



# COMPANY ANALYSIS

## FBM BUSINESS SOLUTIONS

### PRINCIPLES OF ENTREPRENEURSHIP (ENT530) : CASE STUDY

<b>FACULTY &amp; PROGRAMME MANAGEMENT/BM243</b>	:	<b>FACULTY OF BUSINESS</b>
<b>SEMESTER</b>	:	<b>SEMESTER 6</b>
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## **EXECUTIVE SUMMARY**

- **Business information**

FBM Business Solutions(FBMBS) is a sole proprietorship business that provided cleaning services. It is a company that is not just an offline store but also make profits through their online shop.

- **Products or services being offered**

The company provides up-to-date cleaning promotions that is suitable for any occasion. FBMBBS also offered few other products like detergent from vendor that placed their products in the shop.

- **Company analysis**

We analysed the company by using their SWOT analysis to see their ups and downs in running the business. Business model canvas is used to see the company or product's value proposition, infrastructure, customers, and finances.

- **Recommendation and improvement**

FBMBBS might need to do some improvement in their business in order to achieve more goals throughout the year.

## **1.0 INTRODUCTION**

### **1.1 Background of the study**

FBM Business Solutions operates in Malaysia's cleaning industry which contribute approximately. The demand for cleaning services is expected to increase further to RM100 million at the end of 2018. With these figures, FBM Business Solutions that established since 2014 and still quite new in the business believes that the business have the opportunities to grow in the market in the future. The owner believes that his goals on having own brand and label will be achieved.

### **1.2 Problem statement**

FBM Business Solutions conduct business in an industry that is expanding. Furthermore, there are many other firms that sell very similar product either via physical store or online so the competition is very high. To have own brand and label will require a lot of efforts from the business as it need to compete with the established brands and labels that already have their own loyal customers. Being new, FBMS only have resources to keep maintaining in the business and still far to start having own label and brand.

### **1.3 Purpose of the study**

- To understand how the business operates and make decisions in real-life complex situation.
- To understands the challenges face by business to keep maintaining in the market and achieving it goals.
- To know the strategies that the business use in order to achieves its goals as well as to maintain in the industry.

## **2.0 COMPANY INFORMATION**

### **2.1 Background**

The company that we chose to do case study is FBM Business Solutions. The owner of this company is Muhammad Fuad Bin Ariffin who was born on 3<sup>rd</sup> July 1992. FBMBMS started their business on 18<sup>th</sup> September 2014 by opening booth at the small and big events. After that, they started joined small and medium enterprise (SME) and opened their first ever shop on 1<sup>th</sup> June 2017. The purpose of FBMBMS launched their shop because they wanted to have their own label and brand which is "FBMBMS". Obsessed with this industry lead him to start up his own business through online and set up booth with a starting cost at RM1000. Not only that, they also join the government's project to expand their brand. His total cost of project is RM50000. Surprisingly, the owner did not even apply any loan to start his business, they used the profit from before.

### **2.2 Organizational structure**

FBMBMS consist of the owner of the company himself and he employed another 2 workers to help him to organize and manage the business. This company also have their own agents and drop ships to help them to achieve their financial goals and increase income of the company.

### **2.3 Products / Services**

FBMBMS is a company that provided cleaning services and detergents that is not just an offline store, but it is also let their customers to go through online to look for their own chosen favourite detergents.

### **2.4 Business, marketing, operational strategy**

### **2.5 Financial achievements**

reached their highest financial achievement in their business during the Ramadhan and Hari Raya Aidilfitri which gave those profits up to RM10000 during that month itself. This is because a lot of customers bought their products through the retail shop as well as the online shop that they have.

### **3.0 COMPANY ANALYSIS**

#### **3.1 SWOT analysis**

##### **Strength**

- Have both physical and online stores make FBM Business Solutions more reachable to the market.
- Selling detergents that suits any occasion allows FBMBBS to have variety of people as customer.
- Have vendor placed products at the store as side income.

##### **Weaknesses**

- FBM Business Solutions is a new business. It might not have as much resources as the established companies in operating the business.
- Cannot really have flexibility in pricing as FBMBBS need to include the cost associated of getting and selling the products in the pricing.

##### **Opportunities**

- People always look for something to wear. Therefore it can be opportunities for FBM Business Solutions to stay in the business by meeting the customer needs and wants.
- The industry is expanding which can be the opportunities for the business to grow.

##### **Threat**

- The competition is very high. There are many other firms who sell very similar product. This also makes FBMBBS have no loyal consumer.
- The established brands make it hard for a new business like FBMBBS to compete as they have their own loyal customer therefore allowing them to sell their products at very high price.

### 3.2 Business Model Canvas (BMC)

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#### **4.0 FINDINGS AND DISCUSSION**

It is estimated that the average cleaning company loses up to 55% of their customer base every year due to poor service. Even if the business of the cleaning services company is likely to be profitable most of the time, company will still had to face some challenges in some aspect.

Cleaning service companies with high turnover are bad for business period. This is what happened to FBMBS company. High turnover comes from a variety of issues including; lack of training, illegal hiring, poor management and rock bottom wages. So, by taking a more proactive approach to training, management can focus on the skill areas that will deliver the most return on investment. Employees who are comfortable with job tasks not only perform these task more effectively and efficiently, but also take more pride in their work.

Next is competition. There is no way of getting around it, competition is everywhere. There are many small companies competing for both residential and commercial cleaning contracts. Barriers to entry are low as there is very little expensive equipment needed and little to no training required for employees – so new competitors spring up all the time. For dry cleaning and some specialty cleaning services, however, expensive equipment actually can be a significant hurdle, including needing commercial or industrial real estate to sell and perform services.

The best way is to differentiate from everyone else. In order to stand out, FBMBS need to understand customers' wants and needs. FBMBS can create a workplace survey to determine if there are areas in which the company can improve. Ask employees as well to provide honest feedback about cleaning services, training opportunities, wages, health benefits and management.



## **5.0 CONCLUSION**

To conclude, this case study served to analyse a real life situation where existing problems need to be solved. It is essential for people to understand the nature of the business where there will be always ups and downs for the business to stay on track. This is because it contains a real or hypothetical situation and includes the complexities that we would encounter in the business. The study about this organization help us to see how the complexities of real life influence decisions of the owner to run the business. This will also help us to obtain about financial information on how to achieve goal through some plans and strategies.

## **6.0 RECOMMENDATION AND IMPROVEMENT**

### **1. Rekindle relationship with the customers**

Take time to tap into the customer database and get in touch with existing customers. Whether by phone, email or letter, contact the customers to greet them and remind them that the business is ready to serve them again. Get their opinions about what they think about the business and make getting customer feedback as part of the business processes. The company need to constantly look for ways to encourage repeat business. Although marketing and advertising are important to get more customers, quality, service, and customer satisfaction are what keep a business successful in the long run.

### **2. Evaluate the pricing**

Think about the pricing and the possibility of raising the rates. Get the feel of what the existing customers think about the raising of prices. Also be sure to check out what the competition's doing and make sure the prices or rates aren't too low or way too high. The company cannot overprice themselves out of the market, yet they should not bear the burden of a cash flow shortage. Give the customers a month or two advance notice should they decide to increase the rates.

### **3. Institute measures to assess the performance of the business**

Setting clear standards for the business allows to determine the effectiveness and efficiency of the strategies. If they haven't done so in the past year, start determining how much they are making per hour of work, how effective the advertising is, and some other measurements of where the business has been. Set some benchmarks and periodically assess how the business is doing. They need to know what the consideration as an improvement before they can start to improve on it.

### **4. Keep employees involved**

Good employees are hard to find, yet they are an important element in the business. Check to see if they are getting what they need and make them part of the team. Help them understand the importance of their role in the business and how their job impacts the business as a whole. Review the relationship with the employees and find ways to keep the relationship happy and avoid costly attrition.

### **5. Explore new markets or improve marketing**

Start the year by exploring new markets for the business. Since they already getting the business up through online, maybe they should start looking at targeting a new demographic to set up a new physical store. They need to take the time to plan how they can expand the existing market. Look for ways to improve the marketing, whether by winning easy publicity, arranging an open house or preparing direct mails.

## **7.0 REFERENCES**

Saif, E. (2011). The Business Model Canvas [PDF file]. Retrieved from [www.emadsaif.com](http://www.emadsaif.com)

## **APPENDICES**







The Bu

Team or Company Name:  
FBM BUSINESS SOLUTIONS

Date:  
MM/DD/YY

Primary Canvas  
 Alternative Canvas

<p><i>Key Partners</i></p> <ul style="list-style-type: none"> <li>Suppliers</li> </ul>	<p><i>Key Activities</i></p> <ul style="list-style-type: none"> <li>Marketing</li> <li>Selling</li> </ul> <hr/> <p><i>Key Resources</i></p> <ul style="list-style-type: none"> <li>Cleaning and Detergents</li> <li>Workers</li> <li>Agents and dropships</li> <li>Instagram account</li> </ul>	<p><i>Value Proposition</i></p> <ul style="list-style-type: none"> <li>Various up-to-date apparel and clothing</li> <li>Loose-type of cleaning and detergents</li> <li>Cleaning and detergents that suits any occasion</li> <li>Cleaning products</li> </ul>	<p><i>Customer Relationships</i></p> <ul style="list-style-type: none"> <li>Personal</li> </ul> <hr/> <p><i>Channels</i></p> <ul style="list-style-type: none"> <li>Physical store: Bangsar</li> <li>Virtual (Online) store: @FBMBS (Instagram account)</li> <li>Agents and dropships</li> </ul>	<p><i>Customer Segments</i></p> <ul style="list-style-type: none"> <li>Demographic (Sex): Men and women</li> <li>Demographic (Age): 20s-50s years old</li> <li>Geographic (District): Bangsar</li> <li>Geographic (Country): Malaysia</li> </ul>
<p><i>Cost Structure</i></p> <ul style="list-style-type: none"> <li>Salaries/commission</li> <li>Cleaner utilities</li> <li>Buying stocks</li> </ul>		<p><i>Revenue Streams</i></p> <ul style="list-style-type: none"> <li>Cleaning services and detergents sales</li> <li>Commission from vendors who placed products at the shop</li> </ul>		

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Team or Company Name:  
**COMPANY NAME**

Date:  
**MM/DD/YY**

Primary Canvas  
 Alternative Canvas

<p><b>Key Partners</b>                  Who are our Key Partners?                  Who are our Key Suppliers?                  Which Key Resources are we acquiring from partners?                  Which Key Activities do partners perform?</p> <ul style="list-style-type: none"> <li>• <b>DELETE GRAY TEXT &amp; WRITE HERE</b></li> </ul>	<p><b>Key Activities</b>                  What Key Activities do our Value Propositions require?                  Our Distribution Channels?                  Customer Relationships?                  Revenue streams?</p> <ul style="list-style-type: none"> <li>• <b>DELETE GRAY TEXT &amp; WRITE HERE</b></li> </ul>	<p><b>Value Proposition</b>                  What value do we deliver to the customer?                  Which one of our customer's problems are we helping to solve?                  What bundles of products and services are we offering to each Customer Segment?                  Which customer needs are we satisfying?</p> <ul style="list-style-type: none"> <li>• <b>DELETE GRAY TEXT &amp; WRITE HERE</b></li> </ul>	<p><b>Customer Relationships</b>                  What type of relationship does each of our Customer Segments expect us to establish and maintain with them?                  Which ones have we established?                  How are they integrated with the rest of our business model?                  How costly are they?</p> <ul style="list-style-type: none"> <li>• <b>DELETE GRAY TEXT &amp; WRITE HERE</b></li> </ul>	<p><b>Customer Segments</b>                  For whom are we creating value?                  Who are our most important customers?</p> <ul style="list-style-type: none"> <li>• <b>DELETE GRAY TEXT &amp; WRITE HERE</b></li> </ul>
	<p><b>Key Resources</b>                  What Key Resources do our Value Propositions require?                  Our Distribution Channels? Customer Relationships?                  Revenue Streams?</p> <ul style="list-style-type: none"> <li>• <b>DELETE GRAY TEXT &amp; WRITE HERE</b></li> </ul>		<p><b>Channels</b>                  Through which Channels do our Customer Segments want to be reached?                  How are we reaching them now? How are our Channels integrated?                  Which ones work best?                  Which ones are most cost-efficient?                  How are we integrating them with customer routines?</p> <ul style="list-style-type: none"> <li>• <b>DELETE GRAY TEXT &amp; WRITE HERE</b></li> </ul>	

### **Cost Structure**

What are the most important costs inherent in our business model?  
Which Key Resources are most expensive?  
Which Key Activities are most expensive?

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### **Revenue Streams**

For what value are our customers really willing to pay?  
For what do they currently pay?  
How are they currently paying?  
How would they prefer to pay?  
How much does each Revenue Stream contribute to overall revenues?

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Source: [www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)