

TWO WHEELER SERVICE CENTRE

1. INTRODUCTION

Uttarakhand plays a significant role in India's 2-wheeler industry. It's the second-largest producer, contributing 15% to the country's total production. Haridwar hosts the world's largest 2-wheeler Hero Motors manufacturing plant and the state is a crucial hub, manufacturing 10% of India's auto components. With a robust manufacturing ecosystem already in place and a consistent upward trajectory in 2-wheeler ownership, the service center is poised to capitalize on this burgeoning market. Besides, with a rising demand for 2-wheelers in Uttarakhand, the state becomes an excellent location for a 2-wheeler service center. The venture will be able to capitalize on providing essential maintenance and repair services amidst the growing number of 2-wheeler owners in the region.

2. SERVICE & ITS APPLICATION

The service center offers a range of services, including routine maintenance, engine diagnostics, brake repairs, electrical system checks, tire services, and more. The application extends to various four-wheelers, such as cars and SUVs, ensuring a one-stop solution for all automotive needs.

3. DESIRED QUALIFICATION FOR PROMOTER

The promoter should possess a strong background in automotive engineering or management, coupled with a deep understanding of the automotive service industry. Technical knowledge, leadership skills, and a customer-centric approach are essential qualifications.

4. BUSINESS OUTLOOK AND TRENDS

The 4 Wheeler Service Centre in Uttarakhand foresees a promising business outlook driven not only by the growing local demand for automotive services but also by the burgeoning tourism industry in the region. The surge in vehicle registrations in 2023, as per government data underlines the consistent requirement of service center. This demand extends beyond the local populace to include an increasing number of tourist vehicles. With Uttarakhand being a popular tourist destination, the influx of tourist cars has seen a considerable uptick. These vehicles, crucial for the thriving tourism sector, require timely and reliable services to ensure a seamless travel experience. The service center must aim to capitalize on this emerging trend by offering specialized services catering to the unique needs of tourist vehicles. This strategic approach not only aligns with the growing demand for automotive services but also positions the center as a go-to destination for both locals and tourists seeking comprehensive and timely solutions for their four-wheelers.

5. KEY BUSINESS ELEMENTS

1. **Skilled Workforce:** The promoter must employ trained and certified mechanics to ensure high-quality service.
2. **Quality Spare Parts:** The focus should be to establish tie-ups with reliable suppliers for genuine spare parts.
3. **Customer Relationship Management:** The promoter must build long-term relationships with customers through excellent service and communication.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The presence of the world's largest 2-wheeler manufacturing plant in Haridwar enhances the local market's potential. The concentration of 2-wheeler production facilities in the region creates a natural demand for servicing and maintenance. The evolving preferences of consumers, including the shift towards electric 2-wheelers, present opportunities for the service center to diversify its offerings and stay ahead of industry trends. While the market potential is significant, there are certain marketing issues that need attention. Given the demand, there may be increased competition among service centers. Besides that, Uttarakhand's diverse topography, including mountainous terrains, may pose logistical challenges for the transportation of spare parts and the provision of on-site services.

7. SUPPLY OF RAW MATERIAL

The promoter must collaborate directly with 2-wheeler manufacturers and authorized dealerships. This can provide access to genuine OEM (Original Equipment Manufacturer) parts and establish a direct link to the supply chain. They must leverage the presence of manufacturing hubs in Uttarakhand to forge direct relationships with manufacturers for a more streamlined supply chain.

8. BUSINESS MODEL

The layout for a 2-wheeler service center prioritizes efficiency, customer service, and safety. It includes a welcoming area, multiple service bays equipped with tools, a designated diagnostic zone, organized storage for parts and tools, a fluids station, an office for the workshop manager, and facilities for employees.

9. BUSINESS PROCESS

1. Customer Intake and Appointment: Customers provide vehicle details and service requirements are recorded, and appointments are scheduled.
2. Initial Vehicle Inspection and Diagnostics: Vehicles undergo an initial inspection and diagnostic assessment in a dedicated area, utilizing both visual examination and diagnostic tools to identify potential issues.
3. Customer Consultation and Service Estimation: Following the initial assessment, a consultation is held with the customer to discuss findings. A detailed service estimate, covering labor and parts costs, is provided, and customer approval is sought before proceeding.
4. Parts Procurement: Upon customer approval, the necessary spare parts are procured through an organized system, ensuring availability before initiating the service.
5. Service Execution: Vehicles are directed to designated service bays where planned services are executed with precision, following established procedures and utilizing genuine spare parts.
6. Quality Control Checks: Throughout the service process, rigorous quality control checks are conducted to ensure all services meet the established standards, and any identified issues are promptly addressed.
7. Final Inspection and Testing: A final inspection is performed to verify the completion of services, including road tests when applicable, ensuring optimal vehicle performance.

10. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Service Technician	2	12	0.25	6
3	Helper	2	12	0.15	3.6
	Total				9.60

11. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

12. COST OF PROJECT

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	0.10
2	Equipment and Furniture Exp.	6.82
3	Working Capital	1.58
	Total Project Cost	8.50

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	3.40
2	Bank Finance	5.10
	Total	8.50

14. FURNITURES AND FIXTURES

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Tools (Wrench, Screwdrivers, Pliers, Socket Set, Torque Wrench, Multimeter Tire Pressure Gauge, Oil Filter Wrench, Chain Breaker and Riveter, Brake Bleeder Kit ETC.)	-	1.00	1.00
2	Equipment (Manual Hydraulic Jack, Tire Changer, Battery Charger, Engine Stand, Air Compressor, Welding Machine, Bench Grinder, Engine Hoist ETC.)	-	2.50	2.50
3	Lighting fixtures	5	0.25	1.25
4	Workbenches	5	0.15	0.75
5	Waiting Area	-	0.50	0.50
6	Waste Oil Storage	2	0.02	0.04
7	Safety Equipment	3	0.06	0.18
8	Cabinets	3	0.20	0.60
	Total			6.82

Tools & Equipment must be bought from authorized dealers and suppliers in Uttarakhand. The entrepreneur can avail required tools after thorough research and analysis. Below is the tentative list of suppliers in India. Besides these, online platforms such as India Mart can also be explored for ordering machinery online.

1. New Pioneer Industries
Plot No.6, New Shakti Nagar Colony,
Pathri Power House, Sultanpur Mazri,
Post Bahadradabad Plot No. 185,
Haridwar-249402,
Uttarakhand, India
2. A. A. Tools & Equipment
No. 3501/3, 1st Floor, Near Metro Gate No.-3,
Chawri Bazaar, OPP. Shakahari Restaurant,
New Delhi-110006,
Delhi, India
3. Snap-on Tools Pvt. Ltd.
Plot No. 6/2, Begumpur,
NH-8, Delhi-Jaipur Highway,
Behind Toyota Showroom,
Gurgaon, Gurugram-122004,
Haryana, India

15. SALES REALISATION

Sr. No	Product	Sales in Percentage
1	Two Wheeler Services (Regular servicing, brake system maintenance, engine tuning & optimization, suspension system services, tire services, electrical system repairs, transmission and clutch services, bodywork & dent repair, annual maintenance contracts, etc.)	100.0%

16. PROFITABILITY CALCULATIONS

The basis of profit calculation is;

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	27.00
B.	Cost of production	
i)	Raw materials	7.02
ii)	Utilities	0.60
iii)	Manpower Cost (Salaries/wages)	9.60
iv)	Administrative expenses	0.28
v)	Selling & distribution expenses	0.66
vi)	Rent	0.45
vii)	Interest	0.58
	Total (B)	19.19
	Gross profit/loss (A – B)	7.81
	Less: Depreciation	1.05
C.	PBIT	6.76
D.	Income-tax	1.35
E.	Net profit/loss	5.41
F.	Repayment (Annual)	0.46
G.	Retained surplus (E-F)	4.96

17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	0.45
Depreciation	1.05
Interest	0.58
Manpower	2.88
Total Fixed cost	4.96
Variable cost	
Raw materials	7.02
Utilities	0.60
Manpower	6.72
Administrative expenses	0.28
Selling & distribution expenses	0.66
Total Variable cost	15.28
Contribution margin	20%
Break-Even Point in Value	24.78

18. STATUTORY/GOVERNMENT APPROVALS

Setting up a two-wheeler service center in Uttarakhand would require several statutory and government approvals to ensure compliance with regulations.

1. Fire Safety Approvals: The promoter must comply with fire safety regulations and obtain approval from the fire department.
2. Health and Safety Compliance: There must also be adherence with health and safety standards and obtain necessary approvals, especially if you are dealing with hazardous materials.

19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)
Regional Centre, Dehradun
NSTI Campus, Green Park, Dehradun-248001,
Uttarakhand, India
2. Indian Institute of Entrepreneurship (IIE)
NH-37 Bypass, Near Game Village,
Lalmati Guwahati- 781029,
Assam, India
3. Institute of Entrepreneurship Development (IEDUP)
A - 1 & 2, Industrial Area, Sarojini Nagar,
Kanpur Road, Lucknow-226008,
Uttar Pradesh, India

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.