

## A SUCCESSFUL FAMILY BUSINESS IN UK: CASE STUDY OF SEVEN DAYS STORE

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**ABSTRACT:** This research study is an investigation of the successful small business entrepreneurs who are engaged in family owned business in England. The selected case study of seven days retail store at Luton UK who started the small family business during 2002 with very small investment and now its one of successful family businesses of Asian community in England. The seven days store offers a range of services while catering to the needs of the local Asian Muslim community. The store offers a range of ethnic groceries, Asian food, meat, fruits, vegetables, PCO services, and other convenience items at very competitive prices to its local customers and gain a good business progress and growth within a short timeframe. The study is investigated and analyzed by the principal author during his process of writing his book on Asian SME Management in UK. The data was collected by arranging questionnaires, personal structure interviews, field observations and group discussions with the family business owners and customers and analysis is done by coauthors. This case study is a true success story of an effective entrepreneur in SME Management.

**KEYWORDS:** BIS, SME Management, Family business, Entrepreneurial Development in UK and Asian Success Stories.

### INTRODUCTION

Asians are generally in retail business to serve their respective communities in the UK. This **Seven Days business** is chosen because it deals with Asian foods and is centrally located in a highly populated Asian and Muslim community at Dallow Road Luton. The company/business started in December 2002 and since then it has offered a range of services and catering to the needs of the local community. The store offers a range of ethnic groceries, halal meat, fruits, vegetables, PCO services, and other convenience items at very competitive prices run by successful businessman **Mr. Liaqat Ali S/O Mr. Abuzer Khan**.

Indeed, Seven Days Store is in its early stage of growth, I decided it would be interesting to investigate the small grocery business, run by an educated family. How business product lines and IT services are continuously introduced with the passage of time and to see what techniques are used to take the company from an 'introductory' stage to the 'growth stage' by the British Pakistani business own manager, Mr. Liaqat Ali and Family i.e. Mr. Asif Ali, a cousin of Mr. Ali, Mr. Yasar Ali, the elder son, Mr. Nasar Ali, the younger son of Mr. Liaqat Ali. Both of Mr. Ali's sons are university graduated (one in business and other in IT) and helping their family to run the business with its concepts and practices, they also helped to conduct a local survey for this research to present buying trends of the customers. They were borne and brought up here and quite different than other traditional business own managers in this region. The oldest Kashmir store established in mid 1960s and another Haji and Sons grocery store at Bury Park but both of them were not part of the research studies.

### FAMILY BUSINESS PROFILE

Mr. Abuzer Khan, father of Mr. Liaqat Ali was an army person and did not face any problems to work and stay with the British working environment. Mr. Khan migrated to Britain during early 1960s he got a gentle family a son Mr. Liaqat Ali and a daughter (Now Mrs. Asif). Mr. Khan shifted his wife and kids in early 1970s to educate his children in UK. Both of them got school education and got arranged marriages from Gujarkhan, Pakistan and decided to settle back in the UK. Mr. Liaqat Ali worked in the Vauxhall factory for some years and he was not a service minded person and left the factory. Initially he

became self employed by doing taxi business and also got a diploma/certificate in food hygiene from Chartered Institute of Environmental health (CIEH) to start his own business as he developed interests in business management during his early age from his uncle who was a successful businessman in Pakistan.

During interview session Mr. Ali told “Basically I wanted to be an independent person and preferred to do my own business rather working for others. I am not service minded individual but my father and other family members were in government services. In Pakistan government service is still considered a good career. My boys got employment offers but they are not willing to go back to Pakistan”.

Mr. Ali faced some problems to find a suitable place for his foods and groceries store. One day his next-door neighbor told him that he decided to quit his motor repairing workshop. It was a good place but comparatively expensive one; however, he took a bold decision and collected some money from his family friends and purchased the shops/buildings. He furnished and renovated the store himself by working day and nights to start up his own business.

Mr. Ali’s family went to Pakistan during the summer and arranged his sister’s marriage with Mr. Asif Mehmood (cousin) in 1997. Mr. Asif did his D.Com (FA) and was serving in a government department in Pakistan. He left his job as accountant in atomic energy and joined his wife in Luton on May 23, 1998. Mr. Asif initially got a job in Vauxhall factory with reference of Mr. Ali who was already working there. He worked in the factory for about five years and got promotion in production department due to his extra courses and training programmes but unfortunately he lost the job due to general job redundancy in the factory.

Mr. Asif decided to utilise his commerce education and joined the family business with his cousin, Mr. Ali. The business was further expanded in 2004 and they introduced three booths of the PCOs, which were quite successful those days. They also introduced a photo copying machine and cash machine on the same floor.

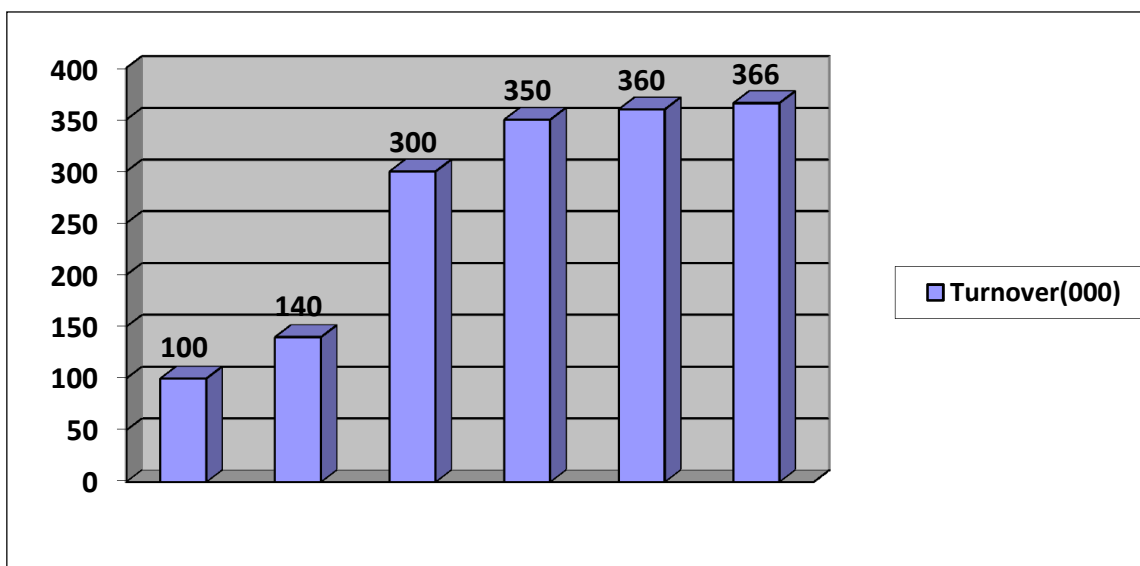
As per the demand of the local Muslim community they started halal meat by recruiting two butchers by arranging a separate cabin and other necessary machineries. The business is quite successful and they hired further staff members and trying to extend the shops and having a store capacity by utilizing the back garden space available. Both of the cousins and business partners are paying much attention to send their children in the schools, colleges and universities. As a result, Mr. Ali has three graduated sons and daughter. They are also helping in their family business in morning and evening shifts.

There are 10 workers full and part timers in the store. The Seven Days has free home delivery facilities for his regular customers and the store enjoys a good reputation for this additional service.

**SALES TRENDS IN SEVEN DAYS STORE**

The Seven days Store shows growing sales and services trends with the passage of time as the store has increased the space and facilities: The year wise data is not shown as per request of the store manager for some reasons.

**SEVEN DAYS STORE STABLE TURNOVER**

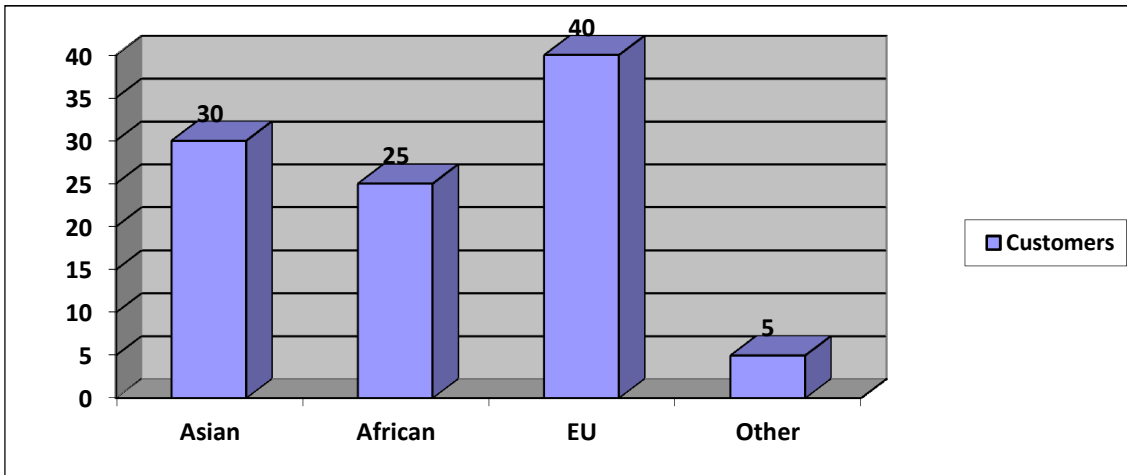


**THE ETHNICITY AND SALES/SHOPPING TRENDS**

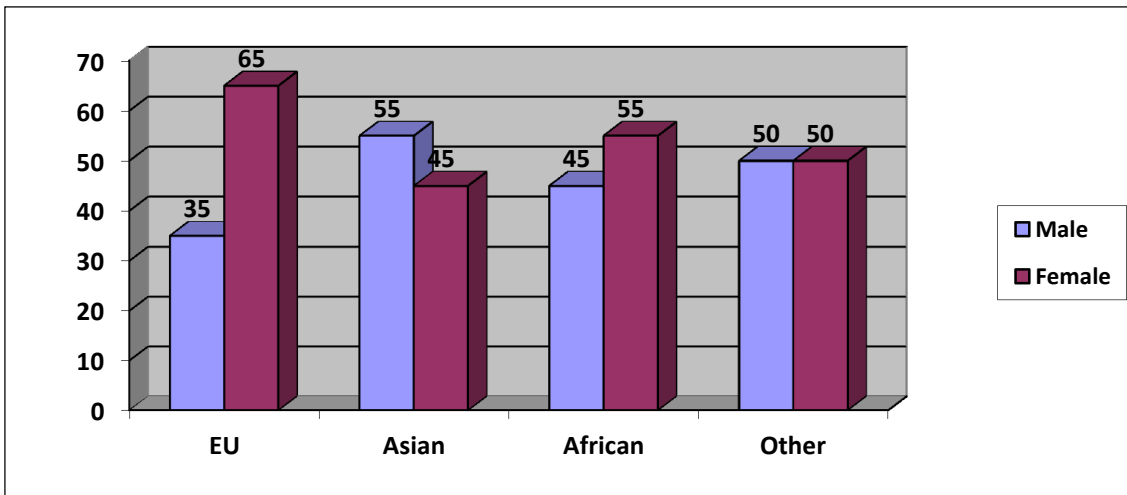
Community	Shopping
Asian	30%
African/Carib	27%
EU	43%

Source: Developed by Authors from Business Report and Data

**PERCENTAGE OF ETHNIC SHOPPING/SALES TRENDS**



**MALE & FEMALE CUSTOMERS AND ETHNICITY**



Source: Developed by Authors from Business Report and Market Data

**THE CURRENT BUSINESS POSITION**

Seven Day's operates in a market, where the majority of its customer base belongs to an ethnic minority community. The owner manager planning is to have a sustainable growth rather high profit as his intension is to transfer this successful business to his children. This planning has a major influence the way he trades and communicates with its customers at Dallow road. Dallow road consists of a wide variety of Asian, African, Eastern Europeans and British people, however, half the population of the area is from an Asian background and this requires special /requirements/needs to cater and fulfill their specific food requirements.

The business is running in a highly saturated market, which operates in a perfect market. Owners/Managers are living in the area for over 40 years and familiar with suppliers and other traders and customers as well. The geographical area around the business has a high number of ethnic populace and is situated in the heart of the Dallow area. The placing of the business was crucial to its success. It is based near a school and so parents find it convenient to do their shopping around the school run. The Seven days is unable to retail some product lines such as alcohol and non-halal foods i.e. bacon, ham, sausages etc, because of religious beliefs of the owner(s) where as it gives advantages to the competitors who are offering all product lines at the same road next door. The closest threat to Seven Day's has been the introduction of a store that specializes in Eastern European foods near to it. As this is a large proportion of the business' revenue, the store has to cut prices in order to keep its major polish customers base. This opportunity has turned into a threat; therefore the business should look to introduce or expand into a different product range to maintain its revenues. The opportunity for ready cook meals for the large number of single people in the region has been devised.

Seven Days is situated at Dallow road, which has the largest ethnic community within Luton. Targeting to specific markets is one of the characteristics of market segmentation. Market segmentation can be described as 'a group of customers or consumers who share the same needs. The Muslim community is the main segment Seven Day's aims to target, supplying halal products to this sector. The large African and Eastern European segments need also to be considered. Segmentation is an important feature to a business/company during the early stages, to try and identify the target market. Seven Days operates in an undifferentiated market, meeting the needs of as many people as possible in the Dallow area, as well as selling specialized halal and regular foods items.

Being able to identify the various groups in the market, allows Seven Days to target these groups specifically. Ultimately knowing the potential market can increase sales and this in turn leads to greater profits. It also allows Seven Days to develop their strategic strategy, as well as having a sufficient influence on the marketing strategy. Mr. Ali and Mr. Asif Mehmood saw this opportunity not just as a short-term venture, but as a long-term investment or capital growth as well.

## **BUSINESS COMPETITION**

The research shows that Seven Days is in a complete 'Perfect' competition. The main characteristic of this type of market is its low barriers to entry to jump in and compete. Seven Day's also faces high level of competition from the traditional supermarket chains such as Tesco, Lidl, Best In and Asda and Sainsbury as well as corner shops. Competing in such a market, Seven Days places a greater emphasis on efficient use of resources and pricing product competitively. Competitive pricing is a common attribute in this type of market. It is an important way of attracting and maintaining a strong consumer base, as consumers generally make a direct comparison between different prices. During the first few years, Seven Days has had limited access to the financial and human resources, to seriously consider any marketing techniques, apart from word of mouth and pricing incentives. Up to now, Seven Days has followed similar characteristics of the entrepreneurs by focusing its attentions on building personal networks and relationship with its customers. Seven Days has built up its position in the local market, and are generating regular income, they may benefit from advertising through local media such as the local paper, local radio stations, and should increase production of leaflets in order to attract a larger geographical area within Luton.

One opportunity of Seven Day's is to enter the online retailing market. This is a growing market as consumers are increasingly gaining confidence from buying online, although this may be a good market to exploit, Seven Day's may find it difficult to raise the capital need to generate the online website, and purchasing sufficient amount of delivery vans which contain the relevant equipment, i.e. chillers, and freezer etc. Seven Day's could also benefit from increase economies of scale, from purchasing in larger quantities or opening a garments shop as its already on their agenda.

During the research period it is observed that there are many opportunities for the seven days to expand in many ways as the Ali family discovering new products and services to serve the Asian community at Dallow road like a book shop. Seven Days has a wide range of goods and services that satisfies the local community it serves. However, a problem does occur for Seven Days that Muslims are not allowed to sale alcohol, so this could give a competitive advantage to rival firms as mentioned above. Therefore, it can be suggested Seven Day's focuses on other product ranges, perhaps selling more halal food product, not just meat, and a selection of ready made meals would be suitable, as the local community consists of people who are immigrants and work basically all day and ready meals would provide a cheap and quick alternative to cooking for them. Seven Days main service is catering food and drinks. However, Seven Days has diversified area and can offer other services/products as well. So, Seven Days secondary service is a Cash machine and providing items delivery service to regular and elderly customers.

Seven Days store as good relationships with its supplier. Both parties have benefited from this venture. Seven Days has benefited from high quality products, and credit dealing which suit them and good price from buying in bulk. The local

customers have benefited from high quality ethnic products and some time on credit that can not be found in the traditional supermarkets such as Tesco, Asda and Sainsbury..

## SWOT ANALYSIS OF THE BUSINESS

### STRENGTHS

- The store is based at the heart of the Dallow area
- There is a school nearby, so parents find it convenient to do their shopping after dropping or picking up their children from schools
- The owner of the shop lived in the UK for over 40 years having wide knowledge of the area
- The cash machine and fax facility are additional advantages to customers at their doorstep
- There are not parking restrictions in the area, unlike the rest of Luton
- Dallow road is one of the longest and most populated roads in Luton town, so there are a lot of potential customers. There are more than 13,000 people living in the Dallow area (see the appendix)

### WEAKNESSES

- The shop has a few staff members so holidays or sick leave can be a problem
- Fruit and vegetables have a very short life cycle, and so some are wasted if not sold in time
- Due to religious constraints, the company does not sell alcohol even though there is wide demand for this in the area
- The store has not its parking area and sometime the suppliers face problems
- Less store opening hours as compare to other local shops
- Too much depending upon the family members at work
- Few staff members are available on Friday due to weekly Jummah prayer specially mid-day

### OPPORTUNITIES

- As the EU have expanded/opened its borders, the area has seen an increase in Eastern Europeans, and so the company is now also meeting the needs of this group of people
- Room for expansion as there are multiple business properties for sale in the area
- There is an opportunity to retail over the internet, as there is a large product varieties, and the company has a van and cars for deliveries
- There is an opportunity for quick ready meals, as the local population are middle class citizens who work long hours, and don't have enough time for preparing meals
- There is a real opportunity to grow, if more investment is made into advertising and marketing strategies
- If plans to expand the business they should go ahead, there is a chance for success
- Professionally qualified family members/managing partners can give new creative ideas for it expansion

### THREATS

- There are four other similar business and stores on the same road
- There is a lot of competition around the area and trends of opening a corner shops
- Asda, Lidl, Sainsbury's based near to the shop and even town centre is not too far away
- There is a high crime rate in the area, sometimes the area gets bad publicity, which can put off potential customers from outside the area
- There are fluctuations in the interest which affect loan and mortgage repayments
- Main road cars speed and no speed breakers etc

## CONCLUSION

Seven Days was initially established in 2002 and later it was expended and introduced the halal meat unit, photo stats machines and telephone booths inside of the store. Later the booth system was failed and they introduced the cash machine

facility and polish foods as well. The store has been quite successful for the last six years in this area with current partners within family business.

The competitive market allows the Seven Days to provide highly quality goods and services at reasonable rates to their customers. However, the business is facing quite strong competition from Indian store, Polish foods store, African multi services store which are recently established about 300 yards away from this store and next street Pak Euro Cash and Cary. The Sainsbury super store is not too far away and its affects their sale as well. In future, Ali family is planning to open another cloth store after converting their next door house into shops at Dallow road. Mrs. Asif, Mrs. Ali and their qualified daughters can manage this new business of ladies fashion in near future. There is chance that in future Mr., Mrs. and their sons and daughter will actively join and organize the successful family business in future in the Luton and UK.

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- [17] Note:The Authors are administratively and academically associated with University of Management Sciences & IT Kotli AK(UMSIT). This Case study/paper is first draft taken and improved from the book "British Pakistani Business Community & SMEs Success Stories" by Prof Dr Mushtaq A Sajid, Senior Dean, UMSIT Kotli AJK.