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THE COLLEGE OF INFORMATICS SCIENCE

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STUDENTS TO BE SUBMITTED TO THE COLLEGE OF INFORMATICS SCIENCE AS A
PARTIAL FULFILLMENT OF THE COURSE

ENTREPRENEURSHIP

Group Assignment for Section 1

Group 5

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Introduction

The Gondar liquid soap business plan outlines the key details and strategies for launching a sustainable and environmentally-friendly cleaning product into the market. BEKASGONDER LIQUID SOAP is a revolutionary offering that aims to meet the growing demand for GONDER-friendly alternatives in the cleaning industry. With increasing awareness about the harmful effects of conventional cleaning products on human health and the environment, consumers are actively seeking sustainable options. This business plan will detail the features, benefits, target market,

marketing strategies, and financial projections for the successful launch and growth of the GONDER liquid soap brand. By capitalizing on the rising demand for green cleaning solutions, this business venture has the potential to make a significant impact on both the market and the world.

Confidentiality

This report is confidential and is the property of the co-owners listed above .it is intended use only by the persons to whom it is transmitted and only reproduction or reveal of any of its contents without the prior written consent of the business is prohibited.

Executive Summary

We want to establish a new liquid soap (Gondar liquid soap) in Gondar city specifically in front of abera st giorgis charch/gonder in city. Although students and, local communities need more of liquid soap, there is no sufficient availability here, that satisfy the needs of those users and hence our business will solve this problem by providing the product in good quality and affordable prices. Our objectives are to satisfy the customers need, increase the revenue and profit, and improve the financial statements. Particularly it brings increase revenue, profit by 50% and 40% respectively in the first year and will do more in the next years. The business will set up by birr 1,000,000 and the source will 30% from the owners and 70% from financial institutions.

1. Description of the business

1.1 Mission

Our mission is going to be established to provide high quality liquid soap to the individual customers, hotels, restaurants and distributors found in around Gondar.

1.2 Vision

To be a leading and most competent trader and business man of the city.

1.3 Objective

To provide affordable liquid soap to households and small scale business shops.

- To promote hygiene and usage of liquid soaps
- To maximize the income of the company

- To get good competent position of liquid soap marketing for individuals, hotels, restaurants and different consumers.

1.4 Description of the business products

The main products of our business are personal, laundry, and dish washing products in homemade level, the types are listed below.



Personal Cleansing LD Product;

It is a gel liquid soap and heavy duty hand cleaners. These products get their cleaning action from soap, other surfactants or a combination of the two. The choice of cleaning agent helps determine the product's lathering characteristics, feel on the skin and cleansing ability.

Detergents or gels are formulated for cleaning the hands, face and body. Depending on their ingredients, they may also moisturize the skin and/or kill or inhibit bacteria that can cause odor or disease.

Laundry Detergents: are available as liquids, powders, gels, sticks, sprays, pumps, sheets and bars. They are formulated to meet a variety of dirt, soil and stain removals.

Liquid detergents are either for general purpose or light duty. General purpose detergents are suitable for all washable fabrics.



Light duty detergents are used for hand or machine washing lightly soiled items and delicate fabrics. And most of the home made liquid detergents are used for light duty purposes.

Dishwashing Products: include detergents for hand and machine dishwashing as well as some specialty products. They are available as liquids, gels, powders and solids.

Hand dish washing detergents remove food soils, hold soil in suspension, oily and fatty films and provide long-lasting suds that indicate how much cleaning power is left in the wash water.

Because no single product can provide optimum performance on all surfaces and soils, a broad range of products has been formulated to clean efficiently and easily. While all-purpose cleaners are intended for more general use, others work best under highly specialized conditions.

All the listed types of liquid detergents could be made in small scale industry or homemade level scale for the day to day consumption with a fair and reasonable price. Especially the one with light duty type used for all purpose is easy to produce in homemade capacity product.

1.5. Location

The business will be located in Gondar city specifically in front of Tsadkane building. A good location plays very vital roles in inviting customers and increasing business.

Reason for selecting this site

- Easy to access for student, teachers and other users to buy their requirements
- To encourage customers by offering them everything at the place saving them from going away and searching for the required liquid soap.
- It is a good commercial area for increasing sales and profit

2. DEVELOPMENT AND PRODUCTION

2.1. Development status

The visionary project is on the progress of establishing the homemade liquid soap, since we are beginner we are going to request working capital and we also on saving our equity.

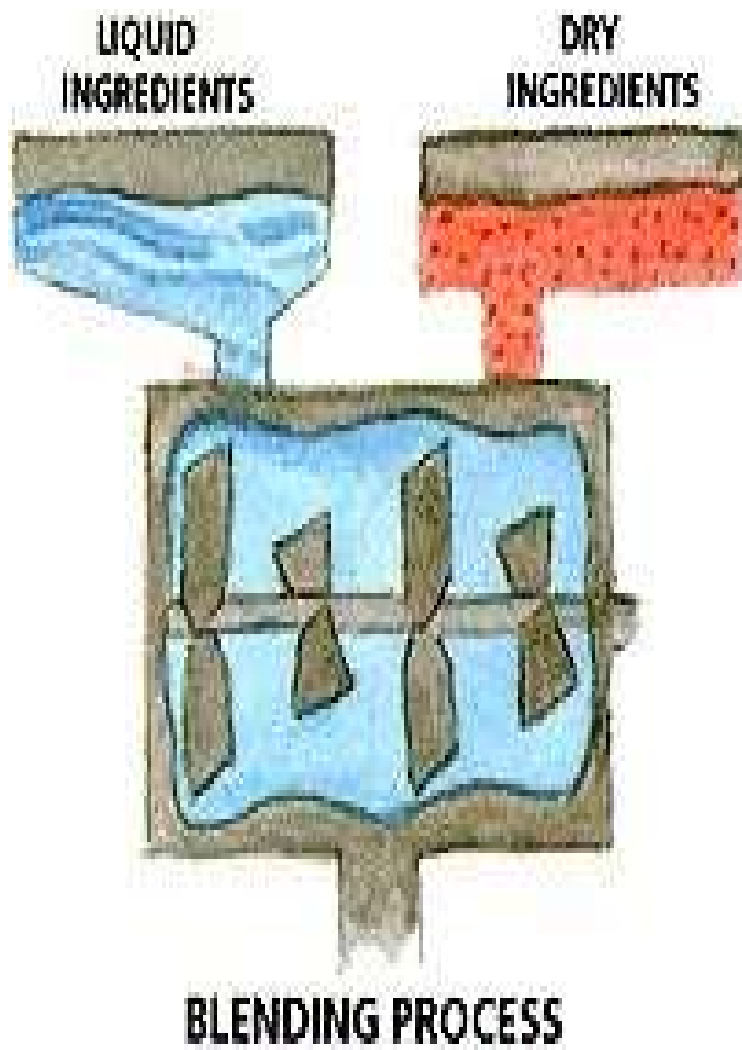
2.2. Production process

The main goal of this project is making a homemade liquid soap by combining chemicals with a simple recipe and a light mixing machine.

Material inputs and utilities to be used in the project

List of materials are:

- Simple mixer machine which can be made locally with small capacity generator fitted with 200 to 1000 liter container.
 - ✓ Alkyl sulphonic acid 96%
 - ✓ Caustic soda Flake 99%
 - ✓ Sodium Silicate



- SLES
- salt and perfume
- Water (H₂O)

In General, the nature and appropriateness of the manufacturing process and technical design of this project is simple and affordable enough.

Process of production

To produce 100Litter of liquid laundry soap

1. Alkyl sulphonic acid 96%/LABSA/----1.8 Kg
2. Sodium lauryl ether sulphate ----- 7 kg
3. Caustic soda Flake 99%----- 200 gm
4. Sodium Silicate -----1.7 kg
5. Salt----- 9 kg
6. Colour-----0.1gm
7. Perfume -----20 ml
8. Water-----80.3 litter

In a typical continuous process, dry and liquid ingredients are added and blended to a uniform mixture using the mixers. And after finishing the production the producer should check the level of Acidity as well as the alkalinity of the product by using the PH meter or PH paper. This is mandatory before the product is distributed to the market.

3. MARKET DESCRIPTION

3.1 Demand and need Assessment

This is the initial and primary part of the project activity that involves how much the product (homemade Liquid soap) is wanted and how many of the society are using the product as well in the selected area (gonder kebele 18).

This assessment is really mandatory for this project because the target of the company is to create business channel and to have opportunity. For this reason we tried to have appropriate information about;

- The potential users of this product.
- The sustainability of the need for the product.
- The cost and price analysis per unit of product.
- Identify appropriate channels of distribution.
- Identify constraints administrative, technical, and legal etc.

3.2. The potential users of this product

The product is a day to day consumption of the community for their personal and household usage. And study identifies that households, wholeseller, small shops as a retailer, car wash, and Garages are the potential users of this product. So, the primary customers will be local community, hotels, restaurants and institutions (the cafeteria and lounges found in gonder University).

3.3. Market size and trends

The product can be sold directly to bulk buyers. For individual buyers existing outlets such as super markets and specialized food baking items department stores can be used.

3.4. Competition

There are some small sized individual household that produce the product in the town. In which thus are not such strong competitors in the market by taking the higher demand of the population into consideration.

Hygiene is really mandatory for any human being and it should be the primary practice for our society.

Even if liquid detergents are important for our society to have pleasant, comfortable, time saving and easy cleaning the price of those items are not easily affordable for the low level of the community.

Therefore, homemade liquid detergents are the best solution to address the need of little income as well as the middle income society with different types, standards and volumes

.

3.5. The business positioning and pricing strategy

The products are going to be distributed either directly to the nearby individual customers or indirectly to the distributors. The envisaged business, as a new entrant into the market, has to penetrate the market and create awareness and product loyalty first. Therefore, the objective of the pricing policy should be to gain a foot hold in the market, get a sizable market share and attempt to sustain a reasonable profitability, which at the initial stage, could only be achieved through charging of lower prices that could influence users of the product.

3.6 Promotion strategy

The store's promotion strategy will be based on the following elements:

- Developing good relationships with other producer of the product that would receive a percentage of sales to the referred customers.
- Word of mouth referrals generating sales in the local community through customer referrals.
- Advertising using brochures and fliers.

3.7 SWOT Analysis of the sector

This project is very good for creating own Job and good for the society to have an affordable product that is comfortable and suitable to use in its nearest areas so that can save the time and labor time.

Strength

- Commitment of the members to run the business as they are visionary groups.
- Similar economic and social status that enables the members to work and communicate easily.
- The potential for future specialization with quality service provision both at national and international level. It will encourage youths to create their own job and invest their money and time to produce this product in a simple way.

Weakness

- Slow adoption of automation in production system.
- Lack of capital to invest in assets, equipment and inputs that would improve quality are the major challenges faced by the market value chain.
- Lack of experience to create project proposal documents.
- Lack of laboratory and solution checking skill.
- Opportunities
- Support and incentives from the government.
- Availability of infrastructures.
- Availability of cheap labor force.
- Low production costs.
- Domestic Consumption
- Availability of demand for the product.
- Easily can enter to the market.
- Suitability for Social and environmental aspects.
- Threat
- Some sellers may add water into the soap
- Natural disasters
- The government legal process that couldn't accommodate to permit this kind of small scale projects.

4. Organization

4.1. Form of ownership

The business will be set up as a strong partnership in a term of agreement sharing the profit or lose equally, it will have ten members.

Owners:

ashenafi habte..... +25136102504

Human resources

Qualification	Qualification	Experience	Quantity	Salary
	Position			
BA degree in marketing and sales management	Gene manager	1 year	1	8900
BA degree in Accounting	Accountant	1 year	1	7250
Diploma in purchasing	purchaser	1 year	1	5100
Certificate in purchasing	storekeeper	1 year	1	4300
Certificate in sale management	Sale person	1 year	1	750
Certificate in secretarial science	Cashier	6 months	1	500
12 th grade	Secretary	1 year	2	600

Management

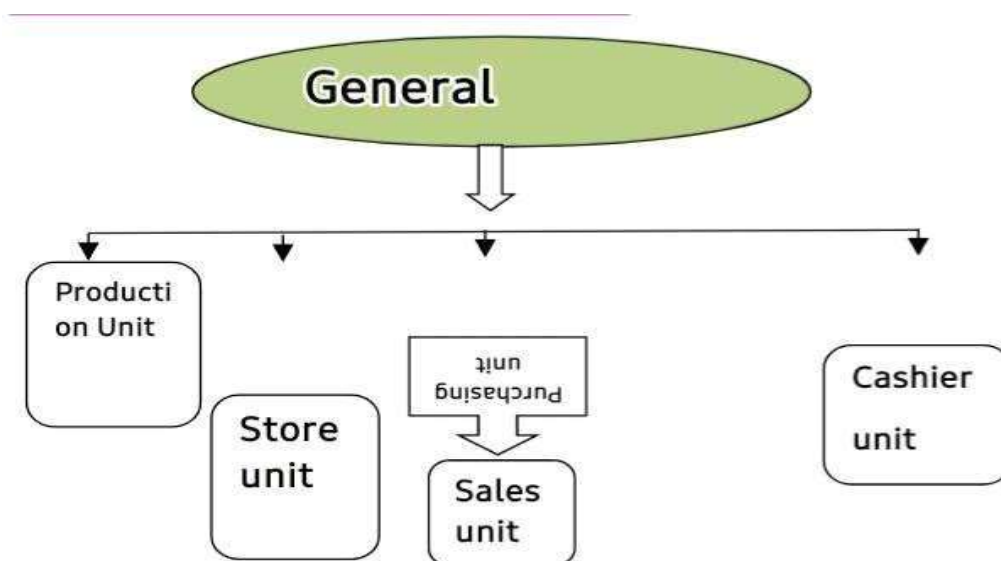
The business will be managed by the person who is graduated in marketing and sales management because it is assumed that he or she will have a general understanding about a business. So the business will be managed better by marketing manager.

Responsibilities

- The marketing manager will be responsible to manage and supervise all the business activities and human resource.
- The accountant will be responsible to keep records of all transactions and report the financial position (profit or loss) of the business.
- The cashier will be responsible to receive payment.
- The purchaser will be responsible to arrange and put inventories on the store by their respective order and to make available/to make inventories out of the while purchase order comes.
- The sales person will be responsible to provide information about the quality, price and other aspects of the product and to make sales.
- The secretary

General Manager

4.2 organization chart for the business



5. Risk analysis

The uncertainties face on this project is the way how the good and perfect recipe will apply on the production period and the availabilities or raw materials in the market.

Raw materials are chosen according to many criteria, including their human and environmental safety, cost, compatibility with other ingredients, and the form and performance characteristics of the finished product. While actual production processes may vary from manufacturer to manufacturer, there are steps which are common to all products of a similar form.

The flexibility of the production can be limited by the producer of the product.

In the event of major change in the market, we might see some reduction in revenue. We feel that we are sufficiently aware of potential risks and have contingency plans in place to either minimize or eliminate them.

6. Financial Plan

Financial analysis evaluates the feasibility of the project from costs and benefits perspective and helps in deciding whether to accept or reject the project.

6.1 Cost of plan

Initial investment cost (in birr) –include

Machinery and equipment-----400,000 Legal fee

for license and others-----30,000

Pre-production marketing costs-----70,000

Operating cost

Advertisement cost 10,000

Material cost..... 80,000

Utilities30,000

Wages and salaries	200,000
Rent	110,000
Installation cost.....	70,000

6.2 Income statement Liquid Soap **Income statement**

For the year ended June 2017 E.C

Revenue

Fees earned-----1,500,000

Less operating expense

Rent expense -----110,000

Utility expense-----30,000

Advertising expense -----10,000

Salary expense-----200,000

Material cost-----80,000

Cost of machinery and equipment-----400,000

Miscellaneous expense-----100,000

Total operating expense-----930,000

Net income-----570,000

6.3 statement of financial position BEKASGONDER liquid soap

Balance Sheet

June 30, 2017 E.C

Asset

Cash -----100,000

Account receivable-----180,000

Inventory-----	190,000
Supplies-----	200,000
Equipment and machinery-----	400,000
Less depreciation-----	50,000
Total asset-----	1,020,000
Liability and Owner's equity	
Liability-----	600,000
Owner's equity-----	420,000
Total Liability & owners' equity-----	1,020,000

6.4 Statement of Cash Flow Debirsh liquid soap

Statement of Cash Flow

For the year ended June 2017 E.C

Cash flows from operating activities:

Cash received-----	70,000
Less: Cash payment for expense-----	30,000
Net cash flow -----	40,000

Cash flow from investing activities:

Cash received as owner's investment-----	50,000
Less: Cash withdrawal by owner-----	20,000
Net cash flow-----	30,000

Cash from financing activities:

Cash received-----	60,000
Less: Cash paid-----	30,000
Net cash flow -----	30,000

6.5. Source of Finance

Initial capital fund

BEKASGONDER liquid soap will set up its business with capital of birr 1,000,000. The source of finance will be 30 %(300,000) from owners' fund & the remaining 70 %(700,000) from financial institutions or banks.

6.6 Break-even Analysis

By definition: break-even is where Total revenue (TR) =Total cost (TC)

Also by definition

$$TR = \text{selling price (SP)} * \text{Quantity (Q)}$$

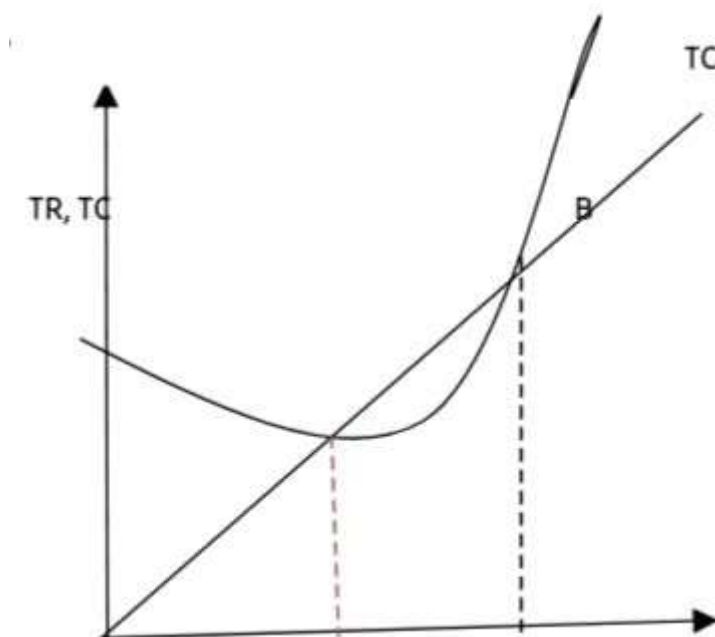
$$\text{And (TC) = Total fixed cost (TFC) + Total variable cost (TVC)}$$

Thus: $SP * Q = TFC + TVC$, where $TVC = \text{variable cost /unit} * Q$

$$\text{So, } SP * Q = TFC + (VC/\text{unit} * Q)$$

$$SP * Q - (VC/\text{unit} * Q) = TFC \quad Q (SP - VC/\text{unit}) = TFC$$

$$Q = TFC / SP - VC/\text{unit}$$



summary

In conclusion, the **Debirsh** liquid soap business plan presents a promising opportunity to launch a sustainable and environmentally-friendly cleaning product into the market. With its unique formulation using natural and biodegradable ingredients, **Bekasgondar** liquid soap has the potential to cater to the growing demand for Gondar-friendly alternatives in the cleaning industry. By emphasizing the benefits of **BekasGondar** liquid soap, targeting the right market segments, implementing effective marketing strategies, and ensuring financial viability, this business venture can make a significant impact on both the market and the world. Through innovation and a commitment to sustainability, **BekasGondar** liquid soap has the

potential to not only provide consumers with a superior cleaning product but also contribute to a greener and healthier future.

Reference

➤ Project planning and management assignment handout

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