

Assesment 1

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Entrepreneurship Assessment

LCBB 5001

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Overview of the business idea

Delivery Service Partner in amazon is an exciting on venture that involves establishment and operation an independent delivery business in partnership with Amazon (Amazon.com, 2023). The main business idea behind a DPS is to provide efficient and reliable last-mile delivery service on behalf of amazon with the ever-increasing demand for online shopping as well as speedy deliveries, Amazon relies on their DSP network to ensure timely and accurate deliveries to customers doorsteps. The primary product and service of DSP in amazon is the efficient and reliable delivery of packages to amazon customers within a designated area. While the core offering is delivery, there are various aspects of the service that contribute to its success such as package handling and sorting, route optimization, delivery execution, operational support, expansion opportunities. and customer service. One of the many reasons a why its a good business idea because, the e-commerce industry has been experiencing rapid growth, and the COVID-19 pandemic has further accelerated the shift towards online shopping. According to a report by ONS UK, online sales have been accounted for 26% of total retail sales in April 2023 (Lewis, 2023).

Table 2: Summary of internet statistics

Value, seasonally adjusted, percentage rates, Great Britain, April 2023

Category	Online sales as a proportion of retail in this sector	Online sales: Most recent month on a year earlier	Online sales: Most recent month on previous month	Index categories and their percentage weights
All retailing ¹	26.0	1.3	1.5	100.0
All food	8.5	3.1	4.7	14.3
All non-food	21.3	-1.3	-0.5	36.1
Department stores	21.5	-1.8	-2.7	7.0
Textile, clothing and footwear stores	25.4	4.5	0.2	11.6
Household goods stores	22.9	-3.4	-2.4	7.6
Other stores	16.5	-6.3	1.9	9.9
Non-store retailing	93.5	2.8	1.9	49.6

Source: Monthly Business Survey, Retail Sales Inquiry from the Office for National Statistics

Legal format

The legal format of the Amazon Delivery Service Partner (DSP) Program that has been chosen is a private limited company or Ltd. Ltd flexible and a widely adapted business structure that combines several elements of a corporation and a partnership model. There are a few reasons why LC format was chosen:

limited liability: one of the prime reasons for choosing Ltd is to limit the owners personal liability. As the name suggests the owner of a Ltd have limited liability for the companies debt and legal obligations. This means that the personal assets of the owners are generally protected in case of the company's faces financial difficulties or even legal issues (Freedman, 2000).

Tax efficiency: a private limited company has a distinct tax structure allowing for various tax planning opportunities. The company is subject to corporation tax on its profits and the owners can receive income in the form of salaries, dividend or other benefits, potential optimizing the overall tax liabilities (Freedman, 2000).

Access to funding and growth: as a legal entity a private limited company can issue shares and raise capital from investors which can facilitate businesses growth and expansion. It also provides opportunities to attract investment, secure loans or apply for government grants that may not be available to other business structure.

Management of the company

Owner: the owner will be responsible for setting the overall direction and long-term goals of the DSP, including expansion plans as well as performance targets. Additionally the owner and management will oversee the companies finances, including budgeting, financial forecasting, monitoring cash flow and ensure profitability.

Director: The management team is headed by Sarah, she has a background in logistics and supply chain management, with 6 years experience working for a well known logistics company. She has expertise in managing transportation operation and optimization delivery network is vital for the success of the DSP.

Operations Manager: Mark, with 5 years of experience in the delivery industry. He will oversee the day-to-day operation of the DSP. He will be also responsible for managing drivers, coordinating routes and ensuring timely and efficient deliveries.

Employees: Hiring, training, and managing a team of drivers. This includes ensuring they have the necessary skills and equipment's such as vehicles, and scanning devices as well as adherence of safety protocols. Additionally, depending on the size of DSP, administrative staff may be needed for tasks such as human resources, payroll, and scheduling.

External professional: the business might need the services of lawyer and accountant who specialize in business and logistics related matters. They can assist with legal compliance, contracts, tax, financial reporting, and strategic financial planning.

¹⁵ In terms of the number of employees and external professional services, the DSP may require: 4 Driver, 2 Administrative Staff and 2 External Professional Services.

¹ Target market and the marketing strategies

The target market refers to a specific group of consumers or businesses that a startup intends to serve with their products or services. They pick and choose a specific segment of the market, then the startup focuses on that and tailors their offerings to meet their needs and preferences (McDonald, Christopher and Bass, 2003).

Marketing strategies are tactics that are implemented by a startup to promote their products or services to their target market. Marketing strategies outline how a startup will position their offerings, create awareness and generate interest which will ultimately drive customer acquisition and revenue (Ferrell, Hartline, and Hochstein, 2021).

Both target market and marketing strategies are very important for startup due to several reasons. For one, starters often have limited resources including time and budget, identifying a target market helps them focus their efforts on specific customer segments, allowing them to allocate resources more efficiently. Another reason is differentiation, as understanding the target market enables startups to differentiate themselves from competitors. By tailoring their offerings to meet the specific needs and preferences of the target customers, startups can create a unique value proposition (Ferrell, Hartline, and Hochstein, 2021).

The target market of Delivery Service Partner (DSP) in Amazon would be primarily the customers who purchase products from Amazon and require last-mile delivery services.

Target market:

Amazon Customer: the main target market will be of individual and business who shops on amazon and rely on fast and reliable delivery services to receive their purchases conveniently.

E-commerce shoppers: with the Hugh continued growth of online shopping, the target market extend to a broader base of e-commerce shoppers who value efficient and timely deliveries for their online purchases.

Market strategies:

Online presence and branding: first the business will create a professional user-friendly website that showcase the DSP's services, highlights customers benefits and provides contact information. Additionally, the business will utilize social media platform to engage with customers, share updates about their delivery services and respond to and inquiries or feedback.

Local advertising and partnerships: the business will utilize local media channels such as newspapers, radio or television to target the local customer base as well as raise awareness about the DSP's service. The company will also collaborate with local business such retailers or real estate agencies to establish a mutually beneficial partnership or promotional campaigns.

Customer Referral Programs: incentivize customers to refer friends and family members by offering discounts or rewards for successful referrals. In additional to that, the business can also implement a customer loyalty program to encourage repeat business as well as build strong long-term relationship with customers.

Exceptional Customer Service: provide a seamless and customer centric experience throughout the delivery process. Implement customer support systems to promptly address inquiries, resolve issues and ensure that customers are satisfied.

Performance and Ratings: the business will maintain high performance metrics to ensure a positive reputation within the amazon ecosystem. Furthermore, the business will encourage customers to provide feedback and ratings on their delivery experiences, which can help in influence future customers decisions.

Social media and Website

Utilizing social media and website will be highly effective in promoting the products and services of Delivery Service partner company. Here are some why the company will utilize the platforms:

1. Establish a professional website: the company will first create a visually appealing and user-friendly website that will reflect the brand as well as showcases the delivery services of the company. Additionally, it will provide a clear and concise information about the services, services area, delivery options, and any other unique that set The DSP apart from other DSP in the area. Finally, the website will also includes information, a form for inquiries, and links to the business social media profiles for easier communication (Roseti and Mascone, 2004).
2. Social media presence: the first step is to identify the social media platform of the relevant target market, such as Facebook, twitter, or Instagram. Afterword, regulatory post engaging content that are related to the company's DSP services, that includes updates, service announcements and success stories. Additionally, use visual content such as images and videos to capture attention as well as showcase the companies operations, drivers and satisfied customers (Evans, Bratton and McKee, 2021).
3. Promotional campaigns and offers: the business will launch social media campaigns to promote special offers, discounts or even limited time promotion, which can create a sense of urgency for potential customers. Additionally, customers will be encouraged to share posts or tag friends who have benefited from the services, thus expending the business reach thought organic user-generated content.
4. Educational and informative content: the business can share informative content that are related to the delivery industry, customer tips or updates on industry trends to position the DSP business as a knowledgeable and reliable sources. The business can also provide additional valuable information about delivery procedures, tracking options, or customer support, thus showcasing the companies expertise as well as commitment to customer satisfaction.
5. Customer testimonials: feature customer testimonials on the website and social media platform to highlight positive experiences and demonstrate the value and the reliability of the services. Encourage satisfied customers to provide feedback or leave reviews on the companies websites, social media, or review platforms to enhance the companies online reputation.

SWOT analysis

SWOT analysis is a strategy tool that helps businesses, even startups, to evaluate the strength, weaknesses, opportunities and threats. This involves assessing internal factors and external factors to gain a proper understanding of the business's current situation. SWOT analysis is very important for startups because it provides a structural framework for startups to evaluate their internal capabilities and external environments. It helps to identify important factors that impact their businesses and create a plan accordingly. It should also help them in decision making by examining their strengths and weaknesses (Leigh, 2009).

Strengths: One of the major strengths of the DSP business is that it operates in partnership with Amazon, which provides access to a vast customer base, advanced technology, and operational support. Additionally, there is an increasing trend of online shopping that presents a significant opportunity for the DSP to tap into a growing market and meet the rising demand for reliable delivery services. Furthermore, the company being associated with Amazon lends credibility and recognition to the service DSP, which can help to attract customers as well as build trust in the quality of the service that is provided, and with access to Amazon's logistics network and technology tools, the DSP business can leverage efficient package handling, route optimization and tracking systems to ensure timely deliveries.

Weaknesses: The DSP's business is heavily reliant on the partnership with Amazon, which will limit diversification opportunities and expose the business to changes in Amazon's policies or business priorities. Not only that but the last-mile delivery sector is also highly competitive, with the presence of other DSPs, traditional couriers, and logistics providers. Differentiating the DSP's services as well as maintaining a competitive edge may pose challenges.

Opportunities: As the e-commerce market continues to grow, the DSP has the opportunity to expand their operations and increase market share by taking on additional routes or scaling up to multiple delivery stations (Eurostat, 2023). Furthermore, the business can provide exceptional customer service and developing long-term relationships with customers can lead to positive word-of-mouth referrals and customer loyalty.

Threats: The delivery industry is subjected to various regulations and compliance requirements, this includes labour laws, vehicle regulations and licensing. Properly following these regulations can be complex as well as may pose challenges to the DSP's operations. Additionally,

Cash flow forecast

Bank Loan: The business will ask a bank to secure a loan for the remaining required funding. This loan can be used to cover startup costs, operational expenses, and any working capital needs (Klačmer Čalopa, Horvat and Lalić, 2014).

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Description of	June		August	Septemb	October	Novemb	Decemb	January	Februar	March	April	May	
Cost/Sale Figures	2023	July 2023	2023	er 2023	2023	er 2023	er 2023	2024	y 2024	2024	2024	2024	
- Initial Inventory/Stock	£4,000												
Monthly Costs													
- Vehicle Maintenance	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	£200	
- Fuel	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	
- Insurance	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	£150	
- Marketing and Advertising	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	
- Office/Storage Rental	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	£300	
- Utilities (Electricity, Water)	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	
Income per Month	£850	£1,150	£1,500	£1,850	£2,200	£2,550	£2,900	£3,250	£3,600	£3,950	£4,300	£4,650	
Total Income per Year		£25,050											

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