



**BUSINESS PLAN FOR:**

Chucks Tires

**Submitted By:**

Name: Chuck Peters

**Address:**

Physical: Lot #7, Polecamp Rd., Tipella,  
BC

Mail: PO Box 369 Mt. Currie, BC V0N  
2K0

Date: 30 June 2017

Email: [chuck.services7@gmail.com](mailto:chuck.services7@gmail.com)

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# **1 Executive Summary and Business Overview**

## **1.1 Business Background**

Chuck's Services started 4 years ago in the latter part of 2013. Chuck's Tires was tires, batteries and vehicle salvage expanding into tow trucks and added technology support for local projects. Current business services are: tire repairs, tire services (rotation, winter/summer tire change), computer repairs and network support.

Costing of services vary and take into consideration a local person's ability to pay and weighs in the impact of the loss of the vehicle to them. Some bartering is involved and there are clients that take over a year and sometimes there are bad debts. Will look to at worst, cover the cost of the parts and forgive the labour. Sometimes will take labour in lieu of payment.

Has a background in doing Capital project management and Employment training programs, business start-up for LSTC (Lower Stl'atl'imx Tribal Council) office and SSHS (South Stl'atl'imx Health Services) and spearheaded the creation of the LSTC with INAC and application for Societies registration. Served as Executive/Board of Director each organization.

## **1.2 Business Value and Demand**

Chuck's Services is the only business within 50 kms with Calvin's on the West road in Samahquam. Local logging companies utilize Chuck's vehicle services for all their smaller utility trucks. Chuck presently has no equipment capacity to handle larger tires. The technology component of Chuck's services provides the only technology services outside of Pemberton for the three communities of Samahquam, Skatin, and Douglas.

Contributions to the community are in providing a critical service. The condition of In-shuck-ch FSR creates a shortened lifespan of tires, shock absorbers and other components. It is common to see vehicles abandoned along this FSR. With personal vehicles the sole transport to purchase groceries, access services (e.g. wellness, banking etc) Chucks Services is a lifeline for most of the community. As previously stated in the preceding Section 1.1, there is consideration of ability to pay which is entirely in the community's interest.

Overall benefit of Chuck's Services to other businesses in the community is through having serviceable vehicles themselves to access goods for their own businesses and to provide an emergency vehicle service to the planned eco-tourists as there is no automobile club support in the area.

Other businesses will bring in tourists, some of which will have need of Chuck's services after traversing the FSR.

### **1.3 Operations**

Owner/operator and sole employee. Some local labour is used but typically in a barter for services provided scenario.

Has enough tools to do exhausts, suspension, brake and vehicle tune ups, all work is first hand and learned through work experience.

The owner/operator's background and supportive business training includes: employment law training, networking (wifi) setting up community networks, business administration and Minute Taking for Board Recording Secretary organization (also Societies Act compliance).

Chuck's Services is located in Tipella on reserve land. The owner/operator owns the home and all physical structures including the shop with the land being reserve land. The current shop physical size is a 16 x 14 foot shop area and a work tent 12 x 20 feet.

Over the past 4 years the owner has been working towards break even status which was achieved in autumn 2016 with the business paying off original equipment, tools and facility infrastructure set up. Original start-up was \$12,000.00 with an additional investment of \$350 - \$500 Autumn 2016 to add the tent enclosure for tire repair and to enable work to be performed protected from the elements.

The next growth phase is to create a proper permanent structure with foundation and the purchase of a scissor lift/hoist to provide better access to car undercarriage and to increase quality of work, be more time efficient and contribute to additional safety. The tent will be re-purposed for tire storage.

The primary driver behind the building/equipment expansion is to add services: transmissions, brake linings (already do pads) and brake drums; fuel tank replacements and oil changes; improve the tire machine.

#### **1.3.1 Product/Service Details**

Chuck Services was created out of a need to maintain personal vehicles and those of the adjunct "Car Dealership" that provides cars for purchase for community members. The goal of Chuck Services is to provide honest, quality automotive work. Words that come to mind when a person thinks of Chuck Services is: flat tire; repair; reliable; service and thankful.

The value of Chuck Services and especially for tourists, Chuck Tires is the ability to have reliable, competent work done due to an emergency and someone who will travel to their vehicle to provide them tire services.

There is an unofficial warranty. Chuck tells them to keep parts receipt for the warranty and to come back if there is any issue. Warranty is good for 30 days.

### 1.3.2 Business Goals and Objectives

Business goal expansion for Chuck Services is to expand the oil change capabilities; brake services (check and replace brakes), shock and strut work, and minor exhaust work. The lack of a reinforced cement pad impacts brake, shock and strut and minor exhaust work as the ramps sink into the mud in the Autumn through Spring rainy seasons as well as not being a flat, stable surface which creates a significant injury risk.

### 1.4 Start Up Budget and Capital Requirements

Budget	Option 1	Option 2
Capital & Equipment		
Option 1		NA
Garage (quote includes cement pad) includes 24 x 24, 4 inch thick, reinforced at hoist point and rebar	\$52,000	
Option 2		
Metal canopy structure (limit impact from environment)		
10 x 20 x 8 foot canopy (Home Depot) Shelter Logic Model # 62684   Store SKU # 1000780760 (on line only)		\$ 600
Dewalt Forced Air Propane Heater 150,000 BTU Model # 62684   Store SKU # 1000780760	NA	\$ 400
Cement Drill/drill bits to mount canopy into cement pad		\$ 200
Cement compound and rebar - DIY reinforced concrete pad		\$2,000
Scissor Lift	\$3,500	\$3,500
Pump for forced heat into pad	\$1,000	
Marketing/Advertising	\$ 100	\$ 100
Inventory/ Supplies	\$17,425	\$17,425
Pre-Operating (e.g. insurance, legal, other)	\$1,000	\$1,000

3 months operations float	\$3,000	\$2,100
Total Funds Required	\$78,025	\$27,325
Amount of Funds Requested	\$78,025	\$27,325

Payback time on a low interest loan would be 10 years.

## 2 MARKET

The present market draw is:

Tourists – tire changes	80%
Community	10%
Industry	10%

The community and industry represent 20% of overall customers (26 in total). Annual customer count is approximately 130 presently. Expansion of the business through equipment and shelter from the environment would increase the ability to extend the working season; lessen physical risk with the net outcome of increasing revenue and customers.

There are one or two others in the area that do tire repairs only however their equipment is not as current as Chuck's. Market growth will occur with greater service capabilities (ability to service larger tires; do more engine repair work); as well as associated expansion in the tire change business as a result of the increased eco-tourism that is projected.

The marketing plan to increase the customer base is to approach Chuck's Services affiliated services clientele such as South Stl'atl'imx Heath Services; and Lower Stl'atl'imx Tribal Council members to promote in their newsletters and on their on-line presences.

### URL

[www.chuckservices.com](http://www.chuckservices.com)

### 2.1 Proposed Marketing Plan

**Tagline:** Chuck Services, tires and more...

**Pitch:** Chuck Services is a Tire and Automotive Service and repair shop that can assist you in your needs for tourists, hunters, & fisherman who find themselves possibly stranded in our territory.

There is "Chuck Tires" signage along the FSR however this needs to stand out more visibly beyond the current white background and black printing and include arrows pointing to Tipella.

There is some draw from the community of Skatin for clientele. Skatin is approximately 30 kms to the north along the FSR.

Increase the use of Social Media to include advertising on Facebook; Sea to Sky 4 Wheel Drive Association; BC 4 Wheel Drive Association, In-shuck-sh Road Facebook Page, Sloquet Hot Springs and T'sek Hot Springs both on site with signage and Facebook pages.

### **Description**

**Chuck Services can provide you with your automotive and tire needs. Chuck Tires specializes on tire repairs, services and sales. The shop can change your oil, check and replace brakes, shock and strut work, to minor exhaust work.**

#### **2.1.1 Target Audience**

Historically, Chuck Services has been able to capture the Hot Spring goers, fishermen, and Club members, with a few local customers. The band office staff as well as its affiliates will be travelling the territory on frequent basis as a target customer, I currently service local Logging Company fleet trucks.

### **Customer Demographics**

there is expectation that local service companies e.g. BC Hydro, Forestry and Fisheries will enter into “emergency services” standing contracts. These contracts are contingent on acquisition of a reinforced cement pad to limit personal injury. Chuck Services has a current contract with customer Energex.

Other customers will draw from the standard eco-tourist expected to Sloquet Hot Springs and the local emerging eco-tourism market.

## **2.2 Pricing Strategy**

Pricing is based on market demand with known costs for labour and parts.

## **2.3 Market Growth**

In the first 2 to 2.25 years it is expected Chuck Services will have a corporate standing account with Dent (local service provider) for all their pickups and service trucks for tires and minor brake work.

There is a mix of whether the customer travels to Chuck Services or Chuck travels to customer site. This totally depends on the drivability of the vehicle. There is no charge for travel time for community members most of whom would struggle to pay the additional cost.

## **2.4 Competitors**

There are two other providers in the area of tire change services however their equipment is older and less reliable. Chuck Services delivers on the “services” part of the name with reliable, honest and friendly service.

Indirect competitors are similar services in Mount Currie or Pemberton however when a vehicle is not roadworthy or drivable for many reasons, Chuck Services is the sole service provider in 87 kms.

Barriers to competitive entry is through Chuck Services expanding its ability to provide services through additional tools and a reinforced concrete pad that will provide a flat, strong, safe and stable platform for the addition of a hoist supported by honest service, reliable work and competitive prices.

## **3 OPERATIONS (Suppliers, Location/Facilities)**

### **3.1 Suppliers**

Suppliers have been a challenge and some business has been lost due to the inability to source used tires. Typically there is no financial ability for most to pay for new tires. The biggest risk to Chuck Services expansion of the tire services is a consistent supplier for patches, plugs for tire repair. Chuck regularly travels to his supplier in Pemberton however often they too are out of stock.

To mitigate the supply risk Chuck Services will look to broadening his scope of suppliers beyond Pemberton.

### **3.2 Licenses and Permitting**

As the business is located in the community of Tipella there is no current regulatory requirement for permits or licenses or compliance with building code. There is no Work BC Insurance as this is an owner operated business.

Chuck Services has recently successfully challenged the Level 3 First Aid. There is no mandated requirement for WHMIS.

### **3.3 Location & Facilities**

Chuck’s Services is located in Tipella on reserve land. The owner/operator owns the home and all physical structures including the shop with the land under CP. The current shop physical size is a 16 x 14 foot shop area and a work tent 12 x 20 feet.

## **4 GOVERNANCE & MANAGEMENT and PERSONNEL**



The owner/operator of Chuck Services has employment law training, networking (wifi) setting up community networks, business administration and Minute Taking for Board Recording Secretary Organization (also Societies Act compliance).

Chuck Services has been able to achieve a break even status from original start-up costs in 2 years. There is an aversion to taking on financial risk and a focused approach to methodically paying off business investment debts.

Experiences with assisting with the re-creation of LSTC demonstrated the need for solid financial and organizational practices.

#### **4.1 Human Capital Management**

There are no immediate plans to expand staffing beyond the single owner/operator model.

### **5 RISK**

#### **5.1 Risk Assessment**

The biggest risks are:

1. Personal injury;
2. Inconsistent supply chain.

Personal injury will be mitigated through the acquisition of a reinforced cement pad and improved equipment including a hoist to reduce physical wear and tear.

Inconsistent supply chain is being mitigated through broadening the supplier network.

#### **What happens if Chuck no longer able to “do Chuck Services?”**

- Chuck is currently has a bad back, which is why he has requested the tire lift.
- Hires his nephew to assist or do the work and he would manage the business.
- Would also bring in Calvin if need another person to assist.
- Warranty may not apply if Chuck is not the person providing the service.

Chuck has purchased a trailer to bring a larger supply of tires back up to 100 tires on a trip. This will help mitigate cost.

What if they pave the road? RISE classmates creating successful customers will bring in a larger volume of customers. Not anticipating fewer customers.

## 6 FINANCIALS

### 6.1 Financial/Sales

#### 6.1.1 Table: Profit and Loss

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Sales	\$10,986	\$12,085	\$13,293
Direct Cost of Sales	\$1,648	\$1,813	\$1,994
Other Costs of Sales	\$1,745	\$1,745	\$1,745
Total Cost of Sales	\$3,392	\$3,557	\$3,738
Gross Margin	\$7,594	\$8,527	\$9,555
Gross Margin %	69.12%	70.56%	71.88%
<b><u>Expenses</u></b>			
Propane for heater	\$400	\$400	\$400
<b><u>Total Operating Expenses</u></b>	<b><u>\$400</u></b>	<b><u>\$400</u></b>	<b><u>\$400</u></b>