

Business Plan For Car Cleaning Services In Business Parks

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Abstract:

This research paper analyses business potential for car cleaning services in business parks. The concept is unique in itself because no other player exists in this field. The aim is to provide carwash/wax/cleaning services in the parking area of business parks for the people who usually drive their car to office and park it in the parking lot. Cars will be cleaned while customers fulfil their offices duties therefore providing them convenience of place and saving his time. Initially this concept was tested by conducting survey with prospects. Very positive response gathered from survey led to further analysis of market conditions. It is evident from the research that this business offers good opportunity for an entrepreneur and thus detailed business plan has been developed which shows very good earning potential for this project.

Keywords: car wash, car cleaning, business plan, car market, car wash business strategy, new business plan

Executive Summary:

The entire plan was to understand business potential for car wash/wax/cleaning services in business parks. The concept is unique in itself because no other player exists in this field. The uniqueness is gained by the location and the competitive pricing. The aim is to provide carwash/wax/cleaning services in the parking area of Business Park for the people who usually drive their car to office and park it in the parking lot. Cars will be cleaned while the customers fulfil their offices duties therefore providing him convenience of place and saving his time. Survey was conducted initially to understand consumer perception towards this concept and their readiness to avail such type of services. The results of the survey are encouraging as around 85% people showed positive perception towards it. After getting positive response business plan for the same has been developed.

Market analysis has been conducted which shows that car market in Mumbai is growing at CAGR of 8.89% which is again a very positive sign. Other factors such as disposable income per capita have been growing in India at CAGR of 8 % which is another good sign. Competitors' analysis shows that not much players are available in this field. And major players who dominate this market are mainly foreign firms.

Overall industry looks attractive as suppliers are huge, not much players as of now in the market.

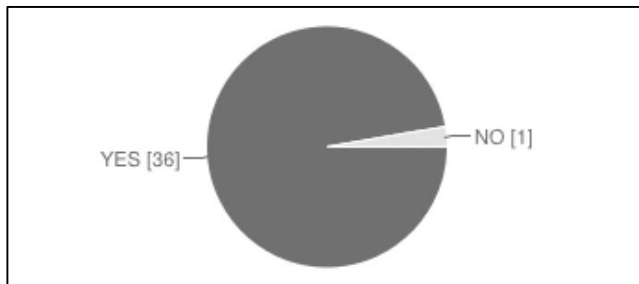
Nirlon Knowledge Park, Goregaon East was chosen as targeted location due its large commercial space (approx.22,00,000sq.ft.) and car parking area for 6000+ cars. Target audience are all those people who drive their car to office.

The cost structure is analysed in detail. As per the cost structure, Variable costs for labour, electricity are quite high but cannot be negotiated. For the launching of this business idea it has been decided to keep prices just below the competitors to attract sale. We expect to generate sales from annual contract of 600 cars during 1st year. After the total cost calculation, it is evident that this business is able to generate profits from 2nd year itself and the profit increases in subsequent years. The entire plan can be converted into reality as it shows huge potential in near future.

Concept introduction:

The main idea is save customer's precious time and money by making available "car wash/ wax /cleaning services in their business park." The plan is to open car/wash/wax services in parking area of such business parks where huge numbers of cars (minimum 1000) are being parked every day.

This being a new concept, Initial survey had been conducted to know whether people are positive towards this idea. The survey was conducted to understand consumer behaviour as well as to understand whether market exist for such type of services. **37samples** were collected for the purpose. The samples were restricted to Mumbai region only. The questions asked & responses given by them have been analysed below:

Q.1 Do you own car?**Response:**

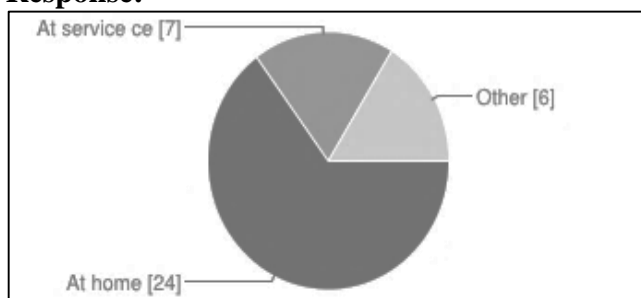
YES	36	97.3%
NO	1	2.7%

Comment: 1 person who was planning to buy car in next two months has also responded this question. But at present he doesn't own car. That is why the ratio has changed.

Q.2 Which car do you own?**Response:**

Tata, Indica	Hundai i20	Tata indigo	Mahindra, scorpio
VagonR	Hyundai i10	Grand i10 Sportz	Honda City
Maruti 800	Mahindra xuv 500 w8	Alto k10	Hundai i20
Honda city	Maruti Suzuki Ertiga	Maruti swift	Mahindra XUV
Hundai excent	Hyundai Xcent	Maruti zen	Toyota Innova
Hundai excent	Hyundai Santro	Honda City	Honda City
Tata safari	Chevrolet Spark	Zen Estilo	Wagonar Stingray (Maruti)
Maruti 800	Mahindra Renault Logan	Hundai i20 elite	Wagon r , cng
Tata indigo	Maruti Dezire	Maruti Swift	

Comments: 51.42 % people has hatchback cars while 31.42 % owns sedan. Very few of them viz 6 % own SUVs and MUVs

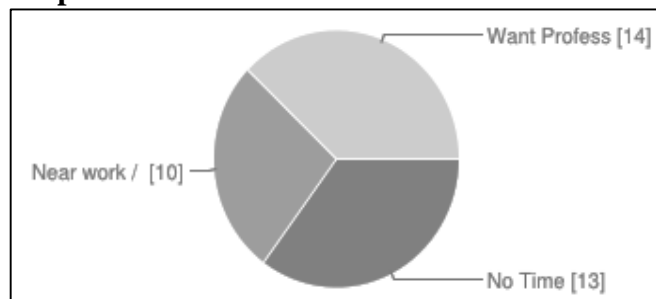
Q.3 How do you mainly wash / clean your Vehicle?**Response:**

At home	24	64.9%
At service centre	7	18.9%
Other	6	16.2%

Comment: People mainly wash their vehicle at home. Nature of washing is limited to everyday cleaning of dust and simple wash by wet cloth usually by hired contract labour. However, few others have given annual contracts of their vehicle to car wash centres.

Q.4 What is the primary reason you send your Vehicle for wash?

Response:



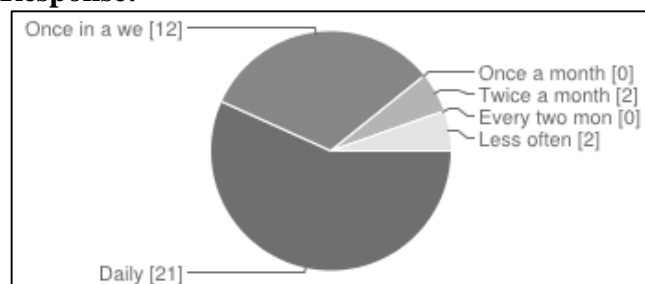
No Time	13	35.1%
Near work / home	10	27%
Want Professionalism	14	37.8%

Comments:

1. Highest number of people (37 %) think professionalism is essential for car wash thus showing favourable attitude towards our business concept.
2. Around 35% people send their car for wash due to unavailability of time .Thus giving valuable input for developing our services.
3. 27% people send car for washing because of convenient location. It gives another positive input for the business

Q.5 How often do you wash / clean you Vehicle?

Response:



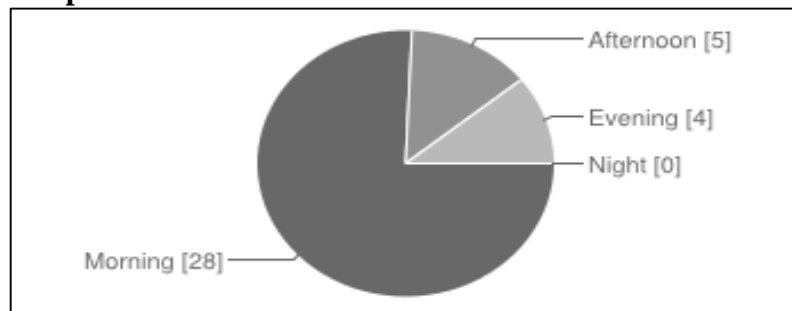
Daily	21	56.8%
Once in a week	12	32.4%
Once a month	0	0%
Twice a month	2	5.4%
Every two months	0	0%
Less often	2	5.4%

Comment:

1. 56% people wash their car daily by wet cloths. Around 32.4% said they wash once in week only by water. Around 5.4% people wash their car two times in a month.
2. All of them wash their car from outside and interior is being cleaned very less often

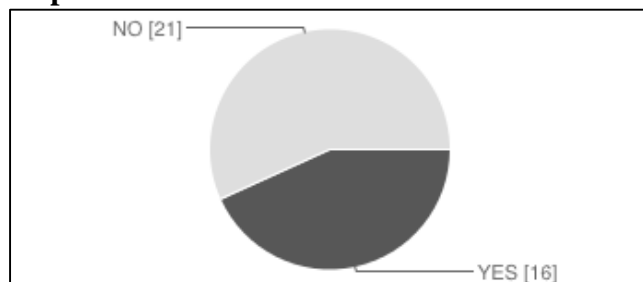
Q.6 When do you always prefer to wash your Vehicle?

Response:



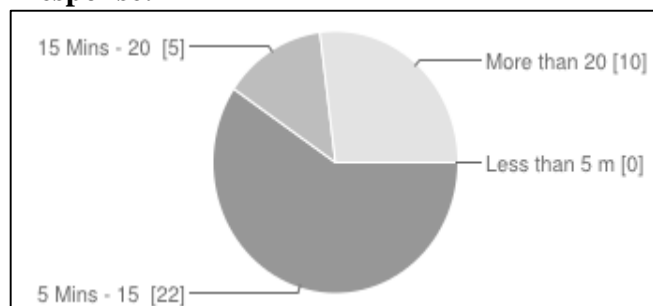
Morning	28	75.7%
Afternoon	5	13.5%
Evening	4	10.8%
Night	0	0%

Comment: Majority of people wash their vehicle during day time in open area. This is one of the main reasons of paint damages.

Q.7 Are you aware that, washing a vehicle in expose to sun light can damage paint?**Response:**

YES	16	43.2%
NO	21	56.8%

Comment: People are not much aware about damages happening to car due to lack of knowledge and improper handling.

Q.8 How much time do you spend on vehicle washing & cleaning?**Response:**

Less than 5 mins	0	0%
5 Mins - 15 Mins	22	59.5%
15 Mins - 20 Mins	5	13.5%
More than 20 Mins	10	27%

Comment: More than 50 % respondents wash their vehicle in less than 15 minutes and around 27 % takes more than 20 minutes. The difference is majorly due to the type of services adopted.

Q.9 Rate the following from 1 to 3 (1-most important, 2- important,3 least important)

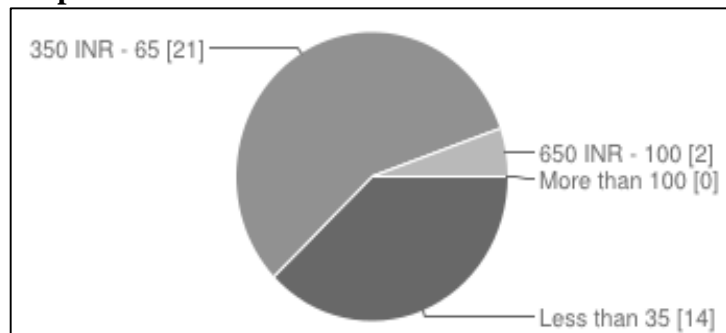
Cleanliness –

Speed of service –

Value for money –

Cleanliness	50%
Speed of service	30%
Value for money	20%

Comment: Cleanliness is most important for people followed by speed of service. People are also ready to pay more for quality services

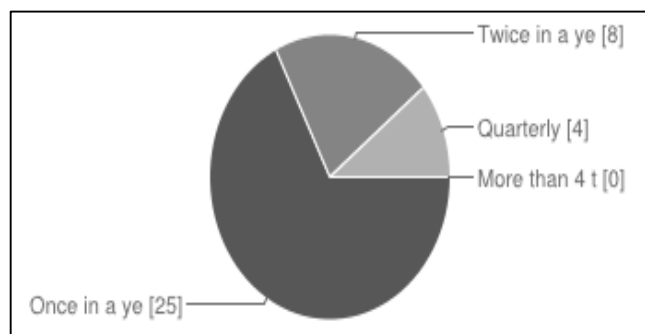
Q.10 How much do you pay monthly to wash / clean your vehicle?**Response:**

Less than 350 INR	14	37.8%
350 INR - 650 INR	21	56.8%
650 INR - 1000 INR	2	5.4%
More than 1000 INR	0	0%

Comment: On an average people pay around 500 rs monthly for car wash. This is a valuable input for developing pricing strategy

Q.11 How often do you send your vehicle for wax / polish in a year?**Response:**

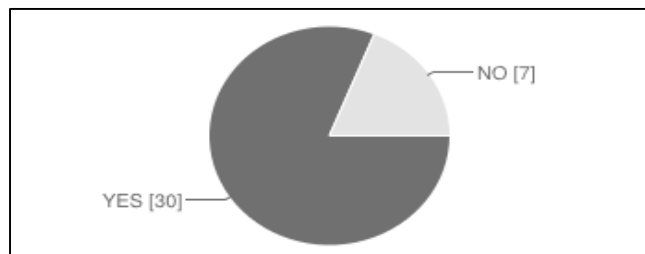
Nothing	5	13.5%
Engine Check-up	13	35.1%
Tire pressure checking	12	32.4%
Nitrogen Filling Station	3	8.1%



Once in a year	25	67.6%
Twice in a year	8	21.6%
Quarterly	4	10.8%
More than 4 times in a year	0	0%

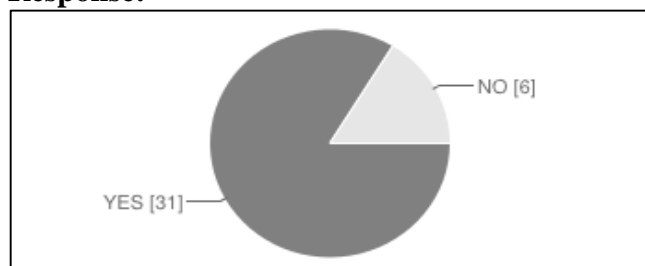
Comment:

1. Around 67.60% people wax their car once in a year. Only 10.88% people wax their car quarterly.
2. People don't take waxing as seriously as they take car wash. Understanding this behaviour will help in developing yearly car wax plans.

Q.14**Would you like to have a professional car foam wash / wax / cleaning services available in your office complex?****Response:**

YES	30	81.1%
NO	7	18.9%

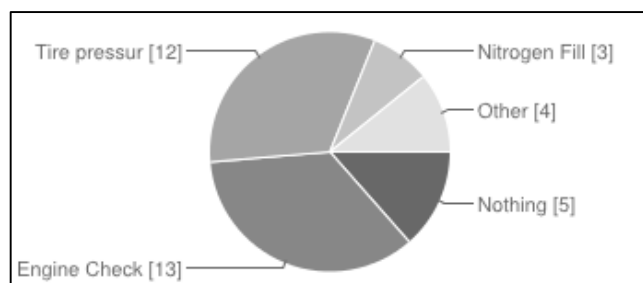
Comment: 81.10% people showed positive response towards this concept. This is very much encouraging to develop business in this field.

Q.15 Would you like to be provided with a video clip of the work done on your vehicle?**Response:**

YES	31	83.8%
NO	6	16.2%

Comment: Around 83% are in favour of providing video clip of the work done. This will help to gain customer confidence about our services.

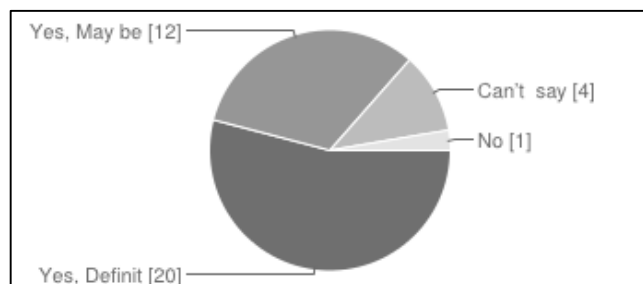
Q.16 What additional services would you prefer?**Response:**



Other	4	10.8%
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Comment: 35 % people would like to have engine check-up as a additional service while around 32 % wants tire pressure checking available .Few others said that oil check-up and coolant level check-up is more preferred.

Q.17 If such types of services are made available in your office premises then are you going to avail it?



Yes, Definitely	20	54.1%
Yes, May be	12	32.4%
Can't say	4	10.8%
No	1	2.7%

Comment:

1. Around 54.1% said that they will defiantly go for such type of services while 32.4% said they might adopt these services. So, overall more than 85% people has shown favourable attitude towards this concept
2. Around 12% are not sure and also would not prefer mainly due to they are happy with the existing services or because of the perception that high prices are being charged for such type of service by known providers in this industry.

From the survey, it can be definitely claim that demand exist for such type of services as **85%** people will prefer to avail such services at their business parks. Since demand exists, we will now develop the business plan for the same.

Vision

To provide car wash/wax/cleaning services in each business park in the world.

Mission

“A1 car wash” is focused at providing ultimate car care experience to their customers by using all its resources aimed at adding value to customers in each and every space of the business thus leading to customer satisfaction

Objectives

1. To create awareness about our services in business parks.
2. To gain annual contracts of 600 cars in first year.

Market Analysis:**1. Present Market Scenario -**

The market is at its nascent stage. There are few individual players which offers car /wash / wax services. But the main difference is that all are located as a individual store and provides service either in their own garages or at the doorstep of customers. Profile of some of the major players has been analysed below.

Competitors' profile

S/N	Name	location	Servicing place	Type of services offered					Level of Automization	Type of Contract				
				Car Wash	Internal detailing	External Detailing	Full car detailing	Other(extra charges applicable)		One-time	Quarterly	Sem-annual	Annual	Long term
1	Kamyo	Tardeo	Doorstep	Yes	Yes	yes	yes	scratch removal and over spray(paint spot) removal ,Fungus removal from carpet, seats and interior surfaces	Semi Automatic	Yes	yes	....	yes	....
2	Plush car detailing	Santacruz West	Doorstep	yes	Yes	yes	yes	Pest/Cockroach Treatment,Engine Dressing,Paint/Cement Spot Removal	Semi Automatic	Yes	....	....	yes	....
3	Sony Max car care experts	Matunga	Garage	yes	Yes	yes	yes	Odor eliminator, glass Number etching ,Anti rust treatments,silencer coating	Semi Automatic	Yes	....	....	yes	....
4	Express Car wash	Kandivali	Garage	yes	Yes	yes	yes	Engine Cleaning with Hot water /steam wash	Automatic / Semi-Automatic	Yes	....	....	yes	....
5	3M	Multiple loactions	Garage	yes	Yes	yes	yes	sun films	Semi Automatic	Yes	....	....	yes	....
6	Ron & Walters	Andheri east	Garage	yes	Yes	yes	yes	Car Painting and denting Fix Dual tone designer seats Car carpet changing Car Insurance Renewals Car Buying & Selling	Semi Automatic	Yes	....	....	yes	....
7	Precious Car Care	Vasai (West)	Garage	yes	Yes	yes	yes	....	Semi Automatic	yes	....	....	yes	....

2. Price trends -

Average price being charged by these players excluding taxes has been analysed below.

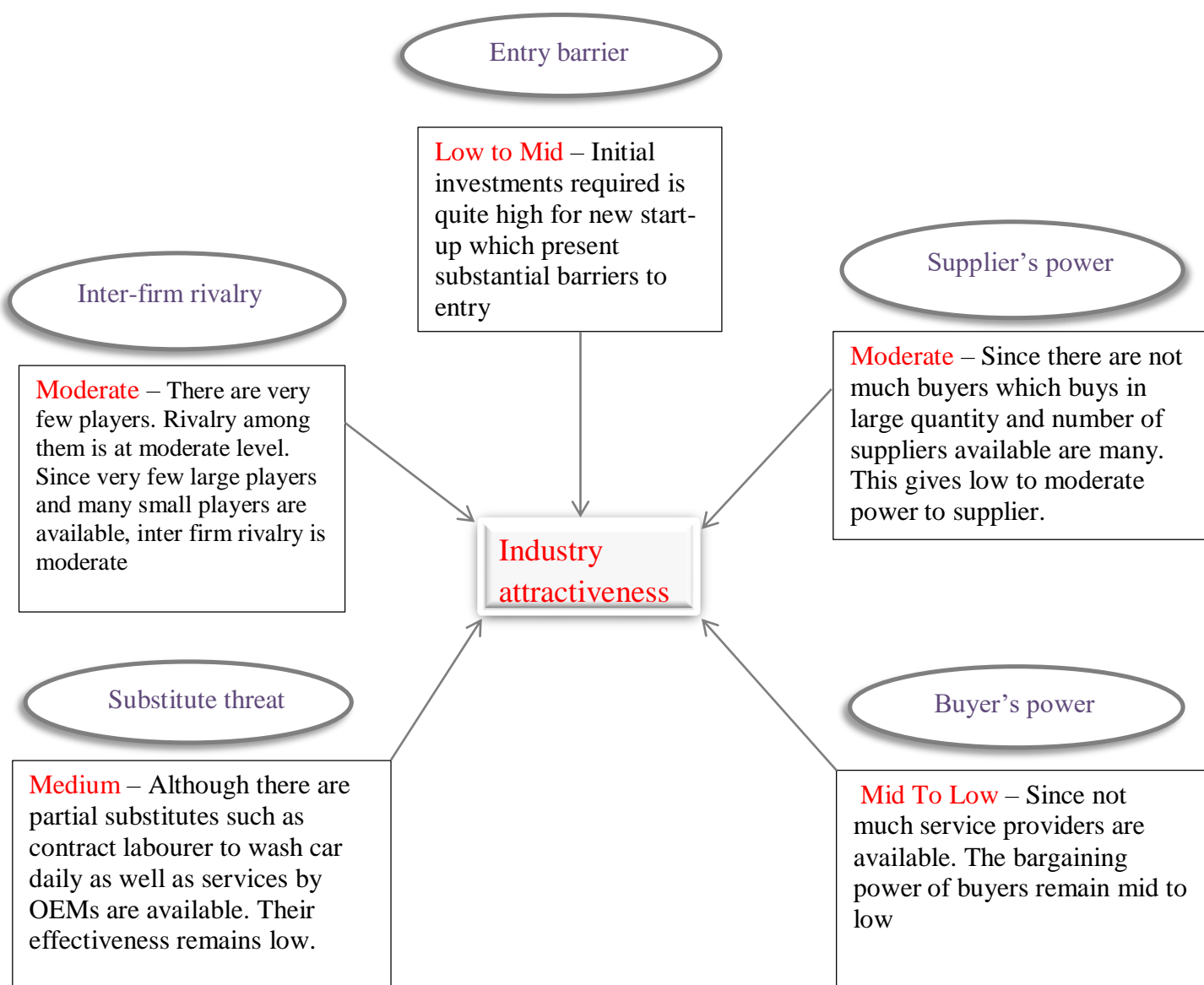
Pricing Table

Car Type	Exterior Detail (Rs)	Interior Detail (Rs)	Super Detail (Rs)	Annual Car Care (Rs)
Small (eg. Alto, Ritz, Swift, Wagon-R, Santro, Getz, i10, i20, Polo, Punto, Jazz, Indica, Spark, Beat, etc)	3000/-	2000/-	4500/-	13500/-
Mid-size (eg. Honda City, Corolla, SX4, Swift D'zire, Indigo, Verna, Accent, Vento, Linea, Optra, Fiesta, Cedia, Nissan Sunny etc.)	3500/-	2500/-	5500/-	16500/-
Sedans (eg. Accord, Civic, Camry, Altis, Laura, Octavia, Superb, Cruze, Jetta, Passat, Mercedes – C Class, E Class, S Class, BMW – 3series, 5 series, 7 series, Audi – A series, Jaguar, etc.)	4500/-	3000/-	6500/-	19500/-
SUVs / MUVs (eg. Innova, Honda CRV, Captiva, Scorpio, Xylo, Outlander, Yeti etc)	5000/-	3500/-	7500/-	22500/-
Premium SUVs (eg. Audi Q-Series, BMW X-Series, Mercedes – M Class, Prado, Pajero, Endeavour, Fortuner etc)	5500/-	4000/-	8500/-	25500/-

Comment:

Minimum of rs 13,500 is charged annually for exterior detailing. While this price is as high as 25,500 for premium SUVs. Among major players highest pricing is charged by 3M .Other players are charging more or less same prices.

3. Industry Attractiveness -



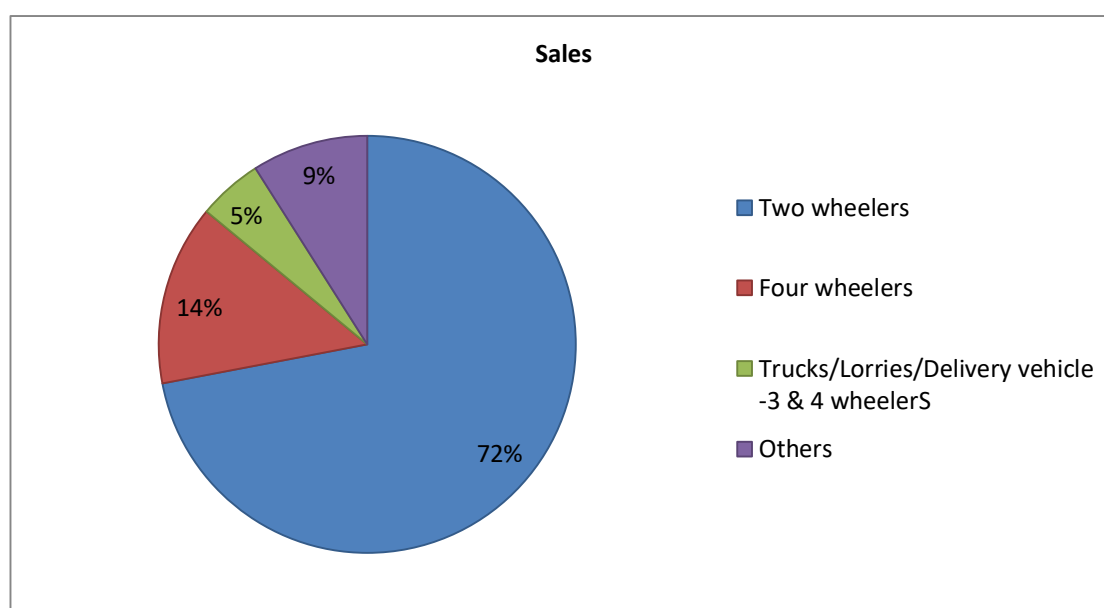
Comments:

1. Overall industry looks attractive because there are not much players available in market and demand exist for such type of services.
2. Availability of suppliers is very huge. Many suppliers ranging from small units to large players are available with wide range of products having cost ranging from low to high and of different qualities, which would help to purchase raw material at competitive price.
3. Buyer's power remains low as not much professional services are available.
4. Inter firm rivalry is moderate. There are few international giants which dominates this industry. However Indian small players also make their presence felt in this industry. Franchising culture is inculcating in this industry and many firms are expanding by this strategy to grow big. This will make inter- firm rivalry more intense.
5. Substitutes are available in terms of daily contract labourers however they don't provide services as professional as we do. Another substitute ie. OEMs provide such type of services. But not many people go for it. As from the survey it was also revealed that people avail such type of services from OEMs only if they get 'loyalty schemes' which leads to low prices ,else they don't go as it seems costly for people to avail those services on regular basis. Therefore, considering all these factors this industry seems attractive.

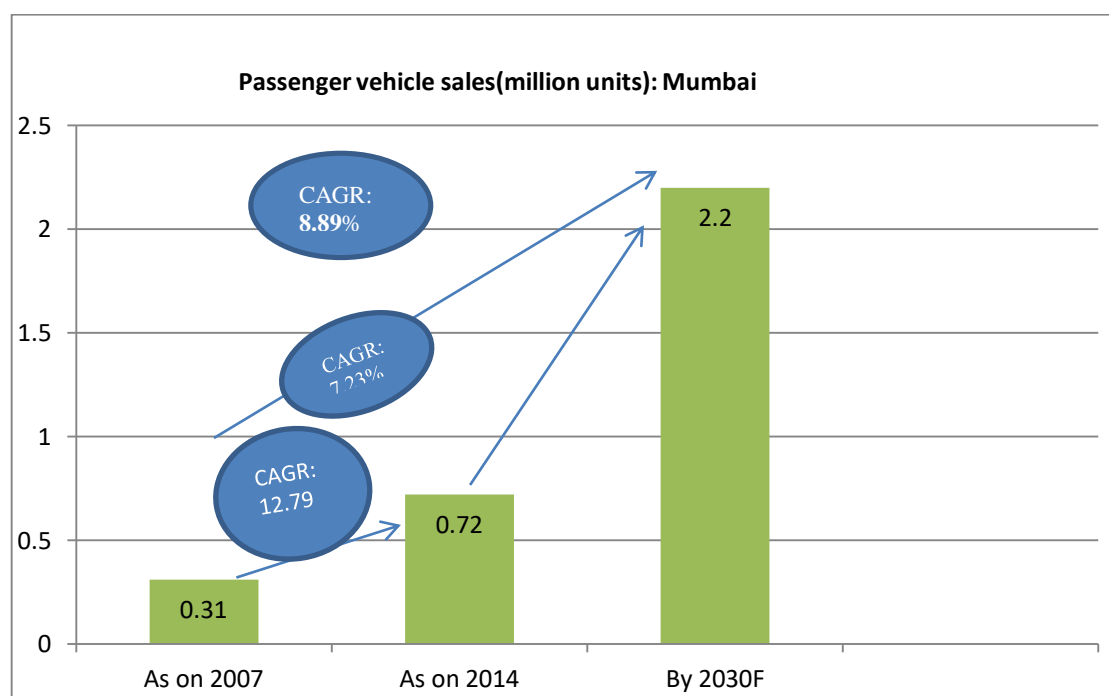
4. Analysing growth potential -

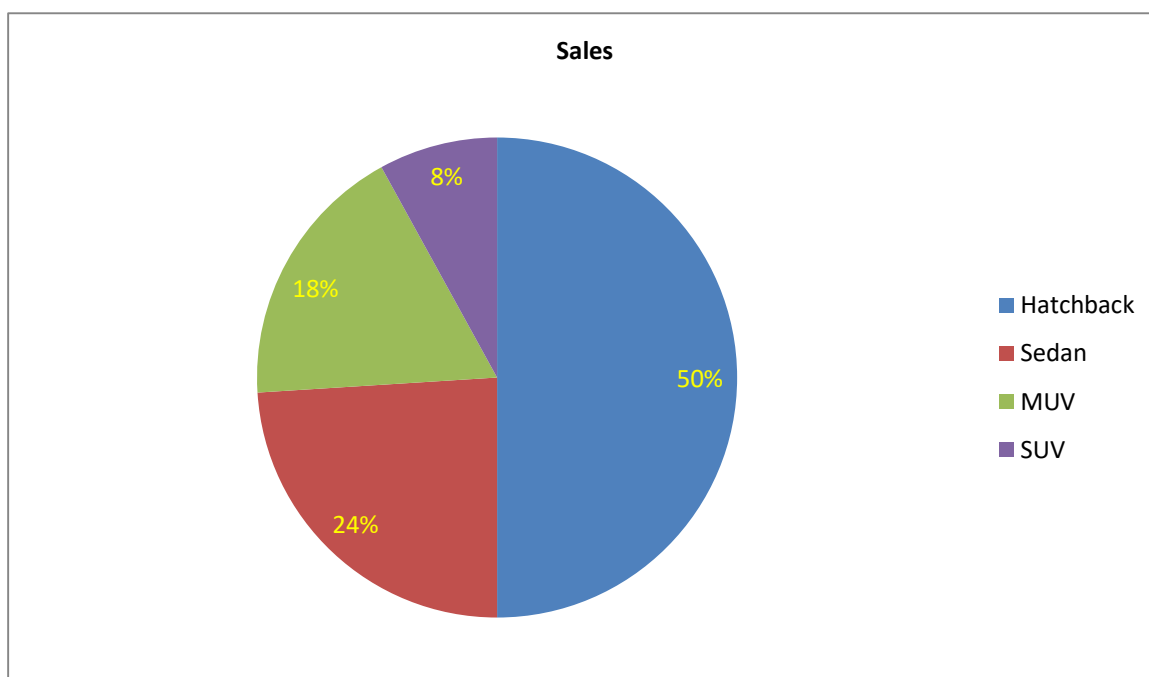
Car market trends in Mumbai are as follows.-

A) Category Wise vehicles in Mumbai As on March 2013



B) Passenger vehicles sale in Mumbai



C) Distribution of cars (body style) in Mumbai**Comments:**

1. Passenger vehicle accounts for 14% of the total car segment in Mumbai. Out of this segmentation hatchback contributes around 50% while sedan has 24% share. Remaining accounts for 26% market share.
2. Even though luxury car market has lower share, in India the luxury car market is at nascent stage and is forecasted to climb by 168% by 2018. One of the major reason is increasing purchasing power and increase in per capita spend in India.
3. Overall, total number of cars in Mumbai as on august 2014 was 7.21 lakhs. It has increased 56% in last 7 years .The total number of cars by 2030 is expected to touch 22 lakhs growing at CAGR of 7.9% from 2014.
4. This scenario creates favourable atmosphere for the business as it will generate more demand for car /wash/ wax services.

5. Location analysis -

Total commercial space absorption in Mumbai as on 2014 was 87 Million square feet. Some of the major corporate parks in Mumbai and their parking space details have been summarised in the following table.

Parking space details in some of the corporate parks in Mumbai

Sr. no	Name of the business park	Location	Commercial space area(sq.ft)	Parking space area	Average Rent for office space /sq.ft
1	Ruby Corporate park	Dadar	10,00,000	4 storey car parking	Rs 140/-
2	Peninsula Corporate park	Lower Parel	10,00,000	Basement parking for 1000 cars	Rs 150/-
3	India bulls Finance center	Lower Parel	4,00,000	basements and ground floors parking for 3500 cars	Rs 120/-
4	Nirlon Knowledge Park	Goregaon	21,96 ,000	2 levels of basement parking for each of the 5 (five) office blocks, as well as a 10 floor Multi Level Car Parking (MLCP),total 6000+ car parking	Rs 95/-
5	Times Quare	Marol,Andheri	2,83,140	1150	Rs 125/-
6	Supreme Business Park	Powai	7,00,000	2,11,000sq.ft.	Rs 125/-
7	Kailas Business Park	Vikroli	7,50,000	7 levels	Rs 98/-
8	Hubtown Solaris	Andheri	2,50,000	800	Rs 140/-
9	Equinox Business Park	Bandra	10,00,000	1000 cars	Rs 285/-

Comment: Nirlon knowledge park seems good location as it has 21,96 ,000 office space, around 6000+ car parking and rent is also at moderate level. Therefore we have selected this area.

Target Market:

1. Geographical : Mumbai Region
2. Locations : Nirlon Knowledge Park, Goregaon East ,Mumbai
3. Target audience : Office going people who usually drive their car to office
4. Income segment : More than 600000 lakhs per annum
5. Age group : 30 years and above

Marketing strategy:**PRODUCT**

Car wash/wax/Cleaning services

PRICE**UNIQUE**

1. To Charge lower prices as compare to competitors

UNIQUE**PLACE**

1. Business Park where people are get their car cleaned while they are in Office.
2. Aimed at providing convenience to people without disturbing their schedule.

PROMOTION

1. To display hoarding near the main gate of the business park
2. To provide brochure about services to each person working in particular business park
3. Free demo car wash

Pricing strategy:**Cost analysis -****Fixed cost:**

1. Initial registration and other legal formalities: Rs.50,000 (one time cost)
2. Office set up: Rs 15, 00,000 (one time cost)
3. Car wash equipment (including washers, vacuum cleaners, and their accessories:Rs 30,000 (average life 4 years)
4. Wax, shampoo, cloths and other raw material:Rs 20,000 (bulk quantity purchase for 3 years)
5. Pest control Injectors: Rs7000 (for 3 years)
6. Uniform for employees: Rs 35,000 (for 5 years)
7. Dent and scratch remover: Rs 13,000 (for 3 years)
8. Add on gift /surprise to customers: 25,000 (car perfumes or other small gift stuff for initial customer who sign annual contracts within 1 year completion of business)
9. CCTV : Rs 8000 (one time cost)
10. Initial advertising cost:Rs 1, 50,000 (one time cost)

Variable cost:

1. Rent: Rs24, 00,000 (per annum)
2. Electricity: Rs3, 00,000 (per annum)
3. Water charges: Rs.2, 00,000 (per annum)
4. Employee salary including CA (legal handlings) including insurance: Rs40, 00,000 (per annum)

Total Initial fund requirement: 87, 38,000 /-

From the cost analysis, calculating cost per month

Particulars	Cost per month
Registration	4,166
Set up cost	1,25,000
Capital equipment	2,500
Shampoo, wax, cloths and other raw material	1,666
Pest control Injectors	583
Uniforms	2,916
Dent and scratch remover	1083
Gift to customer	2,083
CCTV	666
0. Initial advertising cost	12,500
1. Rent	2,00,000
2. Electricity	25,000
3. Water charges	16,666
4. Employee salary	3,33,333
5. Total	7,28,162

Based on the costing, pricing for various services would be as follows.

	One time service	Annual package		
Car type	Package 1	Package 1	Package 2	Package 3
Small- (hatchbacks) (eg. Alto, Ritz, Swift, Wagon-R, Santro, Getz, i10, i20, Polo, Punto, Jazz, Indica, Spark, Beat, etc)	<p>Exterior foam wash + interior vacuum cleaning = Rs 400/-</p> <p>Interior + exterior foam wash+ interior vacuum cleaning = Rs 650/-</p> <p>Polish/waxing = Rs 400/-</p> <p>Exterior detailing = Rs 400/-</p> <p>Interior detailing = Rs 400/-</p> <p>Pest control = Rs 300/-</p>	<p>1.Foam wash exterior every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p> <p>3.Interior foam wash every 15 days</p> <p>4 wax/polishing Every 4 months</p> <p>5. Free stuff- (small dents will be removed)</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 10 days</p> <p>3.Interior foam wash every 15 days</p> <p>4 wax/polishing Every 6 months</p> <p>5.Exterior and interior detailing once in a year</p> <p>6. free stuff – (pest control +small dent/small scratches will be removed+ Air pressure check/filling in tyres)</p>
	Total Price	7,000	10,000	12,500
Mid-size (eg. Honda City, Corolla, SX4, Swift D'zire, Indigo, Verna, Accent, Vento, Linea, Optra, Fiesta, Cedia, Nissan Sunny etc.)	<p>Exterior foam wash + interior vacuum cleaning = Rs 450/-</p> <p>Interior + exterior foam wash+ interior vacuum cleaning = Rs 700/-</p> <p>Polish/waxing = Rs 500/-</p> <p>Exterior detailing = Rs 450/-</p> <p>Interior detailing = Rs 450/-</p> <p>6. Pest control = Rs 300/-</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p> <p>3.Interior foam wash every 15 days</p> <p>4 wax/polishing Every 6 months</p> <p>5. Free stuff- (small dents will be removed)</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p> <p>3.Interior foam wash every 15 days</p> <p>4 wax/polishing Every 6 months</p> <p>5.Exterior and interior detailing once in a year</p> <p>6. free stuff – (pest control +small dent/small scratches will be removed+ Air pressure</p>

				check/filling in tyres)
Total Price		8,500	13,000	16,500
Sedans (eg. Accord, Civic, Camry, Altis, Laura, Octavia, Superb, Cruze, Jetta, Passat, Mercedes – C Class, E Class, S Class, BMW – 3series, 5 series, 7 series, Audi – A series, Jaguar, etc.)	<p>Exterior foam wash + interior vacuum cleaning = Rs 500/-</p> <p>Interior + exterior foam wash+ interior vacuum cleaning = Rs 750/-</p> <p>Polish/waxing = Rs 575/-</p> <p>Exterior detailing = Rs 500/-</p> <p>Interior detailing = Rs 500/-</p> <p>6. Pest control = Rs 300/-</p>	<p>1.Foam wash exterior every 10 days</p> <p>2. Interior vacuum cleaning every 10 days</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p> <p>3.Interior foam wash every 15days</p> <p>4 wax/polishing Every 6 months</p> <p>5. Free stuff- (small dents will be removed)</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p> <p>3.Interior foam wash every 15 days</p> <p>4 wax/polishing Every 6 months</p> <p>5.Exterior and interior detailing once in a year</p> <p>6. free stuff – (pest control +small dent/small scratches will be removed+ Air pressure check/filling in tyres)</p>
Total price		10,000	14,500	19,000
SUVs / MUVs (eg. Innova, Honda CRV, Captiva, Scorpio, Xylo, Outlander, Yeti etc)	<p>Exterior foam wash + interior vacuum cleaning = Rs 550/-</p> <p>Interior + exterior foam wash+ interior vacuum cleaning = Rs 850/-</p> <p>Polish/waxing = Rs 500/-</p> <p>Exterior detailing = Rs 450/-</p> <p>Interior detailing = Rs 450/-</p> <p>6. Pest control = Rs 300/-</p>	<p>1.Foam wash exterior every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p> <p>3.Interior foam wash every 15 days</p> <p>4 wax/polishing Every 6 months</p> <p>5. Free stuff- (small dents will be removed)</p>	<p>1.Foam wash exterior for every 15 days</p> <p>2. Interior vacuum cleaning every 15 days</p> <p>3.Interior foam wash every 15 days</p> <p>4 wax/polishing Every 6 months</p> <p>5.Exterior and interior detailing once in a year</p> <p>6. free stuff – (pest control + Air pressure check/filling in tyres+ small dent/small</p>

				scratches will be removed)
Total price		13,000	18,500	21,500
Premium SUVs (eg. Audi Q-Series, BMW, Jaguar X-Series, Mercedes – M Class, Prado, Pajero, Endeavour, Fortuner etc)	Exterior foam wash + interior vacuum cleaning = Rs 550/- Interior + exterior foam wash+ interior vacuum cleaning = Rs 900/- Polish/waxing = Rs 500/- Exterior detailing = Rs 450/- Interior detailing = Rs 450/- 6. Pest control = Rs 300/-	1. Foam wash exterior every 15 days 2. Interior vacuum cleaning every 15 days	1. Foam wash exterior for every 15 days 2. Interior vacuum cleaning every 15 days 3. Interior foam wash every 15 days 4 wax/polishing Every 4 months 5. Free stuff- (small dents will be removed)	1. Foam wash exterior for every 15 days 2. Interior vacuum cleaning every 15 days 3. Interior foam wash every 15 days 4 wax/polishing Every 6 months 5. Exterior and interior detailing once in a year 6. free stuff – (pest control +Air pressure check/filling in tyres+ small dent/small scratches will be removed)
Total price		18,000	22,000	25,000

Calculating Profits:

- A) We have targeted Nirlon knowledge park, Goregaon, which has commercial space of around 21lack square feet with car parking for 6000+ cars.
- B) Assume that on an average 4000 cars are being parked over there every day.
- C) With initial advertising we will get around 15% of these as initial annual package customers for the first year
 .= 600customers
- D) Out of these customers, we will divide them as per the body style distribution data available for Mumbai
- | | | |
|-----------|---|-----|
| Hatchback | = | 47% |
| Midsized | = | 23% |
| Sedan | = | 17% |
| SUV/MUVS | = | 10% |
| Premium | = | 3% |

15 % more customers will be added next year due to word of mouth publicity of the initial customers and advertising. 20 % more will be added further next year due to advertising, word of mouth reviews from people. 10% more will be added in subsequent years.

As per the above data information, cash flows for this project have been analysed below:

Cash Flows

Particulars	Year 1	Year 2	Year 3	Year 4
Sales	74,78,960 (600cars)	85,70,222 (690 cars)	1,02,84,005 (828 cars)	1,13,68,472 (911 cars)
Total expense incurred	87,38,000	70,50,000	70,50,000	70,70,000
Loss / Profit	-12,59,040	15,20,222	32,34,005	42,98,472
Gross profit margin	-16.83%	17.73 %	31.44 %	37.81 %
PAT (tax @ 30%)		10,64,155	22,63,03	30,08,930
Profit (%)		12.41%	22.01 %	26.46%

Conclusion:

From the above analysis, it can be concluded that this business offers very good opportunity to enter as well as it has very good growth potential. Thus, the given plan can be converted into reality. In the above plan higher estimates for each expense has been considered. Company will start generating profits from 2nd year itself. This is a very good sign. As the company grows, it will lead to increase in customers which will add more sales. It will also lead to achieving economies of scale in terms of buying raw material and learning curve will bring down overall expenses. Thus the overall profit will be higher in subsequent years.

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