

Innovation, Incubation, and Entrepreneurship

BUSINESS PLAN REPORT

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NANNY POCO PANTS

1. Executive Summary

Today, there is a practical answer to the issue of dirty, stinky, wet baby bottoms all over the world thanks to the advent of the disposable nappies, which transformed the baby care sector.

We are about to enter a lucrative market in a developing nation. Nanny Poco Pants has a chance to enter and grow in the baby diaper and sanitary pad industry because of the current population fertility rate, which is predicted to be 4.2 children, and the rise in hospital and clinic admissions. With a committed and experienced workforce, outstanding order procurement, efficient administration, and effective management and marketing, Nanny Poco Pants is well-positioned to capitalise on this growth rate and the lack of significant local competitors. The original goal is to supply diapers and sanitary products to institutions, such as hospitals and wholesalers, across India.

Our first plans call for an 8-hour workday, 250 diapers produced every hour, five days a week, allowing us to create 40,000 diapers in a single month. This number should increase to roughly 56,000 per month as time goes on and we become more effective at producing them. Although we do plan to create sanitary pads as well, this would just be for the diapers.

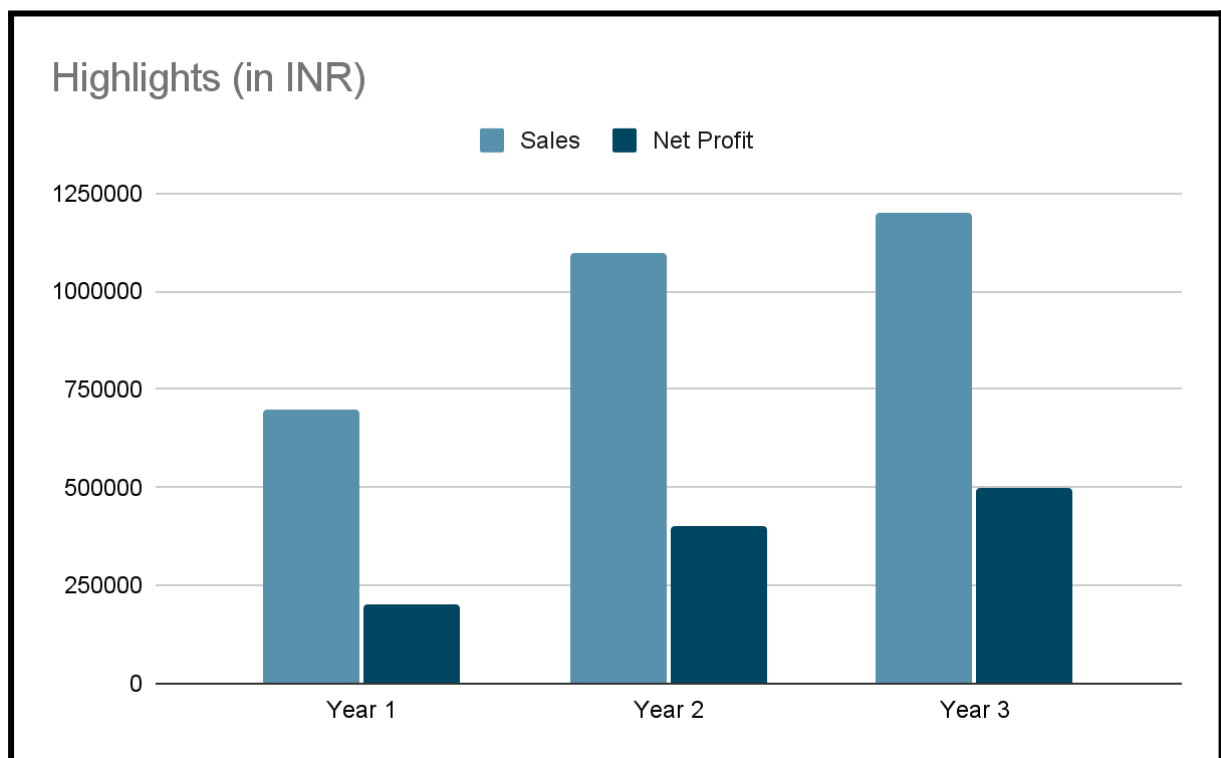
We recognise the need to be adaptable and sensitive in order to satisfy our clients by giving them what they want, when they want it, and in the exact quantity if we are to succeed in this comparatively untapped industry. The business environment in which we operate will grant us the opportunity to build and grow our presence in the market.

Our primary focus in developing a marketing plan will be spreading awareness of our company and the goods we manufacture. Therefore, our goal is to reach the appropriate target clients with the appropriate information. This will be accomplished by putting into practise a market penetration plan that will guarantee our reputation and respect within the industry. We'll make sure that our product costs are competitive when compared to those of our Indian competitors and that potential clients recognise the high calibre of our offerings. To guarantee that we are profitable and able to operate, we will, however, also factor the cost of production and delivery into the pricing we offer. We value the fact that most wholesalers and intermediaries who purchase our goods believe them to be of higher calibre and dependability than foreign goods. In order to combat this, we will need to actively market the superior quality of our products as well as go above and beyond in providing customer and client service in order to establish positive, long-lasting relationships.

Institutions, wholesalers, other middlemen who frequently place bulk orders on behalf of their clients, and concerned people will make up the majority of our target audiences. To ensure that we receive orders for our products, it will therefore be necessary to network with the various decision- and order-makers.

In order to maintain their important skills and to ensure job happiness and enrichment through delegation of authority, we want to pay our employees generously. By offering health care, considerable profit sharing, and a minimum of three weeks of vacation, we hope to maximise production while maximising each employee's potential. Awards will be awarded to exceptional workers for their dedication and output in order to express our gratitude, encourage the upkeep of high standards, and infuse a feeling of pleasure in the work.

The success of our business ultimately depends on the fact that consumers will favour our goods over those of our rivals due to both their superior quality and comparably lower costs. Therefore, Nanny Poco Pants's continued initiatives will be to boost sales, market share, and productivity in order to give the achievement of the business aims and objectives even more momentum.



a. Keys to success

Timely response to customers' requests: For whatever reason, we cannot afford to put our clients off because doing so will harm our reputation and affect future business. As a result, we must stay in constant contact with the customer to guarantee that the products are supplied on schedule and in accordance with their

requirements. This will go a long way toward fostering confidence in our competence and developing enduring partnerships.

Excellence in fulfilling the promise: Excellence in delivering on the promise: We intend to manufacture and offer our consumers products of uncompromising quality and first-rate service. This is to satisfy their requirements and expectations. We recognise that the company's success will depend on timely completion of customer orders, so we want to establish high standards and working practises.

Assembly Technology: Utilizing the newest and most effective production equipment is crucial to guaranteeing the quality of diapers and sanitary napkins. We also plan to stay current with technical advancements so that we may utilise cutting-edge production methods to achieve and maintain a competitive advantage.

Networking: To assure a ready market, we must successfully network with the various decision- and order-makers as the majority of our clients will be wholesalers and intermediaries.

b. Objective

Our company's business plan will centre on the need to serve the demands of the various institutions and wholesalers by providing high-quality disposable baby diapers, geriatric/adult diapers, and sanitary pads as needed. This will be accomplished by hiring a qualified team, providing them with the necessary training, and attending to their needs.

We want to make sure that the various market segments we will be focusing on are more aware of our products and services thanks to our marketing effort. This is especially true given how businesses are increasingly attempting to buy high-quality goods at discount pricing in an effort to boost profitability.

We also want to have well-organized introductory letters and other marketing materials so that customers can comprehend the kinds of items we offer and the benefits of using them. Furthermore, professionally designed company profiles and business cards frequently have a stimulating effect on customers who are thinking about acquiring our items. Thus, this will unquestionably result in more sales of our items.

In conclusion, we want to achieve the following goals:

- Continually deliver sanitary napkins and diapers of the highest calibre on schedule and within budget.
- Create consistently happy, enthusiastic customers.
- Ensure efficient resource usage through maximising capacity, reducing inventory and stock, and choosing low-cost, high-quality supplies.
- Make a constructive contribution to our environment and communities.

- Create a presence in the market that guarantees both short- and long-term profitability, growth, and market share, all of which will ultimately lead to business success.

c. Mission

We have a strong commitment to providing the local communities with high-quality disposable baby diapers, geriatric/adult diapers, and sanitary pads. Internally, we want to foster a culture that is happy, productive, fulfilling, and safe. Our staff members will also be appropriately compensated and encouraged to respect our clients' needs and the calibre of the items we want to produce. In order to maintain the company's financial stability over the short and long terms and to appropriately compensate employees for their work and effort, we aim to make a fair and responsible profit.

2. Company summary

The main focus of the company's operations is the production and distribution of disposable sanitary products, adult and geriatric diapers, and newborn diapers. Given that the bulk of disposable diapers currently on the market are imported from US, it is our goal to create them in accordance with all quality standards.

a. Company ownership

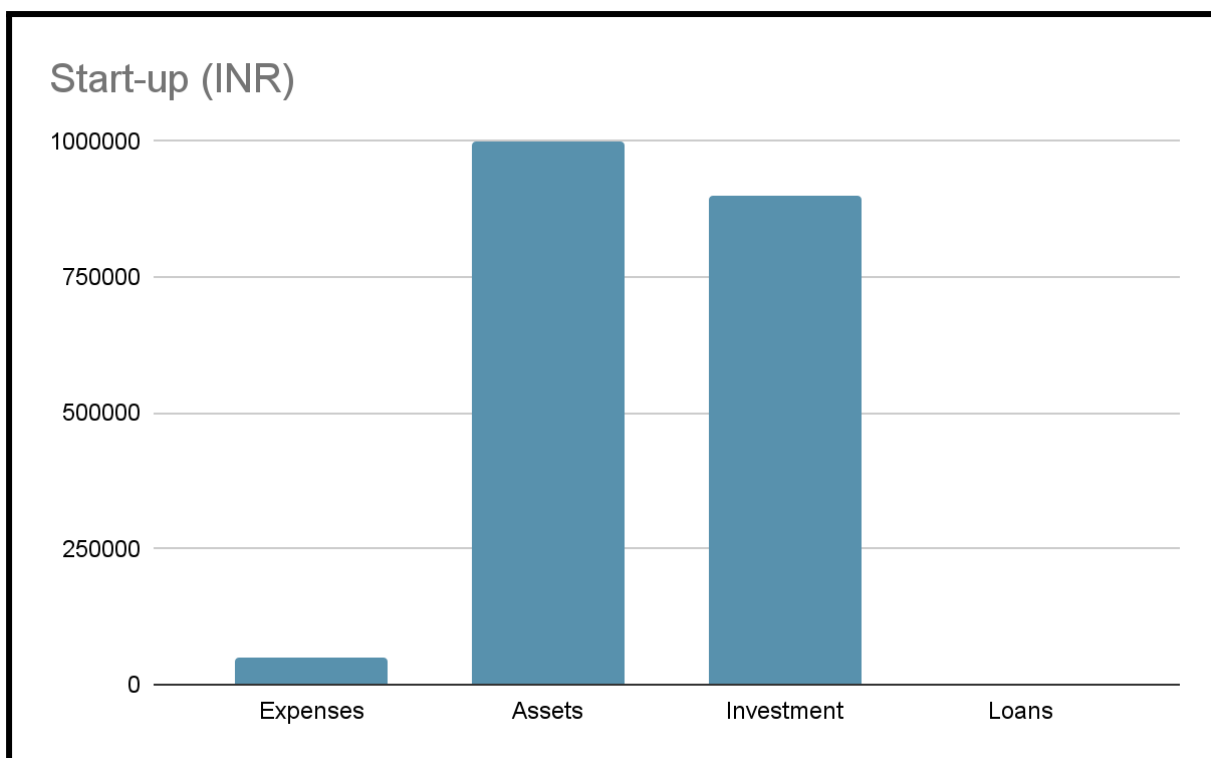
Through the foresight and vision of a group of individuals, including Mr. Parva Patel, Mr. Yash Patel, Mr. Banseedhar Gondaliya, Mr. Rishi Shrimal, Mr. Sumeet Kamble, and Mr. Prashant Bariya, Nanny Poco Pants was incorporated at the Registrar of Companies. Despite being young, the directors are aware of the enormous potential market and growth opportunities for their company, provided the right plans are implemented with the aid of the required funds.

b. Location and facilities

The company's current location is Plot Number 5767, Sachin GIDC, Surat. However, the goal will be to relocate to a more accessible and appealing commercial area as time goes on and the firm grows. Despite the fact that the quality of our products is the most important factor in our sort of business, location and office size are not as important.

c. Startup Summary

The whole start-up expenses paid (including legal fees, the cost of creating a business plan, stationery, and other relevant charges) came to about Rs. 50,000. The company's startup assets comprise a car, a computer, and a printer, the latter of which is rather recent.



Start-up Expenses

Legal	Rs. 10000
Stationery etc.	Rs. 1000
Brochures	Rs. 9000
Consultants	Rs. 0
Insurance	Rs. 10000
Rent	Rs. 10000
Research and development	Rs. 0
Expensed equipment	Rs. 10000
Other	Rs. 0
Total	Rs. 50000

Start-up Assets

Cash Required	Rs. 370430
Start-up inventory	Rs. 36800
Other Current Assets	Rs. 0

Long term Assets	Rs. 542770
Total Assets	Rs. 950000
Total Requirements	Rs. 1000000

Start-up Funding

Start-up Expenses to fund	Rs. 50000
Start-up Assets to fund	Rs. 950000
Total Funding Required	Rs. 1000000

Assets

Non-cash Assets from Start-up	Rs. 579570
Cash Requirements from Start-up	Rs. 370430
Additional cash raised	Rs. 0
Cash Balance on starting date`	Rs. 370430
Total Assets	Rs. 95000

Liabilities and capital

Liabilites	
Current Borrowing	Rs. 0
Long-term Liabilities	Rs. 0
Accounts payable	Rs. 0
Other current liabilities	Rs. 0
Total Liabilities	Rs. 0
Capital	
Investor 1 (Mr. Jay Patel)	Rs. 1000000
Other	Rs. 0
Additional Investment Req.	Rs. 0
Total Planned Investment	Rs. 1000000
Loss at Start-up (Expenses)	Rs. 500000
Total capital	Rs. 950000
Total Capital and Liabilities	Rs. 950000

Total Funding	Rs. 1000000
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3. Products

Nanny Poco Pants plans to produce and market disposable sanitary pads, adult and geriatric diapers, and baby diapers. These goods must be of a high calibre to satisfy all of the consumers' needs and guarantee customer happiness.

a. Description

Nanny Poco Pants initially intends to focus on the production of the following products:

1. Baby Nappies

It may be said that the invention of the disposable diaper transformed the baby care sector. It is still in use today as a workable solution to the issue of filthy, offensive, and wet baby bottoms everywhere. Because there are so many births here in India, baby diapers are in high demand, and that demand is only growing. In light of this, our goal is to create a high-quality diaper.

2. Geriatric/Adult & Sanitary Pads

These are mainly used in medical institutions such as hospitals and clinics where patients often require disposable pads to overcome the problem of dirty, smelly and wet bottoms. This is particularly so as these adult patients are incontinent and often do not have the ability to control their bladder.

b. Competitive Comparison

Local businesses who produce goods that are comparable to our core offerings have relatively little competition. This, however, might only last a short while given the speed of development and the economy's present growth rate drawing businesses into the market. As a result, we will need to both firmly establish our position in the market and clearly set ourselves apart from these other companies. On a larger scale, though, our competitiveness takes on a variety of shapes:

- The main rivals are American diaper and sanitary pad producers, which include well-known names like Huggies and Whisper and have a solid distribution system in place. Their items are readily accessible on the market thanks to this network. Our ability to fill orders quickly and our cheaper prices will set us apart from these producers and appeal to many of our potential customers.
- Research indicates that there are currently two diaper and sanitary pad manufacturers in Bangalore and one in Noida, while further data on their operations and products was still being gathered at the time this plan was being put together.
- An existing textile company is also contemplating entering the baby nappies market.

c. Sales Literature

The company will get started by writing letters of introduction outlining its position in the market and the products it produces. These letters, along with business cards and a company profile, will be created as part of the start-up costs, mostly for big businesses and institutions. Additionally, complimentary coupons are meant to increase interest in the business and its goods. Therefore, marketing materials and mailings will be crucial for the early market forums.

- **Technology**

A novel and distinctive idea is the machine in charge of the production process. It has the ability to produce sanitary pads, as well as tiny, medium, and large geriatric/adult diapers. It can produce 250+/- diapers per hour, which equals 2,000+/- diapers per day or 5,500+/- sanitary pads per day.

The one thing that is guaranteed in our sector is that technology will keep developing and evolving, affecting both the quality and amount of output that can be generated simultaneously. Our goal will be to understand the ramifications of this new technology and, where possible, apply it to our current framework. However, our primary goal will be to recoup the machine's purchase price.

- **Future Products**

In putting the business together, we made an effort to offer enough products to keep us in demand from our clients and customers. Market demand is the most crucial element in designing new items. In the future, we want to make sportswear, towels, and t-shirts. However, it is important to note that we will work hard to make sure it is compatible with the current products and team members of the organisation.

4. Market Analysis Summary

Nanny Poco Pants has the chance to play a significant role in helping the government achieve its current objective of diversifying the economic base away from the agricultural industry. A local maker of diapers and pads would have a huge market opportunity, as there are now only a small number available, as a result of our extensive and exhaustive market study.

We plan to build networks and strategic relationships with various wholesalers, clinics, and hospitals to ensure a consistent supply of orders because we are aware that operating in such a market heavily depends on good networking. By doing this, we hope to guarantee that the goods we make are of the highest calibre and fulfil their intended functions completely. With a 10% initial goal market share, we will primarily target wholesalers and organisations in India.

We appreciate that entering such a market is not a 'bed of roses' and will require us establishing strong networks and links with several organisations and institutions as outlined previously. Hence we intend to implement an aggressive marketing strategy, well supported by the other business functions. The above prognosis influenced our decision to enter the diaper and sanitary pad manufacturing industry.

a. Market Segmentation

The wholesalers, academic institutions, hospitals, and clinics that either sell or make use of our targeted items will be our main targets. In addition, we want to concentrate on government bids for our sanitary napkins and diapers.

Our primary target market is sizable enough to place orders with us, keeping us busy filling those orders. Even while we don't want to be entirely dependent on them, they will be our "core" market. One of our goals is to provide businesses with a compelling alternative to American firms who primarily market higher prices and longer order fulfilment times.

b. Target Market Segment Strategy

Our marketing strategy will be based mainly on making our products available to the right target customer. We will ensure that our products' prices take into consideration organisations order-makers' budgets, and that these people appreciate the quality of our products, are aware our products exist,, and know where to order them. Our low production costs, which will naturally be reflected in lower prices for our products, will ensure that we have very good opportunities to win hospital, clinic, and institution tenders for our products, besides obtaining orders from all the other markets including wholesalers, chemists, informal traders and supermarkets we shall be targeting.

We realize the need to focus our marketing message and our product offerings. We need to develop our message, communicate it, and make good on it. This shall be undertaken in order to establish ourselves on the market and long-term relationships.

- **Market Needs**

Nanny Poco Pants will set out to provide high quality disposable baby nappies, geriatric/adult diapers and sanitary pads that will facilitate the hygienic and easier changing of individuals, both adult and children. The quality of raw materials and assembly technology we shall utilize will be evident in our products, serving to enhance the appearance of our customers, in turn adding to their comfort. The large market is due to the fact that admissions are increasing at an enormous rate in hospitals and clinics resulting from increased diseases and infections, as well as the increase in the population growth rate.

We understand that our target markets need more than just something that absorbs. Our target customer wants something that absorbs as well as being hygienic, comfortable, easy to use and of good quality. Price also plays an important part in the purchase decision.

- **Market Trends**

India currently has one of the fastest population growth rates in the world, resulting in a population of over 1.4 billion now compared to just 548 million in 1971. However, a drop in the fertility rate is anticipated because of increased opportunities and better education. In 1981 India women had an average of 4.77 children, in 1991 they had 3.96 children and this is forecast to fall below there. This is causing a shift in the demographic structure of the population, from a situation where over 50% of the population are under 19 years old, to one where more of the population is of working age. As a result the dependency ratio is likely to fall, resulting in increased household savings. The current population growth rate shows that there is a demand for diapers and nappies in households, particularly considering the increase in the workforce prompting mothers to stock diapers, especially disposables, as they are easier and faster to handle.

5. Strategy and Implementation Summary

By offering items that enhance value in terms of pricing, quality, safety, availability, and functionality and are supported by a committed, well-trained crew, Nanny Poco Pants hopes to gain and keep consumers. We must make sure we are focused and cooperating with each other to achieve the goals and objectives because this will be crucial to the effective execution of our overall strategy. At first, we want to concentrate on serving the local market.

Our marketing plan prioritises focus. Being a new business, we must concentrate our efforts on letting clients know that we exist and what items we can provide. Prior to considering approaching the regional market, Nanny Poco Pants will initially concentrate on the local market. This is mostly due to the fact that we have limited resources and must inspire confidence in both our products and business operations. The goal is to secure an initial order and completely satisfy the client moving forward.

The target consumers will include important decision- and order-makers in hospitals, clinics, wholesalers, and informal traders who frequently order or recommend on behalf of the entire organisation. Hence:

- We intend to focus on delivering quality products at affordable prices that in turn will produce good referrals, which can then generate revenue.
- We intend to build image and awareness through consistency and distinctiveness in our order fulfillment.

Our goal is to develop long-lasting relationships with our clients in order to expand the business. In order to pinpoint areas for improvement, every criterion—including customer happiness, order fulfilment, pricing competitiveness, and employee attitudes—must be carefully examined in the beginning. To achieve minimal lead times (the amount of time it takes to fill orders), we must make sure that all functions are effectively and officially communicating, using correct and valid data to create realistic plans and timetables for all phases of procurement, production, and delivery.

Nanny Poco Pants will develop new channels of distribution as the company grows. Its plan to become a nationally known brand may be pushed forward by entering into contracts with

the numerous clinics and hospitals throughout the country, such that it gives Nanny Poco Pants exclusive access to the relatively remote areas in the country.

a. SWOT ANALYSIS

We shall be in a highly lucrative market in a growing economy. We foresee our strengths as the ability to respond timeously to customer's orders and provide them with the correct quantity. Our key personnel will be well trained in the actual production of our products so as to ensure on time deliveries to the client. This will go a long way towards penetrating the market. Below are the summarized strengths, weaknesses, opportunities and threats.

Strengths

- Relationship selling: We intend to get to know our customers, one on one. Our direct sales efforts will seek to maintain a relationship with our customers.
- Diversified customer base: We intend to obtain orders for our products from a wide customer base. This will ensure lack of dependency on one customer.
- Low production costs: The costs of our products will be approximately a third less than the famous brand names and end user prices.

Weaknesses

- A limited financial base compared to our American counterparts.
- The introduction of new organisational practices and personnel who have not previously worked together presents a challenge to the organisation.
- Our infancy dictates that wholesalers and other intermediaries might be skeptical about our products.

Opportunities

- Service. As our intended target markets are in relatively accessible areas we intend to be able to meet their requirements in the shortest possible time.
- Current drive by government towards encouraging the participation of indigenous entrepreneurs and diversification of the economy presents an opportunity that we may fully utilize.
- Presently there is no reliable local manufacturer of diapers and sanitary pads, with less than a handful currently on the market.

Threats

- The "Foreign is good, local is poor" belief may present a difficult hurdle to be overcome.
- Existing competition, both local and foreign. Wholesalers and institutions may express satisfaction with their current diapers and sanitary pads.
- The possibility of other start up diaper/sanitary pad manufacturing companies generated by healthy economic growth, establishing in the market.

b. Marketing Strategy

We intend to implement a progressive marketing strategy. In terms of marketing we intend that our name and products are marketed on an extensive basis to ensure that customers are aware of our existence. In price, we intend to offer reasonable and competitive prices in comparison to American competitors and we need to be able to sustain that. Our marketing will strive to ensure that we establish long relationships with clients.

c. Pricing Strategy

Nanny Poco Pants' products will be competitively priced in relation to its American competitor's products. Due to the introductory nature of our products we intend to implement a penetration pricing strategy which will ensure that potential customers are attracted by our lower prices, up until our products are fully appreciated on the market, especially in terms of their quality. We will initially charge 9 Rs. per nappy. However this will dictate that our costs are prudently kept so as to ensure our financial goals come to fruition.

d. Promotion Strategy

The promotion strategy shall initially revolve around informing customers of our existence, the products we produce, and how to order them. The intention will be to highlight the following key benefits of ordering our products instead of competitors, including:

- Our lower production costs which will convert to lower order prices.
- Quality products able to compete with the top brands.
- Faster order fulfillment times.

We intend to be well known by all our stakeholders in particular wholesalers, hospitals and other such institutions that may utilize our products, as well as informal traders. Hence we shall leverage our presence using introductory letters, brochures and other sales literature. We intend to spread the word about our business through the following:

- **Personal Selling.** Undoubtedly customer solicitation face-to-face will be our most powerful form of promotion mainly due to the fact that our products are mainly ordered by individuals in organisations and institutions. Its flexibility will enable us to give our customers concise details of what we have to offer and the benefits of using our products. Another important determinant in utilizing personal selling is the fact that we are relatively new on the market. As such potential customers/clients will to a certain degree be skeptical towards our products and their efficacy.
- **Advertising.** In view of the fact that we are new on the market we intend to undertake adequate advertising of our name and products we offer. This is to instill awareness and knowledge of our existence in the market place, which hopefully shall convert into market share. A constant look out will be made of any special editions in the local newspapers, which may provide an opportunity for us to advertise our products and business name.
- **Direct Marketing.** This will be used to a limited extent in the form of telemarketing and informing potential customers and obtaining referrals where possible. In the case of telemarketing it will involve our targeting potential customers of our products and

informing them of our existence. We may then arrange for an appointment with the respective decision-maker/order-maker, with the intention being to encourage them to order our products.

- **Events.** We intend to attend trade shows and exhibitions to increase awareness of our products and services. These events will also enable us to interact with potential clients who may decide to order our products.

e. Distribution Strategy

Our products will first be offered mostly through personal sales and word-of-mouth marketing, with connections with customers and their experiences being by far the most crucial factors. In this context, relationships refer to the creation of connections with the numerous wholesalers, hospitals, and clinics that frequently order or require our products for their clients. The experience a customer has with our products will invariably play a significant role in determining whether the middleman will continue to order our items and whether they will recommend us to their friends. In order to achieve this, we want to make sure we deliver a high-quality product with exceptional comfort and absorbency.

f. Positioning Statement

We intend to position ourselves as a desirable alternative source of high quality disposable baby nappies, geriatric/adult diapers and sanitary pads. This shall be undertaken through use of high quality raw materials and production processes so as to ensure the efficient delivery of quality products. The product strategy will also be based on quality, combined with making the product easily available to the customers. An important competitive edge will be our assembly strategy, which will be based on good quality, such that production and delivery are not only a pleasure, but also a feature that enhances the sense of quality and perception by clients. Our faster delivery, relative to our American counterparts, will also serve as an important competitive advantage on the market.

Through our lower prices, made possible by reduced local delivery charges, we intend to attract a large portion of the market, both directly and indirectly through referrals.

g. Sales Strategy

For the short term at least, the selling process will depend on personal selling/networking and advertising to inform potential customers about the products we offer and the benefits of utilizing our products. Our marketing does not intend to affect the perception of need as much as knowledge and awareness of the product category.

6. Management Summary

Realizing our business aims and goals will depend in large part on our human resources strategy. Our goal is to complete orders quickly for clients while also ensuring their happiness with our goods and services. To this end, we strive to employ enthusiastic,

qualified, and motivated employees. Additionally, doing this will guarantee that we develop the competitive advantage of being able to completely satisfy our clients' needs. For employees to perform the agreed-upon and specified activities, it will be necessary to assess positions and compensation packages against market benchmarks to ensure they are competitive.

a. Organizational Structure

The directors and owners will handle the majority of Nanny Poco Pants' management. The business will use an informal functional organisational structure in which employees will concentrate on their primary areas of competence. A non-formal structure allows the business to satisfy clients by giving them what they want, when they want it, and faster than the competition. It is adaptable and sensitive to market demands. By utilising this organisational structure, we hope to promote open communication among all employees, regardless of rank.

As the company grows there will be more structure to the organisation, with new employees being assigned a supervisor or subordinate. When the company is at its full staff potential, it will operate as any closely held organisation, but maintain the personal interest in each employee's personal and family welfare and their contributions to the business.

b. Management Team

The founders of Nanny Poco Pants are passionate about the activities it will promote and offer on the market. Management style will reflect the participation of the directors/shareholders. As outlined previously we do not intend to be very hierarchical especially considering our size and need to respond timeously to customers' orders. Management's ongoing initiatives will include driving sales, market share and productivity.

c. Personnel Plan

We believe this plan meets the commitments of our mission and business objectives. We intend to grow into a large organisation, though in doing so ensure that we wish to stay responsive to customers orders and requests. We want the company to stay lean and flexible so that we can respond to our markets' needs quickly. As we expand and increase in size we do expect to increase our personnel.

Nanny Poco Pants recognises that our employees contribute fundamentally to the Company's long-term prosperity, acknowledging our obligation to remunerate them competitively. We intend to compensate our personnel well, so as to retain their invaluable expertise and to ensure job satisfaction and enrichment through delegation of authority. Our compensation will include a competitive salary, generous profit sharing, plus a minimum of three weeks vacation. As time progresses we intend to enhance our capacity to attract and retain people of quality, inter alia, through benefits such as housing and family education grants.

d. Training

The suppliers of the manufacturing equipment, in the actual operations of the machines. Thereafter in-house training shall be undertaken. This training will not only include product and technical aspects, but also expand to give much greater knowledge of customers, market trends, products, new technology aids, and time management amongst other such variables. This is to ensure that we are continuously able to anticipate our markets needs-a proactive approach, which is so essential if we are to gain and maintain a competitive advantage on the market.

External training will be conducted, mainly in America with reputable organisations to stay aware of the latest products and services on the market, and how to install or maintain them. This will also ensure that our personnel are able to meet the high standards, of these organisations.

e. Feedback and Control

- Important notices and developments will be continuously communicated to employees to keep them abreast of developments and promoting a sense of belonging and oneness in the organisation.
- We will encourage our employees to put forward any suggestions they might have regarding the improvement of any of the company's functions-an open door philosophy. Such a culture will enhance innovativeness and creativity, in turn leading to job satisfaction and enrichment.
- We intend to make sure that our employees understand the goals of the firm, are customer focused, proud of their work and work as a team. This will encourage employees to become entrepreneurial and customer responsible, in addition to unifying staff in customer focus and values.

f. Corporate Social Responsibility

We recognise the fact that the broader community in which we operate affords us our 'license to trade'. We intend to establish relationships based on trust and mutual advantage through engaging in a wide range of active social responsibility programs. Our efforts on community service will show that the company has its own community at heart, contributing towards the establishment of a good and reputable image. We intend to be a responsible corporate citizen fully contributing positively towards the environment in which we shall operate.

7. Financial Plan

The financial plan shall be essential if we are to meet our objectives. The intention is to finance growth through cash flow.

One of the most important factors will be the payment terms as agreed between the client or customer. We can't push our customers hard on collection days, because they are extremely sensitive and will normally judge us on our terms. However there are certain instances

where we will have the bargaining power instead of the customer. Examples include informal traders and actual consumers of our products. Therefore there is need to develop a permanent system of receivables financing mutually agreed between both parties. Hence in the financial plan we intend to have the following:

1. A fundamental respect for giving our customers value, and for maintaining a healthy and congenial workplace.
2. Cash flow as first priority, growth second, profits third.
3. Respect for realistic forecasts, and conservative cash flow and financial management.

a. Revenue Generation

Nanny Poco Pants will receive its revenue streams from sales of its diapers and sanitary pads. However we will also look into whether we are able to generate revenue from by-products obtained from manufacturing our main products. Additional research into the above shall be undertaken.

b. Expense Forecast

Initial expenses shall not be extremely high considering the fact that the manufacture of our products does not require much electricity (220v) or water. Expenses will be brought about by transport charges incurred in delivering our products to customers, as well as going out on sales calls procuring orders. However the strategy will involve including these charges in the prices of our products. As time progresses we intend to undertake marketing programs to ensure awareness of our existence on the market. Invariably this will result in marketing expenses being incurred.

c. Projected Profit and Loss

With sales increasing from more than Rs. 7488,000 the first year to more than Rs. 1,0752,000 the second, and Rs. 11,424,000 in the third year. We do expect to more than break-even in the first year of operation. As with the break-even, we are projecting very conservatively regarding cost of sales and gross margin. Our cost of sales should be much lower, and gross margin higher, than in this projection.

Profit and loss

Sales	Rs 7,488,000	Rs 10,752,000	Rs 1,142,400
Direct Cost of Sales	Rs 3,619,200	Rs 3,897,600	Rs 3,897,600
Other	Rs 0	Rs 0	Rs 0
Total Cost of Sales	Rs 3,619,200	Rs 38,976,000	Rs 3,897,600

Gross Margin	Rs 3,868,800	Rs 6,854,400	Rs 7,526,400
Gross Margin %	51.67%	63.75%	65.88%

Expenses

Payroll	Rs 438,240	Rs 761,740	Rs 1,046,610
Sales and Marketing and Other Expenses	Rs 162,000	Rs 204,000	Rs 204,000
Depreciation	Rs 108,000	Rs 108,000	Rs 108,000
Maintenance	Rs 8,000	Rs 10,000	Rs 8,000
Utilities	Rs 24,000	Rs 30,000	Rs 42,000
Installation Costs	Rs 6,000	Rs 0	Rs 0
Insurance	Rs 120,000	Rs 120,000	Rs 144,000
Rent	Rs 120,000	Rs 132,000	Rs 145,200
Payroll Taxes	Rs 65,740	Rs 114,260	Rs 156,990
Other	Rs 0	Rs 0	Rs 0
Total Operating Expenses	Rs 1,051,980	Rs 1,480,000	Rs 1,854,800

8. Publicity and Advertising Strategy

Despite the fact that our diaper manufacturing company and retail outlets are well located, we will still go ahead to intensify publicity for the business. We are going to explore all available means to promote our diaper manufacturing company.

Nanny Poco Pants has a long term plan of opening our outlets in various locations all around Surat and other key cities in the India which is why we will deliberately build our brand to be well accepted in Surat before venturing out.

As a matter of fact, our publicity and advertising strategy is not solely for winning customers over but to effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise Nanny Poco Pants;

- Place adverts on community based newspapers, radio stations and TV stations.
- Encourage the use of word of mouth publicity from our loyal customers
- Leverage on the internet and social media platforms like; YouTube, Instagram, Facebook ,Twitter, LinkedIn, Snapchat, Badoo, Google+ and other platforms to promote our business.
- Ensure that our we position our banners and billboards in strategic positions all around Surat
- Distribute our fliers and handbills in target areas in and around our neighborhood
- Contact corporate organizations, households, landlord associations and schools by calling them up and informing them of Nanny Poco Pants and the products we manufacture and sell
- Advertise our diaper manufacturing company and showroom in our official website and employ strategies that will help us pull traffic to the site
- Brand all our official cars and trucks and ensure that all our staff members and management staff wears our branded shirt or cap at regular intervals.

9. Controls

The diapers and sanitary pads market has not been fully explored. With this in mind we intend to aggressively market our existence. The introduction of quality sales and marketing literature will enable the company to effectively market to potential customers with a positive image and impression. This will be supported by the relationships we would have established with several of our customers and clients.

Throughout the year the intention will be to undertake regular evaluations of our products and marketing programs so as to ensure that we are in line with our intended objectives. In summary we intend to undertake the following:

1. Tracking and follow-up: We intend to have the discipline, as an organisation, to track results of the business plan and make sure that we implement.
2. Market segment focus: We intend to have the discipline to maintain the market segment focus.

3. Saying no: Though difficult initially we intend to be able to say no to special deals that take us away from the target focus but in particular those that are unprofitable.

Let's discuss Financial risks.

a. Financial Risks and Contingencies

We intend to watch our results very carefully. We may need to drop a certain product type(s), if we cannot get the margin up or it seems to be unviable. We might be able to avoid the straight competition with the major companies by focusing more on the target market mentioned previously.

Another possibility is the introduction of a new company(s) in our niche. Hence the need to undertake aggressive marketing and networking.

b. Implementation

Nanny Poco Pants will start by obtaining trial orders from several wholesalers and institutions with the objective being to impress them regarding our products' quality. This will see us obtaining long-term contracts that will ensure we grow in the right direction. We will prepare our sales literature, including business cards mainly through engaging a reputable printing organisation. In undertaking the above we intend to ensure that the goals of the organisation are achieved as well as delegation of responsibility for maximum effectiveness.

Appendix

Table: Sales Forecast (All numbers are in tens)

<i>Sales Forecast</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales													
Nappies, diaper, pads	0%	57,600	57,600	57,600	57,600	57,600	57,600	67,200	67,200	67,200	67,200	67,200	67,200
Other	0%	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales		57,600	57,600	57,600	57,600	57,600	57,600	67,200	67,200	67,200	67,200	67,200	67,200
Direct Cost of Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Nappies, diaper, pads		27,840	27,840	27,840	27,840	27,840	27,840	32,480	32,480	32,480	32,480	32,480	32,480
Other		0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Direct Cost of Sales		27,840	27,840	27,840	27,840	27,840	27,840	32,480	32,480	32,480	32,480	32,480	32,480

Appendix

Table: Personnel (All numbers are in tens)

Personnel Plan		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
All departments	0%	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652
Other	0%	0	0	0	0	0	0	0	0	0	0	0	0
Total People		7	7	7	7	7	7	7	7	7	7	7	7
Total Payroll		3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652

Appendix

Table: General Assumptions

<i>General Assumptions</i>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

Appendix

Table: Profit and Loss (All numbers are in tens)

<i>Pro Forma Profit and Loss</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales		57,600	57,600	57,600	57,600	57,600	57,600	67,200	67,200	67,200	67,200	67,200	67,200
Direct Cost of Sales		27,840	27,840	27,840	27,840	27,840	27,840	32,480	32,480	32,480	32,480	32,480	32,480
Other		0	0	0	0	0	0	0	0	0	0	0	0
Total Cost of Sales		27,840	27,840	27,840	27,840	27,840	27,840	32,480	32,480	32,480	32,480	32,480	32,480
Gross Margin		29,760	29,760	29,760	29,760	29,760	29,760	34,720	34,720	34,720	34,720	34,720	34,720
Gross Margin %		51.67%	51.67%	51.67%	51.67%	51.67%	51.67%	51.67%	51.67%	51.67%	51.67%	51.67%	51.67%
Expenses													
Payroll		3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652
Sales and Marketing and Other Expenses		1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Depreciation		900	900	900	900	900	900	900	900	900	900	900	900
Maintenance		P0	0	200	0	0	200	0	0	200	0	0	200
Utilities		200	200	200	200	200	200	200	200	200	200	200	200
Installation Costs		600	0	0	0	0	0	0	0	0	0	0	0
Insurance		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Rent		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Payroll Taxes	15%	548	548	548	548	548	548	548	548	548	548	548	548
Other		0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses		9,250	8,650	8,850	8,650	8,650	8,850	8,650	8,650	8,850	8,650	8,650	8,850
Profit Before Interest and Taxes		20,510	21,110	20,910	21,110	21,110	20,910	26,070	26,070	25,870	26,070	26,070	25,870
EBITDA		21,410	22,010	21,810	22,010	22,010	21,810	26,970	26,970	26,770	26,970	26,970	26,770
Interest Expense		0	0	0	0	0	0	0	0	0	0	0	0
Taxes Incurred		6,153	3,589	3,555	3,589	3,589	3,555	4,432	4,432	4,398	4,432	4,432	4,398
Net Profit		14,357	17,521	17,355	17,521	17,521	17,355	21,638	21,638	21,472	21,638	21,638	21,472
Net profit/Sales		24.93%	30.42%	30.13%	30.42%	30.42%	30.13%	32.20%	32.20%	31.95%	32.20%	32.20%	31.95%

Appendix

Table: Cash Flow (All numbers are in tens)

<i>Pro Forma Cash Flow</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received													
Cash from Oerations													
Cash Sales		14,400	14,400	14,400	14,400	14,400	14,400	16,800	16,800	16,800	16,800	16,800	16,800
Cash from Receivables		0	1,440	43,200	43,200	43,200	43,200	43,200	43,440	50,400	50,400	50,400	50,400
Subtotal Cash from Operations		14,400	15,840	57,600	57,600	57,600	57,600	60,000	60,240	67,200	67,200	67,200	67,200
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
New Current Borrowing		0	0	0	0	0	0	0	0	0	0	0	0
New Other Liabilities (interest-free)		0	0	0	0	0	0	0	0	0	0	0	0
New Long-term Liabilities		0	0	0	0	0	0	0	0	0	0	0	0
Sales of Other Current Assets		0	0	0	0	0	0	0	0	0	0	0	0
Sales of Long-term Assets		0	0	0	0	0	0	0	0	0	0	0	0
New Investment Received		0	9,000	0	0	0	0	0	0	0	0	0	0
Subtotal Cash Received		14,400	24,840	57,600	57,600	57,600	57,600	60,000	60,240	67,200	67,200	67,200	67,200
Expenditures		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations													
Cash Spending		3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652
Bill ayments		2,188	64,631	35,532	35,687	35,527	35,532	36,040	45,944	41,015	41,170	41,010	41,015
Subtotal Spent on Operations		5,840	68,283	39,184	39,339	39,179	39,184	39,692	49,596	44,667	44,822	44,662	P44,667
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		0	0	0	0	0	0	0	0	0	0	0	0
Principal Repayment of Current Borrowing		0	0	0	0	0	0	0	0	0	0	0	0
Other Liabilities Principal Repayment		0	0	0	0	0	0	0	0	0	0	0	0
Long-term Liabilities Principal Repayment		0	0	0	0	0	0	0	0	0	0	0	0
Purchase Other Current Assets		0	0	0	0	0	0	0	0	0	0	0	0
Purchase Long-term Assets		0	0	0	0	0	0	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Cash Spent		5,840	68,283	39,184	39,339	39,179	39,184	39,692	49,596	44,667	44,822	44,662	44,667
Net Cash Flow		8,560	(43,443)	18,416	18,261	18,421	18,416	20,308	10,644	22,533	22,378	22,538	22,533
Cash Balance		45,603	2,160	20,576	38,837	57,258	75,674	95,982	106,627	129,159	151,537	174,076	196,608

Appendix

Table: Balance Sheet (All numbers are in tens)

<i>Pro Forma Balance Sheet</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets	Starting Balances												
Current Assets													
Cash	37,043	45,603	2,160	20,576	38,837	57,258	75,674	95,982	106,627	129,159	151,537	174,076	196,608
Accounts Receivable	0	43,200	84,960	84,960	84,960	84,960	84,960	92,160	99,120	99,120	99,120	99,120	99,120
Inventory	3,680	30,624	30,624	30,624	30,624	30,624	30,624	35,728	35,728	35,728	35,728	35,728	35,728
Other Current Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	40,723	119,427	117,744	136,160	154,421	172,842	191,258	223,870	241,475	264,007	286,385	308,924	331,456
Long-term Assets													
Long-term Assets	54,277	54,277	54,277	54,277	54,277	54,277	54,277	54,277	54,277	54,277	54,277	54,277	54,277
Accumulated Depreciation	0	900	1,800	2,700	3,600	4,500	5,400	6,300	7,200	8,100	9,000	9,900	10,800
Total Long-term Assets	54,277	53,377	52,477	51,577	50,677	49,777	48,877	47,977	47,077	46,177	45,277	44,377	43,477
Total Assets	95,000	172,804	170,221	187,737	205,098	222,619	240,135	271,847	288,552	310,184	331,662	353,301	374,933
Liabilities and Capital		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	0	63,447	34,342	34,503	34,342	34,342	34,503	44,577	39,643	39,803	39,643	39,643	39,803
Current Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Current Liabilities	0	63,447	34,342	34,503	34,342	34,342	34,503	44,577	39,643	39,803	39,643	39,643	39,803
Long-term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	0	63,447	34,342	34,503	34,342	34,342	34,503	44,577	39,643	39,803	39,643	39,643	39,803
Paid-in Capital	100,000	100,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000
Retained Earnings	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Earnings	0	14,357	31,879	49,234	66,756	84,277	101,632	123,271	144,909	166,381	188,020	209,658	231,130
Total Capital	95,000	109,357	135,879	153,234	170,756	188,277	205,632	227,271	248,909	270,381	292,020	313,658	335,130
Total Liabilities and Capital	95,000	172,804	170,221	187,737	205,098	222,619	240,135	271,847	288,552	310,184	331,662	353,301	374,933
Net Worth	95,000	109,357	135,879	153,234	170,756	188,277	205,632	227,271	248,909	270,381	292,020	313,658	335,130