

Individual Business Plan

by Zsolt Czirjek

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Lecturer Name:

Fouziya Farheen

Student Name: Zsolt Czirjek

Student ID number : 2212090

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Overview of the business idea: OneStop AutoMechanics

OneStop AutoMechanics is the name of the proposed business that will provide auto mechanic services to people with cars in Birmingham. Cars often develop problems with their systems that cause the need for a trained automobile mechanic for repair. OneStop AutoMechanics will be a repair workshop where the mechanics will provide services that include the maintenance of brakes repair, exhaust systems, wheel alignment, automobile electricals and electronics, air-condition, and transmissions. Providing the above services will attract several customers as cars tend to develop problems with at least one of the listed areas from time to time. The statistics on car ownership in the UK support the business idea of starting an automobile repair shop in Birmingham. The city has registered over 600,000 cars making it second to London in the list of number of registered cars in all major cities in the country. The ready market has attracted automobile repair service providers that have set up their shops in Birmingham. Currently, there are several automobile repair businesses already that run in the city, top among them being Dent Devils, Lickey Hills Garage, and RPS Garage Services LTD among others (Yell Business, 2023). Despite the existence of similar businesses in the city, the high population of cars in it makes the place ideal for the proposed business. Moreover, it also justifies the business idea from a market perspective as the cars provide a ready market for the business. In brief, the business idea of starting OneStop AutoMechanics in Birmingham is financially viable as it will have a ready market that guarantees it income from customers that will need its services.

Ownership and Legal format of the startup

As a startup, OneStop AutoMechanics will adopt the format of a partnership. In business law, a partnership is a form of business ownership where two or more entities jointly own a business and share the profits and losses using the proportions agreed upon in the partnership agreement. Moreover, a partnership ownership model has unlimited liability, which makes the

partners liable for the actions conducted on behalf of the business (Deards, 2011). OneStop AutoMechanics will benefit from this format of ownership as it allows for the pooling of funds by the two owners. An automobile repair shop is capital intensive that can be challenging for one individual. Therefore, the contributions from two partners will reduce the initial financial burden of raising capital.

Management of the Company

Owners

The ownership of OneStop AutoMechanics will be comprised of three individuals who will own equal parts of the company. The three partners will be Zsolt Czirjek, Tommy White, and Dan Morgan. Each of the three owners are passionate about cars and have long dreamed of starting an automobile repairs shop. Moreover, the three owners have varying experiences with working with cars that will be vital in their understanding of the business.

Office Manager

The company will employ Tommy White as the office manager. His role involves keeping records pertaining to the functions of the company. He will also be involved in ensuring that the junior workers at the premises such as cleaners and security are working according to plan. He is experienced in team management as he has worked with different teams at the team leader capacity. The experience will benefit the company by ensuring effective team work by the workers he supervises.

Financial Officer

OneStop AutoMechanics will employ Dan Morgan as an account officer to perform all financial duties at the company. The financial officer will ensure that payments are done, record them and advise the company concerning its financial progress. Dan Morgan is a certified public

accountant and has experience in the profession having worked for different organizations as an accountant.

Apprentice Automobile Repair Mechanics

OneStop AutoMechanics will employ three apprentice automobile mechanics that will work along the qualified two qualified and experienced auto repair mechanics. Their role will involve helping and studying the craft from their more experienced counterparts. They will also be authorized to work on basic maintenance procedures.

In addition to the 3 owners, the company would need 3 auto repair apprentice mechanics, 2 qualified mechanics, 1 office manager, and 1 financial officer, making a total of 10 personnel.

Explanation of the Target Market and the Marketing Strategies

A target market is the population that comprises of people likely to buy the products or services of a company, and which the company will target with its marketing campaign (Favaro et al., 2018). The proposal has already established that there are at least 600,000 registered cars in Birmingham. However, for purposes of marketing, the company would need to understand the people it will targeting. The target market will be comprised of all people in the city old enough to drive. Therefore, given the minimum legal driving age of 17 in the UK, the company's main target market will comprise of people of age 17 and above. According to The Office for National Statistics, their last national census carried out in 2021, there are approximately 649,572 people in this age group (ONS, 2023). The company will also target the Birmingham population by economic activities. Identifying a target market by economic activities is based on the reasoning that people engaged in economic activities in the region are likely to finance the repair of cars for those with cars but without economic activities such as their children. Based on this metric, the company will target 47.4% of the population of Birmingham as, according to The Office for National Statistics, this is the percentage of the city's population that is employed and engaged in economic activities excluding full-time students (ONS, 2023).

Targeting the individuals in the target market will require effective marketing strategies designed to reach each individual. The following are the strategies that OneStop AutoMechanics will use to reach its target market.

Social media targeted advertising – This is a form of digital marketing in which social media companies use the data they have about their users to target them with advertising messages of products they are likely to consume (Blundo et al., 2021). OneStop AutoMechanics will employ this strategy by paying for ads at social media companies such as Facebook, Instagram, Twitter and YouTube and specify the profile of its target market. The companies will then advertise the repair shop to the individuals in the target population by placing the ads in their social media feeds.

Paid search engine advertising – OneStop AutoMechanics will pay for ads on Google as it is the most used search engine in the country. Google will then market the company by placing its services at the top of search result of people searching for automobile repair services hence increasing its visibility to the target market.

YouTube Marketing - OneStop AutoMechanics will film attractive videos of its services accompanied by a narration of its location and the services it provides and pay for the ad to be played on the YouTube videos viewed by individuals in the identified target market.

Industry and Competitors Analysis

The motor vehicle maintenance and repair industry is one of the most profitable industries. By the end of 2022, the market size by revenue was valued at £28.8 billion. Compared to 2021, the industry grew by 3.9%, indicating the increase in need for its services. Of all the industries in the country, the motor vehicle maintenance and repair industry was ranked 36th, and 11th within the wholesale and retail trade industry (IBISWorld, 2023). An analysis of the industry shows that there are factors that have been affecting the industry in

recent years. The first factor is the rising price of fuel which has prompted many people to reduce the frequency with which they use their cars. As a result, the industry has suffered from a decline in the need for car maintenance and repair services. Secondly, the industry has also been negatively affected by low barrier to entry which has caused increased competition (Placek, 2023). In Birmingham, there are competitors that will pose a challenge to OneStop AutoMechanics. Their main strengths are experience and their existing market shares. These two strengths give the competitors an advantage over OneStop AutoMechanics. However, they have the weakness of providing a narrow range of services which inconveniences customers who need a diverse range of services to be performed on their cars. OneStop AutoMechanics provides a wide range of services, which will serve as a strength that will help it win its market share.

Funding Requirement and How the Funds Will Be Used

Funding Sources

The startup will get initial funds for capital from a bank loan, angel investors, and personal savings from the three partners that own it. The angel investors are preferred for the experience and networking capacity they bring to the business. The total from the three sources will be £320,000. The funds will be spent as follows:

Cost of Auto repair shop build-out: £100,000

Cost of Branding: £30,000

Cost of Equipment: £40,000

Cost of supplies, and materials: £40,000

Cost of Three months of wage bill: £90,000

Cost of marketing: both digital and physical: £10,000

Cost of Working capital: £10,000

References

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