
Business ownership and location

Introduction Ownership

There are 6 different types of business ownerships. Each of the ownerships has different advantages and disadvantages to the owners. The type of ownership may change as a business grows and develops. The 6 different types of ownerships are:

- Sole owner
- Partnership
- Public Limited Company (PLC)
- Private Limited Company (LTD)
- Franchise
- Co operative

Below is a table showing the strengths and weaknesses of the 6 focal business ownership.

Ownership	Advantages	Disadvantages
Sole Trader A sole trader is 1 person who runs the company and is liable of all the loss and profits.	<ul style="list-style-type: none">• Make all decisions.• Takes all the profits.• Flexibility.• Easy to set up.	<ul style="list-style-type: none">• Liable for all debts and loss.• No holidays & Long hours of work.• Limited access to money.• Pressure of being a single person.
Partnership A partnership is a group of people usually 2-20 people maximum. Liable to all debts and debts are paid by all partners.	<ul style="list-style-type: none">• Access to more money.• Shared responsibility.• Easy to set up.	<ul style="list-style-type: none">• Unlimited liability.• Partnership dissolves after. Death of a partner.• Conflict could arise.• All partners are liable for debt and loss.
Private Limited Company A form of business which is run within a family. Shares cannot be bought and sold on the stock exchange.	<ul style="list-style-type: none">• Decisions within the family• Limited liability.• More access to money.• Shared between families.	<ul style="list-style-type: none">• The company can be sued.• More complex to set up.• Minimum share capital of £50,000

<p>Public Limited Company A business where shares in a company can be bought and sold over the stock exchange.</p>	<ul style="list-style-type: none"> • Limited liability. • Only lose the money invested. • Range of companies. 	<ul style="list-style-type: none"> • Share value may change, affects company value. • can be large, complex, possess market power
<p>Franchise Franchise is a company name bought. E.g. McDonalds. The rules and regulations of the company have to be accepted.</p>	<ul style="list-style-type: none"> • Run a business with less risk. • Free advertisements • Business will expand. 	<ul style="list-style-type: none"> • Responsible for debts. • Pays a royalty to owners of the brand. • pays a fee for the purchase of the franchise
<p>Co-operative A co-operative business is when the workers of the business own the business.</p>	<ul style="list-style-type: none"> • Producers organise distribution and sales of product them selves. 	<ul style="list-style-type: none"> • Liable for all debts and loss. • All partners are liable for debt and loss. • Limited access to money. • divide profits between members

Local shop closed down

A local news agent named cash and carry located in Whitechapel closed down. The company got bankrupt due to the high competition from the major public limited company superstore Sainsbury's. The super market is situated in Whitechapel close to the cash and carry. There are many reasons behind the bankruptcy of the cash and carry however the main incentive was the superstore tends to sell the goods much cheaper than the newsagent. The explanation of why the newsagent was not able to compete with Sainsbury was because of the goods that are bought at economy of scale. This means that the company buys thousand if not millions in stead of hundreds. This fits the story of Sainsbury's and cash and carry. Sainsbury buy at economy of scale and the cash and carry don't. The business was a sole owner therefore the owner had unlimited liability and the owner lost all his money and valuables.

Introduction Location

There are many factors which affect business location. Location can affect how successful a business can be.

Aspect such as:

- Transport links for supply and distribution.
- Skills of the local people.
- Labour costs.
- Cost of premises.

These factors can some times decide the fate of the business. Weather the business will be successful or unsuccessful.

Transport links for supply and distribution

In order for a business to operate efficiently it must have good transport links. And if the business doesn't have good transport links this effect the firm a lot. Suitable areas of where many businesses want to locate is close to main roads, train and bus stops. There are many reasons why businesses prefer to be situated near these factors. A reason is the supplier can deliver the goods smoothly without any problems. Another reason of why locating a business near the main road is wise is because many people will be able to see the company. Reasons why it is good to locate near train and bus stops are customers who do not have cars can easily access the firm. And if they shop they can take their goods without walking a lot to go to the nearest stop which I quite far. Businesses should locate their business in a place that has car parking facilities so that people can come with their own cars rather than using other transport links knowing there will be car parking facilities.

Skills of the local people; It is vital that a business locates in an area where recruiting staff with the necessary skills is not hard to find. This aspect is important because if the business needs qualified staff and the firm is located in Whitechapel they will find staff however they will recruit few. This is because in Whitechapel there are many people without qualifications. On the other hand Sainsbury is located in an area where it will be very easy to recruit staff. More over Whitechapel as there are a lot of unemployed people with retailer's experience.

Labour cost; The main cost a business faces is wages and salaries. Businesses often locate their business in an area with high unemployment so that the business will be able to employ workers at a very low price. This is going to be an advantage for the business because start up businesses often has less cash to spend.

Cost of premises; Businesses find it really difficult to find suitable premises. It can be very expensive to rent out premises. After the business rents out or lease a suitable premises it will have to then redesign or rebuild the place.

Local shops and high street shops

There are many differences between the location of high streets store and local shops. Local shops tend not to have more than one branch. This is because the area they are located in is suitable for their business. And if they have another branch it will have to be in a similar area. These local shops sell goods that are needed for everyday life. Their location is not affected much this is because these shops will not need car parks unlike high street stores. The skills of people will not be looked into much as most of these stores are sole owners or partnerships. And most of the time the owners tend to work. Local corner shops mostly have sole ownerships; sole owner, private limited company and partnerships whereas business around high streets have

On the other hand a high street store will need to take in account all the factors that range from transport, skills of people, labour cost and premises cost. This is because the high street store is most likely to be a very well established company or possibly a PLC. The transport will be affected as these stores have goods bought at economy of scale and will take some time to unload this is why they will need good transport and distribution links. Skills of people will be taken into account as some of these stores need past experience. Labour cost will have to be taken in mind as these stores try to locate in populated areas this is because there will be many people looking for jobs. People will be prepared to work for less. Cost of premises is a factor which will always be a hurdle as these stores are located in known areas this means that the price of the premises will be very high. High streets have sole ownerships; franchise, public limited company and CO operative.

An example of stores which are located locally and stores which are located in renowned areas will be: Boots which is located in Canary Wharf and Ghandi which is located in Stepney Green.

eWave Ownership

The ownership of eWave is a partnership. This partnership consists of four co partners and a sleeping partner. The five owners have equal shares of 20% each. A sleeping partner is an owner who invests money into a partnership, but isn't involved in the day-to-day running of the business. However, they still get some of the partnership's profit. There are some advantages of having a sleeping partner as the partner can be a useful source of short term finance if an already existing partnership is having money problems. Another advantage can be Sleeping partners provide instant finance to businesses that are in the process of setting up a partnership.

The person whom first wanted the firm eWave was Koyes Haque Chowdhury. Koyes could have decided to be a sole owner of eWave computers as always there are advantages and disadvantages of a sole owner. The central advantage is that he has ultimate control over the company and he could make a lot of money if the company is successful.

The disadvantages of Koyes being a sole owner is that Koyes would have to pay wages to the workers even if the firm is struggling this could result in debt. The business will also have an unlimited liability (lose everything invested in the business to pay the debts of). The owner Koyes would be responsible, or liable, for all debts and actions of the business.

Why partnership was chosen as the ownership type?

eWave's ownership is a partnership. With four co workers and one sleeping partner. eWave computers is owned by partners, these partners all have different skills and qualifications that will help the firm to succeed. They also have skills that will help running a small business. The four co workers have different qualifications:

- Shamsul Haque: BSc internet programming
- Koyes Haque Chowdhury: Internet engineering
- Sirajur Rahman: BSc mathematics
- Motosir Ali: BSc mathematics and computing

Their status or their position in the business is different to each other even though they own the same amount of the business.

- Shamsul Haque: Managing Director.
- Koyes Haque Chowdry: Company Secretary, Operations and Service Management.
- Sirajur Rahman: Accounts and Finance Management.
- Motosir Ali: Shareholder, Marketing.

All these people knew each other in university. They were friends. As you can see all the co workers have different skills. This pushed them into making their own business. The business had a sight of success as they all had different qualifications. These qualifications will be helpful in running a computer business.

Despite their high achieved qualifications they had no experience on business which I s a disadvantage on their partnership.

As you can see all 4 partners have different qualification on the business. They know each other therefore they will have trust in each other. They also live near each other so if they a problem it's not going to be difficult for them to sort out the problem.

If eWave was a sole owner it would be extremely difficult for the firm to raise money. A modern day business needs a lot of money to survive. Moreover it is also a risk to be a sole owner as a lot of money could be lost if the business isn't successful. This is why eWave chose partnership as the ownership. A partnership is less risky and more money can be raised for the business. As there are four members in the business money can be invested from all directions.

I also believe that eWave have chosen a partnership because the company will have money coming in from five directions instead of one. Moreover all the owners excluding the sleeping partner have the same responsibility.

Advantages and disadvantages to partnership

There can be many advantages of partnership aswell as many disadvantages. Advantages such as:

- Access to more money.
- Shared responsibility.
- Easy to set up.

Access to more money; as eWave has five partners this means that there will be a lot of money invested in the business. All five members will contribute to the success of the business by contributing money. However if eWave was a sole owner there wouldn't be a lot of money coming in. Partners can raise more money by using different ideas and skills.

Shared responsibility; there are five owners of eWave, however we have to exclude the fifth member as he is a sleeping partner. This leaves eWave with four owners. As the firm is a partnership it means that all owners who are involved in the day to day running of the business have shared responsibility in other word everyone has equal responsibility. If eWave was a sole owner it would cause some problems to the owner as he would have a lot on his plate to deal with. And most probably he would not be able to cope with the pressure.

Easy to set up; the firm will be easy to set up there are not many members. Moreover all the partners will know what the business aims to do and how they will achieve their target. The owners will also know what they will have to do in order for the firm to be successful.

There also are some disadvantages to the ownership type of partnership. Disadvantage such as:

- Unlimited liability.
- Partnership dissolves after death of a partner.
- Conflict could arise.
- No past experience on businesses.

Partnership dissolves after death of a partner; as eWave is a partnership there are members in it. However if a member dies in any case the business will dissolve. However if eWave was a private limited company the business will still continue as the firms runs in the family.

Conflict could arise; this is a problem which could affect any businesses which have partnership as the ownership. As all the members have the same share in eWave this means that all the owners have equal rights and say. This could create problems.

No past experience on businesses; this will apply to eWave very much as the firm is a new business with owners who haven't had any previous experience on a business running. So this means that at times they will not know what to do as they are still amateurs at running a business.

Unlimited liability; if the business doesn't succeed in the business world this will cause a great deal of problem as they will make a loss in their money which will then lead them to debt. Unlimited liability is when owners of a business may have to sell off some or all or some of their personal possessions to meet the debts of the business. This means if in any case eWave fall in debt each member will have to pay money to repay the debt. This is a disadvantage as a lot of money can be lost.

Why eWave should change their ownership

In order for eWave to trounce their problems regarding their liabilities and other factors I believe that they should change their ownership to a private limited company. Currently eWave is a partnership which is a group of peoples usually 2-20 people maximum. Liable to all debts and debts are paid by all partners. This is a factor of why they should change. This is because they will be liable for all debts. If they fall in debt the partners will have to sell of their goods like cars and houses which they do not want to do. The owners of eWave took part time job

this is because the eWave was not making enough money so partners took part time jobs to pay their own wages. Furthermore the money raised in the part time job could be used to pay off debt if in any case they do fall in debts.

A private limited company is company of which Shares cannot be bought and sold on the stock exchange. The limited company is owned by its shareholders. The main advantage is that the owner's liabilities are limited. This means that the investors can lose the money that has been invested in the company. Another advantage is that the company will have limited liabilities. This means that the assets they own will not be taken away if the company fails. If the business was to go bankrupt then the bank would only be able to get their money back by selling the assets of the business such as equipments and buildings. The bank cannot claim the personal assets of the shareholders to recover amounts owed by the business.

Another high point of becoming a private limited company is that the liability of the owners or the shareholders to the creditors is limited to the capital that is invested. This means that the owners will be legally responsible for the assets that were originally invested into the business. This is a good advantage this encourages owners to buy shares because there is an insurance policy available. All in all I believe that if eWave change to a private limited company it will be a real boost to their business. This is because company eWave Computers will raise extra capital through selling parts of the company (shares) plus they will have the added advantage of limiting the company's liabilities.

Process of changing to a private limited company

eWave should contemplate in changing their ownership from partnership to a private limited company. In changing the business will have to take legal procedures.

The first process involves in eWave registering to the "company house". The following step will be the issuing of the "certificate of incorporation". After this process eWave will need a "memorandum of association" this proves the existence of eWave and the outcomes that are desired. eWave then will need the "Articles of Association" these are the rules of what the directors are allowed to do this also include what rights the shareholders have including their voting rights and finally eWave have to fill in Form 10 and Form 12.

eWave will need to figure out the amount of shares needed to break up the business. This is called the nominal value. Nominal value is worked out via looking and seeing the success rate of eWave as a business this determines the number of shares. The nominal value is also an estimate of how well the business will perform in the near future. The nominal value is worked out by professional merchant bankers so eWave will first have to hire one to work it out. Following the process of nominal value deciding how much percentage is given in each share and who will be the shareholders as the person with the most

shares will have the most control over the business is next. After the shares have been handed out the remaining shares can be distributed to family members but eWave must know as it is a Private Limited Company the shares cannot be sold on the stock exchange. Also under the Companies Act it states "there cannot be more than 50 members can hold shares and these must be desirable individuals".

The following process is the appointing of board of directors this is done through voting. The voting will be formal. The voters are the share holders of eWave. The board of directors will make sure that the business meets it targets and doesn't fail. Moreover the standards are met.

The forms have to filled in. the form is the memorandum of association. The document sets out the company's name, where the registered office of the company is situated and what are the objectives of the business. The choice of name of the business can be anything but cannot be abusive or offensive or to do with authorities also it should include limited as the last name or LTD. The registered office means to show that it is located in Britain and the business pays tax. The objectives are what the business is going to do. The memorandum of association also includes showing that the shareholders have limited liability if the company goes bankrupt. Also the name of the shareholders are on and have to sign it also the value of the shares are included.

After the completion of the memorandum of association the Articles of Association has to be created these are the rules of what the directors are allowed to do. This also limits their rights and wrongs. This acts a contract between the company and the shareholders.

The process of changing to a private limited is nearly complete when the form 10 is complete. This form includes personal details of the directors and the secretaries. Moreover the personal details of any past directors within the year range of five years. The registered office must always be active as the business runs.

The procedures are completed when the form 12 is completed. This form is a legal declaration and all the requirements informing the company and is signed by a solicitor who is from the company and at the least a signature of one board member. After all of this is done eWave will get a Certificate of Incorporation with their name eWave computers LTD on it. eWave have to publish there annual report on the Company House so anyone interested can read it.



Figure 1- The Certificate of Incorporation

Figure 1 is the kind of certificate eWave will receive. This certifies that eWave is a limited company with limited liabilities.

When eWave turn to a limited company they will need to publish their annual account to the company's house. These accounts will be open for inspection by anyone interested in your financial standing. The advantage is that all shareholders will benefit from limited liability for debts incurred. This means that, should eWave business get into difficulties financially, the shareholders would only stand to lose what they originally invested; this is a major advantage for you as it would help to attract more investors.

Ownership of J Sainsbury's



As I am studying Sainsbury for my second business. I will also have to analyse their ownership and location. I will keep in mind that there will be a significant difference as Sainsbury is a PLC and eWave is a small partnership firm.

Sainsbury's started their business campaign as a partnership. Obviously as the business grew the ownership changed. It changed from being a partnership to a private limited company Ltd to then finally a public limited company Plc.

Today J Sainsbury's is a worldwide supermarket and serve over 11million customers per week this type of success cannot all be handled by a sole owner as there are over 460 stores in the UK there is too much liability involved. Currently Sainsbury's is a Plc (public limited company). A public limited company is a business where shares in a company can be bought and sold over the stock exchange. This applies to Sainsbury's. A Plc has limited liabilities this means that if the renowned firm Sainsbury's get bankrupt the company will loose the assets and the money that has been initially invested in the business. The public are able to buy and sell share. In a business when shares are bought one share is equal to one vote. This means that the more shares owned the more control over the business. For ultimate control and not to be out voted fifty one percent on the shares should be owned. This is because this share cannot be out voted.

History of Sainsbury's

John James and Mary Ann Sainsbury were the two that founded the renowned company in 1869. The first store to be opened was opened at Drury Lane, London this store offered dairy products. Drury Lane was one of London's poorest areas and the Sainsbury's' shop quickly became popular for offering high-quality products at low prices. The low prices were due to the fact of scale of economy. The business was so successful that several branches were opened in other market streets including Stepney, Islington and Kentish Town.

On the road to their success Sainsbury's faced various challenges. Some obvious challenges like competition with rival retailers such as Lipton's. John James found it necessary to step up his rate of expansion so that he could buy goods as competitively as these companies. Between 1890 and 1900 the number of Sainsbury's branches trebled from 16 to 48.

Sainsbury's was still owned by the founders when it entered its second century. However, it had reached a scale and stature that warranted public status. The company's public flotation in 1973 was at the time the largest ever flotation on the Stock Exchange, with a 45-fold oversubscription for shares.

Presently Sainsbury is owned by many people and the supermarket employs over 14500 people to work for them, of the 145000 60% is part time jobs and the rest 40% is full time jobs. A large Sainsbury's Supermarket offers over 23,000 products - 40% of these are Sainsbury's own brand. In addition to a wide range of quality food and grocery products, many stores offer bread baked on the premises, delicatessen, meat and fish counters, pharmacies, coffee shops, restaurants and petrol stations.

Share prices

As eWave is a Plc. The shares can be bought and sold on the stock exchange this is why it is called a Plc. Share prices can go up and down



Figure 2- Share prices over a year

Figure 2 is the share prices over a period of one year. You can see how the shares changed. At points the prices were expensive and vice versa. All in all I believe that over this period of time the prices have increase which implies that Sainsbury's have been doing well.

Why do share prices change?

As seen on figure 2 the share prices of Sainsbury's have changed. The prices of shares are very unpredictable. It is unpredictable because when too many shares are sold at once the share price becomes very cheap and people tend to buy lots of it. However when the business is doing well the shares are very expensive. The reason why share change is because when shares start to be sold this is maybe the business is not doing well and is the reason why the owners want to sell their share. Due to this reason the shares fall in price. In the other hand when prices goes up it could be down to the fact that the business is doing will and the

owners want to keep their stake in the firm. When the business is not doing well the share prices tend to be at its lowest to persuade customers to buy the shares. However when the business is making a lot of money than the share prices increase.



Figure 3- The change of shares on a single day

Figure 3 shows the change of share prices of the firm Sainsbury's on the date 1st march 2007. At the time 8.00 clock the prices of the shares is low mainly for the reason that people have just woken up and the demand is not very high. As time goes on the prices start to increase this is because the shares start to be sold and bought moreover the shares are on demand.

Major share holders of Sainsbury's

Like any other Plc, there are many shareholders. These shareholders are in thousands. The focal shareholder of Sainsbury's includes the Sainsbury's family of whom own 13% of the business, the Brandes investments partners L.L.C. who then own 11%. Another major shareholder was Legal and General Group plc who held a share of 3%. In 2002 private individuals held just over 42% of Sainsbury's shares; banks and nominees held over 56% of shares; pension funds, insurance companies and investment trusts held less than 2% of shares.

Why buy shares?

Buying shares is a superb way of investing money. However many people do not realise this positive aspect of buying shares. There are many advantages of possessing shares below I have stated them.

Advantages such as;

- At the end of the year you receive a dividend
- You could sell your share when prices are high making profits
- If you keep on buying share you could eventually be in control of the firm

-
- If in any the company falls in debt you will not loose any excess money

Receive a dividend

The company makes money and at the end of the year a share of that price will be received by the shareholders. Moreover the more money the firm makes the more money the shareholder will receive. The more shares a person owns the more dividend the person will get.

Sell your share when prices are high making profits

As you might know share prices change. They change very often. This why when share prices are high the holder can sell their share making money. This is another great way of making money without much work.

Will not loose any excess money

You cannot guarantee that the business you invested in will make a profit. This is why when you invest in a Plc if the business falls in debt or is not successful of get bankrupt the share holder will only loose the that he or she invested.

Liabilities

Like I have mentioned above in large businesses like Sainsbury's all shareholders will benefit from limited liability for debts incurred. This means that, should the business get into difficulties financially, the shareholders would only stand to lose what they originally invested; this is a major advantage for Sainsbury's as it would help to attract more investors in the future because they know that not all their life savings will be taken.

eWave Location



Old Truman Brewery is where eWave is situated. The lies in the famous Brick Lane. According to my understanding I believe that eWave chose the Old Truman Brewery purely down to the fact that there numerous students are living around or close to the firm. I believe the location of eWave is not suitable. It is not suitable for many reasons.

Reasons such as:

- There is no car parking facilities
- The roads are very narrow
- Shortage of space
- No transport Links
- No shop front

There is no car park facility;

This is a very bad factor as the world has become more advance than ever and many people have the comfort of driving a car. If customers do buy computers how will they take the product home if they don't bring their car? The factor of no car parking means that customer cannot bring their car with them.

The roads are very narrow;

This will affect the firm very much. If in any case the roads get blocked or there is a traffic jam. It would be immensely hard for suppliers to supply goods to the business. This may then lead to loss of customers.

Shortage of space;

The business will need a lot of space and storage facilities in order to fulfil their aims. Aims of selling computers. If they do not have enough space to store their products it would be hard for them to sell more. As the customers will have to wait a long period of time.

No transport links

This will affect the business a lot. This is because they do not have a car park and furthermore they do not have access to transport links. Due to this bad factor eWave may loose customers. Moreover not all customers travel with car they need local transport.

No shop front

Many customers will find it difficult to locate the business as it doesn't have a shop front. In addition passer Byers will not be able to see the business.

Reason from business plan

The initial business plan location. eWave have looked into many premises however they do not meet the criteria they want. eWave want a premises that has warehouse facilities as they will need to store many computers. Moreover they also looked for places that have car park facilities as their customers can park their cars. The central reason of why they located in brick lane is because there are many students living there ranging from 11-16 year olds, 17-20 year olds to 20+ year olds. Another reason is that around brick lane there are many restaurants which could be potential customers. Potential customers because eWave also do web designing so these restaurants could be interested.

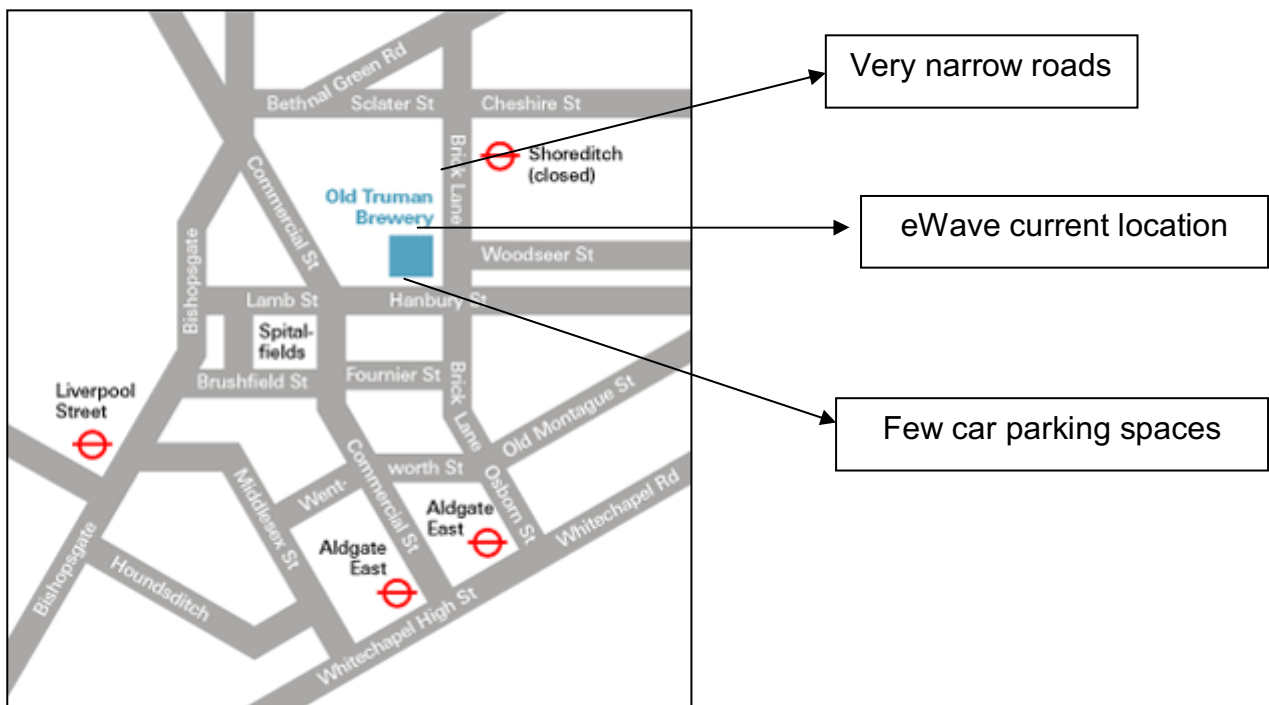


Figure 4- Annotation of eWaves location

I believe that the location of eWave is not suitable for their type of business. This is mainly due to that factors that I have stated for instance, there is no car parking facilities, the roads are very narrow, shortage of space, no transport links and no shop front. This is why I would recommend a change of location for eWave in order for them to be more successful.



Figure 5- recommended location

Reason for recommended change

I firmly believe that there are many reasons why eWave should change their location. The new location that I have recommended is much better than the current location.

Reasons such as;

- There is more security
- It is cheaper to lease out
- They are in a targeted area to sell product (high population of students)
- More space for storage.
- Car parking facilities.

The micro business location has factors that eWave will benefit from that the brewery doesn't have.

I have looked into the security of the recommended location. The security is far better than old Truman's brewery. This is a positive factor as the owners will have to worry much about the safety of the businesses possessions.

Currently eWave are paying a lot of money to rent out the office. On the other hand micro business park (recommended location) is very cheap. I also believe that financially micro business park has the upper hand.

As you can see on figure six. eWave do not have sufficient area to work in. this is a disadvantage as it will be hard to complete many jobs as once if there is not enough space.



Figure 6- Insufficient area to work in

In their business plan eWave told us that they needed enough space to produce their computers and to also store their goods. But obviously they found this very difficult.

More over eWave should change their location to micro business park because of the parking issue. Currently customers cannot park their car in an allocated area this is because eWave do not have a car park. Majority of customers would ideally want to park their cars without having to pay for permits. However eWave computers were not able to offer this causing major frustration within the customers. On the other hand micro business park has their own car park where customers can park aswell as the workers.



Figure 7- The difficulty in parking

But why change to Micro Business Park?

As I stated before I believe in order for eWave to trounce their problems they should change their location. The location that I have suggested is the Micro Business Park. This location offers a great deal of offers that the current location doesn't. It offers a better security system, a car park facility, area to work in and many more. If they locate their business in the micro business park then they will still be able to fulfil the aim to supply goods and services to the people in the local area.

Figure 8 shows the car park facility for the Micro Business Park. I confess that it isn't all that however it is better than not having a car park. This car park will enable customers to park their cars this will satisfy customers as they can take their products straight to their car. Instead off travelling with the item bought from eWave. Compared to the picture in figure 7 I would say that this car park is miles better.



Figure 8- The car park in Micro Business Park

A further reason of why changing location is the good quality security. Old Truman brewery security isn't all that good. Security is required in the business plan. Required because of the goods eWave posses, for instance the computers, computer parts and many more expensive equipments.

As eWave stated on their business plan they would need a lot of space to work in. if eWave change their location it is assured that space and storage will not be a problem. This is because the park has a lot of space for working. The Micro business Park contains large storage areas for the goods and also enough space for the office area.

As I annotated the map on figure 4. There isn't a known road nearby the current location. This could be a problem for suppliers as they might not know where the firm is situated. However if eWave change their location the problem of location will not be a problem. This is because the new location is located nearby a known main road. Whitechapel Rd. This makes it much easier for visitors and suppliers to access the firm. The new location has good transport links aswell.

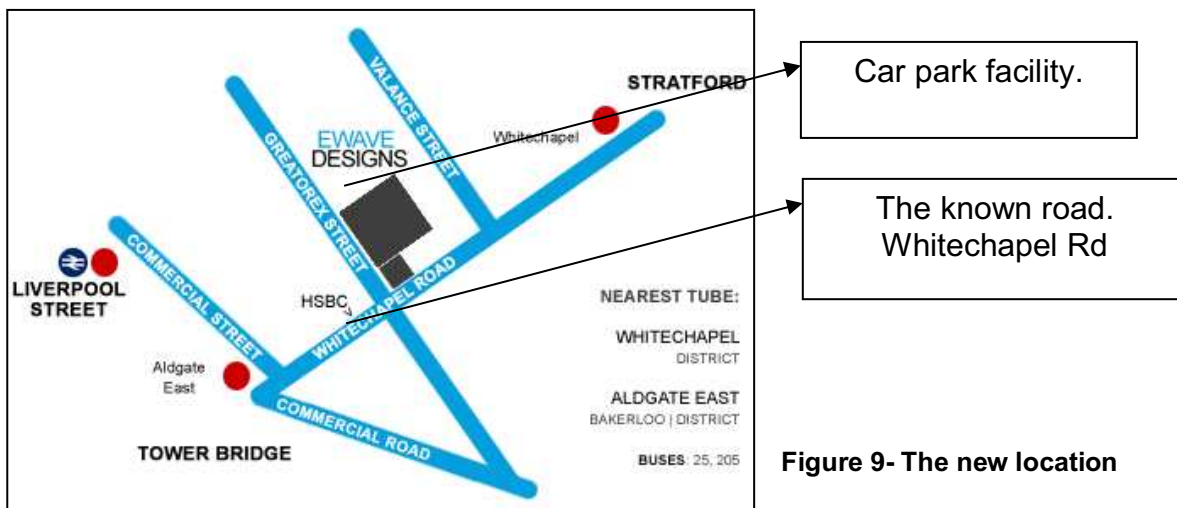


Figure 9- The new location

Another positive aspect is for the new location is the entrance sign. It is crucial for customers to be able to see the entrance from distances. The park has a banner with the name "Micro Business Park" on it. The name stands out very much. This will make it hard for potential customers to miss the business park. The park also has a big entrance. This will make it easy for suppliers to get through. Moreover eWave will not need to give a lot of direction as the firm is located nearby a known road and the banner stands out.



Figure 10- The banner of Micro Business Park



Figure 11- The entrance of the park

All in all I believe that the new location that I have recommended is far better than the current location. The Micro business park has many factors that the current location of the old Truman's brewery doesn't have.

Factors such as;

- Better security, larger entrance,
- Close to transport links,
- Car park
- Larger area to work in
- More storage

These factors will without a doubt help the firm to reach it aims and objectives aswell as their goals. I also believe if they do take this location it will be a good step in their future success.

Location policy

Like other Plc's Sainsbury's have a location policy. This makes sure that the branches are satisfied with its standards. The location policy helps the company succeed as the policy has criteria which makes the company be successful. For Sainsbury's the location policy incorporates various things. These things are stated below.

The policy persist that the ideal location has to have an urban population of minimum half a million within a 2km radius. This is known as the sphere of influence. The sphere of influence is where customers come from to shop. If there is an urban population of half a million the board of directors can be sure that they will make a profit. Moreover the more customers the higher the sale prices will be.

The policy of flat land applies to Sainsbury's. The policy states that there should be flat land on which the store is to be built on. This is so that it will be easier for the business to build its stores. Moreover if the business is successful the board of directors may be thinking of expanding on the same area. This is why it is crucial for flat land.



Figure 12- Flat land on of Sainsbury's store

The policy as includes that the store must be seen from a main road and accessible. The reason behind this is that customers and delivery people will not get lost on their way to the store. Moreover the customers' will find the store attractive as the sign can be seen from far. Whitechapel Sainsbury's is an example we can see how the policy comes into effect, the business can be directly accessed from the main road and can also be seen as it has large signs indicating the directions towards the business.



Figure 13- The sign of Sainsbury's and it is very attractive

Car parking is included in the location policy. As the store will be big it needs customers to park their cars. The car parking space should be big enough for many cars to park. The reason behind this is that the modern day customers have cars and travel with their cars.

Finally the policy also includes a minimum restriction to how large the land has to be in order for one of the Sainsbury's store to locate in. This is so that there is enough space for storing the goods, car parking facilities and also maybe extra space available for expansion.

Head office Sainsbury's

Current Head Office:

Holborn Place,
33 Holborn,
London, EC1N 2HT

The current location of Sainsbury's is situated at Holborn which is located in London. However this is not their main head office as the main one is located in Stamford house. The reason why the location of the head office had to be changed was because the old head office in Stamford is being refurbished, as it has been a long time since it was made. Sainsbury's plan to return to their original head office as soon as the refurbishment is finished.



Figure 14- The current head office in Holborn

The head office which is currently located in Holborn is a good substitute. This is because it is located to where the business started off. This is in Dury Lane. Figure 15 indicates how the head office looks like at the moment.



Figure 15- The map showing where the head office is located.

Location of distribution depots

The items that are shelved in the stores are supplied by distributions depots. There are many Sainsbury's depots in the country. There are approximately over 700 stores to supply to this means there are many depots. Distribution depots are located in areas like Corby, Basingstoke, Charlton, Haydock, and Hams Hall in Birmingham, Elstree, New Rye Park and Waltham Point which are in Hertfordshire. The depots have to ensure that the delivery service is fast and efficient. A good way of ensuring this is to locate the depots close to the stores.



Figure 16- A distribution depot for Sainsbury's

As part of their policy the company has to ensure that the in good condition and can be sold before it goes out of date. An aim of Sainsbury's is to provide customers with quality goods Food must be on the shelves when it is at its peak. For customers this will be ideal for them to buy so it vital for distribution service to be efficient.

Sainsbury's can be sued if the products that they sell are out of date. This means that they will have to make sure their distribution depots deliver products which are in good condition and are not out of date. An aim of Sainsbury's was to provide high quality food unlike other stores who only care about the price.

Fruits, vegetables and other products which do not stay fresh for a long period are stored in distribution depots which are very close to the store. This is so that by the time the goods are delivered to the store they are fresh enough to consume and should satisfy the customers. If they are located far away than the products will rot away before they even reach the store which means that Sainsbury's will not be able to fulfil their aims of providing high quality food.



Figure 17-Fruits in the store

Reasons for change in location

Many Plc businesses including Sainsbury's started their thrive in the business world in the central business district (CBD). As time moved on companies moved

on as well. They moved to areas in central London and around the country. The reason behind the move is that the firm will be able to make more money and expand.

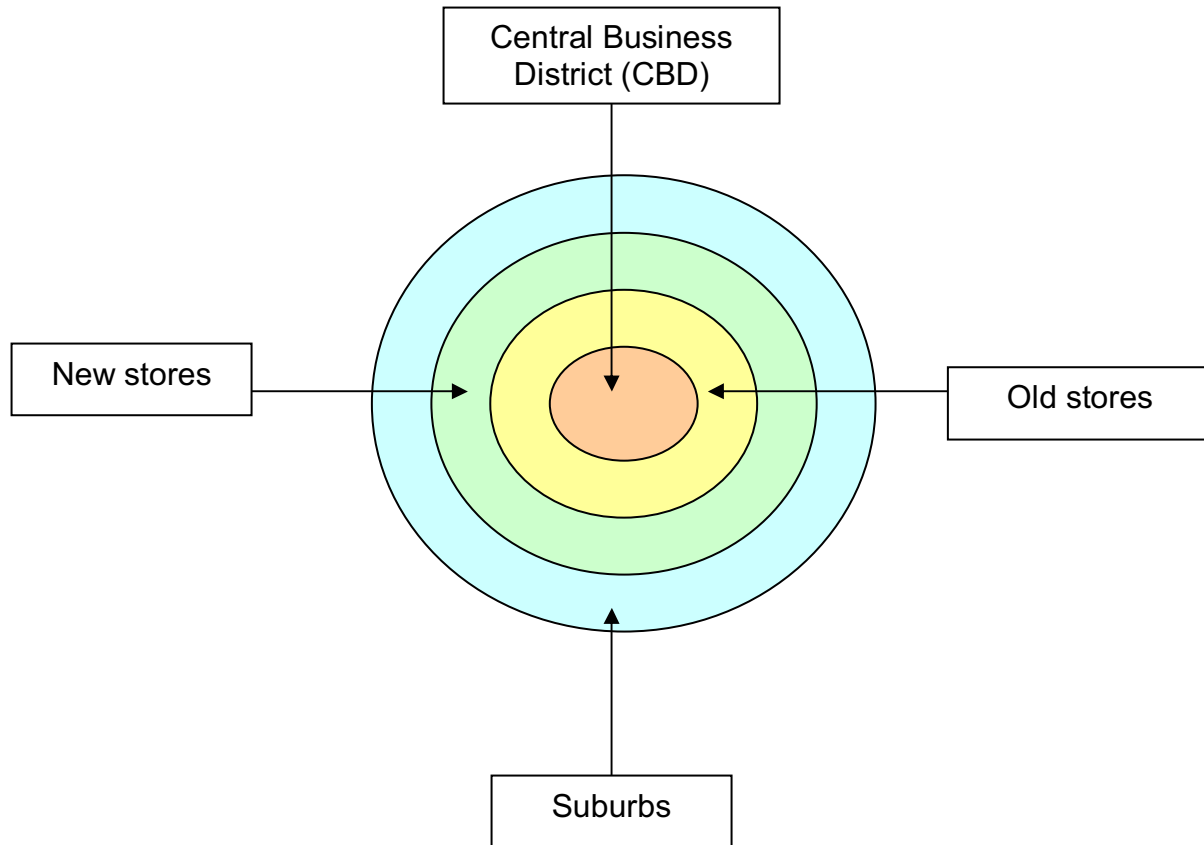


Figure 20- This diagram shows how a business changes location from a city centre and then to its surrounding areas.

A further reason why Sainsbury's decided to change location to the suburbs was due to the price of land. The city had a high reputation than the suburbs. This is why most businesses started of as corner shops. And as they got more successful they established them selves.

One other reason why Sainsbury's located itself in the suburbs was because there was large amount of land which was unused. The unused lands were mainly docklands which were operating during WW2, but after the war the businesses had moved elsewhere and the land was useless. Sainsbury's noticed this and used it as an advantage to build their branches there and expand the business if it was successful.