

# **FLYING DANDELIONS COMPANY LIMITED**

## **BUSINESS PLAN**

### **Executive Summary**

Flying Dandelions Company Limited is a starting company located in Tanzania and going to begin its activities around Vumilia ukooni kisarawe II in Kigamboni Municipal Council. This company is already registered by BRELA and is expected to begin operating as soon as we finish all the necessary registrations. The company has already established a stable environment to manufacture standard and electric appliances and devices. As a company we believe to start in Dar es Salaam and later spread in other parts of Tanzania, East Africa and Africa at large. We believe as far as Tanzania is concerned, Dar es Salaam is highly populated than other regions and when it comes to East Africa Tanzania is still highly populated than, Uganda, Kenya, Rwanda, Burundi, and South Sudan. For that matter our company is strategically located since there is room for progress since there is a market for its products and services.

Flying Dandelions Company Limited has three Directors, one is Tanzanian and two shareholders so far and both are Chinese.

### **SHAREHOLDERS; -**

1. YAO XIAODI
2. YAN XIAPO

### **DIRECTORS: -**

1. SHAMTE SALEHE MTENGA.
2. YAO XIAPO
3. YAO XIAODI

The facility is in the process of acquiring government approval for the kind of business we want to run and it is easily accessible and we are deliberate about that to facilitate easy movement of raw materials (Metals, plastics, copper, lithium, tin, silver, nickel and aluminium e.t.c) and finished products (Motors, Generators, transformers, batteries, accumulators, radios, TVs, laptops, global position systems, music players and e.t.c). We are in manufacturing of electric motors,

generators, transformers, batteries, accumulators, electrical equipment and other domestic appliances in order to get standard Motors, Generators, transformers, batteries, accumulators, radios vs, laptops, global position systems, music players and many other Electric devices.

We are also in business to make profits and at the same time to give our customers value for their money; we want to give people and businesses who patronize our products and services the opportunity to be part of the success story of flying dandelions company limited.

We are aware that there are several big scales and small-scale Electric manufacturing companies scattered all around in the United Republic Tanzania whose products can be found in major Towns of Tanzania.

This is why we spent time and resources to conduct our feasibility studies and market survey so as to enable us locate the business in an area that will support the growth of the business and also for us to be able offer much more than our competitors will be offering. We ensured that our facility is easy to locate and we have mapped out plans to develop a wide distribution network for wholesalers all around Dar-es-salaam, other regions of Tanzania, East Africa, Africa, and other parts of the world as well.

Much more than producing standard Electric devices, our customer care is going to be second to none. We know that our customers are the reason why we are in business which is why we will go the extra mile to get them satisfied when they visit and purchase any of our Products and also to become our loyal customers and ambassadors.

flying dandelions company limited will ensure that all our customers (wholesale distributors) are given first class treatment whenever they visit our Depot / Plant. We have a CRM software that will enable us manage a one-on-one relationship with our customers (wholesale distributors) no matter how large the numbers of our customer base may grow too. We will ensure that we get our customers involved when making some business decisions that will directly or indirectly affect them.

flying dandelions company limited is going to operate a standard and licensed Electric Manufacturing company whose products will not only be sold in Dar-Es-Salaam but also throughout the United Republic of Tanzania and the world at large. We are in the Electric Manufacturing business to make profits and also to give our customers value for their money.

These are some of the products that we will be offering; Motors

-Generators

-Transformers

-Batteries

-Accumulators

-Radios

-TVs

-Laptops

-Global position systems

-Music players

-Phones

And other domestic devices

### Our Vision Statement

Our vision is to establish standard Electric Manufacturing Company whose products will be not only be sold in Dar-es-salaam, but also throughout the United Republic of Tanzania, East Africa, Africa and in other parts of the world.

### Our Mission Statement

Our mission is to establish a standard and world class Electric Manufacturing Company that is in our own capacity will favorably compete with leaders in the industry such as Mars Communications, Ailipu, Alitop, El-sewed electrical, Moran Smart Center, Mindoko Electronics, Kaymu Tanzania, Electrical Thermal Supplies and Services and many others. We want to build an Electric Manufacturing business that will be listed amongst the top 5 Electric manufacturing brands in the United Republic of Tanzania and in Africa.

### Our Business Structure

flying dandelions company limited is a business that is established with the aim of competing favorably with other leading Electric manufacturing brands in the industry. This is why we will ensure that we put the right structure in place that will support the kind of growth that we have in mind while setting up the business.

We will ensure that we only hire people that are qualified, honest, hardworking, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more depending how fast we meet our set target. In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- Managing Director (Owner)
- Production/Plant Manager

- Human Resources and Admin Manager
- Merchandize Manager
- Sales and Marketing Manager
- Information Technologist
- Accountants / Cashiers
- Cleaners

### **Roles and Responsibilities Managing Director –**

#### **CEO (Owner):**

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counselling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

## **Production Manager**

- Responsible for overseeing all the manufacturing processes and activities.
- Part of the team that determines the quantity and the quality of products that are to be manufactured
- Map out strategy that will lead to efficiency amongst workers in the production
- Responsible for training, evaluation and assessment of production workers
- Ensures that the steady flow of both raw materials to the machines and easy flow of finished products through wholesale distributors to the market
- Ensures operation of machines by completing preventive maintenance requirements; calling for repairs.
- Ensures that the machines and all the work tools meets the expected safety and health standard at all times.

## **Human Resources and Admin Manager**

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees • Oversee the smooth running of the daily office and factory activities.

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## **Merchandize Manager**

- Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams
- Helps to ensure consistent quality of Electronics produced.
- Responsible for the purchase of raw materials and packaging materials (Metals, plastics, copper, lithium, tin, silver, nickel and aluminum)
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
- Ensures that the organization operates within stipulated budget.

## **Sales and Marketing Manager**

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models' demographic information and analyses the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients.
- Develops, executes and evaluates new plans for expanding increase sales Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

## **Accountant / Cashier**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyses financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

## **Client Service Executive**

- Ensures that all contacts with customer (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build

client's interest in the company's products and services

- Manages administrative duties assigned by the store manager in an effective and timely manner
- Consistently stays abreast of any new information on flying dandelions company
- ensure accurate and helpful information is supplied to clients when they make enquiries

### **Production Workers / Machine Operators:**

- Monitor the efficiency of the production line to ensure timely load and outflow.
- Assemble and prepare products for sale.
- Complete quality assurance testing on goods and products.
- Maintain proper storage for material and product inventory in warehouses.
- Organize inventory in an easy-to-access process.
- Utilize machinery such as forklifts to load orders.
- Maintain the quality and upkeep of warehouse equipment including machinery.
- Keep the machines supplied with materials or components.
- Keep an eye on gauges and instruments.
- Make checks on temperature, speed and pressure.
- Adjust the machine or call in maintenance staff if the machine stops working.
- Move materials or completed products and packages to establish locations.

### **Distribution Truck Drivers**

- Assists in loading and unloading raw materials and finished products.
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Assists the transport and logistics manager in planning their route according to a delivery schedule
- Local-delivery drivers may be required to sell products or services to stores and businesses on their route, obtain signatures from recipients and collect cash.
- Transport finished goods and raw materials over land to and from manufacturing plants or retail and distribution centers
- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Collects and verify delivery instructions
- Reports defects, accidents or violations

## **flying dandelions company limited Business Plan – MARKET ANALYSIS**

- **Market Trends**

If you are conversant with the trend in the Electric manufacturing industry, you will quite agree that despite the fact that there are competitions in different stages of the industry. That is competitions amongst bigger corporations such as Electro Thermal Supplies & Services, Admire Company, Freedom Electronics and also competitions amongst smaller and medium scale Electric Manufacturing companies.

Most Manufacturing Companies are leveraging on creativity in terms of Evaluation and marketing to continue to stay afloat in the industry.

Lastly, another trend in the Electric manufacturing industry is the adoption of eco – friendly approach towards the production and manufacturing of Electronics. As a matter of fact, the industry’s adoption of eco-friendly practices will likely persuade environmentally conscious consumers to buy its products, while increasing operators’ efficiency.

### • **Our Target Market**

When it comes to selling electronic products, there is indeed a wide range of available customers. In essence, our target market can’t be restricted to just a group of people, but all those who resides in our target market locations.

In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in wholesale distribution and to retail Electronics to the following groups of people;

- Bars and lodges.
- Restaurants and Canteens
- Event Planners, Parties and Corporate Functions
- Corporate Executives
- Government institutions
- Government officials
- Business people
- Military men and women
- Sports Men and Women
- celebrities
- Students
- Tourists
- Everybody in our target market location
- Hotels
- Public and Private institutions

### **Our Competitive Advantage**

A close study of the Electric manufacturing industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative, customer centric and proactive if you must survive in this industry.

We are aware of the stiffer competition and we are well prepared to compete favorably with other electronic manufacturing companies in Dares salaam and throughout the United Republic of Tanzania and Africa.

Flying dandelions company is launching a standard Electric brand that will indeed become the preferred choice of residence of Dares salaam and every city where our Electric products will be retailed.

Part of what is going to count as competitive advantage for flying dandelions company is the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business from the scratch to becoming a national phenomenon.

So also, the wide varieties of Electric products in terms of Resistance, capacity, latency, phase shift, gain, power handling, rise and fall times, frequency response, and bandwidth properties etc al that we produce, our large national distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (*flying dandelions electric companies*) in the electric manufacturing industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

## **FLYING DANDELIONS COMPANY LIMITED Business Plan – SALES AND MARKETING STRATEGY**

Before choosing a location for **FLYING DANDELIONS COMPANY LIMITED** and also the kind of Electric products to produce, we conduct a thorough market survey and feasibility studies in

We have detailed information and data that we were able to utilize to structure our business to attract the numbers of customers we want to attract per time and also for our products to favorable compete with other leading brands in the United Republic of Tanzania and East Africa.

We hired experts who have good understanding of the Electric manufacturing industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Dares salaam and other cities in the United Republic of Tanzania and E. Africa.

In other to continue to be in business and grow, we must continue to sell our products to the available market which is why we will go all out to empower or sales and marketing team to deliver our corporate sales goals. In summary, flying dandelions company will adopt the following sales and marketing approach to sell our Electronics;

- Introduce our Electric brand by sending introductory letters to residence, Electric merchants and other stakeholders in Dares salaam and other cities both in the United Republic of Tanzania and East Africa.

- Open our Electric manufacturing company with a party so as to capture the attention of residence who are our first targets
- Engage in road show in targeted communities from time to time to sell our products
- Advertise our products in community-based newspapers, local TV and radio stations
- List our business and products on yellow pages (local directories)
- Leverage on the internet to promote our electronic brands
- Engage in direct marketing and sales
- Encourage the use of Word-of-mouth marketing (referrals)

## **FLYING DANDELIONS COMPANY LIMITED – Publicity and Advertising Strategy**

Despite the fact that our Electric manufacturing machines are standard with a wide range of Electric products that can favorably compete with other leading brands, we will still go ahead to intensify publicity for all our products and brand. We are going to explore all available means to promote flying dandelions company Electronics.

flying dandelions company has a long-term plan of distributing our Electricals in various locations all around the United Republic of Tanzania and East Africa which is why we will deliberately build our brand to be well accepted in Dares salaam before venturing out.

As a matter of fact, our publicity and advertising strategy is not solely for selling our products but to also effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise flying dandelions Electricals;

- Place adverts on both print (community-based newspapers and magazines) and electric media platforms Sponsor relevant community programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, et al to promote our Electric brand
- Install our Bill Boards on strategic locations all around major cities in the United Republic of Tanzania and East Africa.
- Engage in road show from time to time in targeted communities
- Distribute our fliers and handbills in target areas
- Position our Flexi Banners at strategic positions in the location where we intend getting customers to start patronizing our products.
- Ensure that our Electricals are well branded and that all our staff members use our customized electrical devices, and all our official cars and distribution vans are customized and well branded.

## **Our Pricing Strategy**

When it comes to pricing our Electric products there are two sides of the coin. We are aware of the pricing trend in the Electric manufacturing industry but our prices will depend on the Resistance, capacity, latency, phase shift, gain, power handling, rise and fall times, frequency response, durability and bandwidth properties, build quality, mass production, design sophistication and labour costs,

In view of that, our prices will conform to what is obtainable in the industry but will ensure that within the first 6 to 12 months our products are sold a little bit below the average prices of various Electric brands in the United Republic of Tanzania. We have put in place business strategies that will help us run on low profits for a period of 6 months; it is a way of encouraging people to buy our new electronic brands.

- **Payment Options**

At flaying dandelions company our payment policy is all inclusive because we are quite aware that different people prefer different payment options as it suits them. Here are the payment options that will be available in every of our outlets;

- Payment by cash
- Payment via Point of Sale (POS) Machine
- Payment via online bank transfer (online payment portal)
- Payment via Mobile money
- Payment via check (for wholesale distributors)

In view of the above, we have chosen banking platforms that will help us achieve our payment plans without any itches.

## **Generating Funding / Startup Capital for FLYING DANDELIONS COMPANY LIMITED**

flaying dandelions company is a business owned by **YAO XIAODI** and **YAN XIAPO**. They do intend to welcome any external business partners, which is why they have decided to not restrict the sourcing of the start – up capital.

These are the areas we intend generating our start – up capital;

- Generate part of the start – up capital from personal savings and sell of stocks
- Source for soft loans from family members and friends
- Apply for loan from Equity Bank

**N.B:** We have been able to generate about \$2,000,000 from one of the shareholders that is to say Mr **YAO XIAODI**

## **FLYING DANDELIONS Production Business Plan – Sustainability and Expansion Strategy**

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business close up.

One of our major goals of starting flaying dandelions company is to build a business that will survive on its own cash flow and also with the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to retail our Electricals and other products a little bit cheaper than what is obtainable in the market and we flaying dandelions company will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams. as we are to also going to be environmental conservers provide employment opportunities to Tanzanians as a country for example in our sites or production points we shall be employing over 23 people, increasing foreign of exchange since a lot of sources of incomes will be coming from Outside Tanzania since we have a room of wooing other investors.

## **FLYING DANDELIONS COMPANY LIMITED, Business Plan SWOT – Economic Analysis**

Starting an Electric Manufacturing company can't be said to be a difficult business venture but at the same time, it is a business that requires thorough economic analysis – feasibility studies

and market survey and if you are looking towards making profits in the industry.

Part of what you need to focus on in this line of business is how to build a standard Electric manufacturing machines and work tools, experienced workforce, enough area for operations a robust distribution networks, branding and of course how to maintain your machinery and equipment and to take care of your overhead before your business breakeven. Other cost that should be considered during planning and budgeting are supply of key raw materials, and fuel and maintenance costs etc.

Lastly, there are a number of permits that are required to run an Electric manufacturing company in the United Republic of Tanzania, East Africa and in the world, and of course there are also public Environmental laws to observe.

## **flying dandelions company Limited Business Plan SWOT Analysis**

**We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities**

### **SWOT**

SWOT is used to analyze how e-commerce will impact our traditional electronic manufacturing. SWOT is a kind of strategic analysis method. Comprehensive evaluation and analysis of the advantages, disadvantages, opportunities and threats of the analyzed objects.

SWOT stands for strengths, weaknesses, opportunities, threats. SWOT can clearly determine the advantages of the analyzed objects through the combination of internal resources and external environment. Adjusting methods, resources to ensure the implementation of the object which is analyzed to achieve the desired goal in strategic and tactical levels

SWOT analysis, also known as the situation analysis, also known as the Boston matrix is a reality method with more objective and accurate analysis.

Through comprehensive evaluation and analysis of strengths, weaknesses, opportunities and threats, the enterprise is adjusted to achieve the goals of the enterprises that will be available to us, mitigate our risks and be well equipped to confront our threats.

flying dandelions company employed the services of an expert HR and Business Analyst with bias in start – up business to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for flaying dandelions company



- **Strength:**

Currently, there have been some Electric e-commerce sites, such as Kaymu.co.tz., Kivuko.com, Jumia.co.tz, inauzwa.com, shopping.co.tz and many others in Tanzania, East Africa, Africa and in the world.

There also an ordinary e-commerce site, which belongs to the enterprise production reception system. The web pages provide industry information, company profiles, product display and other simple functions. They do not relate to electronic capacity, manufacturing and distribution and other internal business processes.

The Electric manufacturing companies are not focused on the network sales model. Most of them are concentrated on the computer- aided design of electronic products, technological research. Part of them relates to the sales of the product, but not focus on the electronic products sales, capacity, production and distribution and other business process's organic unity.

- **Weakness:**

A major weakness that may count against us is the fact that we are a new Electric manufacturing company and we don't have the financial capacity to engage in the kind of publicity that we intend giving the business especially when big names like Thermal Supplies & Services, Admire Company ,Freedom Electronics and other electronic manufacturing companies are already determining the direction of the market in Dare salaam and other parts of Tanzania. The new product standards will change the standards of technology in the factory and also the raw material. It means new standards will improve production budget. Some product standards and related testing standards in China have recently been updated

- **Opportunities: The opportunities for electric manufacturing companies with a wide range of electric products are enormous. This is due to the fact that around 57% of Tanzanians and people from all over the world can afford to buy Electricals.**

Focusing on the shortage of traditional marketing model, it brings new mode which based on the internet for products. Concentrating on demand of customers, this model integrates potential innovation of customers through the advantages of the network efficiently.

As a result of that, we were able to conduct a thorough market survey and feasibility studies so as to position our business to take advantage of the existing market for Electricals and also to create our own new market. We know that it is going to requires hard work, and we are determined to achieve it.

- **Threat:**

We are quite aware that just like any other business, one of the major threats that we are likely going to face is economic downturn and unfavorable government policies. It is a fact that economic downturn affects purchasing power. Another threat that may likely confront us is the arrival of a new Electric manufacturing company in same location where ours is located.

### **Financial Projection of flying dandelions company limited**

Starting a standard Electric manufacturing company is indeed a capital- intensive business. This

is so because the amount required to set – up an electric Manufacturing Company is not a piecemeal. The bulk of the start – up capital will be sent on leasing or acquiring a site, machines and equipment raw materials and other resources.

Aside from that, you are not expected to spend much except for purchase and servicing of distribution trucks, paying of your employees and utility bills. This is the key areas where we will spend our start – up capital;

We would need an estimate of **\$2,000,000 and above** to successfully set up our Electric Manufacturing plant in Dares salaam. Please note that this amount includes the salaries of all the staff for the first 3 month of operation.

### **flying dandelions company limited Plan Financial Projection Sources of Income**

flying dandelions company is established with the aim of maximizing profits in the electric manufacturing industry in both the Dares salaam and Tanzania and we are going to go all the way to ensure that we do all it takes to sell a wide range of Electricals to a wide range of customers.

flying dandelions company will generate income by selling the following products;

- Motors
- -Generators
- -Transformers
- -Batteries
- -Accumulators

- -Radios
- -Tvs
- -Laptops
- -Global position systems
- -Music players
- -Phones
- And other domestic devices

### **Sales Forecast**

One thing is certain when it comes to Electric products business, if your electricals are resistant, well capacitated and durable and if your manufacturing site is centrally positioned and easily accessible, you will always attract customers cum sales and that will sure translate to increase in revenue generation for the business.

We are well positioned to take on the available market in Dar es salaam and every city where our Electricals will be sold and we are quite optimistic that we will meet our set target of generating enough income / profits from the first six month of operations and grow the business and our client base.

We have been able to critically examine the Electric manufacturing industry and we have analysed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some assumptions that are peculiar to start-ups in Dares salaam.

Below is the sales projection for flaying dandelions company it is based on the location of our business and other factors as it relates to small scale and medium scale Electric Manufacturing company start – ups in Tanzania

## **8.0 Financial Analysis**

### **8.1 Considerations and Assumptions:**

The corporate tax charged is 30% of the profits. Capital allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters and trends in the packaging materials products industry.

### **8.2 Project Investment**

The estimated capital investment cost of the project is US\$ **2,000,000**

out of which US\$,**1,000,000** will be fixed investment costs.

#### **FLYING DANDELIONS COMPANY LIMITED**

<b>PARTICULAR</b>	<b>US \$</b>
Land and Buildings	500,000.00
Machinery & Equipment	320,000.00
Motor Vehicles	200,000.00
Furniture & Fixtures	100,000.00
Pre exp	500,000.00
Others	120,000.00
Working Capital	260,000.00
<b>TOTAL</b>	<b>2,000,000.00</b>

For the project to be a reality a total investment amounting to US \$2,000,000 is needed

### **8.3 Financing pattern**

The project will be financed by equity **US\$1,500,000** and loan **US\$ 500,000**

### **8.4 Project operating costs**

In order to realize its intended objective, the project will have to meet operating cost not exceeding 15% of annual total revenue and 75% of total revenue is cost of sales

### **8.5 Projected Revenue**

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from the project commence from the first year of operation.

#### **FLAYING DANDELIONS COMPANY LIMITED SUMMARY OF REVENUE “US\$”**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Revenue	2,610,000	2,818,800	3,044,304	3,287,848	3,550,876

### **8.6 Projected Profit and Loss Statement**

The Income and Expenditure Statement show the projected income for the 5 years' period. The position depicted is that the project earns profit throughout its life.

Accumulated after tax profits grow from. US\$ in first year **154,875 to US\$** in the year 5<sup>th</sup>  
**858,503**

**FLYING DANDELIONS COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Revenue	2,610,000.00	2,818,800.00	3,044,304.00	3,287,848.32	3,550,876.19
<b>Cost of Sales</b>	1,957,500.00	2,114,100.00	2,283,228.00	2,465,886.00	2,663,157.14
<b>Operating Expense</b>	391,500.00	422,820.00	456,645.60	493,177.25	532,631.43
<b>Profit before Depreciation &amp;Interest</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.40</b>	<b>328,784.83</b>	<b>355,087.62</b>
<b>Interest</b>	24,000.00	180,000.00	16,000.00	6,000.00	-
<b>Depreciation</b>	15,750.00	15,750.00	15,750.00	15,750.00	15,750.00
<b>Gross Profit</b>	<b>221,250.00</b>	<b>86,130.00</b>	<b>272,680.40</b>	<b>307,034.83</b>	<b>339,337.62</b>
Tax (30%)	66,375.00	25,839.00	81,804.12	92,110.45	101,801.29
<b>Profit After Tax</b>	<b>154,875.00</b>	<b>60,291.00</b>	<b>190,876.28</b>	<b>214,924.38</b>	<b>237,536.33</b>
Accumulated Profit	154,875.00	215,166.00	406,042.28	620,966.66	858,503.00

**8.7 Projected Cash Flows**

This is shown in the financial statements. The project has a positive end of year cash flow from year 1 US\$**194,625.** of operation to the 5th year US\$ **1,183,252**

**FLYING DANDELIONS COMPANY LIMITED PROJECTED CASH FLOWS STATEMENT  
(US\$)**

	0	1	2	3	4	5
<b>SOURCES</b> :						
Profit before interest and depreciation	0	261,000.00	281,880.00	304,430.40	328,784.83	355,087.62
Equity	205,000.00					
Loan	300,000.00					
<b>Total Sources</b>	<b>505,000.00</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.40</b>	<b>328,784.83</b>	<b>355,087.62</b>
<b>Applications:</b>						
Capital expenditure	325,000.00		-	-	-	-
working Capital & Others	180,000.00	-	-	-	-	-
Cash	0	194,625.00	256,041.00	222,626.00	256,674.00	253,286.00
Tax	-	66,375.00	25,839.00	81,804.12	92,110.45	101,801.29
<b>Sub total</b>	<b>505,000.00</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.12</b>	<b>348,784.45</b>	<b>355,087.29</b>
<b>Total applications</b>	<b>505,000.00</b>	<b>261,000.00</b>	<b>281,880.00</b>	<b>304,430.12</b>	<b>348,784.35</b>	<b>355,087.29</b>
Accumulated cash		194,625.00	450,666.00	673,292.00	929,966.00	1,183,252.00

## **8.8 Projected Balance Sheet**

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Shareholder's equity increases from US\$**205,000** in the first year of operation to **US\$ 547,536** in the 5<sup>th</sup> year.

**FLYING DANDELIONS COMPANY PROJECTED BALANCE SHEET  
STATEMENT (US\$)**

<b>Fixed Assets</b>		1	2	3	4	5
Opening balance	-	325,000	290,250	255,500	220,750	186,000
<b>Total Long-term Assets</b>	-	<b>325,000.0</b>	<b>290,250.0</b>	<b>255,500.00</b>	<b>220,750</b>	<b>186,000</b>
Less depreciation	-	15,750.00	15,750.00	15,750.00	15,750	15,750
Closing balance	-	<b>309,250.0</b>	<b>274,500.0</b>	<b>239,750.00</b>	<b>205,000</b>	<b>170,250</b>
Working capital	180,000	180,000.00	180,000.00	180,000.00	180,000	180,000
Accumulated cash	-	194,625.00	450,666.00	673,292.00	929,966	1,183,252
<b>Total assets</b>	<b>180,000</b>	<b>683,875.00</b>	<b>905,166.00</b>	<b>1,093,042.00</b>	<b>1,314,966</b>	<b>1,533,502</b>
Financed by						
Equity	205,000	310,000.00	310,000.00	310,000.00	310,000	310,000
Net profit	-	<b>154,875.00</b>	<b>60,291.00</b>	<b>190,876.28</b>	<b>214,924</b>	<b>237,536</b>
Total equity	205,000	464,875.00	370,291.00	500,876.28	524,924	547,536
Long term loan	<b>300,000</b>	225,000	150,000	75,000	0	0
<b>Total debts</b>	<b>300,000</b>	<b>225,000.00</b>	<b>150,000.00</b>	<b>75,000.00</b>	-	-
<b>Total equity and debts</b>	<b>505,000</b>	<b>689,875.00</b>	<b>520,291.00</b>	<b>575,876.28</b>	<b>524,924</b>	<b>547,536</b>

## **8.9 PROJECTED PAYBACK PERIOD**

Total investment is **US\$ 2,000,000** cash accumulation in 4<sup>th</sup> years is **US\$ 683,966** which is more than the initial investment by **US\$ 678,896**, the project payback Period is within 3year

**FLYING DANDELIONS COMPANY LIMITED PROJECTED  
PAYBACK PERIOD STATEMENT (US\$)**

<b>Year</b>	<b>Profit After Tax</b>	<b>Depreciation</b>	<b>Total Cash Flow</b>	<b>Accumulated Cash Flow</b>
1	<b>154,875.00</b>	15,750.00	170,625.00	170,625.00
2	<b>60,291.00</b>	15,750.00	76,041.00	246,666.00
3	<b>190,876.28</b>	15,750.00	206,626.28	453,292.28
4	<b>214,924.38</b>	15,750.00	230,674.38	683,966.66
5	<b>237,536.33</b>	15,750.00	253,286.33	937,252.99

**8.10 Projected loan repayment**

Total loan is **US\$505,000** to be repaid within 4years with interest of 8%

**FLYING DANDELIONS COMPANY LIMITED  
PROJECTED LONG TERM LOAN REPAYMENT**

<b>Year</b>	<b>Principle</b>	<b>Loan Interest (8%)</b>	<b>Total Amount Paid</b>	<b>Loan Balance</b>
<b>0</b>				
1	75,000	24000	99,000	<b>300,000</b>
2	75,000	18000	93,000	225,000
3	75,000	12000	87,000	150,000
4	75,000	6000	81,000	75,000
5	0	0	0	0
6	0	0		0

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**N.B:** This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor

offering same products and customer care services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

### **Check List / Milestone**

- Business Name Availability Check: **Completed**
- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **In progress**
- Securing Point of Sales (POS) Machines: **Completed**
- Opening Online Payment Platforms: **In progress**
- Application and Obtaining Tax Payer's ID: in progress
- Application for business license and permit: **In progress**
- Purchase of Insurance for the Business: **In progress**
- Leasing of facility and construction of standard bottled water plant: **In Progress**
- Conducting Feasibility Studies: **Completed**
- Generating capital: Completed
- Applications for Loan from the bank: **In Progress**
- Writing of Business Plan: **Completed** Drafting of Employee's Handbook: **Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Company's Logo: **In progress**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**
- Purchase of the Needed furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: **In Progress**
- Creating Official Website for the Company: **In Progress**
- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **In progress**
- Opening party / launching party planning: **In Progress** Establishing business relationship with vendors – wholesale suppliers / merchants: **In Progress**