

Cool Bangla Furniture

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Introduction

Over the last few years there has been a growth in the furniture retail industry. With a growth in the people's demand levels, the sector has also gained a lot of attention from business entrepreneurs (Walcott, 2014). This project takes into consideration the construction of a new furniture business called Cool Bangla Furniture. It is noted that the firm will target to provide people with their most demanded goods and thereby ensure a higher level of satisfaction. Further, improving revenue generations along with enhancing profit levels will also be focused on by management.

Aims and Objectives

According to Goodman (2015), development and growth a company in the United Kingdom is based on its various objectives. The principle aims of the firm are as follows:

1. To become a leader in the furniture industry
2. To provide customers with their most demanded goods
3. To secure high profit margins and sales volumes
4. To ensure environmental and communal sustainability

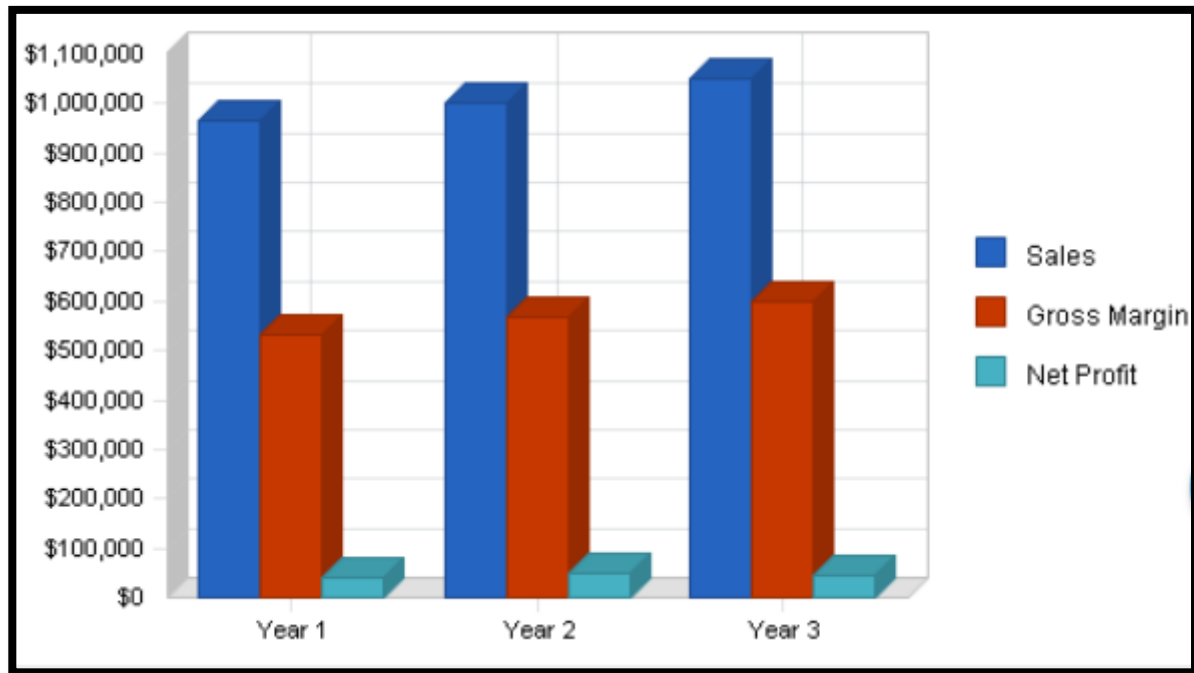


Figure: Company Targets

(Source: As created by author)

Sustainable Environment and Globalization and the related goals

In order to ensure that the company is able to achieve the Sustainable environment that is again aligned with the mission and vision of the organisation, the management of Cool Bangla Furniture need to break down the targets into specific and achievable missions, which are as follows:

1. To provide goods to both luxury and middle income households and thereby expand business in the regional sector.
2. To earn double revenue levels in the coming three years and thereby increases profit margins.
3. To vision 50% to 70% sales in high and middle end customer segments.
4. To expand business (10%-20%) in the corporate, commercial, social and governmental sectors of UK.

5. To ensure time delivery (5 days) of high quality products to the people.
6. To incorporate an error free and fast logistics system within the firm.
7. To undertake eco-friendly manufacturing and supply of goods along with taking part in charity.

It is evident that for the purpose of expansion and globalisation, sustainability within the industry is highly contributing and supportive of the organisational growth and sustainability as well.

Legal Compliances

As per Paasi (2013), Cool Bangla Furniture needs to abide by the regulatory framework of the United Kingdom in order to continue business in the nation. The various legalities that apply to the private organization are as follows:

1. **The Companies Act 2006:** In addition to being is mandatory to be a registered firm in the UK, the act states a number of duties for the directors. Further, various activities of a company and its limitations are also specified under this act as well.
2. **The Insolvency Act 1986:** This particular act guides insolvency of the company along with declaring various process of winding up.
3. **Regulations of IA:** Apart from taking into consideration various recommendations of working groups, the members of the legislative bodies guide payment structures.
4. **Small Business, Enterprise and Employment Act 2015:** It is noted that the act along with making it mandatory to choose one director, focuses on guiding employment of workers into the firm. Further job rights and culture are also to be organized in accordance to this statement.

Development of Business

Cool Bangla Furniture will be based in London and shall deal in readymade pine furniture. Further, the development of the new venture will depend on several individual factors, which can be distinguished as follows:

1. **Company Ownership:** The firm will be owned by Mr. Jon Shaw who has not only studied designing but also has a 5 year experience in furniture production.
2. **Target Market:** The firm will focus on providing its services to middle class families and modest income groups.
3. **Start up Costs:** In addition to selling furniture, the organization will also deal in transport containers and entertainment centres. It is noted that along with an investment of \$70,000, Mr. Shaw will secure a loan of \$110,000.

Potential Market of the Business

According to Leapman (2017), London is recognized to the heart of United Kingdom. Being situated in the city, the firm will have access to 8.79 million people. However, being a new venture, the management will start from selling its goods to middle and old age citizens in Belmont, Elm Park and Wimbledon. Additionally, the youth of Chelsea will also be targeted to sell entertainment centres. London being a well developed part of the United Kingdom will provide the business with a large opportunity for expansion.

Customer Segmentation of the Business

In order to locate potential customers for the business, the managers will involve in breaking down the population of London into sub parts based on demographics, physiographic, cultural and social values (Fowinkel, 2014).

The customer segments of Cool Bangla Furniture can be typically divided into three parts, which are as follows:

1. **Students:** The firm will provide bookcases, chairs and tables to the students in a household.
2. **Young adults and working families:** As per Lezard (2014), it is often that the newly married couples in UK tend to shift to a new home thereby leading to a need for new furniture. Additionally, the working families and young adults also are in need of beds, dressers, chest, armoires, tables and chairs.
3. **Old Generation:** The retired people often have a large amount of free time and tend to spend their money in shopping (Dragicevich et al. 2016). In order to target these groups the management will build up a company website.

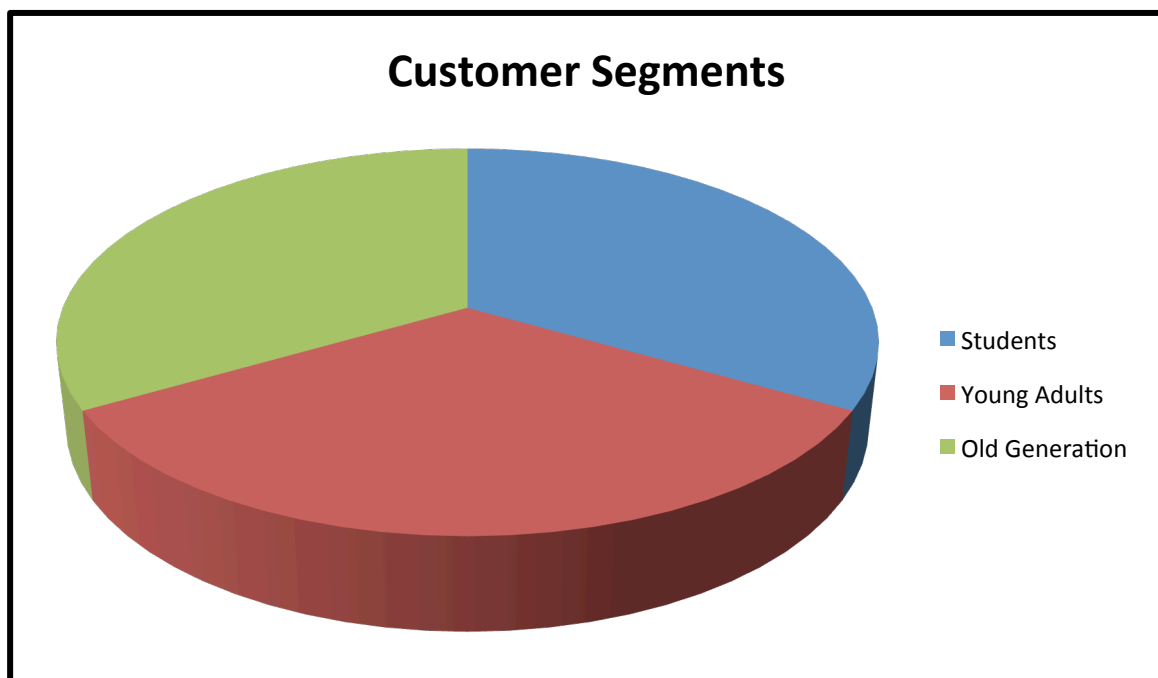


Figure: Customer Segmentation

(Source: As created by author)

It is noted that with a growth of the company, the management will also tend to supply benches, chairs and tables to private or publicly owned parks, museums and tour sites. Moreover, apart from selling to individual households, the company will also target schools, universities and corporate enterprises as well. It is noted that the population of London has been growing at a steady rate (Leapman, 2017). The per capita income amounts to \$57,630, which proves that selling to both urban and metro communities will be profitable for Mr. Shaw's business.

Business Profitability

As stated by Tulder, Verbeke and Strange (2014), building up a competitive edge will help the newly developed business to earn a significant level of profit. With about twelve stores spread across the four parts of London, Cool Bangla Furniture focuses on providing high quality – low priced goods to the people. It is noticed that prices often range from \$100 to \$800. Further, the standardized quality of wood used in furniture helps to attract people.

On the other hand, the managers also focus on incorporating the use of social and digital mediums for marketing, which ultimately will result in an increased level of profitability. Further, in order to fulfil the target of increasing revenue generation, the administration will focus on building up a strengthened sales strategy. In addition to sending newsletters and spreading awareness among the people through emails, brochures and pamphlets, the company will provide discounts and offers as well.

Mr. Jon Shaw will also focus on integrating a stronghold human resource management in the company. It is noted that recruiting skilled employees and providing them with adequate training and development shall contribute towards improving performance levels. As per Peris-Ortiz and Sahut (2014), the presence of a two way communication system will help to enhance profitability. With a target of increasing profit margins from \$40,641 (4.22%) to \$47,250 (4.72%), the administration of the company forecasts a sales figure of \$964,000 and \$1,000,000 in the upcoming two years.

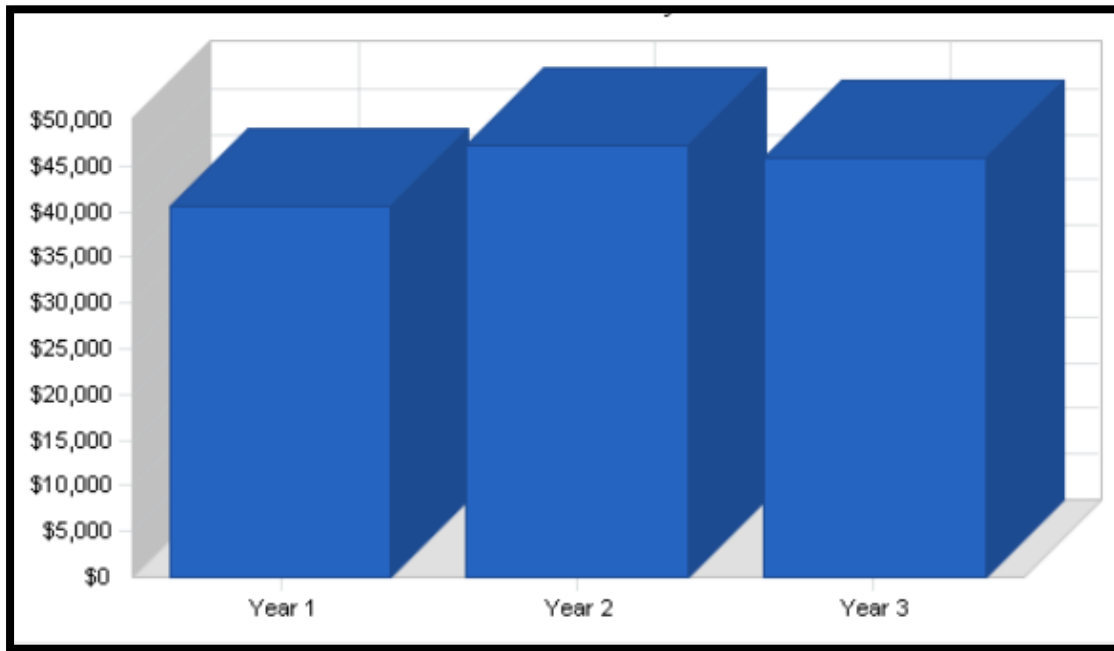


Figure: Business Profitability
(Source: As created by author)

SWOT Analysis

The management of Cool Bangla Furniture might incorporate the SWOT model to learn about the various internalities of the company (Ward, 2014). Further, the framework can be distinguished as follows:

Strengths: 1. Product diversity 2. Availability of capital resources 3. Strong online presence 4. Enhanced customer segmentation 5. Presence of highly qualified and well trained management force 6. Fulfilment of economies of scale 7. Integration of modernized technology 8. Developing brand name 9. Availability of high quality low priced goods	Weakness: 1. Sales performance issues in preliminary stage 2. Increased traffic might lead to unequal attention towards customers 3. Increased job and worker inefficiencies 4. Rapid expansion might lead to increased debt burden 5. Poor adaptability to changing market forces 6. Low or zero acquisitions
Opportunities: 1. Available geographical diversity scopes	Threats: 1. Poor economical conditions in UK 2. Exchange rate fluctuations

2. High financial leverage 3. Growth of modern and cost saving technologies 4. Increasing population and demand levels 5. Emergence of new market segments 6. Scope for international expansion	3. Increased local and foreign competition 4. Rigid government regulations 5. High political interference 6. Volatile cost and revenue systems 7. Presence of substitute products in the market 8. Increased taxonomy rates
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Table: SWOT Analysis
(Source: As created by author)

PESTLE Analysis

As stated by Min (2015), the implementation of PESTLE analysis model helps the administration of Cool Bangla Furniture to understand and study the various external factors that might affect the company. Based on the framework, the various elements can be distinguished as follows:

Political Factors	1. Occurrence of Brexit 2. Rigid customer and business laws 3. Increase taxonomy rates by 45% to 50% 4. Will hidden corruption in the country
Economic Factors	1. Robust GDP growth 2. Increased rate of interest (2%) 3. Inflation targeting system 4. Increased inflation rates (3.72% to 4.29%) 5. High unemployment (7.8%) 6. Increased currency devaluation
Social Factors	1. Demographical changes 2. Change of customer preferences 3. Increased awareness for standardized goods 4. Need for ethical and moral conduct

	5. Increased education levels 6. Stable income and saving levels of people
Technological Factors	1. Growth of internet (36.2%) 2. Expansion of social and digital media 3. Well-developed R&D infrastructure
Legal Factors	1. Rigid employment regulation of government 2. Presence of legislative bodies to monitor firm's abidance to the law 3. Healthy and Safety Act to ensure security and hygiene of workers 4. Labour Law to guide various job provisions (sex, religion, race, age, disability, payment) within a company
Environmental Factors	1. Ecological sustainability measures 2. Charity by the company 3. Waste reduction 4. Recycle, reuse and reduce of materials

Table: PESTLE Analysis
(Source: As created by author)

As per the analysis of the internal and the external environment, the need to improvise and employ the leadership style is highly recommendable for the organisation Cool Bangla furniture so as to achieve the sustainable environment and globalisation of the company. According to Bertocci (2009), the leadership is the process that makes things done by others. Leaders mainly mobilize the workforces to make other to perform all activities appropriately within the pre determined time. The most appropriate leadership theory that is going to benefit the organisation is going to be the Trait theory. This theory evaluates the specific performance of the leader and makes the leader get distinguished from the non-leaders. Basically this theory revealed that leaders are born not to be created and mainly focus on the personal traits of the leaders (Garcia, 2014). The leaders and the managers of the different departments (warehouse, assembling, furnishing, marketing, sales, supply chain, customer service and the like) of the organisation must go for the inculcation of this leadership theory. This is going to provide a compact process of sharing the information along with the establishment of the open line of communication. The communication with the external stakeholders is also highly enhanced through the inculcation of the practices related to this theory. The more any organisation is internally strong and compact in delivering the execution of the process related to the functional operations of the organisation, it is going to perform outstanding. Therefore, this theory is highly recommendable, as it provides the scope to the employees and the managers to get involved making the organisational culture improved. This will further help the company to go for the achievement of the aim of globalisation where competitive advantage is highly crucial.

Global Citizenship

The need to go for the Global citizenship is crucial for the globalisation of any company and its sustainability in terms of the environment mainly the external ones is very significant for any company and Cool Bangla Furniture is no exception. According to Petrillo and Bellaviti (2017), global citizenship is the part of the emerging world economy whose action is very crucial for the organization. Getting involved in the national business community is not same as getting the global citizenship in the global community of the particular market that is the furniture industry in the global context. This is because, the arena and the competitors in the global community is huge.

Sustainable development

The retailers have made introduction of the product line that are very much compatible with the global trend of lower carbon emission. Cool Bangla furniture also regulates their business

effectively in order to minimise the harmful impact on the nature through controlling the carbon footprint of their manufacturing business. This also acts in enhancing the awareness of the customer about environmental sustainability and it also creates pressure on the suppliers and distributors to act in adherence with Cool Bangla. On the other hand, the aspect of maintaining carbon labelling is very tough task for the retailers. The packaging of the products also needs to be eco-friendly in order to provide sustainability of the environment. The aspect of recycling is also important for Cool Bangla as this issue was emphasized by the retailers. Retailers are very active in this agenda to minimize wastage and recycling the products. The market leader of groceries, Tesco has adopted strategies that no food would go waste from its store after the years of 2017. Retailers are signatory of Courtauld 2025 to cut the Co2 from its food and drink product.

Conclusion

Based on the above project it can be inferred that Cool Bangla Furniture needs to involve into adequate planning and coordination processes to ensure growth in the United Kingdom. Moreover, objectives and mission statement will guide the management and the employees towards growth of the firm. Additionally, to ensure a sustainable business in the foreign nation, Mr. Jon Shaw and his team needs to ensure abidance to various legal frameworks as well. Entrepreneurship is highly recommendable that can be achieved by following the different types of theories that includes: Economic Theories, Sociological Theories, Cultural Theories, and Psychological Theories. On the other hand, development of the business shall depend on a number of factors as well. It is noted that the management will focus on customer segmentation not only to locate profitable markets, but also to build up potential customer sectors. Lastly, the managers will integrate communication, promotional, human resource, product diversity and pricing strategies to earn an increased level of profit.

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