

Skills for the Workplace

Module Assignment Submission

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Module Title:	Part 1 Business Plan

Statement of Confirmation of Authenticity

By the act of making this submission, the student declares that this is the work of the student named above. The work has not, in whole or in part, been knowingly presented elsewhere for assessment, or where assessment has been built on a previous assessment, this has been identified. Where materials have been used from other sources it has been properly acknowledged. If this statement is untrue, the student acknowledges that an assessment offence has been committed.

Attention is drawn to the plagiarism and unfair practice policies of both the University and of ILM.

Executive Summary

The following business plan will be looking at the start-up of SRJ Electrical. A small electrical firm based in Llanelli run by husband and wife Abigail Hetherington and Simon Jones.

The business plan will consist of some background information of Abigail and Simon and what makes them suitable to start a business in the electrical industry, other electrical businesses in the Llanelli area and what sets SRJ Electrical apart from their competitors.

This plan will also look at their financial forecast, set up costs, monthly costs and income needed to be a successful business. It will also show the 1, 2 and 5 year plan for the business' future and how the business plans to grow.

The marketing and advertising plans will also be discussed along with their legal information and insurances.

SRJ Electrical Logo:



Introduction

SRJ Electrical will be an Electrical Installation Company based in Llanelli, providing domestic and commercial electrical services in the South and West Wales areas. It is a business partnership between Simon Jones and Abigail Hetherington, a husband and wife team with 20 combined years of experience in the electrical industry (CV available in Appendix 1).

The decision to start the business was born out of necessity and opportunity with Simon wanting to leave his role in the local authority and Abigail returning to work from maternity leave.

The goal for the business from the start is to address the issues raised during their careers. Abigail found being a female in the industry it was often remarked how more vulnerable people did not always feel comfortable having a male tradesperson in their home with them if they were alone. Abigail's experience was that tenants immediately felt more at ease seeing a female amongst the male trades, even if it was just a conversation starter. Abigail often found that she would be the only female working on a site at any time and it was often remarked how unusual it was to see a female worker in this very male dominated industry. Knowing that they already had something different to any other electrical business currently trading, SRJ Electrical decided to start trading under their own name with the unique selling point of being female at the forefront of all advertising.

The goal of SRJ is to provide an excellent service with comfort and ease for customers. Knowing how important feeling comfortable can be to potential customers, SRJ will make sure customer service and open communication is always a priority and that customers will always have a positive experience with their services. This, they believe, will mean their customers will always recommend them, therefore bring them more business.

The mission statement for the business is:

"Providing a sound and efficient service with a friendly smile at a competitive price - SRJ Electrical, for all your electrical needs"

The future plan for this business is to create a brand that can eventually allow Simon and Abigail to take on more administrative, managerial roles with staff built-up from apprentice level and completing the physical work while maintaining the company's mission statement. In order for this to take place they will need to build their business name until they are offered long-term contracts with companies and local authority that offer more consistency and a larger workload split-up over longer periods of time.

Business/ Industry

Electrical installation and maintenance focuses on services such as lighting, heating and power in a variation of buildings and external properties. For some electricians in the industry they will fix electrical problems within domestic and commercial properties, for others they can develop their skills maintaining and fixing faults in machinery and electrical vehicles.

As stated by Careers Wales (2021), Electricians are in high demand and it has been predicted that there will be around 391 job openings every year until at least 2025. This means there has been a push in colleges to not only gain qualifications in the electrical trade, but for students to gain apprenticeships and experience as part of their qualification. The need for an electrician has been consistently high due to the necessity of power for all residents of the UK. More recently this has taken a spike and has been predicted that demand will rise further in the future due to more reliance on electrical production over fossil fuels. One example of this that has been experienced in the industry is the increase in electric cars leading to a large amount of residential homes, holiday lettings and retail stores being fitted with electric car charging points.

According to a google search 'electrician near me' there are 18 advertised electricians in the Carmarthenshire area compared to the 73,100 houses registered in the Senedd [2008: Online]. This has meant an ample supply of constant work for the businesses working in that area.

Although in the UK, the female to male ratio of full time workers has increased steadily since the 1970's, research found by Rebecca Milligan from Trusted Traders found that the ratio of men to women in trades, such as electrical work, is at a ratio of one in ten. Based on these statistics, having a female fronted trade is already a unique concept, especially in the area SRJ plan to trade.

In Llanelli, there are no female led Electrical businesses advertised. An independent study shown in Appendix 2 has shown that 19% of people would choose to have a woman working in their home, rather than a male. Milligan also supports these findings noting a survey by WaterSafe where women voted more favourably that they would prefer a woman in their home, especially single parents and women living alone.

The Federation of Master Builders (2018) researched the concept of gender in the trades and found that 61% of people thought a female tradesperson would be more respectful and would look after their property better than a man, and over a third of business owners said they would prefer to hire a female. With this in mind, SRJ plans to focus on the advertisement of a female service to hone in on these desired requirements that no one else offers (or at least advertises) in the Carmarthenshire area at the moment.

Market Analysis and Competition

SRJ will be mainly based in Llanelli and after researching businesses that offer similar services, it is clear that few offer a female electrician and none advertise it as a service or preference. This allows the business to take on the opportunity of building a client base that are looking for the option of a female worker, whilst simultaneously building a positive reputation as a business with good service and great customer care.

Larger companies in the area such as RT Electrics and IWEK are more equipped and focused on long-term contracts with the local authority and new-build housing sites. They tend to take on fewer private/ domestic projects as their overheads tend to be larger as they operate on a bigger scale, one the SRJ plan to be at in 5-7 years.

The smaller sole traders (around 16 in the Llanelli area) are more directly in competition with SRJ Electrics, but none offer specific focus to vulnerable people or the appealing reliability and customer service of a husband and wife family business. This is where SRJ stands out from other competitors as no other company can offer the same Unique Selling Point.

Sales and Marketing Plan

SRJ Electrical has a unique selling point of having a husband and wife team working together and also a female electrician as a business partner.

This business will be using a Point of Sale that focuses on having a fully qualified female electrician with an emphasis on domestic and commercial properties for; private landlords, home owners, business owners and tenants.

SRJ's previous experience working with local authority has also highlighted that more vulnerable people, such as the elderly, domestic abuse victims and adults with learning difficulties can find a male or group of male strangers intimidating. By having the option of a female only service it can calm their concerns and allow SRJ to gain business from customers without competition of other local electricians.

While conducting research for this business plan, SRJ Electrical have found that the overwhelming majority of consumers put 'Professionalism' as a top priority when choosing a tradesperson to work in their home (Appendix 3). This is something SRJ Electrical will ensure is a priority when conducting business and will never fail to deliver on.

Services SRJ Electrical Provides

The services that this business will offer are as follows:

Electrical testing

Fault finding

PA Testing

Circuit installations

Circuit adjustments and alterations

Re-wires

CCTV Installation

Electric car charger points

Legal Requirements & Insurances

SRJ Electrical will be governed by STROMA. STROMA offers a compliance service for companies working within the construction and building industry, making sure SRJ are working safely and within the electrical guidelines. STROMA will require a £20 fee every month to secure membership and will also complete a site visit annually to re-test the business. This is to ensure they are up to date with the newest regulations while completing an installation test of a completed installation by the SRJ Electrical.

SRJ Electrical will have public liability insurance taken out with AVIVA. This covers them for up to £2M and is a requirement if ever working for a local authority (See Appendix 3)

Pricing Strategy and Financial Plan

In order for SRJ to start trading they will need a loan of £8000. The best interest of loan is with Hitachi finance with a rate of 3.2% (see Appendix 4). This will be spent in accordance with the table below.

Van	£6,000
Sign writing for Van	£160
Business Cards	£20
Uniform	£100
Tools & Equipment	£200
Test Kit	£720
2 weeks wages for AH	£400
2 weeks wages for SJ	£400
TOTAL	£8,000

The business' monthly outgoings will be as follows...

Monthly Outgoings	
Van Tax	23.18
Van Payment	65
Van insurance	22.41
Public Liability	21.83
Google Domains	4.6
Works phone	20
Abigail Wages	800
Simon Wages	800
STROMA Membership	20
Loan repayment	£144.30
TOTAL	1921.32

Materials for all jobs will be paid for, in advance, by the customer.

This means that SRJ Electrical will need to make a minimum of £480.33 profit per week to cover running costs of the business.

This will be split in to 5 working days for Simon and 4 working days for Abigail with the fifth working day for Abigail being dedicated to administrative tasks.

The business has a set 'day rate' of £180 for one electrician and £280 for two electricians. Meaning that in 4 working days, the business can make £280 per day equalling £1120 with the fifth day making £180. Totalling £1400 for a full-worked, five day week.

This makes one working week a profit of £919.67 ($£1400 - £480.33 = £919.67$)

However, from this figure, SRJ will need to deduct a variable cost of diesel which will depend on how far away the jobs will be. This will differ from job to job. If for example SRJ had a diesel budget of £100 per week (£919.67 - £100 = £819.67). £819.67 is still a sizable profit per week and an ample amount of diesel to get from job to job.

From these profits, 20% (£180 approx. per month) needs to be taken from each sale and placed in to a separate savings account. This will be used for the tax bill at the end of every financial year. £180 is an over estimation but any monies not spent on tax can be placed back in to the business for development or growth.

Another £50 per week will be placed in to a separate savings account to cover the costs of any repairs that will be needed on the works vehicle e.g. tyres, general wear and tear or a vehicle service.

Monthly Outgoings	
Van Tax	23.18
Van Payment	65
Van insurance	22.41
Public Liability	21.83
Google Domains	4.6
Works phone	20
Abigail Wages	800
Simon Wages	800
STROMA Membership	20
Loan repayment	£144.30
Tax savings	£180
Vehicle Maintenance	200
Diesel	400
TOTAL	2701.32

With the above figures in place SRJ's monthly profits will be £724.67.

Wages have been decided based on necessity of income for the two business owners.

There will be no monthly rent or other property running costs as there will be an office set up at home for all admin tasks to be completed, this will help keep costs down considerably.

The two areas of contingency and development are assessed on a biannual basis. This means that while ensuring the business has enough contingency profit to cover outgoings for the following month should it need to, there is opportunity to assess twice annually. For example, it may be decided that the expenditure of another work van is a higher necessity than increase in contingency, should this provide more opportunity for work and therefore a larger future profit margin.

1 year plan – Profit margin of £8696.04 annually reached with one company van and two full time business owners/electricians. Large domestic clientele with good reputation in the local area and steady flow of work consistent to 3 months in advance at all times.

2 year plan – Increase of wages by 15% due to increase of profit margin to £12,296.04. Introduction of larger commercial contracts to allow bigger profits and a larger margin of confirmed work (6 months in advance at all times). Now there will be a potential of an apprentice placement and second van to accommodate the growing workload.

5 year plan – Increase of wages for owners of an additional 15% due to increase of profit margin to £20,000. Abigail to take an administrative/ managerial role and Simon taking a supervisory role of new electrical teams. Aim of 3 works vans and 3 full time employees each with 3 an apprentice each.

Sales and Distribution

SRJ offer free quotations to allow the customer to 'try before they buy' and make sure they are happy with the potential price and service. During this time the business focuses on making the best impression and highlighting their unique approach to customer service and unique selling point (female electrician and husband and wife team). This allows the customer to see that SRJ may not always be the cheapest price but the service received is above the basic maintenance of electrics and a more personal and professional service is given. This way the customer will think more favourably of SRJ Electrical than the other companies coming to price the work so will be more likely to choose SRJ over the other firms.

Advertising and Promotion

SRJ will be using social media websites such as Facebook and Instagram to advertise and promote their business for free as well as having their business information on Google. Research from Ryan Erskine (Forbes 2017) shows, 91% of adults will look for business recommendations via internet search engines. The business will also ensure that this information is always up to date as 65% of people believe that an online search is the most trusted source of information. As SRJ grows, it is their aim to get on to the first page of Google's searches as Erskine's research also shows that 93% of people don't look for recommendations past the first page. SRJ will get their customers to leave positive reviews and feedback on both Google and Facebook as potential customers using either website will see the reviews and this will hopefully lead to more custom.

Instagram will be a good tool to show more of SRJ's personality and who they are as every-day people. It will also be a good opportunity to show photos of their high-standard work.

As well as having an online presence, SRJ will have business cards printed up and distribute them in local electrical wholesalers, community centres, residential homes, women's refuges, schools and post offices as well as offering them to people if they walk past the sign-written works van. They believe this will be the best way to get the attention of their target market of the elder people of the community, vulnerable adults and single women.

Appendix 1 – CV

CURRICULUM VITAE

NAME: Abigail Nia Hetherington

ADDRESS: 33 Alban Road,
Llanelli,
Carmarthenshire,
SA15 1EP.

MOBILE: 07595 913365
E-MAIL: abiheth@aol.com

D.O.B. 14/02/1990

PROFILE:

- I am a qualified electrician that has completed my NVQ Level 3 in Electrical Installation whilst training and working in RT Electrics. Unfortunately, in October 2013 I was laid off due to my contract coming to an end. Due to the fact that I was pregnant I took maternity leave early and therefore didn't return to work until the following year in October 2014. This is the reason for the gap in my employment which you will see below.
- I am hardworking, trustworthy and I am keen to enhance skills and experience. I have excellent communication skills, I am adaptable and able to work on my own initiative or as part of a team to achieve the desired result.
- Since qualifying as an electrician I have held the Technical Service Advisor role in Debenhams which has seen me undertake any maintenance that the building has required, small electrical jobs and

general retail duties. I am a store key holder and my role is considered a supervisor position.

QUALIFICATIONS:

"GCSE's" in the following subjects:

English Language
English Literature
Mathematics
Welsh
Science (Double Award)
Physical Education
Textiles
Religious Education
Art

NVQ level 3 in Electrical Installation

Level 3 Health & Safety in the work place

CAREER HISTORY:

Dates	Role/ Place of Employment
12/ 20 – Present	Maternity Leave
10/ 14 – 12/ 20 Safety officer	TSA – General maintenance and Health and for store
11/09 – 10/13	Apprentice electrician at RT Electrics, Llanelli
01/08 – 11/09	Cashier/ Receptionist at Llanelli and District Credit Union LTD.
09/07 – 01/08	Sales assistant at The Fragrance Shop, Llanelli.
09/06 – 09/07	Sales Assistant at JJB Sports Llanelli.
02/06 – 02/07	Glass Collector at The Bucket and Spade, Seaside, Llanelli.
03/06 – 09/06	Sales Assistant at Card World in Llanelli Market.

ADDITIONAL INFORMATION:

- Full UK driving licence.

References:

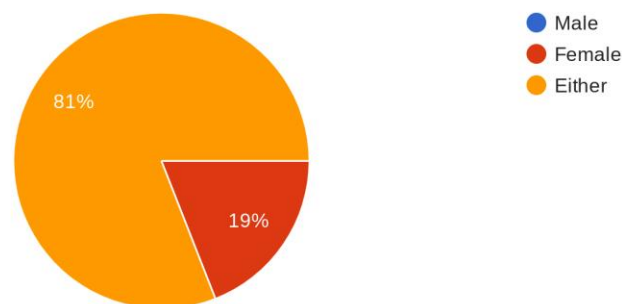
Robert Thomas
RT Electrics,
Queen Victoria Road,
Llanelli.
01554 775624

Caroline Taylor
Debenhams
Trostre Retail Park
07867804001
caroline.taylor@debenhams.com

Appendix 2 – Questionnaire

Who would you rather have working in your home?

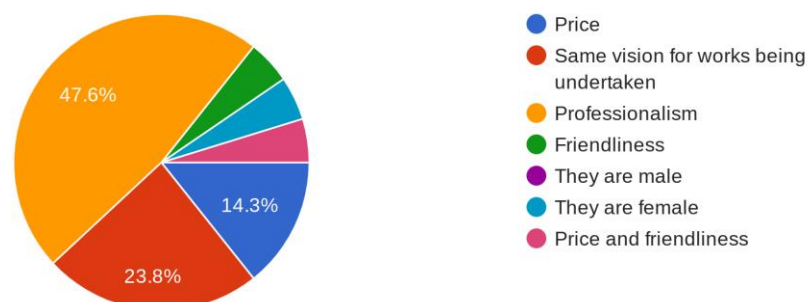
21 responses



Appendix 3 – Questionnaire

What is the main reason that you would chose one tradesperson over another?

21 responses



Appendix 4 – AVIVA Business Insurance



Certificate of Employers' Liability Insurance (a)

(Where required by regulation 5 of the Employers' Liability (Compulsory Insurance) Regulations 1998, one or more copies of this Certificate must be displayed at each place of business at which the Policyholder employs persons covered by the Policy)

Policy Number 97SEP3202949
Name of Policyholder: Simon Jones, Abigail Hetherington t/a SRJ Electrical
Date of commencement of insurance 19/10/2020
Date of Expiry of insurance 16/08/2021

We hereby certify that subject to paragraph 2:

1. the policy to which this certificate relates satisfies the requirements of the relevant law applicable in Great Britain, Northern Ireland, the Isle of Man, the Island of Jersey, the Island of Guernsey and the Island of Alderney, or to offshore installations in territorial waters around Great Britain and its Continental Shelf (b)
2. the minimum amount of cover provided by this Policy is no less than £5 million (c)

Signed on behalf of
Aviva Insurance Limited
(Authorised Insurers)

A handwritten signature in black ink, appearing to be "Colm Holmes".

Authorised Signatory
Colm Holmes
Global CEO, General Insurance

Notes

- a. Where the employer is a company to which regulation 3(2) of the Regulations applies, the certificate shall state in a prominent place, either that the policy covers the holding company and all its subsidiaries, or that the policy covers the holding company and all its subsidiaries except any specifically excluded by name, or that the policy covers the holding company and only the named subsidiaries.
- b. Specify applicable law as provided for in regulation 4(6) of the Regulations.
- c. See regulation 3(1) of the Regulations and delete whichever of paragraphs 2(a) or 2(b) does not apply. Where 2(b) is applicable, specify the amount of cover provided by the relevant policy.

1 of 1

Aviva Insurance Limited
Registered in Scotland No 2116 Registered Office Pitheavlis, Perth, PH2 0NH
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Appendix 4 – Loan

Hitachi
Personal
Finance

4.7 ★★★★★ (1,214)

95 % approval chance ⓘ

Borrow £8,000 from Hitachi

3.2%
Representative APR
(variable)

£144.30
Monthly repayment

£8,657
Total amount
repayable

60 months
Duration

Apply now

Representative Example

If you borrow £8,000 over 60 months at a (fixed) rate of 3.2% per annum, your representative APR will be 3.2% APR. Your monthly repayments will be £144.30 and the total amount repayable will be £8,657 which includes an arrangement fee of £0. The total cost of credit is £657.86.

?

References

Careers Wales (2021) *Job Role: Electrician*

Available at: <https://careerswales.gov.wales/job-information/electrician>

Accessed: 9th June 2021

Erskine, R (2017) *20 Online Reputation Statistics That Every Business Owner Needs To Know*

Available at: <https://www.forbes.com/sites/ryanerskine/2017/09/19/20-online-reputation-statistics-that-every-business-owner-needs-to-know/?sh=627fd84dcc5c>

Accessed: 9th June 2021

Mulligan, R (2019) *We Can Do It: Women Working In Skilled Trades*

Available at: <https://trustedtraders.which.co.uk/for-traders/articles/we-can-do-it-women-working-in-skilled-trades/>

Accessed: 14th June 2021

National Assembly for Wales (2008) *Key Statistics for Carmarthenshire*

Available at: <https://senedd.wales/media/xkqngc4s/carmarthenshire-english.pdf>

Accessed: 14th June 2021