Strategic Management of Information Systems

BUSINESS & DIGITAL STRATEGY REPORT – LEARNER DRIVER HUB

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Contents Page

1. INTRODUCTION 3

1.1 Purpose of Report (Munir) 3
1.2 Overview of the Client (Ben) 3
1.3 Aim of the Report (Samyar) 3
1.4 Overview of the Sector (James) 3

2. STRATEGIC ANALYSIS & KEY FINDINGS 4

2.1 Macro Analysis (Ben & Munir) 4
2.2 Micro Analysis (Samyar & James) 6
2.3 Key Finding Strategic Analysis (Ben & Samyar) 8

3. RECOMMENDATIONS TO THE CLIENT 9

3.1 Business Recommendations 9
3.1.1 Objectives (James) 9
3.1.2 Critical Success Factors (CSFs) (Munir) 9
3.1.3 Actions & Tactics (James & Samyar) 10

3.2 Proposed Business Model 11
3.2.1 Overview of Business Model (James) 11
3.2.2 Business Canvas Model (Ben, Munir & Samyar) 11

3.3 Proposed Business Activities 12
3.3.1 Overview of Business Activities (Ben) 12
3.3.2 Value Chain Model (Ben) 12
3.3.3 Integration with Business Model (Ben) 13

4. DIGITAL STRATEGY 14

4.1 Proposed Business Applications 14
4.1.1 List of Business Applications (Ben) 14
4.1.2 Application Categories (Ben) 14
4.1.3 Key Features of Applications (Ben) 15
4.1.4 Role, Rationale & Strategic Alignment of Business Application (Ben) 15

4.2 Other Information Technologies 16
4.2.1 Additional Proposed Technologies (Munir) 16
4.2.2 Role and Value of Additional Technologies (Munir) 17

4.3 Implementation Plan 17
4.3.1 Phased Implementation Timeline (James) 17
4.3.2 Justification for Implementation Order (James) 17
4.3.3 Yearly Implementation Overview (Munir) 17

4.4 Long-term Considerations and Investments 17
4.4.1 Emerging Technology Overview (Samyar) 17

4.4.2 Application of Emerging Technologies (Samyar) 17
4.4.3 Strategic and Operational Benefit (Samyar) 18

5. TEAM COLLABORATIONS 19

5.1 Team Collaboration and Contributions 19

APPENDICES 21

Appendix A : Bibliography 21
Appendix B: Figures, Tables & Diagrams 22

1. Introduction

1.1 Purpose of Report (Munir)

The purpose of this report is to present business and digital strategy for Learner Driver Hub. It acts as a strategic guideline for establishing a platform that helps connect driving instructors to customers wanting to take lessons. By utilising this opportunity of a technological-driven solution, the client wants to be able to address the problems learners face when trying to find a suitable driving instructor. The report provides a suitable business model and the overall strategy of being able to support it by using the digital strategy and the required systems and recommendations are given by strategic market research insights.

1.2 Overview of the Client (Ben)

After experiencing struggles of learning to drive, our client aims to fill a gap in the market by developing an online platform to connect students and Instructors. Using a small budget of £200.00, provided by personal savings, she aims to develop an online platform like Uber or Airbnb. Lacking experience and knowledge, she seeks advice from us on business and technology development, with plans to expand continuously as she sees huge market potential.

1.3 Aim of the Report (Samyar)

The aim of our report is to give a strategic roadmap that includes delivering business recommendations and comprehensive digital strategy, so it highlights all necessary features and investments to have a successful growing platform. The report's insights will help the client make informed, practical decisions to establish and strengthen their market position in both the short and long term. The analysis and recommendations have been made to guarantee competitiveness and sustainability of the platform in a way which meets with the client's interests and market needs as well.

1.4 Overview of the Sector (James)

The main challenges in the sector are that it is saturated leading to a competitive business environment (Gov.uk). Potential future challenges will be a lack of driving instructors as the majority already have no space to take on new learners (Gov.uk). The potential of a new business in the sector is big as the sector currently has high demand although any new business will need to overcome intense competition to survive (Gov.uk).

2. Strategic Analysis & Key Findings

2.1 Macro Analysis (Ben & Munir)

We used the PEST framework (Political, Economic, Social, Technical) to understand external factors influencing the business and guide our client's future decisions.

Political (Ben) -

- Impact of Russia & Ukraine War :

The ongoing Russia & Ukraine war has shown no rate of slowing down. According to (Willasey-Wilsey), Putin intends to carry on achieving his goals. Prolonged conflict will impact the driving instructor industry and its future. Due to political trade restrictions and increased demand, fuel prices will rise. Additionally, the war will impact the importation of cars in the UK due to logistical cost. Both of these factors will result in expensive maintenance prices for instructors which will reflect in lesson prices for young learners.

- ULEZ (Ultra-low Emission Zone) Compliance :

ULEZ standards are evolving across England with plans of expansion and Environmental Social Governance standards to meet. ULEZ aims for a cleaner air target in 2025(Lightfoot). The expense of owning a non-compliant car, instructors may switch to electric cars, reducing availability of manual transmission lessons. This may influence Learner's choices on instructors and decision to drive as well as instructors having to adapt to new costs and change due to market demand, affecting application's success.

Economic (Ben) -

- Inflation & Cost of Living :

The average UK driving lesson cost has doubled over the past 5 years due to an increase in inflation and vehicle maintenance costs (Vlasova, 2024). This could impact competitiveness in the industry, potentially affecting Learner Driver Hub's Customer base.

- Income & Employment Rates :

Young drivers and Low-income households have less disposable income due to the UK's economic instability, including recessions and declining employment rates (Office for National Statistics). This makes it difficult to afford, therefore hindering the ability to attract users and generate traffic on the application. This factor must be continuously monitored due to introduction of new laws and regulations.

Social (Munir) -

- Demographics and User Preferences:

Gen Z and Millennial, often prefer to have digital solutions that have user-friendly interfaces for managing services. According to this article, Gen Z values conveniences and features such as AI-enabled chatbots, with the majority showing interest in AI-driven banking services (Advantage fi). This preference for intuitiveness and accessible digital solutions goes beyond other services in different sectors, that includes driving instruction. Learner Driver Hub can utilise this trend by implementing a user-friendly web or app interface that offers features such as fast booking and custom experience.

- Impact of Covid-19 Pandemic:

Covid-19 pandemic accelerated the need for contactless payments as well as digital services and created a backlog for driving lessons. The pandemic made contactless payments key as the adoption was quick with projections estimating $4.7 trillion will be transacted through contactless methods by 2027, causing a long-lasting shifting in digital interactions. Over 60% of Gen Z and 51% of Millennials already use digital wallets (Worldbank). This highlights the growth in preference for digital solutions/convenience. Learner Driver Hub can utilise this opportunity by offering contactless booking systems with real-time availability and tracking of the user's progress.

Technological (Munir) -

- AI Driven Personalisation

AI can be used to craft a tailored experience, by perfecting how learners match with instructors; this can be based on preferences like location and style of teaching. AI can shape driving lessons through custom and efficient driving lessons for example, learners need practice for roundabouts they can complete 30 attempts in 30 minutes (Normannsen). By implementing AI-driven solutions, Learner Driver Hub can stand out from the competition by meeting these specific learner needs and boost retention and having a high standard for custom driving lessons.

- Rise of Mobile and Web-Based Platforms

Web platforms have raised user expectations for seamless, cross-device accessibility in platforms that are service based. Responsive designs perfects this experience by implementing content layout, font sizes and navigation to devices, giving users the ability to access information seamlessly and have intuitive interactions which give users satisfaction and engagement (Guide). Learner Driver Hub can take the Web App technology and implement it into their app/webapp to make sure there is flexibility and consistency throughout the entire experience for different devices.

2.2 Micro Analysis (Samyar & James)

As part of the Micro Environment Analysis, the Porter's Five Forces framework is used in order to analyse competitive pressures affecting the market and business strategy decisions of the platform.

Threat of New Entrants (Samyar)

The barriers to entry into the driving instruction industry are quite low because of insignificant capital requirements and access to relevant software tools. However, there are certain barriers, such as:

- Legal and Security Requirements: New participants should stick to the GDPR requirement to facilitate appropriate storage and transaction of user information. The unfamiliarity of these requirements drives more resource allocation and spending.

- Brand Loyalty and Trust: Established users of the platforms already have high levels of trust which makes it hard for new entrants to be accepted quickly into the market. The unique benefit in the case of our platform is that it provides first mover ability to develop credibility before competition increases. This boosts its identity, personality and cultural base (Anon., n.d.).

Bargaining Power of Suppliers (Samyar)

Regarding service providers on the platform – driving instructors – their bargaining power is moderate. Of note are the following aspects:

- Quality Dependence: The quality of the platform is highly reliant on the quality of lessons delivered, hence insufficient qualified instructors could affect service and clientele rate.

- Multiple Platforms: Since instructors can advertise their services on other platforms, there should be some elements that make Learner Driver Hub more effective for business otherwise they would be lost as partners.

Bargaining Power of Buyers (James)

- There is a strong demand for driving instructors in the UK, reducing learner drivers bargaining power(gov.uk, 2023)

- Learners will only need the client's service to find one instructor, slightly increasing their bargaining power.

- Overall, learner drivers have low bargaining power this is due to high demand of instructors(gov.uk, 2023)

- Majority of instructors won't be able to take more students, which leads to lower demand for the client services.

- Driving instructors have a good amount of bargaining power with the client due to limited availability(gov.uk, 2023)

Threat of Substitution (James)

The threat of substitution is high as instructors depend on networks and word of mouth to gain new students, with most instructors having 12 years of experience in industry (gov.uk, 2023). 70% of instructors are unable to take on more learners, limiting options for driving instructors due to the impact of COVID. Meaning threat of substitution is reduced (gov.uk, 2023).

Competitive Rivalry (James)

Potential established Competitors are :

- Book Instructor (*Driving Instructors*, n.d.)
- National intensive (*National Intensive*, n.d.)

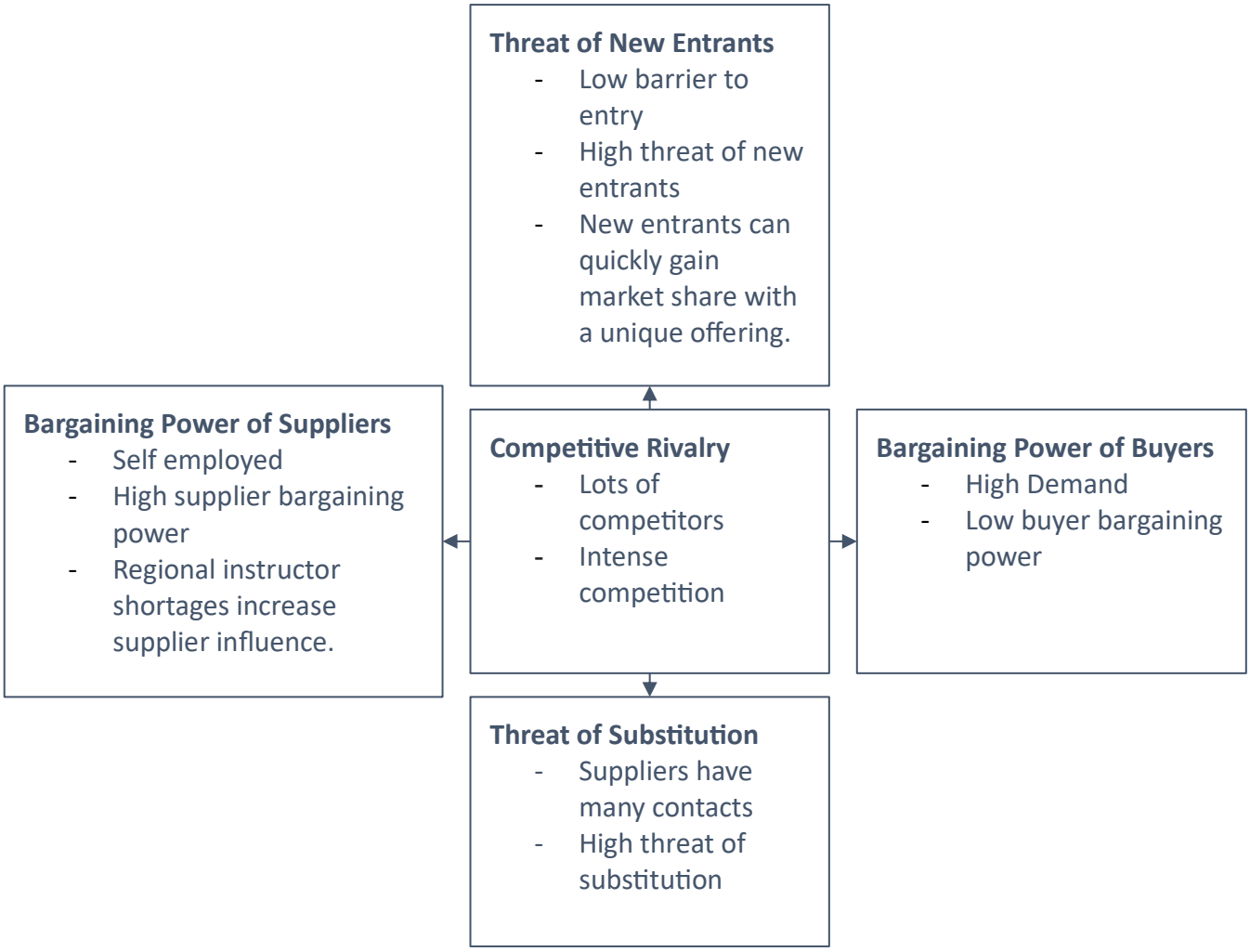
Competitors Value Proposition:

- Helps learners find driving instructors to fit their requirements
- Gives Instructors a platform to advertise and improve efficiency

Key Differentiation:

- Offers tools to instructors to manage services and increase efficiency
- Customised experience for Learners

This shows the market is highly competitive.



2.3 Key Finding Strategic Analysis (Ben & Samyar)

Macro Analysis Conclusion (Ben)
In conclusion, our Macro analysis, using PEST, highlights the driving industry and how it is being impacted and how it will be impacted in the near future which can be used to assess the potential success of the Learner Driver Hub. Adapting and preparing for these trends will help Learner Driver Hub survive in a competitive market and make decisions based on their environment.

Micro Analysis Conclusion (Samyar)
In conclusion, Porter's five forces show all of the competitive challenges of the platform. As an example, the threat from potential new customers is high and this will also increase the rivalry. To achieve the competitive edge the platform needs to deal with high demand, brand loyalty and all the unique aspects such as efficient instructor pairing and utility tools.

3. Recommendations to the Client

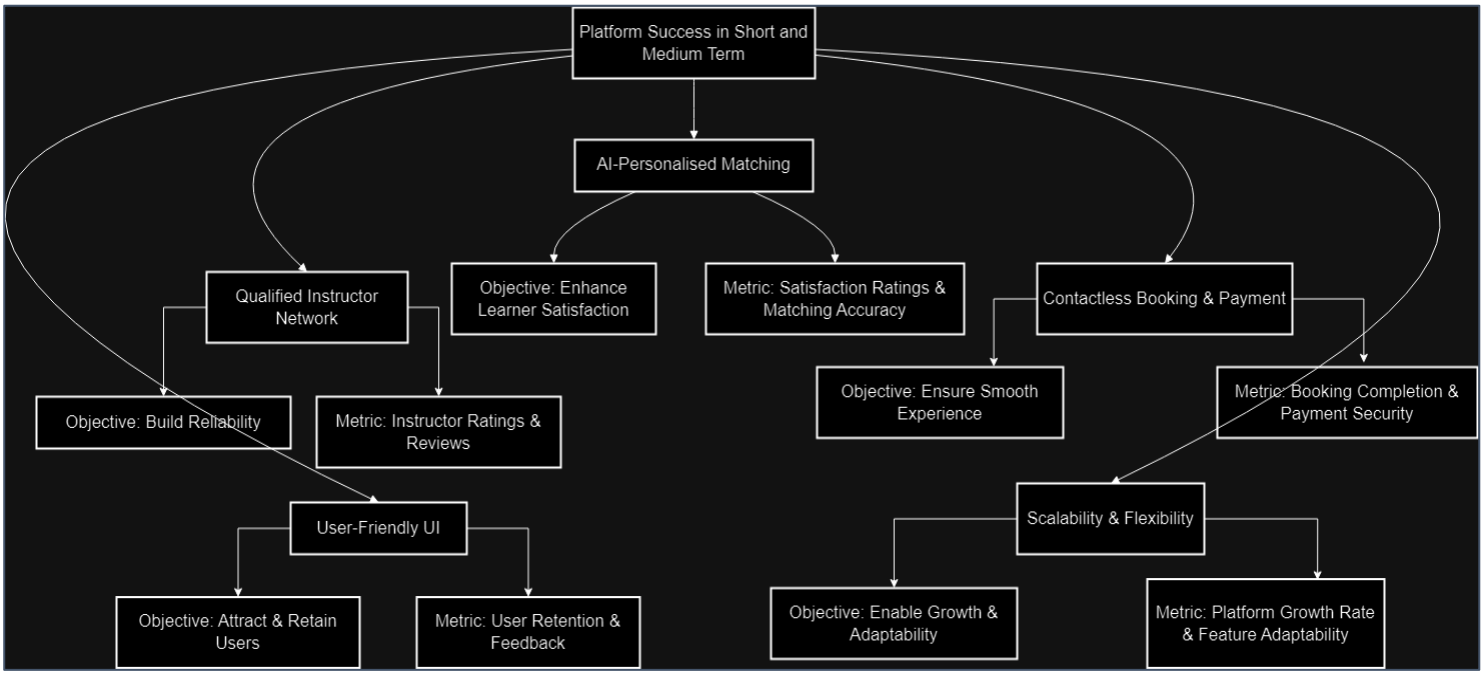
3.1 Business Recommendations

3.1.1 Objectives (James)

- Acquire 1000 clients in the first year to begin making a reputation for the business
- Get 100 driving instructors to start working with the business to help them get new students in the first year
- Have 10,000 visitors for the business website in the first year
- Get at least 75 positive reviews of the business in the first year
- Have £50,000 profit in the first year

3.1.2 Critical Success Factors (CSFs) (Munir)

- **User-Friendly UI:** Gains the attention of young user and helps to retain them through an intuitive and interactive interface
- **Qualified Instructor Network:** Building reliability on the platform by connecting learners with instructors who are rated-highly
- **AI-personalised Matching:** Enhance learner satisfaction by matching them with the best suited instructor that is tailored to their style of learning.
- **Contactless Booking and Payment System:** Offering a seamless and easy to use booking and payment process making it convenient for the user.
- **Scalability and Flexibility:** Allowing the platform to have growth, adaptability and innovation allowing Learner Driver Hub to maintain a competitive edge



3.1.3 Actions & Tactics (James & Samyar)

Actions

- Advertise services, incentivise consumers and offer competitive prices to acquire clients
- Incentivise instructors to work with the business
- Optimise site to appear higher up in search engines
- Optimise site according to consumer feedback to improve consumer experience
- Use AI technology to improve consumer experience

Tactics

Targeted marketing: concentrate on the social networks especially Instagram and TikTok to attract young users.

Referral program: Put referral links whereby users get a cost reduction for bringing other learners to the platform.

Instructors Incentive Scheme: Provide incentives for the highly rated instructors in order to get the quality and the mentors loyalty.

Website optimization: Frequent revision of the platform UI according to consumer feedback received in order to improve the ability to operate. Also modify the site according to seo.

AI recommendations: Apply AI technology in suggesting teachers according to learners' preferences and feedback.

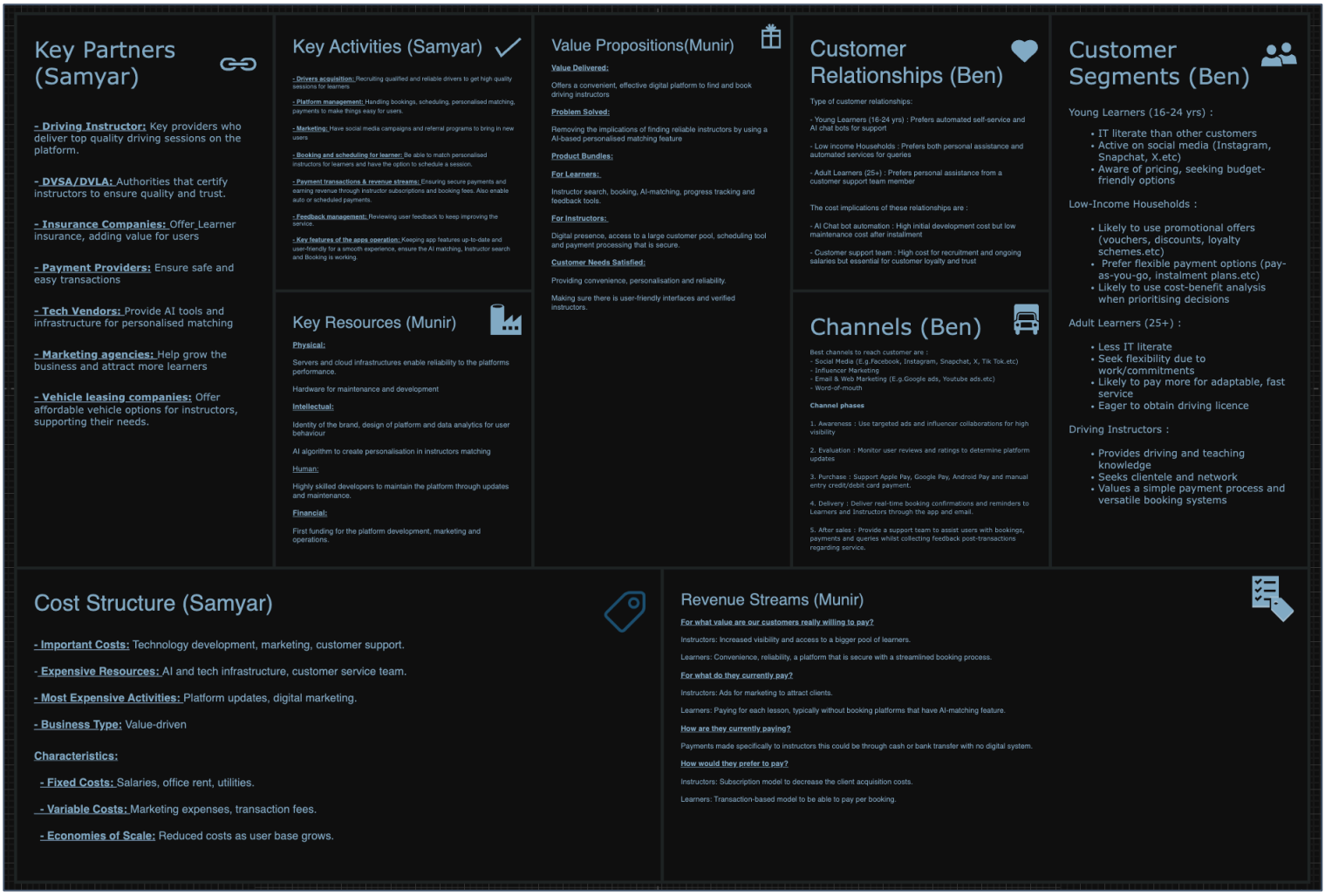
Flexible payment terms: Provision of several methods of payments including pay in parts and use of digital wallets.

3.2 Proposed Business Model

3.2.1 Overview of Business Model (James)

The business model connects learners with Instructors who suit the learners' needs and requirements. The model will support instructors by offering tools like calendar management and AI-matching for Learners. Additionally, the models will be adaptable to allow for quick response to global or market changes.

3.2.2 Business Canvas Model (Ben, Munir & Samyar)



3.3 Proposed Business Activities

3.3.1 Overview of Business Activities (Ben)

Key Business activities :

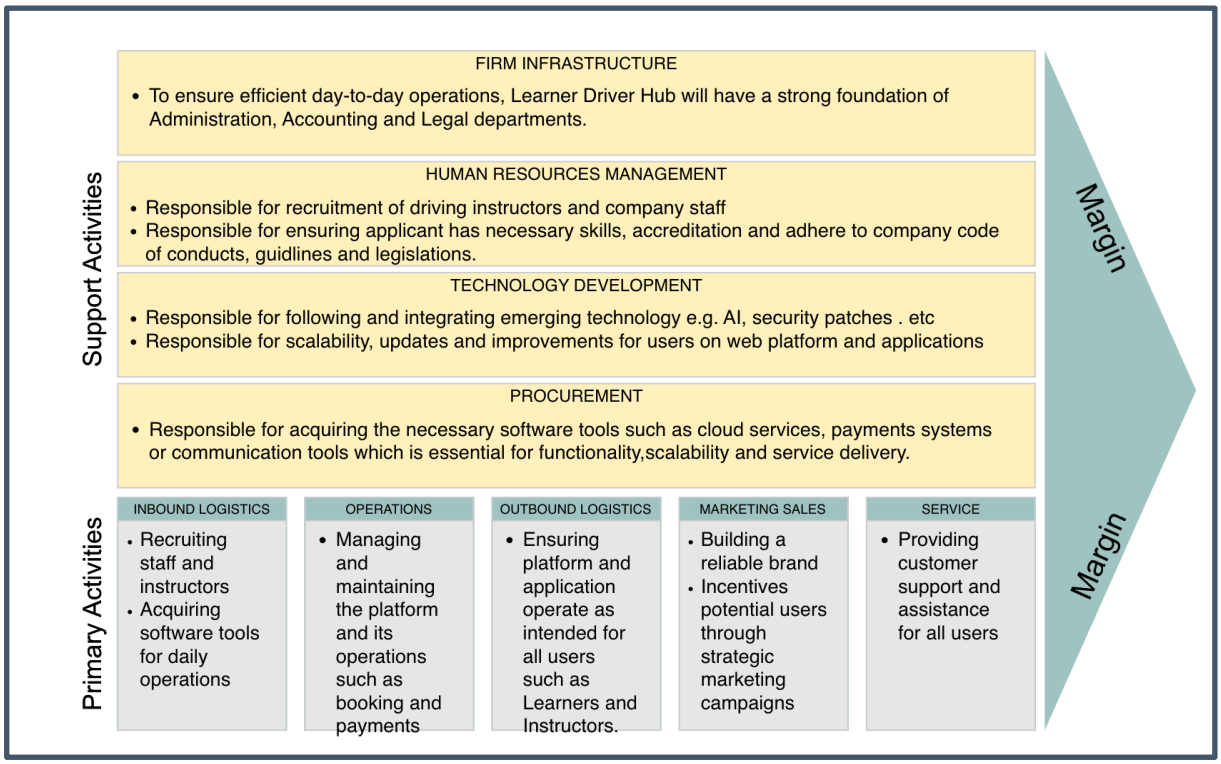
- Acquiring Instructors and Learners :
  - Strategic marketing campaigns directed at customer segments.
  - Recruitment process for instructors via online account creation, interviews, licences verification and legal agreements.

- Application Development & Maintenance :
  - Develop mobile application and web platform (create bookings, processing payments, user friendly interface.etc)

- Incremental Innovation :
  - Improve platform through user feedback to enhance user experience and business growth

- Customer Support :
  - Offer multi-channel support (Customer service or AI) to resolve queries, encouraging customer loyalty and satisfaction

3.3.2 Value Chain Model (Ben)



3.3.3 Integration with Business Model (Ben)

This integrates with business canvas model :

- **Customer Segments** : Tailors platform to user traits and needs
- **Value Proposition** : Offer a service platform providing cost-effective driving services with booking / payments processes
- **Channels** : Using mobile applications, web adverts and social media for customer engagement
- **Customer Relationships** : Provide automated systems, self- service options and customer support
- **Revenue Streams** : Generate revenue from booking, sign up & subscription fees and advertising partnerships.
- **Key Resources** : The platform, human resources and partnerships
- **Cost Structure** : Covers platform development, maintenance, marketing and operations

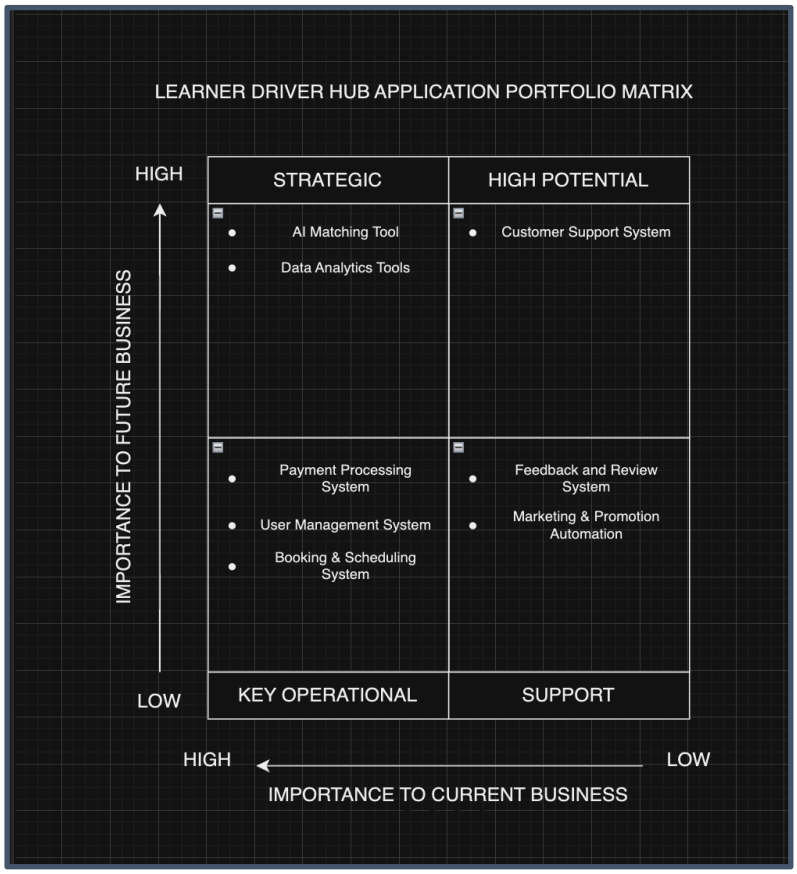
4. Digital Strategy

4.1 Proposed Business Applications

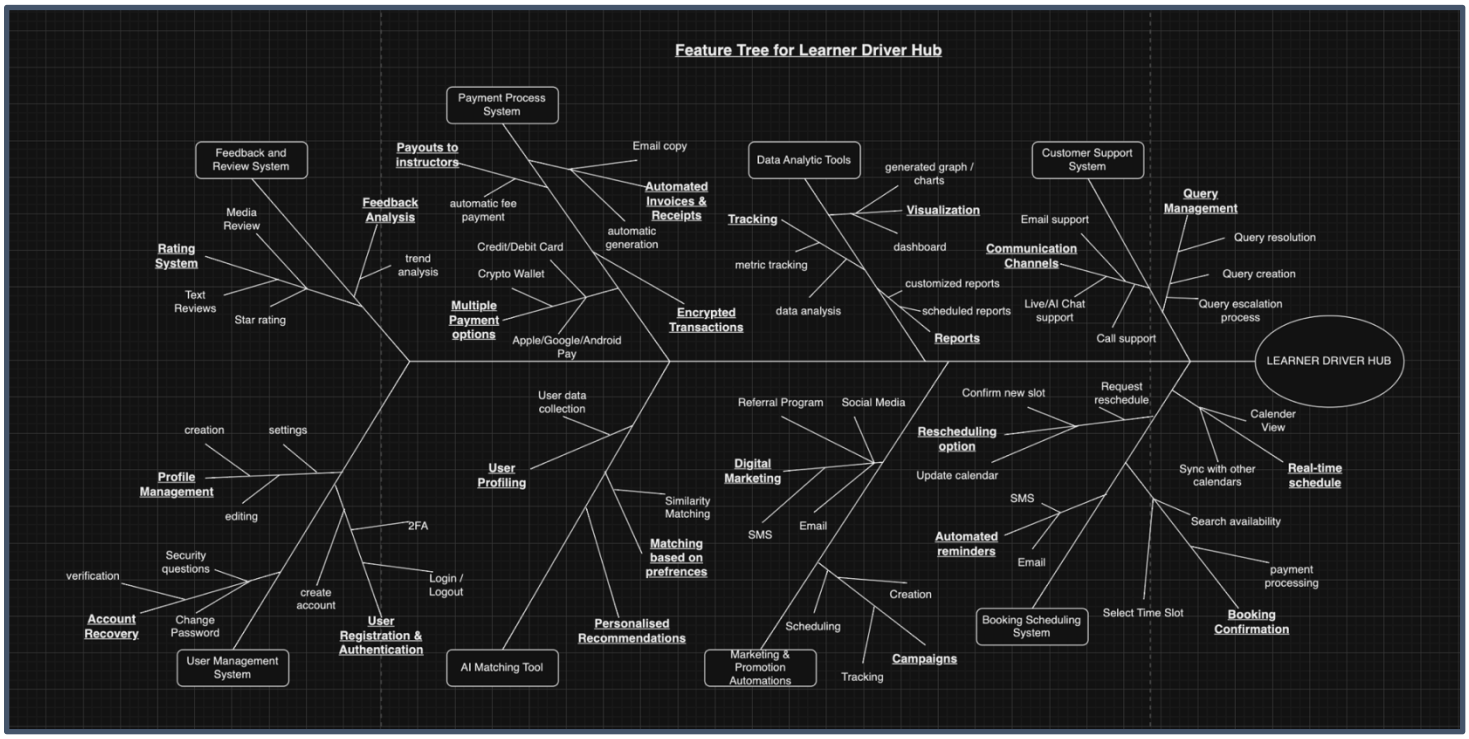
4.1.1 List of Business Applications (Ben)

- Payment Processing System
- Feedback and Review System
- User Management system
- AI Matching Tool
- Booking & Scheduling system
- Customer Support System
- Marketing & Promotion Automation
- Data Analytics Tools

4.1.2 Application Categories (Ben)



4.1.3 Key Features of Applications (Ben)



4.1.4 Role, Rationale & Strategic Alignment of Business Application (Ben)

- Payment Processing System :
    - For financial transactions
    - Allows financial operations such as encrypted payments, invoicing, receipts and transactions.
    - Ensures customer trust and confidence in payments, assist company is financial operations and supports company development

- Feedback and Review System :
    - For collecting user feedback, ratings and reviews
    - Allows user feedback for application improvement and development as well as developing company reputation
    - Ensures customer satisfaction, loyalty, brand reputation and application innovation by collecting user's feedback and experience.

- User Management system :
    - For uses profiling, registration and authentication
    - Allows users to access specific user data securely
    - Ensures user's data is secure whilst providing personalised user experience and user management supporting user engagement and satisfaction.

- AI Matching Tool :
    - For matching learners and instructors based on learner's preferences

    - Allows a personalised experience improving ratings, engagement and satisfaction
    - Ensures user satisfaction by providing personalised user experience by ideally matching learners and instructors.

- Booking & Scheduling system :
    - For managing real-time lesson bookings
    - Allows users to manage bookings, reminders, confirmations and rescheduling
    - Ensures day-by-day operations by providing a booking management system to users which improves customer satisfaction and experience alongside generating revenue.

- Customer Support System :
    - For supporting users through different communication channels
    - Allows issues to be managed, tracked and resolved utilising communication
    - Ensures customer queries are resolved efficiently which promotes customer loyalty, satisfaction and brand image.

- Marketing & Promotion Automation :
    - To automate targeted social media marketing campaigns, referral programs and promotional activities
    - Allows an increase in brand awareness, attraction and customer engagement
    - Ensures brand awareness, visibility and engagement through the use of automated marketing through social media impacting company growth and revenue.

- Data Analytics Tools :
    - To track key metrics (e.g. activity, bookings, revenue.etc) through collecting, analysing and visualising data
    - Allows insight into the business through understandable interpretation like graphs, charts and plots
    - Ensures efficient performance and effective decision-making to best align with business aims.

4.2 Other Information Technologies

4.2.1 Additional Proposed Technologies (Munir)

- Cloud Infrastructure: Seamless access in order to support demand and maintain quality of service.

- AI-Driven Analytics: Analysing the user behaviour to help optimise instructor matching and platform performance.

- Secure Payment Gateway: Fast transactions that is safe and reliable

4.2.2 Role and Value of Additional Technologies (Munir)

- AI-Driven Analytics: Optimizes instructor matching and perfecting the user satisfaction by personalising the learning experience.

- Cloud Infrastructure: This provides scalability and reliability to support the platform's growth and ideal operations.

- Secure Payment Gateway: Makes sure that there is trust and convenience through transaction processes that are safe and reliable overall making the user experience better.

4.3 Implementation Plan

4.3.1 Phased Implementation Timeline (James)

Payment processing system -> Booking and scheduling system -> User management system -> AI matching tools-> Data Analytics tool -> Feedback and review system, Marketing and promotion Automation-> Customer support system

4.3.2 Justification for Implementation Order (James)

The justification for my order of implementation is that it prioritises essential features and those more useful in the short to medium term to the business to be implemented first.

4.3.3 Yearly Implementation Overview (Munir)

Year 1 will focus on core development, AI matching and instructor onboarding. Year 2 will enhance features with progress tracking and analytics. Year 3 will scale operations with cloud infrastructure and overall diversify revenue through partnerships and ads.

4.4 Long-term Considerations and Investments

4.4.1 Emerging Technology Overview (Samyar)

New technologies such as AI, ML, Blockchain, and AR are changing the way digital platforms are being done. For the case of Learner Driver Hub, AI and ML could improve instructor-learner pairing, Blockchain could secure data, while AR could provide virtual drive tutorials.

4.4.2 Application of Emerging Technologies (Samyar)

- **AI and ML**: Personalisation driven by AI can be used to select the best instructors for the learners depending on the choice and their history.

- **Blockchain**: Protects critical user information and transaction data to ensure users privacy and establish trust.

- **AR**: Create virtual lessons that would simulate real life driving thereby improving the effectiveness of learning. And also building any scenario of driving to learn

4.4.3 Strategic and Operational Benefit (Samyar)

Strategic: Provides clear differentiation of the platform while gets the attention of tech users and improves competitiveness in the market.

Operational: Artificial Intelligence and Machine Learning assist in matching processes, blockchain improves safety of information, while AR lowers reliance on offline classes thus increasing efficiency and availability.

5. Team Collaborations

5.1 Team Collaboration and Contributions

Ben Gajadar

As team leader, I was responsible for composing the document and managing all team members and their work. I was responsible for :

- Overview of client
- Macro Analysis (Collaborated with Munir & Samyar)
- Propose business activities (Collaborated with Munir & Samyar)
- Business Canvas Model (Collaborated with Munir & Samyar)
- Proposed business applications

In addition to this, I provided feedback, suggestions and reviews to team members. We all ensured everyone completed their task to a high standard, completed in-tutorial feedback and contributed to each section of the coursework.

Munir Choudhry

We were assigned tasks and incorporated feedback to make it better. I was responsible for:

- Macro Environment Analysis(Collaborated with Ben)
- Critical Success Factors
- Business Canvas Model(Collaborated with Ben and Samyar)
- Supporting Activities (Collaborated with Ben)
- Additional Technologies
- Additional Technologies role and value
- Yearly implementation Overview

Samyar Beheshti

We assigned specific tasks with deadlines and allowance for feedback and improvements. I was responsible for :

- Aim of Report
- Micro Analysis (Collaborated with James)
- Business Canvas Model (Collaborated with Ben & Munir)
- Action & Tactics (Collaborated with James)
- Long-term Considerations

I also reviewed everyone's sections and helped make improvements and suggestions.

James Davis

We planned out what we were going to do by deciding on who should do which task. We improved our work based on feedback we received from our tutor. There were deadlines set for all tasks. I did the overview of the sector, objectives, The Phased implementation timeline and the justification for it and Samyar collaborated with me on Micro environment analysis and actions and tactics.

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Appendix B: Figures, Tables & Diagrams

Draw.io :
https://drive.google.com/file/d/1kQwsBJvazc9QrdiSc6rjUqAnHLi5bRw5/view?usp=sharing