

Enterprise and Entrepreneurship (LCLM4006)

Programme of Study: Certificate in Higher Education Business Skills for the Workplace

Module Name and Code: Enterprise and Entrepreneurship (LCLM4006)

Assignment Title: Task 1 – Individual Written Business Plan

Lecturer: Roopa Aruvanahalli Nagaraju

Name: Mohsin Mahmood

Student Number: 2441092

Table of Contents

1. Executive Summary
2. Overview of the Business Idea
3. Market Research
4. Marketing Communications
5. Financials
6. Conclusion
7. Reference List

1. Executive Summary

This business plan outlines the establishment of a UK-based Japanese car import enterprise specialising in high-quality Japanese Domestic Market (JDM) vehicles. The business will source vehicles directly from reputable Japanese auction houses and supply them to UK customers seeking reliability, higher specifications, and unique models that are not widely available in the domestic market. The company will operate using a lean structure without maintaining a physical showroom, instead leveraging digital sales platforms and third-party logistics providers. The primary target market includes automotive enthusiasts and performance-oriented buyers aged between 20 and 40 years old. Secondary markets include families and professionals seeking high-specification, reliable vehicles at competitive prices. The business requires approximately £12,000–£15,000 in startup capital to fund auction deposits, shipping, customs duties, IVA testing, compliance modifications, insurance, and marketing expenses. Funding will be sourced primarily through director investment and retained profits. The long-term objective is to establish a reputable and compliant import brand capable of sustainable growth within the UK automotive market.

2. Overview of the Business Idea

The proposed startup will specialise in importing used Japanese vehicles such as Toyota, Nissan, and Honda models. These vehicles are widely recognised for their reliability, build quality, and advanced specifications compared to many UK domestic alternatives. The business will offer a comprehensive end-to-end service including vehicle sourcing, auction bidding, international shipping coordination, customs clearance, IVA testing, compliance modifications, and UK registration. The enterprise will operate as a director-managed limited company. The director will oversee procurement, pricing strategy, financial management, and customer relations. Key operational functions such as accounting, shipping logistics, and compliance modifications will be outsourced to specialist providers. This structure minimises fixed costs and reduces operational risk during early-stage growth. Revenue will primarily be generated through direct vehicle sales. Additional income streams may include sourcing commissions for clients requesting specific models, undersealing services, detailing packages, and optional warranty offerings. Operating nationally through digital channels will allow the business to reach a broad customer base while maintaining low overhead costs.

3. Market Research

Environmental Analysis (PESTEL): Political factors significantly influence the vehicle import industry. UK import regulations, VAT requirements, and DVLA registration procedures must be strictly followed. Post-Brexit customs requirements have increased administrative complexity but have also created opportunities for knowledgeable independent importers. Economic conditions directly impact vehicle demand and pricing. Inflation and exchange rate fluctuations between the pound sterling and Japanese yen affect purchasing costs. However, rising UK used car prices and supply shortages create opportunities for competitive Japanese imports offering superior specifications at similar or lower price points. Social trends demonstrate growing interest in JDM culture within the UK. Social media platforms, automotive influencers, and enthusiast communities have increased awareness and demand for Japanese imports. Younger consumers increasingly seek distinctive and performance-oriented vehicles. Technological advancements such as online auction access, vehicle grading databases, and digital payment systems enhance sourcing efficiency and transparency. Digital marketing tools enable targeted advertising to niche audiences. Environmental considerations include stricter emissions regulations and the expansion of ULEZ zones in major cities. These factors influence vehicle selection and may increase demand for compliant, hybrid, or lower-emission Japanese models. Legal requirements include IVA testing, compliance with the Consumer Rights Act 2015, and adherence to HMRC VAT and customs regulations. Competition: The competitive landscape includes established JDM import specialists, UK used car dealerships, and private importers. Established firms benefit from brand recognition, while private importers often compete on price. The proposed business differentiates itself through personalised sourcing services, transparent pricing, and a lean cost structure that allows competitive margins.

4. Marketing Communications

The marketing communications strategy will focus heavily on digital channels to maximise reach while minimising cost. Instagram and TikTok will be used to showcase new vehicle arrivals, import processes, compliance procedures, and customer testimonials. Visual storytelling will build trust and demonstrate transparency. Listings on AutoTrader and Facebook Marketplace will target consumers actively searching for vehicles. Engagement within automotive forums and participation in car enthusiast events will strengthen brand credibility within the niche market. The pricing strategy will follow a cost-plus model to ensure all import-related expenses are covered while maintaining sustainable profit margins. Transparent breakdowns of import costs will differentiate the business from less transparent competitors. The brand will position itself as reliable, specialist, and compliance-focused within the Japanese import sector.

5. Financials

Funding Requirement and Sources: The business requires between £12,000 and £15,000 in startup capital. Funding will be sourced primarily through director investment and retained business earnings. External borrowing will be avoided during the initial phase to reduce financial risk and maintain operational flexibility.

First Month Startup Expenses: Auction Deposit: £3,000 Shipping (one vehicle): £1,200 Customs Duty and VAT (estimated): £1,500 IVA Testing: £450 Compliance Modifications: £800 Insurance: £1,000 Marketing and Advertising: £500

Administrative and Miscellaneous Costs: £550 Total Estimated Initial Outlay:

Approximately £9,000–£10,000 per vehicle cycle. Revenue Projections: If a vehicle has a total landed cost of £8,000 and is sold for £10,500, the gross margin would be £2,500. Importing and selling two vehicles per month could generate approximately £5,000 in gross monthly margin before operating expenses. Careful cash flow management is essential due to the time gap between purchase and final sale. Reinvesting profits will support gradual scaling of import volume.

6. Conclusion

The Japanese car import enterprise represents a viable business opportunity within a growing niche automotive market. Demand for reliable, high-specification Japanese vehicles continues to increase due to social trends, economic conditions, and digital exposure. By maintaining a lean operational structure, leveraging digital marketing communications, and ensuring strict regulatory compliance, the business can achieve sustainable profitability. Future growth opportunities include expanding import volume, specialising in performance or hybrid models, and forming partnerships with finance providers and compliance specialists. With disciplined financial management and customer-focused service delivery, the enterprise has strong potential for long-term success within the UK automotive sector.

7. Reference List

Department for Transport (2024) Guide to importing vehicles into the UK. DVLA
(2024) Individual Vehicle Approval (IVA) scheme guidance. HM Revenue &
Customs (2024) VAT and Customs Duties on Imported Vehicles. Kotler, P. and
Keller, K. (2016) Marketing Management. Pearson Education. Office for National
Statistics (2024) UK Used Car Market Data.