



FACULTY OF APPLIED SCIENCE

DIPLOMA IN INDUSTRIAL CHEMISTRY (AS115)

RAS1154C

FUNDAMENTALS OF ENTREPRENUERSHIP

ENT 300

BUSINESS NAME (AURUM ENTERPRISE)

PRODUCT NAME (TROOSOLE)

PREPARED FOR:

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2018279788

LETTER OF SUBMISSION

Diploma in Industrial Chemistry
Faculty of Applied Science
Universiti Teknologi MARA Perlis
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15 June 2020

Miss Zulaiha Binti Ahmad
Lecturer of Fundamentals of Entrepreneurship (ENT300)
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Miss,

Submission of the Business Plan (ENT 300)

Attach is the business plan title "AURUM ENTERPRISE – TROOSOLE" to fulfill the requirements as needed as university requirements.

Below is the list of the group members that involved in completing this business plan:

- | | |
|--------------------------------------|------------|
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| 3. Mohamad Nur Amirul bin Yaacob | 2018268256 |
| 4. Muhammad Izzat bin Ahamad Hasim | 2018693026 |
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Thank you,

Yours sincerely


.....
Nur Azwa bt Mohd Syamsull
General Manager

ACKNOWLEDGMENT

ACKNOWLEDGEMENT

Bismillahirrahmanirrahim,

First and foremost, alhamdulillah we are most grateful to Allah S.W.T as the progress of our business plan has come to an end. We are delighted to say that this business plan has been completed as one of the requirements that need to be accomplish in the course work assessment for the code ENT300.

Next, special thanks to our Lecturer of Fundamentals of Entrepreneurship, Miss Zulaiha Binti Ahmad as this business plan reach completion mostly because of her. All the guide and information regarding this business plan has been very helpful to each one of us. Without her, this business plan would never be a thing. Also, we will never forget about all the support we had received from our parents as this business plan is on its progress.

Through this platform, we manage to become a person who is more responsible, organize and mature as we have been facing a lot of problems during our research in order to get the job done perfectly. This business plan covers a lot of aspect such as organization, marketing, operation, financial and training plan and any other information that will be useful for a new entrepreneur to start their own business. We believe that all these knowledges we had gained since then makes us a more reliable person in the future.

Lastly, to those who had involved and contributed directly or indirectly to this business plan, we would like to give a word of appreciation as all the effort and initiative that they have shown in our project until we have successfully completed our business plan. Moreover, we would like to apologize to whoever that felt like we had done wrong toward their sides as maybe they were certain time where we do not realize of how our words and wrongdoings has been affected some of you.

Finally, we want to put this into closure as we hope that this business plan report can give us a little something about the idea of how the entrepreneurship world works. We also believe that all the facts and guidance we had received through this process are as much as worthy it is for everyone else as it is for us.

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EXCECUTIVE SUMMARY

EXCECUTIVE SUMMARY

Vision: To be a leading in fulfilling Malaysians need for footwear and set a new benchmark of quality standards in the Footwear Industry by offering an outstanding product and services for people.

Company: Our business is called 'Aurum Enterprise'. The word 'Aurum' is adopted from a Latin word means 'Gold'. This idea is brought up by the business partners.

Product: Our product is an advancement of insole called 'Troosole'. This insole is produces specially for our target customer which is soldier. It is an innovation to solve excess sweat and bad odor problem on their feet.

Market: Market target of our products is located around Peninsular Malaysia that have soldier training center, air force training center and ground-based training center .The state that have training center is Johor (Segamat), Selangor (Rawang), Kuala Lumpur, Terengganu (Dungun) for the police training center and the ground-based training center in Negeri Sembilan (Port Dickson, Seremban) and Johor (Ulu Tiram)

Distribution Channel: We distribute our product to supermarket at Segamat, Ulu Tiram, Rawang, Port Dickson, Seremban, Dungun and Kuala Lumpur



Competitors: Our competitors from other footwear business that are already exist in consist of Al-Ikhsan Sport, Bata Shoes, and also Fipper Slipper.

Financial Projection:

Year	1	2	3
Profit (RM)	1, 033, 893	865, 049	1, 032, 216

Operational: Our final product will be put in plastic package where one package contains 5 insoles. We expected to produce 12,379 units (61,896 insoles) of product per month. Total operation cost is RM 194,015.50. Cost to produce one packet is RM 15.65 while cost to produce one unit is RM3.13.

Industry: Footwear Industry

Number of Employees: 21 employees

Financing source: The financing is generated from bank loan of RM 180, 542, hire-purchase of RM 151, 696 and contribution from partners amounting RM 134, 251.

INTRODUCTION

1. Introduction

1.1 Name of the Business

Our company name is Aurum Enterprise. We want to give a name which will leave a great impression on people so that they will be more interested on checking our product. A name which is not very common for people to hear but hold a very meaningful message behind it. So, we as a team agreed to name our business 'Aurum' as it is originated from a Latin word, 'Gold' which holds a meaning of 'glow of sunshine'. Futhermore, gold has unique characteristics that made it very valuable and a symbol of victory. We would like to portray our business in such way which is valuable and useful for people and also a company which will win over a people's heart.

Moreover, people always turn to gold for a perfect investment and I think it is very important for people to understand that choosing and buying our product will be the most worth investment they ever done in their life just like investing in gold. Lastly, I hope that with the valuable and unique business name, we promise to serve each and every customer with a perfect service and a company which going to produce a product that embody the meaning of gold.

1.2 Nature of business

'Troosole' is the advancement of an insole that provides a very special needs for a soldier. For a long time, soldier had been using sanitary pads on their feet to reduce excess sweat because the material used for the pads can absorb their sweat and also to reduce bad odor. They would line the pads to the soles of their military boots to solve these problems during their military training. So, we come up with the best idea to produce a special insole that works just like it. Troosole is the hybrid of the word 'Troopers' and 'Insole' as this will give a perfect introduction for a soldier who wants to buy this product. Troosole is made from poron for its bottom area and a material called absorbent core for its upper area which these two plays an important role for the kinetic friction and the absorbance needed for the feet. The absorbent core is made of paper pulp which it is the same material used to produce the sanitary pads.

We believe that Troosole is a special advancement product because there is a few company that actually produce something for soldier special needs. So, as an appreciation we come up with Troosole in order to solve this major problem of theirs.

Second, Troosole is a full-length type of insole that comes in various of sizes. Other than that, it is a removable insole making it easy to replace however it can adapt to the shape and movement of the feet. Moreover, we also have an additional feature added to this insole which is it is an odor free, fresh smell and long-lasting fragrance. Next, it is produces to be a wedge type insole that are effective in relieve pain/ stiffness and also will improve knee function. Last but not least, to create a world with a far less environmental pollution, Troosole, is a biodegradable product which can go through recycling process.

1.4 Location of the Business

Our company's premise is located at 4-25-03A, Jalan Medan Pusat Bandar 8, Bangi Sentral, Seksyen 9, Bandar Baru Bangi, 43650, Selangor. This location was chosen because it is considered as one of the strategic places to open an apparel business since Bangi Sentral is counted as a place where most people go to find their necessities or to go shopping without going to the mall. Futhermore, this place is located near the city so it is much easier to attract many people to pass by our place. Also the fact that Selangor holds the highest percentage population in Malaysia gives us the idea that it is a great move to open a business there. Finally, our premise is very near to our production factory which also located at Seksyen 9, Bandar Baru Bangi so it will be easier for us to reach to our production team there without having to travel far.

1.5 Date of Commencement

Our business starts its official operation on 11 July 2020 after the registration has been done on the date of 26 June 2020.

BUSINESS BACKGROUND

2. Business Background

Name of the Business	Aurum Enterprise
Business Address	4-25-03A, Jalan Medan Pusat Bandar 8, Bangi Sentral, Seksyen 9, Bandar Baru Bangi, 43650, Selangor
Correspondence Address	7, Persiaran Pusat Bandar 1, Seksyen 9, 43650, Bandar Baru Bangi, Selangor
Website	www.aurumenterprisehq.com
E- mail	aurumenterprise@gmail.com
Telephone Number	03-2664262
Fax Number	03-2663545
Form of Business	Partnership
Main Activity	Footwear Business
Date of Commencement	26 June 2020
Date of Registration	11 July 2020
Registration Number	202001000567
Name of Bank	CIMB BANK
Bank Account Number	7057203078

Table 2.1 Business Background

2.1 Vision and Mission

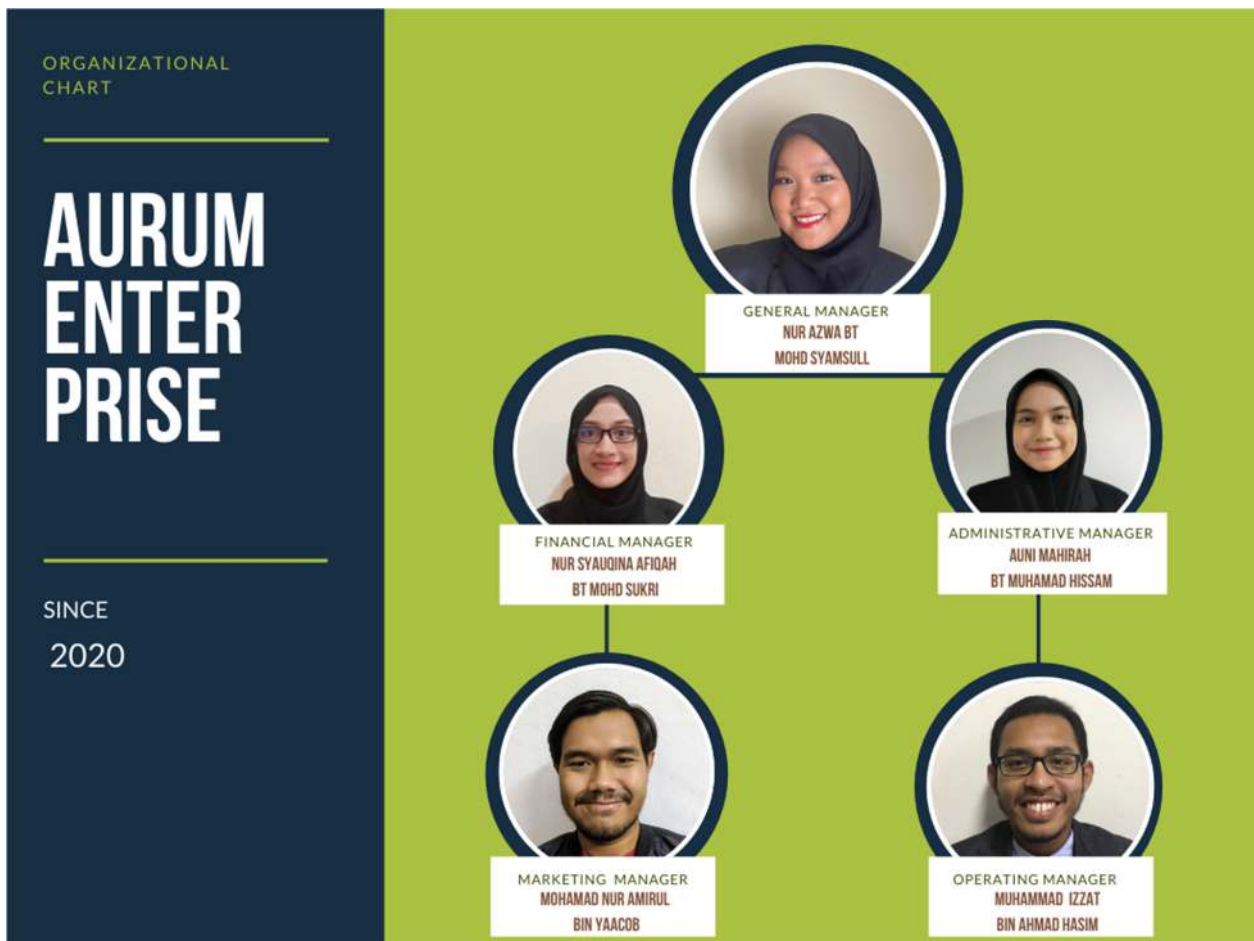
2.1.1 Vision

Our vision is to be a leading in fulfilling Malaysians need for footwear and set a new benchmark in quality standard in the Footwear Industry by offering an outstanding product and services for people

2.1.2 Mission

- I. To provide consumers with a huge range of footwear products.
- II. To ensure only the highest quality products is produce for our customers
- III. To produce the products that can fulfill everyone's needs without limit in every aspect.
- IV. To create a new innovation in footwear products that can solve people's problem.

2.2 Organizational Chart



2.3 Logo and Motto

2.3.1 Logo



Figure 2.3.1 Logo of Aurum Enterprise

Logo description

I. Symbol

- Footwear symbol will show people that we are selling various types of product that related to footwear.

II. Word

- **Aurum:** Name of the Business
- “Your go to-choice for premium act of footwear” is our motto which gives a meaning of consumers can find a special and a premium choice of footwear if they choose to buy from us.
- “Since 2020” is to to manifest to people the year of our business officially started. It is also to gives a remarkable address for our business soon in the future.

2.3.2 Motto

- Your go-to choice for premium act of footwear’

PARTNERSHIP BACKGROUND

3. Partnership Background

3.1 General Manager

Name of Partners	Nur Azwa bt Mohd Syamsull
Identity Card Numbers	860706-10-0426
Permanent Address	No 2 Jalan Meranti 3A/5, Bandar Baru Batang Kali, Batang Kali, 44300, Selangor
Correspondence Address	4-25-03A, Jalan Medan Pusat Bandar 8, Bangi Sentral, Seksyen 9, Bandar Baru Bangi, 43650, Selangor
E- Mail	azwasoll97@gmail.com
Telephone Number	012-3724262
Date of Birth	6 July 1986
Marital Status	Single
Academic Qualification	<ol style="list-style-type: none"> 1. Diploma in Accountancy, UiTM (2004) 2. Bachelor of Economics, UM (2008) 3. Master in Business Administration, MSU (2014)
Course Attended	<ol style="list-style-type: none"> 1. Millionaire Marketing Strategy (2016) (RichWorks International Sdn Bhd) 2. Business Growth Workshop (2017) (RichWorks International Sdn Bhd) 3. 2019 SITEC E-Commerce Class 201 BM: Pengurusan Produk (2019) (SDCC) 4. International Businesspreneur Summit (2019) (JCI Bukit Bintang) 5. Post Budget 2020 (2019) (SC)
Skills	<ol style="list-style-type: none"> 1. Designing a unisex custom shirt 2. Designing a socks suitable for all
Experiences	<ol style="list-style-type: none"> 1. Administrative Manager at Uniqlo Co Ltd (2015-2017) 2. Assistant General Manager at Padini Holdings (2017-2019)
Present Occupation	General Manager
Previous Business Experience	<ol style="list-style-type: none"> 1. Personal Shopper Services 2. Selling self-made custom shirt

Table 3.1 Background of General Manager

3.2 Administration Manager

Name of Partners	Auni Mahirah bt Muhamad Hissam
Identity Card Numbers	940512-10-0890
Permanent Address	No 52, Jalan Balau 3, Taman Meru Jaya, Batu 5 1/2, 41050, Meru, Klang
Correspondence Address	4-25-03, Jalan Medan Pusat 8, Bangi Sentral, Seksyen 9, Bandar Baru Bangi, 43650, Selangor
E- Mail	auni120502@gmail.com
Telephone Number	0183737627
Date of Birth	12 MAY 1994
Marital Status	Single
Academic Qualification	<ol style="list-style-type: none"> 1. DIPLOMA IN OFFICE ADMINISTRATION (2012) (MCS COLLEGE) 2. BACHELOR OF BUSINESS ADMINISTRATION BBA (Hons) (2015) (HERIOT-WATT UNIVERSITY MALAYSIA)
Course Attended	Program Online Business Springboard (OBS)
Skills	<ol style="list-style-type: none"> 1. Creative designer for muslimah fashion 2. Great in drape fabric, pin fabric and trim fabric
Experiences	<ol style="list-style-type: none"> 1. Clerk in Hyraxoil Sdn.Bhd
Present Occupation	Administration Manager
Previous Business Experience	Online Business- Hijab Business

Table 3.2 Background of Administration Manager

3.3 Marketing Manager

Name of Partners	Mohamad Nur Amirul bin Yaacob
Identity Card Numbers	940629-01-0987
Permanent Address	No 5 Jalan Melati, Kampung Paya Lebar, 85100, Batu Anam, Segamat, Johor
Correspondence Address	4-25-03, Jalan Medan Pusat 8, Bangi Sentral, Seksyen 9, Bandar Baru Bangi, 43650, Selangor
E- Mail	amirul646400@gmail.com
Telephone Number	0133513969
Date of Birth	29 June 1994
Marital Status	Single
Academic Qualification	<ol style="list-style-type: none"> 1. Diploma in Business (2014), UiTM 2. Bachelor of Business Administration in Marketing (2017), UniKL
Course Attended	Program Onilne Business Springboard (OBS)
Skills	<ol style="list-style-type: none"> 1. Strong drawing skill in designing 2. Able to understand textures, colour and the quality of fabric
Experiences	<ol style="list-style-type: none"> 1. Marketing Manager at Robert Walters Sdn Bhd (2018-2019)
Present Occupation	Marketing Manager
Previous Business Experience	Online Business - Shoes Business

Table 3.3 Background of Marketing Manager

3.4 Operating Manager

Name of Partners	Muhammad Izzat bin Ahamad Hasim
Identity Card Numbers	951105-10-0097
Permanent Address	No 1, Jalan Tongkol 17/34, 4000 Seksyen 17, Shah Alam, Selangor
Correspondence Address	4-25-03, Jalan Medan Pusat 8, Bangi Sentral, Seksyen 9, Bandar Baru Bangi, 43650, Selangor
E- Mail	fratuenza@gmail.com
Telephone Number	0133018743
Date of Birth	5 November 1995
Marital Status	Single
Academic Qualification	<ol style="list-style-type: none"> 3. Diploma in Business (2014), UiTM 4. Bachelor of Business Administration in Marketing (2017), UniKL
Course Attended	Program Onilne Business Springboard (OBS)
Skills	<ol style="list-style-type: none"> 1. Strong visualization designing skill 2. Great in designing evergreen style
Experiences	<ol style="list-style-type: none"> 1. Operating Manager at Tabemono Sdn Bhd (2017-2019)
Present Occupation	Operating Manager
Previous Business Experience	Online Business - Clothing Business

Table 3.4 Background of Operating Manager

3.5 Financial Manager

Name of Partners	Nur Syauqina Afiqah bt Mohd Sukri
Identity Card Numbers	931024-03-0162
Permanent Address	PT 94 Taman Bumi Emas, Permai Banggol Chicha, 17000 Pasir Mas, Kelantan
Correspondence Address	4-25-03, Jalan Medan Pusat 8, Bangi Sentral, Seksyen 9, Bandar Baru Bangi, 43650, Selangor
E- Mail	syauqina1024@gmail.com
Telephone Number	0199191279
Date of Birth	24 October 1993
Marital Status	Single
Academic Qualification	<ol style="list-style-type: none"> 1. Diploma in Accountancy (2011-2013) UiTM 2. Bachelor in Business Administration (Hons), Finance (2014-2018) UiTM
Course Attended	Program Onilne Business Springboard (OBS)
Skills	<ol style="list-style-type: none"> 1. Specialized in designing women's clothes 2. Able to sew crystals or beads into garment
Experiences	<ol style="list-style-type: none"> 1. Account Executive at KPJ Health Berhad
Present Occupation	Financial Manager
Previous Business Experience	Online Business – Cosmetic Business

Table 3.5 Background of Financial Manager

MARKETING PLAN

4.MARKETING PLAN

4.1 Marketing objectives:

- (i) To introduce new product and service.

As a new business in shoes industry, our main objective in marketing our product to develop and introduce our new product that have many functions for people nowadays. After we make some survey in some places in Malaysia, we would like to produce Troosolee from Aurum Enterprise that can absorbs sweat from sole.

- (ii) To estimate market acceptance and sale of new product or service.

From this marketing plan, we can give some comment or feedback from people about the product. From that, we can plan our product efficiently to minimize the course of producing for decreasing the amount of loss. We are able to estimate the sale forecast of our product for long term run. Furthermore, we can find the places that many people need our product for their daily life. From the information, we can sell more product at the hotspot places and minimize the quantity in places that less people use it.

Other than that, we can analyze or product from the feedback or comment that we get, when we know the strength and weakness of product from consumer, we will improve it as consumer need. So, we can make a better product than our competitor and can be the best company that sell the shoes insole in Malaysia.

4.2 Description of products

Tables 4.2.1 Product description

Product	Description
Features	<p>. Size(UK) :</p> <ul style="list-style-type: none"> - Man size : 4uk/22.5cm,5uk/23cm,6uk/24cm,7uk/25cm,8uk/25.5cm,9uk/26.5cm,10uk/27cm - Woman size : 4uk/22.5cm,5uk/23cm,6uk/23.5cm,7uk/24cm,8uk/24.5cm,9uk/25cm,10uk/25.5cm <p>. Weight(g) :</p> <ul style="list-style-type: none"> - Man :4uk/8g,5uk/9g,6uk/10g,7uk/11g,8uk/12g,9uk/13g,10uk/14g - Woman:4uk/8g,5uk/9g,6uk/9.5g,7uk/10g,8uk/10.5g,9uk/11g,10uk/11.5g <p>. Shape :</p> <ul style="list-style-type: none"> - That have supinator,pronator and neutral <p>. Fragrance :</p> <ul style="list-style-type: none"> - Lemon <p>. Packaging :</p> <ul style="list-style-type: none"> - Cuboid box
Materials	<ul style="list-style-type: none"> • Paper pulp for make the absorbence core • Poron • Lemon extract
Benefits	<ul style="list-style-type: none"> • Can absorbs the sweat from your sole • Can adapt to the shape and movement of the foot • Easy to replace • Comes with fragrance • Can go through recycling process

Table 4.2.2 Product illustration



4.3 Target market

4.3.1 Geographic segmentation

Our target place for the product is around Peninsular Malaysia that have soldier training center, air force training center and ground-based training center .The state that have training centre is Johor(Segamat), Negeri Sembilan(Rawang), Kuala Lumpur, Terengganu(Dungun) for the police training center and the ground-based training center in Negeri Sembilan(Port Dickson, Seremban) and Johor (Ulu Tiram).It because target places have many wholesale and supermarket near the training center. It will be easier for us to make promotion and advertisement to them.

4.3.2 Demographic segmentation

Demographic segmentation is segment that we dividing the market into particular group based on variable such as age, gender, income and occupation. This segment can help us to identify the more type of group is most give impact for our business. So, we focus on people at age range from 12 to 80 years old. It can be use for male and female because it have two type of insole size. Our main target market product is for consumer that have a heavy work and exercise that can make their foot sweat when wear a shoes.

4.3.3 Psychographic segmentation

This segmentation is divided market into group that connect with consumer lifestyle. Basically, people that join police and army training center have relish every day before they do some activities or go to other place in the training center. So, they be our target market to sell the product. Other than that, people that like to exercise and sport can be the consumer of our product to reduce the sweat at their sole.

4.4 Market size

4.4.1 Population table

4.4.1.1 Segamat, Johor

Table 4.4.1.1 Segamat, Johor

Types of product	No. of outlet	No. of items to needed (unit)	Price/unit (RM)	Total
Retailer				
Supermarket	6	12	1200	86400
Mini Market	18	3	1200	64800
Wholesale	4	20	1200	96000
Total				247200

4.4.1.2 Rawang, Selangor

Table 4.4.1.2 Rawang, Selangor

Types of product	No. of outlet	No. of items to needed (unit)	Price/unit (RM)	Total
Retailer				
Supermarket	9	12	1200	129600
Mini Market	14	4	1200	67200
Wholesale	7	16	1200	134400
Total				331200

4.4.1.3 Kuala Lumpur

Table 4.4.1.3 Kuala Lumpur

Types of product	No. of outlet	No. of items to needed (unit)	Price/unit (RM)	Total
Retailer				
Supermarket	18	17	1200	367200
Mini Market	15	10	1200	180000
Wholesale	15	14	1200	252000
Total				799200

4.4.1.4 Dungun, Terengganu

Table 4.4.1.4 Dungun, Terengganu

Types of product	No. of outlet	No. of items to needed (unit)	Price/unit (RM)	Total
Retailer				
Supermarket	8	7	1200	67200
Mini Market	12	2	1200	28800
Wholesale	3	6	1200	21600
Total				117600

4.4.1.5 Port Dickson, Negeri Sembilan

Table 4.4.1.5 Port Dickson, Negeri Sembilan

Types of product	No. of outlet	No. of items to needed (unit)	Price/unit (RM)	Total
Retailer				
Supermarket	9	6	1200	64800
Mini Market	15	2	1200	36000
Wholesale	6	8	1200	57600
Total				158400

4.4.1.6 Seremban, Negeri Sembilan

Table 4.4.1.6 Seremban, Negeri Sembilan

Types of product	No. of outlet	No. of items to needed (unit)	Price/unit (RM)	Total
Retailer				
Supermarket	23	18	1200	496800
Mini Market	18	6	1200	129600
Wholesale	12	23	1200	331200
Total				957600

4.4.1.7 Ulu Tiram, Johor

Table 4.4.1.7 Ulu Tiram, Johor

Types of product	No. of outlet	No. of items to needed (unit)	Price/unit (RM)	Total
Retailer				
Supermarket	17	16	1200	326400
Mini Market	16	7	1200	134400
Wholesale	10	19	1200	228000
Total				483600

Note:

1 unit = 1 box

1 box = 60 packs

1 pack = 4 pieces

Price per box = RM 1200

Price per item = RM 20

4.4.2 Total Market Sizes

Total market size = Segamat + Rawang + Kuala Lumpur + Dungun + Port
Dickson + Seremban + Ulu Tiram

$$\begin{aligned} &= \text{RM } 247200 + \text{RM } 331200 + \text{RM } 799200 + \text{RM } 117600 + \\ &\quad \text{RM } 158400 + \text{RM } 957600 + \text{RM } 483600 \\ &= \text{RM } 3\,094\,800 \end{aligned}$$

4.5 Competitors

4.5.1 competitive analysis

Table 4.5.1 competitive analysis

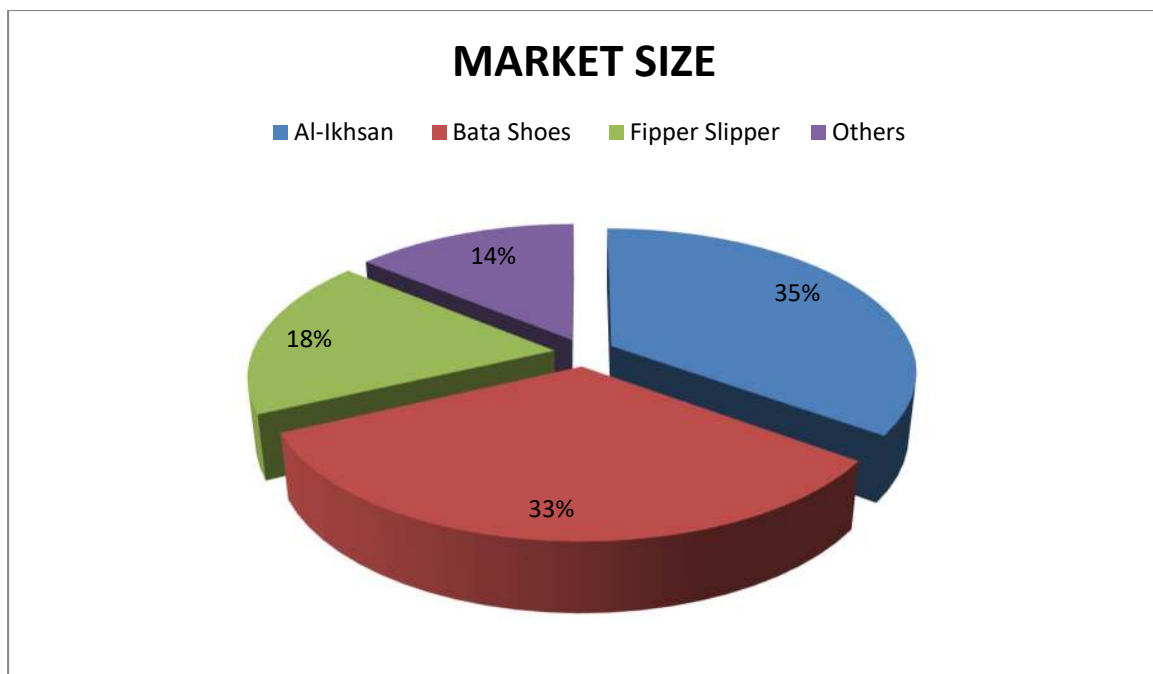
Competitors	Strengths	Weaknesses
Al-Ikhsan Sports	<ul style="list-style-type: none"> • Best quality material • With the latest design of insole • Soft and long lasting use 	<ul style="list-style-type: none"> • Hard to find the outlet • Just have one type of insole • Your foot will feel pain when use for hard activities
Bata Shoes	<ul style="list-style-type: none"> • A strong brand that have many choices type of insole and multicoloured that attract children • Have many branch around Malaysia • Comfortable for people use in hot weather 	<ul style="list-style-type: none"> • Too expensive • It easier to tear and become thin • Only one choose colour for adult
Fipper Slipper	<ul style="list-style-type: none"> • Have many sizing and type of foot patern • Cheap and affordable • Made from original soft rubber that can use for long lasting use 	<ul style="list-style-type: none"> • It not suitable for people who have sweating at your foot because it do not absorb • Do not have wedge insole so it will make your foot pain • It will expand when directly exposed to the sun
Other	<ul style="list-style-type: none"> • Affordable • Easier to find at supermarket • Light and slim 	<ul style="list-style-type: none"> • Only for short them use • To thin and can make your feet pain • Do not have many choice

4.6 Market Share

4.6.1 Market share before the entry of Aurum Enterprise

Table 4.6.1 Market Share before the entry of Aurum Enterprise

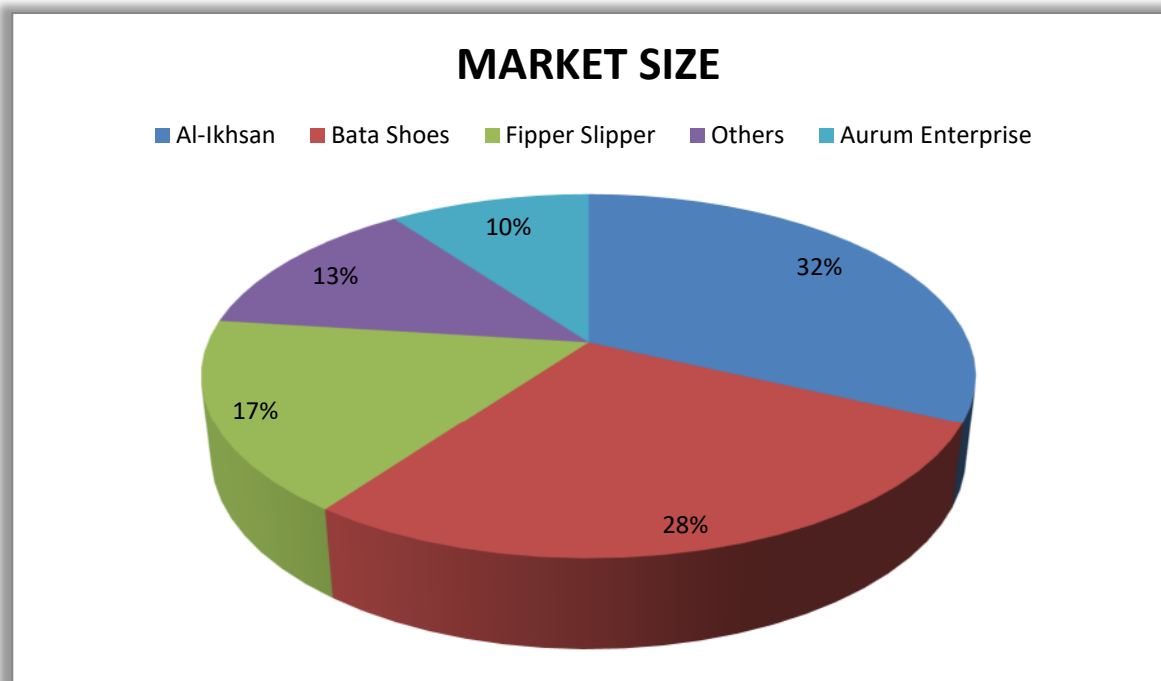
COMPETITOR	BEFORE ENTRANCE (%)	AMOUNT (RM)
Al-Ikhsan Sports	35	1 050 000
Bata shoes	33	990 000
Fipper Slipper	18	540 000
Others	14	420 000
TOTAL	100	3 000 000



4.6.2 Adjusted market share after the entry of Aurum Enterprise

Table 4.6.2 Market share after the entry of Aurum Enterprise

COMPETITOR	BEFORE ENTRANCE (%)	AMOUNT (RM)	PERCENTAGE OF LOSS (%)
Al-Ikhsan Sports	32	960 000	Loss 3%
Bata shoes	28	840 000	Loss 5%
Fipper Slipper	17	510 000	Loss 1%
Others	13	390 000	Loss 1%
Aurum Enterprise	10	300 000	
TOTAL	100	3 000 000	10%



4.7 Sales Forecasting

Table 4.7 Sales Forecasting

Month	Sales Forecast(RM)
1	309 480
2	309 480
3	309 480
4	309 480
5	309 480
6	309 480
7	309 480
8	309 480
9	309 480
10	309 480
11	309 480
12	309 480
Year 1	3 713 760
Year 2	4 085 136
Year 3	4 697 906.40

4.8 Market Strategy

4.8.1 Product

Aurum Enterprise produce a product that can solve problem for people that have sweat at your sole. Troosole is a different type of insole compared with other product because the paper pulp is used to absorb the sweat from your sole and make consumer more comfortable when wear a shoe.

4.8.1.1 Quality

Quality is our preference and our company take it as serious thing. We always things quality for the costumer first more than the profit. If we just thing the profit, our product would have many weakness and consumer do not want use our product after a few times use it. When our product has the best quality, the consumer will use our product repeatedly and they will suggest our product to their friends. So, we will get free advertisement from that. Troosole is made from soft paper pulp that can absorb the sweat at the sole. It can make consumer feel comfortable. Other than that, sit has wedge insole that can relieve pain or stiffness and also to improve knee function.

Moreover, it comes with lemon fragrance that can make your foot smell better and your shoes do not have bad smell after a few times you wear it.

4.8.1.2 Design

Our product uses UK standard sizing for men and women for the Troosole. So, it can make consumers easier to find their size. Other than that, people in the world have three types of feet such as supinator, neutral, and pronator. So, we design the Troosole to follow the three types of feet that can make people comfortable and will fully cover their soles. Next, it comes with fragrance that can give you a fresh feel and avoid a bad smell from your feet. Moreover, we use Poron as the bottom area to make it more flexible.

4.8.1.3 Packaging

We provide a cuboid box as packaging for Troosole to protect the product. Our company uses this type of shape because it is easier for us to arrange in a big box. So, the company can minimize the amount of big boxes. In the box, we use a strip plastic bag to cover the smell of the fragrance. It can hold 4 pairs of Troosole. In front of the box, our company uses a shiny gold sticker to make consumers easier to find it and make it different from others.

4.8.1.4 Product Differentiation

Our product uses paper pulp as an innovation to solve the problem of consumers. It can solve the problem of many people in Malaysia and make consumers feel comfortable when wearing shoes. From our survey, our company is the first company to make this innovation. It can attract consumers to use our product.

4.8.1.5 Labelling

In front of the box, we will put our logo, our product's name, and product illustration to make consumers know how it looks like. Other than that, we put the type and explain the type of insole for consumers and size. Some consumers will never know their type of foot. So, the explanation can help them to know it and they can make the right choice. At the back of the box, we put our company address to inform our location and steps to use it, we also put a barcode, type of material, and manufacturing date.

4.8.1.6 Product safety

Our product of wearing product. We have to make sure that the product comfortable when wear it. We must check the line the we sew is nice and strong to avoid the paper pulp came out when it absorbs the pressure when consumer walk or run.

4.8.2 Price

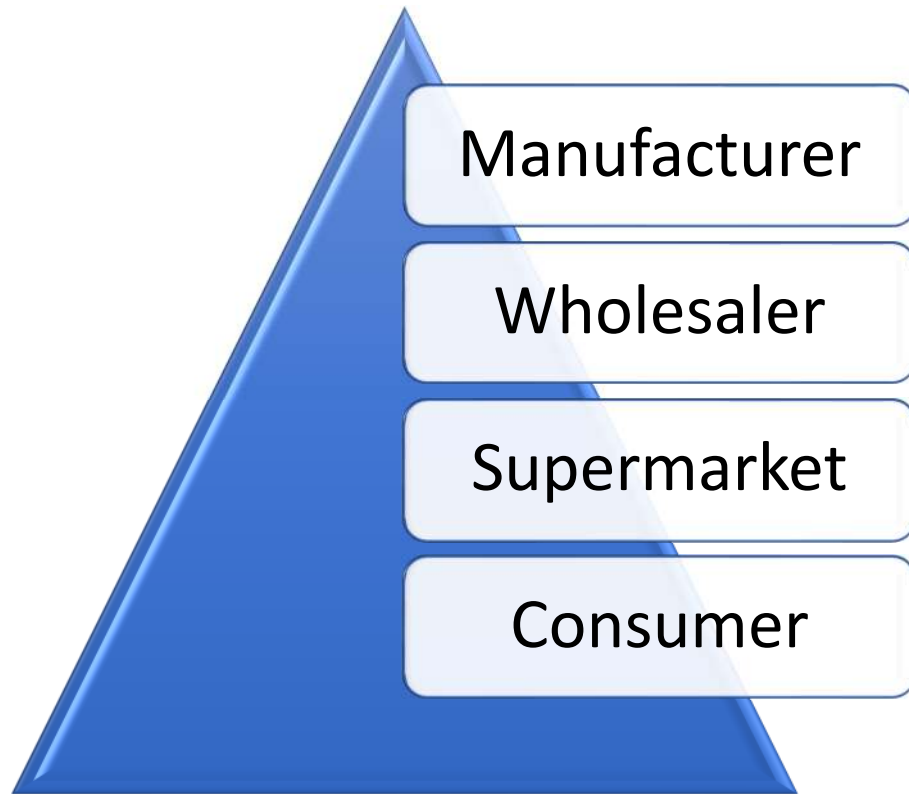
4.8.2.1 Cost based pricing

Cost based pricing is strategy pricing that simple and commonly use of all company in the world. It based on total cost of product plus standard mark-up. It combines of cost material we use machine, labor packing produce for one pack, electricity and water supply and it will multiply with 20% mark up.

$$\begin{aligned}\text{Selling price} &= \text{Total cost per unit} + \text{Mark up} \\ &= \text{RM } 3.13 + (\text{RM } 3.13 \times 20\%) \\ &= \text{RM } 3.76\end{aligned}$$

4.8.3 Place

We distribute our product to supermarket at Segamat, Ulu Tiram, Rawang, Port Dickson, Seremban, Dungun and Kuala Lumpur.



- Manufacturer

Aurum Enterprise as manufacturer that produce Troosole in Malaysia. We just focus to produce the product and sell to the down chain business such as wholesaler and supermarket

- Wholesaler

Wholesaler is the medium in business that buys our product in larger quantity from manufacturer and sale to consumer that want buy with the lar quantity too. Our wholesaler is Giant, Cowboy and Mydin.

- Supermarket

Supermarket is self-service shop that offering a wide variety of food, beverages and household products, organized into sections. So, it is good for our product because when consumer go to supermarket, they will buy all that they need. It more people will go there. Some of the supermarket that will sell our product is Billion, Nirwana and Econsave.

- Consumer

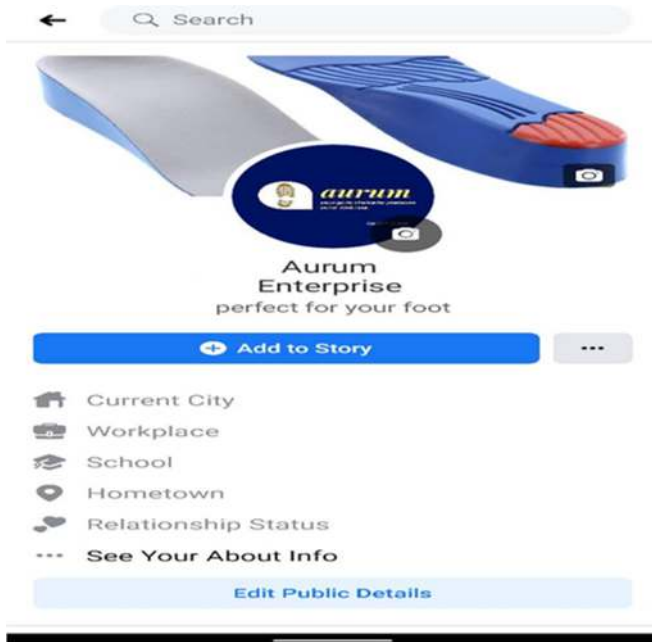
We sell direct to the consumer using social media such as Facebook, Twitter and Instagram. So, they can see the latest product from us. Other than that, we produce a website to consumer directly contact with us.

4.8.4 Promotion

4.8.4.1 Advertising

Aurum Enterprise promote the product using two type of advertising method which are through internet and television. It is because not all aged Malaysian spent their time using internet. From Advertising.com, people between 55 until 64 years old mostly spent their time at least 4.13 hours daily. Television has an extensive reach. It is a good way if you have large market in large area. Television is have more advantage that magazine and banner. It because television have sound, movement and color to attract consumer to buy the item. The advertising maybe expensive but it more effective than magazine or banner. For internet, we will advertise our product social media such as Twitter, Facebook and Instagram.

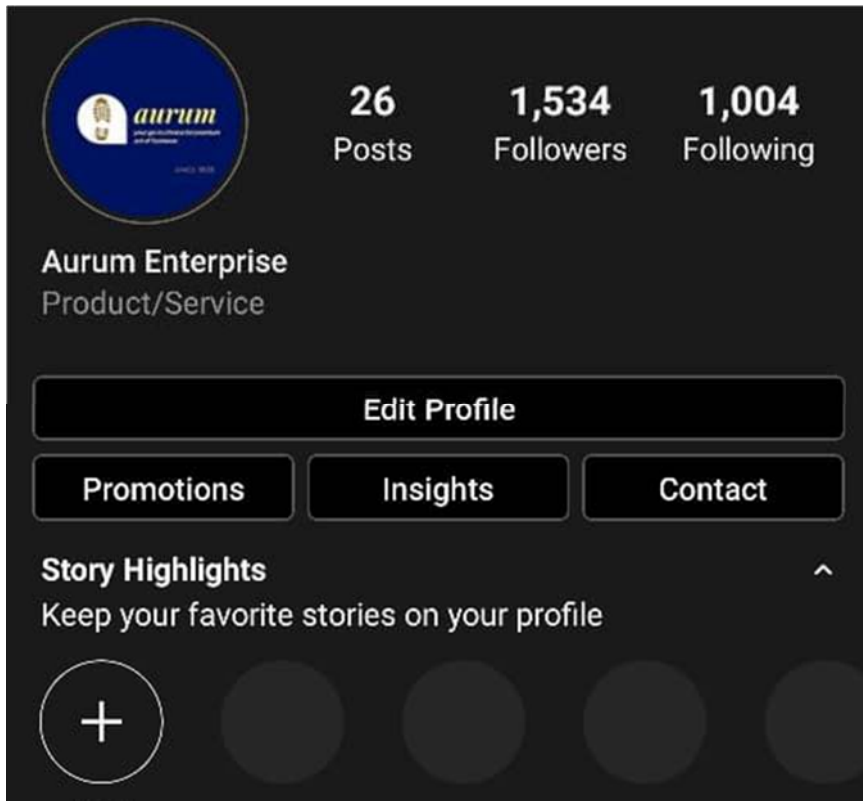
- Facebook



- Twitter



- Instagram



- Television



4.8.4.2 Sales Promotion

Sales promotion is way to attract consumer for use our product. It will make our sales increase and give more ability for company to clear our old product. It will make some consumer switch their choice from competitor's product to our product. When they use our product and feel comfortable, they will stay with our product and become regular costumer for our product. We will give discount every end of month with 15% discount when they buy two and more. It will be same promotion at the launching day of product.

4.8.4.3 Public Relation

Our Company will be taking part in Malaysia International Shoes Festival. The venue of the expo at Kuala Lumpur Convention Center (hall 6).at the festival, we will give some merchandise such as shoelace and key chain.

4.9 Organization Chart for Marketing Department

Figure 4.9 Organization Chart



4.10 Manpower Planning and Schedule of Remuneration

Table 4.10 List of Marketing Personnel and Schedule of Remuneration

Position	No. of Personnal	Monthly salary (RM) (A)	EPF (13%) (RM) (B)	SOCSSO (RM) (C)	Total (A) + (B) + (C)
Marketing Manager	1	3800	494	84.40	4378.40
Driver	1	1100	143	25.90	1268.90
Total	2	4900	637	110.30	5647.30

4.11 Marketing budget

Table 4.11 Marketing Budget

Item	Fixed Assets (RM)	Monthly Expenses (RM)	Other Expenses (RM)
Fixed Asset <ul style="list-style-type: none"> • Vehicle(Lorry – 1 units) 	100 000		
Working capital <ul style="list-style-type: none"> • Transportation cost • Salaries • Fuels 		500.00 5647.30 800.00	
Other Expenses <ul style="list-style-type: none"> • Insurance • Road tax • Television advertisement 			1800.00 800.00 1500.00
Total	100 000.00	6947.30	4100.00

OPERATIONAL PLAN

5. Operational Plan

5.1 Introduction

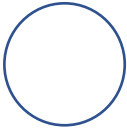



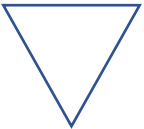
Operations management is an area of management concerned with designing and controlling the process of production and redesigning business operations in the production of goods or services. It involves the responsibility of ensuring that business operations are efficient in terms of using as few resources as needed and effective in terms of meeting customer requirements. Operations management is primarily concerned with planning, organizing and supervising in the contexts of production, manufacturing or the provision of services.

It is concerned with managing an entire production or service system which is the process that converts inputs (in the forms of raw materials, labor, consumers, and energy) into outputs (in the form of goods and/or services for consumers). Operations produce products, manage quality and create services. Operation management covers sectors like banking systems, hospitals, companies, working with suppliers, customers, and using technology. Operations is one of the major functions in an organization along with supply chains, marketing, finance and human resources. The operations function requires management of both the strategic and day-to-day production of goods and services.

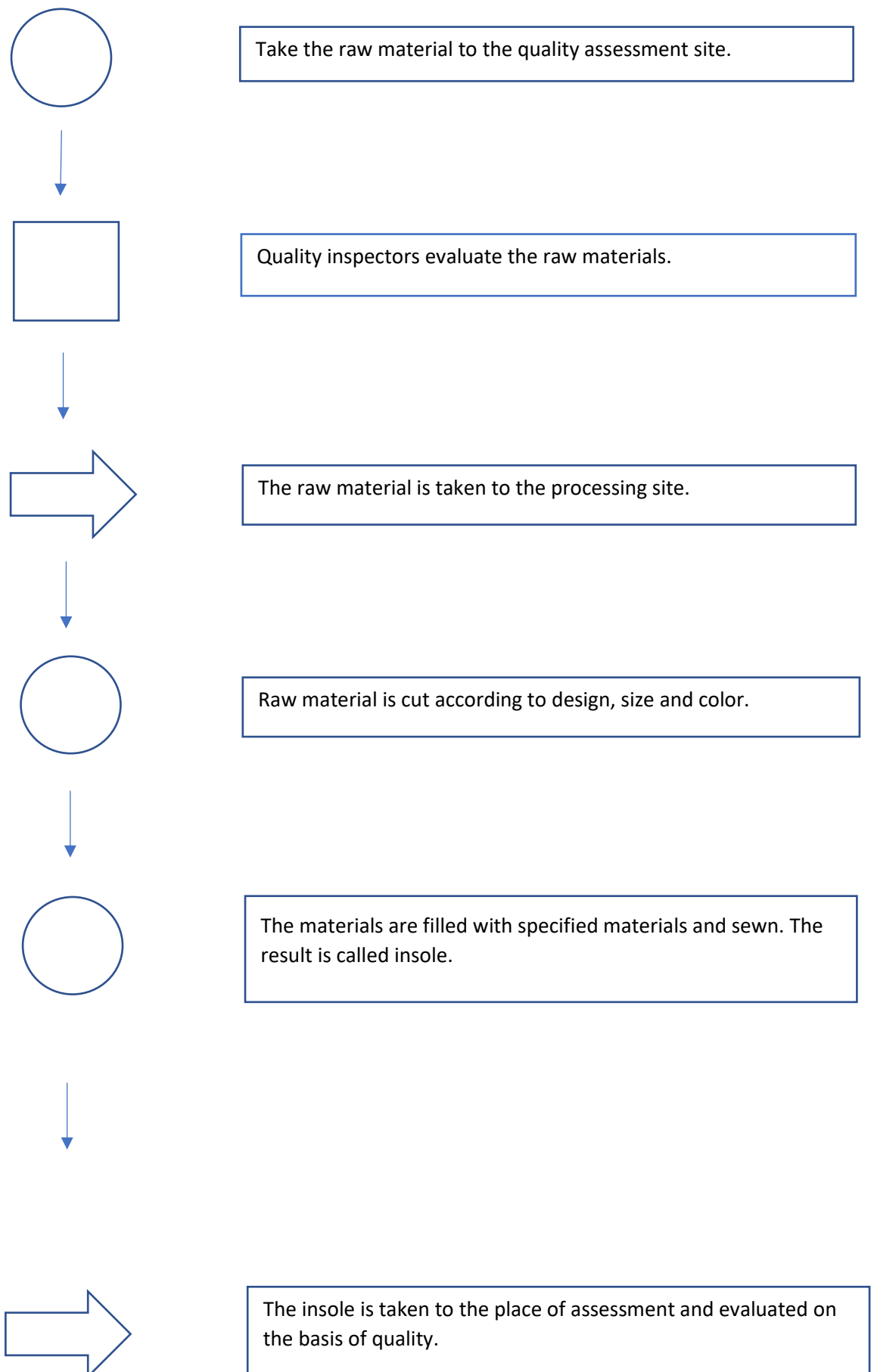
In managing manufacturing or service operations several types of decisions are made including operations strategy, product design, process design, quality management, capacity, facilities planning, production planning and inventory control. Each of these requires an ability to analyze the current situation and find better solutions to improve the effectiveness and efficiency of manufacturing or service operations.

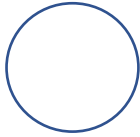
5.2 Process Planning for Manufacturing

5.2.1 Symbol of Process Chart

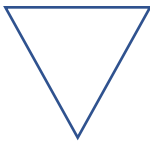
Symbol	Activity	Description
	Operation	Activity that modify, transform or give added value to the input.
	Inspection	Activity that measure the standard or quality.
	Transportation	Movement of material or goods from one place to another place.
	Delay	Process is delayed because in process material are waiting to next activity.
	Storage	Finished product or goods are stored in warehouse or the storage area.

5.2.2 Process Flow Chart





The rated insole will be wrapped in plastic and put in a box .



Store the product into the storage room.

5.2.3 Activity chart

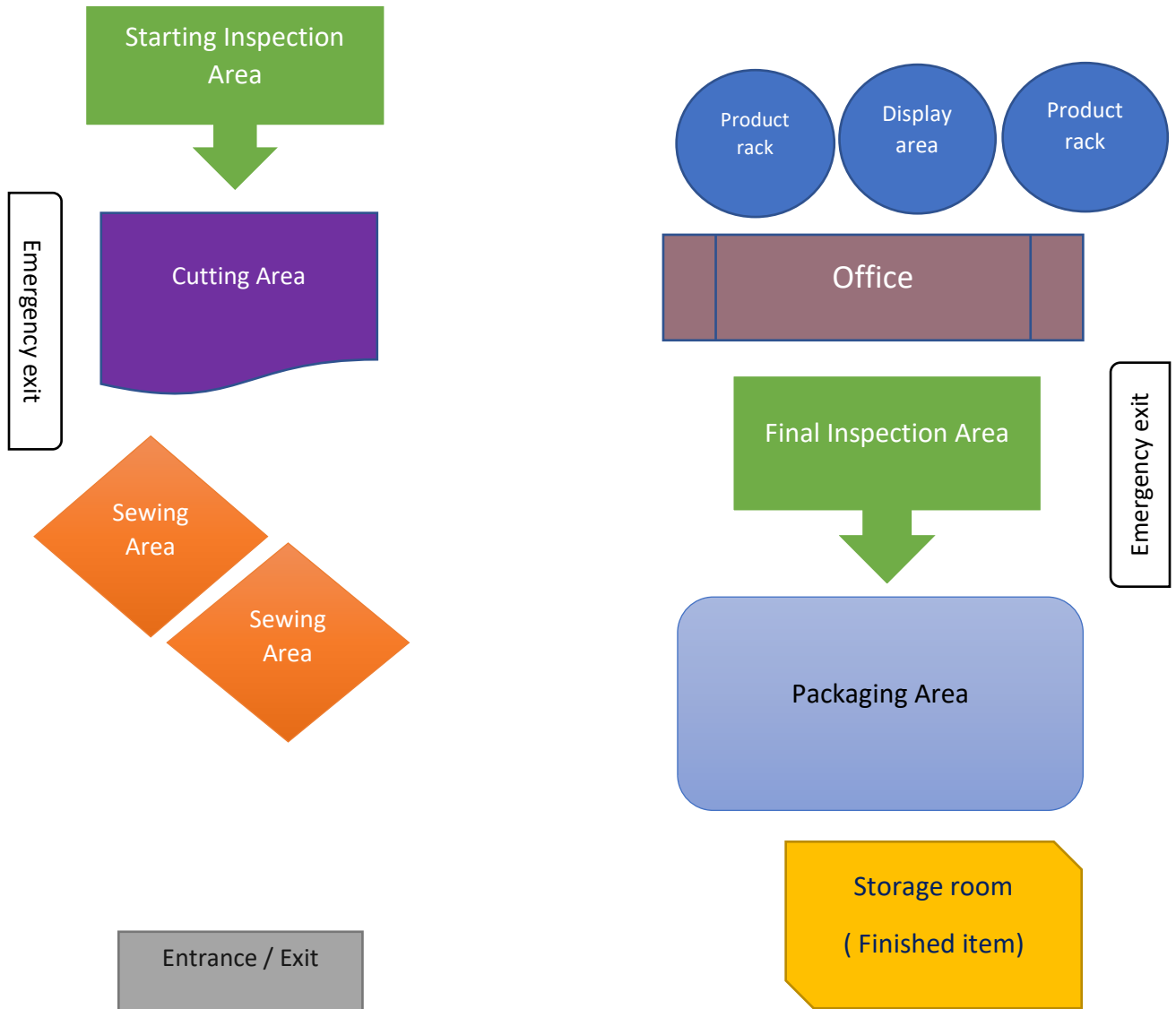
1 per cycle = 500 unit (insole)

1 unit = 10 minutes

Process	Time (minutes)	Men	Machine / Equipment
Take the raw material to the quality assessment site.	5	Store keeper	
Quality inspectors evaluate the raw materials.	5	Quality checker	
The raw material is taken to the processing site.	5	Worker	
Raw material is cut according to design, size and color.	20	Machine operator	Cutting machine
The materials are filled with specified materials and sewn.	20/10	Worker and Machine operator	Sewing machine
The insole is taken to the place of assessment and evaluated on the basis of quality.	5	Worker and Quality checker	
The rated insole will be wrapped in plastic and put in a box.	10	Packaging worker	Packaging machine
Store the product into the storage room.	10	Store keeper	
Total	80		

5.3 Operation Layout

5.3.1 Layout based on the product



5.4 Production Planning

5.4.1 Sales Forecast Per Month

Output per month

Average sales forecast per month = RM 309,480.00

The sales price = RM 5

Number of output per month = Average sales forecast / Sale price per unit
= RM309, 480/ RM 5
= RM 61, 896 units per month

5.4.2 Number of output per day

If the number of working days per month is 24 days (6 days/week)

Number of output per day = No. of output per month / no. working days
per month
= 61, 896 units/ 24 days
= 2, 579 units

5.4.3 Number of units per hour

Such as daily working hour = 8 hours

Number of units per hour = No. of output per day / daily working hours

$$= 2579 \text{ units} / 8 \text{ hours}$$

$$= 322 \text{ unit}$$

5.5. Material Planning

5.5.1 Material Requirement Planning

5.5.1.1 Raw Material Required per month (Bill of Material)

Material	Quantity	Safety stock	Total material	Price/ unit	Total price (RM)
Poron	5000 m^2	250 m^2	5250 m^2	RM 1.84	9,660.00
Paper pulp	65,000 pieces	3,250 pieces	68,250 pieces	RM 2.05	139,912.50
Lemon extract (fragrance)	1000 kg	50 kg	1050 kg	RM 4.27	4,483.50
Total					154,056.00

5.6 Machine and Equipment Planning

5.6.1 Amount of Machine and Equipment Required

$$\frac{\text{Planned Rate of Production per day}}{\text{Machine productive time per day cycle}} \times \frac{\text{Standard Production time}}{\text{Quantity Product per cycle}}$$

a) Cutting machine

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{20 \text{ minutes}}{500 \text{ unit}}$$

$$= 0.21 @ 2 \text{ cutting machine}$$

b) Sewing machine

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{20 \text{ minutes}}{500 \text{ unit}}$$

$$= 0.21 @ 2 \text{ sewing machine}$$

c) Packaging machine

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{10 \text{ minutes}}{500 \text{ unit}}$$

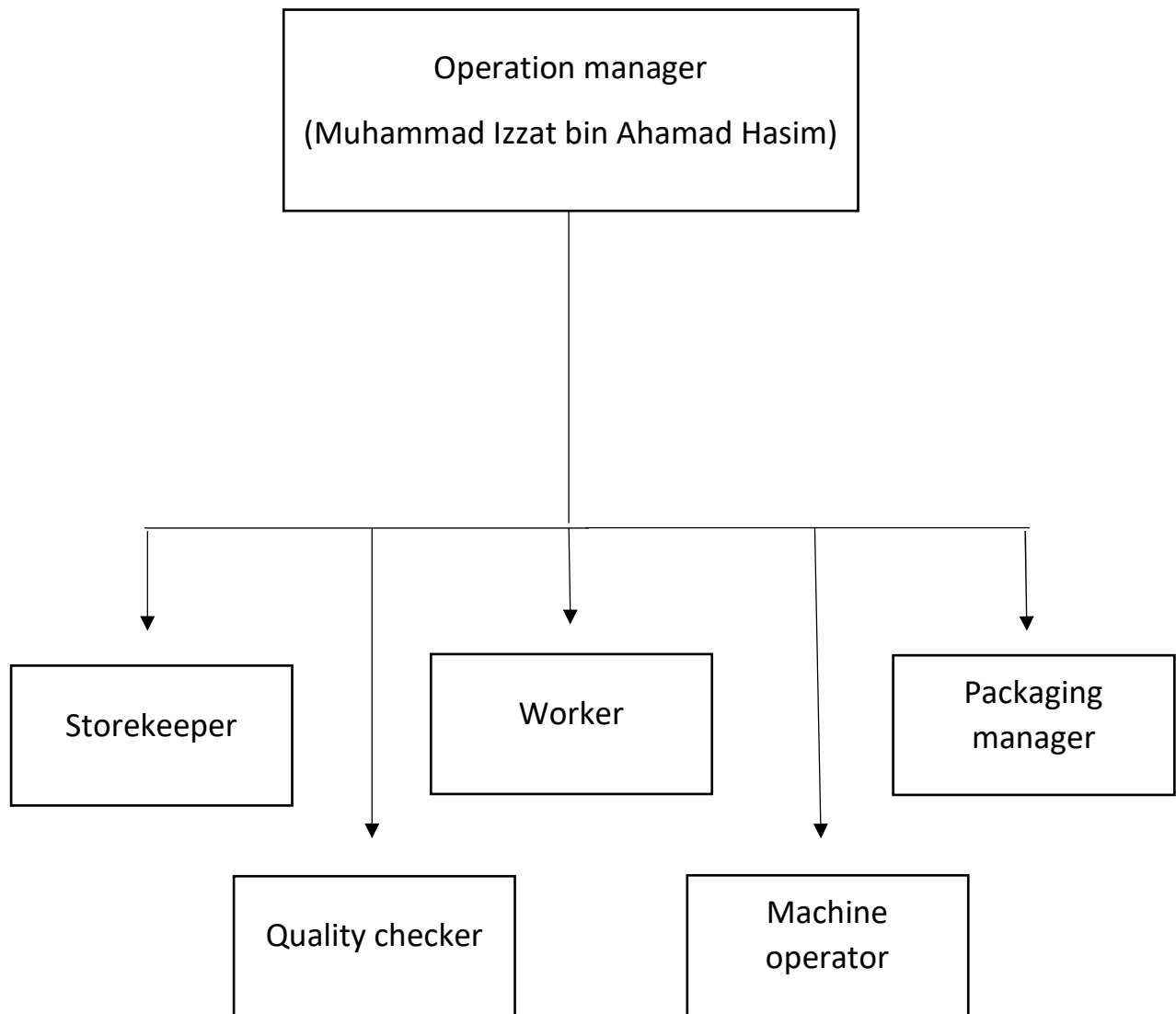
$$= 0.11 @ 1 \text{ packaging machine}$$

5.6.2 List of Machine and Equipment (Purchased)

Machine	No of machine	Price/ unit (RM)	Total cost (RM)
Cutting machine	2	10,470.08	20,940.16
Sewing machine	2	7,090.00	14,180.00
Packaging machine	1	17,026.00	17,026.00
Total	5		51,696.16

5.7 Manpower Planning

5.7.1 Organization Chart for Operation Department



5.7.2 Amount of direct labour required

$$= \frac{\text{Planned Rate of Production per day}}{\text{Machine productive time per day}} \times \frac{\text{Standard Production time}}{\text{Quantity Product per cycle}}$$

a. Storekeeper

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{15 \text{ minutes}}{500 \text{ unit}}$$

= 0.16 @ 1 Storekeeper

b. Quality checker

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{10 \text{ minutes}}{500 \text{ unit}}$$

= 0.11 @ 1 Quality checker

c. Worker

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{40 \text{ minutes}}{500 \text{ unit}}$$

= 0.43 @ 4 Worker

d. Machine operator

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{30 \text{ minutes}}{500 \text{ unit}}$$

= 0.32 @ 3 Machine operator

e. Packaging operator

$$= \frac{2579 \text{ unit}}{480 \text{ minutes}} \times \frac{10 \text{ minutes}}{500 \text{ unit}}$$

$$= 0.11 @ 1 \text{ Packaging operator}$$

5.7.3 List of Operation Personnel and Schedule of remuneration

Position	No of personnel	Month salary	EPF Contribution (13%) (RM)	SOCSSO (RM)	Amount (RM)
Operation Manager	1	4500	585	88.80	5,173.80
Storekeeper	1	1400	182	30.40	1,612.40
Quality Checker	1	1300	169	28.10	1,497.10
Machine Operator	3	4500	585	88.80	5,173.80
Packaging Operator	1	1500	195	32.60	1,727.60
Worker	4	4800	624	88.80	5,512.80
Cleaner	2	2400	312	52.90	2,764.90
Forklift Driver	1	1300	169	28.10	1,497.10
Total	14				24,959.50

5.8 Overhead requirement

5.8.1 Operations Overhead (indirect labor/ indirect material / insurance / maintenance and utilities)

No	Types of Overhead	Monthly Cost (RM)
1	Electricity	10,000
2	Water	2,000
3	Telephone bill	700
4	Internet	600
5	Machine maintenance	600
6	Cleaner	400
7	Packaging box	700
	Total	15,000

5.9 Total Operations Cost

$$\begin{aligned}\text{Total operation cost} &= \text{Direct Material Cost (total raw material)} + \text{Direct Labor Cost (total remuneration)} + \text{Overhead Cost (total Operations overhead)} \\ &= \text{RM 15,000} + \text{RM 24,959.50} + \text{RM 154,056.00} \\ &= \text{RM 194,015.50}\end{aligned}$$

5.10 Cost Per Unit

$$\begin{aligned}\text{Cost Per Unit} &= \frac{\text{Total Operations Cost (RM)}}{\text{Total Number of Output (Output Per Month)}} \\ &= \frac{\text{RM 194,015.50}}{61,896 \text{ unit}} \\ &= \text{RM 3.13}\end{aligned}$$

5.11 Productivity Index (PI)

$$\begin{aligned}\text{Productivity Index} &= \frac{\text{Total Value of Output (Sales forecast per month)}}{\text{Total Value of Input (Total Operations Cost)}} \\ &= \frac{\text{RM 309,480.00}}{\text{RM 194,015.50}} \\ &= 1.59\end{aligned}$$

5.12 Business and operation hours

Business hour = 8 hours per day (8.00 a.m. until 5.00 p.m.)

Operating hour = 8 hours per day (8.00 a.m. until 5.00 p.m.)

Working days = 6 days per week (Monday – Saturday)

5.13 Operations Budget

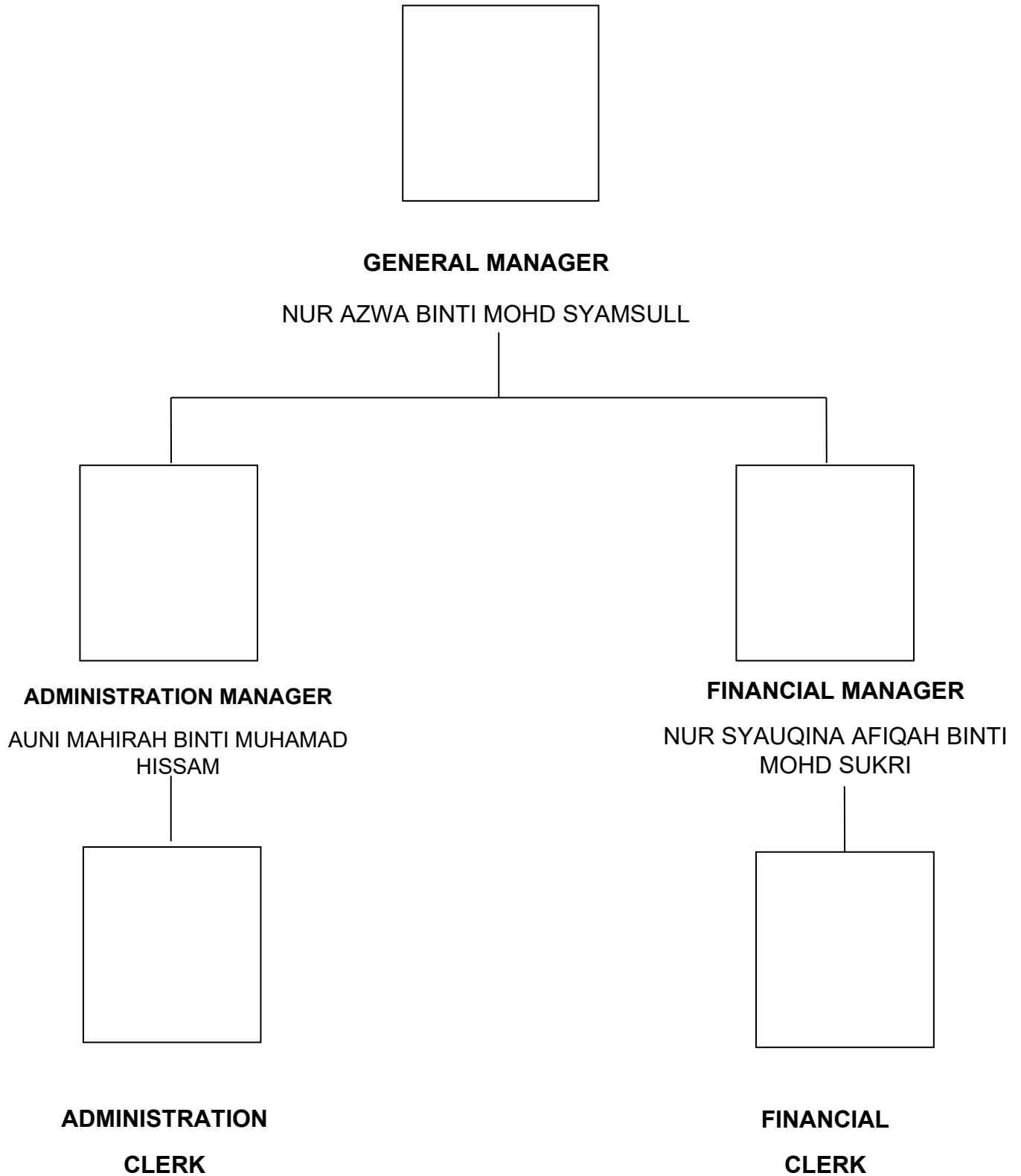
Item	Fixed Asset (RM)	Monthly Expenses (RM)	Other Expenses (RM)
Fixed Asset Machine and Equipment	51,696.16		
Working Capital <ul style="list-style-type: none"> • Raw Materials • Operation Overhead • Salary. SOCSO & EPF 		154,056.00 15,000.00 24,959.50	
Other Expenses <ul style="list-style-type: none"> • Workers Uniform 			300
Pre-Operations <ul style="list-style-type: none"> • Business License • Manufacturing License • DOSH Certificate 			200 350 400
TOTAL	51,696.16	194,015.50	1250

ADMINISTRATION PLAN

6. Administration plan

6.1 Organizational Chart for Administration and Finance Department

Figure 6.1 Organizational Chart



6.2 Manpower Planning

Table 6.2 List of Administration Personnel and Schedule of Remuneration

Position	Quantity	Monthly Salary (RM)	EPF (13%) (RM)	SOCSSO (RM)	Total
General Manager	1	6500	845	88.80	7433.80
Administration Manager	1	3500	455	79.90	4034.90
Financial Manager	1	5500	715	88.80	6303.80
Operational Manager	1	4500	585	88.80	5173.80
Marketing Manager	1	3800	494	86.60	4380.60
Administration Clerk	1	1800	234	41.60	2075.60
Financial Clerk	1	1800	234	41.60	2075.60
Driver	1	1100	143	23.60	1266.60
TOTAL	7	28500	3705	539.70	32744.70

6.3 Office Furniture, Fitting and Office Supplies

Table 6.3.1 List of Office Furniture

Type	Quantity	Price/Unit (RM)	Total (RM)
L-Shape Office Table	5	130.00	650.00
Ergonomic High Chair	5	55.00	55.00
Office Sofa	1	300.00	300.00
Curve Mesh Chair	30	30.00	900.00
Urban Series Sofa Set	1	499.00	499.00
Premium Wooden Coffee Table	1	95.99	95.99
Rectangular Discussion Tables	3	180.00	540.00
Accurate Visitor Chair	5	185.00	925.00
Workstation Cluster of 4	3	2400.00	2400.00
ORO Series Panel Leg Conference Table	1	2000.00	2000.00
Book shelf Cabinet	6	289.00	1734.00
Open Shelf and Swinging Door Low Cabinet	3	250.00	750.00
L-shape Executive Reception counter	1	650.00	650.00
TOTAL	65	7063.99	11498.99

Table 6.3.2 List of Office Supplies

Type	Quantity	Price/Unit (RM)	Total (RM)
Stationery	5	30.00	510.00
Paper	10	58.00	580.00
Legal pads	1	80.00	80.00
File folders	10	5.00	50.00
Sticky notes	3	15.00	45.00
Paper clips	1	5.80	5.80
Binder clips	1	4.60	4.60
Printer Ink (Black and other colors)	1	80.00	80.00
Punch Card	1	7.50	7.50
Floor cleaner, spray and toilet cleaner	1	30.00	30.00
TOTAL	34	315.90	1392.90

Table 6.3.3 List of Office Fittings

Type	Quantity	Price/Unit (RM)	Total (RM)
Air Conditioner	6	120.00	720.00
Shading Window Curtains	6	25.00	150.00
Lamp	10	12.50	125.00
Claytan Toilet Bowl	6	250.00	1500.00
Ecolux Square Basin	6	60.00	360.00
Simple Bathroom Mirror	2	199.00	398.00
Automatic Hand Dryer	2	132.00	264.00
TOTAL	38	798.50	3517.00

Table 6.3.4 List of Office Equipment

Type	Quantity	Price/Unit (RM)	Total (RM)
HP Desktop Set Computer	18	1000.00	18000.00
Printer Laser Jet	5	245.00	1225.00
Scanner	2	60.00	120.00
Fax Machine	1	146.00	146.00
Phone System	1	200.00	200.00
Large Whiteboard	1	100.00	100.00

Security System	1	100.00	100.00
WiFi Modem	1	200.00	200.00
Paper Shredder	1	120.00	120.00
Coffee machine	1	1000.00	1000.00
Coffee Mugs	3	5.00	15.00
Refrigerator	1	519.00	519.00
Microwave	1	99.00	99.00
Projector	1	300.00	300.00
Wall Projector Screen	1	45.00	45.00
Punch Card Machine	1	300.00	300.00
First Aid Kit	1	39.90	39.90
Dustbin	2	2.00	4.00
Fire Extinguisher	1	118.00	118.00
Office and Toilet Cleaning Equipment	1	150.00	150.00
TOTAL	45	4403.90	22800.90

6.4 Administration Budget

Item	Fixed Assets (RM)	Monthly Expenses (RM)	Other Expenses (RM)
Fixed Asset (Furniture, Fittings and Equipment)	11498.99 3517.00 22800.90		
Working capital (Salary, EPF, SOCSO) (Utility Bills) (Rental) (Office supplies)		32744.70 1600.00 2500.00 1392.90	
Other Expenses (Rental deposit 2 month) (SSM Fee)			2500.00 800.00
TOTAL	37816.89	38237.60	3300.00

FINANCIAL PLAN

7.0 Financial Plan

7.1 Operating Budget

7.1.1 Administrative Department

ADMINISTRATIVE BUDGET				
Particulars	F.Assets	Monthly Exp.	Others	Total
<i>Fixed Assets</i>				
Land & Building	-			-
Office Furniture	3,517			3,517
Fittings and Equipment	22,801			22,801
0	-			-
0	-			-
<i>Working Capital</i>				
Salary, EPF & SOCSO		32,745		32,745
Office Supplies		1,393		1,393
0		-		-
0		-		-
0		-		-
0		-		-
0		-		-
<i>Pre-Operations & Other Expenditure</i>				
Other Expenditure			-	
Deposit (rent, utilities, etc.)			-	-
Business Registration & Licences			-	-
Insurance & Road Tax for Motor Vehicle			-	-
Other Pre-Operations Expenditure			7,200	7,200
Total	26,318	34,138	7,200	67,656

7.1.2 Marketing Department

MARKETING BUDGET				
Particulars	F.Assets	Monthly Exp.	Others	Total
<i>Fixed Assets</i>				
Vehicle (Lorry)	100,000			100,000
0	-			-
0	-			-
0	-			-
<i>Working Capital</i>				
0		-		-
Transportation cost		500		500
Salaries		7,261		7,261
Fuels		800		800
0		-		-
0		-		-
0		-		-
<i>Pre-Operations & Other Expenditure</i>				
Other Expenditure			-	
Deposit (rent, utilities, etc.)			-	-
Business Registration & Licences			-	-
Insurance & Road Tax for Motor Vehicle			2,600	2,600
Other Pre-Operations Expenditure			1,500	1,500
Total	100,000	8,561	4,100	112,661

7.1.3 Operation Department

OPERATIONS BUDGET				
Particulars	F.Assets	Monthly Exp.	Others	Total
<i>Fixed Assets</i>				
Machine and Equipment	51,696			51,696
0	-			-
0	-			-
0	-			-
<i>Working Capital</i>				
Raw Materials		154,056		154,056
Carriage Inward & Duty		-		-
Salaries, EPF & SOCSO		24,960		24,960
Operations Overhead		15,000		15,000
0		-		-
0		-		-
0		-		-
<i>Pre-Operations & Other Expenditure</i>				
Other Expenditure			300	
Deposit (rent, utilities, etc.)			-	-
Business Registration & Licences			550	550
Insurance & Road Tax for Motor Vehicle			-	-
Other Pre-Operations Expenditure			400	400
Total	51,696	194,016	1,250	246,662

7.2 Project Implementation Cost and Sources of Finance

AURUM ENTERPRISE PROJECT IMPLEMENTATION COST & SOURCES OF FINANCE							
Project Implementation Cost			Sources of Finance				
Requirements			Cost	Loan	Hire-Purchase	Own Contribution	
						Cash	Existing F. Assets
Fixed Assets							
Land & Building			0	0			
Office Furniture			3,517	0			3,517
Fittings and Equipment			22,801	13,000		9,801	
0			0	0			
0			0	0			
Vehicle (Lorry)			100,000	0	100,000		
0			0	0			
0			0	0			
0			0	0			
Machine and Equipment			51,696	0	51,696		
0			0	0			
0			0	0			
0			0	0			
Working Capital							
	1	months					
Administrative			34,138	24,138		10,000	
Marketing			8,561	4,561		4,000	
Operations			194,016	104,016		90,000	
Pre-Operations & Other Expenditure							
			12,550	4,100		8,450	
Contingencies							
	10	%					
			42,728	30,728		12,000	
TOTAL			470,006	180,542	151,696	134,251	3,517

7.3 Fixed Asset Depreciation Schedules

AURUM ENTERPRISE DEPRECIATION SCHEDULES

Fixed Asset Cost (RM)		Office Furniture	
		3,517	
Method		Straight Line	
Economic Life (yrs)		5	
<i>Year</i>	<i>Annual Depreciation</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>
0	-	-	3,517
1	703	703	2,814
2	703	1,407	2,110
3	703	2,110	1,407
4	703	2,814	703
5	703	3,517	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

Fixed Asset Cost (RM)		Fittings and Equipment	
		22,801	
Method		Straight Line	
Economic Life (yrs)		5	
<i>Year</i>	<i>Annual Depreciation</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>
0	-	-	22,801
1	4,560	4,560	18,241
2	4,560	9,120	13,681
3	4,560	13,681	9,120
4	4,560	18,241	4,560
5	4,560	22,801	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

Fixed Asset Cost (RM)		0	
Method		Straight Line	
Economic Life (yrs)		5	
<i>Year</i>	<i>Annual Depreciation</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-
6	-	-	-

Fixed Asset Cost (RM)		0	
Method		Straight Line	
Economic Life (yrs)		5	
<i>Year</i>	<i>Annual Depreciation</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-
6	-	-	-

7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

Fixed Asset Cost (RM)		Vehicle (Lorry)	100,000
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	100,000
1	20,000	20,000	80,000
2	20,000	40,000	60,000
3	20,000	60,000	40,000
4	20,000	80,000	20,000
5	20,000	100,000	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

Fixed Asset Cost (RM)		0	0
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-
6	-	-	-
7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

Fixed Asset Cost (RM)		0	0
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-
6	-	-	-

Fixed Asset Cost (RM)		0	0
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-
6	-	-	-

7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

Fixed Asset Cost (RM)		Machine and Equipment	
		51,696	
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	51,696
1	10,339	10,339	41,357
2	10,339	20,678	31,018
3	10,339	31,018	20,678
4	10,339	41,357	10,339
5	10,339	51,696	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

Fixed Asset Cost (RM)		0	
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-
6	-	-	-
7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

Fixed Asset Cost (RM)		0	
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-

Fixed Asset Cost (RM)		0	
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
0	-	-	-
1	-	-	-
2	-	-	-
3	-	-	-
4	-	-	-
5	-	-	-

6	-	-	-
7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

6	-	-	-
7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-

7.4 Loan and Hire Purchase Depreciation Schedule

AURUM ENTERPRISE LOAN & HIRE-PURCHASE AMMORTISATION SCHEDULES

LOAN REPAYMENT SCHEDULE				
Amount	180,542			
Interest Rate	5%			
Duration (yrs)	5			
Method	Baki Tahunan			
Year	Principal	Interest	Total Payment	Principal Balance
0	-	-		180,542
1	36,108	9,027	45,135	144,433
2	36,108	7,222	43,330	108,325
3	36,108	5,416	41,525	72,217
4	36,108	3,611	39,719	36,108
5	36,108	1,805	37,914	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	0

HIRE-PURCHASE REPAYMENT SCHEDULE				
Amount	151,696			
Interest Rate	5%			
Duration (yrs)	5			
Year	Principal	Interest	Total Payment	Principal Balance
0	-	-		151,696
1	30,339	7,585	37,924	121,357
2	30,339	7,585	37,924	91,018
3	30,339	7,585	37,924	60,678
4	30,339	7,585	37,924	30,339
5	30,339	7,585	37,924	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	-

7.4 Loan and Hire Purchase Depreciation Schedule

AURUM ENTERPRISE LOAN & HIRE-PURCHASE AMMORTISATION SCHEDULES

LOAN REPAYMENT SCHEDULE				
Amount	180,543			
Interest Rate	5%			
Duration (yrs)	5			
Method	Baki Tahunan			
Year	Principal	Interest	Total Payment	Principal Balance
0	-	-		180,543
1	36,109	9,027	45,136	144,434
2	36,109	7,222	43,330	108,326
3	36,109	5,416	41,525	72,217
4	36,109	3,611	39,719	36,109
5	36,109	1,805	37,914	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	0

HIRE-PURCHASE REPAYMENT SCHEDULE				
Amount	151,696			
Interest Rate	5%			
Duration (yrs)	5			
Year	Principal	Interest	Total Payment	Principal Balance
0	-	-		151,696
1	30,339	7,585	37,924	121,357
2	30,339	7,585	37,924	91,018
3	30,339	7,585	37,924	60,678
4	30,339	7,585	37,924	30,339
5	30,339	7,585	37,924	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	-

7.5 Perform Cashflow Statement

7.6 Pro Forma Income Statement

AURUM ENTERPRISE			
PRO-FORMA PRODUCTION COST STATEMENT			
	Year 1	Year 2	Year 3
Raw Materials			
Opening Stock	0	88,032	80,266
Current Year Purchases	1,848,672	2,033,539	2,338,570
Ending Stock	88,032	80,266	69,783
Raw Materials Used	1,760,640	2,041,305	2,349,053
Carriage Inward	0	0	0
	1,760,640	2,041,305	2,349,053
Salaries, EPF & SOCSO	299,520	329,472	378,893
Factory Overhead			
Depreciation of Fixed assets (Operations)	10,339	10,339	10,339
Operation Overhead	180,000	198,000	227,700
0	0	0	0
0	0	0	0
0	0	0	0
Total Factory Overhead	190,339	208,339	238,039
Production Cost	2,250,499	2,579,116	2,965,985

**AURUM ENTERPRISE
PRO-FORMA INCOME STATEMENT**

	Year 1	Year 2	Year 3
Sales	3,713,760	4,085,136	4,697,906
Less: Cost of Sales			
Opening Stock of Finished Goods	0	137,432	103,074
Production Cost	2,250,499	2,579,116	2,965,985
Less: Ending Stock of Finished Goods	137,432	103,074	92,767
	0	0	0
	2,113,067	2,613,474	2,976,292
Gross Profit	1,600,693	1,471,662	1,721,614
Less: Expenditure			
Administrative Expenditure	409,656	450,622	518,215
Marketing Expenditure	102,732	113,005	129,956
Other Expenditure	300	330	380
Business Registration & Licences	550		
Insurance & Road Tax for Motor Vehicle	2,600	2,600	2,600
Other Pre-Operations Expenditure	9,100	0	0
Interest on Hire-Purchase	7,585	7,585	7,585
Interest on Loan	9,027	7,222	5,416
Depreciation of Fixed Assets	25,264	25,264	25,264
Total Expenditure	566,814	606,627	689,415
Net Profit Before Tax	1,033,879	865,035	1,032,199
Tax	0	0	0
Net Profit After Tax	1,033,879	865,035	1,032,199
Accumulated Net Profit	1,033,879	1,898,914	2,931,113

7.6 Pro Forma Income Statement

AURUM ENTERPRISE PRO-FORMA PRODUCTION COST STATEMENT			
	Year 1	Year 2	Year 3
Raw Materials			
Opening Stock	0	88,032	80,266
Current Year Purchases	1,848,672	2,033,539	2,338,570
Ending Stock	88,032	80,266	69,783
Raw Materials Used	1,760,640	2,041,305	2,349,053
Carriage Inward	0	0	0
	1,760,640	2,041,305	2,349,053
Salaries, EPF & SOCSO	299,520	329,472	378,893
Factory Overhead			
Depreciation of Fixed assets (Operations)	10,339	10,339	10,339
Operation Overhead	180,000	198,000	227,700
0	0	0	0
0	0	0	0
0	0	0	0
Total Factory Overhead	190,339	208,339	238,039
Production Cost	2,250,499	2,579,116	2,965,985

**AURUM ENTERPRISE
PRO-FORMA INCOME STATEMENT**

	Year 1	Year 2	Year 3
Sales	3,713,760	4,085,136	4,697,906
Less: Cost of Sales			
Opening Stock of Finished Goods	0	137,432	103,074
Production Cost	2,250,499	2,579,116	2,965,985
Less: Ending Stock of Finished Goods	137,432	103,074	92,767
	0	0	0
	2,113,067	2,613,474	2,976,292
Gross Profit	1,600,693	1,471,662	1,721,614
Less: Expenditure			
Administrative Expenditure	409,656	450,622	518,215
Marketing Expenditure	102,732	113,005	129,956
Other Expenditure	300	330	380
Business Registration & Licences	550		
Insurance & Road Tax for Motor Vehicle	2,600	2,600	2,600
Other Pre-Operations Expenditure	9,100	0	0
Interest on Hire-Purchase	7,585	7,585	7,585
Interest on Loan	9,027	7,222	5,416
Depreciation of Fixed Assets	25,264	25,264	25,264
Total Expenditure	566,814	606,627	689,415
Net Profit Before Tax	1,033,879	865,035	1,032,199
Tax	0	0	0
Net Profit After Tax	1,033,879	865,035	1,032,199
Accumulated Net Profit	1,033,879	1,898,914	2,931,113

7.7 Pro Forma Balance Sheet

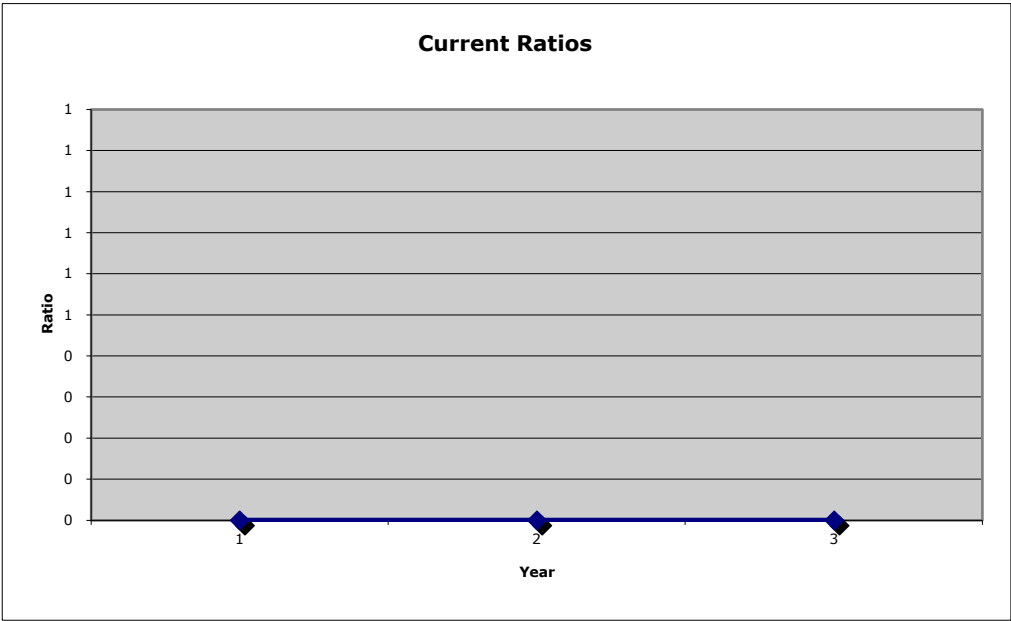
AURUM ENTERPRISE PRO-FORMA BALANCE SHEET			
	Year 1	Year 2	Year 3
ASSETS			
Non-Current Assets (Book Value)			
Land & Building	0	0	0
Office Furniture	2,814	2,110	1,407
Fittings and Equipment	18,241	13,681	9,120
0	0	0	0
0	0	0	0
Vehicle (lorry)	80,000	60,000	40,000
0	0	0	0
0	0	0	0
0	0	0	0
Machine and Equipment	41,357	31,018	20,678
0	0	0	0
0	0	0	0
0	0	0	0
Other Assets			
Deposit	0	0	0
	142,411	106,808	71,206
Current Assets			
Stock of Raw Materials	88,032	80,266	69,783
Stock of Finished Goods	137,432	103,074	92,767
Accounts Receivable	0	0	0
Cash Balance	1,223,619	2,284,800	3,611,975
	1,449,083	2,468,140	3,774,525
TOTAL ASSETS	1,591,494	2,574,948	3,845,731
Owners' Equity			
Capital	137,768	137,768	137,768
Accumulated Profit	1,033,879	1,898,914	2,931,113
	1,171,647	2,036,682	3,068,881
Long-Term Liabilities			
Loan Balance	144,434	108,326	72,217
Hire-Purchase Balance	121,357	91,018	60,678
	265,791	199,343	132,896
Current Liabilities			
Accounts Payable	154,056	338,923	643,954
TOTAL EQUITY & LIABILITIES	1,591,494	2,574,948	3,845,731

7.8 Financial Ratio Analysis

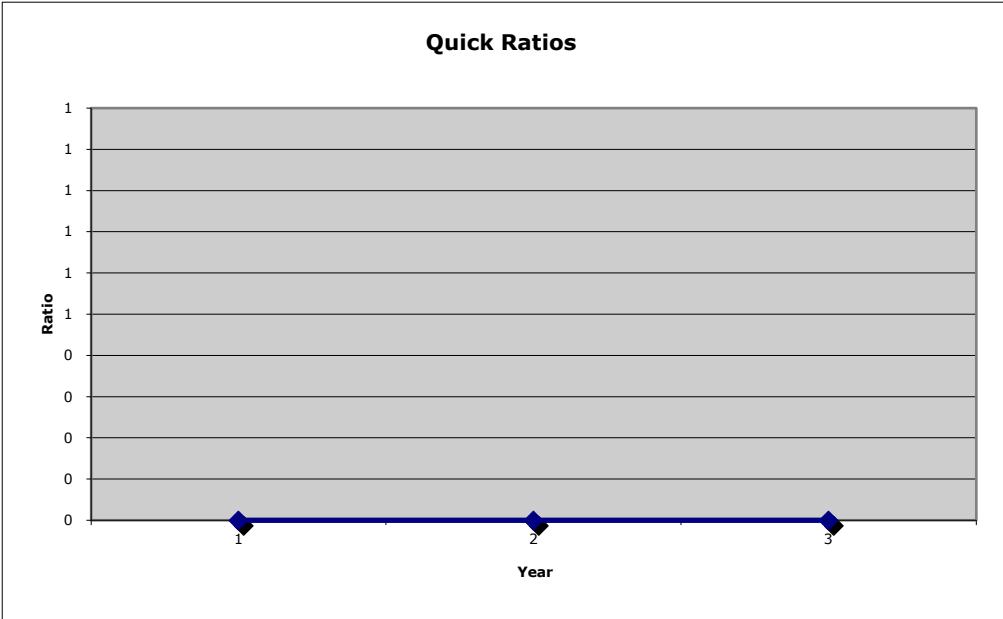
AURUM ENTERPRISE FINANCIAL RATIO ANALYSIS			
	Year 1	Year 2	Year 3
<u>LIQUIDITY</u>			
Current Ratio	#DIV/0!	#DIV/0!	#DIV/0!
Quick Ratio (Acid Test)	#DIV/0!	#DIV/0!	#DIV/0!
<u>EFFICIENCY</u>			
Inventory Turnover	9	13	17
<u>PROFITABILITY</u>			
Gross Profit Margin	43.10%	36.02%	36.65%
Net Profit Margin	27.84%	21.18%	21.97%
Return on Assets	71.93%	38.69%	32.24%
Return on Equity	88.24%	42.47%	33.63%
<u>SOLVENCY</u>			
Debt to Equity	22.69%	9.79%	4.33%
Debt to Assets	18.49%	8.92%	4.15%
Time Interest Earned	114	119	190

7.8.1 Liquidity Ratios

7.8.1.1 Current Ratios

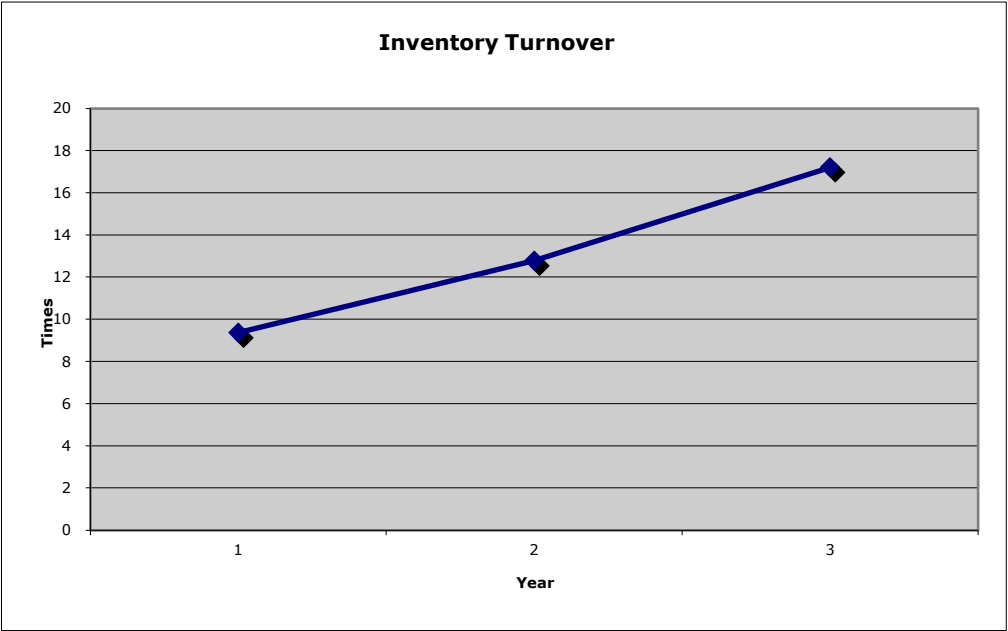


7.8.1.2 Quick Ratios



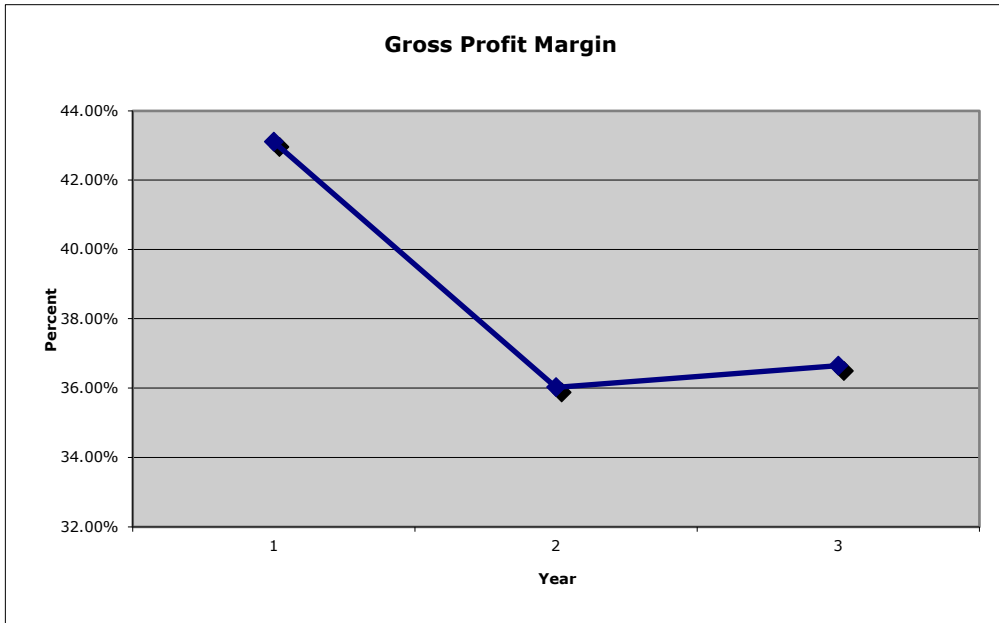
7.8.2 Efficiency Ratios

7.8.2.1 Inventory Turnover Ratios

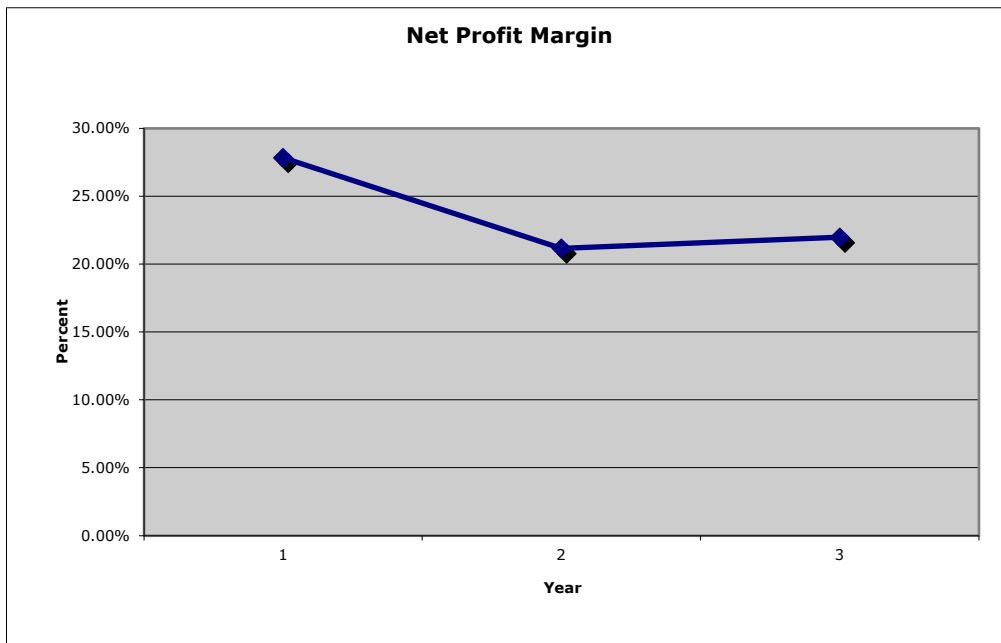


7.8.3 Profitability Ratios

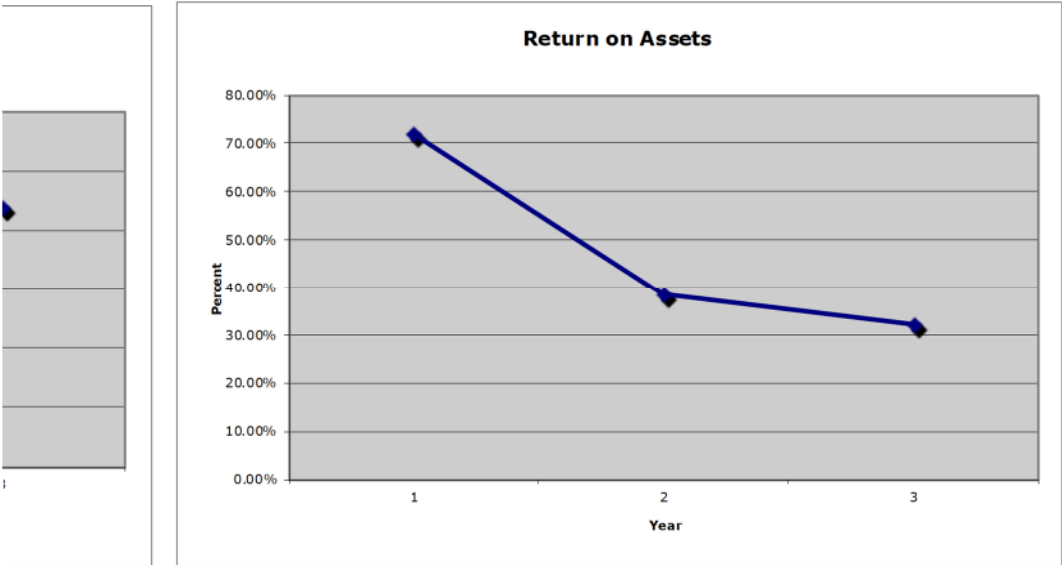
7.8.3.1 Gross Profit Margin



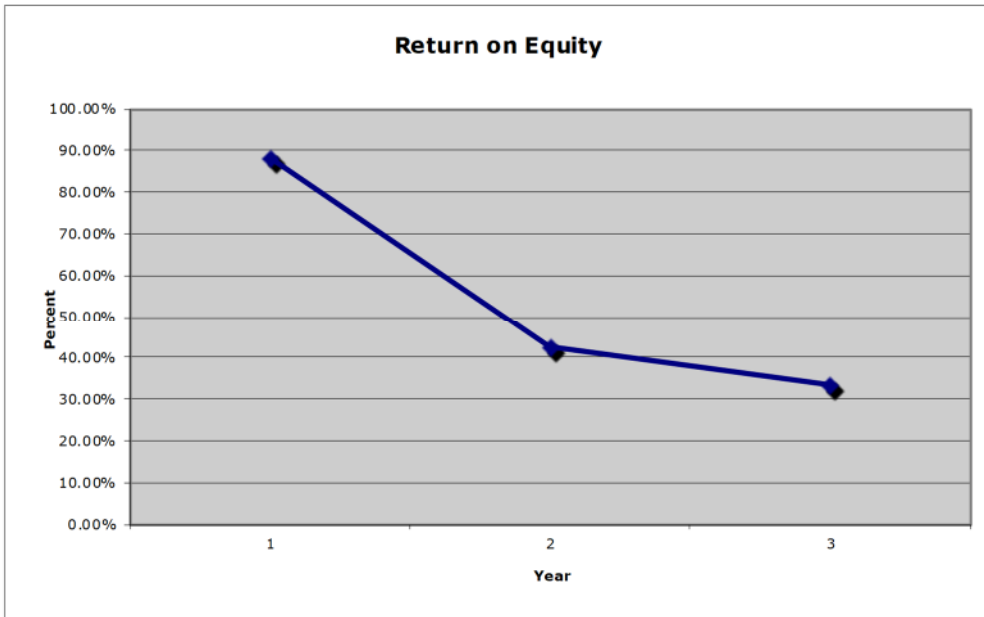
7.8.3.2 Net Profit Margin



7.8.3.3 Returns on Asset

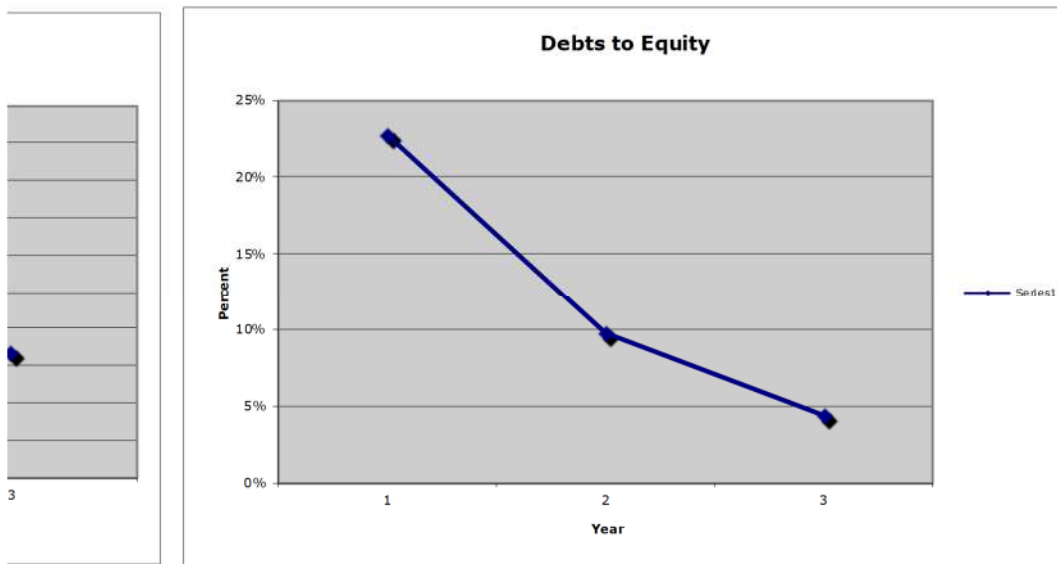


7.8.3.4 Return on Equity

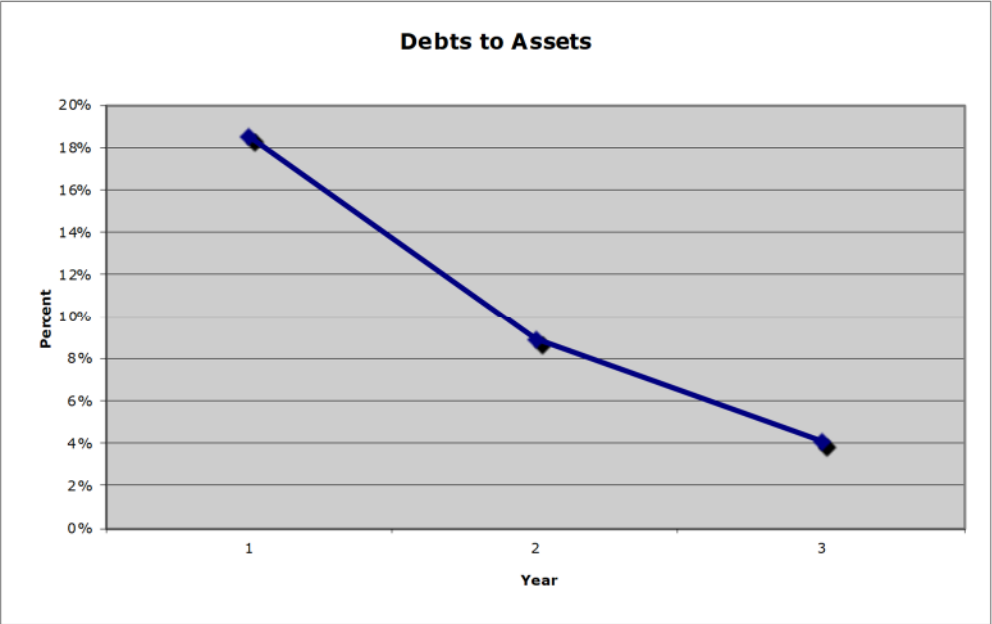


7.8.4 Solvency Ratio

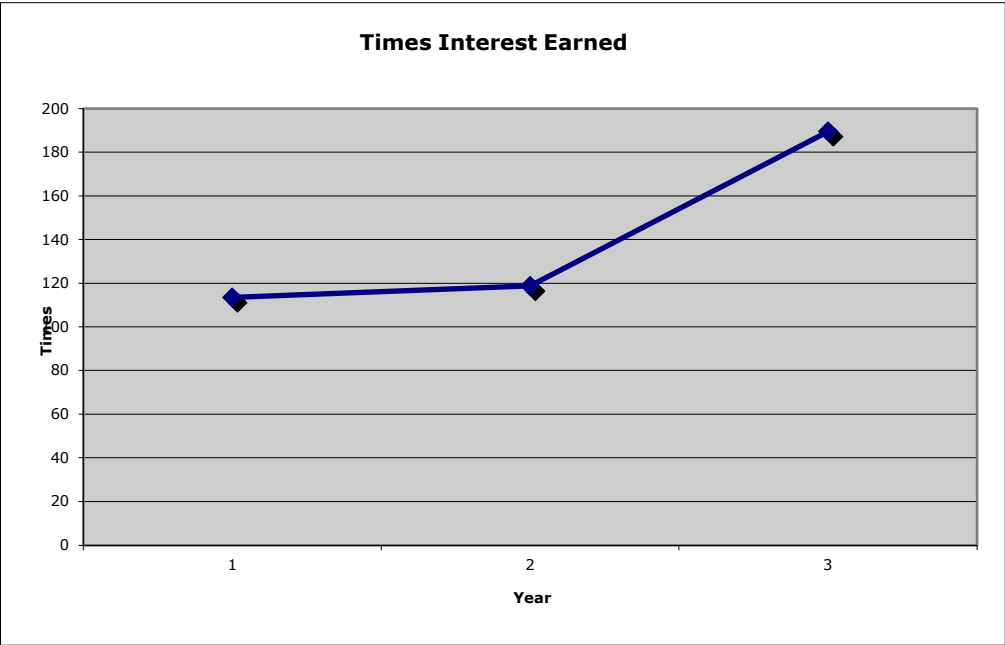
7.8.4.1 Debt to Equity



7.8.4.2 Debt to Asset



7.8.4.3 Time Interest Earned



CONCLUSION

CONCLUSION

After a long journey to complete this business plan, we are very much grateful this business plan is a success. By taking any chance, we are also very grateful because by completing this business plan we now know how to set up our own business and also prepare an authentic business plan in the future. Through this process, there are a lot of experiences and benefits that we gained so we hope that by experiencing all of this our business can thrive just like any other business out there.

First and foremost, this business would not complete without a good cooperation between the partnerships. We believe that one business can do great things if the members all work together to achieve their goals. By all means, we hope that our business can achieve our company's vision which is to be a leading in fulfilling Malaysian need for footwear and set a new benchmark of quality standards in the Footwear Industry by completing our very own mission. We promised that our products will always satisfy each and every customer because our products and services are gladly to be announced a great and an unbeatable one.

Last but not least, we, at Aurum Enterprise, will provide full dedication and responsibility along with the commitment to satisfy the customers and getting our company to achieve great things. We are also encouraged to take any chances that highly can contribute to increase our business performance in the future.

APPENDICES

PARTNERSHIP AGREEMENT

The partnership agreement stated had been prepared on 11 JULY 2020 by the provision stated in the Partnership Act 1961 (Act135) in the Section 26 assisting by Hazel firm. We have agreed to be one of the members in this Partnership and to create a partnership agreement in the business of AURUM SDN BHD

We as the business partnership name for AURUM SDN BHD as list below:

No.	Name of Partners	IC Number
1	NUR AZWA BINTI MOHD SYAMSULL	860706-10-0426
2	AUNI MAHIRAH BINTI MUHAMAD HISSAM	940512-10-0890
3	MUHAMMAD IZZAT BIN AHAMAD HASIM	951105-10-0097
4	MOHAMAD NUR AMIRUL BIN YAACOB	940629-01-0987
5	NUR SYAUQINA AFIQAH BINTI MUHD SUKRI	931024-03-0162

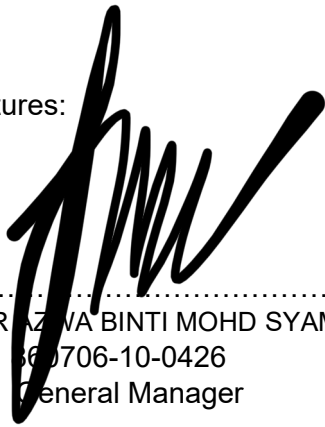
We agreed to be one of the members in this business and had agreed an establishing a partnership business and abide to rules and regulations as stated below:

- i. Partners share profits and losses equally.
- ii. Any advances or loans extended by a partner, in addition to amount of capital, are entitled to 8% interest per annum.
- iii. Partners are not entitled to interest on capital invested.
- iv. Every partner may take part in the management of the business.
- v. No partner shall be entitled to any remuneration for acting in the business.
- vi. No person may be introduced as a new partner without the consent of all existing partners.
- vii. Partnership books are to be kept at the principal place of business, and every partner may have access to them.
- viii. The majority of the partners cannot expel any partner unless a power to do so has been conferred by express agreement between the parties.

- ix. Subject to any agreement between partners, any different arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the partnership business without the consent of all existing partners.

- x. Subject to any agreement to the contrary between partners, the firm must indemnify every partner in respect of payments made and personal liabilities incurred by him either, in the ordinary and proper conduct of the business of the firm or in or about anything necessarily done for the preservation of the business or property of the firm

Signatures:



.....
NUR AZWA BINTI MOHD SYAMSULL
880706-10-0426
General Manager



.....
AUNI MAHIRAH BINTI MUHAMAD HISSAM
940512-10-0890
Administrative Manager



.....
MOHAMAD NUR AMIFUL BIN YAACOB
940629-01-0987
Marketing Manager



.....
MUHAMMAD IZZAT BIN AHAMAD HASIM
951105-10-0097
Operational Manager



.....
NUR SYAUQINA AFIQAH BINTI MUHD SUKRI
880807-03-1191
Financial Manager



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA

BORANG D (KAEDAH 13)



**PERAKUAN PEMBAHARUAN PENDAFTARAN
AKTA PENDAFTARAN PERNIAGAAN 1956**

Dengan ini diperakui bahawa perniagaan yang dijalankan dengan nama


AURUM ENTERPRISE

NO. PENDAFTARAN: 202001000567

telah didaftarkan dari hari ini sehingga 11 JULY 2020 di bawah Akta
Pendaftaran Perniagaan 1956, beralamat di A- 25-03A, JALAN MEDAN PUSAT
BANDAR 8, BANGI SENTRAL, SEKSYEN 9, BANDAR BARU BANGI, 43650, SELANGOR

Bil. Cawangan: TIADA

Bertarikh di **SISTEM EZBIZ** pada 11 JULY 2020


DATO' ZAHRAH ABDWALAB FENNER
Pendaftar Perniagaan
Semenanjung Malaysia

