

Entrepreneurship

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Business description/ Market opportunity

The process that is used by business owners to convert their business idea into a full-fledged business organization is called entrepreneurship. Different aspects of entrepreneurship are essential for a person to develop a business idea over a period. It becomes essential for business organizations to understand skills and characteristics that are essential to developing their business operations (Piñeiro-Otero and Martínez-Rolán, 2016). For example, there is a requirement for effective communication for an entrepreneur to become successful and convert to business their idea effectively. University of business organizations in every industry has been affected by the negative impact of a covid-19 pandemic. The government workforce to implementing lockdown created a lack of customers for every industry. The Healthcare industry and essential service industry are few of the industries that we're able to sustain their business operations.

The economy of the UK is in its growing stage at the current point in time. it means that business organizations are being promoted with the help of different government-assisted loans and advanced programs. it means that small-scale and new businesses can get loans at a reputed rate as compared to loans provided before the covid-19 pandemic. The main objective of government and other regulatory bodies is to ensure that there is a flow of money in the economy by creating demand and supply for different products (Rangaswamy et.al, 2020). small scale business organizations are also considered a backbone of any economy which is essential to be developed after the negative impact of a covid-19 pandemic.

The business idea under consideration is starting a digital marketing firm. the main objective of this form will be to promote other business organizations on different social media platforms through digital marketing and search engine optimization. The economy of the United Kingdom is in its growing stage and the number of business organizations regaining their market will increase. These business organizations will platform for promoting their product and services and this service will be provided by our company.

Industry analysis

Industry analysis helps in researching other business organizations operating in the market including characteristics associated with the industry in which the company will be operating. This type of analysis is essential before launching products in the market to understand the expected results of a business venture.

The threat of new entry

The threat of new entrants in a particular industry will be higher if there are no restrictions on exit or entry into such a market. For example, it is very common for the government to establish its undertakings in the field of defence. Restrictions on entry and exit in this market are significantly higher as compared to other industries such as the e-commerce industry (Desai, 2019). It would mean that there is no threat of new entrants in the defence industry. On the other hand, restrictions applicable to the digital marketing industry are significantly lower as compared to any other industry. This is because this is an open market and it is providing products and services to other customers. Overall operations of the company will not affect the public or the economy as a whole.

There is a significant number of business organizations operating in this industry and there will be more businesses starting their operations. The number of business organizations in this industry will increase as more and more businesses require to promote their products on social media platforms.

Threat of substitute

If all business organizations in a particular industry are providing similar products and services then there will be a high threat of substitutes. It means that products and services are provided by a particular organization or similar to that of all the competitors. There is freedom available for customers to choose from a variety of similar products and services floating in the market (Hofacker et.al, 2020). The level of competition in such industries is significantly higher as customers will move to other products if the selling prices of a particular product are increased. Generally, prices of the product in services in such a

market are similar for all the companies. Demand for a particular product is increased by an organization through better customer service.

It can be said that similar types of services are being provided in the digital marketing industry of the United Kingdom. The only difference is the quality of services that are provided by different companies. Quality is entirely dependent on the skill and experience of human resources that are hired by companies to manage clients (Omar et.al, 2020). It can be said that there is a threat of substitutes but it can be reduced by hiring experts in the field of digital marketing.

Bargaining power of suppliers

The supplier can be defined as the provider of basic components required for manufacturing or generating product and services under a business organization. For example, steel can be considered raw material for businesses is operating in the utensil industry. The number of suppliers in a particular market will define the bargaining power of suppliers. If many suppliers are higher than the bargaining power of suppliers will be lower as a company can choose from a variety of raw materials that are being generated in the industry (Goyal, 2020).

In the case of the digital marketing industry, human resources can be considered as suppliers as promoting products and services are entirely dependent on the skills and knowledge of human resources hired by the company. It can be said that there is a vast variety of human resources available in the United Kingdom that have sufficient knowledge to perform effectively in the field of digital marketing. Experience and skill can be developed for recruits with the help of training and development. It can be said that the bargaining power of suppliers is limited in this industry.

Bargaining power of customers

The bargaining power of customers is dependent on many business organizations providing similar services in the market. The bargaining power of customers will be high if the number of business organizations in the particle industry is high. This is because customers have a wide variety of options that they can choose from according to their

specifications (Mukherjee, 2018). Customers can easily move from one service provider to another service provider based on the quality and price of the product provided to them.

It is already discussed that number of organizations providing homogeneous services in the digital marketing industry is high. It means that two similar products are been provided to customers and they have a variety of businesses to choose from. The bargaining power of customers will be high in this industry.

Competitive rivalry

Name of the competitor	Differentiation
Global Search Marketing Ltd.	Our target will be to focus on small and medium-sized business organizations by providing services at a reasonable cost.
The Good Marketer	Our business organization will create a USP in the market by hiring skilled and experienced human resources.

Operations and management team

There is no specific process that will be used to provide services to the consumer. Communication will be the key to understanding and analysing the requirements of consumers. The primary focus of every consultant hired by the organization will be to understand the perception of the consumer and the requirements associated with marketing. The process of providing service will entirely depend on the type and characteristics of services required by the client.

Sources of revenue will be the fees that are being charged from the client. No fixed fee will be charged from a particular client as the specifications of each client will be different from each other. Fees for different services will be dependent based on communication with the client. Specific terms and conditions will be created for each of the clients in a legal contract (Rosokhata et.al, 2020).

Management team

Name	Skills	What do they bring to the firm
Name 1	Digital marketing and SEO	Their primary focus will be to provide services to the client by promoting the product on social media platforms.
Name 2	Information technology	Their primary focus will be to develop an information technology network that will help in communication within different departments.
Name 3	Business management	Day-to-day management will be performed by members of this team.
Name 4	Customer relationship	This team will be responsible for directly communicating with clients and getting their perception of the quality of services.

Marketing

Product

The product under consideration is a service that is being provided to the client for promoting their product on different social media platforms with the help of digital marketing and Search Engine Optimisation. The overall need for social media marketing has been increasing significantly in the last decade. One of the major reasons for this demand is the cost efficiency of social media marketing. It has become very common for consumers to search for a particular product on different social media platforms before purchasing (Jain, 2013). This research help customers to get a perception of other buyers on the social media platforms for a particular product.

Price

Cost-based pricing should be used by this organization. This is a pricing strategy in which profitability margin is added to the overall cost that is spent by an organization to generate of particular service. The fee that is required to be charged now from a particular friend will be decided Before initiating any service. It is essential to ensure that this fee is properly communicated to the client before initiating any service related to digital marketing. This type of management will help in maintaining transparency with the client. It is also suggested that job costing methodologies should be used to identify the costs associated with a particular job. Job costing will help in separating costs for each of the clients undertaken by the company.

Promotion

Promotion of products and services refers to the specific advertisement strategy that will be used for promoting our business operations during the initial stages. This is strategy is essential as customers will are not aware of the product and services that are being provided by a new company. Our business organization itself is a digital marketing company, therefore primary marketing strategy for the company would be digital marketing and social media marketing. In addition to that personal selling will also be used by a company (Samani, Touroujeni and Vahide, 2017). Sales representatives of the

organization will visit small and medium-sized business organizations that are not currently using similar services. This will help in building a relationship with a market that is in its growing stage.

Place

A physical office will be established by the organization in London. This business organization will operate through physical and virtual modes of operation. A physical place of the corporation will be established to communicate with clients in case there is a requirement for a meeting. majority of operations in the organization will be done through a virtual platform i.e., the internet. This type of model will help the organization to sustain effective profitability margins during the initial stages (Dally, Sinaga and bin Mohd Saudi, 2021). The cost of operation will be reduced by operating majorly on virtual platforms. The company will not be required to spend a significant amount on indirect expenses in this business model

Financial

Source of funding

It is expected that a total of £200000 are required for establishing the entire business operation including capital investment and working capital investment. The funding suggested in the given scenario is venture capital. Businessmen created in this report should be communicated to different venture capitalists. This venture capitalist will invest in the business operations if they think that there is a scope of profitability in the business idea. They will get a percentage of equity in exchange for their investment.

Use of funds

Particular	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Revenue						
Fee charged from clients	325000.00	349375.00	375578.13	403746.48	434027.47	464300.00
Total	325000.00	349375.00	375578.13	403746.48	434027.47	464300.00
Fixed cost						
Rent	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00
Salary	75000.00	75000.00	75000.00	75000.00	75000.00	75000.00
Property taxes	2500.00	2500.00	2500.00	2500.00	2500.00	2500.00
Interest paid on capital	36000.00	36000.00	36000.00	36000.00	36000.00	36000.00
Depreciation	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00
Insurance premium	7500.00	7500.00	7500.00	7500.00	7500.00	7500.00
Total	129000.00	129000.00	129000.00	129000.00	129000.00	129000.00
Variable cost						
Variable salary	32500.00	34937.50	37557.81	40374.65	43402.75	46430.00

References



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