



Case study

Kristen Lockey had worked for her father’s building company for ten years. Now, she wanted to go it alone and start her own business. She didn’t want to compete directly with her father’s company. So she looked around for a different line of business. After much research, she came up with the idea of setting up a business specialising in building conservatories, verandas and decking.

Her father’s company had already done a few jobs installing conservatories. Kristen knew that there was a good market out there. However, she didn’t want to compete directly with the big companies in the market. They advertised heavily and had large numbers of people in sales, promoting their products. Kristen saw, though, there was a gap in the market for one-off, specially designed conservatories and decking. These would be made with the best materials. So Kristen would be able to charge her customers a high price for a product which had a lot of value added. High quality both of the product and of service would be the unique selling points for the business.

In her research, Kristen looked at whether there were any franchising opportunities available in the manufacture of conservatories. Taking on a franchise could help her establish her own business. However, she couldn’t find anything that looked suitable. So she decided that she would have to set up in business on her own.

Suggested discussion points/answers

1. Why are the needs of customers important for the success of Kristen Lockey’s new business?

Possible needs could include:

- has gone for a specific gap – customers who want high quality
- their needs and her USP match up
- market oriented product
- custom-built/made to measure
- unique designs

2. Explain why Kristen Lockey decided to make ‘one-off, specially designed’ conservatories.

Possible reasons could include:

- gap in the market
- has done some research to find this out
- no franchises suitable
- no competition
- did not want to compete with father
- bigger companies did not meet customer needs

3. Why might an entrepreneur looking to set up a new business consider a franchise?

Possible reasons could include:

- Known brand
- Tried and tested
- Training
- Adverts
- Equipment
- On-going products
- On-going support
- Advice
- Exclusive area
- May have better market knowledge