

**FREE VERSION OF GROWTHINK'S
ULTIMATE USED CAR DEALERSHIP
BUSINESS PLAN TEMPLATE**

[Company Logo]

(if applicable)

[Company Name]
BUSINESS PLAN
[Current Month], [Year]

[Name]

[Title]

[Company Name]

[Address 1]

[Address 2]

[City, State Zip]

Tel: []

Fax: []

Email: []

Website: []

CONFIDENTIAL

No offering is made or intended by this document. Any offering of interests in [Company Name] will be made only in compliance with Federal and State securities laws.

This document includes confidential and proprietary information of and regarding [Company Name]. This document is provided for informational purposes only. You may not use this document except for informational purposes, and you may not reproduce this document in whole or in part, or divulge any of its contents without the prior written consent of [Company Name]. By accepting this document, you agree to be bound by these restrictions and limitations.

PLEASE READ THIS FIRST:

NOTE: this is the Free version of Growthink's Ultimate Used Car Dealership Business Plan Template. Much of the information from the paid version, including the integrated financial graphs and charts have been removed from this version.

The real version of Growthink's Ultimate Used Car Dealership Business Plan Template is much more than a fill-in-the-blanks template.

That template professionally guides you step-by-step so you can quickly, easily and expertly complete your business plan.

Perhaps most importantly, it includes complete financial projections. You simply enter some numbers (for example the # of products/services you expect to sell and the price), and Growthink's Ultimate Used Car Dealership Business Plan Template automatically builds your 5-year Income Statement, Balance Sheet and Cash Flow Statement. This service alone would cost thousands of dollars if you hired an accountant to complete it for you.

To upgrade to the full, paid version of Growthink's Ultimate Used Car Dealership Business Plan Template, please go to <https://businessplantemplate.growthink.com/Used-Car-Dealership/>

I. Executive Summary

Key Questions to Answer:

- *What does your business do?*
- *What market need does your business solve?*
- *What are 4-7 reasons why your business will be successful?*
- *How much capital, if any, are you seeking for your business?*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

[Company Name], located at [insert location here] is a used car dealership poised for long-term success. The company will be conveniently located next to [other business] in a shopping area accessible to the center of [location] and nearby towns. [Company Name] is headed by [Founder's Name], an MBA Graduate from XYZ University with 20 years of experience working in automobile sales.

Products & Services

[Company Name] will focus on a conscientious selling technique which builds client trust in the company and guides them towards the right purchase. The company will sell used cars it acquires from multiple sources. The company will also provide service including regular maintenance, repairs, and spare parts for past customers, some required by warranty, some by service contracts, and some for fees.

II. Company Overview

Company Profile

- *Where are you located?*
- *When were you formed?*
- *What is your legal entity form?*

Company Vision/Mission Statement

- *What goals is your company trying to achieve?*

Past Accomplishments

- *What successes has your company already achieved?*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

[Company Name], located at [insert location here] is a used car dealership poised for long-term success. The company will be conveniently located next to [other business] in a shopping area accessible to the center of [location] and nearby towns. [Company Name] is headed by [Founder's Name], an MBA Graduate from XYZ University with 20 years of experience working in automobile sales.

While [Founder's Name] has been in the automobile sales business for some time, it was in [month, year] that he decided to launch his own dealership with [Company Name]. Specifically, during this time, [Founder] met with a former friend and fellow independent dealer in Fort Lauderdale, FL who has had tremendous success. After discussing the business at length, [Founder's Name] clearly understood that a similar business would enjoy significant success in his hometown.

Specifically, the customer demographics and competitive situations in the Fort Lauderdale location and in his hometown were so similar that he knew the business would work. After surveying the local population, [Founder's name] went ahead and founded [Company Name].

III. Industry Analysis

Market/Industry Overview

- *In what market(s) do you compete?*

Market/Industry Trends

- *What are the key market trend(s) and how does that effect you?*

Relevant Market Size

- *How large is your relevant market (the # of customers who can realistically buy from you)?*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

Last year, according to IBISworld.com, American car dealerships brought in revenues of \$579 billion and employed 936,000 people. There were 18,526 businesses in this market, for an average of \$31.25 million per business. This represents approximately one dealer company for every 16 thousand Americans.

IBISworld describes the current industry situation as the following:

Consumers have been reluctant to buy cars made by domestic companies on the verge of failure, while fuel prices are stinging the already stressed hip-pocket. This has led to plummeting sales for American made gas guzzling cars. With massive down-sizing occurring at the manufacturing level, dealerships are being left in the cold by terminations of supply contracts. Dealers are left facing shrinking demand and shrinking supply, as those who survive the recession turn to fuel efficient imports.

Although domestic dealers have recently faced setbacks, [Manufacturer] sales have fared better.

IV. Customer Analysis

Customer Needs

- *What are the key needs of your target customers?*

Target Customer Profile

- *Who are your target customers? Give a detailed demographic profile.*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

[Company Name] will primarily serve residents within a 20-mile radius of our location.

The area we serve is suburban and residents tend to be homeowners, upper middle-class, with growing families and the need to purchase used cars.

The precise demographics of the town in which our location resides is as follows:

V. Competitive Analysis

Direct Competitors

- *Who are your direct competitors? What are their strengths and weaknesses?*

Indirect Competitors

- *Who are your indirect competitors? What are their strengths and weaknesses?*

Competitive Advantage

- *What are your competitive advantages? Are these sustainable (can competitors emulate them)?*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

The following auto dealerships selling to the same customer market are located within a 20-mile radius of [Company Name], thus providing either direct or indirect competition for customers:

AutoNation

AutoNation is a 200-store auto dealership chain selling a huge variety of manufacturers, makes, and models both new and used. AutoNation's local store is located in [neighboring town] and receives a high volume of customers due to the variety and convenience of comparing models of different manufacturers in one place.

AutoNation lacks a high level of customer service and customers report that they often feel ignored or treated too quickly by salespeople. AutoNation shopping is therefore not a desirable experience for customers specifically seeking [Manufacturer] automobiles.

VI. Marketing Plan

Branding

- *What is your desired brand positioning?*

Promotions Plan

- *How do you plan to promote your company's products and/or services?*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

[Company name] will use several strategies to promote its name and develop its brand. By using an integrated marketing strategy, [company name] will win clients and develop consistent revenue streams.

The [Company Name] Brand

The [Company name] brand will focus on the Company's unique value proposition:

- Customer-focused used automobile sales, where the Company's interests are aligned with the customer
- Service built on long-term relationships
- Reasonable prices for the full line of [Manufacturer] automobiles

Promotions Strategy

Referrals

[Company name] understands that the best promotion comes from satisfied customers. The Company will encourage its clients to refer other customers by providing discounts on service and other perks for each new customer produced through referrals. This strategy will increase in effectiveness after the business has already been established.

Additionally, [company name] will aggressively network with real estate agents and homeowner's associations (for new homeowners who may need a car), and baby supply stores (for couples planning the arrival of a child). This network will generate referral leads.

Internet

[Company name] will invest resources in two forms of geographically-focused internet promotion—organic search engine optimization and pay-per-click advertising. The Company will develop its website in such a manner as to direct as much traffic from search engines as possible. Additionally, it will use highly focused, specific keywords to draw traffic to its website, where potential clients will find a content-rich site that presents [Company name] as the trustworthy, well-qualified auto dealership that it is.

VII. Operations Plan

Key Operational Processes

- *What are the key operational processes that your organization needs to accomplish on a daily basis to achieve success?*

Business Milestones

- *What milestones will you need to accomplish over the next 1-3 years in order to achieve success?*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

Company Name] will carry out its day-to-day operations primarily on an appointment basis, but with an opportunity for walk-ins to be handled on a first-come, first-serve basis. Customers will have the opportunity to make appointments with the salesperson they have worked with before to look at models and go through paperwork of purchases. These will primarily occur in-office or in the showroom of the facility. If necessary, discussions can be conducted over the telephone with customers.

[Founder's Name] can be expected to be present in the office during normal business hours, with days off on weekdays. The company will also employ an administrative assistant who will also support back-office operations, marketing, and customer relationship development efforts.

VIII. Management Team

The Management Team section of the business plan must prove why the key company personnel are “eminently qualified” to execute on the business model.

Management Team Members

- *Who are the key members of your management team?*

Management Team Gaps

- *Who do you still need to hire?*

Sample from Growthink’s Ultimate Used Car Dealership Business Plan Template:

[Company Name]’s most valuable asset is the expertise and experience of its founder, [Founder’s Name]. [First name] has been an automobile salesperson for the past 20 years. He has spent much of his career working at Smith [Manufacturer] of [Location]. There he specialized in learning the [Manufacturer] brand and selling its cars on a commission basis for 15 years before becoming sales manager for the next 5 years. He sold over 2,000 automobiles as a salesperson.

[Founder’s Name] maintains his automobile sales license in the state of [state] and the states of [other states]. He was a Gold Level salesperson at Smith’s, the highest designation for a salesperson there. [Founder’s Name] is an MBA Graduate from XYZ University.

[Company Name] will also employ an experienced assistant to help with various administrative duties around the office. [Assistant’s name] has experience working with C-level executives and has spent significant time as an administrator.

IX. Financial Plan

Revenue Model

- *In what ways do you generate revenues?*

Financial Highlights

- *What are your topline 5-year financial projections?*

Go to <https://businessplantemplate.growthink.com/Used-Car->

Dealership/ for the paid template that automatically generates your 5-year financial projections

Funding Requirements/Use of Funds

- *How much money do you need to start and/or run your business? What are the primary uses of these funds?*

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

[Company Name]'s revenues will come primarily from the sales of used cars. Secondly, revenue will come from used cars, and, lastly, from repair and maintenance services.

The cost of car inventory purchased from [Manufacturer] is by far the greatest cost and amounts to 94% of revenue in the first year. The cost of used cars, rent, and salaries/commission are other key costs. Moreover, ongoing marketing expenditures are also notable cost drivers for [Company Name].

Capital Requirements and Use of Funds

[Company Name] is seeking a total funding of \$390,000 of debt capital to open its office. The capital will be used for funding capital expenditures and location build-out, hiring initial employees, marketing expenses and working capital. Furthermore, the initial inventory of automobiles will be provided as a loan with interest by [Manufacturer].

Specifically, these funds will be used as follows:

- Facility design/build: \$70,000
- Working capital: \$320,000 to pay for marketing, salaries, and lease costs until [Company Name] reaches break-even

Key Assumptions & Forecasts

	FY 1	FY 2	FY 3	FY 4	FY 5
Revenues					
Hotel	\$1,980,125	\$2,832,031	\$3,409,160	\$3,783,447	\$4,100,713
Total Revenues	\$1,980,125	\$2,832,031	\$3,409,160	\$3,783,447	\$4,100,713
Expenses & Costs					
Cost of goods sold	\$455,429	\$623,047	\$681,832	\$718,855	\$738,128
Lease	\$0	\$0	\$0	\$0	\$0
Marketing	\$149,006	\$141,602	\$170,458	\$189,172	\$205,036
Salaries	\$721,095	\$797,115	\$1,014,687	\$1,119,408	\$1,164,185
Initial expenditure	\$50,000	\$0	\$0	\$0	\$0
Total Expenses & Costs	\$1,375,530	\$1,561,763	\$1,866,977	\$2,027,436	\$2,107,349
EBITDA	\$604,595	\$1,270,268	\$1,542,183	\$1,756,011	\$1,993,364
Depreciation	\$372,760	\$372,760	\$372,760	\$372,760	\$372,760
EBIT	\$231,835	\$897,508	\$1,169,423	\$1,383,251	\$1,620,604
Interest	\$164,782	\$144,184	\$123,586	\$102,988	\$82,391
PRETAX INCOME	\$67,054	\$753,324	\$1,045,837	\$1,280,263	\$1,538,213
Net Operating Loss	\$0	\$0	\$0	\$0	\$0
Use of Net Operating Loss	\$0	\$0	\$0	\$0	\$0
Taxable Income	\$67,054	\$753,324	\$1,045,837	\$1,280,263	\$1,538,213
Income Tax Expense	\$23,469	\$263,663	\$366,043	\$448,092	\$538,375
NET INCOME	\$43,585	\$489,661	\$679,794	\$832,171	\$999,839
Net Profit Margin (%)	2.2%	17.3%	19.9%	22.0%	24.4%

X. Appendix

Sample from Growthink's Ultimate Used Car Dealership Business Plan Template:

The following pages present detailed financial projections for [Company Name] over the next five years. The specific tables to follow include:

- Startup Costs
- 5 Year Annual Income Statement
- 5 Year Annual Balance Sheet
- 5 Year Annual Cash Flow Statement
- Quarterly Income Statement for First 3 Years
- Quarterly Balance Sheet for First 3 Years
- Quarterly Cash Flow Statement for First 3 Years

Attention Entrepreneurs: Now, if you want to finish your business plan FAST and you don't want to struggle with your financial model, then you're in luck...

"Finish Your Business Plan Today With Growthink's Fully Customizable Used Car Dealership Business Plan Template."



As seen in: **FORTUNE** THE WALL STREET JOURNAL The New York Times **Entrepreneur** **Forbes** **VentureBeat**
BusinessWeek **SmartMoney** **FOX** **Deal** Los Angeles Times **Inc.**

Go To:

<https://businessplantemplate.growthink.com/Used-Car-Dealership/>