

KeeParts Ltd

Michael O'Neill graduated from Cork University with a degree in Electronic Engineering. On leaving college he was recruited by a large multi-national firm to work as a Production Engineer based in their European headquarters in Paris. He was responsible for the production of components to be used in the manufacture of domestic appliances. During the ten years that Michael worked with the company he gained lots of experience and won the respect of many by his up to date knowledge and his enthusiastic approach.

While Michael was quite happy in his job, he always had a desire to work for himself, and to set up his own business. Having secured an attractive early retirement financial package he returned to Ireland two years ago and set up KeeParts Ltd. He leased a small commercial unit in a business park which is strategically located just 10 km from the nearest city.

Michael had built up a lot of contacts over the years and is currently manufacturing components under contract for a large European washing machine manufacturer. He invested heavily in the firm through his savings and the financial package he received on leaving the multi-national. He was also delighted to receive assistance from a state agency.

Recently he was approached by two other companies to manufacture components under licence for them. Currently he employs ten people and he carries out all the management functions himself. He would be unable to expand his business from his present location and Michael is well aware of the demands that expanding the firm may bring.

Michael feels that he cannot delay making this decision as it is a chance that may not come his way again. He is well aware of the importance of supplying high quality components to as many customers as possible, in order to ensure the success of his business.

1. State and explain the advantages to Michael of setting up his own business. (6)
2. (i) What assistance can state agencies offer entrepreneurs? (4)
(ii) Prepare a SWOT analysis for KeeParts Ltd. (8)
3. Describe four possible implications of expansion for Key Parts Ltd. (12)