

GERIATRIC CONSULTANCY AGENCY

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Your one-stop nutrition consultancy

BUSINESS PLAN

PRESENTED BY: CYPRIAN MAGATA OTACHI

ADMISSION NUMBER: SHNI/00410/2016

**PRESENTED TO: TECHNICAL UNIVERSITY OF KENYA IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR A DEGREE IN HUMAN
NUTRITION AND DIETETICS**

DATE: APRIL, 2021

DECLARATION

I, the undersigned, hereby declare that this business plan is my original work and that it has not been presented for the award of a degree or diploma in any institution.

Name: CYPRIAN MAGATA OTACHI

Admin. No: SHNI/00410/2016

Signature.....

Date: 5th April 2021

This business plan has been submitted with our approval as university supervisors for a Bachelor's degree in Human Nutrition and Dietetics.

Signature.....

Date: 5th April 2021

MRS. MARTHA ACHIENG'

Supervisor

ACKNOWLEDGEMENT

I give sincere gratitude to the Almighty God for his sufficient grace, protection, and mercy, for His gift of life thus far. It is because of His love and kindness that I was able to come up with this business plan.

I would like to express my special appreciation to my supervisor, Madam Martha Achieng for her assistance and guidance in writing this business plan.

I acknowledge with thanks the overwhelming support I got from my parents. Without their moral and financial support, this write-up would not be successful.

I am greatly appreciative to my classmates and friends who have been the best company and source of social support during this period of writing the business plan.

DEDICATION

I dedicate this business plan to all my family members and friends for their invaluable support, love, and encouragement in the course of writing this business plan.

EXECUTIVE SUMMARY

GERIATRIC CONSULTANCY AGENCY will be a new medium-sized clinic dealing in nutrition and wellness of the elderly which will be based in Homa Bay town. GERIATRIC CONSULTANCY AGENCY's emphasis will be on advising and offering consultation. We will emphasize applying nutrition principles to delay the effects of aging and disease, to aid in the management of chronic ailments. Although we intend to start as a small-scale clinic, it will not in any way stop us from maximizing our potential in the essential services of sustaining a strong immunity.

GERIATRIC CONSULTANCY AGENCY will hire highly skilled dietitians who will educate clients on their lifestyle practices and what the elderly should be taking to remain strong. Every client will be signed by a consultative agent who will be able to educate them on their dietary needs and preferences. On consultation time we want our customers to achieve every single step to realizing the importance of a balanced diet. Our location will offer a relaxing atmosphere for customers to enjoy their stay.

We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely. We will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for our employees and our customers. Our employees will be driven by a passion for the services they are offered.

As the founder of the clinic, I will oversee all operations of the business and business decisions. I will have the aid of assistant managers, a marketing team, an accountant. We will narrow the population down into age demographics and formulated advisory strategies with each key group to ensure success.

Table of Contents

3.1 Business Manager	19
3.1.1 Business Structure	19
Positions to be filled include;	19
3.2 Duties and Responsibilities	20
3.4 Recruitment, Training and Promotion	25
3.4.1 Recruitment	25
3.4.2 Training	25
3.4.3 Promotion	26
3.4.4 Staffing and separation	27
3.5 Remunerations and Incentives	27
3.5.1 Incentives	27
3.6 Legal Requirements	28
3.6.1 Licenses	28
3.6.2 Permits	28
3.6.3 Bylaws	28
3.7 Support Services	29
3.7.1 Professionals	29
3.7.2 Institutions	29
CHAPTER FOUR	31
PRODUCTION AND OPERATION PLAN	31
4.0 Introduction	31
4.1 Operation facilities and capabilities	31
4.1.1 Capability table	31

4.2 Production strategies	32
4.3 Production Process	32
4.3.1 External Competition	33
4.3.2 Weather	33
4.3.3 Technical progress.....	33
4.3.4 Political factors.....	33
CHAPTER FIVE	34
FINANCIAL PLAN.....	34
5.0 Introduction.....	34
5.1 Pre-operational costs	34
5.2 Estimating of working capital	35
5.3 Cash flow.....	35
5.4 Pro-forma income statement	37
5.5 Pro-forma balance sheet.....	37
5.6 Break-even point	38
5.7 Profitability Ratios and Percentages	39
5.8 Desired financing	40

CHAPTER ONE

BUSINESS DESCRIPTION

1.0 GERIATRIC CONSULTANCY AGENCY

The consultancy will be owned by Mr. Cyprian Magata Otachi, a resident of Homa Bay County. Mr. Cyprian will have a Degree in Nutrition from the Technical University of Kenya. The clinic will be dealing with the nutrition and wellness of elderly people. Since the elderly have special needs and requirements that are unique, they require critical care and guidance. Caretakers and family members of the elderly need to be educated about these needs and how they can fulfill them as they care for their old ones.

1.1 Business Sponsors

The business will be established by Mr. Cyprian Magata after foreseeing the lack of clinic consultancy agencies for the elderly in the Homa Bay town. The idea came after reading an article that explained why many elderly people end contracting aging diseases even after taking balanced diets. It was further motivated by the nutrition knowledge that I have obtained in my career. Another reason behind this was that since most nutritionists opt to offer their services from a hospital setting, then I can get a clientele who may wish to access the same services out of a hospital.

1.2 Business Name

GERIATRIC CONSULTANCY AGENCY will be a start-up venture that will be located in Homa Bay town

Homa Bay town

Email; cyprianotachi@gmail.com

Website: www.getratricagency.com

1.3 Business Location and Address

The clinic will be solely owned by Mr. Cyprian Magata. The sole proprietor business will be located in Homa Bay town. In a sole proprietorship, the creative direction of the company will be completely at the owner's direction, and this way he gets the opportunity to see his ideas put into action and result in company success. He also understands in a sole proprietorship, if the company encounters a problem or incurs debt and other obligations, risks losing personal money to settle these issues. Moreover, the personal properties can be at risk if the business fails or if it faces legal actions from disgruntled employees.

The company will be strategically located in the town center and close to residential and commercial business.

1.4 Form of business ownership

GERIATRIC CONSULTANCY AGENCY will use the advice on food staff, physical activity levels, how to balance diet. We will help make meal plans and advice on food choice

Inspired by cultures across the country, we will be well versed in understanding various traditional meals so that we can be able to counsel our clients holistically. Every consultant will be assigned a client based on ages, regional backgrounds as this will be freshly-prepared for customers meeting their individual dietary needs preferences.

1.5 Type of Business

GERIATRIC CONSULTANCY AGENCY will be a clinic that will be dealing with the nutrition and wellness of the elderly. The elderly have special needs and requirements that are unique.

People need to be educated on these needs and how they can fulfil them as they care for their old ones. Geriatric nutrition applies nutrition principles to delay effects of aging and diseases, to aid in the management of the physical, psychological, and psychosocial changes commonly associated with growing old.

The cornerstone of geriatric nutrition and well-being be consultation on a well-balanced diet and foods that boost essential micronutrient stores.

Essential micronutrients of the elderly need to be checked in order a strong immunity.

1.6 Products and services

1.6.1 Products

GERIATRIC CONSULTANCY AGENCY will offer Homa bay residence a trendy consultancy place and a stable social environment. Will advise ethnic recipes to provide customers with a diverse unusual menu. The clinic advisory committee will also be emphasizing advice on healthy dishes due to the demand for healthy cuisine. The clinic as previously mentioned will also provide samples of diet histories from the incoming client.

The advisory procedures will have great latitude in designing every day. The advisory team will have great latitude in designing and producing dietary articles from many different cultures in the country. We will endeavour to procure all the traditional' authentic ingredients to hold to these varied and interesting cultural recipes.

1.6.2 Services

At the clinic, one of the goals will be to accommodate every customer's needs. We will have a fully functional flash website where they may read about the clinic and what we hope to accomplish, listen to and view the work of featured artists, or simply place orders for pick-up and delivery with an estimated wait time and a digital receipt provided. For those customers that prefer to sit and relax inside the clinic, they can enjoy music while watching anything ranging from international sports to movies to the food network. Our atmosphere will make the clinic a place people will want to be even when they are not sick or hungry.

1.7 Justification of opportunities

The clinic will be located near, Safaricom houses and Jana international school, this will attract a high number of customers from these institutions since it's the only consultancy clinic situation around these institutions. Located in Homa Bay since this town has very many companies and institutions with working adults, hence we will have a market for our balanced diets. Many elderly people working in Homa Bay live far from the town hence it will be much convenient for them to visit this clinic before they get back home.

Homa Bay town will be the best location because it is a very populated town in the region, hence many working people, there are very few consultancy clinics in the town since most clinics only offer treatment with no advisory on balanced diet for the elderly in Homa Bay. Consultancy clinics are very few and tend to be very expensive for the common citizen, our clinic will fill this gap since we are offering affordable services to our customers.

1.8 The Industry

GERIATRIC CONSULTANCY AGENCY will be under the health ministry. The ministry of health is a parastatal run by the government, it deals with the health and wellness of the government and its citizens. A health unit such as a consultancy clinic, hospital, or a health clinic consists of multiple groups such as facility maintenance and direct operations like dietitians, management, marketing, and human resources, doctors, and nurses.

Before structuring as an industry, the historical roots of health were in the western world in the form of health assistance and wellness mainly for Christian pilgrims directed to Rome.

1.9 Business Goals.

The goal will be to provide unique, distinct accurate advice and experience from environmentally sustainable locations while the employees ensure customers always receive exceptional, consistent service

1.10 Entry Strategy and Growth strategy

1.10.1 Entry Strategy

The strategy will be, to succeed by giving people a combination of great, healthy, and remorseful education on a balanced diet lifestyle tips in an environment that attracts people of its serenity. Our competitive edge will be the menu plans, good rapport with clients, the environment, and the knowledge of foods from traditional dishes to what is current in the market.

1.10.2 Growth Strategy

Growth trends will be established when, there will be an increase in the customer base, Increase in overhead expenses i.e., the costs of insurance, equipment, supplies, marketing, and human resource.

CHAPTER TWO

MARKETING PLAN

2.0 Introduction

GERIATRIC NUTRITION CONSULTANCY AGENCY will be marketed through fliers, social media, websites, shall also have offer days whereby if you visit and attend to our advisory serviced based on well-balanced diets you get an additional glass of fresh juice or any beverage of customer's preference. This will help target several customers who may come across it while researching from the internet or social media and even those who may have been referred to by a customer who will be satisfied with our services.

2.1 Customers

The clinic has a defined target market client that will be the basis of building the business. The clients will be populated in institutions such as schools, hospitals, and commercial enterprises.

2.2 Market Share

Shall target to offer our services to a wide range of customers like attending to around 100 customers a day. Market research finds that there is only three consultancy clinic in Homa Bay which offer advice to the elderly on well-balanced.

2.2.1 Individual customers

These are the most, most of them are the loyal customers who have appreciated the services we offer, majority of them are the elderly from the nearby workplaces and workers in the various companies who buy their food.

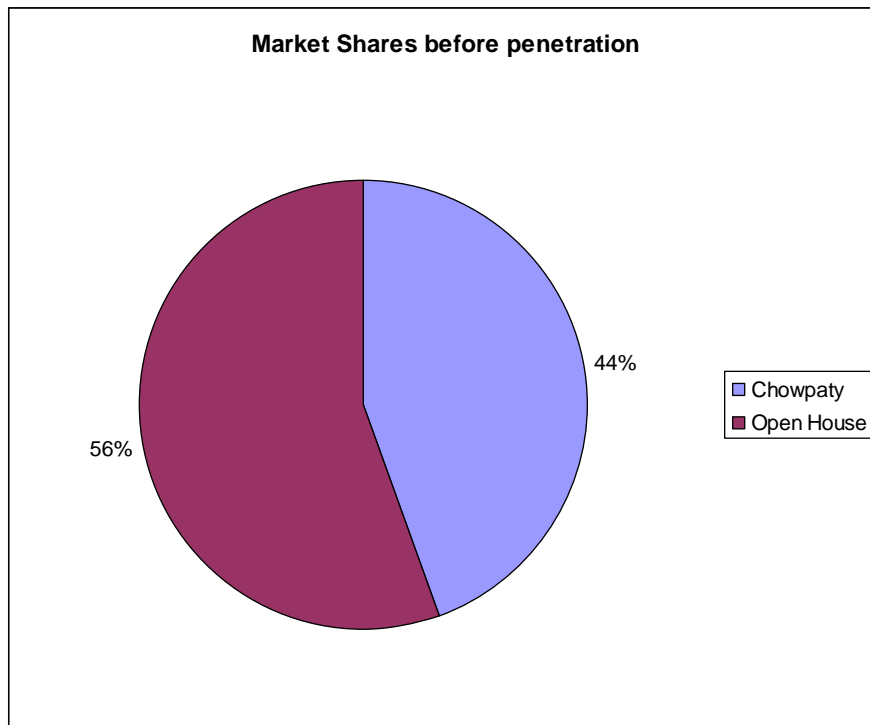
2.2.2 Institutional customers

Tenders will be gotten from big institutions like NSSF; NHIF when these elderly people visit such institutions, give the mandate to advise the members on a balanced diet in order not to get sick frequently.

GERIATRIC NUTRITION CONSULTANCY will be the only clinic that again offers advice on organic foods for the elderly, the other popular competitor will be open house and Chowpatty.

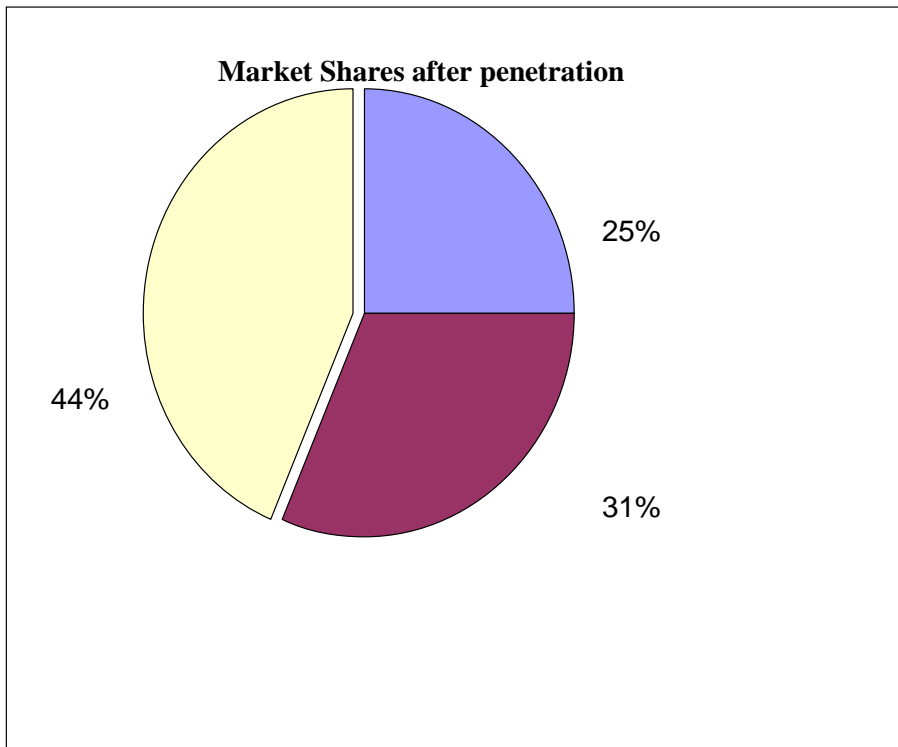
	Chowpatty	Open house	total
clients	40	50	900
Market shares	44.44%	55.56%	100%

PIE CHART FOR MARKET SHARES BEFORE PENETRATING THE MARKET



PIE CHART FOR MARKET SHARES AFTER PENETRATING THE MARKET

31%



Picture Key: Yellow=Geriatric Clinic. Blue=Chowpaty. Maroon=Open house

2.3 Competitors

The direct competition for GERIATRIC NUTRITION CONSULTANT comes from Chowpaty and Open House clinic. Chowpaty is a clinic offering consultancy mostly on vegetarian food staff to the elderly located on Shimmers Plaza Kendu Bay Rd. While taking a similar stance on health and providing customers with organic ingredients, Chowpaty's shortcoming is that they lack variety and creativity in the menu and well-trained personnel, only offering a choice of Indian and Chinese cuisine. The consultancy at the Geriatric nutrition consultancy clinic will be considered one of its top strengths.

2.4 Methods of Advertising and Sales Promotion

GERIATRIC NUTRITION CONSULTANCY AGENCY will be committed to an extensive promotional campaign in the provision of diagnosis to its clients. This will be done aggressively and on a broad scale. To accomplish initial goals, the company will require an effective promotional campaign to accomplish one primary objective: Attract customers who will constantly look to the clinic for advice on their well-balanced meals. In addition to standard advertisement practices, the Company will gain considerable recognition through these additional promotional mediums; Press releases sent to major radio stations, newspapers, and magazines.

Radio advertising on secondary stations. The company will seek to incorporate social media outfits like Facebook, Instagram, and Twitter. Billboards will be put up in Residential and Commercial areas to attract customers. The advertisements will be rigorous in the year of starting to inform customers of the new trends in the market.

2.5 Pricing Strategy

The clinic consultancy fee will seek to offer customers better choices on a well-balanced diet and affordable meals as well as ensuring the clinic maintains profitability.

2.6 Sales Tactics

Online zoom programs

Creating public awareness

Use of billboards.

Activations (paid and unpaid).

Roadside kibandas and tents gatherings,

Traffic jam activations,

Cycle plans,

Random impromptu visits

2.7 Distribution Strategy

The home consultancy will be done by geriatric dietitians who are well trained and skilled in offering good services to the elderly who might request home attendance. The geriatric consultancy home consultancy team will do the following upon how our clients are progressing with the advice they were given on a balanced diet.

CHAPTER THREE

ORGANIZATION AND MANAGEMENT PLAN

3.0 Introduction

GERIATRIC NUTRITION CONSULTANCY AGENCY will be starting as a small business, so employee costs will be kept to a minimum. The management team will work for a hand with the other employees, they will ensure there will be always a good working environment for all the employees and they will also ensure that they are paid their salaries on time. The management team shall ensure that all supporting staff are competent to ensure we meet the target sale for the business

Chief Executive Officer

Creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.

Admin and HR Manager

Overseeing the smooth running of HR and administrative tasks for the organization

Clinic Manager

Managing the daily activities in the clinic (kitchen inclusive)

Sales and Marketing Manager

Managing external research and coordinating all the internal sources of information to retain the organizations' best customers and attract new ones

3.1 Business Manager

Top management

They include:

- Chief executive officer
- Admin and HR manager
- Clinic manager
- Sales and marketing manager

Operatives structure

- Information Technologist
- Chefs
- Accountants / Cashiers

Supporting structure

- Waiters / Waitress
- Van Drivers / Deliverers, waiter

3.1.1 Business Structure

Positions to be filled include;

- Chief Executive Officer (Owner)
- Other nutritionists
- Clinic Manager
- Human Resources and Admin Manager
- Sales and Marketing Manager
- Information Technologist
- Accountants / Cashiers
- Deliverers

- Cleaners

As the manager I will act as an overall manager and the chief executive officer, approving all hires and financial decisions. The CEO will increase managements 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; developing a climate for offering information and opinions; precative Officer (Owner). She plans on awarding herself a basic salary of Ksh. 70,000 subjects to increase in the future seeing as the Company will be starting.

3.2 Duties and Responsibilities

The table below shows the different positions of workers and their qualifications for the job

Personnel	Qualification and experience	Duties and responsibilities
Chief Executive Officer	Bachelor's degree in the area of specialty and at least 4 years of experience in the field or a related area	<p>Creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.</p> <p>Fixing prices and signing business deals</p> <p>Providing direction for the business</p> <p>Signing checks and documents on behalf of the company</p> <p>Evaluating the success of the organization</p>

Human Resources and Admin Manager	<p>Bachelor's degree in Human Resources Management, Public Administration or a Diploma in the same.</p> <p>Knowledge of Labour laws.</p>	<p>Maintaining office supplies by checking stocks; placing and expediting orders; evaluating new products.</p> <p>Ensuring operation of equipment by completing preventive maintenance requirements; calling for repairs.</p> <p>Updating job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.</p> <p>Enhancing department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.</p> <p>Defining job positions for recruitment and managing interviewing process</p> <p>Carrying out staff induction for new team members</p> <p>Training, evaluating, and assessing employees</p> <p>Arranging travel, meetings, and appointments</p> <p>Overseeing the smooth running of the daily office activities.</p>
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Clinic manager	<p>Degree in nutrition and dietetics</p> <p>3 years experience</p>	<p>Ensuring that the clinic facility is in the correct shape and conducive enough to welcome customers</p> <p>Interfacing with third-party providers (vendors)</p> <p>Attending to Customers complaints and inquiries</p> <p>Preparing budget and reports for the organization</p>
Sales and Marketing manager	<p>Degree in sales and marketing</p> <p>3 years experience</p>	<p>Modeling demographic information and analyze the volumes of transactional data generated by customer purchases</p> <p>Identifying, prioritizing, and reaching out to new partners, and business opportunities</p> <p>Identifying development opportunities; following up on development leads and contacts; participating in the structuring and financing of projects; assuring the completion of development projects.</p> <p>Supervising implementation, advocating for the customer's needs, and communicate with clients</p> <p>Developing, executing, and evaluating new plans for expanding increase sales</p>

		<p>Documenting all customer contact and information</p> <p>Representing the company in strategic meetings</p> <p>Helping to increase sales and growth for the company</p>
Information Technologist	<p>Diploma in information technology</p> <p>3 years experience</p>	<p>Managing the organization website</p> <p>Handling the ecommerce aspect of the business</p> <p>Responsible for installing and maintenance of computer software and hardware for the organization</p> <p>Managing logistics and supply chain software, Web servers, e-commerce software, and POS (point of sale) systems</p> <p>Managing the organization's CCTV</p> <p>Handling any other technological and IT-related duties.</p>
Accountant/ cashier	<p>Degree in B.com or CPA</p> <p>2 years experience</p>	<p>Responsible for preparing financial reports, budgets, and financial statements for the organization</p> <p>Providing management with financial</p>

		<p>analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.</p> <p>Responsible for financial forecasting and risk analysis.</p> <p>Performs cash management, general ledger accounting, and financial reporting</p> <p>Responsible for developing and managing financial systems and policies</p> <p>Responsible for administering payrolls</p> <p>Ensuring compliance with taxation legislation</p> <p>Handling all financial transactions for the organization</p> <p>Serves as an internal auditor for the organization</p>
Cleaner	<p>He/she should be responsible and honest</p> <p>He/she should be able to speak Kiswahili and English</p> <p>He/she should be</p>	<p>Ensure that the premises are kept clean before and after work hours</p> <p>Clean out the equipment store so as there won't be a build-up of dirt and grease</p> <p>Carry out any other tasks as might be assigned by the Admin Manager</p>

	aged 20-45	
drivers	Age between 24-45	Delivers customer's orders promptly Deliver correspondence for the clinic Runs errand for the organization

3.4 Recruitment, Training and Promotion

3.4.1 Recruitment

- i. The company will incorporate various methods in its recruitment drive i.e.:
- ii. Word of mouth: The Company will get the word out and ask around if anyone knows someone with the skill set it's looking for.
- iii. Social networking: By use of the Company's social networking tools to help with finding job candidates, LinkedIn, Twitter, and Facebook.
- iv. Online recruitment sites such as Brighter Monday, Star Classifieds, Career point Kenya
- v. Newspaper advertisements

3.4.2 Training

Training will be done after the identification of weak areas where training would prove beneficial. Examples may include how to use handle patients, time management, conflict resolution, harassment, or company policies.

TITLE	EMPLOYEES	MONTHLY SALARY	HOUSE ALLOWANCE	TOTAL GROSS
clinic Manager	1	35,000	5,000	40,000
Admin/HR	1	25,000	5,000	30,000

Individual training modules will be developed based on the Company's defined needs and goals. Training will be from professional trainers or developed by a member of the staff educated in employee training.

Regular training schedules will be planned that will satisfy training needs within a specified time frame. Getting all current employees trained will take time, so training will take place during slow periods or after business hours to avoid undue work disruption.

An employee feedback form will be available to rate the training and collect comments and opinions as to the training session's perceived effectiveness.

3.4.3 Promotion

Promotions will be done after a review of the employee's performance. Only employees who perform at a high level consistently will be due for promotion. Employee's performance will be assessed based on visible results, not on perceptions. Employee's skills will also be put into consideration. A new position likely requires new skills. The clinic will also consider the employee's experience. Before being promoted to a new position, employees should have a wealth of experience in their current position. Experience helps employees better handle unfamiliar situations and assists the employee in transitioning to new positions.

Sales and Marketing Manager	1	25,000	5,000	30,000
Information Technologist	1	30,000	5,000	35,000
Accountant	1	30,000	5,000	35,000
Cleaners	2	20,000	6,000	26,000
Drivers	2	30,000	10,000	40,000
Total	9	195000	41,000	236,000

3.4.4 Staffing and separation

Separating the employees from their job will be in four ways i.e. through retirement, termination, retrenchment, or death. The retirement age will be after one reaches 70 Years. However, our company does not have a retirement benefit plan. One will be terminated from their job if they become incompetent and fail to deliver, however, we will issue them with a notice 3 months before the termination.

3.5 Remunerations and Incentives

This includes the salaries the employees will be receiving and also their allowances and any bonus that they are going to receive. An overtime allowance at the rate of 0.01% per hour will be given based on the basic salary.

3.5.1 Incentives

Bonuses will be in form of profit sharing. The company will provide a pool of funds based on a percentage of its annual pre-tax profit. An employee receives a portion of this pool according to their salary. Holiday bonuses will also be provided ranging from small gifts.

3.6 Legal Requirements

The first step will involve registering the Company at the registrar of companies located at Sheria House.

3.6.1 Licenses

After the name searches and filling in the required forms, the Company will be registered and you will be issued with a certificate of incorporation or a business name.

3.6.2 Permits

For us to legally operate as a consultant clinic, we will need to have a health-related permit, this will require a health and medical inspector to visit our clinic and certify it.

3.6.3 Bylaws

A Clearance certificate for fire prevention inspection will be also required. Failure in obtaining it the Company opens to prosecution under building control legislation.

Upon filing our tax returns, the business will also be issued with a tax compliance certificate

LICENSE	PROVIDER	AMOUNT
Tax	KRA	75,000 per year
Business Permit	Homa Bay County	25,000 per year
Insurance	AON	60,000 per year
Health Permit	HomaBay County Health Inspector	
Fire Safety Compliance Certificate	Homa Bay County Fire Inspector	3,000
Registrar of Companies	National Government	2,000
Health Certificate	H/B County Government	7,000
Food and Safety Certificate	H/B County Government	3,000

3.7 Support Services

Support services are those function of organization which does not generate main business. Support services provide internal support to the main business of the organization.

3.7.1 Professionals

These include investors who have decided to invest in our business so that they may benefit.

3.7.2 Institutions

Banking

The business banking services will be done via

Kenya Commercial Bank

Homa Bay Branch

Account Number: 0419958494

Account Name; Geriatric Nutrition Consultancy

It will be a savings account as the Clinic will be trying to save the earnings from the business for the expansion of the business and tax payments. Kenya Commercial Bank was decided on as the Banks interest rates are attractive in comparison to others

Insurance Services

The Company will turn to AON for its insurance services. It will cover:

Contract work insurance

This covers against physical loss or damages in the restaurant.

Inland transit

This policy covers against loss or damage to the goods/materials while on transit by road and will be provided on a risk basis.

Third-party liability

This covers third-party liability risk in respect to bodily harm and property damage that may occur in the restaurant.

Beneficial occupation

This policy extends to cover fire and burglary damage to property.

Political risk

This extension protects the project against damage/destruction of physical assets, loss of business, or business interruption due to any politically motivated violence.

Legal Services

The Company will look to hire the services of Murgor and Murgor Advocates from time. The Company believes that the law firm will be experienced, somewhat familiar with the industry and its legal environment.

The advocates should be able to:

- i. Consult and handle all corporate legal processes (e.g., intellectual property, mergers & acquisitions, financial / securities offerings, compliance issues, transactions, agreements, lawsuits, and patents)
- ii. Develop company policy and position on legal issues
- iii. Research, anticipate and guard company against legal risks
- iv. Represent the company in legal proceedings (administrative boards, court trials)
- v. Responsible for analyzing legal documents on behalf of the company

CHAPTER FOUR

PRODUCTION AND OPERATION PLAN

4.0 Introduction

Each department will have the tools and equipment required to work efficiently. New tools will be replaced after 6 months depending on how efficient the tool will be to ensure efficiency in their work, this will ensure that the business saves on time when serving customers.

4.1 Operation facilities and capabilities

Geriatric consultancy in its quest to provide its clients with organic food will need the following machinery and equipment:

4.1.1 Capability table

SEATING/FLOOR	
42-inch wall style booth x 4	100,000
4 seat island cluster seating x 3	60,000
Cluster unit (6 -8 seats) x 2	70,000
TV Sets x 3	120,000
Music System	30,000
TOTAL	380,000

Other facilities that will be required to set up the business will include:

FACILITY	QUANTITY	SOURCE	COST
Internet	R30 – 30 Mbps	Faiba	5,500
Telecommunications		Telekom	2,500
Water	30 cubic meters	Nairobi Water Company	1,600

Electricity		KPLC	15,800
Stationery		Aston Computer and Office Equipment	20,000
Computers			100,000

4.2 Production strategies

Geriatric nutrition consultancy agency will offer consultation on a balanced diet for the elderly and how the clients can fulfil them as they care for their old ones. The advice should not only appeal to the old one's health-conscious but to even the middle-aged.

The clinic will give specific dates for a revisit to know how patients will be fairing with the advised meals. We will be open seven days a week from 11:00 AM – 7:00 PM, depending on the clinic's success the hours of operation are subject to change. We will be closed for major holidays like New Year's Day and Christmas.

Special invitations and announcements will be distributed for the opening day, and other special events we host, both personally and over the popular social networking websites such as Facebook and Twitter.

To show customers that their opinions matter, we will be asking them to vote on the advisory personnel in our clinic they prefer and those they dislike in the opening weeks. This will allow us to establish a solid advisory schedule that will be appealing to every customer stepping foot in the clinic.

4.3 Production Process

The Company believes the following factors will influence its production

4.3.1 External Competition

The clinic faces stiff competition from already established similar clinics.

4.3.2 Weather

The Company feels that the impact of weather conditions may have a direct ability on it opening its doors at any given time to its clients. Natural factors like climatic conditions. Production can be diminished due to natural calamities like floods, drought, etc.

4.3.3 Technical progress

Can positively influence production. The use of an improved variety of technology can give the Company more production.

4.3.4 Political factors

Affect production positively or negatively. Decisions about taxation, investment, or fiscal. Policies of Govt. influence production.

The character of people The Company feels that hard workers and sincere workers always produce more and hence it will very important.

CHAPTER FIVE

FINANCIAL PLAN

5.0 Introduction

It will be a comprehensive evaluation of an individual's current pay and future financial state by using current known variables to predict future income, asset values, and withdrawal plans.

5.1 Pre-operational costs

Costs incurred in the formation of a firm, and advertising, promotional activities, employee training, etc., before the firm can open its doors for business. Also called preliminary expenses or start-up expenses preoperational costs that the clinic will include before the start of the business include:

ITEMS	COST
Licences	175,000
Advertisement	60,000
Recruitment	25,000
Rent deposit	40,000
Utility bills	145,400
Furniture	380,000
Inventory	500,000
Launching a website	50,000
Other costs	15,000
TOTAL	1,390,400

5.2 Estimating of working capital

Liabilities

Current liabilities

Creditors = Ksh. 200, 000

Total Liabilities = Ksh. 200,000

Total Assets = Ksh. 2,150,000

Assets

Cash = Ksh. 1,500,000

Stock from goods =Ksh. 250,000

Stock of raw material =Ksh.400,000

Estimated Working Capital = (2,150,000 – 200,000) = Ksh. 1,950,000

5.3 Cash flow

Cash inflow	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning cash	800,000												
Balance brought forward	-	0	0	0	0	0	0	0	0	0	0	0	0
Sales	900,000	1.2m	1.878m	1.9m	1.6m	0.8m	0.7m	1.5m	1.0m	1.2m	1.0m	2.0m	13.96
Debtors	0	0	0	0	0	0	0	0	0	0	0	0	0
Total cash inflows	1.7m	1.2	1.878	1.9	1.6	0.8	0.7	1.5	1.0	1.2	1.0	2.0	16.478m
Cash outflows						35							

Purchases	120,000	80,000	60,000	100,000	94,000	80,000	100,000	80,000	105,000	70,000	60,000	98000	1,047,000
Wages and salaries	596000	596000	596000	596000	596000	596000	596000	596000	596000	596000	596000	596000	5.028m
Advertisements	150000	150000	475000	300000	200000	150000	100000	500000	180000	150000	100000	150000	485500
Repair and maintenance		60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	60000	660000
Electricity	158000	158000	158000	158000	158000	158000	158000	158000	158000	158000	158000	158000	189,600
Rent	-	-	-										
Water	160000	160000	160000	160000	160000	160000	160000	160000	160000	160000	160000	160000	192000
Telephone And internet	800000	800000	800000	800000	800000	800000	800000	800000	800000	800000	800000	800000	960000
total cash outflow	871180	708,180	719,680	743,180	726,180	708,180	813,180	698,180	736,180	698,180	613,180	726,180	8,763,660

5.4 Pro-forma income statement

Current Assets	Year 1
Cash at Hand	800,000
Debtors	-----
Stock	500,000
Cash at bank	1,000,000
Total Current Assets	2,300,000
Less Current Liabilities	
Bank Overdraft	850,000
Total Current Liabilities	850,000
Working Capital (CA-CL)	1,450,000

5.5 Pro-forma balance sheet

5.6 Break-even point

ITEM	AS OF 1 ST JAN, 2020
Assets	
Current Assets	
Cash	1,500,000
Debtors	-
The stock of finished goods	250,000
The stock of raw materials	400,000
Total Current Assets	2,150,000
Fixed Assets	
Machinery and Equipment	250,000
Furniture and fittings	600,000
Other fixed assets (building and land)	8,400,000
Total Fixed Assets	9,250,000
Total Assets	11,400,000
Liabilities	
Current Liabilities	
Creditors	200,000
Total Current Liabilities	
Long term liabilities	
Bank Loan	600,000
Total Liabilities	600,000
Owners' Equity	840,000

It will be the point where the business makes no profit nor loss.

This is the production level where total revenues equal total expenses. In other words, the break-even point will be where a company produces the same amount of revenues as expenses either during a manufacturing process or an accounting period.

$$\text{Contribution margin} = ((\text{Sales} - \text{Variable cost}) / \text{Sales}) \times 100$$

Assuming variable cost will be 55% of sales

$$\text{Sales in the first month} = 900,000$$

$$\text{Variable cost} = 55/100 \times 900,000 = 495,000$$

$$\text{Fixed cost} = 600,000$$

$$\text{B.E.P} = \text{Fixed cost} / \text{Contribution margin}$$

$$\text{Contribution margin} = ((900,000 - 495,000) / 900,000) \times 100$$

$$= 45\%$$

$$0.45 \times 900,000 = 405,000$$

$$\text{B.E.P} = (600,000 / 405,000) \times 100 = 1.5$$

5.7 Profitability Ratios and Percentages

$$\text{Gross profit \%} = \text{gross profit} / \text{sales} \times 100$$

Gross profit for Cyprian's organic restaurant will be 12,800,000

$$\text{Sales} = 18,800,000$$

$$12,800,000 / 18,800,000 = 0.68$$

5.8 Desired financing

This will be the total amount of money required to start the business.

The desired financing for Cyprian's Geriatric Consultancy shall be as follows

Desired Financing	
ITEM	AMOUNT
Pre-operational Costs	1,390,400
Working Capital	9,500,000
Total Desired Financing	10,890,400