

BUSINESS STUDIES COURSEWORK 2008

Choose a vacant local business site. Make recommendations on how it may be developed for business purposes



Task 1: Aims of the Project

“Choose a vacant local business site. Make recommendations on how it may be developed for business purposes”

The aim of my project is to look around my neighbourhood and find a vacant business site where I must then suggest a business idea for that particular site.

In order for me to achieve this I must carry out primary and secondary research. I will start with primary research in order to find a vacant business site and to research what other businesses currently exist in the area. I will then brainstorm a list of businesses which could occupy that site.

I will then start to research the demographics of the area. In order to this, I will find out its wealth, population and size as well as the majority age group living in the area. This will be mainly secondary research with some primary and it will aid me in choosing the 3 business ideas best suited to my site.

Lastly I will carry out detailed primary research to decide whether my business idea is likely to succeed. I will create questionnaires, ask questions and observe the area, in particular the infrastructure and competition to help me achieve my goal. Using a range of graphical techniques I will present my data as well as making a final justification on whether or not the business will be successful based on the information I have collected.

Task 2: A suitable site for my business

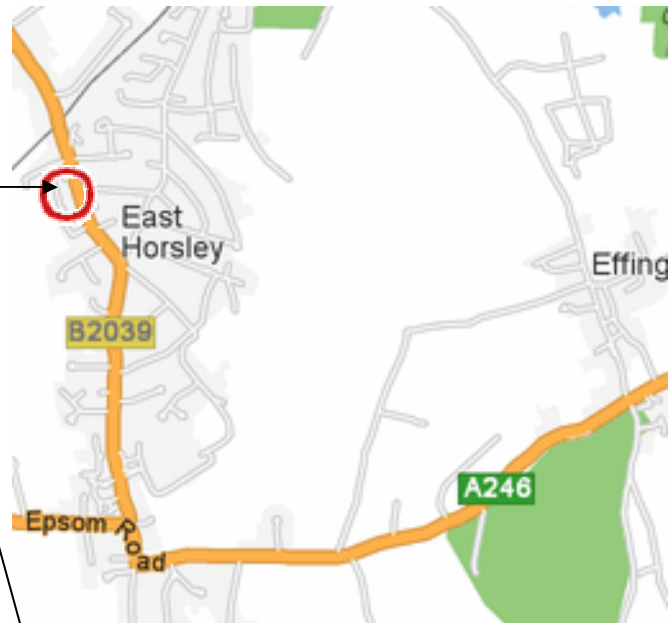
I will locate my business at
14 station parade
Ockham Road South
East Horsley
KT24 6QN



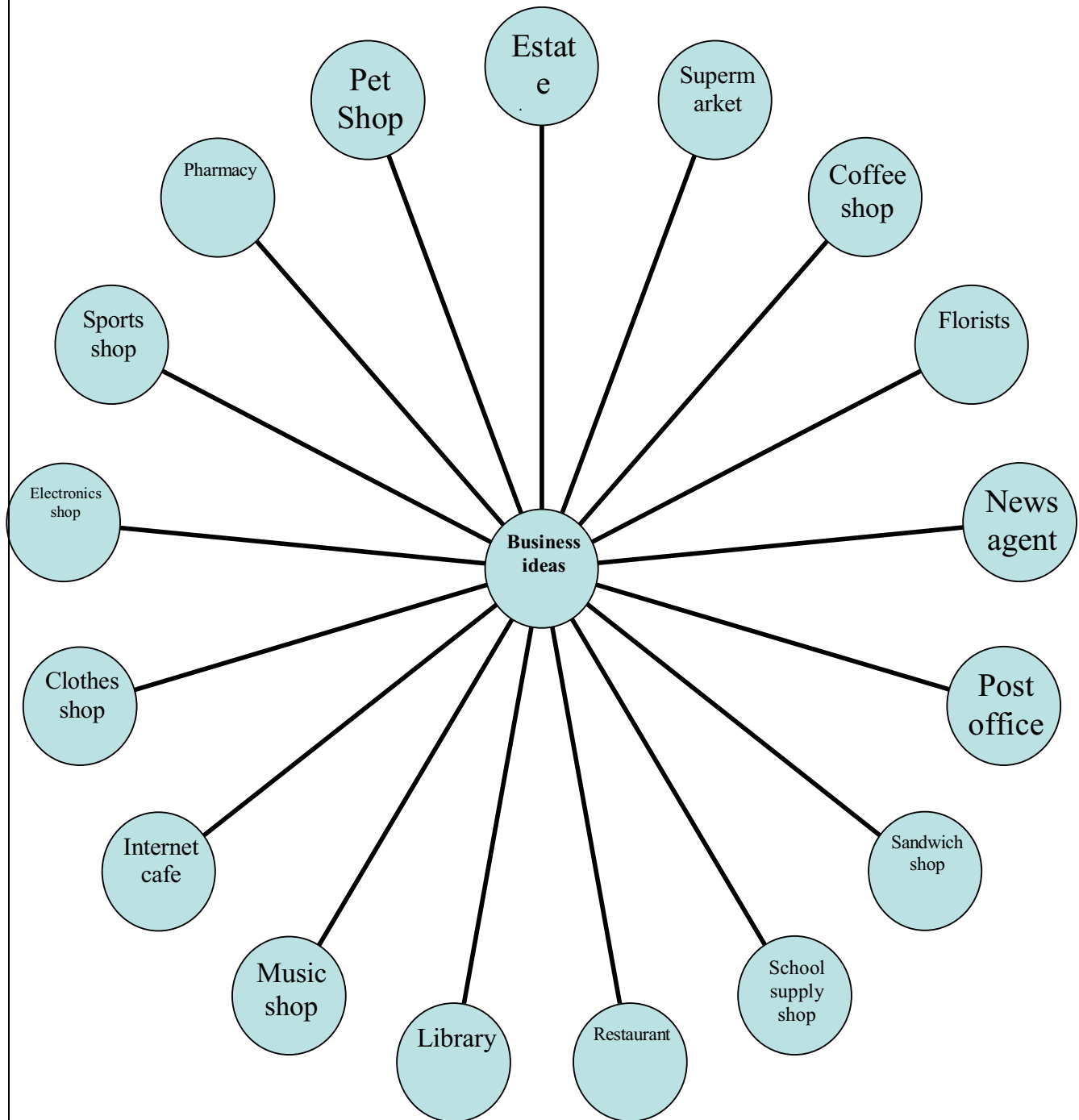
My business will be located in East Horsley. This is a small village in Surrey. The premises are held on a Full Repairing and Insuring lease expiring in July 2019 at a rent of £37,500 per annum exclusive

Location Maps Of My Chosen Business Site

My business site is in East Horsley along the B2039. It is 40 minutes from London and right next to Horsley station which is on the mainline from Waterloo to Guildford



Task 3: Brainstorm of business ideas



Task 4: Research the neighbouring business and local area.

East Horsley is a very prosperous village in a well connected location. With its own train station on the main South west London Waterloo-Guildford line, it is a very desirable place to live. It is only a 40 minute drive from London and it is also close to Guildford, Leatherhead and Epsom. Horsley is very close to the M25 and is along the A246.

In Horsley there are 3614 homes at an average house price of £539,287. Horsley's growth rate in the last 5 years has been 15.1% meaning it is a dynamic local economy and housing market. Property price growth in Horsley significantly exceeds growth in earnings and the national average house price growth.

Over half of the properties in Horsley are Detached Houses, at 70% of the total housing stock. The least common type of property is Terraced Houses (3.2% of the total housing stock). Horsley is an area with a high proportion of property suitable for families with children. The majority of property in this area is owner occupied. The average price of a two bed property in this area is higher than the national average of £187894 at £329188.

Horsley is one of the most “experienced” areas of the country, with an average age of 44. It has a high percentage of married people at 19.3%. The average working hours in this area for men are 44 and for women are 30. Horsley has approximately has 3 people per square kilometre. In Horsley there is an excellent level of unemployment at only 1.3%. Most jobs in Horsley are found in the Real Estate and Wholesale & Retail sectors. This area has one of the highest proportions of degree educated people in the country, at 36.5%.

Average current values

	KT24	KT	National
1 Bedroom properties	£198,400	£175,000	£144,600
2 Bedroom properties	£325,200	£253,500	£166,800
3 Bedroom properties	£458,700	£340,400	£196,700
4 Bedroom properties	£733,100	£533,300	£317,200
5+ Bedroom properties	£1,128,600	£1,047,300	£536,600

Price: Earning ratios

	KT24	KT	National
Average Current Value	£626,900	£339,965	£219,300
Average Earnings	£38,616	£27,136	£24,478
Price / Earnings	16.23x	12.53x	8.96x

Housing stock

	KT24	KT	National
Total Detached	2,529	56,861	5,129,930
% Detached	69.98%	27.08%	22.77%
Semi-Detached	633	64,048	7,114,618
% Semi-Detached	17.52%	30.50%	31.58%
Terrace	116	35,353	5,867,433
% Terrace	3.21%	16.83%	26.04%
Flat	323	51,605	4,324,294
% Flat	8.94%	24.57%	19.19%
Temporary	13	2,135	93,795
% Temporary	0.36%	1.02%	0.42%

Home ownership

	KT24	KT	National
Owner Occupied	3,003	158,363	14,911,858
% Owner Occupied	83.09%	75.41%	66.19%
Socially Rented	209	21,015	4,155,391
% Socially Rented	5.78%	10.01%	18.44%

(Note: all information acquired from www.mouseprice.com)

After using the information I acquired using secondary research from mouseprice.com, I have come to the conclusion that Horsley is a very affluent area with 70% of houses being detached. The average age in Horsley is 44 meaning that most people will have plenty of money to spend. The average house price is £539,287. This means that in order to live in Horsley, one has to be of a high wealth.

In Horsley there is a range of different shops. I found this out by conducting primary research. I took into account all the shops in East Horsley and compiled this list

- Bakery
- Bicycle shop
- 4 Restaurants
- Mini supermarket
- Paper shop
- Spar
- 3 hairdressers
- Library
- 2 Charity shop
- Beverages
- Florists
- Grocery
- 2 Butchers
- 2 Take-away shops
- Laundrette
- Gift shop
- Post office
- 5 estate agents
- Pharmacy
- Taxi rink
- Electronic repair shop
- Opticians
- Dentist

Task 5: Reduce original listed brainstorm ideas to 3, taking into account the research of my area

In my original brainstorm I picked 17 ideas for a new business. Now I have whittled them down to 3.

Reasons for not choosing business ideas

Some of my brainstormed business ideas already existed in Horsley. I found this out using primary research. I did this by walking around the village on foot and observing the area

- Estate Agent
- Supermarket
- Florist
- Newsagent
- Post office
- Restaurant
- Library
- Electronics shop
- Pharmacy

Reasons for not choosing other brainstormed ideas

- Sandwich shop- 4 restaurants and 2 take aways would generate to much competition
- Music shop- average age of people is 44 so majority wouldn't be interested in music. Online music stores flourishing so a dedicated music shop would struggle
- Internet café- library has internet meaning there wouldn't be enough demand. Most people will have internet in their own homes anyway so revenue would be insufficient.

- Pet Shop-2 pet shops are situated in local towns. For a small village the shop doesn't appeal to a wide enough range of customers.

My 3 Chosen Business Ideas

1. **Sports shop-** With the average age being 44 in Horsley and with high earning people, there would be plenty of potential customers for a sports shop. There are many sports teams/clubs in Horsley itself including 2 cricket teams, 1 football team, a swimming pool and gym as well as 1 tennis club. Within a 5 mile radius is another 2 cricket teams, a hockey team, 2 rugby teams, a leisure centre and another tennis club. With there being plenty of teams and clubs, it would be fair to assume Horsley is quite a sporty village. There are plenty of private schools nearby who all push their pupils to engage in many physical activities. With no competition close by, I think a quality sports shop could thrive in Horsley as the market is there.
2. **Coffee Shop-** A coffee shop, in my opinion, would thrive in Horsley. With an old people's home in the village and the vast amount of commuters passing by en route to the train station, this idea could generate a very healthy amount of revenue.
3. **School supply shop-** Within a 5 mile radius of East Horsley is 17 schools both private and state. In my research I found out Horsley is occupied by many families so a school supply shop could be very successful as of course the children need their uniform. There is competition from a shop in Fetcham and Cobham but I think there would be more than a sufficient demand

Task 6: Explain factors that affect the location of a business.

Many factors will have influenced where a business is located. The success or failure of a business frequently depends on its location. The right location will increase the chance of a business succeeding whereas the wrong location could increase the chances of a business failing. The amount and cost of land clearly depends on the business's choice of location, but so do things such as the nature of land. Businesses like oil refilling and superstores need large, flat sites, which can bear heavy loads and have a lot of open space. A site in bad condition needs more money spent on it and local planning restriction must also be considered. The factors which affect a businesses location have changed in relative importance in recent years; for example, the quality of modern-day transport and communications means that it is less important nowadays for a firm to be based either near the source of its raw materials or very close to the market for its finished products. However in order to generate revenue, certain businesses, like coffee shops, need to be accessible and it is very useful for them to be near train stations and main roads.

Rent is obviously an important factor but first the company has to consider the new premises, whether the building is correct type or it is large enough. A small manufacture will need 60% to 70% of the floor space for production, 20% for storage and 10% to 15% for offices. The site also must have easy access for Lorries and the privilege of allowing Lorries to turn easily on the site. Other businesses will need 90% for selling their products and only 10% for storage. Other factors affecting the location of a business are the surrounding people; how wealthy are they? What is the average age etc and are there suitable people who could work for the business.

In terms of my 3 chosen business ideas, the transport is important only for delivery as in all my ideas I won't be exporting goods. My business site is on a road with a space behind it for deliveries. The train station helps all businesses for access in particular the coffee shop which will heavily benefit from the passing commuters. In terms of the school supply shop, it is a good location as it is close to family homes and 25 schools within a 3 mile radius. The sports shop would do well as Horsley is a centre point of many sports clubs and teams.

Competition for my business ideas

Sport Shop



(in yellow are closest shops to their respective maps and titles)

Coffee Shop



School Supply Shop



Doing this research helped me to identify local competition. I found that there were a lot of sports shops although they weren't particularly local whereas there is only one school supply shop but it is very near to Horsley. Coffee shops are scarce and scattered



The 17 schools closest to Horsley in a 5 mile radius

Task 7: Explain what is good/poor about the location of the business premises I chose and why it is a good choice for my short listed ideas.

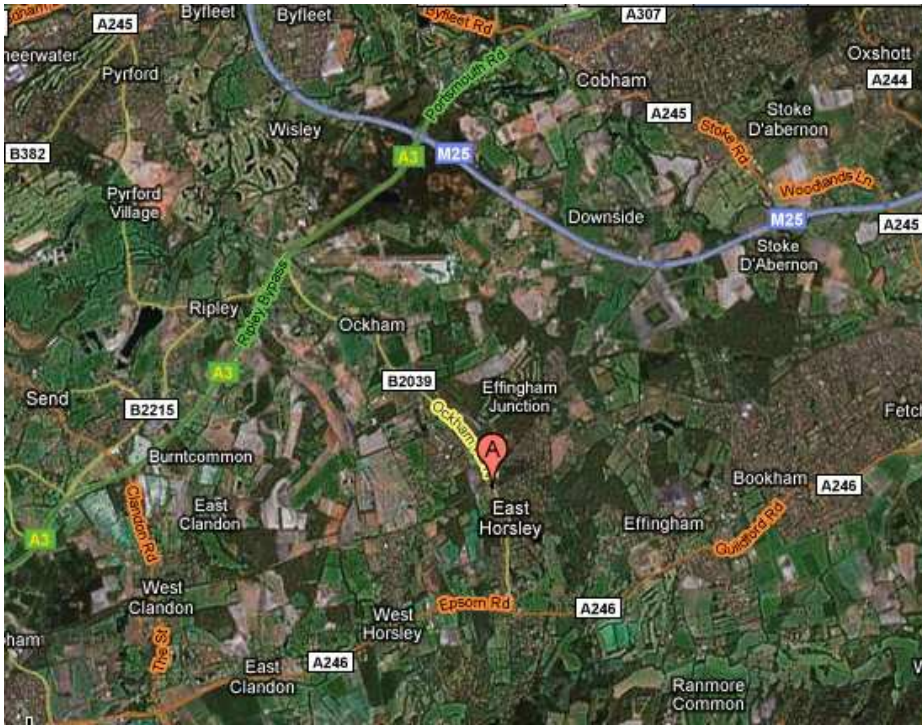
The location of my business site is useful for my short listed ideas. It has good road access and a train station nearby. Nearby people are wealthy and so plenty of revenue could be made if the right business idea was executed in the right fashion.

As you can see in the map below it is a 5 minute drive from the M25 and even less to the A3 which are both major roads providing excellent access to my premises.

Horsley is near to places like Guildford and Leatherhead which both contain a large shopping complex and many high street shops. This puts it at a disadvantage because it cannot compete and attract as many customers. However it is very accessible so if the shop becomes a success, customers could visit it with ease.

My business site suits my business ideas because there is little competition nearby and there are valid reasons for all 3 business ideas being chosen. Right outside my shop is plenty of parking spaces meaning it is easy and hassle free to visit the premises.

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Parking



Task 8: Undertake detailed market research to see if my short-listed business ideas will be successful in my location.

Hello my name is Oliver Carpenter and I am a gcse business studies student. For my coursework assignment I must ask the public to determine which of my 3 business ideas would be best suited for the vacant business site in station parade. I am asking a sample size of 50 people. I asked 15 people on a Saturday and 15 on a Sunday. I also asked 10 people on Tuesday and 10 on Thursday. On the weekdays I stood outside my vacant business site at 16:30 and on week-ends I stood outside at 10:30

1 What is your age

Under 16,
17-31,
32-46,
47-59,
60+

2 What is your gender

Male
Female

3 Where do you live?

Horsley,
Cobham,
Bookham,
Fetcham,
Effingham
Other

4 How often do you visit Horsley

Daily,
Once a week,
Twice a week,
Fortnightly
Hardly ever

5 How much do you normally spend when in Horsley

Under £5,
£5-£15,
£16-£40,
£40+

6 What type of housing do you live in?

Semi detached,
Detached,
Terraced,
Flat,
Other.

7 What is your economic position?

Full time,
Part time,
Self employed,
Student,
Unemployed,
Retired

8 What do you normally come to Horsley to buy.

Food,
Leisure time,
Gifts
Public transport

9 Do you travel past shops on route to work

Yes

No

10 What type of business would you prefer

Sports shop

Coffee shop

School supply shop

11 How frequent would you use a school supply shop

Every day,

Every other day

Once/twice week.

Fortnight,

Monthly,

Hardly

12 How frequently would you use a sports shop

Every day,

Every other day

Once/twice week.

Fortnight,

Monthly,

Hardly

13 How frequently would you use a coffee shop

Every day,

Every other day

Once/twice week.

Fortnight,

Monthly,

Hardly

