

Business Plan

Konokono Group

Executive Summary

Product

KonoKono Group manufactures leather goods and accessories for all ages and backgrounds. The company designs leather goods fit to use for all occasions. The leather products that KonoKono Group intend to sell are high quality and selectively sourced from premier suppliers/manufacturers of high-quality leather mostly from Tanzania. Konokon's products will be available for sale local and international to foreign countries and expect to generate forex currency. Moreover, all products from the company are carefully and tastefully designed to ensure that the product you buy will be a timeless piece and with proper care, something can be last in one's everyday use.

There is diversity and variety in Konokono's product catalog. Some products are built and designed as an itself, for everyday use with classic or unique designs. Other products, specifically leather accessories, can be used as themselves or paired with other pieces or materials, allowing the wearer to mix and match according to their mood and personality.

Customers

The target audience for most of our products are teenagers to adults, all genders, specifically customers who want a utilitarian product that is also tastefully designed. Our customers want durable and long-lasting products but not comprising on good at least, elegance and style. In addition, our clients also like products that can deliver both on the use of the products and the opportunity to make the product as an individual stylistic choice. The company's line for both leather products and accessories is currently a good market for customers in the teenager to adult range.

Future of the Company

The market and industry for leather products have been in the industry for a long time. While the market in the leather industry is competitive, the company believes that it found its own space in the market with its products. The company also believes that the company is well-suited between high level or luxury companies that provide top of the line leather products and independent creators or companies that also sell leather goods. The company derives advantages and disadvantages in both places and positions itself to be a unique seller of leather goods among its competitors. In addition, the company is also confident that it has a significant share of the market due to the interest in the products by the clients and prospective clients by using more engagement and campaigns using social media platforms and an approachable media presence. The company believes that it will grow in the next two to five years, and to do so, it plans to bolster its online and social media presence to cater to people who are currently accustomed to online shopping. Promos and campaigns will be featured on the company website and social media handles. There is also consideration to create an official store presence in the country's leading online marketplaces. The company hopes that it can launch a commercial advertising and marketing campaign with social media influencers that can help relay the message and quality of the products. Moreover, more exposure and awareness campaigns are in the plans as well as being highlighted or mentioned in blogs or list articles in online magazines to attract the more potential customers.

Company Description

Mission Statement

The company's mission statement is to provide quality and timeless leather pieces that people of all ages and backgrounds can be used every day.

Principal Members

Ndagi Buzoya — owner, designer, and primary builder

Tina Celestine Buzoya— business manager/bookkeeper

Legal Structure

The company is a sole proprietorship and a private company.

Market Research

Industry

Currently, the company is part of the leather goods industry and the accessories/fashion industry. While the company has a small share of this growing industry, it is still expected to thrive and create a niche space. Most of their biggest companies in the leather goods industry are high and luxury goods companies like Christian Dior, Kering, Hermes International, Compagnie Financiere Richemont SA, Prada, Nanji E-Commerce Co. LTD., Salvatore Ferragamo, Bata India, and many others. There are also other companies that cater to the middle class in form of athletic goods like Adidas and Nike. On the other edge of the spectrum, there are the independent creators and hobbyists that are situated online, craft fairs, shops, or from their home – all looking to profit from the same customer base.

So far, the leather goods industry is not suffering any economic fallout. Currently, the online marketplace is thriving and the companies see this as an opportunity to bolster their online and social media presence for the next two to five years. If possible, the company would like to start in the online marketplace and gradually into a physical store if the situation calls for it. Overall, the company sees the online platform as its main platform in selling, and due to the current pandemic situation in the world, the company relies on many shoppers to continue their online shopping habits post-pandemic.

Detailed Description of Customers

The two groups that the company targets as potential customers are the young professionals (ages 20-30 years old) and older generations (ages 30-60 years old). The target market is people who are interested in high quality but also stylish leather goods that can be used every day and paired with already-owned leather goods or clothing. These customers are conscious of making purchases, which are utilitarian but also carefully designed to fit their needs. In our profile, the customers are people who wanted more value for their money and can appreciate a product that can last for five to ten years before thinking of replacing the item. In addition, the customers are also design and fashion conscious – they want their products to be a part of a matching set or a conversational piece without compromising its utilitarian quality. To sum, the customer wants a product that is being carefully designed but also given

a lot of thought when the customer uses it. For wearables, the company sees its customers as people who want comfort, durability, and a great design for their purchases.

Company Advantages

The company has the following advantages compared to competitors:

1. Genuine leather material sourced locally
2. Choice of clean, semi-classic, and semi-modern design
3. High quality and durable goods that can be used for a long time
4. Leather pieces that can be used as itself or as part of a set
5. Friendly price points for young and older professionals
6. Customization option for some leather items.
7. Locally made and sourced raw materials.
8. Interactive and engaging social media accounts and a high-quality central hub website for interested customers.

Product/Service

The company is selling leather goods and accessories using high-grade and quality leather as raw materials for the goods. The goods (including the accessories) are designed for everyday use and use for different occasions. The current line/catalog consists of :

Pricing Structure

Konokono will offer its products for the following prices for export:

- Leather bags various size - \$25- \$50
- High hands bag for women - \$30
- Watch straps for men and women- \$20
- Car seats leather set - \$220 per set
- Leather upholster for cars - \$120
- Constructions Gloves \$20 per pair
- Open shoes for women \$ 15 per pair

Intellectual Property Rights

The company has a trademark name, rights, and protection of it's name and brand.

Research and Development

The company is planning to conduct the following research and development:

- Include a feedback mechanism on the website and social media accounts for ideas, suggestions, and improvements
- Also, launch product campaigns and include social media in many PR activities.
- Review available market research and conduct bi-annual market research to identify new designs or new products that the company can launch.

Marketing & Sales

Growth Strategy

To grow the company, the company is striving to do the following:

1. Increase brand awareness and marketing by using social media platforms and presence, in addition, to a user-friendly website to give detailed and interesting info about the company and the products
2. Follow up on designs and if possible, start a trend that helps boost the company and the products.
3. Reach out to influencers and other social media advertising experts
4. Create a client-initiated product or trend that can help make the company more personable to the customer.
5. Pursue an official store status in the most prominent online marketplaces in the country.

Communicate with the Customer

The company strives to increase and engage with its target market by:

1. Creating and maintaining official social media accounts like Twitter, Facebook, Instagram, Pinterest, and Youtube. Facebook, Twitter, and Instagram will be prioritized since sharing on these platforms are already considered the norm. Alternative or other social media platforms will be reviewed whether they are viable for interaction with the target market.
- 2.. Creation of a chat function within the company's website.
3. Creating or revamping the company website to be more shop-oriented/customer-friendly.
4. Offering sales, discounts, and other discounts on the official website and advertising those announcements on social media platforms.
5. Using Google and Facebook ads for more reach and engagement.
6. Providing content-rich and specific posts across all platforms for each segment of the target market.

7. providing chat support for customers browsing the website.

How to Sell

The company is looking to expand into the online and social marketplace. As such, the company is also looking for people who can interact with the customers via customer service and sales online and offline. There are plans for hiring a customer service/marketing/sales team that can drive the marketing campaigns for the company. There also other position to fill such as people who have experience in online selling and online transactions, online service support (chat support or service representatives), SEO/content marketing/social marketing experts, content creators, and social media influencers.

Export

Exporting our products to overseas market and all of Eastern African countries is our ultimately goal in generating foreign currency. The company expect to create at least 120 direct employment and 5000 indirectly employment respectively. Based on revenue projection KonoKono Company expect to earn at least \$500,000- \$750,000 as annual revenue for it's first year of production. Then \$2,000,000 going to second year.

Cash Flow Statement \$

KonoKono Group- 5 year Projection

	Year 1	Year 2	Year 3	Year 4	Year 5
CASH RECEIPTS					
Cash sales	500,000	650,000	800,000	950,000	1,250,000
Returns and allowances	2,000	4,000	5,020	7,000	9,000
Collections on accounts receivable	75,000	100,000	140,000	160,000	180,000
Interest, other income & sales tax	50,000	60,000	80,000	75,000	120,000
Loan proceeds	0	0	0	0	0
Owner contributions	150,000	50,000	10,000	5,000	5,000
TOTAL CASH RECEIPTS	777,000	864,000	1,035,020	1,197,000	1,564,000
CASH PAID OUT					
Vehicles	40,000	15,000	3,000	4,000	4,000
Commissions and fees	1,000	1,500	1,000	2,000	1,250
Equipments & Plant	20,000	20,000	20,000	1,000	1,000
Employee benefit programs	10,000	10,000	11,000	10,000	11,000
Insurance (other than health)	12,000	10,000	11,000	15,000	10,000
Interest expense	1,000	1,000	1,200	1,500	1,000
Materials and supplies (in COGS)	25,000	18,000	30,000	42,000	50,000
Meals and entertainment	2,000	3,000	4,000	5,000	1,200
Office expense	5,000	6,000	6,500	8,000	6,000
Rent or lease	2,000	2,300	3,000	3,200	1,500
Rent or lease: vehicles, equipment	5,000	6,000	7,000	8,000	4,000
Repairs and maintenance	5,000	7,000	6,500	4,000	1,000
Supplies (not in COGS)	10,000	14,000	12,000	10,000	20,000
Taxes and licenses	14,000	13,000	11,000	10,000	10,000
Travel	5,000	5,000	7,000	6,000	5,000
Utilities	5,000	4,000	5,000	3,200	3,000
Wages (less emp. credits)	15,000	13,000	16,000	13,000	12,000
Miscellaneous	10,000	8,000	9,500	5,000	5,000
TOTAL CASH PAID OUT	187,000	156,800	164,700	150,900	146,950
Net Cash Flow	590,000	707,200	870,320	1,046,100	1,417,050

KonoKono Group

Project Implementation Schedule

Action	Task/assigned	Estimated time to complete	Task Status	Date Started	Date Completed
Land survey/documentation/permitting	Dodoma/City Council	0-1 year	Completed	1/1/2020	12/12/21
Land clearing and excavation	Local Labourers	1-1 year	Completed	01/12/20	06/06/21
Manufacturing of concrete bricks	Company's employees	1-2 year	In progress	06/06/21	12/12/22
Building Fencing	Company's employees	1-2 year	In progress	01/01/20	04/04/22
A house for employees/laboures	Company's employees	1-1 year	Completed	01/01/20	06/15/21
Construction of the main building	Contracted Engineering Co	1-2 year	In progress	01/01/22	12/12/23
Recruiting and training	Project Manager	1-2 year	In progress	01/01/21	12/12/23
Procument/assets and raw materials	Project Manager	0-1 year	In progress	06/06/22	12/12/23
Marketing & advertising	Project Manager	0-1 year	In progress	06/06/22	12/12/23
Initial fully production	Chief Excavative Officer	1-3 year	In progress	01/01/23	12/12/23

Investment breakdown:

As of September 2021, \$200,000+ cash is allocated and available at CRDB Bank account to fund the project progressively and as needed. Financial, it's a self-funded project and will not rely on a loan or any financial grant from outside sources.

Land/Building-as of now fencing of the entire land and a house for employees is under construction (cost estimated to be around \$50,000. This amount will cover all constructions materials required to build the main building and fencing

Plant-mostly sewing machines, gear and other equipment shall be procured once the main building is finished and functional. Initial estimated cost to be around \$60,000 though the amount might vary due to an increase in production cost.

Vehicle- FUSO Mitsubishi Canter tone 3.5 expected to be arriving sometimes at the end of this month or early October-2021 from Japan. In addition- another SUV for administration purpose shall arrive at the end of the year 2021.

Furniture & Fittings mostly can be purchased local and the remaining items such as computer and electronics equipment will be procured from overseas accordingly. Amount of \$20,000 or little bit less shall be enough to strengthen all the cost linked to furniture and fittings at the project location.

Pre-expenses- \$5,000 has been incurred partial between 2019-2021 to covers miscellaneous and administration expenses tied on setting up of the company's permits and other Governmental documents.

Working Capital: an estimated amount of \$50,000 is allocated to support and bolstered a day-to-day operation of the project once is up and running.

Others/cost- unprecedented issues might happen between now and then but we don't expect the overheads associated with the project to skyrocket enormously.

Projected Balance Sheet 5 year KonoKono Group

Assets	Year 1	Year 2	Year 3	Year 4	Year 5
Current Assets					
Cash /Hand	20,000	15,000	12,000	8,000	7,000
Cash/Bank	428,000	354,000	383,280	611,000	846,000
Account Receivable	75,000	100,000	140,000	160,000	18,000
Fixed Assets					
Vehicles	40,000	15,000	3,000	4,000	4,000
Equipment and Plant	20,000	20,000	20,000	1,000	1,000
Buildings	20,000	15,000	16,000	50,000	16,000
Office Equipment	12,000	14,000	36,000	15,000	12,000
Furniture and Fittings	6,000	8,000	4,000	5,000	12,500
Machinery	25,000	20,000	15,000	5,400	20,000
Shareholder's equity	150,000	50,000	10,000	5,000	5,000

Projected Income Statement - 5 year Projection

KonoKono Group
Income Statement \$

Revenues:

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	777,000	864,000	800,000	950,000	1,250,000
Less Retuns	2,000	4,000	5,020	7,000	9,000
Total Net Revenue	775,000	646,000	794,980	943,000	1,241,000

Less Cost of Goods Sold
Gross Profit

	200,000	150,000	250,000	185,000	252,000
	575,000	496,000	544,980	758,000	989,000

Expenses:

Commissions and fees	1,000	1,500	1,000	2,000	1,250
Employee benefit programs	20,000	20,000	20,000	1,000	1,000
Insurance (other than health)	10,000	10,000	11,000	10,000	11,000
Interest expense	12,000	10,000	11,000	15,000	10,000
Materials and supplies (in COGS)	1,000	1,000	1,200	1,500	1,000
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Miscellaneous	15,000	13,000	16,000	13,000	12,000
	10,000	8,000	9,500	5,000	5,000
	147,000	141,800	161,700	146,900	142,950
Net Income	428,000	354,200	383,280	611,100	846,050