I. Business Description

A. What we offer

1. Used automobiles
   i. Cars, trucks, SUVs, and motorcycles
   ii. Specializing in cars less than 7 years old

2. Auto detailing

3. Oil changes, tire rotation, and basic repairs

B. Industry review

1. Current market status
   i. Demand for used cars over new cars
   ii. Lifespan of used cars
   iii. Income level of average used car buyer

2. Pros and cons of the used car business
   i. With increasing technology lifespan of cars is on the rise
   ii. High turn-over rate on each sale
   iii. Current economic state favors used cars over new cars
   iv. Why would a customer buy from us rather than from any other used car dealership
   v. Hard to make an honest name

3. How we plan to overcome the cons

4. Barriers to entry
C. Source of products

1. Dealer auctions
   i. Scouting and reviewing current dealer auctions to find honest prices on quality products
   ii. Research on what auctions to go to for what model or makes of cars

2. Trade ins

II. Market

A. Customer base

1. Who the customer is
   i. Age range
      a. 30 to 50
      b. 18-25
   ii. Income level
      a. Middle to upper middle class
      b. College student on loans
   iii. Single or married
      a. Married
      b. Single
   iv. Lifestyle
      a. Luxury family lifestyle on middle class budget
      b. Outbound college students
2. Where the customer is
   i. Columbiana, Trumbull, and Mahoning county area

3. Why this demographic
   i. Most money
   ii. Possibly buying cars for children
   iii. College students need cars

B. Customer needs

1. Quality automobiles
   i. We specialize in used luxury vehicles
   ii. Also offer quality economy vehicles

2. Competitive prices
   i. Buying our automobiles cheap at auctions
   ii. Offering good trade in value

C. Industry

1. Description of current state of used car industry
   i. Current state of economy yields higher demand for used cars over demand for new cars
   ii. Improved manufacturing quality prolongs car life.

2. Projected description of the future of used car sales
   i. Economist predictions for future of economy and its effects on our market.
ii. Speculations of gas crisis and effects on market for older cars.

D. Business location

1. 490 Main Street Canfield, OH 44406
   i. Cost to rent ($1,976 monthly to rent)
   ii. Advantages of location
      a. Suitable to our needs(formerly a vintage car dealership)
      b. Affordable monthly rate
      c. Upscale locale
      d. On frequented route
   iii. Disadvantages of location
      a. Local competition
      b. More room would be better

III. Competition

A. Area Competitors

1. Two used car dealerships in Canfield
   i. Armando’s Inc.
      a. Specializes in high class cars(Porsche, Ferrari, Mercedes…)
      b. Appeals to a higher income class than HEAT auto
   ii. Fairway Ford
a. Chain of auto dealerships

b. Sells only Ford cars new and pre-owned

c. As a branch of a larger corporation they will not have the same quality of customer care and satisfaction that HEAT auto offers

2. Used car dealerships in neighboring communities

i. Lake Milton Auto Sales

ii. Direct Sales and Leasing

iii. JR’s Auto City

iv. Ray’s Auto Sales

v. George Landis and Associates

B. Strengths and Weaknesses

1. Strengths

i. Quality service and staff

ii. Competitively priced cars

iii. Diverse financing possibilities

2. Weaknesses

i. Many established dealers in area

ii. No recognition

iii. New to the market

C. Dealing with competition
1. How we will stand out in the market
   i. While it is hard to be unique in a this market we plan to use a small gimmick upon our startup to make our name known
      a. Hawaiian theme
         i. Hot deals on hot wheels

2. Equal service for everyone
   i. No customer too small

3. Quality service
   i. Customer satisfaction leads to customer loyalty
   ii. If we don’t have the car we can help you find it

D. Pricing
   1. Offer reasonable pricing with room for bargaining
   2. Keep track of other area dealer’s prices and stay within value

IV. Advertising & Promotion
   A. Advertising campaign
      1. Internet advertising
         i. Ad space on Autotrader.com
            a. Buying ad online includes space in Autotrader magazine
b. For slightly higher price can
   customize pages with our Hawaiian
   logo

2. Direct mailing
   i. Through Fed-Ex Kinko’s direct mailing
      program
      a. Cheap and effective
      b. Room for specifics about current
         stock
      c. Able to incorporate Hawaiian theme
         onto direct mailing flyers

3. Word of mouth
   i. Most effective form of advertising for used cars
   ii. Quality service leads to satisfied customers
       providing free advertising

B. Reaching the right audience
   1. Autotrader.com is already an established icon in the used car
      market
   2. Direct mailing allows us to specify the right demographic to mail
      to

C. Costs of advertising
   1. Autotrader.com
      i. Charged per listing and amount of content
2. Direct mailing
   i. Charges vary on amount of mailings and location

3. Total costs

V. Financial & Human Resources

A. Form of Business
   1. Partnership
      i. Owners (Awad, Testa, Earle, Hammond)
      ii. Why we chose this form

B. Sales projections
   1. Auto sales
      i. Roughly estimating 2 sales per week at an average profit of $2500 per sale over 52 weeks = $260,000 yearly
   2. Auto detailing
      i. Roughly estimating 1 detailing customer per day at an average profit of $100 per customer over 365 = $36,500 yearly
   3. Total Sales Projection
      i. Based on VERY rough estimates we conclude an average annual revenue of $296,500

C. Costs
   1. Start up costs
1. Sunk costs
   a. Dealer license, HEAT Auto sign for lot, furnishing for offices and lot
2. Recurring costs
   a. Rent, utilities, stationary

2. Ongoing expenses

i. Buying products
   a. Automobiles
      i. Assuming between $2000 and $6,000 per car
   b. Tools, vacuums, shampoo
      i. One or two vacuums, shampoo covers up to 3 cars per bottle for around $12 a bottle

D. Partner responsibilities

1. Earle
2. Awad
3. Testa
4. Hammond

E. Employees needed