

# *A Stairway to heaven*



**Tutor :** [REDACTED]  
**Project Group:** *Group 7*  
**Contact :** [REDACTED]

**Participants:**

**Project Manager**

**Logistics**

**Communications**

**Human Resources**

**Finances**

**Anna Orlova**  
**Marketing**

---

**GUIDE**  
**LINE**

## Executive summary

Why Valley Fragrances Ltd. is a family based fragrance company that produces a line of four high premium fragrance products by the name of Cielo. The products are:

- ❖ Cielo Perfume Absolute
- ❖ Cielo Eau de Perfume
- ❖ Cielo Body Lotion
- ❖ Cielo Candle

Our clients are the Urban Prosperity and the Wealthy Achievers. This wide target group of 25 years and older is well educated and consists of consumers with the money and the space to enjoy a very comfortable lifestyle.

The fragrance market is growing on all fields and is showing great opportunities to attract a wider and bigger group of customers. Our research shows that the premium fragrance market is expected to grow 5% in current value over the previous year.

The problems of Why Valley Fragrances are primarily financial; the company is on the edge of bankruptcy. The strategy of this resurrection plan is:

*“The company will reposition her existing products on the existing UK market of premium fragrance products. The company will attract a larger group of consumers to increase sales.”*

### Mission statement

*“We want to be a provider of exclusive and luxuries fragrances, in order to give people the opportunity to lavish themselves and feel special. We are a market focussed company that aims to satisfy the customer’s exclusive needs.”*

The management team of Why Valley Fragrances consists of three managers:

- ❖ William Rackham, the CEO of the company.
- ❖ Lisa Rackham, his wife, the administration manager and general supervisor.
- ❖ The Marketing and sales manager.

William and Lisa, who have started the business, have almost 20 years of management experience in this company.

To improve the efficiency of the workforces, the employee amount will be downsized with three men to 19 employees in total. To increase the flexibility, some employees will switch between departments, and in peak seasons we will hire part time employees.

Several individual and team trainings will be taken to improve expertise and communications.

Why Valley Fragrances’ marketing strategy is: *To repositioning the whole Cielo product line and winning a larger customer base and customer retention in the upcoming years on the UK*

*premium fragrance market.* At the end of the next year the company will have an average sales growth of 50%. This will be the result of intensive and efficient promotion campaigns to improve the awareness, positive attitude and the intentional behaviour towards our products. Also the number of distribution channels will be adjusted to our target groups and increased to a number of 244 in total.

The fragrance market consists of a large range of businesses and brands. This is an opportunity since the top 20 fragrance brands are only account for 30% of value sales. The other 70% is account for smaller businesses like Why Valley Fragrances.

Examples of competitors are Miller Harris London and Penhaligon's London.

These companies should better be used as future 'benchmarks' and good examples of 'how it could be done', rather than aggressively trying to outperform them.

The total production line, from gardening to packaging will be downsized form four to three departments:

- ❖ Extract & gardening
- ❖ Filling
- ❖ Packaging

We grow our own Daphne Odora plants, from which we extract the essence on which our fragrance is based on. We fill our exclusive bottles ourselves and make them ready for transportation.

Our new ERP system enables us to optimize our ROP's. We guaranty an always on time delivery service to all of our clients. We have outsourced the transportation department. This will not only reduce costs significantly, but also shorten our delivery times.

Based on the size of our market and our defined market area, our total sales projections for the first year are £2,863,142. For the first year this will mean a total nett income of £367624, 77.

For this resurrection plan we are seeking for a loan of £75,000 for the first year. This money is needed to pay of earlier debts and also to finance the first periods of operating. This plan makes Why Valley Fragrances profitable and more than capable of paying of this and earlier loans on the long run.

With her exclusive image the Cielo product line is a brand full of profitable opportunities and well worth an investment. With the reorganisations and promotional activities described in this plan, this company has the capability to grow significantly within a short period inside the UK, and also to expand international in the further future.

## *Table of Contents*

<b><i>CH1 Introduction.....</i></b>	<b><i>6</i></b>
1.1 Background information.....	6
1.2 Objectives .....	6
1.3 Commission .....	7
1.4 The new company .....	7
<b><i>CH2 Marketing Plan.....</i></b>	<b><i>9</i></b>
2.1 Introduction .....	9
2.2 Marketing Issues based on Internal& External reports .....	9
2.3 Marketing Strategy & Objectives .....	9
2.4 Target groups .....	10
2.5 Positioning statement .....	11
2.6 Marketing mix .....	12
2.7 The Sales Forecast of 2006 .....	16
2.8 Marketing Conclusion .....	17
<b><i>CH3 Communication plan .....</i></b>	<b><i>18</i></b>
3.1 Introduction .....	18
3.2 Target groups .....	19
3.3 Communication goals .....	20
3.4 Communication strategy .....	20
3.5 Public relations .....	22
<b><i>CH4 Logistics.....</i></b>	<b><i>25</i></b>
4.1 Introduction .....	25
4.2 Current situation .....	25
4.3 Problem definition by SWOT .....	27
4.4 Objectives .....	27
4.5 Implementation.....	28
4.6 Final conclusion .....	33
<b><i>CH5 Human Resources Management plan .....</i></b>	<b><i>33</i></b>
5.1 Introduction .....	33
5.2 Strategic Analysis.....	34

5.3 Strategic Human resources .....	34
5.4 Ongoing Human Resources .....	37
5.5 Human Resources actions .....	37
5.6 HRM Finances .....	42
<b>CH6 Finance.....</b>	<b>43</b>
6.1 Introduction .....	43
6.2 Budgets .....	44
6.3 Beginning balance sheet .....	45
6.4 Income statement .....	46
6.5 Cash flow statement.....	47
6.6 Ending balance sheet .....	48
6.7 Business ratio's.....	48
<b>CH7 Overall Conclusion.....</b>	<b>50</b>
<b>Sources.....</b>	<b>50</b>
<b>Appendixes .....</b>	<b>Error! Bookmark not defined.</b>

# CH1 Introduction

## 1.1 Background information

The reasons for this project are the problems within the Wye Valley Fragrances Ltd. company. This is a small company in the Wye Valley in Gloucestershire England. This company produces a perfume called Cielo. They have been in business since 1987. At this moment the company produces four different products:

- ❖ **Cielo Perfume Absolute**
- ❖ **Cielo Eau de Perfume**
- ❖ **Cielo Body Lotion**
- ❖ **Cielo Candle**

All these products are based on the scents that are extracted from the Daphne Odora shrub. This exclusive women's scent is created in combination with other nature-based scents.

The company was launched by the current owners, Lisa and William Rackham. William is the CEO of the company and Lisa does the administration with two other employees and the sales. Furthermore there are four other departments in the company:

- ❖ **production & storing extracts**
- ❖ **filling perfume and body lotion**
- ❖ **packing**
- ❖ **logistics & gardening**

The company has twenty-two employees in total.

The problems of the company are primarily financial. The company has generated losses for the last three years and is now on the edge of bankruptcy.

## 1.2 Objectives

Since the overall market for fragrances is growing there will have to be done research on how it's possible that Wye Valley Fragrance Ltd.'s sales are declining while sales in the sector are rising.

**The objective for this project is writing a plan to make Wye Valley Fragrances Ltd. a profitable organisation again.**

More specified objectives are:

- ❖ Offering services and products to customers at a lower cost.
- ❖ The company will guarantee a 100% on time delivery accurately.
- ❖ The company will become flexible to extend distribution channels.
- ❖ The company will provide high service for customers.
- ❖ The company will win a larger customer base and build customer retention.
- ❖ There will be created a good and efficient internal and external communication structure.
- ❖ The employee output and competency will be maximised.
- ❖ The whole organisation will be restructured to become more flexible and efficient.
- ❖ The company will have an efficient marketing strategy.

### 1.3 Commission

This project is carried out by six first year students IBMS. All the project group members have just finished a project that had as goal to make a plan to set up a new company with a new product. All the group members therefore have experience in working in a project group and also have knowledge of all the aspects of business management.

This project is executed for Wye Valley Fragrances Ltd. and will be executed by:

- ❖ Vincent Deen                      Project Manager
- ❖ Leonie Hakvoort                Communications Manager
- ❖ Yu Junping                        Financial Manager
- ❖ Ying Yuan                         Logistical Manager
- ❖ Dora Ngon Parh                 HRM Manager
- ❖ Anna Orlova                      Marketing Manager

To get the best overview of the company and the best final result on all aspects, this plan is divided in five different departments:

- ❖ **Marketing**
- ❖ **Communications**
- ❖ **Logistics**
- ❖ **Human Resource Management**
- ❖ **Finance**

For this plan all these departments have worked together to get a plan to make Why Valley a profitable organisation again.

### 1.4 The new company

At the beginning of this project the group members have formed a consulting group called *Guide Line*. Based on the goal and the company we decided to name the project:

*A Stairway to Heaven*. Cielo is “heaven” in the Italian language. We see heaven also as a metaphor for the companies goal; becoming profitable again. In this meaning our plan will be the stairway. Of course the project name also refers to the famous Led Zeppelin song.

The first two important basic elements for the new company are the new Mission and the Vision:

**Mission:**

*“We want to be a provider of exclusive and luxuries fragrances, in order to give people the opportunity to lavish themselves and feel special. We are a market focussed company that aims to satisfy the customer’s exclusive needs.”*

**Vision:**

*“It’s our company’s vision to entice our customers with our heavenly products, over and over again.*

*The company will build up a strong and stable group of satisfied consumers within the UK.*

*Through team effort and by staying authentic the company will attract an international audience in the further future.”*

Based on our mission, vision and the problems that the company is in, we decided on the following strategy to base our project on:

***“The company will reposition her existing products on the existing UK market of premium fragrance products. The company will attract a larger group of consumers to increase sales.”***

Other new basic elements for the new company that we will mention are the **Shared Values:**

*Creativity*

Our company will always be creative. The company wants to stay authentic; we will always be different from our competitors. With our creative spirit Why Valley Fragrances Ltd. has created authentic products. Also in the strategies and working structures the company will be always creative to achieve her goals and reach the positions it aims to achieve.

*Our work is our art*

The company's team is dedicated to its task. Every individual within the team won't settle for less than achieving her or the companies' goals. We don't create products, we create pieces of art. We are dedicated to all the small aspects of our work to achieve the highest quality. Every objective and goal is special.

*Team Spirit*

Our company is convinced that the best results are always achieved by team work. Our work achieves its high quality by working in teams. Our company is one team. Every individual's ideas are respected and every individual respects the team's ideas.

*The Passion to satisfy our consumers needs*

Our most important value is to satisfy our consumer's needs. We will always aim to satisfy in any aspect. We will have high quality products, good services and the best availability of information and resources for our consumers. The company believes that this value is critical to reach her goals.



## CH2 Marketing Plan

### 2.1 Introduction

To make it easier for future reference, we give you a short introduction before we start with the actual marketing plan. The plan is based on the overall company strategy namely: **The company will reposition her existing products on the existing UK market of premium fragrance products.**

We will start with an outline of some major marketing issues. After that the marketing strategy and the objectives follow. Target groups and positioning are outlined afterwards. Once we have set these, we also identify our main competitors. The marketing mix follows, with all the essential tools described to achieve the goals mentioned before. Being almost at the end of the plan, we present you the sales forecast. And conclude with a short comparing of the expected results of the plan and the previous ones. This is to show how the chosen strategy and tools will influence the results of Wye Valley Ltd. over the upcoming year.

### 2.2 Marketing Issues based on Internal& External reports

Wye Valley Ltd. has been experiencing a sales& distributor decline due to:

- ❖ Poor brand positioning. All this, is due to the fact that Wye Valley Ltd. did not develop any real marketing objectives.
- ❖ Wye Valley Ltd. did not develop any real marketing strategy and the matching 'toolbox'. Marketing tools are a powerful aid to attract customers and keep them loyal to the brand.

### 2.3 Marketing Strategy & Objectives

Based on the current situation of the company, the best marketing strategy is;

**Repositioning the whole Cielo product line and winning a larger customer base and customer retention in the upcoming years on the UK premium fragrance market**

Using this marketing strategy as a starting point, we have set the following objectives for the upcoming year:

- ❖ **Attract a larger customer base** Product awareness at this moment is at its minimum. We have to attract at least 10% more people to try our products at the end of the first year. This will be done by repositioning the products.
- ❖ **Optimize Promotion budget** at this moment the budget is £32,000, this is not enough to reposition a product line in an effective way. The budget should be raised to at least £46,000 for the first year and as more money is generated, budget should be increased.
- ❖ **Generate profit**, in 2005; the company had a net loss of £256,697. At the end of 2006, Wye Valley Ltd. should at least be to recover 50% of the net loss. A thoroughly outlined marketing scheme should be a big step forward.

## 2.4 Target groups

Target Group Wye Valley Ltd.	
Age	25-45& 46 and older
Gender	Female
Income	£20-50K
Country	UK
Regions	East& West Midlands, North England

Wye Valley Ltd. wants to focus on a wider target group without damaging its image. That is why Wye Valley is focussing on two specific target groups. Described below;

### Female 25-45 years; Urban Prosperity



These people have a cosmopolitan outlook and enjoy their urban lifestyle. They are well educated and mostly prosperous people living in our major towns and cities. This includes both older wealthy people living in the most exclusive parts of London and other cities, and highly educated younger professionals moving up the corporate ladder. Purchase habits may vary; visits to department stores and pharmacies are usual, internet purchasing is getting more common too.

### Female 46 years and older; Wealthy Achievers



These are some of the most affluent people in the UK. They live in wealthy, high status suburban, rural and semi-rural areas of the country. Households are a mix of middle-aged families, empty nesters and wealthy retired. In short, these are consumers with the money and the space to enjoy very comfortable lifestyles. Purchase habits are very diverse; the better department and specialty stores, beauty centers are popular as well.

**What makes these target groups so attractive to Wye Valley Ltd.?**

**The Market size** of these target groups together is 15.6 million in 2005.

Potential customers are within the UK, which means **no high spending on globalization**.

The **population is expected to grow** by approximately 0, 64 % per year!

Due to the **high income**, these potential customers can afford premium products.

## ***2.5 Positioning statement***

The need to reposition the current product line is crucial for Wye Valley Ltd. to aid a successful re-launch. This product line is targeted at two specific groups, namely: Females 25-45 years old and Females of 46 years and older. The positioning of the product line will be the following;

---

The product line is aimed at satisfying the need for ***comfort***. By the luscious scent, the mild texture of the lotion and high quality, natural ingredients. Making that precious extra time off is being enjoyed to the fullest.

Also, Cielo is no mass product, by serving a niche market, we focus on ***authenticity***. The scent is an ode to the gorgeous Wye Valley and the ***celebration of nature*** in general. When you smell Cielo, you smell the warm earth, the sun and the spirit of the rustic environment of Wye Valley.

---

## **Competitors**

Based on the Mission statements and the type of products they sell, we could make an analysis of our main competitors within the UK.

Those are the following:

	<b>Miller Harris London</b>	<b>Penhaligon's London</b>
<b>Mission</b>	“To preserve the delicacy of the most precious ingredients so that they work in harmony creating a work of art”	“Providing products sharing a timeless elegance which represents a rich history whilst acknowledging a very contemporary taste for exclusive style.”
<b>Products sold</b>	Perfumes ,oils, soaps, body lotions	Main specialty is perfume lines, but they also sell some leather& silver goods etc.
<b>Origin</b>	UK	UK
<b>Sold in</b>	Shops UK, US, EU & Japan, Website	Shops UK, US& China, Website

Although we call them 'competitors', these companies should better be used as future 'benchmarks' and good examples of 'how it could be done', rather than aggressively trying to outperform them.

## 2.6 Marketing mix

### *Product*

**Cielo stands for comfort, luxury and authenticity. Cielo combines a delicious scent, with mild textures, and dedication to nature.**

Wye Valley Ltd. will provide authentic luxury products with character to women of 25-45 years old and 46 years and older with a high income. The product line is called 'Cielo', which stands for 'Heaven' or 'Sky' in Italian. It exists of the following:



**Cielo Perfume Absolute (30ml):** The ultimate indulgence or perfect gift from the Wye Valley. Intensive and fantastically distinctive. Crystal bottle with ground glass stopper. Gold leaf.



**Cielo Eau de Perfume (50ml):** Inspired by vineyards and hillsides of the California wine country. Fresh on the top (Daphne), warm in the middle (grape leaf, fig and honey), seductive on the finish (oak and sandalwood).



**Cielo Body Lotion (250ml):** Antioxidant grape seed oil makes this body lotion one of the best on the market. Lightly scented with Cielo fragrance to layer on.

**Cielo Scented Candle:** Earthy-green aroma transports you to dabbled hillsides of vineyards and oak trees. Simple clean scent. Non-lead wick, clean burning. A unisex scent packaged for gift giving or to indulge yourself.



## **To make our product line complete:**

### **To Customer markets**

- ❖ Company website with the company background, retailer& contact information.
- ❖ Gift packages during the festive days
- ❖ Opportunity to return your product& get a refund or compensating product if not satisfied.

### **To retailers**

- ❖ Cash and Seasonal discounts( see last part **pricing section** for more details)
- ❖ Punctual& adequate delivery is guaranteed
- ❖ Free display materials
- ❖ Excellent communication& information desk, ready to solve any possible complications.

## ***Price***

The Cielo Fragrance line has to be revised conforming the repositioning of the whole product line. **To attract a broader target group and to make it more approachable to try, we decided to downscale the price by an average of 23%.** The exclusive image had to be kept in mind, off course.

The prices can be downscaled, without victimizing the retailers& the brand image by:

- ❖ Optimizing the promotion, by this increasing the sales and therefore assuring a higher profit for the retailers as well as the company.
- ❖ Lowering the direct& indirect costs needed to cover with the help of the Logistics and Human Resources departments.

<b>product</b>	<b>production cost £</b>	<b>sold to retailers £</b>	<b>Contribution margin £</b>
<b>Cielo Parfum Absolute</b>	£47,33	£65,00	£17,67
<b>Cielo Eau de Parfum</b>	£10,00	£25,00	£15,00
<b>Cielo Body Lotion</b>	£6,00	£15,00	£9,00
<b>Cielo Candle</b>	£11,50	£16,00	£4,50

<b>product</b>	<b>Acquiring price</b>	<b>Selling Price</b>	<b>Reseller margin</b>	
<b>Cielo Parfum Absolute</b>	£65,00	£80,00	£15,00	<b>23 %</b>
<b>Cielo Eau de Parfum</b>	£25,00	£45,00	£20,00	<b>80 %</b>
<b>Cielo Body Lotion</b>	£15,00	£28,80	£13,80	<b>92 %</b>
<b>Cielo Candle</b>	£16,00	£22,50	£6,50	<b>41 %</b>

### **Additional Pricing details**

- ❖ **To retailers**

**Seasonal allowances:** 3% discount on invoice, if ordered in summer months (June, July

or August).

**Cash discounts:** Payments are accepted on Credit. Credit has to be paid within 3 months. If customer pays within the first month, a 2% discount will be given on final invoice.

❖ **Discounts to consumers**

**Bundle pricing** on special occasions such as Valentines Day & Christmas;

Cielo Lotion & Parfum Absolut	Cielo Candle & EDP
£108,8	£67,50

### ***Physical distribution***

The major change in the retailer choice is that Wye Valley Ltd. will focus more on the suitability of the outlets towards the new broader target group. The different products of the product line will be sold in more outlets simultaneously. This will also broaden the sales channels per product. **Policy ongoing (re)selection of retailers:** Retailers will be screened and selected on criteria such as average sales, the fit into the new repositioned promotional approach etc. All retailers are given the necessary information concerning the changes resulting from the new strategic direction of the company. Those who fit into our new plan and agree upon the new promotion & distribution approach of the company will be welcomed to do further business with Wye Valley Ltd. Those not agreeing might end the contract immediately and the surplus stock not sold may be returned with full refund.

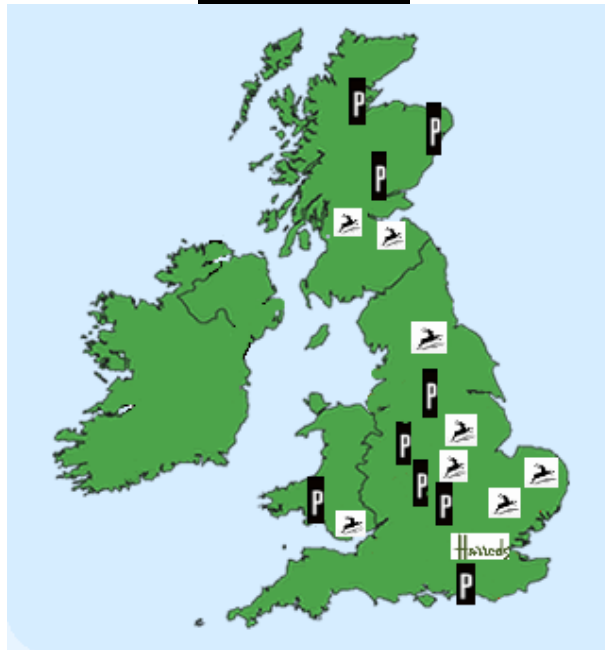
### **Detailed map:**



8 locations



Harrods, the  
legendary  
department store in  
Knightsbridge.



Garden pharmacy in Covent  
Garden London will be  
distributing our product range in  
their store and online.



9 locations

**Off course, we won't drop all of our already created retailer contacts. In addition, we will keep:**

- ❖ 50 Ateliers
- ❖ 50 Specialist stores
- ❖ 55 Beauty centres
- ❖ 60 Interior shops

**The main distribution areas will be:** East& West Midlands, North England & Scotland.

**Total amount of outlets: 244**

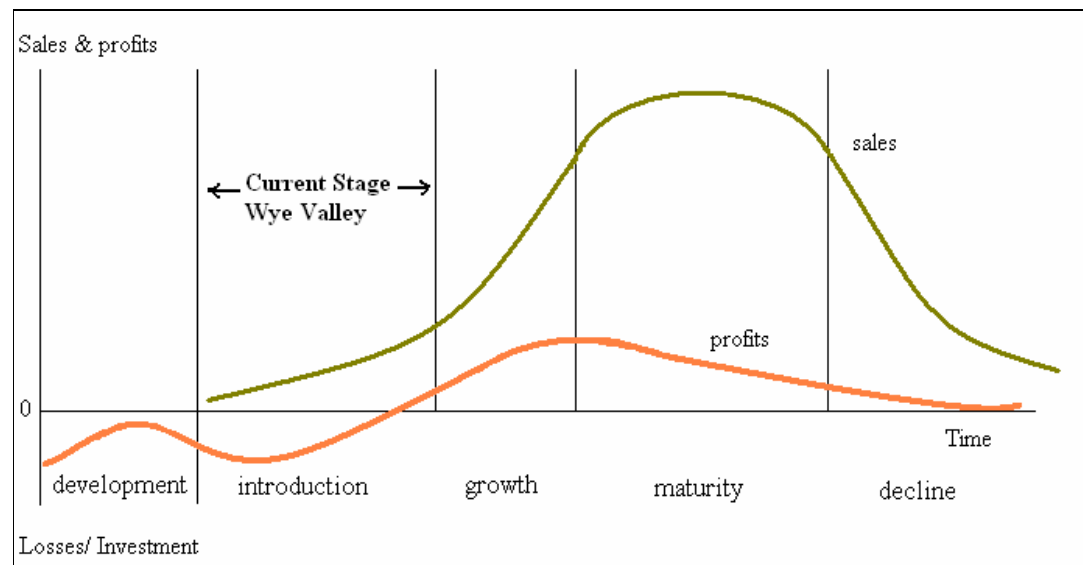
All retailers will be getting free display material for the product line. The stock will be mainly distributed from the Wye Valley warehouse, except for the Candles, which will be distributed straight from the producer.

The reseller margins will be equal for all retailer channels, see for exact amounts in the Pricing part.

**Delivery times:** We guarantee a fast delivery of a maximum of 3 days. This is possible due to our highly trustworthy distributor (DHL Logistics) and a well organized production scheme.

### ***Promotion***

The centre of marketing effort will be the Cielo Perfume Absolute. This being the base of the product line should be used as the 'main face' of the product line.



Wye Valley Ltd. got stuck in the introductory stage with their current product line. From this point we will have to implement the promotion schedule.

Being in the introductory stage means that we will spend heavily on promotion. Resulting into a sales rise, this mounts into the growth stage.

**The objectives of the extensive promotion programme for Wye Valley are:**

- ❖ To build a company image: as a company dedicated to luxury and high quality, with respect for nature.
- ❖ Extending product awareness
- ❖ Improving attitude towards the product line.
- ❖ Maintaining product awareness& keeping the product in customer's minds all year round.

**To reach the advertisement goals we use the following promotional tools:**

Medium	Target group	Reach (per year)
<b><u>Magazines</u></b> <i>Harpers Bazaar</i> <i>Easy Living</i>	<i>female 40+</i> <i>female 30- 50 years</i>	<i>Female: 178,000 Male: 34,000</i> <i>Female: 168,000 Male: 32,000</i>
<b><u>Company Website</u></b>	<i>female 25+</i>	<i>Female: 29,200 Male: 7,300</i>
<b><u>Samples</u></b>	<i>female 25+</i>	<i>Female: 50,000</i>
<b><u>flyers in packaging</u></b>	<i>female 25+</i>	<i>Female: 10,000+</i>
<b><u>Word of Mouth</u></b>	<i>female 25+</i>	<i>Female: 27,000+</i>
<b><u>Store Displays</u></b>	<i>female 25+</i>	<i>Female: 372,300</i>
<b><u>Billboards</u></b>	<i>female 25+</i>	<i>Female: 91,250</i>
<b>Total Reach Female: 1,079,950 Male: 176,100</b>		

**Target group reach of the promotion tools mentioned above: 1,079,950 persons  
That is almost 7% of the total target group.**

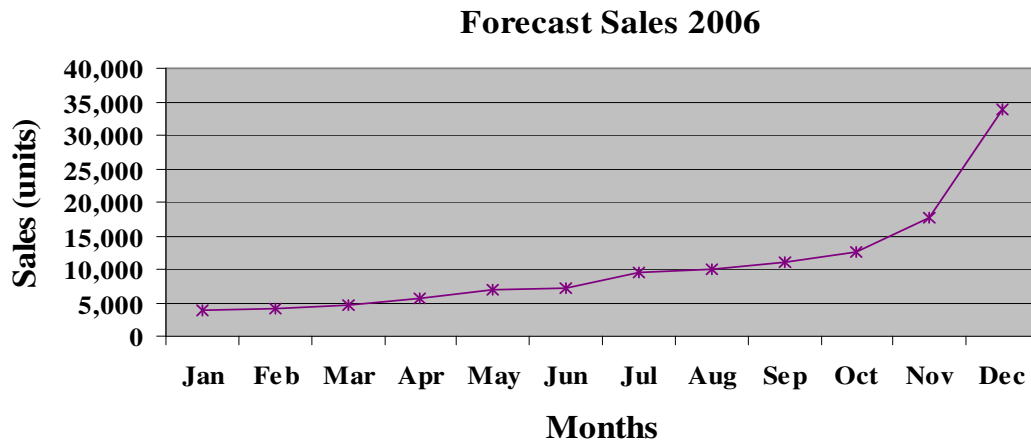
For the complete promotion budget and a detailed promotion schedule, see chapter 3, the Communication plan.

## ***2.7 The Sales Forecast of 2006***

**Per product:**

Quarterly Sales 2006 (Units)	Q1	Q2	Q3	Q4	Total
<b>Perfume Absolute</b>	1114	1065	1339	3735	<b>7253</b>
<b>EDP</b>	3100	6061	8146	11788	<b>29095</b>
<b>Lotion</b>	6000	9991	17992	26192	<b>60175</b>
<b>Candle</b>	2342	2806	3011	22534	<b>30693</b>





From the graph, you may notice the rapid sales growth. This is for the most part due to the carefully chosen outlets. Also the promotion schedule adds value. Seasonal influences are always present, though by a thoroughly outlined marketing schedule, we could smoothen out the fluctuations.

**Grand total for year 2006:**  
**127,216 units**  
**Total sales growth in units: 47%**  
**This quite large sales growth is due to the broadened distribution per product.**

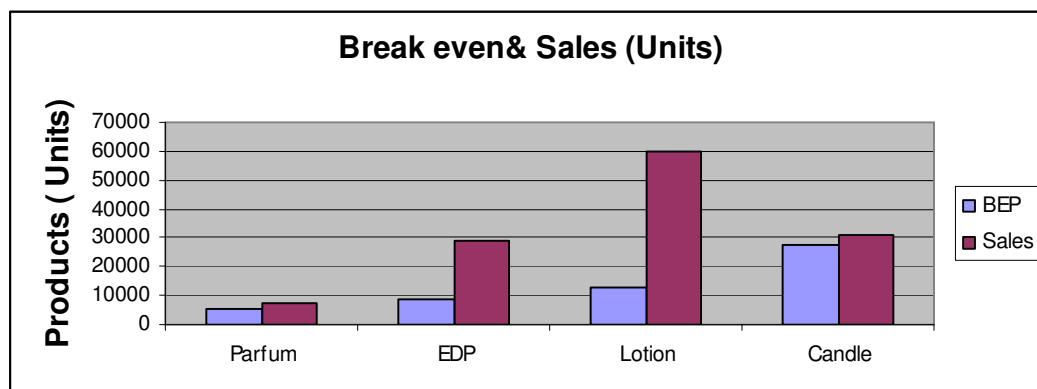
## 2.8 Marketing Conclusion

In overall, following the company & marketing strategy, the prospects for Wye Valley have brightened.

**Below you can see the Break even points for each product:**

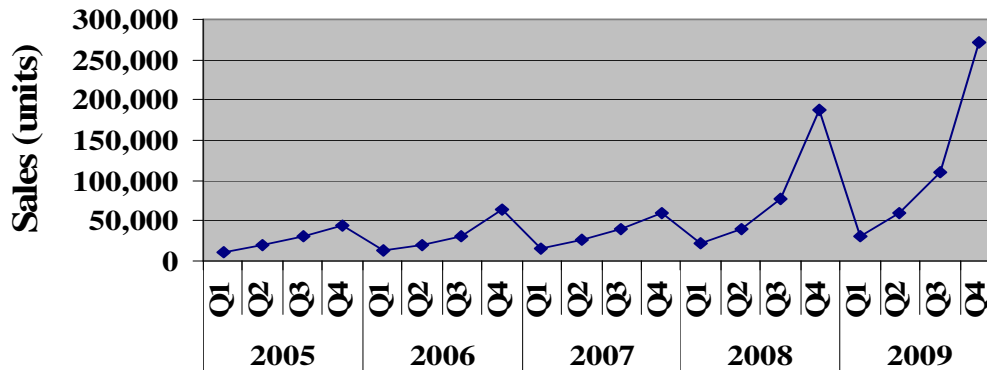
BEP per product	Parfum	EDP	Lotion	Candle
Units	5388	8549	13083	27571
In revenue	£350,225.15	£213,735.87	£196,246.93	£441,132.47

**Our sales compared with BEP:**



As you can see, we are not able break even in the first year! If you look at the **Net Loss that Wye Valley had in 2005: £256,697**, we have managed to recover almost all of the losses in one year. With this growth in mind, Wye Valley Ltd. would be able to think about product line expansion at the end of the second year. And possibly expand its sales abroad. If this would be the case, the sales would be looking as in the following Sales graph of the next 5 years:

**Sales forecast upcoming 5 years**



effort of their work will be awarded and appreciated, which will lead to an even bigger enthusiasm concerning their individual work and less absentees.

### 3.2 Target groups

#### Primary target group

##### Marketing target group

The marketing manager has defined the target group which suits best to a potential buyer of our products.

The target groups are specified according to specific criteria which apply to us. These are:  
Age, Gender, Income and Country.

Target Group Wye Valley Ltd.	
Age	25-39& 40-54
Gender	Female
Income	£20-50K
Country	UK
Regions	London, Northern Scotland, Northern Ireland

What makes these target groups so attractive to Wye Valley Ltd.?

- ❖ The Market size of these target groups together is **15.6 million** in 2005.
- ❖ Potential customers are within the UK, which means no high spending on globalization.
- ❖ The population is expected to grow by approximately 0, 64 % per year!
- ❖ Due to the high income, these potential customers can afford premium products.

##### Communication target group

The communication target group is a group of people who have influence on the buying behaviour of your target group. In case of the products of Wye valley and the target group we have chosen (description of the target group is found in the previous paragraph) you can think about other woman in their direct environment/society. For example neighbours, colleagues, friends who accompany our target group to beauty farms/ spas or other social events (word of mouth). Most of the time those women are around the same age and have the same lifestyle, so they consist automatically of our primary target group.

Also an important communication target group will be the partners of the women who are in our target group. Think of a big event (especially for the UK) such as Christmas. In these days perfume companies have their highest turnover. So it is really important that we as Wye valley make the partners of the women aware of our perfume. In this way they will buy our Cielo perfume or products in those periods. Of course you'd like to feel your woman special and embraced by Cielo perfume.' *Creating a little heaven on earth for your partner because she is special and unique*'?

The goal of the External Communication is to reach both the marketing and communication

target group and inform them about the positive values Wye valley products.

## **Secondary target group**

The **secondary target group** contains retailers, suppliers, neighbours, the press etc. Wye Valley will have retailers around the country, but especially in the areas which have been determined by the marketing department, and we will be negotiating with suppliers from outside of the UK (in case of the crystal bottles, which we will import from Canada). To keep all these negotiations smooth, a positive working relation is needed.

## **3.3 Communication goals**

Looking at the marketing objectives (page 6) one will see that in 2006 a market share of 1, 09% shall be reached.

When now turning to the Communication goals, three levels are smart to be considered:

**1. Knowledge:** In the UK 38 % of the total women population consist of our target group.

That is an amount on **15.6 million** women.

Wye valley's goal is to reach **11.3 %** (1.7million women) and make them aware of the company and its products (style, looks, exclusiveness, etc.) within the first 3 months. Started from January 2006

**2. Attitude: 7%** (1.1million women) shall have a positive attitude towards our perfume and products. In detail, the women should think positive about the, the price the (life) style the perfume expresses within 5 months.

**3. Intentional Behaviour:** Following **5%** (780.000) of the women have the intention to go to a place which sells Cielo and have a serious look at the bottle, try the smell and get convinced that the perfume matches to their way of living and attitude towards ways of relaxing and lavishing themselves. final purchase will take place within 7 months.

At last around **2.6 %** (405.600 women) should then consider to really buying the Cielo perfume.

For the upcoming 2 years, we want a rise of 2% in all three points. So by 2008 we want to have an awareness of at least 13.3%, a positive attitude of 9%, an intentional behaviour of 7%, and finally a purchase rate of at least 4.6%.

## **3.4 Communication strategy**

The overall strategy which we have made out of the company state of mind will be the basic element for making a strategy for the communication plan. Our overall strategy is as follows:

***"The company will reposition her existing products on the existing UK market of premium fragrance products. The company will attract a larger group of consumers to increase sales."***

To do this the organisation has to be restructured and the communications and promotions will be modernised and optimised. This is important for making the communication strategy. We

came up with the following strategy: *Internal and external communications will be improved.*

### **Internal communication**

Changing the internal communications is necessary because Wye Valley Ltd. has a lack of internal communications. There is no clear communication between employer and employees. For example one of the administrative and commercial assistants frequently reports in to be ill, because the pressure of workload is too much. If there was good environment of communicating she would have told her boss about the problems she is dealing with. But Apparently Lisa Rackham has been too busy with other things to notice these problems. So an environment of equality and trust must be created in order to process well. To motivate the employees, their effort of their work will be awarded and appreciated, which will lead to an even bigger enthusiasm concerning their individual work and less absentees.

Therefore instruments such as the following will be dealt with to achieve an environment of equality and trust:

- ❖ Monday morning meetings
- ❖ Newsletters
- ❖ Worker of the month awards
- ❖ Office trips – to get to know the person you are working with better

More information can be found in chapter 5, Human Resource Management.

### **External communication**

In the external communications a lot of obstacles occur. 50% of the promotion budget is used by giving away luxurious gift to ateliers to encourage them selling the Cielo perfume. There is an enormous high tea twice a year. But since Wye valley has not launched any new or interesting things, the press appears not to be interested at all. Lisa Rackham feared to use an interactive way of communication. By using business-to-consumer tactics and business-to-business tactics, such as any kind of advertising directed to the target group chosen, Wye Valley Fragrances main goal concerning its external communication is to achieve enormous brand awareness and a rising demand for its perfume.

Instruments such as the following will be dealt with to achieve the external goals:

- ❖ Glossy magazines
- ❖ Newspapers
- ❖ Billboards
- ❖ Internet
- ❖ Flyers in packaging
- ❖ Samples
- ❖ Seasonal discount

### 3.5 Public relations

Wye valley Ltd chooses for the following tools to keep a positive and clear relation with external groups:

- ❖ Keep in constant contact with retailers and suppliers, either by email, telephone or letters. To keep all these negotiations smooth, and positive.
- ❖ Create our own homepage. This can be a source of information to all our possible future stakeholders about Wye valley (company mission, products, prices, etc.).
- ❖ Show interest, Christmas wishes, invitations, etc. are very important, in order to also build a more personal working environment, which will lead to more trust in the corporations.
- ❖ Invitations to open days or celebrations will be sent out regularly,
- ❖ To keep the relationship to our neighbours peaceful, they will be informed by personal notes about upcoming events taking place in their surrounding.
- ❖ Invite the press to special events. This brings free publicity and promotion.

Wye valley fragrances want to be present in magazines that are read by this target group. We want to be seen outdoors. Our goal is to be present in the people's minds through the earlier listed instruments. When thinking of the name Cielo, values such as good quality, exclusivity, feeling special and relaxed by using our products should occur in these women's minds.

Below you will find a detailed description of these means that Wye Valley will use in the upcoming year.

- ❖ Advertising of one page (a4 format) in **Harper's Bazaar**, this is luxury women's magazine which comes out every month. Started from January 2006.
- ❖ *Fashion excites. It emboldens. It transforms. It ignites desire. Harper's BAZAAR is for women who know this, and why BAZAAR is a world-renowned arbiter of fashion and good taste. BAZAAR is a world where a woman finds more of what she truly wants—the power to distinguish herself.*
- ❖ Advertising in **Easy Living**, this is also a women's glossy magazine which comes out every month
- ❖ *Easy Living optimises time without compromising on style. Fashionable and functional, glossy and beautiful, as well as practical and helpful. Easy Living is about making life as great as it can be.*
- ❖ Newspapers, such as **Celebrity newspaper** shall be used by Wye valley fragrances.
- ❖ *There is no other tabloid like Celebrati in the United Kingdom. Unique to its core with its insider coverage on fashion, music, film, accessories, wellbeing, fitness, beauty,*

*culture and travel written by key fashion figures and luminaries. It is an intelligent, witty, contemporary tabloid which has an attractive and enchanting enticement. Celebráti explores the marriage of luminary culture with vogue through intimate interviews, lifestyle and sub cultures*

- ❖ Billboards with colourful ads of Cielo perfume in combination with a classy nice model will be decorating mostly the streets of the three areas (London, Northern Scotland, and Northern Ireland) more frequently during the warm times. This are the times that women go out a lot, for shopping of having a drink with friends. While the winter and fall are still present not many people like to be outside. That is why during the warm seasons more billboards will wear our ads. But during the month of December there will always be outdoor advertising, because it is Christmas time where our potential customer pays more attention to what is on the market.
- ❖ Internet In order for people to inform themselves about the variety of products we sell, to inform themselves about what Wye valley stands for, what offers we make. The customers will be able to visit Wye valley fragrances fast and easy just from home, from work or any place where an internet access is possible.
- ❖ This homepage shall answer all questions that may occur either by looking up certain details or by sending an email which will be replied as soon as possible. Additionally the design of this homepage shall already give a positive impression to those who are thinking of a purchase for the first time, and maintain the positive attitude of current customers who are already familiar with our company. The homepage will of course be available 24/7 hours a day, and will be actualized every time any new changes occur. It will be designed by a professional agency, which will charge a certain amount for creating and actualizing the page.
- ❖ Wye valley Ltd will use lotion and eau de toilette samples, which will be given to approximately 15 retailers a month. They can divide the samples amongst potential customers, so Cielo will be known by new potential buyers.
- ❖ In the summer months Wye valley will give seasonal discount on the products to retailers who buy in the months June, July August.

**Communication Budget for the first year**

<b>Internal communication</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
<b>Newsletter</b>	£250,00	£250,00	£250,00	£250,00
<b>Trips</b>		£1000,00		£1000,00
<b>Total for quarter</b>	<b>£250,00</b>	<b>£1250,00</b>	<b>£250,00</b>	<b>£1250,00</b>

<b>External Communication</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
<b>Company website</b>	£1.700,00			
<b>Flyers in packaging</b>				£5.327,00
<b>Samples</b>	£3.060,00	£3.570,00	£3.570,00	£5.100,00
<b>Harpers Bazaar</b>	£635,00	£635,00	£1.270,00	£1.270,00
<b>Easy living</b>	£1260,00	£630,00		£1.260,00
<b>Celebrati</b>	£500,00	£1000,00		£1.000,00
<b>Billboards</b>	£6.250,00	£2.500,00	£3.750,00	
<b>Seasonal discounts</b>		£1.260,00	£2.490,00	
<b>Total for quarter</b>	<b>£13.405,00</b>	<b>£9.595,00</b>	<b>£11.580,00</b>	<b>£13.457,00</b>



## CH4 Logistics

### 4.1 Introduction

Logistics play an important role in the success of a company. In order for the resurrection plan Wye Valley to be successful, the logistics department will have to come up with a departmental scrutiny.

In the logistics plan, the current department situation will be looked into and analyzed. A SWOT analysis will enable the logistics manager to know the problems of the department. After this analysis, objectives will be drawn on how to build on strengths and overcome weaknesses. Afterwards, a departmental analysis will be done in accordance to the general strategy for an improved and efficient logistics department for the future.

### 4.2 Current situation

#### The product range & the suppliers

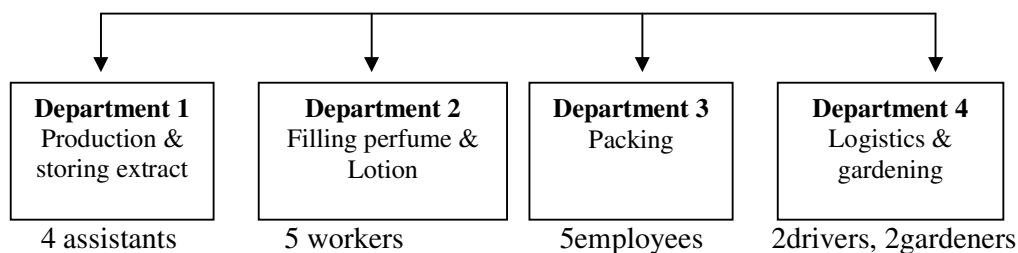
Currently, the Wye Valley Company offers four products in the market which includes Cielo Perfume, Cielo Eau de Perfume, Cielo Body Lotion and Cielo Candle. Of the four products offered, Cielo Perfume, Cielo Eau de Perfume and Cielo Body Lotion are produced in the company's own factory.

Also, all ingredients for the production of the company's products are purchased from supplier except for the extracts of grape leaves which are produced by the company.

At the moment, containers used (bottles) for the perfumes are custom made by a Canadian company – Alice-Aliya. The glass bottles for Eau de Perfume and Body Lotion at the moment costs the company £ 0.99 per bottle. For the cardboard used to package the products, the company has no stable and standard supplier as a result of fluctuation in prices and special offers by printers. Cardboard boxes are order four times a year printer who offer the best prices suitable for the company.

Cielo Candles are produced with a unique Cielo essence for Wye Valley by a London based company – Princes Candles.

#### Organogram of production - 2005



### **Distribution Channel - 2005**

Cielo Perfume is currently sold by about 50 exclusive designer fashion retail stores around the UK. Eau de Parfum is sold by about 100 perfume specialty stores with a luxurious atmosphere. About 55 luxurious beauty centres around England sell the company's body lotion. Cielo Candles are sold in general by up-market interior decoration stores.

**Sales in 2005**

<b>month</b>	<b>Cielo Parfum</b>	<b>Cielo Eau de Parfum</b>	<b>Cielo Body Lotion</b>	<b>Cielo Candles</b>
<b>January</b>	75	800	2000	500
<b>February</b>	120	800	2000	500
<b>March</b>	100	1500	2000	500
<b>April</b>	300	4000	3500	500
<b>May</b>	100	800	2000	500
<b>June</b>	50	800	2000	2000
<b>July</b>	10	800	2000	2000
<b>August</b>	10	800	2000	2000
<b>September</b>	50	800	2000	2000
<b>October</b>	150	2000	3000	3000
<b>November</b>	500	3000	5000	5000
<b>December</b>	635	8900	7000	2000
<b>Total</b>	<b>2100</b>	<b>25000</b>	<b>34500</b>	<b>25000</b>

### **Transportation/Distribution**

The company presently distributes its products by means of a delivery van of two drivers that deliver the products from the company to retailers around the country.

\* The weight of the van is 3500kg, carries on 520kg, the dimension of the cargo hull are 4250\*2020\*1970 m<sup>3</sup>

<b>Total distribution cost</b>	<b>£161,600</b>
Physical distribution cost ( Four products) <i>Gas costs£0.6/km</i> <i>1kilometer = 0.62miles</i>	£1,392,00
Depreciation of the van	£3,900
Wages of two drivers Extra costs (the local road charge/ the unload cost ect.)	£2000 + £15000 Unsure costs (≈£1,500)

**The warehouse has a capacity of 240m<sup>3</sup>which is located next to the production.**

### ***4.3 Problem definition by SWOT***

Before coming up with a strategy for improvement in the logistics department geared towards the main plan of the project, it will be wise to take a look at the internal Strengths and Weaknesses and the external Opportunities and Threats experienced in the department:

#### **Strengths**

The crystal bottle of Cielo Parfum is exclusive which continues to attract more customers  
Availability of suppliers of quality and less expensive raw materials  
Convenient location from Production halls to warehouse

#### **Weakness**

Production costs are extremely high  
Overcapacity of workers in the department that costs the company more money  
Huge costs of physical distribution by running the truck

#### **Opportunities**

The fragrance market is growing

#### **Threats**

Unavailability of stable suppliers of cardboard packaging boxes  
Furious competition among premium brands

Based on the above, the department will come up with a main objective on building on strengths, making use of opportunities, conquer weaknesses and overcome threats.

### ***4.4 Objectives***

Based on the overall strategy, the main goal/objective of the logistics department is to become efficient with minimum costs as best as possible. Efficiency in the aspect of timely raw materials availability, have control over inventory and timely delivery of products to customers. This can be listed as follows:

- ❖ Use the current good relationship with our supplier and implement a well structured re-ordering point that will enable raw materials to be available at and when needed for production
- ❖ Come up with a good inventory structure that will enable prompt delivery of products to customers and safety stock control
- ❖ Come up with a less expensive and efficient method of delivery of products to customers other than the existing expensive truck of the company

## 4.5 Implementation

Based upon the objectives of the department and the company's resurrection strategy, the logistics department will implement its objectives by looking at purchase of materials (raw materials, filling bottles and packaging boxes), production and inventory and delivery of finished products to the customers.

### Purchase Analysis

- ❖ Alice-Aliya will remain the company's supplier of crystal bottles. Also, the company will remain to be ordering Cielo bottles and ingredients from the current suppliers because of long term business experience with them and their location within the UK.
- ❖ Also, our current suppliers have provisions of reduced prices if we go into contract for long term purchase from them. Therefore, we will go into a long term purchase contract with them which will mean getting the same products at lesser prices from them.
- ❖ Purchases will be done on an as and when basis in order to prevent huge inventory of materials. As a result, the available inventory of 2005 will first be used for production and a well planned system put in place to avoid such in the future.
- ❖ Based on a contract with our present suppliers, the following change (reduced price) in materials cost will be effected:

<b>*Bottles</b>	New prices	Old prices
Cielo crystal bottles	£ 35	£ 37
Cielo plastic bottles	£ 0.70	£ 0.99
Cielo lotion	£ 0.70	£ 0.99
Cielo candle	£ 1.5	£ 3.00
<b>*Ingredients</b>	New prices	Old prices
Cielo parfum	£ 12	£ 19
Cielo Eau de Parfum	£ 9	£ 16
Cielo Lotion	£ 4.5	£ 8
Cielo candle	£ 6	£ 10
<b>*Packing</b>	£ 0.33	*£ 2.00(fluctuating price)

- ❖ We will have a supplier of packaging boxes from the British boxes & packaging

association .The design and size are made and measured according to the Cielo products.

### **Production Description**

Cielo parfum, Cielo Eau de Parfum and Lotion are produced in the production hall of the company. The candles are still outsourced to Prices candle in London according to the requirements of the company. 8 grams of ingredients is needed to produce a bottle of Cielo Absolut Parfum, 6 grams for Cielo Eau de Parfum and 3 grams for Cielo Body Lotion. Even though the candles are produced by another company, 4grams of ingredients are used to produce one unit of candle.

As the products of the company are ready to use/consume products, they fall under Decoupling Point I (DPI). When a consumer gets our products from our customers (retail stores), there will be no further improvements or delayed delivery. From the point of purchase, it can be used by the consumer immediately (if wanted to).

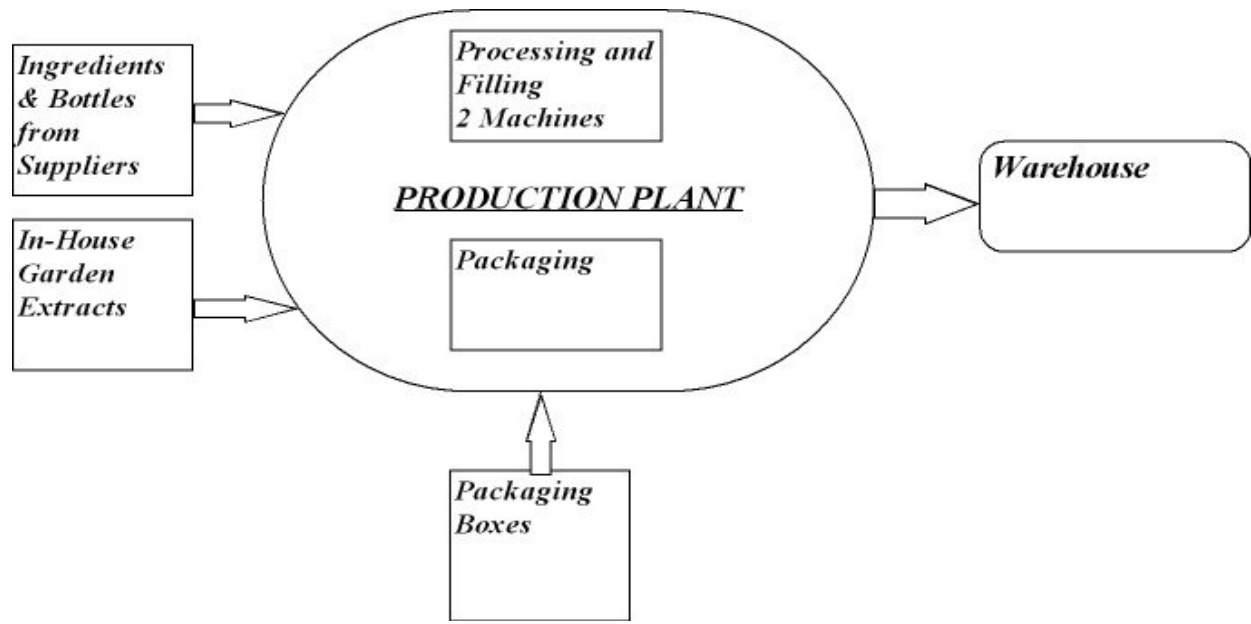
*The dimensions of the products are listed below:*

<b>*Products</b>	<b>Weight</b>	<b>Size (h-w-l) in cm</b>
Ceilo parfum 30ml	50 grams	6*3.5*3
Cielo Eau de 50ml	95 grams	10*4.5*4.5
Body lotion 250ml	300 grams	15*7*7
Cielo Candle 45 hours	400 grams	10*8*8

---

The production process undergoes the following processes before the goods are ready for distribution to our customers.

### **Production Line Procedure**



### **Decoupling Point**

By virtue of the type of products the company offers to the market, our products will be set under Decoupling Point I (DP1). Customers upon purchase of our products from retail stores get the product immediately and can be utilised by the consumer from the time of purchase onwards.

### **Warehouse analysis**

The current warehouse capacity of 240m<sup>3</sup> is spacious enough to store inventory for both production materials and finished products. As a result of this, the present warehouse will be maintained combined with its location that is suitable for fast delivery of products. Using the warehouse to capacity will be achieved by using an ERP system which will be used to monitor supply chain flow and control physical distribution to ensure that purchasing, production and distribution are controlled accurately.

### **Using ERP system**

The department will need to purchase ERP software for the cost of £2,000 (two thousand pounds) for the efficient running of the department. This software will enable the department to monitor and control orders and deliveries efficiently. With this program, the department will be able to control its Re-Ordering Point (ROP) and reduce delivery time as it will monitor material inventory in stock and finished products inventory and customer orders.

(More information about the ERP software is in the appendix.)

In order to be more efficient, we will need to calculate how much safety stock is needed at

each point in time. The following ROP calculations show the amount needed for safety stock.

***\*Re-order points***

<b>product</b>	<b>Sales in 2006</b>	<b>Demand per day</b>	<b>Lead time</b>	<b>Safety stock 1/2LT*D</b>
<b>Cielo parfum</b>	7252	27	19	257
<b>Cielo Eau de</b>	29095	109	3	164
<b>Cielo lotion</b>	60175	224	3	336
<b>Cielo candle</b>	30694	115	3	173

<b><math>ROP = D*LT + SS</math></b>	
<b>Cielo parfum</b>	770
<b>Cielo Eau de</b>	491
<b>Cielo lotion</b>	1008
<b>Cielo candle</b>	518

\* New orders will be placed to suppliers when the quantity reaches the ROP

## **Distribution Analysis**

### **❖ Our distribution channels are mainly focussed on B2B**

Our products will be distributed across the UK by retail stores. As we want to keep our customers satisfied with our products at a very reasonable price, we therefore will continue to bypass wholesalers and continue to supply retail stores.

The main distribution areas of our products will be East & West Midlands, North England and Scotland.

With the ongoing policy and (re) selection of retailers, we have in total 244 outlets spreading across the UK for selling cello perfume, cello Eau de perfume, cello lotion and cello candle. It covers 50 Ateliers, 50 specialist stores, 55 beauty centres and 30 interior shops. The following is a list of few main retailers

<b>Name of</b>	<b>Location</b>	<b>Scales</b>	<b>Websites</b>
----------------	-----------------	---------------	-----------------

<b>Retailer</b>			
<b>House of Fraser</b>	London ,Scotland,Midlands/North	Throughout the UK ( big)	<a href="http://www.houseoffraser.co.uk">www.houseoffraser.co.uk</a>
<b>Harrods</b>	Knightsbridge	Specific ( medium)	<a href="http://www.harrods.com/cultures/">www.harrods.com/cultures/</a>
<b>Garden pharmacy</b>	London (in Covent garden)	Medium	<a href="http://www.garden.co.uk">www.garden.co.uk</a>
			-
<b>The perfume shop</b>	134shops throughout	Through the UK	<a href="http://www.theperfumeshop.com/">www.theperfumeshop.com/</a>
	The country	( big)	-

### Transportation Analysis

The current method of distribution of products to customers is costing the company more spending. As a result of that, the logistics department will stop the use of the van and make use of a cheap and efficient way of distribution of goods to our customers.

The company will go into contract with DHL with a tailor-made business solution. The present van will be sold and revenues used for beneficial purpose. The agreement between Wye Valley Company and DHL will be:

- ❖ Distribution of finished products to retailers across the country
- ❖ Transferring raw materials to Wye Valley Company
- ❖ Payments will be made to DHL on a quarterly basis
- ❖ Delivery costs will be calculated based on weight and size dimension

Based on the sales forecast of 2006 , the total distribution cost for using DHL will be **£19,324.5** .

Compared to transportation cost of 2005 (£161,600), transportation cost in 2006 will be much cheaper.

#### *2006 Transportation Cost to Retailers*

	<i><b>Q1</b></i>	<i><b>Q2</b></i>	<i><b>Q3</b></i>	<i><b>Q4</b></i>
<i><b>Cielo P</b></i>	<i>55.7kg</i>	<i>53.25kg</i>	<i>66.95kg</i>	<i>186.75kg</i>
<i><b>Cielo E</b></i>	<i>294.5kg</i>	<i>575.80kg</i>	<i>773.87kg</i>	<i>1119.86kg</i>
<i><b>Cielo L</b></i>	<i>1800kg</i>	<i>2997.3kg</i>	<i>5397.6kg</i>	<i>7857.6kg</i>
<i><b>Cielo c</b></i>	<i>936.8kg</i>	<i>1122.4kg</i>	<i>1204.4kg</i>	<i>9013.6kg</i>



	Q1	Q2	Q3	Q4
Cielo p	£62	£62	£70.5	£147
Cielo E	£214	£408	£489	£653
Cielo L	£899	£1713	£3143	£4366
Cielo C	£571	£653	£694	£5180
Total	£1746	£2836	£4396.5	£10346

Total: £19,324.5

## 4.6 Final conclusion

It can be seen from the above logistics plan that the department will save the Finance department some costs.

- ❖ The contract with suppliers as we can see will enable the department to procure production materials at a lesser price compared to 2005 which will increase Contribution Margins. Furthermore, business relationship with suppliers will be stable for a long time.
- ❖ With the ERP software installed and running, material management and products delivery will be very efficient thereby satisfying our customers with on time delivery.
- ❖ Distribution channels have been expanded as a result of delivery efficiency.
- ❖ Outsourcing distribution to DHL will be less expensive compared to 2005 thereby saving cost.

*The complete Logistics budget can be found in Appendix1*

## CH5 Human Resources Management plan

### 5.1 Introduction

Here, we first identify present critical shortcomings in their management and set strategic goals towards a better (more strategic) utilization of the Human resources. Next, we select human resources strategies such as work flows, staffing, performance appraisals and training which fit and will be fully incorporated in the company's new business strategy. Finally, we mention the more routine Human resources related issues such as recruiting, performance management, staff relations and manpower planning.

Being a relative small company and taking other factors into consideration, we do not find a separate Human resources manager an absolute necessity. However, we find it of utmost importance that the top and line management; in this case the owners and all team leaders, are encouraged to value Human resources as a key element in the organisations effectiveness and performance and to fully participate and implement this plan. Eventually, with growth, a Human resources manager would be required.

## 5.2 Strategic Analysis

The organisation's Mission, Vision and strategy (page 4) form tools in identifying the organization's strategic objectives.

The strategic analysis entails an understanding of the formulated Mission, Vision and Strategy so as to identify key issues, the strategic direction and the critical success factors of the company.

a) The following key issues have been identified in this resurrection plan:

- ❖ The repositioning strategy of the existing products
- ❖ The organisation's Focused competitive business strategy
- ❖ Ultimate customer satisfaction, retention and loyalty
- ❖ Increasing brand awareness by at least 10%
- ❖ An increase in sales in short and long run
- ❖ Optimisation and modernisation in the field of communication
- ❖ Organisational restructuring

The above listed issues can be interpreted as the organisations strategic goals, guiding it back onto the right track. *These are goals that can be successfully achieved by making good use of the human resources of the company.*

b) One of our future objectives *is the lengthening of our product line beyond its current range.* This is our **strategic direction**. We hope to be able to achieve this, boosting sales and yet remaining focused.

c) Saving the company from the clutches of bankruptcy is our major current concern and thus; ***the design and strength of our advertising***

### ***The price of the products***

Are the **Critical factors of success**? These factors are critical because they determine the success of other objectives. For example whether we can succeed in winning and satisfying the final customers, or achieving the targeted boost in sales depends on how efficient and effective these two factors are planned and executed.

## 5.3 Strategic Human resources

### Identifying Human Resources issues

To help pin-point the shortcomings of and identify how and where the human resources department can be strategically fitted into our new strategy, we put forward the following questions.

QUESTIONS	
<p><i>-Do the present competencies match with the new strategic objectives?</i></p> <p><i>-What about for future needs?</i></p>	<p>--To reposition our existing products we lack the required marketing and sales and, communication skills.</p> <p>--The management will have to fit into the new strategy.</p> <p>--Do we need to develop the skills of the production, packaging and filling departments?</p> <p>--Our logistics department will need adjustments so as to better face the new challenges.</p>
<p><i>-Is there an employee appraisal /performance tracking system in place?</i></p> <p><i>-Do we have an optimisation of employee output?</i></p>	<p>--We have no set standards of performance in the different departments?</p> <p>--There is no system to evaluate and upgrade Employee's performance at present.</p>
<p><i>-Is the present manpower level sufficient for the new plan or are we faced with a labour obsolesce? And how will it affect the work flow.</i></p>	<p>--We need to eliminate certain jobs.</p> <p>--We might need to downsize the number of workers to have an efficient work flow.</p> <p>--We need to revise the work flow in the company</p>
<p><i>-Do and can we attract the right people we currently need as well as for future needs to help put the plan into effect?</i></p>	<p>We presently lack some qualifications and or skills needed to build highly qualified and / or efficient personnel for the new plan.</p>
<p><i>-Do we have a company culture that matches with our strategy?</i></p>	<p>--How will the organisation's culture contribute to its success and to employee morale?</p>

## Strategic Human Resources implications

HR implications found in the strategic analysis include:

### ❖ **Staffing**

We need to be able to retain, attract and recruit the necessary skills/qualifications, building a high-quality organisational employee skill level.

### ❖ **Job analysis**

We need to clearly define what jobs are needed as well as the required tasks and responsibilities, for present and future needs.

### ❖ **Compensation.**

The compensation scheme has to be revised. On one hand, it will act as a good motivation tool and on the other as an incentive to help cut our costs. Naturally, the new scheme will respect the UK labour laws.

### ❖ **Work flows**

We have to reorganise the work flow, emphasizing on broadly defined jobs and loose work planning, efficiency, Control, and part-time jobs.

### ❖ **Morale and Company culture**

Here we must concentrate on building a favourable working atmosphere and employee commitment.

### ❖ **Employee Separation**

To effectively meet up with the new goals, we must optimise the organisation's human resources as well as reduce its costs where possible. In some instances our option is to downsize certain departments.

### ❖ **Training**

We need to train individuals and teams to better fit the new skill requirements

## Human Resources Strategy

From the above human resources choices, **we set some specific goals for this department** which should be achieved within the next year in the bid to resurrect the company *as well as a guide for future management*.

- ❖ An improvement in employee attitude and commitment by at least 40%
- ❖ Creating and seeking plausible motivation and individual development
- ❖ Creating a high performance and committed top management team who fully appreciate the people side of productivity
- ❖ Setting in place an appraisal system for the different employee levels and employee survey forms
- ❖ At least a 50% increase in the management of work flow
- ❖ Redesigning compensation to incentives performance.

These lead to the department stating its own guiding strategy which falls in line with the overall. This strategy will accommodate the eventual expansion of the organisation.

**‘Promoting a family based entrepreneurial company identity which emphasizes on flexibility.’**

This strategy should encourage employees to express an **“organisational citizenship” behaviour**; that is, act like it is their own company. This is important for such a small company as it *encourages their discretionary contribution and commitment*.

## ***5.4 Ongoing Human Resources***

The management will be in charge of the routine Human resources decisions. Specifically, the General Supervisor, Lisa Rackham is amongst other things responsible for;

### **Recruiting and selection**

Recruiting will be done by using referrals from employees, former employees, students for part-time student jobs and College interns.

### **Employee Orientation**

Introducing new employees to their jobs and the organisation, getting them settled down in the new environment.

### **Managing Wages and Salaries**

Organising the payments of salaries, bonuses and other compensation related payments.

### **Employee evaluation and performance appraisal**

Organises when and how, with employee participation, jobs will be appraised by management and peer. Also responsible for setting realistic performance standards for the different jobs.

### **Ensuring a safe and fair environment for employees**

### **Communicating**

Sees to and the organisation of interviews, counselling, discipline and the general internal communication: refer to the internal communication page 18.

### **Training; on-the-job and organising other trainings when needed**

### **Protecting employees health and physical conditions**

## ***5.5 Human Resources actions***

Based on the strategic analysis, we **have prioritised and decided on certain actions to take in order to redress the Human resources management.**

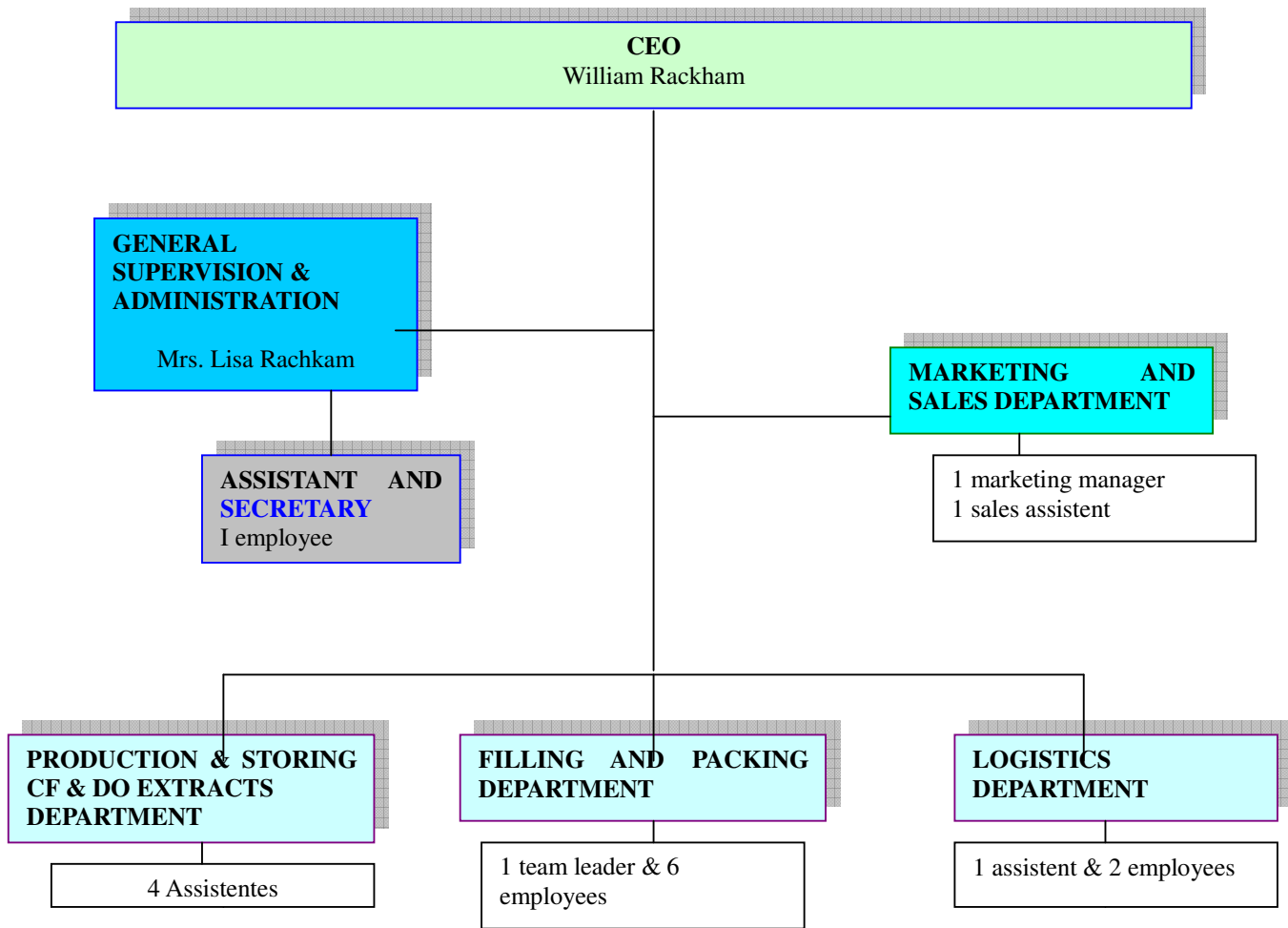
### **New staff and structure**

There is a need for more qualified staff to meet the 47% target sales raise and to effectively execute our repositioning strategy because our success is based on how well this is done. Emphasis is placed on qualification and **“fit”** of applicant(s) with firm’s culture.

The New Marketing and sales department ***will have to be staffed***. We still **outsource the finance assistant** in the first year and employ a permanent staff the following year.

The Packaging and Filling departments have been ***merged as one***. The gardening department **now forms part of the logistic department**. One of the secretaries will hold the position of

the **logistic assistant**. Most positions maintain former staff but see to their **necessary reorientation to redefine and adjust them to the changes in the company**.  
See the **new organogram** below:



## Job description

See Appendix 2 for table with job descriptions

The job description for each position has been done following the job analysis. The redefinition of some jobs has increased the scope of responsibility and flexibility of the employee. The job description also guides us in setting performance standards and in appraising and eventual performance reward.

## Employee separations

The department of packaging (which has been merging with that of filling) will be downsized, as we need three employees less. Thus we will have a total of 7 employees in the department. From the production forecasts for 2006, refer to the financial Appendix 3; we calculated the labour capacity we need. The 7 employees are capable of handling production increases in the near future. We plan to recruit more part-time workers for periods of high production activities for example in November and December. The redundant employees will have priority during the recruiting.

In the logistics department, the positions of trucker and his assistant will disappear because the distribution of our products has been outsourced.

We have relocated 5 employees in total. Our organisation has been reduced from a 22 man company to 19 (plus the 2 newly recruited staff).

See a detail of the social plan in Appendix 2

## Work flows

We have opted for broadly defined jobs and the use of more part-time workers which will greatly **increase job flexibility and the firm's flexibility**.

The 7 employees in the packing and filling department will each both alternate between packing and filling on a weekly or monthly base. No one will be fixed to a particular task and the team leader is responsible for their organisation. Refer to page 30 of the Logistics department for a diagram of the workflow in the production chain. Part-time employees (such as students) will be contracted in periods of high production.

The Gardeners task will be extended to include overseeing the warehouse.

Generally we will work with **self-managed team's**. However, the Marketing and Sales department is directly supervised by the CEO, William, who is also the head of the production department. There is also the opportunity for college interns to do their internships here and thus bring in new innovating marketing and sales ideas. The team leader of the P&F department and all other departments will report directly to the general supervisor, Lisa Rachkam.

At the end of each quarter, performance **appraisals** will be done based on the prior standards set for the job. Team members will also appraised each other using appraisal forms (peer assessments) and give feedback. For the non-team departments, the top management will be directly responsible for controlling their output and controlling if there is need for changes.

## Compensation

To incentivize cost management in the resurrection process, we revised the salaries of the top management. This is a temporal situation and a dividend system will be drawn up for the expected future boom in sales.

Owner	Present salary	% reduction	Revised salary
William Rachkam	£ 80,000	30 %	<b>£ 56,000</b>
Lisa Rachkam	£ 50,000	24 %	<b>£ 38,000</b>

The salary of the marketing/sales manager has been set at £35,000. The sales assistant earns £28,500 pounds per year. These salaries *exclude a very competitive bonus based on sales performance as well as expenses allowances.*

The salaries of all the employees in the filling and packing department are set at £24,250. This is an equal salary incentive due to the change in work flow in the department. The eventual *Part-time employees here will receive their part-pay and all the benefits received by full time workers.*

The salaries of the logistics employees, that is the gardeners, will increase from £10,000 to £11,500 because of increase in scope of responsibility (includes gardening and warehousing)

This distinct and fair compensation system should accommodate the different categories of workers depending on the required skills and qualifications and leaves room for salary increases. See salary table in Appendix 2

The 3% increase in the fringe benefits, increases it from 17% to a total of 20% of the payroll. This amount now meets the industrial average.

### **Employee Morale**

We know that all employees are critical stakeholders for the company. We want them to exert maximum effort in performing assigned tasks at the same time keeping them satisfied and loyal. We will do this by improving the morale.

*First, create a conducive working atmosphere by setting in place a **written code of conduct** which should be respected by all. This code of conduct will be drawn up with the aid of the employees. **We will in essence build a company culture which fosters fairness, say what's on your mind, and respect the individual.*** This culture reflects our shared values and encourages employees' active participation. **We will also strive to;**

- ❖ **Enhance the company image, style and prestige.**
- ❖ **Pursue profit but not at the expense of quality**

Second, the **new salary scheme is another source of motivation.** These figures indicate that each employee receives an average hourly wage above the UK National minimum of 5.05 pounds /hour. **The revised fringe benefits will provide job security and satisfaction.**

**The specific production targets set per day, week, month or quarter for each department, again is done with employee's participation.**

**Staff opinion surveys** will demonstrate each individual's input in the Human resources management.

We also want the employees to be completely up to date with what is happening in and to the company and the industry as a whole as this affects them directly or indirectly. Thus we will have **information boards** set up. Also See Internal communication page .....

The management will *embark on a mission to try and discover and reward the motives* of each employee, as this is a relatively small company.

These policies should greatly reduce the % of employee illness, absenteeism and grievances.



## **Training**

There will be trainings and development organised at the individual and team level where applicable. These are geared towards the strategic changes and challenges the firm is undergoing and facing respectively...

The CEO, William Rackham will take the leadership, time and business management training course that is offered for firms undergoing changes. It is offered by Management Training and Development, in London.

Lisa, the General Supervisor, will need to learn how to better oversee the departments, run the human resources and develop amongst others; top communicator and emotional intelligence skills, self mastery, learn to ask key questions, as well as the use of body language to establish and maintain good working relationships. (John Seymour Associates; courses for managers)

The team leader of the filling and packaging team will also undergo a short 2 day module to better execute his/her new responsibility.

The employees of the packaging and filling department will be reoriented to communicate the new changes in the work flow and company

Costs of the courses are in Appendix 2

## **Miscellaneous**

Other activities related to the human resources of the organisation include;

- ❖ Each employee receives a birthday gift each year of a total amount of £ 20 chosen by the employees. It is the gesture that is important here and the promotion of a family entrepreneurial atmosphere
- ❖ For social activities, a hike, walk or picnic will be organised each year .This is to promote our company culture
- ❖ The new marketing office will be furnished and the costs are all included in the budget

## 5.6 HRM Finances

The total costs of the human resources is shown below and compared with the previous costs we received. As we can see, the difference is not great and the new cost includes several new strategic incentives. With increase in revenue, we believe that a lot more can be invested in this department for the good of the company in the long run.

	<b>Revised costs in £</b>	<b>Former costs in £</b>
Total Salaries	<b>503,250.</b>	528,000
fringe benefits	<b>100,650</b>	89,760
Total Training costs	<b>1,601.63</b>	0
Redundancy payments costs	<b>18,000</b>	0
Out sourced Accountant	<b>18,000</b>	18,000
furnishing new office	<b>543</b>	0
Miscellaneous	<b>450</b>	0
<b><i>total costs</i></b>	<b><u>642,494.6</u></b>	<b><u>635,760</u></b>

## Conclusion

We have restructured the company, employed new staff and reoriented and trained old staff where necessary. We have also revised the salary scheme and work flow s well as implemented performance appraisals. And finally, we have strived to build a fitting company culture.

These changes in the Human resources department, if well implemented are instrumental in the company achieving the goals of all its departments, the company strategy, objectives and Mission.

## CH6 Finance

### 6.1 Introduction

This is the third consecutive year the Wye Valley Ltd is experiencing a financial loss. At the end of the year 2005, the accumulated net loss recorded is £ 354,642. What is more worrying is that the losses displayed a considerable rising trend year on year. (year 2003 with net loss £30,245; year 2004 with net loss £183,700; year 2005 with net loss £265,697). Based on their highly finished goods *inventories* which are worth of £784,400, the gradually dropped sales number, the serious lack of capital for operation in the future, we launched this project which is expected to save Wye Valley Fragrances from the edge of bankruptcy and realize their profit again.

By implementation of the OPL new strategy, Wye Valley Ltd is going to reposition their product images; a series of changes will be involved in all departments which definitely will lead to establish the new company financial structure and the new net and loss statement.

❖ **The borrowed fund**

£75,000 will be borrowed with the interest rate 0.9% higher than that of the normal banks. Part of this money will be used as the input for the changes expenditures, for the left parts, 80% will be used to pay the long term loan, 5% hold to meet the needs of cash necessity.

❖ **The outsourcing of logistic and the streamlined management of the value chain**

Establishment stable corporate relationship with the old suppliers which lead to the discounted new raw material prices

❖ **The reduction of the production line workers by improved working efficiency**

❖ **The promotion and marketing effect: gradually increased sales**

❖ **The carefully selected distributors and the encouraging distribution strategies**

❖ **Strict logistic control policy combined by accurate sales and production forecast**

❖ **Dropped inventory will release considerable free capital which will be used to repay the long term loan and borrowed funds, the interest expenditure will decrease dramatically.**

**(The details advantages derived can be seen from each department's budget and income statement)**

All of the 5 points above, and the sufficient survey composed the background of the master budget for Wye Valley Ltd in year 2006, the budget income statement, the budget cash flow and ending balance sheet.

In the last part, the comparison of the financial ratios between year 2005 and year 2006 will show you a clear picture of the improvement of Wye Valley Ltd. The healthy indicators will convince you the effectiveness of this OPL project we launched.

## 6.2 Budgets

<b>marketing &amp; promotions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>promotion cost</b>	13250	9595	11380	13457
<b>dinner communication cost</b>	450	1250	450	1250
<b>OPL project cost</b>	12000			
<b>packing design cost</b>	1000			
<b>Total</b>	<b>26700</b>	<b>10845</b>	<b>11830</b>	<b>14707</b>

<b>Human Resources</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>office salaries(administration and sales managers)</b>	30375	30375	30375	30375
<b>indirect manufacturing overhead costs(gardener's salary and logistic worker' salary)</b>	9000	9000	9000	9000
<b>direct labor cost</b>	10.267,38	55.423,09	96.618,43	183.417,86
<b>fringe benefits</b>	25162,5	25162,5	25162,5	25162,5
<b>training costs</b>	0	346,63	760	0
<b>Furnishing new office</b>	543			
<b>redundancy compensation cost</b>		18000		
<b>miscellaneous cost</b>	530			450
<b>accountant cost</b>	4500,00	4500,00	4500,00	4500,00
<b>Total</b>	<b>80377,8776</b>	<b>142807,22</b>	<b>166415,93</b>	<b>252905,359</b>

<b>Logistics</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>raw material transportation</b>	151,50	256,00	284,50	400,50
<b>raw material cost</b>	16989,19	81916,16	157765,84	334105,69
<b>product distribution cost</b>	1746,00	2836,00	4396,00	10346,00
<b>candle outsourcing process cost</b>	0,00	13470,05	27298,15	112831,40
<b>Total</b>	<b>33337,32</b>	<b>151100,13</b>	<b>280340,22</b>	<b>608557,90</b>

### 6.3 Beginning balance sheet

Beginning Balance Sheet 2006 Jan.1			
Asset		Liability and Owners equity	
Current asset		Current Liabilities	
Cash	14000,00	accrued (interest payable)	73171,36
Ending finished inventory	784400,00	accrued salary payable	4233,33
Ending raw material inventory	83985,95	current account payable	67710,00
		<b>total current liability</b>	<b>145114,69</b>
packing box inventory	1894,00		
total inventory	870279,95		
prepaid distribution cost for candle	1500,00	long term liability	
Account receivable	10000,00	bank loan	914642,00
		Borrowed funds	0,00
Net account receivable	10000,00	<b>Total Liabilities</b>	<b>1059756,69</b>
<b>Total current asset</b>	<b>895779,95</b>		
		Owner's Equity	
Fixed asset		Paid in Capital	794063,26
building	629000,00	retained earnings	0,00
Car	20640,00	<b>Total Owner's Equity</b>	<b>794063,26</b>
truck	15600,00		
machines and office equipment	210000,00		
warehouse	82800,00		
<b>Total fixed asset</b>	<b>958040,00</b>		
<b>total asset</b>	<b>1853819,95</b>	<b>Total</b>	<b>1853819,95</b>

## 6.4 Income statement

Income statement				
	quarter1	quarter2	quarter3	quarter4
revenue	277382,00	415511,00	608741,00	1290899,00
beginning inventory	870279,95	665799,04	401351,80	273197,03
material purchased	16989,19	81916,16	157765,84	334105,69
labour cost and outsourcing cost	10267,38	68893,14	123916,58	296249,26
cost for sales available	897536,52	816608,34	683034,22	903551,97
ending inventory	665799,04	401351,80	273197,03	16051,42
cost of goods sold	231737,48	415256,54	409837,19	887500,56
contribution margin	45644,52	254,46	198903,81	403398,44
various overhead cost	121678,00	123491,13	109278,00	117111,00
operating income	-76033,48	-123236,67	89625,81	286287,44
other income	2904,00			
total income	(40870,11)	(109928,59)	109075,08	322398,12
bad debt cost	300,00	1248,219	1869,7995	2739,3345
interest cost	18292,84	74819,80	64304,59	52394,30
tax cost	-31185,59	-67763,59	7973,48	78592,29
net income	-60536,73	-131541,09	15477,94	152561,51
total				-24038,37

## 6.5 Cash flow statement

<b>cash flow</b>				
<b>cash beginning</b>	<b>quarter1</b>	<b>quarter2</b>	<b>quarter3</b>	<b>quarter4</b>
	14000,00	35708,01	52860,04	57219,64
<b>add cash receipts</b>				
<b>collection from this quarter</b>	235774,7	353184,35	517429,85	1097264,15
<b>collection from last quarter</b>	9700	40359,081	60456,8505	88571,8155
<b>return of prepaid candled distribution cost</b>	1500,00			
<b>total cash available</b>	260974,70	429251,4366	630746,7398	1243055,603
<b>deduct disbursement</b>				
<b>purchases from this quarter</b>	13591,35236	65532,92811	126212,6709	267284,5495
<b>purchases from last quarter</b>	67710,000	3397,83809	16383,23203	31553,16772
<b>direct labor and outsourcing</b>	10267,3776	68893,1396	123916,582	296249,2592
<b>various overhead cost</b>	98258	100071,13	85858	93691
<b>payment of accrued interest payable(2005)</b>	73171,36			
<b>payment of accrued salary payment</b>	4233,33			
<b>interest cost</b>	18292,84	74819,79821	64304,58564	52394,30177
<b>Tax</b>	-31185,59	-67763,59	7973,483772	78592,29354
<b>total disbursement</b>	254338,672	244951,2403	424648,5543	819764,5717
<b>investment activity</b>				
<b>computer 2</b>	1600			
<b>finance activity</b>				
<b>salveage value of truck</b>	20000			
<b>the tax on the salvage</b>	1496			
<b>net value</b>	18504			
<b>minium cash desired</b>	20.000	20.000	20.000	20.000
<b>total cash needed</b>	257.435	264.951	444.649	839.765
<b>cash excess (deficiency)</b>	3540,03	164300,20	186098,19	403291,03
<b>borrowing from lady D.Rayman</b>	75000			
<b>cash left</b>	78540,03	164300,20	186098,19	403291,03
<b>repayment to the bank</b>	62832,02242	131440,157	148878,5484	322632,82
<b>cash balance ending</b>	<b>15708,01</b>	<b>32860,04</b>	<b>37219,64</b>	<b>100658,21</b>

## 6.6 Ending balance sheet

ending balance sheet			
assets		liabilities	
cash	100658,21	account payable	66821,14
net account receivable	187825,8045	total current liability	66821,14
allowance of uncollectible account	5809,0455	long term long	248858,45
inventory ending	16051,41545	borrowed funds	75000,00
current asset	310344,47	owner's equity	794063,26
fix asset	850.360,00	retained earning	-24038,37
<b>total</b>	<b>1160704,47</b>	<b>total</b>	<b>1160704,47</b>

## 6.7 Business ratio's

liquidity ratio's	calculation	beginning 2006	ending 2006	Avon
<b>Current ratio</b>	current asset/current liabilities	6,18	4,64	1,643
<b>quick ratio</b>	currentasset-inventory/current liabilities	0,175	4,40	1,158
<b>cash ratio</b>	cash/ current liabilities	0,097	1,51	0,504

Quick ratio rose dramatically because through the implementation of various marketing and communication strategies, inventory dropped considerably, which released a lot of capital, however, we can see another problem emerged, there are too much cash hold currently, they need suggestion to invest in other area, and use more proportion of cash to do repayment.

profitablity ratio's	calculation	beginning 2006	ending 2006	Avon
<b>profit margin ratio</b>	net income/sales	-0,141	-0,01	0,109
<b>return on asset ratio:net</b>	income/total assets	-0,143	-0,02	0,204
<b>ROE</b>	net income/total equity	-22,141	-0,03	0,89



These indicators could reflect the healthy performance of Wye Valley now ,all of the three numbers are quite similar to the world famous AVON. The profit margin ratio have another function to explain the company's price and cost are reasonable while return on asset ratio demonstrate that for each pound investment could generate 0.32 pounds profit.

<b>Debt ratio's</b>	<b>calculation</b>	<b>beginning 2006</b>	<b>ending 2006</b>	<b>Avon</b>
<b>total debit ratio</b>	total liability/total assets	0,394	0,34	0,771
<b>debit/equity ratio</b>	total debt/total equity	1,334	0,51	3,366
<b>interest coverage ratio</b>	operating income/interest expense	-3,095	2,75	36,361

## **Conclusion**

Actually Wye Valley Ltd. had enough capital itself, since they did not have effective controlling of their inventory level before and lack of clear positioning, they made their production without noticing the needs of their market. After their deeper investigation, knowing the potential market size, the well predicated sales forecast has been made, which derived the correct production and purchasing budget, they could be confident on their quarterly budgets, so great inventories becomes unnecessary, capital being released. At this moment, the company should consider how to use their redundancy capital to expand their production line or new product development.

## CH7 Overall Conclusion

**We have made several changes in the Wye Valley Company as a whole as well as in all departments. The overall changes can be summarised below as;**

- ❖ Clearer definition of company goals and identity
- ❖ Better marketing and promotion strategies and improved detailed plans
- ❖ Emphasis on building brand image
- ❖ The Outsourcing of our logistics and the streamlining of value chain management
- ❖ The careful selection, revision and expansion of our distributors
- ❖ The strategic fitting of the human resources with the overall company strategy

These changes, if well implemented will set the company back on track as well as accommodate the opportunity for growth. Statistics do show that the overall popularity of premium fragrances on the rise. This is a great opportunity for Wye Valley Fragrances, who can lengthen her product line to for example male premium fragrances.

An investment in this company has several advantages which outweigh the downsides.

**Wye Valley Ltd has a bright future!**

## Sources

### Marketing

**market positioning:**

**Websites:**

[-http://www.themanager.org/Knowledgebase/Marketing](http://www.themanager.org/Knowledgebase/Marketing)

**marketing mix:**

**Websites:**

[-http://www.consultancymarketing.co.uk/marketing-mix.htm](http://www.consultancymarketing.co.uk/marketing-mix.htm)

**product & price:**

**Books:** -Principles of marketing, P. Kotler, 4th edition

**physical distribution:**

**Websites:** [-http://www.sdcexec.com/research](http://www.sdcexec.com/research)

[www.harrods.co.uk](http://www.harrods.co.uk)

[www.houdeoffraser.co.uk](http://www.houdeoffraser.co.uk)

[www.theperfumeshop.co.uk](http://www.theperfumeshop.co.uk)

**Books:** -Logistics. Practical, Reinders Pieters

**promotion:**

**Websites:** [-http://www.sbinfocanada.about.com/sc/marketing/a/bizpromotion.htm](http://www.sbinfocanada.about.com/sc/marketing/a/bizpromotion.htm)

[-http://www.managementhelp.org/mrktng/org\\_cmm.htm](http://www.managementhelp.org/mrktng/org_cmm.htm)

**Books:** -Principles of marketing, P. Kotler, 4th edition

-Creating a business J. van Sten

-Cielo background information

## **Communication**

### **Websites:**

[www.Celebrati.co.uk](http://www.Celebrati.co.uk)

[www.harpersandqueen.co.uk](http://www.harpersandqueen.co.uk)

[www.easyliving.co.uk](http://www.easyliving.co.uk)

Advertising: [www.jcdecaux.co.uk](http://www.jcdecaux.co.uk)

### **Books:**

-Principles of marketing, P. Kotler, 4th edition CH8, Place

-Cielo background information

## **Logistics**

### **Websites:**

Distribution: [www.DHL.co.uk](http://www.DHL.co.uk)

<http://www.sdcexec.com/research/>

ERP: <http://www.cio.com/research/erp/edit/erpbasics.html>

### **Books:**

-Principles of marketing, P. Kotler, 4th edition CH8, Place

-Logistics. Practical, Reinders Pieters

-Cielo background information

## **Human Resources:**

### **Websites:**

<http://www.revision-notes.co.uk/>

<http://www.chamberonline.co.uk/>

[www.paywizard.co.uk](http://www.paywizard.co.uk)

Han Blackboard/ OPL/ Course Documents/ Human resources info

-Cielo background information

## **Accounting:**

### **Websites:**

Overall info: <http://www.dwmbeancounter.com/acctg.html>

### **Books:**

-Financial Accounting, 9<sup>th</sup> Ed. All Chapters

-Cost Accounting, 12<sup>th</sup> Ed. CH 1-5

- Cielo background information