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Table Of Contents

1.0	Executive Summary	1
2.0	Situation Analysis	1
2.1	Market Summary	1
2.1.1	Market Demographics	2
2.1.2	Market Needs	2
2.1.3	Market Trends	3
2.1.4	Market Growth	3
2.2	SWOT Analysis	4
2.2.1	Strengths	4
2.2.2	Weaknesses	4
2.2.3	Opportunities	5
2.2.4	Threats	5
2.3	Competition	5
2.4	Services	5
2.5	Keys to Success	6
2.6	Critical Issues	6
3.0	Marketing Strategy	6
3.1	Mission	7
3.2	Marketing Objectives	7
3.3	Financial Objectives	7
3.4	Target Marketing	7
3.5	Positioning	8
3.6	Strategy Pyramids	8
3.7	Marketing Mix	8
3.8	Marketing Research	9
4.0	Financials, Budgets, and Forecasts	9
4.1	Break-even Analysis	9
4.2	Sales Forecast	10
4.3	Expense Forecast	11
5.0	Controls	11
5.1	Implementation Milestones	12
5.2	Marketing Organization	12
5.3	Contingency Planning	13

1.0 Executive Summary

Portland Mobile Auto Inspectors (PMAI) is a mobile motor vehicle inspection service for prospective used car buyers practicing due diligence. Portland Mobile Auto Inspectors travels around Portland with all of the necessary test equipment contained within the van. Service calls are made by appointment during the day or evenings, as well as weekends. All a customer needs to do is schedule an appointment and meet Portland Mobile Auto Inspectors at the place where the vehicle is currently parked. Within one hour the inspection is complete and the customer is given a detailed custom printout that lists all of the different tests performed and the results of the tests, thereby indicating the condition of the vehicle.

PMAI will eliminate the current dilemma that used car purchasers face, that of conveniently getting a vehicle to the mechanics that offer inspections during those same normal business hours when they themselves should be at work. Portland Mobile Auto Inspectors, a sole proprietorship, is forecasted to reach profitability by month six and will generate \$93,000 in revenues by year three.

2.0 Situation Analysis

Portland Mobile Auto Inspectors is entering its first year of operation. A strategic marketing plan will be necessary to stimulate sufficient growth to reach profitability. PMAI responds to market needs by providing a mobile used car inspection service.

2.1 Market Summary

Portland Mobile Auto Inspectors possess good information regarding the market and the ideal customer that will be served. PMAI will leverage this information to better understand the specific needs of its target market, and then design the services to best satisfy these needs.

Target Markets

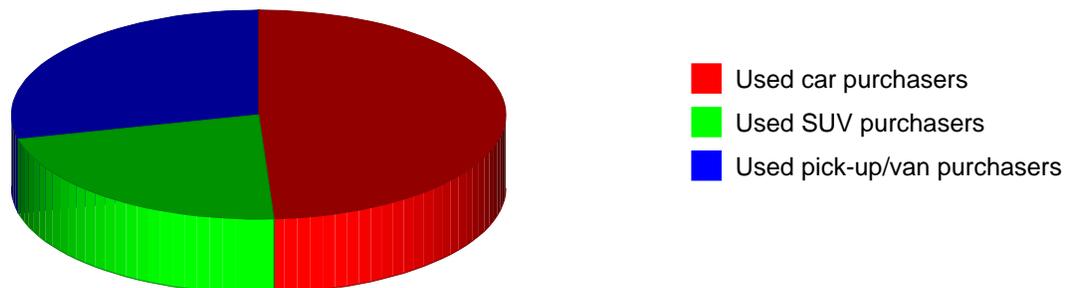


Table 2.1: Target Market Forecast

2.1.1 Market Demographics

The profile for Portland Mobile Auto Inspectors' customer consists of the following geographic, demographic, and behavior factors.

Geographics

- The population of Portland, in excess of one million people is served.
- A 30-mile radius around the city center will be served.

Demographics

- Male and female.
- Age 28-55.
- Have at least a college education.
- Recognize the value in purchasing a used car over a new car, regardless of the price point.

Behavior Factors

- Are prudent with the spending of their money.
- Will not purchase a used car without having it inspected first.
- Will typically research something before a purchase or major decision.

Table 2.1.1: Target Market Analysis

Target Market Analysis Market Segments	Characteristic	Characteristic	Characteristic	Characteristic	Characteristic
Used car purchasers	Want solid transportation	Value conscious	Prudent buyers	Won't buy "pig-in-a-poke"	Research decisions
Used SUV purchasers	Want a fun vehicle	Trend conscious	Impulsive buyers	Won't buy "pig-in-a-poke"	Research decisions
Used pick-up/van purchasers	Specific utility needs	Task conscious	Focused buyers	Won't buy "pig-in-a-poke"	Research decisions

2.1.2 Market Needs

Portland Mobile Auto Inspectors provides Portlanders with a mobile used car inspection service, replacing the need to bring the car to a garage during normal business hours. Portland Mobile Auto Inspectors seeks to satisfy the following market needs that are important to their customers.

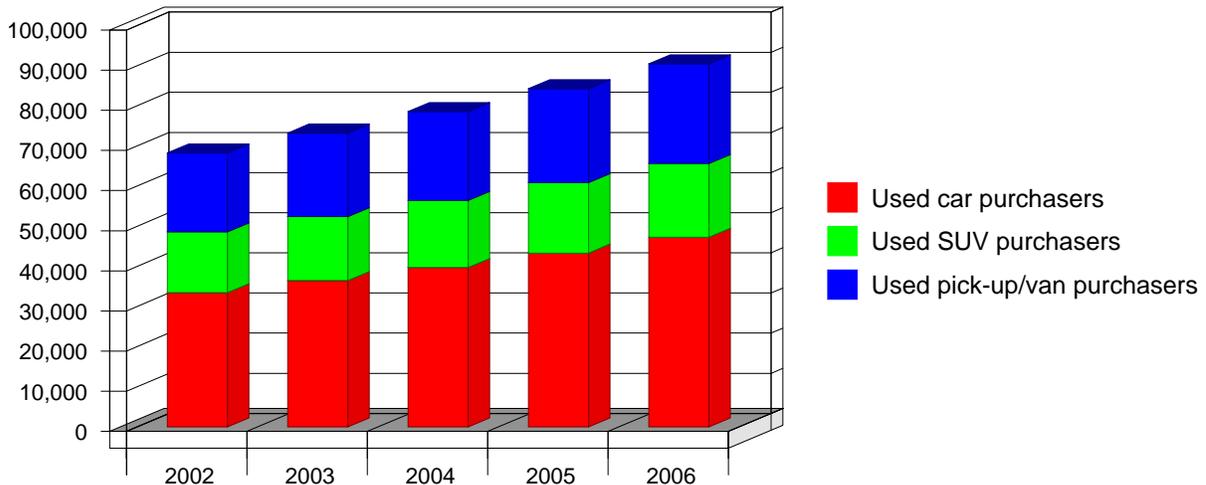
- Accessibility- PMAI will travel anywhere in Portland to inspect a vehicle.
- Comprehensiveness- A comprehensive analysis will be made for every car.
- Customer service- Excellent customer service is key, recognizing that most used car purchasers will buy more than one used car within a few years.
- Competitive pricing- PMAI's prices are comparable with auto mechanic shop prices.

2.1.3 Market Trends

The market trend for automobiles is toward both leasing as well as used cars. These two trends are linked together. Over the last eight years, there has been an increasing number of leases issued to people who prefer to drive a new car every three or so years. At the same time, once the lease is up, the car is returned and thereby increases the number of used cars on the market.

This increase in supply is being met with an increase in demand for used cars by smart consumers that recognize the clear value in purchasing used car. The value is simply due to the fact that cars depreciate over time. The largest drop in value, between 20%-30%, occurs in the first year. Prudent fiscal decision makers leverage this economic reality by purchasing the car used and allowing the value to depreciate against the original owner. To be sure, the moment you drive a new car off the lot, the vehicle is used and has dropped in value, yet the vehicle is really no different then an hour before when it was brand new on the lot.

Market Forecast

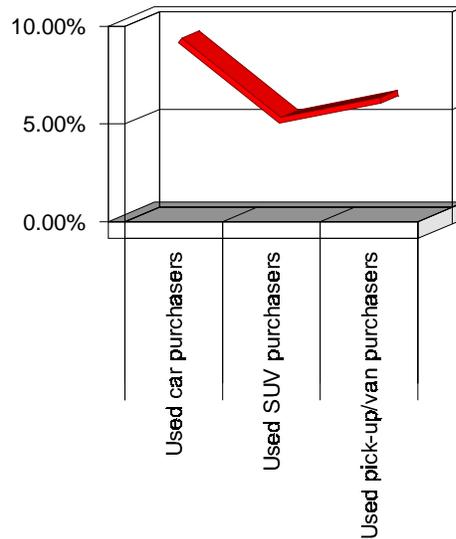


2.1.4 Market Growth

The market for auto inspections has grown by 11% within the last five years. This is evidenced by the fact that five to 10 years ago if you went to a mechanic to have a used car inspected, he could do it, but since he did not do very many inspections, the scheduling and comprehensiveness of the service was rather hit-and-miss. Nowadays, if you request an inspection, an appointment will be made and during the inspection a check list of all components that will be checked is gone through. Most garages do several inspections a week.

These new service offerings could grow even more if there was not an inherent conflict between when the garages are open to provide the services, when most people have to be at work, and when they are able to bring the car in for the inspection. With an increase of mobile car inspections within the last year, the market growth is expected hit 14%.

Target Market Growth



2.2 SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing Portland Mobile Auto Inspectors.

2.2.1 Strengths

- Knowledgeable sole proprietor.
- A car inspection process that has been established, routinized, and made efficient.
- An innovative approach to solving the problem: that it is quite difficult for people to have their car inspected during the hours that the mechanics are typically open.

2.2.2 Weaknesses

- Currently with only one mobile inspection van, appointments are serviced one at a time.
- A limited marketing budget to spread the word regarding Portland Mobile Auto Inspectors' service.
- The difficulty of establishing brand equity as a start-up business.

2.2.3 Opportunities

- A growing market need that is not currently being served by the existing providers.
- The future possibility of operating more than one mobile inspection unit, thereby decreasing overhead costs on a per unit basis.
- An increase in the supply of used vehicles as a result of the higher demand for, and subsequent return of leased new vehicles.

2.2.4 Threats

- The entry of an established repair center into the mobile inspection market.
- Significant increases in fuel and insurance, forcing PMAI to raise rates to cover higher costs.

2.3 Competition

The car inspection business is serviced by two types of companies. Mobile inspection companies such as Portland Mobile Auto Inspectors, and a variety of different mechanics/ garages. There currently is only one other mobile inspection service.

There are many different mechanics that offer inspection services. Some will advertise their service to the general public as well as to their current customers. These mechanics are marketing their inspection service and are trying to derive a decent amount of revenue from their service offering.

There are other mechanics that will perform an inspection service if it is requested, but it is not marketed as a normal service.

The disadvantage to the traditional mechanics is their hours of availability. Most mechanics only have business hours during the week. This is in conflict with the fact that most people who are looking for used cars have jobs during the day and therefore generally do not have the opportunity to use the mechanic based inspection service because they are typically looking for cars on the weekends or evenings.

2.4 Services

Portland Mobile Auto Inspectors will offer the following tests for a used car inspection:

CRANKING HISTORY TEST:

This is a test for the strength of the battery. A battery reading above 9.60 volts would indicate a good battery. Alternator amp readings show the alternator's ability or inability to keep the battery charged.

ELECTRONIC COMPRESSION TEST:

This test shows engine cylinder compression (power) uniformity. Good compression is shown by a high % number with all readings being within a 10% range.

IGNITION PRIMARY TEST:

This test looks for bad primary components such as the ignition coil.

SPARK BURN ANALYSIS TEST:

This test looks for bad secondary components such as ignition wires and distributor caps. A burn time of 0.8 to 2.3 milliseconds is within the typical range limits. Short burn times could be caused by breaks in ignition wires, a worn rotor button, etc. Long burn times could be from fouled spark

plugs, a rich fuel mixture, etc.

POWER BALANCE TEST:

This test measures each cylinder's contribution relative to the others by turning off the spark plugs one at a time. All of the % drop numbers should be within 10% of one another. Out of range readings will be compared to other tests to confirm a problem.

In addition to these major tests, the following other information will be determined:

- Life of brake pads and condition of the calipers and discs/ drums.
- Usable life of the tires.
- The temperature range of the engine coolant.
- Condition of the exterior body.
- Condition of instrument cluster and all working electric features within the interior of the vehicle.
- Condition of the belts and hoses, CV joints and boots, exhaust, suspension components, emergency brake.

The results of the inspection are delivered on the spot in a 100 point inspection regime. From the information provided with the inspection, the client will know exactly what is wrong with the car. This is useful because depending on the condition of the car, it might dissuade the person from purchasing it, or will be used as leverage to reduce the price to account for the needed repairs.

2.5 Keys to Success

The keys to success are:

- Professionalism.
- Prompt service.
- Convenience.
- Expert analysis.

2.6 Critical Issues

Portland Mobile Auto Inspectors is still in the speculative stages as a start-up organization. It's critical that the business continue to take a modest fiscal approach, expanding at reasonable rate, not for the sake of expansion in and of itself, but because it makes prudent economic sense.

3.0 Marketing Strategy

The marketing strategy will be based on three different efforts:

- Advertisement- The ad will be used to advertise Portland Mobile Auto Inspectors to people who are in need of an inspection but otherwise have not heard of PMAI. This will be placed in the telephone directory Yellow Pages as well as within the auto section of the local newspaper.
- Website- The website will be developed to provide information about PMAI's services to the public. The experts at 1st-At-The-Top.com Internet & E-commerce Consulting Services (www.1st-At-The-Top.com) will submit the site to all the popular search engines so when a person types in a wide range of common terms, PMAI's website will be featured at the top of the search list.

- Partnerships- Portland Mobile Auto Inspectors will develop strategic relationships with automobile associations such as AAA, City Auto Club, etc. so that a large number of association members are referred to PMAI.

3.1 Mission

Portland Mobile Auto Inspectors' mission is to provide customers with convenient, thorough, used car inspections. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

3.2 Marketing Objectives

- Decrease customer acquisition costs by 8% per year.
- Increase repeat customers or referrals by 3% per quarter.
- Generate brand equity, quantified by an increase in service requests based solely on Portland Mobile Auto Inspectors' name.

3.3 Financial Objectives

- A double digit growth rate for the first four years.
- Experience a decrease in the variable costs associated with serving each inspection by 3% a year.
- Maintain steady, positive, growth every month.
- Profitability within the first year.

3.4 Target Marketing

Portland Mobile Auto Inspectors' target customer will be a used car buyer, typically looking for a car over \$5000. The used car buyer purchasing a car below \$5000 typically is looking just for a type of transportation and is not all that concerned with the possible problems that might affect the vehicle. In general they accept the fact that for under \$5000 there are going to be many different things wrong with the car and they are not willing to pay someone to tell them that there are a bunch of things wrong with the car which they cannot afford to fix.

PMAI's customer is buying a used car for one of two reasons:

1. They cannot afford what they want in a new vehicle, or
2. They recognize the value that they gain by purchasing a used car.

This value is generated by the fact that a new car will depreciate the most, 20%, within the first year. It makes sense to allow the car to depreciate on someone else other than yourself. This is of course based on the logic that you have the used car inspected so all afflictions are known to you at the time of purchase. Beyond pointing out any problems, the inspection can also indicate how the car was driven over its life, was it babied or beaten.

The target customer has typically done their research and narrowed down their search to a few different vehicles. They have looked at the car and found that it meets their needs. The last step is to make sure the car is in good condition.

3.5 Positioning

Portland Mobile Auto Inspectors will position itself as a convenient, professional alternative to car inspections that occur during normal business hours at a mechanic's shop. People that work during normal business hours (when the mechanics are open) will truly appreciate this new, convenient alternative. PMAI will leverage their competitive edge to achieve this positioning.

- Portland Mobile Auto Inspectors' competitive edge is its level of expertise and the thoroughness of the inspections. Dan Jalopee, owner and chief technician is industry certified as a master mechanic. This certification provides him the requisite background and knowledge to perform any and all aspects of the inspection.
- In addition to Dan's expertise, Portland Mobile Auto Inspectors' other competitive edge is the thoroughness of the inspection. With the use of sophisticated test equipment, PMAI is able to offer the same level of inspection completeness that a stationary mechanic would be able to offer. No aspect of the vehicle is left uninspected. PMAI's inspection will provide the client the necessary confidence to purchase a used car.

3.6 Strategy Pyramids

The single objective is to position Portland Mobile Auto Inspectors as a superior alternative for used car inspections and achieve a market leading position. PMAI will use three methods to communicate the message that their service offerings are far superior to standard auto inspections. The first method is with advertisements in the telephone directory Yellow Pages and in the auto section of the Portland Plain Dealer.

The second effort to secure proper positioning and communication of PMAI's message is through their website. The website will provide the user with plenty of information regarding PMAI's service offering.

The last method will be strategic alliances with organizations such as AAA. These alliances will be a rich source of customers as companies that are affiliated with AAA often do quite well because of referrals to/from the large customer base that AAA holds. The alliances will develop co-branding activities, co-promotions and other co-operative activities that are mutually beneficial for the organizations.

3.7 Marketing Mix

Portland Mobile Auto Inspectors' marketing is comprised of the following approaches to pricing, distribution, advertising and promotion, and customer service.

- Pricing- The pricing scheme is designed to cover costs and provide a reasonable profit, taking into account the cost of the substitutes available.
- Distribution- The services will be provided throughout the city with PMAI's mobile unit.
- Advertising and Promotion- PMAI will use several methods including Yellow Page and print advertising, a website, and strategic alliances.
- Customer Service- Obsessive customer service is the mantra. Customers will be attended to as if they were the largest account the company has. Customer satisfaction will be ensured.

3.8 Marketing Research

During the initial phases of the marketing plan completion, several focus groups were held to determine the demand of the service. The focus groups were held with prospective used car buyers. The results of the focus groups reinforced of the idea that there would be great demand for a mobile used car inspection service.

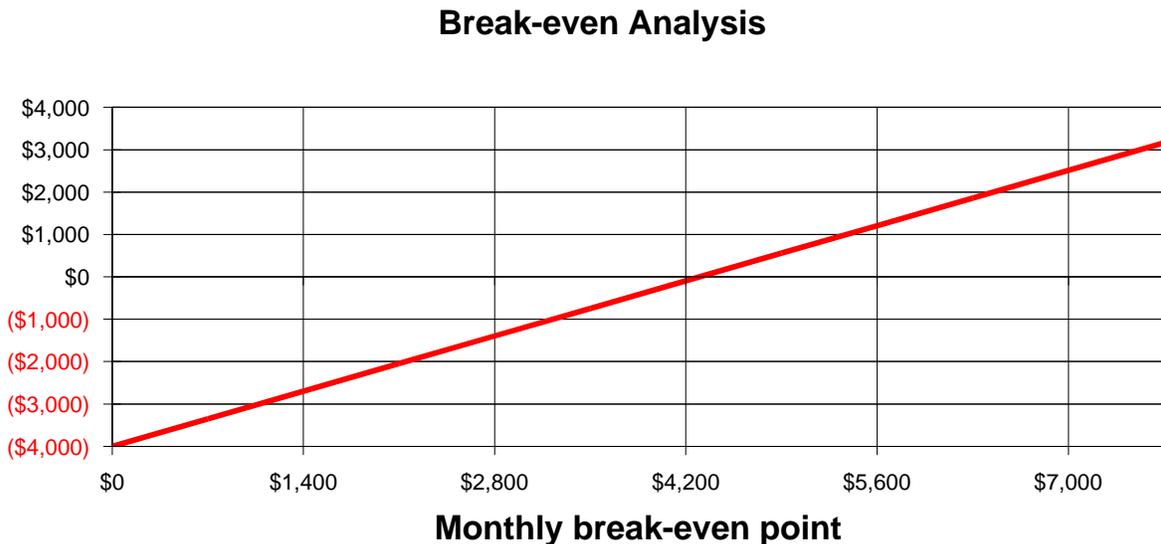
In addition to determining whether there would be demand for the service, one goal of the focus group was to determine if people would have any doubts as to the thoroughness of the inspections from a mobile unit. While some people did have reservations regarding whether the mobile service was as comprehensive as a stationary mechanic, these concerns were easy to overcome by presenting the people a list of the different tests that would be performed from the mobile unit. Overall, this marketing research confirmed this business model and the demand for the service.

4.0 Financials, Budgets, and Forecasts

This section will offer a financial overview of Portland Mobile Auto Inspectors as it relates to the marketing activities. PMAI will address break-even analysis, sales forecasts, expense forecasts, and how those link to the marketing strategy.

4.1 Break-even Analysis

The Break-even Analysis indicates that \$4301 is needed in monthly revenue to reach the break-even point.



Break-even point = where line intersects with 0

Table 4.1: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	43
Monthly Sales Break-even	\$4,301
Assumptions:	
Average Per-Unit Revenue	\$100.00
Average Per-Unit Variable Cost	\$7.00
Estimated Monthly Fixed Cost	\$4,000

4.2 Sales Forecast

First month will be used to set up the mobile office. There will be no sales activity during this time period. Beginning with the second month, there will be some sales activity. It is forecasted that sales will steadily grow thereafter. Profitability will be reached by month six.

Monthly Sales Forecast

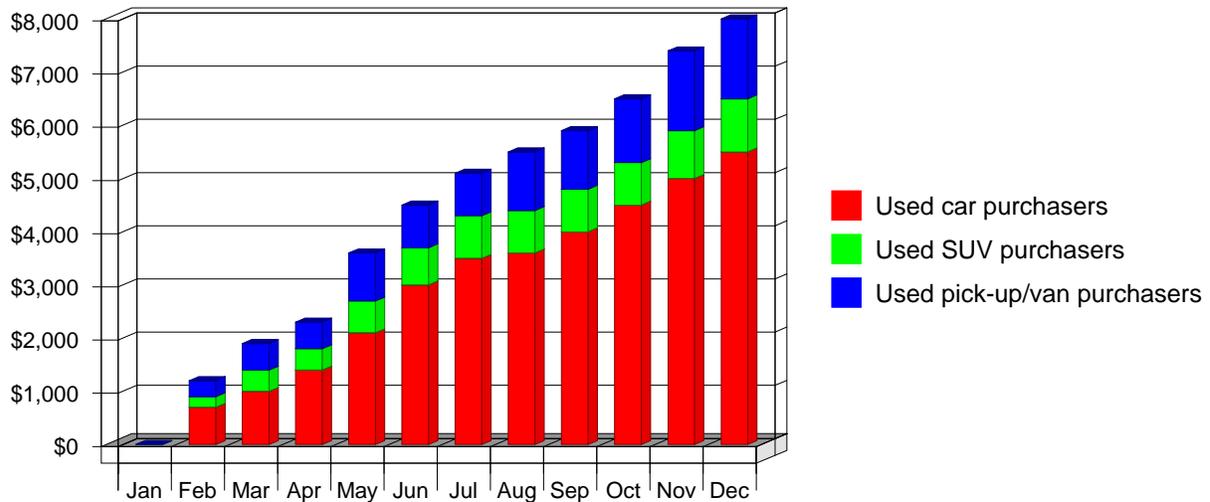


Table 4.2: Sales Forecast

Sales Forecast			
Sales	2002	2003	2004
Used car purchasers	\$34,300	\$60,000	\$67,000
Used SUV purchasers	\$7,400	\$12,000	\$13,000
Used pick-up/van purchasers	\$10,200	\$15,000	\$13,000
Total Sales	\$51,900	\$87,000	\$93,000
Direct Cost of Sales			
Used car purchasers	\$2,401	\$4,200	\$4,690
Used SUV purchasers	\$518	\$840	\$910
Used pick-up/van purchasers	\$714	\$1,050	\$910
Subtotal Cost of Sales	\$3,633	\$6,090	\$6,510

4.3 Expense Forecast

The marketing expenses will be budgeted to be spent somewhat evenly, varying slightly at three points during the year to correspond with an increase of used car purchases. Fees for membership in professional and strategic partner organizations are all due in January, making that month's expenditures higher.

Monthly Expense Budget

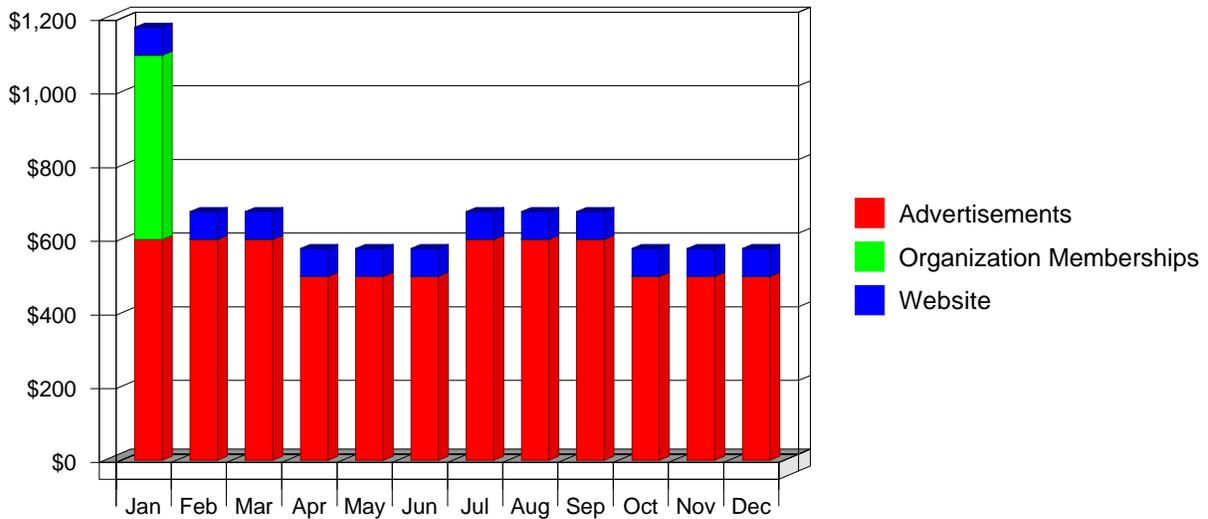


Table 4.3: Marketing Expense Budget

Marketing Expense Budget	2002	2003	2004
Advertisements	\$6,600	\$7,500	\$8,000
Organization Memberships	\$500	\$0	\$0
Website	\$900	\$900	\$900
Total Sales and Marketing Expenses	\$8,000	\$8,400	\$8,900
Percent of Sales	15.41%	9.66%	9.57%
Contribution Margin	\$40,267	\$72,510	\$77,590
Contribution Margin / Sales	77.59%	83.34%	83.43%

5.0 Controls

The purpose of Portland Mobile Auto Inspectors' marketing plan is to serve as a guide for the organization. The following areas will be monitored to gauge performance:

- Revenue- monthly and annual.
- Expenses- monthly and annual.
- Repeat business.
- Customer satisfaction.

5.1 Implementation Milestones

The following milestones identify the key marketing programs. It is important to accomplish each one on time, and on budget.

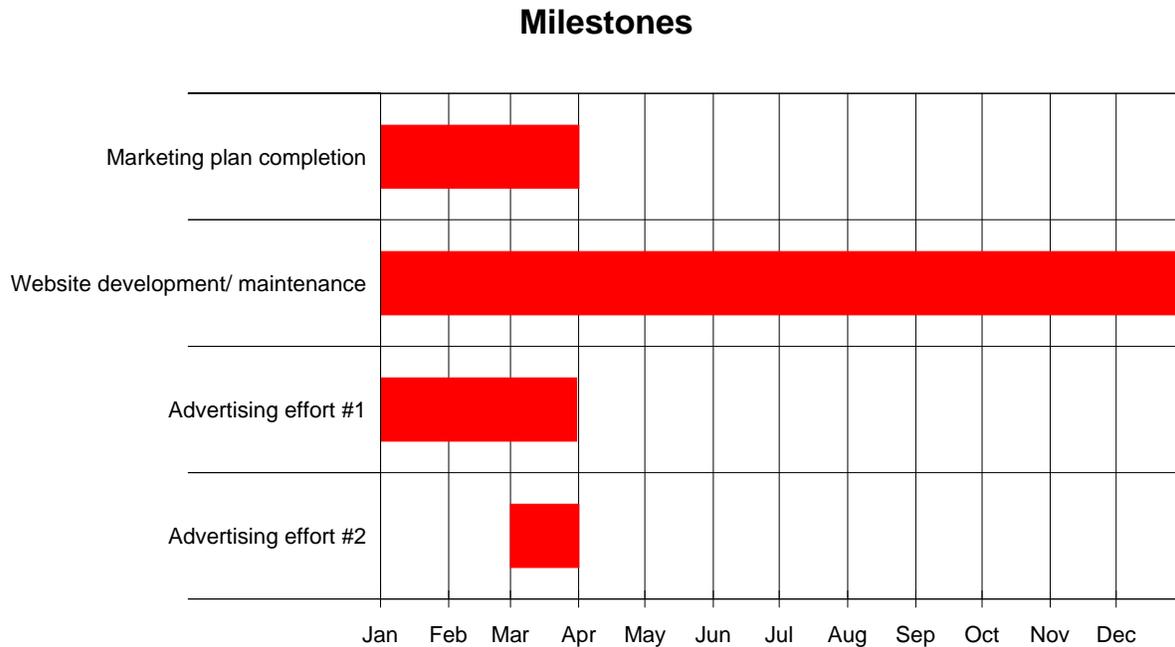


Table 5.1: Milestones

Milestones	Plan					
Milestone	Start Date	End Date	Budget	Manager	Department	
Marketing plan completion	1/1/02	4/1/02		Dan		
Website development/ maintenance	1/1/02	12/31/02	\$900	Dan		
Advertising effort #1	1/1/02	3/31/02	\$1,800	Dan		
Advertising effort #2	3/1/02	4/1/02	\$1,800	Dan		
Totals			\$4,500			

5.2 Marketing Organization

Dan Jalopee is primarily responsible for all of the marketing activities. Dan will outsource the website development as well as the majority of the creative work to 1st-At-The-Top.com Internet and E-commerce Consulting Services.

5.3 Contingency Planning

Difficulties and risks:

- Problems generating visibility.
- An overwhelming response to the service offerings, unable to meet demand and letting down prospective customers.
- The costs for traveling around the city to offer the service were woefully underestimated.

Worst case risks may include:

- Determining that the business cannot support itself on an ongoing basis.
- Having to liquidate equipment to cover liabilities.

Appendix: Portland Mobile Auto Inspectors

Table 4.2 Sales Forecast

Sales Forecast	Plan											
Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Used car purchasers	\$0	\$700	\$1,000	\$1,400	\$2,100	\$3,000	\$3,500	\$3,600	\$4,000	\$4,500	\$5,000	\$5,500
Used SUV purchasers	\$0	\$200	\$400	\$400	\$600	\$700	\$800	\$800	\$800	\$800	\$900	\$1,000
Used pick-up/van purchasers	\$0	\$300	\$500	\$500	\$900	\$800	\$800	\$1,100	\$1,100	\$1,200	\$1,500	\$1,500
Total Sales	\$0	\$1,200	\$1,900	\$2,300	\$3,600	\$4,500	\$5,100	\$5,500	\$5,900	\$6,500	\$7,400	\$8,000
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Used car purchasers	\$0	\$49	\$70	\$98	\$147	\$210	\$245	\$252	\$280	\$315	\$350	\$385
Used SUV purchasers	\$0	\$14	\$28	\$28	\$42	\$49	\$56	\$56	\$56	\$56	\$63	\$70
Used pick-up/van purchasers	\$0	\$21	\$35	\$35	\$63	\$56	\$56	\$77	\$77	\$84	\$105	\$105
Subtotal Cost of Sales	\$0	\$84	\$133	\$161	\$252	\$315	\$357	\$385	\$413	\$455	\$518	\$560

Appendix: Portland Mobile Auto Inspectors

Table 4.3 Marketing Expense Budget

Marketing Expense Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Advertisements	\$600	\$600	\$600	\$500	\$500	\$500	\$600	\$600	\$600	\$500	\$500	\$500
Organization Memberships	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Website	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Total Sales and Marketing Expenses	\$1,175	\$675	\$675	\$575	\$575	\$575	\$675	\$675	\$675	\$675	\$575	\$575
Percent of Sales	0.00%	56.25%	35.53%	25.00%	15.97%	12.78%	13.24%	12.27%	11.44%	8.85%	7.77%	7.19%
Contribution Margin	(\$1,175)	\$441	\$1,092	\$1,564	\$2,773	\$3,610	\$4,068	\$4,440	\$4,812	\$5,470	\$6,307	\$6,865
Contribution Margin / Sales	0.00%	36.75%	57.47%	68.00%	77.03%	80.22%	79.76%	80.73%	81.56%	84.15%	85.23%	85.81%