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## **Plan de negocios para evaluar la viabilidad en el sector microempresarial de repuestos de vehículos**

### **Business plan to assess the viability in the micro-business sector of vehicle spare parts**

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## ABSTRACT

The objective of this research was to create a business plan to market spare parts for the automotive park in the Gualaceo canton. The methodology applied in this study was a descriptive investigation with a mixed-methods approach in addition to the deductive-inductive method. As a result of this research, the main competitors and type of vehicles that exist in the canton and the low satisfaction of consumers were determined, making a scheme that, when analyzing their factors, gives us positive results and allows us to visualize and take advantage of the financial opportunity. The business plan is a tool of great importance since it allows planning the creation of companies with the purpose of developing the commerce in the most efficient possible way.

**Descriptors:** Enterprises; market research; audience research; motor vehicles. (Words taken from the UNESCO Thesaurus).

## INTRODUCTION

In the last decade, automotive development in Ecuador has become an important contribution to the national economy due to its income, its manufacture and the taxes generated by the treasury. The Association of Automotive Companies of Ecuador (2018) affirms: "Its revitalization contributed USD 1,633 million in 2018 in taxes to the State, that is, USD 738 million more than in 2016" (p. 40). Also, it provided direct and indirect workforce and numerous jobs in this sector. As a result, "3,791 new workers joined the motor vehicle production, marketing and maintenance companies. This significant increase represents a growth of 5.9% and so far the sector registers 68,155 members" (Association of Automotive Companies of Ecuador, 2018, p. 40).

In 2015, 1'925,368 motorized vehicles were registered in Ecuador, 57% more than that registered in 2010 when the figure reached 1'226,349 according to the latest data from the 2015 Transport Yearbook, published by the National Institute of Statistics and Censuses (National Institute of Statistics and Censuses, NISC, 2016).

Automotive growth is due to the economic stability of the country, payment facilities and the elimination of restrictions for new vehicles, making a great contribution to the entry of new brands and models. "The number of vehicles registered in Ecuador grew by more than 1.4 million vehicles in a decade, (Commerce, 2019). Currently, in the province of

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Azuay, the demand for automotive parts and spare parts is exceeding the supply of the commercial sector to the high growth of the automotive fleet, and this study will contribute to the feasibility of opening a spare parts trading company by analyzing its economic and financial aspect to directly and indirectly generate work and employment, that is, a stimulus to the local economy.

Every day the vehicles encounter some type of traffic accident in and out of the city such as: crashes, overturns and sinister collisions that spoil the vehicles in such a way that the parts and spare parts warehouses are the direct beneficiaries of this tough and sad situation. In the Gualaceo canton, some warehouses owners' lack of knowledge or interest for the exclusive commercialization of spare parts have caused the scarcity of feasibility projects in this automotive sector, provoking, in this way, a few variety of products or late availability to offer the customer in a given moment.

For this reason, it is necessary to implement a business plan for the parts and spare parts marketer dedicated exclusively to the sale of them in the canton in order to avoid the owners of the vehicles to move to other cities, lose time, stop working while travelling, increase expenses and buy the wrong spare part.

## **METHOD**

This research was non-experimental since the variables were not manipulated, so the current situation of market was analyzed to examine them. A mixed, qualitative and quantitative research approach was used. It had a descriptive-explanatory scope. Likewise, a historical-logical method and the inductive-deductive method were used.

The universe of study was 154,696 vehicles registered in the province of Azuay, according to data provided by the National Institute of Statistics and Censuses (INEC, 2017). In the Gualaceo canton, 12,500 vehicles are registered annually (Time, 2019).

## **RESULTS**

To start an economic activity in any business, it involves numerous people such as clients, administrators, suppliers and competition. In the sense of the creation of a

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trading company of vehicle parts and spare parts, it would contribute to the economic development and benefit of the owners' vehicles in the city of Gualaceo.

A business plan is necessary to achieve this objective, which may be a tool of great use for administrators and entrepreneurs. This plan may also help them see the specific phases in advance for the business idea to succeed and achieve short, medium and long-term objectives. This plan has the following stages:

### **Market analysis**

The identification of the main vehicle brands is presented below:

There are 20 vehicle brands in the city of Gualaceo, leading the Chevrolet brand with 52% vehicles, followed by Toyota with 15% and Mazda with 13%.

### **Technical analysis**

This study determines the address of the company that will be located in the province of Azuay, in the Gualaceo canton between Eugenio Espejo and Antonio Delgado streets in the northern part of the city. Given the opening situation of the premises, personnel will not be hired so that this will be attended only by its owner, willing to receive the salary generated by the business.

The company will be dedicated to the sale of generic spare parts. They have their properties such as low cost, variety of stock, characteristics similar to the original and durability and produced by independent enterprise. The company will establish prices according to the market average.

It is worth mentioning that the profit margin is 35% per unit to recover the initial investment. Therefore, it is pertinent to analyze the suppliers and try to convince them for achieving 15% discount off. Regarding the legal analysis, a list of the necessary permits is shown below:

1. Fire brigade operating permit.
2. Patents and permits from the municipality of Gualaceo.
3. The sole registry of taxpayers will be opened.
4. Registration in the IESS.

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**Organizational analysis:** To carry out this organizational analysis, a tool that includes Strengths, Opportunities, Weaknesses, Threats (SWOT) was used, which allows carrying out a situational diagnosis by taking into account the internal and external factors of the company in order to determine our current situation.

It is relevant to mention that this organizational analysis will be made according to the client's needs, because if it is necessary to adjust some aspects, they would be accomplished through the progress of the business. Within the strategic direction, a commercial name is also established as "Parts and spare parts Gualaceo". It arises marketing mix strategies within organizational analysis.

**Product:** The products to be marketed will have generic brand of excellent quality and durability. They will be monitored to offer diversified merchandise available to the client; in addition, a logo was created so that clients recognize the brand.

**Price:** The Company will try to negotiate with the suppliers so that they provide the maximum discounts for entering the market with a price competition that facilitate the attraction of customers.

**Plaza:** The commercialization of the products will be achieved locally; the sale will be applied directly to the consumer and also by electronic means.

**Promotion:** The way to market these products will be through visits to repair shops for offering them the spare parts they want and also, directly to customers who come to our store.

**Financial analysis:** For the start of activities, it is necessary to structure a statement of the initial situation of the company by adding current assets, fixed assets and capital. In this case, it has its own resources so there are no current or long-term liabilities. If it is necessary to make a loan, the different financial institutions will be analyzed.

A 5-year projected income statement was established, with a 10% growth in demand, with an increase in costs and expenses of 0.023% inflation.

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The possible cash flows for the first 5 years were made, adding the inflation of 0.23% in costs and expenses, with an increase in demand participation to 10%.

### **Net present value**

For the estimation of the net present value (NPV), calculations were made in the Excel program. The financial indicators such as NPV and the IRR are clearly positive for the execution or start of the business.

### **Breakeven**

The equilibrium point (EP) is determined to know when the company enters a neutral state, that is, neither losses nor gains.

## **CONCLUSIONS**

Through the study developed and through a business plan, it was found that there is a business opportunity for the distribution of parts and spare parts in Gualaceo, thanks to the growth of the automotive fleet. This means an opportunity for the wise people who work in the automotive market, since it is a very important sector of the local economy that allows us to analyze various technical, organizational and financial factors to know the viability of creating spare parts trading companies.

It is necessary to say that although the business plan does not ensure success, it presents us a better-directed option that may facilitate the development of the business in order to forecast and warn about the events that may occur in the future.

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