

BUSINESS PROPOSAL

HEINZ MEATS HOLDINGS PTY LTD

Business Model

- Wholesale Model

We buy precooked chicken products from supplier and sell it after packaging it.
Pure and simple

However we sell at retail shops starting with Spar Shops then move to Pick and Pay. Nationally

- Advantage

No production costs other than packaging

No purchase of raw material and production night mare

Precoked Products

- **Thai Poultry Group (Brf)**

Chicken Nuggets

Chicken Wings

Chicken Mini Fillets

Chicken Tender

- **Seara brand (JBS)**

➤ Coated Chicken Nuggets

➤ Chicken Steak

➤ Chicken Bologna

➤ Chicken Franks

Target market

Spar, boxer, P and P, Boxer

Target market

Woolworths, Checkers, P and P

Suppliers

- Brf
- Is a Brazilian Company that has a world wide reach
- Thai Poultry Group is their distributor whom we shall use for now while we settle down.
- Their brand is called Sadia.
- JBS
- Is also a Brazilian company that has a world wide reach.
- Its product is highly sought after
- Their brand is called Seara
- They are receptive and to us being the main supplier in South Africa
- We may have exclusive rights to the product

Access to market

- Presently
 - We are registered with the Spar Head office in their data base
 - Shops can go into the system and access all our products and order accordingly
- However we plan to do more than that. We plan to have sales people that will sell the products and to clients on the floors and keep the shelves full with products. Thus the sales are directly impacted by us as we focus on the high selling branches
- In future, we present the same goods to Pick and Pay and other shops

MERCHANDISING STRATEGY

The shop sales will become key as we seek to ensure that the product is well known and is established over a long period of time.

Merchandising enables us to attain that level of proficiency and ensures more importantly that we rely on ourselves to reach these high sales levels we will aspire to without depending on customers picking the product on the shelf or trust that the shop personnel will direct them to the product.

Our sales personnel will push the sales at the shop front.

MERCHANDISER

KEY RESPONSIBILITIES

- **Product display:** To ensure the product is properly arranged, in an appealing way to encourage customers to buy more.
- **Stock management:** To Monitor inventory levels, ensuring stock is replenished, and preventing stock outs.
- **Store layout and presentation:** To set up store displays and organizing shelves.
- **Promotions and pricing:** Implementing promotional signs and displays, and monitoring their effectiveness.
- **Inventory and sales analysis:** Analyzing sales data to forecast demand and plan for future stock levels in each shop.
- **Collaboration:** Working with buyers, marketing teams, and store managers to align on product selection and sales strategies.

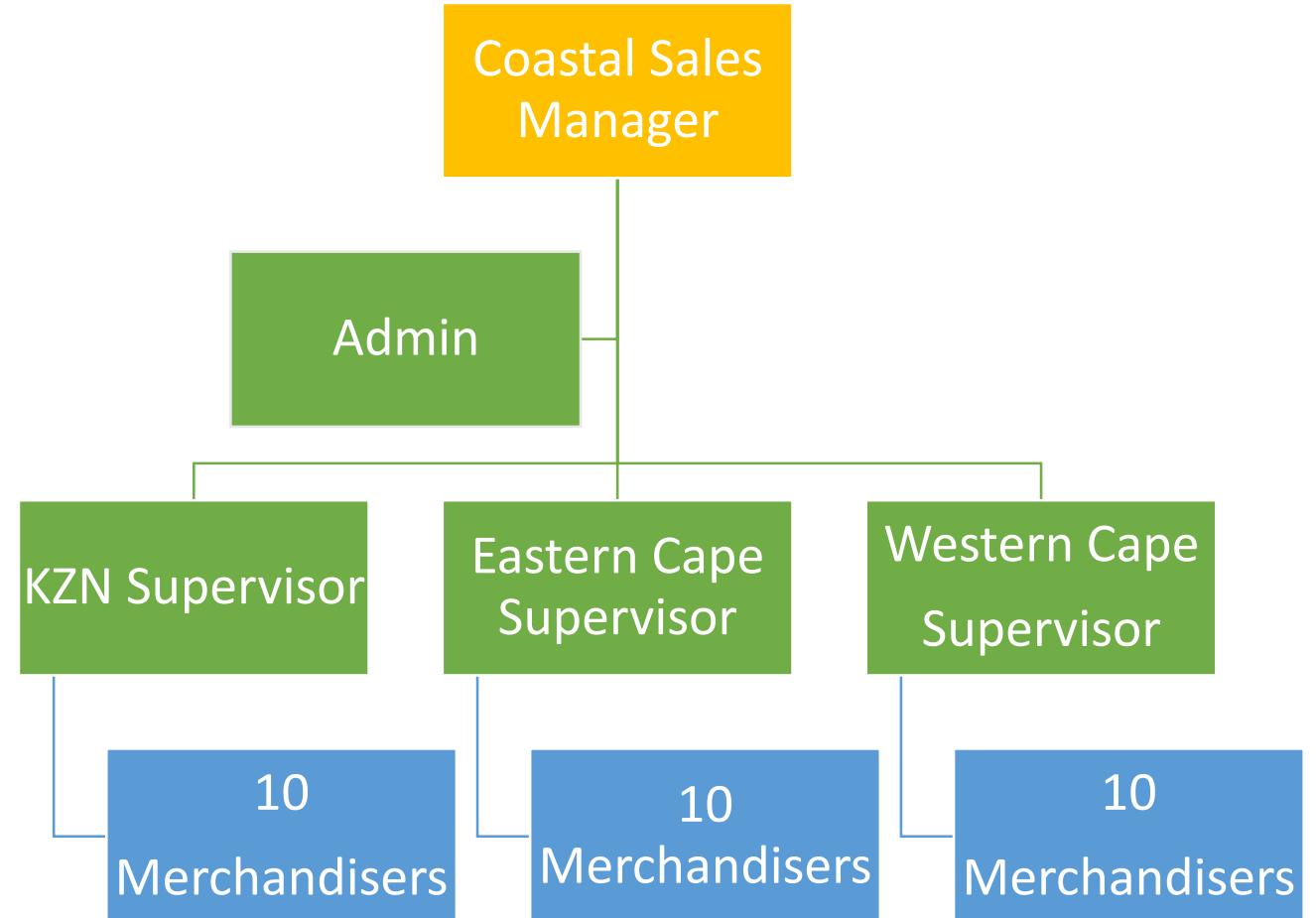
SHOP VISITS

- Visit all shops at least twice in a month
- Visit top 20 of high selling shops very week
- Know all the branch managers and key personnel
- Pack all products in the shops

Sales Promotion

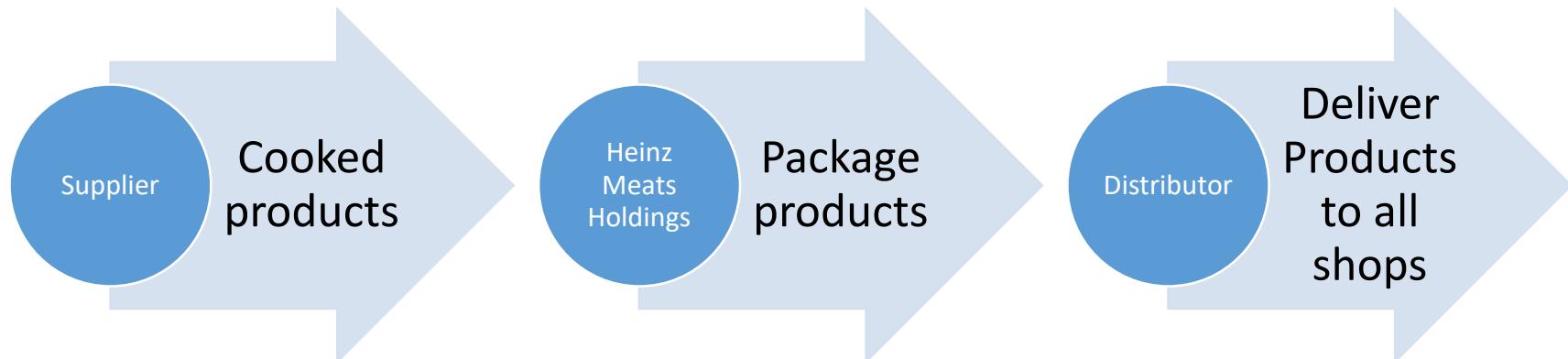
Target Area

1. Eastern Cape
2. Western Cape
3. KwaZulu Natal
4. **All are part of SG&A costs and part of Heinz Meats Holdings payroll**

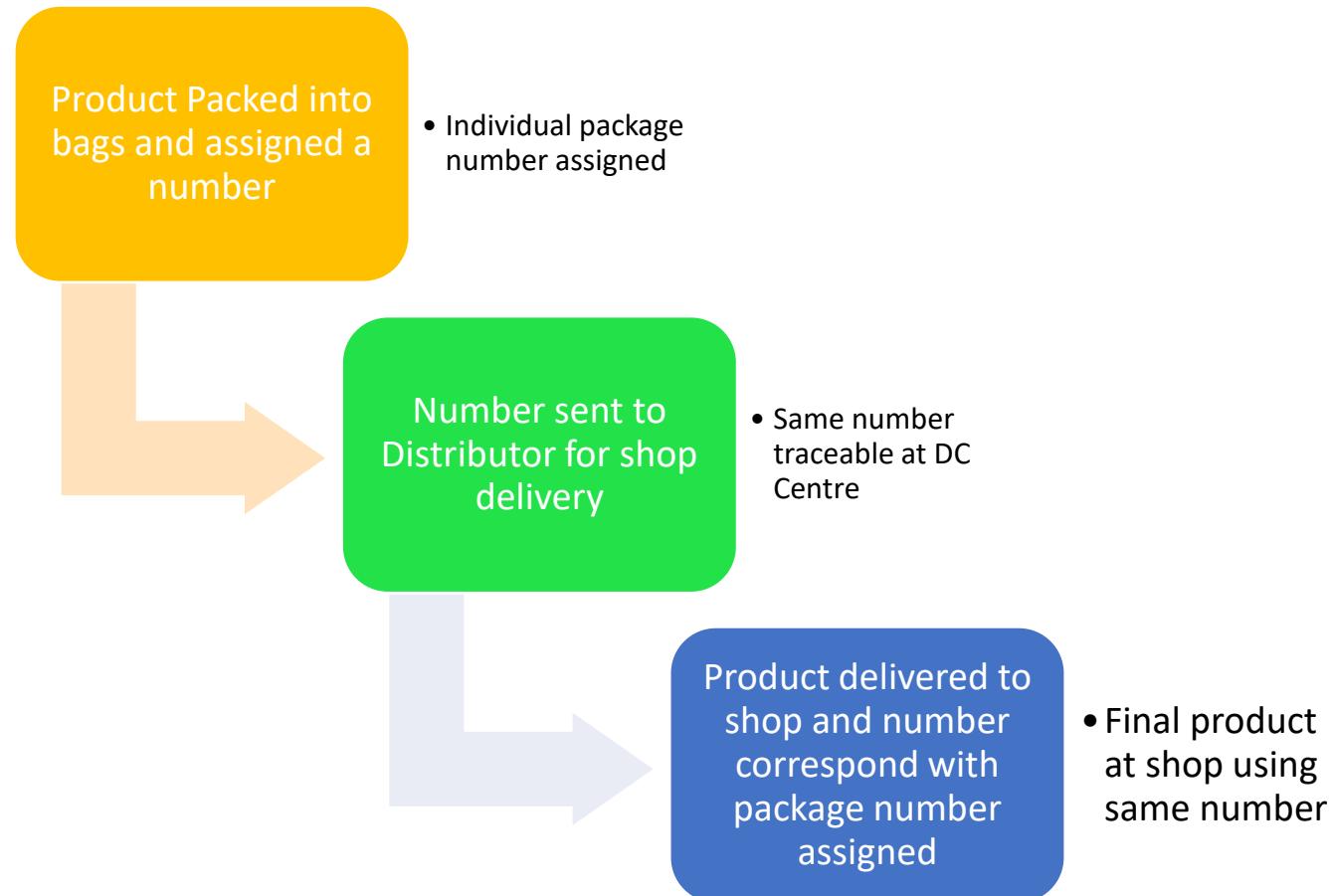


Distribution

- Will be done by FFG which is now owned by Bid foods
- They will distribute to all customers in the coastal area
- They will pick the product from the factory and take them to the shops as expected



Product Tracing

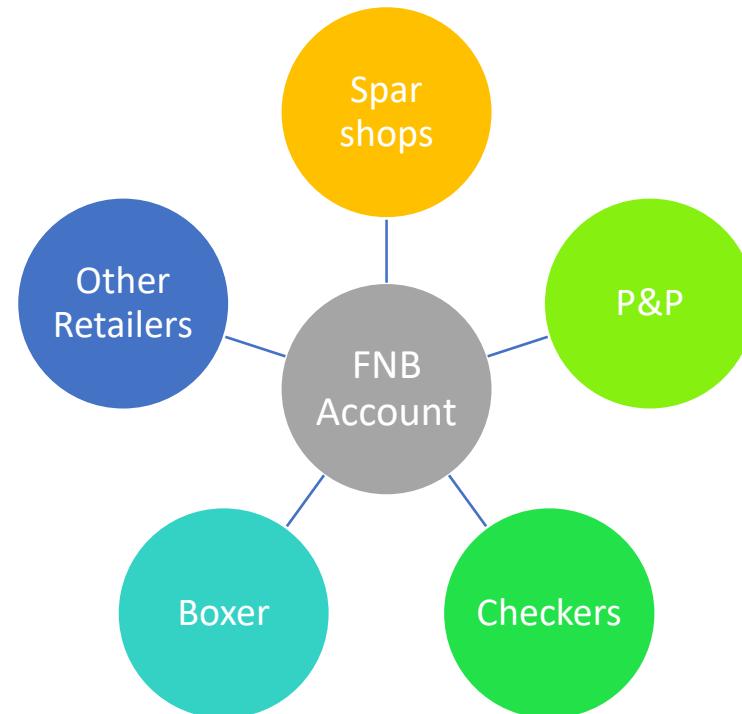


Product Tracing (cont.)

- The initial tracing is the total weight of the package from supplier
- The total weight received must equal the total weight shipped.
- The package is then split into 500g, 1 kg and 2 kg bags and each bag is assigned a number
- The total weight of the packages must tally with the supplied weight
- Then the individual package is traced from the factory to the shop via the bar code
- A reconciliation is done by accessing the bar codes sold and those outstanding and must tally with estimated sales and stock in hand

Financial arrangements

- All shops to pay into one account
- All shops to be reconciled once every month and outstanding amounts settled



Support Human Resources (Accounting)

- Julian Moses and Associates will manage the **bookkeeper** who will monitor and record the payments received from the customers.
- Her job is to reconcile the shop accounts and follow up on payments
- **This part is part of SG&A costs and part of Heinz Meats Holdings payroll**
- **HR payable.** This person will mange the payment of all employees.
- **Bill Payable clerk** shall manage all the accounts payable to vendors.
- **Final Accounts** will be created by Julian Moses and associates

Support Human Resources (Administration)

- Chuma will manage the admin side of the distribution and is the overall store manager. He will ensure the accurate capturing of the packages and their numbers into the system. He has experience in logistics having worked at Mercedes Benz in their logistics division and has academic qualification in administration
- 2 administration or dispatch clerks will oversee the inputting of the data on a daily basis.
- 2 people will be in charge of the stores and its content.
- **Overall the Admin will be handled by 5 people in total and are part of Heinz Meats Holdings payroll.**

Amounts required

Thai Poultry Group

- R4 500 000 import and other costs
- We have to then package it accordingly and costs are of production includes all apart from SG & A which are separate costs due to Heinz Meats Holdings Pty Ltd
- We commence with this line of credit
- Nearly 26% NP projected
- Product very well placed price wise

JBS

- Approximately R5 100 000 also will be required
- Their product comes sometimes packaged and that amounts to saving. So extra will depend on negotiations
- Also this is amount required every two month
- NP is around 26% estimate
- Price placed within the midmarket range

Key Finance Figures

- Total Selling Price of 4 products R6 858 000
- Total cost of production (Cost of Sales) R4 553 034, 71
- Total Net profit R1 582 005,29
- Total due to Mila Azania R 791 002. 64 (50% of NP)
- Due to Heinz Meats Holdings R 791 002.64
- Estimated revenue per shipment

Property Loan

- Site name: Heinz Meats
- Address: 4 Mercator Place, Wilsonia, East London
- Owned by: BKK Meats CC owned by E Booth & H Kessler
- Value: R7 500 000 now approximately R8 200 000
- Loan Proposed: R5 000 000
- Loan Interest: 20%
- Loan term: 12 months

Property Loan details

❖ Property payment:	R4 500 000
❖ Loan for set up:	R500 000
❖ Total amount:	R5 000 000
❖ Interest:	20%
❖ Amount:	R1 000 000
❖ Total (Principal and Int):	R6 000 000
❖ Number of Payment:	12
❖ Amount per payment:	R500 000

Motivation for property Loan

- Business owns the property.
- Business pays out of its profit and Mila Azania still keeps its 50% which is never touched.
- Gearing of the business improves instead of paying other ventures.
- There is enough equity and in event of default Mila Azania can sell the property and realise its money put in.
- The repayment is possible and sales can only be increased to realise the repayment.

Attachments

- Thai Poultry Group invoice
- Thai Poultry Group main offer with Certificates and brochure
- Thai Poultry Group Brf distributorship
- Seara Products with Specifications (JBS)
- Financial estimates (stress case scenario)
- Typical package sample
- Title Deed
- Evaluation