

# Business Administration

## DELTA Car Rental for Moving and Traveling



Xinshen ZHOU 829865

Ben DENG 4014004



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# Business Idea and Motivation

- Motivation
  - More than 24 million residents in Shanghai
  - Big part of the University graduates from other Province work in shanghai
  - More than 90% of the graduates do not have their own apartment
  - high Price of the Apartment and many local residents rent a room
  - Huge demand of traveling for young couples have no cars especially for the couples have babies



# Business Idea and Motivation

- Moving  
Rental cars or vans for Moving solve the problems  
provide Moving-Helper for the customer  
Dormitory to rent Apartment directly  
Driver supply for Student-Moving
- Traveling  
Travel car Rental for the young couple  
Group Reservation





# Delta Rental Moving GmbH

- Legal Form: Limited Liability Company
- Location: Pudong Shanghai
  - biggest district in Shanghai
  - high density of Company in Jianqiao and Zhangjiang High-Technologie Park
  - many young and New-Entry employee
  - high density of apartments in Pudong
  - great demand of Moving to new apartments and old ones
  - high density of residents in Jiaoqiao and Zhangjiang (Pudong)

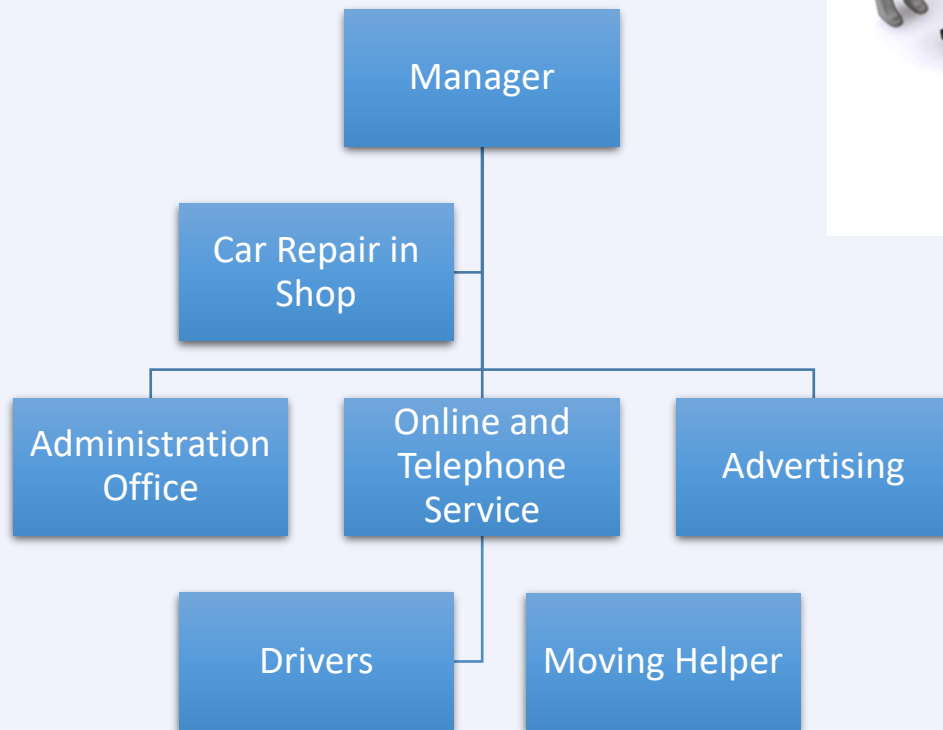


Pudong,  
Company site



# Delta Rental Moving GmbH

- Partner Shop:2
- Organization Structure:





# Project Outline

- Number of cars: 20
- Mark of Cars: VW Golf (2), Hyundai i30 (2), VW Turan (4)
- Mark of Vans: IVECO Daily (12)
- Car Return-Rent: Cars: ¥125 - ¥175 / Day  
Vans: ¥225- ¥275 / Day
- Moving Helper: ¥50 / person/ Hour
- Driver: ¥70 / person/ Hour





# Delta Rental Moving GmbH

## Future Product & Service

- Online Reservation
- Moving-Helper
- Picking Up Service in Airport or Railway Station
- Flexible Rental-time
- New cars and Vans





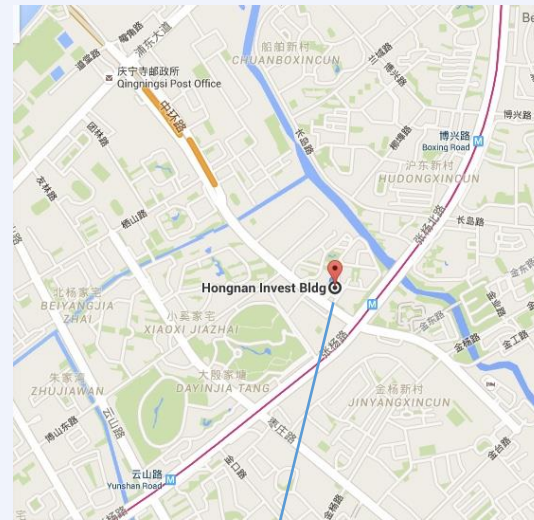


# Market Analysis

## - Location, Company Site



Zhangjiang High-Tech park  
CaiLun Road  
201210  
Shanghai



Huanan Invest Bldg  
Jinqiao Road  
200135  
Shanghai



# Market Analysis

- Target Group
  - Graduates from universities
  - New-Entry of Companies in Shanghai
  - Young Couple have no cars
  - Single





# Market Analysis

- Existing Competitor
  - Car.Inc
  - Dazhong Moving



**上海大众物流有限公司**  
SHANGHAI DAZHONG LOGISTICS CO.,LTD.

Advantage: Professional traveling cars rental  
individual Rental and more Professional  
more “Big-Brand” cars (BMW, Audi, Porsche)  
high Price targeted to company and high salary Residents

Disadvantage:  
Relative old cars  
no Van-Service



# Market Analysis

- Potential Competitor

## Taxi Moving Service

- anytime, thousands of cars on the Street
- not professional Moving service and no helper
- high Price
- small, not big enough to moving





# Market Analysis



“Moving” Idea-Our Advantage

- Price advantage
- Professional in Moving equipment and quick Moving possible
- Helper for Moving and Transport
- Specially design for Graduates
- Driver for Student customer from Unis to apartments
- many Park-lots-Return possible



# Cost Calculation

## • Investment and Depreciation Cost

Investment Goods	Investment Expenditures/shop (or /car)[¥]	Total Investment Expenditures/shop[ ¥]	Depreciation[year]	Annual Depreciation[¥]
Land				
2*Shop-Site	500,000	1,000,000	50	20,000
Renovation	300,000	300,000	0	0
Licenses	80,000	80,000	10	8,000
Building				
Administration Office	50,000	50,000	20	2,500
Local Shops	200,000	200,000	20	10,000
Installtion				
Furniture	40,000	40,000	10	4,000
Computer und Software	20,000	20,000	10	2,000
Electronics	50,000	50,000	10	5,000
Cars (Price/Car)				
2* Hyundai i30	80,000	160,000	10	16,000
2* VW Golf	100,000	200,000	10	20,000
4* VW Turan	180,000	720,000	10	72,000
12* IVECO Daily	170,000	2,040,000	10	204,000
Circulating Capital	200,000	200,000	0	0
<b>Total Investment Cost</b>		<b>5,060,000</b>	<b>Total Depre.</b>	<b>363,500</b>





# Cost Calculation

- Financing

Total Investment [¥]	5,060,000
40% own capital funds [¥]	2,024,000
60% outside financing (Bank Loan) [¥]	3,036,000



- Interest paid on debt

	1.Year	2.Year	3.Year	4.Year	5.Year
Banlance of debt [¥]	3,036,000	2,428,800	1,821,600	1,214,400	607,200
Interest rate [%]	6,6	6,6	6,6	6,6	6,6
Interest Cost Paid p.a [¥]	200,376	160,301	120,226	80,150	40,075
a.Repayment [¥]	607,200	607,200	607,200	607,200	607,200
Total Interest Paid [¥]	601,128				
Total Repayment [¥]	4,320,000				



# Cost Calculation

- Consumption Cost of Buying cars

Brand	Hyundai i30	VW Golf	VW Turan	IVECO Daily	Total
Number	2	2	4	12	20
Price [¥]	80,000	100,000	180,000	170,000	3,120,000

- Consumption Cost for two Local shops

Furniture [¥]	40,000
Software [¥]	20,000
Electronics [¥]	50,000







# Cost Calculation

- Insurance

Brand	1.Year Number	1 year [¥]	2 year [¥]	3 year [¥]	4 year [¥]	5 year [¥]
Hyundai i30	2	2,301	2,232	2,165	2,100	2,037
VW Golf	2	2,552	2,475	2,401	2,329	2,259
VW Turan	4	3,555	3,448	3,345	3,245	3,147
IVECO Daily	12	3,430	3,327	3,227	3,130	3,037
Total	20	65,086	63,133	61,239	59,402	57,620

6 year [¥]	7 year [¥]	8 year [¥]	9 year [¥]	10 year [¥]
1,976	1,917	1,859	1,803	1,749
2,191	2,126	2,062	2,000	1,940
3,053	2,961	2,872	2,786	2,703
2,945	2,857	2,771	2,688	2,608
55,892	54,215	52,588	51,011	49,480



# Cost Calculation

- Repair Cost

Brand	Number	1 year[¥]	2 year[¥]	3 year[¥]	4 year[¥]	5 year[¥]
Hyundai i30	2	3,000	3,300	3,630	3,993	4,392
VW Golf	2	3,500	3,850	4,235	4,659	5,124
VW Turan	4	4,500	4,950	5,445	5,990	6,588
IVECO Daily	12	4,000	4,400	4,840	5,324	5,856
Total	20	79,000	86,900	95,590	105,149	115,664

6 year[¥]	7 year[¥]	8 year[¥]	9 year[¥]	10 year[¥]
4,832	5,315	5,846	6,431	7,074
5,637	6,200	6,821	7,503	8,253
7,247	7,972	8,769	9,646	10,611
6,442	7,086	7,795	8,574	9,432
127,230	139,953	153,949	169,344	186,278



# Cost Calculation

- Personal Costs

Personal Costs	Number	Personnel Cost per year [¥]
Administration Office	2	100,000
Online and Telephone Service	1	60,000
Car Repair in Shop	2	120,000
Manager	1	100,000
Total		380,000

Labour Cost	Cost form Labour Market	Cost to Custmer	Total Requir Hour per Month	Turnover of Month	Turnover of year
Moving Helper	¥ 30hour	¥ 50/hour	¥ 120	¥ 2400	¥ 28800
Driver	¥ 40hour	¥ 70/hour	¥ 160	¥ 4800	¥ 57600
			Total		¥ 86400



# Cost Calculation

- Turnover of Cars for 330 days (after 3.Year)

	Rent Days	Price[¥]	Number	Total/Car[¥]
VW Golf	330	125	2	82,500
Hyundai i30	330	175	2	115,500
VW Turan	330	225	4	297,000
IVECO Daily	330	275	12	1,089,000
			Total	1,584,000

Labour Cost	Cost form Labour Market	Cost to Custmer	Total Requir Hour per Month	Turnover of Month	Turnover of year
Moving Helper	¥ 30hour	¥ 50/hour	¥ 120	¥ 2400	¥ 28,800
Driver	¥ 40hour	¥ 70/hour	¥ 160	¥ 4800	¥ 57,600
				Total	86,400

	1.Year	2.Year	3.Year	4.Year
Utilization of capacity(days and %)	250/76%	300/91%	330/100%	330/100%
Turnover of Cars [¥]	1,200,000	1,440,000	1,584,000	1,584,000
T.from Helper and Driver [¥]	65,455	78,545	86,400	86,400
Sum [¥]	1,265,454	1,518,545	1,670,400	1,670,400



# Cash-Flow

Year	1	2	3	4	5	6	7	8	9	10
Turnover [¥]	1,265,455	1,518,545	1,670,400	1,670,400	1,670,400	1,670,400	1,670,400	1,670,400	1,670,400	1,670,400
Depreciation Cost [¥]	-363,500	-363,500	-363,500	-363,500	-363,500	-363,500	-363,500	-363,500	-363,500	-363,500
Financing Cost [¥]	-200,376	-160,301	-120,226	-80,150	-40,075	0	0	0	0	0
Labour Cost [¥]	-380,000	-380,000	-380,000	-380,000	-380,000	-380,000	-380,000	-380,000	-380,000	-380,000
Insurance of Cars [¥]	-65,086	-63,133	-61,239	-59,402	-57,620	-55,892	-54,215	-52,588	-51,011	-49,480
Cost of Repair Cars [¥]	-79,000	-86,900	-95,590	-105,149	-115,664	-127,230	-139,953	-153,949	-169,344	-186,278
Loss carried forward										
Profit before Tax [¥]	177,493	464,711	649,845	682,199	713,541	743,778	732,732	720,363	706,545	691,142
Taxes(30%) [¥]	53,248	139,413	194,954	204,660	214,062	223,133	219,820	216,109	211,964	207,343
After Taxes [¥]	124,245	325,298	454,892	477,539	499,479	520,645	512,912	504,254	494,582	483,799
Cash-Flow [¥]	487,745	688,798	818,392	841,039	862,979	884,145	876,412	867,754	858,082	847,299
Payment Credit [¥]	607,200	607,200	607,200	607,200	607,200	0	0	0	0	0
Re-Investing [¥]										
Dividend [¥]	-119,455	81,598	211,192	233,839	255,779	884,145	876,412	867,754	858,082	847,299
				Total Dividend:		4,996,644				



# Total dividend

Total dividend cumulated over 10 years: ¥ 4,996,644

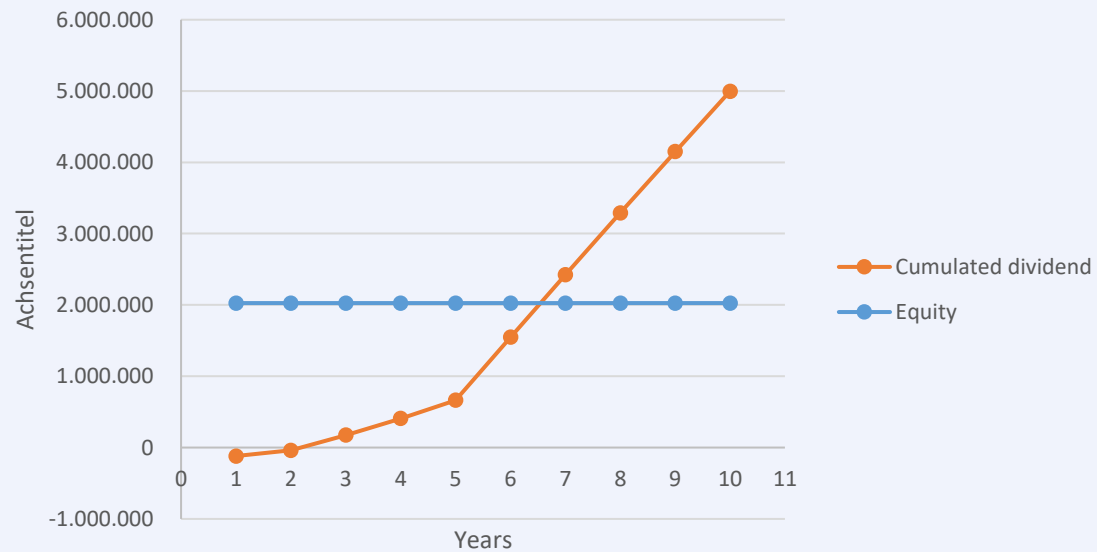
Equity [¥]	Profit after Tax [¥]	Dividend[¥]	Interest made on equity	
2,024,000	124,245	-119,455	-6%	1.Year
2,024,000	325,298	81,598	4%	2.Year
2,024,000	454,892	211,192	10%	3.Year



# Return on Investment

	1	2	3	4	5	6	7	8	9	10
Dividend [¥]	-119,455	81,598	211,192	233,839	255,779	884,145	876,412	867,754	858,082	847,299
Cumulated dividend [¥]	-119,455	-37,857	173,334	407,174	662,952	1,547,097	2,423,509	3,291,263	4,149,345	4,996,644

Return on Investment: 6,5 years





# Conclusion

- Customer Group is huge because of the location
- Very fast increasing of Company number in Pudong
- More Graduates will work in Pudong and they need apartments
- Well-organized team for Rental, professional and reliable
- According to the cost Calculation, the project Investment will be returned in 6,5 years. And after 10 years, the total dividend cumulated will be four times more than Investment, which is  
¥ 4,996,644