

*CALBOYS AUTO
INVESTMENT
CASE STUDY*

COURT 323
EFFICIENCY
MANAGEMENT

CalBoys Auto has come with an investment dilemma. They already have a hypothesis of where they should invest, but they need a report to confirm their hypothesis. CalBoys Auto is a black owned, family business that recently began with a fair amount of assets and start-up cash. They also have access to a facility with an acre of land. There is an abundance of cars that cannot run and used tires at the facility when they arrived. After several prior investments and cleaning, they can provide vehicle maintenance, towing, and tire services.



Automotive and Towing

A PROBLEM OF CALBOYS AUTO IS THEY HAVE TOO MANY SERVICES. WITHOUT THE OBSERVATION OF THEIR OPPORTUNITY COST, THEY ARE EQUALLY APPLYING ALL THEIR SERVICES FOR REVENUE. THEY AREN'T COMPLETELY SURE WHICH SERVICE IS MORE PROFITABLE OR EQUITABLE, SO THEY CANNOT MAKE THE APPROPRIATE INVESTMENT DECISION. ONCE THEY HAVE MORE INFORMATION, THEY PLAN TO FOCUS THEIR OPPORTUNITY COST AND FINANCES TOWARDS ONE SERVICE.

ACCORDING TO CB INSIGHTS,

35% of small businesses fail because there's no needed market for their services or products.

8% of small businesses failed because of a poor product offering.

19% of small businesses failed because of a flawed business model.



CALBOYS AUTO ASSETS AND SALES WEREN'T BEING SEPARATED IN THEIR FINANCIAL STATEMENTS. COURT 323 EFFICIENCY MANAGEMENT SEPARATED THEIR FINANCIAL STATEMENTS (BALANCE SHEET AND INCOME STATEMENT) BY SERVICE, THEN REPORTED A FINANCIAL ANALYSIS OF PROFITABILITY, EQUITY, ROA, INVENTORY, AND ACCOUNT RECEIVABLES. CALBOYS AUTO MADE A FIRM DECISION FROM THE DATA TO DECREASE THEIR SERVICES TO ONE AND MAKE AN INVESTMENT OF \$40,000.

TOWING CONTAINED MOST OF THE LONG-TERM ASSETS, ACCOUNT RECEIVABLES, AND INVENTORY. CALBOYS AUTO OPPORTUNITY COST (FINANCES AND OPERATION TIME) PRESENTS TOWING AS THE ADVANTAGEOUS INVESTMENT DECISION.

THE INFORMATION AND FINANCES HAS BEEN CHANGED TO PROTECT CALBOYS AUTO.



A COURT 323 EFFICIENCY MANAGEMENT CASE STUDY

Court 323 Efficiency Management is a management and fulfillment company that leads your project towards stronger financial margins. We focus on providing a fast, automated experience to increase company profits. Finding solutions from your financial and inventory data allows us to choose the best decisions for your company's processes and standards.

For more information, contact tracy.cook@court323.com

CB Insights. (2021, August 3). *Why startups Fail: Top 12 Reasons* | CB Insights. CB Insights Research. <https://www.cbinsights.com/research/startup-failure-reasons-top/>.

