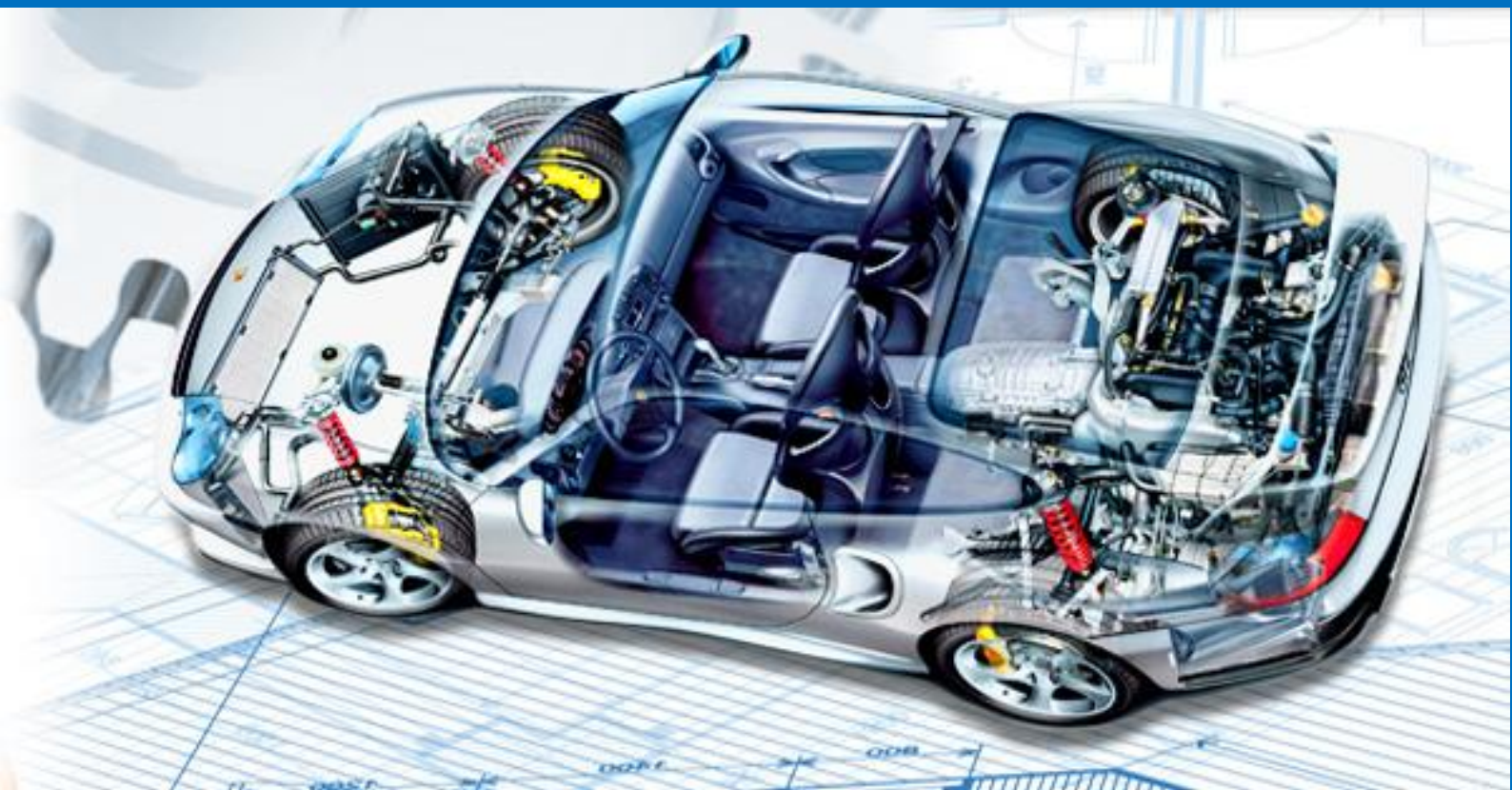


BUSINESS PLAN



Service Center



2014

Adaptation of this business plan is possible for similar project around the world.

Project Description

Project idea: opening of the center for repair and maintenance service of motor transport in Moscow.

Project targets:

- the opening of modern service center;
- the sufficient and reliable providing of requirements for the provision of services, and exactly – the annual technical inspection, TI1 and TI2;
- increase of occupied market niche for the provision of the mentioned type of service, in the city and outside it;
- profit optimization with the aim of payback in the shortest time;
- maintaining the quality of services and fixing the positive reputation of enterprise.

Unique selling proposition of service center:

- a day-and-night mode;
- repair services on credit.

Tendency of market of project output:

Independent services hold a great part of Russian market: actually 50% are owned by private companies. The share of official dealers decreases constantly. Thus, in 2009 the share was 20%, in the end of 2013 – 17%.

This fact may indicate that the larger part of car owners is not satisfied by quality of dealers services and more frequently appeals to services of private centers. That's why it is also possible to solve such problem partially.

Project competitive environmental:

- car service «AutoTechCenter Barracuda»;
- car service «Viktaservis»;
- car service «RUSSKY»;
- car service «Firma Potomak»;
- car service «Logic-auto».

Project financial indicators:

Financial indicators	Units	Value
Net profit	<i>RUB</i>	
Revenue for 3 years of work	<i>RUB</i>	
Necessary investments	<i>RUB</i>	
NPV	<i>RUB</i>	
IRR monthly	<i>%</i>	
IRR annual	<i>%</i>	
Payback period	<i>months</i>	
Discounted payback period	<i>months</i>	

Excerpts from Research

The leaders by the amount of passenger cars among cities are: Odincovo – 398 cars per 1 000 inhabitants, Voronezh – 370, Lubertsy – 353, Mytishi – 349, Krasnogorsk – 347, Sergiev Posad – 344, Krasnodar – 341, Surgut – 340, Petropavlovsk-Kamchatsky – 333, Obninsk – 330.

The national average is about 257 passenger cars per 1 000 inhabitants of the Russian Federation.

The average age of car in the Russian Federation approached in 2013 to the European average and amounts *** years, which is 0.2 years longer than in 2008 (data of the research, carried out earlier). This fact may indicate that Russian motor-car enthusiasts began to treat their cars with great attention and thrift, and also that the quality of technical maintenance on the territory of the Russian Federation allows the drivers not to change personal transport during this period.

Content

List of Tables, Figures and Diagrams	4
Executive Summary	5
1.0. Project Description	7
1.1. General Characteristics of Services	8
1.2. Services Directions of Service Center	9
1.2.1. Major Repair of Diesel Engine Cars	9
1.2.2. Services of Diagnosis and Flushing of Injectors	11
1.2.3. Complex Computerized Engine Diagnostics	13
1.2.4. Repair of High Pressure Fuel Pump (HPFP) and Fuel Equipment of Diesel Engine	14
1.2.5. Repair of Car Suspension	14
1.2.6. Wheel Alignment Services	15
1.2.7. Body Repair and Car Painting	16
2.0. Market Analysis	17
2.1. Analysis of Car Market of the Russian Federation	17
2.2. Aftermarket Car Services Market in the Russian Federation	20
3.0. Competitive Environmental	29
4.0. Marketing Plan	33
4.1. Online Promotion	33
4.2. Offline Promotion	36
5.0. Production Plan	38
5.1. Buildings and Premises	38
5.2. Equipment for Service Maintenance Stations	39
6.0. Operational Plan	54
7.0. Financial Plan	56
7.1. Project Pricing	56
7.2. Project Assumptions	57
7.3. Plan of Sales	59
7.4. Sales Volumes	60

7.5. Sales Price (Cost of Project Services)	61
7.6. Sales Revenue	62
7.7. Variable Costs	63
7.8. Fixed Costs	64
7.9. Taxes	65
7.10. Profit and Loss Statement	66
7.11. Calculation of Discount Rate by WACC-Method	70
7.12. Cash Flow Statement, RUB.	80
7.13. Justification of Project Economic Efficiency	85
8.0. Project Sensibility Analysis	88
Information about the «VTSConsulting» Company	100

List of Tables, Figures and Diagrams

Tables

Table 1. Amount of Cars of the Russian Federation by year of release (on 01.01.2011)	18
Table 2. Passenger Car Park in the Russian Federation (on 01.01.2013)	19
Table 3. List of Major Competitors of Service Center Project	32
Table 4. Basic Equipment for Service Center Functioning	40
Table 5. Staff Schedule of Enterprise	54
Table 6. Price-Current for Main Types of Works	56

Figures

Figure 1. Example of Placement of Outdoor Advertising (Billboards) on Motorway	37
Figure 2. Interior Placement of Service Center Objects	38
Figure 3. AE&T F4D-4 4 Rack Electrohydraulic Hoist with Load Capacity 4 t..	42
Figure 4. Hunter PA100/17N-DSP508 Stand «Wheel Alignment» with 8 Infrared Sensors	44
Figure 5. Titan (Konig) 78 D 00 ROLLER MAXI Universal Stand (Saw) for Straightening and Rolling of Discs up to 19"	47
Figure 6. GL-1 Coloration-Drying Chamber	49

Diagrams

Diagram 1. Dynamics of Amount of Passenger Cars per 1 000 Inhabitants of the Russian Federation, units	17
Diagram 2. Indicators of Average Age of Car in Russia in 2008 and 2013	22
Diagram 3. Distribution of Russian Cars Park by Term of Operation	23
Diagram 4. Difference in Average Mileage for 1 Car	24
Diagram 5. Use of Kinds of Fuel in Russian Cars Park	25
Diagram 6. Use of Internet for Purchase of Auto Accessories	25
Diagram 7. Structure of Services Attendance by Directions and Forms of	26

Ownership

Diagram 8. Dynamics of Revenue, EBIT, EBITDA of Project

68

Diagram 9. Dynamics of Net Profit of Project

69

*We thank you for your confidence
and would like to remind you that:*

- ✓ with the purchase of the business plan of the
«VTSConsulting» company you'll have a guarantee of
getting a consultation from specialists who have
worked on a specific business plan*
- ✓ during one to two hours our team will be ready to
answer all questions related to the structure and
content of the business plan*

*Respectfully,
«VTSConsulting» team*

INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

«VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

We appreciate greatly the cooperation with each customer.

And we are proud of our customers!

LLC «Zemleugodie-Invest», OJSC «Votkinsky plant», SPE «Stealth», State Enterprise UkrSRIPRI «Masma», «Reproto Technologies», «VOK Montage Service» company, LLC «PRIIMAS» «Petrovizard» company, Port Temryuk, LLC «Spetsbudproekt», group of companies «SEMPROGROUP», LLC «Maximus Construction», «Rosmolodezh», LLC «Sisif Service», LLC «Plant TITAN», LLC «Project K», LLC «Portal Logistics», SPK «Nauka», I.N. Frantsevich Institute of Materials of NAS of Ukraine, NTUU «KPI», Science Park «Kyiv Polytechnic», The Russian Government, Verkhovna Rada of Ukraine

This is not a complete list of those

who was pleased with the cooperation with «VTSConsulting».

«VTSConsulting» company is a team of professionals, whose knowledge and experience will allow you to save money, nerves and time: preparation of investment documents will take from 4 to 10 days.

Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

You invest.

*Respectfully,
Vladyslav Tsygoda,
the head of «VTSConsulting»*