Business Plan For Robson Engineering

Executive Summary

This report aims to prepare a business plan for a comprehensive business plan for Robson Engineering. The company started its operation in the year 10980 and has a vast experience in making the connecting rods as well as other automotive precision-engineered products as well. Currently, the company selling its products to the UK local market and intends to expand its business operations in other parts of Europe as well. The business plan consists of a brief introduction about the company. The report also briefs about the products and services of Robson Engineering as well. Further, in this report, the evaluation and the process analysis related to business opportunities along with the what are the potential opportunities ahead of them, including a complete analysis of competitors as well. The report also discusses the marketing & operation plans, as well as management and management structure.

Brief Introduction about RE

The company does have a vast experience in manufacturing the connecting rods. The company has been doing this business for more than thirty-five years. The company is specialised in the field of precision automotive component manufacturing, which is distinguished in this filed as well, and the speciality product is connecting rods for a performance application. The company manufactures products for UK customers. The address of the company is Bayton Road, Exhall, Coventry, West Midlands. UK CV7 9EJ. Anyone can also reach to the company through email and phone number that is Tel: +44 (0) 24 7636 5103 Fax: +44 (0) 24 7664 4867 and email address is admin@robson-engineering.co.uk as well. The company is owned by Robson Hall. He is the principal owner of the company. The nature of the company is an entrepreneur.

Products and Services

The range of the company's products is three such as; standard range, performance range as well as the Modified and Bespoke standards. These are the essential connecting rods use in car manufacturing (Skoglund et al., 2000).

1. Standard Range

The standard rods are hot selling items for the company because they are low in weight, fully machine high in strength as well. These connecting rods are made of aluminium and titanium. They are a bit expensive but high in quality as well, and the product name is BS 970, Gr 817, M40V (EN24V). The material of these connecting rods is flexible enough to cater your needs as these are suitable for a maximum range of vehicles as well. The other BS 970 Gr 817 M40ET (EN24T) is made for low cost, high in strength and forged-for Ford applications.

2. Performance Range

If the customer requires the extra fast turnaround or added strength for high power-rated

vehicles ask for our Performance range. The Specification, as above, but with APR625 high strength bolts because they are made on Fully machined – extra high strength, fast turnaround.

3. Modified and Bespoke Standards

These are customised type of connecting rods which are manufactured after getting the client's specifications because of their nature. In order to offer the quote, the company needs the bhp of the vehicle as well because these are custom made and high price is involved as well. Below is the sample picture of customised connecting rods.

Assessing the Market Opportunity

The market opportunity can be evaluated in many ways, and one of the best ways is to do the SWOT analysis which is as under;

- Strengths
- Weakness
- Opportunities
- Threats

Since the company manufactures the connecting rods in economies of scale because mass production is held in the state-of-the-art technological manufacturing facilities at West Midlands. The strength of the company is quality products at competitive prices.

The company has been manufacturing the connecting rods from more than three decades, but still, the company's organisational structure is weak because of the employee turnover high as compared with its competitors. This is because of the inconsistent management of the company (Kamiske, 2015)

The company does have abundance opportunities ahead of them. One of the most significant opportunities for the company is to expand their business operation in Ireland, other parts of Europe, as well as the Asian markets such as Indian market, is widely open for the company in order to grab the maximum market share as well. Because of doing business for many decades, the company has built goodwill in the market as well.

The barrier to entry is low, and the market is open for newcomers which is the most significant threats for the company. Secondly, due to stiff competition as well as the globalisation, the market is wide, and it's not an easy job to sustain in the market (Helms and Nixon, 2010).

Potential Opportunities for RE

Since the company has been manufacturing the connecting rods for many decades and the company has built up quite reasonable goodwill in the market. The liquid position of the company is quite well because every year the company has been making its contingency reserves that have never been utilised. The cash flow of the company is quite steady. (Görener, Toker and Uluçay, 2012). The company does have adequate financial resources, as well. On the basis of the above facts, there are multiple potential opportunities for the company. The whole of Europe is un-touched for the company as the company can cater to the maximum

European market as well. In order to expand its business operations in other parts of the world, especially to enter into the European markets, the company may need financial resources. For that purpose, the company use used its own financial resources such as retained earnings as well as get financing from the financial institutions on discounted rates as well. The company can use the online platform to expand its business such as Amazon, Alibaba and eBay as well. The company can also break the ice by opening online sales on its web portal as well. It will help the company to enhance its profitability as well as the company will be able to grab the maximum market share in the contemporary world of business. The company can also start after-sales service as well because it will enhance brand loyalty and will help only to maximise the profitability for the shareholders but will also increase the goodwill as well.

Marketing Plan for RE

Following are the core marketing plan for Robson Engineering such as sales channels, distribution channels and communication & exploitation process;

Sales Channels of RE

There are different channels being channelised for making sales. The company does have a comprehensive sales channel. One of the core sales channels is ex-factory sale. The company also distributes its products to different distribution channels across the UK.

Distribution Channels

The company does have a wide range of distribution channels across the UK. Since the reputation of the company is good, the distributors are desperate to get engaged with Robson Engineering. This is one of the most significant opportunities for the company, as well.

Exploitation & Communication Process

SAP software was installed in the entire company a few years back, since then no communication disruption has been heard in the company even the communication process between all the departments, especially between supply chain and manufacturing, has been improved, and the production excellency has been seen in these years. Since the company has established a good relationship with its suppliers, the company has developed the JIT process with its suppliers. So, the company never gets out of raw material as well (Klimova and Semradova, 2012).

Operational Plan of RE

There is a various small process involved in connecting rods manufacturing as all the process have to be monitored carefully in the production department. The tiny process of connecting rods are gone via various small procedures, and every operation is monitored and checked by quality control department in order to ensure the quality of the products. As the company believes in high quality, the company follows the international level of regulations such as corporate good manufacturing process (cGMP) in order to produce high-quality nuts and bolts in order to have not only to edge over its competitors but also to create brand loyalty in the

contemporary world of competition as well. The company also follow the international standard designed by the European Union as well that will open the doors for the company to expand its business operations.

Management and Organisation

The company is head by Robson Hall along with his competent team of engineers and managers as well. The production department is run by Jack Fuller. The Marketing department is run by Mathew Corn. There is 5,000 human force associated with the company which is managed by Alex Hale, who is the head of human resource management. The Finance department is led by Amit Kumar and Supply chain department is run by Andrew Caddick who also looks after the QA/QC compliances as well. Marketing & sales led by Harry and R & D is directed by Darren Vouch. Since the labour turnover in the company is high as compared with the competitor, Robson Hall is continuously working on this problem to minimise it as much as possible. As shown in the below figure-3, shows the organisational structure of RE;

References

1. Görener, A., Toker, K. and Uluçay, K. (2012) ‘Application of Combined SWOT and AHP: A Case Study for a Manufacturing Firm’, Procedia - Social and Behavioral Sciences. DOI: 10.1016/j.sbspro.2012.09.1139.
2. Helms, M. M. and Nixon, J. (2010) ‘Exploring SWOT analysis – where are we now?’, Journal of Strategy and Management. DOI: 10.1108/17554251011064837.
3. Kamiske, G. F. (2015) ‘SWOT-Analyse’, in Handbuch QM-Methoden. DOI: 10.3139/9783446444416.032.
4. Klimova, B. F. and Semradova, I. (2012) ‘Barriers to communication’, in Procedia - Social and Behavioral Sciences. doi: 10.1016/j.sbspro.2011.12.043.
5. Skoglund, P. et al. (2000) 'Performance of high-density P/M connecting rods', in SAE Technical Papers. DOI: 10.4271/2000-01-0403.