

Example of report on starting a business

[Business](#), [Marketing](#)



Executive summary

Noteworthy is the reality that businesses are the backbone of the economy. Starting a business is the most difficult part of any venture. The main reason why this has always been described as the most difficult phase is that, primarily, when people set out to start a business, they silently consent many uncertainties. Businesses are associated with many unforeseen disturbances, which may cause business failure in the event that they are not remedied in advance. However, the good part is that business owners or entrepreneurs are always in a position to mitigate such occurrences right from the beginning if they apply the right methods of strategic evaluation. The fundamental role of strategic managers is to set long-term objectives for the business, such that the direction of the organization is changed to suit the shareholders' interests. However, this role comes after the commencement of a business. Before such commencement, the strategic team is mainly concerned with the feasibility of the business. This paper is an explication of the strategic models applied in evaluating the feasibility of a business. The paper focuses on a case study of a seafood processing company. The approaches applied are SWOT (Strengths, Weaknesses, Opportunities, and Threats) and Value Chain Analysis. These approaches scan the environment meticulously and from the findings, the business entrepreneur will decide whether the idea should be pursued further. The approaches focus on both the internal and external environments. After the findings, the paper will recommend whether or not the business is a venture worth committing funds. The recommendations will state clearly the feasibility of the business idea.

Business Proposal

I plan to start a seafood business. The organization, which will take the form of a small partnership, will handle various types of seafood, ranging from crabs to various types of fish. As a small scale, I intend will focus on distributing the processed food locally since a new small business cannot manage the lengthy legal procedures involved in export trade. Acquisition of the raw materials shall be conducted through establishing cohesive, mutually beneficial supplier relationships. Supplier relationships will not only make the raw fish cheaper, but will as well assure the willing suppliers of a ready market (Pearce II & Robinson, 2013). Such relationships will make our organization a cost effective firm, as production costs will be lowered. With around 50 employees for the start, the business will be divided into a number of departments such as the processing department, the sales and marketing team and the finance department. The principal owners, some partners, and I will deliberate on the key decisions as the business picks up. With time, the business should be able to venture into the international market.

Rationale for Proposal

The main reason why I would advocate for the proposal above is that businesses are key determinants of the economy. One, the business will be a source income for my partners, our employees and I. secondly, the decision to invest in a seafood business is based on the premise there are few seafood businesses in the area, and this is a business opportunity worth exploiting. Thirdly, providing employment to members of the society is the best way of exhibiting social responsibility as a learned person. Another

primary reason that can justify my decision to invest in the business is that it is one of the most important ways of contributing to economic growth. Other minor reasons revolve around the fact that I would like to retain my freedom. Being employed denies one of the much yearned for freedom.

Best Practices/Research

In determining whether or not we should put establish the business, a thorough environmental scan is recommended. Such scan will reveal the strengths and the weaknesses of the intended organization. Similarly, such an environmental scan will reveal the opportunities and threats posed by the environment in which the business will operate. If the weaknesses and threats outweigh the strengths and opportunities, then automatically, the business venture will be invalid. Conversely, if the strengths and opportunities outweigh the weaknesses and threats, then definitely, the venture is feasible (Pearce II & Robinson, 2013). In performing such a scan SWOT and Value, chain analysis will be employed.

SWOT analysis

Strengths

The planned business will capitalize on the human resources. Having a reliable human resources team is strength to the business as the employees are the most important stakeholders in the internal environment of an organization. This is primarily because employees shape the image of the organization through the way they serve and interact with customers and the public. Employing advanced technology will as well enhance the strength of the business, as such; technology will make efficient such functions as

marketing, HRM and processing. Through supplier partnerships, the business will be strong in the sense that it will achieve cost competitiveness.

Acquiring materials at the lowest possible prices and operating at economical expenses may make an organization a cost leader (Pearce II & Robinson, 2013). This is business strength.

Weaknesses

Perhaps the only weakness associated with the planned organization is the actuality that the firm is new and has not established a customer base yet. This may slow down the process of soaring towards profitability. Another point of weakness is the reality that the managers initiating the venture are not adequately experienced in the industry.

Opportunities

The external environment offers so many opportunities worth exploiting. The first among those opportunities is the reality that seafood-processing organizations are few in the locality. This implies that there exists an imbalance between supply and demand, with a favorable bias on the demand side. This assures us of a ready market. Another opportunity is the fact that technology has provided quite a number of gadgets that can be employed in handling all resources of a business efficiently – right from the current assets to the human resources. The economic environment is considerably stable and so is the legal-political environment. All businesses are usually affected, either directly and indirectly, by changes in the economic and legal environment (Witcher & Chau, 2010). Supply of seafood

can be accessed through many suppliers that are willing to engage in supplier partnerships. Supplier partnerships are mutually beneficial.

Threats

Threats are the uncertainties and hazards in the external environment, which can break a business completely. The organization's management has no control over such threats, and can do little to change the situation (Witcher & Chau, 2010). All that should be done is to find ways of surviving the threats and operating smoothly as circumstances change gradually.

Perhaps the most significant threat our organization will face is competition from well established firms. Such firms already have established customers, some of whom have developed loyalty. Securing a place in the market may be quite difficult considering that the firm is young. Another threat is the seasonality of seafood. At some point, the government restricts seafood harvesting. When this is the case, supply goes down.

Value Chain Analysis

The value chain mainly concerns itself with those activities that can be linked, either directly or indirectly, to the business' competitive strength. Fundamentally, the activities are divided into two categories. The first category is referred to primary activities. Such are those activities that can be directly linked to the process of making the product complete. The other category is the category referred to as secondary activities, and concerns itself with those activities that are not directly related to the final product but affect the efficiency and effectiveness with which things are done in an organization.

Primary activities

Inbound Logistics

These are those activities concerned with the bringing in of raw materials and other resources needed for the production process. As part of procurement, our organization shall arrange with the suppliers, such that they can deliver the seafood to our premises. This will cut down on such costs as transportation and procurement costs.

Operations

For efficiency purposes, our organization shall use both human labor and capital-intensive production methods. Technology will have a key role to play here, as many gadgets will be used in processing and storing the products. Such gadgets may include deep freezers. We shall structure the production process in such a way that waste is minimized.

Outbound Logistics

Outbound logistics are those activities concerned with distributing the finished products and delivering them to the clients. The activities should be carried out in such a manner that they create value for the customer (Witcher & Chau, 2010). Such supplies will be made to the doorstep of the buyer in a manner dictated by the distance of the buyer from our premises.

Marketing and Sales

Arguably, the most important activities for a new firm, marketing shall be conducted intensively, with the primary aim of accessing new markets. Such marketing efforts will take the form of online marketing and point of sell marketing. This will boost the organizations recognition, which may create a

niche in the market. Apparently, email marketing, which we plan to use, is among the most effective forms of marketing.

Secondary Activities

Human Resource Management

Human resource management will be performed effectively, with the management taking a participative approach. Such an approach will create a strong relationship between the employees and the management. This may as well act as a motivation to the employees since it gives them a sense of affiliation (Pearce II & Robinson, 2013). I plan to capitalize in empowering the human resources as a way of creating a good public image and establishing good relationships between the organization and the employee.

Infrastructure and Technology Development

Developing the infrastructure and technology of a business is critical to business success. Infrastructure refers to the machinery and capital assets to be used in a business. I plan to employ technologically advanced infrastructure such as computerized machinery. The most important aspect of my plan regarding technology is continuous improvement, this will be particularly necessary considering that technology undergoes progressive change every day. Change for the better will be an integral part of the business. Worth mentioning is the actuality that resistance to change is like a disease to organizational existence and resilience (Witcher & Chau, 2010).

Findings

Recommendation

Having scanned the environment, I would recommend that the business be

commenced as the environment offers more opportunities than threats. The internal environment shows more strengths than weaknesses. This assures the entrepreneur that the weaknesses and threats will be overcome by capitalizing efforts on opportunities and strengths. The value chain analysis indicates that the organization plans to invest in value adding activities. As such, I conclude that the venture is feasible.

References

- Pearce II, J. A., & Robinson, R. B. (2013). Strategic Management: Planning for Domestic & Global Competition 13th ed. New York, NY: McGraw-Hill Companies, Inc.
- Witcher, B. J., & Chau, V. S. (2010). Strategic management: Principles and practice. S. L.: Cengage Learning.