passenger vehicles (excluding pick-up trucks). Figure 3.0 below, shows Total Sales Volumes in each quarter of 2012 and 2013 for our Malaysian market. While, the TIV was 4.5% higher than in 2012 which now becomes the second highest TIV in the history of the Malaysian auto industry. It is the fourth consecutive year that the annual TIV has remained above 600,000 units and the second year of increased sales volumes since 2011. Figure 4.0 shows Brand Bolumes and Positions for 2013 versus 2012.

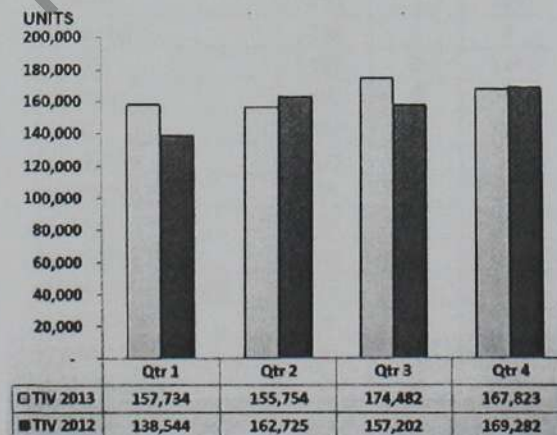


Figure 3.0 - Total Sales Volumes in each quarter of 2012 and 2013

(Source: Matrade 2014)



**BRAND VOLUMES AND POSITIONS  
(2013 vs 2012)**

BRAND	2013		2012
1 PERODUA	196,071	↑	189,137
2 PROTON	138,753	↓	141,121
3 TOYOTA	91,185	↓	105,151
4 NISSAN	53,156	↑	36,271
5 HONDA	51,544	↑	34,950
6 MITSUBISHI	12,348	↑	11,652
7 HYUNDAI-INOKOM	12,217	↑	11,938
8 ISUZU	12,061	↑	10,673
9 FORD	10,660	↑	7,108
10 VOLKSWAGEN	9,538	↓	13,003
11 MAZDA	9,197	↑	6,332
12 KIA	7,184	↑	4,374
13 BMW	7,057	↑	6,318
14 HINO	7,002	↑	6,433
15 PEUGEOT	6,505	↑	6,114
16 MERCEDES-BENZ	5,550	↓	5,905
17 SUZUKI	4,962	↓	8,087
18 NAZA	3,236	↓	7,953
19 AUDI	3,102	↑	1,414
20 MITSUBISHI FUSO	2,532	↑	2,180
21 CHEVROLET	1,673	↓	2,026
22 LEXUS	1,336	↓	1,471
23 DAIHATSU	1,156	↓	1,452
24 SUBARU	1,084	↓	53
25 LAND ROVER	1,003	↑	643
26 VOLVO	861	↓	937
27 CHERY	740	↓	1,636
28 SCANIA	577	↑	466
29 SINOTRUK	483	↑	285
30 MINI	437	↑	341
31 CAMC	372	↑	253
32 SSANGYONG	292	↑	238
33 GWM	281	↑	173
34 PORSCHE	275	↓	395
35 MAN	234	↑	168
36 CHANA	226	↑	0
37 JAC	200	↑	134
38 BISON	191	↓	305
39 JBC	157	↓	181
40 AUMAN	151	↑	51
42 RENAULT	44	↓	90
43 BAW	29	↑	27
44 GRAND TIGER	20	↓	51
45 HICOM PERKASA	16	↓	129
46 YUTONG	16	↑	0
47 MAHINDRA	9	↑	1
48 CHANGAN	0	↓	100
<b>TOTAL</b>	<b>655,793</b>	<b>↑</b>	<b>627,753</b>

Figure 4.0 – Brand Volumes and Positions for 2012 and 2013-

(Source: Matrade 2014)

The global popularity of the European New Car Assessment Programme (Euro NCAP) has brought an unprecedented awareness towards safety, and the Malaysian Institute of Road Safety has commendably spearheaded efforts to setup an equivalent ASEAN NCAP to cater for regional needs and thus further raising customer awareness. To make their cars more sellable, manufacturers in the competitive market are motivated to design safer vehicles that perform better in these tests, which become increasingly stringent year after year. Previously restriction was only to evaluate a vehicle's performance in a crash test, but the NCAP now adds pre-requisites features to be included such as electronic stability control and autonomous braking as standard fit in a vehicle for it to receive for a five-star rating.

Besides making their cars safer, manufacturers are also required to make their cars cleaner with some countries, especially European nations, taxing their vehicles based on carbon emissions. In these markets, vehicles that fail to meet a certain baseline emission ratings are denied entry altogether. Car makers have responded to the challenge with new generations of highly-efficient engines that convincingly meet Europe's most stringent emissions, but in Malaysia, some engines face compatibility problems with high-sulphur fuel, and the result is that the said engines need to be re-tuned to lower emission standards or be omitted from Malaysia altogether.

With the current population of 7.2 million people or more than a fifth of Malaysia's total population and total forecasting 670,000 units in 2014, 684,000 units in 2015, 699,1000 units in 2016, 715,200 units in 2017 and finally 732,400 units in 2018 by the Malaysian Automotive Association, our primary market focus in Setiawangsa is considered one of the fastest growing metropolitan city in the region. With our target location mentioned above, retail customers would be suitable to be penetrated as the centralization of the proposed location within the surrounding areas. This is supported with the overall ease of doing business in the Klang Valley, which it has been consistently ranked as among the best in the world (12th, World Bank's Ease of Doing Business Report 2012). According to the recent report produced by the government, Kuala Lumpur has lofty ambitions the Greater Kuala Lumpur/Klang Valley's National Key Economic Area (NKEA) goals are to be both



in the top 20 most liveable cities list (EIU's Liveability Index Survey) and the top 20 in the world for economic growth (The Star, June 2013).

Hak Milik MARA

## Chapter 4

### BUSINESS DESCRIPTION

#### 5.1 Business Information

MyCar Dr Services and Accessories is a one stop centre for scheduled or regular car maintenance and services centre. The workshop aims to focus on regular or scheduled car maintenance and services solutions for specific type of cars. Our focus rely on our business function in which to provide fast and reliable regular or scheduled car maintenance and services to our potential target market. The business conception of MyCar Dr Services and Accessories is representing the current retail needs, reflecting a strong passion for bygone basic car services and maintenance while still keeps the advanced technology to the retail community. The services will be offering basic necessity of Malaysian retail market through our fast and reliable car maintenance and services maintenance with touches of modern and advance technology. All in all, MyCar Dr Services and Accessories will cover basic and advanced scheduled car maintenance and services which are timeless and elegant. The revenue derives from the entire business is divided into two parts; services provided to the customers, 70% of cumulative profit and mark-up price of the products, 30% of cumulative profit. MyCar Dr Services and Accessories plans to become an authorized dealers for certain products to leverage on the prices to be charged to the customers. By doing so, MyCar Dr Services and Accessories may enable to have better margins for the cumulative revenue.



## 5.2 Vision

To be the preferred one stop scheduled car maintenance and services centre by 2020. Our professional service is to satisfy all our customers needs, assist them in providing the best scheduled maintenance and services needs. Our vision is to provide innovative and modern processes of scheduled maintenance and services via internal and external engagement in sustainable practices to anticipate the needs of our customers.

## 5.3 Mission

The mission of MyCar Dr Services & Accessories is dedicated to offer fast, reliable and friendly scheduled car maintenance and services to our customers in Setiawangsa and Keramat at affordable prices. MyCar Dr Services & Accessories believes in developing our employees as our most valuable assets and committed to assist the best possible services to the community. We are committed to conserve costs in order to ensure sustainable profits.

## 5.4 Business Philosophy

MyCar Dr Services and Accessories understands that business values and philosophy will become the key driver in sustaining and improving the business. Therefore, MyCar Dr Services and Accessories will hold decisively on the mix business values listed below:

### **Honesty, Trust and Respect**

MyCar Dr Services and Accessories will create a working culture of honesty, trust and respect. Every employee will be taught and trained to be honest in every aspect. Customer is respected as customer is always right. Even when

customer needs to be explained on the situation of the car; it is done with full professionalism. This practise will earn customers' trust.

#### **Achievement, Contribution and Performance**

MyCar Dr Services and Accessories values and appreciates employees' contributions. The point system will be used to reward high performance, contribution and integrity of each employee. Through this system every employee will be motivated to perform their best.

#### **Dynamic Teamwork**

MyCar Dr Services and Accessories will collaborate effectively to have more efficient and creative ways to serve our customers. Teamwork is nurtured through working group specialisation and inculcate the value that everyone is equally important. Thus, will provide a specialisation field to our employees.

#### **Uncompromising Internal and External Integrity**

MyCar Dr Services and Accessories practices honesty and integrity as our working culture whereby all work done is explained and agreed by customer in writing.

#### **Fast and Reliable Services**

MyCar Dr Services and Accessories will ensure our service is fast and reliable. As for the car services during peak hours, we are fully complied with the existing and additional capabilities through the employment of part-time professional technicians. Through a comprehensive plan, we will provide 'pick' and 'deliver' car services to our busy customers.

### **5.5 Business Objectives**

MyCar Dr Services and Accessories aims to be provide fast and reliable scheduled car maintenance and services through accommodating customer's needs.



This is supported by our exclusive MyCar Client Sphere Service Application. In order to do so, MyCar Dr Services and Accessories holds the primary objectives listed below:

### **Customer Loyalty**

MyCar Dr Services and Accessories strives to earn customer's respect and loyalty through high quality services, business and economic value. To gain customers loyalty and to achieve high quality service we will fulfill customers satisfaction such as by provide short waiting time, comfortable waiting lounge and clean car service centre which comply 5S. With these attractions more customers will come for car services at the centre. So when there is high in demand the centre has to create more jobs and hire more people thus help our economic to growth.

### **Financial**

MyCar Dr Services and Accessories aims to achieve a constant 30% profit to finance the growth value of the business internally and externally which means ROI is about 30%. This profit we get from car services charges and sales of products and accessories. This revenue is monitored through our comprehensive targeted customers for month and additional product mark-up for each product to be sold during the services.

### **Learning and Growth**

MyCar Dr Services and Accessories seizes business opportunity for business growth via a comprehensive business marketing, internal business strength in providing fast and reliable scheduled car maintenance and services and through our business competitive edges. For learning and growth, we are committed to send our employees for training to enhance their skills and also to gain new knowledge about new car technology such as 'hybrid' technology.

## 5.6 Business Model Canvas

The Business Model generation is the assessment of new product or service produced by any business or organization to be delivered to the potential customers. The business model generation consists of nine components which it shows the logic of how our business intends to make profit out of the services. Therefore, the Figure 5.0 consists of the nine components which relate to our MyCar Dr Services and Accessories Business Model Canvas.








<b>Key Partners</b>  <ol style="list-style-type: none"> <li>1) Genuine Automotive Products Suppliers</li> <li>2) RS &amp; RO (Accounting Firm)</li> <li>3) Messrs Syeliza &amp; Partners</li> <li>4) Holistics Consultant Sdn Bhd</li> </ol>	<b>Key Activities</b>  <ol style="list-style-type: none"> <li>1) General Scheduled Car Maintenance</li> <li>2) General Car Maintenance &amp; Repairs</li> </ol>	<b>Value Propositions</b>  <p>Seamless car maintenance and services experience:</p> <ol style="list-style-type: none"> <li>1) Fast and quick car maintenance and services</li> <li>2) High quality car maintenance and services products</li> <li>3) High technology car maintenance and services equipments</li> <li>4) Attractive pricing</li> <li>5) Value more money car maintenance and services</li> </ol>	<b>Customer Relationships</b>  <ol style="list-style-type: none"> <li>1) Business-2-Consumers</li> <li>2) MyCar Client Sphere Service Application</li> </ol>	<b>Customer Segments</b>  <ol style="list-style-type: none"> <li>1) Retail &amp; Commercial Consumers               <ul style="list-style-type: none"> <li>- Malaysian &amp; Japanese Cars</li> <li>- Continental Cars</li> <li>- Korean Cars</li> </ul> </li> </ol>
<b>Cost Structure</b>  <ol style="list-style-type: none"> <li>1) Workshop Development</li> <li>2) Software Development</li> <li>3) Marketing Cost</li> <li>4) Human Resource Cost</li> </ol>		<b>Revenue Streams</b>  <ol style="list-style-type: none"> <li>1) Car Maintenance and Services Fees</li> <li>2) Product Mark-up Profits</li> </ol>		

Figure 5.0 – MyCar Dr Services and Accessories Business Model Canvas

### 5.6.1 Customer Segment

MyCar Dr Services and Accessories customer segmentation is divided into two groups. We would like to focus on retail customers. This customer segmentation is further divided into sub-category: Malaysian and Japanese cars owners, Korean and Continental cars owners. For our first phase, the MyCar Dr Services and Accessories is focusing on Malaysian and Japanese cars owners. In the second



business development, our services are expanding to have broader customer segment; Korean and Continental cars owners.

### **5.6.2 Value Propositions**

Our value propositions of the business are through our fast and reliable business tagline in which MyCar Dr Services and Accessories plans to provide 45 minutes scheduled car and maintenance services to our customers. This is supported through our support application: MyCar Client Sphere Service Application that will enhance the services to be provided to the potential customers.

### **5.6.3 Channel**

MyCar Dr Services and Accessories primary channels is have a direct relationship with the existing customers. This is to be done through our relationship management in which customers will get certain discount should they bring more new customers to us. Besides, MyCar Dr Services and Accessories may send flyers to several government linked companies in Klang Valley to gain wider exposure of new customers. When it comes to suppliers and product providers, our business will promote those products that will provide a specific warranty to the clients. This should be our strategy to reward and retain high quality products to be sold to the potential customers. The long term relationship between the company and supplier bound within the agreement.

### **5.6.4 Customer Relationship**

Our business concept has identified type of relationship that we want to establish between potential customers and us. The first strategy is through our professionalism in providing fast and reliable scheduled car maintenance and services. The transparent ambiance our the workshop is the key factor in providing a reliable services. The first 100 customer of the business shall enjoy up to 20% discount. Repeatable customers may redeem a free service after 10 consecutive services with us. Our next strategy in retaining the existing customers is through

MyCar Client Sphere Service Application in which a reminder shall be sent to remind the next service of the car.

#### **5.6.5 Revenue Stream**

In identifying the income stream to be generated from MyCar Dr Services and Accessories, the business will focus on generating full fledged income from the car services charges (70%) and sales of products and accessories (30%). This is done via charging reasonable prices to the current and potential customers where the price is competitive with other workshops. The advertising slot is a part of our strategic alliance of business collaboration with automotive suppliers which it will be part of MyCar Client Sphere income generation.

#### **5.6.6 Key Resource**

The key resources evaluation allows us to create and offer our distinctive value propositions, to reach markets and to maintain our strong relationship with the potential target market. For our services, the primary key resources of the business are financial guarantee, human capital and intellectual. Financial guarantee we get from MARA while for the expert and technicians we employ graduates from Institute Kemahiran MARA. These are the main resources to develop the entire workshop, to provide the services to the potential customers; to minimize defect and error, and to monitor the overall car services and maintenance. Funds shall be a combination of capital investment of project owner of the business and financing from the investor or from the financial institutions. Details of key resources will be elaborated in the next chapter (Chapter 7).



### 5.6.7 Key Activities

Key activities include our business actions to operate the car services and maintenance successfully. The primary key activities of MyCar Dr Services and Accessories begin from the renovation of the workshop, development of the software and maintaining the operation of the workshop. These include designing, renovating and installing physical equipments and MyCar Client Sphere Service Application. There are also additional key activities which relate to ad-hoc problem solving during the operation of the business. We will also have some network and platform activities for the method payments to be made. For MyCar Dr Services and Accessories, we will have additional platform to leverage on; credit card and debit card transaction platform for customers and banks. This relates to our platform management, service provisioning and promotion.

### 5.6.8 Key Partnership

In order to deliver the best car services and maintenance to the potential customers, MyCar Dr Services and Accessories will collaborate with several organizations to embark with proper plan to deliver the best output of the services. This is important especially when it comes to designing, renovating and installing the workshop equipments and the development of MyCar Client Sphere Service Application. We will also utilize the third party resource allocation for accounting and legal matters to reduce costs, risks in competitive environment which characterized by uncertainty. To have a proper cost structure for the business, MyCar Dr Services and Accessories will buy parts in bulk, to get the supplier price which is less 30% than the market price. This will enhance our capability to have a bigger profit margin. The details of the key partnership is described in the next chapter (Chapter 7).

### 5.6.9 Cost Structure

All pre and post activities of MyCar Dr Services and Accessories involve costs. Our business model is classified as cost-driven structures. This is due to our activities which it is minimizing costs wherever is possible through extensive outsourcing and maximum automation. This is included the fixed cost and variable costs of the entire business. To kick off with the business, the company will charge additional 30% of the total price to the clients. This is based on the pricing survey that we completed with other competitors in Setiawangsa.

Hak Milik MARA



## Chapter 5

### SERVICE DESCRIPTION

#### 6.1 Introduction of MyCar Dr Services and Accessories

To embark with the proposed model of MyCar Dr Services and Accessories, the company is decided to rent two shoplots. Both of the ground floors will have the conventional workshop layout which it can fit approximately four car hydrolic lifters, one waiting area and car accessories area. The proposed design of the workshop will be designed internally and it will be developed by our appointed vendor. The estimated cost of the entire development is RM150,000. The equipment to be used will be high quality equipments which each of the equipment has high security features and it will provide user friendly features to the our technicians. The concept of our MyCar Dr Services and Accessories is to reduce operational costs with low maintenance required.

In order to provide fast and high value experience, MyCar Dr Services and Accessories would consider the deployment of the workshop requires a comprehensive planning and consideration, which are the key questions before beginning a project. In addition to equipment functionality, deployment team of our vendor will also consider concepts such as customer experience and branding goals. We strongly believe that the emotional power of our MyCar Dr Services and Accessories design and customer's feel is the stronger influence in which it plays a smaller role in retaining potential customers.

MyCar Dr Services and Accessories will provide a comprehensive scheduled car services and maintenance for retail customers. We service customers who are looking for a one-stop solution for fast and high value customer experience. We provide with an overall cost savings through our "value-add" strategy of job specific solution sales structures. Our solutions focus our only expertise in providing fast and reliable scheduled car maintenance; the time frame for the car services and maintenance and the overall scope of work. To be more specific, our services through our one stop centre are dedicated to meeting customer's goal in the most intelligent, cost-effective ways possible. Table 1.0 shows MyCar Dr Services and Accessories' primary service and table 2.0 shows type of car to be serviced at MyCar Dr Services and Accessories:

Table 1.0 – MyCar Dr Services and Accessories Capabilities

Item	Type of Service
1	45 minutes regular scheduled car maintenance and services

Table 2.0 – Type of Car to be serviced at MyCar Dr Services and Accessories

Item	Type of Service	Type of Car	Phase
1	Malaysian	- Proton - Perodua - Inokom	Phase 1
2	Japanese	- Honda - Toyota - Nissan - Mazda - Daihatsu - Mitsubishi - Suzuki	Phase 1
3	Korean	- Kia - Hyundai - Ssangyong	Phase 2
4	Continental	- Mercedes Benz - BMW - Audi - Volvo - Volkswagen - Ford - Mini - Peugeot - Citroen	Phase 2



Whilst due to modern and high technology definition within the automotive environment, the MyCar Client Sphere Service Application will be created to support the whole idea of MyCar Dr Services and Accessories business concept and available on a range of popular smartphones and tablets, as listed in table 3.0. It is also available for customers to utilize the service application through our website. The consideration of developing the service application is mainly due to high user on those specific devices and tablets as well as to provide high value customer relationship experience. This is an advantage for the company to reach to our potential customers and deliver the business value efficiently.

Table 3.0 – MyCar Client Sphere Service Application Supported Devices

Item	Device Category
1	Any desktop running Windows 7 or later, iOS 5.0 or later
2	Blackberry smartphone running OS 4.5 or later
3	iPhone 3G or newer running iOS 4.2 or later
4	iPad and iPod touch (second generation) devices running iOS 2.1, 2.2 and 2.3 or later
5	Android devices running version 2.2 or newer

## 6.2 Primary Considerations in Developing MyCar Dr Services and Accessories

Based on our research, the entire car services and maintenance development typically takes at least six months, from designing, renovating, integrating and implementating. To maximize value of the timeframe, MyCar Dr Services and Accessories will work together with appointed vendors to do all the necessary requirements. Prior to developing the full concept of MyCar Dr Services and Accessories, our team will divide the whole development into three phases, as listed below:

- Phase one: Workshop design, renovation development
- Phase two: Collaboration in installing equipments, including component selection and software development
- Phase three: Workshop operational requirement, regular software and hardware maintenance and support

The installation and integration of MyCar Dr Services and Accessories is necessarily involving in-house personnel and outside firms to integrate the initial requirement of our service. Our MyCar Client Sphere Service Application plays a huge role in determining the success of our entire service beside than having fast and high value car services. The reliability of end result from our business should be the guiding factor for us to evaluate and specify the equipments of MyCar Dr Services and Accessories. They are many technology variations and product options for us to utilize and adopt such as expected lifespan, sensitivity, reliability, power requirement, cracking and scratching resistance and lighting conditions.

To maintain our services, there is another operational issue to be considered; it is the routine management. It is an unavoidable: inventory should the priority, supply chain of the required automotive products should be aligned with the current demand and others. By having so, we are required to have careful considerations of countless details and decisions, and frequently involve working with specialized automotive solution providers. Our MyCar Dr Services and Accessories project could be challenging, but we strongly believe that based on our third party expertise



will enable us to succeed in developing the best car services which it will enable us to transfer our value propositions to the potential target customers. We have prepared ourselves to enhance and improve customer satisfaction, higher sales and lower costs.

### 6.3 MyCar Dr Services and Accessories Business Nature

Our business nature is based on the concept of business-to-customer (B2C). Our service is targeted to be sold to specific target retail customers within Klang Valley. MyCar Dr Services and Accessories will be operated by using an integrated online system transaction and conventional sales system. Figure 6.0 shows the operating model of MyCar Dr Services and Accessories.



Figure 6.0 – Operating model of MyCar Dr Services and Accessories

## **6.4 MyCar Dr Services and Accessories Competitive Edge**

### **6.4.1 MyCar Client Sphere Service Application**

The MyCar Client Sphere Service Application is a downloadable application to complement our primary car services to the customers. The application is the first and the only online and portable customer and vehicle information in Malaysia which it can be downloaded through MyCar Dr Services and Accessories' website. Potential customers will get the details information related to their car facts and figures related to the maintenance requirement. The application is designed to provide fast and quick informative facts about their regular maintenance requirement, parts that have been changed and need to be changed and other necessary information to the customers.

### **6.4.2 Fast and High Value Services (45 minutes service guaranteed)**

MyCar Dr Services and Accessories helps customers to receive more value by providing fast and high value customer experience. The designated and proposed location is aiming to provide easy access to the customers. The capability and ability of our business to deliver a comprehensive and fast. This will create a non-financial value to the potential customers as they will be able to focus their daily task and outsource the car services and maintenance needs to MyCar Dr Services and Accessories. Besides, customers will save more time in getting the best car services and maintenance needs within a specific time frame with our specific time frame for a general scheduled maintenance service is to be completed within 45 minutes.



### **6.4.3 High Quality Automotive Product Selection**

MyCar Dr Services and Accessories is fully committed in providing the best services to fulfill our customer's needs. All facilities and automotive products used for our car are classified within high commercial quality and follow the international standard. This includes materials, machineries and the end results to be delivered to our potential customers. On the other hand, MyCar Dr Services and Accessories will ensure that every customer will receive the same high quality treatments from the inception to the end stage of the service, in which our services goal are clear; to get the job done right the first time and on time. Material considerations are very important. The customer will not be oversold on fancy or imitate products.

### **6.4.4 Competitive Pricing**

MyCar Dr Services and Accessories will charge a reasonable and attractive pricing for our services to the potential customers. Our benchmarking process is thorough our survey that other competitors are charging in providing regular scheduled car maintenance and services to the customers. Our pricing will be attractive based on the package that the potential customers will subscribe from our service centre. Therefore, the customers will enjoy competitive prices as compared to the competitors. This will also create the awareness of the business. Loyalty customer will also enjoy certain percentage of discount.

## Chapter 6

### BUSINESS OPERATION

#### 7.1 MyCar Dr Services and Accessories Proposed Location

MyCar Dr Services and Accessories will be operating at Setiawangsa. Figure 7.0 shows the location of Setiawangsa, it is one of the prominent towns in Kuala Lumpur and it is considered as fast and fully developed township. Besides, Setiawangsa offers a quick access to all major highways and roads which it enables potential customers to have quick and fast access to our workshop. MyCar Dr Services and Accessories also plans to utilize the proposed location as the main office in which it will serve as a place to run the business administration stuffs, marketing and promotion, operational works, and system maintenance.

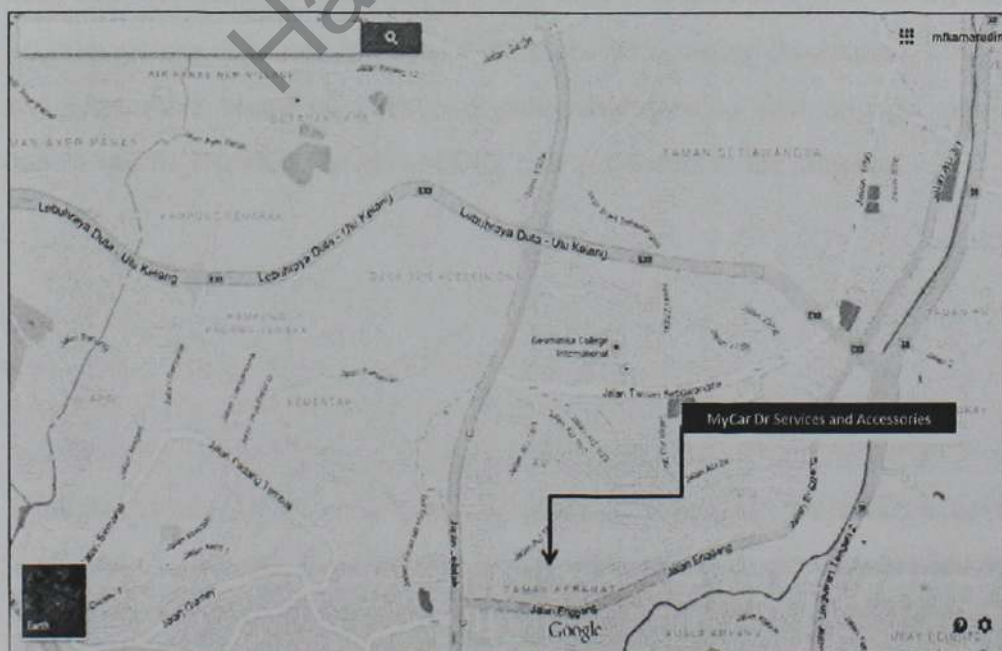


Figure 7.0 – Map of Setiawangsa, Kuala Lumpur



The shop lot will be leased directly from the landlord, Anjung Hijau Properties Sdn. Bhd. With more than one thousand square feet, the office will enable the management team to conduct daily and operational works efficiently. The details of designated location are as per table 4.0:

Table 4.0 – Details of Main Office of MyCar Dr Services and Accessories Creative Resources

Description	Details
Registered Address	6-1 and 7-1, Jalan Setiawangsa 9 68100 Setiawangsa, Kuala Lumpur
Owner	Anjung Hijau Properties Sdn Bhd
Monthly Rental	RM 5000
Tenancy	1 year

It is indeed a fact that the golden triangle of Klang Valley creates a solid statement of being the most excellent location to pull our targeted retails crowd, however, MyCar Dr Services and Accessories anticipates the potential designated location; Setiawangsa will fulfil the promising customers to establish our MyCar Dr Services and Accessories. The company will look into the concept of crowd casting; it is an intersection of broadcasting as well as crowd sourcing (Mohamed, 2011). The process exploits a blend of push and pulls strategies to first engage our target customers and tie together the network for new prospects in the long run.

## 7.2 The Company and Management Team

As a new start-up business segment of MyCar Dr Services and Accessories will appoint new management team to run the business. The new business segment will also require additional human capital resources to drive the daily operation services. With professional and talented team, MyCar Dr Services and Accessories will step out in being an exclusive brand promising exceptional successes in all business ventures. Figure 8.0 displays the organization chart of MyCar Dr Services and Accessories

MyCar Dr Services and Accessories will be handled by strong and passionate team, as below:

### 1. Salmah binti Hassan

#### *Principal*

Equipped with extensive business development and consultancy background working experience, Puan Salmah has an extensive business development experience for Majlis Amanah Rakyat MARA for the past 30 years. With strong determination and passion in doing business, Puan Salmah through her past and current study in master level as well as professional accolade, knows what it takes to move about a small medium enterprise to the next level.

### 2. Abu bin Hassan

#### *Managing Partner (Operation and Finance)*

Abu Hassan has an excellent working exposure in the operation management with background education in Operational Management which he is to be appeared as enchanting to the new venture of My Car Dr Services and Accessories in the car and maintenance business in the aspect of business operations and business finance. Huge involvement of



him in the business venture seems to be a precious vehicle to play a prominent role in the team.

### 3. Operational Team (Professional Technicians and Receptionist)

The operational team is responsible to handle customer's request both through face-to-face interaction (car services and maintenance) with the potential customers. The team is created to ensure that the business will run as expected with minimal cost intervention, MyCar Dr Services and Accessories will hire some experienced and fresh diploma graduates with automotive and mechanical engineering background. MyCar Dr Services and Accessories will also employ three additional employees to run the daily administrative tasks to ensure that the workshop is running as per the expectation. They will provide daily supporting task such as inventory, system maintenance and administrative assignments.

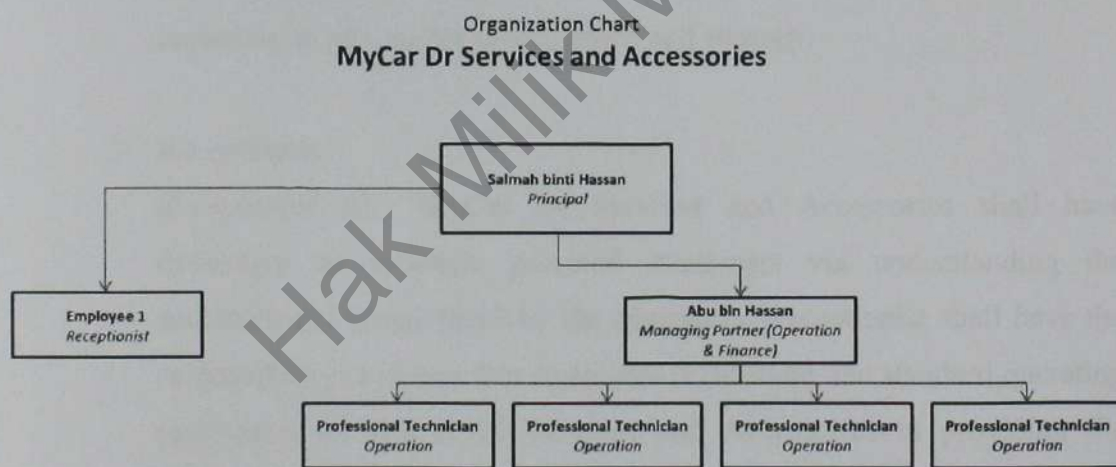


Figure 8.0 – Organization Chart of MyCar Dr Services and Accessories

#### 7.2.1 Job Description and Duties

##### 1. Principal

The principal of MyCar Dr Services and Accessories acts as the managing partner of the entire business. Principal will ensure day-to-day business activities of the workshop, developing marketing relationships

with existing and potential customers. On an engagement, Principal of MyCar Dr Services and Accessories would be responsible for a variety of tasks including: recognising core problems, identifying and prioritising opportunities, developing more conducive strategy to sustain and enable to compete with the competitors. Principal of the business may also act as a receptionist should there is a need in doing so.

## 2. Managing Partner

To ensure the entire business meet the overall target financially, the managing partner's primary duty shall focus on the operation of the workshop. Operationally, Managing Partner must ensure that products and services provided to the potential customers meet the standard operating procedures of the business which include to reduce product and service defect entirely. Managing Partner must also responsible in ensuring the monthly, quarterly and yearly financial target will be met according to the current performance and strategy.

## 3. Receptionist

Receptionist of MyCar Dr Services and Accessories shall have dedication to entertain potential customers via understanding the problems and issues faced by the customers. Receptionist shall have the responsibility to ensure that customers understand the standard operating procedures of MyCar Dr Services and Accessories in providing the services to the customers. Receptionist should responsible to transfer the task ownership to the right and appointed technicians to inspect and implement the required services.

## 4. Professional Technician

Professional technician of the company must follow the original standard operation procedure by inspecting and testing vehicles; completing preventive maintenance such as, engine tune-ups, oil changes, tire rotation and changes, wheel balancing, replacing filters. Besides, professional technicians should maintains car functional condition by



understanding reports and complaints generated by the receptionist; conducting inspections; repairing engine failures; repairing mechanical and electrical systems malfunctions; replacing parts and components; repairing body damage. Professional technicians should comply with the Malaysian vehicle requirements by testing engine, safety, and combustion control standards. Finally, professional technicians of MyCar Dr Services and Accessories should have the responsibility to update job knowledge by participating in educational opportunities; reading technical publications provided by the company and accomplishes maintenance and organisation mission by completing related results as needed.

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### 7.3 MyCar Dr Services and Accessories Business Partners

Businesses will not succeed without their key partners. By having a well-established vendor partnership MyCar Dr Services and Accessories strongly believe that the business will have the ability to accommodate any car services job size with solutions tailored to the specific needs. Besides, it will also reduce costs by aggregating and allocating among the various sources. MyCar Dr Services and Accessories is constantly seeking strategic business partnerships to improve our competitive edge and complement the overall business growth.

#### 7.3.1 Automotive Product Supplier

MyCar Dr Services and Accessories will have to bind the partnership with the selected automotive supplier to enable to provide the best solutions to the potential customers. Our automotive suppliers vary according to the type of cars to be serviced at our workshop. We will bind a partnership agreement and provide additional promotion to those supplier that promote our services to existing customers. Table 5.0 below lists the details of our identified automotive product suppliers.

Table 5.0 – Details of Automotive Product Supplier

Organization's Name	Details	Contract Duration
Soon Fat Motor Sdn Bhd	No. 10, Jalan Bersatu 13/4 46200 Petaling Jaya Selangor Darul Ehsan Telephone Number: +603 7882 2888 Fax: +603 7801 6934	Leasing (Contract is based on actual product lease)
Megatech Supplies Sdn Bhd	Infinite Centre Lot 1, Jalan 13/6, 46200 Petaling Jaya Selangor Darul Ehsan Telephone Number:	Leasing (Contract is based on actual product lease)



	+603-7801 2611 Fax: +603-7954 8316	
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### 7.3.2 Accounting and Financial Advisor

MyCar Dr Services and Accessories will utilize RS and Co. (Accounting and Financial Firm) to provide accounting and financial advices. Since that, the company is not based on private limited company, the appointment of our Accounting and Financial Advisor is solely based on the time to time business needs. The company will cover up certain accounting and financial services which include cash flow statement, balance sheet, income statement and financial ratio. The appointed Accounting and Financial Advisor for MyCar Dr Services and Accessories is listed in the table 6.0 below:

Table 6.0 – Details of Accounting and Financial Advisor

Organization's Name	Details	Contract Duration
RS and Co. (Accounting and Financial Advisor Firm)	47-1A, Jalan Bandar Rawang 1, 48000 Rawang, Selangor.  Telephone Number: +603 6092 6379	One year (Contract is based on yearly basis)

### 7.3.3 Legal Associate

To synchronize with other businesses of MyCar Dr Services and Accessories, Messr Syeliza and Partners will be used for our business segment. Legal Adviser furnishes advice on all legal issues, domestic and international, arising in the course of MyCar Dr Services and Accessories work. This includes assisting us in understanding principals and policy in having partnership with our local vendors. The appointed Legal Associate for MyCar Dr Services and Accessories in the table 7.0 below:

Table 7.0 – Details of Legal Associate

Organization's Name	Details	Contract Duration
Messr Syeliza and Partners	48C, Jalan Mamanda 9 Ampang Point 68000 Ampang, Selangor Telephone Number: +603 4253 1900 Fax: +603 4253 3900 Email: admin@syeliza.com	One year contract (Contract is based on yearly basis)



### 7.3.4 MyCar Client Sphere Service Application Developer

MyCar Dr Services and Accessories will be approaching a local web developer to create the application. The company is will be responsible to develop MyCar Client Sphere Service Application and MyCar Dr Services and Accessories website. They will also responsible to provide IT advisory services for our long term business growth. Therefore, MyCar Dr Services and Accessories will have a partnership with the following company, as listed in table 8.0:

Table 8.0 – Details of MyCar Client Sphere Service Application Developer

Organization's Name	Details	Contract Duration
Holistic Consultant Sdn. Bhd.	No. 2-1, Jalan Ara SD 7/3B Bandar Sri Damansara 52200 Kuala Lumpur Malaysia  Telephone Number: +603 6280 2004 Fax: +603 6280 4009 Email: enquiry@holistic- it.com	Two year contract

## Chapter 7

### MYCAR DR SERVICES AND ACCESSORIES HUMAN RESOURCE MANAGEMENT

#### 8.1 Human Resource Management at MyCar Dr Services and Accessories

In order to deliver the best quality in our services to our potential customers, the team will be divided into several layers to justify the human capital need and business development. The management team will be paid according to the market rate and this is important to ensure that business is sustained for the next couple of years and expand as per plan. Table 9.0 shows the total salary for the management team and stakeholders. Additionally, the company will employ additional part time professional technician with wage of RM50 per hour to cater extra demand from the customer during peak hours. This is to ensure that we will able to deliver the fast and quality services to the customers.

Table 9.0 – Management and Operation Team Salary

#	Name	Position	Salary/Wage (RM)
1	Salmah binti Hassan	Principal	3000.00
2	Abu bin Hassan	Managing Partner	2000.00
3	Employee	Receptionist 1	900.00
4	Employee	Professional Technician	1500.00
5	Employee	Professional Technician	1500.00
6	Employee	Professional Technician	1500.00
7	Employee	Professional Technician	1500.00



## 8.2 Human Capital Development at MyCar Dr Services and Accessories

As a new segment of the industry, MyCar Dr Services and Accessories believes in developing and retaining current and future employees. Employees are the greatest asset of the company whom they are the primary runner of the whole business. The talent is highly needed to ensure that the business is run smoothly to meet the customer's expectation. They will also help and assist the business growth for our future plan. As defined by the Oxford dictionary talent is an "aptitude" or a "skill" possessed a person in displaying and presenting his or herself (Oxford Dictionary, 2013). Talent comes from the people of which they are important asset and will literally create leaders and able to contribute towards the success of certain organization they belong to. Talent is classified into several layers in the company as described by Dave Ulrich and Norm Smallwood. The definition of human capital is broad and Walter Martinez of Deloitte mentioned that human capital is a treasure that a company has available with respect to the qualifications of the personnel that works in the company.

Human capital is further defined as a collective of attributes; life experience, knowledge, inventiveness, energy, and enthusiasm that organization's stakeholders choose to invest in their work (Leslie A. Weatherly, 2003). Human capital consists of valuable talent's skill set and economic value in which the equality of labour may vary and employee investment may increase the quality of human capital (Investopedia, 2013). As Theodore Schultz in the early years of human capital introduction mentioned that human capital reflects the capacities produce by education, training, development that will lead to the quality improvement and production increment of an organization.

Talent and human capital need some robust and variety changes in terms of their role characterization and actual outcomes. The innovative car services business environment has core impacts on how talent and human capital desire to show the result and the business operation on long term business growth or sustainability and development. A serious maneuver from the status quo is needed to cater the innovative business landscape. These aspects include talent development and human capital effectiveness. As such it is critical that human capital and talent strategic



business guideline become conversant to the multiple effect of the innovative business world

Our business conservative job description of a talent shall be altered to the current scenario within the innovative automotive dominion. This is due to the “after effect” of services world that simultaneously, which will shrinkage the overall performance and market dominance of our business in the long run. A proper job description and perhaps accountability that fit multi-talented talent; who is not focusing on a single talent and comprehensive human capital on a specific area should be invented so. By doing so, our talent and human capital shall be able to regenerate the energy level in bargaining the power internally and externally to defend MyCar Dr Services and Accessories from any market disruption.

Therefore, MyCar Dr Services and Accessories will embark with the Talent Management in which it shows that there are several practical evolvments of Talent Management processes. Talent and human resource are the business components that are closely related to the movements and fluctuations of the business landscape. It was started with the Personnel Department back in 1970s and 1980s which the primary focus was on hiring, paying and providing employees benefits, the system advances to Strategic Human Resources in the late 1980s and early 1990s. Here, majority of business organization appreciated the human resource function was predominantly important and strategy has emerged into the human resource’s components. The role was broadening to providing recruitment process, training employees and designing job description and organization structure.

The era of “Talent Management” has emerged and appeared in majority of the big companies where the process of incorporating several important business issues in the human resource core functions is becoming a prerequisite of talent management function. Josh Bersin in his article clearly stated the following core questions to be assessed in the Talent Management, as per below:

- Effective recruitment competency based process
- Business culture, values and sustainable leaders in the managerial development process
- Identification competency process and hiring process



- Consistent and measureable employee management process
- Identification of performers and successors process in the organization and comprehensive learning course

(Josh Bersin, 2006)

In the context of business without boundaries and globalizations as well as innovative business environment, talent management has becoming more prominent in the eye of the top management of big corporations and new start-up business like MyCar Dr Services and Accessories and it has predominantly changed the landscape of talent management though. Even though innovative business world is a new strategic movement that is still catching up the attention of many Western Scholars and Researchers, it has changed the feature of talent management; affecting in the context of several external and internal prominent issues in the small medium enterprise. The innovative business world in Malaysia has transformed talent management from a specialized, stand-alone function to a broaden our competency in which talent management builds partnerships to gain our competitive advantage and achieve overall business goals to maintain talent management sustainability.

### **8.2.1 MyCar Dr Services and Accessories Talent Management Shared Services**

The innovative talent management is a conducive platform for the MyCar Dr Services and Accessories to be ready to any extreme attack. In maintaining and sustaining the purpose of talent management, the conventional landscape of talent management in focusing on specific talent creation has changed. Talent creation has to be more consistent in providing solutions and strategies to the business to overcome the attack. One way is through the shared services of talent management. Here, our talent amongst the stakeholders will be designed and crafted by one part of a team which it has the same expertise and proficiency with other team which talent is to be shared in other critical team in the organization. The primary purpose is to share the expertise which later will create a strong and durable talent that will be able to concentrate in generating and producing the best strategy for the organization.

Critical skills will be incorporated into talent skill and training gaps by the management, to ensure that the talent is well-versed with the approach to be taken prior or within the business operation or by the innovative competitors. Besides, it is proved to optimize delivery cost-effective, flexible, and reliable performance of employees.<sup>1</sup> The creation of MyCar Dr Services and Accessories Talent Management Shared Services is targeted to reflect the overall strategy and imitate the differentiated function as well as level of expertise of employees. The talent management shared services is derived from the uncertainty of the innovative movement and is to provide an exceptional business strategy and development plan. It has shifted the focus of existing talent management to ensuring all employees understand what exceptional strategy is, and utilize the combined skills and tools within the organization to deliver the output to the changes that will occur in the future.

### **8.2.2 MyCar Dr Services and Accessories Talent Management Sustainability**

The innovative business environment has changed the perspective of our talent management sustainability which the company will be held accountable for the talent management sustainability, talent management growth and performance. The modern business scenery demands our human resource department together with the management team to have a positive approach on talent and talent management environment. This is supported by the article of the University of Southern California's professor and scientist with regards to the sustainable talent management.<sup>2</sup> Focus should be specified of the talent management sustainability is one of the steps towards organization's ability to perform well against any business disruption; but it has to be a comprehensive approach to managing the key elements of talent management sustainability.

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<sup>1</sup> University of Michigan, Administrative Services Transformation, Website: <http://ast.umich.edu/pdfs/What-is-shared-services-102811.pdf>

<sup>2</sup> University of Southern California, Center for Effective Organizations (CEO), Nine Principles for Sustainable Talent Management, March 2011.



Human resource in the context of our business talent management will set a priority of empowering and solidifying the organization brand in the automotive industry. By doing so, our organization brand can be used as an attraction power to attract a better talent which could cop-up with the disruptive innovation technology. This is considered as a strategic approach to our organization branding and talent management sustainability. Organization brand can be a powerful magnet to pull the best and qualified talent towards organization performance in which it has a literal impact on the business value to be delivered to the potential customers.

### **8.2.3 MyCar Dr Services and Accessories Intense Talent Management Knowledge Culture**

The innovative business world in the automotive industry has impacted the Talent Management Knowledge. Knowledge workers are different because they create more profit than other employees up to three times more and because their work requires minimal oversight (McKinsey Quarterly, 2008). Therefore, stakeholders and employees together with Talent Management team should be aware of those business changes surrounding the business market. The knowledge injected in the creation of talent in the business venture that we are in, will be more comprehensive in terms of full understanding of the business possibilities. Innovative disruption has literally changed the talent identification via innovation eagerness level. In the future, our business human resource may group our talent who are eager to learn and test our new innovations as Group A, average level to learn and test new innovations as Group B, and lastly talents who are resistant or reluctant to new innovations as Group C. Talents in Group A will become a valuable asset to our organization as they can assist talents in Group B and Group C to better understanding benefits of innovations as well as adopting innovations in their daily work life.

Besides, the modern business landscape in Malaysia has modified the present norm of our recruitment in order to manage the future disruptive innovations. In doing so, MyCar Dr Services and Accessories will be engaging the human resource

expert, to lead the organization direction towards innovation. The utilization of expert in providing advance training plans and mentoring systems could become a tool for us to cut cost of conventional talent training as well as launching our organization's brand to a higher level that will be able to pursuit in defending the organization from active competition.

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## Chapter 8

### TARGET CUSTOMER AND COMPETITOR ANALYSIS

#### 9.1 MyCar Dr Services and Accessories Market Size

Automotive maintenance and services business has large and strong market size. The market size is consisting of a variety of customers range from public and private sectors and retails sectors. There are several factors which contribute towards the market size. But what is certain is this; these markets output growth rate will be far higher in the Klang Valley and other major cities in Malaysia. As the retail customers of developed cities by the higher level of education and per capita income growth, the market demand for a fast and reliable will appear in a straight line upward trend. Therefore, by looking at the business opportunity especially in concentrating in high populated and centralized location, MyCar Dr Services and Accesories strongly believe that the business concept would be able to penetrate and sustain in the those specific target location. In the first phase of on boarding MyCar Dr Services and Accesories, our business will focus on customers who are driving Japanese and Malaysian cars, followed by those who are driving Continental and Korean Car in the nest phase of the business development as our primary target market. The business will gradually expand the target market through our strategic marketing program and development.

## 9.2 Market Segmentation

MyCar Dr Services and Accessories market segmentation is divided into two groups with specific type of automobiles and cars. We would like to focus on retail customers who include companies and individuals. For our first phase, MyCar Dr Services and Accessories is focusing on retail as the target customers. In this phase, our business is targeting a specific customer perspective; Japanese and Malaysian car users as mass market. These particular customers are the heart of MyCar Dr Services and Accessories. In the second phase of the business development, MyCar Dr Services and Accessories is focusing to expand our customer segmentation to same type of customers: retail but with different type of automobiles: Continental and Korean car users. Generally, without profitable customers, no company or business may survive in the industry. In order to identify the market and customer segmentation, MyCar Dr Services and Accessories must classify customer segmentation through conscious decision about which segment to penetrate from the business value of MyCar Dr Services and Accessories.

### 9.2.1 Retail Market Segmentation

The business plan is to target retail customers; Japanese, Malaysian, Continental and Korean car users. MyCar Dr Services and Accessories business model is created to aim niche market to cater specific value propositions. As defined by Oxford Dictionary, niche market is defined as "a specialized but profitable corner of the market," (Oxford Dictionary, 2013). Whilst About.com's definition of niche market is a "focused, targetable portion of a market," (About.com, 2013). The value propositions, our services and customer relationship are tailored to the specific requirement of those market. Customers' problem nowadays is to get fast and quick but yet reliable car maintenance and services are not catered and solved by other competitors surrounding the designated location. Therefore, by placing our MyCar Dr Services and Accessories at the designated location within the huge and mass specific target cars, the value proposition of solving those existing issues will be solved.



The primary reason is that these customers usually have the lowest switching costs, and have long-term relationships. Furthermore, MyCar Dr Services and Accessories's ability to route jobs of basic car scheduled maintenance and services, which it has almost ninety percent of services need. Our focus and expertise will be more toward the larger scale. With the equipment and facilities that we have, our ability to handle more effectively and job specifically allows us to offer a much more competitive rate for each individual circumstance.

### 9.3 Target Market Segment Strategy

There is already a sense of segment strategy in the way we define our target markets. MyCar Dr Services and Accessories is choosing to compete in retail segments. And the retail customers who include the following traits:

- Customer who is seeking for fast, reliable and competitive price

Busy individuals have become the norm for many geographies within fast and growing townships. By having MyCar Dr Services and Accessories which emphasize on quick delivery, reliable with competitive price so we give our customer value for money where they can save time and money while they can enjoy the life flexibility.

- Customer who is IT savvy

With our latest and the only MyCar Client Sphere Service Application, potential customers shall enjoy the track records of their cars' services and maintenance. During the services, MyCar Client Sphere Service Application shall provide updated info such time to be completed, products currently used and technician information to ensure that the products and services to be delivered are well expected and reliable. The customer also can make an appointment for car service through MyCar Client Sphere Service Application at our website.

Our strategy revolves around "partnering" with customers. Our goal is to provide an exceptional level of service while saving our customer's money and time.

#### 9.4 Competitor Analysis

MyCar Dr Services and Accessories will be facing several two direct competitors within 5 kilometers radius of the designated location. Based on our survey at the proposed location of MyCar Dr Services and Accessories we have identified two primary and direct competitors. Table 10.0 summarizes the top competitors at our designated locations for phase one business development.

Table 10.0 – Primary Competitors at Designated Location

<b>Business Name and Location</b>	<b>Market Serve</b>	<b>Market Share</b>	<b>Business Strategy and Services Offered to existing customers</b>
KK Car Services and Auto Maintenance Jalan 10, Taman Setiawangsa, 68100 Kuala Lumpur	Retail (Japanese and Malaysian Cars)	40%	<ul style="list-style-type: none"> <li>• General scheduled car maintenance and services</li> <li>• Provides additional services such as transmission overhaul</li> <li>• Normal prices</li> <li>• Predetermined products to be used for maintenance and services</li> </ul>
SATO Car Services and Accessories Jalan 9 Setiawangsa, 68100 Kuala Lumpur	Retail (Japanese and Malaysian Cars)	45%	<ul style="list-style-type: none"> <li>• General scheduled car maintenance and services</li> <li>• Provides car accessories products</li> <li>• Normal prices</li> <li>• Predetermined products to be used for maintenance and services</li> </ul>
Conti Car Services	Retail (Continental)	50%	<ul style="list-style-type: none"> <li>• General scheduled car maintenance and services</li> </ul>



No 56, Jalan Keramat 6, 68100 Kuala Lumpur	Cars)		<ul style="list-style-type: none"> <li>• Normal prices</li> <li>• Predetermined products to be used for maintenance and services</li> <li>• Engine and transmission overhaul</li> </ul>
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Beside than the above information, most of our competitor's sales interaction is the face-to-face transaction where customers have to present at the workshop to get the services. Additionally, their operating hours are limited, in most the cases they do not open their businesses on Sunday. This will limit the accessibility of potential customers to get the services over the weekend.

#### 9.5 Market Entry Barrier and Strategy to Overcome Barrier

Based on our internal analysis, the company has summarized the barriers to entry the market at designated location. The first barrier is to convince the potential customer who are residing within 10 to 20 kilometers radius of our location to get our services. This may drag into several months to get onboard with specific number of targeted customers to run the business optimally. We have to ensure that the location are aligned our strategy, which is high traffic flow and easy access for the target customers. The second barrier of MyCar Dr Services and Accessories is to convince existing competitors' customer to get and shift to our service centre to get the fast and quick as well as reliable automobiles services. This is relatively normal for a new market entry like MyCar Dr Services and Accessories. The third entry barrier is maintaining a healthy degree of competition within the designated area of business and fair access to the target markets that will lead to pricing traction of MyCar Dr Services and Accessories. The natural tendency of competitors in the market is to limit competition in order to raise profits to a maximum is highly possible though.

Based on our analysis and market study, there are several strategies that enable MyCar Dr Services and Accessories to overcome and solve those entry barriers. First of all, in order to convince potential customer who are residing within 10 to 20 kilometers radius, the MyCar Dr Services and Accessories has to represent

as part of the local and community value in providing the best facilities to our target customers. This is an additional advantage where potential retail customers will get as and when the services are required for their cars and automobiles. We will also utilize our competitive edges to serve well to the target markets. By doing so, we are literally assisting the local to have the best car maintenance and service facilities around.

In order to convince our target customers to switch and shift their preference to MyCar Dr Services and Accessories, the company would like to on-board with robust marketing programs to attract them. Our marketing message has to be clear and precise of the business value they will receive by getting the services from MyCar Dr Services and Accessories. Additionally, our fast, quick and reliable solutions that will enable target customers to enhance the daily productivity will be emphasized too. Strategically, our business venture with other companies through strategic, pricing and partnership alliances will provide extra benefits for us to overcome the second market entry barrier.

In maintaining high competitive market level at designated location, MyCar Dr Services and Accessories will ensure that the non-financial values of our services are well transmitted to the potential customers. The intrinsic value that customer will get such as fast, quick and reliable services, quality and responsiveness of our equipments and facilities without any failure. This is one of the ways to remain competitive and reliable as well as to solve the market entry barrier that the business will face in venturing into this business. Moreover, MyCar Client Sphere Service Application together with the marketing programs that we will employ, empower MyCar Dr Services and Accessories to get the full attention from the target customers. Simply, by having full attention the issue of getting and retaining the business in high competitive services market will slowly resolved.



## 9.6 Competitors' Expected Responses

It is clear that by venturing our services at designated location will lead to positive and negative responses from the existing competitors. Those expected response will lead us to have better strategic decision making to provide reliable services and solve customers main problems to the potential target customers. The first expected response from the existing competitors is to improvise the services to overcome the issue of getting fast, quick and reliable car maintenance and services. They might add more job capabilities to be offered to the potential and existing customers at their premises, get extra employees to reduce the turnaround time of each customer and extend the working hours of the business operation.

Nevertheless, competitors will also provide additional free services to retain the existing customers from switching to MyCar Dr Services and Accessories. Competitors may also reduce the price they offer to their customers. This is the easiest and fastest reaction they could implement to retain their customers. In the short run, this type of response would be profitable increase the share of the market share of the existing strategy. However, this may not be the best response in the long run as we strongly believe that our MyCar Dr Services and Accessories will consistently deliver the financial and non-financial value to the target customers.

## Chapter 9

### MYCAR DR SERVICES AND ACCESSORIES MARKETING

#### 10.1 Marketing Strategy

Car maintenance and service business is solely relying on a variety of marketing strategy. The marketing strategy is one of the tools that we strongly believe that will provide an immediate awareness to our potential customers. It is very important for MyCar Dr Services and Accessories to enable to penetrate the customer segmentation professionally and efficiently and hold the relationship for future business. McCarty classified various marketing activities into marketing mix tools of four broad kinds and they are defined as the four Ps of marketing: product, price, place and promotion. (Keller, 2012). To do so, MyCar Dr Services and Accessories would like to use several marketing strategy and tools correlated to the four Ps which they translated into our explanation below.

#### 10.2 Marketing Program

MyCar Dr Services and Accessories marketing program includes advertising and promotional cost. We look into a few considerations which they will give an immediate impact to create the awareness to our potential customers; to reach the market by using our tactics and differentiate MyCar Dr Services and Accessories from competition. By developing the strategy, MyCar Dr Services and Accessories would be able to indirectly identify the target market and customer motives. In doing so, we will be benchmarking the main five pillars as listed below:



- 1) **Mission:** What are MyCar Dr Services and Accessories objectives?

Our priority objective is to create brand awareness to the target market and deliver the knowledge of our MyCar Client Spehre Service Application. This includes features of the MyCar Dr Services and Accessories such as quick, fast and reliable car services and maintenance provider. In addition to the brand awareness and knowledge sharing on the features of the services, our goal is also creating brand preference and liking strategy by using comparative advertising of the surrounding competitors. And finally, the objective of our advertising strategy is to convince target markets of their choice in getting MyCar Dr Services and Accessories services; depicts the satisfaction of the car services which it will convince the market of MyCar Dr Services and Accessories brand superiority.

- 2) **Money:** How much can MyCar Dr Services and Accessories spend and how do we allocate our spending across media types?

The company is considering advertisement as our investment in building our brand equity and customer loyalty in the industry. For the initial advertisement spending, the company would like to allocate RM 32,000 and the amount will be treated as a three year depreciable asset and the company will write off only one fifth of the cost in the first year; reducing its reported profit, even if the effects will persist for the next five years to come. Table 11.0 represents the total marketing budget allocation.

Table 11.0 – Marketing Budget Allocation Plan

Marketing Activity	Budget Allocation Year 1	Budget Allocation Year 2	Budget Allocation Year 3	Total By Marketing Activity
	Total in RM	Total in RM	Total in RM	
Website and other social media <ul style="list-style-type: none"> <li>• development and maintenance of website</li> <li>• introduction and management of email and other social media</li> </ul>	500.00	500.00	500.00	1,500.00
Printing Flyers <ul style="list-style-type: none"> <li>• advertisement in local newspaper</li> <li>• advertisement in students and business chamber magazine</li> <li>• business cards</li> </ul>	3,000.00	5,000.00	5,000.00	13,000.00
Signage (Banners) <ul style="list-style-type: none"> <li>• development and maintenance of signs at facilities and strategic location</li> <li>• development and maintenance of signs on business property</li> </ul>	1,000.00	2,000.00	2,000.00	5,000.00
Direct Marketing <ul style="list-style-type: none"> <li>• Kick-off flyers and</li> </ul>	500.00	500.00	500.00	1,500.00



mail to students' accommodation				
<b>Special Events</b> <ul style="list-style-type: none"> <li>in year one grand opening event and one other event during the year.</li> <li>in year two and three have annual event that is unique MyCar Dr Services and Accessories business and builds community support</li> </ul>	3,000.00	2,000.00	2,000.00	7,000.00
<b>Public Relations</b> <ul style="list-style-type: none"> <li>news releases and stories to local media</li> <li>participation at relevant trade and motorshow shows</li> <li>sponsorship of local sports team or other community organization</li> </ul>	1,500.00	1,500.00	1,500.00	3,000.00
<b>TOTAL</b>	<b>9,500.00</b>	<b>11,500.00</b>	<b>11,500.00</b>	<b>32,500.00</b>

- 3) **Message:** What message should MyCar Dr Services and Accessories send to the target market?

It is clear that our marketing message is related to the advantages of using MyCar Dr Services and Accessories. This is correlated to the issues and problems that the target market are having which getting fast and high value car services at any time they prefer to. It is highly important to give the right marketing message so that the target audience clearly understand the assistance that we shall provide through our services. Even though there are various medium of interaction between us and customers, but our company will emphasize in delivering the message thoroughly. Our marketing message is the ability of MyCar Dr Services and Accessories to assist and solve issues of getting fast and high value car services and the tag line of the business is "We are next to you"

- 4) **Media:** What media should MyCar Dr Services and Accessories use?

By looking at our target market, we have decided to utilize most of the available media type to deliver reach, frequency and impact of our services. This includes target audience media habits, our service features and characteristics, our main message requirements and internal budget allocation. Therefore, below are several important medias that we have decided to use, as below:

#### **MyCar Dr Services and Accessories Website**

In today's "connected" world having a website, the primary information should be delivered through our business's website; [www.mycarservice.com.my](http://www.mycarservice.com.my). It is highly critical for the target audience to reach and get the information anytime and anywhere. The website will contain our basic business information, company information, and software information, promotion, pricing, and type of services to be offering to our potential customers.



### **Printing Flyers**

MyCar Dr Services and Accessories will also create brochures, business cards; make introduction appearance in major automotive local newspaper and magazines. For this approach, we will collaborate with the designated organizations to utilize a small portion of market our services available and deliver the key features messages.

### **Social Media**

Facebook and twitter is another online marketing channel that MyCar Dr Services and Accessories will consider in reaching out our potential customers. It will have a huge impact on the individuals.

### **Signage**

Our business signage will be placed at the operational facility of the business. Besides, we will also make three more signage or banners to be placed at several local advertising placements to create the awareness within designated area, which is considered to be high volume traffic. This signage will create the awareness of MyCar Dr Services and Accessories existence in the targeted location.

### **Direct Marketing**

MyCar Dr Services and Accessories will also focus on direct marketing through start-up and regular mail and email. For the mailing strategy, we will send flyers about our business, while for emailing strategy; the database will be collected via survey from the organization that we will to pursue a month before the business is opened. Direct marketing is a form of relationship marketing as we are focusing to deliver the message on known and targeted customers, not the broader public. MyCar Dr Services and Accessories will also send an introduction letter to those targeted customers. This is one of our formality approaches in creating the relationships with them.

### **Special Events**

MyCar Dr Services and Accessories will coordinate a special event for our business which allows us to retain potential customers; becoming involved in a community and student event will spread the expenses and awareness even more. This is a part of our community services of the business to ensure that we participate in the community agenda within the business parameters.

### **Customer Loyalty Program**

MyCar Dr Services and Accessories strongly believes that loyal customers or repetitive customers represent eighty percent of our business. Therefore, we will create "MyCar Loyaty Program" or exclusive membership program to reach and retain the existing customers. By having so, the business will be able to gauge the amount of target customers that will utilize our services.

### **Word of Mouth Marketing**

Word of mouth remains the most popular form of advertising but it takes time to establish. MyCar Dr Services and Accessories will ensure exceptional customer service so the word being spread is positive and captures new customers. We will also create a testimonial section in the website and at the facilities to gain the trust of our potential customers

- 5) **Measurement:** How should MyCar Dr Services and Accessories evaluate the results?

In order to measure pre-marketing and post-marketing, the company is planning to have two ways of measuring the effectiveness of the advertisement strategy. The communication effect research is to be performed to determine whether an advertisement is communicating effectively. The company will conduct this research before and after the advertisement is printed or executed. We will benchmark a certain percentage; 30% of the effectiveness of the advertisement. The second measurement is through sales-effect research and the main interrogation here is to measure the monthly sales increment based on those selected



advertisement campaigns. This is the easiest measure in our direct marketing strategy. The company will also practice this research continuously, in benchmarking the historical sales data that the business will have for the next five consecutively; correlates past sales and past advertising expenditure by using advanced statistical techniques. Table 12.0 illustrates the Marketing Program Implementation Plan for the first onboarding year.

Table 12.0 – Marketing Program Implementation Plan

#	Marketing Program	Phase 1 (Month 1-4)	Phase 2 (Month 5-8)	Phase 3 (Month 9-12)
1	MyCar Dr Services and Accessories Website	✓	✓	✓
2	Printing Flyers	✓		
3	Social Media	✓		
4	Signage	✓		
5	Direct Marketing	✓		✓
6	Special Event			✓
7	Public Relation		✓	
8	Customer Loyalty Program	✓		✓
9	Word of Mouth	✓	✓	✓

### 10.3 MyCar Dr Services and Accessories SWOT Analysis

The SWOT model the overall evaluation of our business's strengths, weakness, opportunities, threats and it is amongst the most commonly used strategic management tools, and seeks to align internal business strengths and weaknesses with the external opportunities and threats in the business segmentation of its external environment (Recklies, 2005). The SWOT analysis as listed in table 13.0 of the business model will be leveraged in having deeper understanding of MyCar Dr Services and Accessories ability to respond to the future state evolution towards the most likely identified scenario. It is also to be used as guidelines on the potential

external threats of the competitors and improvise our internal weakness and possible threats.

Table 13.0 – SWOT Analysis of MyCar Dr Services and Accessories

Strength	Weakness
<ul style="list-style-type: none"> <li>• Quick, fast and reliable car maintenance and services process via our integrated professionalism and MyCar Client Sphere Service Application</li> <li>• High traffic flow at designated location with specific type of car users for each phase of business development</li> <li>• Professional and certified technicians</li> <li>• 45 minutes scheduled car maintenance and service tag line business</li> <li>• Focus on providing scheduled services and maintenance only</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively new to automobile and car services market thus the company is lacking of brand equity</li> <li>• No customer or service standard of the car maintenance and services business</li> </ul>
Threat	Opportunity
<ul style="list-style-type: none"> <li>• Competitors have a similar service</li> <li>• Competitors have launched a new advertising campaign</li> <li>• More competitors opening car services and maintenance nearby</li> <li>• Downturn in economy may mean people are spending less</li> </ul>	<ul style="list-style-type: none"> <li>• Variety of cars used by local</li> <li>• High technology services</li> <li>• New technology makes direct marketing more cost effective</li> <li>• New production technology drives down market</li> </ul>



### **10.3.1 External Environment (Opportunity and Threat Analysis)**

MyCar Dr Services and Accessories will monitor the key macroenvironment and microenvironment factors which will affect our ability to earn profit in the business. The analysis will be based on our set up of marketing intelligence system to track trends and important developments and any related opportunities and threats. Our business will also monitor the updated strategies to ensure that any new threats will be solved efficiently. MyCar Dr Services and Accessories look at the opportunity available to improvise and expand the our capabilities to be offered to the potential customers. This is a continuous process of having the best car maintenance and services in the market.

### **10.3.2 Internal Environment (Strength and Weakness Analysis)**

The strengths of MyCar Dr Services and Accessories are based on the new innovation and technology that the company uses to present the car maintenance and services to the potential customers. By looking at the current environment and the current retails' needs in getting fast, quick and reliable services, the introduction of MyCar Client Sphere Service Application is considered as the primary factor of determining the successful rate of the business venture and retaining the potential customers. This is aligned with the main focus of the target markets whom basically requires those characteristics to solve their current problems in getting fast, quick and reliable services.

## **10.4 Pricing Strategy**

MyCar Dr Services and Accessories would like to set its pricing based on what our services capabilities and competitors are offering together with several additional strategies. The car maintenance and services business is a custom manufacturing services business. Our services is a comprehensive service which it is required custom tooling and it is not produced at the "click" of a button. Thus, the

pricing strategy of MyCar Dr Services and Accessories should create a win-win situation, to cater the internal and external costs as well as to save customer's money in getting the best services for their cars. Our pricing will be based on the fixed and variable cost for each service to be offered to our potential customers.

Customers are constantly looking for ways to save time and money rather than spending more of it due to high technology that is associated to their daily lives, therefore companies that position their services in the premium price range may struggle if the quality of the services does not meet the pricing level. However, with the right formula, MyCar Dr Services and Accessories strongly believes that we could earn the right to charge target audience with the right pricing strategy. The best approach that we plan to embark is to launch MyCar Dr Services and Accessories as premium car maintenance and services offerings and remain the competitive pricing strategy as competitors from the beginning because it will easier to mark our services down once they've been identified with a specific price point.

For example, each service delivery has a fixed and variable cost when MyCar Dr Services and Accessories purchases or leases the equipment though. MyCar Dr Services and Accessories strongly holds on the principle in which by covering our variable costs and have a volume that covers our fixed costs, we will continue to make very predictable profits as the volume goes above that break-even volume. Our company has no ability to affect the market price, therefore marginal revenue is equal to the price charged. Furthermore, due to the potential demand curve is essentially horizontal, MyCar Dr Services and Accessories may provide services at total capacity without effecting the existing price. Table 14.0 summarizes our potential pricing for the first six month.



Table 14.0 – Pricing Strategy for MyCar Dr Services and Accessories

Item	Type of Service	Pricing (RM)			
		Japanese Car	Malaysian Car	Continental Car	Korean Car
1	General scheduled car maintenance (Price to be charged may vary depending on products selected by the customer)	250 – 600	200 – 500	300 – 700	250 – 600

### 10.5 Service Implementation Strategy

MyCar Dr Services and Accessories service strategy is to offer an exceptional fast and high level of service while aggressively maintaining and pursuing customer relationship management. The philosophy behind it is “organized, regimented and sustained” to facilitate current and future business opportunities. Our service strategy is categorized into three components as below:

#### 10.5.1 Time Management

Each task or assignment in the workshop has a realistic turnaround time which allows MyCar Dr Services and Accessories to manage and produce a job while meeting but not exceeding our standard operating procedure (SOP) consistently. This is possible through our regular contact with our customers and our knowledge of their upcoming needs to eliminate the “crisis management” that would potentially occur.

### 10.5.2 Product and Service Management

MyCar Dr Services and Accessories manages each step of the process to ensure the job is moving within our timeline and meeting or exceeding our expectations. MyCar Dr Services and Accessories works closely with our vendor partners and reinforce our expectations along the way (should we require doing so).

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## Chapter 10

### FINANCIAL PROJECTIONS

#### 11.1 Projected Sales Target

MyCar Dr Services and Accessories is targeting approximately RM1,399,200 in annual sales over the first year of operation. As mentioned earlier, the sales of MyCar Dr Services and Accessories is divided into two parts: 70% from the services we provide and 30% from the mark-up price of products. Besides, our MyCar Client Sphere Service Application and marketing strategy should increase our sales for the six months, due to the extensive efforts that will be put forth to build and coordinate our operations. We have arrived at our target sales figures by adding new advertising features to be leased through our MyCar Client Sphere Service Application. We would like to charge RM 5000 per month for an advertising business.

#### 11.2 Important Assumption for Income Statement

The financial plan depends on important assumptions, most of which are shown in the following table. The key underlying assumptions in calculating are:

- We assume an immediate increase in sales of 15% after year three.
- We assume there are no dramatic changes in the automotive business environment.

- We assume a constant sales of minimum 360 cars per month (10 cars during weekdays and 20 cars during weekends).
- We assume the sales calculation (services and product mark-up) is based on the average price we charge to potential customers which is RM300.00 per service for Japanese and Malaysian cars and RM350.00 per service for Continental and Korean cars. The price mentioned inclusive service and parts (engine oil, air filter and oil filter, gasket etc).
- We assume that continental and Korean cars will contribute a minimum of 40% of the total cars in the second phase.

### 11.3 Pro-forma Income Statement

The Pro-forma Income Statement of MyCar Dr Services and Accessories business is using constant ratio method of forecasting to estimate the cost of sales and general fixed and variable expense, in which the financial items are projected to remain at the same percentage of sales for the next five years. Total sales are based on services, product mark-up and advertising business which they will contribute RM1,399,200 for the first year of the operation. After deduction of fixed and variable expenses, the first year income shows that the business is making RM180,210 net profit. The total projected profit is expected to increase by 15% the following year. This clearly indicates that the business is making profit and viable to expand provided that the business will be managed professionally. Please refer to Appendix A1 for Pro-Forma Income Statement's details.

<Appendix A1>



#### 11.4 Pro-forma Balance Sheet

The pro-forma balance sheet calculation provides a sense of how our business activities will affect the ability to meet our short-term liabilities and expenses and how our finances will evolve over the first year of the operation. The pro forma balance sheet is also used to project the overall financial soundness of our company. The details of Pro-forma Balance Sheet can be found from Appendix A2.

<Appendix A2>

#### 11.5 Pro-forma Cash Flow

The pro-forma cash flows shows the projected flow of cash into and out of the company during a specified period of time. The most important function of the pro forma statement of cash flows is to project whether the business will have sufficient cash to meet its needs. With the current projections, lack of overhead and expected margins, MyCar Dr Services and Accessories projects cash flow and cash balance should both increase steadily through the lifecycle of the business, by eliminating the need for further or ongoing funding. Appendix A3 consists of Pro-forma Cash Flow of the MyCar Dr Services and Accessories.

<Appendix A3>

#### 11.6 Break-even Analysis

The break-even analysis shows what MyCar Dr Services and Accessories requires in sales per month to break even. Our sales forecast is in line with this projection and exceeds it rapidly. The breakeven sales MyCar Dr Services and Accessories business is RM490,709 while monthly breakeven sales is RM40,892. Please refer to Appendix XX for further details of break-even analysis.

<Appendix A4>

### 11.7 Financial Ratio

The financial ratios in show that the return on sales of MyCar Dr Services and Accessories will simultaneously increase from year one to the following four years of the operation. The Internal Rate of Return (IRR) for the business venture is 30%. While the Return on Investment (ROI) is 25%. The payback period anticipated for the investor is at 4.2 years. The details of financial ratio of the business is attached in Appendix A5.

<Appendix A5>

### 11.8 Financial Risk and Contingencies

As a new business segment of MyCar Dr Services and Accessories business is currently having zero operating history, which makes it tough to forecast future operating and financial results. The business will encounter start up risks and difficulties in rapidly evolving and competitive car maintenance and services markets at the designated locations. These risks include onboarding new potential customers with vast relationship management and technological evolvment. Therefore, if the risks are not addressed successfully, the business will be seriously damaged.

The performance of MyCar Dr Services and Accessories will depend on market and industry risk factors which the company recognizes it will be subject to employee turnover, market competition, economic factors, volume transactions, timing and current pricing. The success of MyCar Dr Services and Accessories will strongly depend on a significant number of customers knowing about, and regularly using of current and future services. Our potential customers will be addressing



issues such as quality, reliability, billing, delivery, and customer service for the first time in having scheduled car maintenance and services. As part of our regular service, educating potential customers is a complex process and time consuming task.

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## Chapter 11

### FINANCING AND INVESTMENT PROPOSAL

#### 12.1 Start-up Capital Requirement

MyCar Dr Services and Accessories will need a medium-high initial capital investment. The proposed business may require complete workshop necessity and equipment which some of the equipment will be utilized and used for other non-core business activities. MyCar Dr Services and Accessories' start-up costs and expenses to kick off the business plan are shown in the following Table 15.0. The start-up costs are to be financed by direct owner investment and additional fund to be received from the financier or investor. Whilst, there is an additional financing required for the marketing program, business operations and financial stability during the first year in order to ensure that MyCar Dr Services and Accessories is able to deliver the core business value.

Table 15.0 – Start-up Capital Requirement

#	Description	Cost (MYR)
1	Workshop Renovation & Equipment Leasing	180,000.00
2	Business Operation	70,000.00
	- Marketing	
	- Cash	
	- Fixed and Variable Cost	
	Total	250,000.00



## **12.2 Why Should Someone Invest in MyCar Dr Services and Accessories?**

MyCar Dr Services and Accessories is focusing on a single service which is to provide fast and reliable scheduled car maintenance and services at the designated location. The MyCar Client Sphere Service Application will be the complementary factor to differentiate our business which it will enable to gain a wider market share in the scheduled car maintenance and services sector and retain the potential customers. The competitive edge is supported through our strong business philosophy in providing 45 minutes scheduled car maintenance and services

Based on the financial analysis together with our strong marketing plan, the business will be able to generate provide extensive return of investment within 24 months of the operation. Due to strong market demand and need from targeted customers, we strongly believe the business will be a successful business venture. This is supported by a strong top management in handling the overall business operation and management. Besides, the proposed locations are located at fast and steady market developments in which it will provide a significant advantage for MyCar Dr Services and Accessories to sustain the business in the next five years.

## **12.3 Exit Strategy for MyCar Dr Services and Accessories**

MyCar Dr Services and Accessories is considering two types of exit strategies to overcome potential issues, inability to continue the business segment and any uncertainty that might be able to solve within the necessary period of time. Beside than getting professional advisor forms our legal associate, below are the following exit strategies that will be considered.

### **12.3.1 Liquidity of Assets**

MyCar Dr Services and Accessories would like to consider liquidation as our long term exit strategy in which the company will sell all assets including workshop equipment and afacilities at market value and use the revenue to pay off any

remaining debt to the financiers or investors. MyCar Dr Services and Accessories understands that it is a simple approach, but it is likely to gain the least revenue of the overall value. To overcome, we will carefully structure our plan to see type of the best liquidity for the company; have to negotiate a fair price for those assets that are not clearly identified in terms of a price point.

### **12.3.2 Sale**

The next strategy is to sell the entire business to someone else or to some other companies. It involves a business transaction that will be conducted between two private parties, agreed at mutual consent. In doing so, both MyCar Dr Services and Accessories and potential buyer will value the overall price of the entire business, to ensure that we get more than one appraisal of the business so that the company has the confidence of the right market value.

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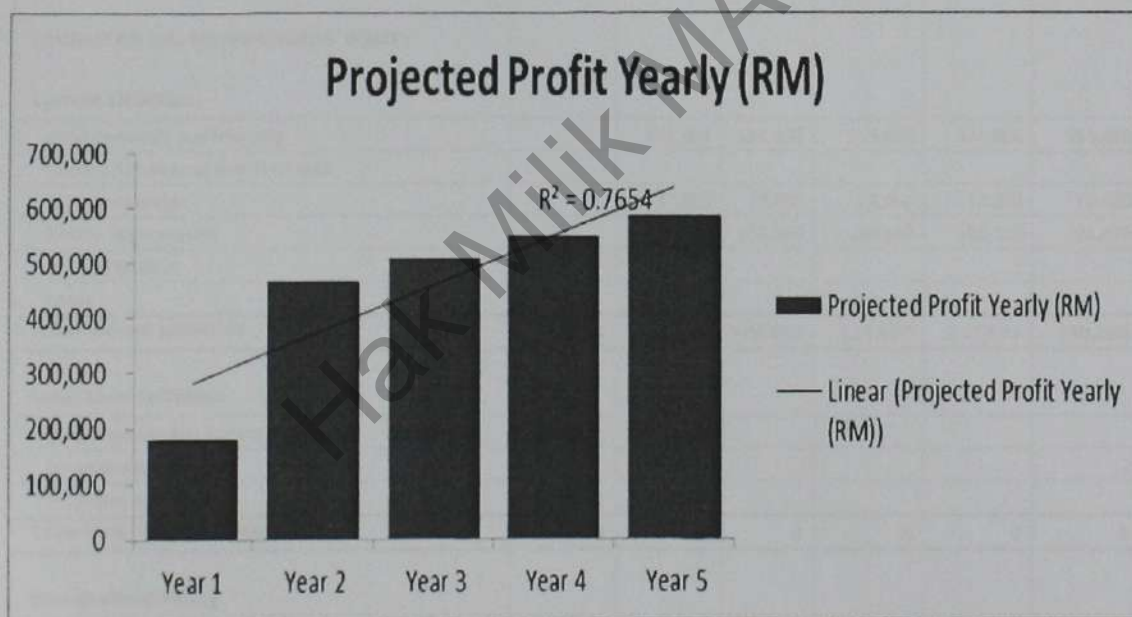
Income Statement - Summary of Years 1 to 5						
	Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	Totals
<b>Sales</b>		15% increase	15% increase	15% increase	15% increase	
Total Sales Forecast (service + product mark-up)	1,339,200	1,708,080	1,790,880	1,873,680	1,956,480	8,668,320
Advertising	60,000	60,000	60,000	60,000	60,000	
<b>Total Revenue</b>	<b>1,399,200</b>	<b>1,768,080</b>	<b>1,850,880</b>	<b>1,933,680</b>	<b>2,016,480</b>	<b>8,668,320</b>
<b>Gross Profit</b>	<b>1,399,200</b>	<b>1,768,080</b>	<b>1,850,880</b>	<b>1,933,680</b>	<b>2,016,480</b>	<b>8,668,320</b>
<b>Operating Expenses</b>						
Salaries and wages (increase 15% every year) + part time worker	146,400	168,360	193,614	222,656	256,055	987,085
Employee benefits	10,000	10,000	10,000	10,000	10,000	50,000
Software Development	30,000					30,000
Services Parts and Products	760,320	760,320	760,320	760,320	760,320	3,801,600
Rent	60,000	60,000	60,000	60,000	60,000	300,000
Utilities	24,000	24,000	24,000	24,000	24,000	120,000
Repairs and maintenance	10,000	10,000	10,000	10,000	10,000	50,000
Insurance	10,000	10,000	10,000	10,000	10,000	50,000
Travel	10,000	10,000	10,000	10,000	10,000	50,000
Telephone & Internet Services	7,000	7,000	7,000	7,000	7,000	35,000
Postage	1,200	1,200	1,200	1,200	1,200	6,000
Office and workshop supplies	12,000	12,000	12,000	12,000	12,000	60,000
Advertising	10,000	10,000	10,000	10,000	10,000	50,000
Marketing/promotion	10,000	5,000	6,000	6,000	6,000	33,000
Professional fees	10,000	10,000	10,000	10,000	10,000	50,000
Training and development	3,000	3,000	3,000	3,000	3,000	15,000
Bank charges	10,000	10,000	10,000	10,000	10,000	50,000
Equipment Leasing	30,000	30,000	30,000	30,000	30,000	150,000
Miscellaneous	5,000	5,000	5,000	5,000	5,000	25,000
Other						0
<b>Total Operating Expenses</b>	<b>1,158,920</b>	<b>1,145,880</b>	<b>1,172,134</b>	<b>1,201,176</b>	<b>1,234,575</b>	<b>5,912,685</b>
<b>Operating Income</b>	<b>240,280</b>	<b>622,200</b>	<b>678,746</b>	<b>732,504</b>	<b>781,905</b>	<b>2,755,635</b>
Interest income (expense)						0
Other income (expense)						0
<b>Total Nonoperating Income (Expense)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income (Loss) Before Taxes</b>	<b>240,280</b>	<b>622,200</b>	<b>678,746</b>	<b>732,504</b>	<b>781,905</b>	<b>2,755,635</b>
<b>Income Taxes 25%</b>	<b>60,070</b>	<b>155,550</b>	<b>169,687</b>	<b>183,126</b>	<b>195,476</b>	<b>763,909</b>
<b>Net Income (Loss)</b>	<b>180,210</b>	<b>466,650</b>	<b>509,060</b>	<b>549,378</b>	<b>586,429</b>	<b>1,991,727</b>
<b>Cumulative Net Income (Loss)</b>	<b>180,210</b>	<b>646,860</b>	<b>1,155,920</b>	<b>1,705,297</b>	<b>2,291,727</b>	<b>1,991,727</b>



## 2) MyCar Dr Services and Accessories Total Projected Sales Yearly



## 3) MyCar Dr Services and Accessories Total Projected Profit Yearly



## Appendix A2 - Pro-forma Balance Sheet

### 1) MyCar Dr Services and Accessories Pro-forma Balance Sheet

Balance Sheet - Summary of Years 1 to 5						
	Opening	Year 1:	Year 2:	Year 3:	Year 4:	Year 5:
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	250,000	180,210	466,650	509,060	549,378	586,429
Marketable securities		24,000	24,000	33,600	48,000	96,000
Accounts receivable, net		10,000	10,000	10,000	10,000	10,000
Inventory		7,000	7,000	7,000	7,000	7,000
Prepaid expenses						
Other						
<b>Total Current Assets</b>	<b>250,000</b>	<b>221,210</b>	<b>507,650</b>	<b>559,660</b>	<b>614,378</b>	<b>699,429</b>
<b>Long-Term Assets</b>						
Property, plant, and equipment		200,000	60,000			
Less accumulated depreciation		30,000	30,000	30,000	30,000	30,000
Net property, plant, and equipment	0	170,000	30,000	(30,000)	(30,000)	(30,000)
Other long-term assets						
<b>Total Long-Term Assets</b>	<b>0</b>	<b>170,000</b>	<b>30,000</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>
<b>Total Assets</b>	<b>250,000</b>	<b>391,210</b>	<b>537,650</b>	<b>529,660</b>	<b>584,378</b>	<b>669,429</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current Liabilities</b>						
Short-term debt and financing		154,800	154,800	154,800	154,800	154,800
Current maturities of long-term debt						
Accounts payable		10,000	10,000	10,000	10,000	10,000
Income taxes payable		60,070	155,550	169,687	183,126	195,476
Accrued liabilities						
Other						
<b>Total Current Liabilities</b>	<b>0</b>	<b>224,870</b>	<b>320,350</b>	<b>334,487</b>	<b>347,926</b>	<b>360,276</b>
<b>Long-Term Liabilities</b>						
Long-term debt less current maturities						
Deferred income taxes						
Other long-term liabilities						
<b>Total Long-Term Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Shareholders' Equity</b>						
Common stock						
Additional paid-in capital						
Retained earnings						
Other						
<b>Total Shareholders' Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>0</b>	<b>224,870</b>	<b>320,350</b>	<b>334,487</b>	<b>347,926</b>	<b>360,276</b>



Appendix A.3 – Pro-forma Cash Flo

1) MyCar Dr Services and Accessories Pro-forma Cash Flow

Month:	Pre-Start	1	2	3	4	5	6	7	8	9	10	11	12	Total
<b>Receipts</b>														
Cash sales		116,600	116,600	116,600	116,600	116,600	116,600	116,600	116,600	116,600	116,600	116,600	116,600	1,499,200
Loans received	100,000													150,000
Other	150,000													0
<b>Total Receipts</b>	<b>250,000</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>116,600</b>	<b>1,649,200</b>
<b>Payments</b>														
Cash purchases														0
Payments to creditors (MARA Loan)		12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900	154,900
Salaries and wages		12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	12,200	146,400
Employee benefits		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Equipment Leasing		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Software Development	30,000													30,000
Equipment, renovation & rental deposit	200,000													200,000
Rent		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Utilities		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Repairs and maintenance		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Insurance		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Travel		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Telephone & Internet Services		583	583	583	583	583	583	583	583	583	583	583	583	7,000
Postage		120	120	120	120	120	120	120	120	120	120	120	120	1,200
Office supplies		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Advertising		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Marketing/promotion		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Professional fees		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Training and development		250	250	250	250	250	250	250	250	250	250	250	250	3,000
Finance charges		833	833	833	833	833	833	833	833	833	833	833	833	10,000
Miscellaneous		42	42	42	42	42	42	42	42	42	42	42	42	5,000
Tax payments		3,754	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	69,204
<b>Total Payments</b>	<b>230,000</b>	<b>47,015</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>49,210</b>	<b>818,328</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>20,000</b>	<b>69,585</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>67,390</b>	<b>830,872</b>
<b>Opening Cash Balance</b>	<b>0</b>	<b>20,000</b>	<b>89,585</b>	<b>156,975</b>	<b>224,365</b>	<b>291,754</b>	<b>359,144</b>	<b>426,534</b>	<b>493,923</b>	<b>561,313</b>	<b>628,703</b>	<b>696,092</b>	<b>763,482</b>	
<b>Closing Cash Balance</b>	<b>20,000</b>	<b>89,585</b>	<b>156,975</b>	<b>224,365</b>	<b>291,754</b>	<b>359,144</b>	<b>426,534</b>	<b>493,923</b>	<b>561,313</b>	<b>628,703</b>	<b>696,092</b>	<b>763,482</b>	<b>830,872</b>	

## Appendix A4 – Break-Even Analysis

### 1) MyCar Dr Services and Accessories Break-even Analysis

Break-Even Analysis	
<b>Number of Months</b>	12
<b>CALCULATE YOUR CONTRIBUTION MARGIN</b>	
<b>Projected Sales</b>	\$1,339,200
<b>Less Variable Expenses</b>	
Materials	\$142,000
Loan repayment	
Variable overhead	
Other	\$30,000
<b>Contribution Margin</b>	<b>\$1,167,200</b>
<b>Contribution Margin Ratio</b>	<b>87%</b>
<b>CALCULATE YOUR FIXED EXPENSES</b>	
<b>Fixed Expenses</b>	
Salaries and wages	\$146,400
Employee Benefit	\$10,000
Rent	60,000
Utilities	24,000
Repairs and maintenance	10,000
Insurance	10,000
Travel	10,000
Telephone & Internet Services	7,000
Postage	1,200
Office and workshop supplies	12,000
Advertising	10,000
Marketing/promotion	10,000
Professional fees	10,000
Training and development	3,000
Bank charges	10,000
Equipment Leasing	30,000
Miscellaneous	5,000
Interest income (expense)	
Other	
<b>Total Fixed Expenses</b>	<b>\$368,600</b>
<b>Break-Even Sales</b>	<b>\$422,917</b>
<b>Monthly Break-Even Sales</b>	<b>\$35,243</b>
<b>Profit During Period</b>	<b>\$798,600</b>



## Appendix A5 – Financial Ratio

Summary of Key Ratios - Years 1 to 5						
	Year 1	Year 2	Year 3	Year 4	Year 5	
<b>DATA COLLECTION</b>						
<b>Balance Sheet</b>						
Cash	180,210	466,650	509,060	549,378	586,429	
Marketable securities						
Accounts receivable, net	10,000	10,000	10,000	10,000	10,000	
Total current assets	221,210	507,650	559,660	614,378	699,429	
Total long-term assets	170,000	30,000	(30,000)	(30,000)	(30,000)	
Total current liabilities	224,870	320,350	334,487	347,926	360,276	
Total long-term liabilities	0	0	0	0	0	
Total shareholders' equity	0	0	0	0	0	
<b>Income Statement</b>						
Total sales	1,399,200	1,768,080	1,850,880	1,933,680	2,016,480	
Gross profit	1,399,200	1,768,080	1,850,880	1,933,680	2,016,480	
Total operating expenses	1,158,920	1,145,880	1,172,134	1,201,176	1,234,575	
Income (loss) before taxes	240,280	622,200	678,746	732,504	781,905	
Net income (loss)	180,210	466,650	509,060	549,378	586,429	
<b>KEY RATIOS</b>						
<b>Profitability Ratios</b>						
Return on equity	0%	0%	0%	0%	0%	
Return on assets	46%	87%	96%	94%	88%	
Return on sales	13%	26%	28%	28%	29%	
Gross profit margin	100%	100%	100%	100%	100%	
Asset turnover ratio	358%	329%	349%	331%	301%	
<b>Leverage and Liquidity Ratios</b>						
Current ratio	1	2	2	2	2	
Quick or acid test ratio	-	# REF!	# REF!	# REF!	# REF!	
Leverage ratio	0%	0%	0%	0%	0%	
Long-term debt ratio	0	0	0	0	0	
Debt to equity ratio	0	0	0	0	0	
<b>VIABILITY ANALYSIS (NPV, IRR, PAYBACK PERIOD)</b>						
Income (loss) before taxes	240280	622200	678746	732504	781905	
Interest expense	0	0	0	0	0	
Earnings before interest and taxes (EBIT)	240280	622200	678746	732504	781905	
Capital Investment (loan + equity)	150000	150000	150000	150000	150000	
EBIT-Capital Investment	90,280	472,200	528,746	582,504	631,905	
NPV	1,562,144.95	1,659,322.35	1,386,241.03	1,023,843.95	564,201.33	
ROI	23%					
IRR	28%					
PAYBACK PERIOD (YEARS)	4.5					