

Practical Exercise for Instruction Pack 8

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INTRODUCTION

This Motorcycle and ATV Practical Exercise is designed to help you apply your knowledge of motorcycle repair businesses through several useful activities. The activities are intended to be fun, and at the same time they'll reinforce your understanding of the material presented in this Instruction Pack.

Note that the suggested activities contained in this practical exercise are optional, but the examination at the end of the exercise is required and must be submitted to the school for grading. However, because the suggested activities are designed to enhance your learning, we strongly recommend that you attempt to complete as many of the activities as possible.

Now, when you're ready, complete the practical exercise. Then, submit only your answers to the school headquarters for grading, using one of the answer options described in your first shipment.

Remember, even though this exercise contains examination questions, we've designed it to be fun, challenging, and interesting. Applying your knowledge to real-life situations will help you realize how much you've learned. It will be a rewarding experience that will give you confidence in your newly acquired skills.

We hope you enjoy this practical exercise!

SUGGESTED ACTIVITIES

It's time to take a break and have some fun. The following are some hands-on activities that you may want to try to enhance your learning. None of these activities will be graded. However, these activities will help you expand your practical understanding of motorcycle repair businesses. We therefore recommend that you read through the exercises so that you can apply your knowledge to some practical situations. At any time, you can proceed to the graded portion of the practical exercise.

Activity 1

In this activity, you'll define your service area. Every business has a defined service area, no matter what products or services it provides, and no matter how large or small the business is. Your service area is the geographic area that you can effectively cover with adequate

service. The service area of a particular business may be a city, a county, several counties, or an entire state or province. Some very large companies (mail-order companies, for example) may service the entire country.

When you open a new business, it's a very good idea to look at a map and define your service area. This information will be important for several reasons. First, if you intend to advertise your business, you'll need to know how far away you can place newspaper ads or post signs and still attract customers. Second, you'll want to determine about how many potential customers there are in your service area.

In the beginning, keep your service area small and manageable. If you try to cover too large of an area and can't keep up with customer demands, you may gain a reputation for providing slow or inadequate service. You can always expand your service area later as your business grows. Also, by concentrating your advertising in a smaller area, you'll be likely to attract more customers.

Again, even if your business is very small, it's very important to establish a specific service area. Naturally, you'll want your service area to include lots of homes and businesses, preferably in areas where people are likely to own motorcycles and ATVs. If you plan to offer ATV service, for example, you'll want to make sure that your service area includes many owners of these vehicles. If you plan to make a specialty out of servicing jet skis, you'll need to make sure that your service area includes any nearby water recreation areas. If you live in an urban area, you'll need to decide how much of the city that you'll cover, and whether you'll also cover outlying suburbs.

The best way to define your service area is to look at a map. Obtain a local map, preferably one with a detailed view that shows only your city or town (including the streets and local landmarks). If you live in a rural area, obtain a detailed county map that shows your town and all neighboring towns. Locate your home workshop or other business location on the map. Then, draw a circle on the map around your business. Use the distance key on the map to determine the size of the circle that you draw. For example, suppose you want your service area to cover a five-mile radius around your workshop. Look at the map key to determine the scale of the map. If one inch on the map is equal to one mile, draw a five-inch circle around your business (with your business in the center of the circle) to represent a five-mile radius.

After you've drawn your circle on the map, carefully look at the area that's included in the circle. Does the circle contain enough homes and businesses to provide you with motorcycle and ATV repair work? (For example, if your circle contains a large state park, a golf course, a lake, or a congested downtown shopping area, you may want to redraw the circle so that it covers more streets and homes.) Do you think that you'll be able to service the streets that are located within the circle? If you live in a city and the area you circled only

covers businesses in the downtown area, you may need to expand your service area to cover more suburban homes. If you live in a more isolated country area, you may need to expand the circled service area to include more neighboring towns.

Remember that the object of this exercise is to determine the area that you can reasonably expect to service. In order to see and judge your service area better, you may even want to get in your vehicle and drive around the area you circled on the map. As you drive around, try to answer the following questions:

- Does the area appear to contain enough homes and businesses to provide me with work?
- Are there any other motorcycle repair shops in the area?
- Does the area contain any motorcycle-related businesses or dealerships that may need to use my services?
- Does the area contain any motorcycle or ATV clubs or organizations, or any businesses that focus on vintage motorcycles or motorcycle racing?
- How much traffic is ordinarily found on the streets?
- Are there any areas that I will plan to avoid, or completely eliminate from my service area?
- Will customers from different parts of the service area be able to find my business location easily?

All of the questions on this list are important factors to consider when you're determining a service area. Time yourself and observe the mileage indicator in your vehicle as you drive from your workshop to different parts of your service area. You may be very surprised to find out how long it takes to drive from one area to another! Use this information as a guide when you're planning what services to offer and when you're placing advertisements for your business. You may also find this exercise useful to become more familiar with the exact locations of streets and towns in your service area.

Activity 2

Imagine that you're driving your car through an unfamiliar area on your way to a house that you've never been to before. You have a vague idea where you're going, but no exact idea of how to reach your destination. What you need in this situation is a road map, written in a format that you can understand and follow to reach your destination successfully.

Well, a similar situation occurs in many businesses. Many business owners have a vague idea of what they would like to accomplish, but no real plan for reaching their goal. This is where a marketing plan

can help. A *marketing plan* is like a road map for a business—it can tell you where you are today and what road you need to take to reach your goals of success.

If you plan on opening your own motorcycle and ATV repair business, then your business marketing plan needs to be tailored to your own personal goals and desires. The scope of your plan will be determined by your personal resources—financial, physical, and mental. A good marketing plan is the key to getting and keeping your share of the motorcycle repair market. Your marketing plan should clearly describe the following:

- A list of the services your business provides
- A summary of what the local market looks like in terms of available customers and competitors
- A description of the way that you'll promote and advertise your motorcycle repair business
- A description of your planned business location
- A description of your pricing plans

The following are some suggested questions that will help you clarify the important topics of your marketing plan. Read through the questions, think about them, and then try to write your answers to the questions. Answering these questions will help you develop a foundation for your business marketing plan.

- What services does your business provide?
- Who are your customers?
- How many potential customers are there in your service area?
- How often would your customers need your services?
- Who are your competitors?
- How are your competitors doing in their businesses?
- What is special about the service you offer?
- How will you tell potential customers about your service?
- What types of promotion will be most likely to reach your potential customers?
- How much can you afford to spend on promotion?
- Where will you locate your office facility?
- Is it convenient for your customers to find you?
- Are your prices competitive with other similar businesses in your area?
- Will your customers feel that your prices are fair?

- Will your prices cover your costs and still allow you a fair profit?

In addition to a good marketing plan, you should also plan how you'll operate your business on a day-to-day basis. The following is a list of some of the details that you'll need to consider and decide upon when you're planning the day-to-day running of your business.

- What will be the name of your business?
- What will be the structure of the business—sole proprietorship, partnership, or corporation?
- Where will the business be located?
- What will be the daily hours of operation?
- What business management duties and responsibilities will there be (that is, besides the motorcycle repair duties and responsibilities)?
- Will you need employees? If so, how many, and for what positions?
- What will be the job description for each employee position?
- How will financial, customer, and employee records be maintained?
- Will you need to consult an outside accountant, or will you maintain your own financial records?
- What procedures will you use to make sure that taxes are paid in a timely manner?
- What will be your specific policies regarding the performance and behavior of employees?
- What methods will you use to deal with customer complaints?
- What procedures will you use to change and update company goals, company policies, fees, records, and employee responsibilities?

After reading through these questions, try to write out your answers. Your written answers will provide the foundation for your business management plan. You don't have to decide every last detail at this time, but you should start thinking about each question carefully and attempt to answer all of them.

To help you come up with the answers to these important questions, try doing a little research on a local small business, preferably a motorcycle and ATV repair business or a related company, such as an auto body repair shop, trim shop, or auto repair shop. It can be a business you work for, a business that belongs to a friend or relative, or simply one that you know something about. List the products and services that the business offers and the number of employees that the

business has. Describe the form of business organization that it's using. Is the business a sole proprietorship, a partnership, or a corporation? How is the business managed?

Examine the physical location of the business. How much parking is available? If the business sells retail products, how is the sales area arranged? Where are the repair facilities located? What type of safety precautions are used?

Finally, try to analyze how well the business is doing. Does it seem to be a busy, successful shop? Or, does the shop appear to have problems? What would you do differently if you owned the business yourself?

By getting yourself thinking about these business management issues, you'll learn to recognize the procedures and policies that are working in your own business, and prepare yourself to deal with those that don't work so well. By doing a bit of research before you open your business, you can gain some important insights into business management techniques and learn about quite a few business pitfalls—without actually having to experience them yourself.

Activity 3

Advertising is often the most overlooked area of starting a new business. Even if your business is a one-person operation, it's a good idea to set aside some money that will be used for advertising. Advertising is a necessary part of any business—new or old, large or small. You must keep your business in the public eye in order to maintain a healthy trade. You should be aware of the following common mistakes that are often made by many new business owners in regards to advertising:

- Spending too little (or nothing) on advertising
- Spending too much on advertising
- Buying the wrong kind of advertising

The old saying "It pays to advertise" is true, but advertising can cost a lot of money. This is why it's important to spend your advertising money wisely. Remember, advertising is a completely controllable business expense. Before you spend anything, it's important to review all the advertising options that are available to you, and then set an advertising budget. This activity is designed to review some of the different types of advertising methods that are available and to determine the costs of each type.

Before purchasing any type of advertising, you must decide on the type of advertising you want and the locations where you want to place your ads. (This is one of the reasons why it's so important to know your exact service area.) The medium you choose for your

advertisements (print, radio, television) will depend on the following factors:

- The cost of placing an ad in the medium
- The geographic area that's covered by the medium
- The number of people who are reached by the medium
- The type of people who are reached by the medium

When you're placing an ad in any one medium, you'll need to consider the number of people reached in comparison with the type of people reached. For example, a radio station that plays current popular music may have a very large listening audience. However, if most of the listeners are teenagers who are too young to own motorcycles and who aren't likely to be potential clients, you may wish to advertise elsewhere. Reaching your target audience is the goal of any advertising.

Paid advertising includes a wide variety of possibilities, including the following:

- The yellow pages of the local telephone directory
- Newspapers
- Local magazines, special newspaper inserts, or coupon books (especially those that focus on motorcycle sales or maintenance)
- Radio
- Television (generally too expensive for a small service business with a limited service area)
- Direct mail (brochures, newsletters, leaflets, discount coupons)
- Business cards and stationery
- Billboards and ads on public transportation vehicles
- Giveaway items (pens, pencils, keychains, T-shirts, calendars, hats, letter openers, notepads)
- The Internet

To get an idea of what some of these different types of advertising cost, make some phone calls and talk to some advertising sales representatives in your area. You don't have to commit to any purchase until you've examined all of the different possibilities. You can find the phone numbers of advertising sales representatives for radio, print, and television in your local area by looking under "Advertising" in the yellow pages of your phone book. To check out the cost of placing an ad of your own in the yellow pages, look on the very first page of the yellow pages section of your phone book. This is the usual location of the advertising information for the phone book. To get information on business cards, brochures, and other direct mail items, look under "Printers" in the yellow pages. To get information

about giveaway items, look under “Advertising” and “Promotional Products.”

When you talk to different advertising sales representatives, find out what areas their mediums cover, who their target audiences are, and what types of advertising options and packages they offer. A good advertising sales representative can help you work out the details of your message and help you place your ads where they’ll provide you with the most customer responses.

Of course, it would be beyond the budget of a new small business to use all of the advertising opportunities that are available to you. However, business cards and yellow pages ads are relatively inexpensive and are a good starting point for most new businesses.

Activity 4

Another good way to advertise your business is to develop a brochure that explains your services. An attractive, professional-looking company brochure or leaflet can be a very valuable marketing tool. If you have limited funds to spend on advertising, a brochure can provide an inexpensive way to contact potential customers.

In a company brochure, you should include those things that would make prospective customers want to use your services. The following are some things that you may want to mention in a brochure:

- *The services you offer.* An area of your brochure should contain a detailed list of the services you offer, particularly services that other businesses don’t offer, any services that are free (such as estimates), and any guarantees that you may offer. Keep the wording short, precise, and clear. If it’s too wordy, a customer may not want to take the time to read it.
- *The types of vehicles you service.* Your brochure should list the different types of vehicles that you service (particularly any special vehicles, such as jet skis). You should also mention any brand-name products or equipment that you feature.
- *Any items that are available for sale.* If you sell any motorcycle equipment, parts, or accessories, or any cleaning or detailing products, be sure to mention this fact in your brochure.
- *Your company slogan.* If you have a company slogan, it should be included in your brochure. A slogan is a statement—in just a few words—of what you have to offer your clients. Naturally, the slogan should be “catchy” enough to stick in your customers’ minds. If you have a good slogan, people will tend to remember you, and your business will grow as a result.
- *A brief statement of your personal experience and professionalism.* You may want to include a brief statement about your own

skills and experience in your brochure. For example, if you have many years of motorcycle repair experience, you may want to mention this. Even if you don't have a lot of experience, you can always include a statement such as "Customer satisfaction is our number-one concern" or "Fast, professional service guaranteed."

Depending on your budget, you may hire a professional printer to make up your brochure or leaflet, or you may lay out your own brochure using a home computer. You can use simple black and white, or full color—both options can be very effective.

Now, based on some of the suggestions provided here, try making up a sample brochure for your company. You don't have to professionally print this sample—just make some sketches and notes on a piece of paper. Your brochure may be a one-page leaflet, a tri-fold leaflet (one page folded into three sections), a large sheet that folds out into several smaller pages (folded like an accordion), or any other style that you choose.

If you need inspiration from another source, pick up some sample brochures from other businesses. You can get lots of good ideas by looking at the brochures of other companies, even if their businesses are unrelated to motorcycle repair. You can find dozens of samples in those racks of brochures that are commonly found in restaurants, hotel lobbies, bus stations, highway rest areas, tourist information kiosks, automobile association offices, and travel agencies. By looking at the use of color, artwork, slogans, headlines, maps, and other details on these sample brochures, you can get an idea of what you would like your finished brochure to look like.

Remember, the time spent developing a brochure is an investment in your future success. If you have pride in your work, confidence in your abilities, and you're convinced that you can do a good job for your clients, don't keep it a secret! A brochure is the perfect means to tell people these things about yourself and your business.

Activity 5

An important part of any business (no matter how small) is an efficient office space. The amount of office equipment and supplies that you'll need will depend on the size of your business and the types of services that you'll offer. Most motorcycle repair shops don't need a large office space, but you'll probably want to set aside at least a small area in the shop where you can talk on the phone and write out estimates and invoices.

Most small motorcycle repair shops can run very effectively with only a minimum of equipment. However, as your business grows (especially if you hire others to work for you), you may need to expand your office area. If your business gets to be very large, you

may even need to hire an employee to help take care of customer billing, record keeping, and other office functions.

When you're first setting up a small home office, it's a good idea to make up two lists of supplies—one list of the absolute necessities, and another list of things that you would like to have. The following is a list of office equipment and supplies that small business owners typically consider obtaining at start-up:

- Telephone
- Answering machine (or answering service)
- Typewriter or word processor
- Secure metal file cabinet
- Basic office furniture (small desk or table, chair, lamp, chairs for waiting customers)
- Small cash register
- Calculator or adding machine
- Fax machine
- Computer
- Photocopier
- Wall or desk clock
- Blank invoices
- Sales receipts

Using the list above as a guide, try writing out a list of the office supplies and equipment that you think you'll need when just starting your business. Include only the absolute necessities in this list. Then, write out a list of items that you would like to purchase or add to your office later.

Conclusion

We hope you enjoyed these suggested exercises! Now, when you're ready, proceed to the graded portion of the practical exercise. This part of the exercise is completed in the same way as the other examinations in your program. Remember, you can refer back to your motorcycle repair study units at any time if you feel you need to review any material. When you're finished with the examination, follow the instructions provided to send your answers to the school for grading.



ONLINE EXAMINATION

For the online exam, you must use this

EXAMINATION NUMBER:

03382901

When you're confident that you've mastered the material in your studies, you can complete your examination online. Follow these instructions:

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