

Enterprise and Entrepreneurship (LCLM4006_LON)

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DriveSmart Auto Traders: Business Plan and Strategic Analysis



Introduction

The demand for used cars in the UK keeps growing because of the affordability constraints (Groos, 2020).

DriveSmart Auto Traders will endeavor to supply this demand with a clear and trustworthy model.

Its business model is digital-first selling as it aims at making it more available (Konks et al., 2021).

The strategy shows viability and market sustainability (Twigg-Flesner, 2017).

Objective: To achieve a 50,000 investment, in order to start and expand operations.

Business Overview

DriveSmart buys and sells used cars that have been checked and verified, to ensure that they are of quality.

It has its operations in Birmingham and online-first sales channels.

Focusing on fuel-saving and hybrid vehicles to suit the existing market tendencies.

Services to the customers comprise free valuation and vehicle pick up.

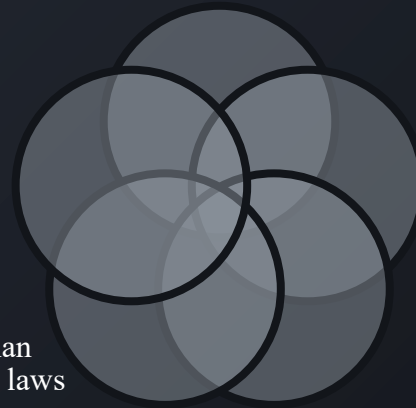
Trading volume: 5-8 cars every month, which increases with turnover.

Legal Format & Management Structure

Incorporated as a Limited Company in order to ensure protection of liabilities and credibility.

LTD form encourages development and investor trust (Bathla et al., 2022).

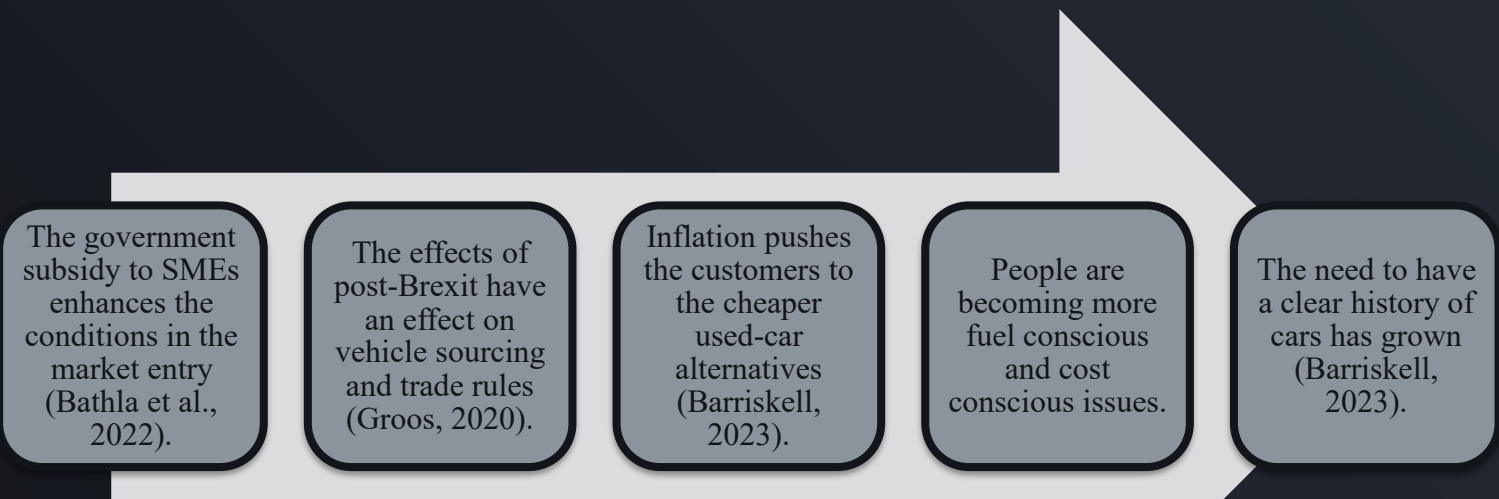
The Motor Ombudsman standards and emissions laws should be met.



Classes of lean team involve Technician, Managing Director, Admin Assistant, and Marketing Consultant.

Accounting and legal services outsourced help in maintaining low costs.

PESTEL Analysis – Part 1



The government subsidy to SMEs enhances the conditions in the market entry (Bathla et al., 2022).

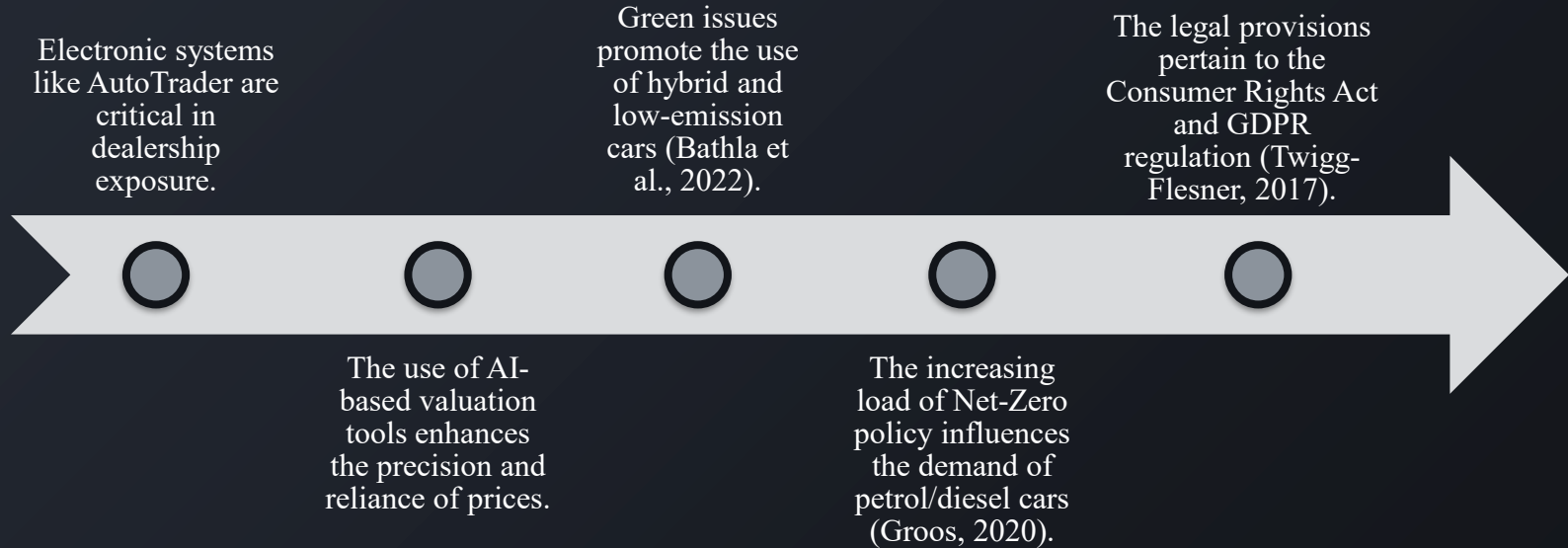
The effects of post-Brexit have an effect on vehicle sourcing and trade rules (Groos, 2020).

Inflation pushes the customers to the cheaper used-car alternatives (Barriskell, 2023).

People are becoming more fuel conscious and cost conscious issues.

The need to have a clear history of cars has grown (Barriskell, 2023).

PESTEL Analysis – Part 2



Marketing Strategy – Digital

The Buyer Traffic in AutoTrader, Gumtree and Facebook Marketplace is high.

The social media campaigns increase the engagement and brand reach (Bathla et al., 2022).

Google Ads aids in targeted lead generation and conversion (Konks et al., 2021).

An official site enhances trustworthiness and confidence to the customers.

Sustained traffic and organic visibility are enhanced by the use of SEO optimisation (Konks et al., 2021).



Marketing Strategy – Local & Branding

Local Marketing:

Flyers in community hubs, universities, and garages.

Referral programmes and partnerships with taxi firms.

Branding:

Clean, trustworthy brand identity.

Branded uniforms, vehicle stickers, and consistent visual messaging.

Customer Retention:

3-month warranty, loyalty discounts, follow-up calls, review generation.

Funding & Financial Projections

Funding Required:

£50,000 Allocation:

Vehicle purchases: £30,000

Marketing & branding: £7,000

Operating costs & tools: £7,000

Contingency: £4,000

Year 1 Financial Estimates:

Revenue: £180,000

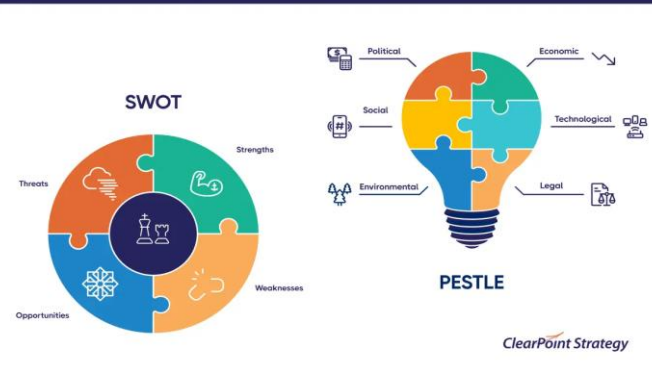
Gross Profit: £42,000

Net Profit: ~£18,000

Break-even: 9–12 months

Investor ROI: 36% (Year 1)

Most Common Types of Strategic Analysis



Conclusion

DriveSmart is strategically positioned for growth in the UK used-car market.

Strong alignment with economic and consumer trends.

Digital-first model increases efficiency and visibility.

Financial projections show strong potential for investor returns.

The business offers reliability, transparency, and long-term scalability.

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