



# IPAR DAF S.L.

## BUSINESS PLAN

- AN APPROACH TO THE CREATION OF AN OFFICIAL DAF COMMERCIAL VEHICLE CONCESSIONAIRE IN GUIPUZCOA-

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***- Caminante no hay camino, se hace camino al andar... -***

***Antonio Machado.***

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## Executive Summary.

After the education received during my bachelor studies, I wanted to prove my readiness to apply all the knowledge acquired writing a Business Plan. During my student years in Guipuzcoa, I realised there was a niche in the commercial vehicle official concessionaire market: No one was selling DAF vehicles in Guipuzcoa. This is why I decided to perform a research and see if the proposed business would be feasible and profitable.

The results yielded by the Business Plan are positive. After analysing different aspects, factors and fields that directly affect or could affect the proposed business, we can underline a favourable environment. Financial and economic expectations do not show the contrary, the project is totally feasible.

Finally, it is important to underline the responsibility and leadership required for the accomplishment of this project. Once, enough capital is obtained, good decisions and a well-designed strategy could bring this Business Plan to success.

Graduko ikasketetan jasotako heziketa ondoren, Negozio Plan bat idaztea erabaki dut lortutako ezagutza guztiak aplikatu eta nire gaitasunak aztertzearen. Gipuzkoan, nire ikasle garaian zehar, merkataritzako ibilgailu saltzaile ofizialen merkatuan nitxo bat zegoela konturatu nintzen: inork ez zituen DAF ibilgailurik saltzen Gipuzkoan. Horregatik, hau ikertzea erabaki dut nire Gradu Amaierako Lan gisa, proposatutako negozioa bideragarria eta errentagarria izango zen ikusteko.

Negozio Planak lortutako emaitzak positiboak dira. Proposatutako negozioari zuzenean eragin diezaioketen edo eragin dezaketen alderdi, faktore eta eremu desberdinak aztertu ondoren, ingurune mesedegarria nabarmentzea garrantzitsua da. Finantza eta ekonomia alorretan, iradokizunak ez dute bestela erakusten, proiektua guztiz bideragarria da.

Azkenik, garrantzitsua da proiektu hau aurrera eramateko behar den erantzukizuna eta lidergoa azpimarratzea. Kapital nahikoa bilduta, erabaki onek eta ondo diseinatutako estrategiek Negozio Plan honen arrakasta ekar dezakete.

Después de la educación recibida durante mis estudios de licenciatura, quería demostrar mi capacidad para aplicar todo el conocimiento adquirido escribiendo un Plan de Negocio. Durante mis años de estudiante en Guipúzcoa, me di cuenta de que había un nicho en el mercado de concesionarios oficiales de vehículos comerciales: Nadie estaba vendiendo vehículos DAF en Guipuzcoa. Es por eso que decidí realizar una investigación y ver si el negocio propuesto sería factible y rentable.

Los resultados obtenidos por el Plan de Negocios son positivos. Después de analizar diferentes aspectos, factores y campos que afectan directamente o podrían afectar el negocio propuesto, podemos subrayar un entorno favorable. Las expectativas financieras y económicas, no muestran lo contrario, el proyecto es totalmente factible.

Finalmente, es importante subrayar la responsabilidad y el liderazgo requeridos para la realización de este proyecto. Una vez que se obtiene suficiente capital, las buenas decisiones y una estrategia bien diseñada podrían llevar este Plan de Negocio al éxito.

# 1. Introduction.

The objective of this project is to analyse the current market situation and design a feasible Business Plan for opening an official DAF concessionaire in Guipuzcoa, Basque Country. For this purpose, before deeply explaining the business idea, the first step will be to situate the reader into the commercial vehicle sector, giving some brief descriptions, hints and information about the industry and different companies that take part on it.

## [Arguments and personal motivations for this project.](#)

My motivations to be involved in this project are the next ones. It is already known that the road freight transport is the backbone of trade and commerce on the European continent. Heavy goods commercial vehicles carry 76,7% of all freight transported over land. Most of our daily necessities, such as fresh food from the supermarket or corner shop, newspapers and magazines, electronics and appliances, clothing, and so on, depend on heavy goods commercial vehicles at some point in the distribution chain.

In modern economies, like the ones of the European Union members, 85% of road freight tonnage is carried over distances of 150 kilometres, sometimes even less, along routes for which no other form of transport would be realistic. Heavy goods commercial vehicles could also be part of logistics chains, whose other components also include inland waterways, shipping, air- and rail-transport. Other transport modes depend on heavy goods commercial vehicles to transfer freight to and from depots, rail terminals, airfields and ports.

Many essential public services are delivered by heavy goods commercial vehicles, such as garbage collection, firefighting and construction services.

Today there are more than 6 million trucks in circulation throughout the European Union and the average age of Europe's trucks are 12 years. It is expected a growing of the sales in the heavy goods commercial vehicles sector in Europe to answer the growing demand of the logistic services.<sup>1</sup>

Taking into account the positive information above, and realising about the importance of the logistic services nowadays (international and national goods imports and exports are growing up, answering the rapidly increasing goods demand) and knowing that DAF commercial vehicle company does not have a representant concessionaire in Guipuzcoa, I consider a good idea and opportunity, to invest in this

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<sup>1</sup> <https://www.acea.be/automobile-industry/trucks> (25.04.2020)

business idea, for the creation of an official DAF concessionaire and service-workshop, IPAR DAF S.L.

Another motivation to write about this business idea is my personal experience and interest in the commercial vehicle field. Opening now a little paragraph about my professional experience, I can underline two consecutive summers working in an official truck concessionaire in Navarre. This official concessionaire and service-workshop is the official representant of DAF Trucks in Navarre, the brand I would like to represent in Guipuzcoa.

Furthermore, to end up with my bachelor studies, I did an obligatory six-months internship in Continental AG. It is important for me to underline that I was in the headquarters of the Commercial Vehicle products in Regensburg, Germany. During my internship, in the branch of sales, I was responsible to handle business with different customers of the commercial vehicle field, specially Daimler AG. My main task was to sell engine and after-treatment control modules for the different commercial vehicle companies demanding them.

#### [Structure of the project.](#)

Following the Business Plan's agenda, after doing a brief introduction of the Business Plan, the business idea will be deployed. First of all, an explanation will be given, approaching the reader to the understanding of a commercial vehicle. Afterwards, in the same chapter the attributes, mission, vision and values of IPAR DAF S.L. will be explained.

Starting in the 3<sup>rd</sup> chapter and until the 5<sup>th</sup> one, external- and internal-environmental analyses are done. It is important to differentiate inside the external environment, the macro and micro factors or features, because of the big relevance of those, two chapters are settled, the 3<sup>rd</sup> chapter is about the macro-environment (geography, economy, technology...) analysis and the 4<sup>th</sup> one is about the micro-environment (the business market, target market and potential customers) analysis. To end up with the environment analysis, the 5<sup>th</sup> chapter focuses in the internal-environment, in resume, the requisites to open an official DAF concessionaire and the resources/capacities of the potential business are shown.

Both, internal and external environments' results are put together in the 6<sup>th</sup> chapter. Here, once the environment analyses are done in the previous chapters, all the acquired knowledge is put together. Three main points are discussed in this chapter, the Marketing-Mix, a SWOT analysis and a business strategy proposal.

The next phase of the Business Plan starts in the 7<sup>th</sup> chapter, along this chapter the legal form, organisation and human resources of IPAR DAF S.L. are discussed.

8<sup>th</sup> chapter is where the economic and finance analysis is done. During this chapter is explored if the proposed business is feasible and meets the numbers. The objective is the creation of a feasible Business Plan using all the different tools learned across the bachelor degree, for example, countability, cost analysis...

Finally, result and conclusion are exposed to the reader. On one side, result specifies about the future and feasibility of the proposed business. On the other side, the conclusion outstands all the learnings acquired across this Business Plan and at the same time, gives a compilation of arguments which endorse the entrepreneur to support or not, the proposed business's Business Plan.

## 2. Business Idea.

On the way to create an official DAF concessionaire in Guipuzcoa, it is very important to analyse the current situation and trends of the market, this will be helpful to design a valid strategy. But first I will introduce the commercial vehicle sector, so the main points of this topic are understood, before next step, defining the business.

### What is a Commercial Vehicle?

Following the description of the European Union (these specifications may be different in other countries or economic- and political-unions), a commercial vehicle is any type of motor vehicle used for transporting goods or paying passengers.<sup>2</sup>

There are several classifications inside the term of commercial vehicle, for example, depending the kind of truck, what is transporting, regarding the size and the weight of the truck, regarding the CO2 emissions of the engine, depending for what is the truck used, the kind of wheels mounted in the truck... Between all these several kinds of classifications mentioned across this paragraph, we will classify the commercial vehicles according to their weight.<sup>3</sup>

The business idea is to create an official truck concessionaire for the commercial vehicles, in other words, for trucks with a gross combination of over 6.000 kilograms. The maximum laden weight varies across the boundaries of the European Union, for example, in France a maximum laden weight of 44 tonnes (the transported freight together with the commercial vehicle's weight) can be transported, at the same time, in Spain only a maximum laden weight of 40 tonnes can be transported<sup>4</sup>. Exception are the special transports, such as, pieces that overcome the permitted maximum size of the trailer or where the laden weight can easily exceed the legally based maximum laden weight.

Vehicles within a gross combination between 3.500 and 6.000 kilograms are named light commercial vehicles. Usually, this kind of vehicles are sold and repaired in regular auto concessionaires and workshops. It is out of our target market and Business Plan to enter in this automobile sector due to entry barriers (saturation, already existing official concessionaires for every brand...) and not market stability (new trends and technologies, new competitors from Asia, constant changes in the legislation...). The factors mentioned before are just the iceberg's peak, once we go for this automobile sector a totally different Business Plan should be designed.

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<sup>2</sup> [https://en.wikipedia.org/wiki/Commercial\\_vehicle](https://en.wikipedia.org/wiki/Commercial_vehicle) (28.04.2020)

<sup>3</sup> <https://www.transeop.com/blog/tipos-de-camiones/185/> (28.04.2020)

<sup>4</sup> [https://en.wikipedia.org/wiki/Large\\_goods\\_vehicle](https://en.wikipedia.org/wiki/Large_goods_vehicle) (28.04.2020)

In little words, the idea of this Business Plan is to open an official truck concessionaire for commercial vehicles with a gross combination of 6 tonnes or more.

#### Basic definition of the attributes of the business. Alliance with DAF.

As explained before, the target is to open an official DAF dealing-point with a service-workshop in Guipuzcoa, IPAR DAF S.L. For this objective, several researches will be done in the external environment, analysing the macro- and micro-environmental features, also other important attributes and facts of the proposed business will be described along the different chapters of this Business Plan. At the end of this project, we will consider if the proposed business would fit. The goal is to be DAF's official dealer, but at the same time, offer an official service-workshop.

Our business idea is simple, the goal is to be the unique and exclusive DAF official dealer in Guipuzcoa, for this purpose, an alliance must be forged between the proposed company and DAF, who once all the requirements are fulfilled will accept us to be the official representant in Guipuzcoa.

The idea to join an official truck producer (DAF) and be the representant in Guipuzcoa, gives us some advantages from the ordinary multi-brand workshops or concessionaries. It is now the moment to avoid misunderstandings in the future, some workshops already have brands' licenses to give official services, however, they are not a dealing-point of the brand. These businesses have some disadvantages regarding the official concessionaires that work as a dealing-point and service workshop of a certain commercial vehicle manufacturer.

For example, potential customers will not find trustful to buy a certain brand truck with no official dealing-point in the region. Once a customer buys a vehicle in an official concessionaire, the objective is to give the most personal threat during the maintenance and reparations in the future. Because of this, it is an advantage to have an official concessionaire where official services are handled. Another negative point for the licensed workshops is that they do not have a real important place in the truck brand's network, in other words, the commercial vehicle producer will first take care about the concessionaires with workshop activities. Coming up with the official workshop licenses, they can be replaced or deleted from one day to another, but the representation contracts are often longer and usually the concessionaire owner can negotiate when and how to go out from the alliance.

The idea is to join DAF commercial vehicle company, which does not have a dealing representant in Guipuzcoa still. The decision of working together with the truck manufacturer DAF gives us this uniqueness in the region of Guipuzcoa.

There is already a company which works as DAF's official service-workshop and sells spare-parts, Talleres Pamendi S.L., but it is not a DAF Trucks' dealing-point (concessionaire). As mentioned in the paragraphs before, having an official dealing point

in Guipuzcoa would improve the sales numbers, also, the potential customers demanding a DAF vehicle will not have to get in touch with the dealers of Navarre, Cantabria or La Rioja, like is happening nowadays. This idea will motivate DAF to forge an alliance and support this business idea.

At the same time, there are several advantages and benefits when working as a representant of a big company.

In the first place, we will be known from the very first moment and our potential customers will identify us directly with the international truck company DAF. In a few words, this will be deduced in a smaller investment in publicity and marketing.

Also, a very important point to mention is all the support the official truck company will provide us. Starting from all the technical advices and all the support regarding any kind of inquiries, to delivering us special tools to work with their products. Furthermore, the company will put into our disposition the possibility to get original spare-parts in a record time with the best price ever, allowing us to give the fastest and most price competitive response possible to our customers.

Last but not least, the most important reason to choose the alliance, are the different courses they offer to the employees across the year and these involve all the employees, from the mechanics to the office employees. These courses are very valuable and also will make easier the transition to our mission, vision and values for everybody. Formation is the key to the success.

#### [Mission, vision and values of the company.](#)

Once we decide creating any kind of business, it is very important to stablish a clear mission, vision and values for the company (Thompson et al., 2012). These definitions will help us developing the business idea according to a defined strategy.

The mission statement identifies the boundaries of the current business and highlights the products and services offered by our company to the potential customers.

It is very important a well-conceived mission statement, distinguishing a company's business make up from other similar profit-seeking enterprises in language specific enough to give the company its own identity. It is essential to write who we are, what do we do and the why are we here, the reason behind.

The mission of our official DAF concessionaire, IPAR DAF S.L. would be:

*“Offering a high quality and official-house service to all our customers, during the truck purchase process until the end of the truck's lifetime. This way, official high-quality services and spare-parts can be ensured to all our customers, ensuring a competitive price for all of them, with no speculation and cogitation on the pricing”.*



The next step, is to define the vision of the business. The vision shows us the evolution or achievement we want to have of our business in the future, in other words, define where we are going and why.

The vision of IPAR DAF S.L. is defined as it follows:

*“It is clear for us to become a reference point for dealing and giving services to all the same brand truck users of the region of Guipuzcoa, and also be recommended to foreign truck drivers who need a fast, effective and price competitive service while they are working and driving across the border between Spain and France. This confidence and trust created by working together with the customers will make our business run and also let us grow to be able to answer a higher demand from new customers”*

Finally, IPAR DAF S.L. will defend some company’s values. Companies often develop a statement of values to guide a company’s pursuit of its vision and strategy and paint the white lines for how the company’s business is to be conducted. These are very important to achieve the mission and vision of the company; we have to understand them as a guide to the success.

These are IPAR DAF S.L.’s values:

*“Quality: Quality is the key to success. If we are able to ensure quality in every moment, this will generate a value added in front of the customers. Even more, the work done will be recommended to potential customers and this will be translated into a bigger range of customers, and therefore, more benefits”.*

*“Equal and trustful treatment: All our customer will be treated in an equal and trustfully way, no matter the current situation of the customer. We will attend all of them, even if they are owners of more than one truck from us, just have one truck or they are just making a pit stop”*

*“Responsibility: This word can be understood with different meanings, we will take care of all of them. First of all, we will be responsible in all the price offers and services demanded from the customers. At the same time, the company is responsible for all the employee and their families. Furthermore, we believe it is very important to take care of our environment, because of this, all our working processes and used technologies are totally eco-friendly, with the objective to preserve the ecosystem and the nature”.*

*“Effectiveness: We are effective. As mentioned with the quality, this is another key for success. All the problems, requisites, demands and questions generated by the customers will be corrected, answered and an alternative given, ensuring the feasibility of them”.*

*“Integral service: All the necessities from the customers will be answered, during the purchase of our products, maintenance of them and re-sale (in case of any renting service given, for example). From the beginning to the end”.*

*“Modern working techniques and technologies: All the work processes and challenges will be accomplished using the latest technologies from the market, this means, all the machinery used in the workshop will be ready to respond any kind of setback coming from any truck from the represented heavy goods commercial vehicle company. Nevertheless, employees working in the offices (administration, accountancy, sales...) will be also provided with high-technological working tools and the best analytical apps”.*

### 3. External Environmental Analysis. Macro-Environmental Analysis.

The main objective of this chapter is to analyse the external environment of the company, ensuring a better understanding of the situation IPAR DAF S.L. will face if established. It is important to note that if the external environment is not advantageous, it would be barely possible to impulse the proposed business.

#### Geographic factor.

One of the most reliable point when it comes to open a business, it is the location of it. It becomes even more important when we talk about a transport related business, where the potential customers will have to drive their trucks up to us with no complications and trying to save as much as possible time.

As mentioned before, nearly the 80% of the European transport is done by commercial vehicles. Furthermore, when it comes to Spain, there are two main points of access to the peninsula. One is located between Barcelona and Perpignan and it is known as the “Mediterranean-axis” (Please watch the green line in the picture below). The second one is the “Atlantic-axis” (the yellow line in the graphic below), which crosses directly from t Guipuzcoa and the south-west border of France in Pyrenees.



Image 1: The map of the principal inland transport routes in Europe.  
Source: *Comprender las políticas de la Union Europea: Transporte (11/2014).*  
Comisión Europea.

The reason behind there are no more connection lines between the peninsula and the rest of Europe are the Pyrene mountains. These are a geographical problem for the construction of new and competitive structures for the commercial vehicles. Because of this, there are two plain and accessible points in both extremes of the Pyrenees.

Nevertheless, it is important to mention the efforts and investments the European Union is doing to develop and improve the inland connections and infrastructures of Europe, constantly showing a total dedication and compromise with the transport and logistic sector. Prove of this are the nearly 26.000 million € the European Union has invested from 2014 to 2020 to improve the transport infrastructures and technologies<sup>5</sup>.

Also, Basque Country's government has published different laws across the years ensuring a minimum of subsidies for the creation and maintenance of the different transport infrastructures<sup>6</sup>. For example, the development of coordinated logistic platforms between the biggest logistic centres in Basque Country: Arasur, Jundiz-Foronda and Pasaia-Irun. Even more, the potentiation in front of the European Union of the strategic position importance of Basque Country in the "Atlantic-axis" and, of course, the promotion of it, using the "Basque Country Logistics" development model<sup>7</sup>.

To finish, it is important to mention that the next official concessionaires of DAF Trucks are located far away from the border crossing point in Guipuzcoa, exactly in Pamplona, Navarre and Vitoria, Alava. To reach the locations defined before the trucks must drive across difficult and fussy roads with no modern infrastructures and big unevenness which do not help at all. These conditions push the vehicles to the limits and some of them brake up before arriving to their destiny or the next concessionaire for a maintenance and revision. Having an official DAF Trucks concessionaire directly in Irun, Guipuzcoa would avoid all these problems, and at the same time, save big amounts of money to the commercial vehicles owners.

#### [Economic situation.](#)

After exploring the geography where we want to establish our business, we can assume there are positive cogencies showing us a great opportunity for the proposed business. Because of this, exploring the economic situation of the region where we want to open the official concessionaire is the next step.

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<sup>5</sup> Comprender las políticas de la Union Europea: Transporte (11.2014). Comisión Europea.

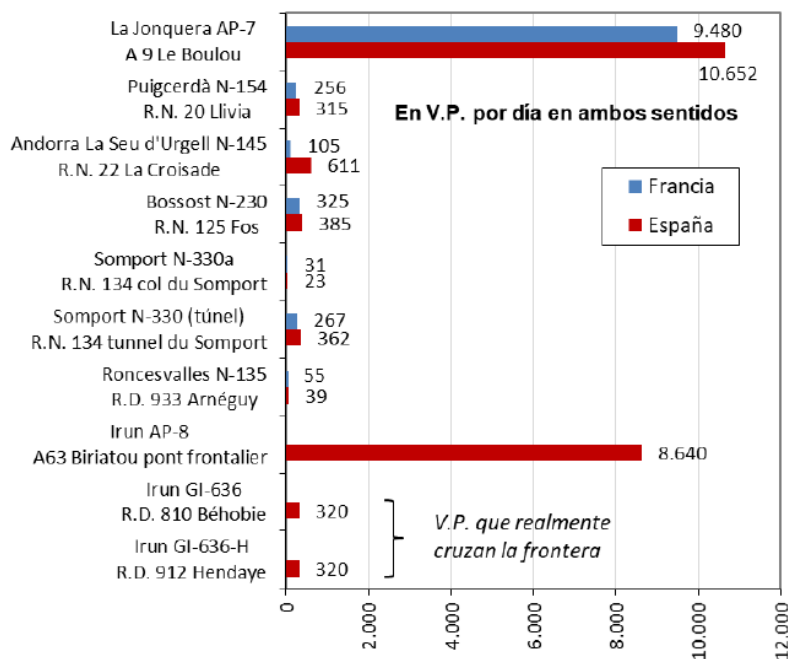
<sup>6</sup> Ley 5/2003 de 15 de diciembre, de la Autoridad del Transporte de Euskadi (24.12.2003). Boletín Oficial del País Vasco.

<sup>7</sup> <https://www.euskadi.eus/conoce-el-area-de-transporte-de-mercancias-y-logistica/web01-a2merkan/es/> (05.05.2020)

As outlined above, there are two main axis that connect Spain and Portugal with the rest of the European Union, the “Mediterranean-axis” and the “Atlantic-axis”. Almost all the heavy goods commercial vehicles drive across both of them (other border crossing points are not accessible or the infrastructures are not ready for these kind of commercial vehicles). Anyway, we will focus only in the quantity of trucks and freight driven across the “Atlantic-axis”, in the three-border crossing-points between Guipuzcoa and France.

The next graphic shows the quantity of heavy goods commercial vehicles crossing the different border points between Spain and France in both directions. It is important to mention the following features before analysing the graphic:

- The red lines are the quantity of heavy goods commercial vehicles counted by the Spanish authorities, at the same time, the blue lines are the ones counted by the French authorities. We can find some discrepancies (different understanding of what a heavy goods commercial vehicle is), anyway, these are not really big and these discrepancies do not affect to the quantities regarding the “Atlantic-axis”
- This information was recorded along the year 2015.
- The quantities refer to the average of heavy goods commercial vehicles crossing each point per day in both directions.



Graphic 1: Average of trucks crossing the Spanish-French border per day. Source: Observatorio hispano-francés de Trafico en los Pirineos. Documento nº8 (mayo 2018). Secretaria General de Transporte; Centro de Publicaciones, Ministerio de Fomento.

Already stated, some quantities do not come together, but the last three road connections in the graphic, all of them connecting the borders of Guipuzcoa and France, do not show discrepancies.

It is worth it to mention, that the “Atlantic-axis” makes reference to the “Irun AP-8/A63 Biriadou pont frontailer” connection in the graphic. The other two connections in the graphic, “Irun GI 636/R.D. 810 Béhobie” and “Irun GI-636-H/R.D. 912 Hendaye”, are also known as the “Basque bridges” (“puentes vascos” or “euskal zubiak” in Spanish and Basque respectively). Furthermore, analysing more deeply the graphic given above, we can find the following table, giving us more detailed information about the real situation (remember all this information was recorded in 2015).

| Pasos                             | Carga media t/V.P. | IMDp V.P/día  | IMD autocares | IMD pesados mercancías (sin autocares) | Transporte medio diario miles t/día | Transporte anual mill. t/año |
|-----------------------------------|--------------------|---------------|---------------|--|-------------------------------------|------------------------------|
| Autopista A8 - A63 Norte-Sur      | 14,1               | 4.340         | 90            | 4.250                                  | 60,0                                | 21,9                         |
| Autopista A8 - A63 Sur-Norte      | 15,1               | 4.300         | 90            | 4.210                                  | 63,5                                | 23,2                         |
| Autopista A7 - A9 Norte-Sur       | 12,3               | 4.720         | 140           | 4.580                                  | 56,4                                | 20,6                         |
| Autopista A7 - A9 Sur-Norte       | 15,5               | 4.760         | 140           | 4.620                                  | 71,7                                | 26,2                         |
| Puentes vascos - VP cruces reales | 9,3                | 640           | 60            | 580                                    | 5,4                                 | 2,0                          |
| Otras R.N.                        | 14,2               | 1.040         | 150           | 890                                    | 12,6                                | 4,6                          |
| <b>Total</b>                      | <b>14,1</b>        | <b>19.800</b> | <b>670</b>    | <b>19.130</b>                          | <b>269,6</b>                        | <b>98,4</b>                  |

Table 1: Quantity of commercial vehicles and commercial freight crossing the Pyrenees every year. Source: Observatorio hispano-francés de Trafico en los Pirineos. Documento nº8 (mayo 2018). Secretaria General de Transporte; Centro de Publicaciones, Ministerio de Fomento.

The table given above, analyses and compares different factors regarding the commercial vehicles crossing each day the principal connections between Spain and France.

For us, the most important factor is the next one: the average quantity of heavy goods commercial vehicles crossing the Spanish and French border in Guipuzcoa per day (without coaches, the concessionaire will not sell coacher neither offer services to this specific vehicles). In other words, the connections of the “Atlantic-axis” (Irun A8/A63 Biriadou pont frontailer) and the “Basque bridges”. We can appreciate also the recorded data of the “Mediterranean-axis” (La Jonquera A7/A9 Le Boulou), but this information is not relevant for the proposed business.

Into numbers, yearly 98,4 million tonnes are transported across the Pyrenees, from those, the 93% go across the “Atlantic- and Mediterranean-axes”<sup>8</sup>. Regarding our interest point, the “Atlantic-axis” an average sum of 9.040 trucks drive across it every day. At the end of the year, 47,1 million tonnes are transported across it, representing the 48% of the total transported freight across the Pyrene mountains.

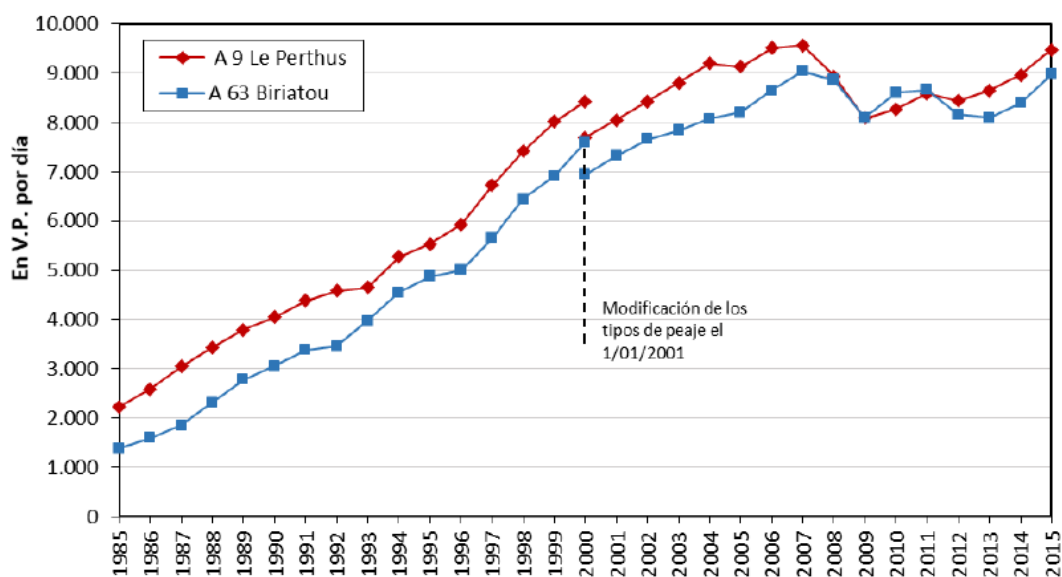
Nevertheless, we shall mention, that is forbidden for the heavy goods commercial vehicles to drive across France the Sundays and bank holidays<sup>9</sup>, in little words, thousands of truck drivers will stop and rest every Saturday and Sunday, starting again their journey next Monday. The same thing happens the other way round, after

<sup>8</sup> Observatorio hispano-francés de Trafico en los Pirineos. Documento nº8 (mayo 2018). Secretaria General de Transporte; Centro de Publicaciones, Ministerio de Fomento.

<sup>9</sup> <https://www.transporteldia.es/restriccion-circulacion-camiones-francia/> (28.05.2020)

an intense day of work driving through France, a bunch of drivers will stop to rest once they arrive to Guipuzcoa. This is translated, into a little time to bring the vehicle to our installations and do maintenance or repair the problems they could have before restarting again their journey. To sum up, a profitable business for us and also for the commercial vehicle owner, who will save a huge amount of money doing these maintenance services in Spain instead of France or another European country, where the same services are way more expensive due to higher live standards and salaries.

Looking for an optimal view and comparison of the evolution of the logistics in the “Atlantic-axis” (blue colour) and the “Mediterranean-axis” (red colour) during the last three decades (from 1985 to 2015), the following graphic will be a useful hint.



Graphic 2: Evolution of the average quantity of trucks crossing the border between Spain and France using the A9 and A63.

Source: Observatorio hispano-francés de Trafico en los Pirineos. Documento nº8 (mayo 2018). Secretaria

As we can understand in the graphic above, the average quantity of heavy goods commercial vehicles crossing both tolls were increasing steadily, from 1985 until the end of 2006. During the world economic and financial crisis of 2007 and the following years the average quantity of trucks crossing both borders per day suffered some up-and-downs, reflecting the sensible economic recuperation. Anyway, after 2013 both axes have experienced a constant increment, coming back to the pre-crisis values once again. In conclusion, this graphic show us the economic recuperation in the Euro countries, the import- and export-values are growing up again. Some sceptics were scared about the transport methods would change after the crisis, bringing a new scenario, where lorry transport would no longer be important and would never recover back. This graphic shows they were wrong. Lorry transport keeps being important in Europe and it will be so in the future.

## Legal basis.

The business I suggest in this project, is based in a well-known activity with legal certainty in Spain and Europe. This means, this is not an innovative activity, where all kind of legal obstacles, licenses and patents, have to be saved. But as any other business, legal paper work will have to be done. There are several documents to fulfil and present before starting a new business in Guipuzcoa, Basque Country:

- Previous declaration at the Treasury before starting the business activities.
- Activity License. It is given by the responsible council where the concessionaire will be settled.
- Building License. It is given by the responsible too. In case we want to do changes in the main building structure or build a new infrastructure we will need it.
- Census declaration showing the start of the activities. It is done at the Treasury.
- Trading Tax. This Tax should be released and paid at the Treasury. For this step and the one before, strict deadlines will be given.
- Enrol the company into the Social Security.
- Enrol all the employees into the Social Security.
- Register all the contracts of the employees in the respective employment office.
- Communicate the opening of your concessionaire and service-workshop. This step should be done within the first 30 days after opening the proposed business. In other words, inform the labour office of your autonomous community during the first month of the opening.
- Formalization of the guestbook. The Ministry of Labour must handle us one and also stamp on it expressing everything is right.

The points mentioned above are the minimum requisites to open any kind of business in Guipuzcoa. Nevertheless, opening a concessionaire and a service-workshop needs more bureaucracy and steps.

First of all, the company has to join in the “Special registry of service-workshops and spare-parts”, for this purpose, the business owner must request it in the Ministry of Industry of the autonomous community before starting any kind of activity and at the same time present the following documents:

- Technical project of the facility drawn up and signed by a competent technician and endorsed by the Official College.
- Specific technical study with the relation of the works and services that will be provided in the concessionaire.
- Description of each workstation.
- Description of the machinery and equipment.
- In case the created company produces less than 10 tonnes waste per year, it is obligatory to enrol it in the “Registry of small producer of toxic and dangerous waste”. In the contrary case of creating more than 10 tonnes, the concessionaire



should hire a service company that cares about the correct handling of the generated wastes.

To conclude with the legal basis, depending which kind legal form we choose the requisites vary. Because of this, there will be a deeper explanation in the 7<sup>th</sup> chapter, “Legal form, organisation & Human Resources”, of this Business Plan.

### Technologies.

Times are changing, new technologies are changing all the industries and the way of understanding them. One of the industries is “suffering” most these changes is the automotive industry. New challenges are showing up and also new alternatives are being developed to face them.

Nowadays we can underline two big challenges in the commercial vehicles field in the world: Autonomous driving technologies and new governmental pollution limitation laws. Both challenges will change totally the logic we have now about the logistics, and of course, the way of acting of the different performers in this industry.

In one hand we have the climate change problematic, which is forcing the European Union to take measures regarding the pollution and stablishing laws into the automotive industry to regulate and dwarf the pollution generated by the commercial vehicles. Commercial vehicle manufacturers are investing in researching new technologies to reach these standards. For example, engines and parts are being designed in the diesel field (developing better catalysators, urea injectors...). However, electric, gas and hydrogen working motors seem to be the near future that will replace the ordinary diesel motors. Right now, the key of the success goes throw R&D.

Although the interesting discussion to know which are going to be the leading technologies in the future and replace the diesel engine, it is not a topic that will really affect the concessionaires. Concessionaires are only responsible to sell the products of these manufacturers. The concessionaire’s objective is to sale the potential customer a product, which we are sure, it will not vary a lot from the competitors one, at the end, all the companies will choose the most reliable, efficient and effective technology. Furthermore, truck manufacturers will have to provide with special trainings to the salesmen/women to prepare and inform about the new attributes of their product portfolio. To sum up, changes will come, but commercial vehicles will be still necessary products to be transported and delivered.

On the other hand, autonomous driving technologies are being developed. These technologies are giving better and more accurate results every day. In the following 50 years no more truck drivers will be needed. Again, this is not going to affect the official concessionaires. These autonomous vehicles will still need maintenance and reparations along their active time and also the logistic companies’ owners will have to buy our products (heavy goods commercial vehicles).

To finish, it is calculated these changes will start happening after the beginning of the next decade, 2030. By now, not big changes are expected, everything will happen progressively. Everybody will be affected by the expected changes, but we do not consider we are in the critical path of these changes.

### Covid-19.

Even if it is not determined how much is going to affect the Covid-19 crisis to the Spanish economy, some experts believe the gross domestic product is going to decrease about 9% in comparison to 2019<sup>10</sup>. Anyway, we stay optimistic in front of this prediction, here the reasons behind.

First of all, the idea is to open IPAR DAF S.L. in 2021, this decision gives the economy more time to recover from the recession created by the Covid-19. Hopefully, the economy will be reactivated during the last quarter of 2020.

It is also important to underline that the Basque economy is not a tourism-based economy, then the gross domestic product will not suffer so much as expected in the paragraph above. Basque Country's economy is more based in the second and third sectors, whose demand is regular along all the year and not seasonal like tourism.

In third position, Guipuzcoa is located in a very good geographical position where a huge number of commercial vehicles drive across, those need maintenance and reparations, so in case the sales would not give the best results ever, the concessionaire will be able to afloat thanks to the workshop.

Finally, transporters and logistic companies have not stop in this time, goods and food were delivered to supermarkets and grocery stores, answering the big demand created because of the fear with the provisioning or foodstuffs. Also, during the confinement people tended to buy more products via internet, answering all the demand correctly was a challenge for all the logistic companies. As we can deduce, transporting food to the supermarkets or delivering all the products bought via internet, the commercial vehicles are relevant in any logistic chain.

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<sup>10</sup> [https://cincodias.elpais.com/cincodias/2020/04/08/economia/1586333755\\_107768.html](https://cincodias.elpais.com/cincodias/2020/04/08/economia/1586333755_107768.html)  
(20/05/2020)

## 4. External Environmental Analysis. Micro-Environmental Analysis.

Once the macro-environmental analysis is done and is an auspicious situation, it is time to move one step forward and analyse which factors will affect the micro-environmental analysis of the proposed business.

The first sight will be focused in the actual business market. In other words, the different agents, possibilities, options, strategies, and of course, some detailed data about the commercial vehicle registrations and already existing official truck dealers. The business market analysis will be closed together with the decision of the location of the proposed business.

Finally, a point will be open to discuss about the target market and potential customers. After analysing the general business market is time to take a decision and define our target niche in the market. Also, a very important point to bring an end to all this process, is to specify the potential customers of the proposed business.

### The business market.

The business market of the commercial vehicles in the European Union is not so wide as other automotive related markets, for example, the light goods commercial vehicles and the touring cars.

The number of manufacturers is not exceedingly more than seven (DAF Trucks NV, Iveco S.p.A., AB Volvo, Mercedes-Benz Trucks AG, Renault Trucks, Scania AB and MAN SE), and also, the high production costs make as an entry barrier, making it impossible for the creation of any new truck manufacturing company. The contrary is expected, alliances and joint-ventures between the companies to build up stronger groups and face future challenges. As an example, Volvo and Isuzu (Asiatic commercial vehicles manufacturer) built up in December 2019 a strategic alliance, Volvo would have sold UD Trucks (one of the many companies they own) to Isuzu and in the same time Volvo was acquiring presence in the Asiatic market. Volvo also has acquired the half of Daimler's fuel cell in April 2020 business, forming a joint-venture between both companies.

Furthermore, some companies would buy other big heavy goods commercial vehicles manufacturers, but they would let them work "independently" as a strategical and marketing move. This is what happens with Renault Trucks, after it was acquired by Volvo in 2001.

However, the commercial vehicle industry is more stable than described above. Comparing it to the touring car industry, there are not new products and models launched yearly and also it is not under pressure of the coming Asian manufacturers.

Oppositely, European companies are more developed with more technological resources and can afford buying or working together with Asian manufacturers to implant presence worldwide.

#### Existing commercial vehicle companies in the European market.

As mentioned above, seven big manufacturers compose the European market. Every manufacturer tries to have different products for the main applications of the commercial vehicles, this means, international/national logistics, heavy duty trucks (construction, mining, garbage collection...) and smaller trucks, mainly for distribution across big cities. Nevertheless, all these products have different variations answering any possible application needed from the potential customers.

#### DAF Trucks NV:

DAF Trucks is a manufacturer of commercial vehicles, founded in 1928, and nowadays, subsidiary of Paccar (company which owns other commercial vehicle manufacturers worldwide) from 1996 on. The headquarters of DAF are located in Eindhoven, Holland<sup>11</sup>.

This hollandaise company produces three different models to cover all the necessities and duties from the customers. These are named, XF, CF and LF.

The DAF XF model is designed mainly for long distance and heavy freight logistics.



Image 2: DAF XF.

Source: <https://www.todotransporte.com/prueba-del-daf-xf-480-space-cab-a-bajas-revoluciones/>

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<sup>11</sup> <https://www.daf.es/es-es> (28.05.2020)

The commercial vehicle designed for mid-distances and heavy duties by DAF is called CF. It is a smaller truck, offering more manageability and comfort for these exercises. Here some examples:



Image 1: DAF CF working in mountain.  
Source:<https://www.daf.es//media/images/daf-imagebank/calender/2020/daf-cf-fad-8x4-daycab.jpg>



Image 4: DAF CF concrete mixer.  
Source:<https://www.transporte3.com/noticia/14243/premio-para-el-daf-cf-construction>

The smallest from the commercial vehicles produced by DAF is the LF. It will not have a big freight capacity, but versatility and huge number of variants define it.



Image 2: DAF LF garbage collector.  
Source:<https://besthqwallpapers.com/transport/daf-lf-2019-cargo-truck-new-garbage-truck-new-white-lf-86943>



Image 6: DAF LF city transport.  
Source:<https://www.commercialmotor.com/news/product/daf-lf-city-show-next-weeks-freight-city-expo>

## IVECO S.p.A.

Iveco was founded the 1<sup>st</sup> of January, 1975 and the headquarters are located in Turin, Italy. The creation was a merger between several Italian, French and German brands. They use the following product division; road, “x-way” and off-road<sup>12</sup>.

Road division makes reference to freight transport trucks, in other words, different size vehicles, (from city transport size vehicles to international transport vehicles) but with the only objective to transport goods.

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<sup>12</sup> <https://www.iveco.com/spain/pages/home-page.aspx> (28.05.2020)



Image 7: IVECO road division trucks.  
Source: <https://www.iveco.com/spain/producto/pages/nuevo-iveco-s-way-2019.aspx>



Image 8: IVECO S-WAY road vehicle.  
Source: <https://www.iveco.com/spain/producto/pages/nuevo-iveco-s-way-2019.aspx>

About the “x-way” division, this division is designed to adopt different duties vehicles, for example, construction, mining, firefighting etc. This requires a high sophistication level from the manufacturer.



Image 9: IVECO "x-way" firefighting.  
Source: <https://wall.alphacoders.com/big.php?i=739370&lang=Spanish>



Image 10: IVECO "x-way" construction variants.  
Source: <https://www.camionactualidad.es/noticias-camiones/fabricantes-camiones-vehiculo-industrial/item/5380-nuevo-iveco-stralis-x-way-y-np-460>

IVECO off-road division is engineered for the most demanding and difficult roads, terrains and tasks. The main difference between this division and the previous one is that all these off-road vehicles have all wheel traction. Some of them are also prepared for the most extreme conditions like military duties or races like Paris-Dakar.



Image 11: IVECO military off-road.  
Source: <https://www.ivecodefencevehicles.com/news?year=2017>



Image 12: IVECO off-road.  
Source: <https://www.commercialfleet.org/truck/reviews/iveco-eurocargo-4x4-test-drive-shows-it-is-a-capable-off-roader>

## AB VOLVO.

It was 1927 when Volvo was created in Gothenburg, Sweden. Nowadays the headquarters are still located in Gothenburg. In 1928 they launched what it was known as their first commercial vehicle. Right now, Volvo trucks are divided in the following divisions: FH, FM, FE and FL, with special variations depending the division<sup>13</sup>.

Volvo has a division focused in international long-distance logistics; it is represented under the acronym FH. Big trucks with big freight capacities, would define them. For most demanding tasks (special transports like big pieces or weights), they do have the FH16 division, the most powered Volvo truck ever.



Image 13: Volvo FH.

Source:<https://www.volvotrucks.es/es-es/news/press-releases/2020/feb/pr-200227-fh.html>



Image 14: Volvo FH16.

Source:<https://www.volvotrucks.es/es-es/news/press-releases/2020/feb/pr-200227-fh16.html>

The following FM division is planned also for big distances, but lacking some comfort extras if we compare to the FH division. Anyway, this is compensated with more versatility and a lighter vehicle. It is directed to the fleet segment. A special variant is also implemented here, the FMX, with all wheel traction technology, mainly designed for construction purposes in irregular terrains.



Image 15: Volvo FM.

Source:<https://www.elmundo.es/elmundomotor/2013/03/20/industriales/1363781550.html>



Image 16: Volvo FMX.

Source:<https://www.volvotrucks.com.br/pt-br/trucks/fora-de-estrada/mineracao.html>

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<sup>13</sup> <https://www.volvotrucks.es/> (28.05.2020)

Volvo FE goes for companies that need a smaller vehicle for regional logistics or services into the city like garbage collection or car crane. Volvo defines it as an efficient and effective tool.



Image 17: Volvo FE.

Source:<https://www.volvotrucks.es/es-es/news/magazine-online/2018/aug/a-clearer-view.html>

Finally, the smallest commercial vehicle manufactured by Volvo is the FL. Recommended for urban services and deliveries.



Image 18: Volvo FL.

Source:<https://www.camionactualidad.es/noticias-camiones/pruebas-test-camiones/item/2320-volvo-fl-240-camion-urbanita>

### MERCEDES-BENZ Trucks AG.

Mercedes-Benz, a worldwide known car and commercial vehicle manufacturer with the headquarters in Stuttgart (Germany), has also a successful truck segment. It was the first company releasing a combustion engine working truck in 1896. Nowadays, they keep producing commercial vehicles for different applications. Into Mercedes-Benz portfolio, we can distinguish four segments; long distance, distribution, construction and special purposes trucks<sup>14</sup>.

Mercedes-Benz proposes us the truck model Actros for long distances, with a more powered version of it, able to move 250 tonnes of freight weight.

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<sup>14</sup> [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html) (28.05.2020)





Image 19: Mercedes-Benz Actros.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)



Image 20: Mercedes-Benz Actros until 250T.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)

If we are looking for a distribution vehicle, Mercedes-Benz offer for the potential customers goes from a smaller but more versatil version of the Actros, to the little Atego that reaches the most difficult spots of any city.



Image 21: Mercedes-Benz Actros distribution.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)



Image 22: Mercedes-Benz Atego distribution.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)

The proposition of Mercedes-Benz when it comes to construction commercial vehicles is the next one, Aroc model will face the most difficult challenges, it brings the customer the possibility to set up the all-wheel traction. Furthermore, there is a version able to move a freight weight of 250 tonnes. For smaller purposes, there is also a construction variant of the Atego model.



Image 23: Mercedes-Benz Arocs until 250T.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)



Image 24: Mercedes-Benz Atego construction.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)

Finally, there is a line designed for special purposes by Mercedes-Benz. This line trucks cover from city services (Econic) to the strongest vehicles designed to face the wildest tasks (Unimog). Here some examples of the variants mentioned before.



Image 25: Mercedes-Benz Econic.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)



Image 26: Mercedes-Benz Unimog.  
Source: [https://www.mercedes-benz-trucks.com/es\\_ES/home.html](https://www.mercedes-benz-trucks.com/es_ES/home.html)

## RENAULT Trucks.

Known as the French commercial vehicle manufacturer, from 1978 on, Renault Trucks has the headquarters in Lyon, France. Nowadays, they manufacture vehicles for the next three segments: Long distance logistics, construction and distribution<sup>15</sup>.

Starting on with the distribution segment, the model D arises to our eyes. Small and versatile, perfect for intercity and city distribution. There is also the possibility to make some adaptations on it, to fulfil city services too.



Image 27: Renault Truck D.  
Source: [www.nexotrans.com/noticia/96938/NEXOTRANS/Nuevas-versiones-Renault-Trucks-Model-Year-2020-Gama-D.html](http://www.nexotrans.com/noticia/96938/NEXOTRANS/Nuevas-versiones-Renault-Trucks-Model-Year-2020-Gama-D.html)

Coming up with the construction segment, Renault Trucks has two models. On one hand, we have the model C, for basic construction purposes. If we are facing more difficult challenges or we have to deal with more complex appliances, Renault Trucks is offering to the potential customers the K model. Both have all-wheel traction.



Image 28: Renault Truck C.  
Source: <https://www.renault-trucks.es/renault-trucks-c>



Image 29: Renault Truck K.  
Source: <https://www.es.renault-trucks.com/photos-videos-k>

<sup>15</sup> <https://www.renault-trucks.es/> (28.05.2020)

To end up with the Renault Trucks portfolio, we find the long-distance trucks. The model Renault Trucks offers us, is named T. There are two versions of it, one with a higher cabin (T HIGH) than the other one, depending the customer's activities.



Image 30: Renault Truck T.  
Source:<https://www.transporte3.com/noticia/13650/asi-es-el-renault-trucks-t-2019>



Image 31: Renault Truck T HIGH.  
Source:<https://www.transporte3.com/noticia/13650/asi-es-el-renault-trucks-t-2019>

### SCANIA AB.

Scania was founded in the first year of the 20th century in Malmö, Sweden. Even though, nowadays the headquarters are located in Södertälje (Sweden). Actually, they do have a big variety of truck models, trying to give a better answer to all the necessities from the customers side. In total there are six series: L, P, G, R, S and CrewCab<sup>16</sup>.

Starting with Serie L, an answer to the urban territories with mobility difficulties, the variations range goes from distribution to city services. The smallest commercial vehicle Scania is offering.



Image 32: Scania L.  
Source:<https://www.transporte profesional.es/>

Going straight to Serie P, this is a vehicle designed for intercity and regional distribution, with some variations for construction and other activities. The small size is an advantage for urban terrains.

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<sup>16</sup> <https://www.scania.com/> (28.05.2020)



Image 33: Scania P.

Source:<https://www.transporteprofesional.es/pruebas-camiones/prueba-camion-scania-p-280-b4x2>

Series G is most modifiable commercial vehicle from Scania, it has variations and adaptations to almost any kind of activity. The manufacturer promises high quality components and a very efficient and effective vehicle.



Image 34: Scania G.

Source:<https://www.brisbanetrucks.com.au/news/scanias-new-truck-generation-at-the-brisbane-truck-show-2019/>

For covering the long distances logistics segment, Scania produces the Serie R. It is a very durable commercial vehicle with good diesel consume rates. Furthermore, for more exigent customers looking for more extras and comfort, Scania has launched the Series S.



Image 35: Scania R.

Source:<https://www.transporte3.com/noticia/11826/scania-r-450-cv-pulverizando-records-prueba>



Image 36: Scania S.

Source:<https://www.transporte3.com/noticia/12050/scania-s-730-un-lujo-a-lo-grande-prueba>

Finally, Scania has developed a very specific product, the Series CrewCab (it only differs the cabin from a Series P), as the name indicates, the cabin is designed for driving a whole crew together. This concept can be very useful for jobs requiring a big number of people working, best examples are, large constructions areas, military purposes and firefighting services.



Image 37: Scania CrewCab construction.

Source:<https://www.favcars.com/scania-p380-6x6-crew-cab-2004-10->



Image 38: Scania CrewCab firefighting.

Source:[https://en.wheelsage.org/rose-nbauer/at/scania\\_p360\\_lb\\_4\\_2\\_crew](https://en.wheelsage.org/rose-nbauer/at/scania_p360_lb_4_2_crew)

## MAN SE.

In 1898, after the merging of two Bavarian (Germany) companies was MAN created. The headquarters are located in Munich, Germany. Their range of products starts from big trucks for international logistics, to little ones for city supply. The different models are named TGX, TGS, TGM and TGL<sup>17</sup>.

Focusing in the MAN TGX model, we observe a powerful truck ready to fulfil long distances with an efficient diesel consume. They also have a variant of the TGX, the TGX D38 that offers more extras and power to the client.



Image 39: MAN TGX.

Source:<https://diariodetransporte.com/2020/02/asi-es-la-cabina-del-nuevo-man-exterior-e-interior-fotos-y-video/>



Image 3: MAN TGX D38.

Source:<https://www.sobrecamiones.com/potencia-dureza-man-tgx-d38/>

<sup>17</sup> <https://www.truck.man.eu/es/es/index.html> (28.05.2020)

Coming up with the TGS model, MAN promises the potential customer with a firm and strong truck, able to solve any challenges. For this purpose, the truck is provided with an optional all-wheel traction and also different variants for different applications. It is a powerful truck that can be used in irregular terrains, but also in national logistics.



Image 41: MAN TGS.  
Source: <https://solocamion.es/man-tgs-18-400-practicidad-en-la-distribucion/>



Image 42: MAN TGS train cleaning variant.  
Source: <https://www.braem.com/es/man-tgs-33-360-bb-6x6-cleaning-lavage-reinigen-e50246>

MAN's deal for the medium size trucks is the TGM model. It is offered with a huge range of variants, from urban services to distribution or construction. Is smaller than the model explained above, therefore, more agile and versatile.



Image 43: MAN TGM plumber variant.  
Source: <https://www.truckscout24.es/detalles-vehiculo/Servicio-p%C3%BAblico-MAN-TGM-18-320-4x2-BL-Pomot-ZSA-10000K-Cami%C3%B3n-cisterna/19260565/1>



Image 44: MAN TGM distribution.  
Source: <https://www.transporteprofesional.es/noticias-fabricantes/marcas-camion/man-truck/contacto-camion-man-tgm-26-360-e>

For reaching the most difficult spot of the city during a distribution journey or accomplishing the city service task (street cleaning, garbage collection...) MAN introduces us the TGL model. Light, agile and liability are the words used by the manufacturer.



Image 45: MAN TGL distribution.  
Source: <https://www.truckscout24.es/detalles-vehiculo/>

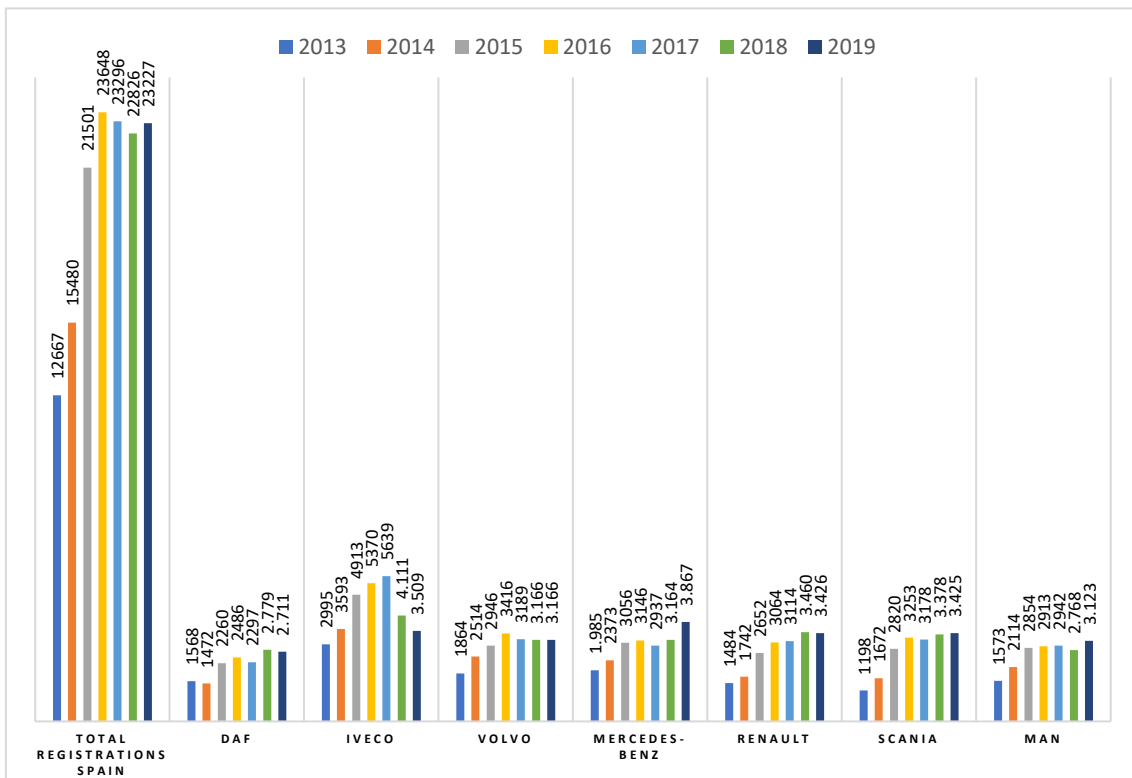


Image 46: MAN TGL cleaning variant.  
Source: <https://www.truck.man.eu/man/media/>

## Commercial vehicle registrations.

Another important point to measure is the success of the different companies of the sector. In the headland above we have analysed the different commercial vehicle manufacturers, a short introduction of them and their different models and main variants were shown.

The commercial vehicle (remember, vehicles with a gross combination over 6 tonnes) registrations will give us an idea of the current situation of each manufacturer in the Spanish market. More the registrations you achieve, bigger the success. In the graphic below, the number of commercial vehicle registrations in Spain appears, together with the total number of registrations of the manufacturers, from 2013 to 2019.



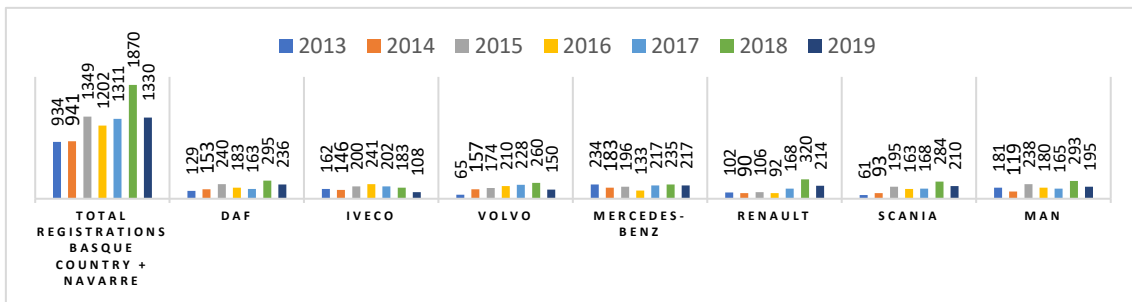
Graphic 3: Total commercial vehicle registrations in Spain per truck company.

Source: Matriculaciones vehículos Industriales 2013, 2014, 2015, 2016, 2017, 2018 & 2019. DAF Vehículos Industriales S.A.U.

Making a fast reading of the data above, we can assume right now it is a very steady market, even if the total registrations in Spain grew up 0,98% from 2018 to 2019. We can also spot a recuperation in the total registration after the financial crisis of 2008. The total registrations vary a bit depending the manufacturer, some of them have better results than others, only Iveco has lost in number of registrations in a notorious way.

As long as we are interested in the truck registrations of DAF to evaluate the success of the company and see if an opening of an official concessionaire of DAF in

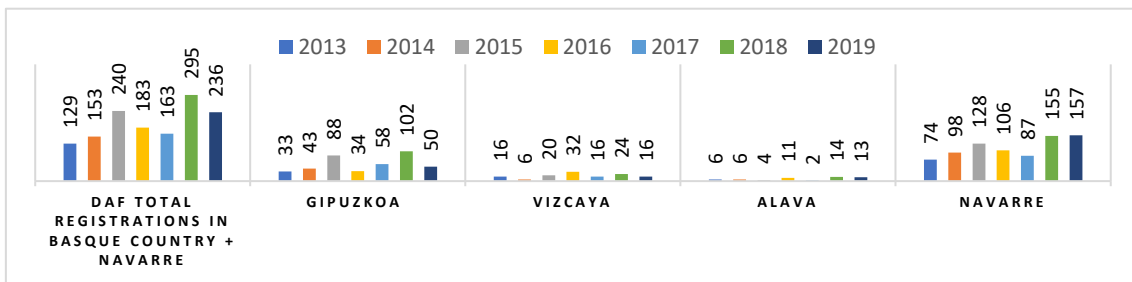
Guipuzcoa is possible, it is interesting to see the data of the vehicle registrations of each brand in Basque Country and Navarre from 2013 to 2019. This will give us a closer sight of the situation.



Graphic 4: Total commercial vehicle registrations in Basque Country and Navarre per truck company. Source: Matriculaciones vehículos Industriales 2013, 2014, 2015, 2016, 2017, 2018 & 2019. DAF Vehículos Industriales S.A.U.

The data above about the total registrations in Basque Country and Navarre shows us that, the quantity of registered trucks in general suffered a little descend. These are not really good news for the market. All the manufacturers registered smaller quantities of commercial vehicles: However, DAF is one of the most registered vehicles in the last two years in the north of Spain.

Furthermore, it would be interesting and helpful to check out the number of DAF vehicle registrations in Guipuzcoa and the provinces around (Vizcaya, Araba and Navarre) to make a closer evaluation of the market situation, where we would like to open the proposed business.



Graphic 5: DAF total registrations in Basque Country (per province) and Navarre. Source: Matriculaciones vehículos Industriales 2013, 2014, 2015, 2016, 2017, 2018 & 2019. DAF Vehículos Industriales S.A.U.

We can appreciate that the registrations in Guipuzcoa are quite irregular, a concessionaire here would help making the registrations more regular like in Navarre, and also, activating the sales and registrations in other provinces like Vizcaya and Alava.

Considering there are no official concessionaires in Guipuzcoa, Vizcaya and Alava, the dedication for selling DAF commercial vehicles from the sales representants of Navarre, La Rioja and Cantabria is also smaller. This is a factor that really affects DAF company, since some years the hollandaise manufacturer has tried hard to find an alliance in Guipuzcoa to open an official concessionaire without success.



Opening an official DAF concessionaire in Guipuzcoa would make DAF more competitive against other commercial vehicle companies in the region. DAF registrations would grow up in Guipuzcoa, and also Vizcaya, as it happened in Navarre. Furthermore, the image of the company will be better. Sometimes, logistic companies do not buy commercial vehicles without representation in the province because they are scared, they will not be able to solve problems effectively in the future.

#### [Official commercial vehicle concessionaires and service workshops in Guipuzcoa.](#)

Almost all the companies explained above in the chapter 4.1.1. "Existing truck companies in the European market" have opened official concessionaires and service workshops along the road-net of Guipuzcoa. However, changes happen (crises, expired contracts...) and some companies have lost presence and representants during the last years. Because of this, DAF truck company does not have actually an official dealer in Guipuzcoa, only a workshop giving official maintenance and reparation services.

Find attached below a list with the official concessionaires of the other commercial vehicle companies and also official service workshops in Guipuzcoa:

- AB Volvo: In 1996, the official service workshops of Volvo in Navarre, Alava and La Rioja came together in the creation of "VEHÍCULOS DEL NORTE S.A."<sup>18</sup>, an official concessionaire representing Volvo trucks. This concessionaire gives also official maintenance and reparation services. It is located in Olaberria.
- MAN SE: The official concessionaire of MAN in Guipuzcoa is called, "MAN Truck & Bus Iberia, Center Norte"<sup>19</sup>. This concessionaire with official workshop service is located in Ikaztegieta, Guipuzcoa. At the same time, MAN has an official service workshop in Irun named, "Talleres Mec. Y Eléc. Auto-Handía S.L."<sup>20</sup>
- Iveco S.p.A.: Iveco's official concessionaire is located in Villabona, the concessionaire's name is "IVECO RESA GUIPUZCOANA S.A."<sup>21</sup> They offer also workshop service together with other two official workshops in Irun named "IVECO Talleres Mecanicos San Eloy S.L." and "Talleres Viaisa"<sup>22</sup>.
- Mercedes-Benz Trucks AG: The German brand Mercedes-Benz has an official concessionaire together with a workshop in Irura, the company it is called,

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<sup>18</sup> <https://www.dealer.volvotrucks.es/vehi-norte/our-depots/depot-1.html> (28.05.2020)

<sup>19</sup> <https://ws-public.man-mn.com/siit/mansettlementwebapp/public/client/detail.html?lang=es&id=41494> (28.05.2020)

<sup>20</sup> <https://ws-public.man-mn.com/siit/mansettlementwebapp/public/client/detail.html?lang=es&id=40982> (28.05.2020)

<sup>21</sup> <https://www.resaguiuzcoana.com/es> (28.05.2020)

<sup>22</sup> <http://www.talleresviaisa.com/> (28.05.2020)

“IRURA MOTOR, S.A.”<sup>23</sup>Mercedes-Benz, also has a representant workshop in Deba, “AUTO REPARACIONES DEBA S.L.”<sup>24</sup>

- SCANIA AB: Scania follows a similar strategy as Volvo does. Having a unique concessionaire giving also an official workshop service. It is Located in Beasain. The name is “OLAONDO S.A.”<sup>25</sup>
- RENAULT Trucks: They do have a representant working as a concessionaire and workshop giving official services in Oyarzun. The name of this business is “REGUITRUK S.L.”<sup>26</sup>

Coming back to the actual situation of DAF company in Guipuzcoa, until today, the sales, and therefore, vehicle registrations in Guipuzcoa, Alava and Vizcaya, are made by the sales representants of the official concessionaires of Navarre, La Rioja and Cantabria. As analysed in the chapters above, the location of Guipuzcoa is the most indicated one to open a business directly related to logistics. There is one Workshop in Guipuzcoa that offers official DAF service, Talleres Pamendi S.L., but they are not a concessionaire or official dealing-point.

DAF company’s conditions and behave are always better to official concessionaires than official DAF service workshops. In other words, DAF will always take more care of the concessionaires, for example, delivering faster the spare-parts to the official concessionaires (the proposed business along this project) than to a workshop that only covers the services. Also, the selling prices of the spare-parts to the official concessionaires are lower than the ones settled for service workshops. This gives to the official concessionaires a bigger benefit margin.

Formation is another important point to choose being an official concessionaire. More formations courses (for mechanics, commercials, administrative workers...) are offered to the official concessionaires, this way, the brand ensures quality and professionalism along the commercial vehicle purchase process and during all the maintenance and reparation services.

The goal is not to put anyone out of the “game”, in other provinces, with less commercial vehicle fluctuation, there are different official DAF concessionaires and official DAF service workshops working in the same area without complications. For example, in Navarre, we find the official DAF concessionaire in Pamplona offering also workshop services, and at the same time, one official DAF service workshop is located in Alsasua (50 kilometres away from Pamplona). Sometimes, both companies have to collaborate together to give the best service to the customers.

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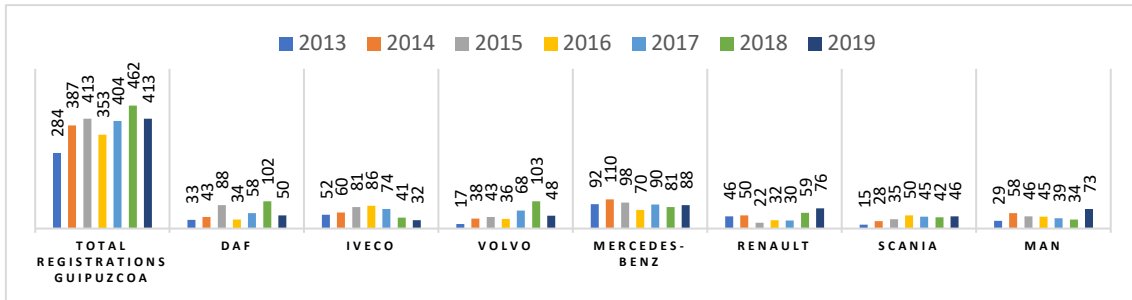
<sup>23</sup> <http://www.iruramotor.com/index.php?lang=> (28.05.2020)

<sup>24</sup> <https://www.mercedes-benz-deba.es/es/desktop/home.html> (28.05.2020)

<sup>25</sup> <https://www.scania.com/es/es/home/misc/dealer-locator/dealer-detail.html?dealer=72fbddb1-b7b9-49fd-a497-9b266407774f> (28.05.2020)

<sup>26</sup> <https://www.renault-trucks.net/reguitruck-s/> (28.05.2020)

Furthermore, in Guipuzcoa, almost all the brands have an official concessionaire and an official workshop. Checking out the number of registrations per commercial vehicle company in Guipuzcoa from 2013 to 2019 and doing a comparison with the other brands we can say an official DAF concessionaire would fit in Guipuzcoa's market (graphic below). The number of DAF truck registrations are higher than other brands', which have official concessionaires and workshops together in the region.



Graphic 6: Total commercial vehicle registrations in Guipuzcoa per truck company.  
 Source: Matriculaciones vehículos Industriales 2013, 2014, 2015, 2016, 2017, 2018 & 2019. DAF Vehículos Industriales S.A.U.

We believe, the same would happen with DAF in Guipuzcoa, on one side we will offer the possibility to all the potential customers to buy a DAF commercial vehicle (DAF company would be pleased, even ready to give a bonification or extra support to the entity trying to open an official concessionaire in Guipuzcoa). On the other side, having two workshops working, will totally improve the service and help to coordinate and serve all the DAF trucks crossing the border of Spain and France in both direction every day, giving a high quality and fast maintenance service.

Furthermore, following the tendency of other manufacturers, the registrations will fluctuate with more stability as we can see in the graphic above. Opening a concessionaire will help with the stability in Guipuzcoa and DAF will

Location of the proposed business.

The strategic position of Basque Country in Europe, has led to the creation of specific logistic centres all across the geography of Basque Country. These logistic centres try to give an answer to the everyday growing rhythm of sophistication and dynamism of the logistics worldwide. Together with other international logistics centres from France and Italy, the following four logistic centres are inside of the European group of Transport Platforms, also known as "Europlatforms"<sup>27</sup>:

<sup>27</sup> <https://www.euskadi.eus/centros-logisticos-de-euskadi/web01-a2merkan/es/> (28.05.2020)

- Centro de Transportes de Vitoria-Gasteiz (CTV)<sup>28</sup>: Located in the industrial área of Jándiz, Vitoria-Gasteiz (Alava). This logistic centre's size is 338.000 squared-meters big and offers all the activities related to the area of transport and logistics; warehouses, distribution centres, customs management services, airport, centres for consolidation of loads and modal exchange...
- Zaisa<sup>29</sup>: Located in Irun, Guipuzcoa. This Logistic centre is directly close to the "Atlantic-axis", between the border of France and Spain. There are multiple services available here too (same ones as in CTV). It is the biggest logistic centre in Basque country with 400.000 square-metres size.
- Aparcabisa<sup>30</sup>: Located 8 kilometres away from Bilbao, Vizcaya. The size of the two main areas, Trapagaran and Zierbena, reaches the 312.560 square-metres. Similar services to the other logistic centres mentioned above are offered here too.
- Arasur<sup>31</sup>: Located in Rivavellosa, Alava. It is the biggest logistics centre in Basque Country, with nearly 2 million square-meters. Most of the pavilions are warehouses, distribution or consolidation centres. Well located to stablish connections with the rest of Spain.

The information collected above was very useful to decide the best place to locate the proposed official DAF concessionaire. Around 3.000 square-metres terrain is required for this project.

We believe the correct place to set up the official concessionaire is the logistic centre Zaisa in Irun (Guipuzcoa). First point to underline, is the perfect geographic location: directly in the border, where we analysed the most commercial vehicle fluctuation is. The second reason behind this election are all the services offered in Zaisa, that will provide benefits to us (earlier spare-parts delivery, other companies that work in the same sector will be closer to work with...) and also our customers (restaurants, hotels, showers...) remotely. As long as there is no place available in Zaisa, we will look for other industrial areas close to it, which are also good options, with similar services and just few kilometres away. For example, Ficoba, Iparraide Gal, Mendibil, Arretxe Ugalde, Araso, Bidaurre-Ureder<sup>32</sup>...

The first idea was to buy the terrain and edify the concessionaire with the workshop in Zaisa. Anyway, after getting some information about the meter-square price average in industrial areas in Irun, 2.400 € per meter-square<sup>33</sup>, this would suppose an inversion of 7.200.000 € only for the terrain (without counting with the installations

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<sup>28</sup> [www.ctvitoria.com/ctv1\\_in.php](http://www.ctvitoria.com/ctv1_in.php) (28.05.2020)

<sup>29</sup> [www.zaisa.com/portada/portada.php](http://www.zaisa.com/portada/portada.php) (28.05.2020)

<sup>30</sup> <https://www.aparkabisa.com/index.html> (28.05.2020)

<sup>31</sup> <https://arasur.es/> (28.05.2020)

<sup>32</sup> <https://www.gestiondepolygonos.com/poligonos-industriales-Guipuzcoa> (28.05.2020)

<sup>33</sup> <https://www.deplace.es/precio-metro-cuadrado/gipuzkoa/irun> (28.05.2020)

and other expenses). We putted away this option due to the high price and the future difficulties we would have in the future to get this money from the credit companies.

The second option, at the same time the most feasible, is to rent a terrain. All the terrains have already infrastructures built on them. This means, we will rent a terrain with a structure built on it, in order to get all the legal licenses, a refurbishment must be done on it.

Finally, the average rent price per meter-square is 4,50€. Making quick numbers, for a terrain of 3.000 square-meters, 13.500 € must be disbursed monthly.

All the forecasts related to capital will be analysed in the 8<sup>th</sup> chapter, “Economic & Finance Analysis”. Here inversions, loans, interest etc. will be analysed and proven.

#### Target market and potential customers.

The target market, as defined for the first time in the 2<sup>nd</sup> chapter, “Business Idea”, is to create an official DAF concessionaire in Guipuzcoa, for commercial vehicles with a gross combination of 6 tonnes or more. In other words, selling DAF commercial vehicles, which their gross combination starts in 6 tonnes, and answer the necessities DAF truck owners giving a quality and professional service.

The proposed Business Plan, is designed for are all the potential customers of the DAF brand, mainly in Guipuzcoa, but also in the rest of Basque Country. When a description of the potential customers is given, we can identify different ones. The potential DAF product buyers are fleet companies and self-employed drivers. Furthermore, we can appreciate there already several trucks registered in the past (152 registrations, between the years 2018 and 2019) in Guipuzcoa, these ones would also fit as our direct potential customers, those commercial vehicles also need a post-sales official service, which covers maintenance and reparation of the vehicle.

Making an approximation to the quantity of companies working in the field of logistics, indifferently the legal form (self-employed workers or societies), there are 2.445 entities in all Basque Country: 987 entities in Vizcaya<sup>34</sup>, 402 entities in Alava<sup>35</sup> and 1.056 entities in Guipuzcoa<sup>36</sup>. We can assume all these companies as potential customers. We will not approach to other provinces where official DAF concessionaires are already existing, for example, Navarre, Cantabria or La Rioja.

Nevertheless, all the DAF commercial vehicles driving across the Guipuzcoan and French border are also potential customers. Some of these trucks are in the need of

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<sup>34</sup> <https://empresite.eleconomista.es/Actividad/LOGISTICA/provincia/VIZCAYA/> (15.05.2020)

<sup>35</sup> <https://empresite.eleconomista.es/Actividad/LOGISTICA/provincia/ALAVA/> (15.05.2020)

<sup>36</sup> <https://empresite.eleconomista.es/Actividad/LOGISTICA/provincia/GUIPUZCOA/> (15.05.2020)

maintenance or reparations after the long journeys. We will stand for all their necessities and give a professional and effective official service in our workshop.

## 5. Internal Environmental Analysis.

After doing a deep external analysis and checking the different factors that would affect the proposed business, is time to check the internal environmental analysis. This means, in short words, how can the entrepreneur assist in this project.

The very first step is to analyse DAF's requirements and see if these are fulfilled. Later on, the different resources and capacities the entrepreneur could have will be observed. Those resources and capacities must not be only tangible could also be intangible. To sum up, if the entrepreneur does not show up a minimum of resources or capacities, the proposed business will not be feasible at all.

### [Requisites to open an official DAF concessionaire.](#)

Several conditions are implemented by DAF for the opening of an official concessionaire. After contacting Ms. Ana Belen Gállego Fernández, the manager of the department "Commercial Services and Dealer Development" in DAF Spain, she kindly made me a list of the requirements established by the entity.

First of all, DAF asks for a good location of the concessionaire, a place where the opening of the business has an economic sense. Following this requirement, appropriated installations are demanded, thus must fulfil all the legal requirements implemented by the local institutions, but at the same time, should be big enough and modern for the daily routine, and of course, competitive and effective means must be implemented to offer the most professional service to the customers.

Once the location and installations terms are accomplished, qualified workers must be hired. DAF wants to have qualified personal in all their concessionaires and workshops. In this case, qualified workers must be searched. If these workers have a previous experience in the sector and their tasks are similar to the ones done before, this will be rated positively.

Regarding the financial requirements, most of them will be implemented over the initial balance. For example, a minimum of 20% from the total of the passive must be accounted in the share capital the first year, this percentage can vary in the following years and situate also slightly below 20%. In the case described before, DAF will understand the lower share capital as a way to achieve more other requisites.

Following the earlier example, different ratios are used to measure the capabilities of the nominee. The most used ratios are, the working capital ratio and rotation ratio. All these ratios, will be analysed in the 8<sup>th</sup> chapter, "Economic & Financial Analysis" of the Business Plan.

Finally, having a high Cash-Flow is another important factor to be accepted by DAF. Maintaining an official concessionaire together with a workshop pushes the

business to have an intensive liquidity to cover all the coming costs. Capacity to cover all the spare-parts necessities and new vehicles must be showed.

#### Resources and capacities of the potential business.

Different resources and capacities are needed to open a business. Some of them are tangible, such as, capital. Other ones are intangibles, for example, experience, image or reputation.

Both, tangible and intangible are important. The entrepreneur must find the way to ensure the success from the very beginning, for this reason all the best from her/his side should be shown. However, most of the times not all the resources and capacities are concentrated in one person. For this reason, the entrepreneur should search for those missing attributes or resources in another people.

Coming up with the situation in the proposed business, the entrepreneur has a minimum experience in the sector. The entrepreneur knows how does this sector work (the entrepreneur has worked before in another DAF concession) and how a concessionaire with workshop works. Also, it is easy for the entrepreneur to spot all the potential customers, which for other entrepreneurs in this sector was not easy at the beginning.

We may say difficulties will come together with achieving the necessary capital to form IPAR DAF S.L. (280.000€ must be accounted in the share capital), the entrepreneur will ask for a loan for all the inversions, but to stablish the entity own capital or from a partner is needed.

In this project, the entrepreneur will try to achieve the 280.000€, anyway, in case the entrepreneur cannot reach the mentioned quantity, some capitalist partners will be ready to invest money in the proposed business. Those “Business Angels” or capitalist partners will take part in the project and shares distributed according a previously signed contract. Another benefit these capitalist partners will enjoy is the deduction in their own taxes, because of helping an entrepreneur in the creation of a business.



## 6. Results of the External & Internal analyses: Strategy proposal.

After analysing both environments, internal and external, it is time to put them together, compare them, and depending the results choose the best strategy for the proposed business.

To fulfil this objective, we will use two tools: First of all, we will observe the different advantages and disadvantages of the proposed business using a SWOT analysis. The second tool to analyse the company's different attributes is defining a Marketing-Mix, this way a short description of the product, distribution, publicity and packaging will be given.

Finally, after having the results of the two tools mentioned in the paragraph before, we will proceed to design a suitable strategy, which will define the path that IPAR DAF S.L. will follow.

### A vision of SWOT analysis.

When it comes to the SWOT analysis, a vision of the internal and the external pros and cons will be displayed. As the name expresses, internal Strengths and Weaknesses will be announced, but also, Opportunities and Threats coming from the external environment. So far, this tool will give us summary of the situation of the company itself.

In one hand, there is the internal point of view, which analyses the Strengths and Weaknesses in bullet points. This will help the entrepreneur making a fast lecture and see which are the positive points and in which other lacks strength.

| STRENGTHS  | WEAKNESSES   |
|--|--|
| <ul style="list-style-type: none"><li>• Official Concessionaire &amp; Workshop.</li><li>• New &amp; modern installations.</li><li>• Location.</li><li>• Only concessionaire.</li><li>• Competitive prices for the trucks, services &amp; spare-parts.</li><li>• Formed workers.</li><li>• Conservative approach in the business plan.</li><li>• DAF is well-known &amp; prestige brand.</li><li>• Market niche, no concessionaire in Guipuzcoa, Vizcaya neither Alava.</li><li>• Motivated entrepreneur.</li></ul> | <ul style="list-style-type: none"><li>• New in the Guipuzcoan market.</li><li>• Mainly the first inversion is done by a loan.</li><li>• First time as a manager in a commercial vehicle concessionaire.</li><li>• Expensive area (rent).</li></ul> |

On the other hand, investigating the external environment the company will face with, could give us some advantages. For this reason, the second part of the SWOT analysis is brought to practice, checking out the Opportunities and Threats.

| OPPORTUNITIES   | THREATS  |
|---|--|
| <ul style="list-style-type: none"> <li>• Only concessionaire in Guipuzcoa, Alava &amp; Vizcaya.</li> <li>• Imports/Exports growing tendency.</li> <li>• Possibility to expand in the future to the provinces around, for example, opening new workshops or concessionaires.</li> <li>• Logistics are important, commercial vehicles like trucks are able to reach all the points, not like trains or boats.</li> <li>• Better economic &amp; financial</li> </ul> | <ul style="list-style-type: none"> <li>• Possible concurrence for getting the concession.</li> <li>• Creation of new concessions in Vizcaya or Alava.</li> <li>• Internal fights &amp; dishonest concurrence between the new concessionaire &amp; the other concessionaires from another region that were taking care of Guipuzcoa.</li> </ul> |

Now, after writing all the positive and negative bullet-points that can affect the proposed business, we can write a better strategy, answering or trying to find alternatives to all these negative points.

### Marketing-Mix.

The Marketing-Mix approaches the following factors of the business, product, place, promotion and price. It explores how these factors or tools act together with the objective to understand better the business and give a value-added experience to the potential customer. In few words, Marketing-Mix will give us hints for the design of a correct strategy. The factors will be analysed one by one:

- **Product:** The offered product to the potential customers are the DAF commercial vehicles, as explained in the 4<sup>th</sup> chapter of the Business Plan, there are three main DAF vehicle models, XF, CF and LF. All these models count with different variants. DAF vehicles are well-known for the quality and good consume averages. These features, together with the comfortable cabin, make them attractive.  
Nevertheless, high-quality original spare-parts will be sold directly to the customers requiring them. In case the potential customers want to make a maintenance or a reparation, official services will be given, following always the quality standards applied by DAF.

It is important to mention that spare-parts sales. Together with the services offered by the workshop are very profitable activities as we can see in the 8<sup>th</sup> chapter, “Economic & Financial Analysis”.

- Place: As discussed along all the Business Plan, Guipúzcoa is a geographically privileged region, located directly in the border with France. where, one of the two main axes cross the Pyrenees, the “Atlantic-Axis”. Due to this reason, a lot of national and international companies’ headquarters, warehouses and logistic centres are located here. As we could mention in the external macro-environmental analysis, around 8.000 commercial vehicles cross this frontier each day. Because of this, it is a good place to offer an official workshop service for all the DAF vehicles crossing the border. Also, sell DAF products, from trucks to spare-parts to the logistic companies settled in Guipuzcoa.

One negative point of the proposed place is the saturation of companies located in the industrial areas, this good location brings saturation and therefore high mobiliary prices.

- Promotion: Promotion is usually an important tool when it comes to a new stablished business. A good promotion, can be used to stablish communication with the potential customers. We identify two main groups of potential customers, the companies settled in Basque Country and all the drivers cruising the border between France and Spain in Guipúzcoa.

For the first group, the national and international companies settled in Basque Country, we will try to promote our business getting in direct touch or contact with them, and at the same time, we will advertise across the web-page and magazines publications in the respective transporters associations of each province of Basque Country: “Guitrans”<sup>37</sup> in Guipúzcoa, “Asetrabi”<sup>38</sup> and “Asociación de Transportistas de Alava” in Alava.

For the second group, the drivers passing close to the official workshop, the communication to promote the new DAF concessionaire will be done mainly via internet, in the social media and the official DAF webpage, where all the official dealers location appears. Some placards will be also implemented along the highway in a radio of 20 kilometres, so all the drivers are informed about the location. Renting a placard-panel for 1 year will cost the company 4.680€ per year (printing and installation 790€ per placard)<sup>39</sup>.

- Price: Coming up with the price, the benefit margin will be bigger in the workshop and spare-parts services rather than in the new commercial vehicles sales. The commercial vehicle sales prices are similar between the different brand models and variants, our goal is to make a benefit of around 5.000€ per truck, 6-7% margin over the cost price (all these features are explained in 8<sup>th</sup>

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<sup>37</sup> <https://www.guitrans.eus/presentacion/index.php> (15.05.2020)

<sup>38</sup> <http://www.asetrabi.com/> (15.05.2020)

<sup>39</sup> <https://www.oblicua.es/publicidad-externior/vallas-publicitarias.htm> (15.05.2020)

chapter, where the sales and costs forecasts appear). About the workshop service and spare-parts sales, a more benefit margin is expected.

### Business strategy proposal.

After exploring the SWOT analysis and doing a short review of the Marketing-Mix, it is time to visualize a business strategy, for at least the first 5 years of the company. This business strategy will be followed setting up some objectives and accomplishing them, for a better evaluation, meetings will be set up periodically.

The commercial strategy is based in the competitiveness and an excellent price-quality services. Also, DAF brand's good image will be exploited. The creation of contacts in the logistics companies will be one of the priorities.

The first step, after all the requirements imposed by DAF are fulfilled, is to let the potential customers know the opening of the official DAF concessionaire while the refurbishment is done. For this reason, we will use the social media and get in touch with the different transporters associations and see how we can reach the potential customers using those channels. At the same time, visits to the different logistics companies will be organised and commercial care will be applied with the potential customers. Our focus province is Guipuzcoa, but the company also will take care about other interested customers from the neighbour provinces of Vizcaya and Alava.

Once the first contact is done and the refurbishment finished, the plan is to open as soon as possible the workshop services. However, while the commercial activities are done in the time before to the opening, the workshop team and different departments responsible workers will be searched.

During the first five years, a lower price strategy will be implemented, selling all the commercial vehicle models a bit cheaper than the concurrence (1.500€ to 2.000€ cheaper). It is important to underline, as mentioned before, nowadays there are not big differences between the different brands of the commercial vehicle, most of the differences come from stereotypes or the past, when the differences between the brand were bigger. Also, DAF is a well-known company with prestige and success. With this low pricing strategy, the fleet of DAF trucks in Basque Country will grow up progressively.

At the same time, the workshop service prices and spare-parts will be kept in the same numbers, so every spare-part sold or service given will still have same profitability. This policy will achieve the possibility of offering good quality salaries to all the workers and at the same time let them grow.

Regarding the workshop services and spare-parts prices, could happen in the future the pricing policies are different to customers who bought the vehicle in the same concessionaire and just the DAF vehicle owners stopping for an emergency or a punctual necessity.

In summary, our aim is to follow a “Best-Cost Provider” strategy. This strategy was explained in 2012 by Thompson, A., Strickland, A. J. and Gamble, J. in their book “Crafting and Executing Strategy: The Quest of Competitive Advantage”. The following picture give us a better understanding of the mentioned strategy, where to locate it.

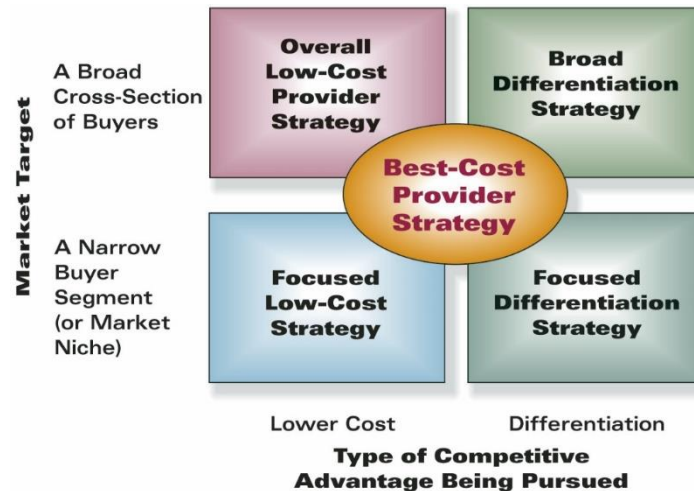


Image 47: "Best-Cost Provider" strategy.  
 Source: Thompson, A., Strickland, A. J. and Gamble, J. (2012). *Crafting and Executing Strategy: The Quest for Competitive Advantage: Concepts and Cases*, 18/e, McGraw-Hill.

“Best-Cost Provider” strategy combines a strategic emphasis or balance on low-cost (understanding low-cost by meeting or exceeding buyer expectations for the payed price, for example, in services) and differentiation (offering outstanding services, costume care and products with good-to-excellent attributes), I would call it best value.

A best-value provider’s competitive advantage is based on its capability to include upscale attributes at a lower cost than rivals’ comparable products. This idea can come true, in our case, DAF is a high-quality commercial vehicle producer, but the prices stay lower than Mercedes-Benz or Volvo vehicles, offering the same attributes and quality products. Developing these DAF products, attracts a lot of customers who wants to enjoy a quality truck for a lower price. What is even more important, al the truck maintenance and reparation services will meet DAF brand’s high quality standards, this means an excellent service with a reasonable-low price. Again, the examples mentioned above, other truck manufacturers usually keep workshop service prices higher and try to make a huge profit from them, sometimes, not even meeting the expectations of the customers.

To sum up, we will provide an attractive customer service with a reasonable-low cost than rivals. “Best-Value Provider” strategy works best when buyer diversity makes product differentiation the norm (good quality product, versatile and with a comfort cabin) and when many buyers are also sensitive to price and value, nowadays, the differences among different brands are so small, that clients are sensitive to price and value.

## 7. Legal form, Organisation & Human Resources.

Every company is different and should choose the way they want to work and organise. There are not better or worse organizations or legal forms It is important to analyse the current situation to take the right decisions and also never stop exploring alternatives and keep adapting the company looking forward to the future. This is the key of the success when it comes to this topic.

In the following paragraphs we will give a sight to the decisions we will take in the opening of the proposed company regarding this chapter.

### Legal form.

There are several legal forms available to start and create a company in Spain, as an individual you can work as a self-employed or create a society. Eventually, there are different society legal forms but the most common ones are private limited societies or public limited society (known as a “Sociedad Anónima”)

The goal of this chapter is to analyse the different options, in other words, legal forms available and assign one for our new company. From the very beginning we can skip or put away the option of using the public limited society legal form, usually this legal form is used for big corporations with a strict organisation behind. Another fact that stop us using this legal form is that the very beginning share capital inversion should be equal to 60.000€ or higher<sup>40</sup>.

If we analyse the self-employed option against creating a private limited company, we will realise that the biggest difference between both of them is the way of paying taxes to the state.

Once the entrepreneur wants to create the company, there must not be a minimum share capital inversion at the creation balance of the business. Let´s say this is an attractive positive point. Self-employed workers have a progressive “PIT n” (Personal Income Tax proportional to “n”, also known as income), this means, bigger the profits, bigger the taxes. Find attached the following table for a better understanding of how the taxes work on the total income:

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<sup>40</sup> [www.creatuempresa.org/es-ES/PasoA Paso/Paginas/FormasJuridicas.aspx](http://www.creatuempresa.org/es-ES/PasoA Paso/Paginas/FormasJuridicas.aspx) (30.04.2020)

| INCOME                | TAX prop. |
|-----------------------|-----------|
| n < 12.450€           | 19%       |
| 12.450€ < n < 20.200€ | 24%       |
| 20.200€ < n < 35.200€ | 30%       |
| 35.200€ < n < 60.000€ | 37%       |
| 60.000€ < n           | 45%       |

Table 2: Progressive "PIT n" according to income.

Source: <https://debitoor.es/guia-pequenas-empresas/fiscalidad-e-impuestos/irpf-retenciones-autonomos>

However, imagine for a moment the entrepreneur wants to create a private limited company. The entrepreneur (could be also more than one business partner in the creation of the company) has to invest a minimum quantity of 3.000€<sup>41</sup> regarding the share capital in the starting balance to adopt this legal form, not a very significant money quantity. On the other hand, the private limited societies' tax over the income is fixed, it is always the same percentage no matter the income quantity, this point helps with the company's previsions.

As mentioned, the societies have a fixed tax over the income, the 25% of the total income exactly. Nevertheless, some deductions can be applied to this tax, making it smaller in profit of the company<sup>42</sup>.

In little words, once company's profits are bigger than 20.200€, it is worth to create a private limited society, because from this point, the percentage of the taxes will be 30% or even higher in the case of a self-employed.

Furthermore, the 20<sup>th</sup> of March, 2013 an official decree (valid upon today) came into application from the government of Spain, giving some incentives to the new entrepreneurs. Between these incentives we can read, that the companies achieving less than 300.000€ income, will not have to pay the planned 25% in taxes over the income but the 15%, and the same happens when the company factures an income over 300.000€, the taxes over the income will be only 20%. This benefit for the new entrepreneurs will be only active during the company's first two years<sup>43</sup>.

There are still three important points more to form a company as a society. First of all, the responsibility is limited, this means, in the worst situation when the company is in bankrupt and cannot face anymore the negative numbers the debtors will be paid only using the funds of the society, until they are finished. When we speak about self-employees in the same situation, they will have to pay all their debts even with their own personal funds, for example, properties, collections, automobiles...

<sup>41</sup> <http://www.creatuempresa.org/es-ES/PasoApaso/Paginas/FormasJuridicas.aspx> (30.04.2020)

<sup>42</sup> <https://www.bbva.es/finanzas-vistazo/ef/empresas/impuestos-autonomo-sociedad-limitada.html> (30.04.2020)

<sup>43</sup> Real Decreto-ley 4/2013, de 22 de febrero, de medidas de apoyo al emprendedor y de estímulo del crecimiento y de la creación de empleo (23.03.2013). Boletín oficial del Estado.

As a second point, the company image is always stronger being a society and not a self-employed. It will be easier to get financing from the banks. Normally, societies have a clearer accountancy and the share capital from the start will also give confidence to the banks.

To finish, the commercial image is also stronger when we compare the societies with the self-employed ruled organisations. Societies look more professionals and potential customers will trust more in them.

Concluding with the analysis of the legal form of the business or company, it will be defined as a private limited society. The next reasons for this choice are given, trying to give a more professional look to the potential customers and profiting the company with a better image in front of other entities. Also, knowing the profitable fiscal conditions, helps to take this decision. The profitability and viability of this project are also not totally ensured, because of this, we believe the limited responsibility attribute of the societies is always an important fact to take care of and create a private limited society.

Going one step ahead, the Spanish government offers several economic grants and subsidies to private limited society entities<sup>44</sup>. There are different aids, with different requisites. It is very important to know all this advantages during the creation of a company, thus can give us the support we need to begin any activity. However, I personally analysed all of them and did a selection of the ones I could ask for, following the conditions applied of the grants and subsidies. In the following bullet points are stated with a short description the grants and subsidies the entity can apply for:

- Private investors, known as “Business Angels”: Private persons and funds could be a good option to finance the new-open company. If private persons or funds support your idea providing capital or knowledge, they will beneficiate their selves with a deduction in their income statement. Up to 20% will be deducted, with a maximum quantity of 50.000€.

- Instituto de Crédito Oficial (ICO) loans<sup>45</sup>: These loans are approved and given away by a public governmental entity. Thus, can be used with different purposes; infrastructure rehabilitations, inversions, commercial vehicle (up to 30.000€ without VAT) acquisitions...

The interests can be fix or variable and only early amortization repayment commissions can be implemented. A maximum loan of 12,5 million Euro will be given. The indebted entity must negotiate the amortization time with the correspondent credit entity, from a minimum of one year to a maximum of 20 years.

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<sup>44</sup> <https://www.iebschool.com/blog/ayudas-y-subsvenciones-emprendedores-creacion-empresas/> (30.04.2020)

<sup>45</sup> <https://www.ico.es/web/ico/que-es-ico> (30.04.2020)



- Participatory business creation loan for young people by Empresa Nacional de Innovación (Enisa)<sup>46</sup>: These loans, like the ICO ones, are given by a public governmental entity. Thus, are only given to applicants which were established in a minimum of two years before. There are several requisites, for example, the majority of the capital must be managed by partners under 40 years old, the owners must show the viability of the project, the business cannot be related to financial or mobiliary sector...

There are interest and commissions to watch out the minimum loan quantity starts in 25.000€ and the maximum loan reaches 75.000€. The applicant entity can negotiate the amortization time, within a maximum of 7 years. No guarantees are asked to the loan applicants.

Not only the Spanish government offers grants and subsidies, also Basque Country's government does it. Anyway, after exploring all the possibilities of applying, I realized I will not be able to opt to any of them, because neither I am a Basque citizen, neither my first residency is in Basque Country (I am a citizen of Navarre and my first residence in is Navarre too). Furthermore, one of the conditions to apply for a grant or subsidy in Basque Country is that the entity must not be involved in any similar process at the same time<sup>47</sup>. These are some reasons I cannot ask for a grant or subsidy in Basque Country. Nevertheless, the proposed entity in this Business Plan will apply for the grants and subsidies explained above.

### Organisation & Human Resources.

First of all, it is important to mention the compromise the company will have with all the workers, this will enforce the company and at the same time a good working atmosphere will be positive to fulfil the customers' demands. In other words, empower the workers of the company and motivate them to come up together with the company's objectives.

The strength of any organisation resides in the operability of all the involved workers and the working performance of each one. Values such as honesty and respect are required to work together, but everything above would not work without the a very important attribute, the professionalism in each person's task.

For workers to be involved, they need to love what they do. Because of this reason, we are going to be very demanding in our hiring process. Trying to just not know our future employees' skills but values and expectations. Therefore, they might be satisfied working in our company. They need as well to share the values and objectives

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<sup>46</sup> <https://www.enisa.es/es/financia-tu-empresa/lineas-de-financiacion/d/jovenes-emprendedores> (30.04.2020)

<sup>47</sup> <https://www.lanbide.euskadi.eus/general/-/informacion/ayudas-de-apoyo-a-las-personas-emprendedoras/> (30.04.2020)

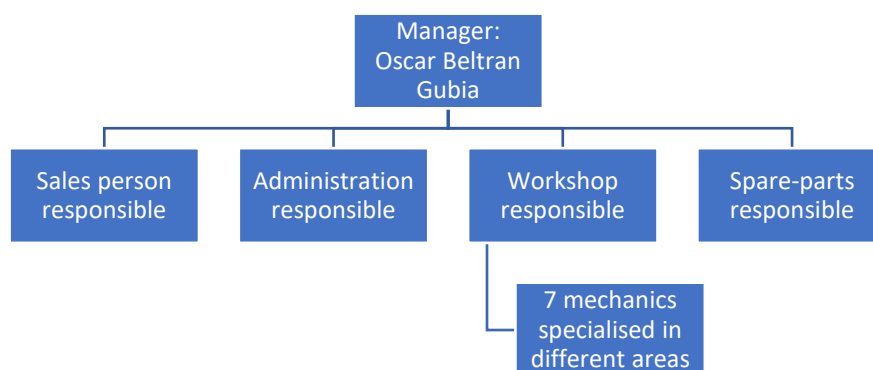
of the company. We are going to be very clear and transparent in our communication policy. At the same time one of the main objectives is to be very receptive with our employee's ideas, suggestions and proposals.

On the other hand, a good motivational and incentive plan will work positively in their commitment. Salary policy should be designed following an equity plan and avoiding big differences among workers and discrimination. This salary policy should be communicated. Employees appreciate organizational equity as a whole: distribution equity (how much they get paid for their effort), procedural equity (how are salaries fixed) and interactional equity (relation with the manager). Such a good example is to put limits in the salary difference, for example, the manager of the entity, will not earn four times more than an operator or a mechanic.

Finally, timetable flexibility is as well very much appreciated by employees. We will try to be fair and adapt to our employees demand as much as possible.

We believe there are some difficulties or disadvantages we could face with. Depending the location and the distribution of the infrastructure, some installations related to the workers could be problematic, for example, changing rooms, showers, kitchen, formation rooms, climatization from the workshop... As long the business proposal is done taking into account all the workers' necessities, all these problems will be minimized and erased, avoiding setbacks and helping the workers to show off all their potential.

The following organigram will be implemented for the correct performance of the company. Also, it will give all the workers a better understanding of how the company works and it will describe who they must contact depending the situation. The company will be completed with 12 professionals: 1 manager, 1 sales person, 1 administrative responsible, 1 spare-parts responsible, 1 workshop responsible and 7 specialised mechanics (each mechanic will be specialised in a different area of the truck; paint, engines, electronics...).



We assume this organigram will be the reference one during all the life time of the company. It is a functional organigram based on the different functions of each worker:

- High specialization is demanded, every worker will have a different task and objectives during the working day. For example, the commercial will focus in meeting the potential customers and the mechanics will repair the broken vehicles according to their specialization fields.
- All the decisions are centralized. In other words, the manager will take the main decisions related to the company. However, the responsible person of each area will enjoy a little autonomy in the respective department.
- Middle formalization. This means most of the actions and decisions taken will not have to be declared or described in any specific form. Only decisions took in regular meetings between the manager and department responsible. Also, a brief description of every service offered in the workshop will be obligatory. The commercial must also present in the monthly meeting a description of the accomplished activities and sales.
- There is only one level of hierarchy, but different authorities: Highest authority is the manager of the company, following this, middle-authority responsible will take care of the entity. To end up, the lowest authority will be held by the rest of the workers, for example, the mechanics and other employees hired by any other department in the future.

There are some advantages and disadvantages, which can be spotted in this kind of organigram. These are described in the following table:

| ADVANTAGES  | DISADVANTAGES   |
|---|---|
| <ul style="list-style-type: none"> <li>• Simple structure, easy to follow and execute.</li> <li>• Strong organisation. Each worker has a task to fulfil.</li> <li>• Cheap and easy-going organigram structure, no secretaries or different level managers needed.</li> <li>• Big specialisation across the departments. Effective and efficient departments.</li> <li>• Big communication between the work-teams, same technical knowledge.</li> <li>• Communication between the departments in the monthly meeting.</li> </ul> | <ul style="list-style-type: none"> <li>• In case of any change or problem, the company may have difficulties to find a substitute, because of the high specialisation level.</li> <li>• Dependency on the decision of the responsible people.</li> <li>• Bureaucracy. Fulfillment of formularies and analysis of them.</li> <li>• No economies of scale.</li> <li>• No innovation at all.</li> <li>• Departments will priorice their objectives.</li> </ul> |

To sum up, we believe this organigram structure is the best one due to cost effectiveness and high specialisation ranks in every task. Also, each worker has a task to fulfil making easier the evaluation of the results. In the coming chapter, “Economic & Finance analysis”, details about the salaries will be given.

## 8. Economic & Finance Analysis.

Coming up with the last descriptive chapter of the Business Plan, before the final conclusion, the objective is to analyse the economic and finance features to see if the proposed business is really feasible.

It is clear that an economical sight of the business, describing the different fields and giving numbers to them will help to make a conclusion about the business profitability. It is important to underline that, all the numbers or money quantities related to costs or negative features will be rounded up, this way we can avoid “surprises” or unexpected changes due to bad calculations.

### Salary policy.

Following with the chapter before, “Legal form, organisation & Human Resources”, is now time to set up the salaries policy. Taking the organigram as a reference, three different salary levels will be distinguished.

The lowest salary level is assigned to the mechanics. The monthly salary in the first year will be 2.800€ before taxes of the social welfare and they will have fourteen different payments along the year. As we calculated in the 7<sup>th</sup> chapter, at the beginning the idea is to hire seven mechanics. This means, hiring all the operators or mechanics will suppose a cost of 274.400€ along the first year. The salary after taxes is about 2.000€ per mechanic monthly.

Accordingly, with the intermediate level of the salary policy, we find all the responsible people of all the departments: Sales, administration, spare-parts and workshop. These responsible people will earn a quantity of 3.220€ before social security, in every payment. In few words, all the department responsible people will cost to the company along the year 180.320€. The salary after taxes will reach the 2.300€ per worker monthly.

Finally, in the highest level of the salary policy, is settled for the manager, earning in every payment 3.640€ before taxes. At the end of the year, this person will earn 50.960€. Roughly, 2.600€ after taxes monthly.

It is important to mark, all these salaries can vary a bit, as we mentioned in the chapter above, we are ready to listen our workers, this means, personal policies and contracts could be applied, after a negotiation with any worker. Also, as expected, the salaries will grow up every year 1,5%. We look for an experienced and formed team, willing to do a professional carrier in our entity. For this reason, we understand a solid team is important, because of this, is a good idea to start making the salaries higher to motivate even more the workers and make them stay with us.

In the following table, it is explained how the evolution of the salaries will be according to our salary policy.

Once more, the quantities above are the yearly sum of all the workers' salaries (remember 14 payments will be done every year) in the company together. These quantities are an estimation and they are gross quantities before taxes from the social security are applied on them. These salaries are calculated taking into reference 8 hours working journeys, from Monday to Saturday mid-day (Saturdays only 4 hours). Starting at 8:30 am and finishing at 18:30 pm, with a pause of three hours in the middle, from 13:30 pm to 15:30 pm.

**SALARY POLICY DAF CONCESSIONAIRE GUIPUZCOA**

| POSITION                   | Quantity of workers | Gross salary per payment | Payments along the year | Gross salary per year | Yearly increment |
|----------------------------|---------------------|--------------------------|-------------------------|-----------------------|------------------|
| Manager                    | 1                   | 3.640 €                  | 14                      | 50.960 €              | 1,50%            |
| Sales responsible          | 1                   | 3.220 €                  | 14                      | 45.080 €              | 1,50%            |
| Workshop responsible       | 1                   | 3.220 €                  | 14                      | 45.080 €              | 1,50%            |
| Spare-parts responsible    | 1                   | 3.220 €                  | 14                      | 45.080 €              | 1,50%            |
| Administration Responsible | 1                   | 3.220 €                  | 14                      | 45.080 €              | 1,50%            |
| Operators / Mechanics      | 7                   | 2.800 €                  | 14                      | 39.200 €              | 1,50%            |

|                            | SUM OF ALL SALARIES 2021 | SUM OF ALL SALARIES 2022 | SUM OF ALL SALARIES 2023 | SUM OF ALL SALARIES 2024 | SUM OF ALL SALARIES 2025 |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Manager                    | 50.960 €                 | 51.724 €                 | 52.500 €                 | 53.288 €                 | 54.087 €                 |
| Sales responsible          | 45.080 €                 | 45.756 €                 | 46.443 €                 | 47.139 €                 | 47.846 €                 |
| Workshop responsible       | 45.080 €                 | 45.756 €                 | 46.443 €                 | 47.139 €                 | 47.846 €                 |
| Spare-parts responsible    | 45.080 €                 | 45.756 €                 | 46.443 €                 | 47.139 €                 | 47.846 €                 |
| Administration Responsible | 45.080 €                 | 45.756 €                 | 46.443 €                 | 47.139 €                 | 47.846 €                 |
| Operators / Mechanics      | 274.400 €                | 278.516 €                | 282.694 €                | 286.934 €                | 291.238 €                |
|                            | <b>505.680 €</b>         | <b>513.265 €</b>         | <b>520.964 €</b>         | <b>528.779 €</b>         | <b>536.710 €</b>         |

## Sales forecast.

Going ahead with the sales expectations, we must remember DAF has three different commercial vehicles in their portfolio: XF, CF and LF. The sales prices of these products are settled in the following way. The XF model will have a rounded up selling price of 85.000€, while the CF model will have approximately a selling price of 81.000€. Finally, the smallest commercial vehicle of the portfolio will have a rounded up selling price of 50.000€.

We understand selling commercial vehicles is the main objective of any concessionaire, anyway, official workshop services will be offered and spare-parts sold. While some spare-parts will be directly sold to the customer, such as, engine oil, merchandising etc. most of the spare-parts will be sold or included together with the workshop services.

It is worth noting the sales of used commercial vehicles, actually the impact of these sales is not huge, but it is important to explain where they come from. There are several reasons an official concessionaire could obtain back the vehicles from their customers.

Sometimes, unfortunately, the customers are not able to pay anymore the purchased vehicle, because of this, the only way of quitting the debt or part of it is giving back the truck. This is not a very common situation; the resources of a customer are always checked by the credit entities before effectuating the sale.

The customers should finance their commercial vehicle to acquire it, unless they have enough capital to pay the truck directly. Different banks and credit entities take care about this topic, even DAF has a financing entity, which helps the potential customers financing their trucks.

Other times, if the concessionaire has achieved a renting contract together with the customer, once the renting contract expires, the concessionaire must rebuy the truck from the client for the settled fixed price in the renting contract (if the customer decides buying again a DAF product, the rebuy price could be a bit bigger than if the customer goes for another brands' trucks).

Otherwise, the customer can also expand the lifetime of the renting contract or pay the last money sum asked to buy the truck and keep the commercial vehicle. If the customer goes for the first option and sells the truck to the concessionaire for the previously spoken money quantity, the concessionaire is directly obligated to sell the commercial vehicle as an used vehicle.

Having used vehicles in stock does not help the concessionaire, all the contrary, it is important to sell them as soon as possible so they do not get devaluated. This is the reason behind those vehicles are sold under the cost price, even if this action supposes loses to the concessionaire.

**SALES FORECAST DAF CONCESSIONAIRE GUIPUZCOA (UNITS & EURO)**

| Products & Services        | YEAR 2021 |                    | YEAR 2022 |                    | YEAR 2023 |                     | YEAR 2024  |                     | YEAR 2025  |                     |
|----------------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|------------|---------------------|------------|---------------------|
|                            | Units     | sum Euro           | Units     | sum Euro           | Units     | sum Euro            | Units      | sum Euro            | Units      | sum Euro            |
| New Commercial Vehicles:   |           |                    |           |                    |           |                     |            |                     |            |                     |
| DAF XF                     | 55        | 4.675.000 €        | 60        | 5.100.000 €        | 65        | 5.525.000 €         | 69         | 5.865.000 €         | 75         | 6.375.000 €         |
| DAF CF                     | 12        | 972.000 €          | 15        | 1.215.000 €        | 17        | 1.377.000 €         | 20         | 1.620.000 €         | 22         | 1.782.000 €         |
| DAF LF                     | 6         | 300.000 €          | 9         | 450.000 €          | 11        | 550.000 €           | 14         | 700.000 €           | 16         | 800.000 €           |
| <b>Sum of new vehicles</b> | <b>73</b> | <b>5.947.000 €</b> | <b>84</b> | <b>6.765.000 €</b> | <b>93</b> | <b>7.452.000 €</b>  | <b>103</b> | <b>8.185.000 €</b>  | <b>113</b> | <b>8.957.000 €</b>  |
| Used Commercial Vehicles   |           |                    |           |                    |           |                     |            |                     |            |                     |
|                            |           | 770.000 €          |           | 845.000 €          |           | 900.000 €           |            | 975.000 €           |            | 1.030.000 €         |
| Spare-parts                |           | 1.400.000 €        |           | 1.490.000 €        |           | 1.570.000 €         |            | 1.650.000 €         |            | 1.730.000 €         |
| Workshop Services          |           | 540.000 €          |           | 560.000 €          |           | 590.000 €           |            | 620.000 €           |            | 650.000 €           |
| Other services             |           | 40.000 €           |           | 45.000 €           |           | 50.000 €            |            | 55.000 €            |            | 60.000 €            |
| <b>SUM OF TOTAL SALES</b>  |           | <b>8.697.000 €</b> |           | <b>9.705.000 €</b> |           | <b>10.562.000 €</b> |            | <b>11.485.000 €</b> |            | <b>12.427.000 €</b> |

**Growth rates (%)**

Commercial Vehicles:

|                                 |               |              |              |              |
|---------------------------------|---------------|--------------|--------------|--------------|
| DAF XF                          | 8,33%         | 7,69%        | 5,80%        | 8,00%        |
| DAF CF                          | 20,00%        | 11,76%       | 15,00%       | 9,09%        |
| DAF LF                          | 33,33%        | 18,18%       | 21,43%       | 12,50%       |
| <b>Growth rate new vehicles</b> | <b>13,10%</b> | <b>9,68%</b> | <b>9,71%</b> | <b>8,85%</b> |
| Used Commercial Vehicles        |               |              |              |              |
| Spare-parts                     | 6,04%         | 5,10%        | 4,85%        | 4,62%        |
| Workshop Services               | 3,57%         | 5,08%        | 4,84%        | 4,62%        |
| Other services                  | 11,11%        | 10,00%       | 9,09%        | 8,33%        |



## Costs forecast.

DAF has different prices for each vehicle. Once the concessionaire receives the confirmation from the credit entity, saying that the customer has enough assets to pay the chosen product, a petition is done to DAF, describing the product the customer would like to purchase and asking for a deadline to inform the customer. For a XF model, the costs for the concessionaire ascend to 79.000€. Following the XF comes the CF with a total cost per unit of 77.000€. Finally, we have the LF model with a unit cost of 47.000€.

As it is mentioned in the point above, “Sales forecast”, the cost of the used vehicles (the total sum of all the rebought commercial vehicles by the concessionaire) is always higher than the sales price, due to the necessity of getting rid from those vehicles before their total devaluation or depreciation.

The spare-parts and other services costs sums are lower than the ones achieved in the sales forecast. The workshop salaries costs represent the yearly sum of the mechanics’ salaries. Yearly this quantity will increase 1,5% as stated before in the “Salary Policies” point.

### **COSTS FORECAST DAF CONCESSIONAIRE GUIPUZCOA (UNITS & EURO)**

| Products & Services        | YEAR 2021 |                    | YEAR 2022 |                    | YEAR 2023 |                    | YEAR 2024  |                     | YEAR 2025  |                     |
|----------------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|------------|---------------------|------------|---------------------|
|                            | Units     | sum Euro           | Units     | sum Euro           | Units     | sum Euro           | Units      | sum Euro            | Units      | sum Euro            |
| New Commercial Vehicles:   |           |                    |           |                    |           |                    |            |                     |            |                     |
| DAF XF                     | 55        | 4.345.000 €        | 60        | 4.740.000 €        | 65        | 5.135.000 €        | 69         | 5.451.000 €         | 75         | 5.925.000 €         |
| DAF CF                     | 12        | 924.000 €          | 15        | 1.155.000 €        | 17        | 1.309.000 €        | 20         | 1.540.000 €         | 22         | 1.694.000 €         |
| DAF LF                     | 6         | 282.000 €          | 9         | 423.000 €          | 11        | 517.000 €          | 14         | 658.000 €           | 16         | 752.000 €           |
| <b>Sum of new vehicles</b> | <b>73</b> | <b>5.551.000 €</b> | <b>84</b> | <b>6.318.000 €</b> | <b>93</b> | <b>6.961.000 €</b> | <b>103</b> | <b>7.649.000 €</b>  | <b>113</b> | <b>8.371.000 €</b>  |
| Used Commercial Vehicles   |           |                    |           |                    |           |                    |            |                     |            |                     |
| Spare-parts                |           | 950.000 €          |           | 1.000.000 €        |           | 1.050.000 €        |            | 1.100.000 €         |            | 1.150.000 €         |
| Workshop Salaries          |           | 219.520 €          |           | 222.813 €          |           | 226.155 €          |            | 229.547 €           |            | 232.991 €           |
| Other services             |           | 25.000 €           |           | 27.000 €           |           | 30.000 €           |            | 33.000 €            |            | 36.000 €            |
| <b>SUM OF TOTAL COSTS</b>  |           | <b>7.545.520 €</b> |           | <b>8.442.813 €</b> |           | <b>9.202.155 €</b> |            | <b>10.011.547 €</b> |            | <b>10.839.991 €</b> |

### Margins over the expected sales.

The margins over the expected sales will always help us to analyse the tendencies between the sales and costs forecasts. These are calculated to know how much is the margin or difference (always in percentage) of money between both forecasts.

This can be used as a tool to set different objectives when it comes to margins and rentability. At the same time, they are a good guide to set sales prices. Here a table with all the margins over the expected sales of all the product and service portfolio.

As we can see in the results of the margins along the first five years about the used commercial vehicles are negative, anyway, a major the profit is made during the renting time, where t of the trucks, a huge profit was done. The concessionaire will focus making the margins (losses) the smallest possible, avoiding further losses and trying to sale these trucks in the same value as purchased as soon as possible.

#### **MARGINS OVER THE EXPECTED SALES DAF CONCESSIONAIRE GUIPUZCOA**

| <b>Products &amp; Services</b> |                           | <b>YEAR 2021</b> | <b>YEAR 2022</b> | <b>YEAR 2023</b> | <b>YEAR 2024</b> | <b>YEAR 2025</b> |
|--------------------------------|---------------------------|------------------|------------------|------------------|------------------|------------------|
| New Commercial Vehicles        | <b>% over sales price</b> | <b>6,66%</b>     | <b>6,61%</b>     | <b>6,59%</b>     | <b>6,55%</b>     | <b>6,54%</b>     |
| Used Commercial Vehicles       | <b>% over sales price</b> | <b>-3,90%</b>    | <b>-3,55%</b>    | <b>-3,89%</b>    | <b>-2,56%</b>    | <b>-1,94%</b>    |
| Spare-parts                    | <b>% over sales price</b> | <b>32,14%</b>    | <b>32,89%</b>    | <b>33,12%</b>    | <b>33,33%</b>    | <b>33,53%</b>    |
| Workshop Salaries              | <b>% over sales price</b> | <b>49,19%</b>    | <b>50,27%</b>    | <b>52,09%</b>    | <b>53,72%</b>    | <b>55,19%</b>    |
| Other services                 | <b>% over sales price</b> | <b>37,50%</b>    | <b>40,00%</b>    | <b>40,00%</b>    | <b>40,00%</b>    | <b>40,00%</b>    |

### Commercial expenses.

Publicity and commercial care to customers are two important factors that will affect the sales forecast. Because of this, we will put some money for covering these necessities.

As we could see, most of the promotion of the concessionaire will be done using the different magazines of the transporters' associations, social media and placard-panels. Those activities have a cost, for this purpose the 1% of the total sales will be used.

About commercial care to customers, such as, meals, gifts, merchandising... a 0,15% of total sales money will be used.

### COMMERCIAL EXPENSES DAF CONCESSIONAIRE GUIPUZCOA

|                                  | YEAR 2021        | YEAR 2022        | YEAR 2023        | YEAR 2024        | YEAR 2025        |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Publicity & Marketing*           | 86.970 €         | 97.050 €         | 105.620 €        | 114.850 €        | 124.270 €        |
| Commercial care to customers**   | 13.046 €         | 14.558 €         | 15.843 €         | 17.228 €         | 18.641 €         |
| <b>Total Commercial Expenses</b> | <b>100.016 €</b> | <b>111.608 €</b> | <b>121.463 €</b> | <b>132.078 €</b> | <b>142.911 €</b> |

\*Publicity will be 1% of total sales

\*\*Commercial care to customers will be 0,15% of total sales

#### Inversions & Amortizations.

To start the business and give the first step forward, after choosing a legal form for the company, a place to develop the proposed business must be searched. We can assume that the place we will find does not have the necessary installations, furniture and IT means.

The concessionaire should offer a quality service to all the customers, for this a refurbishment and inversions must be done in the rented place. In order to accomplish all those modifications in the main structure of the building, a loan will be asked, the details of this loan are showed in the following point "Loan".

All these inversions must be amortized along the lifetime of the company. It is very important to establish the legal and right amortization percentages, for this, we informed ourselves from the Spanish Tax Office's website<sup>48</sup>.

### INVERSIONS & AMORTIZATIONS DAF CONCESSIONAIRE GUIPUZCOA

| INVERSIONS             | YEAR 2021        | FIXED ASSETS              | VALUE EURO       | % AMORTIZATION | ANUAL AMORTIZATION               |
|------------------------|------------------|---------------------------|------------------|----------------|----------------------------------|
| Refurbishment          | 200.000 €        | Refurbishment             | 200.000 €        | 10%            | 20.000 €                         |
| Installations          | 500.000 €        | Installations             | 500.000 €        | 10%            | 50.000 €                         |
| Furniture              | 80.000 €         | Furniture                 | 80.000 €         | 10%            | 8.000 €                          |
| IT                     | 30.000 €         | IT                        | 30.000 €         | 25%            | 7.500 €                          |
| Software               | 10.000 €         | Software                  | 10.000 €         | 33%            | 3.333 €                          |
| <b>Total Inversion</b> | <b>820.000 €</b> | <b>Total fixed assets</b> | <b>820.000 €</b> |                | <b>88.833 €</b>                  |
|                        |                  |                           |                  |                | <b>Total Annual Amortization</b> |

<sup>48</sup><https://www.agenciatributaria.es/AEAT.internet/Inicio/ Segmentos /Empresas y profesionales/Empresas/Impuesto sobre Sociedades/Periodos impositivos a partir de 1 1 2015/Base imponible/Amortizacion/Tabla de coeficientes de amortizacion lineal .shtml> (25.05.2020)

## Loan.

To finance all the planned inversions a loan will be asked to a credit entity. We calculate 900.000€ will be needed to set up all the installations. Furthermore, we hereby believe ten years will be enough to give back this loan. The decision was to pay the interests annually with fix-interests. As a reference percentage for the interests were taken April's Euribor<sup>49</sup>, which was a negative value, (-0,108) and a reference index of 1,5%.

To calculate correctly the loan, the quote and the evolution of the interests together with the amortizations were introduced in a loan simulator<sup>50</sup>.

### **LOAN DAF CONCESSIONAIRE GUIPUZCOA**

| YEAR | QUOTE       | INTERESTS   | AMORTIZATION QUOTE | ACCUMULATED AMORTIZATION | MISSING CAPITAL |
|------|-------------|-------------|--------------------|--------------------------|-----------------|
| 2021 | 97.590,76 € | 13.500,00 € | 84.090,76 €        | 84.090,76 €              | 815.909,24 €    |
| 2022 | 97.590,76 € | 12.238,64 € | 85.352,12 €        | 169.442,88 €             | 730.557,12 €    |
| 2023 | 97.590,76 € | 10.958,36 € | 86.632,40 €        | 256.075,28 €             | 643.924,72 €    |
| 2024 | 97.590,76 € | 9.658,87 €  | 87.931,89 €        | 344.007,17 €             | 555.992,83 €    |
| 2025 | 97.590,76 € | 8.339,89 €  | 89.250,87 €        | 433.258,04 €             | 466.741,96 €    |
| 2026 | 97.590,76 € | 7.001,13 €  | 90.589,63 €        | 523.847,67 €             | 376.152,33 €    |
| 2027 | 97.590,76 € | 5.642,28 €  | 91.948,48 €        | 615.796,15 €             | 284.203,85 €    |
| 2028 | 97.590,76 € | 4.263,06 €  | 93.327,70 €        | 709.123,85 €             | 190.876,15 €    |
| 2029 | 97.590,76 € | 2.863,14 €  | 94.727,62 €        | 803.851,47 €             | 96.148,53 €     |
| 2030 | 97.590,76 € | 1.442,23 €  | 96.148,53 €        | 900.000,00 €             | - €             |

**Loan** 900.000 €  
**Time** 10 years  
**Euribor** (0,108) April 2020  
**Reference Index:** 1,5%

## Operating account.

Nevertheless, the creation of a provisional operating account for the next five years will give us the sufficient clues to inspire us about the evolution of the company. Remember, all the values given across the Business Plan are conservative, this means, not a good scenario is simulated, all the values are stick to reality, lowering the good results and slightly increasing costs.

<sup>49</sup> <https://www.euribordiarario.es/historico2020.html> (25.05.2020)

<sup>50</sup> [https://www.adicae.net/simulador-credito.html?gclid=EAIaIQobChMlxPPAlaqp6QIVUrLVCh2PkwzEEAAYASAAEgKOe\\_D\\_BwE](https://www.adicae.net/simulador-credito.html?gclid=EAIaIQobChMlxPPAlaqp6QIVUrLVCh2PkwzEEAAYASAAEgKOe_D_BwE) (25.05.2020)

The operating account must show the total sales forecast first and from there on all the expenses will be deduced. Following the expenses deduction, amortizations and provisions (these make reference to stock loss, procrastination, bankruptcy...) come. Once this point is reached, the benefit before interests is displayed. For the next step, loan's interest must be subtracted, this way, the benefit before taxes will be shown. Finally, taxes must be paid (25%, is calculated over the benefit before taxes) to obtain the benefit after taxes sum. In other words, the final result of the years exercise.

Regarding the company's cash-flow, it is possible to calculate it putting together the benefit after taxes and the amortization quantities. This is a very important feature for DAF, during the 5<sup>th</sup> chapter, the requisites to open a DAF concessionaire were explained and definitely plays a big role. We hereby believe that the obtained cash-flow result will really fulfil DAF's expectations.

**OPERATING ACCOUNT DAF CONCESSIONAIRE GUIPUZCOA**

|   | YEAR 2021          | YEAR 2022          | YEAR 2023           | YEAR 2024           | YEAR 2025           |
|---|--------------------|--------------------|---------------------|---------------------|---------------------|
| <b>TOTAL SALES</b>                              | <b>8.697.000 €</b> | <b>9.705.000 €</b> | <b>10.562.000 €</b> | <b>11.485.000 €</b> | <b>12.427.000 €</b> |
| - Costs of Sales                                | 7.600.400,00 €     | 8.498.516,00 €     | 9.258.693,74 €      | 10.068.934,15 €     | 10.898.238,16 €     |
| <b>GROSS MARGIN</b>                             | <b>1.096.600 €</b> | <b>1.206.484 €</b> | <b>1.303.306 €</b>  | <b>1.416.066 €</b>  | <b>1.528.762 €</b>  |
| Salaries (without workshop)                     | 231.280 €          | 234.749 €          | 238.270 €           | 241.844 €           | 245.472 €           |
| Formation & Trainings                           | 11.000 €           | 11.500 €           | 12.000 €            | 12.500 €            | 13.000 €            |
| Rent  | 180.000 €          | 180.000 €          | 180.000 €           | 180.000 €           | 180.000 €           |
| Maintenance and reparation of the installations | 7.000 €            | 7.000 €            | 7.000 €             | 7.000 €             | 7.000 €             |
| Third-party services                            | 38.000 €           | 39.000 €           | 40.000 €            | 41.000 €            | 42.000 €            |
| Insurances                                      | 11.000 €           | 12.000 €           | 13.000 €            | 14.000 €            | 15.000 €            |
| Credit entities Services & Expenses             | 10.000 €           | 10.000 €           | 10.000 €            | 10.000 €            | 10.000 €            |
| Expenses derived from consumption               | 21.000 €           | 22.000 €           | 23.000 €            | 23.500 €            | 24.000 €            |
| Commercial expenses                             | 100.016 €          | 111.608 €          | 121.463 €           | 132.078 €           | 142.911 €           |
| Other Expenses                                  | 48.000 €           | 48.500 €           | 49.000 €            | 49.500 €            | 50.000 €            |
| <b>TOTAL EXPENSES</b>                           | <b>657.296 €</b>   | <b>676.357 €</b>   | <b>693.733 €</b>    | <b>711.422 €</b>    | <b>729.383 €</b>    |
| -Amortizations                                  | 88.833 €           | 88.833 €           | 88.833 €            | 88.833 €            | 88.833 €            |
| -Provisions                                     | 15.000 €           | 16.500 €           | 18.000 €            | 19.500 €            | 21.000 €            |
| <b>BENEFIT BEFORE INTERESTS</b>                 | <b>335.471 €</b>   | <b>424.794 €</b>   | <b>502.740 €</b>    | <b>596.311 €</b>    | <b>689.546 €</b>    |
| -Loan's interests                               | 13.500,00 €        | 12.238,64 €        | 10.958,36 €         | 9.658,87 €          | 8.339,89 €          |
| <b>BENEFIT BEFORE TAXES</b>                     | <b>321.971 €</b>   | <b>412.556 €</b>   | <b>491.782 €</b>    | <b>586.652 €</b>    | <b>681.206 €</b>    |
| -Society Taxes (25%)                            | 80.493 €           | 103.139 €          | 122.945 €           | 146.663 €           | 170.302 €           |
| <b>BENEFIT AFTER TAXES</b>                      | <b>241.478 €</b>   | <b>309.417 €</b>   | <b>368.836 €</b>    | <b>439.989 €</b>    | <b>510.905 €</b>    |
| <b>CASH-FLOW</b>                                | <b>330.312 €</b>   | <b>398.250 €</b>   | <b>457.670 €</b>    | <b>528.822 €</b>    | <b>599.738 €</b>    |
| <b>ACCUMULATED CASH-FLOW</b>                    | <b>330.312 €</b>   | <b>728.562 €</b>   | <b>1.186.231 €</b>  | <b>1.715.054 €</b>  | <b>2.314.792 €</b>  |

## Provisional Balance.

Setting up a provisional opening balance (0) will provide us a financial point of view about the proposed business<sup>51</sup>. In the following balance, we decided doing an opening balance to reflect the situation when the company is established. In the columns positioned on the right side, the provisional balances until 2025 appear.

In the opening balance there are different accounts we can give information about. In the first place, we can find the several inversions reflected in the assets, but also in the account "V. Non-current investments", 30.000€ are accounted. Thus, refer to the probably 2 months deposit we will have to do for renting the place (remember an estimation of 13.500€ per month was done to rent a place, where all the conditions to open a concessionaire and workshop are proven), always thinking in conservative numbers. This account will be fixed there until for any reason the business leaves the building.

Another important point to fulfil the requisites of DAF, is to open a concessionaire is to have a 20% of share capital in the opening balance. This condition is confirmed and implemented.

Once the activity of the company will start in 2021, more features and accounts will take part in the year balance. Non-current assets will be amortized, and in the liabilities part of the balance, the loan returned together with the interests. However, the current assets, "I. Inventories" and "II. Trade and other receivables" will vary depending the year.

Inventory will be formed by some commercial vehicles in stock (remember, these vehicles are bought to DAF with the objective to sell them to potential customers) and spare-parts in the warehouse. We calculate that at the end of each year the inventory will be formed as described in the following table:

| <b>INVENTORY</b>     | <b>2021</b> |                  | <b>2022</b> |                  | <b>2023</b> |                  | <b>2024</b> |                  | <b>2025</b> |                  |
|----------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|
|                      | Units       | Total €          | Units       | Total €          | Units       | Total €          | Units       | Total €          | Units       | Total €          |
| Commercial vehicles: |             |                  |             |                  |             |                  |             |                  |             |                  |
| XF                   | 2           | 158.000 €        | 2           | 158.000 €        | 2           | 158.000 €        | 2           | 158.000 €        | 3           | 237.000 €        |
| CF                   | 1           | 77.000 €         | 1           | 77.000 €         | 1           | 77.000 €         | 2           | 154.000 €        | 2           | 154.000 €        |
| LF                   |             |                  | 1           | 47.000 €         | 1           | 47.000 €         | 1           | 47.000 €         | 1           | 47.000 €         |
| Spare-parts:         |             | 200.000 €        |             | 230.000 €        |             | 260.000 €        |             | 290.000 €        |             | 320.000 €        |
|                      |             | <b>435.000 €</b> |             | <b>512.000 €</b> |             | <b>542.000 €</b> |             | <b>649.000 €</b> |             | <b>758.000 €</b> |

<sup>51</sup> <https://www.contaone.com/traducir-balances-empresa-al-ingles/> (25.05.2020)

Trade and other receivables are calculated using the sales forecast, thus are the invoices the customer have not payed still. We applied the following theory to calculate them: Putting together the total year sales of the workshop, spare-parts and other services and divided between 12 (this way, we calculate the invoiced quantity every month) and then, we take only the 50%, understanding some customers pay directly and others within 30 days.

In the second part of the balance, "Equity & Liabilities", share capital will be kept constant and profits for the year actualised in the respective account. Just in the "Current Liabilities" some changes will occur across the years, in the account "IV. Account and other payables", there the taxes will be reflected (25% of the total benefit before taxes) and the invoices that are still to pay from our side to our suppliers. This "Suppliers" account quantity is calculated by the following theory: The sum of the costs of the spare-parts and other services divided between 12.

To finish we would like to do some statements regarding DAF's requisites. In the provisional balance we launched, the working capital is positive at least the first 5 years of activity, meeting this way one of the requisites imposed by DAF. Also, the stock rotation stays in an average of 16 the first 5 years. This is an acceptable stock rotation for a project of this dimensions.

**PROVISIONAL FINANCE BALANCE DAF CONCESSIONAIRE GUIPUZCOA**

| ASSETS  | 0                  | 2021               | 2022               | 2023               | 2024               | 2025               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>A) NON-CURRENT ASSETS</b>                                  | <b>850.000 €</b>   | <b>761.167 €</b>   | <b>672.334 €</b>   | <b>583.501 €</b>   | <b>506.000 €</b>   | <b>416.500 €</b>   |
| I. Intangible assets  | 10.000 €           | 10.000 €           | 10.000 €           | 10.000 €           | 12.000 €           | 12.000 €           |
| Intangible assets accumulated amortization                    | -                  | 3.333 € -          | 6.666 € -          | 9.999 € -          | 4.000 € -          | 8.000 €            |
| II. Property, plant & equipment                               | 810.000 €          | 810.000 €          | 810.000 €          | 810.000 €          | 810.000 €          | 810.000 €          |
| Property, plant & equipment amortization                      | -                  | 85.500 € -         | 171.000 € -        | 256.500 € -        | 342.000 € -        | 427.500 €          |
| III. Investment property                                      |                    |                    |                    |                    |                    |                    |
| IV. Non-current investments in group companies and associates |                    |                    |                    |                    |                    |                    |
| V. Non-current investments                                    | 30.000 €           | 30.000 €           | 30.000 €           | 30.000 €           | 30.000 €           | 30.000 €           |
| VI. Deferred tax assets                                       |                    |                    |                    |                    |                    |                    |
| <b>B) CURRENT ASSETS</b>                                      | <b>330.000 €</b>   | <b>823.316 €</b>   | <b>922.994 €</b>   | <b>1.010.137 €</b> | <b>1.100.313 €</b> | <b>1.200.871 €</b> |
| I. Inventory  | - €                | 435.000 €          | 512.000 €          | 542.000 €          | 649.000 €          | 758.000 €          |
| II. Trade and other receivables                               | - €                | 82.500 €           | 87.292 €           | 92.083 €           | 96.875 €           | 101.667 €          |
| III. Current investments in group companies and associates    |                    |                    |                    |                    |                    |                    |
| IV. Current investments                                       |                    |                    |                    |                    |                    |                    |
| V. Prepayment for current assets                              |                    |                    |                    |                    |                    |                    |
| VI. Cash & equivalents  | 330.000 €          | 305.816 €          | 323.702 €          | 376.054 €          | 354.438 €          | 341.204 €          |
| <b>TOTAL ASSETS</b>   | <b>1.180.000 €</b> | <b>1.584.483 €</b> | <b>1.595.328 €</b> | <b>1.593.638 €</b> | <b>1.606.313 €</b> | <b>1.617.371 €</b> |

| EQUITY & LIABILITIES  | 0                  | 2021               | 2022               | 2023               | 2024               | 2025               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>A) EQUITY</b>  | <b>280.000 €</b>   | <b>521.478 €</b>   | <b>589.417 €</b>   | <b>648.836 €</b>   | <b>719.989 €</b>   | <b>790.905 €</b>   |
| I. Capital  | 280.000 €          | 280.000 €          | 280.000 €          | 280.000 €          | 280.000 €          | 280.000 €          |
| II. Share Premium   |                    |                    |                    |                    |                    |                    |
| III. Reserves   |                    |                    |                    |                    |                    |                    |
| IV. (Treasury shares and own equity holdings)               |                    |                    |                    |                    |                    |                    |
| V. Retained earnings (losses)                               |                    |                    |                    |                    |                    |                    |
| VI. Other owner/shareholders contributions                  |                    |                    |                    |                    |                    |                    |
| VII. Profit (losses) for the year                           | - €                | 241.478 €          | 309.417 €          | 368.836 €          | 439.989 €          | 510.905 €          |
| VIII. (Interim dividend)                                    |                    |                    |                    |                    |                    |                    |
| <b>B) NON-CURRENT LIABILITIES</b>                           | <b>900.000 €</b>   | <b>815.909 €</b>   | <b>730.557 €</b>   | <b>643.925 €</b>   | <b>555.993 €</b>   | <b>466.742 €</b>   |
| I. Non-current provisions                                   |                    |                    |                    |                    |                    |                    |
| II. Non-current payables                                    | 900.000 €          | 815.909 €          | 730.557 €          | 643.925 €          | 555.993 €          | 466.742 €          |
| III. Non-current payables to group companies and associates |                    |                    |                    |                    |                    |                    |
| IV. Deferred tax liabilities                                |                    |                    |                    |                    |                    |                    |
| V. Non-current deferred income/revenue                      |                    |                    |                    |                    |                    |                    |
| VI. Non-current payables with special features              |                    |                    |                    |                    |                    |                    |
| <b>C) CURRENT LIABILITIES</b>                               | <b>- €</b>         | <b>247.095 €</b>   | <b>275.355 €</b>   | <b>300.877 €</b>   | <b>330.331 €</b>   | <b>359.724 €</b>   |
| I. Current provisions                                       |                    |                    |                    |                    |                    |                    |
| II. Current payables  | - €                | 85.352 €           | 86.632 €           | 87.932 €           | 89.251 €           | 90.590 €           |
| III. Current payables to group companies and associates     |                    |                    |                    |                    |                    |                    |
| IV. Trade and other payables                                |                    |                    |                    |                    |                    |                    |
| Suppliers   | - €                | 81.250 €           | 85.583 €           | 90.000 €           | 94.417 €           | 98.833 €           |
| Taxes   | - €                | 80.493 €           | 103.139 €          | 122.945 €          | 146.663 €          | 170.302 €          |
| V. Current deferred income/revenue                          |                    |                    |                    |                    |                    |                    |
| VI. Current payable with special features                   |                    |                    |                    |                    |                    |                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         | <b>1.180.000 €</b> | <b>1.584.483 €</b> | <b>1.595.328 €</b> | <b>1.593.638 €</b> | <b>1.606.313 €</b> | <b>1.617.371 €</b> |



## 9. Results.

The objective of this Bachelor Thesis, the creation of an official DAF concessionaire the region of Guipuzcoa, IPAR DAF S.L. must be concluded deciding if the proposed business is feasible or not. All the analysis above must be used as a tool and be determinant in the last result. Once the external and internal environments were explored, and after, electing the legal form and organization of IPAR DAF S.L., the economic and finance analysis was displayed to the reader.

The results of all the analyses mentioned in the lines above were positive. Always underlining the importance of the commercial vehicles in nowadays and tomorrows economy and confirming how important are logistics in Guipuzcoa (and Guipuzcoa important for the European transport), results are totally favourable. Furthermore, the financial analysis shows the feasibility of the project with positive results from the first year on.

As we checked during the Business Plan, there are not official DAF concessionaires in Basque Country, only 2 official workshops, one in Alava and the other one in Guipuzcoa. Even though, DAF commercial vehicles are sold and registered all across Basque Country. Therefore, we believe there is a big and strong potential market with a large number of potential customers ready to buy DAF products even if it is harder for them to acquire a DAF vehicle than other brands vehicles. Furthermore, this decision of opening an official DAF concessionaire, will be received positively by DAF and probably impulse the creation of this Business Plan, creating a win-win situation.

On one side the entrepreneur will make true a dream, and at the same time, be able to offer quality jobs to other people. On the other side, DAF Trucks will cover Guipuzcoa and Basque Country after several years looking for a nominee.

To sum up, the environment predictions are positive and a large sum of potential customers is awaited in the defined market (mainly Guipuzcoa, but also other provinces in Basque Country). Furthermore, economic and financial analysis forecasts give us a positive clue about the possibility of creating profits. Nevertheless, even if difficulties could be expected to achieve all the funds needed to open the business, the entrepreneur has capital and reliable capitalistic partners, who could impulse IPAR DAF S.L. in the very beginning.

## 10. Conclusion.

The introduced Business Plan has given me the opportunity to put together all the learnings achieved until now along my Bachelor Degree and implement them to an existing case. Furthermore, it has tested my abilities as an entrepreneur, during the investigation process, the environment analysis, and finally, in the countability/financial field.

It was a pleasurable project, since I started studying in Guipuzcoa, I realised about the lack of an official concessionaire in Guipuzcoa and Basque Country. During my career as a Bachelor student, marketing and related subjects have been mostly in my timetable, anyway I always had an interest in countability, which I have tried to reflect in this Business Plan. Something which I found really interesting, was researching information to develop the environment analyses and laws related to the legal form of the entity and organisation.

To conclude, I'm self-confident about my entrepreneur profile, I always look for new challenges and I never give up to search new alternatives to face problems. Furthermore, the education received by the UPV-EHU, in the Faculty of Economics and Business (Guipuzcoa Section), combined with my studies in Fachhochschule Düsseldorf and my Double Degree in Ostbayerische Technische Hochschule Regensburg in Germany was totally substantial to discover, impulse and improve these attributes.

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