

LCLM4006 – Enterprise and Entrepreneurship
Programme: Certificate in Higher Education
Business Skills for the Workplace

Executive Summary

EcoLoop Refill Ltd will be using a systematic method of local deliveries for refill packs of household detergents in reusable bottles. The main value proposition provided by EcoLoop Refill Ltd. is that the packaging waste is decreased without the customers having to visit specific stores with that aim in mind. Birmingham will be used to carry out a trial run such that EcoLoop Refill Ltd. can exude consumer loyalty, delivery routes as well as return of the bottles.

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Overview of the Business Idea

EcoLoop Refill Ltd. is a proposed venture which will operate in Birmingham and will sell both concentrated and ready-to-use household cleaning items through planned door-step delivery services. Orders are made using the internet, products are delivered in reusable packaging to the customers' premises, while the empty packaging is collected during the next delivery. The list of items initially offered by the company includes washing-up liquid, laundry detergents, surface cleaners, and hand wash (Chan and Little, 2024). The company will hence deliver packages rather than individual purchases.

This type of company is a private limited company by shares, which means that there is a need to check names and register the company (Companies House, 2026). There will be a managing director founder who will be in charge of procurement, compliance, pricing and customer relationships, together with a part-time assistant for delivery and operations. Accounting will be outsourced in order to reduce administrative expenses. Suppliers will be selected based on safety of products, renewability and price; it is incorrect to assume that local products do not produce carbon dioxide.

The reason for this environment recommendation is to reduce single use of packages due to strong packaging. It is noted by WRAP (2024) that reuse and refilling are possible alternatives, but these are valid as long as it is applicable. EcoLoop should control the return rates, cleaning needs and emissions in delivery: extra deliveries or low rates of returns may spoil profits.



Figure 1: EcoLoop Refill Logo

Source: (Self-made)

Market Research

EcoLoop's target market would consist of environment-friendly households looking for convenient, recurrent shopping with students and young professionals as secondary target markets (Rūteliūnė and Bhutto, 2024). Demand cannot be obtained merely by using preferences related to the environment since the preference for paying, performance and convenience will contribute to the final purchase decision. Competitive advantage does not refer to the convenience and prices of the company since there are convenient stores offering their goods at competitive prices. Therefore, the survey of 30 households will help to determine the willingness to pay, preferred period of delivery and minimum quantity of order. Price per liter comparison with competitors will allow comprehending whether EcoLoop provides its clients with a sufficient value. The

company should turn to recurring orders as the driver of the company as opposed to environment consciousness.

Packaging politics and legislation are also directed towards avoiding wastes, but the protection of customers rights, privacy, control of storage and labeling are expensive to comply (Avalon, 2022). Economically, the house price elasticity, and the price of delivery must be considered. From social point of view, sustainability is favorable to innovations; however, the customers may change the conventional products due to their inconvenience in replenishment. It is thanks to technology that low-cost order management and delivery routing are enabled; however, problems with the system may affect customer retention. Reusing discounts might help in reducing the packaging costs; however, washing containers and emissions from last-mile deliveries cannot be considered positive.

Competition is significant. Supermarkets have low pricing, variety, and convenient shopping trips; zero waste stores have refill experience but could mean traveling. The benefit that EcoLoop plans to provide is refill purchase and regular collection and delivery services. But this can be easily done and may not be something worth paying for. Before the launch, a competitive pricing audit and a 30-houses survey should be made along with a similar packaging analysis (Bholanath and Sadia, 2023).

This would be factual evidence than the statistics of sustainability in the country.

EcoLoop cannot allege that it has a huge addressable market unless it determines the number of households within the region and their buyer rate.

Table 1: Competitor Analysis

Competitor type	Competitive strength	EcoLoop's strategic response
Supermarkets	Low prices and convenience	Scheduled doorstep refills
Zero-waste shops	Established refill expertise	Delivery and container collection
Online retailers	Broad range and accessibility	Local service and repeat-order convenience

Marketing Communications

EcoLoop will engage in a targeted digital-first plan of communication as opposed to costly mass media advertising. Its main communication will be convenience and dependable daily worth, and reduced wrapping will be an accessible added value. This initial campaign will focus on a few neighbourhoods in Birmingham in a bid to focus on demand and reduce delivery ranges.

The informative videos will be on Instagram and TikTok, and will demonstrate how to order, use in empty containers, and use of the product. The sensitisation can be certified by the surrounding community organisations as well as college associations, but the effort to be made on promotion should not be imaginary. One-time deals will cut down the cost of acquisition, while lifetime deals will cannibalise the rather slim margins.

Program performance will be measured in terms of conversion of the website visitor into the buyer and cost per first, repeat order and order value (Fouad et al., 2022). Rewards for referrals will be provided on the occasion of the second purchase. Buying in low retention rates should not be done. Objective for 8 week pilot phase is 60 first-time buyers and 35 percent of the staff as repeat buyers, but they are mostly managements' predictions than forecasts. The spending is forced to halt or be revised when the cost per acquisition of the customer is not less than the contribution of repeat orders.

Financials

An example of funding used in the launch of EcoLoop is an initial investment of £10,000 consisting of savings of the founder of his business of £4,000 and a business loan of £6,000. The founders' equity will lessen the chance of paying interest while the creation of liquidity by borrowing will guarantee that there is some degree of liquidity (Tran and Nguyen, 2023). Debt must not be incurred until supplies, insurance, cash flows are secured. The first strategy does not presuppose a specific shop; instead, it involves a little storage system and regular delivery.

Table 2: Illustrative Monthly Break-Even Analysis.

Financial indicator	Illustrative estimate
Average order value	£25
Contribution per order	£11

Monthly fixed costs	£1,650
Break-even orders per month	150
Break-even monthly revenue	£3,750

However, the break-even point is calculated above taking 150 orders per month, it was based on the assumption that the company can make an average contribution of £11 per order, which can be affected by the high delivery is expensive, containers are lost, or customers are not returning. The management ought to be in a position to track the contribution margin of the containers, percentage of recovery, and delivery cost on a monthly basis. In case of higher delivery charges, then it will be better to consider increasing the size of the basket and focusing on the delivery area rather than diversification geographically.

100 orders lead to a contribution margin before fixed cost of 1,100 with an example of average order of £25 and contribution margin after the cost of product and packaging of £11. This is not a profitability check: there is the cost of business, payment of loans and compensations to founders to be covered. A fixed-cost theoretical of 1,650 means that each year would be represented, as about 150 orders to incur a fixed operating cost (1,650/11), prior to financing and tax.

Table 3: Illustrative Start-up Costs and First-Month Expenses

Cost item	Budget (£)
Initial product stock	2,000
Reusable containers	1,200
Website and payment setup	700
Storage and equipment	1,000
Insurance and compliance	600
First-month marketing	600
First-month delivery and staffing	1,400
Working-capital reserve	2,500
Total funding required	10,000

The proposed budget of £10,000 favours essential inventory and capacity to operate over costly premises. Yet, an amount of £2,500 is kept aside for working capital instead of being spent at once, in case of uncertainties and delays in payment by customers.

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