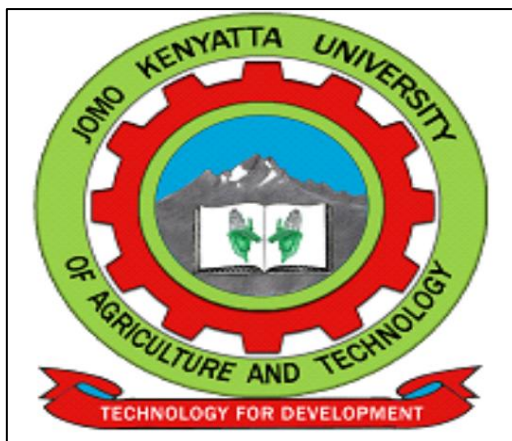


**CLASSIEST  
FASHION  
BUSINESS  
PLAN**



**J.K.U.A.T**

**COURSE:** B. BUSINESS INFORMATION TECHNOLOGY

**UNIT CODE:** HRD 2401

**SUBJECT:** Business plan preparation & presentation

**SEMESTER:** 4.2

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**A BUSINESS PLAN SUBMITTED TO THE COLLEGE OF HUMAN RESOURCE DEPARTMENT IN THE  
SCHOOL OF BUSINESS.**

# Cover Page

2021-2022



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## **DECLARATION**

We hereby declare that this business plan is our original work and has not been presented elsewhere for any award.

## **ACKNOWLEDGEMENT**

We thank God for good health and knowledge that He gave us throughout our activities to write the business plan and do market research. The success of this work goes to our commitment and the various party who came to play to make this a success. May God bless you abundantly



## **DEDICATION**

To all relatives, friends and family members who encouraged us throughout the writing of this Business Plan. Special Dedication to the Friends and relatives who funded our business too. May God bless you.

## **EXECUTIVE SUMMARY**

### **Background Information of the Business.**

Classiest Fashion is a start-up retail establishment that plans to sell fashionable clothing to both men and women around the age of 16-30. Classiest fashion will be located in Juja near Jomo kenyatta University around gate c. The clothe line will focus mainly on the youth and therefore their styles, colours and fits will be designed to meet their needs and preferences. The business will be owned by young entrepreneurs who are students in Jomo Kenyatta University pursuing a degree in Bachelors of Science in Entrepreneurship and are passionate about fashion and it trends.

### **Marketing Plan**

Classiest Fashion will look to fill the gap other competitors have not filled yet. Currently the competitors have grabbed 70% of the market share. Marketing plan chapter contains the current market share, advertising, promotion, pricing strategy, sale tactics and distribution.

### **Products and Services**

Classiest fashion will sell a combination of widely recognized name brands as well as clothing lines from select fashion designers. We will closely follow generational fashion trends as well as our own customers' purchasing preferences.

Moreover, we will tailor our inventory to meet the needs of our customers and solely focusing on the styles, colours and fits to flatter the female and male figure. Our main staple will include: business clothing, casual wear, jeans and formal wear. We will also offer some accessories such as belts, scarves, jewellery and hats. We also plan to customize the clothes according to our customers preferences. For example, a customer may want a Jersey that contain their name in it we will customize the Jersey to the customer's preference. We will also offer services like delivery to our customers that are not within Juja Town.

### **Organization Management and Planning**

This chapter explains the qualifications of the management staff that will help the business to thrive. The opening management team will consist of the six owners because it is a partnership form of business whereby, we will divide duties accordingly and Margaret Mburu will be our manager. Some of us will be on the other duties one on cashier, two on marketing, one on books corner and the remaining one on the printing, scanning and photocopier side. The manager and cashier will run the cash operations and the main stationery side.

### **Operation Plan**

This chapter describes the operation plans of the business. Every business needs to grow and it should minimize the operation cost to increase the benefits. Since Classiest Fashion is a start-up, we will have to plan on the operation plan using affordable equipment to provide services to our customers.

### **Financial Plan**

The detailed financial plan for our business is given below. The financial plan describes all expenses required for the start-up as well as how these expenses will be covered by our earned revenue

### **Risk Analysis**

In our business, there are several risks which may affect its productivity and they include; Market Risks Fall in demand - this risk is inevitable especially during strikes or when schools are closed. There will be a fall in demand because the customers are not purchasing books or other items.

## **CHAPTER ONE**

### **BUSINESS DESCRIPTION**

#### **1.0 Introduction**

Classiest Fashion is a start-up retail establishment that plans to sell fashionable clothing to both men and women around the age of 16-30. Classiest fashion will be located in Juja near Jomo Kenyatta University around gate c. The clothing line will focus mainly on the youth and therefore their styles, colours and fits will be designed to meet their needs and preferences. The business will be owned by young entrepreneurs who are students in Jomo Kenyatta University pursuing a degree in bachelors of Business Information Technology and are passionate about fashion and its trends.

#### **1.1 Profile of owners**

[Truphena Okenye]

- Has diploma in supply chain
- Has three month work experience at Central Tiger
- Good communication and interpersonal skill

[Cynthia Abuya]

- Has diploma in human resource management.
- Has Certificate in computer packages.
- Has good communication skills

[Oscar Odhiambo]

- Has three years working experience in small business.
- Has degree in business management.
- Is a certified information technology practitioner.

[Mark Jean]

- Has degree in finance and accounting.
- Computer literate.

[Wolfer Nyamwange]

- Diploma in sales and marketing.
- Has high moral standard.

## 1.2 Business Sponsors

The business will be under the ownership of all the above six who are students of Jomo Kenyatta University of Agriculture and Technology pursuing a Bachelor's Degree in Business Information Technology. The six of us will be the business sponsors. We will finance the business through our Helb allowance. We will also be in charge of running and managing the business. The remaining will also help in running the business in a daily event. We will also engage in side hustles to help us generate capital to sustain the business. In case of emergencies and when we can't raise Capital on our own, we will apply for loans from chamas like Youth Group and Friends with benefits where some of us are members. We will also seek donations from our professors and supporting lecturers.

## 1.3 Justification for Funding.

We will require funding for the following reasons;

**Generate working capital.** We ourselves are able to generate Ksh70, 000 and we will need Ksh200, 000 to supplement our capital.

**Purchase asset.** We need additional finances to purchase our fixed assets such as computers, printers, fixtures and fittings.

**Increase business growth.** With the hope of growth as time goes by we will need funding for expansion in terms of entering new market.

**Debt restructuring.** We will need loans to make financial planning easier by reducing the number of monthly repayment. This can help our business grow by freeing up cash for working capital and expansion.

## 1.4 Business Name

The proposed name of the business will be Classiest Fashion. The word 'classiest' means superior in terms of qualities and abilities compared to others. This is how we view our customers that is the students and residents of Juja.

## 1.5 Business Location and Address

The business will be located near Juja gate C, opposite. The reason for choosing this exact location was because it is centrally situated enabling easier access by customers from every side of the town. The area is also very secure due to the presence of the Unaitas bank and JKUAT which are well guarded. Another factor is accessibility through tarmacked roads and an all-weather road. The police administration post is also not far from the business location which also boosts the security.

## VISION, MISSION AND CORE VALUES

### 1.6 Mission

To innovate, to lead, to enhance and to provide best value products and services to our customers

## **1.7 Vision**

We strive to be a caring and well managed organisation for our business partners, customers and employees and a responsible corporate citizen to our society.

## **1.8 Core Values**

### **1. Customer commitment**

We develop relationships that make a positive difference in our customers life.

### **2. Quality**

We provide outstanding products and unsurpassed service that deliver premium value to our customers.

### **3. Integrity**

We uphold the highest standards of integrity in all our actions.

### **4. Team work**

We work together across boundaries to meet the needs of our customers and to help the company win.

### **5. A will to win**

We exhibit a strong will to win in the marketplace and in every aspect of our business

### **6. Personal Accountability**

We are personally accountable for delivering our commitments

### **7. Respect for people**

We value our people, encourage their development and reward their performance

### **8. Good citizenship**

We are good citizens in the communities in which we live and work

## **1.9 Business Objectives.**

The following is a list of business goals and milestones we intend to accomplish our first year of operations.

- Complete renovating, stocking, hiring and initial marketing.
- Host a successful grand-opening event.
- Penetrate and raise awareness in 60 percent our targeted consumer market.
- Achieve a profit margin of 50 percent.
- Build a solid customer base and mailing list.
- Generate repeat and referral sales.
- Become a profitable business with expansion potential.
- Establish a solid reputation as quality retail establishment.

Our first major milestones will be securing funds and setting up our business. This is our major focus right now. In five years, we hope to have established our retail business within the community and within our industry. Furthermore, as co-owners, we would like to see the growth of our store with an increase in product lines, further penetration of the national market with online sales and, under the right set of circumstances, the opening of classiest fashion in strategic locations.

## **CHAPTER TWO**

## **CHAPTER TWO**

## **MARKETING PLAN**

### **2.0 Introduction**

Classiest Fashion will look to fill the gap other competitors have not filled yet. Currently the competitors have grabbed 70% of the market share. Marketing plan chapter contains the current market share, advertising, promotion, pricing strategy, sale tactics and distribution.

#### **Customers**

We will target two types of customers;

- Institutional customers

We will target customers within and out of Juja region which will include, JKUAT University, TIBS, Kenyatta University, Gachororo primary school, Makena School, St. Peters Juja, Kenyatta Primary, Kalimoni High School, Juja Preparatory School

- Individual customers

This would include residents and students from JKUAT University.

### **2.1 Market Share**

The number of customers we shall be handling are divided into individual and institutional cover up to 90% of market share.

### **2.2 MARKETING PLAN.**

#### **2.2.1. Products/Services:**

Classiest Fashion will focus on offering the best quality of fashionable and customizable clothing for our customers. We will also invest in customer service in order to develop customer loyalty.

#### **2.2.2. Prices:**

We will be careful when choosing a suitable supplier who will make it possible to offer affordable prices to our customers and still make profit to sustain the business.



### **2.2.3. Place:**

Classiest Fashion will be located at Juja near Jomo Kenyatta University around Gate C. We consider this a 'Fertile Ground' for our target market which is mostly students.

We will also be active on Social Media in order to reach a larger market.

### **2.2.4. Promotion:**

We will print out flyers and distribute them within the Gate C area to create more awareness about Classiest Fashion. We will also do online promotions on various social media platforms and once the business has peaked, we will give back to the community by offering community services.

### **2.2.5. Physical Attributes:**

Classiest Fashion will be situated at an easily accessible location. Our brand colours will stand out and it's will be easy to spot. We are also seeking to find well-trained staff who are skilled in the area of customer service.

### **2.2.6. Processes:**

We are promising our customers a smooth process from the moment they place an order, to when the product will be delivered. We will offer transparency to our customers always. We will also ensure a smooth process when obtaining materials from our supplier.

### **2.2.7. People:**

We have mostly targeted students from JOMO Kenyatta University of Agriculture and Technology.

## **2.3. Swot Analysis.**

### **2.3.1 Strengths.**

Classiest Fashion will offer new and trendy fashionable outfits for both men and women.

We will offer delivery services for customers both within and outside Juja.

We will engage with our customers on all social media platforms.

Classiest Fashion will have well trained employees who will tend to our customers precisely.

### **2.3.2 Weakness.**

Classiest Fashion is a new entrant.

### **2.3.3 Opportunities.**

Growth of market. The University has new students coming in every year. This is a major advantage to the business because it is contributing to market growth.

Emerging trends and fashion. Fashion is always changing and the youth are always trying to keep up. This is where Classiest Fashion comes in.

### **2.3.4 Threats.**

Competition. There are a few Fashion businesses around the area however we are equipped with strategies to help beat competition.

Insecurity. In case of a strike, the business might be affected.

## **2.5. Competitive and Market Analysis.**

We acknowledge the presence of a fashion market in Juja, and our business place of domicile, already has some established businesses that deal in the same business arrangement as ours since this is not a novel idea. However, it is important to note that success of any business entity large or small majorly depends on the level of customer satisfaction.

Customers are the most important component of a business thus it is important to foster customer loyalty. Classiest Fashion will gear towards maximum customer satisfaction as a tool against the competition it faces or may face through various innovative methods.

There will also be other methods to combat competition such as;

- Online and social media presence
- Product branding
- Open days and discounts
- Delivery services
- Return policies

## **2.6 Production Process.**

**Receive Orders** - Customers place their orders either online or through our contacts.

**Processes Orders** - We focus on delivering exactly what the customers ask for especially if it's a custom order.

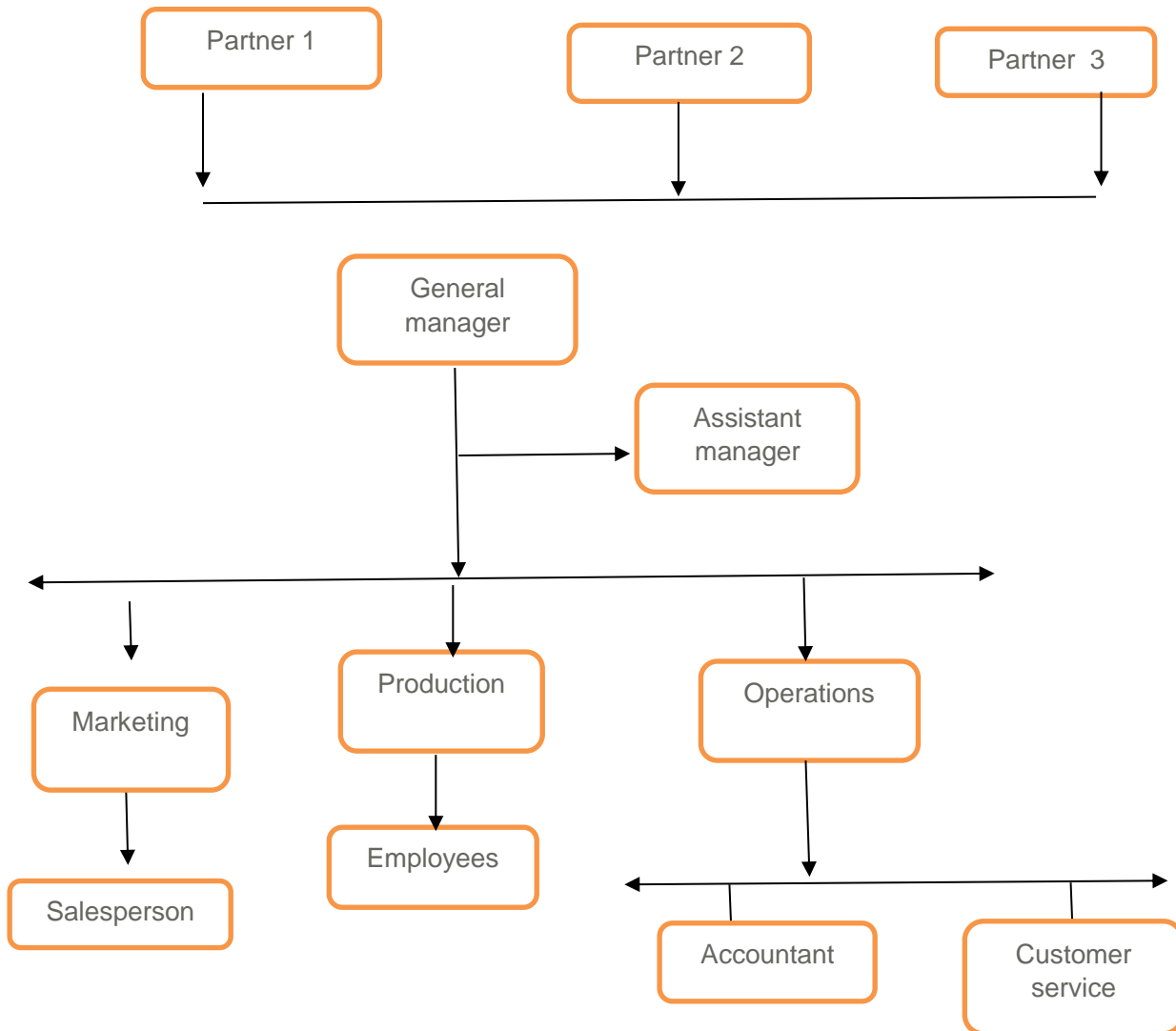
**Processes Orders** - We package the orders in branded eco friendly bags

**Delivering Orders**- we ensure the order reaches to the customer, intact and on time.

## CHAPTER THREE

### ORGANIZATION MANAGEMENT AND OPERATION PLAN.

#### Organizational structure



#### 3.0 Introduction

This chapter explains the qualifications of the management staff that will help the business to thrive. The opening management team will consist of the six owners because it is a partnership form of business whereby, we will divide duties accordingly and Truphena Okenye will be our manager. Some of us will be on the other duties one on cashier, two on marketing, one on books corner and the remaining one on the printing, scanning and photocopier side. The manager and cashier will run the cash operations and the main stationery side.

### **3.1 MANAGEMENT PLAN**

We are planning on recruiting well trained employees in the area of fashion and design. Classiest Fashion will offer good working conditions for its employees. During peak season, we will ensure our employees enjoy employee benefits such as Bonuses. We will ensure that our employees are paid the full amount and on time. Risk Management. In case of an accident at work, we will offer compensations to the victim(s). Similarly, we will ensure we insure the business to help in the case of accidents.

#### **3.1.1 Roles and Responsibilities**

##### **Manager**

- Maintain staff by recruiting, selecting, orienting and training employees
- responsible for improving efficiency and increasing departmental profits
- Ensure a safe, secure and legal working environment
- Establishing goals and objectives concerning these prospects
- Identifying opportunities for growth in both current and prospective markets

##### **Assistant manager**

- responsible for implementing workflow procedures based on direction from the company's general manager
- supervising employees during day to day tasks
- providing customer support in escalated situations and managing the overall workflow of a workplace
- verify employees schedules and ensures new hires understand their roles and duties
- smooth out problems within the workplace
- Schedule and coordinating meetings

##### **Salesperson**

- Responsible for greeting customers ,helping them find items in the store and ringing up purchases
- create value for their customers ,manage relationships and gather information for the organization
- perform cost benefit and needs analysis of existing/potential customers to meet their needs

##### **Accountant**

- Tracking payments to internal and external stakeholders
- Preparing budget forecasts
- Processing tax payments and returns

- Manage all accounting transactions
- Reconcile accounts payable and receivable

### **Customer Service**

- Responsible for representing the brand when interacting with potential buyers

### **Employees**

- Main responsibility is to personally do the work they were hired to do

### **3.1.2 Training**

Training is one of the essentials in an organization since it helps in improving productivity and efficiency, well trained employees show both quality and quality performance. There is less time, money and resources wastage if employees are well trained. After joining the staff, the new employees will be inducted to make them familiarize with how the work and schedules is done.

Training new employees will help in taking them through orientation which will make sure they familiarize with the operations of our business and make them know the rules and regulations of the business. The following tips will be used in training new employees:

- Start slow and flexible.
- Provide the new employees with electronic documents to review.
- Checking their progress.
- Give them tasks to do.
- Gather the new employees' feedback.

### **3.1.3. Promotion**

Promotion is advancing current employees to a higher-level position. The business is expected to expand as time goes by. This will be achieved by winning a larger percentage of the current market share. The management will promote the member staff based on the job performance, academic qualifications and efficiency in the departments. This will enable the employees to keep on improving on their various departments thus improving the overall productivity. If the business achieves its objective, the relevant departmental personnel will be promoted and will be required to train and orient new employees.

### **3.1.4. Incentives**

Classiest Fashion will also provide some incentives to the employees for motivation and morale. This will include both the financial and non-financial. The financial incentives will include; bonus every year, profit sharing in the profits of the

business. The Non-financial incentives will include; job security, conducive working environment, career advancement opportunity, employee recognition.

### **3.1.5. Licenses, Permits and By-laws**

Classiest Fashion will be required to register our business in order to get the business license and business permit to start the stationery. The Local Municipality will also issue special permit and licenses to allow the business operate within Juja jurisdiction and will be renewed monthly at a cost of kshs.1,200. The county council municipal has some by-laws that should be adhered to. The business will only be involved in selling the stationery registered for. The business should not employ the underage.

### **3.1.6 Support Services**

This refers to the services needed to enhance the success and efficiency of the proposed business. Classiest Fashion will need the following support services;

**Financial Management.** The business will organize meetings with the financial advisors from the Financial Management on Loans and Bonds (FMLB) after every financial year. The services needed is to gain knowledge on how to increase profits, best financial institutions to apply for loans and ways of investing the profits made. This will see the business incurring expenses of up to kshs.15000.

**Insurance Services.** Our stationery will require this service due to its assets and employees. The service will be provided by the Insurance Personnel who will give the importance of the business taking insurance covers for the assets and employees welfare such as health services. Classiest Fashion will therefore incur a cost of kshs.6,000 for Insurance premiums which will be paid at interim, June and December.

**Auditing firms.** Our enterprise will need the help of auditing firm in order to examine our financial statement. Auditing will include both internal and external which will be conducted on interim and annual basis.

## **3.2 OPERATION PLAN**

### **3.2.1 Introduction**

This chapter describes the operation plans of the business. Every business needs to grow and it should minimize the operation cost to increase the benefits. Since Classiest Fashion is a start-up, we will have to plan on the operation plan using affordable equipment to provide services to our customers.

### **3.2.2. Operation Facilities and Capacity.**

Classiest Fashion will able to operate by acquiring essential facilities that will help in business operation.

### 3.2.3 Repair and Maintenance.

Equipment and machine are of high value there will be need of constant supervision and check up by the expert. The warranty provided is short term and in case of defectiveness in a machine it will be replaced. Maintenance per month is approximated as:

**Table 3.2.4 approximated maintenance cost**

Facility	Maintenance cost
Rent	5000
Furniture	2500
Fittings	3000
Total	10,500

### 3.2.5 Premise Layout.

The business will divide the rented hall to maximize the space available and ensure efficiency of operation is high.

### 3.2.6 Regulation affecting operation

Classiest Fashion will observe existing regulation, legislation and by-laws from the central government, county government and municipality. The regulation that may affect the business include;

Renewal of Licenses and Permit. This is document that allows the operation of the business area. Elite comrade has included Ksh3000 in its expenses for renewal of the business permit as required by the county government of Kiambu.

Environmental conservation. This is regulation that a business needs to comply with to conserve environment base on National Environmental Management authorities (NEMA), Elite Comrade business will adhere it during its operation.

Advertising regulation. The business the business will comply with all advertisement rules set by the government while advertising itself to the public.

Customer safety. This is to ensure the safety of the customers is assures, the business will ensure all equipment are properly arraigned to avoid accidents.

## CHAPTER FOUR

### FINANCIAL PLAN

#### 4.1. FINANCIAL PLAN

Type of requirements	Cost(ksh)
Certificate of Incorporation	2000
Operating License	1500
Safety Permit	1200
<b>Total</b>	<b>4700</b>

TYPE OF COST	MONTHLY COSTS(Kshs)
Materials required	4000
Transportation	1500
Workers/labour	1000
Overheads	1500
Other expenses	500
<b>TOTAL COST</b>	<b>8,500</b>

The detailed financial plan for our business is given below. The financial plan describes all expenses required for the start-up as well as how these expenses will be covered by our earned revenue



## 4.2 Brake-Even Analysis

<b>Brake-Even Analysis</b>	
Monthly Units Break-even	5000
Monthly Revenue Break-even	KSH 70,000
Assumptions:	Market value of fashions is favourable and high demand for the products
Average Per-Unit Revenue	Ksh 41.80
Estimated Monthly Fixed Cost	Ksh 20,250

### 4.3 Projected Profit And Loss

<b>Pro Forma Profit And Loss</b>	
	<b>Year 1</b>
Sales	Ksh 1,305,500
Direct Cost of Sales	Ksh 101,000
<b>TOTAL COST OF SALES</b>	<b>Ksh 121,000</b>
Expenses	Ksh 15000
Payroll	Ksh113,000
Sales and Marketing and Other Expenses	Ksh 35,000
Depreciation	Ksh 2,070
Insurance	Ksh 1,800
Rent	Ksh 6,500
Payroll Taxes	Ksh 34,510
<b>Total Operating Expenses</b>	<b>Ksh 122,750</b>

Net Profit	Ksh 182,750
Net Profit/Sales	30.00%

#### 8.4 Projected Cash Flow

Cash Flow	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	DEC
Cash Sales	130976	128684	72352	87384	130884	117840	98984	90160	130684	123084	83284	111184
Own savings	94570	83470	-	-	-	115780	97840	-	-	167900	210570	187900
Debtors	-	-	-	-	-	33790	27930	50760	5020	-	5690	13450
Bank loan	80000	-	-	-	-	20000	-	-	-	70000	-	30000
Net cash flow	305506	212154	72532	87284	130884	253620	196834	90160	130684	360984	293854	329084
Cash outflow	305506	212154	72532	87284	130884	253620	196834	90160	130684	360984	293854	329084
Water	700	120	-	200	-	1500	500	500	500	500	-	-
Telephone	3000	500	200	600	1000	800	300	200	500	700	400	200

Salary	-	-	-	-	-	--	80000	75600	68900	91000	89000	100000
Rent	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000	11000
Electricity	2000	1500	3500	1400	2500	2000	1800	4000	3000	2570	1500	30000
Machine	11000	15000	-	12457	18900	12980	9000	13000	-	-	9500	14550
Licenses	3500	-	-	-	-	-	-	-	-	-	-	3500

#### 4.5 Projected Balance Sheet

<b>Pro Forma Balance Sheet</b>	
Assets	<b>Year 1</b>
Non current assets	Ksh 234,750
Current Assets	Ksh 23,750
Cash	Ksh 184,660
Accounts Receivable	Ksh 12,610
Inventory	Ksh 202,980

Other Current Assets	Ksh 1,000
<b>NET ASSETS</b>	<b>Ksh 638,750</b>
Liabilities and Capital	Year 1
Current liabilities	Ksh 17,550
Accounts Payable	Ksh 9,480
Other Current Liabilities	Ksh 0
<b>SUBTOTAL CURRENT LIABILITIES</b>	<b>Ksh 9,480</b>
Long-term Liabilities	Ksh 0
<b>TOTAL LIABILITIES</b>	<b>Ksh 9,480</b>
Paid-in Capital	Ksh 130,000
Retained Earnings	Ksh 46,000
Earnings	Ksh 100,700
<b>TOTAL CAPITAL</b>	<b>Ksh 276,700</b>

TOTAL LIABILITIES AND CAPITAL	<b>Ksh 398,800</b>
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#### 4.6 Financial Ratio Analysis

Ratio Analysis		
	Year 1	Industry Profile
Sales Growth	4.35%	4.00%
Accounts Receivable	5.61%	9.70%
Inventory	1.85%	9.80%
Other Current Assets	1.75%	27.40%
Total Current Assets	138.53%	54.60%
Long-term Assets	-9.47%	58.40%
<b>TOTAL ASSETS</b>	<b>100.00%</b>	<b>100.00%</b>
Current Liabilities	4.68%	27.30%

Long-term Liabilities	0.00%	25.80%
Total Liabilities	4.68%	54.10%
NET WORTH	<b>99.32%</b>	<b>44.90%</b>
Sales	100.00%	100.00%
Gross Margin	94.18%	0.00%
Selling, General & Administrative Expenses	74.29%	65.20%
Advertising Expenses	2.06%	1.40%
Profit Before Interest and Taxes	26.47%	2.86%
Current	25.86	1.63
Quick	25.4	0.84
Total Debt to Total Assets	2.68%	67.10%
Additional Ratios	Year 1	

Net Profit Margin	19.20%	N.A.
Return on Equity	47.79%	N.A.

## **RISKS AND ASSUMPTIONS**

In our business, there are several risks which may affect its productivity and they include;

### ● **Market Risks**

Fall in demand - this risk is inevitable especially during strikes or when schools are closed. There will be a fall in demand because the customers are not purchasing books or other items.

- The solution to this risk would be to increase our segment of customers so that they can sustain us when individual and institutional customers are not buying. For example, the commercial customers whereby, we will be suppliers to other small shops and bookshops.

### ● **Political Risks**

Political interference especially when the budget has been read and the taxes imposed are high or when the economy is not fairing on so well. This will result to prices of goods hiking at the manufacturer level which will force us to raise our prices too.

- The solution to this risk would be to get a wide range of suppliers where we do not only rely on one supplier but we set a contingency plan where incase our main suppliers raise their prices; we have other suppliers who can offer us better prices

### ● **Competition Risks**

This risk entails takeover by another competitor who poses as a threat to our business. They may be offering goods at a very lower price. This would bring a shift and attracting our customers or the existing competitors come up with ways to attract more customers.

- The solution to this risk would be to build our brand and image by supplying goods of great quality and at fair prices. We will also have good customer service whereby our services meet and exceed customer expectations which will enhance customer loyalty.



- **Partnership Risks**

Conflicts among partners whereby one partner feels left out in important issues, there is a differ in perspective or a partner wants to leave. Such issues are inevitable in a partnership business.

- The solution would be to create a transparent environment where every partner is involved in decision making. There will also be inclusivity where no one is left out and working together as a team. We will also have a clear exit strategy which dictates the steps to follow when a partner wants to leave.

- **Customer Risks**

Shifting of purchase behaviour of customers

- The solution would be to look out for new trends which will show us what the customers want. we will also have flexibility in that we are able to deal with the changes that occur in different season. For example, when there's a high demand of cyber services during assignment submission periods.

- **Financial Risks**

These are risks associated with finances. They include operational risks, interest rate risks and legal risks.

-**Operational risks** entail when the business is not generating enough profits to cater for operational costs and also sustain the business itself.

The solution would be to create a savings account where we save cash from our profits to cater for emergencies or to finance the business when the profits generated are low.

-**Interest rate risks** are associated with loans. Sometimes they could be high more than we had anticipated.

The solution would be to set aside money on a monthly basis to cater for these interests when we have taken a loan from the chamas.

-**Legal risks** are associated with fees required to pay for Legal services for example lawyer fees or renewal of permits and licenses of the business.

## PROJECTIONS FOR FINANCIAL RISKS

Financial Risks	Projections
Operational risk	12,750
Interest rate risk	4,000
Legal risk	1,000