

Dee Vinci Painting (DVP)

Dee recently set up DVP, a painting and decorating business after she had been unemployed for 7 months. Many home owners are extremely busy and find it difficult to find the time to paint or decorate their houses. Increasing incomes have also led to a high demand to home improvement including re-decorating. The primary market research carried out by Dee before setting up her business confirmed this high demand. Dee used sampling when carrying out a questionnaire.

Dee is a sole trader. She drew up and followed a business plan. She got a bank loan of \$4 000 to get her business started. She needed \$250 to purchase ladders, brushes and paint. She also needed transport to travel between customers houses. Dee decided to lease a van at a cost of \$200 per month. Dee has to pay wages to her 2 part-time employees of \$400 per month each.

Dee only has a few customers and she needs to promote the business to attract more customers. She is considering printing leaflets, advertising in local newspapers or just relying on social media. She has to decide which method of promotion to use. She hopes her satisfied customers will tell their friends about DVP's excellent services. If the promotion is successful, she will need to ensure her employees can meet this higher demand.

Appendix 2

Text messages from between two DVP employees

Employee 1 : I like working with Dee, she is a good boss. I am happy she asks us what we think. I do not want to work for anyone else but I would like to work more hours.

Employee 2: My last employer always told me what to do. I do not like having to make decisions. Working fewer hours and being flexible with the times I work makes it easier to look after my family.

Appendix 2

Summary of costs, price and demand for DVP	
Fixed cost per month	\$2000
Variable cost per house painted	\$550
Price per house	\$950
Average number of houses painted per month	9

Appendix 3

Article in the national newspaper

Daily Bugle 1st September 2020

Should painting become more environmentally friendly?

Mass producing paint uses harmful chemicals which damages the environment. New environmentally friendly paints which do not cause pollution have recently been launched on the market. Environmentally friendly paints cost 75% more than paint which is produced using harmful chemicals.

Many painting businesses use plastic containers for paint. Most of these containers cannot be refilled or recycled. Recently a new machine has been developed for cleaning and refilling empty paint containers. Each machine costs \$500

The Government is being encouraged by environmental pressure groups to introduce legal controls over the painting and decorating industry.