

Proposed Form of Business

Synergy will be a sole proprietorship. The choice of the form is due to some benefits associated with the sole proprietorship form of business according to Phillip (2003). First, the decisions will be made promptly without delay since the business will be solely owned by one person. There is no consultation. Secondly, there will be no sharing of profit, and the earnings will be just for the owner. Thirdly, the sole proprietorship does not require to be certified by any authority. Only a license is required. Further, the business is not liable for the corporate tax and the income generated from the business is taxed as individual income.

Competitive Analysis

Competitive analysis is an important concept in designing a business plan according to Kerin, Berkowitz, Hartley and Rudelius (2003). The spa business has some competitors but depending on the strategies that Synergy enterprise has in place to survive in the market. The closest enterprise with the closer services that the business is Brown Palace Hotel. It attracts more customers in the market by offering quality services by at a higher price. The company aims at offering the same product but offer a lesser price in the market. Further, the enterprise intends to hire more competent service providers for quality service to customers.

The competitors do not utilize the modern technology in the spa industry. Synergy plans to make use of modern equipment to place its self on competitive advantage. Further, there is less publicity of spa services in the market. Synergy intends to use the websites to encourage interaction from customers as well as getting feedback on the methods to use to satisfy the customers better.

The primary competitors are Brown Palace Hotel, SkyLimit Enterprises, and Gwen Spa. These are the market leaders in the spa services industry. However, each competitor has some weaknesses that Synergy can utilize in penetrating into the market and getting a significant market share. Their marketing strategies are weak as they use the old methods of advertising such as placing adverts on walls across the street of which fewer people pay attention.

The secondary competitors to Synergy are colleges and institutions that offer the spa lessons. The institutions offer cheap or at times free services to customers as students learn from the services. However, the cheaper services offered by these institution does not attract a significant number of customers due to the quality of services offered by unqualified students. Most of their clients are fellow students. Synergy focuses on upper and middle class in the society. The spa services are considered as luxury and they are price inelastic. Therefore, the secondary competitors do not play a vital role in the market to pose a threat to Synergy.

Competitive Advantages of Synergy

Being a new venture, the enterprise intends to source qualified service providers in the market. Since the market is service oriented, having a skilled staff will ensure the company to gain customer's loyalty as well as having referral customers. The workers will be competitively remunerated to retain them. On the other hand, the competitors use the students in offering spa services in their premises. This is a competitive advantage that Synergy can use to ensure survival and value creation.

References

Kotler, Phillip.(2003). "A Framework for Marketing Management." 2nd ed. Upper Saddle River, N.J.: Prentice Hall.

Roger Kerin, Eric Berkowitz, Steven Hartley, and William Rudelius. (2003) "Marketing." 7th Ed. New York, NY: Mc Graw Hill.