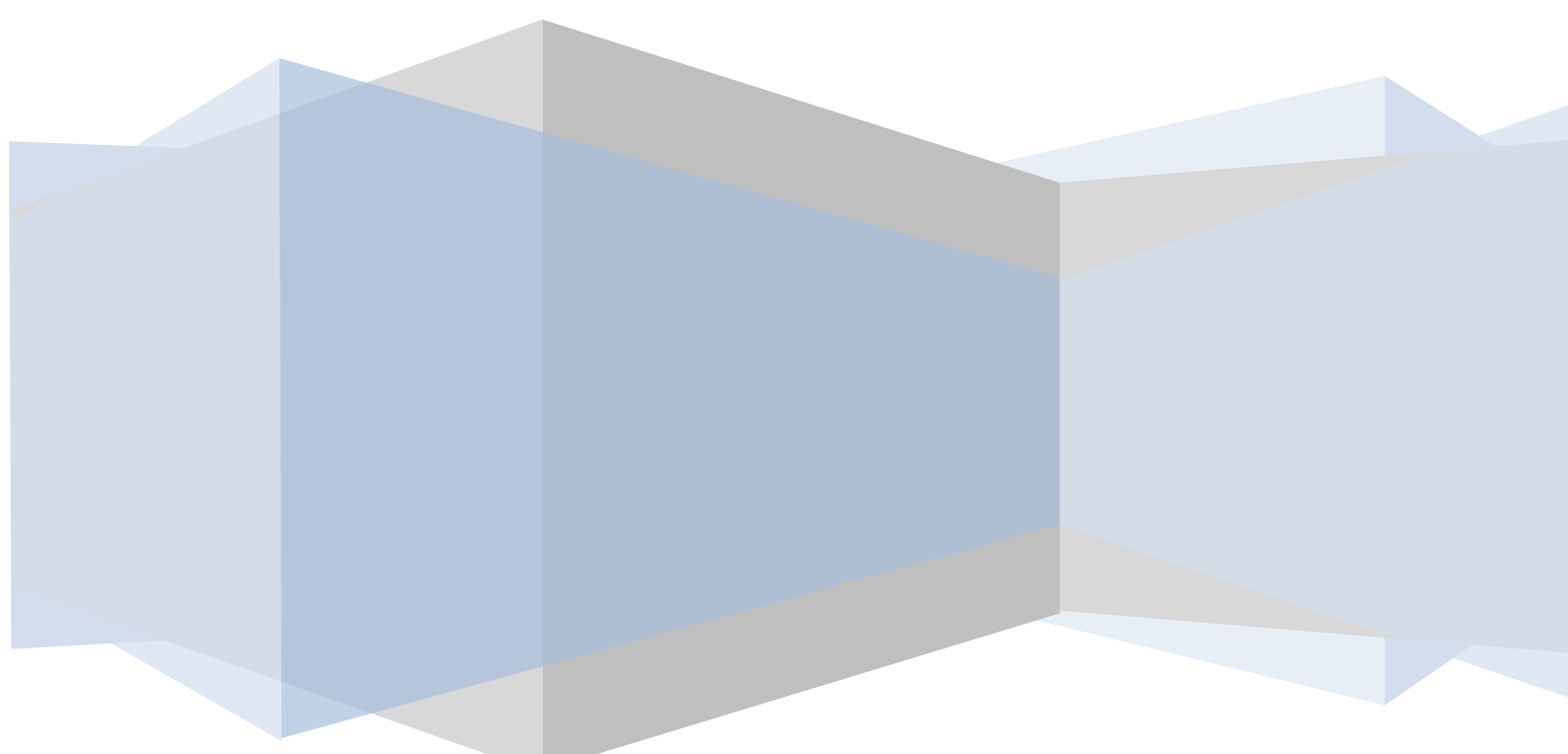


Business Plan

-Manufacturing, Importing and Distribution of Furniture

JAFFERY IND. SAMA LIMITED



Contents

1. Executive Summary	4
2. Business Description and Company Information	6
2.1 Mission.....	6
2.2 Objectives.....	6
2.2.1 Short Term Objectives-Within 12 months	6
2.2.2 Medium Term Objectives-between 12 months and 36 months	6
2.2.3 Long Term Objectives-beyond 36 months	6
2.3 Keys to Success.....	7
3. Management.....	8
3.1 Organisational Structure	8
3.2 The management team	8
3.2.1 Managing Member:.....	8
3.2.2 Admin Manager:	9
3.2.3 Production Manager: Position Vacant	10
3.2.4 Operations Manager: Position Vacant	12
3.2.5 Marketing Manager: Position Vacant	12
3.2.6 Accountant: Position Vacant	13
3.3 Management Team Gaps	13
3.4 Production Personnel requirements.....	14
3.4.1 Wood machinist	14
3.4.2 Cabinet-maker.....	14
3.4.3 Frame-maker	14
3.4.4 Furniture-polisher.....	14
3.4.5 Carver	14
3.4.6 Upholsterer	14
4. Industry Analysis.....	15
4.1 Value Chain	15
4.2 Global Overview of Furniture Industry.....	16
4.1 Market Attractiveness Assessment	17
4.2 Market Trends	17
5. Premises, Equipment and Machinery	17
5.1 Location and premises	17
5.2 Details about how the assets are depreciated or will be depreciated. Is it the straight line, reducing balance or other method? What is the useful life of each fixed asset?17	
6. Production Plan.....	18
6.1 Process Flow	18
7. The Marketing Strategy.....	18
7.1 Target Market Strategy	18
7.2 Strategy Pyramid.....	19
7.3 Value Proposition	19
7.4 Competitive Edge	19
7.5 Pricing Strategy	19
8. Promotional Plan	19
8.1 Advertising	19
8.2 Sales promotion	19
8.3 Direct Mailing.....	20
8.4 Branding and brand development	20

8.5	Relationship marketing	20
9.	Risk Analysis and Risk Mitigation	21
9.1	Financial Risks	21
9.2	Market Risks	21
9.3	Operational Risks	21
9.4	Human Resources Risks	21
10.	SWOT Analysis	22
11.	Appendices	23

1. Executive Summary

Jeffery Ind. Saini Limited is a company that was registered in 2001 and owned and operated by Balbir Singh Saini. Jeffery Ind. Saini Limited was created to specialise on manufacturing, importing and distributing of office and school furniture and also to supply gametes and supply of cartridges in Tanzania and abroad.

Jeffery Ind. Saini Limited's current operations are limited to complete assembly of furniture and buying and selling complete units from the big manufacturers and on selling to clients and this limits the margins that Jeffery Ind. Saini Limited can make. Jeffery Ind. Saini Limited currently is operating from a home office measuring about 198 square metres in Dar es Salaam which has limited space for production, storage and office space. To enable Jeffery Ind. Saini Limited to achieve its objectives of developing a fully fledged manufacturing operation, plans are to relocate to buy industrial land, build a factory and purchase and install manufacturing equipment where there is more industrial office space and manufacturing space. In this regard, Jeffery Ind. Saini Limited has identified some industrial land in Dar es Salaam which purchased and build factory and office on.

Jeffery Ind. Saini Limited's market is made up of mainly Public sector departments and the private sector to a lesser extent. We compete against generalised large furniture manufacturers, cheap imported furniture distributors, and the mainstream merchandise in the major furniture channels and office supply stores. The market is large and favours procurement from different companies which Jeffery Ind. Saini Limited's fits this match.

We also make complementary pieces to fill out the office suite, including file cabinets, printer stands, and bookcases. We also make custom designs to fit exact measurements.

Our Dar es Salaam location will be a distinct advantage for manufacturing. We are also developing relationships with high quality supplier to supply the high quality wood we use to manufacture Jeffery Ind. Saini Limited Furniture. As we increase our sales, we shall be able to buy at better prices, because of higher volumes.

There are also other reputable wood suppliers who can supply us with raw materials for our production.

We will also work with a number of specialty manufacturers for furniture fittings, drawer accessories, glass, shelving accessories, and related purchases.

The source of repayment will be from normal trade receipts. The projected financial highlights for the first years are shown below.

2. Business Description and Company Information

Ownership : Domestic Limited Company

Registration No : 42357
Contact Person : Balbir Singh Saini
E-mail : jisl2005@yahoo.com
Website : www.jislz.com
Contact Number : +255714997731

Banking Details

Account Name : Jaffery Ind. Saini Limited
Name of Bank : BANK OF BARODA TANZANIA LIMITED
Branch : MAIN BRANCH
Type of Account : Current Account

2.1 Mission

Jeffery Ind. Saini Limited is Furniture manufacturing company. We help create pleasant, productive office environments with well-designed furniture that incorporates new technology into the classic office mode, in which real people can work happily. We are sensitive to the look and feel of good wood and fine furniture as well as to high-powered personal computing. We always provide the best possible value to our customers who care about quality office environments, and we want every dollar spent with us to be well spent. We also create and nurture a healthy, creative, respectful, and fun office and workshop environment, in which our employees are fairly compensated and encouraged to respect the customer and the quality of the product we produce. We seek fair and responsible profit, enough to keep the company financially healthy for the long term and to fairly compensate owners and investors for their money and risk.

2.2 Objectives

2.2.1 Short Term Objectives-Within 12 months

- Secure funding for purchase of land, construction of the factory building, equipment and working capital
- Complete commission the manufacturing plant
- Register onto the data base of all government and public sector entities

2.2.2 Medium Term Objectives-between 12 months and 36 months

- Pay off the working capital

2.2.3 Long Term Objectives-beyond 36 months

- Repay all the loan commitments
-

2.3 Keys to Success

Our keys to success will be as follows

- Uncompromising commitment to the quality of the end product:
- Use of quality wood in all our products,
- Quality workmanship,
- Quality design,
- Quality of end result.

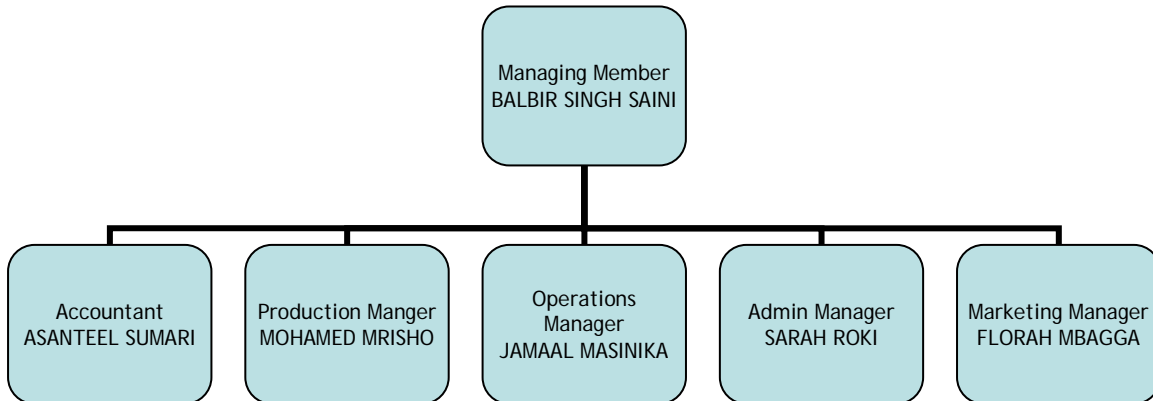
Successful niche marketing: we need to find the quality-conscious customer in the right channels, and we need to make sure that customers can find us.

The keys to our success are represented in a table below:

Market drivers	(demands)	Manufacturing performance measures Manufacturing practices
Low cost structure	Inventory use (raw materials, work in progress, finished goods)	Single Flow unit
Quality	Customer return rate, internal defect and scrap rate	Statistical process control, quality circles and team work
Short Lead times	Time from customer order to delivery, delivery frequency of suppliers	Business process engineering, cellular structures in order, processing and dispatch, supply chain management
Flexibility	Delivery frequency to customers, machine changeover times, batch sizes, lot sizes, inventory levels, throughput time through factory, distance travelled on factory floor	Value chain relationships, JIT, single minute exchange of dies, multi-tasking and multi-skilling, cellular production in manufacturing
Capacity to change	Suggestion schemes, labour turnover and absenteeism (proxy for employee commitment), employee development	Continuous improvement, worker development and commitment
Time to market	Development of new products	Concurrent engineering, Research and Development

3. Management

3.1 Organisational Structure



3.2 The management team

Position	Year 1	Year 2	Year 3	Year 4	Year 5
General Manager	1	1	1	1	1
Marketing and Sales Manager	1	1	1	1	1
Accountant	2	2	2	2	2
Production Manager	2	2	2	2	2
Operations Manager	1	1		1	1
Admin Manager	1	1	1	1	1
Total	8	8	8	8	8

3.2.1 Managing Member:

<p>Roles and Responsibility</p>	<p>1) Business Development</p> <ul style="list-style-type: none"> Developing markets in new territories New products - researching and testing Acquisitions - identifying and investigating <p>2) Management</p> <ul style="list-style-type: none"> Strategic plan in coordination with staff and senior managers Business plan for each unit <p>3) Personnel</p> <ul style="list-style-type: none"> Ensure the development and maintenance of equitable personnel polices which are consistent with corporate policies and industry and markets in which the company operates recognising that "ability to pay" will always influence the level of remuneration.
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	<ul style="list-style-type: none"> • Protect the interest and welfare of employees and establish suitable communication lines with them or their representatives. • Determine limitations of authority for direct reports covering expenditure, contracts, personnel actions and the like • Direct and determine promotions, demotions, dismissals and other actions needed. • Recommend remuneration changes for all supervisory personnel. • Control the use of consultants and services provided by others, and at the same time as developing these skills in employees where possible. <p>4) Compliance</p> <ul style="list-style-type: none"> • Compliance with legislation and regulatory bodies is monitored. • Timely accurate reporting to the members committee <p>5) External Stakeholders</p> <ul style="list-style-type: none"> • Timely and regular reporting to the members. <p>6) Finance</p> <ul style="list-style-type: none"> • Preparation of budget for approval by the members. • Reporting against budget monthly to the members, explaining any variations and defining actions to be taken if budgets not met. • Review increases in costs of any major items of raw materials, component or labour service charges. Ensure the adequacy and soundness of the company's financial structure reviewing all capital expenditure requests and arrangements for additional finance-funds
Highest Qualifications	Bachelor Degree in Human Resource Management
Age	45
Experience	8 years
External support	Business Skills Training and Mentorship
Character	Good

3.2.2 Admin Manager:

Roles and Responsibility	<ul style="list-style-type: none"> • Provides supplies by identifying needs for reception, switchboard, mailroom, and kitchen; establishing policies, procedures, and work schedules. • Provides communication systems by identifying needs; evaluating options; maintaining equipment; approving invoices. • Maintains administrative staff by recruiting, selecting, orienting, and training employees; maintaining a safe and secure work environment; developing personal growth opportunities.
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	<ul style="list-style-type: none"> • Accomplishes staff results by communicating job expectations; planning, monitoring, and appraising job results; coaching, counseling, and disciplining employees; initiating, coordinating, and enforcing systems, policies, and procedures. • Purchases printed materials and forms by obtaining requirements; negotiating price, quality, and delivery; approving invoices. • Completes special projects by organizing and coordinating information and requirements; planning, arranging, and meeting schedules; monitoring results. • Provides historical reference by developing and utilizing filing and retrieval systems. • Maintains continuity among corporate, division, and local work teams by documenting and communicating actions, irregularities, and continuing needs. • Maintains professional and technical knowledge by attending educational workshops; benchmarking professional standards; reviewing professional publications; establishing personal networks. • Contributes to team effort by accomplishing related results as needed. • Improves program and service quality by devising new applications; updating procedures; evaluating system results with users. • Achieves financial objectives by anticipating requirements; submitting information for budget preparation; scheduling expenditures; monitoring costs; analyzing variances.
Highest Qualifications	Bachelor degree in Business Administration
Age	44
Experience	12 years
External support	Business Skills Training and Mentorship
Character	Good

3.2.3 Production Manager: Position Vacant

Roles and Responsibility	<ul style="list-style-type: none"> • Manage & direct production operations to manufacture wooden furniture items as per sales orders received. • Direct all operations like the use of equipment, facilities and personnel to obtain maximum efficiency and meet performance objectives. • Implementing scheduling properly, as all the steps of production and delivery dates depends on accurate scheduling procedures done through scheduling. • To ensure works are carried out to the required quality, within the required time frame and as per designs and specifications • To carry out works within the required budget • To ensure materials are ordered in a timely fashion • To ensure safety standards are maintained • To assess labor requirements and make recommendations on
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	<p>manning levels related to the jobs in hands</p> <ul style="list-style-type: none"> • To recommend improvements to the infrastructure with a view of improving efficiency and saving costs • To recommend material changes to plant and machinery • To record accurately all labor, material and plant costs utilize on projects for effective and accurate cost control and historical cost data
Desired Qualifications	Diploma in Production Management
Relevant experience	5 years
External support	Business Skills Training and Mentorship
Character	Good



3.2.4 Operations Manager: Position Vacant

Roles and Responsibility	<ul style="list-style-type: none"> • Improve the operational systems, processes and policies in support of organizations mission -- specifically, support better management reporting, information flow and management, business process and organizational planning. • Manage and increase the effectiveness and efficiency of Support Services (HR, IT and Finance), through improvements to each function as well as coordination and communication between support and business functions. • Play a significant role in long-term planning, including an initiative geared toward operational excellence. • Oversee overall financial management, planning, systems and controls. • Management of budget in coordination with the senior management. • Development of individual program budgets • Regular meetings with Executive Director around fiscal planning.
Desired Qualifications	B. Comm Logistics
Relevant experience	3 years relevant experience
External support	Business Skills Training and Mentorship
Character	Good

3.2.5 Marketing Manager: Position Vacant

Roles and Responsibility	<ul style="list-style-type: none"> ▪ manage and coordinate all marketing, advertising and promotional staff and activities ▪ conduct market research to determine market requirements for existing and future products ▪ analysis of customer research, current market conditions and competitor information ▪ develop and implement marketing plans and projects for new and existing products ▪ manage the productivity of the marketing plans and projects ▪ monitor, review and report on all marketing activity and results ▪ determine and manage the marketing budget ▪ deliver marketing activity within agreed budget ▪ develop pricing strategy ▪ liaison with media and advertising
Desired Qualifications	B. Comm Marketing
Relevant experience	3 years relevant experience
External support	Business Skills Training and Mentorship
Character	Good

3.2.6 Accountant: Position Vacant

Roles and Responsibility	<ul style="list-style-type: none"> • Obtain and maintain a thorough understanding of the financial reporting and general ledger structure. • Ensure an accurate and timely monthly, quarterly and year end close. • Ensure the timely reporting of all monthly financial information. • Ensure daily banking requirements are met. • Ensure the accurate and timely processing of positive pay transactions. • Ensure the monthly and quarterly Bank Compliance activities are performed in a timely and accurate manner. • Supports budget and forecasting activities. • Collaborate with the other finance department managers to support overall department goals and objectives. • Monitors and analyzes department work to develop more efficient procedures and use of resources while maintaining a high level of accuracy. • Advises staff regarding the handling of non-routine reporting transactions. • Ensure a clean and timely yearend audit. • Supervise the general ledger group to ensure all financial reporting deadlines are met. • Assist in development and implementation of new procedures and features to enhance the workflow of the department. • Provide training to new and existing staff as needed. • Handle personnel issues relating to staff conflicts, absenteeism, performance issues, etc. • Work with each direct report to establish goals and objectives for each year and monitor and advise on the progress to enhance the professional development of staff. • Develop special projects and workflow process improvements.
Relevant qualifications	B. Comm Accounting
Relevant experience	Articles plus 1 year experience
External support	Business Skills Training and Mentorship
Character	Good

3.3 Management Team Gaps

We depend on our professionals, our accountant and our solicitor, for some key management help. We don't have a strong background in finance or business management.

As we grow we will need to develop more manufacturing technique, more mass production. James grew up with the hand-made and custom furniture business, knows fine woodworking well, but admits a weakness in establishing standardised assembly.

3.4 Production Personnel requirements

Salaries are generally in line with market pay for the Johannesburg area in our industry, however Johannesburg is on average a higher wage location than all other province. As we grow, we expect to see steady increases in our personnel to match the increases in sales

3.4.1 Wood machinist

The Wood machinists will be responsible for the processing of timber and board products into furniture components, using a wide range of machinery. Their main function is to set up, adjust, operate and maintain a whole range of machines from the simplest band-saw to the most complex computer controlled spindle moulder. The Wood machinists will be able to affix details on the wood according to design specifications.

3.4.2 Cabinet-maker

The Cabinet-makers receive the components from the wood machinist and assemble the piece of furniture. They add the finishing touches such as doors, drawers and locks. The cabinet makers' skill will involve handwork and in addition to this, modern technology such as basic wood machines and electric and pneumatic tools requires additional skills to operate these machines. This is because cabinets are not only made from wood, but also from other modern materials, such as melamine.

3.4.3 Frame-maker

The frame maker skills will be very similar in most respects to that of the cabinet-maker, with a greater emphasis on the engineering of sturdy frames, rather than hinges, doors and so forth.

3.4.4 Furniture-polisher

The main task of this tradesman is to apply the final finish to the furniture which both protects and enhances the beauty of it. Polishers will use a wide range of hi-tech spray applications. They will have a sound knowledge of all the various coatings, special finishes, application techniques, Suring and drying systems, as well as fault rectification and touch up.

3.4.5 Carver

Carving is a highly specialised trade that combines artistic flair with the more traditional furniture-making skills. The shaping and decorative work applied to furniture is either done by using carving machines and presses, or done entirely by hand. Carvers use a whole range of styles, techniques and methods. The carver will be required to have this skills set.

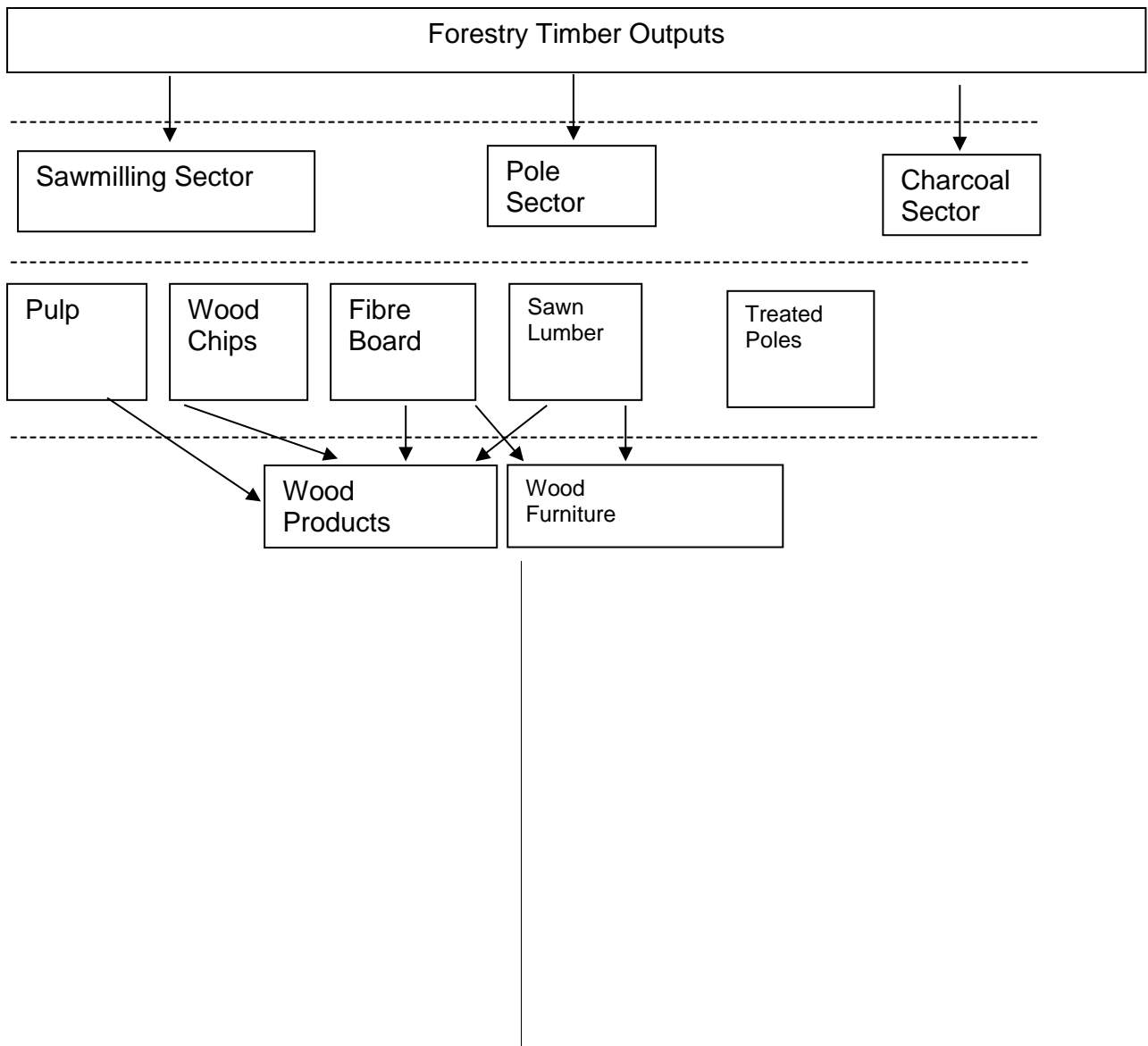
3.4.6 Upholsterer

Upholsterer will be responsible for applying all the soft finishes to the various pieces of furniture. The main materials they use are fabrics, foams and various types of webbing. The Upholsterer will have a sound knowledge of the ergonomics of design and types of finish that appeal to people.

4. Industry Analysis

4.1 Value Chain

In order to grow timber, inputs such as seeds, chemicals, equipment and water are needed. When the timber has reached a mature age (from 12 to 25 years depending on the type of timber) it sent to sawmills, where machinery and other inputs are used for production. The sawn timber is then delivered to the furniture manufacturers. The manufacturers in turn obtain inputs from other industries such as plastic, metal, textiles machinery and paint. In addition to this the furniture manufacturers also source inputs such as machinery as well as inputs from the service sector in the form of design and branding expertise. The finished product leaves the manufacturers, generally through a buyer, into either the domestic or foreign wholesale or retail sector, before it reaches the consumer. The changing nature of the industry, often represented by large-scale retailers has led to an increasingly common practice of retailers buying straight from manufacturers in a cost saving-initiative. The last step of the value chain is then the consumer who will, in time, either recycle or dispose of the furniture.



4.2 Global Overview of Furniture Industry

Worldwide, high-volume furniture manufacturing strategy has been pursued by most developed and developing countries. The breakthrough in ready-to-assemble designed furniture has encouraged innovation and new designs for exporting manufacturers. Between 2000 and 2008 worldwide trade in furniture grew by 36% and it was by 2008 the largest low-tech sector. Developed countries, led by Italy, Germany and Canada have traditionally been the main producers, and exporters of furniture, only in the last fifteen years have they faced fierce competition from developing countries especially China (and to a lesser degree Malaysia, Vietnam and Indonesia).

In 2010 the value of global furniture exports in the sector amounted to over US\$193 billion. The trend seems set to continue at current growth rate, China is the leading exporter of almost 30% of global furniture exports, worth US\$58 billion. The Chinese furniture industry has gone through a period of tremendous growth. In 1990 it did not feature in the top ten exporters, while in 2000 was the world's 9th largest exporter and 1st from 2006 to date. The table below shows other leading furniture exporters.

The European Union (EU) is the leading importer of furniture, importing more than 50% of total global furniture exports. The majority of the imports are however intra-EU, but statistics are suggesting that imports from developing countries are increasing and likely to continue to do so. In 2001, imports from developing countries constituted 16% of total EU imports, which grew to 28% in 2005. China is by far the biggest exporter of furniture to the EU followed by Indonesia, Malaysia and more recently Thailand. Evidently Tanzania has not kept up with global growth trends and is consequently losing market share.

An important feature of EU furniture consumption and production is evidence of polarisation between low quality/price and high quality/price, particularly in the old EU (the EU15). Traditional solid wood, highly specialised, furniture products have retained important niche market segments particularly for high-end, expensive, design-led products. Ready-to-assemble products that can be manufactured and shipped in large quantities occupy the other end of the spectrum. These mass produced products have dominated the global markets and have become a major source of exports for developing countries, where one sees that once again, China is leading other Asian countries.

The US demand for furniture is increasing; in particular, imports from China have been on the increase. In 2006, 47% of all US furniture imports were from China. The impact of this has been devastating for the US furniture industry, where a large number of especially small manufacturers were forced to close down.

Sub-Saharan Africa's share of global exports of furniture is less than 1%, Tanzania being accountable for least export of this. Forestland cover in the region is about 183 million hectares, constituting 4.6% of global forest cover (over 3 billion hectares). The abundant forest in the region is an opportunity for South Africa to source both raw-materials and develop forestry industries in the region in cooperation with regional organisations.

Small business owners:

Our customer surveys indicate a strong market among the owners of businesses with fewer than 100 employees. There are 2456 such businesses in this region, most of them with concentrated ownership that makes the owners potential customers.

Home offices:

The home office business has proliferated during the 2000s, and we also have home offices for people employed outside the home. This is a big market, some ... home offices, growing faster than other markets. A home office does not necessarily imply a home business-just that a homeowner has designated a room in their home as an office. This segment is made up of mostly professional individuals of between 30 to 45 years who attended higher education.

4.1 Market Attractiveness Assessment

Our target market is a person who wants to have furniture with the latest in technology, combined with an old fashioned sense of fine woods and fine woodworking. This person can be in the corporate towers, small or medium business, or in a home office. The common bond is the appreciation of quality, and the lack of price constraints

4.2 Market Trends

Our market continues to grow and to attract new players. Imports especially from China are increasingly finding their way into this market. Imports are competing on price with local produced products but have the exchange risk attached to them. Their pricing is depended on the exchange rate and other factors relating to shipping the goods from their point of manufacture to delivery.

There is also a growing trend by end users to opt for furniture units that come completely broken down and the buyer assembles the units according to a manual that comes with the knocked down components. It is easy to disassemble these units to smaller pieces that are easy to transport when there is a need to relocate.

5. Premises, Equipment and Machinery

5.1 Location and premises

The location and Premises of Jaffery Ind. Saini Limited is in Dar es Salaam, Temeke - Chang'ombe along Chang'ombe Road

- **Accessibility:** The site is easily accessible by road and communication networks are good. Employees and customers can frequently communicate through emails, calls and social media.

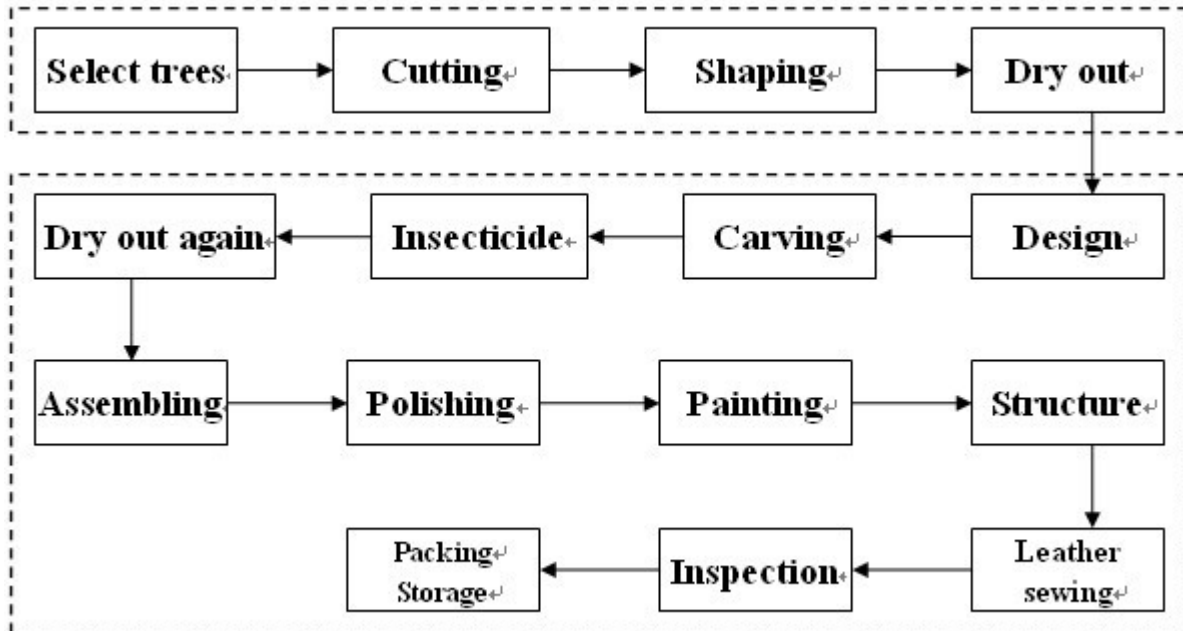
5.2 Details about how the assets are depreciated or will be depreciated. Is it the straight line, reducing balance or other method? What is the useful life of each fixed asset?

The human resource or staffing plan is coverage of aspects relating to personnel or the human resource asset of your entity. It encompasses the number of employees, type of labor (skilled, unskilled and professional), recruitment and selection procedures, skills development, pay structure and other remuneration considerations, roles and responsibilities, job descriptions

amongst other human resource related aspects. The key aspects of the human resource plan are summarized below:

6. Production Plan

6.1 Process Flow



7. The Marketing Strategy

7.1 Target Market Strategy

Our segment definition is of itself strategic. We are intending to satisfy all users of office furniture.

In our particular market, we also seek the buyer who appreciates two attributes: the quality of furniture workmanship and the excellence of design, with an understanding of technology and ergonomics built in.

We focus on a special kind of customer, the person who wants high quality office furniture customised to work beautifully with modern technology including personal computers, scanners, internet connections, and other high-tech items. Our customer might be in government departments, public bodies, larger companies, small or medium business, or in a home office with or without a home-office business. What is important to the customer is fine workmanship, ease of use, ergonomics, and practicality.

Our marketing strategy assumes that we need to go into specialty channels to address our target customer's needs. The tie-in with the catalogues like XXX is perfect, because these catalogues cater to our kind of customers. We position as the high quality and value for money. The marketing has to convey the sense of quality in every picture, every promotion, and every publication. We can't afford to appear in second-rate

catalogues with poor illustrations that make the product look less than it is. We also need to leverage our presence using high-quality catalogues and specialty distributors.

The product strategy is also based on quality and price, in this case the intersection of technical understanding with high quality woodworking and professional materials, and workmanship.

Our most important competitive edge will be our assembly strategy, which is based on inter locking wood pieces of such high quality that assembly is not only a pleasure for our customers, it is actually a feature that enhances the sense of quality.

7.2 Strategy Pyramid

Our main strategy at Two Is Furniture Mfr. is to position ourselves at the top of the quality scale, featuring our combination of superb technology and fine woodworking, for the buyer who wants the good quality at affordable price. Tactics underneath that strategy include research and development related to new designs and new technology, choosing the right channels of distribution, and communicating our quality position to the market. Programmes are mainly those listed in the milestones table, including new design programmes, new equipment to keep up with design, channel development, channel marketing programmes, our direct sales and our continued presence in catalogue channels and new presence in the web.

7.3 Value Proposition

Jaffery Ind. Saini Limited gives the discriminating office user who cares about design and quality furniture and quality of working environment, a combination of high quality furniture and latest technology, at a relatively affordable price.

7.4 Competitive Edge

Our competitive edge will be quality, turnaround time and competitive price.

7.5 Pricing Strategy

We will maintain our pricing position as the middle of the market provider. We provide good products. We intend to maintain our separation from the price competition at the higher end of the business. Our plan calls for pricing of cost plus 25 % margin.

8. Promotional Plan

8.1 Advertising

Our advertising will be targeted at a specific market through some media channel such as radio, newspapers, billboards, on-line or internet advertising. While advertising will be expensive, it will be an effective and helpful means in creating a positive public image. We will be able to reach a wider audience and provide a great opportunity for leads and eventually sales and ultimately profits.

8.2 Sales promotion

Sales promotion will be used in store and on trade shows on shorter term basis to encourage the sale of product offerings by stimulating consumer purchases.

8.3 Direct Mailing

Jaffery Ind. Saini Limited will use a widespread distribution of promotional brochures and other marketing literature via mail systems. The distribution will be done via electronic mail.

8.4 Branding and brand development

Branding and brand development for Jaffery Ind. Saini Limited is particularly a significant activity and factor that will help communicate the values of this business. It will distinguish Jaffery Ind. Saini Limited from the other competitors. Jaffery Ind. Saini Limited's branding will encompass the following:

Logo design	Jaffery Ind. Saini Limited will develop in conjunction with recognised graphic designers a logo that is reflective of its identity.
Business cards	Business cards will form an essential component of the branding for Two Is to be used as a 'hand-to-hand' marketing vehicle. The cards will contain all the information belonging to the company.
Letterhead design	Jaffery Ind. Saini Limited will also develop a professionally designed letterhead is used for formal written communication with the stakeholders of the business.
Business website	Jaffery Ind. Saini Limited will develop an interactive website. This will form an instrumental part of the branding of the business and will be an important and an economical way for Jaffery Ind. Saini Limited to prove its validity to customers. The website will offer clients the opportunity to learn more about the brand and deepen the relationship between the Jaffery Ind. Saini Limited and its clients as well as other business stakeholders.
Business listings	For more exposure, Jaffery Ind. Saini Limited will list the business in the yellow pages, the national telephone directory.
Business brochures and presentations	Business brochures and presentations will play a vital role in communicating to prospects about the products to potential customers.

8.5 Relationship marketing

This will involve Jaffery Ind. Saini Limited seeking to develop long term value laden relationships with customers. This will be particularly helpful in seeking to establish or retain customer loyalty, increase sales and ultimately profits.

9. Risk Analysis and Risk Mitigation

9.1 Financial Risks

Risk	Mitigation Strategy
Poor or high gearing ratio	Will endeavor to reduce pay off debts before they are due and retain majority of profits within the business
Poor Profitability	Will manage the costings and selling prices strictly
Loan non repayment	Will focus on management of cash flow aggressively
Debtors	Will screen debtors before advancing any credit
Liquidity Problems	Will ensure that there is headway for excess cashflow requirements

9.2 Market Risks

Risk	Mitigation Strategy
Threat from substitute commodities	Will continuously monitor the effect of substitute products so as to develop a strategy to counter any threats
Threat from suppliers	Will broaden the number of suppliers
Threat from customers	Will ensure that there no customer accounts to more than 20% of the business
Threat from new entrants	
The direct competition	Will monitor competitors strategy and develop counter strategies to ensure that the company remains competitive
The indirect competition	Will ensure that Two Is develops that products demanded by the market and if need switch to produce new products
Seasonal fluctuations	Will project and produce to meet seasonal changes in demand and supply

9.3 Operational Risks

Risk	Mitigation Strategy
Occupational health and safety risk	Will produce according to GMP standards and work towards attaining ISO accredited manufacturing process
Time	Will work on daily production targets
Quality	Will develop a quality assurance system and will focus on quality output
Reliability	
Environmental	

9.4 Human Resources Risks

Risk	Mitigation Strategy
Global economic conditions	
Regional economic scenario	

Interest rates	
Exchange rates	
Inflation rate	
Fuel Prices	

10. SWOT Analysis

SWOT analysis

Strengths	<ul style="list-style-type: none"> ▪ The shared values of the team ▪ Good competitive advantages ▪ Good location of the business ▪ Creditworthiness of the owners of the business ▪ Skilled, competent and experienced personnel ▪ Accreditations with significant bodies
Weaknesses	<ul style="list-style-type: none"> ▪ Lack of quality control systems ▪ Lack of advanced financial management skills ▪ Lack of a formal structure ▪ Slight gap in capabilities ▪ Lack of adequate market intelligence gather systems
Opportunities	<ul style="list-style-type: none"> ▪ Availability of advanced technology ▪ Great Market demand ▪ Growing export market ▪ Growing industry ▪ Favorable Government policies ▪ Positive seasonal influences ▪ Increased consumer spending
Threats	<ul style="list-style-type: none"> ▪ Direct competitors ▪ Indirect competitors ▪ Threat from consumers ▪ Threat from substitute products or services ▪ Threat from suppliers ▪ Rivalry ▪ Rise in interest rates over the term of the loan

11. Appendices

Resumes of key management	
3	Founding statement - CK1 in the case of a Close Corporation Provide copy of CK2 where applicable
5	Shareholder's agreement
9	The past financial statements in the case of an existing business. The past 3 years historical financial statements would be ideal
10	Valid quotations from suppliers and other related parties
11	Projected financial statements (at least 3 to 5 years)
15	Tax clearance certificate
16	Letters of intent
17	Certified copies of operating licenses and permits
18	Bank statements for the last month of the financial year
21	Agency or distribution agreements
23	Sales Contracts
24	Franchise agreement