

**Index**

Executive Summary [PAGE NUMBER]

Company Overview [PAGE NUMBER]

Products and Services [PAGE NUMBER]

Execution [PAGE NUMBER]

Operational Plan [PAGE NUMBER]

Financial Plan [PAGE NUMBER]

**EXECUTIVE SUMMARY**

[Quattro] is a new car rental service in Pomona, [California] that offers business travelers and tourists a variety of rental cars from economy class sedans to full-size luxury convertibles. [Quattro] is strategically located near a hotel close to a freeway and is just a few minutes away from the nearest airport. The company will offer efficient, eco-friendly cars that only a few car rental companies have. As a way to compete with other existing companies, [Quattro] will showcase its brand through research-driven sales and marketing strategies and superior customer service.

**COMPANY OVERVIEW**

**Mission Statement**

[Quattro] mission is to consistently deliver value to customers by providing high-quality cars through seamless business transactions.

**Philosophy**

[Quattro] is committed to providing the best travel experience to visitors in the city through its best-looking performance cars.

**Vision**

[Quattro] continuously strives for growth and aims to serve the people by offering eco-friendly and fuel-efficient rental cars.

**Outlook**

[Quattro] will take advantage of the global economic recovery which currently drives the industry’s growth forward. With the increase in the buying capacity of consumers and with the low-cost airfares, the car rental market is more likely to continue to experience growth in the following years. Although there are some disruptions in the industry that might endanger the profitability of the business such as car sharing, the company is confident that it can thrive in this competitive industry with its business strategies.

**Type of Industry:** Car Rental Industry

**Business Structure:** Partnership

**Ownership:** Partnership, [Arthur L. Melendez and Kenneth L. Norris]

**Start-Up Summary**

The start-up’s overall cost is $[650,000]. Three hundred thousand comes from a bank loan, $[200,000] comes from [Arthur Melendez] and $[150,000] from [Kenneth Norris]. The fund will be spent on the initial fleet, lot and office rent, office supplies, maintenance, marketing materials, and salaries.

|  |  |
| --- | --- |
| **Start-Up Funding** | |
| Start-Up Expenses | $120,000 |
| Start-Up Assets | $530,000 |
| **Total Funding Required** | **$650,000** |
|  | |
| Assets |  |
| Non-Cash Assets from Start-Up | $510,000 |
| Cash Requirements from Start-up | $6,000 |
| Additional Cash Raised | $8,000 |
| Cash Balance on Starting Date | $6,000 |
| **Total Assets** | **$530,000** |
|  | |
| Capital |  |
| Planned Investment |  |
| Owner | $350,000 |
| Other | $300,000 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$650,000** |
| Loss at Start-Up (Start-Up Expenses) | -$120,000 |
| **Total Capital** | **$530,000** |
| Liabilities | $0 |
| **Total Capital and Liabilities** | **$530,000** |
|  | |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses |  |
| Rent - 5 Months | $70,000 |
| Advertising | $4,000 |
| Legal Fees | $1,500 |
| Staff Training | $18,000 |
| Insurance | $1,500 |
| Other | $25,000 |
| **Total Start-Up Expenses** | **$120,000** |
|  | |
| Start-Up Assets |  |
| Cash Required | $6,000 |
| Start-Up Inventory | $510,000 |
| Other Current Assets | $8,000 |
| Long-Term Assets | $6,000 |
| **Total Assets** | **$530,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$650,000** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| David R. Berry | Operations Manager | Leadership, Business Negotiation, Decision-making, and Planning |

**Short- and Long-Term Goals and Milestones:**

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Set up a company website | Commissioned a web developer last [January 12, 2019] |
| Create advertising and marketing materials | Developed innovative marketing approaches and started creating the materials last [January 2, 2019] |
| **Long-Term Goals** | **Milestones** |
| Expand car fleet to [20] cars in two years | Already has [10] cars to be used for the operation. |
| Repay [50]% of bank loan in five years | Has an effective business strategy in place. |

**PRODUCTS AND SERVICES**

**Product/Service Description**

[Quattro] offers both contract hire and daily hire services to tourists and business travelers with cars ranging from luxurious SUVs to economy four-passenger sedans. The company will offer its customers easy-to-access booking systems on their website for seamless business transactions.

**Value Proposition**

[Quattro] will always make sure to give customers reliable services. Customers can choose a wide variety of cars and can opt for longer contract hire services or a brief daily hire service.

**Pricing Strategy**

[Quattro] operates using a cost-plus pricing scheme and a competitive pricing strategy to gain a competitive advantage in the market.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

[Q Enterprises]

Profit Margin = 1 - ($184,500/$220,000)

= 1-0.83

= 0.17 or 17%

**EXECUTION**

**Marketing Plan**

[Quattro’s] marketing plans include both traditional and modern approaches. The team aims for high brand visibility on the internet by setting up a website and enlisting it in online directories. It will also spread awareness offline through outdoor ads, brochures, flyers, and business cards. Ultimately, the company’s whole marketing plan is driven by providing excellent and consistent products and services.

**Market Research**

The future of the car rental industry is bright. Although many factors are slowly affecting the profitability of the industry such as car sharing, the increasing buying capacity of consumers along with decreasing airfare pricing still drives the car rental industry’s growth in the future. Today, the industry is valued at $[58.26 billion] and is expected to grow to $[124.56 billion] by [2022]. There may be a lot of opportunities for greater profit in this industry but the competition is very tight. In Pomona alone, there are more than [20] businesses operating in the area.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [Quattro] | * High-quality service * Wide variety of cars | * Limited funds * Inexperienced | * Increasing customer disposable income * Improving tourism | * Big players in the industry * Disruption in the industry such as ride-sharing businesses |
| [Monty Car Rentals] | * Affordable * Fast services | * Small company with fewer car choices | * Improving economy * Internet trends such as automated bookings | * Increase in oil prices |
| [Chimichanga Rent-A-Car] | * Large company * Wide variety of cars | * Limited customer base | * Niched/targeted market * Growth of travel booking online | * Budding strong competitors * Volatile gasoline prices |

**Marketing Strategy**

[Quattro’s] marketing strategies are driven by its desire to provide excellent services and products to its customers. The company takes advantage of the power of referrals and word of mouth to spread brand awareness and attract more customers to the business. To reinforce this cause, the team will create materials for outdoor advertising such as flyers, business cards, and brochures.

The company will also be present online through its website. The team will make sure that the website can be easily navigated by customers. It will serve as an online booking platform so customers can make transactions easily anytime and anywhere. The website will be also listed in online directories to further increase its web visibility.

Several marketing strategies have already been started by the team. Here are what they have achieved so far:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Advertising materials | Has created copy materials for flyers and brochures | March 1, 2019 | Materials will be ready for distribution |
| Improve customer service | Currently looking for a trainer | February 12, 2019 | Staff will be trained in proper client handling |

**Organizational Structure:**

****

**OPERATIONAL PLAN**

**Location and Facilities**

Provide a sketch or blueprint of the facility.

Provide photos or images of the location/facility.

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| Easy Rent Pro | 1 |
| Shiftboard | 1 |
| **Hardware** | **Quantity** |
| Cars | 10 |
| Office desks | 4 |
| Telephones | 2 |
| Desktop computer | 2 |
| Printer | 1 |

**IT Infrastructure**

The following table reflects [Quattro’s] IT infrastructure.

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Car Rental Software | Y | Software made specifically for car rental business management |
| Website | Y | Currently under construction |

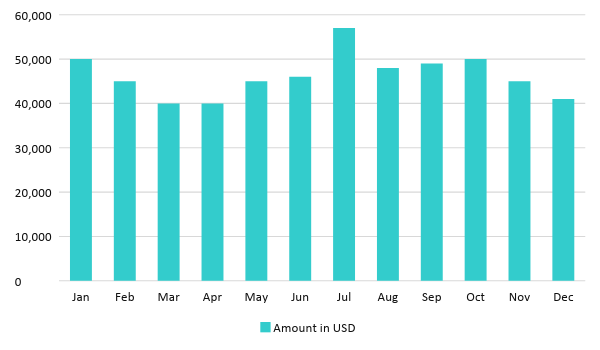
**FINANCIAL PLAN**

**Assumptions**

The financial forecast is influenced by the current state of the economy and the current trend of the car rental industry. The company will leverage the online means in attracting customers and will focus on improving its products and services. The company’s expenses will be on supplies, initial car fleet, insurances, marketing materials, rent, and payroll.

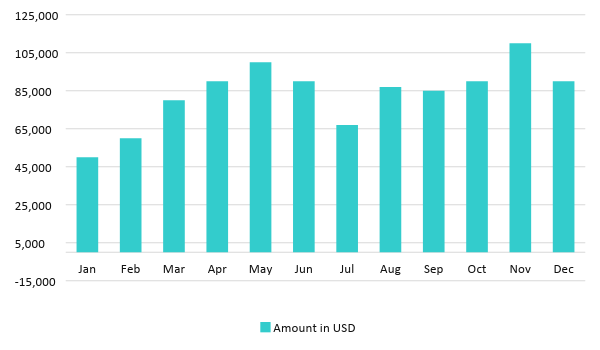
**Monthly Expense**

The chart shows [Quattro’s] projected monthly expenses for [2019].



**Monthly Revenue**

The chart depicts the company’s projected monthly revenues for [2019].



**Business Financing**

The business has a total of $[650,000] in funding; $[350,000] is to be provided by the founders [Arthur Melendez] and [Kenneth Norris] while the remaining amount will be acquired through a bank loan. Most of the money will be spent on supplies, initial car fleet, marketing materials, insurances, rent, and payroll.

**Statements**

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Sales | $600,000.00 | $700,000.00 | $900,000.00 |
| Direct Cost of Sale | $200,000.00 | $300,000.00 | $400,000.00 |
| Other Cost of Sale | $20,000.00 | $25,000.00 | $30,000.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $380,000.00 | $375,000.00 | $470,000.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $220,000.00 | $325,000.00 | $430,000.00 |
| **Gross Margin % (Gross Profit/Sales)** | **36.67%** | **46.43%** | **47.78%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $70,000.00 | $70,000.00 | $70,000.00 |
| Insurance | $1,500.00 | $1,500.00 | $1,500.00 |
| Utilities | $19,000.00 | $20,000.00 | $24,000.00 |
| Salary (Including Tax) | $90,000.00 | $100,000.00 | $120,000.00 |
| Maintenance & Supplies | $4,000.00 | $4,500.00 | $5,000.00 |
| **Total Operating Expenses** | **$184,500.00** | **$196,000.00** | **$220,500.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $195,500.00 | $179,000.00 | $249,500.00 |
| Depreciation | $10,000.00 | $10,000.00 | $10,000.00 |
| Interest Expense | $20,000.00 | $20,000.00 | $20,000.00 |
| Taxes Paid | $3,000.00 | $4,000.00 | $5,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$12,500.00** | **$105,000.00** | **$184,500.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Cash | $200,000.00 | $300,000.00 | $400,000.00 |
| Accounts Receivable | $15,000.00 | $16,000.00 | $17,000.00 |
| Inventory | $50,000.00 | $50,000.00 | $60,000.00 |
| Other Current Assets | $300,000.00 | $300,000.00 | $400,000.00 |
| Total Current Assets | **$565,000.00** | **$666,000.00** | **$877,000.00** |
|  |  |  |  |
| Long-Term Assets | $20,000.00 | $25,000.00 | $30,000.00 |
| Accumulated Depreciation | $20,000.00 | $25,000.00 | $30,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $0.00 | $0.00 | $0.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$565,000.00** | **$666,000.00** | **$877,000.00** |
|  |  |  |  |
| Accounts Payable | $40,000.00 | $45,000.00 | $50,000.00 |
| Notes Payable | $30,000.00 | $40,000.00 | $45,000.00 |
| Other | $10,000.00 | $20,000.00 | $30,000.00 |
| Total Liabilities | **$80,000.00** | **$105,000.00** | **$125,000.00** |
|  |  |  |  |
| Paid-in Capital | $40,000.00 | $50,000.00 | $60,000.00 |
| Retained Earnings | $200,000.00 | $300,000.00 | $400,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$485,000.00** | **$561,000.00** | **$752,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **16.49%** | **18.72%** | **16.62%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Operating Cash Beginning | $100,000.00 | $200,000.00 | $300,000.00 |
|  |  |  |  |
| **Sources of Cash** | $40,000.00 | $45,000.00 | $50,000.00 |
| Receivables | $15,000.00 | $16,000.00 | $17,000.00 |
| Sales | $200,000.00 | $300,000.00 | $400,000.00 |
| Others | $2,000.00 | $3,000.00 | $4,000.00 |
| **Total Cash** | $357,000.00 | $564,000.00 | $771,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $70,000.00 | $70,000.00 | $70,000.00 |
| Insurance | $1,500.00 | $1,500.00 | $1,500.00 |
| Utilities | $19,000.00 | $20,000.00 | $24,000.00 |
| Salary (Including Tax) | $90,000.00 | $100,000.00 | $120,000.00 |
| Maintenance & Supplies | $4,000.00 | $4,500.00 | $5,000.00 |
| **Total Expenditures** | $184,500.00 | $196,000.00 | $220,500.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$172,500.00** | **$368,000.00** | **$550,500.00** |