

Business overview: saxon plumbing services london ltd assignment

[Business](#)



Students must submit their request to a Faculty Student Advisor before the submission deadline. Please see Assessment Regulation 6. 46-6. 57

Mitigation Date: The deadline for submission of mitigation In relation to this assignment is no later than FIVE working days after the submission date. See Assessment Regulations 6. 84 to 6. 97. Further details: This assignment must be completed Individually. This assignment must be attached to a completed university Assignment Cover 1 OF5 submission. Saxon Plumbing Services London Ltd* Saxon Plumbing Services London Ltd (SPSL) was founded in 2000 by two brothers –

Peter and Harvey Blair. The company currently employs 40 staff, the majority of which are based at its Head Office in South London, I-JK. Last year (2011) the company generated a turnover in excess of E5. Om and a gross profit of E1 . 2m. Company Background SPSL specialises in commercial plumbing services for businesses located in South London. Clients include: small and medium sized retailers, manufacturers, distributors and insurance companies. The company has built a reputation for providing a reliable, efficient and friendly service.

Given the firm's excellent eputation, the majority of its business is gained through word-of-mouth recommendation. Recently it has decided to build on its reputation by developing an office in Manchester. SPSL has looked at a number of possible locations in Manchester, and has finally chosen a location north of the city centre. The hope is that the company's winning formula for London will work equally as well in the Manchester area. The Commercial Plumbing Market The commercial plumbing market is highly competitive and is experiencing significant growth.

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At the same time, it is a very fragmented market made up of a large number of small and medium sized enterprises, with indifferent service and generally a poor reputation. SPSL is competing with both locally based companies, and those that have extensive national networks. However, SPSL prides itself on its ability to compete with other firms through its excellent customer service, and fast emergency response time of within three hours. Service Provision SPSL provides a range of plumbing services. These include: leak repair, leak detection, drain cleaning, toilet repair, radiators and general maintenance.

All plumbers are fully qualified in all areas of plumbing. In addition, they regularly attend training sessions on customer service and the latest developments in the sector. The company's service provision is 24 hours a day, 365 days a year. Market Segments SPSL's client base includes a wide range of commercial organisations. These include everything from small industrial companies to relatively large insurance companies. Market segmentation is usually based on company size, geographical area and possible demand.

Peter and Harvey are wary that the company only has a limited number of resources and at this stage it would be unrealistic to look at serving large o increase awareness and market share within its region. Organisational Structure SPSL is organised as follows: Product Although SPSL is essentially a service provider, it uses the services of one particular wholesaler to buy its products. These products meet health and safety regulations and help SPSL to meet their objectives in terms of quality and service. SPSL has used the

services of its wholesaler – ‘ABC Plumbing Supplies’ since the company’s inception in 2000.

The two firms have a good working relationship that looks set to continue in the short-term. Price The price SPSL charges depend on a number of factors. These include size of client, frequency of callouts, type of service required, and length of contract and business location. At present SPSL has a complex pricing system. The company tends to favour price negotiation when dealing with its clients, rather than promoting a rigid pricing policy. Peter and Harvey have found that negotiation is often preferred by existing and potential clients. In terms of pricing strategy, SPSL is priced towards the premium end of the market.

Place SPSL is located in South London. Its centrally located base means that it’s ideally situated to target a larger number of potential clients within the South London area. The company has a fleet of commercial vans that are fully equipped with essential tools and equipment. The owners hope that Manchester will also provide the same opportunities and generate the same rewards. Promotion As mentioned, SPSL’s existing promotion is largely based on word-of-mouth communication. The company does have a website, although this is purely a ‘shop window for the business.

In other words, it provides background to the company, range of services and testimonials. SPSL also attends trade fairs and occasionally advertises in local newspapers. Peter and Harvey have been fortunate that word-of-mouth has been a significant contributor to the company’s success. The brothers estimate that 90% of new customers are a result of positive word-

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of-mouth communication. However, this cannot be solely relied upon in the future, particularly in relation to the establishment of the new office in Manchester. Both Peter and Harvey place great importance on maintaining successful working relationships with their clients.

Usually relationship building also involves a great deal of 'social bonding' in the hope that existing relationships can be maintained, as well as new ones being established. Future strategic direction Peter and Harvey have ambitious plans for the company. Developing an office in Manchester is intended as the first step on the road of significant organisational development. The company hopes to increase the number of offices to five by the end of the decade. Also, they have visions of entering the B2C sector. Yet, this is likely to be some year's way. Conclusion Peter and Harvey have ambitious plans to grow the business. As an Independent

Marketing Consultant, you have been appointed to compile a report that answers the following questions: * SPSL is a fictitious company Questions (Please answer ALL questions): 1 . In promoting their services to the Manchester region Peter and Harvey intend employing a sales force. Discuss why you think that this is a suitable way of promoting the business. In addition, analyse the options available to the brothers with regards to organising the sales force. Which method do you believe is the most appropriate? Justify your answer. (25 marks) 2. Both Peter and Harvey have highlighted the importance of relationships in 82B.