



الْأَبْوَابُ سَيُفْتَحُ لِمَنْ سَأَلَ
UNIVERSITI
TEKNOLOGI
MARA

**UiTM CAWANGAN JOHOR
CAMPUS PASIR GUDANG**

**CENTRE FOR CHEMICAL ENGINEERING STUDIES,
COLLEGE OF ENGINEERING**

ENT300

FUNDAMENTALS OF ENTREPRENEURSHIP



BUSINESS PLAN

CHOCOFLOOD CAFE

PREPARED BY:

NUR ARINA BINTI MD ZIN	2020895164	J4EH1105D
NUR AQILAH BINTI ROSLI	2020617412	J4EH1105D
NUR ALIA NATASYA BINTI MOHD ISA	2020830648	J4EH1105D
NUR HUSNA SYAHIDA BINTI JUHARI	2020475608	J4EH1105D

PREPARED FOR:

LECTURER'S NAME : Ts MUHAMMAD IMRAN BIN ISMAIL
SEMESTER : OCTOBER 2022 – FEBRUARY 2023
SUBMISSION DATE : 24th JANUARY 2023

TABLE OF CONTENT

TABLE OF CONTENT	ii
EXECUTIVE SUMMARY	iii
1.0 INTRODUCTION	1
1.1 BUSINESS DESCRIPTION	2
1.2 OWNER DESCRIPTION	4
2.0 ADMINISTRATION PLAN	8
2.1 BUSINESS VISION & MISSION	9
2.2 BUSINESS LOGO & DESCRIPTION	10
2.3 ORGANIZATIONAL CHART	11
2.4 REMUNERATION SCHEDULE	13
3.0 MARKETING PLAN	15
3.1 PRODUCT & SERVICE DESCRIPTION	16
3.2 TARGET MARKET	18
3.3 MARKET SIZE & SALES FORECAST	22
3.4 COMPETITORS ANALYSIS & MARKET SHARE	24
3.5 MARKETING STRATEGY	26
3.6 REMUNERATION SCHEDULE	31
4.0 OPERATIONAL PLAN	32
4.1 OPERATIONS OBJECTIVES	33
4.2 BUSINESS LOCATION	34
4.3 PROCESS PLANNING	37
4.4 PRODUCTION LAYOUT	39
4.5 CAPACITY PLANNING	40
4.6 PRODUCTION PLANNING	43
4.7 MATERIAL REQUIREMENT PLANNING	44
4.8 MACHINE AND EQUIPMENT PLANNING	48
4.9 MANPOWER PLANNING	49
4.10 OVERHEADS REQUIREMENT	50
4.11 BUSINESS AND OPERATION HOURS	51
4.12 OPERATION BUDGET	52
4.13 IMPLEMENTATION SCHEDULE	54
4.14 HALAL CERTIFICATE AND LICENSE	55
5.0 FINANCIAL PLAN	57
5.1 FINANCIAL OBJECTIVES	58
5.2 PROJECT IMPLEMENTATION COST & SOURCES OF FINANCING	62
5.3 PRO-FORMA CASH FLOW (3 YEARS)	64
5.4 PRO-FORMA INCOME STATEMENT (3 YEARS)	65
5.5 PRO-FORMA BALANCE SHEET (3 YEARS)	66
6.0 BUSINESS MODEL CANVAS	68
7.0 CONCLUSION	70
8.0 APPENDICES	72

EXECUTIVE SUMMARY

Chocoflood Café offers a variety of chocolate products and is well rated for its customer service ratings and successful business outcomes. The Chocoflood Café is appropriate for a wide age range, including working adults and teens. The team eagerly anticipates customer input. Since Chocoflood Café is a new company, there are a lot of factors to consider ensuring that it can compete with other chocolate cafes. Working adults today are always looking for a good place to relax and do their work or to come for a quick bite during their work break hours with co-workers but the price of the menu in most dine-in chocolate cafés are too high. As a result of the Chocoflood Cafe's low prices, the staff seizes this opportunity to increase sales. So, Chocoflood Café market potential is adults within the age of 30 to 40 years old at Petaling Jaya as they can afford our slightly pricey menu and most of the citizens in Petaling Jaya among 25 to 39-year-olds. The four (4) key employees who manage the Chocoflood Café which is manager, financial manager, executive marketing manager and operating manager. Each key employee is essential to the success of the company and ensures that it is known across the world. According to observations, Chocoflood Café targets a wide range of clients due to its location in Petaling Jaya, which makes it simple to attract customers there. In addition, the location is perfect since it places our Chocoflood Café next to a grocery, a school, and other important places. The team is certain that the corporate financial status statement will help it reach its goal. Expected return from Chocoflood Café's is RM 20,374 where there is the loan in the estimate. Project cost from Chocoflood Café is RM 58,385 in monthly. So, it is reasonable because Chocoflood Café need to buy may raw material from the suppliers due to the many customers came to the café. Chocoflood Café is certain that word will get out about our cafe because of the excellent quality services and well-educated background of the business partner. The Chocoflood Café offers a variety of chocolate toppings, including Oreo, almonds, and vanilla. The chocolate topping is very recently baked, has a long shelf life, and an elevated level of oxidative stability, all of which improve the chocolate's quality. The health and wellness of the consumer and the calibre of the chocolate are especially important to Chocoflood Café. Finally, Chocoflood Café predicts that the demand for chocolate will rise yearly.

CHAPTER 1.0

INTRODUCTION

1.1 BUSINESS DESCRIPTION

Table 1.1.1: Business description of Chocoflood Cafe'

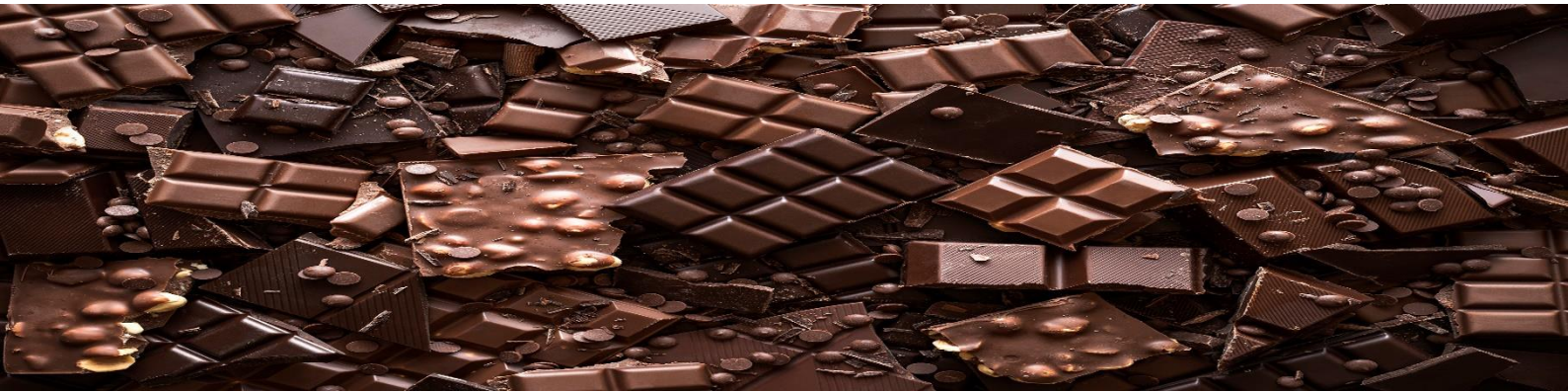
Name of Business	The Chocoflood Café
Business Address	Ground Floor, Jalan 222, Jalan Bukit 11/2, 46200, Petaling Jaya, Selangor
Business Legal Identity	Partnership
Nature of Business	Service Business
Social Media	@Chocofloodmy
Email Address	chocofloodcafemy@gmail.com
Telephone Number	03 – 2492491
Factors in Selecting Proposed Business Opportunity	<ul style="list-style-type: none"> • Providing a variety of chocolate-covered desserts • Creating a comfortable and stimulating environment at a café for residents of all ages to enjoy • After conducting research, it was found that there were not many cafés in Malaysia specializing in serving chocolate-covered dishes at an affordable price in local areas. • Has the potential to grow into a viral and growing franchise
Prospects of the Business	<ul style="list-style-type: none"> • To produce high quality chocolate desserts, in which the chocolate is only made from palm oil • Present a relaxing and chilling vibe while enjoying an open-view scenery • Chocolate lovers and people with a sweet tooth are welcome to cure their cravings at our café and receive a cocoa experience they will never forget

Purpose of Preparing Business Plan

1. To identify, describe and analyze a business opportunity and examining its technical, economic and financial feasibility.
2. Used to help manage an organization by setting goals, and how they will be achieved. Hence, the plan will also help summarize what the business is about, why it started and where it will get to.
3. This business plan will help the owners to manage the business effectively as a guide for day-to-day business management.
4. To serve key points of partnerships and managements to easily understand the progress aligning with the business objectives.
5. To introduce our service and product to the market at an affordable price.

CHAPTER 2.0:
ADMINISTRATION PLAN

2.1 BUSINESS VISION & MISSION



OUR VISION

To establish oneself as the world's top creative of chocolate, emphasising quality and perfection through the finest possible innovation process.

OUR MISSION

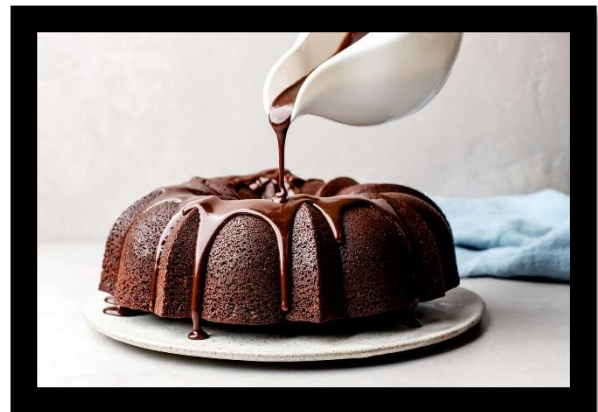
We are committed to the artistry of chocolate making and work tirelessly to find the ideal premium chocolate that will make our clients happy.

INTERNAL CORPORATE VALUE



CREATIVE AND INNOVATIVE

Our strong innovative spirit at the Chocoflood Cafe is what drives us to continue developing exciting products and new varieties with chocolate in them.



DETERMINED

To ensure that the chocolate is suitable for a wide range of products, we use strict measures throughout our operations to ensure that the quality of our chocolate is not compromised. Our customers can be sure that they will be satisfied every time they dine on Chocoflood Cafe chocolates.

2.2 BUSINESS LOGO & DESCRIPTION

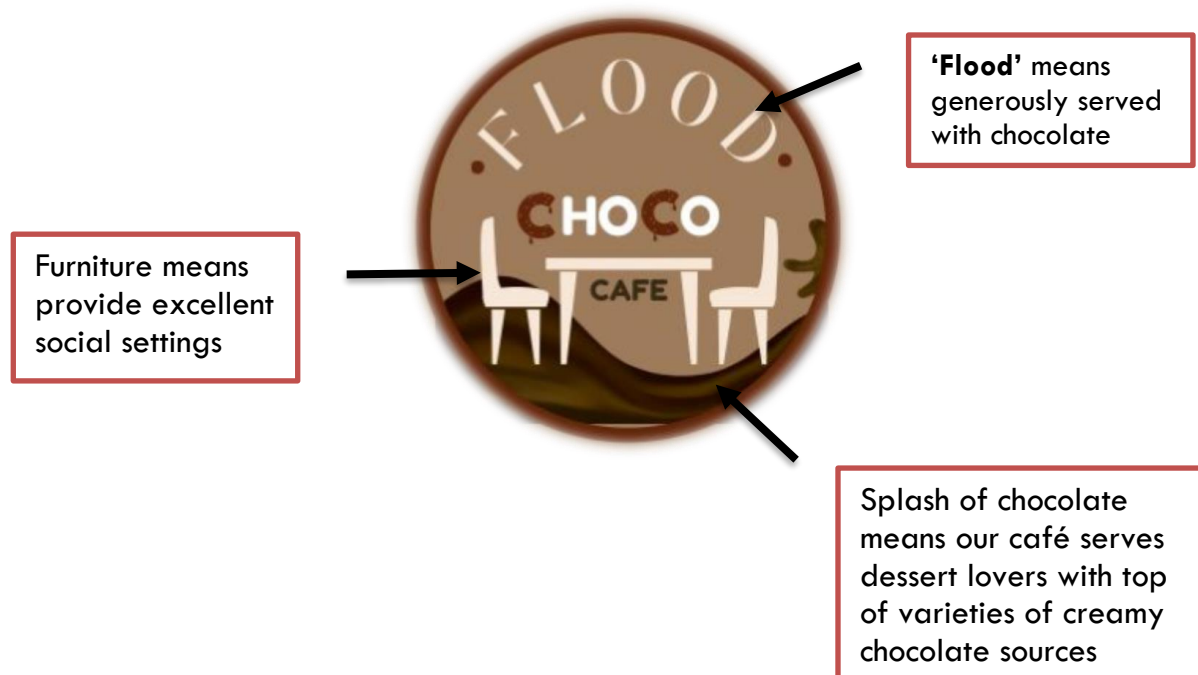


Figure 2.2.1: Logo of the Company

The splash of chocolate at the bottom of the logo means that our café serves dessert lovers with a top of varieties of creamy chocolate sauces made by palm oil based that melt quickly in your mouth with a smooth and shiny texture. With products produced with ingredients that are generously served, customers will love it and they feel it is worth the price offered.

The furniture in the logo means that our café provides dine in the area and provides excellent social settings and customers can enjoy a wonderful meal amidst friends, family, and great ambiance. Furthermore, our café creates a welcoming space with comfy couches and chairs and encourage buyers to sit after purchasing

2.3 ORGANIZATIONAL CHART

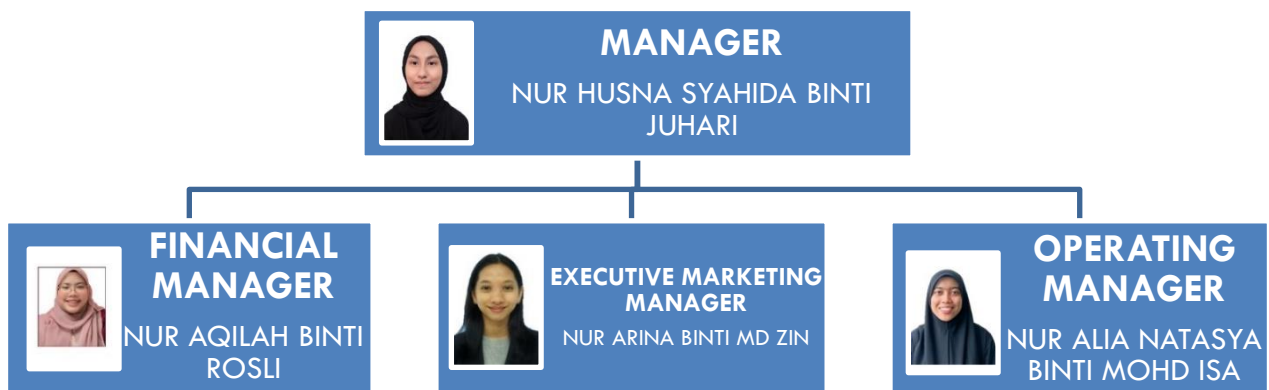


Figure 2.3.1: Organizational Chart of the company

The organizational structure used by Chocoflood Café is functional structure. The top of the structure is the manager, followed by the financial manager, executive marketing manager and operating manager.

In a functional organisation, employees are specialised in conducting a certain set of activities. For example, the responsibility of executive marketing is to brainstorm campaign ideas to attract customers in that area. Financial manager and operating manager are also the important part of the company.

In general, this organizations benefit to Chocoflood Cafe the most since the Chocoflood Cafe offers chocolate in a wide range of items. Functional organisations that integrate their operations vertically can increase efficiency by selling and distributing their products rapidly and receiving customer feedback more efficiently. Additionally, the coordination and specialisation of activities are organized in a functional structure, which improves the efficiency and predictability of the production of goods or services in small quantities.

Table 2.3.1: Schedule of Tasks and Responsibilities

POSITION	TASK AND REPONSIBILITES
MANAGER	<ul style="list-style-type: none"> • Leading, controlling, organizing and planning of the company • Managing the staff welfare • Planning and evaluating department activities • Monitoring performance and initiating action to strengthens the results of the Chocoflood Café • Dealing with performance problem and decision-making • Maintains quality service by enforcing quality and customer service standards, analyzing and resolving quality and customer service problems, and recommending system improvements
FINANCIAL MANAGER	<ul style="list-style-type: none"> • Budgeting the cost of the equipment and raw material • Directing the investments • Providing advice in financial decisions • Producing accurate financial reports and information • Making financial statements • Projecting profit and managing credit
EXECUTIVE MARKETING MANAGER	<ul style="list-style-type: none"> • Monitoring budget • Updating databases and using a customer relationship management (CRM) system • Coordinating promotional activities, events and interview • Managing marketing department staff and approves various strategy and project as needed • Contributing to the development of marketing strategies • Brainstorming campaign ideas
OPERATING MANAGER	<ul style="list-style-type: none"> • Managing the production of goods or services • Management of the operations process, which includes design, planning, control, performance improvement and operations strategy • Analysing the company's resource management and searching for ways to increase staff productivity • Creating tools to automate repetitive task • Handling inventory management issues • Developing logistics-enhancing solutions

2.4 REMUNERATION SCHEDULE

Table 2.4.1: Table of gross salary

POSITION	QUANTITY	MONTHLY SALARY (RM)
MANAGER	1	7,500
FINANCIAL MANAGER	1	3,500
EXECUTIVE MARKETING MANAGER	1	3,500
OPERATION MANAGER	1	3,500
WORKERS	5	1,500
TOTAL	9	25,500

This is the employee that contributes to the Chocoflood Café, which is financial manager, executive marketing, operation manager and workers. Chocoflood Café needs one (1) person for financial manager, executive marketing manager and operation manager. It is because that position just focusses on Chocoflood Café only since the café does not have franchise.

The salary in Table 2.4.1 is the gross salary for each employee and employer. The gross salary of the manager is RM 7,500 because Chocoflood Café just opened in the last few years. So, the salary of the manager must be commensurate with the profit of the Chocoflood Café. The gross salary monthly is RM 3,500 for financial manager, executive marketing manager and operation manager. Workers in the Chocoflood Café are five (5) people only because the café did not have shift session during working hours. The gross salary for the workers is RM 1,500 monthly. As a conclusion, workers' salary will be increased along with bonuses when the Chocolate Café makes a large profit.

Table 2.4.2 Administration Budget

Particulars	F. Assets	Monthly Exp.
Fixed Assets		
Furniture	RM 8,000	
Office Supplies & Devices	RM 5,000	
Working Capital		
Salaries, EPF & SOCSO		RM 21,630
Land & Building		RM 7,000
TOTAL	RM 13,000	RM 28,630

CHAPTER 3.0: MARKETING PLAN

3.1 PRODUCT & SERVICE DESCRIPTION



Chocolate is the indulgent treat enjoyed by people all around the world in various forms and flavours. The chocolate we serve at Chocoflood Café ensures all your versatile needs in taste, texture, form, health, long shelf life and cost efficiency. The biggest problem with chocolate spreads is there may be oil separation over time but the chocolate we use is special as it is made from palm oil. Considered as a specialty fat, this palm oil-based chocolate spread remains a stable, homogenous and soft consistency even after a long time.

The biggest advantage of using palm oil as an alternative is due to its availability and the potential cost reduction of the overall confectionery formulation. Cocoa butter has unique and sharp melting profile at 34°C. Palm oil-based cocoa butter alternatives have similar qualities as cocoa butter, which gives a smooth and creamy texture in the mouth, giving a similar experience using to that of cocoa butter. Examples of cocoa butter alternatives are cocoa butter equivalents, cocoa butter replacer and cocoa butter substitutes.

Palm oil when used as cocoa butter alternatives has many advantages including

- Improves the finished products' fat composition profile and stability.
- Easier to achieve the required texture characteristics like smooth and gloss.
- Prevents softness from other ingredients such as fruits, nuts and milk.
- Products maintain consistency in texture

The plan for our business is to create a modern café that serves only palm-oil based chocolate desserts as our main product to the customers. Our menu ranges from chocolate crepe and waffles to cakes and brownies flooded in chocolate syrup, all under RM25 per dish. The personalisation of our café's interior design is solely based on the vision of a classical bar with the decorations and the designs being focused on a modern look. The design and layout of Chocoflood Café is calculated precisely to ensure the satisfaction of our future customers.

3.2 TARGET MARKET

Customer Segmentation is the process of grouping or segmenting potential customers based on various characteristics shared amongst them. Certain segments of customers that share characteristics such as similar interests, age or location are divided into groups according to those characteristics so that businesses will know how to market their product more effectively. This is done because different customer segments have different buying interests and these reasons behind a customer's purchase are what shapes product, sales and marketing decisions.

Chocoflood Café has divided their customers into three segments:

- Demographic Segmentation
- Geographic Segmentation
- Psychographic Segmentation

3.2.1 Demographic Segmentation

Demographic segmentation is showing segmenting according to age, race, religion, gender, family size, ethnicity, income, and education. Demographics can be segmented into several markets to help an organisation target its consumers more accurately. The total population of citizens in Petaling Jaya is 543,415 people.

Even though our café is open for both gender and ages, we mostly target customers that fall into the category adults within the age of 30 to 40. Based on data collected on the CityFacts.com website showing the total current population of Petaling Jaya, the median age of people there are within 20 to 39-year-olds, so most of our customers are sure to be working adults or college students. Statistically, we target out of all our customers that visit us; about 26.3% would be families with children and toddlers that have a sweet tooth, 42.1% would be working adults dropping by during work break hours or to relax on the weekends and the remaining 31.6% would be teenagers coming to hang out at our café. This is why we must ensure that all the entertainment and the drinks are suitable for all ages, to maximize the comfort of customers and the quality of our business.



Figure 3.2.1.1: Total population of citizens in 2022-2023 in Petaling Jaya, Selangor taken from 'CityFacts.com' website.

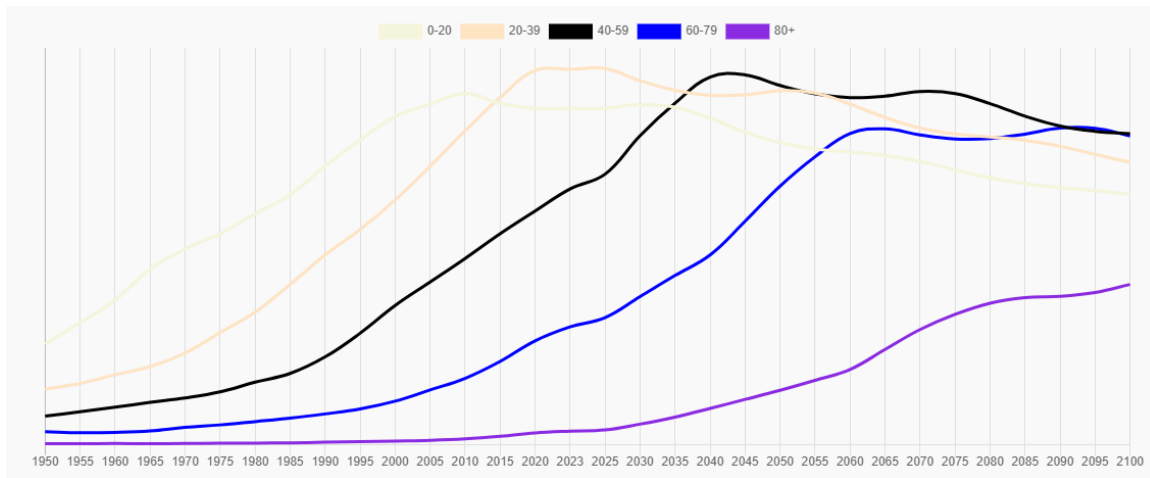


Figure 3.2.1.2: Graph of ages of citizens in Petaling Jaya, Selangor taken from 'CityFacts.com' website of Petaling Jaya population

3.2.2 Psychographic Segmentation

Psychographic segmentation splits the market into categories based on the lifestyle of the customer. Activities, interest, and opinion (AIO) surveys are one type of lifestyle measuring tool. It analyses a few potential impacts on purchasing behaviour, such as consumer attitudes, expectations, and activities. It was developed in the 1970s and uses behavioural and social sciences to investigate customer decision making processes, attitudes, values, personalities, lifestyles, and communication preferences. During our research, we found that during this era of trends and social media, online communities love interacting with environments that allows them to be entertain in the best way possible. Places like cafes, bookstores and dessert shops have the right amount of entertainment for the customers to be invested and be pulled into. This business theoretically works well, since it combines all types of entertainments in one building, while promising good victuals from the counter.

3.2.3 Geographic Segmentation

Geographic segmentation is the division of a company's market based on geography. A market can be geographically segmented into cities, counties, regions, nations, and international areas. A market can also be divided into rural, suburban, and urban areas. Using this segmentation, we may determine the product that the consumer need at a certain location. From the business point-of-view, Jalan 222 in Petaling Jaya is a perfect place for a company to open a Food & Beverages (F&B) type of business. Hence, we've chosen one of the buildings in that specific location to start the business. The location of our business, and the uniqueness of our service that won't be available at other places, will ensure our company to meet the target market share and will be able to avoid bankruptcy.

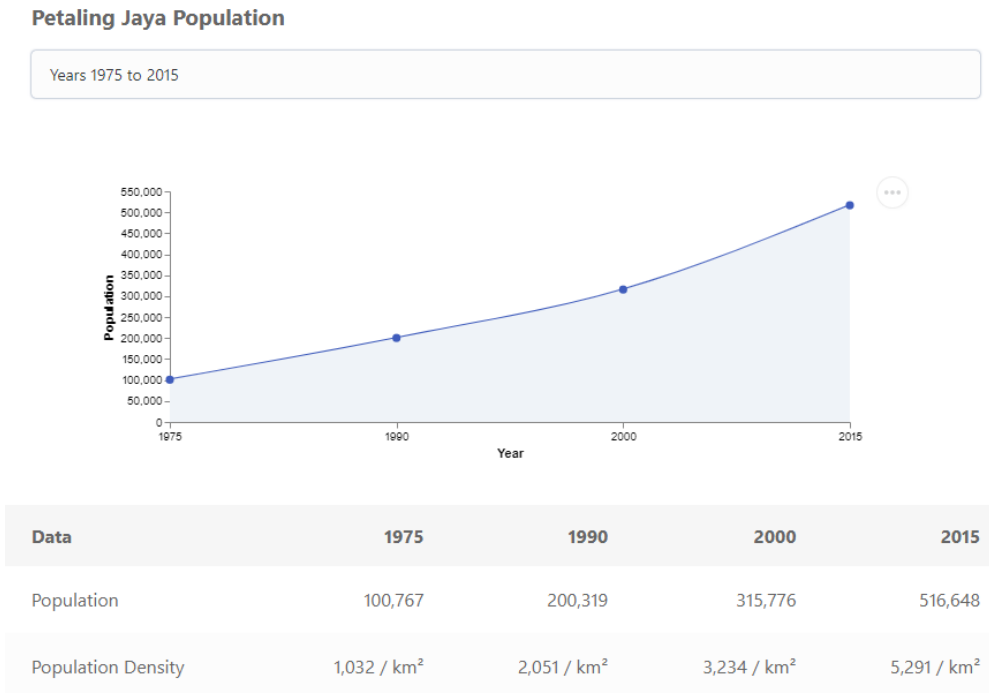


Figure 3.2.2: Graph of population of citizens in Petaling Jaya, Selangor taken from 'CityFacts.com'.

Petaling Jaya Population Tree

Population By Age and Gender

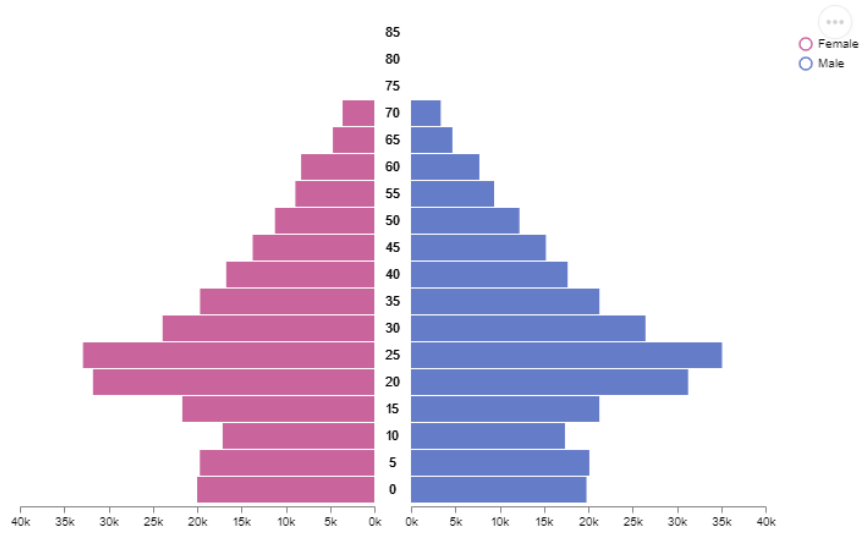


Figure 3.2.3: Graph of gender data of citizens in Petaling Jaya, Selangor taken from 'CityFacts.com'

3.3 MARKET SIZE & SALES FORECAST

Population in Petaling Jaya: 543,415 people

Average price of 4 main competitors' menu in Petaling Jaya = RM42.21

Population in Petaling Jaya × Average price = Market Size (Equation 1)

$543,415 \text{ people} \times \text{RM}42.21 = \text{RM}22,937,547.15$

Chocoflood Café

Our sales forecast is 3.43% from the market size:

$\text{RM}22,937,547.15 \times 3.43\% = \text{RM}786,757.86$ (per year) (Equation 2)

Average prices of 4 main dishes + 6 main drinks = RM29.17

$\text{RM}786,757.86 / \text{RM}29.17 = 26,971$ customers (per year) (Equation 3)

$26,971 / 12 \text{ months} = 2247$ customers (per month)

$2247 / 30 \text{ days} = 75$ customers (per day)

Table 3.3.1: Table of estimated sales of Chocoflood Café

No.	Package	Estimated Sales per Package	Total Estimated Sales/Monthly (RM)	Total Estimated Sales/Yearly (RM)
1.	Average dish set = RM29.17	$\text{RM}29.17 \times 2247$ customers	RM65,545	RM786,540

Sales Forecast for One Year (2023):

Table 3.3.2: Table of sales forecast during the first year of starting Chocoflood Café

Month	Total Customers	Sales Forecast (RM)
January	2,700	78,759
February	2,721	79,380
March	2,740	79,942
April	2,760	80,500
May	2,800	81,682
June	2,828	82,505
July	2,892	84,388
August	2,922	85,235
September	2,973	86,747
October	3,039	88,673
November	3,059	89,245
December	3,105	90,590
TOTAL (RM)	34,539	1,007,646

Sales Forecast for 3 Years (2023 – 2025):

Table 3.3.2: Table of sales forecast during the first 3 years of starting Chocoflood Café

Month	Percentage Increases (%)	Sales Forecast (RM)
2023	-	1,007,646
2024	5%	1,058,028
2025	8%	1,088,257

3.4 COMPETITORS ANALYSIS & MARKET SHARE

Table 3.4.1: Competitor Analysis





Competitor	Strength	Weakness
1. dipndip Chocolate Café 	<ul style="list-style-type: none"> • Everything on the menu is chocolate-themed • A popular franchise with branches everywhere, opened since 2009 	<ul style="list-style-type: none"> • Too expensive menu • Limited menu
2. Molten Chocolate Café 	<ul style="list-style-type: none"> • Great selection of chocolate toppings and confectionaries • Attractive palate design and preparation 	<ul style="list-style-type: none"> • Poor service • Too expensive • Dining area is too small for customers
3. Salon Du Chocolate 	<ul style="list-style-type: none"> • Well-known establishment located in Petaling Jaya. • Does delivery on the foodpanda website 	<ul style="list-style-type: none"> • Not accepting reservations • Does not have its own shop, always in malls
4. ROYCE' Chocolate 	<ul style="list-style-type: none"> • Serves high quality premium chocolate imported from Japan • Has many branches in Selangor 	<ul style="list-style-type: none"> • Only specialises in chocolate candy but not chocolate covered desserts • Does not have its own shop, always in malls

Table 3.4.2: Market Share Before the Entrance of Chocoflood Café

No.	Competitor	Market Share (%)	Total Market Share (RM)
1.	dipndip Chocolate Cafe	35	8,028,141
2.	Molten Chocolate Café	25	5,734,386
3.	Salon Du Chocolate	18	4,128,758
4.	ROYCE' Chocolate	12	2,752,505
5.	Others	10	2,293,754
TOTAL (RM)		100	22,938,360

Table 3.4.3: Market Share Before and After Entrance of Chocoflood Café

No.	Competitor	Market Share Before Entrance (%)	Market Loss (%)	Market Share After Entrance (%)	Total Market Share (RM)
1.	dipndip Chocolate Cafe	35	1.00	34.00	7,799,042
2.	Molten Chocolate Café	25	0.89	24.11	5,530,438
3.	Salon Du Chocolate	18	0.65	17.35	3,979,805
4.	ROYCE' Chocolate	12	0.37	11.63	2,667,731
5.	Others	10	0.52	9.48	2,174,556
6.	Chocoflood Café	-	-	3.43	786,785
TOTAL (RM)		100	3.43	100	22,938,357

3.5 MARKETING STRATEGY

3.5.1 Service Strategy

Table 3.5.1.1: Information on marketing service strategy of Chocoflood Café

Name	CHOCOFLOOD CAFÉ
Service Quality	Quality of our service is shown in our experienced and educated staff, the various choices of our chocolate desserts along with beautiful artwork preparation of every dish and all sorts of entertainment prepared for customers.
Service Package	Signature dishes pricing ranges from RM15 to RM24
Service Differentiation	Customers' satisfaction is our priority. One way to show that customers' satisfaction is important to us is to make sure the timing is accurate to most of the populations' daily schedule. Most of the people that live in the city around our café will need a place to hang out with friends and relax while putting all their problems aside for a while. They'll need an environment to be in where they could sit and listen to melodies, play games with their peers or even enjoy their own company by the bar counter. Caring about customers' satisfaction is one of the most important qualities to have in a business.
After Sales Service	Feedback on the quality of food and service will be requested from customers after their visit so the staff may be able to improve on what is lacking and eliminate anything that bothers the customers.

3.5.2 Pricing Strategy

Prices of product are cheaper than other competitors (dipndip Chocolate Café). There are a lot of competition in the sale of chocolate café, but meeting expectations in terms offering value, the product has been successfully sold to the customers. Therefore, Chocoflood Café choose a lower market price to gain customer trust in the sale of varieties of chocolate. Additionally, the product complies with and meets all modern-day consumer demands. Chocoflood Café is to create Chocoflood Café that are reasonable priced, worth the money customers pay and recurring business from existing customers.

Table 3.5.2.1: Table of sales forecast during the first year of starting Chocoflood Café

COMPETITORS	PRICE (RM)
dipndip Chocolate Café	38.90
Molten Chocolate Café	42.50
Salon du Chocolat	35.45
ROYCE' Chocolate	52.00
Chocoflood Café	29.17

Menu Prices

a) Dessert

- Flooded Brownies: RM 21.99
- Flooded Crepe : RM 23.99
- Flooded Waffle : RM19.99
- Cake : RM 11.99

b) Drinks

- Fresh juice : RM 9.20
- Milk shake : RM 10.35
- Iced Coffee: RM 9.69
- Butter café : RM 12.97
- Milk Coffee: RM 8.97
- Espresso : RM 6.55

3.5.3 Place Strategy

The location of our café is perfectly placed in one of the new buildings in Jalan 222, Petaling Jaya. Choosing the location of our business was quite a struggle, until we found this amazing and strategically ideal location as the location of this café. It is easy to find since the building of our choosing is located nearby to the federal highway and several shopping malls. Fortunately, the building itself coincidentally suits our desired layout of the café, with the total size of total built-up size of 3500 square feet and the rent costing 7,000 per month.

3.5.4 Promotional Strategy

3.5.4.1 Payed Online Advertisement

Advertising is one of our promotional strategies. We plan to pay for advertisements on Facebook and Instagram as a part of our promotion plan. This approach is simple yet effective in extending our company on the Internet using cutting-edge technologies. We will pay RM250/week to Instagram and RM125/week to Facebook to put one ad once a week on as many peoples explore page by controlling their algorithm. Advertisements on our café will pop up on people's screen every time they scroll through the apps. This will certainly spark an interest amongst anyone seeing the ads repetitively.

Table 3.5.4.1.1: Table of sales forecast during the first year of starting Chocoflood Café

ITEMS	PRICE (RM)
Signboard	850
Business Cards	300
Online Advertisement/monthly Instagram (RM250 per week) Facebook (RM125 per week)	1,500
Influencer	1,000

3.5.4.2 Advertising through social connections

We decided to order a creatively designed signboard to hang in front of our shop to attract customers. An attractive and creative sign showcasing our business logo and name is the most important step in setting up a shop as it gives a great first impression to the approaching customer. Apart from that, business cards were made with an interesting and creative design for each staff member to give and distribute to customers or potential clients for catering business means or simply making connections between them.

3.5.4.3 Advertising Online with the help of local influencers

TikTok is a popular social media app that allows users to create, watch, and share 15-second videos shot on mobile devices. With its personalized feeds of quirky short videos set to music and sound effects, the app is notable for its addictive quality and high levels of engagement. Therefore, we have chosen to acquire the help of Tik Tok influencers to help us promote our cafe as most younger generations have TikTok installed on their phones, so the news spread through this app and if we promote our business on here, it was certainly earned us a few orders and trips to the shop from more customers. After conducting a survey on popularity and content of many TikTok creators, we have chosen three people to help us with the promotion. These three are @akaktapau, @joshuafoodies, @kadhalpuriyathekadhali.

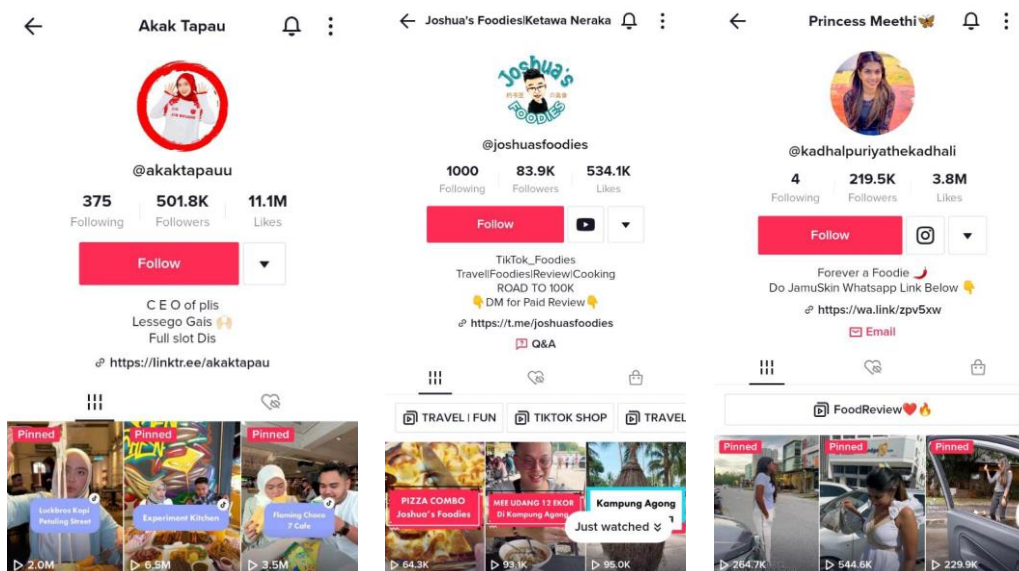


Figure 3.5.4.3.1: TikTok accounts of influencers chosen to promote Chocoflood Café

These three were chosen not only because the content they create are funny and charismatic but also because they give honest reviews to the food they are showcasing. This helps netizens to get a clear idea of what food they would be consuming if they were to order the same and if it is worth the cost of paying for it. Moreover, each of these creators have a high follower count and big audience so we know this will turn some heads. Furthermore, the three TikTok influencers are of different races, culture and religion such as @akaktapauu, @joshuafoodies and @kadhalpuriyathekadhali being Malay, Chinese and Indian respectively. Being from different cultures helps in attracting more people to our café as their viewers and audiences on their respective platforms mostly consists of their own communities. Thus, when promoting Chocoflood Café on their pages, we will gain exposure from the Malay, Chinese and Indian communities and this will help increase the chances of gaining more customers as well.

This approach is cheap compared to the other forms of advertisement. Since the budget of using TikTok influencers is only RM1000, they will be required to post a promotional video of our café once every month, which means one video is RM330/month.

When the netizens see the food being reviewed well, they would also want to have a taste of it. The business being reviewed also gets good feedback or criticism on what they can improve on their product and so our café looks forward to doing business with them once they review our food as well.

3.6 REMUNERATION SCHEDULE

Table 3.6.1: Manpower Planning and Remuneration Schedule

POSITION	QUANTITY	MONTHLY SALARY, (RM) A	EPF (RM) (13% OF EMPLOYER & 11% OF EMPLOYEE) B	SOCSCO (RM) (5% OF EMPLOYER & 3% OF EMPLOYEE) C	TOTAL (RM) A-B-C
EXECUTIVE MARKETING MANAGER	1	3,500	385	105	3,010

Employees with a salary more than RM 3,000 per month can pay a SOCSCO contribution.¹

¹ Employees with a salary more than RM3,000 per month can pay a SOCSCO contribution.

CHAPTER 4.0: OPERATIONAL PLAN

4.1 OPERATIONS OBJECTIVES

This section will demonstrate the operational aspect of the business that is crucial in transforming business input and output. The operations plan will ensure the business is able to produce the product or to provide the services that the business had planned in the marketing plan.

The Operations Manager role is mainly to implement the right processes and practices across the organization. The specific duties of an operations manager include formulating strategy, improving performance, procuring material and resources, and securing compliance. The specific duties of an operations manager include formulating strategy, improving performance, procuring material and resources, and securing compliance. Within a business, understanding the operational objectives is essential in improving your overall facility. Therefore, here are the operational objectives for a business:

- **Improved Production**

Improving production is a goal of many manufacturing facilities and a common operational objective. Production areas in the café include the kitchen where the food is prepared, the display area of where customers come to order. Improving production includes increasing output, decreasing costs, and raising the quality of the product. Improving the quality of the product as an operational objective will aid in improvement of sales, strengthen your brand, and decrease returns and costs that are associated with repairs and make-goods.

- **Improved Debt Management**

The finance department does more than simply set budgets and record numbers as they occur. Finance also sets strategies that aid in maximization of profits through optimal billing, collections, debt-service management, and investing. An operational objective of a finance department includes decreasing interest payments. It can do this operationally through shopping for better lines of credit, reducing the credit terms it offers customers for them to receive cash much faster to pay down debt. They do this using excess cash to reduce principal balances on loans reducing receivable collection time.

4.2 BUSINESS LOCATION

Determining the business location is one of the most important steps in starting up a business as it helps business owners determine where best to conduct their business to achieve the best results and high sales. After a discussion among the managing team of weighing different options and going through the pros and cons of each location, a decision was made that Chocoflood Café will be in Petaling Jaya, Selangor as the most suitable place to start a chocolate dessert café in Malaysia.

Full Address: Ground Floor, Jalan 222, Jalan Bukit 11 /2, 46200, Petaling Jaya, Selangor.

This location was chosen for many reasons, one being that the building itself had charming characteristics and the potential to become more attractive with some renovation. This triple-story building is renting out each floor separately and we rented out the ground floor as it is more accessible for customers and disabled people. As shown in the figure below, each floor consists of big glass window panels that be useful for open-view dining, plaster ceiling and white floor tiles which could be improved after renovation.

Another reason for choosing this location is the many advantages that come from this part of Selangor. Petaling Jaya is a busy commercial and residential hub as it holds many popular tourist attractions such as The Chocolate Museum in Kuala Lumpur and many restaurants and hawker stalls all over the place. Petaling Jaya is not only known as the leading growth centre in Selangor but is its largest town too, with over 543,415 inhabitants. Thus, our café was chosen to be located here as there would be no problem attracting customers when we built this in the center of a busy road in Petaling Jaya and the people of Selangor are always open to new things and are constantly hunting for new food shops.

Property Details

Property Type: Shop-for-rent

Rent: RM 7,000 per month

Built-up size: 3500 sqft with RM5.14 PSF (1 floor)

4.3 PROCESS PLANNING

ACTIVITY PROCESS

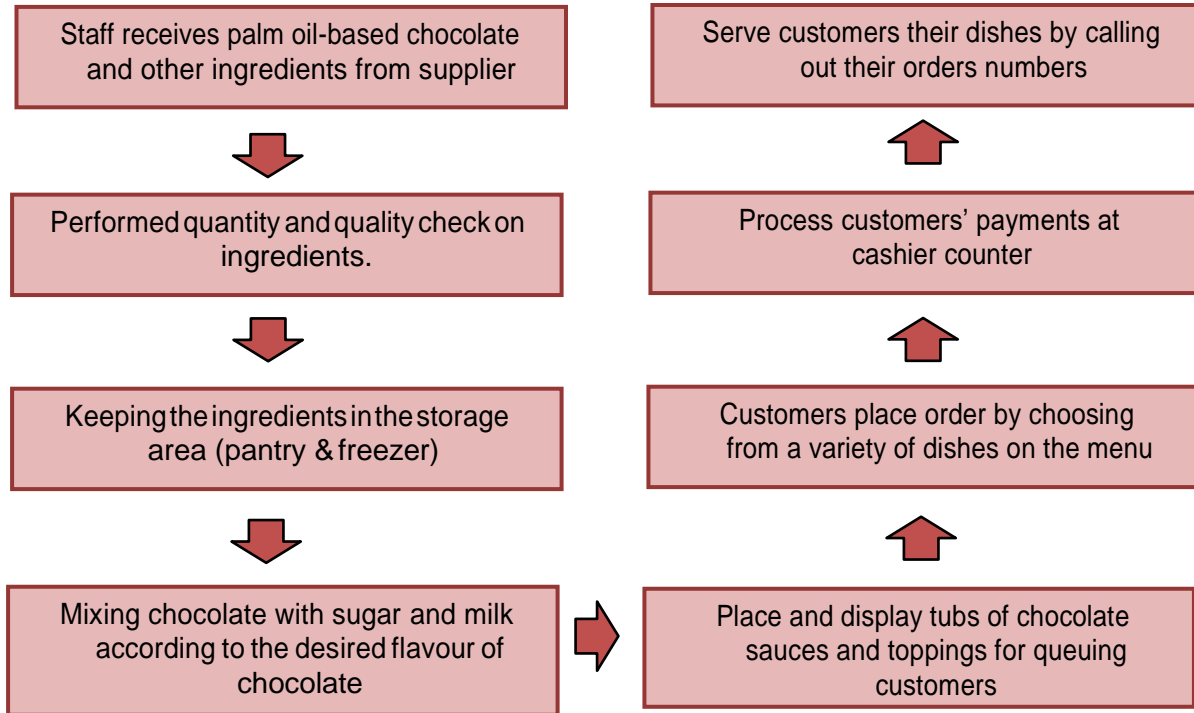


Figure 4.3.1: Process planning of the company

The process of preparing and serving the chocolate dishes begins with receiving palm-oil based chocolate and other ingredients from suppliers, namely Tristar Global Sdn. Bhd. and MAC World Industries Sdn. Bhd. Once received, the staff will perform a short inspection on the quantity and quality of the ingredients to ensure that there are no expired or unusable materials and that there are no missing items. After this, all ingredients are stored in the pantry or freezer and are only taken out for prepping. Prepping is mixing the palm-oil based chocolate with other ingredients like sugar and milk to get the desired flavour of chocolate sauce (milk chocolate, white chocolate, dark chocolate).

Once the prepping of dishes is finished, they are placed onto the display counter for customers to see and order. The dishes prepared for display are only for display purposes. Most dishes are made in the kitchen right after a customer's orders it as to give them a fresh meal.

After a customer's orders their desired dish from a variety of chocolate-covered desserts from the menu, they can make their payment right away at the counter and head back to their table to await their meal. Once the staff is done preparing their meal, they will call the order number of the customer that is printed on their receipt to receive their tasty food that awaits them at the counter.

Since the chocolate received at the café already contains palm oil in it, there is no need to worry about the manufacturing process of the chocolate. However, this matter will be explained further to clarify and understand better on how palm oil is involved in making this chocolate. The typical manufacturing process of chocolate consists of cocoa beans being used as the main raw material to be broken down and refined into cocoa butter and chocolate liquor. Making cocoa butter equivalent (CBE) and cocoa butter substitute (CBS) are derived from the same process.

Before being sent to chocolate manufacturers, cocoa beans undergo the fermentation processing first which takes a few days to make the beans turn brown and dried. The dried cocoa beans are then sent to the factory to be cleaned off and roasted into small nibs to develop colour and flavour of the beans. The cocoa nibs then pass through a series of sieves in a process called "winnowing", to strain and sort the nibs according to size. Then, the sieved nibs containing 53% cocoa butter pass through refining mills and grounded into a cocoa paste which looks like ordinary butter after purification.²

Cocoa butter gives the chocolate its fine structure, beautiful lustre and delicate, attractive glaze. It is heated into a fine paste called "cocoa liquor", which is also known as unsweetened chocolate or cocoa mass. This cocoa liquor is mixed with sugar and cocoa butter in varying quantities to refine the blend to achieve the different types of chocolate (white, dark and milk chocolate).³

Thus, this is the typical process of preparing chocolate but to make palm-oil based chocolate, the cocoa liquor is further refined by blending with cocoa butter, milk and sugar with an adjusted fat content at roughly 26% before the mass is refined. Cocoa butter substitute (CBS) which is made from palm kernel oil is added into the mixer along with the chocolate paste to be refined. The cocoa mass is grounded until 80% of particle size distribution is between 30 microns. Conching and tempering process occurs to produce the homogenous chocolate mass based on CBS and then is heated and cooled to produce the chocolate sauce that is used in Chocoflood Café.

² "How to Make Chocolate - Chocolate Making Process | Chocolate of the Month Club." *The Gourmet Chocolate of the Month Club*, 2019,

www.chocolatemonthclub.com/the-chocolate-making-process.

³ "The Production of Chocolate." *Www.sfu.ca*, 2020, www.sfu.ca/geog351fall03/groups-

webpages/gp8/prod/prod.html#:~:text=Manufacturing%20Chocolate&text=Firstly%2C%20fermented%20and%20dried%20cocoa.




4.4 PRODUCTION LAYOUT



Figure 4.4.1: Plan layout of Chocoflood Café

4.5 CAPACITY PLANNING

Table 4.5.1: Information on partitions within Chocoflood Café

PARTITION	DESCRIPTION
<p style="text-align: center;">Counter Display</p> 	<p>Counter Display where food is kept fresh, and our product is kept clean, and where customer can choose the topping for each dish buy.</p>
<p style="text-align: center;">Kitchen</p> 	<p>A kitchen is a space that is utilized for food preparation and cooking.</p>
<p style="text-align: center;">Storage (Pantry)</p> 	<p>Storage is the area where cooked and raw materials are kept in suitable conditions for future use.</p>

Office



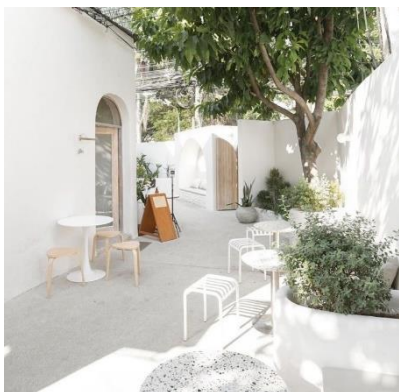
The office is the room where employees can gather to do meetings and do professional and administrative tasks.

Toilet



A toilet is a location where sanitary hardware collects human urine and excrement.

Outside Dining



Provide excellent social settings and customer could enjoy a wonderful meal amidst friends, family, and great ambiance.

<p style="text-align: center;">Creative Area</p> 	<p>A kids' corner gives children a safe place to have fun, discover and learn in our café.</p>
--	--

Based on figure in capacity planning, Chocoflood Café's space is divided into various sections, including an office, a kitchen, material storage, a toilet, a creative area, and an outside dining area. Chocoflood Café's major spaces are the kitchen, toilet, material storage area, and outside dining area, while the creative area and office are additional space. This Chocoflood Café has toilets for the convenience of its clients. The creative area is reserved for youngsters, and its appearance may attract additional customers, while offices are available for employees. Wall notes are also placed in Chocoflood Café referring to feedback from customers and appreciation from someone that they are loved. Overall, this Chocoflood cafe meets the standards for customer comfort when it comes to hanging out.

The space division shown in Figure 4.4.1 is important for the satisfaction of Chocoflood Café customers. The neatness and uniqueness of the furniture arrangement would also persuade more customers to visit Chocoflood Café. According to Figure 4.4.1, Chocoflood Cafe provides free wireless internet to customers. This café also has bar tables and high bench stools that face the outside of the building. This is ideal for consumers who wish to eat while admiring the view outside, as they can sit at the table.

4.6 PRODUCTION PLANNING

Calculation for output per day in a week

Weekday customer = 75 customers

Weekend customer = 150 customer

Average number of customers per day

$$= \frac{150 \text{ customers} + 75 \text{ customers}}{2}$$
$$= 112.5 \text{ customers}$$

(Equation 4)

If the number of working days per week is 6 days.

And the number of working days per week is

$$6 \text{ days} \times 4 \text{ weeks} = 24 \text{ days per month}$$

(Equation 5)

∴ Number of customers output targeted per day

$$= 112.5 \text{ customers} \times 24 \text{ days}$$

$$= 2,700 \text{ customers per month}$$

(Equation 6)

Average price of 4 dishes and 6 drinks = RM 19.49 (dishes) + RM 9.68 (drink)

$$= \text{RM } 29.17$$

(Equation 7)

Average sale forecast per month = RM 29.17 x 2,700 customers per month

$$= \text{RM } 78,759$$

(Equation 8)

4.7 MATERIAL REQUIREMENT PLANNING

4.7.1 Cake

Table 4.7.1.1 Table material of cake

Material	Quantity (kg) per week	Safety Stock	Total Material Requirement	Price/Unit (RM)	Total Price
Chocolate Moist Cake Mix	6 pack = 500 g per pack	4 packs	10 packs	RM 8 per pack	RM 80.00
Eggs	6 cartons = 30 eggs per carton	1 carton	7 cartons	RM 0.43 per eggs (Grade B)	RM 90.30
Fine sugar	1 carton = 24 packs (1 pack = 1kg)	2 cartons	3 cartons	RM 2.85 per pack	RM 205.20
TOTAL (RM)					RM 375.50

4.7.2 Brownies

Table 4.7.2.1: Material of brownies

Material	Quantity	Safety Stock	Total Material Requirement	Price/Unit(RM)	Total Price (RM)
Butter	1 bottle = 1 kg	3 bottles	7 bottles	RM 16.00	RM 160.00
Fine Sugar	1 carton = 24 packs	5 cartons	10 cartons	RM 2.85 per pack	RM 1,026.00
Baking powder	1 pack = 500 g	2 packs	3 packs	RM 5.00 per pack	RM 25.00
Cocoa powder	1 pack = 2 kg	8 packs	10 packs	RM 12.00 per pack	RM 216.00
Brownies Flour	1 pack = 500 g	10 packs	30 packs	RM 16.40 per pack	RM 656.00
Honey	1 bottle = 1 kg	1 bottle	2 bottles	RM 11.20 per packs	RM 33.60
TOTAL (RM)					RM 2,116.60

4.7.3 Waffle

Table 4.7.3.1: Material of waffle

Material	Quantity	Safety Stock	Total Material Requirement	Price/Unit(RM)	Total Price (RM)
Pancake Mix Flour	6 pack = 500g	4 packs	10 packs	RM 8.00 per pack	RM 80.00

4.7.4 Topping

Table 4.7.4.1: Material of topping

Material	Quantity	Safety Stock	Total Material Requirement	Price/Unit (RM)	Total Price (RM)
Fruits	3 kg	2 kg	9 kg	RM 6.50 per kg	RM 58.50
Nuts	2 pack = 500 g per packs	2 pack	4 packs	RM 21.55 per pack	RM 86.20
Oreo	4 pack = 454 g per packs	2 packs	6 packs	RM 11.20 per packs	RM 67.20
Food Beads	2 packs = 66 g per packs	1 pack	3 packs	RM 25.00 per packs	RM 75.00
Vanilla Sauce	3 pails = 1 kg per pails	2 pails	5 pails	RM 22.90 per pail	RM 114.50
Dark Chocolate	3 pails = 1 kg per pails	2 pails	5 pails	RM 22.90 per pail	RM 114.50
Milk Chocolate	3 pails = 1 kg per pails	2 pails	5 pails	RM 22.90 per pail	RM 114.50
TOTAL (RM)					RM 630.40

4.7.5 Drinks

Table 4.7.5.1: Material of drinks

Material	Quantity	Safety Stock	Total Material Requirement	Price/Unit (RM)	Total Price (RM)
Fresh Milk	1 carton = 12 packs (1L)	1 carton	2 cartons	RM 90.00 per carton	RM 180.00
Vanilla Ice Cream	1 box = 12 tupperware (1.5L)	3 boxes	4 boxes	RM 105 per box	RM 420.00
AAA Brand Syrup Lychee Fruit	3 cartons = 36 tins (565 g per tins)	3 cartons	6 cartons	RM 75.00 per cartons	RM 450.00
Liquid Milk	1 carton = 48 tins (390 g per tins)	2 cartons	3 cartons	RM 154.10 per carton	RM 462.30
Condensed Milk	2 cartons = 24 tins (500 g per tins)	1 carton	3 cartons	RM 48.20 per cartons	RM 144.60
Coffee Bean	1 pack = 4 kg	1 pack	2 packs	RM 90.00 per pack	RM 180.00
Butter	6 packs = 1.5 kg	6 packs	12 packs	RM 7.00 per packs	RM 84.00
Nescafe	2 pack = 600 g	2 packs	4 packs	RM 19.50 per packs	RM 78.00
TOTAL (RM)					RM 1998.9

From material requirement planning, the stock will restock each week

Total cost of raw material 1 week = RM 5,201.40

Total cost of raw material 1 month = RM 5,201.40 x 4 weeks

= RM 20,805.60

(Equation 9)

4.8 MACHINE AND EQUIPMENT PLANNING

Table 4.8.1: Machine and equipment planning

NO	MACHINES AND CAFE EQUIPMENTS	QUANTITY	PRICE/UNIT (RM)	TOTAL PRICE (RM)
1.	Mixer	3	RM 329.00	RM 987.00
2.	Oven	3	RM 700.00	RM 2,100.00
3.	Waffle maker	2	RM 270.00	RM 540.00
4.	Refrigerator	1	RM 2,429.00	RM 2,429.00
5.	Microwave	1	RM 273.00	RM 273.00
6.	Blender	4	RM 104.00	RM 416.00
7.	Crepe butter spreader machine	1	RM 154.76	RM 154.76
8.	Batter funnel	1	RM 34.38	RM 34.38
9.	Air fryer	1	RM 174.00	RM 174.00
10.	Coffee Maker	2	RM 4,599.00	RM 9,198.00
12.	Tools for baking	-	RM 947.00	RM 947.00
13.	Serving equipment	-	RM 1,399.00	RM 1,399.00
14.	Cake displays chiller	1	RM 1,975.00	RM 1,975.00
15.	Cash register	1	RM 3,000.00	RM 3,000.00
	TOTAL	21	RM 16,388.14	RM 23,627.14

4.9 MANPOWER PLANNING

Table 4.9.1: Manpower planning

Position	No. of Personal
Manager	1
Financial Manager	1
Executive Marketing Manager	1
Operation Manager	1
Workers	5
TOTAL	9

Direct Labour Planning Schedule

Table 4.9.2 Direct Labour Planning Schedule

POSITION	QUANTITY	MONTHLY SALARY, (RM) A	EPF (RM) (13% OF EMPLOYER & 11% OF EMPLOYEE) B	SOCISO (RM) (5% OF EMPLOYER & 3% OF EMPLOYEE) C	TOTAL (RM) A-B-C
MANAGER	1	7,500	975	375	6,150
FINANCIAL MANAGER	1	3,500	385	105	3,010
EXECUTIVE MARKETING MANAGER	1	3,500	385	105	3,010
OPERATION MANAGER	1	3,500	385	105	3,010
WORKERS	5	1,500	165	45	1,290
TOTAL	9	25,500	2,955	915	21,630

Employees with a salary more than RM 3,000 per month can pay a SOCISO contribution⁴

⁴ Employees with a salary more than RM 3,000 per month can pay a SOCISO contribution

4.10 OVERHEADS REQUIREMENT

Table 4.10.1 Operation overhead

No.	TYPES OF OVERHEAD	MONTHLY COST (RM)
1.	Electricity	RM 3,900.00
2.	Water	RM 1,048.57
3.	Maintenance Cost	RM 250.00
4.	Internet	RM 251.43
TOTAL		RM 5,450.00

4.11 BUSINESS AND OPERATION HOURS

Table 4.11.1 Business and operation hours

DAY	WORK	REST	WORK
MONDAY	8.00 a.m. - 1.00 p.m.	1.00 p.m. - 2.00 p.m.	2.00 p.m. - 10.00 p.m.
TUESDAY	CLOSED	CLOSED	CLOSED
WEDNESDAY	8.00 a.m. - 1.00 p.m.	1.00 p.m. - 2.00 p.m.	2.00 p.m. - 10.00 p.m.
THURSDAY	8.00 a.m. - 1.00 p.m.	1.00 p.m. - 2.00 p.m.	2.00 p.m. - 10.00 p.m.
FRIDAY	8.00 a.m. - 1.00 p.m.	1.00 p.m. - 2.00 p.m.	2.00 p.m. - 10.00 p.m.
SATURDAY	8.00 a.m. - 1.00 p.m.	1.00 p.m. - 2.00 p.m.	2.00 p.m. - 10.00 p.m.
SUNDAY	8.00 a.m. - 1.00 p.m.	1.00 p.m. - 2.00 p.m.	2.00 p.m. - 10.00 p.m.

Except on Tuesdays, Chocoflood Café will be open every day, including weekends. According to Table 4.11.1, this café opens at 8.00 a.m. and is temporarily closed for break time at 1.00 p.m. Workers will rest, pray, and eat from 1.00 p.m. to 2.00 p.m. before returning to work from 2.00 pm to 10.00 pm. Chocoflood Café will close at exactly 10.00 p.m. Employees at this café are given one day off every week. This has been referring to municipal or national rules that typically require at least one day off work every seven days.

4.12 OPERATION BUDGET

An operating budget is the annual budget for the activity specified by budget classification codes, functional or sub functional categories, and cost accounts. It includes estimates of the overall cost of resources needed to complete the operation, including reimbursable labour or services for others. It also includes workload estimates in terms of total work units identified by the cost accountant.

Categories of Operations Budget:

1. FIXED ASSET EXPENDITURE

- Refers to the investment on long term assets used in the operations to produce the product or services.
- Examples are the purchase of machines and equipment.

2. MONTHLY EXPENSES

- Refers to the payment made every month in the operations department.
- Examples are wages for workers and raw materials purchased.

3. OTHER EXPENSES

- These are expenses that are made and could not be categorized as fixed asset expenditure or monthly expenses.
- Examples are deposits and insurance.

Table 4.12.1 Operation Budget

Particulars	F. Assets	Monthly Exp.
Fixed Assets		
Equipment	RM 23,627	
Furniture & Fittings	RM 10,000	
Working Capital		
Raw Material & Packaging		RM 20,805
Carriage Inward & Duty		RM 1,000
Overhead Cost		RM 5,450
Pre-Operations		
Halal Jakim Certificate	RM 800	
Business Registration & Licences (1 year)	RM 300	
Typhoid Injection (Workers)	RM 400	
TOTAL	RM 35,127	RM 27,255

4.13 IMPLEMENTATION SCHEDULE

MONTHS/ ACTIVITIES	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Dealing with supplier												
Incorporation of business												
Application for permits and license												
Searching for business premise												
Renovation of premise												
Procurement of machines and raw material												
Recruitment of labours												
Installation of products												

CHAPTER 5.0: FINANCIAL PLAN

5.1 FINANCIAL OBJECTIVES

Financial planning is a crucial aspect of any organization that must be recognized. A financial plan is anything that has to do with accounting, budgeting, economics, finance, and money. To put it another way, it is the management of financial resources, which includes investing, borrowing, lending, saving, budgeting, and forecasting.

All financial information obtained from administration budgets, marketing budgets, and operating budgets must be included in a financial plan. The information will all be translated into a financial budget at that moment. The financial plan includes calculating the project's overall cost, selecting financing options like loans, grants, equity financing, venture capital, guarantee schemes, tax incentives, and many others, as well as creating pro forma financial projections that include cash flow, income statement, and balance sheet statements. Depreciation schedules for each fixed cost that is owned, as well as amortization schedules for loan and hire purchase repayments, should also be included to support the financial strategy.

The objectives of financial plan:

- To ensure the maximum capacity of internal source is generated
- To capitalize the maximum availability of internal sources
- To make sure that initial capital is adequate and sufficient
- To analyze 70% viability of business project before the actual investment is committed
- To ensure the project implementation is 100% success
- To ensure that the debt is restructured at least at minimal level

Without a financial plan, a company's cash flow may be unclear, which could lead to problems down the road because it will be unable to track where the money is coming from and going. In brief, a financial strategy and report is crucial and serves as the foundation of a corporation by keeping track of both incoming and exiting funds. Profitability, liquidity, efficiency, and stability are the four fundamental financial goals.

5.1.1 ADMINISTRATION BUDGET

Table 5.1.1.1: Administration Budget of Chocoflood Café

ADMINISTRATIVE BUDGET				
Particulars	F.Assets (RM)	Monthly Exp. (RM)	Others (RM)	Total (RM)
<i>Fixed Assets</i>				
Renovation Cost	80,000			80,000
Furniture	8,000			8,000
Office Supplies & Devices	5,000			5,000
<i>Working Capital</i>				
Salaries, EPF & SOCSO		21,630		21,630
Land & Building (Rent)		7,000		7,000
Total (RM)	93,000	28,630	-	121,630

Total Administrative Budget: RM 121,630

5.1.2 MARKETING BUDGET

Table 5.1.2.1: Marketing Budget of Chocoflood Café

MARKETING BUDGET				
Particulars	F. Assets (RM)	Monthly Exp. (RM)	Others (RM)	Total (RM)
Fixed Assets				
Signboard	850			850
Business Card	300			300
Working Capital				
Online Advertisement		1,500		1,500
Online Marketing (Influencer)		1,000		1,000
Total (RM)	1,150	2,500	-	3,650

Total Marketing Budget: RM 3,650

5.1.3 OPERATIONAL BUDGET

Table 5.1.3.1: Operational Budget of Chocoflood Café

OPERATIONS BUDGET				
Particulars	F. Assets (RM)	Monthly Exp. (RM)	Others (RM)	Total (RM)
Fixed Assets				
Equipment	23,627			23,627
Furniture & Fittings	10,000			10,000
Working Capital				
Raw Materials & Packaging		20,805		20,805
Carriage Inward & Duty		1,000		1,000
Overhead cost		5,450		5,450
Pre-Operations & Other Expenditure				
Other Expenditure			-	
Halal Jakim Certificate			800	800
Business Registration & Licences			300	300
Typhoid Injection (Workers)			400	400
Total (RM)	33,627	27,255	1,500	62,382

Total Operational Budget: RM 62,382

5.2 PROJECT IMPLEMENTATION COST & SOURCES OF FINANCING

Table 5.2.1: Project Implementation Cost & Sources of Financing

Chocoflood Café							
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							
Renovation Cost (RM)			80,000	80,000			
Furniture (RM)			18,000	18,000			
Office Supplies & Devices (RM)			5,000	5,000			
Signboard (RM)			850			850	
Business Card (RM)			300			300	
Equipment (RM)			23,627	23,627			
Working Capital	1	months					
Administrative (RM)			28,630	28,630			
Marketing (RM)			2,500	2,500			
Operations (RM)			27,255	27,255			
Pre-Operations & Other Expenditure (RM)			1,500	1,500			
Contingencies (RM)	10%		18,766	18,766			
TOTAL (RM)			206,428	205,278		1,150	

SOURCES OF FINANCING

- Overview

When a firm refers to its source of funding, it refers to the place from where it obtains funds for activities like administration, marketing, and operating. All business owners, but especially new ones, must have a source of funding to act as a pillar of support for their enterprise. Every financial manager faces the significant task of selecting the appropriate source and mixture of finance.

Source of finance can be divided based on time the source of generation, ownership and control and based on time.

Based on a time, it can be classified into three:

- Long term (more than 5 years to 10,15, 20 years)
- Medium term (3 – 5 years)
- Short term (less than 1 year)

While ownership and control can be divided into:

- Owned (equity, preference, retained earnings, convertible debentures, venture fund)
- Borrowed (financial institutions, commercial banks)

Generation of capital can be classified into

- Internal sources (retained profit, reduction or controlling of working capital, sales of assets)
- External sources (equity, debt from banks)

Table 5.2.2: Loan Repayment Schedule

LOAN REPAYMENT SCHEDULE				
Amount	RM 205,278			
Interest Rate	5%			
Duration (yrs)	5			
Method	Baki Tahunan			
Year	Principal (RM)	Interest (RM)	Total Payment (RM)	Principal Balance (RM)
0	-	-		205,278
1	41,056	10,264	51,320	164,223
2	41,056	8,211	49,267	123,167
3	41,056	6,158	47,214	82,111
4	41,056	4,106	45,161	41,056
5	41,056	2,053	43,108	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	0

5.3 PRO-FORMA CASH FLOW (3 YEARS)

Table 5.3.1: Pro-Forma Cash Flow (3 years)

5.4 PRO-FORMA INCOME STATEMENT (3 YEARS)

Table 5.4.1: Pro-Forma Income Statement (3 years)

Chocoflood Café			
PRO-FORMA INCOME STATEMENT			
	Year 1	Year 2	Year 3
Sales (RM)	1,007,646	1,058,028	1,088,257
Less: Cost of Sales			
Opening Stock of Finished Goods (RM)	0	0	0
Production Cost (RM)	333,785	265,673	268,831
less: Ending Stock of Finished Goods (RM)	0	0	0
	0	0	0
	333,785	265,673	268,831
Gross Profit (RM)	673,861	792,355	819,426
Less: Expenditure			
Administrative Expenditure (RM)	343,560	350,431	364,448
Marketing Expenditure (RM)	30,000	30,600	31,824
Other Expenditure (RM)	0	0	0
Business Registration & Licences (1 year) (RM)	300		
Insurance & Road Tax for Motor Vehicle (RM)	400	400	400
Other Pre-Operations Expenditure (RM)	0	0	0
Interest on Hire-Purchase (RM)	0	0	0
Interest on Loan (RM)	10,264	8,211	6,158
Depreciation of Fixed Assets (RM)	3,510	3,510	2,660
Total Expenditure (RM)	388,034	393,152	405,491
Net Profit Before Tax (RM)	285,827	399,202	413,935
Tax (RM)	0	0	0
Net Profit After Tax (RM)	285,827	399,202	413,935
Accumulated Net Profit (RM)	285,827	685,029	1,098,964

5.5 PRO-FORMA BALANCE SHEET (3 YEARS)

Table 5.5.1: Pro-Forma Balance Sheet (3 years)

Chocoflood Café			
PRO-FORMA BALANCE SHEET			
	Year 1	Year 2	Year 3
ASSETS			
Fixed Assets (Book Value)			
Renovation Cost (RM)	80,000	80,000	80,000
Furniture (RM)	6,400	4,800	3,200
Office Supplies & Devices (RM)	4,000	3,000	2,000
Signboard (RM)		-850	-850
Business Card (RM)	240	180	120
Equipment (RM)	18,902	14,176	9,451
Furniture & Fittings (RM)	8,000	6,000	4,000
	117,542	107,306	97,921
Current Assets			
Stock of Raw Materials (RM)	0	0	0
Stock of Finished Goods (RM)	0	0	0
Accounts Receivable (RM)	0	0	0
Cash Balance (RM)	332,858	701,240	1,083,504
	332,858	701,240	1,083,504
Other Assets			
Deposit (RM)	800	800	800
TOTAL ASSETS (RM)	451,199	809,346	1,182,225
Owners' Equity			
Capital (RM)	1,150	1,150	1,150
Accumulated Profit (RM)	285,827	685,029	1,098,964
	286,977	686,179	1,100,114
Long Term Liabilities			
Loan Balance (RM)	164,223	123,167	82,111
Hire-Purchase Balance (RM)	0	0	0
	166,223	123,167	82,111
Current Liabilities			
Accounts Payable (RM)	0	0	0
TOTAL EQUITY & LIABILITIES (RM)	451,199	809,346	1,182,225

Based on the financial statements that has been calculated & audited, the financial performance was given a positive impact to growth the company year by year.

Table 5.5.2: Financial Performance for 3 years

Chocoflood Café			
FINANCIAL PERFORMANCE			
	Year 1	Year 2	Year 3
<u>PROFITABILITY</u>			
Sales	RM 1,007,646	RM 1,058,028	RM 1,088,257
Gross Profit	RM 673,861	RM 792,355	RM 819,426
Profit Before Tax	RM 285,827	RM 399,202	RM 413,935
Profit After Tax	RM 285,827	RM 399,202	RM 413,935
Accumulated Profit	RM 285,827	RM 685,029	RM 1,098,964
<u>LIQUIDITY</u>			
Total Cash Inflow	RM 1,214,074	RM 1,058,028	RM 1,088,257
Total Cash Outflow	RM 881,217	RM 689,646	RM 705,992
Surplus (Deficit)	RM 332,858	RM 368,382	RM 382,265
Accumulated Cash	RM 332,858	RM 701,240	RM 1,083,504
<u>SAFETY</u>			
Owners' Equity	RM 286,977	RM 686,179	RM 1,100,114
Fixed Assets	RM 117,542	RM 107,306	RM 97,921
Current Assets	RM 332,858	RM 701,240	RM 1,083,504
Long Term Liabilities	RM 164,223	RM 123,167	RM 82,111
Current Liabilities	0	0	0

CHAPTER 6.0:
BUSINESS MODEL

CANVAS

THE BUSINESS MODEL CANVAS

DESIGNED BY :
MANAGING TEAM

DESIGNED FOR:
MUHAMMAD IMRAM BIN ISMAIL
SITI HAJAR ANAZIAH MUHAMAD

KEY PARTNERS

- Supplier from factory
- Sources required are chocolate
- Wholesale are retailer

KEY ACTIVITIES

- Promotion through instagram, telegram, facebook, WhatsApp , word of mouth / chalk marketing
- In - store product sale
- Acquired Halal Statement
- Production (preparation, clean up, pricing and selling the product)

KEY RESOURCES

- Material Packaging
- Product (ingredients, utensils and machine)
- Utilities (computer, internet and paper)
- Processing the place

VALUE PROPOSITIONS

- Fast preparation
- Packaging (eco-friendly)
- Large portion
- Ample choices of topping such as vanilla, oreo & etc
- This chocolate made from palm oil has long self-life and high oxidative stability
- Good texture of chocolate
- Affordable price
- Easily accessible
- Open on weekend

CUSTOMER RELATIONSHIPS

- Customer intimacy (interaction at pick up)
- Operational excellence (product ready on time and product are fresh bake)
- Free trial
- Provide discount
- Feedback customer
- Loyalty of customer

CHANNELS

- Email / phone number
- Social Media
- Television
- Advertisement
- Promotional price (discount)

CUSTOMER SEGMENTS

- Health awareness
- Suitable for all ranges (students, teenager and working people)

COST STRUCTURE

- Product (ingredients and packaging)
- Marketing
- Transportation
- Stock

REVENUE STREAMS

- Affordable price
- Food and service
- Cashless (Pay wave)
- No taxes
- Advertising (social media)
- Sales (dropship and recruit agent)
- Profit from sales

CHAPTER 7.0: CONCLUSION

In conclusion, the employees and employer decided that opening the Chocoflood Café would be the greatest move for the neighbourhood after researching the business prospect and scanning the surroundings. Chocoflood Café's staff and owners are very sure that it would be accepted and well-known in the Petaling Jaya community. Apart from that, the workers and employers are certain that Chocoflood Café will make a lot of money to cover all the costs. Both employees and employers think that three years of operation will result in profit.

Chocoflood Café is the greatest project to serve the community by providing the best service possible. As previously said, the team is really dedicated about giving the clients the greatest service and quick preparation. Customers may thus be happy with the outstanding service provided by the team. As a result, the Chocolate Cafe truly must receive clearance before we can launch our business since it will have a large effect on the community, much like when the manager obtains the Chocolate Cafe's license and Halal certification. We are

Chocoflood Café do promotional strategies through social media specially to attract customers come to Chocoflood Café. Chocoflood café do online advertisements through Facebook and Instagram and using influencers from Indian, Chinese and Malay to gain more attention from their viewers and earn Chocoflood Café few orders and visits from the customers. Chocoflood Café also do the social connections such as business card and signboard for expanding the connection to customers. Based on the population at Petaling Jaya, working adults under 40 years old become the market potential of Chocoflood Café. It is because Chocoflood Café will have a lot of profit from working adult to come with family and friends. Gross profit of Chocoflood Café is RM 20,374 in monthly. Chocoflood Café will hopefully perform great in the market based on the profit and the sale forecast.

Chocoflood Café will require improvement in operation and marketing in the future. Chocoflood Café should always need to ensure the quality of chocolate is fresh and healthy before serve to the customers. Financial market needs to be more careful in purchasing goods to avoid losses to the Chocoflood Café. Hopefully, Chocoflood Café will become more popular and will be recognized by people of all ages. Chocoflood Café also hope to open many cafés based on chocolate in other countries.

CHAPTER 8.0: APPENDICES

8.1 Menu of Chocofloof Café

CHOCOFLOOD CAFE

+603-2492491
@Chocofloodmy

Signatures Menu

Chocolate Sauce is specialized made by palm oil based that melts quickly in your mouth with a smooth and shiny textures



FLOODED BROWNIES

Sizzling brownies flooded with chocolate sauce, scoop of ice cream and on top of 3 toppings choosing

RM 21.99

FLOODED CREPE

Crepe flooded with chocolate sauce, scoop of ice cream and on top of 3 toppings choosing

RM 23.99



FLOODED WAFFLE

Waffle flooded with chocolate sauce, scoop of ice cream and on top of 3 toppings choosing

RM 19.99

CAKE

Slice of varying sweet treats flavour which is Red velvet, Matcha, Chocolate Fudge, Crème Brulée Cheesecake & Salted Caramel Macadamia Cheesecake

RM 11.99



CHOCOFLOOD CAFE

+603-2492491
@Chocofloodmy



BEST SELLER



FRESH JUICE
RM 9.52



MILK SHAKE
RM 10.35



ICED COFFEE
RM 9.69



BUTTER COFFEE
RM 12.97



MILK COFFEE
RM 8.97



ESPRESSO
RM 6.55

8.2 Product of Chocoflood Café



a) *Flooded Waffle*



b) *Flooded Brownies*

8.3 Official Business Card



In front of business card



Back of the business card