



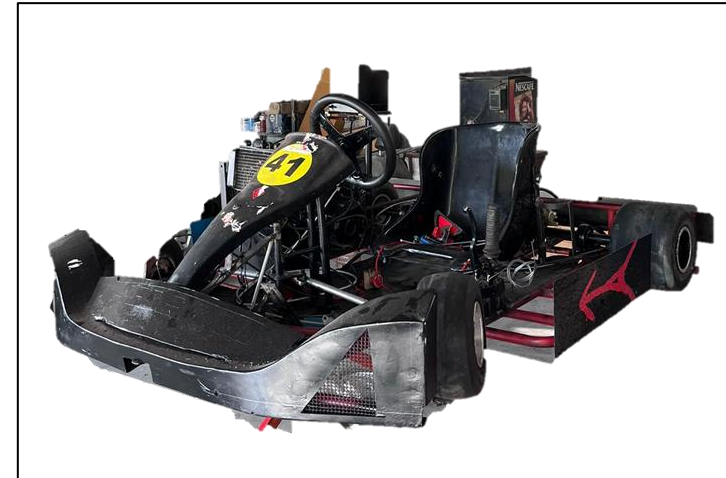
KART RACING CHAMPIONSHIP
POWERED BY
ACADEMY OF INDIGENOUS MOTOR SPORTS



ACADEMY OF INDIGENOUS MOTOR SPORTS, EDUCATIONAL & SOCIAL WELFARE TRUST
(Registered Trust)

KRC- COST & BUSINESS PLAN PRESENTATION

TEAM NAME	: APEX RACING
TEAM VEHICLE NO	: 25KECCV15005
COLLEGE NAME	: SSN COLLEGE OF ENGINEERING
KART CATEGORY	: 150cc



EXECUTIVE SUMMARY

MISSION

Embark on the production of cost- efficient go-karts by augmenting their quality and making it an adventurous sport feasible to all motorsport enthusiasts.



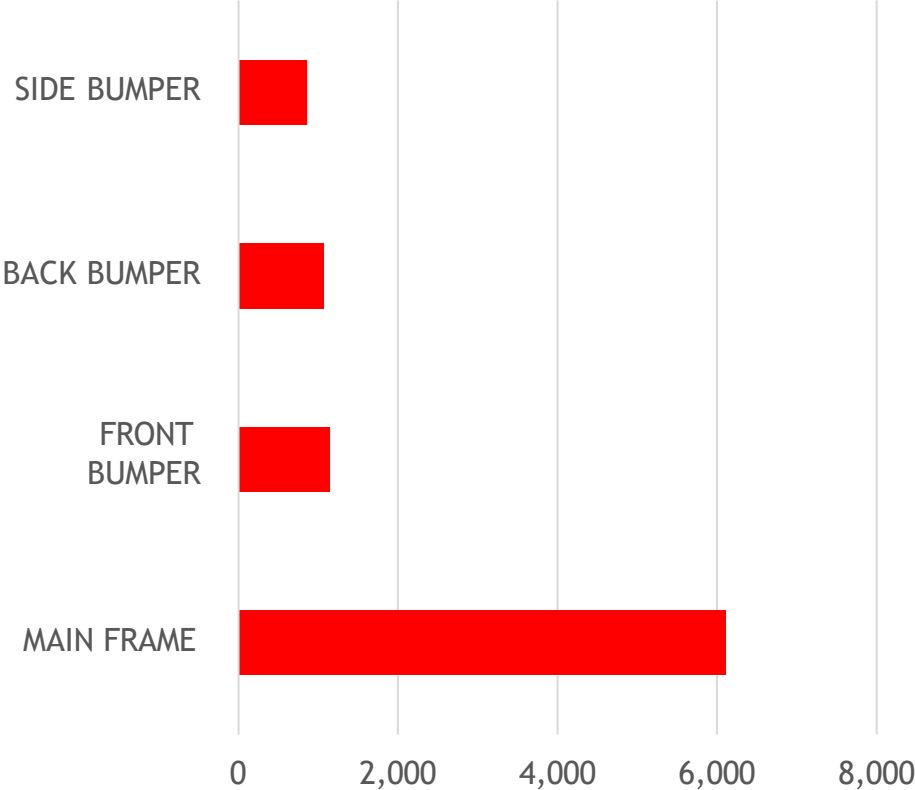
VISION

To revolutionize the market with our customer-centered philosophy using our 'smart-kart' and also achieving long-term financial sustainability.

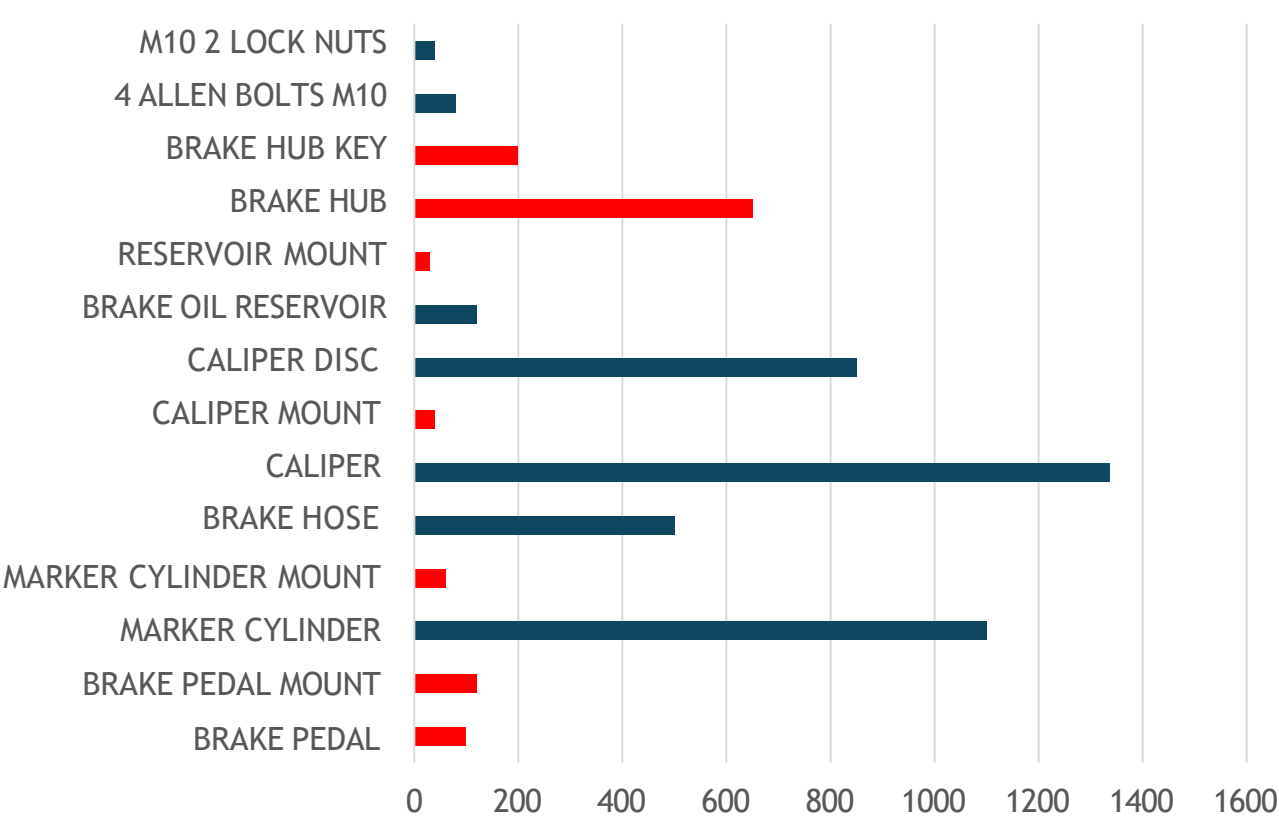
• • • **KEY TO SUCCESS** • • •

To work with small-scale manufacturers of karting equipment and partner with like-minded companies to increase the visibility of go-karting as a motorsport.

CHASSIS



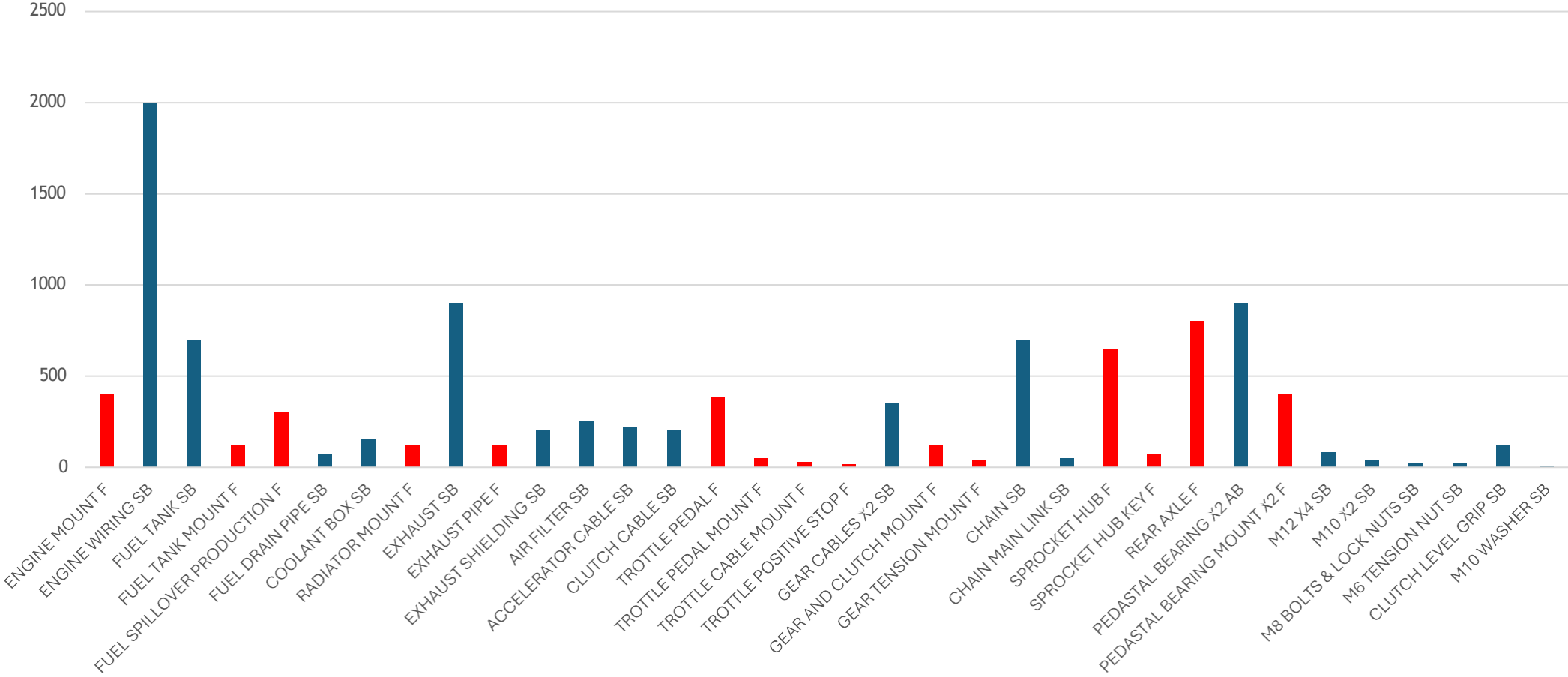
BREAKING SYSTEM



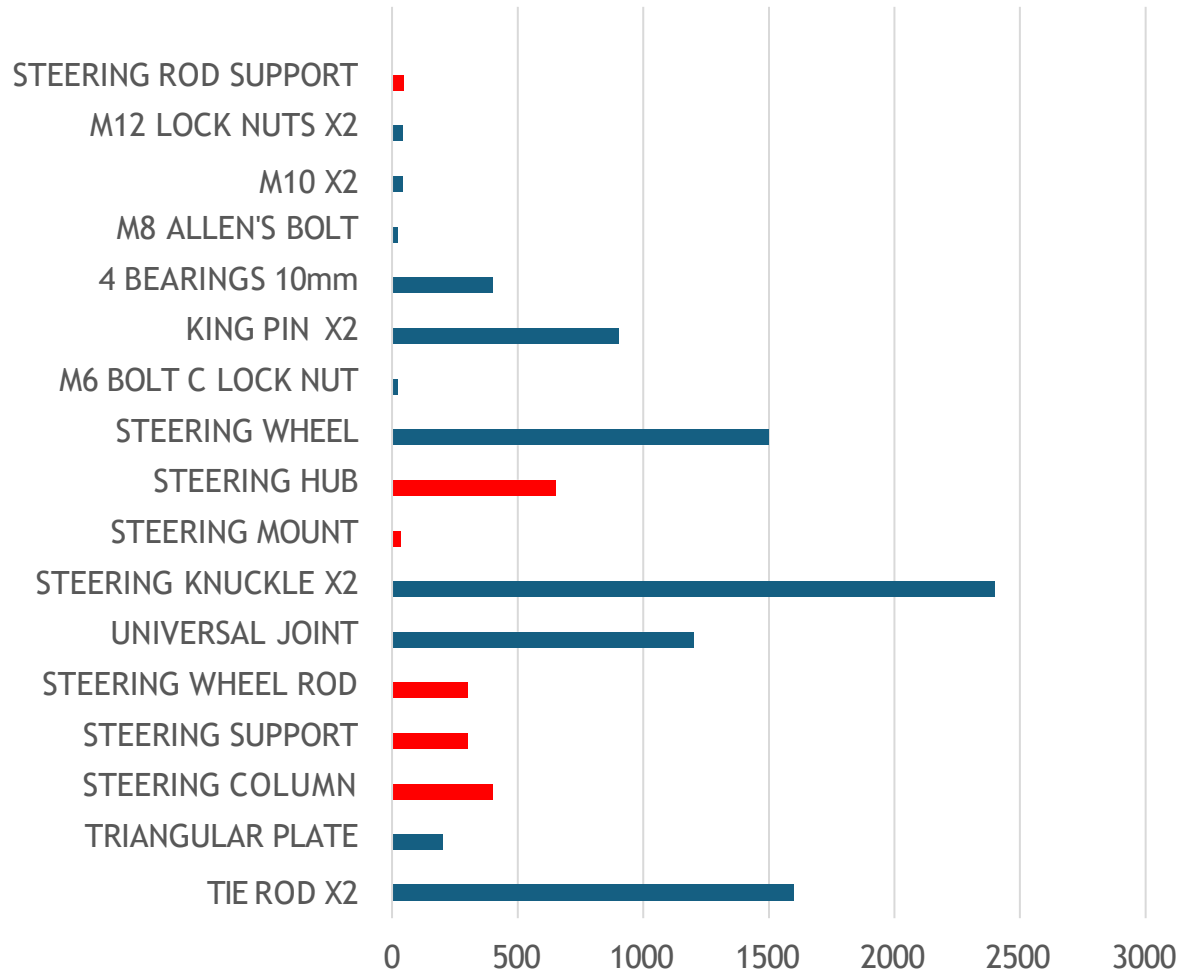
- - STORE BOUGHT
- - FABRICATED

ENGINE AND TRANSMISSION

R15 ENGINE – 15,000

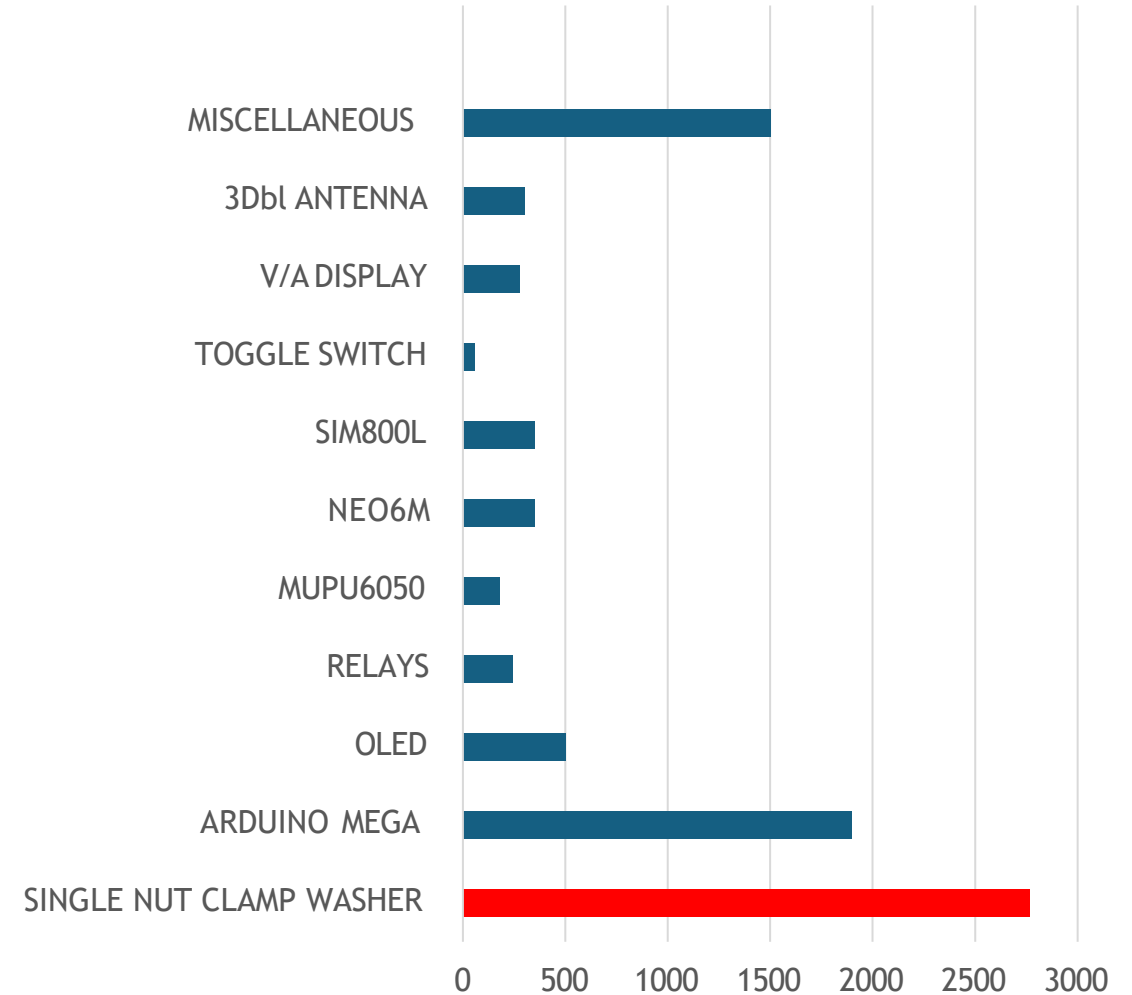


STEERING SYSTEM

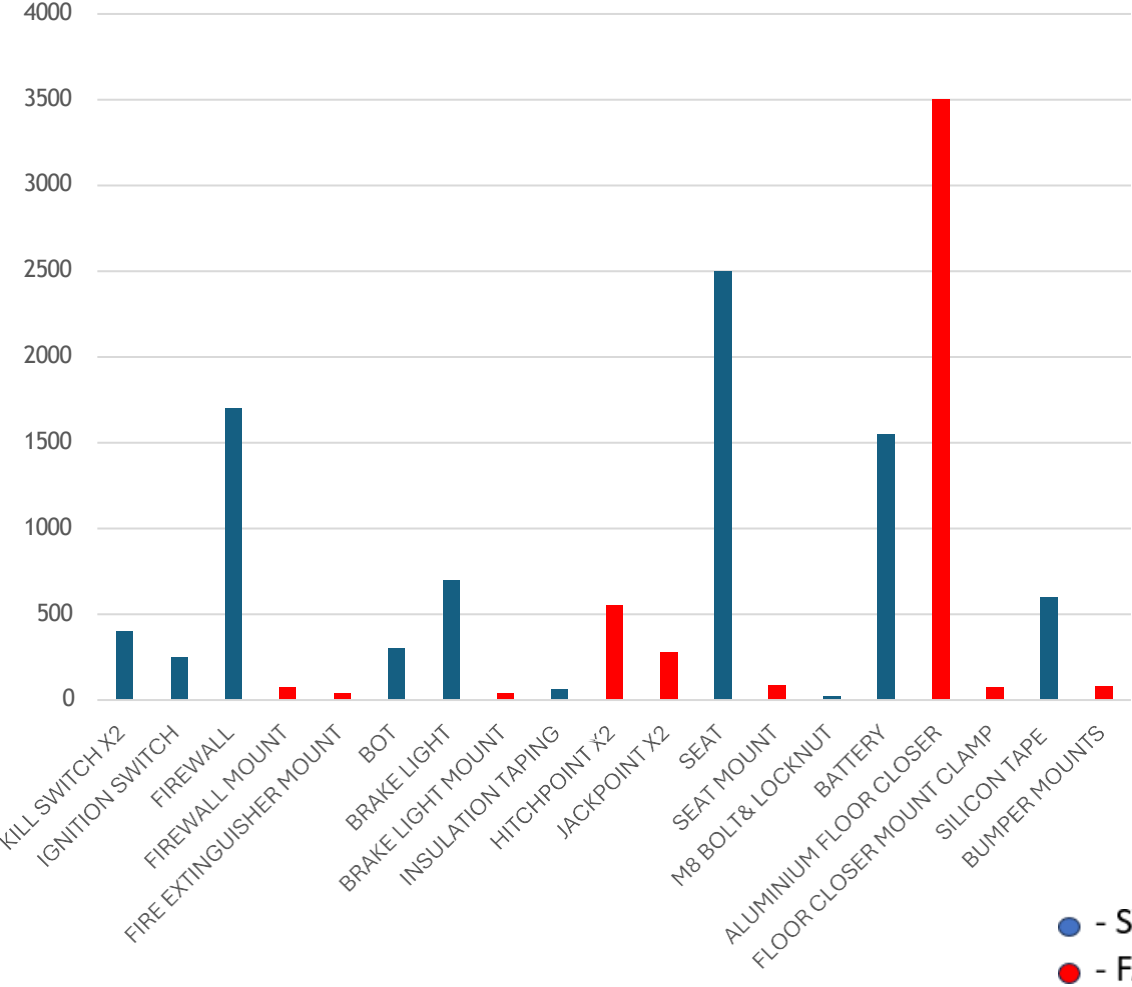


● - STORE BOUGHT
● - FABRICATED

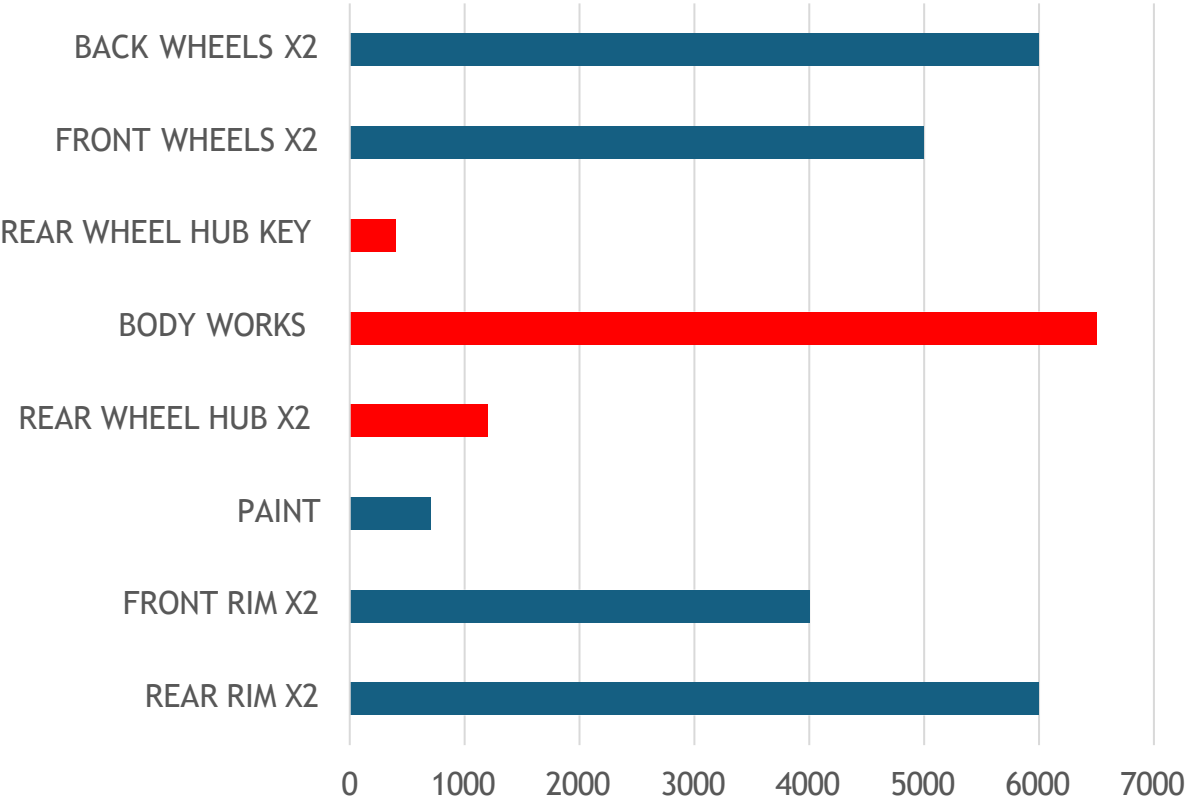
INNOVATION



ELECTRICAL & SAFETY



MISCELLANEOUS



Business Concept

Apex Racing, Go-Karting team from SSN college of engineering. Initially a group of 17 ignited minds with the passion of creation, innovation and empowerment. We offer karts that support all types of karting activities especially recreation. Our team focuses on vouching for our customers safety and we strive to harness our expertise in building '**Smart Karts**' in which different built-in features can be contacted through a remote whose sensors are integrated in a single app using IOT. Not only as a facility that offers such lucrative virtues but also we strive to set benchmarks in the market!



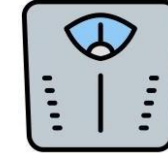
KART SPECS



Brakes: **Single
Rear Disc type**



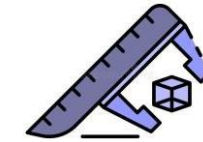
Engine
Capacity:
150cc



Weight: **90 Kg**



Power: **14HP
@ 8500 rpm**



Length: **68 inches**
Width: **48 inches**



Torque: **13.25 Nm
@ 6500 rpm**



Seating
Capacity: **1**



Transmission:
Chain Drive



Gear box: **5
Speed Manual**

Business structure

PVT LTD Company

A company is formed by registering with the relevant government authority, owned by shareholders with limited liability, managed by directors appointed by shareholders, subject to governance regulations, and regulation by company law, including annual financial statements and corporate governance standards.

Corporation (Inc.)

The company is formed through filing articles of incorporation with the state government agency, owned by shareholders with limited liability, managed by a board of directors, subject to specific corporate governance requirements, and subject to state and federal regulations.

Limited Liability Company

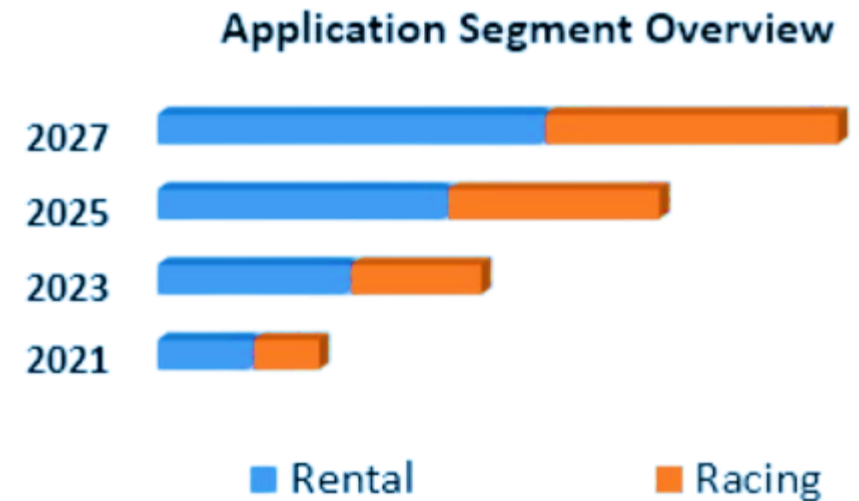
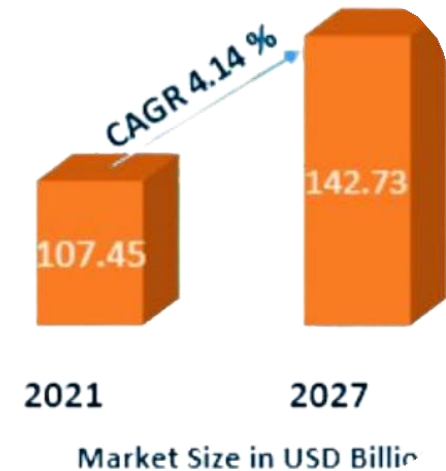
LLCs are formed through filing articles of organization with the state government, owned by members with limited liability, and managed by members or appointed managers. They are generally subject to less regulatory oversight but still need to comply with state laws.

Overview

of the go-kart industry

The go-kart industry, a motorsports segment, designs, manufactures, and distributes small, open-wheel vehicles for recreational and competitive racing, influenced by technological advancements, consumer preferences, and regulatory frameworks.

- ❖ Global Go Kart Value in 2020: 104.8 million INR
- ❖ Global Go Kart Value in 2030: 154.3 million INR
- ❖ CAGR (Compound Annual Growth Rate) : 4.14% from 2021 to 2027



Source: [Maximize Market Report](#)

Market trends and Growth potential

- ❖ The go-karting industry offers numerous growth opportunities for businesses.
- ❖ Strategies include **targeted marketing campaigns, strong branding, customer experience enhancement, facility expansion, diversification of services, technology investment, community engagement, sustainability initiatives, international expansion, and data analytics.**
- ❖ These strategies can help businesses expand their reach, increase revenue, and attract customers.

By focusing on these areas, businesses can attract repeat customers, diversify revenue streams, and adapt to emerging trends, ultimately solidifying their position in the market.

Go-kart Industry Size and Growth



\$115.7 million

The US go-kart industry is worth \$115.7 million in 2022.



3% growth

The US go-kart industry is expected to grow nearly 3% in 2022.



179

In 2022, 179 go-kart tracks businesses are operating in the US.



1,555

Number of people employed in the US go-karts tracks industry.

*All above references are made with **US cities** which is similar to go-kart growth in **popular metro-political cities in India**

KEYS TO GROWTH



Partnerships and collab - forming strategic partners with karting tracks, event organisers and tech companies



Safety enhancements - seatbelts, innovation, impact-absorbing materials



Ascent into e-karts due to rising demand for eco friendly and sustainable racing options

MARKET ANALYSIS

INSIGHTS!

- Expected steady growth due to rising number of go karting enthusiasts and facilities
- Market highly competitive focusing on product innovation, expansion into new markets, partnerships
- Trend of organising events and leagues further fuels

further fuels

• Trend of organising events and leagues
new markets, partnerships
product innovation, expansion into

Why choose us?



Innovations



Eco-friendly



Discounts/offers



Flexible Prices



Respect



Reliability



Safety With Thrill



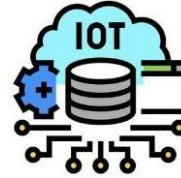
What's so great anyway?



Paddle Shifters



Remote ignition switch



Single app using IOT



Budget Friendly



Radio communication in the helmet



Fuel, battery level indicator



Reused Engines



GPS Tracking



Remote Kill switch



Catalytic Converters

Challenges

We have witnessed a **sharp decline** in **sales**. The **closure** of **amusement parks** and **entertainment centers** during **lockdowns** significantly impacted the go-kart industry.



Concerns over safety, especially for young drivers, may limit the **adoption of go-karts**.

Environmental concerns related to **go-kart emissions** lead to **stricter regulations** in some regions.

High **initial investment** costs associated with setting up go-karting facilities and tracks can act as a **barrier to market entry**.



In the go-kart market, **safety and regulatory compliance** are significant challenges. Manufacturers like us need to ensure that their products meet strict safety standards, and they may face **obstacles** in **obtaining** necessary **certifications**.



Operations Plan

Location

Thirumazhai

Ten minutes from **Highway**

An **hour** from **Pattabiram** Railway Station

8000 sq feet @ **22L** per year

Description of the facility

The facility is equipped with **lathe machines** and **modern power tools** to make sure that majority of the parts can be fabricated on our own - eliminating the need **to wait** around **other companies/fabricators** for a fully fabricated product.

Location analysis and Justification



Easy transportation - is **well connected** as the railway station in near, **gives job opportunities** to people in the surrounding region

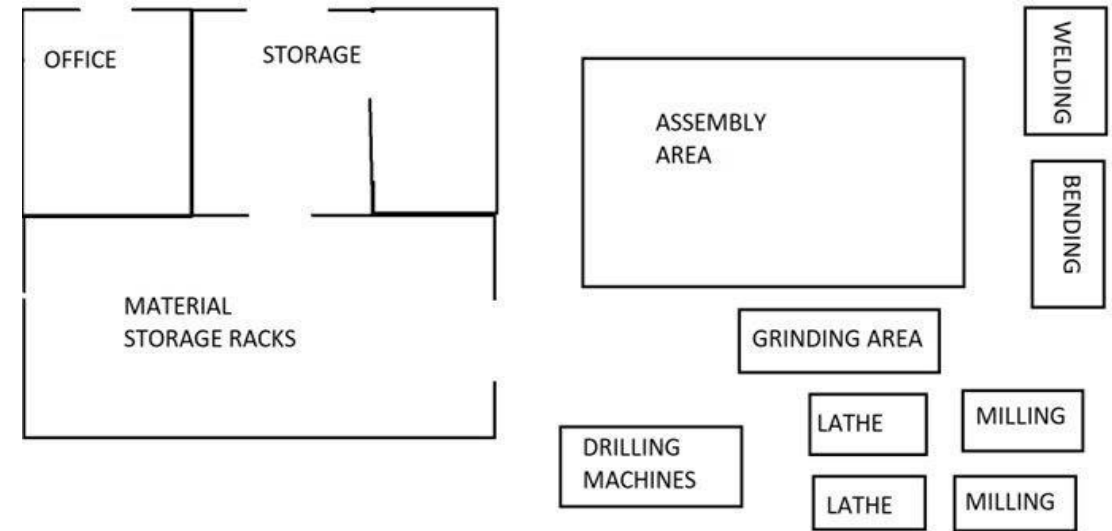


Fig: Facility Layout

Sales Strategy



Partnerships and Sponsorships:

Collaboration with local businesses or community organizations to cross-promote our go-kart business. We'll also be offering group discounts or sponsoring local events to increase brand visibility and attract new customers.



Targeted Marketing:

Identifying our target audience, such as families, thrill-seekers, or corporate groups, and tailor our marketing efforts accordingly. We'll use online advertising, social media platforms, and local publications to reach potential customers.



Feedback and Improvement:

Continuously gather feedback from customers to identify areas for improvement and refine our services ,actively respond to customer reviews and address any concerns or suggestions to demonstrate our commitment to customer satisfaction.



Customer Experience

Focus: Provide exceptional customer service and ensure that every customer has a memorable and enjoyable experience at our go-kart facility. Our staffs will be trained to be knowledgeable, friendly, and attentive to customer needs.



Online Booking System:

Implement an easy-to-use online booking system that allows customers to reserve their race times in advance.

Competitive Analysis

The **Indian go-kart market** has witnessed remarkable expansion, and key players like *MRF Limited, Birel Art India, and SodiKart India* are leading the charge.

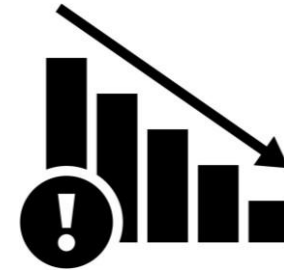
These companies manufacture high-quality go-karts for **recreational** and **competitive** purposes, catering to the increasing demand from motorsports enthusiasts.

Key Market Players



*These are established players in the **global** and **Indian market**

Risk



Analysis

Weather Dependencies

Outdoor go-karting facilities are susceptible to weather conditions such as rain, snow, and extreme temperatures, which can impact operations and revenue. Develop contingency plans for inclement weather, such as indoor activities or flexible booking arrangements, to mitigate financial losses during adverse conditions.



Supply Chain Disruptions

Reliance on suppliers for go-kart parts, maintenance equipment, and safety gear exposes your business to supply chain disruptions such as shortages, price fluctuations, and delivery delays. Diversify your supplier base, maintain buffer inventory for critical items, and establish alternative sourcing options to minimize the impact of supply chain disruptions on your operations.



Public Perception and Reputation Management

Negative incidents, customer complaints, or social media backlash can tarnish your business reputation and deter potential customers. Implement proactive reputation management strategies, promptly address customer concerns, and engage in transparent communication to maintain a positive public image and preserve customer trust.



Economic Downturns

Economic downturns or recessions can lead to decreased consumer spending on recreational activities, affecting your go-karting business's revenue and profitability. Develop resilience strategies such as offering discounts or package deals, targeting niche markets, and diversifying revenue streams to mitigate the impact of economic downturns and sustain business growth during challenging times.



Legal and Regulatory Changes

Changes in laws, regulations, or licensing requirements related to go-karting operations can impact your business practices, compliance costs, and operational procedures. Stay informed about legislative developments, engage legal counsel for guidance, and adapt your business practices accordingly to ensure ongoing compliance and minimize legal risks.



Operational Costs

The initial investment and ongoing operational costs associated with running a go-kart business, including track maintenance, equipment upgrades, utilities, and staffing, can be significant. Amidst the adrenaline rush of go-karting, safety stands paramount. Prioritizing safety through investments in high-quality equipment, rigorous maintenance routines, and comprehensive staff training. Developing a detailed budget and financial plan, as well as regularly monitoring expenses, is essential to ensure the long-term financial viability of your business.



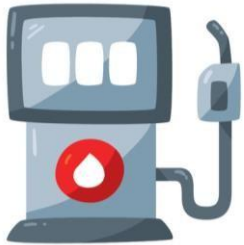
Go-kart Types



Off-Road Go-Karts



Racing Go-Karts



Petrol Go-Karts



Rental Go-Karts



Two-Seater Go-Karts



Electric Go-Karts



Homemade Go-Karts



Vintage Go-Karts

Financial Plan

Total Production Volume is **500 UNITS**

Selling price = 1.15L

Yearly service cost = 2500 for 500 KM



TOTAL ONE-TIME COSTS:

Land rate = ₹**900** per **sq ft**

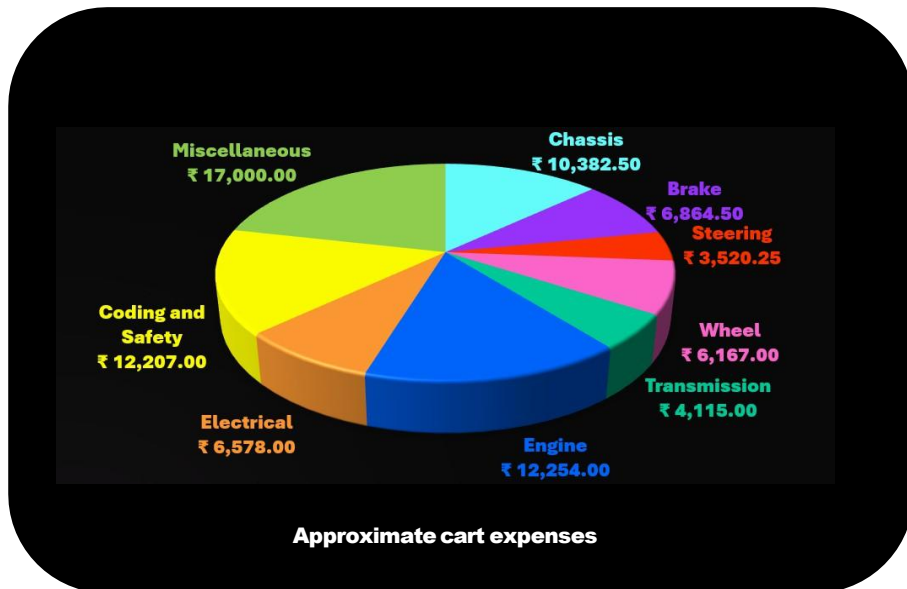
Plant layout=**2500 sq ft** = $2500 \times 900 \sim$ ₹**225000**

₹**8Lakhs** for building/renovation

₹**1L** for machinery

₹**10k** for certifications and establishing company

Total \sim ₹**1135000**



RECURRING COSTS:

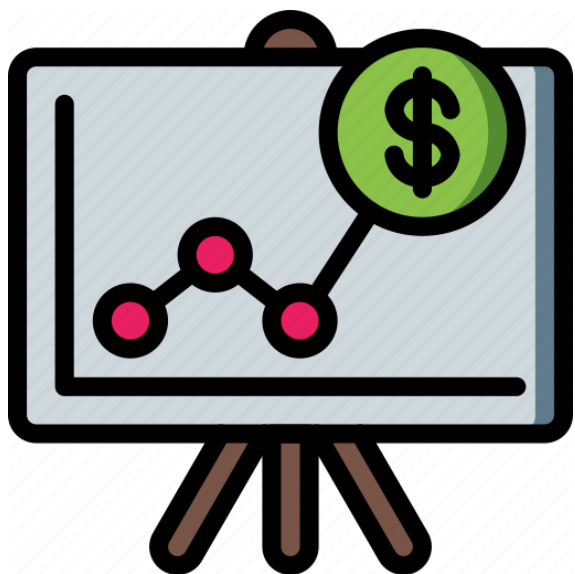
Average Inventory Days = **60**

Salaries = ₹**20 Lakhs** per annum

R&D = ₹**6 lakhs** per annum

Advertisement = ₹**4 Lakhs** per annum

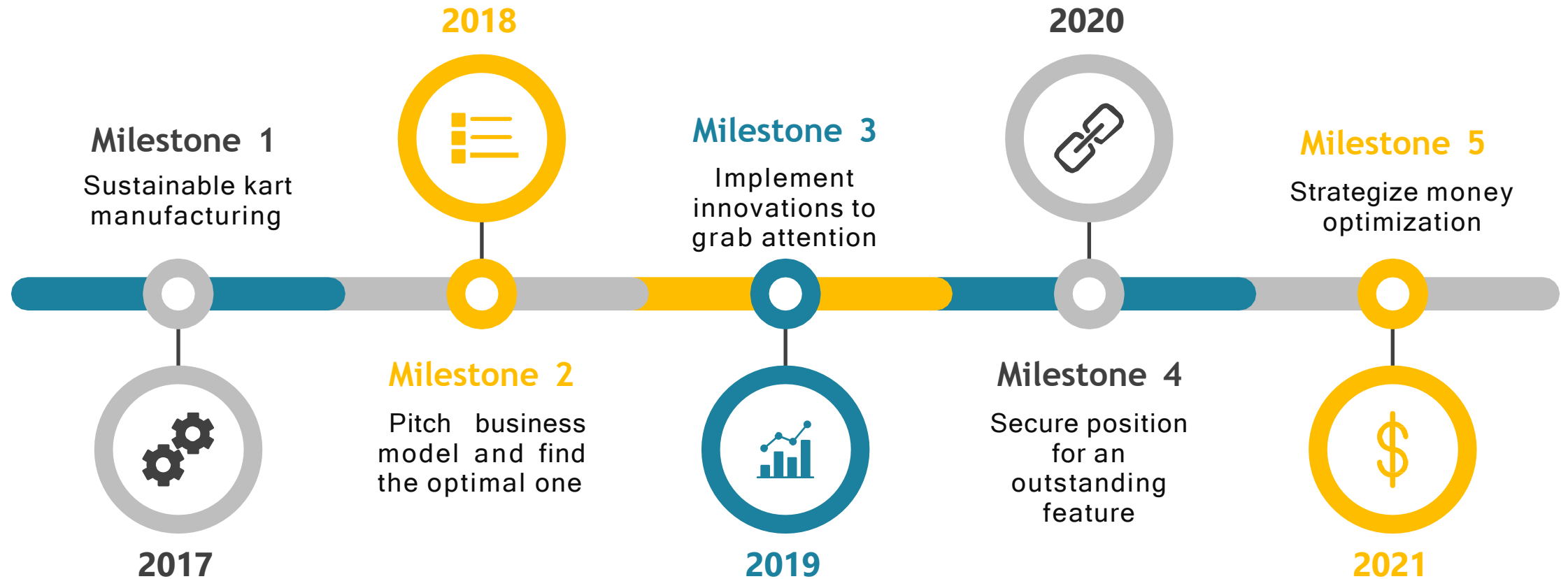
Financial Projection



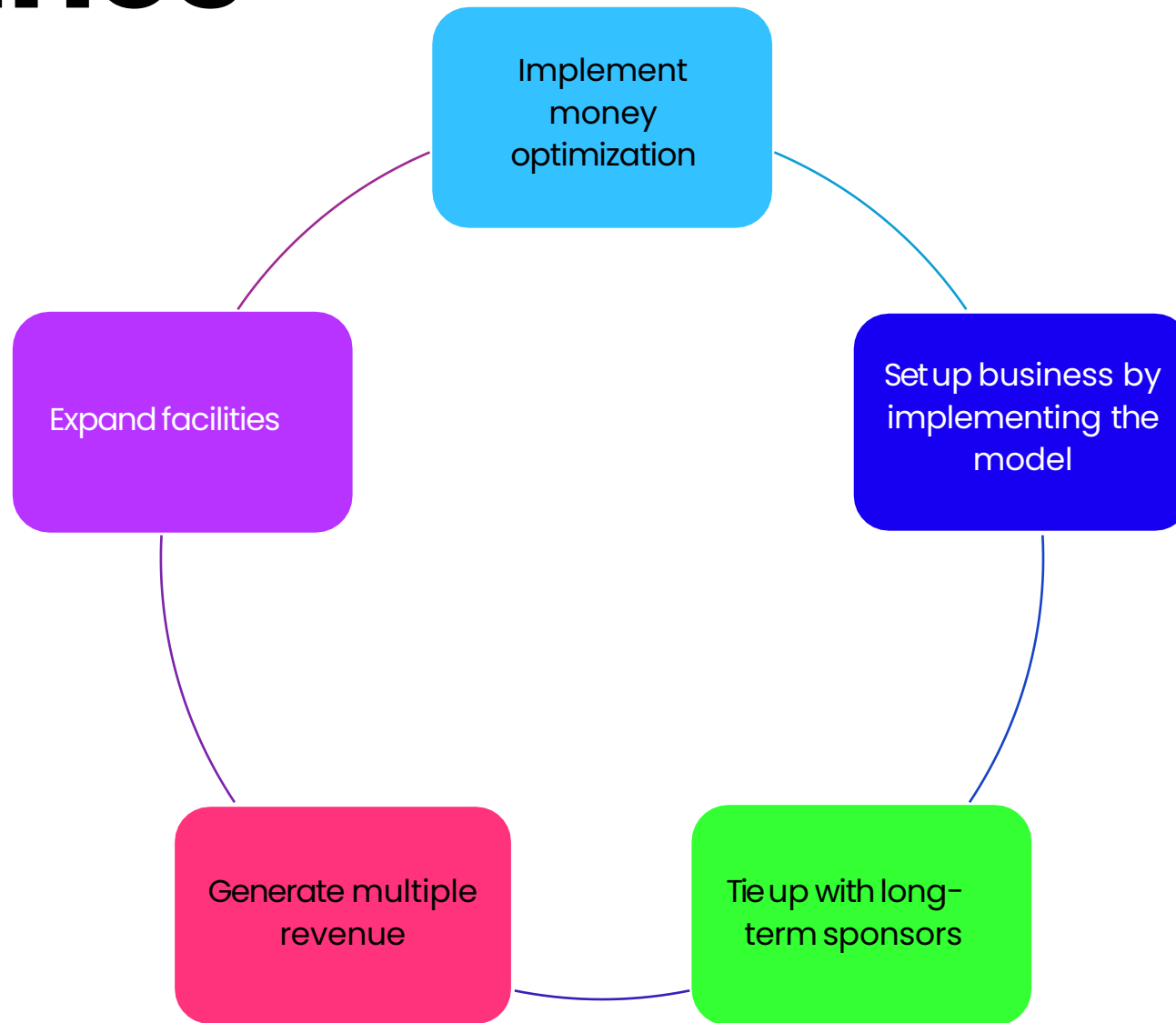
PROCESS	COST
OUTSOURCED PARTS	33088.25
RAW MATERIALS	10000
MANUFACTURING/ ASSEMBLY	25000
QUALITY CONTROL	6000
SHIPPING	4000
TOTAL COST	79088.25

	UNITS SOLD	TOTAL SALES	FIXED COST	PROFIT
1st year	100	11500000	4100000	7400000
2nd year	140	16100000	7000000	9100000
3rd year	190	21850000	10600000	11250000
4th year	250	28750000	14600000	14150000
5th year	320	36800000	20600000	16200000

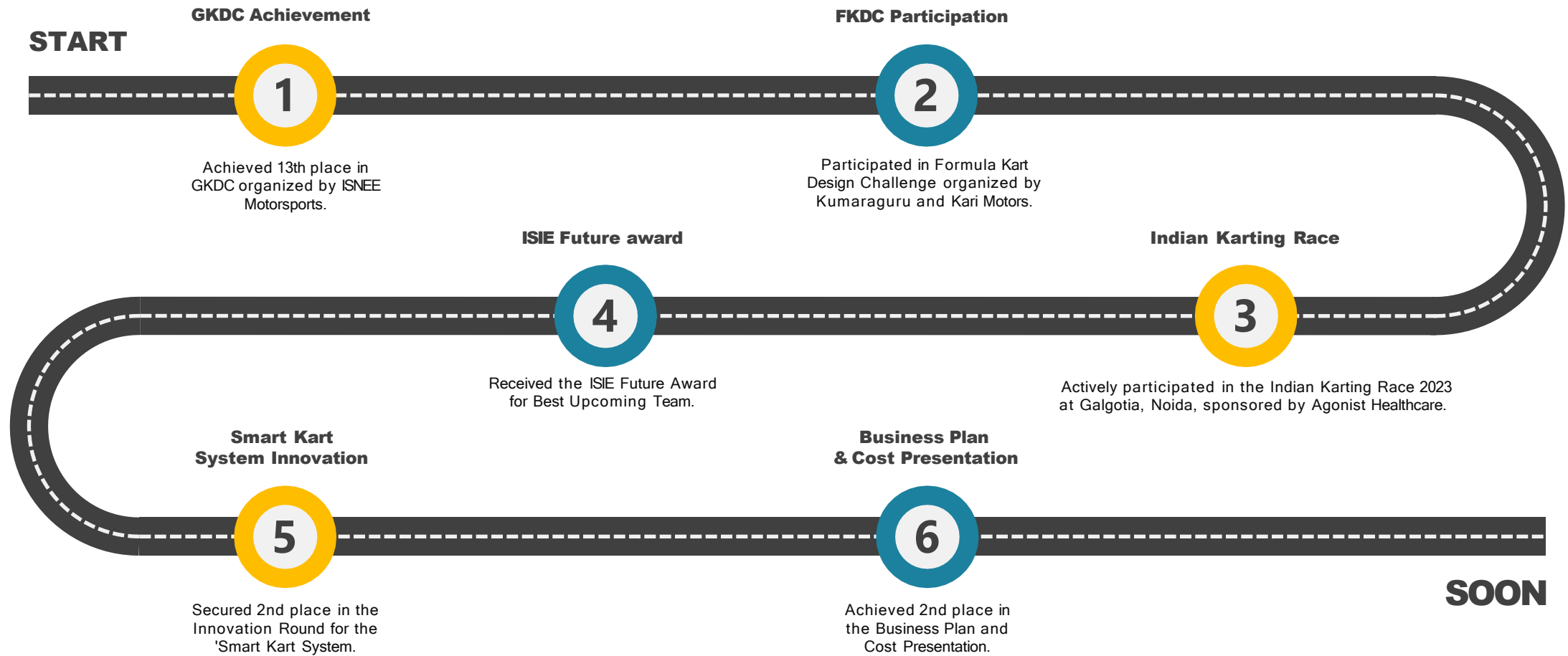
Milestones



Deadlines



Phases of development



S



W



O



T



ANALYSIS

S**trength**



Ability to sell products
online

Existing corporate network

Limited start-up risk

W



O



T



S



Weakness

Unpopularity in market

Limited Flexibility in pricing

High Transportation Cost



O



T



S



W



O

pportunities

1. Industry and Market Exposure
2. Whole distribution relationship
- 3. Market Opportunities:**
 - The rise of electric go-karts presents significant opportunities for the market, as they offer lower emissions, reduced noise levels, and lower maintenance costs.
 - Increasing focus on promoting go-karting as a family activity can attract a wider consumer base.
 - Emerging economies with a growing middle class present untapped markets for go-kart manufacturers and operators.



T



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T hreats

Changes in regulation

Cost Management

