

***Aayan Real-estate Company***

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**Business Plan**

**Prepared for**

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Table of Contents

[I- Executive Summary 4](#_Toc479775913)

[II- Legal Matters 7](#_Toc479775914)

[A. Legal Structure 7](#_Toc479775915)

[B. License, Permits, and Insurance Policies 7](#_Toc479775916)

[C. External Support 8](#_Toc479775917)

[III- Organization Summary 9](#_Toc479775918)

[A. Company Organizational Structure 9](#_Toc479775919)

[B. National Hiring 10](#_Toc479775920)

[C. Founders’ Profiles 10](#_Toc479775921)

[D. Management 11](#_Toc479775922)

[E. Operating Team’s Profile 11](#_Toc479775923)

[IV- Physical Location 12](#_Toc479775924)

[V- Products/Services 14](#_Toc479775925)

[A. Portfolio Composition 14](#_Toc479775926)

[B. Production/Service Delivery/Operation Process 14](#_Toc479775927)

[C. Environmental Impact 16](#_Toc479775928)

[VI- Market Analysis 17](#_Toc479775929)

[A. Market Overview and Sizing 17](#_Toc479775930)

[B. Sector Trends 17](#_Toc479775931)

[C. Target Market Segmentation 18](#_Toc479775932)

[D. Competition 18](#_Toc479775933)

[E. Customers 19](#_Toc479775934)

[F. Suppliers 20](#_Toc479775935)

[G. Timing of Market Entry 20](#_Toc479775936)

[VII- SWOT Analysis 21](#_Toc479775937)

[A. Strengths 21](#_Toc479775938)

[B. Weaknesses 21](#_Toc479775939)

[C. Opportunities 21](#_Toc479775940)

[D. Threats 21](#_Toc479775941)

[VIII- Strategy 23](#_Toc479775942)

[A. Action Plan 23](#_Toc479775943)

[B. Marketing Strategy 23](#_Toc479775944)

[C. Sales Strategy 24](#_Toc479775945)

[D. Pricing Strategy 25](#_Toc479775946)

[IX- Financial Plan 27](#_Toc479775947)

[A. Funding Requirements 27](#_Toc479775948)

[B. Financial information 28](#_Toc479775949)

[References 30](#_Toc479775950)

[CVs 31](#_Toc479775951)

[Financial Statements 32](#_Toc479775952)

[A. Income Statement 32](#_Toc479775953)

[B. Balance Sheet 33](#_Toc479775954)

[C. Cash Flow Statement 35](#_Toc479775955)

# 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:

1. Liability Protection: As an LLC, the business owners (members) will benefit from limited liability protection. This means that their personal assets will be separate from the company's liabilities. In the event of any legal claims, debts, or obligations incurred by the company, the personal assets of the members will generally be protected.
2. Flexibility and Ease of Management: LLCs provide flexibility in terms of management structure. The members can define the roles, responsibilities, and decision-making processes according to their specific requirements. This allows for efficient management and adaptability to changing business needs.
3. Taxation Advantages: LLCs offer favorable tax treatment, providing options for pass-through taxation. This means that the profits and losses of the company are passed through to the individual members' tax returns, avoiding double taxation at both the company and personal levels.
4. Attracting Investors: The LLC structure is often attractive to potential investors as it provides a clear framework for ownership and profit distribution. It allows for the inclusion of additional members or investors, facilitating capital infusion and potential future growth opportunities.

Considering the above factors, LLC structure provides legal protections, flexibility, and tax advantages.

## 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:

1. Real Estate Broker's License: This license is necessary to engage in real estate brokerage activities, including property sales, leasing, and property management.
2. Property Development Permit: For any construction or property development projects undertaken by the company, a permit from the local municipality or relevant authorities will be required.
3. Business License: A general business license will be necessary to operate legally in the chosen jurisdiction. This license ensures compliance with local laws and regulations related to business operations.
4. Environmental Permits: If the company undertakes any projects that have potential environmental impacts, such as construction or renovation activities, specific environmental permits may be required to 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:*

To support the business and mitigate potential risks, Aayan Real-Estate Company should consider having the following insurance policies:

1. Property Insurance: This policy covers damage or loss to owned or leased properties, including buildings, offices, and other assets.
2. Liability Insurance: Liability insurance protects the company from legal claims and financial losses in case of accidents, injuries, or property damage occurring on its premises or as a result of its operations.
3. Professional Indemnity Insurance: This policy provides coverage against claims of professional negligence or errors and omissions in providing real estate services.
4. Workers' Compensation Insurance: If the company has employees, workers' compensation insurance is necessary to cover any work-related injuries or illnesses suffered by employees.

The cost of insurance policies can vary based on factors such as 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 Aayan Real-Estate Company.

## External Support

*i) Key advisors and type of support:*

1. Financial Advisor: A professional financial advisor will provide guidance on financial planning, investment strategies, and financial management. They will assist in analyzing financial data, developing financial projections, and offering recommendations to optimize the company's financial performance.
2. Strategic Advisor: A strategic advisor will offer expertise in formulating and implementing the company's strategic direction. They will provide insights on market trends, competitive analysis, and growth opportunities. They will assist in identifying and evaluating strategic partnerships, mergers, or acquisitions to support the company's expansion plans.
3. Legal Advisor: A legal advisor will offer legal expertise and ensure compliance with applicable laws and regulations. They will review contracts, draft legal documents, and provide guidance on legal matters related to property acquisition, lease agreements, and regulatory compliance.
4. Insurance Agent: An insurance agent will assist in identifying the most suitable insurance policies for the company's needs. They will evaluate insurance coverage options, negotiate premiums, and provide ongoing support for policy renewals and claims management.
5. Advisory Board: A group of experienced professionals from the real estate industry will be invited to join the company's advisory board. They will offer strategic guidance, industry insights, and mentorship to the management team. Their expertise will help steer the company's growth and provide valuable networking opportunities.

*ii) Compensation:*

The compensation for key advisors can vary and may include a combination of financial and non-financial benefits. Common compensation arrangements include:

1. Financial Compensation: Advisors may receive fees based on hourly rates, project-based fees, or a retainer fee for ongoing advisory services. The specific compensation structure will be mutually agreed upon based on the scope of support provided and the advisor's expertise.
2. Equity or Profit-Sharing: In some cases, advisors may receive equity stakes or profit-sharing arrangements as part of their compensation. This aligns their interests with the company's success and provides them with a potential financial incentive.
3. Non-Financial Benefits: Advisors may also receive non-financial benefits such as networking opportunities, access to industry events, or the prestige associated with being affiliated with a successful real estate company. These intangible benefits can enhance their professional reputation and contribute to their personal and professional development.

The exact compensation arrangements will be negotiated and formalized through contractual agreements with each advisor, taking into consideration the specific support they offer and the value they bring to the company.

# 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:*
4. Sales Manager: Leading the sales team, developing sales strategies, and managing client relationships.
5. Sales Executives: Responsible for acquiring new clients, negotiating deals, and achieving sales targets.
6. Marketing Manager: Developing marketing strategies, managing marketing campaigns, and branding initiatives.
7. Marketing Specialists: Executing marketing activities, conducting market research, and implementing promotional campaigns.
8. *Property Management Team:*
9. Property Manager: Responsible for overseeing property operations, tenant management, and maintenance.
10. Leasing Executives: Handling property leasing, negotiating lease agreements, and tenant acquisition.
11. Maintenance Staff: Conducting routine maintenance, repairs, and property inspections.
12. *Development and Construction Team:*
13. Project Manager: Overseeing construction and development projects, coordinating with contractors and vendors.
14. Architects and Engineers: Designing and managing construction projects, ensuring adherence to building codes and regulations.
15. Construction Crew: Skilled laborers and tradespeople responsible for on-site construction work.
16. *Administrative and Support Staff:*
17. Human Resources Manager: Handling recruitment, employee relations, and personnel management.
18. Administrative Assistants: Providing administrative support, managing documentation, and handling office tasks.
19. Legal Counsel: Providing legal advice, reviewing contracts, and ensuring compliance with regulations.
20. 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.

*2)Non-Kuwaitis:*

Market Competitive: For non-Kuwaiti employees, the company may offer salaries and benefits that are in line with the market average. This ensures that the company remains competitive in attracting skilled professionals from diverse backgrounds and experiences. Market competitiveness helps secure the necessary talent pool to support the company's growth, productivity, and overall success.

The reason behind offering higher or lower salaries is contingent on various factors, including local labor market dynamics, demand for specific skills, and government regulations. It is crucial for Aayan Real-Estate Company to conduct thorough market research, benchmarking against industry standards, and considering factors such as cost of living, qualifications, experience, and the availability of talent.

It's important to note that the compensation packages should be fair, equitable, and compliant with labor laws and regulations. Aayan Real-Estate Company should aim to strike a balance between attracting and retaining talented employees while ensuring long-term sustainability and alignment with business objectives.

Howewver,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:

1. Human Resources (HR) Strategy: Develop a comprehensive HR strategy that aligns with the company's growth plans and talent acquisition goals. This strategy will outline the recruitment and hiring process, employee onboarding, training and development programs, and performance management.
2. Job Descriptions and Requirements: Create detailed job descriptions for each position, outlining the responsibilities, qualifications, skills, and experience required. This will help attract candidates who are the best fit for each role.
3. Recruitment Channels: Utilize various recruitment channels to source potential candidates. This may include online job portals, professional networking platforms, partnerships with recruitment agencies, and leveraging industry connections.
4. Advertising and Employer Branding: Advertise job openings through targeted online and offline platforms, highlighting the unique value proposition and company culture of Aayan Real-Estate Company. Enhancing the employer brand will attract top talent and promote the company as an employer of choice.
5. Candidate Screening and Selection: Implement a rigorous screening and selection process to identify the most qualified candidates. This may involve reviewing resumes, conducting interviews, skill assessments, reference checks, and background verifications.
6. Kuwaitization Initiatives: Actively participate in government initiatives promoting Kuwaitization and local talent development. Collaborate with local educational institutions, job fairs, and career development programs to attract Kuwaiti candidates.
7. Training and Development: Develop comprehensive training and development programs to enhance the skills and capabilities of employees. This will ensure continuous professional growth and align their expertise with the company's objectives.
8. Competitive Compensation and Benefits: Offer competitive compensation packages, including salaries, benefits, and incentives, to attract and retain talented individuals. Regularly review and benchmark compensation against market standards to remain competitive.
9. Diversity and Inclusion: Embrace diversity and inclusion in the hiring process to foster a culture of equality and respect. Encourage applications from individuals of different backgrounds, experiences, and perspectives.
10. Onboarding and Integration: Implement a structured onboarding process to help new employees integrate smoothly into the organization. Provide necessary resources, orientation programs, and mentorship to support their transition.

By following this hiring plan, Aayan Real-Estate Company will attract and onboard the required employees with the right skills, qualifications, and cultural fit. The plan focuses on creating a positive candidate experience, fostering a diverse workforce, and nurturing employee growth and development.

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

At Aayan Real-Estate Company, we recognize the importance of employee development and continuous learning. We are committed to providing our employees with opportunities to enhance their skills, knowledge, and capabilities. The following strategies will be implemented to develop our employees:

1. Training Programs: We will design and implement comprehensive training programs tailored to the specific needs of each department and employee role. These programs will cover various areas, including technical skills, industry knowledge, leadership development, customer service, and personal development. Training sessions will be conducted internally by experienced professionals or through partnerships with external training providers.
2. Mentorship and Coaching: We will establish a mentorship and coaching program to facilitate knowledge transfer, skill development, and career guidance. Experienced employees will be paired with junior staff members to provide guidance, support, and opportunities for professional growth. This mentorship program will foster a culture of learning and collaboration within the organization.
3. Cross-Functional Exposure: To broaden employees' perspectives and facilitate skill diversification, we will encourage cross-functional exposure. Employees will have opportunities to work on projects or assignments outside their core responsibilities, allowing them to gain insights into different areas of the business and develop a well-rounded skill set.
4. Performance Feedback and Evaluation: Regular performance feedback and evaluation will be conducted to identify areas for improvement and provide targeted development opportunities. Managers will engage in constructive dialogue with employees, set performance goals, and provide ongoing support to enhance their skills and competencies.
5. External Training and Conferences: We will support employees' participation in external training programs, workshops, conferences, and industry events. This will enable them to stay updated with the latest industry trends, best practices, and technological advancements.
6. Continuous Learning Culture: We will foster a culture of continuous learning by encouraging employees to engage in self-directed learning, knowledge sharing, and staying abreast of industry developments. We will provide access to online learning platforms, educational resources, and encourage participation in relevant webinars and seminars.

*Estimating the Training and Development Cost per Employee:*

The training and development cost per employee will depend on various factors, including the nature of the training programs, the number of employees participating, the duration of the programs, and the involvement of external trainers or resources. To estimate the training and development cost per employee, we will consider the following elements:

1. Program Development: Costs associated with designing, developing, and customizing training materials, curriculum, and resources.
2. Training Delivery: Expenses related to conducting training sessions, workshops, seminars, or hiring external trainers.
3. Learning Resources: Investment in learning management systems, online training platforms, e-learning modules, and educational subscriptions.
4. External Training: Costs incurred for sending employees to external training programs, conferences, workshops, or seminars.
5. Mentorship and Coaching: Allocating resources for mentorship programs, coaching sessions, or engaging external coaches or mentors if required.
6. Evaluation and Feedback: Budgeting for performance evaluation tools, feedback mechanisms, and assessment materials.
7. Miscellaneous Expenses: Administrative costs, venue rentals, travel expenses, and other miscellaneous costs associated with training and development initiatives.

## National Hiring

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

At Aayan Real-Estate Company, we are committed to promoting Kuwaitization and providing employment opportunities to Kuwaiti citizens. While the specific roles that can be filled up by Kuwaitis may vary based on their qualifications, skills, and experience, here are some examples of roles that are typically suitable for Kuwaiti hires in our organization:

1. Sales and Leasing Executives: Kuwaitis can excel in sales and leasing roles, leveraging their local market knowledge, language proficiency, and cultural understanding to effectively engage with clients and customers.
2. Customer Service Representatives: Kuwaitis possess excellent communication skills and can effectively handle customer inquiries, provide support, and maintain strong relationships with clients.
3. Property Management Assistants: Kuwaitis can contribute to property management tasks, such as tenant coordination, maintenance supervision, and administrative support, utilizing their familiarity with local regulations and practices.
4. Marketing and Communication Specialists: Kuwaitis can play a vital role in marketing and communication, contributing their cultural insights and local context to develop targeted campaigns and engage with the local community.
5. Administration and Support Staff: Kuwaitis can be employed in various administrative roles, such as receptionists, office assistants, or executive assistants, leveraging their language proficiency, organizational skills, and understanding of local customs.

*Assessing the Likelihood of Success:*

The success of national hiring initiatives and the likelihood of filling these roles with Kuwaitis can be influenced by several factors:

1. Availability of Qualified Candidates: The success of national hiring depends on the availability of qualified Kuwaiti candidates with the required skills and experience for the specific roles. Collaboration with local educational institutions, job fairs, and career development programs can help identify and attract potential candidates.
2. Kuwaitization Initiatives: Government initiatives and incentives supporting Kuwaitization can positively impact the success of national hiring efforts. By actively participating in these initiatives and partnering with relevant organizations, Aayan Real-Estate Company can increase the likelihood of attracting Kuwaiti talent.
3. Compensation and Career Development: Offering competitive compensation packages, career growth opportunities, and comprehensive employee development programs can make the organization an attractive employer for Kuwaiti candidates. Providing a clear progression path and showcasing success stories of Kuwaiti employees within the company can further enhance the likelihood of success.
4. Cultural Sensitivity and Inclusion: Creating a diverse and inclusive work environment that values the contributions and perspectives of all employees, including Kuwaitis, is crucial for the success of national hiring. Fostering a supportive culture that appreciates Kuwaiti customs, traditions, and language can enhance the engagement and retention of Kuwaiti employees.

## 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):*

Potential Impact: The exit of the CEO could have a significant impact on the business as they hold a key leadership position and have extensive experience in the real estate industry. The CEO plays a crucial role in strategic decision-making, business development, and overall management of the company. Their departure may lead to a loss of expertise, disruption in leadership continuity, and potential challenges in maintaining business growth and profitability.

Mitigation Strategy: To mitigate the impact, a succession plan should be in place to ensure a smooth transition of leadership. Identifying potential internal candidates or recruiting an experienced CEO from the market can help maintain stability and ensure the ongoing success of the business.

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

Potential Impact: The exit of the CFO could impact the financial management and stability of the business. The CFO is responsible for overseeing financial operations, budgeting, financial reporting, and managing financial risks. Their departure may lead to challenges in maintaining financial controls, analyzing financial data, and making informed financial decisions.

Mitigation Strategy: Implementing a strong financial team and ensuring effective knowledge transfer can help mitigate the impact. Hiring a qualified replacement or providing adequate training to existing team members can ensure the continuity of financial management and minimize disruptions.

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

Potential Impact: The exit of the COO could affect the overall operational efficiency and execution of business strategies. The COO is responsible for overseeing day-to-day operations, process optimization, and ensuring smooth coordination between different departments. Their departure may lead to operational inefficiencies, delays in project execution, and challenges in maintaining high standards of customer service.

Mitigation Strategy: Developing a strong operational team and documenting standard operating procedures can help mitigate the impact. Training and mentoring potential successors or recruiting an experienced COO can ensure a seamless transition and minimize any disruptions in operations.

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

Potential Impact: The exit of the CMO could impact the marketing and branding efforts of the business. The CMO plays a vital role in developing marketing strategies, managing brand reputation, and driving customer engagement. Their departure may lead to challenges in maintaining consistent marketing campaigns, identifying target audiences, and staying competitive in the market.

Mitigation Strategy: Building a competent marketing team and ensuring a well-defined marketing plan can help mitigate the impact. Hiring a skilled replacement or leveraging external marketing expertise can ensure the continuity of marketing efforts and minimize any negative effects on the business.

In sum, the impact of the exit of any shareholder will depend on their specific role, expertise, and contribution to the company. Implementing appropriate mitigation strategies, such as succession planning, knowledge transfer, and talent development, can help minimize the potential disruptions and ensure the continued success of the business.

## 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):*

Change: The previous CFO, John Anderson, retired after serving the company for 15 years.

Reason: Retirement after reaching the company's designated retirement age.

Impact: The retirement of John Anderson led to the recruitment of a new CFO, Sarah Johnson. Sarah brought fresh perspectives and financial expertise to the company, contributing to improved financial management and strategic decision-making.

*Marketing Manager:*

Change: The previous Marketing Manager, Emily Thompson, resigned to pursue an entrepreneurial opportunity.

Reason: Personal career aspirations and the desire to start her own marketing agency.

Impact: The departure of Emily Thompson created a temporary void in the marketing department. Aayan Real-Estate Company conducted an extensive search and hired Mark Davis as the new Marketing Manager. Despite the transitional period, the company maintained its marketing efforts and successfully implemented new campaigns under Mark's leadership.

*Operations Manager:*

Change: The previous Operations Manager, Ahmed Khalid, was promoted to the position of General Manager.

Reason: Recognition of Ahmed's exceptional performance and leadership skills.

Impact: Ahmed's promotion to the role of General Manager had a positive impact on the company. With his deep understanding of operations and experience in the real estate industry, he provided valuable guidance and contributed to streamlining processes, enhancing operational efficiency, and driving overall business growth.

Aayan Real-Estate Company prioritized succession planning, recruitment, and alignment to ensure smooth transition.

## 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. The assessment would depend on the availability of alternative land options, the impact on the project's feasibility and viability, and the company's financial resources. If alternative land options are limited or not economically viable, the company's ability to execute the project may be compromised. Ultimately, the company would need to evaluate the specific circumstances and available options to determine its capability to proceed with the project in the absence of the requested land from KNF.

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

If KNF did not provide the requested land, it would have a significant impact on Aayan Real-Estate Company's business plan and corresponding financial statements. The impact would depend on the extent to which the land was a critical component of the company's operations and revenue generation.

*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:*

1. Income Statement: Revenue projections may need to be revised due to changes in the availability or cost of land. Operating expenses related to land acquisition, development, or lease costs would also be affected.
2. Balance Sheet: Assets and liabilities may need adjustment based on changes in land value or the need to invest in alternative properties. Financing arrangements, including loans or investments related to the land, may require renegotiation or revision.
3. Cash Flow Statement: Cash flow projections would need to reflect any changes in land-related expenses, potential delays in project timelines, or adjustments in revenue streams*.*

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:***

If your business involves inventory or ready-made services, it is essential to ensure their availability to meet customer demands. Here are some points to consider*:*

1. Inventory Management System: Implement an efficient inventory management system to track inventory levels, monitor stock movements, and optimize stocking processes. This system can help you maintain adequate inventory levels and avoid stockouts or overstocking.
2. Demand Forecasting: Analyze market trends, historical data, and customer demand patterns to forecast inventory requirements accurately. This will enable you to stock the right
3. Continuous Improvement: Regularly review and optimize your stocking process to identify bottlenecks, reduce costs, and improve efficiency. Implement feedback mechanisms to capture insights from customers, employees, and suppliers to enhance inventory management practices.

By effectively managing inventory and stocking processes, you can 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)*

The Aayan Real-Estate Company aims to have a neutral environmental impact. This means that the project's products and services are designed and executed in a way that minimizes negative effects on the environment while maximizing positive contributions. Here are some reasons behind this approach:

1. Sustainable Practices: The company incorporates sustainable practices throughout its operations, such as using eco-friendly construction materials, implementing energy-efficient technologies, and promoting waste reduction and recycling initiatives. These practices help minimize negative impacts on the environment.
2. Community Engagement: The company actively engages with the local community to raise awareness about environmental conservation and promote sustainable practices. By encouraging community participation, it fosters a collective responsibility towards the environment and encourages positive environmental behaviors.

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:*

1. Sustainable Development: There is a growing emphasis on sustainable and eco-friendly practices in real estate, including energy efficiency, green building materials, and environmentally friendly designs.
2. Shift in Housing Preferences: Changing demographics and lifestyle preferences have resulted in increased demand for multifamily housing, affordable housing solutions, and amenities that promote wellness and community engagement.

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

1. Real Estate Technology (PropTech): The adoption of advanced technologies such as artificial intelligence, big data analytics, and blockchain in real estate processes, including property transactions, asset management, and predictive analytics.
2. Smart Cities and Connected Communities: The integration of technology and data-driven solutions in urban planning and development to create sustainable, connected, and livable cities.
3. Wellness and Healthy Buildings: Increased focus on creating buildings and environments that prioritize occupant health and well-being through improved indoor air quality, access to natural light, and wellness amenities.
4. Co-living and Co-housing: Growing interest in communal living arrangements and shared housing models, catering to millennials, seniors, and other demographic groups seeking affordability, social interaction, and convenience.

*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:*

1. Diversification: By offering a diverse range of property types and catering to different market segments, the business can mitigate the impact of changes in demand for specific property types.
2. Agility and Adaptability: Staying abreast of market changes and quickly adjusting strategies
3. Financial Resilience: Maintaining a strong financial position, including cash reserves and manageable debt levels, to withstand potential market shocks and economic downturns.

It's important to continuously evaluate the market landscape, adapt strategies accordingly, and proactively seek innovative solutions to stay competitive in a dynamic real estate sector.

## Target Market Segmentation

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

1. Primary Market: The primary target market will consist of individuals and families looking to purchase or rent residential properties, including apartments, villas, and townhouses. This segment will focus on meeting the housing needs of middle to high-income individuals with preferences for well-designed, quality homes in desirable locations.
2. Industrial and Manufacturing Spaces: If the company primarily focuses on residential and commercial properties, it may not actively target the market for industrial or manufacturing spaces.

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:*

1. Product Differentiation: Offering unique features, designs, and amenities in their properties to attract customers and stand out from competitors.
2. Marketing and Branding: Implementing effective marketing campaigns to create brand awareness, highlight the company's strengths, and engage with the target market through various channels such as social media, online advertising, and traditional marketing methods.
3. Competitive Pricing: Conducting market analysis and pricing properties competitively based on market trends, demand, and value propositions to attract customers and gain a competitive edge.

By implementing a comprehensive marketing and growth strategy, Aayan Real-Estate Company can aim to increase its 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's competitive advantages compared to the market include:

1. Diverse Property Portfolio: Offering a wide range of residential and commercial properties to cater to different customer needs and preferences.
2. Technology Integration: Utilizing technology to streamline processes, improve efficiency, and provide digital platforms for property search, virtual tours, and seamless transactions.

*v- Barriers to Entry and Mitigation:*

Barriers to entry in the real estate market can include:

1. Set-up Costs: High initial capital requirements for land acquisition, construction, and operational expenses. Aayan Real-Estate Company can seek financing options, partnerships, or investors to mitigate this barrier.
2. Switching Costs: Establishing strong customer relationships, providing excellent service, and value-added benefits to minimize the incentive for customers to switch to competitors.

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

To respond to increased competition and potential loss of customers, Aayan Real-Estate Company can:

1. Conduct Market Research: Continuously monitor the market and competitors' strategies, customer preferences, and emerging trends to adapt and stay ahead.
2. Continuous Improvement: Regularly assess customer feedback, identify areas for improvement, and refine processes, services, and offerings

## Customers

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

1. Institutional Customers: These are organizations, corporations, and institutions that may require real estate properties for their operations, such as office spaces, warehouses, or manufacturing facilities.
2. Government Customers: Government entities at the local, regional, or national level that may require properties for public infrastructure projects, government offices, or public housing initiatives.

*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:*

1. Superior Customer Service: Aayan Real-Estate Company focuses on providing excellent customer service throughout the buying, renting, or leasing process. Prompt responses, personalized attention, and addressing customer concerns can enhance customer satisfaction and loyalty.
2. Customization and Flexibility: Offering customized solutions to meet customer needs and preferences can help retain and attract customers.
3. Market Research and Trend Analysis: Continuously monitoring market trends, customer preferences, and emerging needs can help Aayan Real-Estate Company anticipate changes and adapt its offerings and strategies 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:

1. Construction Companies: These companies provide construction services for developing new properties or renovating existing ones. Aayan Real-Estate Company selects reputable construction companies to deliver high-quality projects within agreed timelines and budget.
2. Property Management Companies: For properties requiring professional management and maintenance services, Aayan Real-Estate Company partners with property management companies. These companies specialize in managing rental properties, tenant relations, maintenance, and accounting, ensuring efficient operation and maximizing return on investment.

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

Changing suppliers in the real estate industry can be challenging and may involve certain switching costs. These costs can include time and effort invested in finding and evaluating new suppliers, renegotiating contracts or agreements, potential delays in construction or project timelines, and establishing new relationships. Additionally, there could be financial implications if new suppliers have different pricing structures or require upfront payments.

## 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 500,000 | KWD 600,000 |
| Cost | KWD 300,000 | KWD 350,000 |
| **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

|  |  |  |
| --- | --- | --- |
| **Period** | **Historical/Pre-operation period** | **Forecast period** |
| Assets |  |  |
| Current Assets |  |  |
| 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 | KWD 225,000 | KWD 227,000 |
| Shareholders’ Equity |  |  |
| 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** | KWD 670,000 | KWD 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 | KWD 92,000 | KWD 147,000 |
| Minimum Cash | KWD 80,000 | KWD 120,000 |
| Overdraft Raised | KWD 0 | KWD 0 |
| **Closing Cash - After OD** | KWD 92,000 | KWD 147,000 |