

University of Economics, Prague  
International Business



## **Business plan: creation of the second BMW dealer center in Kharkov**



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## **Declaration**

I hereby declare that I am the sole author of the thesis entitled “Business plan: creation of the second BMW dealer center in Kharkov“. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on ..... Viktoriya Denysyeva

## **Acknowledgement**

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# Content

List of figures	4
List of tables	4
List of Annexes	4
Introduction	5
Chapter 1. Theoretical Chapter of a Business Plan	6
1.1. Introduction of Bavaria Motors in Kharkov	6
1.1.1. Analysis of the economic situation in the Kharkov region	6
1.1.2. Infrastructure of Kharkov	6
1.1.3. The review of the automobile market of Kharkov	7
1.2. Brief analysis of competitors	11
Chapter 2. Practical Chapter of a Business Plan	13
2.1. The basic preconditions for the creation of a second dealer BMW in Kharkov	13
2.2. Organization of the BMW dealer center	14
2.3. SWOT analysis	16
3. Economic justification of the project	16
3.1. Planning sales of BMW / MINI / MOTO cars for the period August 2020 - December 2025	17
3.2. Forecast of financial results 2020-2025	20
3.3. Evaluation of the project of the BMW dealership in Kharkov in terms of cash flows	22
3.4. Analysis of the resources of the company-investor	22
3.5. Strategy formulation	24
3.6. Assessment of the existing risks of creating a BMW dealership in Kharkov	28
3.7. Social significance of the project	29
Conclusion	30
Bibliography, references	32
Annexes	33

## List of figures

Figure 1.1. Structure of the automobile market in Kharkov	8
Figure 1.2. The structure of the sector for the sale of new cars in the Kharkov region	9
Figure 1.3. The analysis of sales of premium cars for the period 2015-2017	10
Figure 1.4. Distribution of premium car sales by brands in 2016	10
Figure 2.1. The structure of the dealership	14
Figure 3.1. Sales plan 2020-2025 quarterly	19
Figure 3.2. Distribution budget advertising campaign	26

## List of tables

Table 1.1. Companies that are the official dealers of premium cars	11
Table 3.1. Estimated costs for the construction of a BMW dealership	17
Table 3.2. The car sales plan for 2020-2025	18
Table 3.3. Turnover for the period 2020-2025	20
Table 3.4. Forecast of financial results for 2020-2025	21
Table 3.5. Payback period of the project dealer center	22
Table 3.6. Planned marketing budgets for 2020-2025	24
Table 3.7. Distribution of marketing budget by object	25
Table 3.8. Advertising campaign August-December 2020	26
Table 3.9. Marketing planning program	27
Table 3.10. Analysis of the existing risks in creating a BMW dealership	28

## List of Annexes

Annex 1. Staffing dealership	33
Annex 2. Average income from car sales for 2020-2025	34
Annex 3. Schedule of the construction and commissioning of the BMW dealership	35
Annex 4. Equipment for the body shop dealership BMW	38
Annex 5. Equipment for the machine shop of a BMW dealership	46
Annex 6. The repayment schedule of interest on the loan and the loan body	48
Annex 7. Dealership construction estimate	50

# Introduction

The presented review-justification is devoted to the analysis of the economic possibility of creating a BMW dealer center in Kharkov.

The purpose of this review is to justify the need to create a second BMW dealer center in the Kharkov region, which will strengthen the position of the BMW brand in the automobile market of Kharkov.

The object of the study is to study the current state of the automobile market in the Kharkov region, which is primarily determined by economic processes, politicization processes and technological innovation processes.

Results of the study:

I have analyzed the economic situation in the Kharkov region. Studied the impact of the economic situation on the automotive market in the Kharkov region. Made the review of the automobile market in the city. Have done the analysis of the main competitors in the premium segment of the automobile market of the Kharkov. The main prerequisites for creating a second BMW dealer center were researched. The calculation of the necessary investments to create a dealer center.

Business case study was carried out. Also, a program was developed to implement a business project for the creation of a BMW dealer center. The structure of the BMW dealer center has been developed. Research of the risks were done.

The results of this work are a valuable practical tool for creating a BMW dealer center in Kharkov.

# **Chapter 1. Theoretical Chapter of a Business Plan**

## **1.1. Introduction of Bavaria Motors in Kharkov**

### **1.1.1. Analysis of the economic situation in the Kharkov region**

Despite the ambiguous and unstable economic situation in Ukraine and in the Kharkov region, the automotive market of the premium segment has stabilized and started to develop actively. The current crisis in the global environment of the world economy, 2008-2009, gradually began to fade. The world economy began to gradually come out of the economic crisis. General trends manifested themselves in Ukraine and all its regions. The car market of Ukraine immediately reacted to the positive changes. 2013 brought a slight 15% increase in the entire automotive market in Ukraine compared to 2009, and in 2013 and 2014 showed a significant growth in the automotive market in Ukraine and the Kharkov region, respectively.

Sales of cars in 2015 in the premium segment have increased by approximately 20% compared to 2013. Car loans began to actively develop again. Banks and leasing companies have developed several attractive offers for car buyers in various price segments.

Since 2016, small and medium-sized businesses in the Kharkov region began to come out of the economic crisis, incomes of owners and top managers have stabilized. But the social stratification in the society of Ukraine and in the Kharkov region increased. The clear division of Kharkov's inhabitants into rich and poor has intensified, and the middle class has significantly decreased. Residents of Kharkov with a high level of income preferred and prefer premium cars.

This development of the economic situation and preferences of consumers with high incomes led to the fact that demand for cars in the premium segment in 2016 increased compared to 2014-2015.

### **1.1.2. Infrastructure of Kharkov**

Preparations for Euro 2012 served as a great impetus in the development of the city's infrastructure and attracting foreign capital. New hotels were opened, parks and squares were built, shopping and entertainment centers were opened. The roads in Kharkov were

renovated and reconstructed. In 2015, new restaurants and cafes opened, the number of cultural events in the city increased significantly.

In Kharkov, a new airport was commissioned, which meets world standards. The flow of air transportation in Kharkov has increased.

Kharkov has become an attractive city for foreign tourists and residents of Ukraine. After visiting the Euro 2012 football matches in Kharkov, foreign tourists have increased interest, both to Kharkov and to Ukraine as a whole. The quality of service in the service sector has improved. Restaurants, cafes, hotels began to focus on European standards in service.

Despite the economic crisis in the country in 2009-2011, Kharkov has developed as a cultural and tourist center.

Kharkov is becoming more and more populous. Of the 27 regions of Ukraine in 2017, the population growth recorded only 11, and our region - among them. The region grows at the expense of visitors. In 2017, more than 80,000 new residents registered in the region, and left for other regions and countries - just slightly more than 1,500. So, it turned out that according to the number of visitors, Kharkov lost only to the capital. In Kiev, the "artificial" population growth was 24,700, in Kharkov and the region - 18,000. In 2018 the population of Kharkov is about 1,500,000 people.

In connection with the increase in the number of people in Kharkov who own cars, as well as with the increase in the influx of out-of-town visitors, who became more involved in the city's infrastructure, the appearance of traffic jams on the roads has become more frequent. Residents of the city began to approach their routes more carefully, began to give preference to service centers, supermarkets, restaurants, which are located in convenient access areas, and where car congestion is rare. Service and shopping centers with a convenient location for residents of the city began to have a significant competitive advantage. Especially for car owners.

### **1.1.3. The review of the automobile market of Kharkov**

Despite the economic crisis of 2008-2009, as well as the situation with the devaluation of currency in 2014, none of the popular automobile brands left the car market of Kharkov. In addition, some competitive brands of cars began to actively expand their dealer networks



in Kharkov. In 2015, a new conceptual Audi dealer center was opened, built by modern trends in architecture and corporate brand standards.

The car market in Kharkov currently consists of 3 main sectors: the sale of new cars, the sale of used cars and the service and repair sector of cars (Fig.1.1.).

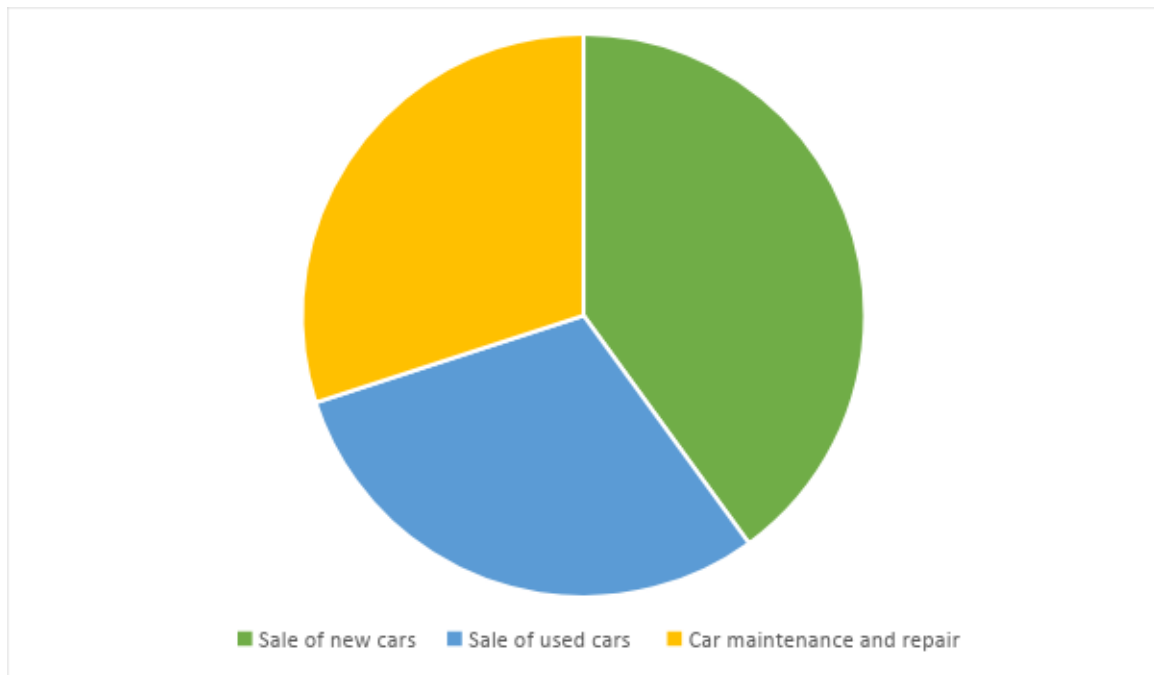


Fig. 1.1. Structure of the automobile market in Kharkov

In turn, the new car sales sector in the Kharkov region can be considered as a few separate sectors that influence the development of the automobile market and the industry in the region. (Figure 1.2).

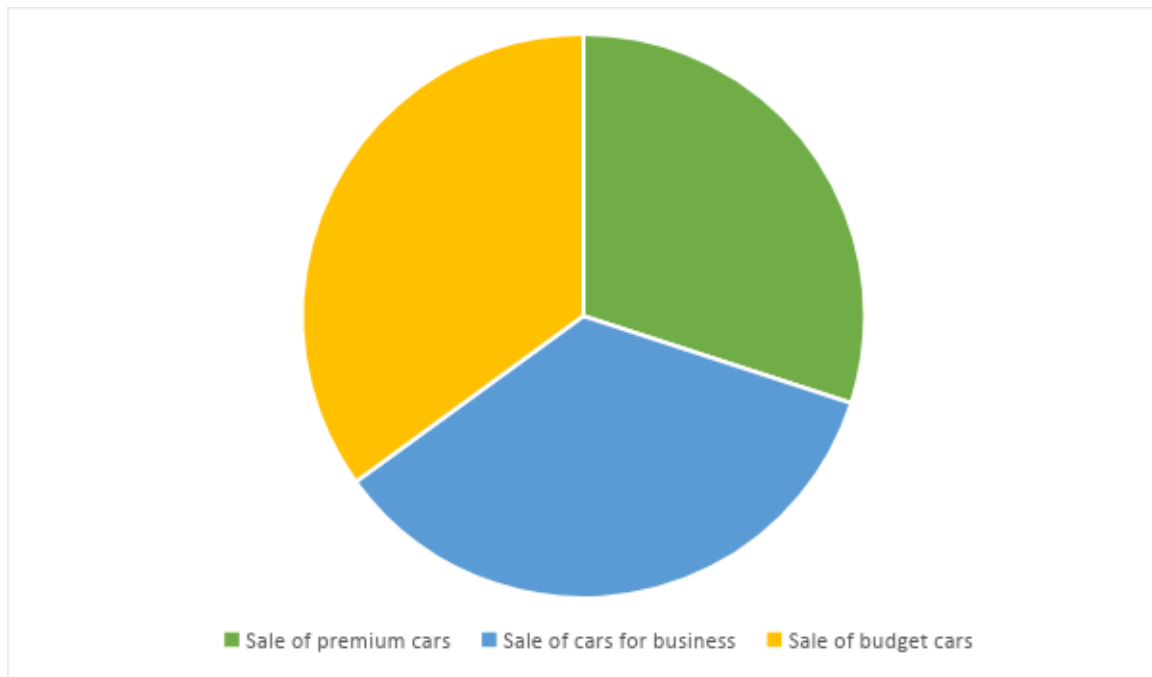


Fig.1.2. The structure of the sector for the sale of new cars in the Kharkov region.

Consider the sales sector of premium segment cars in Kharkov, because BMW cars are premium cars.

Currently in the Kharkov region the following world brands of premium cars are represented:

- BMW;
- MB;
- Audi;
- Porsche;
- Range Rover;
- Volvo;
- Lexus.

2015, 2016, 2017 showed stable growth of sales in the premium segment of the automobile market of Kharkov. Annual sales growth was 11%. Dynamics of the growth of the automotive market in the premium segment can be observed on the figure 1.3. Sales of premium cars for the period 2015-2017 in the Kharkov region.

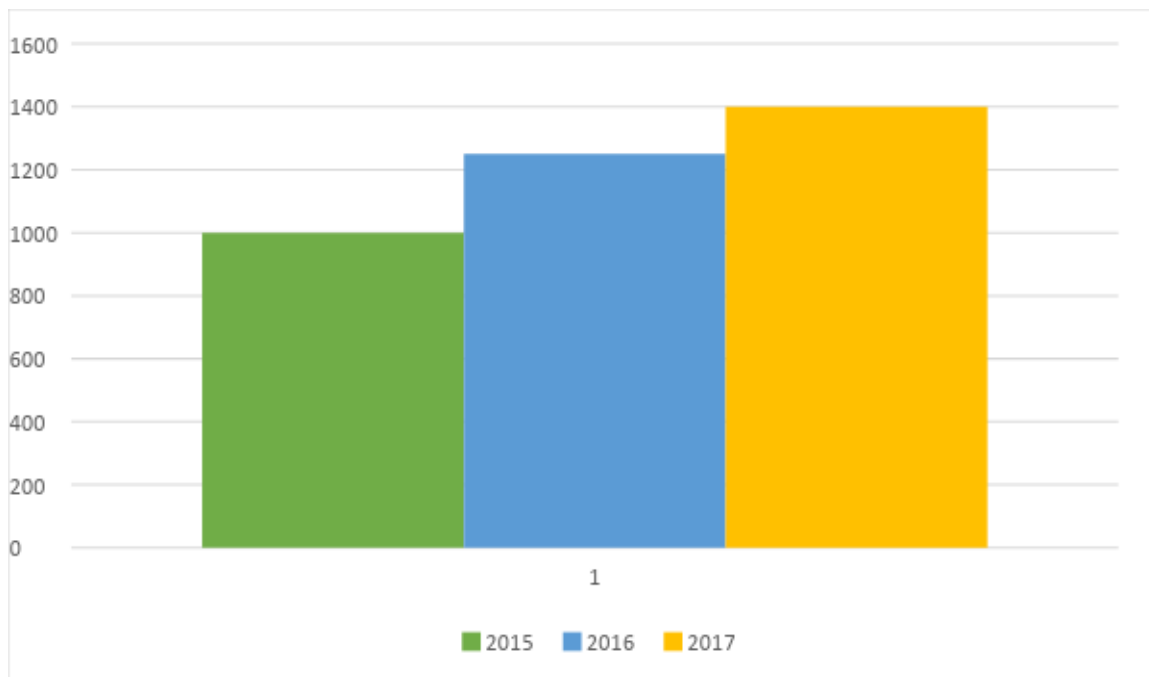


Fig. 1.3. The analysis of sales of premium cars for the period 2015-2017.

Consider the distribution of sales of premium cars by brand, we will define the leaders in this segment.

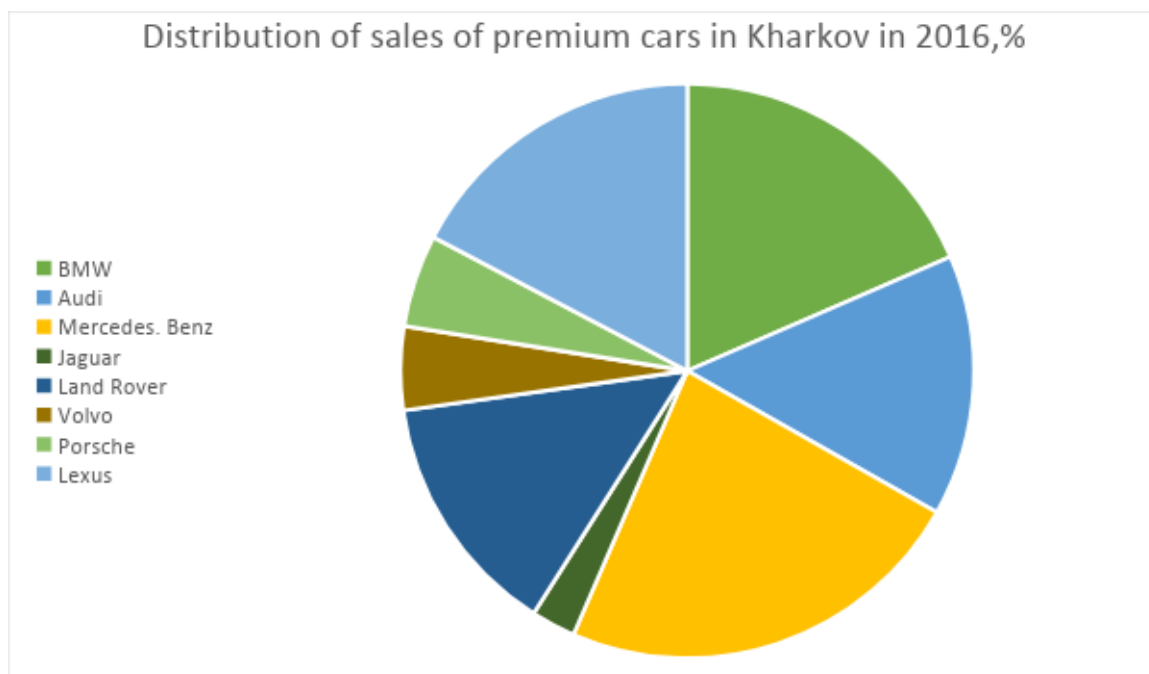


Fig. 1.4. Distribution of premium car sales by brands in 2016.

Having analyzed the sales of premium cars in Kharkov for 2016, we see that the leading brands in the Kharkov region are MB, BMW, Audi - German premium cars.

## 1.2. Brief analysis of competitors

Companies that are official dealers of premium cars are listed in Table 1.1.

Company name	Location	Major automotive brands	Contacts
«Solly plus»,	Akademika Pavlova street, 323 Klochkovskaya street, 99a	Mercedec-Benz	(057) 752-07-77 (057) 766-44-88 sollyplus.com
«Kharkov Auto»,	Bugrimovoy sq	Mercedec-Benz	057 733-40-37 kharkiv-avto.ukravto.ua
«AUDI Centre AIS»	Muranova street, 8	Audi	(057) 714- 00- 00 audi-salon-kharkov@ais.com.ua www.audi-ais.com
«AUDI Centre Kharkov Vostok»,	Shevchenko street, 135	Audi	(057) 717- 00- 00 www.audi.kh.ua
«Porsche Centre»,	Klochkovskaya street,95	PORSCHE	(057) 700-20-00 www.porsche.ua
«Autoart»,	Shevchenko street, 334	Toyota Lexus	(057) 763-22-22 toyota.kh.ua
«Avtograf M»	Kotlova street,29	Jaguar Land Rover Volvo	(057) 766-88-99 (057) 717-17-02 agm.kh.ua
«Bavaria Motors»	Gagarina av, 39A	BMW MINI	www.bmw.kharkov.ua

All companies (Table 1.1.) Have similar distribution channels: the presence of a dealer center with a car dealer and a service center. All organizations have the official status of dealers of the world's leading automobile corporations. For sale is offered a wide range of

products, all organizations provide additional services, have a similar size - more than 50 employees.

As can be seen from the above table, two Mercedes Benz dealers work in Kharkov: Solly Plus LLC and Kharkov Avto LLC, and 2 Audi dealerships: Audi AIS Center and Audi Kharkov Vostok Center. The total sales volume of Mercedes Benz exceeds sales of BMW. Dealership centers Mercedes Benz are located on the outskirts from Kharkov, but at the moment the Mercedes Benz dealerships in Kharkov are beginning to become obsolete in terms of design and interior.

Thanks to the opening of a new Audi dealer center in 2015, brand sales have increased in the Kharkov region. The new dealer center "Audi Kharkov Vostok Center" attracts motorists a convenient location, an interior, the presence of many cars in the showroom, convenient parking.

Of the top three by sales results 2015-2017, only the BMW brand has one dealer center in the Kharkov region. In 2016, BMW sales exceed sales of Audi. Therefore, we can assume that in the case of the opening of the second dealer center BMW sales of BMW cars will begin to increase and the promotion of the brand will intensify.

The rest of the competing companies occupy a certain niche in the car market of Kharkov, but they do not pose a threat to the development of the BMW brand in Kharkov, since the change of one brand of a premium car to another brand by a motorist is more dependent on the psychological and moral principles of the consumer - his commitment to the brand, the popularity of the brand in its environment.

# **Chapter 2. Practical Chapter of a Business Plan**

## **2.1. The basic preconditions for the creation of a second dealer BMW in Kharkov**

From the above analysis of the economic situation in the country, the analysis of the automotive market of Kharkov in the premium segment, as well as a brief analysis of competitors, we can conclude that the creation of the second BMW dealer center in Kharkov is a necessity dictated by the situation in the Kharkov car market. To meet the high standards for the sale, maintenance and repair of BMW vehicles of BMW AG Group in Kharkov region, there was a need to expand production facilities, as well as create comfortable conditions for buyers and owners of BMW cars.

The basic prerequisites for creating a second dealer BMW in Kharkov:

- increasing number of BMW owners;
- increased competition from Audi in the Kharkov region;
- increase in the influx of BMW cars from Russia for repairs and maintenance;
- increase of traffic load in Kharkov;
- increased requirements of customers in the premium segment to comfortable conditions for buying and servicing cars: convenient location of the dealer center, individual approach, loyalty to themselves, obtaining additional services, availability of quality warranty service and service.

To develop a BMW dealer center, the following points were taken:

- the dealer center should correspond to modern standards of corporation BMW;
- the dealer center should offer a full range of services in the repair and maintenance of cars;
- car showroom should be spacious to represent the maximum number of BMW models;
- the entrance to the dealer center should be convenient
- the location of the dealer center: the entrance to the city with a good road junction while it is near the central part of the city.

The dealer center will represent the following brands: BMW, MINI, Alpina, Motorrad.

The dealer center will provide services for repair and maintenance of cars and motor vehicles of the above brands. For maximum customer convenience, it is planned to represent the entire BMW line-up.

## 2.2. Organization of the BMW dealer center

Taking into account the above requirements, the following structure of the dealer center is developed. Fig.2.1

- Motor Show - 587 sq.m.
- Service station-450sq.m.
- Body-repair shop - 612 sq.m.
- Direct admission -53 sq.m.
- Warehouse - 160 sq.m.
- Sink- 33 sq.m.
- Office premises, locker rooms, cafes, others - 634 sq.m.

The total area of the building of the dealer center will be - 2821 sq.m.

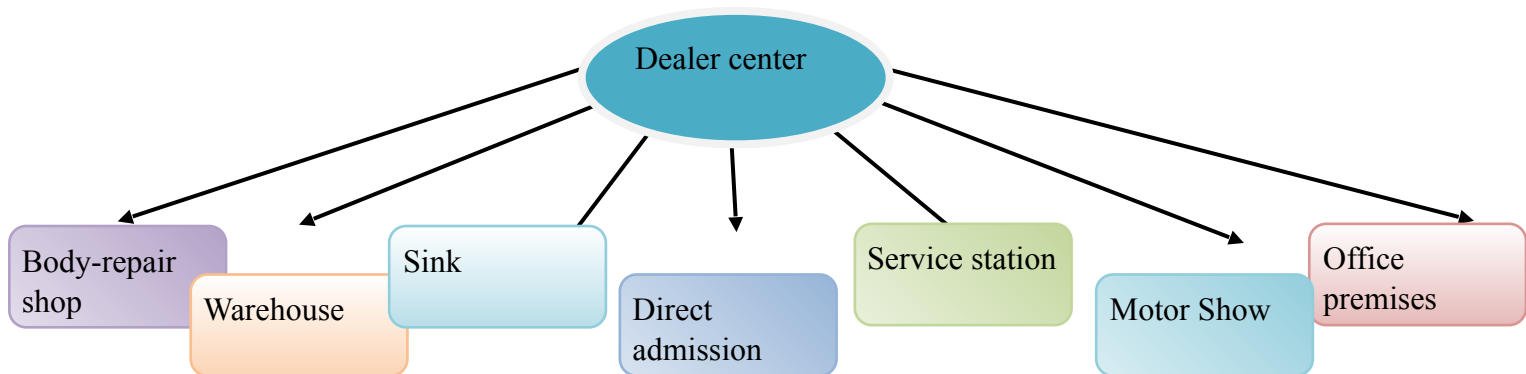


Fig.2.1. The structure of the dealership

Location of the dealership: the analysis of consumer preferences, the following location was chosen for the future dealership:

Belgorod highway and Kharkov city ring road, 8 km to the center of Kharkov, in the direction of the Ukrainian-Russian customs (35 km).

Plot area - 0.3360 ha. The site area allows you to place the building of the dealership and a comfortable park for cars, both customers and staff.

To the selected place a good access. Passes the route of international importance - the road surface is in excellent condition. Lack of traffic congestion in this direction.

The structure of the dealership is proposed the existing 13 years of experience of a similar dealership in Kharkov. The total number of employees is 59 people. Requirements for staff: the presence of a specialized high education institution, driver's license category B is required. For management positions, having work experience of 3 years is required.

The staffing for the dealership is presented in Annex 1.  
Monthly payroll will be 403 000 UAH.

The construction of the dealership center is scheduled for July 2019, the construction is to be completed in July 2020. The construction schedule is given in Annex 1.

The start of the dealership in August 2020.



## 2.3. SWOT analysis

### Strengths

- 1) Well Known Brand. BMW is one of the most well-known brands in the world. In 2013 it was top selling brand in Ukraine in premium segment.
- 2) Status Symbol. Driving BMW means to have status in any country of the world.
- 3) Quality. German quality one of the best quality all over the world. Almost all EU premium car productions located here.
- 4) A lot of add-on options. You can customize your car in way you like. A various of inner and outer options.

### Opportunities

- 1) Increased media attention on Olympics. The advertising and sponsorship in Olympics pay attention to the brand.
- 2) Increased media attention on BMW Championships. BMW is the brand that sponsors many kinds of sports to pay more attention in all parts of the world.
- 3) Globally recognized brand. You don't need to present this brand, it's already very recognized.

### Weaknesses

- 1) Import Parts. It's very hard to import parts from EU to Ukraine because of tariffs and distance.
- 2) Repair Costs. As we know the BMW cars are premium, so the repair of your car will be also premium and expensive.
- 3) Change in currency; price fluctuation. Because of unstable Ukrainian situation the currency rate is changing very often. The problem with paying in UAH is harmful for company.

### Threats

- 1) Tariffs on shipping. Tariffs is one of the biggest threats of company, more the tariff is- less people consume in premium segment.
- 2) Competitive Car Industry. Ukrainian market is very wide, you can find all premium well-known brands here. It makes competition harder.
- 3) Rising fuel costs. Fuel costs has changed, that's why more people want to reduce their usage of cars, especially in terms of war and economic crisis.

## 3. Economic justification of the project

To conduct a financial assessment of the project implementation, it is necessary to determine the required investment.

Major investments are required for the construction of a building for a dealership in accordance with the standards of BMW Corporation and the acquisition of technological equipment and specialized tools are shown in Table 3.1.

Consider the required investment for the construction of a BMW dealership.

Table 3.1. Estimated costs for the construction and commissioning of a BMW dealership.

<b>Name Cost</b>	<b>UAH</b>
Total construction estimates of the object - 2821 sq. M	16 000 000
Equipment and tools	
Body shop	2 200 000
Mechanical center	2 200 000
Furniture and equipment (ICS/OCS)	2 000 000
Software and hardware	250 000
Commissioning of the facility	600 000
Total	24 250 000

Investments necessary for the construction of the facility, commissioning and staffing of the dealership in accordance with the corporate standards of BMW AG will be UAH 24,250,000. The construction estimate of the dealership is presented in Annex 1.

The list and cost of the necessary equipment in Annex 1 and Annex 2.

Project investors are ready to invest in the project 8 250 000 UAH of own funds.

Therefore, there is a need to obtain a loan in the amount of 16 million UAH. The loan is planned to be taken in US dollars for 6 years, since interest on the loan in national currency is much higher. The interest rate on the loan will be 13% per annum.

### **3.1. Planning sales of BMW / MINI / MOTO cars for the period August 2020 - December 2025**

Considering the development of the automotive market in Ukraine and in the Kharkov region, and using sales statistics from previous periods, we have developed a sales plan for BMW / MINI and MOTO cars, which is shown in Table 3.2.

Table 3.2. The car sales plan for 2020-2025.

<b>Models</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
1 series	2	6	7	7	7	8
3 series	9	20	23	23	24	25
5 series	22	45	51	51	52	53
5GT	1	2	3	3	3	3
6 series	1	2	2	2	2	2
6 GC	1	1	2	2	2	2
7 series	1	3	3	3	3	3
X1	7	15	16	16	17	17
X3	8	12	14	14	15	16
X5	11	25	27	27	28	29
X6	7	20	22	22	23	23
Z4	1	1	1	1	1	1
MINI	1	2	2	2	2	2
MINI Countryman	3	10	12	12	12	12
Alpina	1	2	2	2	3	2
Moto	4	13	16	16	16	18
<b>Total number of cars per year</b>	<b>80</b>	<b>181</b>	<b>203</b>	<b>203</b>	<b>209</b>	<b>216</b>

The car sales plan reflects the overall growth dynamics of the premium segment of the automotive market in the Kharkov region. The opening of a new BMW dealership will help support the growing interest in the BMW brand in the Kharkov region. Over the period 2020-2025, a positive development trend of the automotive market in the premium segment in the Kharkov region will be visible. This trend is also reflected in the sales plan for BMW cars of the new dealership. In fig. 3.1. The diagram shows a quarterly sales plan that allows you to observe a gradual increase in the planned sales of BMW cars. Constantly introduced innovations by the BMW concern in the development of their cars make it possible to maintain an interest in the brand and successfully promote BMW cars in the Ukrainian market.

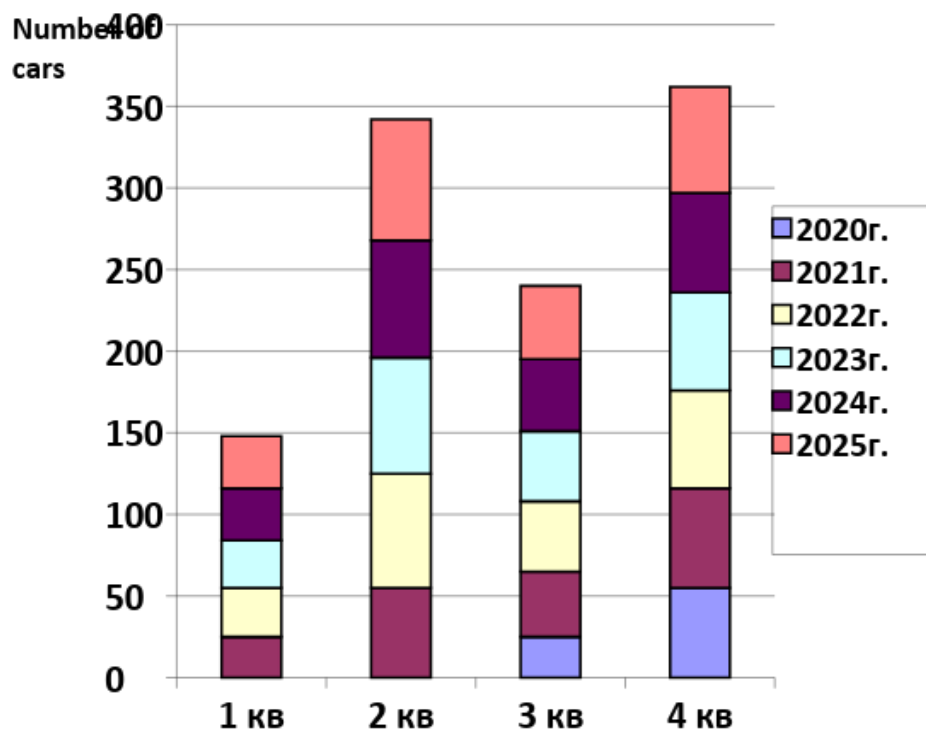


Fig. 3.1. Sales plan 2020 –2025 quarterly.

According to the terms of the importer of the company “AVT Bavaria”, the BMW dealer margin for cars is 13%, and for promotional cars - 6%.

To calculate the average profit from the sale of the car set the margin to 9%. Annex 2 shows the calculation of the average income from the sale of a car by model.

The cost of BMW cars for calculating the margin was accepted as the cost of equipment, which is the most popular for Kharkov buyers, considering the available statistical information from Bavaria Motors. As can be seen from the calculation of the total income from the sale of cars from August 2020 to December 2025 will amount to 38 786 994 UAH.

Table 3.3. Turnover for the period 2020-2025

Name	2020	2021	2022	2023	2024	2025
						2 0 2 5 UAH

The volume of sales of spare parts and accessories for BMW, UAH.	5000000	9000000	12000000	12000000	13200000	<b>13464000</b>
Turnover for work, UAH.	2400000	4800000	5400000	5400000	5508000	<b>5618160</b>
Turnover on the works, AW	80000	160000	180000	180000	183600	<b>187272</b>
Total, UAH	7 400000	13 800000	17 400000	17 400000	18 708000	<b>19 082160</b>

### 3.2. Forecast of financial results 2020-2025

Forecast considering the plans of sales of cars, spare parts and work in 2020-2025 a possible gain or loss at the end of each year. To calculate, consider the following data: average margin on spare parts BMW dealer is -24%. Take this into account when calculating the income from the sale of original spare parts of BMW, MINI, Alpina, Motorad. The initial conditions for the calculation of the financial results of the BMW dealership: 1-year - 2020.- getting started load a new dealership will not be 100%, therefore, the staff of the dealership will receive 70% of the rates presented in the staffing table of the enterprise. 2-year – 2021. the staff salary will be 85% of the bid submitted by the staffing company. 2022- the dealership will work in full, the staff salary will be 100% staffing. Sales volume increases gradually in 2023. Momentum the dealership has stabilized, sales growth is slowing. 2024-2025 – new dealer center of BMW has won a positive reputation, it has gained loyal clients. There is a slight increase in the sales of cars, spare parts, works. Investors invested in the project – 24 250 000 UAH. Own funds amounted to 8250000 UAH, and the loan of 2 000 000 \$ (the rate of 8.0 UAH per 1\$). The repayment period is 6 years. Annual interest rate – 13%. Calculation of interest and

repayment schedule is given in Annex 3. Forecast financial results are presented in Table 3.4.

Table 3.4. Forecast of financial results for 2020-2025.

Title	2020	2021	2022	2023	2024	2025
The income from the sale of cars, UAH	3958920	8487090	9176598	9176598	9360130	<b>9547333</b>
Turnover on the works, UAH	2400000	4800000	5400000	5400000	5508000	<b>5618160</b>
Revenue from the sale of parts, UAH	1200000	2160000	2880000	2880000	3168000	<b>3231360</b>
Income from the sale of parts, cars, works, UAH	7558920	15447090	17456598	17456598	18036130	<b>18396853</b>
Salary of personnel + taxes on salary UAH	1974700	5754840	6789000	6789000	7467900	<b>7467900</b>
Taxes (income tax, tax burden), UAH	1259820	2574515	2909433	2909433	3006022	3066142
Marketing and advertising expenses, UAH	700000	900000	900000	1000000	1000000	1200000
% on the loan	2423774	167548	1403155	986635	570115	156920
Economic costs (electricity, gas, water, households)	170000	320000	330000	330000	350000	360000
Profit, UAH	1030626	5730187	5125010	5309647	5558525	5935975

The total profit for 2020-2025 will be 29 115 337 UAH.

### 3.3. Evaluation of the project of the BMW dealership in Kharkov in terms of cash flows

Evaluate the project of creating a BMW dealership using cash flow valuation methods.

Cash flows determine the sustainability of the company.

Determine the payback period of the project, the net present value of the project.

Calculate the payback period of investments.

The size of the investment for the project - 24 250 000 UAH.

We make an admission that the cash flow comes evenly throughout the year. The calculation of the payback period is given in table 3.5.

Table 3.5. Payback period of the project dealer center.

Term	Period	Term Cumulative cash flows, UAH.	Receipts less expenses, UAH
0th year			-24 250 000
1st year	08.2020-07.20 21	4 373 235	-198 767 65
2nd year	08.2021-07.20 22	9 750 402	-14 499 598
3rd year	08.2022-07.20 23	15 060 049	-9 189 951
4th year	08.2023-07.20 24	20 618 574	-3 631 426
5th year	08.2024-07.20 25	26 554 549	2 304 549

The payback period of the dealership project is 4 years 7 months.

For the successful implementation of the project to create a second BMW dealership, we will analyze the resources of the investing company.

### 3.4. Analysis of the resources of the company-investor

Investors for the project to open a new BMW dealership in Kharkov are the founders of Bavaria Motors.

For 12 years of work of the company "Bavaria Motors" the base of regular customers for the maintenance and repair of vehicles has become more than 2020 people, and the number of car buyers has 3790 people.

Experience with the BMW brand, a positive image of the company among regular customers, the presence of a team of professionals allows our company to create a second BMW dealership as quickly and efficiently as possible in accordance with the corporate standards of the BMW AG Group.

You can identify key company resources that will maximize competitiveness:

- presentation of a strong global BMW brand;
- the presence of a positive reputation among consumers of the company's investors;
- ownership of a building plot;
- possession of technology repair and car sales;
- availability of a dealership project according to the standards of the BMW AG Group;
- availability of capital in the amount of UAH 8,250,000. for building a dealership;
- availability of developed networks of connections.

As can be seen from the information provided, the organization has significant resources for the successful establishment of a dealership. Financial resources are planned to increase at the expense of credit funds.

Prerequisites for the successful implementation of the BMW Dealer Project:

- firm experience;
- supply of goods of a famous world brand, the use of modern technologies in sales, repair and maintenance of vehicles.
- high speed tracking of changes in the structure of demand for the rapid correction of the product range and price range of products;
- highly qualified staff to ensure the work in terms of relationship marketing;
- convenient location of the dealership (entry into the city from the center is 10 min, excellent road, no traffic jams in this direction);
- full high-quality range of car repair and maintenance services.
- a large range of products in stock, delivery of goods on time;
- application of loyalty programs to customers in a significant amount;
- positive reputation of investors;



- equipment with high-tech equipment.

Availability of wide networks of communications.

For the active promotion of the BMW dealership, it is necessary to develop marketing and promotional activities that will increase sales and develop the work of the dealership in Kharkov.

### 3.5. Strategy formulation

Strategic and practical goals and objectives of marketing a new dealership:

- promotion of the BMW, MINI, Alpina, Motorrad brand in Kharkov;
- conducting a new dealership PR campaign;
- increasing the competitive advantages of the BMW brand in the Kharkov region;
- maintain a positive brand image for BMW;
- promotion of the model range of BMW, MINI, Alpina cars in Kharkov;
- promotion of the Motorrad motorcycle lineup in Kharkov;
- organization of quality service and car repair at a dealership in accordance with BMW quality standards;

In order to accomplish the above tasks, active PR and advertising campaigns are planned.

Planned marketing budgets for 2020-2025. presented in Table 3.5.

Table 3.5. Planned marketing budgets for 2020-2025

Year	Planned marketing budget, UAH
2020	700 000
2021	900 000
2022	900 000
2023	1000 000
2024	1000 000
2025	1200 000

Table 3.6. Distribution of marketing budget by object.

Name	2 0 2 0 , UAH	2 0 2 1 , UAH	2 0 2 2 , UAH	2 0 2 3 , UAH	2 0 2 4 , UAH	2025, UAH
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Advertising campaign	280000	480000	500000	600000	600000	700000
Conducting a PR campaign	50000	70000	50000	50000	50000	50000
Training of personnel	20000	50000	50000	50000	50000	50000
Event	150000	160000	140000	140000	140000	240000
Sponsorship	-		60000	60000	60000	60000
ICS, OCS, literature, printed materials	200000	140000	100000	100000	100000	100000
Total	700 000	900 000	900 000	1000000	1000000	1200000

The company plans to actively develop a BMW dealership in Kharkov. Conduct regular and extensive advertising campaigns to promote BMW, Mini, Alpina and Motorrad cars. Planned advertising campaign tools are presented in Figure 3.2: outdoor advertising (billboards and citylights), Internet advertising (car portals and banner ads on popular city portals), radio advertising (Europe Plus, Gala Radio, Era, Lux FM, Autoradio, Stylish radio), automotive prints of Kharkov (Autobahn Lux, AvtoKharkov, Autopremier), advertising on regional TV channels P1 and OTB, active promotion in social networks (Facebook, Twitter, VKontakte).

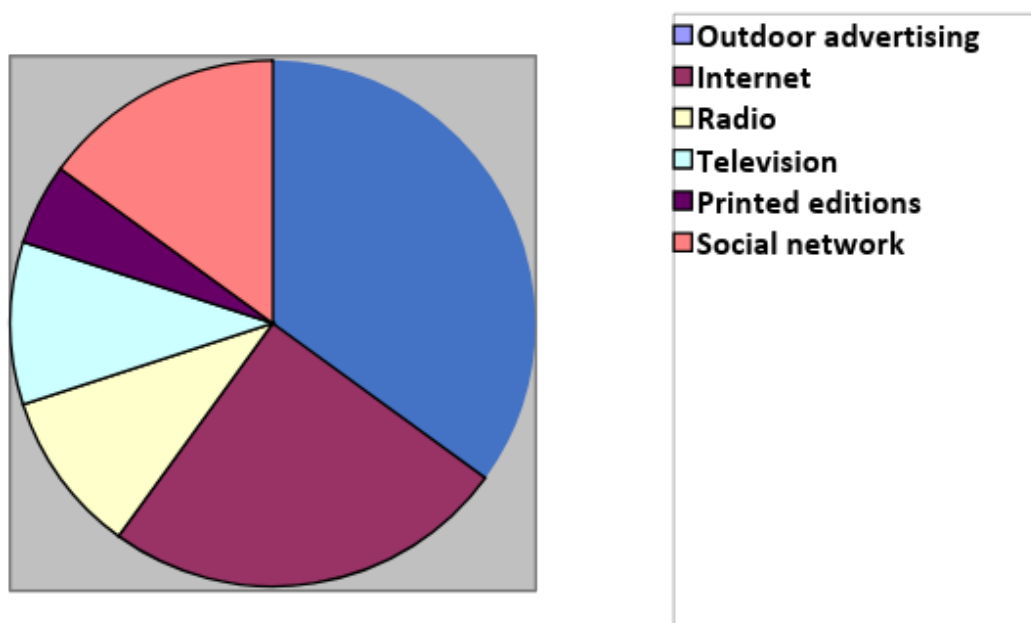


Fig 3.2. Distribution budget advertising campaign.

In 2014, the advertising campaign will be aimed at informing potential customers about the opening of a new BMW, Mini, Alpina and Motorrad dealership in Kharkov.

It is planned to hold a presentation of the dealership in August 2014. This event will allow you to declare yourself in the automotive market of Kharkov. Coverage of the event in the mass media of Kharkov will attract potential customers and having the opportunity to invite Kharkov citizens with a high-income level will let the owner inform BMW of the opening of a new dealership. There will also be several domestic actions for car service and repair at a new dealer center for BMW owners in Kharkov.

The novelty, modern design of the building, extensive advertising campaigns, professional approach and experience in this area can help attract the attention of BMW owners to the dealership.

Plan an advertising campaign in August - December 2020 given in table 3.7. Advertising media are selected considering the specificity of products and considering the portrait of a potential consumer.

Table 3.7. Advertising campaign August-December 2020.

Name	Period	Cost, UAH
Europa Plus, Gala Radio, Era, Lux FM, Autoradio, Stilnoye Radio	August (7 days)	15000

Europa Plus, Gala Radio, Stilnoye Radio	October (7 days)	12000
Europa Plus, Gala Radio, Era, Lux FM, AutoRadio, Stilnoye Radio	December (7 days)	20000
Outdoor advertising		
Big bords - pieces in the center and at the entrance to Kharkov	August-December	169000,00
Kharkov publications		
Auto Kharkov magazine	August-December	6000
Auto Ban Lux	August-December	7000
Auto premier+ Premier Digest		6000
Internet		
Car portals	August-December	20000
Internet portals of Kharkov	August-December	10000
Television:: P1, OTB – coverage of the opening of the dealership center	August	15000
Total		<b>280 000</b>

The main focus in attracting customers will be creating individual loyalty programs for customers, maintaining close contact with customers and providing quality service at the dealership.

Regular marketing planning (Table 3.8.) In the organization will provide the company with the opportunity to develop dynamically in the automotive industry of Kharkov and will help to follow the strategic decision taken.

Table 3.8. Marketing planning program.

Name of event	Period
---------------	--------

Conducting a study of the automotive market in Kharkov	Quarterly
Data collection and customer surveys	Daily
Development and implementation of customer loyalty programs	As required
Development of a marketing strategy and plan	Quarterly
Organization and monitoring of an organization's advertising campaign	Monthly
Conducting an internal audit of the company for compliance with corporate standards	Annually
Reporting on the activities of all departments	Monthly

The use of the above programs in the company's activities will allow the BMW dealership center to respond as quickly as possible to the opportunities that arise, and to quickly coordinate the company's strategic activities.

### 3.6. Assessment of the existing risks of creating a BMW dealership in Kharkov

Let us evaluate the project of creating a second BMW dealership from possible risks. We consider that for the implementation of the project it is necessary to use borrowed funds. The results of the risk analysis are shown in Table 9.1, the assessment used in the table corresponds to the following values: “0” —minimal risks or their absence, “5” - the maximum risk value, the presence of a possible adverse result.

Table 3.9. Analysis of the existing risks in creating a BMW dealership.

Risks	Risk Assessment	Comments
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Operational risks	1	Insignificant presence of risks, since the planned structure of the company, culture, organizational structure, systems of the organization have successfully established themselves in a similar BMW dealership. For 13 years, operational processes in a similar dealer center have been thoroughly tested and successfully applied in practice.
Market risks	2	Market risks are present to a small extent. The popularity of the BMW brand in Ukraine is constantly increasing, so the demand for cars in the last 5 years is gradually increasing. This smooths the market risks of this project. The automotive market, both in Kharkov and in Ukraine, has stabilized over the past few years. All car brands have occupied their niche, there is a struggle for the customer by means of innovations and loyalty programs to customers.
Currency risks	4	High. The loan is available in US dollars. The course of the last few years, the dollar against the hryvnia is stable. The loan is planned to take for 6 years; therefore, currency risks increase.
Interest risks	4	High. Currently, banks do not usually change the interest on loans. But in most cases, loan agreements contain conditions on a possible change in the interest rate on the loan.
External risks	3	There are significant risks. Periodically, the laws of Ukraine come into force, which put barriers for foreign automakers. Now, premium cars, this applies to a lesser extent, but the threat is constantly present.

Based on the risk analysis carried out, it can be concluded that a business project to create a dealer center contains high risks (the average estimate is 2.8), but, despite the high risks, it is economically attractive and technologically understandable to implement.

### 3.7. Social significance of the project

The new dealer center is being built with a focus on a high level of safety and quality, which is conditioned using new technologies and modern equipment and materials. In the

construction environmentally friendly materials are used, furniture is installed for the staff, which considers the specifics of all professionals.

Creates additional new jobs for residents of Kharkov. Employment of young specialists (graduates of HADI) is planned. Official employment and social security of company personnel is provided. The company will create the most comfortable working conditions for all the dealership staff. Employees of the service center will be provided with working clothes in accordance with sanitary standards. Showers, a room for meals and rest will be equipped.

It is planned to carry out a set of measures that allow to avoid the release of toxic substances and materials into the environment.

Thanks to the work of the BMW dealership, revenues to the budget of Ukraine and to the local budget will be increased in terms of paying taxes.

In addition, the landscaping of the adjacent territory to the dealership will be carried out. It is planned to carry out regular seasonal work on gardening and maintaining order in the adjacent territory to the dealership.

The project to create a BMW dealership will be the impetus for the further development of the infrastructure of this district of Kharkov.

## **Conclusion**

In the Kharkov region in 2017, there were prerequisites for the possible successful creation and operation of the second BMW dealership, which can successfully represent the brands MINI, Alpina, Motorrad.

The developed business plan showed that the project to create a dealership is an attractive business project for investors, despite the relatively high risks, the economic attractiveness of the project is high.

The payback period is 4 years 7 months. The necessary investments for the implementation of this project amounted to 24 250 000 UAH.

I have analyzed the economic situation in the Kharkov region. Made the review of the automobile market in the city. The creation of a second BMW dealership will allow increasing sales of BMW, MINI, Alpina cars, as well as BMW motorcycles in the Kharkov region and will strengthen the positive brand image in the regional car market. A modern

BMW dealership will provide an opportunity to enhance the competitive advantages of the BMW brand in Kharkov and qualitatively improve the services provided for the maintenance and servicing of BMW cars.

The social aspect of the project to create a dealer center is significant for the Kharkov region. Creating a BMW dealership will have a significant impact on the development of both the city's infrastructure and the creation of additional jobs for Kharkov residents with modern working and rest conditions.

The project to create a second BMW dealership is an effective business project that allows economic and social benefits both to investors and directly to BMW Corporation, strengthening the position of the BMW brand in the automotive market of Ukraine.



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# Annexes

Annex 1. Staffing dealership.

Job title	Department	Number of staff	Wage, hryvnia
Executive Director	Directorate	1	20 000
Technical Director	Directorate	1	15 000
Secretary	Administration	1	4 000
Reception	Administration	2	3 000
Chief Accountant	Accounting	1	8 000
Chief accountant's assistant	Accounting	1	5 000
Cashier	Accounting	1	4 000
Head of Sales	sales department	1	12 000
Sales managers	sales department	4	9 000
Head of Parts	Parts department	1	12 000
Managers	Parts department	3	7 000
storekeepers	Parts department	2	4 000
Courier	Parts department	1	4 000
Master Service Center	Service station	1	9 000
Mechanics	Service station	20	7 000
Washers	Service station	3	3 500
Output Control Wizard	Service station	1	8 000

Head of Administration	Administration	1	6 000
Engineer	Administration	1	4 000
Cleaning Woman	Administration	2	3 000
Janitor	Administration	1	3 000
Head	Marketing Department	1	7 000
Advertiser	Marketing Department	1	4 500
System Administrator	IT	1	7 000
Head	Warranty	1	7 000
Manager	Warranty	1	6 000
Head of Acceptance	Acceptance	1	9 000
Manager	Acceptance	3	7 000

Annex2. Average income from car sales for 2020-2025.

<b>Models</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024.</b>	<b>2025.</b>
1 series, UAH	231 00	138600	161700	1617 00	<b>161700</b>	<b>184800</b>
3 series, UAH	215 600	539000	569184	5691 84	<b>593931</b>	<b>618678</b>
5 series, UAH	693 000	155925 0	1732500	1732 500	<b>1732500</b>	<b>1765817</b>
5GT, UAH	500 50	100100	150150	1501 50	<b>150150</b>	<b>150150</b>
6 series, UAH	616 00	123200	123200	1232 00	<b>123200</b>	<b>123200</b>
6 GC, UAH	731 50	73150	146300	1463 00	<b>146300</b>	<b>146300</b>

7 series, UAH	731 50	219450	219450	2194 50	<b>219450</b>	<b>219450</b>
X1, UAH	188 650	404250	431200	4312 00	<b>458150</b>	<b>458150</b>
X3, UAH	308 000	462000	539000	5390 00	<b>577500</b>	<b>616000</b>
X5, UAH	750 750	125125 0	1137500	1137 500	<b>1179630</b>	<b>1221759</b>
X6, UAH	377 300	107800 0	1185800	1185 800	<b>1239700</b>	<b>1239700</b>
Z4, UAH	423 50	42350	42350	4235 0	<b>42350</b>	<b>42350</b>
MINI, UAH	254 10	50820	50820	5082 0	<b>50820</b>	<b>50820</b>
MINI Country man, UAH	808 50	269500	323400	3234 00	<b>323400</b>	<b>323400</b>
Alpina, UAH	700 00	140000	140000	1400 00	<b>140000</b>	<b>140000</b>
Moto, UAH	462 00	150150	184800	1848 00	<b>184800</b>	<b>207900</b>
Total, UAH	3 07 9 160	6 601 070	7 137 35 4	7 137 354	<b>7 323 581</b>	<b>7 508 475</b>

Annex 3. Schedule of the construction and commissioning of the BMW dealership in Kharkov

Job title	2019							2020						
	Jul y	Au gus t	Sep tem ber	Oct obe r	No ve mb er	De ce mb er	Jan uar y	Feb rua ry	Ma rch	Ap ril	Ma y	Jun e	Jul y	Au gus t
Ground and foundation work														

Summing up communications														
Flooding of monoliths														
Installation of metal structures														
Installation of floors and roofing														
Joining communications														
Electrical work														
Flooring														

Interior decoration (plastering, laminating, painting, etc.)														
Painting and finishing of the facade														
Improvement of parking and entry														
Purchase, installation and installation of equipment														
Staff training														
Opening														

<b>№</b>	<b>Description</b>	<b>Article</b>	<b>Quantity</b>	<b>Price</b>	<b>Sum</b>
1	<b>Building by Korek.</b>	KOREK BLACKHAWK (France)	1	6 724 €	6 724 €
2	<b>Electro hydraulic lift</b>	BLACKHAWK (France)	1	7 320 €	7 320 €
3	<b>Power Lok racks are designed for fixing cars with a monocoque</b>	AFM813H BLACKHAWK (France)	1	3 910 €	3 910 €
4	<b>Set for quick fix.</b>	AFM822 BLACKHAWK (France)	1	2 362 €	2 362 €
5	<b>Vector rectifier to create pulling effort.</b>	AFM1310 BLACKHAWK (France)	1	3 512 €	3 512 €
6	<b>Vector rectifier for creating pulling and pushing forces</b>	AFM1315 BLACKHAWK (France)	1	3 710 €	3 710 €
7	<b>Set of accessories to the vector rectifier.</b>	AFM135 BLACKHAWK (France)	1	2 920 €	2 920 €
8	<b>McPherson</b>	AEK 225 BLACKHAWK (France)	1	892 €	892 €
9	<b>cylinder reverse action. Effort 5 tons.</b>	R173S BLACKHAWK (France)	1	168 €	168 €

10	<b>Hydraulic set 4 tons</b>	65132A BLACKHAWK (France)	1	286 €	286 €
11	<b>Hydraulic set 10 tons.</b>	65135A BLACKHAWK (France)	1	414 €	414 €
12	<b>Capacity of cylinders - 4 and 10 tons.</b>	SH 9.15 Rua BLACKHAWK (France)	1	23 000 €	23 000 €
13	<b>Electronic body geometry measurement system</b>	SH109A BLACKHAWK (France)	1	536 €	536 €
14	<b>Tool for measuring top points.</b>	96486 BLACKHAWK (France)	1	2 275 €	2 275 €
15	<b>A set of two racks for diagnosing the geometry of the body without the stocks. GYSPOT ALU FV + SPOT 800 trolley + dent denture extractor + aluminum extractor + 2 aluminum grippers</b>	GYSPOT ALU FV COMPLETE GYS (France)	1	1 990 €	1 990 €



16	<b>MIG welding machine with accessories, without pressure gauge (380 V)</b>	TRIMIG 205-4S GYS (France)	1	1 415 €	1 415 €
17	<b>Driving torch 150 A (for aluminum)</b>	41486 GYS (France)	1	335 €	335 €
18	<b>Designed for plasma cutting with compressed air.</b>	PLASMA CUTTER 21 GYS (France)	1	1 070 €	1 070 €
19	<b>Apparatus for straightening steel</b>	GYSPOT 3504S GYS (France)	1	719 €	719 €
20	<b>Spot welding machine</b>	GYSPOT 32 D.X GYS (France)	1	4 094 €	4 094 €
21	<b>LCD screen mask with airbrushing (blue).</b>	ZEUS 9-13 GYS (France)	1	147 €	147 €
22	<b>6 threaded clips with a long mouthpiece</b>	050112 GYS (France)	1	73 €	73 €
23	<b>Set of 16 clamps / vice for car body repair ,</b>	050266 GYS (France)	1	94 €	94 €
24	<b>Protective non-stick bedspread 1200 ° C (1.75 mx 1.50 m)</b>	050204 GYS (France)	1	149 €	149 €

25	<b>Tool for cutting windshield</b>	051935 GYS (France)	1	56 €	56 €
26	<b>Hand tools for straightening 9 positions.</b>	GYSHAND TOOLS GYS (France)	1	540 €	540 €
27	<b>Glue puller GYS (France) tool for editing without surface stripping</b>	Glue puller GYS (France)	1	370 €	370 €
28	<b>Drill for drilling spot welding.</b>	GYSPOT DRILL GYS (France)	1	670 €	670 €
29	<b>Preparation area for the 1st workplace. Single post preparation, primer and tint cars with one unit and partial recirculation of air.</b>	PREP KLEN 4000 SAIMA (Italy)	4	13 500 €	54 000 €
30	<b>Paint-drying chamber.</b>	AQUA SAIMA (Italy)	1	26 000 €	26 000 €
31	<b>Laboratory for the preparation of paints.</b>	5. KB SAIMA (Italy)	1	6 200 €	6 200 €

32	<b>Oscillation rotational grinding machine 150 mm, span 5 mm.</b>	20461 3M (USA)	3	250 €	750 €
33	<b>Oscillation rotational grinding machine 150 mm, span 2.5 mm .</b>	20463 3M (USA)	3	250 €	750 €
34	<b>Oscillation sander flat, span 3 mm.</b>	01814 3M (USA)	3	231 €	693 €
35	<b>Installation for dust extraction.</b>	HMV 5 EA/PA HAMACH (Holland)	2	750 €	1 500 €
36	<b>Airbrush Iwata W-400 high pressure.</b>	W-400 IWATA (Japan)	2	425 €	850 €
37	<b>Spray guns for applying primer.</b>	AZ3HTE2 IWATA (Japan)	3	125 €	375 €
38	<b>Pressure regulator with manometer Airbrush</b>	AFV-1 IWATA (Japan)	5	69 €	345 €
39	<b>SATAmijet 4 HVLP low pressure, with top measuring plastic tank 0.125 l with nozzle 1.0 mm</b>	125666 SATA (German)	1	310 €	310 €
40	<b>Universal Pistol sealants of all types</b>	08993 3M (USA)	1	337 €	337 €

41	<b>Pistol for preservation of cavities with 3 probes.</b>	9795 SATA (German)	1	390 €	390 €
42	<b>SATA air hose section 9 mm, length 10 m with quick-release strips</b>	53090 SATA (German)	3	130 €	390 €
43	<b>SATA 0/444</b>	92296 SATA (German)	2	926 €	1 852 €
44	<b>Goats for grinding or painting elements</b>	A8009 AutoMaxxx (Polland)	5	130 €	650 €
45	<b>Paint booth, turning</b>	A8008 AutoMaxxx (Polland)	6	145 €	870 €
46	<b>Machine for camouflage materials</b>	2020 COLAD (Holland)	2	364 €	728 €
47	<b>Protective non-stick bedspread 1200 ° C</b>	050204 GYS (France)	2	149 €	298 €
48	<b>Cassette mobile infrared short-wave drying with a controller, with a capacity of 3.0 kW and a dried surface of 1.0x0.9 m,</b>	CURESAVER 2 TRISK (England)	2	2 250 €	4 500 €

49	<b>Pressure sprayer. Capacity 1000 ml.</b>	9705 COLAD (Holland)	7	29 €	203 €
50	<b>Washing of spray guns semi-automatic.</b>	DRESTER (Switzerland)	1	1 800 €	1 800 €
51	<b>Polishing machine</b>		2	568 €	1 136 €
52	<b>Shelving</b>	HAMACH (Holland)	6	525 €	3 150 €
53	<b>Screw compressor 10 atm.</b>	ВИНТОВОЙ БЛОК GHH – RAND Germany	1	6 500 €	6 500 €
54	<b>Spectrophotometer. Automatic 3</b>	AKZONOBEL (Holland)	1	4 990 €	4 990 €
55	<b>Starter kit toner SIKKENS (68 toners)</b>	AKZONOBEL (Holland)	1	3 074 €	3 074 €
56	<b>Rotary polisher 200 mm. RH 26 E</b>	RH 26 E HAMACH (Holland)	1	310 €	310 €
57	<b>Pneumatic end 9000 movements / min.</b>	AR2311 AMPRO (USA)	1	98 €	98 €

58	<b>Files for pneumatic guns (32 teeth, 5 pcs.) A1425 AMPRO (USA) 1 12 € 12 €</b>	A1425 AMPRO (USA)	1	12 €	12 €
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Annex 5. Equipment for the machine shop of a BMW dealership.

<b>Name of equipment</b>	<b>number, piece</b>	<b>price, euro cost, euro</b>	<b>cost, euro</b>
Electro hydraulic lift, with upper synchronization	7	3650	25550
Four-wheel lift in alignment (with rear platforms)	1	6500	6500
Stand wheel alignment	1	24621	24621
Traverse pneumatic hydraulic	1	1250	1250
Electro-hydraulic scissor lift, (recessed into the floor)	2	6350	12700
Electro Hydraulic scissor lift, (recessed into the floor) BEISSBARTH MS 65 OR	1	6550	6550
Stand balancing, automatic, 19 "LCD - monitor" ALUDATA-AUTOMATIC "	1	6061	6061
Mobile hydraulic jack	4	325	1340
Hydraulic press	1	820	820
Movable hydraulic folding crane	1	515	515
Transmission rack OMA-603	1	235	235
Transmission rack OMA-604	2	285	570
Tool trolley 7 sections 227 units (lodgments in 5 shelves)	12	2500	30000
Automatic device for servicing automotive air conditioners with R 134a. 1 3300 3300	1	3300	3300
Barrel for draining oil 1 325 325	1	325	325
ELECTRONIC METER OF PARAMETERS OF LIGHT HEADLIGHTS + xenon	1	750	750

Stationary pneumatic device for spring coupler	1	1470	1470
Welding machine with integrated balloon holder, torch, grounding cable and clamp, pressure regulator and gas supply tube. one	1		
Stand wheel alignment	1	32500	32500
Pneumatic wrench	8	135	1080
Spiral Pneumatic hose 8 * 12 * 10m	10	40	400
Traverse for hanging the engine	2	135	270
Workbench	6	450	2700
Flushing the fuel system	1	2300	2300



Annex 6. The repayment schedule of interest on the loan and the loan body.

<b>Period</b>	<b>Interest, UAH</b>	<b>Balance</b>	<b>Body Loan, UAH</b>	<b>Amount to be paid, UAH</b>
12. 2019-11.2020	2080000	16000000	0	
12.2020 -11.2021	173333	15733000	267000	440333
12.21	170441	15466000	267000	437441
01.22	167548	15199000	267000	434548
02.22	164656	14932000	267000	431656
03.22	161763	14665000	267000	428763
04.22	158871	14398000	267000	425871
05.22	155978	14131000	267000	422978
06.22	153086	13864000	267000	420086
07.22	150193	13597000	267000	417193
08.22	147301	13330000	267000	414301
09.22	144408	13063000	267000	411408
10.22	141516	12796000	267000	408516
11.2022- 10.2023	138623	12529000	267000	405623
12.23	135731	12262000	267000	402731
01.24	132838	11995000	267000	399838
02.24	129946	11728000	267000	396946
03.24	127053	11461000	267000	394053
04.24	124161	11194000	267000	391161
05.24	121268	10927000	267000	388268

06.24	118376	10660000	267000	385376
07.24	115483	10393000	267000	382483
08.24	112591	10126000	267000	379591
09.24	109698	9859000	267000	376698
10.24	106806	9592000	267000	373806
11.2024-10.2025	103913	9325000	267000	370913
11.2025	101021	9058000	267000	368021
01.25	98128	8791000	267000	365128
02.25	95236	8524000	267000	362236
03.25	92343	8257000	267000	359343
04.25	89451	7990000	267000	356451
05.25	86558	7723000	267000	353558
06.25	83666	7456000	267000	350666
07.25	80773	7189000	267000	347773
08.25	77881	6922000	267000	344881
09.25	74988	6655000	267000	341988
10.25	72096	6388000	267000	339096
11.2025-10.2026	69203	6121000	267000	336203
	66311	5854000	267000	333311
01.26	63418	5587000	267000	330418
02.26	60526	5320000	267000	327526
03.26	57633	5053000	267000	324633
04.26	54741	4786000	267000	321741
05.26	51848	4519000	267000	318848
06.26	48956	4252000	267000	315956
07.26	46063	3985000	267000	313063
08.26	43171	3718000	267000	310171
09.26	40278	3451000	267000	307278
10.26	37386	3184000	267000	304386
11.2026-10.2027	34493	2917000	267000	301493

	31601	2650000	267000	298601
01.27	28708	2383000	267000	295708
02.27	25816	2116000	267000	292816
03.27	22923	1849000	267000	289923
04.27	20031	1582000	267000	287031
05.27	17138	1315000	267000	284138
06.27	14246	1048000	267000	281246
07.27	11353	781000	267000	278353
08.27	8461	514000	267000	275461
09.27	5568	247000	267000	272568
10.27	2676		247000	249676

Annex 7. Dealership construction estimate.

	Name of works	Cost, UAH
<b>I. Collection of baseline data (Customer Functions)</b>		
1	Engineering-geological surveys	17 460,00
2	Topographic surveying (marking boundaries of land use)	43 650,00
3	The clearance of explosive items	24 537,12
4	Engineering-ecological surveys	42 110,04
5	Technical conditions for water supply	727 500,00
6	Technical specifications for Sewerage systems	-
7	Technical conditions for heat supply	-
8	Technical conditions for electricity	-
9	The technical requirements for telephone lines, radio, dispatch,	-
10	Technical conditions for gas supply	-
11	Technical specifications for civil defense and emergencies	-
12	Other initial permissive documentation	-

	<b>Total</b>	855 257,16
<b>II. Design and survey works</b>		-
13	Development of the Working draft ("RP") of the auto complex:	-
14	Administration building with car dealership	1 115 131,01
15	Service Station (SRT)	2 597 816,32
16	Warehouse building	504 330,10
17	Boiler room	145 500,00
18	Road network connection project	302 160,72
19	The project "External and internal gas supply	52 762,65
20	Examination of industrial safety of the project "Gas supply to the boiler room"	27 470,40
21	Outdoor water networks	454 104,12
22	External sewage networks, including:	-
23	"- Domestic sewage;	-
24	- Storm sewage from the parking lot and from the roof (conditionally clean);	-
25	- Local treatment facilities for domestic wastewater;	-
26	- Local treatment facilities for storm sewer; "	-
	Culvert for transit drain of existing rain gutter	-
	On-site heating network from the boiler	-
27	External networks of power supply (without	291 000,00
		-
	<b>Total</b>	5 490 275,34
<b>III. Civil and erection works</b>		-
28	<b>Administration building with car show</b>	-
29	<b>Excavation work under the "zero" cycle</b>	145 500,00
30	<b>Column foundations</b>	58 200,00

31	<b>Reinforced floor slab</b>	1 436 125,16
32	<b>Base</b>	2 742 080,20
33	<b>Framework, metal structures</b>	37 248,00
34	<b>Monolithic reinforced concrete slabs</b>	320 100,00
35	<b>Monolithic concrete walls</b>	261 900,00
36	<b>Flight of stairs</b>	58 200,00
37	<b>Roofing, including profiled sheeting</b>	465 600,00
3 8	<b>Interior partition walls</b>	785 700,00
3 9	<b>Enclosing structures, exterior walls of sandwich panels</b>	890 460,00
40	<b>Window</b>	349 200,00
	<b>Doors, gates</b>	7 550 313,35
41	<b>Interior finishing</b>	-
42	<b>Exterior finishing work</b>	
43	<b>Internal engineering networks and systems:</b>	206 055,35
44	<b>Water supply</b>	870 024,92

45	<b>Sewage</b>	1 748 790,89
46	<b>Heating</b>	172 634,81
47	<b>Ventilation</b>	2 160 628,50
48	<b>Electric networks and systems (electric lighting, power electrical equipment)</b>	2 149 582,92
49	<b>"Low-voltage systems and devices (Automation and scheduling of engineering systems. Systems of collective reception of terrestrial television.</b>	730 141,70
50	<b>Telephone installation.</b>	448 822,46
51	<b>Radio Technological communications. Fire alarm and fire warning). "</b>	2 333 529,00
52	<b>Technological equipment</b>	-
53	<b>Total for the administrative building with a car dealership</b>	-
54	<b>Service Station (SRT)</b>	-
55	<b>Excavation work under the "zero" cycle</b>	-
56	<b>Column foundations</b>	-
57	<b>Reinforced floor slab</b>	-
	<b>Base</b>	-

58	<b>Frame with enclosing structures</b>	-
59	<b>Monolithic reinforced concrete slabs</b>	-
60	<b>Flight of stairs</b>	-
73	Window	2 533 414,07
74	Doors, gates	160 573,80
75	Interior finishing	432 671,17
76	Exterior finishing work (basement)	6 523 796,30
77	Internal engineering networks and systems:	62 139,99
	Water supply	-
7	Sewage	276 450,00
32 214	Heating	130 950,00
32 215	Ventilation	741 510,97
32 216	Electric networks and systems (electric lighting, power electrical equipment)	1 455 000,00
32 217	"Low-voltage systems and devices (Automation and scheduling of engineering systems. Systems of collective reception of terrestrial television.	1 070 404,93

32 218	Telephone installation.	1 455 000,00
32 219	Radio Technological communications. Fire alarm and fire warning). "	28 663 500,00
	Technological equipment	61 286 400,52
	Total for the maintenance station building	-
<b>323</b>	Warehouse building	-
3 231	Excavation work under the "zero" cycle	39 739,25
3 232	Column foundations	156 658,89
3 233	Reinforced floor slab	1 065 498,39
3 234	Base	65 659,36
3 235	Frame with enclosing structures	4 143 882,05
3 236	Monolithic reinforced concrete slabs	894 325,95
3 237	Flight of stairs	173 984,66
		-
		-
	Internal walls, partitions	-
3 238	Window	377 977,08



3 239	Doors, gates	129 902,40
32 310	Interior finishing	50 906,09
32 311	Exterior finishing work (basement)	267 720,00
32 312	Internal engineering networks and systems:	28 049,30
	Electric networks and systems (electric lighting, power electrical equipment)	-
32 313	"Low-voltage systems and devices (Automation and scheduling of engineering systems. Systems of collective reception of terrestrial television.	303 090,41
32 314	Telephone installation.	349 200,00
32 315	Radio Technological communications. Fire alarm and fire warning). "	582 000,00
	Technological equipment (racks)	8 628 593,82
		-
<b>324</b>	<b>Total warehouse building</b>	<b>-</b>
3 241	Boiler room (1.6 MW)	33 235,11
3 242	Excavation work under the "zero" cycle	150 196,71
3 243	Foundations	150 448,24

3 244	Metal frame	173 846,31
3 245	Enclosing structures (walls)	44 814,00
3 246	Roof	50 906,09
3 247	Doors, gates	225 070,97
3 248	Interior finishing	9 321,02
3 249	Exterior finishing work	1 746 000,00
		-
		-
	Total boiler room	2 583 838,44
		-
<b>IV. Other work and costs</b>		-
41	Unforeseen work and costs	4 360 000,00
42	Improvement and greening	11 640 000,00
	Total for other work and costs	<b>16 000 000,00</b>