**Executive Summary**

Laundry/washing machine facility is one of the service areas that students and other university community members would like to get nearby their campuses. Despite its old age and the high number of its community, Addis Ababa University has not yet availed laundry/washing machine service to its community members. Laundry/washing machine service is specially required by the student population of the University who is currently facing various problems in connection with washing of clothes. The students have to spend considerable time to wash their clothes; have to wait for some time to get free washing compartments; have to wash within shabby compartments and dirty surrounding; and finally end up with unsatisfactory wash quality.

The name of our business is Nitsuh laundry service which is not yet started. The laundry/washing machine system that is being proposed have an automatic washer and automatic dryer and are suitable for clothes made from easy care fabrics. Our customers can get service based on the type of the clothes to be washed and/or ironed. Our goal is to address the needs of the customers who are looking for cleaning laundry services at reasonable prices.

The services we provide are:

* Washing and drying clothes
* Ironing clothes

The main target of the business is students, but workers of the campus can also be possible customers. The main work of enterprise will be providing washing service cleaning facility for students with efficient and attractive customer service.

The main place of work is at 4 kilo campus in Addis Ababa university. It is selected since

* It has the highest number of student population next to 6kilo
* We are familiar to the environment and know the problems

**Objectives**

* Solving the current problem that students face in washing their clothes which is crowded, time taking, tiresome, and inefficient.
* To create a healthy and confident academic society.
* Get a good income at reasonable price.

**Our vision**

Our Vision is to operate one of the most successful laundry services in 4k university.

**Enterprise Name**

The name of the enterprise is Nitsuh Laundry

We select the name Nitsuh because:

* It is easy to remember.
* It is related to our services/ describes our job clearly.

**Address of the Enterprise**

* 4 kilo, Addis Ababa University, Addis Ababa, Ethiopia
* Phone Number: 0115378902
* E-mail: laundry@nitsuh.org

We will have an office where we serve customers and wash clothes. It will be in the campus compound since our main aim is to serve the students.

**Type of the Business**

The business is going to be a partnership business among the members of the group. All the partners will have equal shares in the company.

Generally, we choose partnership as our business’s type because:

* The legal requirements are less
* The costs required to establish partnership are low

**Year of the Plan**

The business will start operation in November 2022 after buying the machinery and finishing all the legal requirements. Since the coming time is summer, most students will be out of the campus; so, within this summer time, we will set up our business and start it on November as much as possible at the time when students will come back to the campus. This plan will help as a road-map for 3 years, until 2025.

**Work Premises**

It is assumed that in the first year the number of customer will be small. The income will be low. This is because we have to first get the confidence of our clients before providing the mass services. To do that we will first began providing our services to individuals who are close to us and can transfer the information to others. After we got known to many student, then we will begin generating real income. We will be open from 7 AM and close 6 PM from Mondays to Friday and will run up to 8 PM on Saturday.

We are centrally located in 4 kilo campus of Addis Ababa university and we are open to all the available opportunities that the campus has to offer. Our business concept has also positioned us to attract many young student who like doing their laundries and catching some fun at the same time or do their study. Also there is no other competitor company in the campus so that we can be able to attract as many student as we can.

The problems we may face can be:

* **Issues of Missing Clothes:** One of the unique challenges that we are likely going to face in our laundry business is the issues of missing clothes. Of course, if we have enough clients with loads of clothes to dry – clean, there is the likelihood that we might misplace a clients’ clothe. In order to overcome this challenge, we will adopt effective documentation of items (proper labeling and handling) at every stage of the process.
* **Issues of Stained Clothes:** Another challenge that is unique to this business is the issue of stained clothes. If we are not careful whilst washing, some clothes could run and we might end up staining other clothes in the washing machine. That is why it is important to properly read the label on the clothe and then follow the instructions as stated.
* **Clean Water Supply:** Another challenge we are likely going to face as we start our own laundry [business is the challenge of constant clean water supply](https://www.profitableventure.com/water-supply-business-plan/). We will agree that getting constant supply of clean water can sometime be difficult. The truth is that we need clean water to be able to effectively wash dirty clothes.
* **Electrical Power Supply:** Constant electrical power supply is yet another challenge that we are likely going to face when we start our own laundry business. Epileptic power supply is common in third world countries and laundry businesses rely on electrical power to do their job. In order to overcome this challenge, we should have standby generator (which will be our long term plan).
* **Meeting Up With Delivery Time (Set targets):** There is a stage of growth in our laundry business that we may be faced with the challenge of meeting up with delivery time. The truth is that if we do not properly manage the growth of our business we will definitely face this challenge. So, ensure that we adopt strategy that will help you meet up with set targets even if it means hiring more hands.
* **Sourcing for Clients:** If you are starting out with your laundry business, one of the challenges that you are likely going to face is the challenge of attracting customers. Sourcing for customers for a new business can be quite challenging especially if there are other established laundry shops in your location.
* **Equipment Breakdown:** The various Equipment we have is subject to wear and tear, hence we should expect that our laundry equipment will breakdown at some point. The truth is that if we don’t have a back – up equipment and we are not prepared for an equipment breakdown, we are likely going to get stranded once our laundry equipment breakdowns during operation.
* **Technical know how:** We can’t just wake up and setup a laundry shop. we will need to first know how to run a laundry shop, operate the machines, take customers order, sort the clothes, etc. Therefore, establishing a laundry business requires a lot of technical experiences in order to be able to manage and control the affairs of the business.
* **Competition:** As far as we know there is no known laundry broadly working with university students but there is laundry in front of 4kilo campus , but as we studied it has small customers and we expect it is not a big competitor if we assure the quality of our work.

**Yearly Sales Plan**

The predicted yearly sales plan for the first year will be:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Services** | **Unit** | **Quantity**  **(est.)** | **Unit price**  **(ETB)** | **Total**  **(ETB)** | **Remark** |
| 1. | Washing and Drying clothes | Number  of clothes |  |  |  |  |
|  | * Jeans trousers | 4,000 | 9 | 36,000 |  |
|  | * Non-jeans trousers | 2,500 | 7 | 17,500 |  |
|  | * Jackets | 1,500 | 18 | 27,000 |  |
|  | * Sweaters | 3,000 | 8 | 24,000 |  |
|  | * T-shirts | 5,000 | 4 | 20,000 |  |
|  | * Bed sheets | 1,500 | 25 | 37,500 |  |
|  | * Blankets | 600 | 100 | 60,000 |  |
|  | * Dresses | 3,500 | 8 | 28,000 |  |
|  | * Shirts | 5,000 | 7 | 35,000 |  |
| 2. | Ironing | 1,500 | 15 | 15,000 |  |
| Total sale 300,000 | | | | | | |

This amount is expected to increase in the consecutive years.

**Equipment in Hand**

We don’t have any equipment in hand.

**Equipment to be Purchased**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Equipment** | **Quantity** | **Unit price (ETB)** | **Total (ETB)** | **Remark** |
| 1. | Washing Machine and Dryer | 2 | 51,000 | 102,000 |  |
| 2. | Iron | 1 | 2,000 | 2,000 |  |
| 3. | Assistance appliance | - | - | 20,000 |  |
| 4. | Legal Papers | - | - | 30,000 |  |
| 5. | Office utility | - | - | 15,000 | Like chairs, locker |
|  | Total cost 169,000 | | | | |

**Yearly Material Requirement**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Type** | **Quantity** | **Unit (ETB)** | **Total (ETB)** | **Remark** |
| 1. | Laundry soap and detergent | 50kg | 500 | 25,000 |  |
| 2. | Other office materials |  |  | 2,000 | Like tickets, pen, notebook |
|  | Total cost 27,000 | | | | |

**Yearly Operating Expense**

|  |  |  |
| --- | --- | --- |
| **No.** | **Type of Expenses** | **Amount (ETB)** |
| 1. | Office rent | 24,000 |
| 2. | Tax | 50,000 |
| 3. | Other expenses | 30,000 |
| Total cost 104,000 | | |

**Financial Plan**

|  |  |  |  |
| --- | --- | --- | --- |
| **Capital requirements** | **Equity** | **Loan** | **Total** |
| Investment Capital:   * Machinery * Washing machine   and Dryer   * Iron * Office utility * Assistance appliance * Legal papers | 169,000ETB | 0 | 169,000ETB |
| Working capital:   * Material requirements  1. Laundry powder soap 2. Office materials  * Operating expenses  1. Office rent 2. Tax 3. Other expenses | 131,000ETB | 0 | 131,000ETB |
| Total | 300,000ETB | 0 | 300,000ETB |

**Yearly Profit and Loss**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Total Revenue (ETB)** | **Total Cost (ETB)** | **Net Profit (ETB)** |
| Year 1 | 300,000 | 300,000 | 0 |
| Year 2 | 1,000,000 | 131,000 | 869,000 |
| Year 3 | 2,300,000(est) | 300,000(est) | 2,000,000 |

**Exit Strategy**

In case of failure, the business will be dissolved and the enterprise’s loans and equities will be distributed equally to all partners. As for properties of the company, they should be sold and the money should be distributed to the partners after paying any remaining loans unless all the partners agreed otherwise. This equity shall be distributed to the partners after all the necessary legal works to dissolve the enterprise has been done.