



CAMPUS BANDARAYA MELAKA, MELAKA BRANCH

FACULTY OF BUSINESS AND MANAGEMENT

BACHELOR OF BUSINESS ADMINISTRATION (HONS). FINANCE

ENT530: PRINCIPLES OF ENTREPRENEURSHIP

GROUP ASSIGNMENT: BUSINESS PLAN (CAVATION CO.)

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17th MAY 2022

ACKNOWLEDGEMENT

Alhamdulillah, we are most grateful to Allah S.W.T for the completion of this Business Plan as one of the requirements that need to be accomplished in the course work assessment for the code ENT300. Special thanks to our parents in supporting us to complete this business plan. This business plan has been prepared with the cooperation and support from many people. Besides, not to be forgotten to our beloved lecturer which are Madam Zainah Binti Jalil for her kindness in helping us during the process of completion of this project work. She has given us a good service by providing useful information to us. Without our lecturer, we would not be able to complete this business plan.

There are a lot of challenges that we have to face such as finding the material suppliers and machine capacity for our project. Through these problems we manage to become more organize and mature in dealing with problems that occur during our research. This business plan covers organization, marketing, operation, financial and training plan and any other information needed by a new entrepreneur as a guide to start this business.

Lastly, to those who had involved and contributed directly or indirectly to this business plan, we are very grateful to them for the effort and initiative that they have shown in our project until we successfully completed our business plan.

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EXECUTIVE SUMMARY

Cavation Co. is a business that based on partnership where it consists of five (5) ownerships, which hold important position in the company such as General Manager, Administrative Manager, Marketing Manager, Operation Manager, and Financial Manager. Each of members will share 20% from profit. Besides that, our vision is to make our company a conventional, established and satisfied by our target market in order to expand our brand to attract various shopping mall and supermarket to deal with us.

In the urban environment, we decided to manufacture our 3 in 1 Smart USB Cable in 1E, Jalan Gamelan, Bandar Bukit Raja, 41200 Klang, Selangor. This is because, it is a strategic location with the higher demand among residential areas. It also located near to our supplier. Aside from that, this is a start-up company that has created a mobile phone cable that can keep things incredibly organised and tidy when people are using it or not. It will neatly fold into a coil and may be the most well-organize charging cable ever created in Malaysia. Furthermore, it comes with three different connection options: Lightning, Micro, and Type-C. This smart magnetic charge cable is also recognized as an innovative product because it may save time and energy while also being adjustable.

Since we have chosen to focus on niche marketing and mass marketing, we will be able to focus on a specific type of target market while also reaching a vast potential audience to boost brand awareness. Meanwhile, identifying our target customers based on demographic and geographic segmentation at Bandar Bukit Raja, Klang, Selangor, will assist our company in determining which customers are most likely to make a purchase and adjusting marketing strategies to these segments. Therefore, we will target 30% from 480,000 of total Klang's Mobile Phone Users population as our potential customers.

Last but not least, Total sales for the first quarter of 2022 are expected to total RM1,584,000. Cavation Co. also does a loan application from a bank for hire purchase to buy machines for RM10,700. Meanwhile, five members of Cavation Co also has contribute total RM135,962 in cash for some expenses occurs in marketing, operation, and administration. Therefore, the projected amount of cash flowing into the company is RM1,539,495 and the accumulated net profit is RM306,314 for year 1. Therefore, due to the 20% shares that each of the members hold, each member will get RM61,262.80 in year 1.

1.0 COMPANY PROFILE

1.1 ORGANIZATION BACKGROUND



Figure 1.1 Logo of Cavation Co.

Name of the Organization	:	Cavation Co.
Business Address	:	1E, Jalan Gamelan, Bandar Bukit Raja, 41200 Klang, Selangor
E-Mail Address	:	Cavation.Corporation@gmail.com
Website	:	https://www.CavationCorporation.com.my
Telephone Number	:	
Form of Business	:	Partnership
Main Activities	:	Manufacturing of Wired Mobile Phone Cables
Date of Commencement	:	5 March 2022
Date of Registration	:	1 January 2022
Name of Bank	:	Malayan Banking Berhad (Maybank)
Bank Account Number	:	

Table 1.1 Company Background of Cavation Co.

1.2 ORGANIZATION LOGO

LOGO



- The name of Cavation is the combination of Cable and Innovation. It shows that our company will focus on producing innovative and efficiency of mobile phone cables in future.
- The logo of Cavation Company is design in a circle. It represents as community and unity of our company. Furthermore, circles appear to have no beginning or end, indicating that they represent life and the lifecycle.
- The grey colour of the background's logo shows the efficiency, classic, mystery, and practicality of our innovation products idea that being offer to customer. It also associated with the feelings of professionalism and stability of our company in electronic industry.
- The symbol of our logo is a combination of visual imagery that symbolizes of our product, which is mobile phone cables. The green, purple, and blue colour of cable is representing the new beginnings of our company, responsible to improve the future of technology, and creative in producing innovation products.
- Lastly, the tagline of 'Push Beyond the Limit' already shows that our company always push and work harder to ensure that we will come out with product that can help customer. It also represents our creativity of producing 3 in 1 Smart USB Cable as our first product that would give better experience since it will contribute the enjoyment of using our products.

VISION

Cavation Co.'s vision is to be the industry leader in product design that provides customers with the best possible user experience towards 3 in 1 Smart USB Cable. We have pushed the standard in product design that has usability, durability, functionality and convenient devices of its kind. Along with achieving our vision, Cavation Co. intends to achieve zero net climate impact across all of its operations. The vision statement also ensures that all decisions are made in a way that is consistent with the goals the organization wishes to achieve in the future.

We are committed to providing customers with a product that is useful for staying organized and tidy in their daily lives without making a mess. We value every customer's satisfaction because our customers are our top priority. Therefore, we have designed a well-organized magnetic USB cable that performs three functions in one convenient package. With that, we will achieve our vision and earn a profit to keep our business running while also benefiting the community with our innovative USB cable. This vision will encourage Cavation Co. to give their best and spur them into action. It also aids in the organization's ability to maintain focus, particularly during rough times.

MISSION

Cavation Co.'s mission is to develop the highest-quality product that are the most convenient USB cables available, in order to meet the needs of each of its customers while also fulfilling the needs of the global community in the future. The customers will be more confidence in our products with our mission statement, which illustrates the company's objectives in producing the products. The mission statement provides the organization with a clear and effective guide for making decisions, particularly regarding our product and its development. Therefore, the mission statement will help Cavation Co. to achieve its goals by developing the highest possible quality in the entire world to our customers.

2.0 ENVIRONMENTAL INDUSTRY ANALYSIS – OVERVIEW OF THE INDUSTRY

As known to the public technology industry nowadays plays an important role in the country's development. In today's generation, society will not survive and faces difficulty without technological advances. This is because, society has been surrounded by technology in order to continue their daily lives. According to the research, technology industry in Malaysia market is one of the most fastest growing sectors which has contribute 19.1% in Malaysia's GDP. Therefore, in 2025 government expects for technology industry to increase their contribution in GDP to 22.6% (Malaysia Country Commercial Guide, 2021).

According to Global Data Market Opportunity Forecasts, the profit for technology industry is expected to reach \$25.2 billion by 2023 due to the rapid growth and high demand since individual, organization, businesses, and government are all using technology. Not only that, but many of our competitors has taken an opportunity in which they are able to market their product globally. According to the research, the global USB Cable market are expected to achieve \$54.01 billion in 2030 because of the implementation of 3 in 1 types of charger cable (Vineet Kumar, 2021). Moreover, as publics knows that in 2019 until 2020 the world has been hit by Covid-19 pandemic that has caused losses to all sectors which global USB cable industry is also no exception to that. This is because, the industry has faced some problems which are delay on the raw materials and increase in the shipping cost. However, the Covid-19 negative impact on global USB cable industry did not last long as the industry started to recover back due to high demand for USB cable in post pandemic. Therefore, Cavation Co. are targeting to expand into large-scale business and goes internationally as it is a good opportunity for our business image and development.

Cavation Co. has the potential to get support from the supplier for the raw materials. It is because the location of our building is very strategic where it is the manufacturing focus area so it will make it easier for us to get our supplies. Thus, there will be no issue regarding to the shortage of raw material or supply. In addition, our business will be using high quality materials to ensure that customer will get benefits and continuously use our products. Our target market for this product is wide, hence why we provide a product that consist with 3 different types of chargers to cater all types of mobile phone users. Lastly, we intend to sell our product online and offline to make it convenient and easy for customers to obtain it.

3.0 DESCRIPTION OF VENTURE

Cavation Co. is a company located in Klang Valley area which produces charger cable for smartphones and power bank called 3 in 1 Smart Magnetic Charger Cable. The idea of this product enables the customers to avoid having messy and tangles charger cable every time they want to use. This is due to the charger cable always splits and breaks way too easily. According to John Lim, the wire of cable inside are fragile which can cause them to separate, and the cable will be working intermittently or not at all because of it gets twisted and crushed (Lim, 2016). This product is design to solve this problem of people using it for daily life. The cable charger can be used for short and long cable in one cable charger depends on customers' preference.

The benefit of using this innovation product is the cable charger is always tidy and organized when people using it or keep it. This will prevent from damaging the phone by accidently yanking the wire out and keep dust and dirt from clogging the port. The uniqueness of our product is that we have designed magnetic charger cable to keep it organized and avoid of getting twisted which can lead to broken cable charger. Also, it can be connected to different types of connection options including iPhone to USB A, Micro USB to USB A, and Type C to USB A. In fact, the cable can fit in into small bag which do not require too much space to keep it in the bag or small spaces especially for travel.

Cavation Co. offers good quality product for the customers to use with the certification from Standards and Industrial Research Institute of Malaysia (SIRIM) for testing, inspection, and others. This is for the safety and quality authentication for our product to be used by the customers. The customers do not have to worry for any uncertainty because it is safe, secured and good quality for everyone. The product is made of aluminium body, PVC, nylon braided cable, and rubber outer shell inside the cable. It has a strong charge transfer performance with its tinned copper wire core which speeds up charging. Hence, the product can be used for a long time as long as it can be used and kept in a good condition.

In addition, our product is different from other competitors' which is that we combine different types of connection into one cable and customers can use it with any kind of connection charger that is suitable for their smartphones or power banks. We combine all the connection charger as 3 in 1 cable charger. We are the first company that innovate this product which it can be easily used and make it as a set of products that provides different connection that we have

stated the above. This innovation of our product can satisfy the customers' needs and wants as our benchmark is to ensure the functions and quality is worth what the customers paid for.

Besides, to ensure that the products we make are successful and achieve customer satisfaction, we do provide them with a high-quality product at a reasonable price, which is only RM55 per unit. Thus, it can attract customers to purchase our products since they are cheaper with a multifunction charger cable compared to the other competitors. For example, we are using PVC, which is widely used in our cable production, to ensure that the cable is stronger and can be used longer. The reason we use PVC in our products is because nowadays, many companies that produce charger cables do not use the material since they want to use eco-friendly material and avoid using PVC that can cause damage. Thus, the products cannot be used longer by that method and we can see that most of the cables produced nowadays are easily damaged. Despite that, the usage of PVC in our products is extremely safe because it has been tested and fulfils all the health and safety requirements. Furthermore, the PVC we use is non-toxic, and it has been proven that PVC use has no negative effects on the environment (Gannon, 2014).

Moreover, as the first company that produces smart magnetic charger cables, we want to ensure it will meet our customers' wants since we always want to produce products that will give many benefits to our customers, and it can be seen since the cable we produce is affordable, lightweight, has a long lifespan, can be used for many types of USB, and is easy to handle since the cable is not heavy. Thus, as stated, this smart magnetic charger cable will give our customers many benefits compared to the other existing competitors that are selling low-quality charger cables at a higher price that will surely give dissatisfaction to their customers.

Finally, our short-term future events will be the launch of our products in order to introduce them to everyone, because we know that the more people who talk about the products, the better they will perform in the future. In addition, we are also working with our social media by posting and promoting the new products since it is a free marketing tool. However, for our long term, we are planning to advertise our products on billboards or TV since it is a highly expensive advertising method. Other than that, we are also working to improve our products based on the feedback given by our customers since we do always want them to get high-quality products from us.

4.0 MARKETING ANALYSIS AND COMPETITION

4.1 Target Market

There are two types of segmented marketing used by Cavation Co, which is Mass-marketing and Niche-marketing.

4.1.1 Market Segmentation Strategies

4.1.1.1 Mass-Marketing (Undifferentiated strategy)

We also chose mass marketing since it allows us to reach the broadest potential audience rather than a single target group. This will encourage us to target the largest number of potential customers in order to raise brand awareness and save costs. This is because we will employ this strategy to market our products to customers who may consider it is necessities to have organized and tidy wires cables at a reasonable price.

4.1.1.2 Niche Marketing (Multi segment strategy)

By choosing niche marketing, it allows us to focus on a specific type of target market. Rather than promoting to everyone, we will concentrate our efforts on those who will benefit from our product. As a result, this strategy will target solely on one group of potential customers that would benefit the most from our product offerings. For example, we will focus on behavioural because our product's features will influence their decision to purchase our product over another.

4.1.2 Bases of Market Segmentation

4.1.2.1 Geographic Segmentation

Our company has chosen this as marketing strategy to target our products at people who live in Bandar Bukit Raja. People that living in the Bandar Bukit Raja will share similar wants and needs in order to fulfil our potential needs that require our 3 in 1 Smart Cable. Our location also strategic because Bandar Bukit Raja, Klang, Selangor also an industrial area that are connecting to both the residential and commercial areas.

4.1.2.2 Demographic Segmentation

Our company has focuses on income level from low, middle, and high, as it will affect purchasing power due to pricing strategies among them. Besides that, we also target people based on their age, from teenagers to the elderly (17 years old to 70 years old), and gender, male or female, to measure their attributes and determine the amount of people we may potentially target.

4.2 Estimated Market Size and Trends

4.2.1 Market Trend

According to Rafidah Hj. Abdu Aziz, 2017, market trends are the tendency of a market or markets to move in a particular direction over a period of time. For Cavation Co., in the current economic, we hope that our company and products will continue to be available on the market in the long run. This is because we believe in the current situation, that our products have unique features that can meet the needs of consumers conveniently on a daily basis.

In Malaysia, the demand for goods that make people's lives much easier in daily life is extremely high. Hence, Cavation Co. produces 3 in 1 Smart USB Cable with the goal of making the lives of the people in our community much easier now and in the future. We have designed a product that has 3 different magnetic connection options, which are the Lightning, Micro and Type-C connectors, along with an exclusive magnetic cable organizer that keeps cables tight, tidy and well-organized. The magnetic cable organizer neatly folds the cable so that it does not fall or fit loosely when in use. Therefore, it is highly recommended product and the market trend for this product is limited.

Based on Allied Market Research (2020), the size of the global USB cable was valued almost USD 12.44 billion in 2020 and expected to reach about USD 54.01 billion by 2030. It is projected to expand at a compound annual growth rate (CAGR) of 17.40 percent from 2021 to 2030. The shift in consumer preference towards convenient electronic devices products is expected to drive the demand.

4.2.2 Market Size

According to Department of Statistics Malaysia Official Portal (2022), it stated that the population in Klang is 480,000 peoples.

TARGET MARKET	NO. OF POPULATION	POTENTIAL CUSTOMER (%)	NO. OF POTENTIAL CUSTOMER
Klang's Mobile Users Population	480,000	30%	144,000
TOTAL			144,000

Table 4.1 Estimated Market Size Based on Klang's Mobile Users Population

Cavation Co. estimates that our population potential customers in Klang will purchase our product as below:

"The people of Klang will buy 2 USB cable per year for RM55."

TARGET MARKET	NO. OF POTENTIAL CUSTOMER	ESTIMATED OF THE PRODUCT BUYING		
		Quantity (unit)/Year	RM (unit)/Year	Total (RM)
Klang Population	144,000	2 x 144,000	55	288,000 x 55
TOTAL MARKET SIZE	144,000	288,000		15,840,000

Table 4.2 Estimated of The Product Buying Based on Klang's Population

4.3 Estimated Market Share and Sales

4.3.1 Market Share Before and After Cavation Co. Entering the Market

COMPETITORS	MARKET SHARE AND SALES					
	BEFORE			AFTER		
	%	Unit/ Year	RM/ Year	%	Unit/Year	RM/ Year
Ugreen	45	129,600	7,128,000	45	129,600	7,128,000
Aukey	35	100,800	5,544,000	35	100,800	5,544,000
McDodo	20	57,600	3,168,000	10	28,800	1,584,000
Cavation Co.	0	0	0	10	28,800	1,584,000
TOTAL	100	288,000	15,840,000	100	288,000	15,840,000

Table 4.3 Market Share Before and After Cavation Co. Entering the Market

Based on the above table, the market lead is Ugreen brand where they hold 45% share which resulting the sale to be recorded for RM7,128,000 per year from total market size before Cavation Co. enter the market. This is because Ugreen brand has been established since 2012 in the industry and they already have their regular and loyal customers. Not only that, two of their products also has been listed as the top 10 best lightning cable in Malaysia 2022 (MyWeekendPlan, 2022,). Furthermore, Aukey is the second lead in the market because Aukey brand has been established the longest as compares to other competitors which is in 2010. Aukey hold 35% market share which resulting to make RM5,544,000 sales per year.

Next, McDodo is the lowest brand compares to Ugreen and Aukey because they only hold 20% market share which makes them accumulates total sales RM3,168,000 every year. However, after Cavation Co. entering the market, we can see some changes on the McDodo where the brand has lost 10% of their market share to Cavation Co. This resulting McDodo total sales per year are RM1,584,000. Therefore, Cavation Co. manage to accumulate their total sales to RM1,584,000 by selling 28,800 units of product per year. Hence, Cavation Co. hold 10% market share of the total market size.

4.3.2 Estimated Market Share of Cavation Co. for 3 Years Forward

CAVATION CO.			
MARKET SHARE AND SALES PER YEAR			
	YEAR		
	2022	2023	2024
Market Share (%)	10	20	30
Total Sales in Units	28,800	34,560	37,440
Total Sales in RM	1,584,000	1,900,800	2,059,200

Table 4.4 Estimated Market Share of Cavation Co. for 3 Years Forward

According to the above table, Cavation Co. has estimated that in 3 years forward our market share will increase by 10% every year. This is because our product has provided a lot of benefit and convenience to the users. Not only that, with some entry barriers, it will be very helpful for Cavation Co. to stay in the market and hold more market share since the entry barriers will prevent a new brand from entering the market easily.

One of the helpful entry barriers for Cavation Co. and the existing competitors is on the research and development where the newcomers need to come out with a unique innovation that makes their product is different from our company and others existing competitors. This is because every company that are already enter the market including Cavation Co. have made an innovation to their product and eventually they will have their loyal customers thus, it will give difficulty for newcomers to attract customers for their product if there is no different from ours.

4.4 Competition and Competitive Edges




COMPETITORS	STRENGTHS	WEAKNESSES
<p>UGREEN</p>  <p>RM 33.90</p>	<ol style="list-style-type: none"> 1. Comes with Micro-USB and Type-C charger connector. 2. Fast charging cable. 3. High-speed data transfer and sync. 	<ol style="list-style-type: none"> 1. Slow charging on iPhone. 2. Cord metal part are perishable. 3. Short life span.
<p>AUKEY</p>  <p>RM 129.00</p>	<ol style="list-style-type: none"> 1. Comes with 3 in 1 charger connector. 2. Fast charging. 3. Braided nylon for better durability. 4. Great for travel. 	<ol style="list-style-type: none"> 1. Available in one length only. 2. Fast charging is not supported on iPad pro and laptop.
<p>MCDODO</p>  <p>RM 39.77</p>	<ol style="list-style-type: none"> 1. Comes with 3 in 1 charger connector. 2. Can charge 3 devices at the same time. 3. High-quality cable for charging. 	<ol style="list-style-type: none"> 1. Short life span. 2. Cables get tangled easily.

Table 4.5 Cavation Co's Competition and Competitive Edges

4.5 Sales Forecast

	SALES FORECAST FOR CAVATION CO. YEAR 2022	
MONTH	SALES COLLECTION (UNITS)	SALES COLLECTION (RM)
January	2,000	110,000
February	2,000	110,000
March	2,200	121,000
April	2,400	132,000
May	2,600	143,000
June	2,400	132,000
July	2,600	143,000
August	2,400	132,000
September	2,400	132,000
October	2,500	137,500
November	2,600	143,000
December	2,700	148,500
TOTAL	28,800	1,584,000

Table 4.6 Cavation Co Sales Forecast 2022

Based on the table above, this is the total sales forecast for Cavation Co. for the year 2022. We estimated 28,800 units will be sold and total sales RM1,584,000. In January and February, our total units sold are 2,000 as we just opened the business and market our product to potential customers. Then, sales collection continues to increase 200 units starting in March until May. However, the demand during holiday season increases which can reach up to 2,700 units which sold in December. In addition, during October, November, and December, end-year sales will happen which automatically boost our sales. Therefore, the sales forecast helps us to gain profit and as a guide for a company to maintain sales collection every month and year.

4.6 Marketing Strategy

Cavation Company must operate in accordance with a predetermined business plan in order to successfully achieve the marketing goal. The company's market performance is directly related to the market strategy it employs. A marketing strategy is a marketing policy that is summarised in the marketing plan of a company. Furthermore, it employs the marketing mix principle commonly known as the 4Ps. Our company uses and adapts the 4Ps, which stand for product, price, location, and promotion. Its purpose is to assist the company in achieving the objectives that it has set for itself. Organizations use the 4Ps to determine important business factors such as what customers want from them, how their product or service meets or fails to meet those needs, how their product or service is interpreted in the world, how they differentiate themselves from competitors, and how they communicate with customers.

4.6.1 Product

Our main product is the Smart USB cable which it performs multiple functions in a single convenient package with an organized cable organizer. It is convenient for travellers because it takes up little space. Furthermore, with our product, customers are no longer settling with the mess. We created a product with three different magnetic connector options, as well as an exclusive magnetic cable organiser that keeps cables tidy and well-organized. The magnetic cable organiser neatly folds the cable so that it does not fall when in use. The 3 in 1 Smart USB cable is completely safe, effective, and suitable for all ages



Figure 4.1 Cavation Co. 3 in 1 Smart USB Cable

4.6.1.1 Brand

The meaning of Cavation Co, is about the combination of ‘Cable’ with ‘Innovation’ as to resemble the extraordinary and evolved innovation of mobile phone cables nowadays. Nurrul Hani Fazirra, the company's founder, and her management team adopted this name because they wanted their company to be known for producing new and creative cables on a regular basis. Aside from that, we already ensure our brand name is register with Intellectual Property Corporation of Malaysia (MyIPO) to protect our brand and give us the tools we need to prevent others from copying our logo and profiting from our success. This is because, we have our own trademark which is “Push Beyond the Limits” as it is aligned with our products which is an innovation of smart magnetic features that has been added to mobile phone cable.

4.6.1.2 Design

Cavation Co.’s is aiming for a design that is durable, convenient, and fits very well with our new innovative 3 in 1 Smart USB Cable, according to its size and length. The uniqueness of our 3 in 1 Smart USB Cable is that we have designed a well-organized cable that performs three functions in one convenient package. It is a new development for cable manufacturers in urban areas, and it is particularly useful for travel and does not need much space. Besides, with our product, the customers are not settling with the mess anymore. We have designed a product that has three different magnetic connector options along with an exclusive magnetic cable organizer that keeps cables tight, tidy and well-organized.

Furthermore, the colour of the 3 in 1 Smart USB Cable we have chosen is white silver, which represents the high quality of materials that we use. Each box of our products contains three different magnetic connection options, which are the Lightning, Micro and Type-C connectors. The weight of our product is 35 grams per box. Meanwhile, the product measures 1.5 meters in length. Our product is lightweight, making it convenient to carry around and effective whenever they do any outdoor activities. The magnetic cable organizer neatly folds the cable so that it does not fall or fit loosely when in use. In addition, as we are concerned about the safety of our consumers, we ensure that our product is insulated from electric current and has a built-in safety resistor filter to prevent electrocution.

4.6.1.3 Packaging



Figure 4.2 Cavation Co. Sustainable Eco-Packaging

In Cavation Co, packaging is a way of protecting the physical good as it moves through the distribution channel. We are taking product packaging very seriously because it is one of the important aspects in order for our business to meet customer satisfaction. Therefore, we have come up with our own eco-packaging that is both durable and sustainable, to ensure the materials are safe and non-toxic. This sturdy eco-packaging doesn't leave any waste and will grow into something that will actually have a positive impact on the environment. The size of the box is 6x6x3 in cm (Length x Width x Height). In the box, our customers will receive a smart magnetic charger cable and three different magnetic connection options. It also can be used as a box organizer to store the smart magnetic charger cable and the connectors in a safe way.

4.6.1.4 Labelling

Labelling products is one of the most important features since it will create trust between the producer and the consumer. This labelling is important since it allows the customers to know how safe or unsafe, healthy or unhealthy the product is. In fact, 85% of shoppers purchase products they want not only because of the packaging but also the information labelled on the products because they want to know the details of the products before they purchase them (LUMINER, 2022). Since our company is producing a magnetic charger cable, it is important for us to display the specifications of the product, warnings, and also step-by-step instructions on how to use it to avoid any serious consequences, so it is clearly important for customers to know how to use it the right way. Furthermore, a unique label can attract customers to purchase the products. Therefore, the most important part is that we label the packages for shipping with fragile stickers and place a shipping label on the top, side, and bottom of the products.

4.6.1.5 Ease of Use

Cavation Co. designed and produce a product that is easy to use which describes how easily the consumers can use the product. The 3 in 1 Smart Magnetic Charger Cable gives users the option to change the connection charger at any time they want to use it. The design of this product is to enable the customers to save their money without having to consider purchasing three different cables with three different connections. Using the same cable charger with various types of connections such as Type-C, iPhone cable, and Micro, will save the cost of purchasing the same product.

In addition, this type of charger cable provides fast charging which consumers can speed up charging their smartphones in a short time. Also, the consumers can untangle the magnetic cable to use it whether it is a short or long cable. It can use to charge the smartphones at different locations and if they are having lower battery, they can just plug in the magnetic charger in a second. Customers can keep the charger cable in a bag which does not consume a lot of space because it is pocket friendly. The users must be able to find the charging cable easily within a few seconds in their bag or pockets.

4.6.1.6 Product Differentiation

Product differentiation is a thing that makes your products or services stand out from other competitors and attract target customers. It is a way to distinguish the difference between the products and those of the competitors. Besides that, product differentiation can also increase brand loyalty, increase sales, and increase growth. Our company, Cavation Co., does produce a 3 in 1 magnetic charger cable, which means the cable comes with 3 connectors: Micro USB, USB-C, and iPhone. Nowadays, in the market, plenty of companies have produced a 3 in 1 charger cable because there is a higher demand from the market since the 3 in 1 charger cable is easier to bring and benefits them. However, the difference between our products and the existing products is the designed magnetic charger cable that will keep the cable organised and avoid getting twisted, which can lead to a broken cable charger.

4.6.2 Pricing Strategies

One of the most crucial components of launching our product is developing a pricing strategy. This is due to the fact, pricing is the value exchanged between the seller and the customer in order for the customer to acquire, utilise, or experience the product being offer. The majority of customers would always look at the price of our product before deciding to buy it, as price represents the amount of money that the customer is expected to pay for our products.

Firstly, our company will use pricing strategy based on our competitors' as we will be setting our price based on competitors' prices. Due to that, Cavation Co. will seek a solution to ensure that all of our customers may purchase our products by providing smart magnetic charging cable at an inexpensive price and high quality, whereby customers may find that our product is worth buying. Below are the competitors' pricing in market that has been offered:

COMPETITORS	UGREEN	AUKEY	MCDODO
			
PRICE	RM33.90	RM129.00	RM39.77

Table 4.7 Competitors' Pricing in Market

Besides that, we also focus on pricing strategy based on perceived value since it is based on the value of product specified by the customers. As we all know, value pricing is customer-focused pricing, which means that our company's pricing will be based on how much the customer is willing to spend on our goods. Due to that, we are considering setting our prices based on competitors and perceived value which is RM55 for our innovative products.

4.6.3 Sales Tactics

4.6.3.1 Direct Sales

Cavation Co. have used a direct sale to distribute our product to the customers. We sell directly to the consumer where the consumer can buy directly from us by walk-in to our store which is located in Klang. Direct selling is where the process of selling directly to customers in a non-retail environment. We have the benefit of seeing the buyer in person, so we can observe their facial expressions and body language. Besides, the consumer can directly interact with us to know more about our 3 in 1 USB cable. By walking in, our consumers physically can see, touch, and trying our products to make customer more accessible for testers. By testing the testers that we provide, we are confident that consumers will be satisfied with the product.

Next, by going to the store, our staff will demonstrate to the customer on how to use our product with 3 different connection option. Some customers need expert guidance in making a choice and our staff is always there for any inquiries and suggestions. Customer satisfaction is our top priority in order to make customers more loyal and eventually turn Cavation Co. into brand ambassadors.

4.6.3.2 Distributors

Cavation Co. has chosen distributors as one of sales tactics in order to get a broader range of market segments where our company need to expand. We believe that using this form of distribution is suitable for our company to market our product more widely. Distributor is like an intermediary between our company and customers. Aside from storage and delivery concerns, distributors are expected to help companies, manufacturers, and producers sell the products to consumers aggressively. Distributor also can help our company to analyse the market to ensure that we take advantage of new market opportunities.

Furthermore, by using distributors, they can also fulfil retailer orders, they actively sell products on behalf of the producers. From managing orders and returns to acting as a sales representative, they go beyond being the intermediary between retailers and producers. They perform market analysis and are constantly searching for new opportunities to achieve peak sales performance. A distributor focuses on a particular area and market, which allows them to

cultivate strong relationships with manufacturers. Therefore, by using distributor as part of our marketing strategy, it will help to improve the way customers interact with our business and leading to customer satisfaction and repeat business and it can help us streamline our business to make it more efficient.

4.6.4 Services and Warranty Policy

Service and warranty policy can be defining as a service provided or type of guarantee that has been set by a company in purpose of exchanging or repaired the defect, damage or malfunction product that has already been bought by customers. There are various types of service and warranty policy. However, Cavation Co. has set their policy to be a limited time warranty where our company offer a warranty for a specific period. Customers are able to exchange the product in two weeks started from the day they bought the product. This is because our company will substitute the product according to the stock availability in store thus, if we set the warranty period to be long there might be out of stock. Moreover, two weeks is a suitable time for customers to foresee the functionality for electronics product and check if there is any problem with it.

4.6.5 Advertising and Promotion

Marketing strategies such as advertising, public relations, sales promotion, and personal selling (Naseri, 2019). The promotion objective is to inform, educate, persuade, and remind customers of the benefits of the products while at the same time generating satisfying exchanges with target markets. For Cavation.Co, one of the methods they use to promote their products is by using advertising through websites, business cards, signboards, and social media since it is a popular form of promotion, especially for a company that sells goods or services. Other than that, Cavation.Co also uses sales promotions such as a purchase-with-purchase and rebates.

4.6.5.1 Advertising

4.6.5.1.1 Business Card

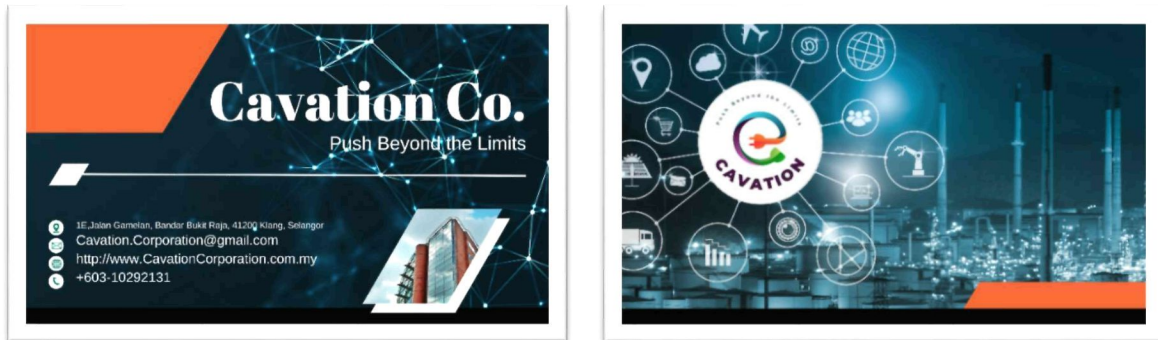


Figure 4.3 Cavation Co. Business Card

Nowadays, technology has made people's lives better in many ways, but still, there are things that can be replaced. Many people think that business cards are not as important as before, but not for our company since the business card is one of the cheapest tools to share our company's business with our customers. Firstly, business cards play an important role in introducing our company and our brands to our customers. This is because when our customers receive the card, it directly helps our company to establish a professional image and improve our company brand since they can easily contact us. It will result in our customers' putting their trust in our products. Secondly, the business card explains what our business is doing. Then it shows that our company is selling a magnetic charger cable that brings many functions to customers.

4.6.5.1.2 Social Media

Social media marketing is the use of social media platforms to connect with our audience in order to build our brand and increase sales. It is a strategy in which we publish great content on our social media profiles, listen to and engage with our followers, analyse the results, and run social media advertisements. We distribute our content on social media in order to increase traffic to our websites and, hopefully, sales. Cavation Co. has established social media pages on Facebook and Instagram in order to connect with our customers while also advertising our brand. We utilise social media in a variety of ways.

To begin with, we employ social media listening and engagement because we care about what others are saying about our business, so we watch social media conversations and reply to relevant mentions. Second, we use social media analytics to evaluate how our brand is performing on social media by employing an analytics platform to analyse our reach, engagement, and sales. Finally, we leverage social media advertising to reach a certain group of people on a large scale by running highly targeted social media ads. Because the majority of people nowadays have their own social media accounts, these methods would allow us to contact more potential consumers.

4.6.5.1.3 Signboard



Figure 4.4 Cavation Co. Signboard

A signboard is being design and created to broaden a message about the existence of our business to a target market as a part of marketing. It is because if the customers do not know about the existence or the current location of our store, it will be hard for our company to sell our products. Besides that, it is also one of the ways to introduce Cavation Co. to the people around you. We will place our designated signboard in front of our store so that it can be clearly notice by our customers and make it easy for them to identify our store. A well-designed signboard will be given constant exposure and strengthen the brand since customers will know our existence by just looking at our signboard.

4.6.5.1.4 Website

The website is the most effective promotional strategy because it has exclusive visuals and valuable content, which at the same time can distinguish our company from competitors and increase revenue. For Cavation.Co, we created our official website named Cavation Co.com to

update anything related to our products and to ensure our customers can get the information they seek easily and to keep them updated with our products. On our website, we also provide contact information such as phone numbers and e-mail addresses to help visitors easily contact us. Other than that, we also provide a section where customers can submit their feedback related to our products. By doing this, it can help to create customer trust in our products since they can read or see real comments from other consumers. Thus, the website could indeed play a significant role in marketing our product because more visitors mean more chances to persuade potential customers to purchase.

4.6.5.2 Sales Promotion

Sales marketing is typically targeted at one of two major markets. Consumer sales promotion focuses on the ultimate consumer market. The promotion of trade sales is aimed at marketing channel participants such as wholesalers and retailers. Sales promotion has evolved into an integral component of a marketer's effective promotional strategy. We have determined which consumer sales promotion tools to use in a certain campaign for our company. To ensure the overall effectiveness of the promotion plan, the tactics employed must meet the objectives. Consumer sales promotion tactics have also been easily adapted to online versions in order to persuade Internet consumers to visit sites, purchase products, or use services on the Internet. Coupons and rebates, premiums, loyalty marketing programs, sweepstakes, sampling, and purchase with purchase promotions are all popular consumer sales promotion tactics.

4.6.5.2.1 Rebates



Figure 4.5 Cavation Co. Rebates

Rebates provide a price discount to the consumer, but because the purchaser must produce evidence of purchase, the reward is not as quick as a coupon. Rebates, which were traditionally utilised by food makers, are now seen on a wide range of products, from computers and software to automobiles. Other than that, we do provide rebates since it is easier to give price reductions to consumers directly, and we do have more control over rebate promotions because they can be swiftly implemented and terminated. For Cavation.Co, we do give a 10% rebate off to our loyal customers that have purchased our products more than 3 times. This means they will just pay RM 49.50/unit after their 3rd purchase.

4.6.5.2.2 Purchase with Purchase



Figure 4.6 Cavation Co. Purchase with Purchase (PWP)

Purchase with purchase promotions increase sales while also increasing brand exposure and visibility. Customers are enthralled by the prospect of saving money in exchange for a higher-value bundle, and they are prepared to go out of their way to buy from us. Cavation Co. expresses our gratitude to customers by providing them with the best deals, such as purchase with purchase. We offer them a variety of purchase-with-purchase gifts, but at first, we offer them the chance to buy three, get one free. This could entice buyers because they would profit from having four goods for the price of three.

4.6.6 Distribution

4.6.6.1 Distribution Channel from Manufacturer to Consumer

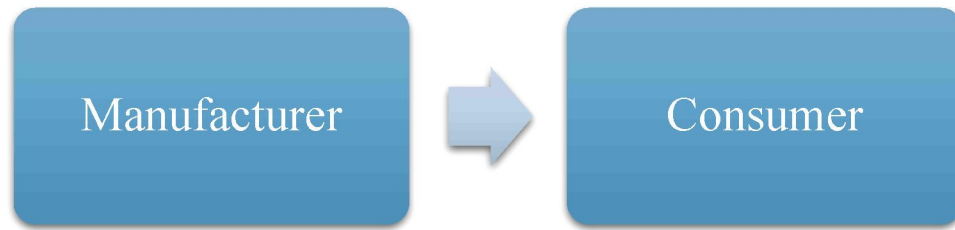


Figure 4.7 Distribution Channel from Manufacturer to Consumer

As shown in Figure 4.7, we use this type of distribution channel which is sell directly from manufacturer to consumer. The customers can purchase our product at our store located in Klang. The advantage of using manufacturer to consumer is it is easy for the company to distribute directly to customers as our company does not use third party such as retailer to promote the product.

Therefore, the customer can get the direct access to purchase the product from our company without to worry the authentication of the product by analysing the product to know more about the information. For example, they can examine the charger cable by trying the product at store to know if it is function. At the same time, this can build relationship between manufacturer and consumers through the selling of product by feedback from them. Other than that, if the customers experiencing trouble of using the product, they can directly to the company to complain any issue such as the services or claim (MacDonald, 2021).

4.6.6.2 Distribution Channel of Cavation Co.



Figure 4.8 Distribution Channel of Cavation Co.

In addition, we also use manufacturer to e-intermediaries to consumer as distribution channel of our product. According to Sergey Yablonsky, organizations that bring together or

facilitate transactions between third parties are known as internet intermediaries, or e-intermediaries. This is due to most people and customers have the access to online shopping whenever they go such as Shopee and Lazada. Using these intermediaries will help us to generate more profit and expose our product to our potential customers since it has low cost and benefits to the company.

According to David Stewart, e-intermediaries frequently use persuasion strategies such as attractive promotion to increase sales and also provide customer feedback to make necessary improvements of the product (Stewart, 2019). Besides that, the benefit of using e-intermediaries is it increases the efficiency for our potential customers who wants to try our product by searching on Lazada or Shopee and pay in an instant. From this, we expect to bring significant change for our potential buyers to purchase the product.

4.7 Marketing Budget

ITEM	FIXED ASSET (RM)	WORKING CAPITAL (RM)	OTHER EXPENSES (RM)
Fixed Asset			
Signboard advertising	950		
Computer	2,180		
Printer	245		
Working Capital			
Salary/EPF/SOCSSO (Marketing Assistant Director)		1,955	
Other Expenses			
Business cards			120
TOTAL	3,375	1,955	120

Table 4.8 Marketing Budget of Cavation Co.

The Marketing Budget of Cavation Co. is shown in the table above, and it represents the expenses incurred in planning for marketing in our organization. As we can see, it is divided into three sections: fixed asset investments, working capital allocation for marketing activities, and other expenses. For starters, Cavation Co. has decided to invest in an RM950 signboard for advertising, and RM2,180 computers, and an RM250 printer for fixed costs. In addition, for working capital, we will pay salaries for Marketing Assistant that include EPF and SOCSSO and total RM1,955 per month. It demonstrates that our organisation abides with the regulations regarding EPF contributions, as established in the EPF Act of 1991 and the SOCSSO. Last but not least, Cavation Co will pay for business cards for other charges totalling RM120.

5.0 OPERATIONS AND PRODUCTION PLAN

5.1 Facilities

5.1.1. Location

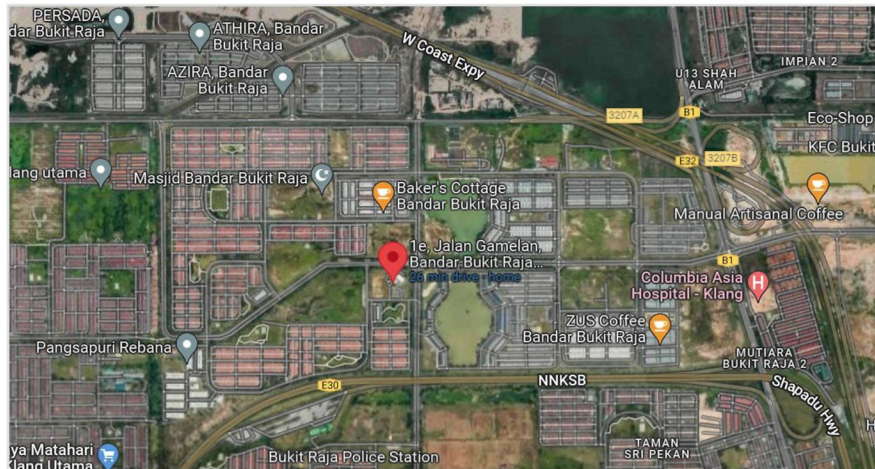


Figure 5.1 Location of Cavation Co.

From above Figure 5.1, Cavation Co. is located in 1E, Jalan Gamelan, Bandar Bukit Raja, 41200, Klang. As you can see, Bandar Bukit Raja is a crucial and strategic location in town. This area is a developing integrated and sandwiched between Shah Alam and Klang. Aside from that, Bandar Bandar Bukit Raja also an industrial area that are connecting to both the residential and commercial areas. It shows that, this area is one of strategic location for us to open our store since it is close to the port and has excellent access to several routes, including Jalan Meru, the NKVE, the Federal Highway, and the North Klang Straits Bypass. This would make it easier for our suppliers and customers to travel to work or leisure in Petaling Jaya and Kuala Lumpur City Centre.

Since Bukit Raja has a variety of surrounding attractions, such as ZUS Coffee, Baker's Cottage, Tasik and Taman Bandar Bukit Raja, it shows that the residential community is strategically located and close to our store. Hence, it may easily for our customer from this residential area to purchase our 3 in 1 Smart USB Cable since it will be easier for them to reach our store in the way they travel to work or leisure. They may also walk into our store without having to bring their own transportation because it is less than a kilometre away as they also can reach our store via bus from any nearby bus stop since by using public transportation will be considerably more efficient and helpful to our customers.

5.1.2. Layout

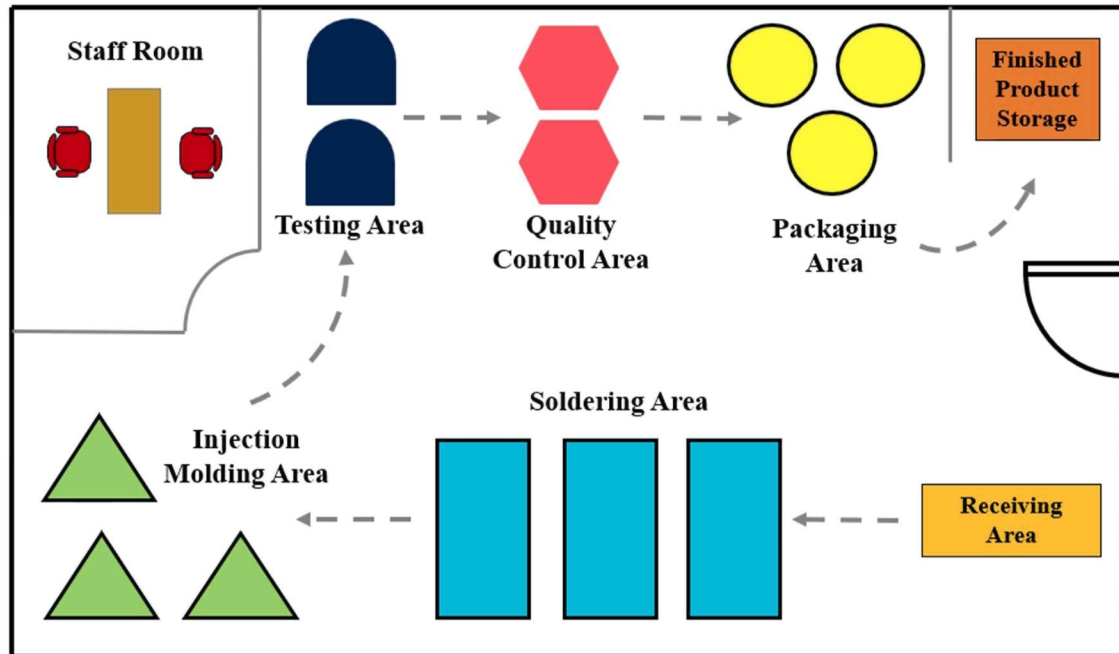


Figure 5.2 Layout of Cavation Co.

Figure 5.2 illustrated a layout based on a Cavation Co. product, where this layout is intended for a business with a product focus or continuous flow production. First, all of the materials, which include a USB cable and a cylindrical magnetic connector 3 in 1, will be placed in the receiving area. Second, at the soldering area, the USB connection will be soldered the cable and the soldering point will be inspected to ensure the USB meets the standards. Next, it will cover the connecting of the cable and connector via the Injection Moulding Machine. Both internal and external injection moulding will take place for the first and final layer of protection.

Following the injection moulding, the product will undergo a final electrical test to double-check its electrical functioning, as well as checking the overall appearance of the cables and looking for any problems that could affect product quality using the testing machine. Following that, in order to meet the expectations of the consumers, quality control will be carried out by ensuring that any defective cables are removed, and that the product is not released to the public. The products will then be packed in order to secure the product inside, keeping it safe and preventing any damage or breakage. Finally, the products are placed in the storage area and prepared for sale.

5.2. Activity Flowchart

5.2.1 Activity Chart

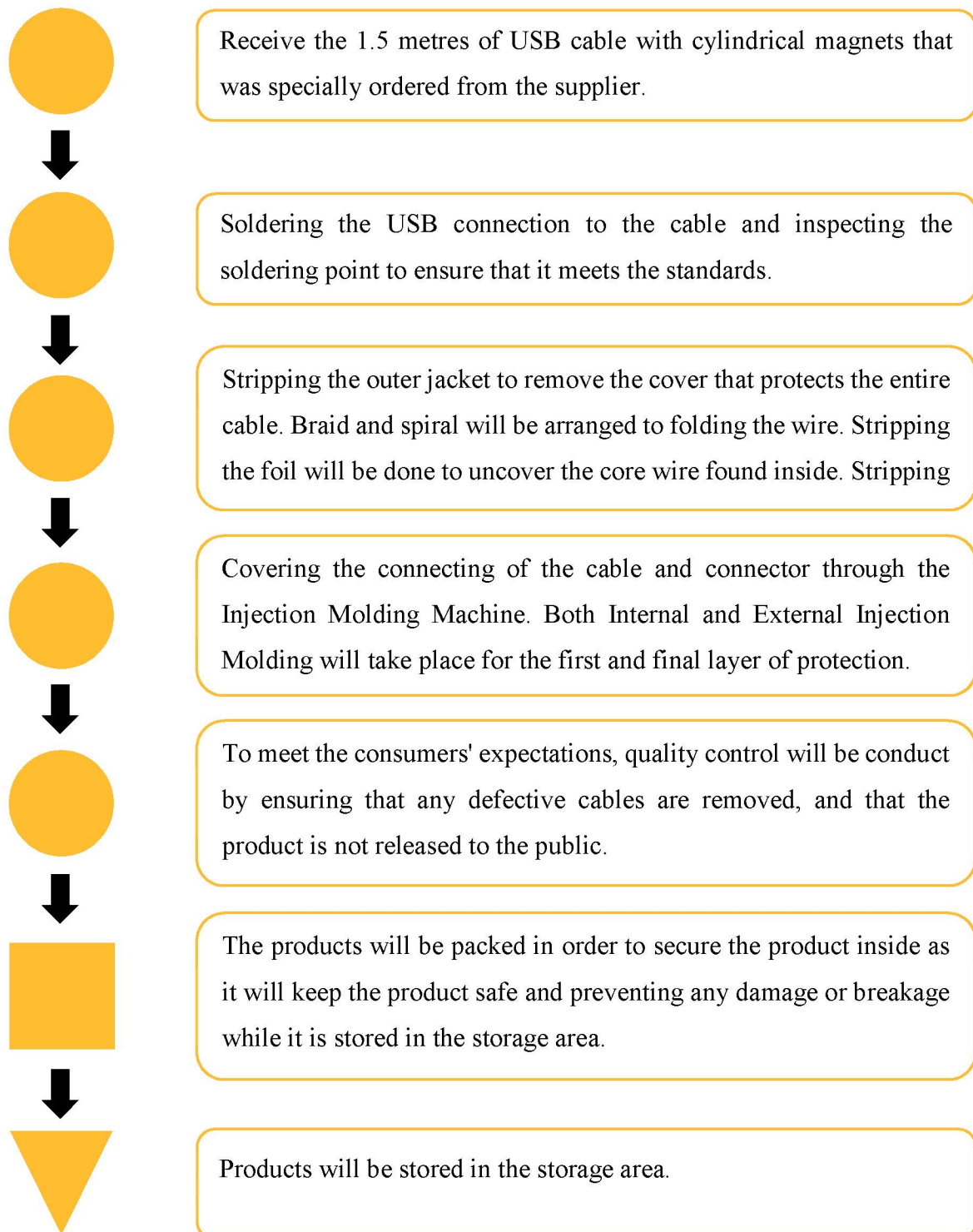


Figure 5.3 Activity Chart for 3 in 1 Smart USB Cable of Cavation Co.

5.3 Raw Material and Packaging Requirements

MATERIAL	QUANTITY REQUIRED/ MONTH	SAFETY STOCK	PRICE PER/UNIT	TOTAL PURCHASE/ MONTH (RM)
USB Cable (1.5 metres)	2,400	200	15.00	39,000
Eco Packaging Box	2,400	200	5.00	13,000
USB Connector (3 in 1)	2,400	200	9.00	23,400
TOTAL			29.00	75,400

Table 5.1 List of Raw Material and Packaging of Cavation Co.

Table 5.1 shows a list of raw materials and packaging of Cavation Co. for our 3 in 1 Smart USB Cable. We are able to obtain all the materials easily and with a good quality since the supplier are the nearest with our strategic location. Moreover, our supplier able to provide a good quality material with an affordable price that suits our products.

5.4 Machine, Furniture, And Equipment

5.4.1 List of Machine

ITEM	PRICE PER UNIT (RM)	NO REQUIRED	TOTAL COST (RM)	SUPPLIER
Injection Molding Machine	5,300	1	5,300	Robotdigg Ho King Commercial Centre, ROOM 09 27/F, 2-16 Fa Yuen St, Mong Kok, Hong Kong
Soldering Machine	5,000	1	5,000	Shenzhen Juli Brothers Machinery Co., Ltd No. 486, Guangshen Road, Songgang Street, Baoan Dist., Shenzhen, Guangdong, China (Mainland)
Testing Machine	400	1	400	Assmann WSW Components Auf dem Schueffel 1 Luedenscheid, D 58513 Germany
TOTAL			10,700	

Table 5.2 List of Machine of Cavation Co.

Table 5.2 shows list of machines been used by Cavation Co. in producing the 3 in 1 Smart USB cable. All the machines are imported as the machine are more suitable to produce our products. The total of all the machines are RM 10,700.

5.4.2 List of Furniture and Equipment

ITEM	PRICE PER UNIT (RM)	NO REQUIRED	TOTAL COST (RM)	SUPPLIER
Office Desk	80	1	80	Cassamia Sdn Bhd 20 A-2, Jalan 14/20, Seksyen 14, 46100 Petaling Jaya, Selangor.
Office Chair	40	2	80	
Rack	100	1	100	
Computer	2,000	1	2,000	TBM Electronics Sdn Bhd PS-4, Taman Evergreen, Jalan Klang Lama, Batu 4, 58100 Kuala Lumpur.
Telephone	30	1	30	
Fan	100	1	100	
Air Conditioner	800	1	800	
Stationeries	10	1 set	10	Premio Stationery F-G-01, Jalan SS 6/5B, Dataran Glomac Kelana Jaya 47301 Petaling Jaya, Selangor
File Storage	4	3	12	
Safety Goggles	3	5	15	Holly hardware & Machinery Sdn Bhd 14, Jalan Kasawari 5, Tamn Eng Ann 41150 Klang, Selangor
Gloves	10	5	50	
TOTAL			3,277	

Table 5.3 List of Furniture and Equipment of Production Cavation Co.

Table 5.3 are showing the list of furniture and equipment has been used by the production team of Cavation Co and the total amount is RM 3,277. Overall, the total amount for machine as well as furniture and equipment is RM13,977.

5.5 Schedule of Remuneration

POSITION	NO.	MONTHLY SALARY (RM)	EPF CONTRIBUTION (9%) (RM)	SOCSSO (2%) (RM)	AMOUNT (RM)
Quantity and Packaging Staff	3	1,600	108	32	5,220
Operation Staff	2	1,500	117	30	3,294
Driver	1	1,800	135	36	1,971
TOTAL					10,485

Table 5.4 Cavation Co. Schedule of Remuneration

Table 5. shows the Cavation Co. schedule of remuneration. The monthly salary for every position is different based on the hierarchy. The Employees Provident of Fund (EPF) of contribution rate for employees change from 11% to 9% until June 2022 (Tan, 2021). Meanwhile, rate of contribution for SOCSSO is based on Employees' Social Security Act 1969 Act 4 (SOCSSO). However, the contribution of employee for SOCSSO is 2%.

5.6 Operation Expenditure

OPERATION EXPENDITURE	RM
Fixed Asset	
Lorry	50,000
Machine	10,700
Furniture and Equipment	3,277
TOTAL FIXED ASSETS	63,977
Working Capital	
Raw Materials and Packaging	75,400
Salary/EPF/SOCSO	10,485
TOTAL MONTHLY EXPENDITURE	85,885
Other Expenditures	
Road Tax and Insurance	1,300
Machine Maintenance	2,000
TOTAL OTHER EXPENDITURES	3,300
TOTAL	153,162

Table 5.5 Cavation Co. Operation Expenditure

Based on the Table 5., the total of Cavation Co. operation budget is RM153,162 which combines fixed assets, monthly expenditure, and other expenditure. The business needs to approximate the budget for the operation activities.

6.0 ORGANIZATION PLAN

6.1 Ownership Structure

Cavation Co. is a partnership business that consists of five owners. It operates under the conventional partnership system, which is defined by the Partnership Act 1961, and in which the partners will be responsible for every choice that may result in losses or debt. This indicates that there are multiple owners in our company, and the profit will be shared among them. Apart from that, we also rely on our personal income or wealth to cover all expenses that may occur. Therefore, profits and losses will be shared accordingly to the agreement, which for Cavation Co. is 20% for each owner. Not only that, each share also requires to pay the taxes. Aside from that, conventional partnership in Malaysia also has a reasonable registration fee with only RM100 for a start-up company. The annual operating costs, such as business renewal, accounting fees, and taxes also will not be excessive for us to strive in new industry of business.

6.2. Management Team

6.2.1 Organization Chart of Cavation Co.

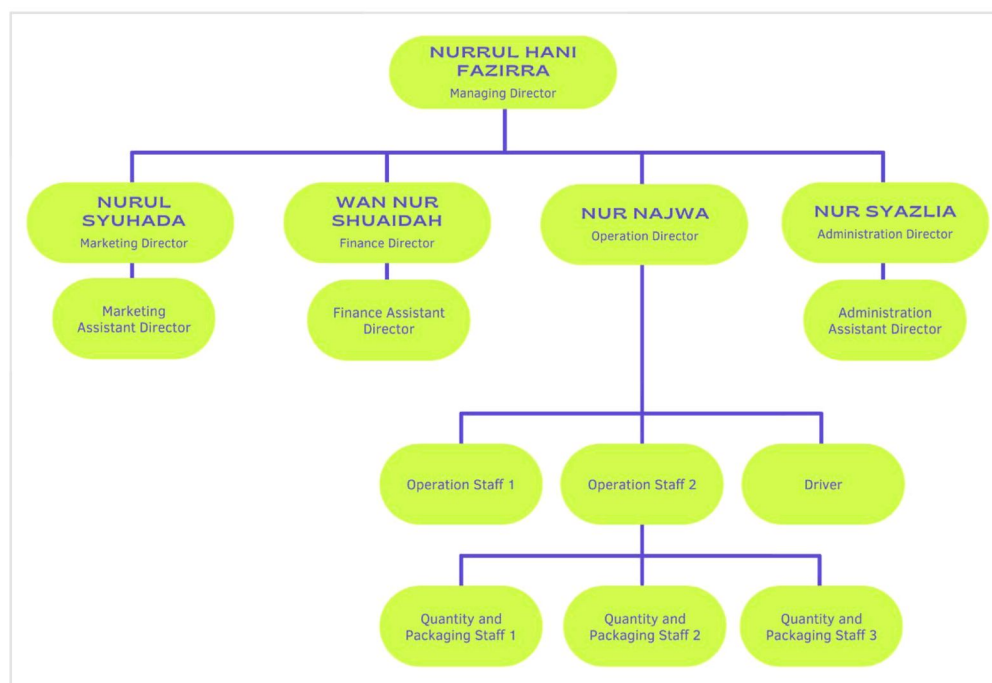


Figure 6.1 Organization Chart of Cavation Co.

Figure 6.1 illustrate the organization chart of Cavation Corporation. Organization chart is very important to show a clear picture of the chain of command, flow of authority and communication from the top to bottom. Other than that, organization chart gives variety of benefits such as for reporting, impact on long-term planning, restructuring and alignment of goals. As a start-up company, Cavation Co. decided to choose the line of structure based on functions. Cavation Co. have variety of special function to perform which covers marketing, finance, operation, administration, and lead by managing director. Every function will have an assistant to help them perform their tasks. However, there is additional workers which are, operation director will be helps by 2 operation staff, one driver and three quantities and packaging staff.

6.2.2 Manpower Planning

Table 6.1 shows the list of management team for Cavation Co. where we require six management personnel which will supervise five different departments.

POSITION	NUMBER OF PERSONNEL
Managing Director	1
Marketing Director	1
Finance Director	1
Operation Director	1
Administrative Director	1
Finance Assistant Director	1
TOTAL	6

Table 6.1 Management Team Personal

6.2.3 Schedule of Tasks and Responsibilities

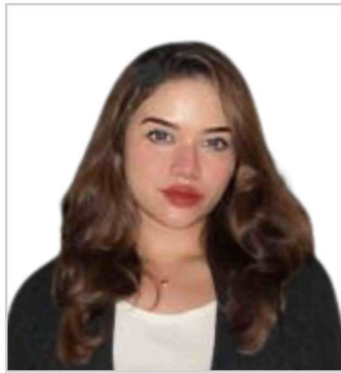
POSITION	MAIN TASKS
Managing Director	<ul style="list-style-type: none"> • To develop and plan the efficient business strategy and performance. • To implement and control the whole management of the business. • To monitor the strategic progress of the business and ensure every process are going smoothly.
Marketing Director	<ul style="list-style-type: none"> • To develop and implement the efficient and effective marketing plans or strategy. • To sort out and manage marketing budget. • To train and enlighten the communication and interpersonal skills for marketing team.
Marketing Assistant Director	<ul style="list-style-type: none"> • To implement a successful social media marketing campaigns in which able to reach wider market and increased potential customer. • To planned and executed a great communication strategies in social media platform as well as face to face marketing in order to meet the target sales for every month.
Finance Director	<ul style="list-style-type: none"> • To develop and implement a great financial planning and strategy. • To analyze the company's financial performance. • To review and check each of the department financial budget.
Finance Assistant Director	<ul style="list-style-type: none"> • To always update the financial spreadsheets of daily transactions and prepare a systematic balance sheets. • To process all invoices and need to follow up with clients, suppliers and partners everytime performing any transactions.
Operation Director	<ul style="list-style-type: none"> • To manage and handle all internal employees under operation for a smooth production process. • To control the inventory turnover to prevent lack or wastage of raw materials. • To ensure all machine is service regularly to avoid any damage.

Administrative Director	<ul style="list-style-type: none"> • To managed and control the company's labour turnover. • To develop and implement an effective work policies for organization. • To negotiate and handle all contracts and agreement.
Administration Assistant Director	<ul style="list-style-type: none"> • To assist in all the staffing duties such as hiring, training, and evaluating. • To adhere and encourage compliance with regulations and internal policies in a company.
Operation Staff	<ul style="list-style-type: none"> • To conduct a proper strategies in operating the production of goods in order to maintain a safe and healthy work environment. • To perform and run the production of goods smoothly and meet the company's key performance indicator (KPI).
Driver	<ul style="list-style-type: none"> • To transport and deliver all the ordered products from customers to a specific locations. • To do research and plan for traffic, construction and weather conditions in order to prevent any problem during delivery.
Quantity and Packaging Staff	<ul style="list-style-type: none"> • To prepare all the finished products for packaging and shipment. • To record any shortage or wastage of raw materials in order to prevent back order or unprocessed inventory.

Table 6.2 Tasks and Responsibilities of Each Personnel in Cavation Co.

Based on the above table, it shows that all personnel in Cavation Co. plays an important role in creating the company brand and image as well as the development of Cavation Co. Every position has their own job specifications. All tasks and responsibilities are very important to manage the company smoothly. Cavation Co. needed Managing Director to ensure company's working scope and information are communicated all the way from the top down in the company. Not only that, but our Managing Director also need to control and cater any problems that will arise in order for Cavation Co. to run smoothly.

6.2.4 Partnership Background



MANAGING DIRECTOR

Figure 6.2 Cavation Co. Managing Director

NAME	:	Nurrul Hani Fazirra Binti Mohd Hanif
IDENTITY CARD	:	
PERMANENT ADDRESS	:	
DATE OF BIRTH	:	28 September 1994
AGE	:	28 Years Old
MARITAL STATUS	:	Single
TELEPHONE NUMBER	:	
EMAIL	:	nurrulhani@gmail.com
ACADEMIC QUALIFICATION	:	<ul style="list-style-type: none"> • Master in Business Economics, UiTM • Bachelor of Business Administration (Hons) Finance, UiTM • Diploma in Banking Studies, UiTM
SKILLS	:	<ul style="list-style-type: none"> • Fluent in English, Malay and Mandarin • Outstanding analytical mindset and problem-solving abilities • Excellent organisational, leadership and communication
EXPERIENCE	:	<ul style="list-style-type: none"> • General Director at Lembaga Tabung Haji (from year 2018 – 2020) • Project Manager at IKEA (from year 201 – 2017)
PRESENT OCCUPATION	:	Managing Director
PREVIOUS BUSINESS	:	Family Business (Manufacturing Machinery)

Table 6.3 The Particular of Cavation Co. Managing Director



MARKETING DIRECTOR

Figure 6.3 Cavation Co. Marketing Director

NAME	:	Nurul Syuhada Binti Tajul Azhar
IDENTITY CARD	:	
PERMANENT ADDRESS	:	
DATE OF BIRTH	:	14 November 1994
AGE	:	28 Years Old
MARITAL STATUS	:	Single
TELEPHONE NUMBER	:	
EMAIL	:	nurulsyuhadatajulazhar@gmail.com
ACADEMIC QUALIFICATION	:	<ul style="list-style-type: none"> • Master in Business Economics, UiTM • Bachelor of Business Administration (Hons) Finance, UiTM • Diploma in Banking Studies, UiTM
SKILLS	:	<ul style="list-style-type: none"> • Fluent in English, Malay and Mandarin • Good Marketing Skills and Communication Skills • Knowledgeable in social media marketing
EXPERIENCE	:	<ul style="list-style-type: none"> • Marketing Strategic at Proton (from year 2019 – 2020) • Promoter at Aeon Malaysia (from year 2017 – 2018)
PRESENT OCCUPATION	:	Marketing Director
PREVIOUS BUSINESS	:	Online business (selling hijab)

Table 6.4 The Particular of Cavation Co. Marketing Director



FINANCE DIRECTOR

Figure 6.4 Cavation Co. Finance Director

NAME	:	Wan Nur Shuaidah Binti Mohd Apandi
IDENTITY CARD	:	
PERMANENT ADDRESS	:	
DATE OF BIRTH	:	31 August 1994
AGE	:	27 Years Old
MARITAL STATUS	:	Single
TELEPHONE NUMBER	:	
EMAIL	:	wshuaidah@gmail.com
ACADEMIC QUALIFICATION	:	<ul style="list-style-type: none"> • Master in Business Economics, UiTM • Bachelor of Business Administration (Hons) Finance, UiTM • Diploma in Business Studies, UiTM
SKILLS	:	<ul style="list-style-type: none"> • Fluent in English, Malay and Mandarin • Skills in Microsoft (Word, Excel, PowerPoint) • Good communication and Management skills
EXPERIENCE	:	<ul style="list-style-type: none"> • Financial Executive at Citibank Holdings (from year 2019 – 2021) • Promoter at Digi Malaysia (from year 2017 – 2018)
PRESENT OCCUPATION	:	Finance Director
PREVIOUS BUSINESS	:	Family Business (Food and Beverage)

Table 6.5 The Particular of Cavation Co. Finance Director



OPERATION DIRECTOR

Figure 6.5 Cavation Co. Operation Director

NAME	:	Nur Najwa Nabila Binti Zin Adli
IDENTITY CARD	:	
PERMANENT ADDRESS	:	
DATE OF BIRTH	:	17 July 1994
AGE	:	28 Years Old
MARITAL STATUS	:	Single
TELEPHONE NUMBER	:	
EMAIL	:	njwanabila@gmail.com
ACADEMIC QUALIFICATION	:	<ul style="list-style-type: none"> • Master in Business Economics, UiTM • Bachelor of Business Administration (Hons) Finance, UiTM • Diploma in Business Studies, UiTM
SKILLS	:	<ul style="list-style-type: none"> • Fluent in English, Malay and Mandarin • Able to manage the operation process as well • Skills in Adobe Photoshop, InDesign
EXPERIENCE	:	<ul style="list-style-type: none"> • Assistant Logistic Executive at Zalora Malaysia (from year 2018 – 2020) • Operation Staff at Sime Darby (from year 2016 – 2017)
PRESENT OCCUPATION	:	Operation Director
PREVIOUS BUSINESS	:	Family Business (Manufacturing Electronic)

Table 6.6 The Particular of Cavation Co. Operation Director



ADMINISTRATION DIRECTOR

Figure 6.6 Cavation Co. Administration Director

NAME	:	Nur Syazlia Binti Md Kassim
IDENTITY CARD	:	
PERMANENT ADDRESS	:	
DATE OF BIRTH	:	26 October 1994
AGE	:	28 Years Old
MARITAL STATUS	:	Single
TELEPHONE NUMBER	:	
EMAIL	:	nsyazliya@gmail.com
ACADEMIC QUALIFICATION	:	<ul style="list-style-type: none"> • Master in Office Management, UiTM • Bachelor of Business Administration (Hons) Finance, UiTM • Diploma in Banking Studies, UiTM
SKILLS	:	<ul style="list-style-type: none"> • Fluent in English, Malay and Arabic • Good in time management • Proficient with Microsoft (Word, Excel)
EXPERIENCE	:	<ul style="list-style-type: none"> • Human Resources Staff at Petronas (from year 2019 – 2020) • Supervisor of Starbucks Malaysia (from year 2017 – 2018)
PRESENT OCCUPATION	:	Administration Director
PREVIOUS BUSINESS	:	Business in Baking Cake and Pastry

Table 6.7 The Particular of Cavation Co. Administration Director

6.3 Supporting Professional Advisor and Services

COMPANIES/INSTITUTES	SERVICES
BANK: Maybank Berhad No. 14 - 22, Jalan Kelayang, Off Jalan Meru, Klang, Selangor.	<ul style="list-style-type: none"> • Providing detailed information and documents needed for contingency loan and hire purchase. • Analyzing company's financial performance to verify the ability in paying loan. • Examines all documents, report, and financial records to verify all assets and liabilities. • Provide an insurance protection on company assets.
LAWYER FIRM: Mohd Redzuan Ramli & Associates No. 42, Tingkat, 1, Jalan Makyong 5/Ku5, Bandar Bukit Raja, 41050 Klang, Selangor.	<ul style="list-style-type: none"> • Responsible to provide legal advice regarding Cavation Co. company in term of patents, contracts, regulatory measures, labor agreement and taxation. • Providing assistance to Cavation Co. in avoiding, navigating, and resolving complicated legal difficulties. • Assuring that Cavation Co. understand and follow all relevant laws and outcomes. • Analysis of relevant legislation, argument building, evidence collecting, and legal representation are all part of the process of researching and resolving legal conflicts. • Legal paperwork linked to business operations is drafted, reviewed, completed, and filed. • Examining and notifying the appropriate authorities of any prospective or current legal issues.

Table 6.8 List of Professional Advisor and Services for Cavation Co.

6.4 Schedule of Remuneration

POSITION	NO.	MONTHLY SALARY (RM)	EPF CONTRIBUTION (13%) (RM)	SOCSSO (2%) (RM)	AMOUNT (RM)
Managing Director	1	2,500	325	50	2,875
Marketing Director	1	2,000	260	40	2,300
Finance Director	1	2,000	260	40	2,300
Administration Director	1	2,000	260	40	2,300
Operation Director	1	2,000	260	40	2,300
Finance Assistant Director	1	1,700	221	34	1,955
TOTAL					14,030

Table 6.9 Schedule of Remuneration of Cavation Co.

Table 6.9 shows the remuneration schedule for all the employees at Cavation Co. Company. The salary for managing director is RM2,875 and the others director is RM2,300 per person. Meanwhile, the salary for finance assistant director is RM1,955. Overall, the total amount for the remuneration is RM14,030.

6.5 List of Furniture and Office Equipment

ITEM	QUANTITY	PRICE PER UNIT (RM)	TOTAL COST (RM)
Office Furniture			
Executive Table and Chairs	4 sets	800	3,200
Cabinet	4	350	1,400
Meeting Table Set	1	850	850
Sofa Set	1	600	600
Office Equipment			
Computer	4 sets	2,000	8,000
Air Conditioner	2	1,200	2,400
Punch Card Machine	1	200	200
WIFI	1	150	150
Photocopiers and Printers	1	500	500
Storage File	4	10	40
Broom and Dustbin	1	10	10
TOTAL			17,350

Table 6.10 Office Furniture and Equipment of Cavation Co.

Table 6.10 shows the office furniture and equipment for company Cavation Co. The furniture and equipment we bought are according to the needs and facilities all the workers. The total amount for the furniture and equipment expenses is RM 17,350.

6.6 Organizational Expenditure

ORGANIZATIONAL EXPENDITURE	RM
Fixed Asset/ Capital Expenditure	
Furniture and Equipment	17,350
TOTAL FIXED ASSETS	17,350
Working Capital/ Monthly Expenditure	
Salary/EPF/SOCSO	14,030
Utilities	3,000
Rental	1,200
TOTAL MONTHLY EXPENDITURE	18,230
Other Expenditures	
Business Registration	70
Rental Deposit	2,400
TOTAL OTHER EXPENDITURES	2,470
TOTAL	38,050

Table 6.11 Administrative Expenditure

Based on the Table 6.11, it shows that the total administrative expenditure for Cavation Co. is RM38,050.

7.0 FINANCIAL PLAN

Financial planning is an important aspect of business planning. It assists an organization in determining how a company can afford to achieve its strategic goals and objectives. In detail, the financial plan will include all of the costs of the business's activities, equipment, resources, and materials. Besides, a financial plan also can assist a business in measuring actual progress toward the vision of where an organization should be at the end of the year.

7.1 Input

NAME OF BUSINESS/COMPANY	CAVATION CO.
--------------------------	--------------

1. Projected administrative, marketing and operations expenditure :

MARKETING EXPENDITURE		ADMINISTRATIVE EXPENDITURE		OPERATIONS EXPENDITURE	
Fixed Assets	RM	Fixed Assets	RM	Fixed Assets	RM
Signboard Advertising	950	Land & Building		Vehicle	50,000
Computer	2,180	Furniture and Office Equipment	17,350	Machine	10,700
Printer	245			Furniture and Equipment	3,277
Working Capital		Working Capital		Working Capital	
Salary, EPF & SOCSO (Marketing Assis	1,955	Salary, EPS & SOCSO	14,030	Raw Materials	75,400
		Utilities	3,000	Carriage Inward & Duty	-
		Rental	1,200	Salaries, EPF & SOCSO	10,485
Other Expenditure		Other Expenditure		Other Expenditure	
Other Expenditure	120	Other Expenditure		Other Expenditure	3300
Pre-Operations		Pre-Operations		Pre-Operations	
Deposit (rent, utilities, etc.)		Deposit (rent, utilities, etc.)	2,400	Deposit (rent, utilities, etc.)	
Business Registration & Licences		Business Registration & Licences	70	Business Registration & Licences	
Insurance & Road Tax for Motor Vehicle		Insurance & Road Tax for Motor Vehicle		Insurance & Road Tax for Motor Vehicle	
Other Expenditure		Other Expenditure		Other Expenditure	
TOTAL	5,450	TOTAL	38,050	TOTAL	153,162

Table 7.1 Projected Administrative, Marketing, and Operations Expenditure

Based on table 7.1 above, the total marketing spend is RM5,450. Aside from that, the total administrative expenditure is RM38,050 since Cavation Co. has spent on furniture and office equipment since Cavation Co. is a manufacture wired mobile phone cables company. Furthermore, the total cost of operation expenditure is RM153,162 which includes fixed assets, monthly expenditures, and other expenses, because Cavation Co. concentrates on manufacturing, which required a small amount of employees and raw materials in order to produce wired mobile phone cables.

2. Projected sales and purchases:

	SALES PROJECTION		PURCHASE PROJECTION	
Year 1	Month 1	110,000	Month 1	75,400
	Month 2	110,000	Month 2	75,400
	Month 3	121,000	Month 3	75,400
	Month 4	132,000	Month 4	75,400
	Month 5	143,000	Month 5	75,400
	Month 6	132,000	Month 6	75,400
	Month 7	143,000	Month 7	75,400
	Month 8	132,000	Month 8	75,400
	Month 9	132,000	Month 9	75,400
	Month 10	137,500	Month 10	75,400
	Month 11	143,000	Month 11	75,400
	Month 12	148,500	Month 12	75,400
	Total Year 1	1,584,000	Total Year 1	904,800
Year 2	Total Year 2	1,900,800	Total Year 2	1,085,760
Year 3	Total Year 3	2,059,200	Total Year 3	1,176,240

Table 7.2 Projected Sales and Purchases

Besides that, according to table 7.2 above, the sales projections reveal that total sales for the year 1 of 2022 will be anticipated to be RM1,584,000. Therefore, in year 2, we will expect a 20% growth, with total sales of RM1,900,800. Along with that, we will increase the sales from 20% to 30% which resulting the total sales for year 3 is RM2,059,200 as our company will continue to develop in the future by launching any event related to Malaysian holiday seasons such as Eid Al-Fitr, Deepavali, and more. Meanwhile, for purchase projection, it shows that the total purchases of raw materials for the year 1 of 2022 will be RM904,800. Since we have expected the 20% growth of sales, therefore, the purchase of raw materials in year 2 would be RM1,085,760. Along with that, since in year 3, there would be 30% growth of sales, the purchase of raw materials also would be increasing in 30% which is RM1,176,240.

7.2 Project Implementation Cost

CAVATION CO. PROJECT IMPLEMENTATION COST & SOURCES OF FINANCE					
Project Implementation Cost			Sources of Finance		
Requirements	Cost	Loan	Hire-Purchase	Own Contribution	
Fixed Assets				Cash	Existing F. Assets
Land & Building					
Furniture and Office Equipment	17,350			17,350	
Signboard Advertising	950			950	
Computer	2,180			2,180	
Printer	245			245	
Vehicle	50,000				50,000
Machine	10,700		10,700		
Furniture and Equipment	3,277			3,277	
Working Capital	1 months				
Administrative	18,230			18,230	
Marketing	1,955			1,955	
Operations	85,885			85,885	
Pre-Operations & Other Expenditure	5,890			5,890	
Contingencies	5% 9,833	9,833			
TOTAL	206,495	9,833	10,700	135,962	50,000

Table 7.3 Project Implementation Cost and Sources of Finance of Cavation Co.

According to table 7.3 above, the total cost of project implementation for Cavation Co is RM206,495. Cavation Co's sources of finance include loans, hire purchases, and own contribution, which includes cash and existing fixed assets. Cavation Co has used a 5% loan from a bank as a back-up plan anything goes wrong, totalling RM9,833. Furthermore, Cavation Co used hire-purchase to purchase a machine worth RM10,700. Meanwhile, five members of Cavation Co will contribute RM135,962 in cash for furniture and office equipment, signboard advertising, computer, printer, furnitures and equipment, administrative, marketing, and operations. Furthermore, Cavation Co. has used existing fixed assets, the vehicle into the company, which totalled RM50,000.

7.3 Table of Depreciation and Table of Loan and Hire Purchase

CAVATION CO. DEPRECIATION SCHEDULES							
Fixed Asset Furniture and Office Equipment Cost (RM) 17,350 Method Straight Line Economic Life (yrs) 5				Fixed Asset Printer Cost (RM) 245 Method Straight Line Economic Life (yrs) 5			
Year	Annual Depreciation	Accumulated Depreciation	Book Value	Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	17,350		-	-	245
1	3,470	3,470	13,880	1	49	49	196
2	3,470	6,940	10,410	2	49	98	147
3	3,470	10,410	6,940	3	49	147	98
4	3,470	13,880	3,470	4	49	196	49
5	3,470	17,350	-	5	49	245	-
6	0	0	-	6	0	0	-
7	0	0	-	7	0	0	-
8	0	0	-	8	0	0	-
9	0	0	-	9	0	0	-
10	0	0	-	10	0	0	-

Fixed Asset Signboard Advertising Cost (RM) 950 Method Straight Line Economic Life (yrs) 5				Fixed Asset Computer Cost (RM) 2,180 Method Straight Line Economic Life (yrs) 5			
Year	Annual Depreciation	Accumulated Depreciation	Book Value	Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	950		-	-	2,180
1	190	190	760	1	436	436	1,744
2	190	380	570	2	436	872	1,308
3	190	570	380	3	436	1,308	872
4	190	760	190	4	436	1,744	436
5	190	950	-	5	436	2,180	-
6	0	0	-	6	0	0	-
7	0	0	-	7	0	0	-
8	0	0	-	8	0	0	-
9	0	0	-	9	0	0	-
10	0	0	-	10	0	0	-

Fixed Asset Vehicle Cost (RM) 50,000 Method Straight Line Economic Life (yrs) 10				Fixed Asset Machine Cost (RM) 10,700 Method Straight Line Economic Life (yrs) 7			
Year	Annual Depreciation	Accumulated Depreciation	Book Value	Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	50,000		-	-	10,700
1	5,000	5,000	45,000	1	1,529	1,529	9,171
2	5,000	10,000	40,000	2	1,529	3,057	7,643
3	5,000	15,000	35,000	3	1,529	4,586	6,114
4	5,000	20,000	30,000	4	1,529	6,114	4,586
5	5,000	25,000	25,000	5	1,529	7,643	3,057
6	5,000	30,000	20,000	6	1,529	9,171	1,529
7	5,000	35,000	15,000	7	1,529	10,700	0
8	5,000	40,000	10,000	8	0	0	0
9	5,000	45,000	5,000	9	0	0	0
10	5,000	50,000	-	10	0	0	0

Fixed Asset		Furniture and Equipment	
Cost (RM)		3,277	
Method		Straight Line	
Economic Life (yrs)		5	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	3,277
1	655	655	2,622
2	655	1,311	1,966
3	655	1,966	1,311
4	655	2,622	655
5	655	3,277	-
6	0	0	-
7	0	0	-
8	0	0	-
9	0	0	-
10	0	0	-

Table 7.4 Depreciation Schedules of Cavation Co.

Based on the table above, most of the fixed asset for Cavation Co. has 5 years life before it fully depreciated. However, vehicle and machine has more economic life which is 10 years and 7 years respectively as the assets are high quality and able to survive for a long time.

CAVATION CO.

LOAN & HIRE-PURCHASE AMMORTISATION SCHEDULES

LOAN REPAYMENT SCHEDULE				
Amount	9,833			
Interest Rate	5%			
Duration (yrs)	5			
Method	Baki Tahunan			
Year	Principal	Interest	Total Payment	Principal Balance
	-	-		9,833
1	1,967	492	2,458	7,866
2	1,967	393	2,360	5,900
3	1,967	295	2,262	3,933
4	1,967	197	2,163	1,967
5	1,967	98	2,065	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	-

HIRE-PURCHASE REPAYMENT SCHEDULE				
Amount	10,700			
Interest Rate	5%			
Duration (yrs)	3			
Year	Principal	Interest	Total Payment	Principal Balance
	-	-		10,700
1	3,567	535	4,102	7,133
2	3,567	535	4,102	3,567
3	3,567	535	4,102	-
4	0	0	-	-
5	0	0	-	-
6	0	0	-	-
7	0	0	-	-
8	0	0	-	-
9	0	0	-	-
10	0	0	-	-

Table 7.5 Table of Loan and Hire Purchase Amortisation Schedules of Cavation Co.

According to the table above, Cavation Co. have obtained a loan from Maybank Berhad for their contingency and hire purchase for all of Cavation Co. machines. Moreover, the contingency loan takes 5 years which indicates that Maybank Berhad will help to cover any unexpected incident or crisis happens in Cavation Co throughout that period. Furthermore, the hire purchase loan for machine takes 3 years to settle which have 5% interest rate.

7.4 Cash Flow Statement

CAVATION CO. PRO FORMA CASH FLOW STATEMENT														
MONTH	Pre-Operations	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL YR 1
CASH INFLOW														
Capital (Cash)	135,962													135,962
Loan	9,633													9,633
Cash Sales		22,000	22,000	24,200	26,400	28,600	26,400	28,600	26,400	26,400	27,500	28,600	29,700	316,600
Collection of Accounts Receivable		33,000	33,000	88,000	91,300	100,100	108,800	111,100	108,800	111,100	105,600	107,250	111,650	1,076,900
TOTAL CASH INFLOW	145,595	22,000	55,000	112,200	117,700	128,700	135,300	139,700	135,300	137,500	133,100	135,850	141,350	1,539,495
CASH OUTFLOW														
Administrative Expenditure														
Salary, EPS & SOCSO		14,030	14,030	14,030	14,030	14,030	14,030	14,030	14,030	14,030	14,030	14,030	14,030	168,360
Utilities		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Rental		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Marketing Expenditure														
Salary, EPF & SOCSO (Marketing Assistant Director)		1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	23,460
Operations Expenditure														
Cash Purchase		22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	271,440
Payment of Account Payable			22,620	52,780	52,780	52,780	52,780	52,780	52,780	52,780	52,780	52,780	52,780	560,420
Carriage Inward & Duty		10,485	10,485	10,485	10,485	10,485	10,485	10,485	10,485	10,485	10,485	10,485	10,485	125,620
Salaries, EPF & SOCSO														150,984
Other Expenditure														
Pre-Operations		3,420												3,420
Deposit (rent, utilities, etc.)		2,400												2,400
Business Registration & Licenses		70												70
Insurance & Road Tax for Motor Vehicle														
Other Pre-Operations Expenditure														
Fixed Assets														
Purchase of Fixed Assets - Land & Building		24,002												24,002
Purchase of Fixed Assets - Others														
Hire-Purchase Down Payment														
Hire-Purchase Repayment:														
Principal		297	297	297	297	297	297	297	297	297	297	297	297	3,567
Interest		45	45	45	45	45	45	45	45	45	45	45	45	535
Loan Repayment:														
Principal		164	164	164	164	164	164	164	164	164	164	164	164	1,967
Interest		41	41	41	41	41	41	41	41	41	41	41	41	492
Tax Payable														0
TOTAL CASH OUTFLOW	26,472	57,257	76,457	106,617	106,617	106,617	106,617	106,617	106,617	106,617	106,617	106,617	106,617	1,226,352
CASH SURPLUS (DEFICIT)	119,323	35,257	31,457	5,583	11,083	22,083	28,683	33,083	28,683	30,883	26,483	29,233	34,733	313,143
BEGINNING CASH BALANCE		119,323	84,866	62,610	68,193	79,276	101,360	130,043	163,126	191,810	222,693	249,176	278,410	313,143
ENDING CASH BALANCE		119,323	84,866	62,610	68,193	79,276	101,360	130,043	163,126	191,810	222,693	249,176	278,410	313,143

Table 7.6 Cash Flow Statement of Cavation Co.

Table 7.6 shows the Cash Flow Statement of Cavation Co. throughout the three-year period. The projected amount of cash flowing into the company is RM 1,539,495 for year 1 and increasing for year 2 to RM1,885,180 and continuing to increase for year 3 to RM 2,042,040. The projected amount of cash flowing out is increasing year by year and there will be no deficit balance for the upcoming three years except for the first two months since the company needs to purchase many machines as it just started the business. The ending cash balance for year 3 shows that the company has RM 1,130,317. The total amount of cash inflows and outflows is increasing year by year in Cavation Co. because the company decided to increase the production of 3 in 1 Smart USB cables, suitable for the market demand. The surplus amount shows the company is in good condition since it can be used for operational purchases without the need to borrow or make a loan.

7.5 Income Statement

CAVATION CO. PRO-FORMA PRODUCTION COST STATEMENT			
	Year 1	Year 2	Year 3
Raw Materials			
Opening Stock	0	11,000	13,200
Current Year Purchases	904,800	1,085,760	1,176,240
Ending Stock	11,000	13,200	14,300
Raw Materials Used	893,800	1,083,560	1,175,140
Carriage Inward	893,800	1,083,560	1,175,140
Salaries, EPF & SOCSO	125,820	150,984	196,279
Factory Overhead			
Depreciation of Fixed assets (Operations)	7,184	7,184	7,184
Total Factory Overhead	7,184	7,184	7,184
Production Cost	1,026,804	1,241,728	1,378,603

Table 7.7 Pro-Forma Production Cost Statement of Cavation Co.

Based on the Table 7.7, it shows the pro-forma production cost statement of Cavation Co. In the raw materials section, our company only have current year purchases and it is increasing from year to year due to increasing of sales forecast. Besides, for factory overhead our company has depreciation of fixed assets which will result the total factory overhead cost is RM7,184 throughout the 3 years because the other expenditures such as utilities will be paid by administration department. In addition, the production cost is slightly increase from year to year, which is RM1,026,804, RM1,241,728 RM1,378,603 for the year 2022, 2023, and 2024 respectively.

CAVATION CO. PRO-FORMA INCOME STATEMENT			
	Year 1	Year 2	Year 3
Sales	1,584,000	1,900,800	2,059,200
Less: Cost of Sales			
Opening Stock of Finished Goods			
Production Cost	1,026,804	1,241,728	1,378,603
Less: Ending Stock of Finished Goods	0	0	0
	1,026,804	1,241,728	1,378,603
Gross Profit	557,196	659,072	680,597
Less: Expenditure			
Administrative Expenditure	218,760	262,512	341,266
Marketing Expenditure	23,460	28,152	36,598
Other Expenditure	3,420	4,104	5,335
Business Registration & Licences	70		
Insurance & Road Tax for Motor Vehicle			
Other Pre-Operations Expenditure			
Interest on Hire-Purchase	535	535	535
Interest on Loan	492	393	295
Depreciation of Fixed Assets	4,145	4,145	4,145
Total Expenditure	250,882	299,841	388,173
Net Profit Before Tax	306,314	359,231	292,423
Tax	0	0	0
Net Profit After Tax	306,314	359,231	292,423
Accumulated Net Profit	306,314	665,545	957,969

Table 7.8 Pro-Forma Income Statement of Cavation Co.

Based on the Table 7.8, it shows Pro-Forma Income Statement of Cavation Co. In general, the sales of Cavation show a steady increase from the first year in 2022 to the third year in 2024. Sales increase from RM1,584,000, then continue to rise in second year, which is RM 1,900,800. After that, the sales continue to grow which recorded at RM2,059,200 in the third year. This is because our company estimate that by year 2023 our company will get 20% increasing based on the sales forecast and 30% increasing for the year 2024. Moreover, the net profit has recorded from RM306,314 in 2022 to RM292,423 in 2024 due to the increase in total expenditure. Therefore, due to the 20% shares that each of the members hold, each member will get RM61,262.80 in year 1. Meanwhile, in year 2 shareholders will be expected to get RM71,846.2. Lastly, for year 3, every shareholder able to accumulate profit for RM58,484.6 per year.

7.6 Balance Sheet

CAVATION CO. PRO-FORMA BALANCE SHEET			
	Year 1	Year 2	Year 3
ASSETS			
Non-Current Assets (Book Value)			
Land & Building			
Furniture and Office Equipment	13,880	10,410	6,940
Signboard Advertising	760	570	380
Computer	1,744	1,308	872
Printer	196	147	98
Vehicle	45,000	40,000	35,000
Machine	9,171	7,643	6,114
Furniture and Equipment	2,622	1,966	1,311
Other Assets			
Deposit	2,400	2,400	2,400
	75,773	64,444	53,115
Current Assets			
Stock of Raw Materials	11,000	13,200	14,300
Stock of Finished Goods			
Accounts Receivable	190,300	205,920	223,080
Cash Balance	313,143	787,022	1,130,317
	514,443	1,006,142	1,367,697
TOTAL ASSETS	590,216	1,070,586	1,420,812
Owners' Equity			
Capital	185,962	185,962	185,962
Accumulated Profit	306,314	665,545	957,969
	492,276	851,507	1,143,931
Long-Term Liabilities			
Loan Balance	7,866	5,900	3,933
Hire-Purchase Balance	7,133	3,567	
	15,000	9,467	3,933
Current Liabilities			
Accounts Payable	82,940	209,612	272,948
TOTAL EQUITY & LIABILITIES	590,216	1,070,586	1,420,812

Table 7.9 Pro-Forma Balance Sheet of Cavation Co.

Based on the Table 7.9, it shows Pro-Forma Balance Sheet of Cavation Co from the year 2022 to 2024. The company shows a very great performance every year. From this balance sheet, the company shows high increase in equity and asset while the liability amount is getting lower every year. The total assets have increased from RM590,216 in 2022 to RM1,420,812 in 2024. The total equity has increased from RM492,276 in 2022 to RM1,143,931 in 2024. The long-term liabilities have shown a good improvement since it expected to decrease from RM15,000 in 2022 to RM3,933 in 2024.

8.0 PROJECT MILESTONES

ACTIVITIES	START DATES	END DATES
Incorporation of the Venture	1/1/2022	28/2/2022
Application for Permits and License	5/3/2022	5/7/2022
Searching for Business Premise	1/1/2022	1/2/2022
Completion of Design and Development of the Premise	19/2/2022	20/5/2022
Completion of Prototypes and Premise's Renovation	19/3/2022	20/5/2022
Signing of Distributors and Dealers	1/5/2022	31/5/2022
Procurement of Machines and Raw Material	20/3/2022	31/5/2022
Recruitment of Labours	1/6/2022	30/6/2022
Ordering of Materials in Production Quantities	1/4/2022	31/5/2022
Installation of Machines	1/6/2022	30/6/2022
Starting of Production or Operations	1/7/2022	31/12/2022
Receipt of First Orders	1/7/2022	31/7/2022
Delivery of First Sales.	4/7/2022	31/7/2022

Table 8.0 The deadlines of activities critical to the venture's success for Cavation Co.

From the above table, it shows that Cavation Co. takes around 6 months to fully establish the company which starts on 1st January 2022 until 30th June 2022. Cavation Co. always ensure that every activity that need to be taken are within a short period of time in order to prevent any delay in building and develop the company. Moreover, Cation Co. are planning on starting the production and operations of the business on 1st July 2022 which they expect to have the first orders around July.

9.0 CONCLUSION

In conclusion, a systematic and structured planning process has been designed from the beginning until the end in deciding the proper and best plan to ensure that the business can be established to the public and the product can be sold in a way that satisfies the needs and demands of the customers. Cavation Co is confident that this business will bring great returns as illustrated by the presented income plan and projection.

The projections that are made in this business plan for the first year of operation after financing are fairly conservative. This is because the plan takes into account the business stages in which all of the marketing, including new promotion and advertising, is launched to attract potential customers to purchase 3 in 1 Smart USB cable from Cavation Co. Our company also has set its sights on becoming one of the top five electronic brands in Malaysia and has been working to expand its customer base.

Cavation Company has orderly created a comprehensive proposal that includes the company's mission, vision, and goals, as well as its marketing, operational and organizational activities, and financial plans. This will allow the company's business to function effectively and assist it in accomplishing its goals.

Therefore, Cavation Co is enthusiastic that its 3 in 1 Smart USB cable business will be able to expand in the future. This is due to the fact that the product is aimed at a wide range of customers who are concerned about messy and tangled charger cables. The fact that this product comes equipped with a designated magnetic charger cable that is built into a 3 in 1 USB port will meet requirements needs.

10.0 REFERENCES

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11.0 APPENDICES

Appendices 1

Photos of Product or Prototype



Diagram 1 : 3 in 1 Smart USB Cable

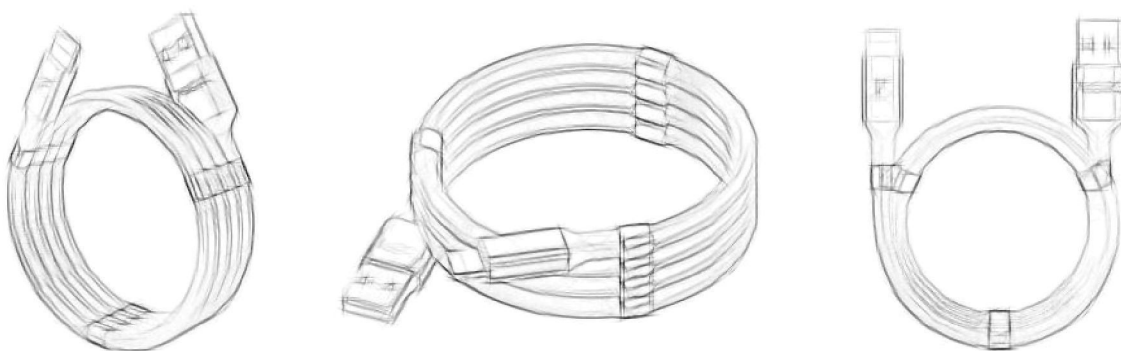


Diagram 2 : Prototype of 3 in 1 Smart USB Cable

Appendices 2

Charts of Cavation Co.'s Financial Performance

CAVATION CO. FINANCIAL RATIO ANALYSIS			
	Year 1	Year 2	Year 3
<u>LIQUIDITY</u>			
Current Ratio	6	5	5
Quick Ratio (Acid Test)	6	5	5
<u>EFFICIENCY</u>			
Inventory Turnover	93	103	100
<u>PROFITABILITY</u>			
Gross Profit Margin	35.18%	34.67%	33.05%
Net Profit Margin	19.34%	18.90%	14.20%
Return on Assets	51.90%	33.55%	20.58%
Return on Equity	62.22%	42.19%	25.56%
<u>SOLVENCY</u>			
Debt to Equity	19.90%	25.73%	24.20%
Debt to Assets	16.59%	20.46%	19.49%
Time Interest Earned	622	912	990

Diagram 1: Financial Ratio Analysis

FINANCIAL RATIOS

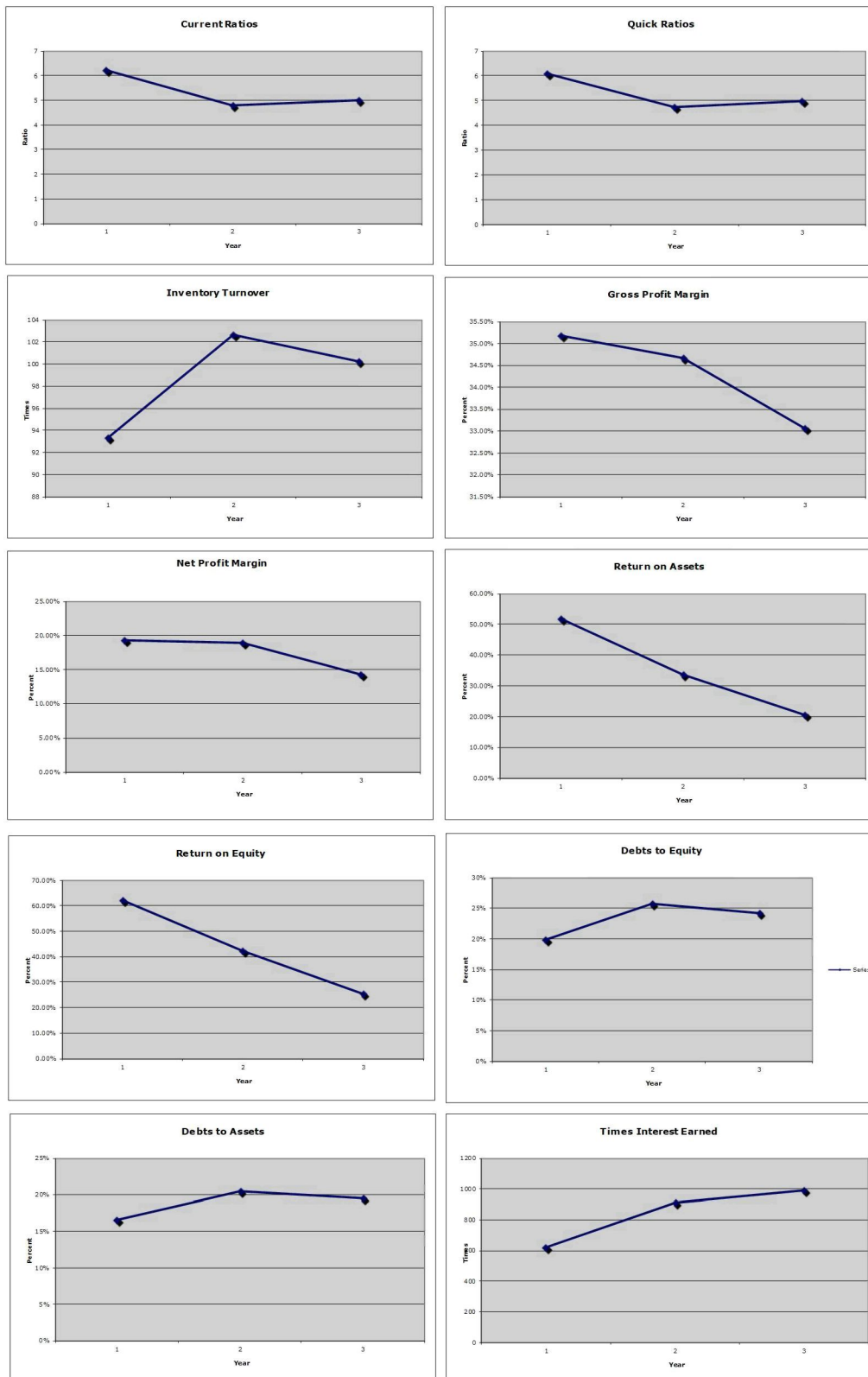


Diagram 2: Financial Ratios of Line Chart

Appendices 3

Source of Market



Robotdigg
Ho King Commercial Centre,
ROOM 09 27/F, 2-16 Fa Yuen St,
Mong Kok, Hong Kong

Supplier Quotation

Quote Number: 001	Date: 4 April 2022
Company Name: Cavation Co.	Contact Person: Xuan Lee
Project Title: Injection Molding Machine	

Item	Description	Unit Price (RM)	Quantity	Price (RM)
Injection Molding Machine	Customize	5,300	1	5,300
TOTAL				RM5,300

Thank you very much for giving us the opportunity to quote and hope to serve your valued order soon. Have a nice day.

Sincerely,

Ahmad Ali

Diagram 1: Quotation from Robotdigg

**SHENZHEN
JULI
BROTHERS**

Shenzhen Juli Brothers Machinery Co., Ltd
No.486, Guangshen Road, Songgang Street,
Baoan Dist., Shenzhen, Guangdong, China (Mainland)

Supplier Quotation

Quote Number: 432	Date: 7 April 2022
Company Name: Cavation Co.	Contact Person: Lee Kian Shee
Project Title: Soldering Machine	

Item	Description	Unit Price (RM)	Quantity	Price (RM)
Soldering Machine	Customize	5,000	1	5,000
TOTAL				RM5,000

Thank you very much for giving us the opportunity to quote and hope to serve your valued order soon. Have a nice day.

Sincerely,

Lee Kian Shee

Diagram 2: Quotation from Shenzhen Juli Brothers Machinery Co., Ltd



Assmann WSW Components

Auf dem Schueffel 1 Luedenscheid, D 58513,
Germany

Supplier Quotation

Quote Number: 5223	Date: 7 April 2022
Company Name: Cavation Co.	Contact Person: Stefan Walter
Project Title: Testing Machine	

Item	Description	Unit Price (RM)	Quantity	Price (RM)
Testing Machine	Customize	400	1	400
TOTAL				RM400

Thank you very much for giving us the opportunity to quote and hope to serve your valued order soon. Have a nice day.

Sincerely,

Stefan Walter

Diagram 3 : Quotation from Assman WSW Components

Appendices 4

Capital Equipment and Facility Requirements



Diagram 1 : Machine Equipment of Cavation Co.

Appendices 5

Suppliers of Cavation Co. for Furniture and Equipment



PEER EVALUATION FOR BUSINESS PLAN

Evaluator's Name: Nurrul Hani Fazirra Binti Mohd Hanif
Company's Name: Cavation Co.

Class: BA242 4D

		BUSINESS PLAN (5%)						
Team Name	Members	Marks Allocated	Marks (M)				Weighted marks obtained	
			1	2	3	4		5
		5%	Never contribute ideas and perform tasks	Rarely contribute ideas and perform tasks	Occasionally contribute ideas and perform tasks	Usually contribute ideas, perform tasks, tolerant and fair decision	Routinely contribute constructive ideas, perform all tasks, high tolerance and outstanding decision	M/5 x 5% =
1. Nur Najwa Nabila Bt Zin Adli							√	5
2. Nur Syazlia Bt Md Kassim							√	5
3. Wan Nur Shuaidah Bt Mohd Apandi							√	5
4. Nurul Syuhada Bt Tajul Azhar							√	5
								20

PEER EVALUATION FOR BUSINESS PLAN

Evaluator's Name: Nur Najwa Nabila Binti Zin Adli
Company's Name: Cavation Co.

Class: BA242 4D

		BUSINESS PLAN (5%)						
Team Name	Members	Marks Allocated	Marks (M)				Weighted marks obtained	
			1	2	3	4		5
		5%	Never contribute ideas and perform tasks	Rarely contribute ideas and perform tasks	Occasionally contribute ideas and perform tasks	Usually contribute ideas, perform tasks, tolerant and fair decision	Routinely contribute constructive ideas, perform all tasks, high tolerance and outstanding decision	M/5 x 5% =
1. Nurrul Hani Fazira Bt Mohd Hanif							√	5
2. Nur Syazlia Bt Md Kassim							√	5
3. Wan Nur Shuaidah Bt Mohd Apandi							√	5
4. Nurul Syuhada Bt Tajul Azhar							√	5
								20

PEER EVALUATION FOR BUSINESS PLAN

Evaluator's Name: Nur Syazlia Binti Md Kassim
Company's Name: Cavation Co.

Class: BA242 4D

		BUSINESS PLAN (5%)						
Team Name	Members	Marks Allocated	Marks (M)				Weighted marks obtained	
			1	2	3	4		5
		5%	Never contribute ideas and perform tasks	Rarely contribute ideas and perform tasks	Occasionally contribute ideas and perform tasks	Usually contribute ideas, perform tasks, tolerant and fair decision	Routinely contribute constructive ideas, perform all tasks, high tolerance and outstanding decision	M/5 x 5% =
1. Nur Najwa Nabila Bt Zin Adli							√	5
2. Nurrul Hani Fazirra Bt Mohd Hanif							√	5
3. Wan Nur Shuaidah Bt Mohd Apandi							√	5
4. Nurul Syuhada Bt Tajul Azhar							√	5
								20

PEER EVALUATION FOR BUSINESS PLAN

Evaluator's Name: Wan Nur Shuaidah Binti Mohd Apandi
Company's Name: Cavation Co.

Class: BA242 4D

		BUSINESS PLAN (5%)						
Team Name	Members	Marks Allocated	Marks (M)				Weighted marks obtained	
			1	2	3	4		5
		5%	Never contribute ideas and perform tasks	Rarely contribute ideas and perform tasks	Occasionally contribute ideas and perform tasks	Usually contribute ideas, perform tasks, tolerant and fair decision	Routinely contribute constructive ideas, perform all tasks, high tolerance and outstanding decision	M/5 x 5% =
1. Nur Najwa Nabila Bt Zin Adli							√	5
2. Nur Syazlia Bt Md Kassim							√	5
3. Nurrul Hani Fazirra Bt Mohd Hanif							√	5
4. Nurul Syuhada Bt Tajul Azhar							√	5
								20

PEER EVALUATION FOR BUSINESS PLAN

Evaluator's Name: Nurul Syuhada Binti Tajul Azhar
Company's Name: Cavation Co.

Class: BA242 4D

		BUSINESS PLAN (5%)						
Team Name	Members	Marks Allocated	Marks (M)				Weighted marks obtained	
			1	2	3	4		5
		5%	Never contribute ideas and perform tasks	Rarely contribute ideas and perform tasks	Occasionally contribute ideas and perform tasks	Usually contribute ideas, perform tasks, tolerant and fair decision	Routinely contribute constructive ideas, perform all tasks, high tolerance and outstanding decision	M/5 x 5% =
1. Nur Najwa Nabila Bt Zin Adli							√	5
2. Nur Syazlia Bt Md Kassim							√	5
3. Wan Nur Shuaidah Bt Mohd Apandi							√	5
4. Nurrul Hani Fazirra Bt Mohd Hanif							√	5
								20