## Government Polytechnic ,Washim

A

MICRO PROJECT REPORTON

**“BUSINESS PLAN FOR ELECTRICAL SHOP”**

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**“BUSINESS PLAN FOR ELECTRICAL SHOP”**

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**INTRODUCTION**

There comes a time in every electrician’s life when working for the man is just no longer appealing. You’ve aced your apprenticeship, you’re got bucket loads of experience under your belt and now, you’re ready to take the next step – setting up your own electrical business. Navigating the path to entrepreneurship isn’t always easy, but the payoffs are sweet. So if you’re thinking of going solo, this in-house Tardif guide is for you. Packed full of information, we’ve covered everything you need to know about turning your hands on skills into a fully operational electrical business.

Why do you want to start an electrical business?

The first step is to explore why you want to start an electrical business in the first place. Is the goal to grow your income? Maybe you crave flexible hours that free up more time with your family? It might sound a bit airy fairy, but at the end of the day, a personal understanding of what’s motivating you to kick-start your entrepreneurial journey will create a strong foundation on which to build your business.

## Market Analysis

**Scope out the competition:-**

Chances are, you’re not going to be the only electrical business wheeling and dealing in your area. Don’t be ashamed to scope out the competition, and analyze their strengths and weaknesses. Remember, there’s a big difference between imitation and inspiration. So if you hone in on a concept or idea that you love, find a way to make it your own.

**Prices - how much should you charge for your labor/time?**

Pricing up your service can be difficult, and at the end of the day, we’d suggest finding a balance between quality and quantity. Yes, there are clients out there that will always opt for the cheapest electrician, but at the end of the day, you need to find a price point that does your service justice. Basically, low prices will attract clients who want everything for nothing, while high prices will attract clients with superlative standards. Think about what you plan on delivering, and price your service accordingly.

## The four things you're going to need to start an electrical business

**1] Training and qualifications**

The absolute first step is to obtain education and training from a certified trade school or apprenticeship programme. No matter how ‘gung ho’ you are at changing lightbulbs, official certification is essential. You’ll be hard pressed to secure clients without it, and will also be putting your safety (and the safety of any employees you take on) at risk. Programmes vary not just from country to country, but also between states, regions and provinces.

**2] Resources**

The next big factor to get serious about is resources and capital. Starting up any new business doesn’t come cheap, and will almost always require an initial outlay of cash. As an independent electrician, your major costs will be investing in a vehicle and equipment. The scope of these will vary depending on what niche market you intend to service. You pretty much have two options here. You either fund your own venture or seek cash from a third party like a bank, an investor or a business partner.

**3] A clear-cut business plan**

Don’t expect to get your electrical business off the ground without a polished business plan. Yes, it’ll chew up a healthy amount of time. But at the end of the day, it gives your venture structure, purpose and a clear cut strategy. Your plan should include all key business details, such as financial projections, growth opportunities, marketing strategies, financing, short/long term goal outlines and so on. At this stage, enlisting the help of a business consultant can make the process markedly easier.

**4 ]An entrepreneurial state of mind**

Alicia Keys croons about New York, but when it comes to setting up an electrical business, it’s all about embracing the entrepreneurial state of mind. [Success is all about your attitude](https://www.entrepreneur.com/article/204504), so make an effort to switch into the right mindset as you navigate your way to small business ownership.

## What will you need to get your electrical business started?

**Banking and finance**

Right now low-interest rates mean money is as cheap and easy as it gets, and [**World Bank data**](http://data.worldbank.org/indicator/FR.INR.LEND?locations=AU) confirms that this isn’t going to change anytime soon. If you’re daunted by the idea of traditional bank loans, why not consider alternative financing? NESTA’s latest [‘Pushing Boundaries: The 2015 UK Alternative Finance Industry Report’](https://www.nesta.org.uk/sites/default/files/pushing_boundaries_0.pdf) confirms that the movement is rapidly gaining momentum, with Britain’s alternative finance sector growing by a huge 84%. With options like factoring, stock financing and equity-based crowdfunding on the cards, there’s no reason to be orthodox about your funding your venture. And of course, family and friends are always an option for finance and lending. Hello, interest rates that cost next to nothing. Or a slab of beer, at the most.

**Accounting, Taxes, and government regulation**

How will you stay on top of your books, and transfer business data to accounting software?

For an all in one fix that’ll stack your day to day business management processes into one streamlined system, [Tradify](https://tradifyhq.com/) is a must have tool. Take control of your electrical business with intelligent, trade specific features designed to keep your workflows in top gear.

As a small business, the last thing you want to do is get on the wrong side of the tax man. Guaranteed, he’s going to come knocking eventually. And when he does, you could get hit with hefty back payments, interest rates and fines that could cripple your venture. Avoid this by playing by the rules from the word go. Find an accountant, and cash in on big time savings in the form of both time, and money.

Think about it this way… You sell your time for $65 per hour. If you do your own taxes, it takes you two hours of mucking around per week, which equates to a cost of $6760 a year. Plus, you’ll probably miss out on a heap of sly opportunities to maximise your rebate. Pay an accountant and maybe you’ll spend around $2000, but will free up two extra hours a week, which will earn you back that $6760 a year. Remember, two things in life are definite - death and taxes. You can’t avoid either, but a good accountant can take the sting out of your number crunching.

**Growth Opportunities**

As a small business, you’re going to want to put yourself on track for growth. Eventually, this could mean taking on your own employees and watching the business run itself. Hello, retirement! So how can you get there? You’ll need to back your strategy with market research that offers insight into the economic outlook of electrical businesses in your local area. For example, setting up a business in an up and coming neighbourhood will likely translate into increased demand a few years down the line.

**Geography - where is your electrical business going to operate?**

As a mobile service, electrical businesses generally tend to set boundaries defining how far they’ll travel. When setting up your electrical business, think about what areas you’d like to service, and how you can take a geographical approach to optimising business. For example, if you live in an area that’s saturated with electrical businesses yet an hour away there’s hot demand, it could be worth your while to focus on the second locale. It may cost you a little more in petrol every day, but ultimately the trip will pay for itself in the form of increased custom. You can also factor pricing into the mix. Is the market for low-cost suppliers in your local area is saturated, try opting for a higher price point, and ‘boutique’ service.

**Trial and test your plan**

You’ve sweated the small stuff, you’re armed with a formidable business plan and you’ve just secured the keys to a shiny new work vehicle. So what’s next? Start by testing your plan, and working your way towards a business model that works for you. Go lean with your approach, and remember to spend less time planning and more time doing. This will allow you to test ideas quickly, build on your success, and learn from your failures. Speaking of lean… The [Lean Start-up Methodology](http://theleanstartup.com/principles) is gold when it comes to learning to drive your start-up, steer it in the right direction and eventually, switch into top gear. A principled approach to new product development, the key concepts are definitely worth reading up on.

**Scoring new clients**

When launching a new electrical business, no network is quite as valuable as your family and friends. Pretty much all households need electrical work at some point, so make your inner circle your first point of call. Once you’ve got a bit of a following you can start to build clients via other channels. Word of mouth is invaluable, as are marketing channels like social media – see below!

**CONCLUSION**

Granted, setting up an electrical business from scratch isn’t the easiest path to take. But if you’re dreaming of a better salary, an improved work/life balance and a genuine sense of achievement, it’s a switched on move. Just be sure to keep this guide on-hand, and take a strategic, step-by-step approach to setting up your electrical business. Be smart, don’t rush and remember that at the end of the day, even tradies need to employ some tried and tested ‘blue chip’ techniques every now and then.

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