



Business School



Blueshift Iglu student accommodation's Case – Business Plan

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Executive summary:

The Student Accommodation industry has a large space of development due to the fact that Australia is internationalised. As a young country, it provides more modern, first class facilities and service to international students compared to other countries. It attracts an abundance of customers and thus the market needs is increased and provides opportunity for student accommodation providers.

Iglu Student Accommodation is one of the top accommodation across Australia, with its warm hospitality and cool design. The competitive environment fosters not only Iglu but also its strong competitors. The equalising facility means there's increasing competition in customer service and it, however, will gradually reach its saturation point in the future. Therefore, in order to gain an edge over other competitors, Iglu should consider its extraordinary advantage, such as its own culture, to survive in this competition.

A safety system that can be implemented to add an extra layer of security for Iglu students. A wristband is used to track students when they feel unsafe. emergency calls can be made by the wristband. This Programme is expected to attract students who are more concerned about safety issues. Key Stages: 1. Purchase wristband. 2. Install digital system into the wristband. 3. Distribute wristband 4. Train staff how to respond to an emergency call 5. Hire security staff.

A program that can be implemented to increase the level of connectedness and sense of community is a loyalty card program. In this program students will have an app on their phone where they can go to neighbouring businesses around Iglu and scan their phone to receive discounts and benefits. In return, Iglu will be advertising their business and special deals and/or discounts that are being offered for free around the student accommodation premises.

A new revenue stream that provides a combination of a cafe and retail experience for establishing a sense of Iglu's Culture and Spirits. Iglu can be potentially advertised, when people purchase Iglu items and it will be used outside. The sense of culture can be established by the influence of the cafe atmosphere. The project will be carried through the trial location: Melbourne and move on to Brisbane and eventually in every campus. The total budget for a year is 46,000 dollars.

Student Accommodation Industry:

The Industry Environment General outline: The world third popular education destination.(7%) Well-performed University position: seven Australian universities appear in the top 100 worldwide. International education is Australia's third largest export (50% revenue compared to coal and iron ore). The largest service export (240,000 jobs) personal travel, professional and management consulting service. Almost 1 in 50 international students in Australia, up by 11% in 2017. Potential customer group in sector enrolments: 46% higher education, 28% vocational training, 18% English language (ELICOS). The top five Australian host student's nationalities include: China (29.2%), India (12.4%), Nepal (6%), Brazil (4.7%), Malaysia (3.8%), Vietnam (3.4%), South Korean (3.4%), Thailand (3.2%) and Colombia (3.0%).

A key challenge: the feasibility against other land uses and planning regulations. Feasibility of new development is a key barrier to entry. Key locational requirements for student accommodation often align closely with residential development. Therefore with the residential land and apartment markets achieving high prices in Sydney, Melbourne and Brisbane, student accommodation developers are having difficulty outbidding residential developers.

Competitive Advantage of Australian in student accommodation:

- Unlike US and UK universities' traditional antique boarding-houses, Australian student housing design is more modern. University campuses are more concentrated. The Australian economy will grow in a steadily way, this means less pressure on housing markets.

Competitive Disadvantage of Australian in student accommodation:

The lack of campus collegiate when living in Australia. the information of availability of accommodation and the student experience is hard to deliver to students. Secondly, inability to provide meals brings inconvenience for novice cooks and busy students. Whereas, university- provided accommodation offers greater security and safety as well as freedom from the risk and uncertainty associated with private rental. Dependable on the private rental sector more than any other location. (cost and availability)

Australian housing costs are not a competitive disadvantage, but the inability to attract students through university-managed housing may be. In addition, Hong Kong could also represent a minor threat given a tradition of offering collegiate living at very affordable rents. Australian universities in suburban locations are not competitive compared to Canada, regional UK universities and some regional US universities. There is little doubt that the strong philanthropic tradition among US students towards their old alumni university derives to a large extent from the much closer relationship built up through collegiate living. Few local or international students in Australia can experience such a life. (*Australian-Student-Accommodation-Indicators-Final.pdf* – p 36)

Climate/context: The Economic Environment:

From an economic point of view, there are certain factors that affect the demand and supply of a good/service.

Economic factors: disposable income of consumers, interest rates, price of substitutes, overseas economic growth and the exchange rate. These are all factors that influence demand. China's GDP growth has slowed down to 6.4% in January 2019 from 6.7-6.8% in 2017-2018. This will negatively affect demand for Iglu as fewer students can afford study in Australia. However, the RMB-AUD exchange rate lies low, which encourages students from China to come to study in Australia.

Political environment and regulation: Political factors: the two parties have different opinions on immigration and accepting more international students. Liberal is more conservative and Labour is more open. The election results may affect the current market situation for Iglu in terms of student numbers. However, consider the following facts International education supports more than 240,000 jobs across the Australian economy. International education is Australia's third largest export. On average, three international students spend 1 million in Australia. International students have a significant contribution to Australia's Aggregate Demand and a wise leader (either Labour or Liberal) will not want to lose this injection to the economy.

Society and Culture environment -- Social Factor: In Asian countries (international students' home-countries), especially in China, people are more willing to purchase houses/apartments instead of renting, it is seen as a way of investment. Students who study overseas often are financially supported by his/her family. This increases the number of students that are able and willing to buy premises but not renting or living in a commercial student accommodation. This negatively impacts the demand for Iglu. However, Australia has the second largest GDP per capita in the world and ranked third in human development indicators, which adds to the attractiveness of studying in australia.

Technological environment: Technological Factor: internet can help Iglu to commence marketing overseas.

Industrial Issues: Intense competition for land use and competition from apartment developments in particular planning frameworks lack clear definitions and guidelines for PBSA, making approvals processes more complex and time-consuming, and therefore more expensive. The housing policy in the city of Sydney - no stamp duty on off-plan apartments. The small demand of boarding houses for international students. There is large competition. Limited number of students universities can take. More requirements for students from overseas to apply for a student visa. The burst of Melbourne's housing bubble makes apartments/houses more affordable.

Purpose-Built Student Accommodation market in Australia:

Market needs:

With the prosperity of the internationalized tendency, providing student accommodations for the students all around the world fills the market needs. It establishes a one-stop service to fosters an optimized environment and facilitates with the international-students-education program. The limited boarding availability and options in university bring market opportunity for private student accommodation.

Benefit from universities' location: living near the Australian universities possess some problems: expensive rents (compared to other international locations), housing availability (supply shortfall) due to poor protection through residential tenancy law.

Satisfied needs of international customers: 1. quality of student experience - a place exciting for the young and mobile. 2. close to campuses, public transport, food and entertainment. 3. affordable housing. 4. cleanliness. 5. safety. 6. economic conditions. 7. community atmosphere: social spaces. 8. a diverse range of accommodations options. 9. flexibility of contract length

Challenge: the diversity and inclusive communities should be simply to achieve the aim of 'made international students meet more local friends' (DET, 2015a). when living in separate accommodation facilities.

Locational Analysis of Student accommodation:

-There is a market gap between university accommodations and students renting or living at home, which provide spaces for the third party's (student accommodation providers). Due to the regulations of renting and house purchasing, the market space for commercial accommodation tends to increase.

Brisbane: Activity has now slowed in the Brisbane market due to concerns over potential uptake of new PBSA in the short to medium term. PBSA development pipeline has decreased to 6,865 in 2018, having peaked at 10,682 beds in 2017. Slowing down the increase also means the stability of the student accommodation industry in Brisbane, meanwhile, less opportunity for new entry but increasing competition within previous players (involvers).

Sydney: Sydney continues to be the most attractive Australian market for investment into the student accommodation sector. The value of land associated with competing land uses, primarily residential in CBD fringe locations, continues to be prohibitive.

Melbourne: Melbourne has continued to be the most active market for student accommodation in 2018 with a pipeline of 16,137 beds, which remains largely static from 2017 despite the completion of a number of schemes.

Other new developed or less-popular cities: With the intensive competition within three big cities, the student accommodation providers seek to find other opportunities for future development. Therefore, cities like Adelaide, Perth, Canberra become the next target. In addition, local governments in other cities also provide government incentives to attract the student accommodation investor in order to encourage local economic development.

Iglu General Outline: (current position)

Iglu has a vision to always make our residents feel at home and make Iglu more than just a cool place to live. It's mission is to provide students with purpose-built accommodation that combines cool design and warm hospitality in great locations. It's a private limited company, the company employs: 51 - 200 people. It was founded in 2010 in Sydney

Business culture: 1. The strong concept of the bonding. 2. Supportive environment among residents and staff. 3. Warm hospitality: abundant resident community events and activities

Market share: The average market share in Australia is 7.94%

Position in internal area across industry

Table 2 – Summary of recent student accommodation approvals with bedroom sizes

Name	Address	Approval reference	Date of approval	Consent authority	Net internal area (m2)
Urbanest Quay St ¹	83 Quay Street, Haymarket	D/2008/2103	2009	City of Sydney Council	13.44
Iglu Central ²	1 Regent Street, Chippendale	D/2011/515	2011	City of Sydney Council	13.38
Urbanest Sydney Central ³	445 - 483 Wattle Street, Ultimo	D/2012/834	2012	City of Sydney Council	13.52
Iglu Chatswood	73 Albert Avenue, Chatswood		2012	Willoughby City Council	13.44
Urbanest Cleveland St ⁴	157 - 163 Cleveland Street, Redfern	SSD-4949-2011	16/05/2012	NSW Department of Planning	13.44
UniLodge @ Central Park - Kensington Street ⁵	Central Park 3B, 3C & 10, Kensington Street	MP 11_0090	30/11/2012	NSW Department of Planning	13.15 (typical cluster bedroom)
UniLodge The Steps Central Park ⁶	Central Park 4S, Abercrombie Street	SSD-5700-2012	23/12/2013	NSW Department of Planning	13.1
Urbanest Darlington ⁷	150 - 152 City Road, Darlington	D/2012/1658	2013	City of Sydney Council	11.81
Urbanest Haymarket ⁸	SICEEP The Haymarket	SSD 6010	7/05/2014	NSW Department of Planning	10.3 + ensuite

Source: See footnotes

Collaborator: ACU, Macquarie University, QUT, RMIT, Trinity College, The University of Melbourne, UNSW, The University of Queensland and UTS.

SWOT analysis:

Strength: 1. Multiple premium locations 2. A range of price points to cater for different budgets) 3. Residential leaders 4. 24/7 security 5. Airport transfer 6. Fully furnished rooms 7. ultra-convenient locations 8. Supportive environment (the resident leaders) 9. Offer cultural, sporty and academic events 10. Easy to use website 11. Offer different kinds of room types (including twin share and studio rooms etc) 12. Residential leaders earn a considerable amount of salary which can be a financial incentive for students to join Iglu to work there.

Weakness: 1. Marketing strategies - not well known by its customers so brand awareness is low, particularly in markets like Melbourne where they are new. 2. Lack of price discrimination 3. Lack of relationships with overseas international students agents. 4. the facilities they provide, they do not offer standard facilities (eg. gym, pool, cafeteria, library, cinema), therefore no competitive advantage compared to other providers. 5. Private limited company- less access to financial resources.

Opportunity: 1. Currently there is no direct-let accommodation in Perth. 2. Increasing number of international students coming to Australia. 3. A strong demand for accommodation, with new schemes trading well, the number of international students enrolled in higher education on study visas has grown by 12.7% from 2016 to 2017. 4. Reduced government regulation in QLD around student accommodation 5. The current Australian

economy is still relatively healthy. 6. Opening in new states or opening in additional locations where they already operate. 7. Creating some sort of agreement with local restaurants or shops – good deals for those students who are at Iglu such as discount offers. 8. Allowing Australian domestic students to stay there as well.

Threat : 1. Relative competitive market---multiple firms offer similar service. 2. The total development pipeline in Sydney has decreased from 5435 beds in 2017 to 4787 beds in 2018 with the completion of a number of new schemes. This is a result of the very high cost of land and construction in Sydney (some of the highest in the world). 3. An Economic slowdown that is currently taking place in China and Europe. 4. Intensive competition from other accommodation providers

Differentiation: It has cool designs, not just the common area but inside each individual room. It provides self-serve cleaning equipment for each room. It has regular events and outstanding activity. There is large employee welfare and a big range of resident nationality.

Competitor analysis:

Competitor's Differentiation:

Major provider	Hospitality	Program	Facilities	Security
Iglu	5 star -small level events and big campus events -breakfast provide	- separate student into group/house base on their room level for events and competition	-common room in each level -warm and cool design in each room -security window	24/7 Room card access to the common area and your own level.
UniLodge	3.5 star -karaoke night	-under 18 program (iglu doesn't offer this) -family stay program	-big & full-equipped	same
CLV	5 star cheap trip to different countries	-In-house swimming program	-Cars parking area -Outdoor swimming pool + poolside lounge chairs	same
Urbanest	5 Star -Friday night BBQ -travel opportunity with cheap price	- Free resume writing workshops and advice for professional career -Under 18 accept and guarantee. - staff families being able to stay on campus.	-big terrace -iMAC station -small individual terrace	same
Student One	4.5 star -event calendar	- Recommended hotel for visitors - activity link to pool -FREE \$10 prepaid Vodafone SIM card -Scholarship program -under 18 program - 'S.O.S.' program	-pool -Microwave + kettle (most accommodation don't) -Pin board	Same
Atira	4 star - resident life program - fitness coaching	-lectures and other academic tutoring program -allow family members to stay in a single studio. -cleaning service (charge)	-2 level of study areas (4 meeting rooms) -outdoor glass terrace - cool design of the stair	Same

Scape	4 stars -breakfast provide + cafe	-have a discount card - 'scape card' -allow family members to stay there for up to four days -cleaning service (charge) -Scape has a clear dispute resolution. -career preparation	-Indoor and outdoor cinema -Outdoor terraces -Scape's Backyard – Half football field, Half basketball court -cafe in campus	-24/7 Room card access to the common area and your own level. -Shuffle service -powerful security -Track My Journey
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Major provider	Strength and Weakness	Cool extra	CSR
Iglu	S: 1. warm hospitality, sense of home and belonging 2. good financial position W: On standard facility	Welfare for Residential Leaders -great design -Resident over 79 countries	- The Worlds Greatest Shave. -Children's Fortress Africa
UniLodge	S: 1. big, public company, more finance W: 2. too big, not delicate	-karaoke -strong partner network	-
CLV	S: 1. large company with lots of campuses around the world. 2. associate with 60 education institutions across Australia, New Zealand, the United Kingdom and the United States W: 1. others are on standard 2. Less design on campus	-trip around world and live in their campus -strong partner network	-
Urbanest	S: 1. activity + academic focus W: 1. Less individual space 2. occasionally unorganized 3. room are expensive	-Golden surface design -strong partner network	-help for specific group
Student One	S: 1.some special program (SIM card) and provide W: 1.on standard 2. Interior design of the room	-strong partner network -own a WeChat (largest social app in china) -wheelchair accessible rooms	- Orange Sky Laundry
Atira	S: 1. focus on individual experience (coaching, adamic...) 2. Strong 'home' conscious 3. More easy to assess to finance due to the investment of 'Blue Sky' W: 1. less promotion	-	-
Scape	S: 1. strong security system. W: 2. room are too small	-strong partner network	- Rethink Mental Illness. - Beyondblue to promote awareness of depression

Summary: In general, Iglu performs above standard with its excellent customer service and the outstanding interior design. It is performed by its orange-colour background, warm hospitality and supportive teams. In order to provide more services for future development, Iglu may consider to adopt a more secure system, like the 'S.O.S system' which is provided in scape and furnish more common-used space, such as more small group meeting rooms or a swimming pool. Most importantly, Iglu needs to focus on their advertisement strategies. As it shows in the table, Iglu associates with only Universities and a few other organisations compared to its competitor. Iglu should consider partnering with other businesses such as a local café, educational agents and overseas agents to attract more customers and provide more hospitality services. According to the 4P's analysis (refer to attached sources), the price of Iglu is at standard level, but provides more cozy and extra service for students.

Example of successful initiatives:

1. Tomson Riviera: As one of Shanghai's most exclusive apartment compounds, Tomson Riverside offers the city's finest view of the Huangpu River and the historic buildings along the Bund. First class component all around the apartment. Tomson Riviera also offers a full range of services including: around-the-clock concierge, around-the-clock security, customised private chamberlain, cleaning and laundry services, meeting and business services, reservation and purchasing services and letter and express delivery services. Moreover, the key factor of its success is not only the service it supplies, but the high level of social circle it highlights. Its residents range from super famous stars in China to some successful business owners.

2. Beck Caulfield: a set of apartment buildings in Caulfield, targeting specifically at students who study at Monash University, Caulfield. These apartments cleared quickly after they were released into the market. Unlike others, Beck Caulfield established base on the needs of Monash University students, with the acceptable price and the environment of increasing price of housing rents in Caulfield.

Suggestion based on the successful initiatives: Currently, the customer service and experience is the top determinate among all the student housing providers. With the development of those businesses, those factors are equalizing among industries. Therefore, in order to walk a big step forward, Iglu should consider not just expanding the campus but focus on increasing the Iglu's unique culture and spirit and establishing the high level social circle within itself. It can be achieved by throwing an outstanding benefit to the public and suddenly reducing enrolment's standard to increase the value of the organisation. Funding for an extraordinary difference such as MIT traditional stone-made dormitory, to stand in the industry with its unique presence.

Project A: Attract Customer:

Shadow safety system

Project Plan: Our plan is to build a safety system which tracks students' location and offer emergency service if it's necessary. Shadow is a 24/7, intelligence, multilingual rapid response service providing support to Iglu students for all circumstances from small worries to serious situations. We will make and offer students a safety wristband, when Iglu students are going out at night or concerned about their safety they can ask the reception for the wristband before they leave. If students are in a dangerous situation, the safety wristband will provide locations to police. Students can speak directly to Iglu reception when they feel they are unsafe by pressing a button on the wristband. Trained security will be in the reception of every Iglu building on key days of every year.

Market needs: Following the tragic shooting event in Christchurch and death in Melbourne CBD, safety concerns are the focus of more people. We are expecting to see that more people will choose iglu over other student accommodations because of the rising safety issue.

Industrial outline

The majority of students are international students from Asia Pacific and domestic students from interstate. It is a student's choice whether to wear the wristband, it is not likely to be a negative incentive for any student. However, this project is more appealing to students who are from countries where it is relatively unsafe and students who have the bias considering Australia is not safe.

Timeline and Budget- total cost :\$37,000

Time	Budget	Actions to be taken
June 2019	\$1000	Get in touch with firms that produce wristbands and get quotes from them.
June 2019	\$27,000	Choose the most suitable firm that produces a wristband and purchase the amount of wristband 80% of total beds number. Which is $3366 \times 80\% = 2692$. Assuming every wristband cost \$10, the total budget will be \$27,000. The wristband should be able to last a few years and this cost will not occur again once purchased.
June-July 2019	\$1000	Partner with the security firm and seek their advice and recommendations towards shadow security systems.
July 2019	\$2000	Partner with an IT consulting team, install a digital system into wristbands.
July 2019	\$500	Organise delivering to Iglu buildings from overseas or interstate.

July 2019	\$1000	Promotion and advertising of the shadow safety system and wristband to Iglu students.
August 2019	\$2000 every year	Hire securities and sign contracts with them in key days of the year.
September 2019	\$1000	Hire trained professionals from security firms to train Iglu reception how to respond to students who are in an emergency situation.
October 2019	None	All wristbands were delivered to each Iglu building.
October 2019	None	Distribute wristband to Iglu students.
October—November 2019	\$1000	Create a digital hardcopy tutorial to teach students how to use shadow safety systems.
December 2019	\$500	Online survey and labour cost. Get feedback, make improvement and changes.

Evaluation: SWOT analysis

Strength: 1. Extra security features which attracts students 2. Free of charge to use for Iglu students 3. 24/7 security 4. It would be attractive to parents who are looking for accommodations for their children. 5. Students can choose to use it or not.

Weakness: 1. Not appealing to students who don't consider safety as the no.1 reason to choose from a student accommodation. 2. High opportunity cost. 3. Privacy concerns regards to tracking device

Opportunity: 1. The shooting event in Christchurch and the death in Melbourne CBD. 2. Rising safety concerns

Threat: 1. If Iglu decides to cut costs, the shadow system would be one which they consider first.

Future prospective: Iglu has the strong reputation to be one of the safest accommodations among other students' accommodations. A rising number of students join Iglu and a higher occupancy rate, because of the significant safety features compared to other student accommodations. lead to a rise in the revenue.

Program B: Retain Customers :

A program that can be implemented to retain students at Iglu to gain a sense of community and connectedness is a loyalty card. This loyalty card evidently creates a sense of community and connectedness with local businesses. It does this by encouraging students from Iglu to purchase goods and services from local businesses. The students will be enticed with discounts and benefits for students who choose to purchase from the store. A sense of community is also apparent between Iglu and its surrounding businesses because they will be working with each other and helping each other out. Iglu will be advertising these businesses on their premises, along with the benefits and/or discounts that are being offered. The program can also increase the connectedness between the students at Iglu, additional deals and discounts can be made for those students who choose to bring a friend. By incorporating this program the students will be truly experiencing the city at a lower cost, which will help them create connections with people at the student accommodation and at the local businesses. If this loyalty card will not be a tangible card, it will be on an app. This is not only environmentally sustainable but it is also cheaper and easier for the students. If this program is successful then Iglu can look at expanding their loyalty card. The discounts and benefits can also apply to businesses or events that are not local to Iglu. for instance, AFL tickets, music concerts, galleries, exhibitions and festivals. If the app is successful then Iglu can diversify their app to include events that are happening at Iglu, any news and access to 24/7 advice and support from Residential Leaders. In order to make sure that this loyalty card is successful, Iglu need to make sure that they advertise and tell their students about it.

Benefit from the loyal student card system:

From Iglu's perspective, it not only gives a student better experience in community, but also a good chance of advertising. Usually, Iglu campus sits near or in the area with different universities. By providing loyalty system, it attracts potential target customers from those University by showing them the benefit of joining Iglu.

Timeline of activities:

June 2019 - run a survey which asks questions if students would be interested in this program and if they will actually use it.

July 2019 - Ask local businesses if they would like to be involved in this program

August 2019 - hire a designer to design the app

September 2019 - hire a app expert to make the app

October 2019 - look over app's design and the formatting of the app

February 2020 - create contracts with local businesses that will be involved in this program.

March 2020 - test run of app to see if it works and how many students want to use it.

April 2020 - the students at Iglu can use the app and receive their discounts

June 2020 - look at future perspectives and look at students' feedback.

Key costs to implement this program: -- total cost: \$26,360

The costs of the program include; paying to create the app, hiring a developer to make the app and hiring an app designer. approximately to create the app it will cost \$25,000. To hire an app developer it would cost \$680 and to hire an app designer it would also cost approximately \$680. In the future, if Iglu wants to offer a more complex app with more functions on the app, then they will have to pay approximately \$70,000. The cost of the card is not needed due to Iglu having its card already.

Evaluation approach:

To evaluate the loyalty card system we will check how many times the app has been downloaded. Iglu will also have access to the amount of times the card has been scanned so they can keep a record as to how many people are using the card. Iglu should also be communicating with the local businesses to check if students are using the card. Iglu should also be seeking some feedback from students, which will help to see what students like and dislike about the loyalty card.

Weaknesses: If students don't use the app. If local businesses don't want to participate in the program

Strengths: Cheap to run the program. Students will most likely use the program because it will be helping them get goods and services cheaper than usual. Helps create a sense of community between Iglu and neighbouring businesses because they will be working together to make sure that the program works. The program is environmentally sustainable - there will be no tangible cards, students will scan their phone (no paper cards).

Easy to use - the app will be easy to use

New Revenue Stream -- Project Proposal:

Names: Iglu colony- ‘Colony’ can be described as a place where a group of people with the same occupation or interest live together. In the biology perspective, it also indicates a community of animals or plants of one kind living close together or forming a physically connected structure. Yes, the spirit and culture. The new revenue stream will be achieved by establishing a in-house cafe in the accommodations for daily supply of fresh coffee and pastries that students can grab before leaving for school. It can also provide some emergency supplies and some Iglu spirits items to sell. Students can also work there part time as a barista.

Payment: Iglu’s Colony targeting a niche market, specifically for Iglu students and their friends. The students should present their student card for purchase and the expense will be charged in their card either by pre-pay system or credit system.

Price: Due to small demand for the product, Iglu will order the food through Costco and thus the price will be set as standard.

Pre-order system: The student can pre-order the item on Iglu’s app and come down for the ready food, or take away a dish or packed items.

Want it immediately? Order it on an app with the option of in-house delivery and your goods will be waiting in front of your door. Considering the security issue, only the Iglu staff will conduct the delivery. The delivery option is limited based on the credit on your student card. You can gain it by ‘Project A’ (join Iglu activity)

Vision statement: To promote a healthy Iglu style of living. Provide efficient and emergent and exclusive goods for Iglu’s students.

What does the cafe provide:

Drinks in Cafe: Having fresh coffee or squeezed juice for a new day ? It brings a variety of options for students to choose based on different moods.

Eat in Cafe: The cafe will not provide stove-needed meals such as stir-fried, formal brunch, roast dinner... As the cafe won’t include a kitchen with chefs as it’s not necessary. Students prefer to go out for a formal meal instead on campus, for more choice. The purpose of the cafe is bringing the convenience to students, thus, simple food is enough to solve this purpose.

Emergency supplies: No one can prevent unexpected incidents, it’s part of our life. The emergency supply is here 24 hours to help you to solve any urgent needed. All the items will be labelled with Iglu’s logo!!

Iglu Spirit: The one most essential part of Iglu is its warm atmosphere. The sense of bonding, homeness, connectedness form the Iglu community. Therefore, having some special Iglu label item can present and remind students’ belonging. Evenmore, when they go out with all those items, it advertises Iglu potentially.

Market needs (niche market): Currently, Iglu provides all the residents the kitchen fit and facilities to cook their own food. With those equipment, iglu students can choose either cook by themselves or eat outside. However, to make a meal a student needs time for grocery shop, food making and final clean up. The university students don’t usually have that much time, therefore, the most convenient way for them is to eat outside, order food delivery or buy some fast-cook food. It’s a time-saving strategy thus, but it is not good for their health which may further impact their study. To provide students quick health food is the major thing iglu can help students to have a better studying-life. Students can just go to the ground floor and order the food which won’t even cost them 5 minutes to get something to satisfy their hunger. The price will be affordable for students as well. How about run out of something? Iglu students can wear their pajamas down to get some emergency items

quickly instead of going out and seek a convenience store. The iglu cafe will also provide some first-line fashion iglu items for students to use, all in high quality and affordable price. Want your Iglu spirit? Go to a cafe to buy some!

Industry outline: The majority of customers are International students from asian pacific and domestic students from other cities. (Students from other countries as well) Cafe needs to provide a range of food that everyone likes in order to reduce bias and satisfy all needs. There are few student accommodations that provide food for students, so having a cafe can provide a competitive advantage.

Business's strength and weakness: The weakness of Iglu is there is less advertising and corporate agent and no food supply. According to the weakness of the Iglu, To establish a cafe in Iglu can help to solve both food supply and potential advertising will be achieved when students take their Iglu items out!

Timeline and Budgeting ----- TOTAL COST: \$45,919.8 (refer to source document)	
<p>2019</p> <p>- June:</p> <ul style="list-style-type: none"> • Melbourne cafe project • apply for cafe and restaurant License: \$468.80/year • Apply for retail License: \$196/year • Join the business membership in Costco (supplier) \$55 PER YEAR • Get a resale permit: under \$50 • Others permit: \$500 <p>- July:</p> <ul style="list-style-type: none"> • Negotiate and establish a final draft of interior design with designer: \$100/hr *7 hrs*3 days = \$2,100 • Insurance: \$2500 <p>-August:</p> <ul style="list-style-type: none"> • Construction project including decoration, furniture: \$950 • Marketing research online for food and drink menu: \$50 • Menu layout: \$250 <p>-September:</p> <ul style="list-style-type: none"> • Construction project including decoration, furniture: \$950 • Purchase and instal the equipment: \$ 20,000 • Purchase and instal the POS system: \$1700 <p>-October:</p>	<p>2020</p> <p>- January:</p> <ul style="list-style-type: none"> • Space time (university holiday) • Iglu's item producing • Recruitment period <p>- February:</p> <ul style="list-style-type: none"> • Space time (university holiday) • Recruitment period • Received the item <p>-March:</p> <ul style="list-style-type: none"> • Recruitment period end • Select 5 applier for the position: 2 Barista, 1 cashier, 1 drink maker, 1 cook • Employee training (2 weeks) • Food allocation: \$ 700 <p>-April:</p> <ul style="list-style-type: none"> • 1st April -- Iglu colony open! • Food allocation: \$2,800 • End of April: Wage pay date!! \$12,000 <p>-May:</p> <ul style="list-style-type: none"> • Second trial out month • Food allocation: \$2,800 • End of May: Wage pay date!! \$12,000 <p>-June</p> <ul style="list-style-type: none"> • Third trial out month • Food allocation: \$2,100

<ul style="list-style-type: none"> Advertising and recruitment of staff: \$ 1000 Training of staff with a external trainer \$ 2000 Uniform + apron: \$100 <p>November: University Exam week</p> <ul style="list-style-type: none"> Advertising and recruitment of staff <p>December: student holiday</p> <ul style="list-style-type: none"> Melbourne cafe project Advertising and recruitment of staff Associate with an independent workshop for Iglu's item producing. Students begin their holiday 	<ul style="list-style-type: none"> Start planning the next campus: Brisbane- Kelvin Grove End of June: Wage pay date!! \$12,000 <p>Additional Information:</p> <ul style="list-style-type: none"> Melbourne is the new market for student accommodation providers, therefore setting up the cafe in this new market can suddenly gain the competitive advantage against others. Brisbane's Kelvin Grove campus is the next campus in plan for a cafe. This is because it already provides morning tea service for students, which can facilitate the establishment of a new cafe..
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Project Evaluation-- SWOT analysis

Strength: Niche market, provide service specifically for Iglu students and thus greater customer satisfaction.

Adequate financial supply from Iglu. Land and premise pre-exist, therefore, no cost needed. Considerable salary for cafe staff.

Weakness: Small customer group. Inexperience in the cafe industry. Limit food and service supply. Price will be at standard. (no competitive advantage)

Opportunity: Some government incentives and subsidies for the cafe industry. Expand into a new campus where there will be one.

Threat: Operation time should be based on University operating time. Intensive competition. Many cafes and restaurant nearby with abundant of option (Victoria Market near Melbourne Iglu campus)

Future prospective: For the future prospective, the aim of establishing the cafe is not just for a new revenue stream but to create a 'Iglu culture' . With the high student's satisfaction, the Iglu cafe culture will be part of their daily routine. Students will trust the reliable quality of Iglu items and food and thus, willing to support Iglu Colony's future development. Iglu colony targets to become 'the third place' of student lives, by providing the student world that students can chat, relax and enjoy themselves. In another world, student 'bus'! The use of Iglu items will gradually become the symbol of belonging. Student is proud of being part of Iglu's team.

Overview of consulting team



Vivian Lin:

Vivian Lin is a year 11 student who attends Shelford Girls' Grammar. She loves learning about business, this is clear from the subjects she studies. At school she studies year 12 business management and year 11 accounting. She always gains the top marks in class. Since she was small, she is influenced by her father and participates in her father's business annual meeting each year. When she was in year 8, she tried to help for one of her business projects and after completing this research report it has shunned the light on her future major when she goes to university to study. When She is older, she wants to be an entrepreneur because She is really creative and excellent at coming up with new ideas, and by studying business subjects it will help her become an entrepreneur in the future and help me operate her business.



Joanna Giannas:

Joanna Gianna is a year 11 student, She attends Shelford Girls' Grammar in Caulfield. She is genuinely interested and passionate about business. At school She studies business and accounting, they are her favourite subjects. Her interest in business has stemmed from her mum who is heavily involved in the business world, so when she was younger and to this day she learns a lot of business from her heavily. As a Duke university professor, Joanna's mom always brings her to listen to her lecture. In the future, she endeavours to take part in a job that incorporates business into it.



James Tang:

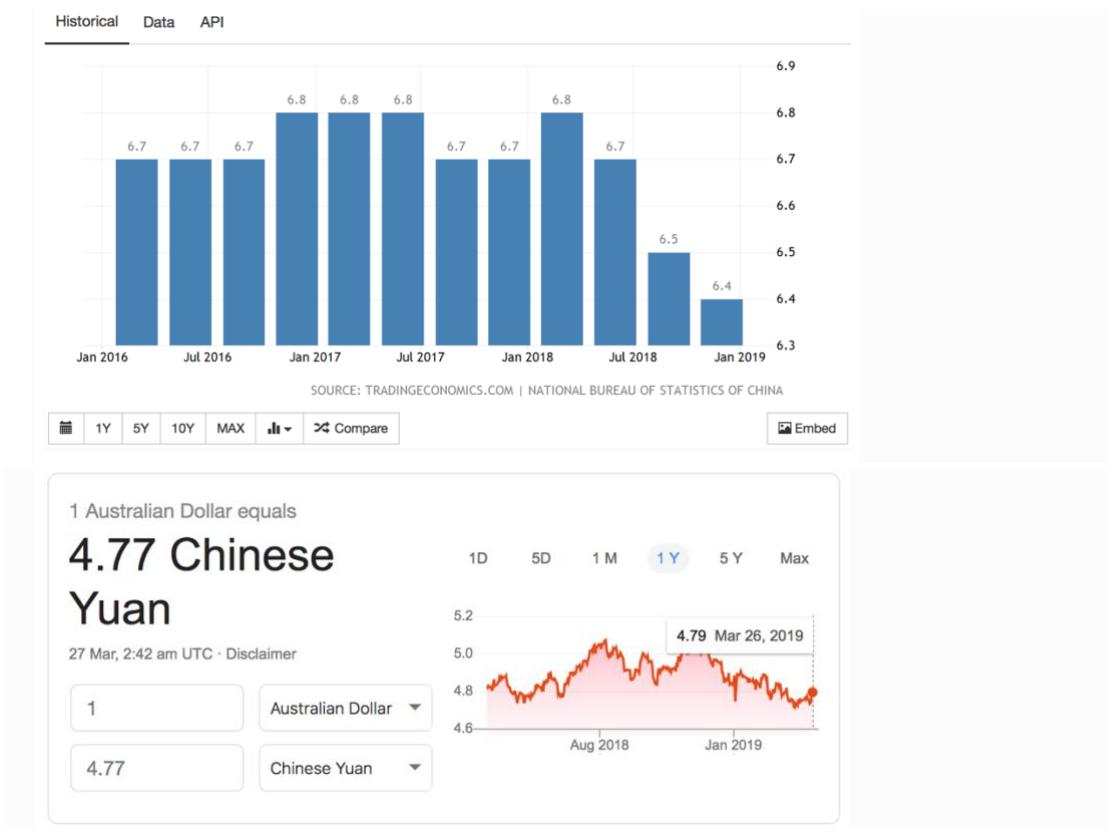
James Tang is a year 11 student who is the only boy in the team and attends Caulfield Grammar. He actively participates in business events and joined the Economic 3,4 class and Accounting 1,2 class as his favorite subject of studying. He is always the top of the class and became the top mark of the year level in last semester.

Source and Reference:

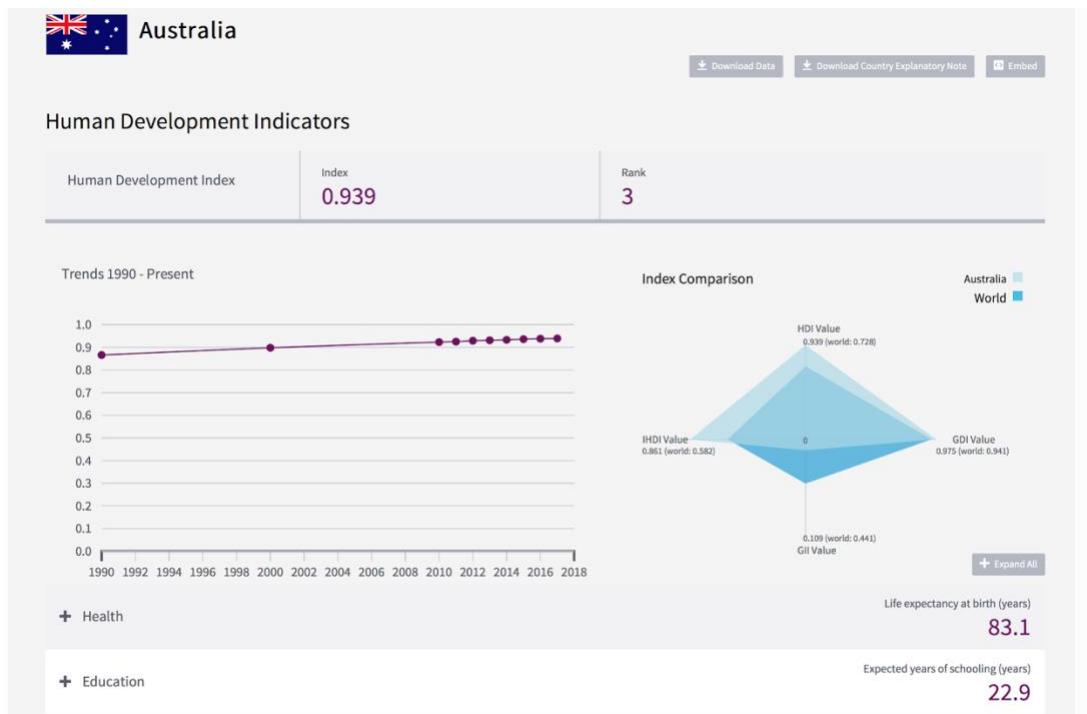
Appendix:

1. RESEARCH & ANALYSIS

Economic environment:



Culture analysis:



Locational analysis:

Brisbane:



Sydney:



Melbourne:



Iglu detail information:

Business focus: customer service

Location: 8 location (4 sydney, 2 Brisbane, 1 Melbourne + 1 in planning)

Director: Jonathan Gliksten (work experience in urbanest)

Collaborator:**UNIVERSITY PARTNER OFFERS**

Our philosophy of always being close to major universities and colleges makes us the perfect partner to provide their students with the highest quality student accommodation in unbeatable locations. We work with them to make sure their students have a safe, secure and supportive student living experience while they study with them. So if you are planning to study at any of the universities shown below, check out the cool offers we have available.

**4P analysis: (product, price, place, promotion)**

Major provider	Place	Product + Price	Promotion	
Iglu	Brisbane Sydney Melbourne (week 26)	Brisbane: Private share (3-6) \$294-374 Studio: \$474-484 Sydney: Private share (3-6) \$365-530 Studio: \$524-589	Melbourne: Private share \$364-374 Studio: \$454-474	Gain \$300 or \$150 Westfield voucher for a friend sign up
UniLodge	Melbourne Brisbane Adelaide Darwin (week 46)	Melbourne: private share: \$296-706 Studio/ studio share: \$279-576 Adelaide: private share: \$265-349 studio: \$305-375	Brisbane: private share: \$229-412 Studio: \$289-\$469 Darwin: private share: \$184-210 studio: \$231-315	-Refer A Friend to Receive \$200 Reward*! -Essence Apartments and Suites - Book Now and Receive 15% off* -Receive a \$100 Gift Voucher for being a good friend?*
CLV	australia, new Zealand, the united kingdom and the united states Australia (22 location): WA, Melbourne, Canberra, Sydney, NSW, Queensland	195-690	-	

Urbanest	Sydney Melbourne Brisbane London Adelaide	Brisbane: private share: \$289-349 Studio: \$199-349 Adelaide: Private share: \$309-375 Studio: \$455-\$489	Sydney: private share: \$459-479 Studio: \$369-\$579 Melbourne: private share: \$415-\$575 Studio: \$479-665	Refer a friend get \$50 cash card
Student One	Brisbane	Brisbane: Private share: \$259-334 Studio: \$424-464		- Extend your stay and get rewarded
Atira	Brisbane Melbourne Adelaide	Brisbane: Private share: \$264-400 studio: \$195-314	Melbourne: Private share: \$359-466 Studio: \$472-509 Adelaide: private share: \$320-345 Studio: \$344-369	parent stay: contemporary Studio Plus and Premier apartments for just an extra \$50.
Scape	UK Brisbane Melbourne Sydney	Brisbane: Private Share: \$229-295 Studio: \$349 Melbourne: Studio: \$449-629 share studio: 319	Sydney: Private share: \$449 studio: \$549-589	Scape Card: -discount on the store nearby -free first ride of Uber

Project 3:

Additional information: Iglu has its strength of diversity of students nationality (80 countries), strong hospitality and belonging and cool design. According to the strength of the Iglu, everyone can apply to work at Iglu colony which also increase strong belonging. Furthermore, the design of cafe need to fit with the background color of its interior design.

Iglu Colony provide:

Service	Example	Purpose
Cafe-Drinks	Coffee Tea Milk Fresh juice and smoothie milkshake Homemade Ice-cream (seasonable) ...	Having a fresh coffee or squeezed juice for new day ? It brings variety of options for student to choose base on different moods.
Cafe-Foods	Toast your way (selection with fried, poach, scramble egg) or (different jams and sauces) + (fruit or nuts) Porridges + oatmeal Yogurt cup Fruit cup Cake Muffins Hamburger + sandwich + hotdog + pedie + pasta + pie + pastry (culture food) ...	The cafe will not provide stove-needed meal such as stir-fried, formal brunch, roast dinner... As the cafe won't include a kitchen with chefs as it's not necessary. Students prefer to go out for a formal meal instead in campus, for more choice. The purpose of cafe is bringing the convenience to students, thus, simple food is enough to solve this purpose.
Emergency supply/ daily use	Emergency medicine + medical kit Tissues paper Stationary towel Cotton swab Floss Chapstick ...	No one can prevent unexpected incident, it's part of our life. The emergency supply is here 24 hours to help your during those randoms. All the items will be label with Iglu's logo!!
IGLU SPIRITS	-IGLU SPIRITS Iglu icon wear Iglu badge Iglu diary/ schedule book Iglu stationary ...	The one most essential part of Iglu is it warm atmosphere. The sense of bonding, homeness, connectedness form the Iglu community. Therefore, having some special Iglu label item can present and remind students' belonging. Evenmore, when they go out with all those item, it advertises Iglu potentially.

Financial plan/ Budgeting :

Licences:		
Cafe and restaurant License	\$468.80/year	

Apply for retail License	\$196/year	
Get a resale permit	\$50	
Others permit	\$500	\$764.8
Insurance:		
All Insurances	\$2500	\$2,500
Supplier cost:		
Business membership in Costco (supplier) PER YEAR	\$55	
Food and retail supply	\$8,400	\$8,455
Construction:		
Interior design	\$100/hrs *7 hrs*3 days = \$2,100	
Construction project	\$1900	
Purchase and instal the equipment	\$ 20,000	
Purchase and instal the POS system	\$1700	\$25,700
Marketing:		
Marketing research for menu	\$50	
Menu layout	\$250	
Advertising and recruitment of staff	\$ 1000	\$1,300
Staff:		
Training of staff with a external trainer	\$ 2000	
Payroll (3 months)	\$ 3,600	\$5,600

Sundaries:		
Uniform + apron	\$100	
Manufacture fees of Iglu item	\$1500	\$1600
Total cost		\$45,919.8

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