

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.

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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.

2-The Company

Pure Flow is a private company, 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.

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.

**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. **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 will exceed the expectations of our customers.

**1.3 Keys to Success**

Pure Flow's keys to success are:

* Marketing.
* Website.
* Product quality.
* First-rate Service.
* Fast delivery
* Consistency
* Reliability

**2.2 Our Services**

We specialize in supply of clean, bulk water to your home, office, business, or construction site. With an initial target focus area of Harare and its surroundings.

**2.2 Growth Approach**

The company intends to approach growth and service delivery in phased approach.

**FIRST PHASE**

Will focus on setting up for bulk water retailing. This approach will not require us to invest heavily in equipment i.e. purification equipment, packaging and warehousing facilities. Investment will be made in laying out 10 000l tanks connected together from source using pvc pipes

**SECOND PHASE**

Using experience, profits and exposure realised from the first setting phase, the company will introduce bottled water and ice block products. Targeting wholesalers, supermarkets, government departments, corporates, event organisers etc. Due to nature of products produced here, we will have to invest in proper clean warehousing facilities, as well as meet all required licencing demands.

**2.3 SWOT Analysis**

|  |  |
| --- | --- |
| **STRENGTHS**   * Huge water supply * Creative team | **WEAKENESS**   * Limited capital |
| **OPPORTUNITIES**   * Introduce affordable products | **THREATS**   * Unstable economy |

3-Market Analysis Summary

The market for bulk water supplies is still growing, quick research from Zinwa website indicate that they are about 16 registered companies operating in this area with potentially unknown number unregistered companies.

**3.1 Market Segmentation**

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 ???:

**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 | |
| *Start-up Expenses* | |
| Company Registration | $300 |
|  |  |
|  |  |
| Stationery etc | $200 |
| **TOTAL START-UP EXPENSES** | **$11,200** |
| *Start-up Assets* |  |
| 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** |
| *Assets* |  |
| 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** |
| *Liabilities and Capital* |  |
| *Liabilities* |  |
| Current Borrowing | $0 |
| Long-term Liabilities | $0 |
| Accounts Payable (Outstanding Bills) | $0 |
| Other Current Liabilities (interest-free) | $0 |
| **TOTAL LIABILITIES** | **$0** |
| *Capital* |  |
| *Planned Investment* |  |
| 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 |

**2.3 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.
3. **Ice blocks** – processed water will be iced and packaged to offer another product.

4-Strategy and Implementation Summary

Pure Flow 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. Pure Flow 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). Taking advantage of our church memberships.

**4.1 Sales Strategy**

Pure Flow'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 little sales activity mainly through our church audience. 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.

**4.3 Milestones**

Pure Flow 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 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 other successful websites in our industry 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.

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

|  |  |  |  |
| --- | --- | --- | --- |
| **PERSONNEL PLAN** | | | |
|  | ***YEAR 1*** | ***YEAR 2*** | ***YEAR 3*** |
| General Manager | 1 |  |  |
| Marketing Manager | 1 |  |  |
| Production | 4 |  |  |
| Customer service Consultant | 1 |  |  |
| Distribution | 2 |  |  |
| **TOTAL PEOPLE** | **9** |  |  |
| 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.