

Entrepreneurship

Coursework: Business Plan

Programme: BA Business Management

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## **Business Description**

General Haulage Transport company will have its headquarters situated in Birmingham UK. I am the founder of the business and will be the chairperson of the business as I have more than five years of experience in transport and distribution. In launching my business I am aiming at launching this business for both supplies and public transportation. Being set up to launch my business I am well convinced that the skills I have acquired during the course will help in doing the managements, including management of employees and all the logistics. Despite the variety of client demands, General Haulage Transport will give its clients a wide choice of goods within transportation services. This company will help people to get their items delivered as well as help people get to their destinations safely. The company will apply new technologies to ensure that the services it is offering are upgraded. For transportation services within Birmingham, and other areas within UK and outside UK, General Haulage Transport will be the choice number one

**Company mission:** Our mission is to perform and deliver high-quality services to our customers. Giving clients enjoyable and memorable travel experiences with services that are guaranteed security and getting to their destinations on time.

### **Company Logo**

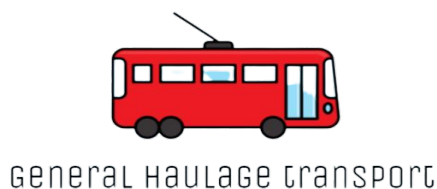


***Figure 1: Company logo***

### **Description of Service**

The services that General Haulage Transport will offer are as follows

- Transportation services within and outside UK
- Tools for local delivery
- Transportation assistance
- Delivery options using the flatbeds
- Services in storage

### **Intellectual property**

The company will have various intellectual properties that the business will be based on. The company has a logo that is unique from other transport companies that the company will be identified with (Mody, 2019). Furthermore, the company will have high-quality services with cars that are equipped with screens through which clients can watch their favourite shows during travelling. The company will also be using electric cars. Despite that in the UK there are many transportation companies, but only a few have invested in electric cars, in which not all cars are electric (Mawhood, 2023). Considering General Haulage Transport will only have electric cars, hence it will be known for its efforts in maintaining environmental sustainability

### **Ownership and Legal format of the start-up**

To launch the business I will appoint HGV licensed employees that will help in launching the business. This will follow the submission of the manufacturer's permit application. I will also go through clearance of a CPC (Certificate of Professional Competence) examination to get a commercial new license. I will also consider completing various documentation to give the banking details that will prove that I have enough funds to run a transport chain company to receive the manufacturer's permit.

This company will consider a partnership legal ownership format. This means that the company will be owned by various stakeholders regarding their amount of investments

(Minnibaeva and Ziyatdinov, 2021). I chose this instead of sole proprietorship as I had limited finances that called for other investors. However, with this partnership, there are advantages as there will be shared duties as to a sole proprietor where I was to solely take care of all the responsibilities (Jarwal, 2020). Furthermore, in cases where losses are incurred, this will be shared among the partners as to solely this could be difficult to reoperation if a large amount of losses are incurred.

### **1. Industry Analysis**

The transport sector in the UK has faced various challenges with the negotiations between Brexit and the Covid-19 pandemic (Paraskevadakis and Ifeoluwa, 2022). In 2021, the heavy truck drivers' shortages were experienced as a result of the rattled road freight within the country as a result of the UK leaving the EU (Gross and Beaumont, 2021). During the Covid 19, the number of passengers shrank as a result of the movement limitations. This increased the pressure on the other UK freight industry majorly rail freight. Furthermore, this also impacted the passengers' transport with the passengers' journeys on the London undergrounds and nose-diving to 296 million as a result of the lockdowns that were imposed by the governments (Carlier, 2022). According to statistics, the transport industry has a total turnover of over 202.8 billion British pounds in 2019 (Carlier, 2022). However, with the above effects the industry in the UK has reported an average of 17295 GBP million in the first quarter of 2023 (Trading Economics 2023).

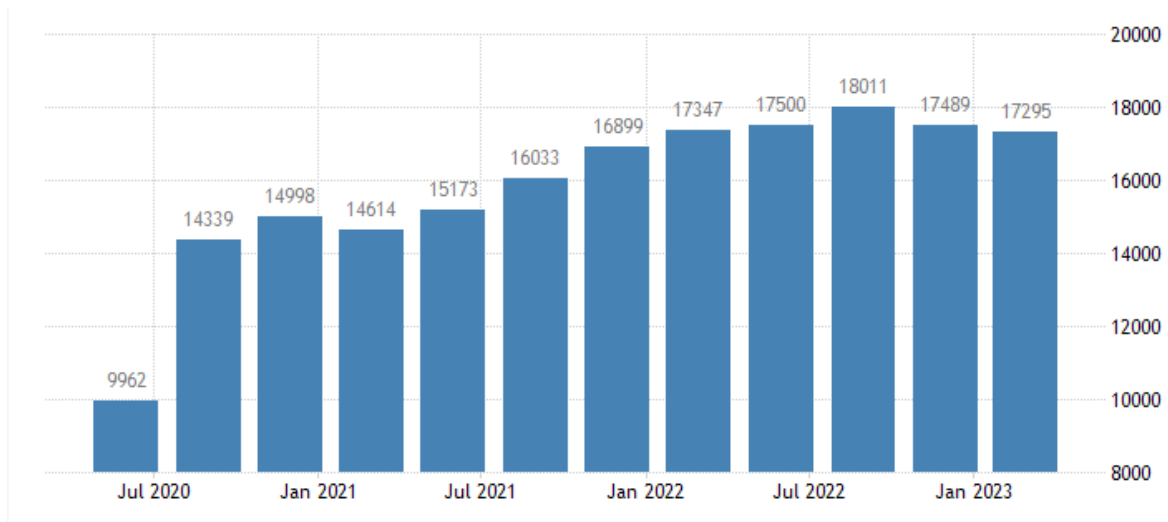


**Figure 2: Transport sector in UK GBP**

Furthermore according to statistics, by the end of 2023, the public transportation sector is expected to reach \$15.26 billion in 2023, with projections of revenue growth from 2023 to 2027 of 3.01% that lead to a market volume of 17.18 billion by 2027 (Statista, 2023).

### VRIO Analysis

| Resources                  | Value                                                                                           | Rare                                                       | Imitation                                                                                  | Organization                                                      | Competitive advantage                             |
|----------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------|
| Client network and loyalty | Yes because clients play a role in generating up to 84% of the company's revenue (Morgan, 2022) | The company has invested in having a strong client loyalty | The idea has been considered by the existing competitors but they have not been successful | The company is considering client loyalty to create a good impact | Offers medium-term competitive advantages         |
| Access to cheap capital    | Yes                                                                                             | No                                                         | Can be imitated                                                                            | Has not been fully exploited                                      | Not important in creating a competitive advantage |

|                           |     |     |                                                                             |                                                    |                                                                |
|---------------------------|-----|-----|-----------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------|
| Financial resources       | Yes | No  | All the competitors have access to financial resources and market liquidity | The company has a financially sustainable position | A temporary factor to enhance competitive ability              |
| Positive market image     | Yes | No  | yes                                                                         | Yes                                                | This will ensure a long-term competitive advantage             |
| Brand awareness           | Yes | Yes | No                                                                          | Yes                                                | It will create a sustainable competitive advantage             |
| High ratings from clients | Yes | Yes | Yes                                                                         | Yes                                                | It is a realized strategy for attaining competitive abilities. |

### **Porters Five Force Analysis of the UK Transport**

Using the Five forces analysis, the report will consider: competition, the threat of new entrances, suppliers' power, buyers' power and the threat of substitutes

#### **Competition**

The transportation industry in the UK has a limited number of competitors furthermore in public transit (Smith, 2023). With this, in the UK private mobility services providers have been changing the industry by offering digital transportation services, for instance, companies like ride-hailing companies such as Uber, Bicycle sharing companies that shows that the landscape will likely experience more integration and cooperation in the form of mobility as

a service in which mobility of services will be centred more around instead of just the supply of transport. This shows that there is medium competition rivalry

### **Threats of new entrances**

There is a barrier to entry of new competitors as for any transport company to succeed in the competitive markets; the provider has to achieve certain levels of economies of scale.

Furthermore, with trending digital services many countries have created legal obligations that the companies have to consider to ensure that they meet the qualifications (Hadzovic and Radonjic, 2023). The laws, this has reduced the threat that there will be new entrances to low to medium. Furthermore being that entering such a transport network requires high amounts of investments, it shows that there will be limited amounts of entrants.

### **Threat of substitutes**

Being that the industry features a good range of transportation channels, this factor can be deemed to be high considering the target environment. With this characteristic, there is an increase in rates of competition being water, air railways and surface transport. The various varieties increase the rate of competition. Furthermore in this industry when it comes to the threat of substitutes, getting from point A to B, focusing on an urban context has various available options hence offering few options for the commuters. With this, it shows that they do not have an option but to use what exists in the markets. With this, we can conclude that the threat of substitute products is low.

### **Bargaining power of buyers**

In the UK it is expected that buyers will purchase the different services without having to question the price as the needs continue to raise daily (IMF, 2019). With a low rate of buying power, it increases competition within the location which is seen in the UK, and high rates of competition are being experienced (Hayes, 2023).

## **Bargaining power of suppliers**

Within the UK transportation industry, the major hardware varies in terms of prices from one supplier to the other while offering similar services to the clients even though there is some differentiation among the suppliers. The ability to access substitutes and the fact that there is a low cost of changing for the mobility services to change from one supplier to the other has also reduced the bargaining power of suppliers, concluding that the bargaining power of suppliers is low.

## **2. Operations and Management Team Plan**

### ***Operations***

The company will only consider particular candidates to join the company considering if they will help in meeting the objectives of the company. The company has created various steps, for instance, strict screening of the requirements to ensure that the company only hires drivers who have the qualifications and are of high quality. With professional drivers, they will be able to manage the rigours of their duties as they have adequate experience. To ensure that safety has been assured alongside a reduction in other mistakes, the company will only consider cautious drivers. This is based on the fact that the company feels that safe drives will help in keeping the clients as well as the cars in operation for longer

### ***Management***

I will organize and administer the company. To have a CFO, who will take the role of accountancy, we considered getting another trucking veteran a person who had worked as a previous accountant to ensure that they possess the financial skills. With a bachelor's degree in corporate management from Birmingham and being served as a logistics supervisor within a travel company for more than five years, I believe I have the adequate skills to manage the company. The company then considered hiring other crew members who will be in charge of

IT being that the company will also rely on online orders. This will then follow all the transporters and the distribution employees. The company will also hire automotive experts who have to have automotive car maintenance. With this chain, it has considered the fact that when the upper management comes together to analyze the operations of the business, high success is expected.

### **3. Marketing Plan**

General Haulage Transport will be targeting anyone who requires transportation services within Birmingham UK, and other destinations outside the UK. This company will mainly serve people and minor enterprises that could require getting to different destinations as well as doing different deliveries.

#### ***Marketing Strategy***

##### ***Values Principle and Branding***

The important special service propositions that General Haulage Transport will be offering to customers are;

- Staff that are knowledgeable will offer various transportation services, including doing exports, short and long-distance hauling and collecting of parcels.
- To offer shipping services to clients who are of high quality while considering adaption and technology. With this strategy, the company will be able to meet the different personalized needs of clients

#### **Promotional plan**

To reach various people, General Haulage Transport will be considering the below

##### **1. Recommendations**

By ensuring that they offer high-quality services, in turn, the company will be expecting recommendations from the clients it has served. This will be successful as when I announced

that I will be quitting the company to start my own company, many of the clients were eager to test the company's services which have already helped in promoting General Haulage Transport

## **2. *Print Media***

The company will consider, magazines, journals and newspapers to make advertisements

## **3. *Website Promotion***

The company will have a website in which basic information about the rides and the pieces will be placed there. The website will be made simple to use as will have a link that the company will use to make payments and input location which the rider will use to pick them. With high-quality SEO, whenever searches are being made the company website will appear on the top hence its selection (Dramilio and Soewito, 2020).

## **4ps of Marketing**

Using the 4Ps of marketing, the report will consider: Product, price, place and promotion

**Product:** The Company will be offering supply chain, private transportation, truck transportation and exporting products

**Price:** The prices of the services will be based on various factors such as discount margins as well as the use of penetrative pricing strategies. This will include giving the clients way lower prices than the competitors to grab a wider audience

**Place:** The Company's headquarters will be in Birmingham in the UK. However, the cabs will be distributed all over the UK in which when a person makes an order, they get referred to the nearest driver

**Promotion:** The Company will use various media channels, such as social media having Facebook and Instagram. The company will further consider advertisements in magazines and newspapers. Adverts on the radio, as well as television, will also be considered.

#### 4. Financial Plan

This business will source its funds, from stakeholders who will be invited to make their investments in the business. Being a shareholder I will also be required to make contributions

I am planning on taking a bank loan to help with the contributions

Below is a financial cash flow forecast for the first year

| Description of sales/cost | Months |       |        |        |        |        |
|---------------------------|--------|-------|--------|--------|--------|--------|
|                           | 1      | 2     | 3      | 4      | 5      | 6      |
| Cash in/out               |        |       |        |        |        |        |
| Expected sales            | £100   | £100  | £100   | £100   | £100   | £100   |
| Resources                 | £15000 | £1500 | £15000 | £15000 | £15000 | £15000 |
| Available                 |        | 0     |        |        |        |        |
| Renting Fees              | £100   | £100  | £100   | £100   | £100   | £100   |
| Corporate tax             | £150   | £150  | £150   | £150   | £150   | £150   |
| Amenities                 | £100   | £100  | £100   | £100   | £100   | £100   |
| Insurance                 | £500   | £500  | £500   | £500   | £500   | £500   |
| Bank Loans                | £300   | £300  | £300   | £300   | £300   | £300   |

To achieve financial stability, I will ensure that financial management has been improved such that high management of finances has been done to ensure that profits are still being enrolled in the business to achieve high stability. Furthermore, stakeholders will be sharing profits after 6 months to ensure that the company still has adequate time to use the available finances to make profit out of it.

#### 5. Market Research

To analyze the macro environment the report will consider PEST analysis. In using PEST analysis, the report will evaluate political, Economical, social and technological factor in the UK economy that has impacts on the operation of the company.

|                      |                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Political</b>     | <ul style="list-style-type: none"> <li>• The significance of the transportation industry to the UK economy</li> <li>• Political stability in the UK</li> <li>• The high degree of regulations that could hinder the launch</li> <li>• The federal red tape and intentions that could impact the transport businesses</li> <li>• Safeguarding the trade secrets</li> </ul> |
| <b>Economic</b>      | <ul style="list-style-type: none"> <li>• The growing economy in the UK is an added advantage</li> <li>• Lower rates of inflation are an added advantage</li> <li>• The willingness of people to invest their money is an added advantage</li> </ul>                                                                                                                       |
| <b>Social</b>        | <ul style="list-style-type: none"> <li>• Many people are into attaining environmental stability hence the demand for public transport</li> <li>• People in the UK are more into wellness and stability</li> <li>• People want high-quality services that give the company an opportunity</li> </ul>                                                                       |
| <b>Technological</b> | <ul style="list-style-type: none"> <li>• Green cars have been introduced in the UK</li> <li>• People want to watch movies as they travel</li> <li>• High rates of innovation in the UK offer a chance to develop more</li> </ul>                                                                                                                                          |

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