



Pure Flow

Business Plan

This document details the strategies for positioning Pure Flow as a profitable and reliable supplier of bulk water and bottled water in Zimbabwe and the Region for at least 100 years.



PAYSALE

Convinient.Innovative.Reliable

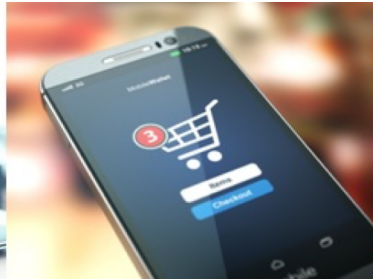


Table of Contents

1-Executive Summary.....	3
1.1 Objectives.....	3
1.2 Mission	3
1.3 Keys to Success.....	4
2-Company Summary.....	4
2.1 Company History	5
2.2 Company Ownership	5
2.3 Company Locations and Facilities.....	5
2.4 Products.....	5
2.5 Technology	7
3-Market Analysis Summary	9
3.1 Market Segmentation.....	9
3.2 Target Market Segment Strategy	11
3.3 Industry Analysis.....	12
4-Strategy and Implementation Summary	16
4.1 Positioning Through Brand Development	16
4.2 Competitive Edge	16
4.3 Marketing Strategy.....	17
4.4 Sales Strategy	18
4.5 Strategic Alliances	19
4.6 Milestones	19
5-Web Plan Summary.....	20
5.1 Website Marketing Strategy.....	20
5.2 Development Requirements	21
6-Management Summary	21
6.1 Organizational Structure	21
6.2 Personnel Plan	21
7-Financial Plan	22

1-Executive Summary

Business Overview

Bottled water is one commodity that is consumed in all parts of the world and of course those that are in the business of producing bottled water are known to generate sales year in year out if the business is well – managed. As a matter of fact, economic downturn hardly affects the consumption of bottled water simply because it is a commodity that is as important as the air we breathe in.

Likewise, bulk water is a major required essential in supplying clean water to communities which have no access to treated piped water, as well as for companies which require pure water for key industrial processes.

The City Council in Harare, Zimbabwe is still facing undeniable challenges in supplying adequate treated water to residents and companies primarily due to limited resources in setting up and maintaining effective water treatment plants in the City. (according to xxx). Therefore because of this gap in clean water supply, Pure Flow Pvt Limited is a water factory being established to contribute to provision of clean water to individuals and companies.

1.1 Objectives

Pure Flow's objectives are:

- To make Pure Flow an icon brand.
- To reliably supply at least 30000 litres of clean water per day to industrial and bulk water supply companies by December 2019
- To sell at least xx bottles of well packaged, pure water to institutions and individuals by December 2019
- To create an infrastructure for the fulfilment of Web-based sales.

1.2 Mission

Pure Flow 's mission is to consistently provide high quality, well packaged bulk water and bottled water products to individuals and companies.

We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services must exceed the expectations of our customers.

1.3 Keys to Success

Pure Flow's keys to success are:

- ✓ Marketing.
- ✓ Web design.
- ✓ Product quality.
- ✓ First-rate Service.
- ✓ Fast delivery
- ✓ Consistency
- ✓ Reliability

2-Company Summary

Pure Flow is a private company, initiated by the Heartfelt Media Department and owned by **Heartfelt International Ministries**. Pure Flow's goal is to become the market leader in sales and marketing of pure water products in the Southern African Region.

2.1 Start-up Summary

Pure Flow will incur the following start-up costs:

- ✓ Material to setup a bulk water collection system i.e. 6 x 10000 litre tanks, Water pressure pump (discharge rate: 500litres/minute), Pvc pipes, Flexible, canvas pipe
- ✓ Office furniture, including a desk, chair, and filing cabinets
- ✓ Web development
- ✓ Stationery
- ✓ Brochures
- ✓ Legal fees
- ✓ Phone line, cell phone
- ✓ Generator
- ✓ Computer system with the Microsoft Office Suite, Online order processing software, printers

START-UP REQUIREMENTS	
<i>Start-up Expenses</i>	
Legal	\$1,000
Stationery etc	\$200
Web development	\$10,000
TOTAL START-UP EXPENSES	\$11,200
<i>Start-up Assets</i>	
Cash Required	\$65,600
Other Current Assets	\$0
Long-term Assets	\$3,200
TOTAL ASSETS	\$68,800
Total Requirements	\$80,000

START-UP FUNDING	
Start-up Expenses to Fund	\$11,200
Start-up Assets to Fund	\$68,800
TOTAL FUNDING REQUIRED	\$80,000
<i>Assets</i>	
Non-cash Assets from Start-up	\$3,200
Cash Requirements from Start-up	\$65,600
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$65,600
TOTAL ASSETS	\$68,800
<i>Liabilities and Capital</i>	
<i>Liabilities</i>	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$0
<i>Capital</i>	
<i>Planned Investment</i>	
Heartfelt International Ministries	\$45,000
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$80,000
Loss at Start-up (Start-up Expenses)	(\$11,200)
TOTAL CAPITAL	\$68,800
TOTAL CAPITAL AND LIABILITIES	\$68,800
Total Funding	\$80,000

2.2 Company Ownership

Pure Flow, located in Ashdown Park, Harare, is a water bottling business that sells bulk water and bottled water units to end consumers and companies. The establishment of Pure Flow Water Factory was initiated by the Heartfelt Media Department with the objective of raising funds to purchase and maintain Media equipment as well as funding Media activities such as production of a freely distributed Magazine. X% of monthly profit will be reserved for capitalising Media activities. Pure Flow will be formerly registered in Zimbabwe as a private limited company wholly owned by Heartfelt International Ministries.

The company intends to recruit a sophisticated team of professionals to coordinate order processing, packaging, delivery and ensure customer satisfaction and engagement. It is forecasted that we will reach profitability by month 12, and we will earn modest profits by year three.

2.3 Company Locations and Facilities

The business will be based at Heartfelt International Ministries premises in Ashdown Park, Harare.

2.4 Products

Pure Flow will take advantage of its easy access to huge supply of clean borehole water at Heartfelt's International Overflow Centre to supply the market. Two different products will be sold:

1. **Bulk water** - structures will be made to facilitate selling of bulk water to companies and distributors of clean water.
2. **Bottled Water** - a water testing, purification and packaging system will be installed to package well branded, pure water for public consumption.

2.5 Technology

2.5.1 Paysale product journey

Paysale will strive to ensure the following steps are observed when processing each order to ensure customer satisfaction and loyalty. Below is a synopsis of each product's journey from order placing to delivery:-

Step	Description	
Order placement		
Order processing		
Order packaging		
Product delivery		

2.5.2 Start-up equipment

Paysale intends to procure modern equipment for xxx . Below are price quotation so far received from equipment suppliers for the equipment needed to start operations:-

Equipment and Tools	Description	Price (ex-factory)
Diamond Planner Equipment , Model: Magnus Digital 12mm	The planner can handle stone sizes: 0.01 carat to 12.00 carat	\$23,450
Diamond Security System, Model: Smart-i (15)		\$16,050
Polishing benches x 2		\$1,400
Total		\$159,400

Note: Total price will likely double with shipping and duty charges; Amount sought for Equipment is ~\$320,000

3-Market Analysis Summary

The market for purified water has grown to over \$xxx million annually in Zimbabwe and \$xxx in Africa. This market is lead by the xxx (which customer category???) Baby Boomer who is concerned with his/her mortality, looking and feeling good. Also, there has been a paradigm shift of xxx.

3.1 Market Segmentation

A significant global trend is xxx. As seen by the success of Vivon and ZLG, consumers are comfortable buying bottled water in an effort to minimise consumption of material which is degenerative to personal health. Xxx predicts purified water sales to grow to \$xxx million by 20xx.

This enthusiasm about consuming purified water is not irrational but grounded in reality in light of consistent challenges in supply of clean water by the City Council of Harare. According to xxx, the condition of Harare tap water is xxx.

Producing bottled and bulk water is a very efficient production and distribution model to improve access to potable water in the city, that if done right, significantly xxx. Pure Flow will harness these efficiencies and will grow intelligently by paying attention to customer feedback and prioritising reliability and consistency.

MARKET ANALYSIS					
		Year 1	Year 2	Year 3	
Potential Customers	Growth				
Baby boomers	9%	64,785	70,616	76,971	
Other	8%	40,000	43,200	46,656	
Total	8.62%	104,785	113,816	123,627	

3.2 Industry Analysis

The purified water market is a semi-mature market characterized by high-growth rates, medium barriers to entry, and a few large competitors. Despite the competition in the market, many companies have reported annual growth levels of xxx%. The market leaders are as follows:

- Vivon (specialty and coverage???)
- ZLG (specialty and coverage???)

The primary channels of distribution in this market are ???:

- Mass market retailers (Fred Meyer, Rite Aide).
- Direct Sales organizations.
- Health Food Stores (GNC).
- Mail order catalogs and the Internet.

3.2.1 Competition and Buying Patterns

Within the mass market retailer channel, the three main primary product categories are national brands, broad-line brands, and private label brands. The national and broad line brands consist of xx% of the domestic market, which the private label brands account for the remaining xx% of the market.

National Brands

Examples: , xxx.

Generally provide snacks , do not provide a full line of xxx.

Broad-line Brands

Examples: Rexall Sundown, GNC's Nature's Fingerprint, Country Life.

Full lines of produce under one brand.

Manufactured by company.

This is the market segment where most of the product development and innovation occurs.

Stronger potencies and cutting edge ingredients.

Highest price.

Private Label Products

Examples: NatureMed.

Under retailer's name.

Smaller line of products than broad-line brands.

Manufactured by a third party.

More conservative potencies than broad line.

Tend to be the cheapest.

Competitive Analysis Table

Competitors	C	I	S	Simplicity	Trust	Customer Service	High Touch	Selection
Diamonds.com	+	++	+	Yes	Yes	Yes	No	Good
Blue Nile	+	++	+	Yes	Yes+	Yes	No	Very Good
Diamond.com	+	++	+	Yes	Yes	Yes	No	Very Good
Best Gem	+	+	+	Yes	Yes	Yes	No	Very Good
Mondera	+	++	+	Yes	Yes+	Yes	No	Very Good

C= Connectivity; I= Interactivity; S= Speed

4-Strategy and Implementation Summary

The Water Factory will be aggressively courting personal contacts. Once contacts have been turned into customers, Pure Flow will then attempt to turn them into sales agents for the company. The advantage for them is that they get products at wholesale and receive recurring revenue for sales people they recruit. The Water Factory benefits as it gets the recurring revenue for all sales that are made by Pure Flow's customers or the sales agents of its customers. It is a win-win situation and can be easily presented as such.

SALES AND MARKETING STRATEGY

In order to continue to be in business and grow, we will adopt the following sales and marketing approach to sell our products:

- Introduce our bottled water brand by sending introductory letters to residence, bottled water merchants and companies.
- Engage in road shows in targeted communities from time to time to sell our products
- Advertise our products in local newspapers and publications
- Leverage on the internet to promote our bottled water and bulk water brands
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)

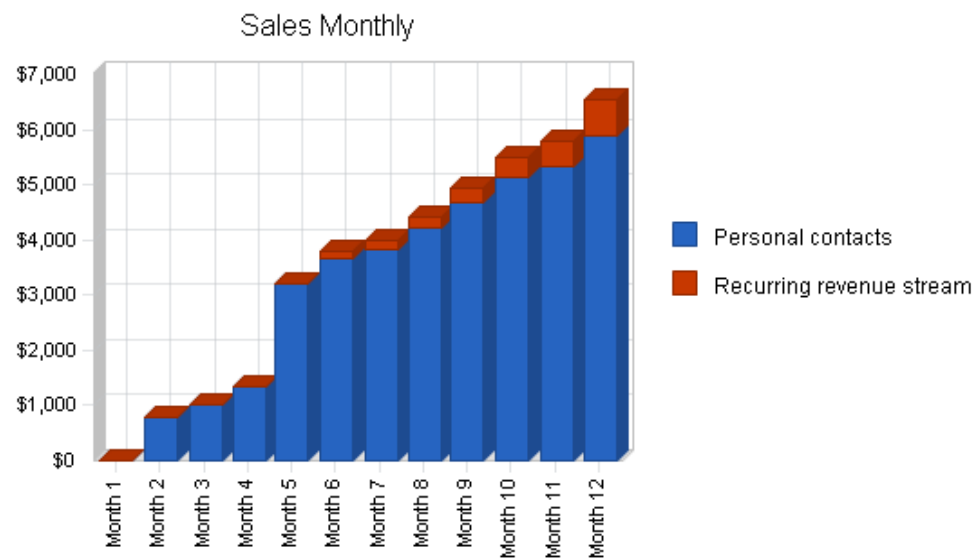
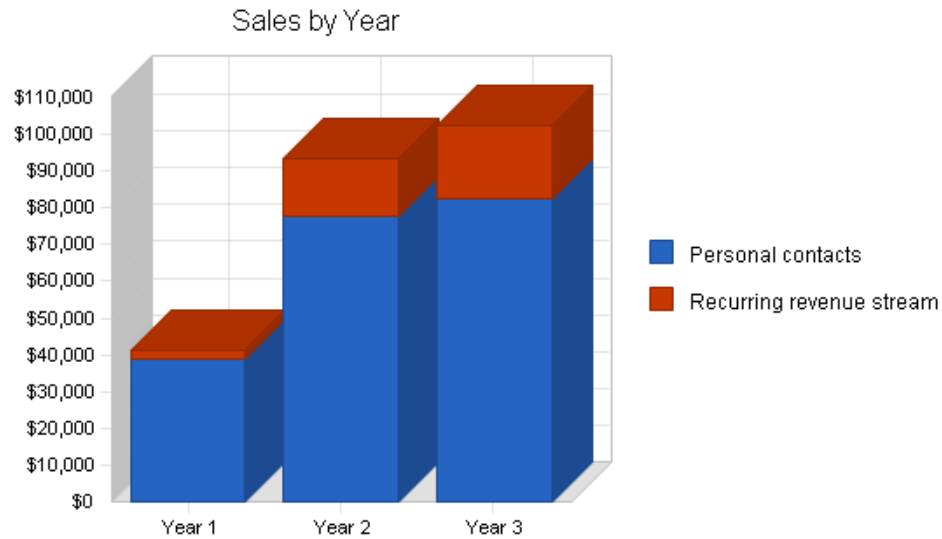
4.1 Sales Strategy

The Pure Flow Water Factory's sales strategy will be based on leveraging personal contacts. Typically, an informal meeting will be set up with the prospective customer. A brochure will be introduced with product information about the water filters. Then, quantitative information will be introduced explaining really how much people are spending on bottled water and how much money could be saved by using a water filter.

4.2 Sales Forecast

The first month will be spent setting up the office. There will be no sales activity. Additionally, we will be ordering products to use as samples.

The second month will be the first month of sales. During this month the company will have signed people up and revenue will be trickling in. It will not be until month five when revenue begins to get strong. Month six will be the first month when the recurring revenue will come in from Pure Flow's recruited sales people.



Sales Forecast

	Year 1	Year 2	Year 3
Sales			
Personal contacts	\$39,091	\$77,854	\$82,547
Recurring revenue stream	\$2,189	\$15,447	\$19,874
Total Sales	\$41,280	\$93,301	\$102,421
Direct Cost of Sales			
Personal contacts	\$19,546	\$38,927	\$41,274
Recurring revenue stream	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$19,546	\$38,927	\$41,274

4.3 Milestones

The Pure Flow Water Factory will have several milestones early on:

1. Business plan completion. This will be done as a road map for the organization. While we do not need a business plan to raise capital, it will be an indispensable tool for the ongoing performance and improvement of the company.
2. Office set up.
3. First recurring revenue to come in.
4. Profitability solely from recurring revenue.

Milestones					
Milestone	Start Date	End Date	Budget	Manager	Department
Business plan completion	1/1/2001	2/1/2001	\$0	ABC	Marketing
Office and Factory set up	1/1/2001	2/1/2001	\$0	ABC	Department
First recurring revenue to come in.	1/1/2001	5/1/2001	\$0	ABC	Department
Profitability solely from recurring revenue	1/1/2001	9/1/2001	\$0	ABC	Department
Totals			\$0		

4.4 Our Pricing Strategy

When it comes to pricing for products such as bottled watered, there are two sides to the coin. We are aware of the pricing trend in the bottled water production industry which is why we have decided to produce various sizes of bottled water.

In view of that, our prices will conform to what is obtainable in the industry but will ensure that within the first 6 to 12 months our products are sold a little bit below the average prices of various bottled water production and bulk water supply brands. We will put in place business strategies that will help us run on low profits for a period of 6 months; to encourage people to buy into our bottled and bulk water brands.

4.4.1 Payment Options

Our payment policy is will be all inclusive because we are quite aware that different people prefer different payment options as it suits them. Here are the payment options that will be available to facilitate payments;

- Payment by cash
- Payment via Point of Sale (POS) Machine
- Payment via online bank transfer (online payment portal)
- Payment via Mobile money

In view of the above, we will choose a bank that will help us achieve our payment plans without any hitches.

5-Web Plan Summary

Pure Flow will use its website as the catalog and ordering device. The website will be a complete product offering as well as to provide company information.

The website will be designed with simplicity in mind. It is imperative that customers are able to navigate throughout the site intuitively with no problems. Pure Flow will be benchmarking websites such as Amazon's to develop a best practices for the different elements of the site.

A phone number will be offered on the website to remedy and problems that customers encounter.

5.1 Website Marketing Strategy

The website will be marketed through search engines such as Google and Yahoo. In addition to advertisements on search engines, Paysale will advertise with websites that have similar customer demographics. The cost of Internet advertising has dropped significantly with the collapse of so many dot-coms that it has become quite cost effective.

5.2 Development Requirements

Partson Manyika (Codex) will be responsible for site development. Partson will be hiring a programmer to assist him starting month four.

In developing this high-tech website, Pure Flow will utilize mainly Wordpress, as well as open source software to achieve cost efficiency in this area. Initially Partson, ultimately the Head of IT will be responsible for the development of both front-end and back-end of the website. An in-house programmer will be responsible for creating the program that will enable these new features, while for data entry, image cropping, and simple programming. Paysale will use temp workers to help minimize the budget. Temp workers will also be contracted on an 'as-needed' basis in the maintenance and update of the website.

6-Management Summary

6.1 Management Profiles

To roll out the implementation, a professional, qualified team needs to be recruited to ensure success. Management Team members will include

Partson Manyika – Web & Systems Development Expert

Partson has over eleven (11) years' experience in web and systems development, E commerce and Mobile App development. He is also the Deputy Director of Media and International Relations in Heartfelt International Ministries, a role which has equipped him with invaluable experience in print, video, audio and social media.

Marceline Manyika – Business development, Analytics & Data Visualization Expert

Marceline has worked in planning, monitoring, evaluation and learning roles for 5 years in the NGO sector and has 9 years' experience in data analysis and visualization in the private sector, 3 years experience in business and system development.

There are important gaps as follows:

- Customer service representative/manager.
- Distribution/warehouse manager.

6.2 Personnel Plan

Partson and Marceline will be on the payroll starting month one and a marketing specialist, customer service agent and distribution agent will be hired for month two.

One programmer in addition to Partson will be hired in month four.

PERSONNEL PLAN			
	YEAR 1	YEAR 2	YEAR 3
Partson Manyika			
Marceline Manyika			
Marketing Specialist			
Customer service			
Distribution			
TOTAL PEOPLE	5	5	5
TOTAL PAYROLL	\$X	\$X	\$X

7-Financial Plan

Our financial plan is based on our overall strategy of new market development. We will set our margin at 35% to increase our appeal to a wider audience. With lower prices, we must rely on online marketing efforts and local wholesalers to maintain and enhance the prestige of our brand.

7.1 Important Assumptions

Our conservative sales projection assumption is the company will be able to achieve at least 20% annual sales growth as a result of the defined product portfolio, revamping the technology, in addition to building a stronger image brand.

7.2 Key Financial Indicators

To boost sales volume, we will operate on a gross margin of 35% of all loose diamond sales. Based on our estimated operating expense monthly, we expect to generate more sales to cover our fixed expenses.

7.3 Projected Profit and Loss, Break-even Analysis, Projected Cash Flow, Balance Sheet

Our estimated Annual Sales Forecast, Personnel Plan and Proforma Profit and Loss sheets are presented in the accompanying table and charts.