

MiniCini Business Plan



Akbar Sherwani (as89@kent.ac.uk)

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Business Idea:

Background:

Over 6 million¹ people travel every day in the UK using trains, coaches, aircraft and the average journey time is fifty minutes. A lot of spare time for commuters which is either spent looking out of the window or falling asleep due to boredom.

Commuters want to be entertained and MiniCini has the perfect solution at an affordable price.

Type of business:

Take long train journeys, mix with boredom, add the ever-decreasing costs of portable DVD players and discs, and you're in the business of MiniCini, who will let you rent a mini-DVD player and a movie of your choice on departure, which you can then watch during your rail-bound journey, and drop off at the kiosk when you arrive back at your departure station.

The business would allow rental of DVDs, Mini-DVD Players and Laptops. With no other competition the prices would be kept low enough to entice the regular traveller. The rentals can be rented for a minimum of one day and maximum of two weeks. The business will originally be based at Canterbury coach station and Victoria coach station (with Victoria coach station being the main base)

On-line reservations will also be available to customers so they can quickly pick-up the rentals without the hassle of waiting and hence less disruption to the traveller. Insurance will be an added extra on every product.

Students will be entitled to discounts and regular customers can purchase loyalty cards which will allow cheaper prices. Furthermore I hope I can market some of the products with discounts from the rail or coach companies. The business will be run by me as a sole trader.

Range of services:

The services are listed below with the primary service being the Mini-DVD Players and DVDs. Initially a limited number of laptops will be available however they will not be the primary product of the business.

Mini-DVD Player:

Renting of Mini DVD Players so commuters can either watch their own DVDs or rent the DVD separately from our store. The mini-DVD player will also allow the watching of picture CDs as well as VCDs. The DVD player will have all the operating instructions and will include one headset as standard. Extra headsets will also be available but will incur charges.

DVDs:

The aim is to provide a vast selection of DVDs to cater for all tastes and ages e.g. movies, TV

¹ Figure from http://en.wikipedia.org/wiki/Transport_in_the_UK

programs, educational and music DVDs.

Laptop:

For business travellers or customers willing to pay more, MiniCini will offer rental of a laptop that they can rent for a minimum of a day, again allowing them to watch movies or even able to use software such as word processing or access the internet through wireless points.

Lastly each of the above items will reach a point where it will not be feasible to rent them out anymore due to wear and tear, such as the laptops and DVD players so they will be sold in-store at competitive prices. Furthermore this applies to DVDs, once they are not in popular demand for rent they will be sold at low prices.

Personal parameters

Following graduation I would operate the business full time. Business hours would be dependant on the location of the business and the time at which most customers would be around. In the case of the coach stations this would mean opening from morning to late night.

One of the main reasons why I have decided to take up this business idea is my keen interest in technology and my computer science degree. I have a good knowledge of software and hardware in general and can easily extend this knowledge to laptops and DVDs through research. Having also spent part of my degree course as a placement student in London I understand the boredom on trains and on the coach service to Canterbury and back.

Finally having experience of working in IT support, I should be able to identify any problems that customers with little technology knowledge would face. Furthermore working in support has improved my communication skills and customer care which I hope to be able to pass on to my employees.

Geographical location

On start-up I hope to have the location inside London Victoria Coach station and at Canterbury coach station. The coach station is the main base for National Express, Eurolines coaches as well as one of the UK's busiest train stations nearby. This would ensure that potential customers would be aware of the availability of the rentals as soon as they board or leave the coaches.

Target market

The target market would be large as anyone such as tourists, students or just general travellers could potentially be a customer. It's most likely that tourists and students would be potential customers and this is the type of transportation they will be using to commute back and forth hence it should be an ideal location for customers.

Assuming the business is a success it would be expanded to include the following locations:

1. Major Train Stations (e.g Waterloo, Paddington, London Bridge)
2. Major Coach Stations (e.g Birmingham)
3. Airports (Heathrow, Gatwick, Luton, Stansted)

Statement of viability

I believe that I will succeed in this business idea for a number of reasons. One of them is the lack of competition and innovative idea which can grow from just DVDs to portable gaming machines. My experience of being a commuter on both rail and coaches means I understand my potential customer's needs and concerns.

My education such as my Degree in Computer Science will be a major factor as this will be able to help out in diagnosing any problems with the laptops, players and DVDs. Furthermore the degree has taught me logical approaches to projects and project management which will help in making sure I have a good business plan and meet its requirements thus meeting customer's expectations.

Lastly having worked for companies based in London I can understand what the business can gain from getting large public companies involved in marketing and spreading the word through their employees. With all these points in mind I believe the business will succeed and expand at a phenomenal rate.

Business Proposer:

My name is Akbar Sherwani and I am currently in my final year of a BSc degree in Computer Science with a Year in Industry at University of Kent, Canterbury. Once I graduate in July 2007 I plan to start the business immediately. At college I studied Physics, Computing and Mathematics and I think these subjects which are based around logical thinking, following set formulae's and theories will help me create a plan which I will stick to and in addition logically resolving any problems which I face.

Lastly I have worked in customer support and in a software developer role which means I have had experience with dealing with people's problems and concerns. In some of my developer roles I have been creating internet sites and this would help in producing one for the business. Furthermore having travelled using the coaches and trains I understand the needs of the customer. Hence I think these points will contribute too mean the customer being valued and his/her input will be taken into full consideration. (CV in Appendix as Appendix B)

Personal influences, ambitions and long-term objectives:

Having travelled on the coaches and trains I have experienced the boredom and I think MiniCini will be a great way to make the journey more enjoyable. Having taken a business module I have developed a keen interest for business and I think MiniCini would put my knowledge and people skills to good use.

My other main interest is technology and this will also be used in the business. The business itself will be based around technology in terms of the products which are being rented and my interest would mean the business would additionally be innovative and at the cutting edge of technology. Furthermore placing a rental will also be innovative as this would be available through the internet.

I hope in the long term that the business will expand from just coaches to trains and perhaps to low cost airlines. I hope the expansion of low cost airlines with flights longer than an hour would encourage customers to rent the players. If successful this could lead to the airline itself having these rentals as part of their in flight entertainment service.

Why I want to go into business:

There are a number of reasons for wanting to go in to this business. One of them is my huge interest technology. Having researched extensively and acquired experience into working with technology, I have a strong belief that I can establish a technology related rental company which will be successful.

Furthermore I would love to put in practice some of the skills I have gained over the year such as from the customer support jobs and also through my degree in terms of logical approaches. Due to the logical approaches, I will have established a lot of routines to ensure that the business would be monitored so any sign of problems could be rectified and goals would be reached.

Personal skills and experience:

There are many skills which I have gained over the years which might be relevant to the business. Customer service is one of these skills. After being involved in a number of part time jobs that

included interacting with customers for most of the time, I have gained the confidence of talking freely to customers and solving their problems.

Furthermore I have developed many websites in the past for the companies and myself, therefore understand how to create websites which are not static but dynamic in accepting order data and monitoring stock and tracking any problems.

Additionally my interest in technology and my degree means I have had a chance to investigate problems in the DVD player hardware and try and rectify problems or issues. This will be great help as I will be able to order the products and manage them without having to call in other people to advise us on what players are best and suited to rentals. With these points I feel confident to be able to manage MiniCini, though I will however seek advice from organisations such as the Princes Trust to enhance my business awareness skills.

SWOT analysis & personal development needs:

After working through the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis I was able to identify the following:

Strengths

My main strengths would be my technology knowledge in terms of what would be the best for the customers and what would provide them with the best experience. Another strength would be the customer retention as having worked in customer support areas I understand how to deal with customers with problems and keep hold of potential regular customers. Finally having been a commuter myself I know what will keep travellers (i.e. my potential customers) happy and entertained throughout their journey.

Weaknesses

I consider my weakness to be my communication skills. Although I have been able to develop the communication skills over the past years in work experience I still need to improve them. Another weakness which would need to be kept under control is that I usually spend my time on certain aspect of a project until its finished and find it hard not to leave certain work unfinished before starting another.

Opportunities

I think there are many opportunities that I can gain from the business. Firstly it would give me a chance to improve my technical skills as I will have to identify faults with the players and check whether they can be rectified easily or whether they need to be returned to the manufacture. In addition the business would require a lot of other business contacts to be successful (such as setting up contracts with DVD companies) and I think having to contact other companies would improve my communication skills.

Threats

The main threat to the business would be competition as whilst no other companies offer a service similar to MiniCini at present, this could change in the future. More of a threat would be if rail companies, coach companies and/or airlines were to integrate these products into their business.

In terms of actual threats to myself I think the main one would be that I were not able to pass on my skills (customer support skills) to my employees who will also need to have these skills otherwise the business will not be able to provide good customer service which will eventually affect demand.

To overcome my weakness and threats and I have included a self development document in the appendix (as Appendix B) which describes how I will combat and ensure those weaknesses are removed.

Resources Required

Start-up inventory:

The actual contents below are what are required at the start-up for the business to run. Some of the prices are estimated as the actual amount cannot be known until start-up however the estimations are based on prices in stores and on-line. (Some are contained in appendix C) The ones marked with italics and required on start-up however not priority to the business.

Office Equipment (Main Base):

Item	Price
Furniture	£2000
Stationary	£20
Computers(2)	£800
Phone Systems (VOIP)	£20
Cash Register	£40
<i>Printer</i>	£40
Internet	£100 pa
Consumables (paper, tea etc..)	£300 pa
Locks, safes	£50

Transport:

Item	Price
<i>Van on lease</i> ²	£2400 pa

Rental Equipment and Accessories:

Item	Price
DVD Player - Goodman's	£49 each
DVD Player - Hyundai	£45 each
Extra Cases	£15 each
Player Batteries	£15 each
DVD's	£3-£40 each
DVD Cases	£0.50 each
Lens Cleaners	£2.50
DVD Cleaners	£2.50
<i>Laptop with Case</i>	£300-600 each

² Taken from http://www.thevanwebsite.co.uk/van_leasing/Volkswagen/

<i>Laptop Batteries</i>	£20 each
<i>Laptop Cleaning accessories</i>	£10
Headphones	£25 each
<i>Laptop chargers</i>	£20 each
Sold Bags	£1 each
<i>Laptop accessories</i>	£10 each

The above mentioned inventory of materials and equipments would be sufficient enough to start the business though there might be few items that would be added or removed from the list as I start running the business. Some of the items in the list have a range of prices such as the laptops and DVD Players etc. For example some players will already come with a case or headphones.

Equipment/materials already available:

For the start up the above items are needed, however some are missing such as the following as I already have these in my possession:

- Laptop
- Car
- Mobile Phone
- Website/ Server space & Domain Name

The laptop would be used to manage accounts and track orders and general inventory as well as a main store of customer's records for mail shots and promotions. The car would be used to travel from sites and also to other companies headquarters to market my product. Lastly the mobile phone would be used so my employees can contact me in case of any emergencies on any sites or to contact me when I am not at any site. Lastly I already own a web server which will allow me to setup the website without any costs, furthermore the company providing the web server provides free domain names.

Modifications to premises:

The business at start up would require two premises. The first premise being the main base inside or around the Victoria Coach Station. The retail side would require enough having space to display DVDs which are available to rent. There would be a large counter behind which would be a store to house the DVD's, players and laptops.

The store room will have a lockable door and be accessed only when a customer requires picking up his/her item. The counter itself should have capacity to serve three customers at a time as I expect it would be busy at certain times and a customer may take some time to be served. The storage area would also have to be large enough to handle more than fifty DVD players.

Lastly at the Victoria coach station site if space permits, I should have a room as my office where I would be able to do office work such as inventory management, accounting etc on my laptop. However this is not essential as the laptop would allow monitoring the stocks and sales anywhere in the premises.

Transport requirements

At start-up the business would require one van to be used to transport the rentals from one site to another depending on stock levels. However it is hoped that a partnership with National Express would allow us to send stock safely from one site to another in their coaches. This would save us money from leasing a van however it may not be safe and we may have to pay a large premium for the space used in the coaches luggage compartment.

As mentioned above, a car would be required by me so that I can travel between sites to monitor sales, for management and monitoring inventory.

Staff and skills requirements

For each site at start-up the business would require one full time staff, who needs to have good technical knowledge as a must and a second language would be an advantage. Mainly they would need to have good communication skills and be able to resolve any customers' problems with the players or laptops. Basic knowledge for the players and DVD is needed however in some cases a more technical person would help in terms of laptops. (Appendix L includes skills requirements for employees)

They would be given a large responsibility and would be working with items of high value and for that reason the staff must have some experience of working in a retail environment where they had been trusted. The staff would need to be based near the sites so they can commute easily, considering the sites would be based at transportation hubs the location of staff should not be a concern.

I would place the advertisements for the staff during the summer vacations to give me plenty of time to interview and select suitable people before I start the business in August 2007.

Relevant Health & Safety factors

Before starting the business at the individual sites I will have to think carefully about the health safety factors and make sure they are highlighted to the staff. Hazardous substances on site would include cleaner sprays for the laptop and players screen as well cleaning the DVDs. Therefore there will be health and safety provisions provided in the training when an employee joins. Complete disabled access to the shop would be provided by having wider doors for wheelchairs and a pathway for wheelchairs to have easy access to the shop.

Finance:

First Year Budget plan & cash flow:

Explanation of Budget:

Income amount:

£9 per DVD Player rental per day on average per customer.

£1 per DVD rented.

£15 per Laptop per day.

Expected Rentals per day.

27 DVD Player Rentals per day at start up at £10 average which is one every hour the two shops are open. It is expected to improve as awareness of business increases. The income also takes into account the late fees. Lastly income from old stock being sold will be counted. I expect this not to be a major income until later in the year.

Rent is £4500 per calendar month, with £3500 for Victoria and £1000 at Canterbury including Uniform Business Rates.

Wages: Looking for one full time staff to begin with at each place. I would be working and helping out in Victoria. The wages would stay the same each month as they would be paid per calendar month.

Initial Stock:

Type	Cost of item	Quantity	Total Cost
DVD Players	£50	150	£7500
DVD Rental Media ³	£5-25	1800	£3000
Laptops	£450	2	£900

The stock is mainly a issue in the first month, after that the cost of the stock is based on demand whether any stock got damaged beyond repair and needs to be replaced. We will have insurance and warranty on the goods to ensure we are not paying too much to replace damaged stock.

There are certain one-off costs that are incurred during the first month such as fittings, furniture, tools etc. The bank loan repayments are constant throughout the year. Advertising vary seasonally according to promotional schemes which would run at different times of the year when more students would be using the transport or during the holiday seasons when tourism would be high.

Transport cost should stay constant in terms of leasing however subject to fuel pricing. Lastly insurances will be bought for the year but paid monthly hence it will be constant.

³ <http://www.dvdrentalsystem.com/products.htm>

Personal Survival Budget

Rent costs etc... are zero as I will be living at home with my parents.

Items of Personal expenditure	Annual equivalent
	£
Rent or mortgage payments	0
Council Tax, water & sewage rates	0
House & house contents insurance	0
Gas, electricity, phone, mobile phone bills	300
House repairs / maintenance / decoration	0
Furniture purchase / replacement	0
Household expenses / cleaning materials	20
Food / take-aways	2000
Booze, fags & condoms (& illicit substances)	200
Toiletries, make-up, hairdressers	300
Clothing – own & family (if appropriate)	500
Car purchase / road tax / insurance	500
Petrol & car maintenance, parking costs	200
Other travel expenses (bus, train etc)	1200
Personal life insurance	300
Pension contributions / regular savings	0
Leisure & social activities	200
Club / gym membership fees	0
Hire purchase / credit card payments	1000
Student Loan repayments	0
Annual holidays	400
Christmas / Birthday presents	250
School / children's expenses & travel	0
Prescriptions / medical treatment	50
Any other items	50
Total annual expenditure	7000
Add 10% contingency	700
Sub-total	7600
Deduct any other income / benefits	- 0
Net salary required	7600
Add 50% mark up to get gross salary	3800
Gross annual salary required	£11,400

Break Even Analysis:

Total Fixed costs below:

Rent - £56,000

Bank Payments - £1,100

Utility Bills - £1,250

Salary - £24,600

Insurance - £1,000

Therefore fixed costs are £83,950 pa

SP = £10 and Variable costs will be £2 and £1 cost per transaction (Credit Card)

Using the following to work out break even:

I would like to have a contribution margin on average of at least £6 on each DVD Player rental which takes place. I have to take into account that the variable cost of the DVD Player is £50 meaning that would be need to be recouped plus other variable costs before profit is reached.

Break-Even = (Fixed Costs) / (Contribution Margin)

$$12,000 = 83950 / 7$$

Therefore there would need to be 12,000 rentals of which the contribution margin would be £7 to reach break even. In affect on average 230 rentals per week.

Break Even Table:

Yearly Total	12,000
Monthly	1,000
Weekly	230
Daily	33

(Appendix N includes Break Even Graph)

Profit forecasts for years 1 & 2

Year 1

Total Income			£122,000
Opening stock	£0		
Purchases	£22,500		
		£22,500	
Less Closing stock		£12,500	
Cost of goods rented			£10,000
GROSS PROFIT			£112,000
Less Operating expenses:			
Rent⁴	£54,000		
Wages	£26,400		
Furniture	£2,150		
Cleaning & Accessories	£3,100		
Computers	£800		
Fittings	£2,500		
Utility bills	£1,250		
Admin & Insurance	£1,220		
Transport	£3,000		
Advertising	£6,090		
Bank Loan payments	£1,100		
Total Expenses			£101,610
Net Profit Before Tax			£10,390
Tax Liability	£2285		
Net Profit after Tax			£8,105
Less Drawings	£12000		
Retained Profit/Loss			-£3,895

⁴ Property prices from <http://www.eggpropertylink.com/>

Year 2

Total Income			£160,000
Opening stock	£12,500		
Purchases	£18,500		
		£31,000	
Less Closing stock		£17,500	
Cost of goods rented			£13,500
GROSS PROFIT			£146,500
Less Operating expenses:			
Rent⁵	£54,000		
Wages	£28,400		
Furniture	£2,150		
Cleaning & Accessories	£3,100		
Computers	£800		
Fittings	£2,500		
Utility bills	£1,250		
Admin & Insurance	£1,220		
Transport	£3,000		
Advertising	£8,090		
Bank Loan payments	£1,100		
Total Expenses			£105,610
Net Profit Before Tax			£40,890
Tax Liability	£8,995		
Net Profit after Tax			£31,895
Less Drawings	£12,000		
Retained Profit			£19,895

Expected Sales rise of 30% in second year and increase in wages and advertising. Furthermore will need to pay the VAT of the 1st year in the 2nd year however this not applicable to the profit and loss sheet.

⁵ Property prices from <http://www.eggpropertylink.com/>
http://www.lsh.co.uk/pages/casestudies_detail.asp?id=83&q=

Value of current resources

The current resources that are available are a laptop, car and mobile phone which will all be needed in running the business. The estimated current value of the laptop is about £600 and my car is valued at £3,000. Lastly the mobile phone and contract is valued at £300 pa. All of the items will suffer some depreciation over the year.

Lastly my own capital, which I would be able to invest, is £10,000 to £15,000. This may seem to be a large investment but I feel it would be worth it as it would help offset any financial risks involved and I would better able to make financial decisions due to sufficient availability of resources.

Further Finance Required

To start the business further finance would be required for the cost of the fittings in the retail shops as well as purchase of initial stock. This also includes the computers needed in each store and the general marketing expenses of the business.

Potential sources of finance

There are various sources of the finance available for my business:

The first source would be equity or capital from business owners or investors. They would be willing to invest more in terms of having a larger stake of the business.

The second source would be the capital of my family and friends. Having spoken to my friends and family, I have found a few individuals who in total would invest up to £10,000 in the business. They would not want a stake in the business or interest, however they would like to see the money returned to them within two to three years of start-up.

The third source of finance is a long term loan from a financial institution. The amount would vary depending on the financial institution and the bank manager. However my current bank was able to offer the following example without consultation. £1,000-£25,000 at 7.6% to 12.9% APR. (HSBC). Through having a good relationship with the bank I think I will be able to negotiate a good APR for my business. I can also use my overdraft; however this would be a last resort on my current bank account. However not having many assets I may have trouble receiving a good loan amount and with a good rate and repayment.

The last source would be grants such as the Princess Trust which would finance the start up by a small amount. As being a science graduate, I also have another potential source of finance: GRIST which gives zero interest loans to up to £20,000.

Chosen sources of finance & reasons for choice

The business would require around £20,000 to start-up sufficiently; from this my own capital of £10,000 would make-up half the amount. I would keep some money spare in case of any expenditure which cannot be foreseen. The remaining would be chosen from a financial institution. This is because the institution would be able to give good rates and they would be manageable for the business and the amount could be changed depending on the business's situation. However I would also apply to for the GRIST grant as I feel applying to them would make me look closer at the finances when I apply to them and they may also be able to help in the start-up with their advice.

I would stay away from loans from family and friends as well as other business investors as I would not like to see the business being controlled by external factors. A family member or friend may ask for the investment back if he/she needs the money which could cause problems to the business. As well as other business investors would hold a stake and have a say on certain decisions which may delay actions or cause conflict.

Financial Monitoring Procedures

There would be a number of procedures in place to monitor the financial situation of the business and they will be conducted on a regular basis to ensure any irregularities are found and resolved before they become a major issue:

Firstly, weekly reports will be produced to make sure there is enough capital to pay for the rent and other fixed costs every month. The amount of income received in terms of rentals of certain products will be checked so capital which needs to be spent on extra products will only be done if there is evidence that shows it needs to be done, hence capital will not be held up in products which are not being rented. I will also monitor the profit levels on a monthly basis and keep a personal record of the fluctuations in profit and the reasons for such fluctuations

As the transactions which take place will all be by credit card (except purchase of old equipment) I will need to monitor that credit is received. Furthermore we may end up with companies using our services hence I will need to keep track of any credits so there is no danger of money being tied up for long periods of time ensuring credit control is managed.

I hope as the business expands that I will be busy with the new branches of the business hence this function will be handed over to an accountant.

Marketing:

On start-up I hope to have the location in/near Victoria coach/rail ⁶station. The coach station is main base for National Express, Eurolines coaches as well as having one of the UK's busiest train stations nearby. This would ensure that potential customers would be aware of the availability of the rentals as soon as they board or leave the coaches.

The station is extremely busy with a coach leaving or arriving every couple of minutes at busy periods. The station itself consists of the bus yard which connects to terminals and on each terminal there are shops such as groceries and newsagents as well as a few fast food outlets. The terminal area consists of mainly seating which leads out into the bus yard. I hope I would be able to rent one of these areas in front of the terminals as it would be placed in front a target market and also being a place where people come and wait they would enticed to have a look out what we provide. (Appendix K includes map)

The station is open from 0500 to 0130 (the following day) which allows the business to be open for a long period of time during the day. However there are few journeys between the early hours (5-7am) and it starts to get very busy after 6pm and the busiest days are Sunday and Friday. Therefore I am suggesting that on start-up the business would open at 8am and close at 10pm. The Canterbury site will close earlier and be based similarly near the Canterbury coach station.

The target market would hence be large as anyone who are tourists, students or just general travellers could potentially be our customer. It's most likely that tourists and students would be potential customers and this is the type of transportation they will be using to commute back and forth hence it should be an ideal position for customers.

Customers travelling on the coaches are going to be likely facing a journey which is longer than an hour hence it is a strong possibility that these people will get bored therefore our service will attract them.

National Express Journey times:

Destination	Duration
Birmingham	2h 50m
Manchester	4h 50m
Heathrow Airport	50m
Gatwick Airport	2h
Cardiff	3h 15
Canterbury	2h 15m

⁶ Annual entry/exit 48.046 million at London Victoria Train/Coach Station in 2005

What is special about my business

MiniCini is a unique business idea which has not been covered in the UK. Considering the massive demand of portable devices and DVDs and also the long journeys that people make without being entertained then this is the perfect solution. The rentals of DVDs are not the main source of the business as we expect some of our customers to have DVDs with them such as students and regular travellers. Furthermore being based at a transportation hub it's the best location to attract customers.

The DVD rentals will be cheaper than regular rental shops as the business does not need to bring in a great profit from this service as it's a secondary service to the business. Rental shops on average charge £2 per night for a popular DVD. MiniCini would be selling the rentals at £1 per day which is half the amount of rental shops.

Market Research

Initially I carried out research based on a similar business idea in France and America. I viewed their pricing over the internet, locations and what they were providing and how they were selling the service to the customers. I was lucky enough to actually get a friend to use the service in France and was able to pick up further ideas from his views on the service.

Furthermore I carried out research which involved asking people in university and town and friends about whether they would be interested in a rental service. I carried out the research by handing the individual a questionnaire. I have summarized the data from this informal research in the appendix.

To ensure the market data is correct I will also conduct the same survey at Victoria station and at Canterbury just to confirm those are good locations to choose the initial start-up.

Lastly as the business grows, more research would be required, such as new sites around the UK would need research done to confirm their viability. Continuing research would also need to be carried out to analyse competitor activities, to identify current prices in the market and to gain awareness on perceptions of the service from customers.

Description of relevant seasonal factors, other influences

The main target customers would be students and tourists as well as regular travellers:

University students:

Students will be traveling to/from home to universities so I expect that in the term times that we would have a high student market. The term times are usually September till June. The business would be

busy from students at the start of Christmas, Easter and summer holidays at the universities when students go back to their homes.

Tourists:

Tourism in London and the UK in general is busy during the summer months. However the peak times during the year are as follows:

15th July - 8th September

21st October - 5th November

20th December - 2nd January

Regular Travellers:

Travellers who are going to work in the surrounding areas or just normal users of the coach service would stay steady throughout the year however you would expect fluctuations with long weekends throughout the year as well as bad weather.

However it seems that the business would be busy throughout the year as when the students go on holiday the tourists arrive and the regular travellers will be around all year round. (See Appendix E)

Analysis of competition, activities and prices:

While there is no direct competition in terms of the same service there are still other factors from other businesses which could affect MiniCini. National Express has recently launched a service on one of its routes which provides a television screen with pre-recorded programmes (two screens in the coach with free headphones). The service on the National Express is limited to only one route and expansion has not taken place.

This would be something to keep an eye on however I do not believe that either a coach or rail operator would provide screens for individuals with the ability to choose what you want to watch in the near future (10 -15 years). I will however keep a good look out for any competition which may arise. However regardless of any competition I would still offer an efficient service at a competitive price meaning any new competitor would find it hard to compete with us.

The renting of DVDs will be kept at a low price as mentioned before as this would not be our primary product line. (Appendix D includes DVD rental prices at stores across the UK)

Marketing Plan

The Marketing plan is split into 4 categories:

Product:

The product offered by MiniCini consists of renting a portable DVD player as well as DVDs. This is a totally new service in the UK and is aimed at travellers both on coach and trains around the UK. With over 6 million commuters everyday and many with journeys which total at over 2 hours per day means there is market to combat the boredom which they experience in that time. Our product would be set-up by having DVD in the player and have simple instructions so even customers with little experience of technology would understand. MiniCini would be offering the best portable DVD player in terms of features with a large screen and good set of headphones giving the customers the best experience.

Price:

MiniCini has no competition hence the price would be kept low so that it attracts customers but sufficient enough to give a reasonable return on investment each month. Also, it would make customers feel they have got the value for their money spent. Certain offers at times of the year would increase customers and help spread the company's image such as discounts on certain DVDs.

Promotion:

I am hoping to establish links with transport operators and be able to offer discounts on certain routes which can be promoted by both companies hence gaining potential customers for both companies by promotions. Leaflets would be used at the start-up to attract customers. Furthermore getting our promotion details on back of tickets for transport operators is also a good way to promote our business. Lastly actually renting a large LCD screen and showing some movie trailers of the DVDs we have in or around the premises would also attract customers. Next to screen there would be staff who would explain our product and where our shop is based. Lastly advertisements on the internet on transports and tourist sites. (Appendix F)

Place:

MiniCini will be based in two transportation hubs. The first being in/around Victoria station in London and near the coach station at Canterbury. Both these locations gives access to many potential customers who are travelling by coach or train on journeys longer than an hour.

Leaflets:

Leaflets and other promotional material will be used to spread awareness among the target market of

MiniCini. A sample of the leaflet is provided with the business plan in appendix as well promotion via the internet. (Appendix I)

Schedule of fees and charges

The rentals of the portable DVDs are below:

Time of Rent	Total Cost
24 Hours	£ 8.99
3 Days	£ 14.99
1 Week	£ 20.00

If the portable DVD player is returned late, then there is charge as follows:

Lateness	Total Cost
1 day	£ 9
3 Days	£ 15
1 Week	£ 25.00
Week later + (Lost)	£50.00

Any later and the customer is charged £50, which is the equivalent price of the equipment. If the customer returns the product he will still be charged a £50 fine as the £50 charge is held on his card which is not returned. (See Appendix J) Furthermore orders across the net will be £1 cheaper.

DVD rentals will be £1 for each night.

Ex rental equipment (portable DVD players and DVDs) will be charged depending on the depreciation of each item.

Statement of quality standards & customer service policies, and how these will be monitored to maintain and improve services

Quality standards would be extremely important in dealing with customers and hence retaining customers. It important that the DVD players are in good working order as well the accessories and that the DVD work. For that reason quality standards will be written up and posted up and explained fully to employees. For example the ones below are fundamental to both quality and customer service:

- Communication with customers must be professional at all times.

- DVDs would not be rented to customers who do not match the age restrictions on the DVDs rented..
- Equipment will be checked when bought to confirm it complies with electrical safety
- DVDs would be checked when bought.
- Each portable DVD player will be checked when returned for any damage
- Each Player, and main DVD will be played to confirm it works before given to customer
- Customer would be given a feedback form after every rental returned if they would like to mention any comments.
- If DVD which customer requires is out of stock, a free night rental of another night's DVD is given instead.

The quality of the products will be frequently checked to ensure they are in good working order for the next customer but also to ensure the last customer has not damaged it beyond 'wear and tear' usage. For this guidelines would be put in place in terms of what is stated as considerable damage.

In each case once an equipment has been damaged beyond repair the customer will be charged the full amount or claimed on insurance otherwise if its damage caused by 'wear and tear' when its only been used a few times I would claim using the warranty.

Customer service would be tracked by listening to customers comments and also by providing them with forms to ensure they are happy with the service. I would lastly be keeping any eye on the employees to confirm they are following the quality standards and if not to make them aware, failing this, disciplinary action will be taken.

Monitoring of sales, and changes in marketing trends

The number of people using a public transport is increasing and so is tourism so the market is expanding but will still need to be kept an eye on. I will be monitoring sales every day from each site and making sure I also note the market at the time such as the time of year the weather that day which day of week it was. Once a couple of months pass I would be able to get a good picture on what days are busiest and when the business need to increase marketing.

I would also be tracking the trends in the market by checking which major films are being released on DVDs in the next months or so I can promote them but also doing research via the internet to check the top 50 DVD rentals so the customers always have the best and popular choice. Also researching other trends on the internet such new platforms that films are being released on and new portable equipment now available on the market to ensure we are matching customer demand to be innovative.

Implementation and Monitoring

Chosen means of operation and reasons for choice

MiniCini will be a sole-trader mainly due to the fact that I would like to control the full workings of the business. This would mean decisions making would be kept simple and hence decisions can be made quickly rather than a slowly as in a partnership. This also means less statutory requirements compared to a limited company. Most importantly its more simple to operate compared to other operations. However this would mean that all liabilities would be on my shoulders but easier to get loans compared to a Ltd. Lastly audited accounts are not needed so that's a saving.

With only a small amount of employees this would be best mode of operation. When the company expands and has more people involved and hence a limited company would be better to help control a large business. However for start-up its best to keep things simple and save on unnecessary costs.

Maintaining compliance with relevant legislation

Compliance with Disability Discrimination Act (1995)

This legislation will be important for the businesses as both of our locations will need to have facilities which will allow access for individuals in wheelchairs. This means entrances must not contain steps without a incline and entrances/exit must me a specific width to allow access.

Health and Safety at Work Act (1974)

Details of this legislation will be put up in the employee areas and given to them when they join the business. It would contain information on there safety such as not trying to move excessive amount of equipment without help or supervision. For the health of the employees heating would be provided as well as air conditioning. The legislation is also for customer and passers by so to make sure nothing dangerous is being done and anything which may be a danger (such as renovating or building a shelf) is signposted will not cause harm to anyone.

Employee Acts

To comply with this act, employees will be given a contract and details of the employment as well with the compliance of the act such as maternity leave etc.. will be mentioned.

Data Protection Act 1998

When retrieving orders from the internet as well as from customers in store certain information will be stored about them. The business will have to comply to keep the data safe and not to pass it on and

remove the data after a certain period of time.

I will also have to take in to account the following legislation:

European Working Hours Directive
Anti Discrimination Acts
Consumer Protection Laws / Competition Act
Control of Substances Hazardous to Health Act

Legislations which are not relevant due to being a Sole Trader:

Partnership Act/Companies Act
Insolvency and Enterprise Acts
Finance Acts

Timetable / phasing of the start-up

1	Estate agent and signing of agreement of both locations	Jun-07
2	Advertisement for employment	Jun-07
3	Final selection of employees	End of Jul 07
4	Shop fittings found and final research done	Jul-07
5	Ordering stock and checking stock	Jul-07
6	Purchase of furniture and other items	End of Jul 07
7	Promotional campaign & including website	From 20th July
8	Start up	Aug 3rd-07
9	Notify HM Revenue & Customs	Aug-07

(Appendix M includes Gantt Chart)

Identification of key / critical stages of implementation & Risk Analysis

There are key stages which are vital to the start-up of the business and are listed below.

Premises

The affect of not getting the premises in the time period would be catastrophic to the business. Hence the estate agent would be made aware how important acquiring the premises would be in time and also being able to access the premises for fittings as soon as the agreement is signed.

The contingency would be have a list of a few other backup premises in each area in case one is not possible for any reason. Furthermore only until the agreement has been signed will other phases start as otherwise we could end up with stock and fittings but no where to store them

Approval of loan

The loan required from the bank would be needed to purchase stock and fittings. In case this gets delayed or not approved I would borrow the cash required from my family and friends so not to delay the start of the business. Once the loan arrives or the money is available in the cash flow they will be paid back.

Employees

It could be possible that employees of the standard required cannot be found. If that arises I would get my brother and friends involved. Being the summer they would be available and they do have technical knowledge and I would be able to trust them. This will be temporary until employees who are appropriate are found.

Stock

To combat the chances of stock not arriving it will be ordered well in advanced and under credit if possible so if its not going to be delivered in time I can order from another distributor.

Becoming Ill:

If I become seriously ill during the time line above my family would take over the business as well my brother would advised of the status and ideas of the business before start up. Once I have recovered I will return and manage the business.

Importance	Risk	Probability	Impact
Most ↑ Least	Premises not found	0.2	Catastrophic
	Stock does not arrive	0.05	Catastrophic
	Compliance of Laws	0.1	Catastrophic
	Employees not found	0.1	Critical
	I become seriously ill	0.1	Critical
	Loan not acquired or delayed	0.5	Potentially serious

Longer-term objectives for the business

Once the business is established I would like to expand to further locations across the UK. Mainly looking at sites based at airports where tourists and transportation traffic is very busy. Expanding the business I would hope to allow portable rentals to be sent back to us via a courier (such as Fedex) so they would not need to find a location at their destination to hand the rental equipment back.

Further if airport restrictions are lifted to allow the rentals to be taken abroad and used on aircraft where many of the low cost services do not show in flight entertainment.

How will you measure the success of the business

During the early months the success of the business would be based on the amount of rentals which occur. As the business continues the feedback comments back from the customers will indicate to me whether the business is being successful. As we have enough data from customer in terms of sales I could then work out the customer retention.

As we are the only the rental service of this kind we would have all the market share however we imagine it won't be too long before some of the transport companies start there own service similar to ours. Therefore at this stage it would be important that MiniCini stays the market leader and hence that will show success in my opinion.

Overall if the business continues to make a profit and we have good customer comments and I feel other business enter the market place that would prove we have been successful.

Summary:

Over 6 million people commute every day in the UK most on public transport and spend more than an hour on there journeys. That's a massive market of commuters who are bored and want to be entertained. MiniCini will take care of their needs and with no other competition the business should be successful.

At the start the profitability will be low but once the public hears about the service and the cost of the stock is paid of the profit per rental will be massive. Once the business is well known it has opportunities to grow to rent portable gaming machines as well as laptops. There is then a huge opportunity to expand the service to many locations around the UK and I believe it won't be long before MiniCini will be well known for entertainment and value for money among commuters in the UK.

Appendices:

The appendices are listed ahead.

Appendix A – Self Development Plan.
Appendix B – My CV.
Appendix C – DVD Player Resources.
Appendix D – Market Rental Prices.
Appendix E – Market Segmentation
Appendix F – Internet Marketing
Appendix G – Questionnaire
Appendix H – Completed Questionnaires
Appendix I – Example Leaflet
Appendix J – Credit Card hold Explained
Appendix K- Victoria Coach Station
Appendix L – Skills Gap Analysis
Appendix M – Gantt Chart
Appendix N – Break-Even Graph

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