*Graphical user interface, application

Description automatically generated*

Business Model

***Group 2***

*Iqbal Aqsa\_2019380162*

*Abid Ali\_2019380141*

*Mahmud Abrar Al­\_2019380188*

*Table of contents*

[Executive Summary 3](#_Toc84797729)

[The Economics of CTGx 3](#_Toc84797730)

[Startup Expenditure (Budget) 4](#_Toc84797731)

[Generating Startup Capital for CTGx Mobile Phone Assembling Plant, Inc. 5](#_Toc84797732)

[Operations plan 5](#_Toc84797733)

[Location 5](#_Toc84797734)

[Our Business Structure 6](#_Toc84797735)

[Management team and company structure 7](#_Toc84797736)

[Chief Executive Officer – CEO: 7](#_Toc84797737)

[Admin and HR Manager 7](#_Toc84797738)

[Plant Manager: 7](#_Toc84797739)

[Sales and Marketing Manager 8](#_Toc84797740)

[Automobile Engineers/Technicians 8](#_Toc84797741)

[Accountant/Cashier: 8](#_Toc84797742)

[Client Service Executive/Front Desk Officer 8](#_Toc84797743)

[MARKET ANALYSIS 9](#_Toc84797744)

[FUTURE PLAN 10](#_Toc84797745)

[OUR COMPETITORS 10](#_Toc84797746)

[LONG TIME PROSPECTS 10](#_Toc84797747)

[Market Trends 10](#_Toc84797748)

[Our Target Market 11](#_Toc84797749)

[Our competitive advantage 12](#_Toc84797750)

[SALES AND MARKETING STRATEGY 12](#_Toc84797751)

[Sources of Income 12](#_Toc84797752)

[Sales Forecast 12](#_Toc84797753)

[Marketing Strategy and Sales Strategy 12](#_Toc84797754)

[Publicity and Advertising Strategy 13](#_Toc84797755)

[Our Pricing Strategy 13](#_Toc84797756)

[Sustainability and Expansion Strategy 14](#_Toc84797757)

[Check List/Milestone 14](#_Toc84797758)

[Financial projection of CTGx 15](#_Toc84797759)

[Assumption Sheet 15](#_Toc84797760)

[Pro forma balance sheet 16](#_Toc84797761)

[Pro forma income statement 17](#_Toc84797762)

[Capex & Depreciation Schedule 18](#_Toc84797763)

[Pro forma cash flow 19](#_Toc84797764)

# 

# Executive Summary

CTGx Mobile Phone Assembling Plant, Inc. is a registered mobile phone assembling plant company that will be located in will in Gazipur – Bangladesh. We have been able to secure all the license and permits required and also a world class facility in a good location in Gazipur.

CTGx Mobile Phone Assembling Plant, Inc. is located in a full-service automated mobile phone assembling plant. We will be involved in the assembling of mobile phones (Android smart phones) for-smartphone manufacturing companies who are looking for partners in Bangladesh. We want to assemble phones that will be used in Bangladesh.

We are quite optimistic that our values and quality of products will help us drive our mobile phone assembling plant business to enviable heights and also help us attract the number of clients that will make the business profitable.

We are quite aware that in order to get people and organizations to purchase and make use of the mobile phone brands that we assembled in our plant, we must continue to assemble quality mobile phones. We are open to the use of latest technology in our mobile phone assembling plant. Our excellent customer service and the quality of the mobile phones we assemble will position us to always welcome repeated customers.

Our client’s best interest will always come first, and everything we do will be guided by our values and professional ethics. We will ensure that we hold ourselves accountable to the highest standards by meeting our client’s needs precisely and completely.

CTGx Mobile Phone Assembling Plant, Inc. is owned and managed by Abid Ali and his immediate family members. He is a young entrepreneur & notable figure in the technology industry. He will build the business with competent engineers and technicians from Bangladesh.

# The Economics of CTGx

The main revenue driver of company is selling smartphones in a B2B market. Our net profit margin would be roughly 27% where variable cost per unit is $350.00 and fixed cost for the whole plant including machinery rent and salary is $150,000.

First year we will release one midrange model X1 and one flagship phone model X2, whose estimated market price would be $500 and $650 respectively. we will give our cell phones to the retailers on 89% of the market price.

CTGx ’s average revenue per smartphone will be $512.

Expected smartphone sales first year is 8000 units.

Total Revenue: $4096000

Total Costs: $2950000

Net Profit: $1146000

Break Even Units: 926

Chart, line chart

Description automatically generated

# Startup Expenditure (Budget)

We have been able to pull cash that will be enough for us to successfully launch a standard mobile phone assembling plant company in Chittagong economic zone, Bangladesh. These are the key areas where we will spend our startup capital on.

* The Total Fee for Registering the Business in the Bangladesh- **$3990**
* Legal expenses for obtaining licenses and permits – **$100.**
* Marketing promotion expenses (2,000 flyers at $0.04 per copy) for the total amount of **$13,580.**
* The cost for hiring Business Consultant – **$5,000.**
* Insurance (general liability, workers’ compensation, and property casualty) coverage at a total premium – **$30,800.**
* The cost of accounting software, CRM software and Payroll Software – **$50,000**
* The total cost for leasing standard plant facility- **$300,000.**
* The total cost for facility remodeling – **$200,000.**
* Other start-up expenses including stationery – **$1000**
* The amount needed for phone and utility deposits – **$3,500**
* Operational cost for the first 3 months (salaries of employees, payments of bills et al) – **$400,000**
* The cost for Start-up inventory – **$150,000**
* The cost for store equipment (cash register, security, ventilation, signage) – **$13,750**
* The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, TVs, Credit card machine, POS, tables, and chairs et al) – **$4,000.**
* The cost of Launching a website – **$600**
* Miscellaneous: **$100,000**

We would need an estimate of one million five hundred thousand US dollars (**$1.5 million**) are approximately Bangladeshi taka 75,500,000 to successfully launch our mobile phone assembling plant in the municipal area, economic zone, Chittagong, Bangladesh.

# Generating Startup Capital for CTGx Mobile Phone Assembling Plant, Inc.

CTGx Mobile Phone Assembling Plant, Inc. is be owned and managed by Abid Ali and his immediate family members. They are the sole financiers of the business which is why they decided to restrict the sourcing of the startup capital for the business to just three major sources.

These are the areas we intend generating our startup capital.

* Generate part of the startup capital from personal savings and sale of his stocks
* Generate part of the startup capital from friends and other extended family members
* Generate a larger chunk of the startup capital from the bank (loan facility).

***N.B:*** We have been able to generate about **$500,000** (*Personal savings $400,000 and soft loan from family members $100,000*) and we are at the final stages of obtaining a loan facility of $1 million from our bank. All the papers and documents have been duly signed and submitted, the loan has been approved and any moment from now our account will be credited.

## Operations plan

* We want to build a mobile phone assembling plant that will help some of the mobile phones manufacturing giants in assembling their mobile devices.
* Our mission as a mobile phone assembling plant is to develop a highly successful mobile phone assembling plant that can assemble durable and affordable mobile phones that will be retailed in Bangladesh; we want to be listed amongst the top mobile phone assembling plants in the country.

## Location

When planning to start a mobile phone assembling business, a key factor to consider would be location. There are some fantastic locations in nearby Dhaka and Chittagong. We prefer to choose Gazipur, Dhaka for several reasons as follows:

Gazipur is a now the industrial hub of Dhaka, Bangladesh. It has become special economic zones along with the export-oriented garments industry. Top garments are situated here because of the facilities provided by the government. Besides, the labors live here because of cheap transportation and housing facility. Gazipur is a city in central Bangladesh. It is located in the Gazipur District. It is a major industrial city located 25 km north of Dhaka. With the construction of Kaliakoir hi-tech park underway, it will be considered as a special economic zone (SEZ) to attract foreign and local investors where they could utilize vast potential of young educated and technically skilled work force. Eventually country’s economy will be substantially augmented by increasing foreign exchange. The total cost of the project now stands at Tk 2.2 billion. Gazipur has an extensive outlay of existing infrastructure - rail, road, and air - which make it an excellent investment destination. Chittagong sea port is 7 hours driving distance from Gazipur.

***Water***

City Region Development Project for Water Supply and Sanitation in Gazipur is responsible for ensuring consistent water supply in industrial areas.

***Power***

Bangladesh now has a power generation capacity in excess of 21,000 MW.

Hire Employees for Technical and Manpower Needs

It’s very important to state that this business requires adequate funding because we need funds to get quality equipment, rent or build a plant, pay employees.

These personnel include Chief Executive Officer (CEO), admin and human resources manager, accountant, business development and marketing executive, assembly line workers, customer service executive and security. When it comes to the equipment need to run the mobile phone assembling business efficiently, we might need to buy some, rent some or get some as fairly used, depending on what our overall budget for the business is.

We also need Belt conveyor, Worktable, Frame separator, Counting screw machine, Laminator etc.

# Our Business Structure

We are aware that the success of any business lies in the foundation on which the business is built on, which is why we have decided to build our mobile phone assembling plant company on the right business foundation.

We want to build a dedicated workforce that will ensure that our customers are satisfied when they purchase mobile phones that are assembled in our plant.

We are aware that it takes a business with the right employees and structure to achieve all what we have set to achieve, which is why will be putting structures and processes in place that will help us assemble durable mobile phones and run the business on auto pilot.

With the nature of the mobile phone assembling business, we are only expected to employ adequate number of employees. CTGx Mobile Phone Assembling Plant, Inc. will employ professionals and skilled people to occupy the following position.

* Chief Executive Officer
* Plant Manager
* Human Resources and Amin Manager
* Sales and Marketing Manager
* Mobile Phone Assembling Engineers/Technicians
* Accountants/Cashiers
* Customer Services Executive/Front Desk Officer

# Management team and company structure

## Chief Executive Officer – CEO:

* Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives.
* Responsible for fixing prices and signing business deals
* Responsible for providing direction for the business
* Creates, communicates, and implements the organization’s vision, mission, and overall direction – i.e., leading the development and implementation of the overall organization’s strategy.
* Responsible for signing checks and documents on behalf of the company
* Evaluates the success of the organization
* Reports to the board

## Admin and HR Manager

* Responsible for overseeing the smooth running of HR and administrative tasks for the organization
* Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
* Ensures operation of equipment by completing preventive maintenance requirements, calling for repairs.
* Defines job positions for recruitment and managing interviewing process
* Carries out induction for new team members
* Responsible for training, evaluation, and assessment of employees
* Responsible for arranging travel, meetings, and appointments
* Oversee the smooth running of the daily office activities.

## Plant Manager:

* Responsible for overseeing the smooth running of the mobile phone assembling plant
* Maps out strategy that will lead to efficiency amongst workers in the plant
* Responsible for training, evaluation and assessment of mobile phone engineers and other plant workers
* Ensures that the steady flow of both mobile phone component parts to the plant and easy flow of finished products through wholesale distributors to the market
* Ensures operation of equipment by completing preventive maintenance requirements, calling for repairs.
* Ensures that the factory meets the expected safety and health standard at all times.
* Interfaces with third – party suppliers (vendors) of raw materials
* Controls distribution and supply inventory
* Supervises the workforce in the assembling plant.

## Sales and Marketing Manager

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

## Automobile Engineers/Technicians

* Responsible for assembling mobile phones (Android smart phones, iOS smart phones, Windows Phone smart phones and other products)
* Ensures that only durable mobile phones are rolled out from the assembling plant
* Handles any other duty as assigned by the plant manager or supervisor.

## Accountant/Cashier:

* Responsible for preparing financial reports, budgets, and financial statements for the organization
* Provides managements with financial analyses, development budgets, and accounting reports
* Responsible for financial forecasting and risks analysis.
* Performs cash management, general ledger accounting, and financial reporting
* Responsible for developing and managing financial systems and policies
* Responsible for administering payrolls
* Ensures compliance with taxation legislation
* Handles all financial transactions for the organization
* Serves as internal auditor for the organization

## Client Service Executive/Front Desk Officer

* Welcomes guests and clients by greeting them in person or on the telephone, answering or directing inquiries.
* Ensures that all contacts with clients (e-mail, walk-In center, SMS, or phone) provides the client with a personalized customer service experience of the highest level
* Through interaction with clients on the phone, uses every opportunity to build client’s interest in the company’s automobile brand
* Manages administrative duties assigned by the manager in an effective and timely manner
* Consistently stays abreast of any new information on the company’s products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
* Receives parcels/documents for the company
* Distributes mails in the organization

# MARKET ANALYSIS

People involved with the mobile phone sector feel Bangladesh will no longer need to import handsets as a dozen of local factories are scaling up assembly operations. The factories are fully capable to meet the local smart phone demand, while they can supply almost 80 percent of the feature phones.

Top officials of the plants, including that of Korean giant Samsung Electronics, say the sector will be able to fully meet the local demand this year. The production of mobile phone handsets in Bangladesh has caused the grey market of illegal and fake mobile to shrink.

As many as 33 million mobile handsets were made in Bangladesh over the past one and a half years, including 18.8 million in last six months.

Bangladesh imported 16.3 million mobiles in last one and a half years with only 1.8 million of them imported in the last six months. Before domestic production began in 2017, Bangladesh needed to meet the local consumption through 100% import of handsets. Now the plants import small parts and assemble the handsets.

The handset market in Bangladesh is worth over Tk 100 billion or roughly $1.2 billion.

The annual demand in Bangladesh is more than 35 million handsets, including 11 million smart phones made or assembled locally. Over 60 percent of the feature phones are made or assembled in Bangladesh. The plants will be able to meet the demand fully in a short time.

Import of illegal and fake handsets dropped after local factories began to assemble handsets. “The cost dipped 20 to 25 percent after handsets began to be made in Bangladesh. That's why the grey market is unable to make profits."

The market of illegally brought and fake handsets will be gone when the regulator begins the process to shut down such phones. More companies are now keen on setting up factories in Bangladesh and the association is providing assistance to those firms.

Some factories are preparing to make motherboards, and gradually the mobile phones will be 100 percent made in Bangladesh. This sector will play a significant role in export after meeting local demands. Around 5.5 million units of handsets of Techno and Itel brand are made in this factory. Starting its operation two years ago, the factory produces more than 1.5 million smart phone handsets per year. The demand has shot up this year.

Walton Digi-tech Industries have been assembling handsets since December 2017. The company produced 4 million feature phones and 400,000 smart phones amid the corona virus pandemic last year.

Walton is set to export smart phones to the US, in what can be viewed as a remarkable endorsement of the leaps taken by Bangladesh's manufacturing sector. The first consignment of the smart phones, which would be priced between $100 and $200, will be out of the gates of Walton Digi-Tech.

The government is prepared to fully support these companies.

## FUTURE PLAN

Our preliminary target will be to capture the local market which is still wide open. In our next phase we will set up as a total manufacturing unit at the EPZ, where much more facilities are provided by the government. It will be a total export oriented.

## OUR COMPETITORS

We have to keep in mind that to survive we have to fight hard with company like Samsung, Vivo, Oppo, Walton and others. As per Darwin’s theory “survival of the fittest”.

## LONG TIME PROSPECTS

Flexible, stretchable display screens are likely to play a role in the future of cell phone technology. Foldable phones may to some extent fulfill this need, but the future of smart phones – 2021 is likely to include a greater range of larger yet thinner stretchable and foldable screens on offer.

Android Operating System is expected to grow significantly. The shipments of android smart phones have outpaced shipments of iOS smart phones. For instance, according to industry sources, in Q1 of 2021, the most sold smart phones were Samsung, approximately accounting for 77 million smart phones globally, compared to the sales of iPhone globally that approximately accounted for 57 million. This indicates that Android smart phones are the most preferred and customer-friendly compared to iOS smart phones.

Furthermore, many application developers prefer Android OS to develop gaming/entertainment applications, social media applications, utility mobile applications, lifestyle applications, among others, as it requires the developers to have knowledge of languages, such as C++, Kotlin, Java, among others. Moreover, Google also offers various development tools, such as Android Jetpack, Firebase, and Android SDK, to assist developers in building a user-intuitive interface.

Moreover, the platform allows users to download applications for free of cost. Anticipated to propel the adoption of 5G smart phones.

## Market Trends

Bangladeshis, especially the middle class make use of mobile phones that are assembled in Bangladesh. This goes to show that there is a thriving business for mobile phone assembling plants in Bangladesh.

In recent time, it is trendier to find mobile phone manufacturing giants especially from Asia and Europe establishing their assembling plants or contracting the assembling of their mobile phones to a standard independent mobile phone assembling plant.

Another notable trend in the mobile phone manufacturing industry is in order to stay ahead of your competitors, you must continue to come up with smartphones that are sleek, durable and comes with unique features amongst others. Please note that mobile phone assembling plant business responds to increase in household spending and also increase in the earning powers of people. The trend of the market can be predicted without stress.

14 Mobile Trends That Are Dominating 2021 as follows.

Artificial intelligence (AI) ----. Artificial intelligence has penetrated our mobile world.

Location-based technology ---- smart phones and tablets are tracking your location. That’s not a secret

Augmented reality ----- Augmented reality takes something that’s real and modifies it.

Syncing wearable technology with mobile devices ---- Wearable technology has become increasingly popular.

Revenue from mobile applications ---- Mobile apps are making a killing. Just look at the jump from 2016 to 2017 in terms of global app revenue

Mobile devices syncing with homes------ Mobile apps are being developed to help improve consumers’ experiences within their own homes.

Enhanced mobile security------ Saying that security is important would be an understatement.

Small business mobile apps ------- Not long ago, mobile applications were just for the big players. But now everyone is developing them.

Increased mobile payments ---- As mobile security improves and global app revenue rises, we’ll see an increase in mobile payments as well.

Transportation apps ---- For quite some time, we’ve seen apps for train tickets, local bus schedules, etc.

Virtual reality ----- Virtual reality is not quite the same as augmented reality. You’ll need more than just a smart phone to experience virtual reality.

Hybrid apps ----- Mobile app development can be expensive. Business owners have weighed the pros and cons of native and hybrid app development

Personal mobile devices in the workplace ---- Research indicates 87% of businesses depend on their employees to access work resources from their personal mobile devices.

Biometrics advancements ---- Biometrics are used to enhance security for mobile devices. Examples of biometrics include:voice recognition, facial recognition.

# Our Target Market

The target market for this line of business is in two phases; they are mobile phones manufacturing companies who want to contract the assembling of their mobile phones to a third – party company and of course those who purchase and make use of mobile phones.

Those who purchase mobile phones cut across all male and female above 18 years with the financial means hence the target market for mobile phones assembling plant business is all encompassing.

In view of that, we have positioned our mobile phone assembling plant to service the residents of every city where our mobile phones will be sold. We have conducted our market research and feasibility studies and we have ideas of what our target market would be expecting from us.

# Our [competitive advantage](https://www.profitableventure.com/example-companies-competitive-advantage/)

Mobile phone assembling plant business is a highly creative industry. We are aware of this which is why we decided to come up with a business concept that will position us to work for mobile phones manufacturing giants.

Our competitive edge is that we are standard mobile phone assembling plant that can boast of having some of the finest smartphones engineers and technicians. We will ensure that only durable and efficient mobile phones are rolled out from our assembling plant.

We can confidently say that the location of our mobile phone assembling plant will definitely count as a positive for us.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

# SALES AND MARKETING STRATEGY

## Sources of Income

CTGx Mobile Phone Assembling Plant, Inc. is established with the aim of maximizing profits in the mobile phone assembling business and we are going to ensure that we do all it takes to attract and retain all our clients. CTGx Mobile Phone Assembling Plant, Inc. will generate income by assembling mobile phones that will be used by a wide range of clientele in Bangladesh.

## Sales Forecast

We have been able to examine the mobile phone assembling plant market, we have analyzed our chances in the industry, and we have been able to come up with the following sales forecast.

Below are the sales projection for CTGx Mobile Phone Assembling Plant, Inc., it is based on the location of our business and of course the wide range of mobile phones that we will be rolling out from our mobile phone assembling plant.

* **First Year:**$1 Million
* **Second Year:**$2.3 Million
* **Third Year:**$4.8 Million

**N.B**: This projection was done based on what is obtainable in the mobile phone assembling plant line of business and with the assumption that there won’t be any major economic meltdown and there won’t be any major competitor within same location. Please note that the above projection might be lower and at the same time it might be higher.

## Marketing Strategy and Sales Strategy

The marketing strategy for CTGx Mobile Phone Assembling Plant, Inc. is going to be driven basically by solid mobile phones, excellent customer service, honesty, and efficiency. We want to drive sales via the output of our brands and via referral from our satisfied customers. We are quite aware of how satisfied customers drive business growth especially businesses like mobile phone assembling plant.

CTGx Mobile Phone Assembling Plant, Inc. is strategically located, and we are going to maximize the opportunities that is available which is why we spent more to locate the business where it can be visible and enable us to access our target market.

Our sales and marketing team will be recruited based on their vast experience in the industry, and they will be trained on a regular basis so as to be to meet their targets. CTGx Mobile Phone Assembling Plant, Inc. is set to make use of the following marketing and sales strategies to attract clients.

* Introduce our mobile phone assembling plant business by sending introductory letters alongside our brochure to mobile phone manufacturing companies and key stake holders w the country.
* Advertise our mobile phone assembling plant company in relevant phone magazines, newspapers, TV, and radio stations.
* Attend relevant expos, seminars, and mobile phone technology business fairs et al to market our mobile phone brands
* Engage in direct marketing approach

## Publicity and Advertising Strategy

CTGx Mobile Phone Assembling Plant, Inc. is set to create a standard for mobile phone assembling business in Bangladesh which is why we will adopt and apply best practices to promote our brand. Here are the platforms we intend leveraging on to promote and advertise CTGx Mobile Phone Assembling Plant, Inc.

* Encourage our loyal customers to help us use Word of Mouth mode of advertisement (referrals)
* Advertise our mobile phone assembly plant business in relevant telecoms magazines, local newspaper, local TV, and radio station
* Promote our business online via our official website
* List our business on local directories (yellow pages)
* Sponsor relevant community programs
* Leverage on the internet and social media platforms like Instagram, Facebook, twitter, et al to promote our mobile phone brand
* Install our billboards in strategic locations in and around Dhaka & Gazipur.
* Direct coupon mailing approach
* Engage in roadshows from time to time in target communities
* Distribute our fliers and handbills in target areas

## Our [Pricing Strategy](https://www.profitableventure.com/factors-product-pricing-strategy/)

Our pricing system is going to be based on what is obtainable in the mobile phone assembling plant line of business, we don’t intend to sell our mobile phones or charge our clients more and we don’t intend to sell less than our competitors are selling. The prices of our mobile phones will be same as what is obtainable in the open market.

### Payment Options

The payment policy adopted by CTGx Mobile Phone Assembling Plant, Inc. is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the People’s Republic of Bangladesh.

Here are the payment options that CTGx Mobile Phone Assembling Plant, Inc. will make available to her clients.

* Payment via bank transfer
* Payment with cash
* Payment via credit cards
* Payment via online bank transfer
* Payment via check
* Payment via mobile money transfer

In view of the above, we have chosen banking platforms that will enable our clients make payment for our mobile phones without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for mobile phones purchased.

# Sustainability and Expansion Strategy

The future of a business lies in the number of loyal customers that they have, the capacity and competence of their employees, their investment strategy, and the business structure. If all of these factors are missing from a business, then it won’t be too long before the business closes shop.

One of our major goals of starting CTGx Mobile Phone Assembling Plant, Inc. is to build a business that will survive off its own cash flow without injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to ensure that we roll out highly competitive mobile phones from our mobile phone assembling plants.

We will make sure that the right foundation, structures, and processes are put in place to ensure that our staff welfare are well taken of. Our company’s corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

## Check List/Milestone

* [Business Name](https://www.profitableventure.com/choosing-a-business-name/) Availability Check
* Business Registration
* Opening of Corporate Bank Accounts
* Securing Point of Sales (POS) Machines
* Opening Mobile Money Accounts
* Opening Online Payment Platforms
* Application and Obtaining Taxpayer’s ID
* Application for business license and permit
* Purchase of Insurance for the Business
* Acquiring assembling plant facility and remodeling the facility
* Conducting Feasibility Studies
* Generating capital from family members
* Applications for Loan from the bank
* [Writing of Business Plan](https://www.profitableventure.com/guide-writing-business-plan/)
* Drafting of Employee’s Handbook
* Drafting of Contract Documents
* Design of The Company’s Logo
* Printing of Promotional Materials
* Recruitment of employees
* Creating Official Website for the Company
* Health and Safety and Fire Safety Arrangement (License)

# Financial projection of CTGx

## Assumption Sheet

|  |  |  |
| --- | --- | --- |
| Net Revenue | | ######### |
| AR (% of revenue) | | 10% |
| AP |  | 8% |
| Deferred Rev | | 3% |
| INVENTORY | | 13% |
| DEPOSITS & PREPAYMENTS | | 3% |
| MISC. |  | 9% |
| Debt Payments | | $ 600,000 |
| Interest Rate | | 8% |
| Interest Payments | | $ 32,000 |
|  | **Year 1** | **Year 2** |
| **Revenue** |  |  |  |
| Customers | 8,000 | 12,000 | 24,000 |
| AOV | $ 512 | $ 512 | $ 512 |
| V.C (PER UNIT) | 350 | 350 | 350 |
|  |  |  |  |
| COGS |  |  |  |
| Product | 35% | 35% | 35% |
| Fulfillment | 5% | 5% | 5% |
| Merchant Services | 3% | 3% | 3% |
|  |  |  |  |
| **Operating Expenses** | |  |  |
| Personnel | 20% | 20% | 20% |
| Marketing | 10% | 10% | 10% |
| Other | 5% | 5% | 5% |
| Tax Rate | 17% | 17% | 17% |

## Pro forma balance sheet

|  |  |  |
| --- | --- | --- |
| **Balance Sheet** | **Dec 31, Year 0** | **Year 1** |
|  | Historical |  |
| **ASSETS** |  |  |
|  |  |  |
| Cash | $ 40,000 | $ (572,605) |
| Accounts Receivable | $ 393,260 | 114,600 |
| INVENTORY | $ 150,000 | $ 148,980 |
| DEPOSITS & PREPAYMENTS | $ 34,300 | $ 34,380 |
| tax and promotion | $ 495,700 | $ 103,140 |
| **Total Current Assets** | 1,113,260 | (171,505) |
|  |  |  |
|  |  |  |
| Fixed Assets | $ 532,440 | 1,458,380 |
| Accumulated Depreciation | $ (10,000) | (116,563) |
| **Net Fixed Assets** | 522,440 | 1,341,817 |
|  |  |  |
| **Total Assets** | 1,635,700 | 1,170,312 |
|  |  |  |
| **LIABILITIES** |  |  |
|  |  |  |
| Accounts Payable | $ 35,700 | 91,680 |
| Deferred Revenue | $ 50,000 | 34,380 |
| **Total Current Liabilities** | 85,700 | 126,060 |
|  |  |  |
| Long Term Debt | $ 1,000,000 | $ 400,000 |
|  |  |  |
| **Total Liabilities** | 1,085,700 | 526,060 |
|  |  |  |
| **EQUITY** |  |  |
|  |  |  |
| Common Stock | $ 500,000 | $ 500,000 |
| Retained Earnings | $ 50,000 | $ 144,252 |
| Total Shareholders’ Equity | 550,000 | $ 644,252 |
|  |  |  |
| **Liabilities & Shareholders’ Equity** | 1,635,700 | 1,170,312 |
|  |  |  |
| Balance Check | - | - |

## Pro forma income statement

|  |  |  |  |
| --- | --- | --- | --- |
| **Income Statement** | **Year 1** | **Year 2** | **Year 3** |
|  |  |  |  |
| **Revenue** |  |  |  |
|  |  |  |  |
| Gross Revenue | $ 4,096,000 | $ 6,144,000 | $ 12,288,000 |
| VARIABLE COST | (2,800,000) | (4,200,000) | (8,400,000) |
| FIXED COST | (150,000) | (150,000) | (150,000) |
| **Net Revenue** | **$ 1,146,000** | **$ 1,794,000** | **$ 3,738,000** |
|  |  |  |  |
| **Cost of Goods Sold** |  |  |  |
| Product | $ 401,100 | $ 627,900 | $ 1,308,300 |
| Fulfillment | 57,300 | 89,700 | 186,900 |
| Merchant Services | 34,380 | 53,820 | 112,140 |
| **Total COGS** | **$ 492,780** | **$ 771,420** | **$ 1,607,340** |
|  |  |  |  |
| **Gross Margin** | **$ 653,220** | **$ 1,022,580** | **$ 2,130,660** |
| *GM %* | *57%* | *57%* | *57%* |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Personnel | $ 229,200 | $ 358,800 | $ 747,600 |
| Marketing | 114,600 | 179,400 | 373,800 |
| Other | 57,300 | 89,700 | 186,900 |
| Depreciation | 106,563 | 6,787 | 10,120 |
| **Total OPEX** | **$ 507,663** | **$ 634,687** | **$ 1,318,420** |
|  |  |  |  |
| **Operating Income** | **$ 145,557** | **$ 387,893** | **$ 812,240** |
|  |  |  |  |
| Interest | $ 32,000 | $ 80,000 | $ 8,000 |
|  |  |  |  |
| **NI Before Taxes** | **$ 113,557** | **$ 307,893** | **$ 804,240** |
|  |  |  |  |
| Taxes | $ 19,305 | $ 52,342 | $ 136,721 |
|  |  |  |  |
| **Net Income** | **$ 94,252** | **$ 255,551** | **$ 667,519** |
| *NI %* | *8%* | *14%* | 18*%* |
|  |  |  |  |
| EBITDA | $ 252,120 | $ 394,680 | $ 822,360 |

## 

## Capex & Depreciation Schedule

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Capex & Depreciation** | ***Useful Life (Years)*** | **Year 1** | **Year 2** | **Year 3** |
|  |  |  |  |  |
| Capex |  |  |  |  |
| WEBSITES | 5 | $ 600 |  |  |
| PRIMARY COST | 5 | $ 4,090 |  |  |
| PLANT FACILITY | 5 | $ 500,000 |  |  |
| Custom Software | 3 | $ 10,000 | $ 10,000 | $ 10,000 |
| STORE EQUIPMENT | 6 | $ 13,750 |  |  |
| FURNITURE & GADGETS | **3** | **$ 4,000** |  |  |
| **Total Capex** |  | **$ 532,440** | **$ 10,000** | **$ 10,000** |
|  |  |  |  |  |
| Depreciation |  |  |  |  |
| WEBSITES |  | $ 120 | $ 120 | $ 120 |
| PRIMARY COST |  | $ 818 | $ - |  |
| PLANT FACILITY |  | $ 100,000 | $ - |  |
| Custom Software |  | $ 3,333 | $ 6,667 | $ 10,000 |
| STORE EQUIPMENT |  | $ 2,292 |  | $ - |
| FURNITURE & GADGETS |  | $ 1,333 |  |  |
| **Total D&A** |  | $ 106,563 | $ 6,787 | $ 10,120 |

## Pro forma cash flow

|  |  |  |  |
| --- | --- | --- | --- |
| Cash Flow Statement | Year 1 | Year 2 | Year 3 |
|  |  |  |  |
| Net Income | $ 94,252 | $ 255,551 | $ 667,519 |
|  |  |  |  |
| Operating Activities |  |  |  |
| Depreciation | 106,563 | 6,787 | 10,120 |
| Chg. in AR | 78,660 | 24,900 | (97,200) |
| Chg. in AP | (108,320) | 15,960 | 116,640 |
| Chg. in Def Rev | (15,620) | 55,320 | 209,340 |
| Operating Cash Flow | $ 155,535 | $ 358,518 | $ 906,419 |
|  |  |  |  |
| Investing Activities |  |  |  |
| Capex | 532,440 | 10,000 | 10,000 |
|  |  |  |  |
| Free Cash Flow | $ (376,905) | $ 348,518 | $ 896,419 |
|  |  |  |  |
| Financing Activities |  |  |  |
| Debt Repayment | (600,000) | (900,000) | (900,000) |
| Net Borrowings | - | 1,500,000 | - |
| NCF from Financing | (600,000) | 600,000 | (900,000) |
|  |  |  |  |
| Net Cash Flow | $ (976,905) | $ 948,518 | $ (3,581) |

\_\_\_