

Formula Student Spain 2013 Business Plan Presentation Event Deep Dive Topic

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0. Introduction and objectives of the document

This document is complementary to the Business Plan Presentation. It describes some important aspects related with the commercial issues that take place once the selling of the car has been contracted with the client.

First of all it is necessary to consider the main features of our clients, the usage of the vehicle, and the relation of both aspects with the designing, production and continuous improvement of the car. The purpose of such considerations is to accomplish the needs and wishes of our client in such a way that they will realise that our car satisfies all its expectations. That leads to client fidelity in the future and to an increase of our market share.

The objective of this document is to outline the main policies and strategies of our business during the car's life cycle, from leaving the factory to final disposal. These policies aim at covering and overrunning clients' and society's expectations by taking into account sustainability, technical improvements and social dissemination of automotive industry and engineering.

In the next sections, such an outline is provided. It starts with the management of the delivery of the car to the final client. It then goes on with the policy of contact with the clients after delivery. Finally, it deals with the way and duration of handling customers' feedback.

1. Management of the delivery of the car to the final client

ARUS will serve its vehicles to customers in any country within the Schengen Area (except for Iceland), as well as Ireland and the United Kingdom. The countries in the Schengen Area are shown in Figure 1 below.

Delivery to Iceland as well as to States outside the Schengen Area is discarded due to the non-viable ratio of aftersales service quality to logistics costs. However, delivery beyond the Schengen Area could be arranged in agreement with the client.

Generally most of our clients have some or even very good knowledge of car mechanics. In most cases they have the means to operate, adjust, mount parts, etc., or, at least, such means are available for them. On the contrary, there are some clients with high economic level who prefer just to use the car, hiring a technician's services to deal with very specific mechanical operations. In the middle a whole range of cases can be found.

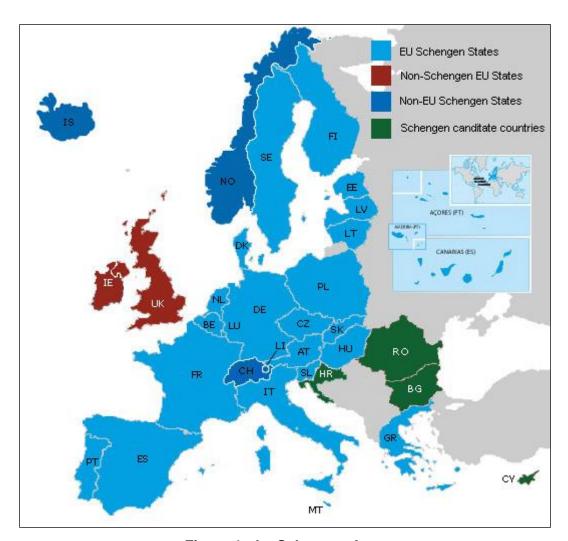


Figure 1: the Schengen Area

In accordance with the above considerations about the customer's experience and knowledge, the company offers five types of delivery service (listed in ascending order of delivery fees):

- a) Delivery in factory (no shipping)
- b) Shipping of disassembled car
- c) Shipping of semi-assembled car
- d) Shipping of assembled car
- e) Shipping of assembled car plus technician's support

(The Assembly Guide and Tooling List are always included)

A short description of each type of delivery is provided in the following paragraphs.

a) Delivery in factory (no shipping)

The customer would be received at the factory by the company manager, who would explain the manufacture and assembly processes. Next, the



customer would be shown how the car works and would be given the opportunity to try it.

Finally, the company would serve the car properly packed for transportation by the client's own means. It would be possible to serve the car assembled, semi-assembled or disassembled.

b) Shipping of disassembled car.

The company would pack the parts of the car and send them to the destination specified by the customer.

This option is only recommended for experienced users.

c) Shipping of semi-assembled car.

In this case, the company would assemble the engine and transmission as well as the body work to the chassis and send these along with the rest of components to the destination specified by the customer.

This option is only recommended for experienced users.

d) Shipping of assembled car.

The company would send the car properly packed and ready to use after fluid levels' check and fuelling by the client.

e) Shipping of assembled car plus technician's support.

A technician would be present upon arrival of the car to explain the client how the car works and provide them with instructions on its proper use and maintenance.

ARUS works with a logistics company in charge of shipping from the factory to the address specified by the customer.

All the delivery fees are the same for domestic shipping. International shipping fees will vary according to the corresponding costs.

2. Contact with clients after delivery

2.1. Contacts implementation

Our company will set up a website and a newsletter system to inform the clients about competitions and events suitable for their cars, updating of components, improvements, technical information etc. Contact will be periodically established by e-mail until the car disposal.

ARUS will also implement an on-line client service comprising telephone and Internet connections.



Clients will also be able to contact the company via the feedback procedures outlined completely in Section 3 of this document.

At the moment of disposal, our company will offer an ecological disposal service, in which most of the car's components will be recycled. We use the services of certified facilities for those components that cannot be recycled by ARUS. The client will be compensated with the residual value of the car.

2.2. Promoting contact occasions and interest for the clients

To improve contact with clients as well as their satisfaction with the car, it is necessary to promote the opportunities for them to use it. In order to achieve that, ARUS will study several kinds of events. First of all, taking into account that our open-wheel car is a racecar with particular features, we have carried out a research to find the appropriate occasions for the clients to enjoy its use.

2.2.1. Existing events and competitions suitable for the car

Different championships are held throughout Europe with races in courses similar to those used in Formula Student autocross events.

- In Spain, despite the lack of a national Slalom Championship, each regional federation organizes their own ones, so there are many possibilities for our customers at a national level. For instance, the Andalusian Slalom Championship is held in our region, in which we could participate within the Class 1 (up to 1400 cc).
- Also in Portugal the FPAK organizes the "Troféu de Pericias 2013", which is based in slalom-like events, and also the "Troféu Regional de Slalom do Sul". The last one is a very attractive option for our customers in Andalusia because of the geographical proximity.
- In Morocco, the FRMSA (Féderation Royale Marocaine des Sports Automobiles) authorizes the celebration of slalom events thanks to regional clubs like the Tangier Racing Club.
- In the UK, the AutoSolo is a very interesting option for our British clients, and at the regional level many events are held throughout the country. According to the rules, our car should be eligible for Class E.
 - Gymkhanas would also be a good occasion to use our car.
- The same possibilities as those in the UK are available in Ireland.
- In France, numerous Slaloms are run under the banner of the different regional motorsports federations that are members of the FFSA. Almost any type of car can participate in these events.



- The Belgian market is also very attractive thanks to the Slaloms organized by the Vlaamse Autosportfederatie. Our car could participate within the Special Classes.
- Autoslalom Lelystad is a popular venue in the Netherlands, and the events run there under the Team WIMEDO banner are a good example of the amateur motorsport culture in that country. In such competition, our car could compete in Class X-3.

All the championships and events mentioned are timed races in which competitors race against the clock, so there is no high possibility of getting involved in an accident. We have also checked that the tracks are safe, but we encourage our customers to evaluate the safety of each event by themselves.

- In Germany, there are slalom events organized by the national motorsport authority (ADAC): the DRSM (Deutsche RennSlalom Meisterschaft) and the Clubsport Slalom. The first one is a national championship, while the other refers to a series of regional events. We have checked that these events are safe and well organized. However, after studying the rules, it seems that our car may not be eligible to race.
- In Italy, no similar events to the ones mentioned above have been found.
 They have their own "slalom" events, but they are more similar to hill-climbing and asphalt rallies, which we find unsuitable for our car in terms of safety.

We know that there are also slalom-like events in the rest of European countries, and we will contact each of the national motorsports federations to determine our car's eligibility for any of their championships and, whenever possible, to examine the safety of the events.

2.2.2. Proposal of new events and competitions suitable for the car

In order to broaden the possibilities to use our cars, to foster the Formula Student philosophy and to promote contact with society in general, ARUS will work in the following arrangements:

- Creating a Spanish championship that would follow the FS rules, based on the consortium of all the Spanish FS car manufacturers, with the support of the national governing body for motorsports, the RFEdA. It would be an excellent opportunity to introduce young people to both engineering and motorsport, as well as a showcase for automotive technology.
- Arranging single-brand-engine competitions: ARUS will get to agreements with one engine manufacturer (e.g. Suzuki, Honda, BMW



etc.) in order for them to supply the engine. The races would be run in courses like those used in Formula Student, and with similar rules. This type of competitions allows for big amounts of participants and hence increases in sales, if enough interest in the championship is raised.

- Another possibility is to organize track-days on karting circuits. There are four karting homologated tracks in our area: Alcalá del Río, Cartaya, Campillos and Villafranca. This is important for our local customers.
- Finally, it is possible to promote the car among companies offering full service for clients interested in just using the car (the car belongs to the service company).

3. Handling customers' feedback. Way and duration

Our customer feedback model is based on a web application comprising three web pages: customer registration form, forum and data submission form.

Each registered user will be identified by a username enabling them to enter the forum.

Moderated by our team of engineers, the forum is intended to provide a direct means of communication between all customers. In addition to this, it will provide another way of communication between clients and ARUS, as it has been pointed out in Section 2.

ARUS' strive for developing ever-better cars and correcting undesirable car behavior has led to the implementation of the Continuous Improvement System (CIS). In this system, customers' feedback is of vital importance.

Customers who decide to participate in the CIS should check the corresponding box in the customer registration form. In that case, they will have access to the data submission form in order to provide information about the events in which they participate. A database will be set up to compile this information, which will be of vital importance to ARUS as it will indicate the car's performance under different conditions and configurations.

Customers collaborating with the Continuous Improvement System will be given a Premium status. This status allows for access to exclusive content, discounts on merchandising, preference admission and discounts while signing up for our events, etc.



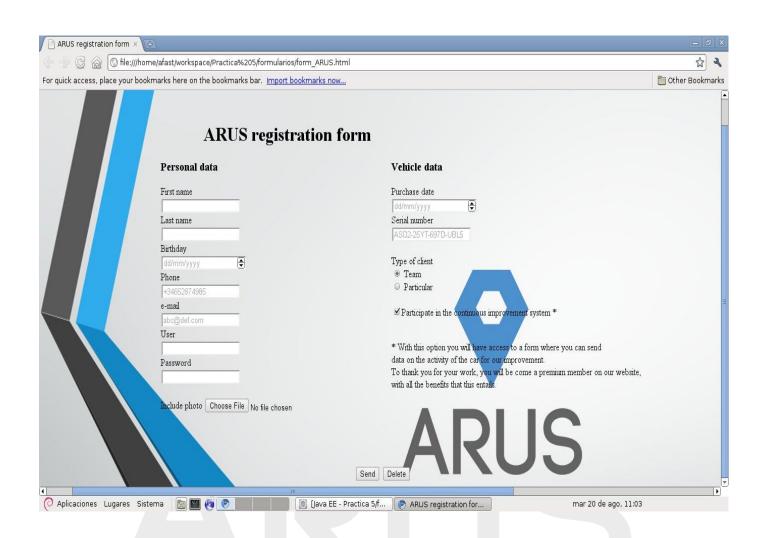


Image 1



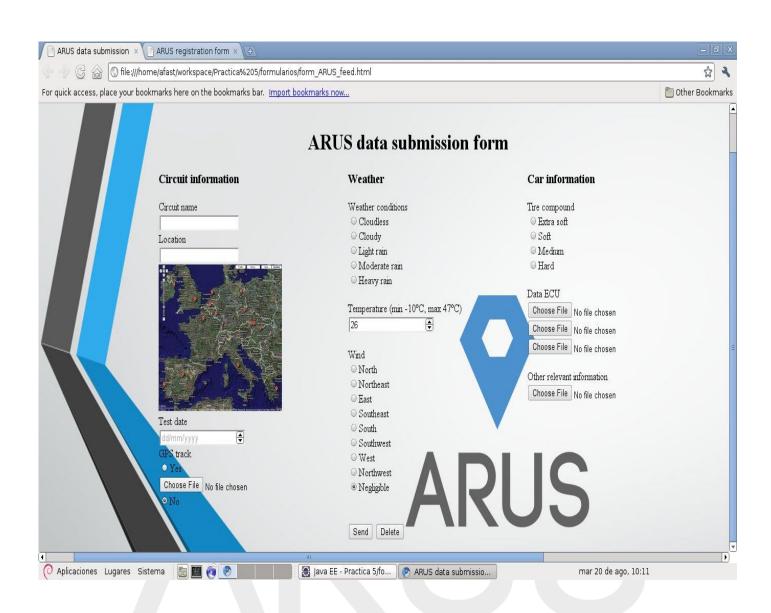


Image 2