



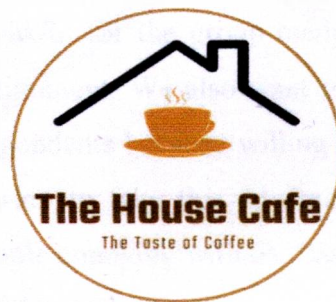
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UNIVERSITI
TEKNOLOGI
MARA

ENT 300

FUNDAMENTALS OF ENTREPRENEURSHIP MANAGEMENT

FACULTY OF ADMINISTRATIVE SCIENCE AND POLICY STUDIES

THE HOUSE CAFE



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82 / 100

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This assignment is cannot be done without help and advice from our ENT 300 lecturer, Madam Siti Mardinah Binti Abdul Hamid. We want to thank Madam Siti because willing to help and assist us without feel tired and annoying with us during the process of doing this assignment. We also want to say our grateful and thankful for Madam Siti for endless support and advice.

We also feel relief and grateful because we can finish this assignment within the time Madam Siti given to us. This assignment will not complete in time if there is no cooperation in our group. Credits and thankful for the group members because give a full cooperation during the process of this assignment. We also want to express our feeling of thankful and grateful to our friend and respondents because willing to help and also share some ideas of their ideas to us. We also want to take this advantage to say sorry if maybe we make something wrong or make people annoying with us. Lastly, we want to say thank you to God because give us ideas to make this project.

SITI NUR JANNAH BINTI ZAINAL ABIDIN

DIPLOMA IN PUBLIC ADMINISTRATION

UiTM KAMPUS SAMARAHAN 2

94300 KOTA SAMARAHAN

SARAWAK

MADAM SITI MARDINAH BINTI ABDUL HAMID

LECTURER OF ENT 300

UiTM KOTA SAMARAHAN

94300 KOTA SAMARAHAN

SARAWAK

18 MAY 2018

Madam,

Submission of Business Plan Proposal ENT 300

As stated above, we would like to submit our proposal on business plan for subject ENT300.

2. For this purpose, we have agree to choose "The House Cafe" as our business plan. It is because we discover that the people in Kota Samarahan did not have wide knowledge on coffee and have high potential in business.

3. The business plan was done by following the guideline according ENT300 syllabus of business plan. As such we submit this proposal report for your approval. We hope our proposal on business plan that we proposed will meet your expectation and satisfaction.

Thank you in advance.

Sincerely,



(SITI NUR JANNAH BINTI ZAINAL ABIDIN)

General Manager,

THE HOUSE CAFE SDN.BHD

Loan application letter

Financial Manager,

The House Cafe,

Summer Mall,Jalan Datuk Muhammad Musa,

94300 Kota Samarahan,

Sarawak.

Manager,

Credit Department.

Bank Rakyat Financing-I-PRIVATE

18&19,Uni Capital Commercial Centre,

94300 Kota Samarahan,

Sarawak

18 MAY 2018

Sir,

Application of Business Loan Financing

Based on this subject, we would like to apply a loan for our business to support our business capital.


2. This business is guaranteed will earn a high profit because people at the shopping complex, students and people at the area will come to our cafe to

taste our coffee, cookies and cakes.

3. Our company is offering a different type of services and menu. We also sell high performance and quality products.

4. To generate our business successfully we would like to apply loan from your bank. Thus, this loan will be use to run the business.

Sincerely,



(SITI NUR JANNAH BINTI ZAINAL ABIDIN)

GENERAL MANAGER,

THE HOUSE CAFE

EXECUTIVE SUMMARY

This business, The House Cafe is a business of drink production which our business more focus on coffee. It is to introduce to the people the taste and aura of coffee. We came out with the mission of become the excellence coffee cafe that exist with the awesome taste of coffee with quality coffee beans, affordable price, books, convenience place and and provide the best customer's service that make the customers satisfied.

Our business "The House Cafe" is a partnership business which consists of five members. Each members invest certain amount per person of capital contribution in order to make our business successful and well-known according to the partnership agreement. The House Cafe is a cafe that more focus on coffee making but also sell desert such as cakes, cookies and sandwich. The House Cafe is for people who want to drink coffee, eat cakes, cookies and sandwich and seek for a place to relax and study. Our business is establish in 1 January 2018. The House Cafe is located at a lot shop in Summer Mall. The general manager of the business is Siti Nur Jannah Binti Zainal Abidin, the administration manager is Nur Anisya Asyikin Binti Morshidi, the operational manager is Ericson Mixhla anak Linggie, the marketing manager is Dayang Nurli Sharmila Binti Awang Anwa and the financial manager is Jacquelyn anak Tikey. The other employees are barista, cashier, waiters and kitchen helpers. The position of general manager is selected upon the agreement among the business partners.

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SECTION I

INTRODUCTION

1.0 Introduction

Our business “ The House Cafe” is a partnership business. Our business sell variety of coffee, cakes, cookies and sandwich. The reason we choose the name of “ The House Cafe” as our business name is because we want our customers to feel comfortable in our cafe. It is because our business is based on the concept of house.

Our shop is located at the shopping lot in Summer Mall, Jalan Datuk Mohammad Musa, 94300 Kota Samarahan, Sarawak. We choose this location because it is strategic place, easy to go and located near housing, university and offices. Our main target such as students and workers can come to our place if they want to drink or buy coffee, cakes, cookies and sandwich.

Our business menu have variety of coffee, cookies and cakes. It is Espresso, Americano, Cappucino, Latte, Mocha, Hot Vanilla, Hot Chocolate, Hot Matcha Green Tea, Ice Americano, Iced Cappucino, Iced Latte, Ice Mocha, Iced Blended Caramel, Iced Blended Hazelnut, Iced Blended Cookies and Cream, Iced Blended Chocolate, Iced Blended Matcha Green Tea. Cake and cookies is chocolate cake, coffee cake, cheese cake, red velvet cake, lemon cake, chocolate chip cookies, chocolate hazelnut cookies and butter cookies.

The reason we came out with this business is because on our observation, coffee world is not well-known yet by the people. We also want to introduce to the people the taste and variety of coffee that exists in this world.

1.1 Introduction to Business

1. Name of Business : The House Cafe
2. Nature of Business : Coffee service
3. Industry profile : Partnership
- Business location : SummerMall,
Jalan Datuk Muhammad Musa
94300 Kota Samarahan
Sarawak
4. Date of establishment : 1 January 2018
5. Factors in selecting the proposal business
 - a) To introduce coffee to public
 - b) Coffee can make people relax and for people that want to stay awake
 - c) For someone who like to seek for the new things
6. Future prospects of the business
 - a) Open more franchises in other country
 - b) Become a well-known cafe in Malaysia

1.2 Purpose of Business Plan

The purpose of “ The House Cafe” business plan is a first step as a plan before starting the business. This business plan is important for a new business such as “The House Cafe” to maintain in the business industry in Malaysia. The purpose of doing this business plan:

- a) As a guideline for managing the business.
- b) To gain a better understanding, viewing and evaluating the proposed business venture.
- c) Become the safe tool to convince relevant parties of the investment potential of the project, secure supplier accounts and attract executive level employees into the new venture.

1.3 Company/Business Background

Name of the Business/Company : The House Cafe

Address : Summer Mall, Jalan Datuk Muhammad Musa,
94300 Kota Samarahan
Sarawak

Telephone/ handphone : 082- 8820131/012 -3456789

E-mail : thehousecafe@gmail.com

Form of Business : Partnership

Main activity: : Sell variety of coffee

Date and Number of Registration : In progress

Date of Commencement: : 1 January 2018

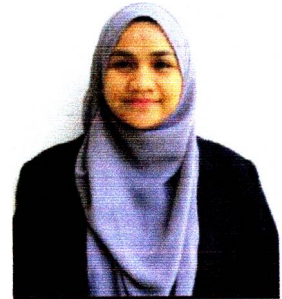
Initial(own) Capital: : RM 93 000

Name of Bank: : Bank Islam

Bank Account Number: : 1040028568733

1.4 Background of Partner

1.4.1 General Manager



Name of partner	Siti Nur Jannah Binti Zainal Abidin
Identification card number	980814-13-5104
Permanent address	Kampung Buntal, 93050 Kuching, Sarawak
Correspondence address	Kampung Buntal, 93050 Kuching, Sarawak
Telephone number	0145753278
Date of birth	14 August 1998
Age	20
Marital status	Single
Academic qualification	Diploma in Public Administration
Course attended	Leadership classes, entrepreneurship classes, barista training, computer classes
Skills	Management and leadership skills, computer skills, fluently in Bahasa Melayu and English,

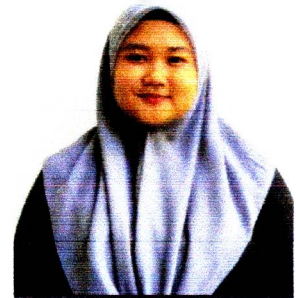
	able to make variety of coffee,
Experiences	Former cashier at Papa Cafe
Present occupation	General Manager at The House Cafe
Previous business experience	-

1.4.2 Marketing Manager



Name of partner	Dayang Nurli Sharmila Binti Awang Anwa
Identification card number	980406-13-5674
Permanent address	Kampung Semera Tengah,94600 Sadong Jaya,Sarawak
Correspondence address	Kampung Semera Tengah,94600 Sadong Jaya,Sarawak
Telephone number	011 1325 6483
Date of birth	6 April 1998
Age	20
Marital status	Single
Academic qualification	Diploma in Public administration
Course attended	Entrepreneurship classes
Skills	Good in baking, marketing skill,fluently in English
Experiences	Former seller at Survey,SummerMall
Present occupation	Marketing Manager at The House Cafe
Previous business experience	-

1.4.3 Administrative Manager



Name of partner	Nur Anisya Asyikin Binti Morshidi
Identification card number	980422-13-5762
Permanent address	Kampung Sambir, 94300 Kota Samarahan, Sarawak
Correspondence address	Kampung Sambir, 94300 Kota Samarahan, Sarawak
Telephone number	010 977 0626
Date of birth	22 April 1998
Age	20
Marital status	Single
Academic qualification	Diploma in Administration
Course attended	Entrepreneurship classes, leadership classes, online administration training
Skills	Fluently in English and Bahasa Melayu, able to make coffee
Experiences	Former cashier at Survey, SummerMall
Present occupation	Administration Manager at The House Cafe

Previous business
experience

-

1.4.4 Operational Manager



Name of partner	Ericson Mixhla anak Linggie
Identification card number	980328-13-5627
Permanent address	Batalion 12, Pasukan Gerakan Am,,98000Miri, Sarawak
Correspondence address	Batalion 12, Pasukan Gerakan Am,98000Miri, Sarawak
Telephone number	013 848 8671
Date of birth	28 March 1998
Age	20
Marital status	Single
Academic qualification	Diploma in Administration
Course attended	Entrepreneurship classes, online administration training
Skills	Fluently in English, Mathematical skills
Experiences	Former seller at Boulevard at Miri
Present occupation	Operational Manager at The House Cafe
Previous business experience	-

1.4.5 Financial Manager



Name of partner	Jacquelyn anak Tikey
Identification card number	971013-13-5142
Permanent address	Taman Yen-Yen, 93050 Kuching, Sarawak
Correspondence address	Taman Yen-Yen, 93050 Kuching, Sarawak
Telephone number	013 568 0632
Date of birth	13 October 1997
Age	21
Marital status	Single
Academic qualification	Diploma in Administration
Course attended	Entrepreneurship classes, financing training
Skills	Mathematical skill, fluently in Mandarin and English
Experiences	Former cashier at The Spring
Present occupation	Financial Manager
Previous business experience	-

SECTION 2

ADMINISTRATION

2.0 INTRODUCTION TO THE ORGANIZATION

VISION

To be the cafe that provide the best and quality coffee and achieve the customer's satisfaction.

MISSION

The excellence coffee cafe that exist with the awesome taste of coffee with quality coffee beans, affordable price, books, convenience place and provide the best customer's service that make the customers satisfied.

OBJECTIVE

The objective of The House Cafe is to ensure that our business is running accordingly to the plan with good leading organization. We also want to make sure that our business can provide certain amount of profit that can enhance for future of our business. Our team will work harder to provide a great service for our customer all then time and maintain a good quality

2.1 LOGO AND DESCRIPTION



SYMBOL	MEANING
A cup of coffee	We serve a various and delicious of coffee to serve to the customer
A Symbol of roof	We want customer feel like their own home while doing their own work
A slogan 'The Taste of Coffee'	We want customer feel the taste of the coffee because we choose the best quality of coffee bean
Circle shape of logo	Symbolize our cup of coffee

Brown color of our cup

The brown color of our cup is the color of our coffee bean.

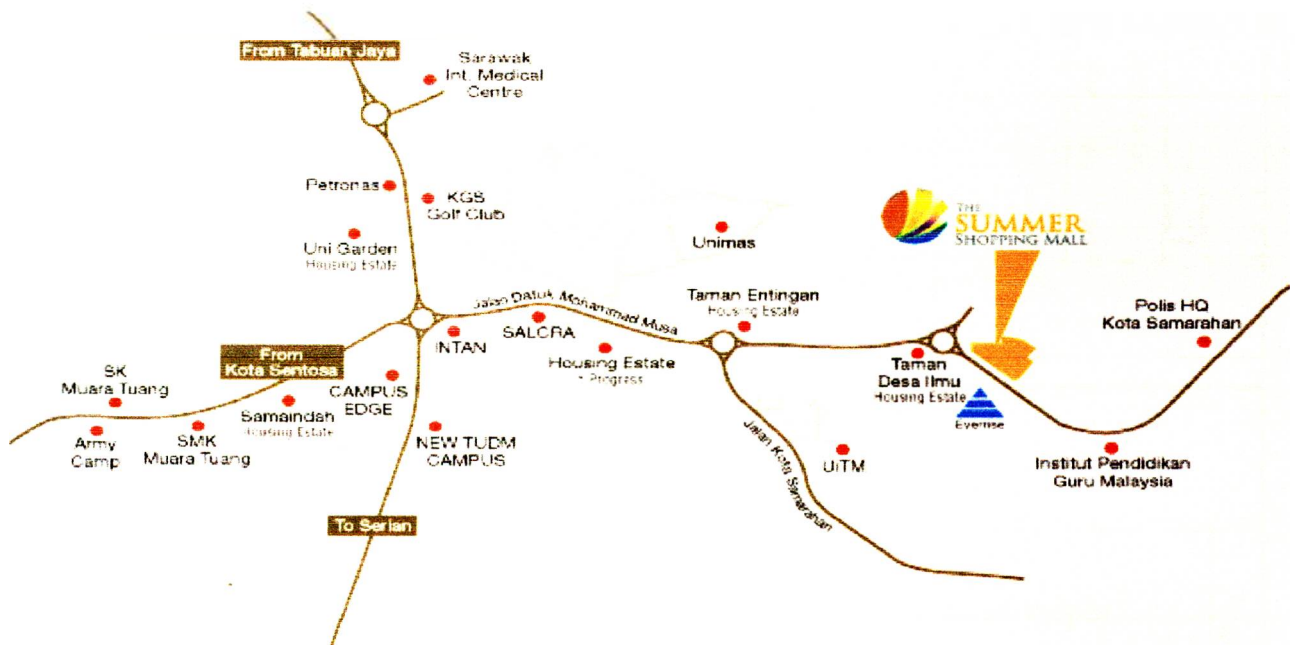
2.2 BUSINESS LOCATION

2.2.1 Address

The House Coffee, Summer Mall , Jalan Datuk Mohammad Musa, 94300 Kota Samarahan, Sarawak.

2.2.2 Location Plan

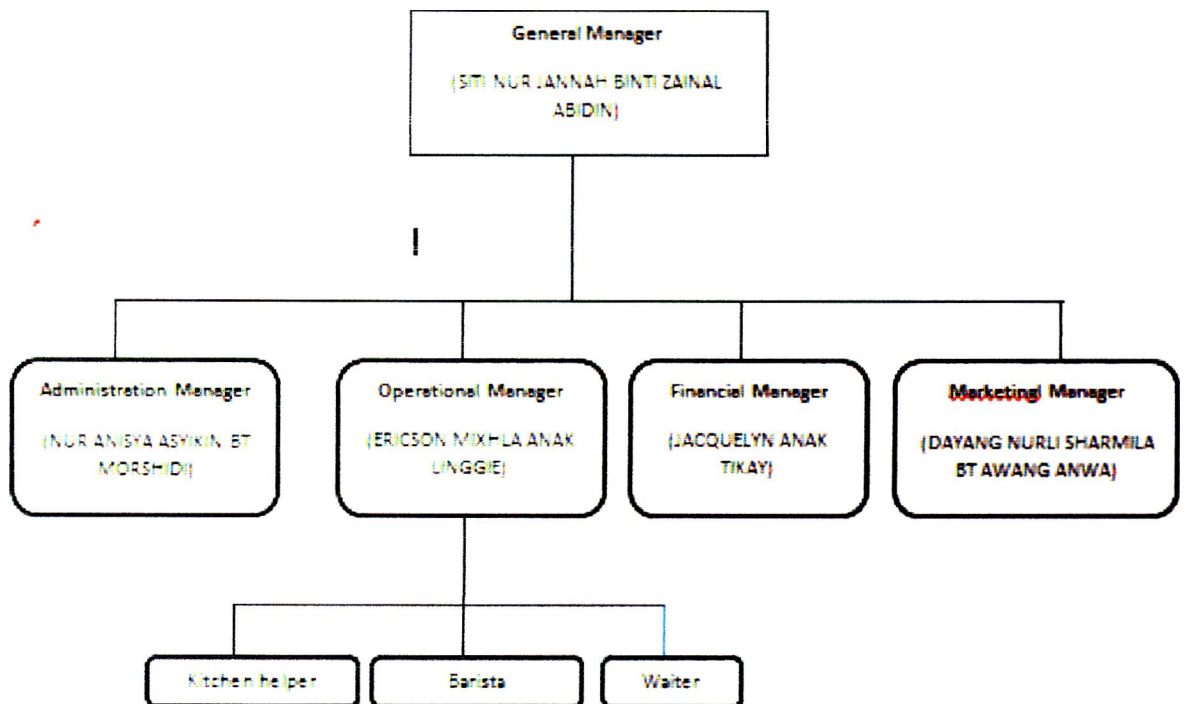
Summer Mall Location Map



The House Coffee is located at Summer Mall, Kota Samarahan. We chose this location because it is the strategic plan to open the café because it is the most popular place among university student from UiTM Campus Samarahan 1 & 2, also from Unimas student. Furthermore, our main target is among student so, they can do their assignment and feel relax at our café. Since our theme is The House Café, we want student who their house is far they can come to our café and feel like our café is their home. This is the reason we chose Summer Mall to open up our café shop.

2.3 ORGANIZATIONAL STRUCTURE

Organizational Chart



2.4 ADMINISTRATIVE MANPOWER PLANNING

Table 1: List of administrative personnel

POSITION	Number Of Personnel
General Manager	1
Administrative Manager	1
Operational Manager	1
Financial Manager	1
Marketing Manager	1
Total	5

2.5 SCHEDULE OF TASKS AND RESPONSIBILITIES

Table 2: Schedule of task and responsibilities

POSITION	TASKS AND RESPONSIBILITIES
General Manager	<ol style="list-style-type: none"> 1) Ensure the creation and implementation of a strategy designed to grow the business. 2) To make sure the delivery and offering beyond customer satisfaction 3) To support and give motivation to employees in whatever situation 4) To analyses monthly report of every department
Administrative Manager	<ol style="list-style-type: none"> 1) To make sure the business planning and project management run smoothly 2) To make sure their developing the budget and performing cost reduction research 3) For human resource , the task is recruiting and training the employees and reporting on employee performance to general manager 4) Handle office and facilities management.

Operational Manager	<ol style="list-style-type: none"> 1) To ensure that the organization is running smoothly and efficient service so it meet the customer expectation and needs. 2) To make sure the quality of product is good and manage the problem solving efficiently 3) Managing the quality of raw material and personnel 4) Overseeing inventory, distribution of goods and facility layout.
Financial Manager	<ol style="list-style-type: none"> 1) Manage and control the overall budget, expenses and profit of the company 2) Manage the company's financial accounting, monitoring, and reporting system 3) Report the monthly and annual cash flow and income statement. 4) Research and report on factor influencing the business performance
Marketing Manager	<ol style="list-style-type: none"> 1) Communicates with various media

	<p>buyers, advertising agencies, printers, and other services to help marketing projects</p> <ol style="list-style-type: none">2) Works within the department budget to develop cost-effective marketing plans for each product or service3) Researches and analyses market trends, demographics, pricing schedules, competitor products, and other relevant information to form marketing strategies4) To collected data and other feedback by the customer
--	--

2.6 SHEDULE OF REMUNERATION

Table 3 : Schedule of Remuneration

POSITION	N O.	MONTHL Y SALARY (RM)	EPF (12%)(RM)	SOCSCO (2%)(RM)	TOTAL (RM)
GENERAL MANAGER	1	2300.00	276.00	46.00	2622.00
ADMINISTRATIVE MANAGER	1	2000.00	240.00	40.00	2280.00
OPERATION MANAGER	1	2000.00	240.00	40.00	2280.00
FINANCIAL MANAGER	1	2000.00	240.00	40.00	2280.00
MARKETING MANAGER	1	2000.00 -	240.00	40.00	2280.00
TOTAL	10	10300.00	1236.00	206.00	11742.00

2.7 LIST OF OFFICE EQUIPMENTS AND SUPPLIES

Table 4: List of Office Supplies

ITEM	QUANTITY(RM)	PRICE PER UNIT(RM)	TOTAL COST(RM)
Stationery	2 sets	50.00	100.00
Ink printer	1 sets	80.00	80.00
TOTAL			180.00

Table 5: List of Office Furniture and Equipment

ITEM	QUANTITY	PRICE PER UNIT (RM)	TOTAL COST (RM)
Laptop	3 sets	1200	36000
Computer table	1 unit (large table)	761.20	761.20
	1 unit (single table)	70.90	70.90
Chairs	5 units	90.00	450.00
Shelf	2 units	30.00	60.00
Printer	1 units	225.00	225.00

Dustbin	1 unit	14.00	14.00
Total			RM37,331.10

SECTION 3

Marketing Plan

3.0 INTRODUCTION

Marketing plan is comprehensive document or blueprint that outlines a business advertising and marketing efforts for the coming yet which describes business activities involved in accomplishing specific marketing objectives within a set of time frame.

Furthermore, marketing plan is one of the most important aspect that need to be carried out by the entrepreneurs. An excellent marketing plan will helps entrepreneurs to evaluate the market acceptance and develop strategies to market products or services of the business. It will also helps to identify required resources to execute the marketing strategy. An entrepreneurs also can estimate the marketing financial requirement.

A marketing plan includes a discussion of the target market and description of the current marketing position of a business and the marketing mix that a business will use to achieve their marketing goals. The marketing plan shows the actions that taken in order to achieve the business goals. The marketing plan would then outline the objectives that need to be achieved in order to reach the percent share.

Marketing planning segments the market, identifies the market position forecast the market size, and plans a viable market share within each market segment and also can be used to prepare a detailed case for introducing the products.

3.1 MARKETING OBJECTIVES

- i. To determine the specific path of the business for upcoming period.
 - By making a marketing plan, it will emphasize the business strategy of the product and services to survive in the industry. The business strategy must follow the customer awareness so that it will always be customers want or selection.
- ii. To generate profit for the business.
 - Sufficient profits must be earned as a result of sale of want- satisfying products. If the firm is not gaining profits, it will not be able to survive in the market. In that case, profits are also needed for the growth and diversification of the firm.
- iii. To achieve brand recognition among the society.
 - One goal of a business's marketing objectives is to improve its brand recognition among a target demographic. A firm can also use its marketing objectives to lay the foundation for a cold call to that specific individual or business.

3.2 INTRODUCTION TO PRODUCTS OR SERVICES

The House Café is a cafe that sells coffee drinks which located at Summer Mall Shopping Lot, Kota Samarahan, Sarawak. The House Café is the brand of our business which provides the best and quality coffee and that might achieve the customer's satisfaction.

Our café sells an affordable price and high quality of coffee drinks and provide books at the same time convenience place that can make the customers feel like at home. The average prices of our products are from RM RM 6 to RM 11.20 per price. Meanwhile, our café will also sell some cakes and cookies that will be a perfect combination with coffee or any other drinks.

Table 9: List of Products, Description and Price.

Caffeinated

Product	Description	Price (RM)
Espresso	Our exclusive perfectly balanced with a golden cream, this intense espresso has a caramel like aroma, velvety body, earthy flavor and a bittersweet finish.	RM 6
Americano	Our exclusive freshly pulled shots of espresso combined with hot water that reveals a lovely nuance and flavor.	RM 6
Cappuccino	Our exclusive freshly pulled shot of espresso layered with steamed milk and thick rich foam in perfect harmony to offer a pillowy texture and complex aroma.	RM 8.50
Latte	Our exclusive freshly pulled	RM 8.50

	shots of espresso with steamed milk that offers a milky-sweet flavor.	
Mocha	Our exclusive freshly pulled shots of espresso with chocolate powder, steamed milk and topped with thick foam that offers a rich and full-of-depth flavor.	RM 9

Non Caffeinated

Hot Vanilla	Our exclusive vanilla powder combined with perfectly steamed milk and topped with thick foam.	RM 7
Hot Chocolate	Our exclusive dark chocolate powder combined with perfectly steamed milk and serves with thick, rich, chocolaty and natural tasting.	RM 8.50
Hot Matcha Green Tea	Smooth and creamy matcha is lightly sweetened and served with milk.	RM 8.50

Ice Beverages

Ice Americano	Same as Americano description above but iced version.	RM6.50
Ice Cappuccino	Same as Cappuccino description above but in iced version.	RM 9.50

Ice Latte	Same as Latte description above but in iced version.	RM 9.50
Ice Mocha	Same as Mocha description above but in iced version.	RM 10

Ice Blended

Ice Blended Caramel Drink	A sweet treat made from our delicious coffee extract, vanilla powder, milk, caramel sauce, and blended with ice then topped with whipped cream and a drizzle of caramel sauce.	RM 11.20
Ice Blended Hazelnut Drink	A nutty twist on the Ice Blended Drink made from our delicious coffee extract, hazelnut powder and milk blended with ice and topped with whipped cream.	RM 11.20
Ice Blended Cookies & Cream Drink	A cool and sweet Cookies & Cream Ice Blended that combines creamy vanilla with chocolate cookie pieces and topped with whipped cream	RM 11.20
Ice Blended Chocolate Drink	A creamy and smooth treat made from skimmed milk blended with dark chocolate powder and topped with whipped cream.	RM 11.20
Ice Blended Matcha Green Tea	Our earthy-flavored matcha powder blended with ice and	RM 11.20

	milk for a refreshingly vegetal sweet finish of green tea and topped with whipped cream.	
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Cakes & Cookies

Chocolate Cake	A chocolate cake flavours with melted chocolate on top.	RM 7.00 per slice
Coffee Cake	A sponge cake of coffee flavoured.	RM 7.00 per slice
Cheese Cake	A cheese cake with a thickest layer of soft cheese taste and bottom with cracker crumbs.	RM 7.00 per slice
Red Velvet Cake	A red velvet cake flavoured loaded with cream cheese frosting.	RM 7.00 per slice
Lemon Cake	A lemon layer cake with lemon cream cheese frosting.	RM 7.00 per slice
Chocolate Chip Cookies	A soft and chewy chocolate chip cookie.	RM 2.50 per packet (5 pieces)
Chocolate Hazelnut Cookies	A crunchy chocolate hazelnut cookie.	RM 2.50 per packet (5 pieces)
Butter Cookies	A soft butter cookie.	RM 2.50 per packet (5 pieces)

3.2.1 Market Area and Business Location.

Market Area: In area Taman Desa Ilmu and 900m away from UNIMAS (University Malaysia Sarawak) and 3km away from UiTM (University Teknologi Mara Kampus Samarahan 1)

love coffee.			
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Market Segment	Target Market	Potential Purchase (RM)	Total Potential Purchase/ monthly (RM)
Community of Taman Desa Ilmu that love coffee.	16,771	80/month	$80 \times 16,771$ =1,341,680
UNIMAS students that loves coffee.	13,194	48/month	$48 \times 13,194$ =633,312
UiTM students that love coffee.	686	48/month	48×686 =32,928
TOTAL			RM 2,007,920

Market size per year = RM2,007,920 × 12 months

= RM 24,095,040

3.5 COMPETITORS

3.5.1 Analysis of Competitors.

Competitors are known as a company or other business that offers a similar products or services, substitute or alternative products or services to the same market. To ensure our business runs smoothly, we have make the effective strategy to deal with the expected competitors by studying our main competitors' strengths and weaknesses respectively.

Table 13: List of Competitors.

Competitors	Strengths	Weaknesses
1. Papa's Coffee	<ul style="list-style-type: none">- The design of the café is beautiful and have comfortable look.- The only coffee café in Kota Samarahan.- This café replace on Starbucks shoplot.	<ul style="list-style-type: none">-Recently or first time open their business-Experiences of the business are low.
2. Ding Tea	<ul style="list-style-type: none">- Sells variety of drinks or juices.	<ul style="list-style-type: none">- selling only few beverages on coffee flavour.
3. Easy Go Easy Drink	<ul style="list-style-type: none">- Similar as Ding Tea on selling variety of drinks and juices	<ul style="list-style-type: none">- selling only few beverages on coffee flavour.

3.6 MARKET SHARE

Market share is a comparative measure to assess performance against the competition. Market share is the percentage of an industry or market's total sales that is carried by a particular company over a specified time period. There are two segment of market share which is before and after The House Café entrance.

Table 14: Market Share Before Entry of The House Café.

Competitors	Percentage Market Share (%)	Estimated Market Share/Yearly (RM)
Papa's Coffee	40	9,638,016
Ding Tea	30	7,228,512
Easy Go Easy Drink	30	7,228,512
TOTAL	100	24,095,040

Table 15: Market Share After Entry of The House Café.

Competitors	Market Share (Before Entry) (%)	Loss of Market Share (%)	Market Share (After Entry) (%)	Market Share/Yearly (RM)
Papa's Coffee	40	4	36	8,674,214
Ding Tea	30	3	27	6,505,661
Easy Go Easy Drink	30	3	27	6,505,661
The House Café	-	-	10	2,409,504
TOTAL	100	10	100	24,095,040

3.7 SALES FORECAST

Year	Month	Remarks	Sales Collection (RM)
2018	January	New Year (Just Opened)	203,004
	February	Valentine Day Chinese New Year	202,211
	March	Good Friday	199,641
	April	-	199,010
	May	Labour Day Wesak Day	201,545
	June	Eid Al-fitr	201,989
	July	Sarawak Day	201,245
	August	-	199,968
	September	Malaysia Day	201,554
	October	-	195,757
	November	Deepavali Day	200,578
	December	Christmas Day	203,002
		Total Year 1	
2019	Total Year 2	Total year 2 (increase by 10%)	2,650,454
2020	Total Year 3	Total year 3 (increase by 15%)	3,048,023

3.8 MARKETING STRATEGY

3.8.1 Product or Services Strategies










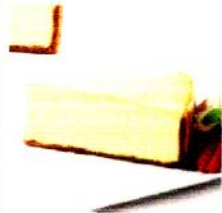



Product is a physical item that can be seen, owned, used or consumed. So, products strategies mean to create ideas and creations of the minds that regarded to the product of our business. We create “The House Café” is the brand of our products. We use high quality of ingredients and we labelled our packaging with our logo. The shape and size of the packaging is suitable for our products and the design can attract the customer to buy our products.



Packaging of coffee cup and beverage drink of The House Café.

Design of products.

Caffeinated		
Espresso 	Americano 	Cappuccino 
Latte 	Mocha 	
Non Caffeinated		
Hot Vanilla 	Hot Chocolate 	Hot Matcha Green Tea 
Ice Beverages		
Ice Americano 	Ice Cappuccino 	Ice Latte 

<p>Ice Mocha</p> 		
<p>Ice Blended</p>		
<p>Ice Blended Caramel</p> 	<p>Ice Blended Hazelnut</p> 	<p>Ice Blended Cookies & Cream</p> 
<p>Ice Blended Vanilla</p> 	<p>Ice Blended Chocolate</p> 	<p>Ice Blended Matcha Green Tea</p> 
<p>Cakes & Cookies</p>		
<p>Chocolate Cake</p> 	<p>Coffee Cake</p> 	<p>Cheese Cake</p> 
<p>Red Velvet Cake</p> 	<p>Lemon Cake</p> 	<p>Chocolate Chip Cookies</p> 



3.8.2 Price Strategy

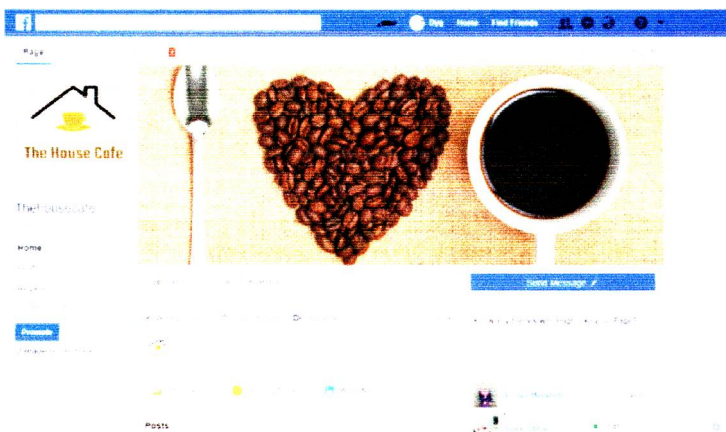
Price is the value exchanged between the seller and the buyer in order for the buyer to buy the product that we offer. The pricing strategy is used to ensure the company achieve the long term objectives. The price ranges of our products are from as low as RM6 to RM 11.20 per drinks. This will make customer attract in buying our product.

3.8.3 Promotion Strategies

➤ Advertising

▪ Social Media Network

Mostly people nowadays use social media network in their daily lives. Thus, promotion can be done easily and in the fastest way using social media network such as Facebook, Twitter and Instagram. We will update about our business activity and any promotion or discounts in the social media network.



Instagram



Business Cards

In the first two months of our opening, we will distribute our business card to customer.



Signboard

An attractive signboard will be placed in front top of our cafe to attract customers.



The House Cafe

- Banner



- Flyers



➤ Sales Promotion

▪ Discount

We provide discount 10% for students and regular customer to our business. Instead, we will also give discount for special occasions such as Valentine's Day, Chinese New Year, Malaysia Day and so on.

3.9 MARKETING PERSONNEL

Position	Number of Personnel
Marketing Manager	1

3.10 SCHEDULE TASKS AND RESPONSIBILITIES

Position	Task and Responsibilities
Marketing Manger	<ol style="list-style-type: none">1. Overseeing the company's marketing budget.2. Developing the marketing for the company and activities within the marketing manager.3. Managing all marketing for the

	<p>company and activities within the marketing manager.</p> <ol style="list-style-type: none"> 4. Co-ordinating marketing campaign with sales activities. 5. Calculate and report the sales forecast for every month.
--	---

3.11 MARKETING BUDGET

Type	Fixed Asset Cost (RM)	Monthly Expenses (RM)	Other Expenses (RM)
Capital Expenditures/ Fixed Asset -Signboard	900.00		
Working Capital Monthly -Stickers (250 pieces) - Ripple wrap coffee cup (2 packet/200 per packet) -Paper cake box (100		45.00 61.00	

pieces)		53.00	
Other Expenses			
-Business Card (2 boxes)			34.00
-Banner (Now Opening)			75.00
-Flyers (30 pieces)			6.00
Total	900.00	159.00	115.00

Total Marketing Budget = RM 900+RM159+ RM 115 = RM 1,174

SECTION 4

OPERATIONAL PLAN

4.0 Introduction

Operation plan is the most significant elements in running a business so that the business able to run smoothly, effectively, and efficiently. This is because we want to produce a good quality product in order to fulfill customers satisfaction. Hence, a systematic operational plan is formed so that our business run smoothly and achieve its objective

In any business that we want to establish, an operation objective is important element that should be concerned in order to ensure that the business is depending on how effective the operation in the business itself. The smoothly and efficiently of the operation can lead the business to achieve the goals without facing any problems that hinder the success of business. Therefore, the objective operation should be set up in order to serve as a guideline for the business success. The main objective for The House Cafe is to make sure our cafe become daily necessity for local coffee addict.

4.1 Objective

Operational Manager play an important roles in every each of the company this is because to ensure that the organization is running smoothly and efficient service so it meet the customer expectation and needs. To make sure the quality of product is good and manage the problem solving efficiently. Managing the quality of raw material and personnel. Overseeing inventory, distribution of goods and facility layout..

This is to ensure the smoothness of the company running their business. So that the end user that receive the product or services satisfied. If the customer satisfied with our product or services, they tend to always coming to our business and this will led to the increasing in our net income. From that, Operational Manager play an important role to make sure that the successful of the company or business

4.2 Operation process

1. Receiving the machinery and equipment

Our first task is to receive the machinery like coffee machine, blender, register machine for cashier, fax machine from our suppliers. We will also receive equipment such as tables and chairs, chiller, refrigerator, cabinets and dustbin from them. All these machine and equipment will be ordered 2 months before.

5) Checking the machinery and equipment

After all the machines and equipment have been delivered, we will start checking on the conditions of our machines and equipment to make sure they are not damaged. In which, to avoid any complain. If the conditions of our machines and equipment are bad or damaged, we will make a report, send it back to the suppliers and ask for new machines and equipment to ensure that we deliver quality products to our customers.

6) Inspection of good quality

We must ensure that we implement quality control to check whether the machines and equipment are in good conditions or not before we serve our products to our customers. It is to ensure that we can provide good services and products to the customers. We will not be able to get our targeted profit if there are disturbances while delivering the products and services.

7) Set up machinery and equipment

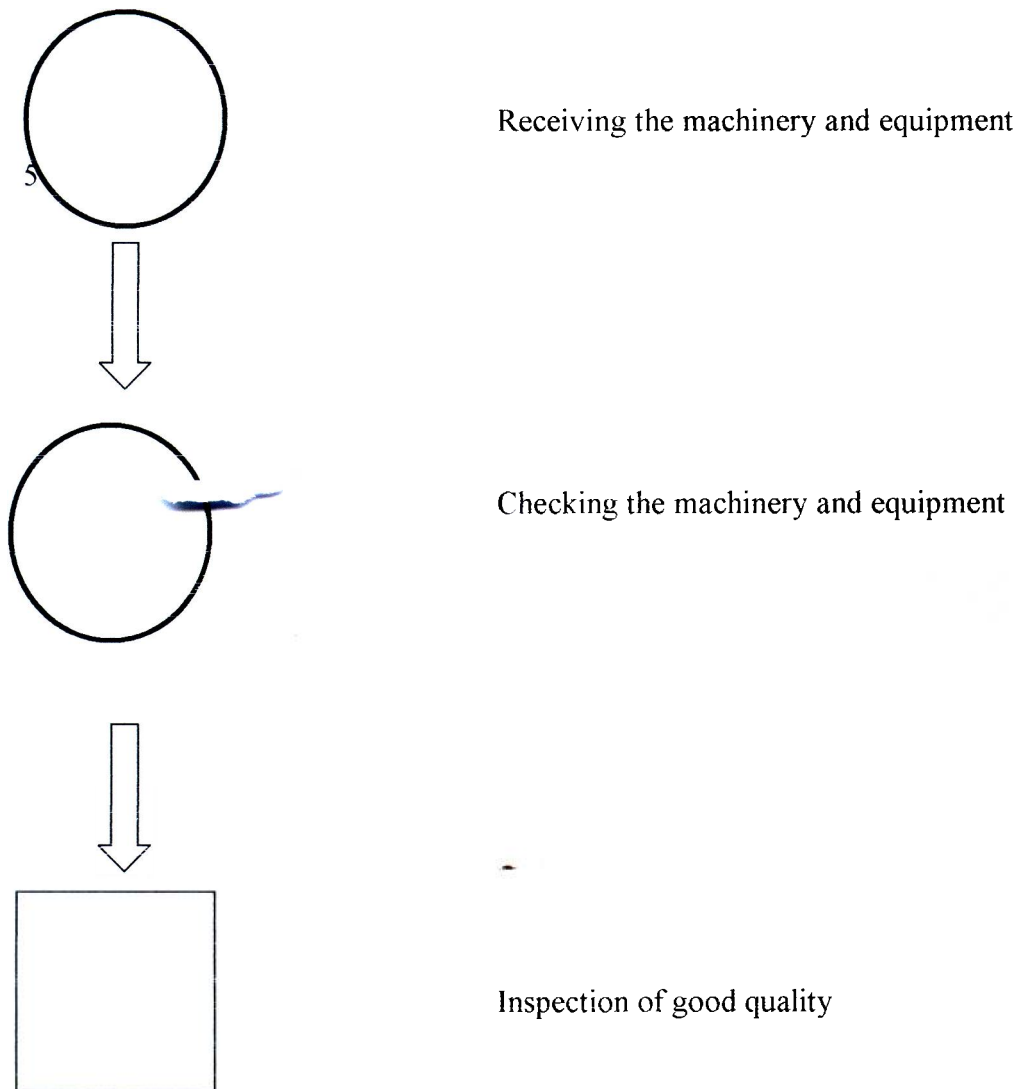
After the inspection is implemented, we will set up all the machines and equipment to make our products and services to our customers.

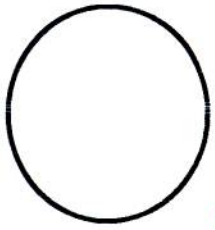
8) Start to serve the customers

The last process is start serving the customers. As all our machines and equipment have been set up, we will start our business as soon as possible.

4.2.1 Process flow chart

Process in planning involves the identification of the step we take in the process from the beginning to end in making product or in providing services. The process involved will be explained clearly such as process flow chart. These are universally recognized symbols to illustrate it in a process of flow chart.





Set up the machinery and equipment

4.3 Production Planning

4.3.1 Capacity planning-output in units/operations time

Capacity planning-output in unit

Amount of sales forecast per month= RM 200,792

Average price per product= RM7.85

Number of output to be produce per month = $\text{RM } 200,792 / \text{RM}7.85$
=25579 units

Amount of output to be produce per day = $25579 / 26 \text{ Days}$
= 984 units

4.3.3 List of task and responsibility

Position	No of staff	Task and Responsibilities
Kitchen Helper	2	<ul style="list-style-type: none"> ➤ To make sure kitchen always clean ➤ Washes walls, refrigerator, and meat blocks ➤ Removes trash and garbage and places it in designated containers ➤ Transfer supplies and equipment between storage and work areas.
Barista	1	<ul style="list-style-type: none"> ➤ Greet persons entering the cafe ➤ Ask and recommend the customer products/drink which best for them ➤ Clean and sanitize the equipment, the working area and the sitting area in accordance with the current sanitary rules ➤ Check the equipment and ask for fixing or replacement when malfunctions are observed
Cashier	1	<ul style="list-style-type: none"> ➤ Greet the customer ➤ Record the profit and loss of the business ➤ Control the cash flow and the payment process ➤ Give the receipt to the customer
Waiter	1	<ul style="list-style-type: none"> ➤ Providing excellent wait service to ensure customer satisfaction ➤ Taking customer order food and beverage ➤ Making menu recommendations, answering questions and sharing additional information with restaurant patrons ➤ Inform customers about the day's specials

4.3.4 SCHEDULE OF REMUNERATION

Remuneration is the payment or compensation received for services or employment. This includes base salary and bonuses or other economic benefits that an employee or executive receives during employment.

POSITON	NO	MONTHLY SALARY (RM)	EPF (12%)	SOCSSO (2%)	TOTAL (RM)
WORKERS	5	RM980	RM117.60	RM19.60	RM1117.20
TOTAL	11	RM11280	RM1353.60	RM225.60	RM12859.20

4.4 Material Requirement

4.4.1 Raw Material Per Day

No	Material	Quantity	Price/unit(RM)	Total Price Per Day(RM)	Total Price Per Month (RM)
1	Drip Coffee Bag	5 boxes	32	160	832
2	Coffee Bean	10 boxes	45	450	11700
3	Cold Brew Coffee	8 boxes	38	304	7904
5	Whipping Cream	6 can	20	115	2990
6	Milk	8 can	10	80	2080
7	Total			1,109	25,506

4.4.2 Supplies

Supplier:

Mentega Keju

Address: Mentega Keju Cake House, Lot 3798, Block 1, Samarahan Land District Phase 11 G5, Taman Desa Ilmu, 94300 Kota Samarahan, Sarawak.

Survey

Address: Summer Mall, Jalan Datuk Muhammad Musa, 94300 Kota Samarahan, Sarawak.



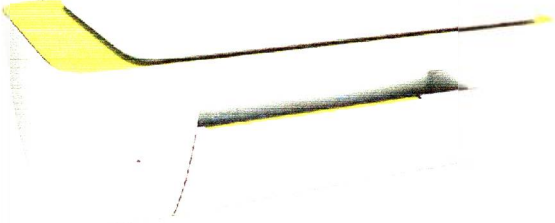
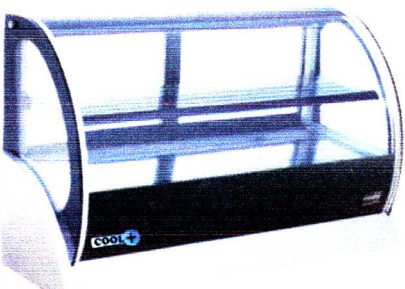
Sorepco Resources Sdn Bhd

Address: Jalan Borneo, Off Jalan Tuanku Abdul Rahman, 93100 Kuching, Sarawak, 68100, Malaysi

4.5 MACHINERY AND EQUIPMENT

4.5.1 Machinery

Machine	Name	Price
	Bear the steam household automatic small Italian coffee machine	RM588.00
	BREVILLE BES870 Coffee Machine The Barista Express	RM2825.00
	Panasonic Blender MX-GM1011H	RM169.80

	<p>SHARP XE-A107 ELECTRONIC CASH REGISTER MACHINE CASHIER [BLACK]</p>	<p>RM620.00</p>
<p>Panasonic</p> 	<p>Panasonic KX-FP701ML Inkfilm Mono Fax Machine</p>	<p>RM305.00</p>
	<p>HP Deskjet Ink Advantage 2135 All-In-One Printer</p>	<p>RM183.00</p>
	<p>Cool Plus Table Top Chiller SRTR 120L</p>	<p>RM2400.00</p>

4.5.2 Expenses per Month

Raw Materials + Remuneration = Expenses per month

RM 25506.00 + RM 14227.20 = RM 39733.20 per month

4.5.3 Expenses per Yearly

RM39733.20 × 12 months = RM 476798.40 yearly

4.5.2 EQUIPMENT

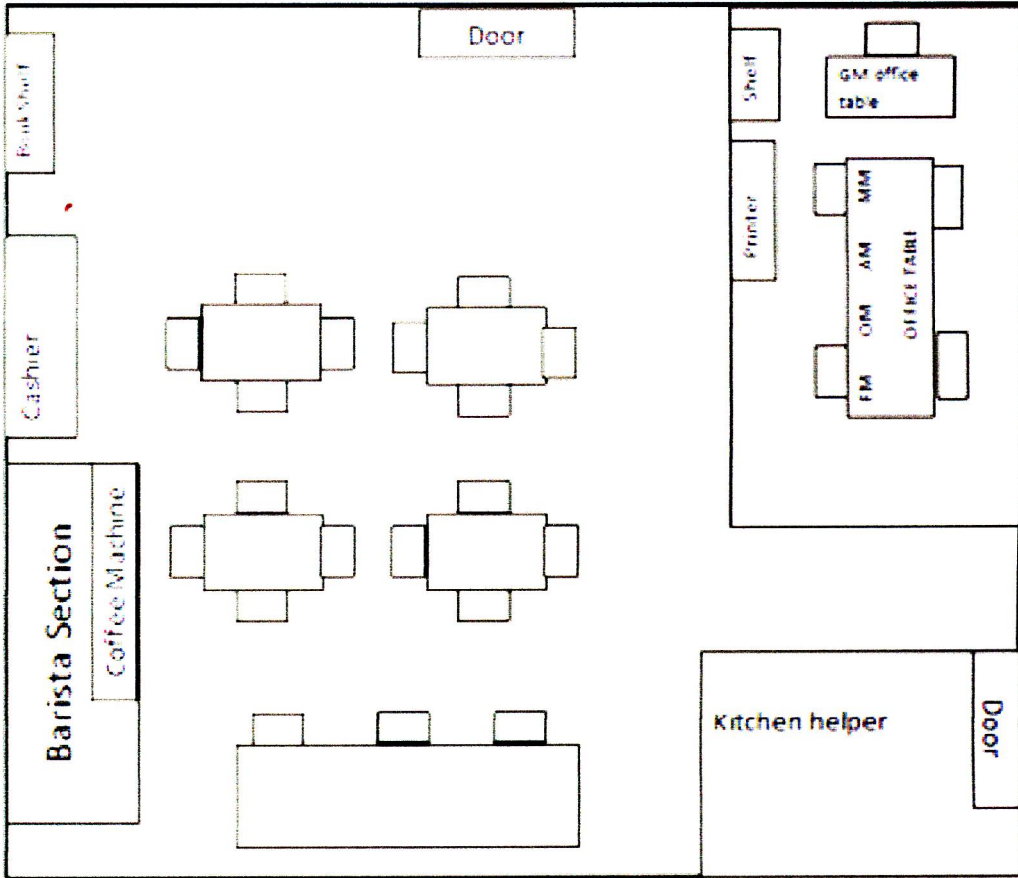
N O	ITEM	QUANTITY (UNIT)	PRICE PER UNIT (RM)	TOTAL COST (RM)
1	REFRIGERATOR	1	769.00	769.00
3	TABLES	5	369.00	1845
	CHAIRS	12	195.00	2340
4	KITCHEN CABINET	1	1599.00	1599.00
5	CUPS	50	7.30	365.00
6	GLASSES	50	17.60	880.00
7	CUTLERIES SET OF SPOON, FORK, AND KNIFE	100	12.90	1290.00
8	STRAWS	10 SETS	9.50	95.00
9	DUSTBIN			
	● SMALL	1	12.50	12.50
	● BIG	1	55.00	55.00
10	SINK	2	183.00	366.00
11	CUPS FOR TAKEAWAY	50	18.00	900.00
12	PLATES FOR CAKE	50	20.50	1025.00
13	CCTV AND RECORDER	4	-	504.20
14	FRONT DESK	1	592.50	592.50
15	WATER DISPENSER	1	196.00	196.00
16	CONTAINERS	50	5.50	275.00

17	SHELF ● BOOKS(BIG)	1	299.00	299.00
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18	HANDKERCHIEF	4	1.30	5.20
19	FRONT DESK'S CHAIR	1	89.00	89.00
20	GLOVE	50	0.30	15.00
21	APRON	4	10	40.00
22	HAND SOAP	2	6.70	13.40
23	DISHWASHER LIQUID	2	7.00	14.00
24	RESIT	20 ROLLS	-	28.00
25	PLASTIC	100	-	14.00
26	PERSPEK	8	19.60	156.80
27	SIGN BOARD	1	900	900.00
28	DECORATION	-	-	500.00
29	BULB	10	13.00	130.00
30	SCISSOR	2	2.00	4.00
31	KNIFE	1 SET	12.00	12.00
32	TISSUE	10 SETS	5.40	54.00
33	PIPE	3	24.00	72.00
34	MOP	2	19.90	39.80
35	LIQUID FOR MOP	2	7.00	14.00
36	BROOM	2	8.50	17.00
37	DUSTPAN	2	6.00	12.00
TOTAL				15,538.40

4.6 Operation layout

4.6.1 Operational Layout Plan



The House Café's shop layout

4.6.2 Location Plan

The House Cafe is located in Summer Mall, Kota Samarahan. This area is well-known for its major population especially the students from the nearby universities. Students from University Technology Mara (UITM) Kampus Samarahan 1 and 2, and University Malaysia Sarawak (UNIMAS) are among the people who also reside in Kota Samarahan. This gives benefits to our business to be set up there. Besides that, it is strategically located because people of all ages especially nearby students can visit our cafe and spend their time doing assignments or having a long conversation with each other. The major population of the location gives us an advantage to have a good social relation with them.



4.7 OPERATION HOUR AND BUSINESS HOUR

In an organization or business, operation time is very important because that can help in managing the education time wisely. Within the operation time, we can standardize and systemize our production schedule.

a) For operation hour

Our coffee shop will operate from Monday to Sunday every week. We will start operating from 10.00 a.m. until 10.00 p.m.

DAY	SESSION ONE	REST HOUR	SESSION TWO
MONDAY	10am-1pm	1 HOUR	2pm-10pm
TUESDAY	10am-1pm	1 HOUR	2pm-10pm
WEDNESDAY	10am-1pm	1 HOUR	2pm-10pm
THURSDAY	CLOSED		
FRIDAY	10am-1pm	1 HOUR	2pm-10pm
SATURDAY	10am-1pm	1 HOUR	2pm-10pm
SUNDAY	10am-1pm	1 HOUR	2pm-10pm

4.8 Operation Overhead

No	Overheads	Cost(RM)
1.	Repairs and maintenance	1300
2.	Utilities	1050
TOTAL		2350

4.9 Production Budget

Item	Fixed Assets Expenses (RM)	Monthly Expenses (RM)	Other Expenses (RM)
Machinery and equipment	15,538.40		
Remuneration		14227.20	
Raw Materials		25506.00	
Other expenditure: Insurance			RM500
TOTAL	RM55771.60		

Section 5

Financial Plan

5.0 INTRODUCTION

Financial plan is one of the important element in conducting a business where it incorporates all financial data develop from the operating budgets. For example, the marketing, operations and administration budgets. All the financial inputs collected are transformed into a financial budget.

The financial plan consists of three form statements which are Cash Flow, Income Statement and Balance Sheet. The purpose is to show the entrepreneur with an overall financial picture of their business and to determine the expected profit or loss for the planned. Basically, the financial plan helps to analyze the financial performance of the business.

5.1 OBJECTIVES

7. To know how much the company profit increase in three years
8. To make proper planning on the expenditure and avoiding wasting so much of raw material, capital and expenses in a month
9. To know how much money flow in and out in the business and the company development
10. To know the total amount of the expenditure and depreciation
11. To make sure we can afford to pay the loan payment every month
12. To maximize profit by increasing the scale
13. To be used as guideline for project implementation

Business Location: Our business location is in Summer Mall, Jalan Datuk Mohammad Musa, 94300 Kota Samarahan, Sarawak.

3.2.2 Segmenting the Market.

Table 10: Segmenting the Market.

Types of Segmentation	Segment 1	Segment 2
Geographic	<ul style="list-style-type: none"> - The community at Taman Desa Ilmu. - Students at approximate university or institution which is UNIMAS and UiTM. 	Kota Samarahan and Kuching
Psychographic	<ul style="list-style-type: none"> - Coffee addicts. 	Coffee addicts
Behavioural	<ul style="list-style-type: none"> - Someone who loves to try something new in choosing place to hanging out. 	-
Demographic	-	University students.

3.3 TARGET MARKET

Target market is define as a group of people who consist of customers or consumers whose needs and desires most closely match our to product or service offerings. It is important to know our target customer because it might give high impact on making a successful business.

After observation or analysis of our business had been conduct, we came out with two segments of target market. So, we choose the first segment as target market. Thus, our target market consist in term geographic segment are the community at Taman Desa Ilmu and students at approximate university or institutions which is UNIMAS and UiTM. Instead, in term psychographic segment is for coffee addicts and behavioural segment is for someone who loves to try something new in choosing place to hanging out.

3.4 MARKET SIZE

- There are around 250,622 of peoples according to population of Kota Samarahan in 2015. Assuming there are 20% population live at Taman Desa Ilmu.

$$\begin{aligned} \text{Residence of Taman Desa Ilmu} &= 25\% \times 250,622 \\ &= 62,656 \end{aligned}$$

$$\text{Assume there are 3 members in a family who love coffee} = 62,656/3 = 20,885$$

$$\begin{aligned} \text{Assume there are 40\% of 20,885 families who love coffee} &= 40\% \times 20,885 \\ &= 8354 \text{ persons} \end{aligned}$$

- There are 16,492 students based on UNIMAS enrolment (Sources, UNIMAS websites 2016)

$$\begin{aligned} \text{Assume there are 40\% of 16,492 students who love coffee} &= 40\% \times 16,492 \\ &= 6597 \text{ students} \end{aligned}$$

- There are 9800 students based on UiTM Samarahan enrolment (Sources, UiTM website 2016)

$$\begin{aligned} \text{Assume there are 35\% of 9800 students who love coffee} &= 35\% \times 9800 \\ &= 3430 \text{ students} \end{aligned}$$

Table 11 & 12: Market Size.

Market Segment	Population	Target Market (%)	Target Market
Community of Taman Desa Ilmu that love coffee.	8354	20	16,771
UNIMAS students that loves coffee.	6597	20	13,194
UiTM students that	3430	20	686

5.2 FINANCIAL PERSONNEL

5.2.1 List of Financial Personnel

POSITION	NUMBER OF PERSONNEL
Financial manager	1

5.2.2 Schedule of Tasks and Responsibilities

POSITION	TASKS AND RESPONSIBILITIES
Financial Manager	<ol style="list-style-type: none">1. Deals with all the transactions in the business.2. Responsible of the cash flow and budgeting plan of the business.3. Estimate the ratios to know the profit every month4. Responsible in preparing salary slips, business receipt and paid salary5. Responsible in gathering all the budgets and financial

5.3 FINANCIAL PLANNING

5.3.1 Project Implementation Cost

Pre-Operating & Incorporation Costs (one-off)	RM
Development cost	2,500
Business incorporation	17,000
Deposit (rent, utilities, etc.)	
Other pre-operating & incorporation costs	
Sales & Marketing Costs (monthly)	
Stickers	45
Ripple wrap coffee cup	61
Paper cake boxes	53
General & Administrative Costs (monthly)	
Salaries, Wages, EPF & SOCSO	11,742
Rental	2,800
Utilities	200
WIFI	200
Office supplies	

	180
Operations & Technical Costs (monthly)	
Purchase of Raw Materials/Goods	25,506
Carriage Inwards	
Salaries, Wages, EPF & SOCSO	1,117
Utilities	1,050
Other Expenditure (annually)	
Insurance	500
Business licence	100
Total Pre-Operations & Working Capital Expenditure	63,054
Annual Increase in Working Capital (if any)	
Year 2	5%
Year 3	10%
	0%
	0%

Tax Rates	
Year 1	25%
Year 2	25%
Year 3	25%
	25%
	25%

5.3.2 Sources of Finances

Capital Expenditure	Cost	Own Contributions		Loan	Hire-Purchase
		Cash	Existing F. Assets		
Land & Building	2,800	2,800			
Office Equipment	5,181			5,181	
		-			
		-			
		-			
Signboard	900	900			
Banner	75	75			
Business card	34	34			
Flyers	6	6			
Machine	7,091				7,091
Equipment	15,538				

		15,538			
		-			
		-			
Working Capital					
Sales & Marketing Costs (monthly)	159	159			
General & Administrative Costs (monthly)	15,122	15,122			
Operations & Technical Costs (monthly)	27,673	27,673			
Pre-Operating & Incorporation Costs (one-off)	19,500	19,500			
Other Expenditure (annually)	600	600			
Provision for Contingencies	4,704	4,704			
TOTAL	99,383	87,111		5,181	7,091

5.3.3 Loan Amortization and Hire Purchase

LOAN AMORTIZATION SCHEDULE				
Amount (RM)		5,181		
Interest Rate		5%		
Duration (yrs)		3		
Method		Annual Rest		
<i>Year</i>	<i>Instalment Payments</i>			<i>Principal Balance</i>
	<i>Principal</i>	<i>Interest</i>	<i>Annual Payments</i>	
	-	-	-	5,181
1	1,643	259	1,903	3,538
2	1,726	177	1,903	1,812
3	1,812	91	1,903	0
4	0	0	0	0
5	0	0	0	0
6	0	0	0	0
7	0	0	0	0
8	0	0	0	0
9	0	0	0	0
10	0	0	0	0
11	0	0	0	0

12	0	0	0	0
13	0	0	0	0
14	0	0	0	0
15	0	0	0	0
16	0	0	0	0
17	0	0	0	0
18	0	0	0	0
19	0	0	0	0
20	0	0	0	0

HIRE-PURCHASE REPAYMENT SCHEDULE				
Amount (RM)	7,091			
Interest Rate	5%			
Duration (yrs)	3			
Tahun	Bayaran Ansuran			Baki Pokok
	<i>Pokok</i>	<i>Faedah</i>	<i>Bayaran Tahuna n</i>	
	-	-	-	7,091

1	1,418	355	1,773	5,673
2	1,418	355	1,773	4,255
3	1,418	355	1,773	2,836
4	1,418	355	1,773	1,418
5	1,418	355	1,773	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	-
11	0	0	-	-
12	0	0	-	-
13	0	0	-	-
14	0	0	-	-
15	0	0	-	-
16	0	0	-	-

17	0	0	-	-
18	0	0	-	-
19	0	0	-	-
20	0	0	-	-

5.3.4 Fixed Asset Depreciation Schedule

<i>Type of Fixed Asset</i>		Office Equipment	
<i>Cost (RM)</i>		5,181	
<i>Depreciation Method</i>		Straight Line	
<i>Economic Life (yrs)</i>		5	
<i>Year</i>	<i>Annual Depreciation</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>
	-	-	5,181
1	1,036	1,036	4,145
2	1,036	2,072	3,109
3	1,036	3,109	2,072
4	1,036	4,145	1,036
5	1,036	5,181	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

Type of Fixed Asset		Signboard	
Cost (RM)		900	
Depreciation Method		Straight Line	
Economic Life (yrs)		5	
<i>Year</i>	<i>Annual</i>	<i>Accumulated</i>	<i>Book Value</i>
	<i>Depreciation</i>	<i>Depreciation</i>	
	-	-	900
1	180	180	720
2	180	360	540
3	180	540	360
4	180	720	180
5	180	900	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

Type of Fixed Asset		Banner	
Cost (RM)		75	
Depreciation Method		Straight Line	
Economic Life (yrs)		5	
<i>Year</i>	<i>Annual</i>	<i>Accumulated</i>	<i>Book Value</i>
	<i>Depreciation</i>	<i>Depreciation</i>	
	-	-	75
1	15	15	60
2	15	30	45

3	15	45	30
4	15	60	15
5	15	75	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

<i>Type of Fixed Asset</i>		Business card	
<i>Cost (RM)</i>		34	
<i>Depreciation Method</i>		Straight Line	
<i>Economic Life (yrs)</i>		5	
<i>Year</i>	<i>Annual</i>	<i>Accumulated</i>	<i>Book Value</i>
	<i>Depreciation</i>	<i>Depreciation</i>	
	-	-	34
1	7	7	27
2	7	14	20
3	7	20	14
4	7	27	7
5	7	34	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

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

<i>Type of Fixed Asset</i>		Machine	
<i>Cost (RM)</i>		7,091	
<i>Depreciation Method</i>		Straight Line	
<i>Economic Life (yrs)</i>		10	
<i>Year</i>	<i>Annual</i>	<i>Accumulated</i>	<i>Book Value</i>
	<i>Depreciation</i>	<i>Depreciation</i>	
	-	-	7,091
1	709	709	6,382

2	709	1,418	5,673
3	709	2,127	4,964
4	709	2,836	4,255
5	709	3,546	3,546
6	709	4,255	2,836
7	709	4,964	2,127
8	709	5,673	1,418
9	709	6,382	709
10	0	0	709

<i>Type of Fixed Asset</i>		Equipment	
Cost (RM)		15,538	
Depreciation Method		Straight Line	
Economic Life (yrs)		5	
<i>Year</i>	<i>Annual</i>	<i>Accumulated</i>	<i>Book Value</i>
	<i>Depreciation</i>	<i>Depreciation</i>	
	-	-	15,538
1	3,108	3,108	12,430
2	3,108	6,215	9,323
3	3,108	9,323	6,215
4	3,108	12,430	3,108
5	3,108	15,538	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

5.3.5 ProForma Cash Flow Statement

MONTH	Pre-Operations	January	February	March
<u>CASH INFLOW</u>	-			
Capital (Cash)	86,901			
Loan	5,181			
Cash Sales		203,304	20,221	19,964
Collection of Accounts Receivable		0	182,704	181,990
TOTAL CASH RECEIPT	92,082	203,304	202,925	201,954
<u>CASH OUTFLOW</u>				
	-			
Pre-operating & Incorporation Expenditure	19,500			
Sales & Marketing Expenditure		25,665	25,665	25,665
General & Administrative Expenditure		12,122	12,122	12,122
Operations & Technical Expenditure		4,967	7,912	34,924
Other Expenditure		600		
Purchase of Fixed Assets	24,534			
Hire-Purchase Repayment:				
Principal		197	197	197
Interest		30	30	30
Loan Repayment:				
Principal		137	137	137
Interest		22	22	22
Tax Payable		0	0	0
TOTAL CASH OUTFLOW	44,034	43,739	46,084	73,096
CASH SURPLUS (DEFICIT)	48,048	159,565	156,841	128,858
BEGINNING CASH BALANCE		48,048	207,613	364,454
ENDING CASH BALANCE	48,048	207,613	364,454	493,312

MONTH	April	May	June
<u>CASH INFLOW</u>			
Capital (Cash)			
Loan			
Cash Sales	19,901	20,155	20,199
Collection of Accounts Receivable	179,677	179,109	181,391
TOTAL CASH RECEIPT	199,578	199,264	201,589
<u>CASH OUTFLOW</u>			
Pre-operating & Incorporation Expenditure			
Sales & Marketing Expenditure	25,665	25,665	25,665
General & Administrative Expenditure	12,122	12,122	12,122
Operations & Technical Expenditure	39,086	34,603	31,875
Other Expenditure			
Purchase of Fixed Assets			
Hire-Purchase Repayment:			
Principal	197	197	197
Interest	30	30	30
Loan Repayment:			
Principal	137	137	137
Interest	22	22	22
Tax Payable	0	0	0
TOTAL CASH OUTFLOW	77,258	72,775	70,047
CASH SURPLUS (DEFICIT)	122,320	126,489	131,543
BEGINNING CASH BALANCE	493,312	615,632	742,120
ENDING CASH BALANCE	615,632	742,120	873,663

MONTH	July	August	September

<u>CASH INFLOW</u>			
Capital (Cash)			
Loan			
Cash Sales	20,125	19,997	20,155
Collection of Accounts Receivable	181,790	181,121	179,971
TOTAL CASH RECEIPT	201,915	201,117	200,127
<u>CASH OUTFLOW</u>			
Pre-operating & Incorporation Expenditure			
Sales & Marketing Expenditure	25,665	25,665	25,665
General & Administrative Expenditure	12,122	12,122	12,122
Operations & Technical Expenditure	43,500	38,682	31,474
Other Expenditure			
Purchase of Fixed Assets			
Hire-Purchase Repayment:			
Principal	197	197	197
Interest	30	30	30
Loan Repayment:			
Principal	137	137	137
Interest	22	22	22
Tax Payable	0	0	0
TOTAL CASH OUTFLOW	81,672	76,854	69,646
CASH SURPLUS (DEFICIT)	120,242	124,263	130,481
BEGINNING CASH BALANCE	873,663	993,905	1,118,168
ENDING CASH BALANCE	993,905	1,118,168	1,248,649

MONTH	October	November	December

<u>CASH INFLOW</u>			
Capital (Cash)			
Loan			
Cash Sales	19,576	20,058	20,300
Collection of Accounts Receivable	181,399	176,181	180,520
TOTAL CASH RECEIPT	200,974	196,239	200,820
<u>CASH OUTFLOW</u>			
Pre-operating & Incorporation Expenditure			
Sales & Marketing Expenditure	25,665	25,665	25,665
General & Administrative Expenditure	12,122	12,122	12,122
Operations & Technical Expenditure	35,157	31,365	34,962
Other Expenditure			
Purchase of Fixed Assets			
Hire-Purchase Repayment:			
Principal	197	197	197
Interest	30	30	30
Loan Repayment:			
Principal	137	137	137
Interest	22	22	22
Tax Payable	0	0	0
TOTAL CASH OUTFLOW	73,329	69,537	73,134
CASH SURPLUS (DEFICIT)	127,646	126,702	127,686
BEGINNING CASH BALANCE	1,248,649	1,376,295	1,502,997
ENDING CASH BALANCE	1,376,295	1,502,997	1,630,683

MONTH	2018	2019	2020

<u>CASH INFLOW</u>			
Capital (Cash)	86,901	0	0
Loan	5,181	0	0
Cash Sales	423,954	265,045	304,802
Collection of Accounts Receivable	1,985,852	2,369,326	2,713,403
TOTAL CASH RECEIPT	2,501,888	2,634,372	3,018,205
<u>CASH OUTFLOW</u>			
Pre-operating & Incorporation Expenditure	19,500		
Sales & Marketing Expenditure	307,980	323,379	355,717
General & Administrative Expenditure	145,464	152,737	168,011
Operations & Technical Expenditure	368,506	405,447	473,235
Other Expenditure	600	630	693
Purchase of Fixed Assets	24,534		
Hire-Purchase Repayment:			
Principal	2,364	2,364	2,364
Interest	355	355	355
Loan Repayment:			
Principal	1,643	1,726	1,812
Interest	259	177	91
Tax Payable	0	0	0
TOTAL CASH OUTFLOW	871,204	886,814	1,002,276
CASH SURPLUS (DEFICIT)	1,630,683	1,747,558	2,015,929
BEGINNING CASH BALANCE	0	1,630,683	3,378,241
ENDING CASH BALANCE	1,630,683	3,378,241	5,394,170

5.3.6 Proforma Income Statement

Years	2018	2019	2020
Sales	2,409,504	2,650,454	3,048,023

Less: Expenditure			
Pre-Operating & Incorporation Expenditure	19,500		
General & Administrative Expenditure	145,464	152,737	168,011
Sales & Marketing Expenditure	307,980	323,379	355,717
Operations & Technical Expenditure	396,294	461,000	527,021
Other Expenditure	600	630	693
Interest on Hire-Purchase	355	355	355
Interest on Loan	259	177	91
Depreciation of Fixed Assets	5,056	5,056	5,056
Total Expenditure	875,508	943,334	1,056,942
Net Income Before Tax	1,533,997	1,707,120	1,991,081
Tax	0	0	0
Net Income After Tax	1,533,997	1,707,120	1,991,081
Accumulated Net Income	1,533,997	3,241,117	5,232,197

5.3.7 Proforma Balance Sheet

			2018	2019	2020
ASSETS					
Non-Current Assets (Book Value)					
Land & Building			2,800	2,800	2,800
Other Fixed Assets			23,769	18,713	13,657
Other Assets					
Deposit					
			26,569	21,513	16,457
Current Assets					
Inventory			0	0	0
Accounts Receivable			182,702	198,784	228,602
Cash Balance			1,630,683	3,378,241	5,394,170
			1,813,385	3,577,026	5,622,772
TOTAL ASSETS					
			1,839,954	3,598,539	5,639,229
Owners' Equity					
Capital			86,901	86,901	86,901
Accumulated Income			1,533,997	3,241,117	5,232,197
		-	1,620,897	3,328,018	5,319,098
Long-Term Liabilities					
Loan Balance			3,538	1,812	0
Hire-Purchase Balance			4,727	2,364	
			8,265	4,176	0
Current Liabilities					
Accounts Payable			27,788	83,342	137,128

TOTAL EQUITY & LIABILITIES		1,656,951	3,415,535	5,456,226
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5.3.8 Financial Performance

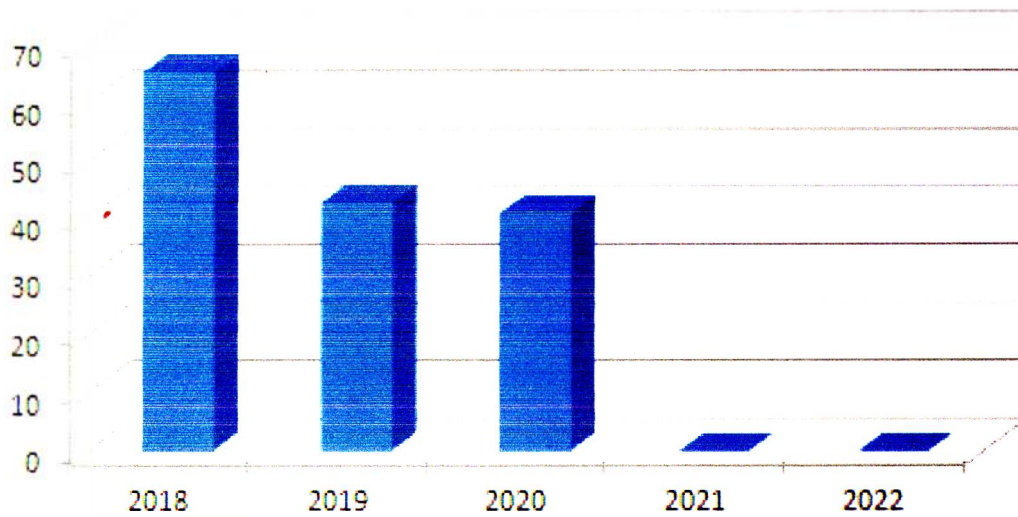
<u>LIQUIDITY</u>				
Current Ratio		65	43	41
Quick Ratio (Acid Test)		65	43	41
<u>EFFICIENCY</u>				
Receivable Turnover		12	12	12
Inventory Turnover		NA	NA	NA
<u>PROFITABILITY</u>				
Gross Profit Margin		NA	NA	NA
Net Profit Margin		63.66%	64.41%	65.32%
Return on Assets		83.37%	47.44%	35.31%
Return on Equity		94.64%	51.30%	37.43%
<u>SOLVENCY</u>				
Debt to Equity		2.22%	2.63%	2.58%
Debt to Assets		1.96%	2.43%	2.43%
Time Interest Earned		5,921	9,650	21,977

Total projected sales(RM)		2,409,504	2,650,454
Total variable costs (cost of sales)			
Contribution margin		NA	NA

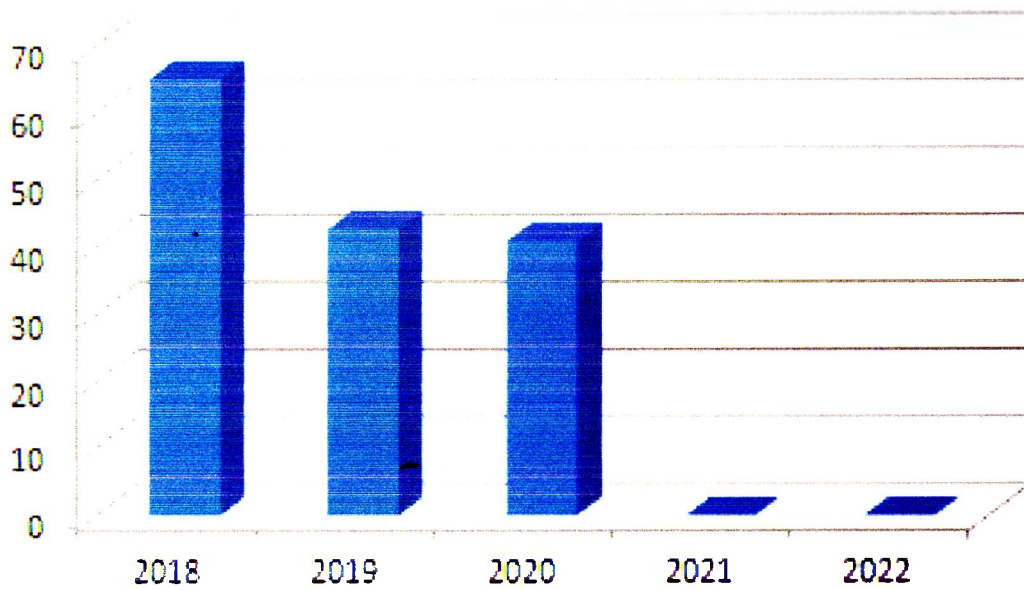
Contribution margin ratio	NA	NA	NA
Fixed costs	NA	NA	NA
Total costs	875,508	943,334	1,056,942
Net Profit	1,533,997	1,707,120	1,991,081
Break-even sales	875,508	943,334	1,056,942
Percentage of break-even to sales	36%	36%	35%

5.4 Financial Graph

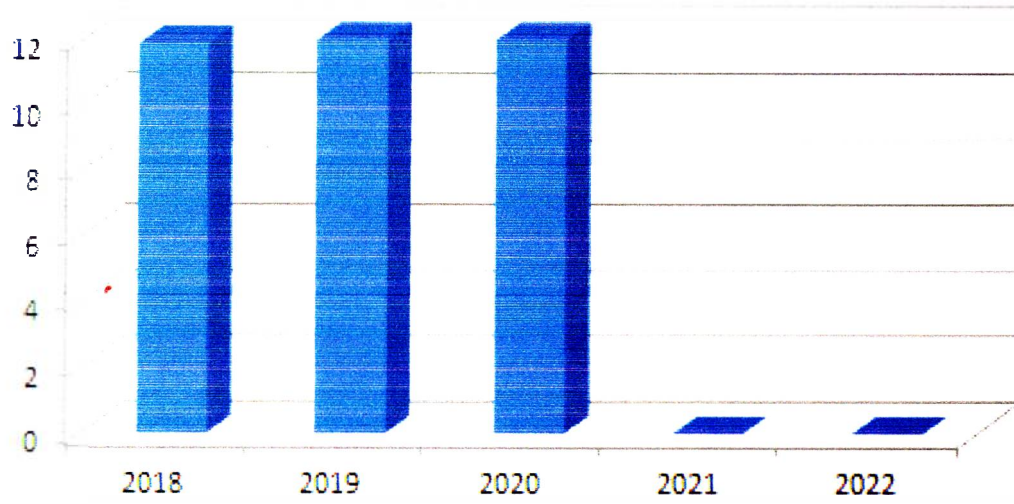
Current Ratio



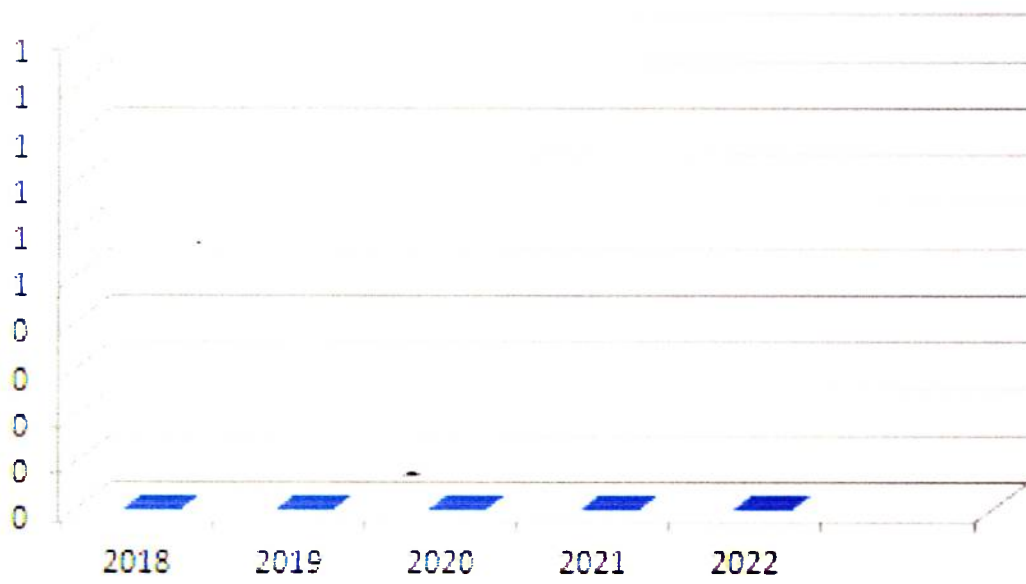
Quick Ratio (Acid Test)



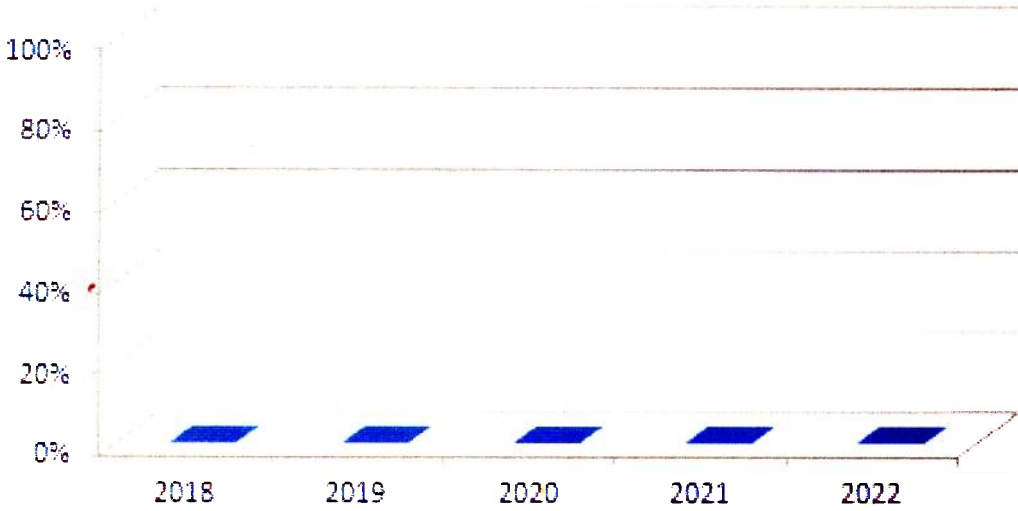
Receivable Turnover



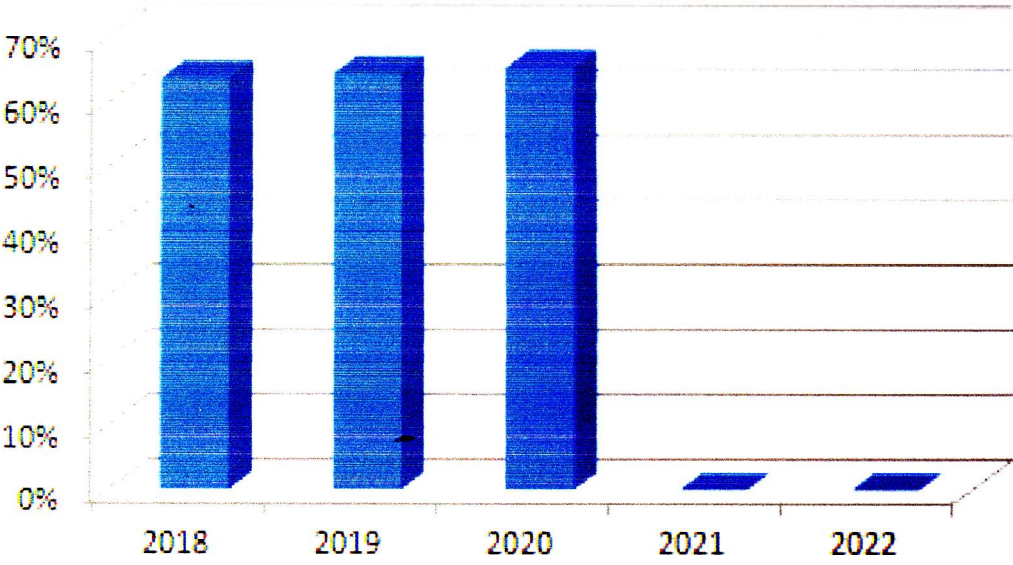
Inventory Turnover



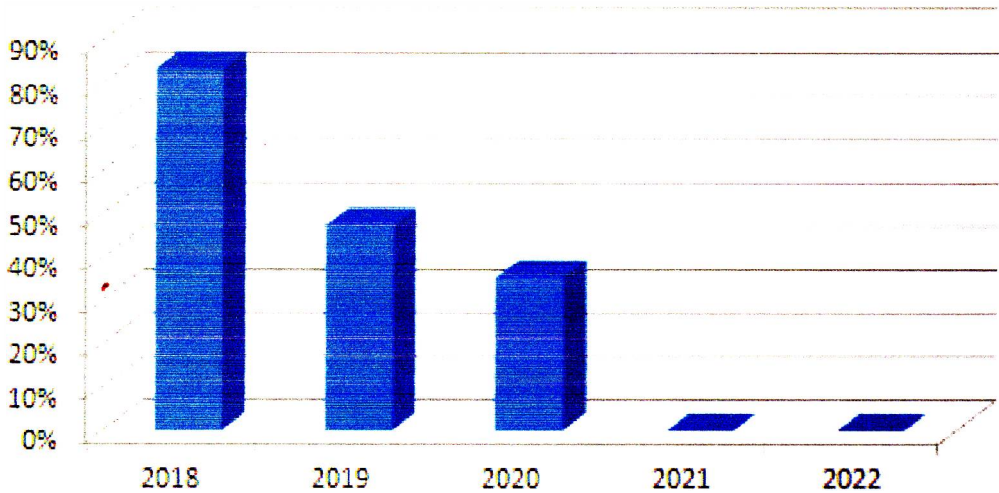
Gross Profit Margin



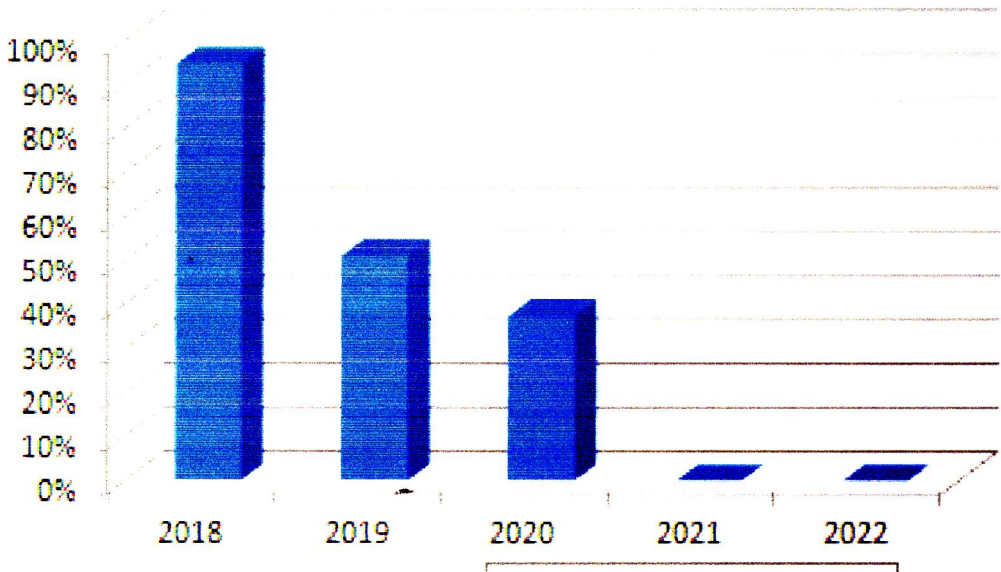
Net Profit Margin



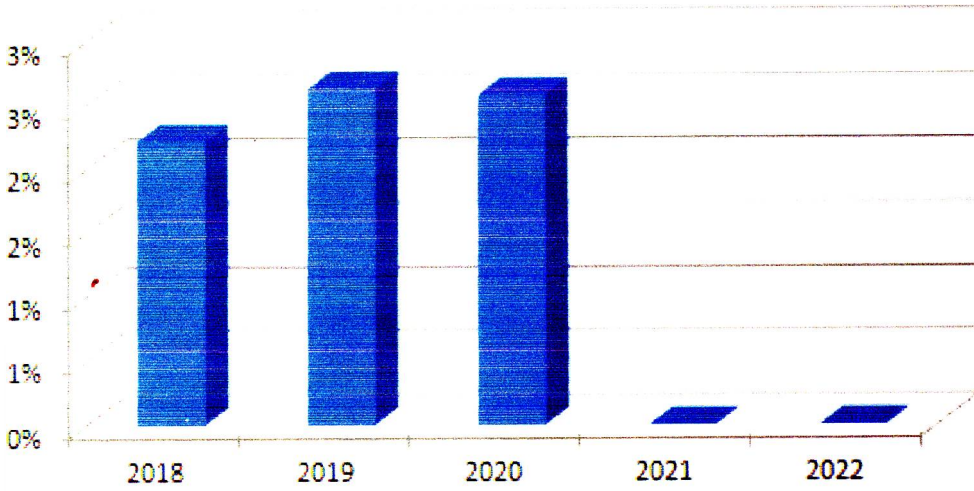
Return on Assets



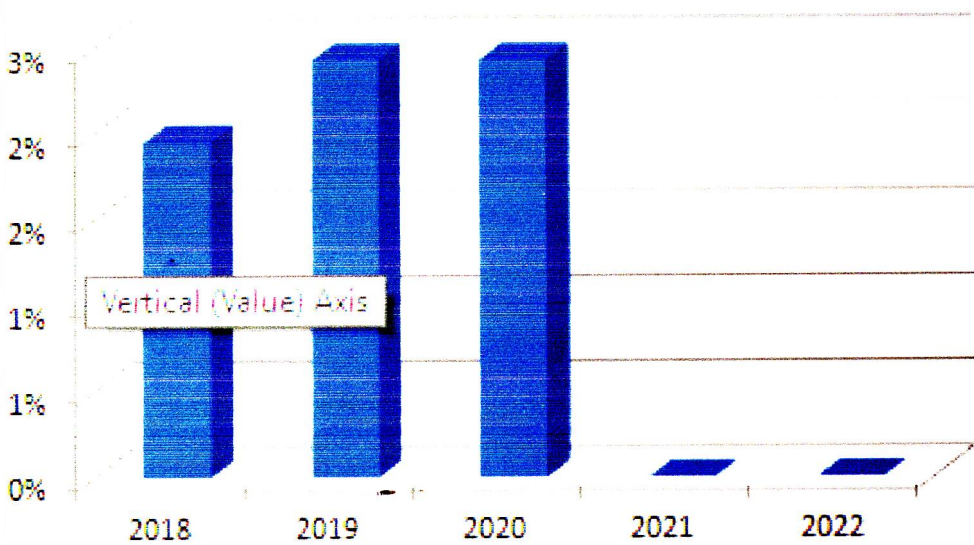
Return on Equity



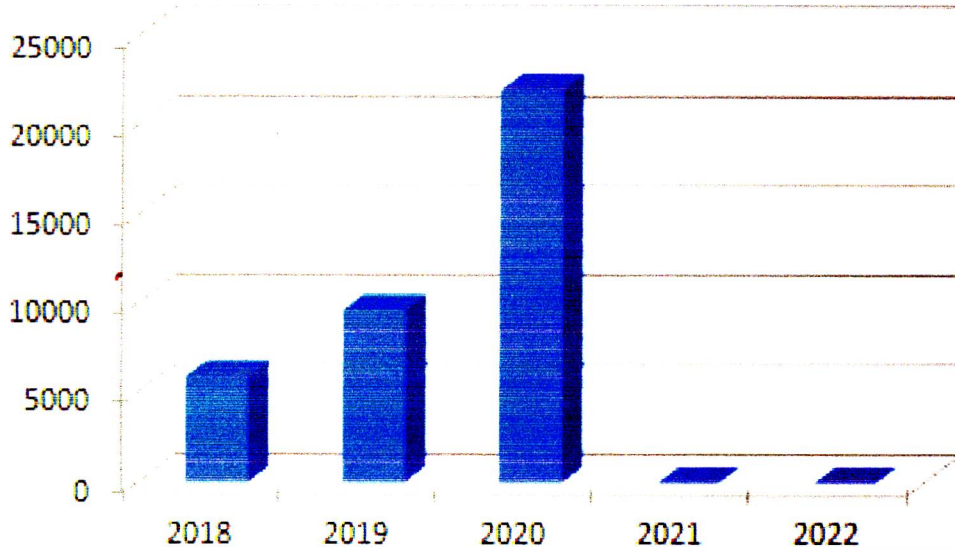
Debt to Equity



Debt to Assets



Time Interest Earned



SECTION 6

CONCLUSION AND RECOMMENDATION

6.0 Conclusions and Recommendations

With all the hard work from all the team members to make a business plan which is administration plan, marketing plan and financial plan. We make analysis also based proforma cash flow, proforma income statement and proforma balance sheet. Thus, we are confident by implementing the business plan, we will earn profit and the business proposed shall be proceed.

6.1 Appendices

