

Assessment 2

Business Plan: TransLogistics Ltd

Student's Name: Maya Boteva

Student's ID:2112590

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1. Business Description / Intellectual Property and Legal considerations

Business Description

The limited transport and logistics company, TransLogistics Ltd, will operate in the United Kingdom, providing various logistics services to businesses across the country. The company's mission is to become the leading logistics provider in the UK by offering reliable and cost-effective services to customers. Its services will include road transportation of goods, air cargo, and sea freight. The firm will cater to various industries, including retail, manufacturing, and construction. The company will focus on providing efficient and timely delivery of goods while ensuring high customer service and satisfaction.

Intellectual Property Considerations

The company's intellectual property will primarily be in its unique approach to logistics services, including the delivery process, customer service strategy, and IT infrastructure. TransLogistics Ltd will also have specific proprietary software and technologies that will enhance its ability to track shipments and provide real-time updates to the customers.

Ownership Structure

TransLogistics Ltd will be a privately owned limited company, with 100% ownership held by the founder and CEO, John Smith. The company will have a board of directors consisting of experienced industry professionals, and the firm will also seek external investment to fund its growth and expansion plans.

Legal Considerations

TransLogistics Ltd will operate in compliance with all relevant laws and regulations governing the transport and logistics industry in the UK (Koh et al., 2020). This includes obtaining the

necessary licenses and permits required to operate our business, as well as ensuring compliance with employment and taxation laws. The company will also have appropriate insurance coverage to protect the business and customers' shipments.

2. Industry Analysis

The transport and logistics industry in the UK is a significant sector with a sizeable market. According to a Federation of Small Businesses report (2020), the UK's logistics sector accounts for approximately 11% of the country's GDP, generating £124 billion in revenue in 2019. Additionally, the industry employs over 2.5 million people in various roles, such as drivers, warehouse operatives, and managers.

The transport and logistics industry in the UK is projected to experience steady growth in the coming years. The increase in e-commerce activities, international trade, and the need for efficient supply chain management are expected to drive the industry's growth. Furthermore, the COVID-19 pandemic has highlighted the importance of logistics and transportation in the UK, creating more growth opportunities (Choi, 2021).

To assess the industry's attractiveness, a VRIO analysis is conducted as follows:

- **Value:** The logistics industry facilitates the movement of goods, raw materials, and finished products between suppliers, manufacturers, and customers.
- **Rarity:** Logistics services are not rare, but the ability to provide high-quality and efficient services is rare.
- **Imitability:** Competitors can imitate the services provided by logistics companies, but building a reputation for reliability and quality service takes time and effort (Batta et al., 2021).

- **Organization:** Logistics companies have unique capabilities, including advanced technology, specialized equipment, and trained personnel.

Porter's Five Forces Analysis for the transport and logistics industry in the UK:

1. **The threat of New Entrants:** The threat of new entrants to the industry is relatively low due to high initial investment costs, regulatory barriers, and the presence of established companies with economies of scale (Chowdhury et al., 2017).
2. **Bargaining Power of Suppliers:** The bargaining power of suppliers is relatively low due to the presence of many suppliers in the industry, making it easy for companies to switch suppliers.
3. **Bargaining Power of Buyers:** The bargaining power of buyers is high because there are many logistics companies, and buyers can easily switch to other companies if they are not satisfied with the services provided.
4. **The threat of substitutes** is relatively low because logistics services are essential in many industries, and there are few viable alternatives to traditional logistics services (Chowdhury et al., 2017).
5. **Competitive Rivalry:** The competitive rivalry in the logistics industry in the UK is high due to the presence of many established companies, and the industry is consolidating, with mergers and acquisitions becoming more common.

Overall, the transport and logistics industry in the UK is highly competitive but attractive, with significant growth potential.

3. Operations Plan

The limited transport and logistics company will operate on a hub and spoke model, with a central warehouse located in a strategic location within the UK and a fleet of vehicles that will

be used for transporting and delivering goods to customers. The main revenue stream will be providing transportation and logistics services to businesses requiring reliable and efficient supply chain management. The company will also offer additional services such as inventory management and warehousing.

The operations plan includes the following key elements:

1. **Location:** The central warehouse will be in a strategic area within the UK, with easy access to major transport routes such as highways and airports.
2. **Fleet:** The Company will have a fleet of vehicles ranging from small vans to large trucks to cater to the transportation needs of different businesses. TransLogistics Ltd will ensure that vehicles are well-maintained and equipped with GPS tracking systems for efficient route planning and real-time monitoring.
3. **Inventory Management:** TransLogistics Ltd will provide customer inventory management services, ensuring that goods are stored securely in the warehouse and easily accessible when needed (Speranza, 2018).
4. **Warehousing:** The Company will offer warehousing services to customers, providing flexible storage options to meet their specific needs.

Management Team Plan: The management team will consist of experienced professionals with a proven track record in the transport and logistics industry. The team will be led by the founder and CEO, who has over 10 years of experience in the industry and a degree in logistics and supply chain management. The team will also include a chief operating officer, a financial officer, and a head of sales and marketing.

The profiles of each member of the management team are as follows:

1. **Founder and CEO:** The founder and CEO has over 10 years of experience in the transport and logistics industry and a logistics and supply chain management degree. He has a strong track record in managing complex supply chains and has successfully led teams in the industry.
2. **Chief Operating Officer:** The chief operating officer has over 15 years of experience in operations management, including supply chain management, logistics, and warehousing. She has a degree in engineering and a proven track record in managing large-scale operations.
3. **Chief Financial Officer:** The chief financial officer has over 10 years of experience in finance and accounting, with a degree in accounting and a professional accounting qualification. He has a strong track record in managing financial operations in the transport and logistics industry.
4. **Head of Sales and Marketing:** The head of sales and marketing has over 10 years of experience in sales and marketing, with a degree in marketing. She has a proven track record in developing and implementing successful marketing strategies in the transport and logistics industry.

Legal Structure: The Company will be registered as a private limited company (Ltd), the most common and suitable legal structure for small and medium-sized businesses in the UK. This structure offers limited liability protection to the owners while also allowing the company to raise capital by selling shares. It also provides flexibility in management and ownership structure, allowing the company to bring in new investors and shareholders easily (Shim, 2022). This structure has been chosen after careful evaluation of other options, such as sole proprietorship, partnership, and limited liability partnership, and it is believed to be the best option for the business.

4. Marketing Plan

In the transport and logistics company, the marketing plan is focused on creating a strong brand identity and awareness, building customer loyalty, and expanding the customer base.

Product: The Company will offer a range of transport and logistics services to meet the customers' needs. These services will include freight forwarding, warehousing, and transportation services. The firm will offer both standard and specialized services to cater to the diverse needs of customers.

Price: The pricing strategy will be competitive and flexible to attract and retain customers (Kienzler and Kowalkowski, 2017). TransLogistics Ltd will offer discounts and incentives for customers who use the company's services frequently or for long-term contracts.

Promotion: Various promotional channels will create awareness of the brand and services. These channels will include advertising in trade publications, participating in industry events, and direct marketing (Morgan et al., 2019). The company will also leverage social media platforms to engage with the target audience and build a community around its brand.

Place (Distribution): TransLogistics Ltd will operate from a central location in the UK and will have a network of agents and partners nationwide. This will allow the company to provide efficient and timely services to customers nationwide.

In summary, the marketing plan focuses on building a strong brand identity and expanding the customer base by offering various services, competitive pricing, and leveraging multiple promotional channels.

5. Financial Plan

TransLogistics Ltd will require significant capital to start operations. The initial start-up costs will include purchasing vehicles, hiring staff, insurance, and advertising. Therefore, a detailed financial plan is necessary to ensure the company is financially stable and sustainable.

Sources of Funds: The initial funding for TransLogistics Ltd will come from the founder's savings and a bank loan. The loan will cover the remaining start-up costs (Herciu, 2017).

Uses of Funds: The funds will be used for the following:

1. Purchase of Vehicles
2. Hiring of Staff
3. Insurance
4. Advertising
5. Rent and Utilities
6. Equipment and Technology

Types of Financing: There are several financing options available to TransLogistics Ltd, including bank loans, venture capital, and angel investors (Herciu, 2017). However, due to the relatively high-risk nature of the transport and logistics industry, traditional bank loans may be the most viable financing option.

Six-Month Cash Budget Forecast

The six-month cash budget forecast for TransLogistics Ltd is as follows:

Month	Start-up costs	Revenue	Expenses	Cash Balance
1	£100,000	£0	£80,000	£20,000

2	£0	£25,000	£35,000	£10,000
3	£0	£50,000	£35,000	£25,000
4	£0	£75,000	£45,000	£55,000
5	£0	£100,000	£55,000	£100,000
6	£0	£125,000	£60,000	£165,000

Sales and Financial Sustainability: TransLogistics Ltd will need to maintain a consistent stream of revenue to achieve financial sustainability. The company will focus on building long-term client relationships, offering competitive pricing, and providing excellent customer service (Gatta et al., 2019). Additionally, the company will explore new opportunities to expand its services and increase revenue. By carefully managing expenses and increasing revenue, TransLogistics Ltd will achieve financial sustainability and grow over time.

6. Market research

TransLogistics Ltd operates in the UK's transport and logistics industry, an integral part of the global economy. According to a report by IBISWorld (2021), the UK transport and logistics industry generates approximately £123 billion in annual revenue and employs over 1.5 million people. The industry is expected to experience steady growth over the next few years, driven by e-commerce, increasing demand for same-day delivery services, and technological advancements.

In terms of macro-environmental factors, several trends create opportunities for TransLogistics Ltd. For instance, the UK government's focus on infrastructure development, such as constructing new roads and airports, presents opportunities for the company to expand its operations and reach new customers (Speranza, 2018). Additionally, the increasing focus on

sustainability and green transportation allows TransLogistics Ltd to differentiate itself by offering eco-friendly transportation options.

To further understand the market and potential opportunities, TransLogistics Ltd can conduct market research to identify its target customers' specific needs and demands. This can be achieved through surveys, focus groups, and customer feedback (Speranza, 2018). The company can also conduct a competitive analysis to understand its competitors' strengths and weaknesses and identify areas where it can differentiate itself.

In conclusion, TransLogistics Ltd operates in a large and growing industry that offers several opportunities for growth and expansion. By conducting extensive market research and staying up-to-date with industry trends, the company can position itself for success and remain competitive.

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