

PROJECT MANAGEMENT

(LCBB5005)

Local Store

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Notes

1. The project will take a place in Republic of Bulgaria. All the money involved in this assignment is very realistic. There is some links at the end in the references zone proving it, otherwise for better and realistic information, there were some conversations as well with people like – accountant, owner of similar store, manager in IT sphere. All of them are from the location where this work will take a place.
2. For more accuracy as the project is operating on the territory of Bulgaria, the currency that will be use will be Bulgarian – BGN or levs (both meaning the same).

On 2 September 2020 according XE.COM, 12:34(Bulgarian time) or 10:34Am (UK time) 50.000 GBP = 110.032.43 BGN.

Introduction

Part I.

Location: Plovdiv, Bulgaria, EU (second biggest city in the country)

Salaries per month:

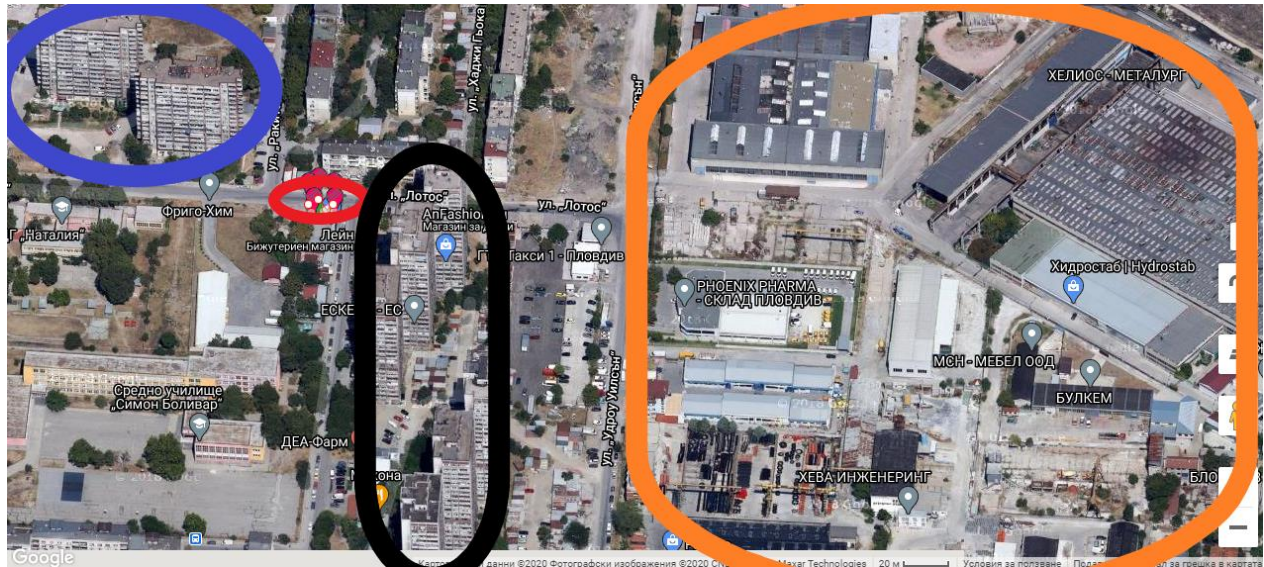
Minimal: 610.00BGN

Average: 1355.00BGN

Possible wage for a good living standard: around 2000.00BGN

Renting a shop in the town is varies between 380-3000BGN depends of location in the town and square meter (Sq.m.).

Part II.



In the red circle of the picture is the local 37.8 sq.m store, which provide a little bit from different type of products – like beers, ciders, spirits, wines, waters and other types of alcoholic and non-alcoholic drinks. Other products in there are food and bread, nuts, sweets, snacks, ice creams, household stocks and so on. The store is working 24/7 non-stop and its location is in normal neighborhoods area, out of city center. The price in similar areas to rent a shop like this one may vary around 380 – 1200BGN. However, due to a high population density in this area, working shop like the one here could reach to 2500 or even a bit more in local currency.

In this case the offer to rent this shop is 4000per month + roughly 12000 to buy the current stock inside all in levs. Why taking this shop for money much above the average price will be explain in next part.

PART III.

Benefits:

- In radius 5 minutes by walking from the shop are living around 6000 people+
- In the black circle from the picture are 6 huge block flats, which have between 2500-3000 communities.
- In the blue circle are 2 big buildings with estimate population around 500.
- In the orange is a massive industrial zone with thousands of workers from and outside the area
- Nearby our store are dozens small shops that offer very limited types of products and still working from years now. Thanks to big surrounding population.
- This is the only non-stop working store in the area.
- There is a space for potential extension of the shop.
- Customers are not just coming in, buy something and go home. In Bulgarian culture people are close with their neighbors and basically every day after work there preferable and relaxed time is not to go home, but to stay out and drink and chat with the locals, which open another type of customers for the shop.

However, even the benefits which are mentioned above, should not be a reason to make such a invest. And we should not rely only on this, but to use a creativism that can extend our profits by offering customers flexibility to reach us and potential opening of new type of products in our shop. Everything this should become slowly with the time.

By giving there store to us for 4000+its products(12000), the owner gaining themselves an exotic money every month which are extremely good for living in Bulgaria and also less headache of not operating there business which whatever has not changing since the opening and they rely on the benefits mentioned before.

By taking the store for this money, we are gaining the flexibility of the

- There is opening opportunity for buying it after the 1st year.
- After the first six months, if we decide to cancel the contract, the giving note is 2 months
- After the first six months if the owner decides to cancel the contract there is 12 months giving note

The difference of the things above that privileged us is due the high amount of money that we are giving to the owner. This create better environment for us, in which we can see how is the business moving, how is the new ideas that supposed to bring a great benefit to the business are going, etc. In case everything is running good for us we have good opportunity to keep going with it, otherwise we are flexible to move out of it.

Stakeholders:

Internal – Owner/Manager, employee – workers in the shop, self-employed connected with the business – accountant, IT specialist...

External – Customers, suppliers, competitors, society, local authority and government.

S.M.A.R.T.

Specific:

- Getting accountant – open firm, getting all necessary licenses
- Start renting the working shop – with all same staff in there, same prices, all utilities need to know, and all distributors that the shop is working with.
- At the beginning do nothing else, but keeping very close monitoring on customers and stocks, staff and utilities.
- When the things got clearer and we are familiar with everything connected to the store. Then the first step of the progress can become
- 1st step of the progress – creating an easy web site, design flyers/leaflets, and basically starting a strong campaign targeting the opposite shop the six huge block flats thousands of people inside, how they can order anything and anytime from the shop using web-site for perfect information to the products and prices or phone and they already know what to order. All this will be for free and the minimum order will be just 5.00 levs.

Measurable:

For the first six months we have three main stuff to do:

1. Getting the store
2. Doing nothing else, but keeping everything the same and monitoring closely the business.
3. When clear, then go for progress

All these steps are very measurable as by seeing the everyday actions, you can clearly start to see a bigger part of the picture and how the business is going.

Achievable:

The goals that we are following here are truly attainable, as we not only have enough financial opportunities for that, but also the path is clear ahead and we know, what have to do in order to proceed positive with this business.

Realistic:

It is quite realistic. After all this nothing something completely new there is billions of shops around the world and they are working. Even without the necessary experience, we will soon or later gain it. The money that we have for this product and the time it makes it absolutely realistic.

Timeline:

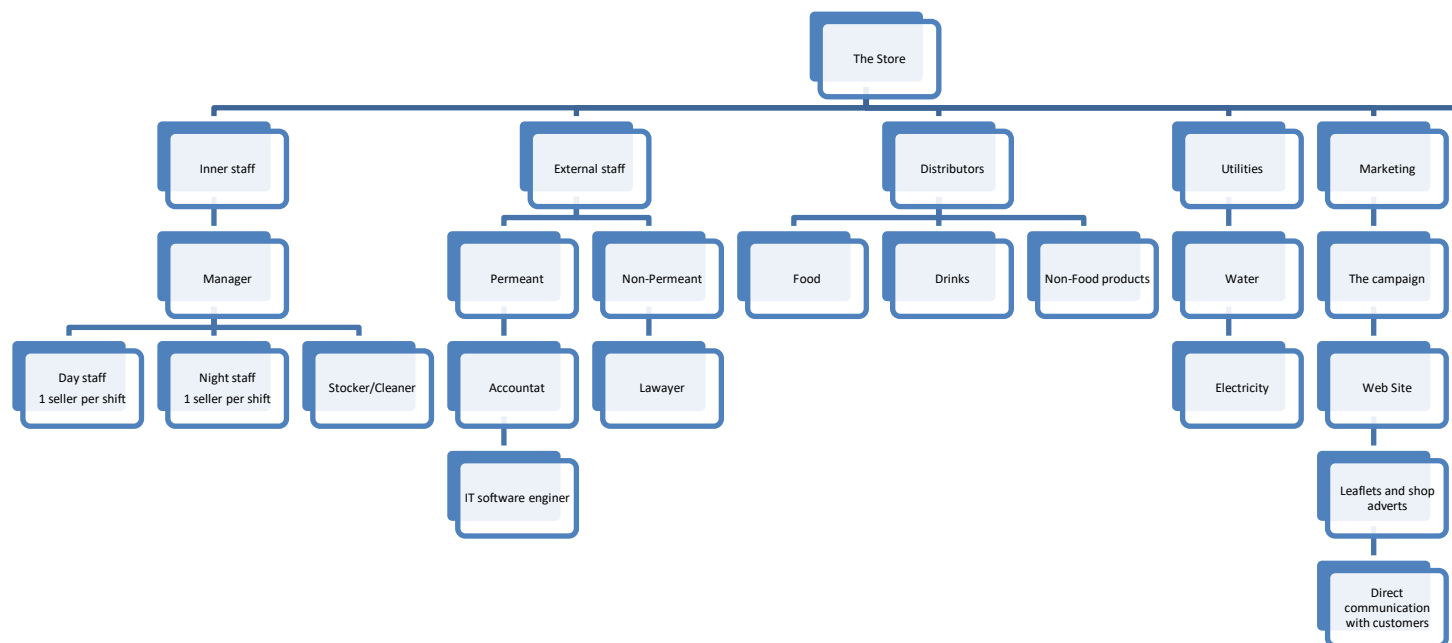
The six months' time period is perfectly enough, as giving us enough time to get involved in this type of business, and even to try to increase our profit with the first progressive step.

0-0.5 month – opening firm, getting licenses, start renting

0.5-3.5 months – Extremely close monitoring of the customers, stocks, financial and so on.

3.5-6 months – Monitoring as always, the present necessary things in the business, starting the campaign mentioned in the “Specific” earlier.

W.B.S



Risk

Is probability or threat of damage, injury, liability, loss, or any other negative circumstance that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.

Risk can occur even in the most secured environment. By ignoring the risk in the business it is like gambling as soon or later will hit you in some point.

In our case we are opening a firm, getting licenses and starting to rent working shop with the potential owning after a year. The shop is located in highly populated area in the second biggest city (Plovdiv) in republic of

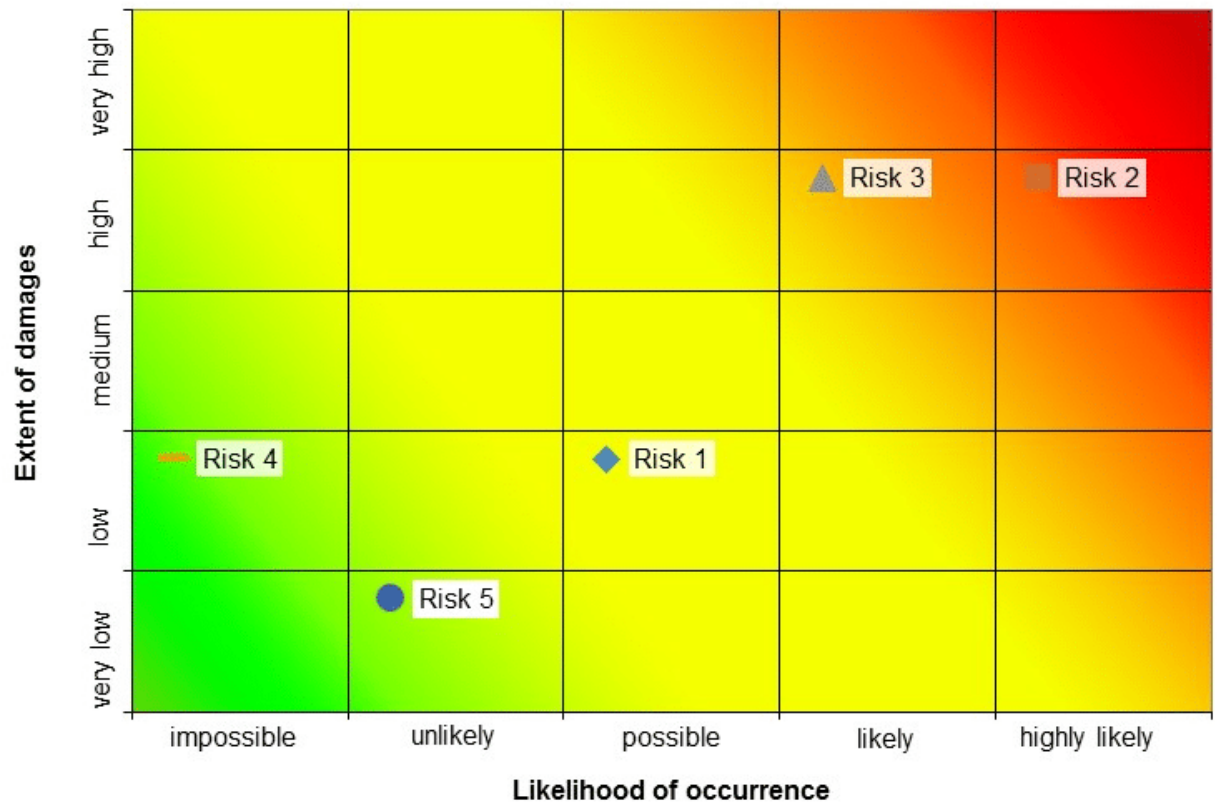
Bulgaria. As far as we know there are no serious competitors around, even when this shop is working as a normal shop without anything special like some extras, except only it is 24 hours a day. Our idea is to develop to maximum the store by using new creative strategies. At first we are going to extend the ability our customers to reach us, by offering them home delivery at no extra cost, also cozier atmosphere. Later even bring new specific type of a product/service and extend the shop. We do have one big plus and a minus.

+ The financial recourse is strong

- We do not have experience in this sector

According the information mentioned above we can identify five basic risk points, especially for the beginning.

1. Lack of experience – will be separate by 2 risk marks. 1 – distributors & stocks. 2 – Staff.
2. Unstable and in some point corrupted and/or incompetent government system in the country.
3. Competitors
4. Customers



Risk 2 is distributors and stocks – It is highly likely to happen a problem with it, especially in the very begging and will cost serious damage

To avoid it we need to know our products – distribution, prices, and how desired are they. We can also check a date from the past. At the begging we try to order less products which have quick expire date, while we get in line.

Risk 3 is the staff – again because of the lack of experience we do not know how the staff exactly operate, will we have a problem with them? What we going to do if someone call sick? At the begging the staff number is fine, but later how many staff we are going to need when extend the services. This one is likely to occur so we need to keep it in mind, and imagine some of the scenarios that can happen, then what we are going to do.

Risk 1 is the lack of normal system in the country – Unfortunately Bulgaria is a country with corrupted and incompetent politics, and this one may occur in different structures that we have to deal with like revenue department for example. However, even if this is possible to happen, do not consider it as serious damage at all. When the accounting is good it should not be a problem at all. So just keep close monitoring to accounting.

Risk 5 is competitors – Even it is unlikely to have a problem with them, because our shop is better developed compared to theirs so far, it is the only in the area 24/7 and our idea is to keep developing it, we still need to keep eye on them.

Risk 4 is customers – Even it is count as a risk, because without them we are cannot exist at all, it almost impossible to lose them. There are literally 3000 people over your shop in the block flats opposite. There is another couple of thousands people in radius of 5 minutes to the store by walk. The question here is not how we are going to lose them, but what can we do to gain more profit from them and even bring new ones.

Gantt Chart

The Store time project

M – Month

	0.5m	1m	1.5m	2m	2.5m	3m	3.5m	4m	4.5m	5m	5.5m	6m
Open firm												
Getting the shop												
Getting all necessary documents and licenses												
Extremely keep an eye and monitoring for the risks mentioned earlier												
Creating web site, fliers, adverts and communication with the customers – about the 24/7 free delivery to your door products for only 5BGN minimum												
Doing the campaign												
Dealing with the extra staff and monitoring the business												

Cashflow table

The expenses

	September	October	November	December	January	February
Starting Money: 110.032.43 BGN						
Accounting	350.00	350.00	350.00	350.00	350.00	350.00
Firm, documentation, license	850.00					
Rent(6) + Products(1)	4000+12000 = 16000	4000.00	4000.00	4000.00	4000.00	4000.00
Utilities	2000	2000	2000	2000	2000	2000
Salaries + tax	5500.00	5500.00	5500.00	6500.00	7500.00	7500.00
Distributors		7000.00	8500.00	10000.00	12.500.00	15000.00
Web site			500.00			
Leaflets/flyers			650.00			
Ads			945.00			
IT Engineer	450.00	450.00	450.00	450.00	450.00	450.00
Finishing Money: -36.713 BGN						

Please note that here is counted only the expenses and that is why we are on minus, but if you noticed with the future the money for distribution and salaries are growing as it is expected which is clearly meaning that we do have a good profits, and we need to increase the work force and supplies. I believe we are going to be on plus if the incomes were described here. Basically, this is a non-stop working shop that is supposed to start bring us money from September.

Conclusion

This is a shop with a great protentional. It would be mistake to be wrongly confused with the minus at the end of the cashflow, as there are mention only expenses for six months. Even after the first three months when we can see much clear picture the expenses are 67.345.00BGN and this makes us on 42.687.43BGN plus, without the counting here the potential income for these months. Apart of a normal grocery store, this is a place that people can come in the morning for coffee, lunch for a sandwich-toaster, and evenings till late night for drinks and company. Meanwhile, when the next progressive step with the web site give customers opportunities to lie down comfortably on the sofa at home and search in the easy made sections where they can see what to choose at what price, and make their free delivery order at just 5 BGN day and night, then just imagine all this thousands of people above the store, as new category of potential profit.

All this is just the first progressive step in action.

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