

***Aayan Real-estate Company***

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**Business Plan**

**Prepared for**

ABC Investments

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# Executive Summary

[Paragraph 1: Introduction]

**I-Executive Summary**

Aayan Real-Estate Company is a leading real estate firm dedicated to providing exceptional property solutions. With a strong presence in the commercial real estate industry, we aim to deliver high-quality services to meet the diverse needs of our clients.

*i) Business name:* Aayan Real-Estate Company

*ii) Legal structure:* Limited Liability Company (LLC)

*iii) Status and key dates:* Existing company, established on January 1, 2005. Latest financial statements available as of December 31, 2022.

*iv) Industry:* Commercial Real Estate

*v) Main operations/products/services and the needs fulfilled:* Aayan Real-Estate Company specializes in offering comprehensive real estate services, including property sales, leasing, and property management. Our services cater to businesses and individuals seeking commercial properties for office spaces, retail outlets, and industrial facilities. We fulfill the needs of clients by providing suitable properties that align with their specific requirements.

*vi) Location:* Our company is headquartered in the heart of Cityville, State, centrally positioned to serve clients throughout the region.

[Paragraph 2: Mission]

*Mission:* Our mission is to deliver exceptional real estate solutions that exceed client expectations, foster long-term relationships, and contribute to the growth and development of the communities we serve.

[Paragraph 3: Vision]

*Vision:* Our vision is to become the preferred and trusted real estate partner, known for our professionalism, innovation, and commitment to delivering superior value to our clients.

[Paragraph 4: Strategy]

*i) Sales and Marketing Strategy:*

Our sales and marketing strategy focuses on multi-channel approaches to reach our target audience effectively.Additionally, we maintain strong relationships with local real estate agents and brokers to tap into their networks and referrals. We also organize networking events and participate in industry conferences to build connections and showcase our expertise.

*ii) Pricing Strategy:*

Our pricing strategy is based on competitive market rates and value, balancing profitability and fair pricing to attract and retain clients. We aim to strike a balance between profitability and providing fair pricing to attract and retain clients.

*iii) Strategic Partnerships:*

We seek strategic partnerships with other key players in the real estate industry to expand our reach and offer specialized services. These partnerships will enable us to access a wider range of properties, offer specialized services, and provide financing options, further strengthening our value proposition.

*iv) Readiness of Products or Clients Secured/Potential:*

We have successfully secured a substantial number of clients who have entrusted us with their real estate needs. Additionally, we continuously explore market trends and customer preferences to refine our offerings and identify potential new products or services that align with evolving market demands. We are committed to ensuring our products and services meet the needs of our clients and adapt to the dynamic real estate landscape.

[Paragraph 5: Market Analysis]

1. ***Targeted Market/Customers:***

Our target market includes businesses and individuals seeking commercial real estate properties. They have specific needs such as a desirable location, adequate space, suitable infrastructure, and competitive leasing or purchasing terms. We also focus on emerging trends in the market to align our offerings with customer preferences.

***ii) Competitive Advantage/Key to Success:***

Our competitive advantage lies in our understanding of the local real estate market, industry experience, and strong relationships. We have a dedicated team of real estate professionals who provide personalized attention and exceptional customer service. Our commitment to integrity, transparency, and professionalism distinguishes us from competitors and contributes to our long-term success.

***iii) Risks Facing the Business and Mitigation Strategies:***

We face risks in the real estate industry, such as fluctuations in property values, economic downturns, regulatory changes, and increased competition. To mitigate these risks, we maintain a diversified portfolio of properties across different sectors and locations, monitor market trends and economic indicators, and stay informed about regulatory changes. Our proactive approach to risk management, combined with prudent financial planning and contingency measures, allows us to navigate challenges and maintain stability.

[Paragraph 6: Financial Performance]

***Historical Performance (Last 3 years):***

Over the past three years, Aayan Real-Estate Company has demonstrated strong financial performance. Sales revenue has steadily increased year over year, with an average annual growth rate of 10%. Net profit margins have also improved, showing a 15% increase from the previous year. The company's total assets have grown by 20% annually, reflecting successful property acquisitions and expansions.

***Outlook for the Next 5 Years:***

Aayan Real-Estate Company has a positive outlook for the next five years, with an average annual sales growth rate of 8%. Net profit margins are expected to remain stable, and total assets are projected to grow at an average annual rate of 15%. This is due to the company's focus on efficiency and cost management.

***Margin/Return Trends:***

Aayan Real-Estate Company has maintained healthy profit margins and ROI over the past three years, demonstrating effective pricing strategies and cost control measures. To further enhance margins and returns, the company plans to optimize operational processes, explore new revenue streams, and invest in technology solutions.

[Paragraph 7: Funding Required]

***i) Required amount of funding and land area and location, if needed:***

Aayan Real-Estate Company is seeking a funding amount of $5 million for expansion and development purposes. The specific land area and location requirements will vary based on the company's growth plans and market opportunities. Potential land acquisitions or property development projects will be assessed on a case-by-case basis to align with the company's strategic objectives and market demand.

***ii) Reasons behind the required funding:***

The required funding will be primarily utilized for the following purposes:

*Property Acquisition and Development:* Aayan Real-Estate Company will use funds to acquire strategic properties in high-demand locations to expand its portfolio and capitalize on emerging market trends.

*Infrastructure and Facility Upgrades:*Funding will support infrastructure improvements and facility upgrades to modernize buildings, enhance amenities, and incorporate sustainable features.

*Marketing and Business Development:* The company will use the funding to expand its reach through digital marketing campaigns, industry events, and strategic partnerships.

***iii) Other types of support needed from KNF (training programs, licenses issuance...):***

In addition to financial support, Aayan Real-Estate Company would greatly benefit from various forms of support from KNF (Kendall National Foundation) to facilitate its growth:

*Training Programs:*Collaboration with KNF to provide training programs to employees to improve their skills and knowledge in real estate practices, market analysis, and customer relationship management.

*Licenses Issuance:* KNF provides financial support, training programs, and assistance with licensing to help Aayan Real-Estate Company achieve its growth objectives and establish a strong presence in the real estate market.

This support ensures compliance with local laws and regulations while streamlining the licensing process.

[Paragraph 8: Team]

***i) Founders' Relative Experience:***

Aayan Real-Estate Company was founded by a team of experienced professionals with over 30 years of combined experience in the real estate sector. They have successfully executed numerous real estate projects, demonstrating their knowledge of market dynamics and industry best practices.

***ii) Total Number of Employees (Current and Potential):***

Aayan Real-Estate Company currently has 25 employees, including real estate agents, property managers, administrative staff, marketing professionals, and finance personnel. As the company expands, the number of potential employees will be determined based on project requirements, market demands, and strategic objectives.

***iii) Number of Kuwaiti Employees (Current and Potential):***

Aayan Real-Estate Company values diversity and promotes a multicultural work environment. To further enhance its Kuwaiti workforce, the company provides career development opportunities, training programs, and a supportive work culture to attract and retain talented Kuwaiti professionals.

[Paragraph 9: Business Plan Preparation]

***i) Type of Support Received:***

ABC Consulting Services provided support to Aayan Real-Estate Company in preparing their business plan. Their expertise in feasibility studies and understanding of the real estate industry were instrumental in crafting a robust and detailed business plan. Their reputation and track record in assisting businesses with business planning and feasibility studies made them a reliable partner. The business plan included accurate market analysis, financial projections, and strategic recommendations, which are essential for success and growth.

# Legal Matters

## Legal Structure

i) The business will be set up as a Limited Liability Company (LLC).

*ii) Explanation for the choice:*

The decision to establish Aayan Real-Estate Company as a Limited Liability Company (LLC) was based on several factors, such as limited liability protection, flexibility and ease of management, favorable tax treatment, and attractiveness to potential investors. The LLC structure provides a clear framework for ownership and profit distribution, allowing for the inclusion of additional members or investors, facilitating capital infusion and potential future growth opportunities.

## License, Permits, and Insurance Policies

*i) Types of licenses, permits, and certifications required to operate the business:*

Aayan Real-Estate Company will require the following licenses, permits, and certifications to operate the business: a Real Estate Broker's License, a Property Development Permit, a Business License, and an Environmental Permit. These licenses ensure compliance with local laws and regulations related to business operations and ensure compliance with environmental regulations.

*ii) Difficulty in obtaining licenses, permits, and certifications and impact on the business:*

The ease of obtaining licenses, permits, and certifications can vary depending on the jurisdiction and specific requirements. However, any difficulty or delay in obtaining these documents can impact the business and its operations significantly. It may lead to delays in project execution, hinder business expansion plans, and potentially result in financial losses.

*iii) Restrictions on property use and business operations:*

It is important to assess any restrictions on property use and business operations in the chosen area. These may include zoning laws, building codes, or other regulations that dictate the permitted activities on the property. Aayan Real-Estate Company should ensure compliance with all relevant restrictions and regulations to avoid any legal issues or penalties.

*iv) Intellectual property protection:*

While Aayan Real-Estate Company may not have significant intellectual property (IP) assets related to trademarks, copyrights, or patents, it should take measures to protect its branding, proprietary information, and trade secrets. This may involve registering trademarks for the company name and logo and implementing confidentiality agreements and policies to safeguard sensitive information.

*v) Insurance policies:*

Aayan Real-Estate Company should consider having the following insurance policies: Property Insurance, Liability Insurance, Professional Indemnity Insurance, and Workers' Compensation Insurance. The cost of these policies can vary depending on the company's size, operations, location, and coverage limits. It is recommended to consult with insurance providers to obtain accurate cost estimates tailored to the specific needs of the company.

## External Support

*i) Key advisors and type of support:*

The most important details are the financial advisors, strategic advisors, legal advisors, insurance agent, and advisory board. The financial advisors will provide guidance on financial planning, investment strategies, and financial management, while the strategic advisors will provide insights on market trends, competitive analysis, and growth opportunities. The legal advisors will review contracts, draft legal documents, and provide guidance on legal matters related to property acquisition, lease agreements, and regulatory compliance. The insurance agent will evaluate insurance coverage options, negotiate premiums, and provide ongoing support for policy renewals and claims management. The advisory board will provide strategic guidance, industry insights, and mentorship to the management team.

*ii) Compensation:*

The into consideration the specific support they offer and the value they bring to the company.The compensation for key advisors can vary and may include a combination of financial and non-financial benefits. Common compensation arrangements include fees based on hourly rates, project-based fees, or a retainer fee for ongoing advisory services. Advisors may also receive equity stakes or profit-sharing arrangements as part of their compensation. Non-financial benefits such as networking opportunities, access to industry events, or the prestige associated with being affiliated with a successful real estate company may also be included. The exact compensation arrangements will be negotiated and formalized through contractual agreements with each advisor.

# Organization Summary

## Company Organizational Structure

***i) Employees to be hired over the next 5 years and organizational structure:***

As Aayan Real-Estate Company grows and expands its operations over the next 5 years, the following employees will be hired to support various functions and departments:

Chief Executive Officer (CEO): Responsible for overall strategic direction, decision-making, and management of the company.

1. Chief Financial Officer (CFO): In charge of financial planning, budgeting, accounting, and financial reporting.
2. Chief Operating Officer (COO): Overseeing day-to-day operations, ensuring operational efficiency, and implementing business strategies.
3. *Sales and Marketing Team:*

Sales Managers, Sales Executives, Marketing Managers, and Marketing Specialists are responsible for managing sales, acquiring new clients, negotiating deals, and achieving sales targets.

1. *Property Management Team:*

Property Manager, leasing executive, and maintenance staff are responsible for property operations, tenant management, and maintenance.

1. *Development and Construction Team:*

Project Managers, Architects and Engineers, and Construction Crews are responsible for overseeing construction projects and ensuring compliance with building codes and regulations.

1. *Administrative and Support Staff:*
2. Human Resources Manager: Handling recruitment, employee relations, and personnel management.
3. Administrative Assistants: Providing administrative support, managing documentation, and handling office tasks.
4. Legal Counsel: Providing legal advice, reviewing contracts, and ensuring compliance with regulations.
5. IT Specialist: Managing company's information technology systems, networks, and software.

The organizational structure will be hierarchical, with departmental heads reporting to the CEO or relevant executive positions. The specific reporting lines and the size of each department will depend on the company's growth trajectory, market conditions, and operational needs.

***ii) Compensation packages for Kuwaitis and non-Kuwaitis:***

The compensation packages offered to Kuwaitis and non-Kuwaitis may vary based on several factors, including market conditions, industry standards, and the company's HR policies. The decision to offer higher or lower salaries and benefits to each group will depend on the specific circumstances and considerations of Aayan Real-Estate Company.

*1)Kuwaitis:*

Higher Salaries: In some cases, companies may offer higher salaries and benefits to attract and retain talented Kuwaiti individuals. This could be driven by government initiatives promoting Kuwaitization and encouraging private sector employment for Kuwaiti citizens. Offering competitive compensation packages to Kuwaitis can incentivize them to pursue careers within the company and contribute to the overall development of the local workforce.

1. *Non-Kuwaitis:*

Aayan Real-Estate Company should offer salaries and benefits in line with the market average for non-Kuwaiti employees to remain competitive in attracting skilled professionals from diverse backgrounds and experiences. Compensation packages should be fair, equitable, and compliant with labor laws and regulations. The specific compensation strategy for Kuwaitis and non-Kuwaitis should be determined based on thorough analysis, legal considerations, and alignment with the company's HR policies and overall business strategy*.*

***iii) Plan to hire the above employees:***

To effectively hire the required employees for Aayan Real-Estate Company, the following plan will be implemented:

The most important details in this text are the Human Resources (HR) Strategy, Job Descriptions and Requirements, Recruitment Channels, Advertising and Employer Branding, Candidate Screening and Selection, Kuwaitization Initiatives, Training and Development Programs, Competitive Compensation and Benefits, Diversity and Inclusion, Onboarding and Integration, and Performance Management. The HR strategy will outline the recruitment and hiring process, employee onboarding, training and development programs, and performance management. Job descriptions and requirements will be created, recruitment channels will be utilized, advertising and employer branding will be enhanced, candidate screening and selection will be implemented, Kuwaitization initiatives will be implemented, training and development programs will be developed, competitive compensation and benefits will be offered, diversity and inclusion will be embraced, and onboarding and integration will be implemented.

***iv) Employee Development and Training Programs:***

## Aayan Real-Estate Company is committed to providing employees with opportunities to enhance their skills, knowledge, and capabilities. To estimate the training and development cost per employee, the organization will consider the nature of the training programs, the number of employees participating, the duration of the programs, and the involvement of external trainers or resources.National Hiring

*i) Roles that are filled up by Kuwaitis:*

Kuwaitis can excel in sales and leasing roles, customer service representatives, property management assistants, marketing and communication specialists, and administration and support staff. They possess excellent communication skills and can contribute to property management tasks.

*Assessing the Likelihood of Success:*

## The success of national hiring depends on the availability of qualified Kuwaiti candidates, government initiatives, compensation and career development packages, and cultural sensibility and inclusion.

## Founders’ Profiles

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Shareholder** | **Name** | **Title** | **(% Share)** | **Job Description** | **Education/Qualifications** | **Experience** | **Basic Annual Salary** | **Benefits/Bonus** | **Annual Increase** | **Date and Period of Hiring** |
| Shareholder 1 | John Smith | Chief Executive Officer | 40% | Full-time | MBA in Real Estate Management | Over 15 years of experience in the real estate industry | KWD 150,000 | Health insurance, performance-based bonus | 5% | January 1, 2008 |
| Shareholder 2 | Sarah Johnson | Chief Financial Officer | 30% | Full-time | Bachelor's degree in Accounting | Extensive experience in financial management and accounting | KWD 120,000 | Retirement plan, annual performance bonus | 4% | February 1, 2010 |
| Shareholder 3 | Emily Davis | Chief Operations Officer | 20% | Full-time | Master's degree in Business Administration | Significant experience in operations management and process optimization | KWD 130,000 | Stock options, annual performance-based bonus | 5% | March 1, 2012 |
| Shareholder 4 | Michael Wilson | Chief Marketing Officer | 10% | Full-time | Bachelor's degree in Marketing | Proven track record in real estate marketing, with experience in developing successful marketing campaigns | KWD 110,000 | Car allowance, annual performance bonus | 3% | April 1, 2012 |

*ii) The exit of any of the shareholders could potentially have an impact on the business.*

The exit of any of the shareholders could potentially have an impact on the business.Here is an estimation of the potential impact based on the role and percentage of shares held by each shareholder:

*Shareholder 1 (CEO, 40% share):*

The exit of the CEO could have a significant impact on the business, so a succession plan should be in place to ensure a smooth transition of leadership.

*Shareholder 2 (CFO, 30% share):*

Implementing a strong financial team and ensuring effective knowledge transfer can help mitigate the potential impact of the CFO's departure, minimizing disruptions.

*Shareholder 3 (COO, 20% share):*

Developing a strong operational team and documenting standard operating procedures can help mitigate the potential impact of the exit of the COO.

*Shareholder 4 (CMO, 10% share):*

Building a competent marketing team and a well-defined marketing plan can help mitigate the potential impact of the exit of the CMO.

## Management

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Position** | **Brief Job Description** | **Nationality** | **Full/Part Time** | **Education/Qualifications** | **Experience** | **Basic Annual Salary** | **Benefits/Bonus** | **Annual Increase** | **Date and Period of Hiring** |
| Chief Property Officer | Oversees property acquisition, development, and management | International | Full-time | Bachelor's degree in Real Estate | Minimum 10 years of experience in real estate industry | KWD 120,000 | Performance-based bonus, stock options | 4% | January 1, 2010 |
| Financial Controller | Manages financial operations, budgeting, and reporting | Local | Full-time | Bachelor's degree in Accounting/Finance | Extensive experience in financial management | KWD 100,000 | Health insurance, annual performance bonus | 3% | February 1, 2008 |
| Marketing Manager | Develops and executes marketing strategies and campaigns | International | Full-time | Master's degree in Marketing | Minimum 8 years of experience in real estate marketing | KWD 110,000 | Car allowance, annual performance bonus | 4% | March 1, 2012 |
| Operations Manager | Oversees day-to-day operations and process optimization | Local | Full-time | Bachelor's degree in Business Administration | Relevant experience in operations management | KWD 100,000 | Retirement plan, annual performance bonus | 3% | April 1, 2011 |
| Sales Manager | Leads the sales team and implements sales strategies | International | Full-time | Bachelor's degree in Sales/Marketing | Extensive experience in real estate sales | KWD 110,000 | Commission-based incentive, health insurance | 4% | May 1, 2010 |

*ii) In case your company is already operational, highlight any changes happened within the management team in the last 3 years.*

Here are some examples of changes that may have occurred within its management team in the last 3 years:

*Chief Financial Officer (CFO):*

Sarah Johnson brought fresh perspectives and financial expertise to improve financial management and strategic decision-making.

*Marketing Manager:*

Emily Thompson resigned to pursue an entrepreneurial opportunity, creating a temporary void in the marketing department, which was filled by Mark Davis.

*Operations Manager:*

## Ahmed Khalid's promotion to General Manager had a positive impact on the company, streamlining processes, enhancing efficiency, and driving business growth.

## Operating Team’s Profile

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Position (Nationality)** | **Brief Job Description** | **Education/Qualifications** | **Experience** | **Basic Annual Salary** | **Benefits/Bonus** | **Annual Increase** | **Date and Period of Hiring** |
| Architect (Kuwaiti) | Responsible for designing and developing architectural plans for real estate projects. | Bachelor's degree in Architecture | Minimum 5 years of experience in architectural design and project management. | KWD 1,500 | Health insurance, annual leave, professional development opportunities | 5% | January 2009, Full-time |
| Sales Executive (Non-Kuwaiti) | Promotes and sells real estate properties to prospective clients. | Bachelor's degree in Business or related field | 2-3 years of experience in real estate sales. | KWD 800 + commission | Sales incentives, transportation allowance | 3% | February 20XX, Full-time |
| Property Manager (Kuwaiti) | Manages and oversees the operations of rental properties, including tenant management, maintenance, and lease agreements. | Bachelor's degree in Business or Real Estate Management | 4-6 years of experience in property management. | KWD 1,200 | Housing allowance, annual performance bonus | 4% | March 2010, Full-time |
| Finance Analyst (Non-Kuwaiti) | Handles financial analysis, budgeting, and forecasting for the company. | Master's degree in Finance or related field | 5-7 years of experience in financial analysis and reporting. | KWD 1,800 | Health insurance, annual leave, performance-based bonus | 6% | April 2010, Full-time |
| Construction Supervisor (Kuwaiti) | Oversees construction projects, ensures compliance with regulations, and manages subcontractors. | Diploma or Bachelor's degree in Civil Engineering or related field | Minimum 5 years of experience in construction project management. | KWD 1,400 | Transportation allowance, annual performance bonus | 4% | May 2012, Full-time |

# Physical Location

*I)Planning to construct a property*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Property type** | **Construction type** | **Land area (sqm)** | **BUA (sqm)** | **Source of land** | **Construction cost/ sqm** | **Reason for choosing the location** |
| Commercial | Reinforced concrete | 2,500 | 5,000 | Other (Private Owner) | KWD 300 | High visibility and accessibility, located in a thriving commercial area with potential customer footfall |

Factors such as market rates, scope, materials, and location influence construction costs.

ii)  *Planning to rent/are currently renting a property*

|  |  |  |  |
| --- | --- | --- | --- |
| **Property type** | **Total area rented (sqm)** | **Annual rental rate/ sqm** | **Reason for choosing the location** |
| Office | 500 | KWD 100 | Proximity to target market and business hubs, convenient transportation access |

Location is determined by proximity, business opportunities, transportation access, and affordability.

*iii) Planning to purchase/own a property*

|  |  |  |  |
| --- | --- | --- | --- |
| **Property type** | **Total area purchased (sqm)** | **Price/ sqm (quote or actual)** | **Reason for choosing the location** |
| Residential | 1,000 | KWD 150 | Desirable neighborhood, proximity to amenities and transportation, potential for capital appreciation |

*Iv) Ability (capable, incapable) to execute your project in case KNF did not provide you with the land requested*

Aayan Real-Estate Company would assess its ability to execute the project if KNF did not provide the requested land, depending on the availability of alternative land options and financial resources.

*V) The impact on your business plan and the corresponding financial statements in case KNF did not provide you with the land requested*

KNF's lack of land would have a significant impact on Aayan Real-Estate Company's operations.

*Business Plan Impact:*

The company's expansion plans, market analysis, customers, competitive advantage, sales and marketing strategies, pricing, and partnership plans may need to be revised or developed for alternative scenarios. Mitigation plans for risks associated with the land acquisition may need to be revised or developed.

*Financial Statements Impact:*

Aayan Real-Estate Company must review business plan and financial statements to ensure viability and sustainability.

In sum, Aayan Real-Estate Company must review business plan and financial statements to ensure viability and sustainability.

# Products/Services

## Portfolio Composition

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Description** | **Life cycle stage** | **Development stage** | **Average % contribution to total sales over 5 years** |
| Product A | Residential Properties High-quality construction | Growth | Full Manufacturing | 20% |
| Product B | Commercial Spaces Strategic locations | Introduction | Working Prototype | 15% |
| Service X | Land Development Services | Maturity | N/A | 30% |
| Service Y | property Management Services Comprehensive property maintenance | Growth | N/A | 25% |
| Product C | Expertise in land acquisition | Conception | Model Stage | 10% |

## Production/Service Delivery/Operation Process

1. ***Here's the production/operation process flowchart:***

*Start*

*-> Receive Raw Materials*

*-> Inventory Management*

*-> Production/Service Process*

*-> Activity 1*

*-> Activity 2*

*-> Activity 3*

*-> Activity 4*

*-> Activity 5*

*-> Quality Control*

*-> Packaging*

*-> Finished Product/Service*

*-> Delivery/Service to Customers*

*End*

1. ***The table for the applicable activities:***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Activity** | **Internal/ Subcontractor Name** | **Duration** | **Cost** | **Average Contribution to Total Sales over 5 Years** |
| Activity 1 | Internal | 2 weeks | KWD 5,000 | 10% |
| Activity 2 | Subcontractor XYZ | 1 week | KWD 3,000 | 5% |
| Activity 3 | Internal | 3 days | KWD 1,500 | 8% |
| Activity 4 | Internal | 1 week | KWD 2,000 | 12% |
| Activity 5 | Subcontractor ABC | 2 weeks | KWD 4,500 | 15% |
| Activity 6 | Internal | 5 days | KWD 2,500 | 7% |
| Activity 7 | Subcontractor DEF | 1 week | KWD 3,500 | 6% |
| Activity 8 | Internal | 4 days | KWD 2,200 | 9% |

***III) Availability of Inventory/Ready-Made Services and Stocking Process:***

Implement an efficient inventory management system, demand forecasting, and continuous improvement to ensure the availability of products or services, minimize stockouts, meet customer demands promptly, and maintain healthy cash flow.

***Iv) The required property, plant, and equipment and provide the supporting documents if available (contracts, emails, quotations…)***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Property, Plant, & Equipment** | **Use** | **Layout/Specification (size, type)** | **Cost** | **Quotations obtained (Source and amount)** |
| Land | Construction of office building | 10,000 sqm | KWD 2,500,000 | ABC Construction Company -KWD 2,500,000 |
| Office Building | Headquarters and administrative offices | 5 floors, 2,000 sqm each | KWD 10,000,000 | XYZ Builders - KWD 10,000,000 |
| Construction Machinery | Construction and maintenance tasks | Various types and sizes | KWD 500,000 | Heavy Equipment Suppliers - KWD 500,000 |
| Office Furniture and Fixtures | Office setup and furnishing | Desks, chairs, cabinets, etc. | KWD 200,000 | Office Solutions Ltd. -KWD 200,000 |
| IT Infrastructure | Technology infrastructure for operations | Computers, servers, network equipment | KWD 300,000 | IT Solutions Inc. - KWD 300,000 |
| Total Cost | - | - | KWD 13,500,000 | - |

*V)* ***The production capacity and utilization of each line/product per year***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Line/Product** | **Capacity** | **T = 1** | **T = 2** | **T = 3** | **T = 4** | **T = 5** |
| Product 1 | 100 | 80 | 85 | 90 | 85 | 80 |
| Product 2 | 150 | 70 | 75 | 80 | 75 | 70 |
| Product 3 | 200 | 60 | 65 | 70 | 65 | 60 |
| Product 4 | 120 | 75 | 80 | 85 | 80 | 75 |
| Product 5 | 180 | 85 | 90 | 95 | 90 | 85 |

## Environmental Impact

1. *The impact of your project (products/services) on the environment (positive, negative, neutral)*

Aayan Real-Estate Company strives for environmental sustainability by using sustainable practices and engaging with the local community to promote sustainable practices and foster a collective responsibility towards the environment.

In sum,Aayan Real-Estate Company strives for environmental sustainability.

# Market Analysis

## Market Overview and Sizing

i- Aayan Real-Estate Company is a provider of high-quality, innovative, and sustainable real estate solutions to individuals and businesses looking for well-designed and strategically located properties.

## Sector Trends

*i- The real estate sector experiences several general trends that shape the industry:*

Demand for sustainable and eco-friendly practices in real estate is increasing due to changing demographics.

*ii- Upcoming trends that might reshape the real estate market include:*

PropTech, Smart Cities, Wellness and Healthy Buildings, and Co-living and Co-housing are all leveraging advanced technologies to create sustainable, connected, and livable cities.

*iii- Market changes can significantly impact a real estate business, and it's crucial to adapt and overcome challenges. Some means to overcome these changes include:*

Diversification, agility, and financial resilience are key to staying competitive in a dynamic real estate sector.

## Target Market Segmentation

*i- The target market for Aayan Real-Estate Company will be:*

Aayan Real-Estate Company can tailor its offerings to meet the needs of its target market by understanding their preferences, affordability, and location preferences.

*ii- If Aayan Real-Estate Company is an existing company:*

Aayan Real-Estate Company's target for the next five years is to gradually increase market share, aiming for a specific percentage growth each year. For example, if the current market share is 10%, the target could be to increase it to 15%.

*iii- To increase market share, Aayan Real-Estate Company can employ several strategies:*

Aayan Real-Estate Company should implement a comprehensive marketing and growth strategy to increase market share and strengthen its position in the target market over the next five years.

## Competition

*i- Direct and Indirect Competitors:*

1. Competitor A: XYZ Real-Estate Company
2. Competitor B: ABC Property Developers
3. Competitor C: PQR Real-Estate Agency

Indirect Competitors: .

1. Indirect Competitor A: Financial institutions offering mortgage and loan options for property purchase
2. Indirect Competitor B: Online platforms for property listings and rentals
3. Indirect Competitor C: Construction companies offering custom-built homes

*ii- Competitive Advantage of Each Competitor:*

Competitor A: Established brand reputation, extensive portfolio of properties, strong network of partners and agents.

Competitor B: Innovative designs, sustainable construction practices, competitive pricing strategies.

Competitor C: Strong local market presence, specialized services for luxury properties, excellent customer support.

|  |  |  |
| --- | --- | --- |
| **Competitor** | **Market Share** | **Key Competitive Advantage (s)** |
| Competitor A: | 15% | Financial institutions offering mortgage and loan options for property purchase |
| Competitor B: | 22% | Online platforms for property listings and rentals |
| Competitor C: | 8% | Construction companies offering custom-built homes  Established brand reputation, extensive portfolio of properties, strong network of partners and agents. |
| Competitor E: | 12% | Innovative designs, sustainable construction practices, competitive pricing strategies. |
| Competitor F: | 17% | Strong local market presence, specialized services for luxury properties, excellent customer support. |

*iii- Products/Services, Similarities/Differences, and Narrowing the Gap:*

Competitor A offers a range of residential and commercial properties, similar to Aayan Real-Estate Company. However, Aayan can differentiate itself by focusing on unique architectural designs and customer-centric services.

Competitor B primarily focuses on eco-friendly and sustainable properties. Aayan can differentiate by offering a mix of sustainable features and modern amenities to appeal to environmentally conscious customers.

Competitor C specializes in high-end luxury properties. Aayan can narrow the gap by showcasing premium offerings with unique features, competitive pricing, and personalized customer experiences.

*iv- Competitive Advantage Compared to the Market:*

Aayan Real-Estate Company offers a diverse property portfolio and technology integration to improve efficiency.

*v- Barriers to Entry and Mitigation:*

Barriers to entry in the real estate market can include:

Aayan Real-Estate Company can seek financing options to reduce setup costs and switching costs.

*vi- Response to Increased Competition and Loss of Customers:*

## Aayan Real-Estate Company can use market research and continuous improvement to stay ahead of competition.

## Customers

*i- Major Current and Potential Types of Customers:*

Institutional customers require real estate properties for operations, while government customers require properties for projects.

*ii- Profile of Targeted Customers:*

1. Demographics: Aayan Real-Estate Company targets customers across various demographics, including individuals and families of different age groups, income levels, and cultural backgrounds. They may range from young professionals seeking their first homes to retirees downsizing their properties.
2. Needs: The customers have diverse needs, including finding a suitable home, investment properties, commercial spaces for their businesses, or properties that align with their specific preferences such as proximity to schools, healthcare facilities, or leisure activities.

*iii- Switching Costs, Retention, and Attraction Strategies:*

Switching Costs: Switching costs for customers vary depending on their specific circumstances, such as financial expenses and contractual obligations.

*Means to Retain and Attract Customers:*

Aayan Real-Estate Company focuses on providing excellent customer service, customized solutions, and market research and trend analysis to stay competitive and relevant.

Aayan Real-Estate Company focuses on customer satisfaction to stay competitive.

## Suppliers

*i- Major Suppliers in the Market and Market Control:*

The real estate market is composed of numerous suppliers offering a range of products and services, with no single supplier or group controlling the entire market.

*ii- Suppliers of Choice and Justification:*

Aayan Real-Estate Company may deal with the following suppliers:

Aayan Real-Estate Company partners with construction and property management companies to deliver high-quality projects within agreed timelines and budget.

*iii- Possibility to Change Suppliers and Switching Cost:*

## Changing suppliers in the real estate industry can be challenging and costly, with potential financial implications.

## Timing of Market Entry

The timing of market entry for Aayan Real-Estate Company should be based on factors such as market conditions, competition, customer demand, and internal capabilities.

1. Market Conditions: It is essential to assess the overall market conditions, including economic trends, real estate market performance, and regulatory environment. Aayan Real-Estate Company should enter the market when there is stability, growth potential, and favorable conditions for real estate investments. This could include a stable economy, low interest rates, and a growing demand for properties.
2. Marketing and Branding Strategy: A comprehensive marketing and branding strategy should be developed to create awareness and generate interest in the market. The timing of market entry should align with the company's marketing and promotional activities to ensure maximum impact and reach.

Aayan Real-Estate Company should carefully evaluate market demand, competitive advantages, readiness of the company, and availability of resources to determine the most opportune time to enter the market, resulting in a higher probability of success.

# SWOT Analysis

**A. Strengths:**

1. Aayan Real-Estate Company has a strong team of experienced founders and management personnel with expertise in the real estate industry.
2. The company has a diverse portfolio of high-quality properties in desirable locations.
3. Aayan Real-Estate Company has established strong relationships with suppliers, contractors, and other stakeholders in the industry.
4. The company has a reputation for delivering projects on time and meeting customer expectations.
5. Aayan Real-Estate Company has a solid financial position with access to capital for future investments.

**B. Weaknesses:**

1. Limited brand recognition and market presence compared to established competitors.
2. Relatively smaller scale of operations compared to larger players in the industry.
3. Limited geographical reach, focusing on specific regions or markets.
4. Potential challenges in adapting to market fluctuations and changing customer preferences.
5. Lack of established customer loyalty and retention strategies.

**C. Opportunities:**

1. Increasing demand for real estate properties in the target market.
2. Favorable economic conditions and government policies supporting the real estate industry.
3. Growing interest from international investors in the local real estate market.
4. Potential for expansion into new geographical areas or market segments.
5. Technological advancements and innovative solutions that can enhance operational efficiency and customer experience.

**D. Threats:**

1. Intense competition from established players with greater market share and brand recognition.
2. Economic downturns or market fluctuations that can affect the demand for real estate properties.
3. Changes in government regulations or policies that may impact the real estate industry.
4. Volatile interest rates and financing conditions that can affect the affordability of properties.
5. Potential disruptions in the supply chain or construction industry.

To capitalize on strengths and opportunities while overcoming weaknesses and mitigating threats, Aayan Real-Estate Company can take the following actions:

1. Improve Brand Awareness and Market Presence: Invest in marketing and advertising strategies to enhance brand recognition and expand market reach. This can include targeted digital marketing campaigns, participation in industry events, and building strong relationships with potential customers and partners.
2. Monitor Market Trends and Adapt: Continuously monitor market trends, customer preferences, and industry developments. This will enable Aayan Real-Estate Company to proactively adjust its strategies, products, and services to align with market demands and stay ahead of competitors.
3. Strengthen Financial Management: Implement robust financial management practices to effectively manage costs, optimize resource allocation, and mitigate financial risks. This can include diligent budgeting, cost control measures, and exploring financing options that align with the company's growth objectives.

By implementing these strategies, Aayan Real-Estate Company can improve its business performance, increase market share, reduce costs, and maintain a competitive edge in the dynamic real estate market.

# Strategy

**A. Action Plan:**

The action plan to make Aayan Real-Estate Company a success includes the following key milestones and their potential corresponding dates:

Milestone: Establishing a Strong Brand Presence

Potential Date: Within the first year of operation

Milestone: Acquiring and Developing High-Quality Properties

Potential Date: Ongoing throughout the business operations

Milestone: Building Strategic Partnerships and Alliances

Potential Date: Within the first year of operation and ongoing

Milestone: Expanding Geographical Presence

Potential Date: Within the second year of operation and ongoing

Milestone: Achieving Profitability and Positive Cash Flow

Potential Date: Within the third year of operation and ongoing

**B. Marketing Strategy:**

*i. Company Image:*

Aayan Real-Estate Company aims to position itself as a provider of high-quality and luxurious properties that cater to the discerning customers who seek premium living and investment opportunities.

The goal will be achieved by ensuring meticulous attention to detail in property design and construction, using top-notch materials, and delivering exceptional customer service.

ii. Customer Service:

Aayan Real-Estate Company will prioritize customer satisfaction by offering warranties and guarantees on its properties, ensuring that all properties are built to high-quality standards.

The return policy will be fair and transparent, addressing any legitimate concerns or issues raised by customers.

Service costs will be managed effectively, aiming to provide prompt and efficient customer support.

*iii. Advertising and Promotion:*

Channels Used: A mix of traditional and digital marketing channels will be employed to reach out to customers. This may include:

Online advertising through social media platforms, search engine marketing, and display advertising.

1. Print advertisements in relevant publications and newspapers.
2. Participation in real estate exhibitions, trade shows, and events.
3. Collaborating with local real estate agents and brokers.
4. Leveraging online listing platforms and real estate websites.
5. Building a user-friendly and informative company website.

*iv. Market Penetration Effectiveness:*

The effectiveness of each marketing tactic will be measured through various key performance indicators (KPIs) such as:

1. Website traffic and engagement metrics (e.g., number of visitors, bounce rate, time spent on site).
2. Lead generation and conversion rates.
3. Property inquiries and sales figures.
4. Customer feedback and satisfaction surveys.
5. Social media engagement (likes, shares, comments) and reach.
6. Return on investment (ROI) analysis for each marketing activity.
7. *Marketing cost: Estimate the marketing cost of the activities you conduct*

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Frequency** | **Cost/Activity** | **Total Cost** |
| Activity 1 | Monthly | KWD 60000 | KWD 420000 |
| Activity 2 | Quarterly | KWD 25000 | KWD 75000 |
| Activity 3 | One-time | KWD 23400 | KWD 530440 |
| Activity 4 | Monthly | KWD 369000 | KWD 369000 |
| Activity 5 | Bi-annually | KWD 47600 | KWD 47600 |

## Sales Strategy

*i-Sales Force:*

Our sales approach will involve a combination of an internal sales force team and external sales representatives. The internal sales force team will be responsible for handling key accounts, building relationships with clients, and managing overall sales operations. They will have a deep understanding of our products/services and will work closely with clients to identify their needs and provide customized solutions.

*ii-Distribution Channels:*

Our company plans to use multiple distribution channels to reach our target customers effectively. These channels include:

1. Direct Sales: We will have a dedicated sales team that directly engages with customers, understands their requirements, and provides personalized solutions.
2. Online Sales: We will establish an e-commerce platform to enable customers to browse and purchase our products/services online.
3. Strategic Partnerships: We will collaborate with strategic partners such as retailers, distributors, or complementary service providers to expand our distribution network and tap into their existing customer base.
4. Trade Shows and Events: Participating in industry-specific trade shows and events will provide us with an opportunity to showcase our offerings, network with potential customers, and generate leads.

*iii-Trial Runs with Customers:*

Yes, we have conducted trial runs with potential customers to showcase the value and effectiveness of our products/services. These trial runs allowed customers to experience firsthand how our offerings can meet their needs and solve their challenges.

*Iv-Existing/new contracts:*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Project details** | **Main or subcontractor** | **Project Value (KWD)** | **Remaining value (KWD)** | **Start date** | **End date** | **% of completion** | **Gross Profit Margin** |
| Project 1 | ABC Construction | 100,000 | 60,000 | 2023-01-01 | 2023-06-30 | 50% | 20% |
| Project 2 | XYZ Engineering | 200,000 | 150,000 | 2023-03-15 | 2024-01-31 | 25% | 15% |
| Project 3 | LMN Architects | 300,000 | 200,000 | 2023-05-10 | 2024-12-31 | 10% | 25% |
| Project 4 | DEF Contractors | 150,000 | 100,000 | 2023-06-01 | 2023-09-30 | 75% | 18% |

*v-Sales projections:*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Product/Service** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| Product 1 | 50,000 | 70,000 | 80,000 | 90,000 | 100,000 |
| Product 2 | 80,000 | 90,000 | 95,000 | 100,000 | 110,000 |
| Product 3 | 30,000 | 40,000 | 50,000 | 60,000 | 70,000 |
| Product 4 | 100,000 | 120,000 | 130,000 | 140,000 | 150,000 |
| Product 5 | 70,000 | 80,000 | 90,000 | 95,000 | 100,000 |
| Service 1 | 60,000 | 70,000 | 75,000 | 80,000 | 85,000 |
| Service 2 | 40,000 | 45,000 | 50,000 | 55,000 | 60,000 |
| Service 3 | 20,000 | 25,000 | 30,000 | 35,000 | 40,000 |
| Service 4 | 90,000 | 100,000 | 110,000 | 120,000 | 130,000 |
| Service 5 | 55,000 | 60,000 | 65,000 | 70,000 | 75,000 |

## Pricing Strategy

*i-Pricing Strategy:*

Our pricing strategy will be a combination of competitive pricing and value-based pricing. We aim to offer competitive prices that are aligned with market averages to attract customers and remain competitive in the industry. However, we also recognize the unique value and benefits our products/services provide, which justifies a premium pricing approach.

*ii-Price and Gross Margin List by Product:*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Product/Service** | **Price** | **Price vs. Market Average (3-5 years)** | **Margin** | **Margin vs. Market Average (3-5 years)** |
| Product 1 | KWD 2200 | -10% | 30% | +5% |
| Product 2 | KWD 3250 | +5% | 25% | 0% |
| Product 3 | KWD 3550 | 0% | 35% | +10% |

*iii-Promotion/Discount Strategy:*

Our promotion/discount strategy will focus on creating value for our customers while ensuring sustainable profitability. We will utilize targeted promotional campaigns to introduce new products, create awareness, and attract new customers. These promotions may include limited-time discounts, bundled offerings, referral programs, or loyalty rewards. By offering promotional incentives, we aim to encourage trial and repeat purchases, build customer loyalty, and generate positive word-of-mouth.

*iv-Impact of Changing Prices:*

The impact of changing prices on our customers can vary based on the nature of the price change.

## Price Increase: A significant price increase may result in some customers being more price-sensitive and potentially seeking alternative options.

## Price Decrease: A price decrease can attract new customers who were previously deterred by higher prices. It may also encourage existing customers to increase their purchases or try additional products/services.

To mitigate any negative impact, we will carefully analyze market dynamics, customer preferences, and our cost structure before implementing price changes. We will strive to maintain a balance between pricing that reflects the value we provide and remains competitive in the market. Regular customer feedback and market analysis will guide us in refining our pricing strategy over time.

# Financial Plan

## Funding Requirements

1. *Estimate the amount of funding needed to run the business*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **Funding Requirements** | **Amount** | **Loan (%)** | **Equity (%)** | **Commercial Loan (%)** |
| Total Amount | KWD 418000 | 12% | 25.5% | 13.3% |
| Breakdown: |  |  |  |  |
| Capital spending | KWD 12500 |  |  |  |
| Operating expenses | KWD 31200 |  |  |  |
| Marketing and advertising | KWD 22390 |  |  |  |
| Research and development | KWD 13200 |  |  |  |
| Other expenses | KWD 2300 |  |  |  |

1. *Breakdown the loan amount required according to the purpose/use of the money (capital spending funding, operating expenses funding…).*

|  |  |  |
| --- | --- | --- |
| **Purpose** | **Amount** | **Date of Spending** |
| Capital Spending | KWD 100,000 | January 2023 |
| Operating Expenses | KWD 50,000 | February 2023 |
| Marketing and Advertising | KWD 30,000 | March 2023 |
| Research and Development | KWD 20,000 | April 2023 |
| Other Expenses | KWD 10,000 | May 2023 |

*Iii.* The source of the 20% equity contribution to the Aayan Real-Estate Company project will be personal cash. There is no bank loan involved in the equity contribution.

Iv. No collateral will be provided against the loan as the equity contribution is from personal cash.

V. The existing financial structure of the company is primarily equity-based. The company relies on its own capital and personal investments rather than significant debt financing.

Vi. There are no existing loan obligations for the Aayan Real-Estate Company.

Vii. The company does not have any plans to raise additional debt facilities at this time. The liquidity standing of the company is stable, and it will focus on managing its expenses and cash flow effectively.

## Financial information

**I.**The performance of the Aayan Real-Estate Company for the last three years is as follows:

1. Year 1: The company experienced steady revenue growth of 10%, driven by increased sales in the real estate market. Assets also grew by 15%, indicating successful investment in property acquisition. Return on investment remained stable, with a slight increase due to improved operational efficiency and cost management. Profit margins remained consistent.
2. Year 2: The company faced a challenging market with a slowdown in the real estate sector, resulting in a revenue decline of 5%. Asset growth was modest at 3% due to cautious investment decisions. Return on investment decreased due to lower profitability caused by decreased sales. Profit margins were slightly impacted but remained within an acceptable range.
3. Year 3: The real estate market experienced a recovery, leading to a revenue growth of 8%. The company actively pursued strategic acquisitions, resulting in asset growth of 12%. Return on investment rebounded, surpassing previous levels, due to improved market conditions and successful property management strategies. Profit margins improved, reflecting the company's effective cost control measures.

ii- The potential return on investment after 5 years of operations is estimated to be 15%. The probability of achieving this return depends on various factors such as market conditions, competition, and the company's ability to adapt and innovate. While the estimate is based on thorough analysis and market research, there are inherent uncertainties in any business projection, and the actual outcome may vary.

iii- The company's financial statements can be reliably traced through the company's bank account for a significant portion of its transactions. Credit sales are minimal, and the majority of sales, asset purchases, and sales transactions are conducted through bank transfers, deposits, and payments. This ensures transparency and facilitates accurate financial reporting and tracking.

iv- Assumptions regarding revenues, net profit, and margins should be approached with caution to account for potential conservative or optimistic biases. Being conservative in revenue projections helps manage expectations and mitigate the risk of overestimating sales. On the other hand, being optimistic in profit margins should be supported by a realistic assessment of market conditions, cost structures, and competitive factors. Careful consideration of these assumptions helps mitigate potential negative impacts on the business, such as unexpected financial shortfalls or unrealistic growth expectations.

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# CVs

The information about the team members of Aayan Real-Estate Company discussed earlier in our conversation:

*Team Member 1:*

Name: John Smith

Position: CEO

Qualifications: John has over 15 years of experience in the real estate industry. He has a bachelor's degree in Real Estate Management and has held various senior positions in renowned real estate firms. He is known for his strong leadership skills and strategic decision-making abilities.

*Team Member 2:*

Name: Sarah Johnson

Position: CFO

Qualifications: Sarah is a certified accountant with extensive experience in financial management. She holds an MBA in Finance and has worked in the real estate sector for over 10 years. Sarah is skilled in financial planning, budgeting, and analysis, ensuring the company's financial stability and growth.

*Team Member 3:*

Name: Emily Davis

Position: Head of Sales and Marketing

Qualifications: Emily has a background in marketing and sales, with a bachelor's degree in Marketing. She has worked in the real estate industry for 8 years, specializing in sales strategies and customer relationship management. Emily is responsible for driving sales growth and implementing effective marketing campaigns.

*Team Member 4:*

Name: Michael Thompson

Position: Head of Operations

Qualifications: Michael has a strong operations background with a bachelor's degree in Civil Engineering. He has worked in the construction and real estate sectors for over 12 years, overseeing project management and operations. Michael ensures smooth project execution and efficient operational processes within the company.

*Team Member 5:*

Name: Jennifer Wilson

Position: Head of Property Management

Qualifications: Jennifer has extensive experience in property management and tenant relations. She holds a bachelor's degree in Property Management and has worked in the industry for 10 years. Jennifer is responsible for overseeing the company's property portfolio, ensuring tenant satisfaction, and maximizing property value.

# Financial Statements

## 

## Income Statement

|  |  |  |
| --- | --- | --- |
| **Period** | **Historical/Pre-operation period** | **Forecast period** |
| Revenue | KWD 430,000 | KWD 760,000 |
| Cost | KWD 250,000 | KWD 480,000 |
| **Gross Profit** | KWD 200,000 | KWD 250,000 |
| Staff Cost | KWD 50,000 | KWD 60,000 |
| General & Admin. Expenses | KWD 30,000 | KWD 35,000 |
| Sales & Marketing Expenses | KWD 20,000 | KWD 25,000 |
| Other Expenses | KWD 10,000 | KWD12,000 |
| Other Income | KWD 5,000 | KWD 6,000 |
| **EBITDA** | KWD 145,000 | KWD 174,000 |
| Depreciation & Amortization | KWD 20,000 | KWD 22,000 |
| EOSB Provisions | KWD 2,000 | KWD 2,500 |
| **EBIT** | KWD 123,000 | KWD 149,500 |
| Finance Cost | KWD 10,000 | KWD 12,000 |
| **EBT** | KWD 113,000 | KWD 137,500 |
| Tax Provisions | KWD 20,000 | KWD 25,000 |
| **Net Profit** | KWD 93,000 | KWD 112,500 |

## Balance Sheet

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **AAYAN REAL-ESTATE COMPANY** | | | | | | |  |  |  |
|  |  | **Year-End** | | | | | | |  |  |  |
|  |  | **Balance Sheet (Projected)** | | | | | | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **2023** |  |  | **2024** |  |  | **2025** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |  |  |  |  |  |  |
|  | Current Assets |  |  |  |  |  |  |  |  |  |  |
|  |  | Cash & Equivalents |  |  | 231,351 |  |  | 30,282 |  |  | (26,337) |
|  |  | Accounts Receivable |  |  | - |  |  | 11,136 |  |  | 9,317 |
|  |  | Inventory |  |  | 132,109 |  |  | 305,218 |  |  | 455,216 |
|  |  | Security Deposits |  |  | 24,681 |  |  | 30,968 |  |  | 38,743 |
|  |  | Other Current Assets |  |  | - |  |  | - |  |  | - |
|  | **Total Current Assets** |  |  | **$** | **388,141** |  | **$** | **377,604** |  | **$** | **476,938** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | Fixed Assets |  |  |  |  |  |  |  |  |  |  |
|  |  | Property, Plant & Equipment |  |  | 46,512 |  |  | 61,292 |  |  | 76,228 |
|  |  | Less: Accumulated Depreciation |  |  | (3,462) |  |  | (10,745) |  |  | (18,813) |
|  | Net Fixed Assets |  |  |  | 43,050 |  |  | 50,547 |  |  | 57,415 |
|  | Other Non-Current Assets |  |  |  | - |  |  | - |  |  | - |
|  | **Total Non-Current Assets** |  |  | **$** | **43,050** |  | **$** | **50,547** |  | **$** | **57,415** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Total Assets** |  |  | **$** | **431,191** |  | **$** | **428,151** |  | **$** | **534,354** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |  |
|  | Current Liabilities |  |  |  |  |  |  |  |  |  |  |
|  |  | Accounts Payable |  |  | 9,865 |  |  | 12,605 |  |  | 9,595 |
|  |  | Line of Credit |  |  | 4,883 |  |  | 3,381 |  |  | 5,218 |
|  |  | Other Current Liabilities |  |  | - |  |  | - |  |  | - |
|  | **Total Current Liabilities** |  |  | **$** | **14,748** |  | **$** | **15,986** |  | **$** | **14,813** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | Long-term Liabilities |  |  |  |  |  |  |  |  |  |  |
|  |  | Loans |  |  | 32,303 |  |  | 29,955 |  |  | 47,854 |
|  |  | Mortgages |  |  | 16,933 |  |  | 12,263 |  |  | 11,764 |
|  |  | Other Non-Current Liabilities |  |  | - |  |  | - |  |  | - |
|  | **Total Non-Current Liabilities** |  |  | **$** | **49,236** |  | **$** | **42,218** |  | **$** | **59,618** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Total Liabilities** |  |  | **$** | **63,984** |  | **$** | **58,204** |  | **$** | **74,431** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |  |  |  |  |  |  |
|  | Equity Investments |  |  |  | 487,118 |  |  | 556,504 |  |  | 647,044 |
|  | Retained Earnings |  |  |  | (116,615) |  |  | (175,748) |  |  | (173,931) |
|  | Less: Owner's & Investor's Draws |  |  |  | (3,295) |  |  | (10,809) |  |  | (13,190) |
|  | **Total Equity** |  |  | **$** | **367,208** |  | **$** | **369,947** |  | **$** | **459,923** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Total Liabilities and Equity** |  |  |  | **$** | **431,191** |  | **$** | **428,151** |  | **$** | **534,354** |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | - |  |  | - |  |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |
| --- | --- | --- |
| **Period** | **Historical/Pre-operation period** | **Forecast period** |
| Assets | KWD 231,351 |  |
| Current Assets | 388,141 |  |
| Cash & Bank Balance | KWD100,000 | KWD 120,000 |
| Accounts Receivables | KWD 50,000 | KWD 60,000 |
| Inventories | KWD 30,000 | KWD35,000 |
| Other Current Assets | KWD 20,000 | KWD 25,000 |
| Total Current Assets | KWD 200,000 | KWD 240,000 |
| Non-current Assets |  |  |
| Land | KWD 150,000 | KWD 150,000 |
| Construction work in progress | KWD 100,000 | KWD 120,000 |
| Property, Plant & Equipment | KWD 300,000 | KWD 350,000 |
| Intangible Assets | KWD 50,000 | KWD 50,000 |
| Other Fixed Assets | KWD 20,000 | KWD 20,000 |
| Total Non-current Assets | KWD 620,000 | KWD 690,000 |
| **Total Assets** | KWD 820,000 | KWD 930,000 |
| Liabilities & Equities | KWD 4,000 | KWD 3,000 |
| Current Liabilities | KWD 23,000 | KWD 140,000 |
| Accounts Payable | KWD 40,000 | KWD 45,000 |
| Short-term Portion of Loan | KWD 20,000 | KWD 20,000 |
| Dividends Payable | KWD 5,000 | KWD 6,000 |
| **Tax Payable** | KWD 10,000 | KWD 12,000 |
| Overdraft | KWD 15,000 | KWD 15,000 |
| Other Current Liabilities | KWD 10,000 | KWD 10,000 |
| Total Current Liabilities | KWD 100,000 | KWD 108,000 |
| Non-current Liabilities | KWD 28,900 | KWD 30,000 |
| Long-term Portion of Loan | KWD 200,000 | KWD 200,000 |
| **EOSB Provisions** | KWD 15,000 | KWD 15,000 |
| Other Non-Current Liabilities | KWD 10,000 | KWD 12,000 |
| Total Non-current Liabilities | **431,191** | **727,000** |
| **Shareholders’ Equity** | **367,208** | **867,560** |
| Share Capital | KWD 200,000 | KWD 200,000 |
| Statutory Reserves | KWD 30,000 | KWD 35,000 |
| Voluntary Reserves | KWD 10,000 | KWD 12,000 |
| Retained Earnings | KWD 100,000 | KWD 125,000 |
| Other Accounts | KWD 5,000 | KWD 6,000 |
| Total Shareholders’ Equity | KWD 345,000 | KWD 378,000 |
| **Total Liabilities & Equity** | **63,984** | **713,000** |

## Cash Flow Statement



|  |  |  |
| --- | --- | --- |
| **Period** | **Historical/Pre-operation period** | **Forecast period** |
| Operating Activities |  |  |
| **Net Profit** | KWD 50,000 | KWD 60,000 |
| Add: |  |  |
| Depreciation & Amortization | KWD 10,000 | KWD 12,000 |
| Finance Cost | KWD 5,000 | KWD 6,000 |
| **EOSB Provisions** | KWD 2,000 | KWD 2,500 |
| Tax Provisions | KWD 8,000 | KWD 9,000 |
| Deduct: |  |  |
| **EOSB Paid** | KWD 1,000 | KWD 1,200 |
| Tax Paid | KWD 6,000 | KWD 7,000 |
| Working Capital Changes |  |  |
| Accounts Receivables | (KWD 5,000) | (KWD 6,000) |
| Inventories | (KWD 3,000) | (KWD 3,500) |
| Other Current Assets | KWD 2,000 | KWD 2,500 |
| Accounts Payable | KWD 4,000 | KWD 4,500 |
| Other Current Liabilities | KWD 1,000 | KWD 1,200 |
| **Cash Flow from Operations** | KWD 58,000 | KWD 68,000 |
| Investing Activities |  |  |
| Purchase of Fixed Assets | (KWD 40,000) | (KWD 45,000) |
| Other Investments | (KWD 10,000) | (KWD 12,000) |
| Proceeds from sale of fixed assets | KWD 5,000 | KWD 6,000 |
| Cash Flow from Investments | (KWD 45,000) | (KWD 51,000) |
| Financing Activities |  |  |
| **Share Capital** | KWD 0 | KWD 0 |
| Loan Additions | KWD 50,000 | KWD 60,000 |
| Other Accounts | KWD 2,000 | KWD 2,500 |
| Loan Repayment | (KWD 15,000) | (KWD 15,000) |
| Finance Cost Paid | (KWD 5,000) | (KWD 6,000) |
| **Dividends Paid** | (KWD 3,000) | (KWD 3,500) |
| Cash Flow from Financing | KWD 29,000 | KWD 38,000 |
| Change in cash | KWD 42,000 | KWD 55,000 |
| **Opening Cash** | KWD 50,000 | KWD 92,000 |
| Net Cash Flow | KWD 92,000 | KWD 147,000 |
| **Closing Cash** | **26,337** | **147,000** |
| Minimum Cash | KWD 80,000 | KWD 120,000 |
| Overdraft Raised | KWD 0 | KWD 0 |
| **Closing Cash - After OD** | **26,337** | **147,000** |

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