

**INTERNATIONAL BUSINESS PLAN EVENT**

Car Wash Facility

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16. **Executive Summary**

Auto bell is a car detailing service-based organization, while this business is local, we plan to expand it across international borders and extend the services to Australia. Australia is a good area to start in as it mirrors America in various ways, including demographics and age groups along with its economic environment and tax laws.

After an extensive amount of research on the possible consumer base in Australia, we found that Australia’s off roading community is lively enough to match up in profit with Auto bell’s market segmentations in America. Australia’s older population gives us more room to grow also, since the older niche of society often drives luxury or antique cars which they prefer to keep in pristine condition.

Lastly, our growth will only be assisted by the ease of starting a business in Australia, due in part to their capitalistic free market that gives new businesses a stronger and more stable environment to expand.

1. **Introduction**

The type of business we propose to open is an Auto bell service for the interior and exterior cleaning of motor vehicles in Australia. The Auto bell brand is known for thoroughly providing a total auto detailing, which includes, but is not limited to, a complete vacuuming, shampoo and washing on the interior and a wax rubdown on leather surfaces. They also have been lauded for their entire cleaning efforts as well. Their cleaning methods in this regard contain a brushless hand wash and dry, waxing of the body panels and rims.

We plan to expand Auto bell into the Victoria, Queensland and New South Wales areas of Australia. Our reasoning behind this is because of the dense population present in these areas and the vast amount of cars and travelers coming through these chunks of Australia. The consistent cross traffic in and out of these areas will lend itself nicely to our business model as a whole. This business type and model is almost strictly domestic, spawning in America. Our logic behind expanding it is that foreign nations such as Australia not only enjoy cleaner vehicles because of the arid and dusty road conditions but also there is an open market with a limited type of this service provided. Certain aspects of “first-world” luxuries should be expanded across borderlines, bringing along a new standard that may not have been available in the aforementioned locations. We plan to offer promotional discounts and free service for the first one hundred customers to try our service.

The planned target market for this business model would include a younger “car enthusiast” demographic and would also appeal to the older demographic whom cannot be bothered with the tedious efforts that are bundled with the upkeep of an automobile, at an affordable price. We plan to direct ourselves toward people who are interested in off road racing and those who participate in car shows. Finally, in a more industrious outlook, we intend to extend our services to large car dealerships and car brands as there is a constant need for meticulously clean and highly sellable vehicles in order to provide show room services to them and their complete lines of automobiles, in a timely manner. We can offer an on-sight thorough cleaning and detailing at an affordable price that can eliminate dealership additional expenses such as added employees which will add to the profit margin of these companies. In order for this business to take flight, we plan to stay in constant contact with our well-established United States Auto bell franchise assistance program, using them to jump start our venture and help us iron out any weak spots or inconsistences in the long process in becoming an independent business from the Auto bell of the United States.

**III. ANALYSIS OF THE INTERNATIONAL BUSINESS SITUATION**

Our business would flourish because Australia has a free-market economy that is aimed towards new businesses starting up and progressing within its boundaries. As of today, Australia has the 12th biggest economy in the world and it is on its 23rd year of uninterrupted annual growth meaning it has a strong and steady economy. Australia’s GDP per capita is currently $43,000, thus making their economy very successful. Australia has a low unemployment rate, low public debt and a sturdy financial system. When you combine all of these factors the likelihood for success a new business are greatly enhanced.

Australia has a proven track record for investing companies based on the Foreign Direct Investment they have received. Business continues to increase steadily throughout Australia, with an increase of 8,868 active businesses. This makes Australia fertile ground for planting businesses.

Australia’s population is approximately 23,617,000. Of that figure; 67% are between the ages of 15 and 65. This is important to our business because we are targeting a wide audience that is looking to maintain the image of their vehicles in a cost effective and timely matter. The minimum, legal driving age in Australia is 16, making teens and young people more interested in owning and properly taking care of their automobiles and car enthusiasts. This demographic will only continue to grow as Australia solidifies its identity as a first world country

The Common Wealth of Australia is divided into six main states, with separate governments. Each state is similar to the federal government, which is a constitutional monarchy, a federation and a parliamentary democracy.

Australia has numerous Free Trade Agreements (FTA’s) with a variety of trading partners; all aimed at making Australia a manufacturing and import giant. This agreement allows both the parties to improve their economic relations and banish trade barriers making it easier to import and export between both nations. Australia plays active roles in trading forums such as WTO, APEC and G20 as well as many others. Businesses considering importing should be aware of government regulations, duty taxes, permits, and quarantine and treatments that apply to imported goods. Imports that do not meet these requirements can be seized by the Australian Customs and Border Protection Service. Barriers to the Australian export of goods remain significant in areas such as processed foods and agricultural products, and manufactured goods, including steel and automotive products. Some of which directly pertain to our business since our company primarily deals with vehicles.

Any goods imported however, must go through a screening process at the hands of the Australian Customs and Border Protection Service. We’d have to account for taxes and pilot testing regarding any imported products.

**B. Trade Area and Cultural Analysis:**

**1. Geographics and Demographics:**

Australia is an island, a country and a continent. The most inhabited state in Australia is Western Australia with a growing population of 2,529,875. Its climate is “mostly arid to semiarid, but the south and east are temperate and the north is tropical” (Geography of Australia). Australia mostly consists of arid deserts, therefore when traveling by car; it becomes harder to keep it clean. A big percentage of the population in Australia is made up of teenagers and young adults, meaning that not only would they be getting their first cars, but they would also prefer to keep them clean thus turning to our company to fulfill those needs. Australia is mostly known for a high life expectancy, good education, quality of life, biodiversity and tourism. We are mainly targeting Brisbane, the capital of Queensland and third most populous city in Australia, since it is heavily populated and is widely known for its tourism. According to the “Bureau of Transport and Regional Economics”, the largest component of transportation in Brisbane, is traveling by private car. This would be a great advantage to us since our business is heavily influenced by people who own private vehicles.

**2. Market Segment Analysis:**

Our business model must be flexible as Australia’s demographics are broad and are destined to shift as many young people are migrating to and from Australia from different countries, which would cause of a mixture of cultures and therefore a mixture of interests and result in a change in business model. Queensland is a primary hub for travel as mentioned before and is a popular place of choice for many whom fall under our target audience, making it highly desirable for our business to be pushed hard and be greatly advertised there once we are able to make it through all of Australia’s trade assessments.

Auto bell’s target market is a wide audience. Mostly teenagers who want their cars clean and old people who need assistance in maintaining their automobiles. Young adults/adolescents make up a great deal of the population in Australia, leaving us with a ripe ground that’s ready for growth and development. It also is very diverse, which allows us to reach the older market segment which typically drive luxury cars and SUVs.

**3. Analysis of Potential Location:**

We plan to establish brick and mortar stores within the vicinity of car dealerships, off roading trails and college and high school campuses. These locations have been chosen in order to cater more closely to our target market. Many young adults care a lot for the environment, therefore Auto bell is a better and eco-friendly choice. By locating our business near high schools and universities, it will attract a lot of young people’s attention. We plan to advertise our business through television commercials and promotional car shows. TV commercials will reach a wider audience, causing many to come to us for the interior and exterior cleaning of their cars. As for competition, Auto bell is the most affordable and gives the best quality than any of the other competitors.

Australia has a number of existing Free Trade Agreements (FTAs) with important trading partners and is in negotiations and discussions for further agreements with a number of countries. The Australian export of goods remain significant in areas such as processed foods and agricultural products, and manufactured goods, including steel and automotive products, which directly ties into our business plans for establishing Auto bell.

Goods imported in Australia require classification. Declaration procedures are based on self-assessment by importers. Declarations must be made to the Australian Customs and Border Protection Service, which also enforces import restrictions. We will take the necessary precautions to meet the standards of classifications, including making our products environmentally friendly so that we can appease the environmental minded segment of our target markets.

When importing to Australia, products must face extensive testing. The testing we’ll conduct will be through and exhaustive in order to pass inspection. In addition to these things, we will also do a self-imposed quality pilot testing so that our products and services meet expectations in our target marketing. The only reason this importing is needed is due to Autobell products being created in the U.S.A. and importing the goods is crucial to keeping the integrity of the products

**IV. PLANNED OPERATION OF THE PROPOSED BUSINESS/PRODUCT/SERVICE**

**A. Proposed organization**

Type of ownership and rationale; advantages/disadvantages of the type of ownership selected; start-up steps to form the business; planned personnel (or functional) needs; proposed staffing to handle managerial, financial, marketing, legal, production (if applicable) functions; proposed organization chart, brief job descriptions, if necessary.

Our proposed business model is to become a franchisee under the Auto Bell Corporation. It gives us the financial support and startup tools to get our company established overseas. As a franchised operation we will pay a franchise fee and royalties to the Auto Bell Franchise. In exchange we will have access to their products, advertisements, and management expertise. We chose this route because we feel like it will assist us in the early stages when most businesses have a tendency to fail. This model of business ownership can be expensive because our parent company will always cut into a percentage of our profits; however, the overall impact of their presence is what we seek and is ultimately why we chose to purchase a franchise versus start an original car wash concept up. We realize that the process of starting a business overseas is complex and that we will need a great deal of assistance from our American counterparts in order to be a success.

In order for our business to start up, we must complete the franchisee paperwork associated with obtaining an Auto Bell. Once we are confident all of the necessary paperwork is in place we will file claims with the Australian Government that gets us the proper legal clearance to operate in their county. The rough estimate of time to get this legal process done is about a year but the licensing and Australian Government approval is typically a very short process that will allow us to get started quickly after our franchise is approved.

Auto Bell is a corporation that is overseen by a CEO and board of directors. In Autobell’s case, a CEO’s responsibilities will be delegated to aspects such as regulating services and handling the day to day operations of how Auto Bells are supposed to be run. We will hire a manager to communicate with corporate level management and to ensure that our decisions reflect Auto Bell’s policies and business model. In addition to hiring a general manager; we will add assistant managers who will supervise daily operations and employees in our Australian store. Employees will be hired to handle things such as stocking the store and accounting for products. Top level management will assist in budgeting and payroll, while assistants and supervisors will work closely with the staff to facilitate the schedule and daily operations.

**B. Proposed product/service**

1. Details of the product(s)/service(s) to be offered; include potential suppliers, manufacturing plans, and inventory policies, if applicable. If the business is a service business, appropriate information about plans to provide the service, including necessary supplies

Products to be provided would be Auto Bell branded bottles of car-washing wax and various towels that’re designed specifically for rim car and interior care. Our various services include full body wash, which entails a thorough cleaning of each panel of the car and rim cleaning, finishing with full coat of wax on tires and rims. Interior cleaning will also be offered, with a detailed vacuuming and wipe down of interior. Leather equipped vehicles get an interior wax and cleaning, while cloth and vinyl material is extensively shampooed.

Materials needed in order to provide these services would be a spacious lot with various faucets and hoses that’re relatively high powered in order to clean the cars in a timely mattered. Ground-mounted vacuums and garages for interior cleanings are needed too so that we can ensure a swift and extensive interior cleaning. Industrial car dryers (such as the one at traditional car washes) would allow us to dry the cars quickly and move through vehicles systematically.

**2. How the product/supplies will be transported to/from the home country; costs, benefits, risks of the transportation method; documents needed to transport the product/supplies**

Supplies and other transported materials related to the business will be subject to the strict policies aforementioned in this plan. The most pressing costs would be directly related to the testing required to deem the product worthy by Australia’s standards. Transportation would mostly be carried out through plane and cargo ships, both of which are relatively expensive methods but a necessary step towards getting the Auto bell franchise and its products set up across the world.

**C. Proposed strategies**

**1. Proposed pricing policies**

Pricing is priced related to the strength of the AUS. The AUS is the Australian dollar and is currently strong at the moment as it is slowly coming out of a recession along with the USA. Competition is weak in our market segment, with our main competitors being the typical mechanical gas station car washes and the occasional off shoot mom and pop car washes that have little to no backing from a major cooperation. These factors combined lead us to believe that our business will easily flourish in Australia.

**2. Proposed promotional program**

Finally, promotion and advertisement will be heavily pushed during the first calendar year of our existence. Coupons, discounts and deals are the main route of stimulating profit. These promotions are as follows (but not limited to), buying one car wash and having your next being half off, a free bottle of wax with every $50 spent at an Auto bell location, and a free interior cleaning when a full body cleaning is purchased. Customers can also opt to join a rewards programs that utilizes a point system similar to GameStop’s or Starbucks’ in which the customer earns points through purchases that eventually culminates in a free product and/or service.

**V. Financing**

**A. Balance Sheet**

|  |  |
| --- | --- |
| **Auto Bell Balance Sheet**  **First Year** | **$** |
| Assets  -Cash  -Inventory  -Websites  Total Assets: | 325,120  15,000  12,300  352,420 |
| Liabilities  -Notes Payable  -Interest Payable  Total Liabilities | 70,209  6,428  76,637 |
| Owners Equity | 275,783 |

B. Income Statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Quarter 1  25% | Quarter 2  25% | Quarter 3 25% | Quarter 4 25% | 100% |
| **Sales**  -cost/goods sold  Gross Profit | 245,000  95,000  145,725 | 245,000  95,000  145,725 | 245,000  95,000  145,725 | 245,000  95,000  145,725 | 980,000  380,000  582,900 |
| **Expenses**  Owner Salary  Other Salaries  Rent  Advertising  Supplies/Postage  Utilities  Insurance  Payroll Tax & Benefits  Legal  Misc.  Credit Card Fees  License Fees  Bad Debt | 9,000  13,000  12,000  8,500  1,200  5,500  1,500  4,300  2,500  3,000  0  2,000  145  1,300 | 9,000  13,000  12,000  8,500  1,200  5,500  1,500  4,300  2,500  3,000  0  2,000  145  1,300 | 9,000  13,000  12,000  8,500  1,200  5,500  1,500  4,300  2,500  3,000  0  2,000  145  1,300 | 9,000  13,000  12,000  8,500  1,200  5,500  1,500  4,300  2,500  3,000  0  2,000  145  1,300 | 36,000  52,000  48,000  34,000  4,800  22,000  6,000  17,200  10,000  12,000  0  8,000  580  5,200 |
| **Total Expenses** | 63,945 | 63,945 | 63,945 | 63,945 | 255,780 |
| **Net Profit** | 81,780 | 81,780 | 81,780 | 81,780 | 325,120 |

**C. Rationale for Financing**