

# Business idea analysis



The first thing I did was to lay out a structure for my business idea. The main reason why I did this was, to find out if my business idea existed in the market and if it was a good enough idea before I opened my cafe??. To do this I had to collect information, thus I used a variety of resources. This included using internet, websites to collect information about transport links in Birmingham Town centre, the location, attractions which made the area popular, how competitive the area is. To get more detailed information I visited the libraries and the location where I was to open my cafe??.

This helped me find out what the strengths, weaknesses of the area are, as well as opportunities and threats the location has. By analysing how competitive the area is, I will be able to decide what my cafe?? will have as a USP. I visited cafes and analysed what their strengths and weaknesses are to get an idea of how I would target customers through my USP. The next thing I did was going to banks such as, Natwest, Barclays and Lloyds and got their start up pack to research on what needs to be considered when opening a business. Things such as rules and regulations, in what way the bank offers help, which ownership will be suitable and what financial records I needed. Thirdly I wanted to investigate if The Town centre was a suitable location for my business idea.

The purpose of doing this was, to investigate whether I should open my cafe?? in Town centre, is there enough demand in the area that will help me attract potential customers, which in result will make my business idea successful. Again, I visited Town centre to analyse how suitable the location was, how popular the area is, what attractions it has, and find out who my potential customers would be. At the same time I surveyed how close the

some shopping malls and other attractive places like in Victoria square was to the area, and if this would be a benefit to my business, because this area are very related, popular and more people to come that area. I then had to work out the most suitable way of promoting my cafe?? in area of Town centre in order to create awareness.

The main purpose I wanted to promote my business is because to reach out to my target market. I had a wide range of promotion to used, I choose the most suitable and at the same time to choose which would be appropriate to meet my budget demands and I make sure it is not very costly of my business. To do this I used the internet to calculate the most suitable advertising cost of my business. I also prepared financial documents such as cash flow, a trading profit and loss account, a balance sheet, financial ratios and a break – even chart to see if it would break even. With the help of the financial records I will be able to analyse how effective my business is.

Marketing: for my marketing research, I could have get more questionnaires filled which would have given me details in depths about my competitors and also whether there is demand for my business.

Production: for my production, which is basically Hot drinks and food which is related in Cafe?? business, which I offer to my customers, now I offer more than two services which includes; serving waiting customers for take away, serving waiting customers for drink/eat in and serving waiting customers for delivery. But other alternatives can be that I could have offered them free delivery which could have been an added value for my customers another service can be that I could have offered snacks to waiting customers while their cafe?? or other order is prepared. Financial: for my financial part, the

alternative can be now that I have taken loan from the bank, I could have loan either from a family, friend or a relative instead. If any problem occurred in my business then it would affect my whole business, it will affect the marketing plan, production plan and also financial plan for which then I would be looking for alternatives to solve the problem and bring back things to normal again.

From my research I carried out on the market and financial side of the business, my business idea seems to be viable. However, it is likely that I will encounter some problems as it is my first year in the business. Therefore, I need to ensure I identify future plans and problems and work them out properly, so that my cafe is successful in the following year. Overall I believe that my business plan is good enough to obtain loan from a bank. This is because my market research showed me that there is a gap in the market and a good chance of my business succeeding. Finally I believe that I can go on to succeed with my business and possibly expand in the future.

Alternatively if my market is declining then I may diversify into another market. Also I explained the swot analysis and pest for my cafe : SWOT Analysis – Swot analysis helps an organisation to identify its current position and also what the future might hold. A swot analysis can be done on a product or a company. The SWOT analysis is a very simple but effective means of carrying out an analysis of a company/product. Also SWOT analysis is probably the first step in putting together a decision in business and marketing plan or business plan for product/business. The SWOT Analysis is stands for strengths, weaknesses, opportunities, and threats.

In Strengths and weaknesses are internal factors. Opportunities and threats are external factors. Here is a swot analysis of my business here it will be telling me the strengths and the weaknesses of my business and the opportunities and threats there will be for my business.