

ABDUL BEST BAKERS LTD

LOCATED IN

KAWANDA, WAKISO DISTRICT

ALONG BOMBO ROAD

P.O BOX 1223

TEL 0706347560

E-mail; abdulbekary@gmail.com

DRAFTED BY

EXPECTED START UP AMOUNT: UGX 225,340,000

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CHAPTER ONE

1.0 EXECUTIVE SUMMARY

The business name is ABDUL BEST BAKERS LTD located along Bombo road

Kawanda Wakiso District 1km from the main road on a privately owned land.

The products of the business will be bread and donates. The business Goal is to be leading providers of bakery services in 5 years and the mission is to provide good quality products to the people of Wakiso. The business will use all the required marketing techniques so as to attract customers like television and radio adverts. The expected marketing cost is UGX 7,750,000 only.

There will be need of daily ingredients for production like wheat flour ,butter, sugar among others and these will only cost UGX 4,300,000 .The specialized labour will only cost UGX 176,000 daily implying daily production will only cost UGX 4,476,000.

Management and Administration of the business will only have highly qualified personnel yet there pay will be very affordable .They are highly motivated to serve their duties for business prosperity. It will only cost UGX 232,000 for their daily salary altogether.

For all the business operations , it will require total funding(capital) of only UGX 225,840,000 and of which 40% is already catered for.

The business will have high returns and in a very short time. It will be able to earn profits of UGX 7,167,900 monthly which is of great margin. This is a very viable business for investment.

CHAPTER TWO

2.0 BUSINESS DESCRIPTION

The name of the business is ABDUL BEST BAKERS LTD

This name was selected because of its reputation in the region.

ABDUL was well known for his contribution toward the development of his area. He had a charity organization which helped orphans (orphanage).

He used to donate to the old and also sponsored student in higher institutions.

Because of his reputation, he becomes a Nominal partner (Quasi partner).

2.1 Business Location.

The business will be located in Kawanda Wakiso District 1km from Kawanda trading center along Bombo road

P.O.BOX 1223

Tel

E-mail abdul_bekary@gmail.com

Kawanda was selected because of cheap labour, well developed transport network system for easy accessibility to market centers, steady supply of electricity, good security and also no need for rent since am in possession of Land premises for business operations.

2.2 Business legality

The business will be a registered and licensed entity dealing in baking of two different products that is bread and donates .

2.3 Business products

We shall be baking family bread both sweet and salty of different sizes and Kilograms, sweet bans of different sizes and donates of two different sizes. Our products will be different from other businesses in a way that they will be

Produced in different colours say brown and yellow.

The business will be providing delivery services to its customers in distant Places, individual customers from Kawanda will acquire our products a factory Prices even when they purchase in small quantities. Our products on market will be of standard quality different from other business to satisfy customer needs, they will be a little durable from other business products and will be of more grams than the usual products on market and is case of expiry, the business will collect the products for reprocessing.

CHAPTER THREE

3.0 BUSSINESS MISSION AND GOAL

3.1 Mission Statement

“To provide high quality products to the people of wakiso”

3.2 Goal Statement

“To be the leading providers of bakery services in 5 years”

3.3 Objectives of the business

- To provide employment opportunities to the people of kawanda.
- To make profits through providing quality products.
- To provide market for other business entities.
- To increase on government revenue through paying tax.
- To train other people on bakery services like students.

CHAPTER FOUR

4.0 MARKETING PLAN

The business will do the following so as to make the public aware of Products.

4.1 Through posters and fliers.

There will be distribution of poster and fliers in the community. These will clearly show the location of the business, products and services provided. This will be done by sales personnel's for a specified period, who will be moving around and also explain to people about the quality of the products. They will also visit potential customers to negotiate contracts of supply

4.2 Through radio advertisement.

Adverts will be running on different radio stations for a specified period of time on different radio programs. It will be effective because most people listen to radios both at home and at work and almost all levels of income earners will be able to get the message

4.3 Through production of quality products

When the products are of good quality and standard, it will attract more Customers to come and buy from us.

4.4 Through selling our products at a relatively cheap price

Since everybody will want quality products at a cheap price, this will help us to increase on our market shares.

4.5 Through providing after sales services

Services like delivery of goods to customers will be provided.

4.6 Through provision of both trade and cash discounts.

Customer who will be buying in bulk will be given trade discounts and those who will be paying promptly will be given cash discounts.

4.6.1 Through television adverts.

This will be effective in that the public will easily distinguish our products from others.

4.6.2 Through newspapers.

This will help target the cooperate class.

4.6.3 The following is the cost of marketing.

Marketing Channel	Volume	Period	Unit Cost	Total Cost
Television Advert	20	One month	UGX150,000	UGX3,000,000
Radio Advert	50	Two month	UGX70,000	UGX3,500,000
Posters	500		UGX700	UGX350,000
Fliers	500		UGX1000	UGX500,000
News paper Advert	20	Two month	UGX 20,000	UGX400,000
TOTAL				UGX7,750,000

CHAPTER FIVE

5.0 PRODUCTIVE PLAN

The business operations and production process will take place in Kawanda town, Wakiso District on Bombo road 1km from Kawanda town. The Operations will be on privately owned premises so there will be no need of rent charges. There will be need of extending piped water to the premises, electric power is available so there will be need of only catering for the bills.

Installation of machinery will also be need.

The business will be producing bread and donates on a daily basis. The business will be able to produce a maximum of one thousand (1000) loaf of bread daily, six hundred(600) packets of bans and also six hundred packets (600) of donates on a daily basis. The raw materials needed will be wheat flour, sugar , baking powder, butter, yeast, cooking oil, food colour and also the packaging material will be needed.

The production process will need machinery for processing the raw materials into finished products. These are;

- A mixer for mixing
- Baking containers
- Proovers involving steam
- Oven
- Cutter for slicing

5.1 The table below shows the costs of the required material for monthly production.

Product	Volume	Unite cost	Total
Wheat flour	15,000kgs	UGX 2000	UGX 30,000,000
Sugar	1,000kgs	UGX 2000	UGX 2,000,000
Salt	500kgs	UGX 400	UGX 200,000
Baking powder	450kgs	UGX 1700	UGX 765,000
Yeast	350kgs	UGX 500	UGX 175,000
Butter	30,000kgs	UGX 3,000	UGX 90,000,000
Water	5,000litres	UGX 10	UGX 50,000
Cooking oil	1,000litres	UGX 3,800	UGX 3,800,000
Milk	4,000litres	UGX 500	UGX 2,000,000
TOTAL SUM			UGX 128,990,000

This means that our daily expenditure on ingredients will be **UGX 4,300,000.**

5.2 The specialized labour will be as follows

Product	Number	Monthly Salary	Allowance	Total
Machine operators	2	UGX 150,000	UGX 100,000	UGX 500,000
Chefs	3	UGX 170,000	UGX 100,000	UGX 810,000

Packers and loaders	10	UGX 100,000	UGX 100,000	UGX 2,000,000
Drivers	2	UGX 150,000	UGX 100,000	UGX 500,000
Cleaners	5	UGX 100,000	UGX 100,000	UGX 1,000,000
Security Men	2	UGX 130,000	UGX 100,000	UGX 460,000
TOTAL				UGX 5,270,000

This means our daily expenditure on salaries and allowance will be **UGX 176,000.**

CHAPTER SIX

6.0 MANAGEMENT AND ADMINISTRATION PLAN

The management positions and qualifications are as follows.

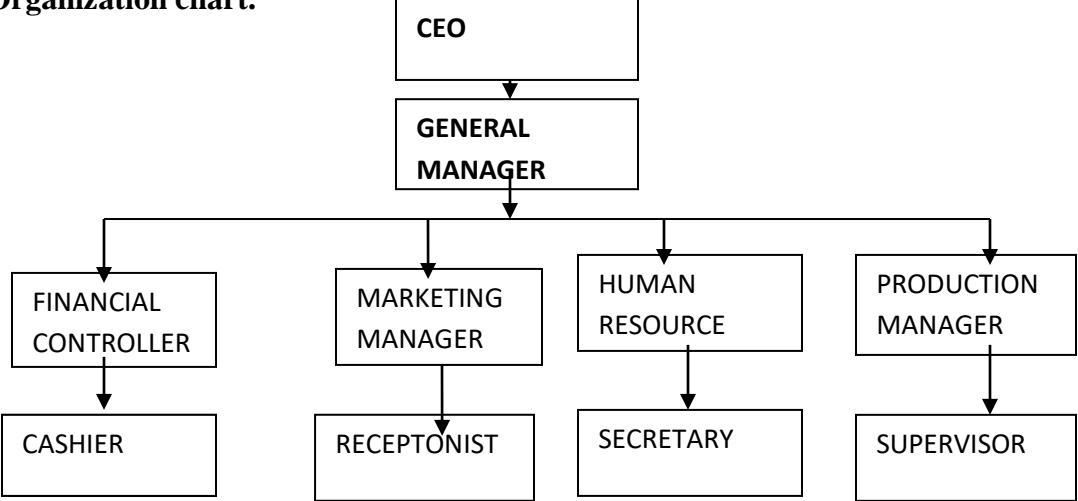
Position	Qualifications	Duties	Reports to
CEO	Degree in business administration and management	To control the overall performance and planning for the business.	
General manager (GM)	Degree or in management and production	To control the actions of other managers performance and accountable for all business operations	CEO
Financial controller (FC)	Degree or a Diploma in accounting	Responsible for all monetary business transactions and evaluating the monthly performance of the business	GM
Production manager (PM)	Diploma in production management	In charge of the production of the business products	GM
Marketing manager (MM)	Diploma in purchasing and supply, and marketing	Marketing the business products and finding potential customers	GM
H. resource manager (HRM)	Degree in social sciences	Responsible for recruiting workers in the business	GM
Secretary	Diploma in secretarial studies	Recording ,filing and all the stationary work	GM
Casher	Diploma in finance	Cash and bank transactions	FC
Supervisor	senior six certificate	Supervising workers	PM
Reception	Senior six certificate	Receiving clients	MM

6.1 Salaries of the administrators

Position	Number	Salary	Allowance	Total
CEO	1	UGX 900,000	UGX 300,000	UGX 1,200,000
General manager	2	UGX 800,000	UGX 250,000	UGX 1,050,000
Financial controller	3	UGX 800,000	UGX 250,000	UGX 1,050,000
Human resource manager	4	UGX 500,000	UGX 200,000	UGX 700,000
Production manager	5	UGX 500,000	UGX 200,000	UGX 700,000
Marketing manager	6	UGX 500,000	UGX 200,000	UGX 700,000
Secretary	7	UGX 300,000	UGX 150,000	UGX 450,000
Casher	8	UGX 300,000	UGX 150,000	UGX 450,000
Supervisor	9	UGX 250,000	UGX 100,000	UGX 350,000
Receptionist	10	UGX 200,000	UGX 100,000	UGX 300,000
TOTAL				UGX 6,950,000

Daily expenditure on administrative salaries will be **UGX 232,000**

6.2 Organization chart.



CHAPTER SEVEN

7.0 THE FINANCIAL PLAN

Particulars	Unit cost (000)	Total cost (000)
<u>Fixed capital requirements</u>		
Mixing machine	-	UGX 10,000
Baking containers	-	UGX 5,000
Cutting machine	-	UGX 15,000
Oven	-	UGX 7,000
Proovers	-	UGX 3,000
Motor van	-	UGX 15,000
Office furniture	-	UGX 3,000
Computers	UGX 1,500	UGX 7,500
<u>Working capital</u>		
Raw materials		UGX 128,990
Salaries and allowance	UGX 408	UGX 12,220
Transport costs	UGX 100	UGX 130
<u>Over head costs</u>		
Administrative	UGX 100	UGX 3,000

Marketing		UGX 7,750
License		UGX 500
Electricity	UGX 200	UGX 6,000
Insurance	UGX 40	UGX 1,200
Registration		UGX 500
<u>TOTAL</u>		UGX 225,840

The business will need a total funding of UGX 225,340,000 million

7.1 Source of funds

Source	Amount	Interest rate	Amount repayable	Mode of payment	Duration
Business loan	UGX 112,920,000	15% UGX16,938,000	UGX129,858,000	Monthly UGX6,492,900	20 month
Own funds	UGX 90,336,000	-	-	-	-
Friends & family	UGX 22,584,000	-	UGX 22,584,000	Monthly UGX1,129,200	20 Month
TOTAL	UGX 225,840,000		UGX 152,104,500	UGX 7,622,100	

7.2 Business transactions for money recovery.

Product produced	Daily production	Monthly production	Unit cost	Daily income(000)	Monthly income(000)
Family bread	1000 loafs	30,000 loafs	UGX 2,800	UGX 2,800	UGX84,000
Bans	600 packets	18,000 packets	UGX 2,000	UGX 1,200	UGX36,000
Donates	600 packets	18,000 packets	UGX 2,000	UGX 1,200	UGX36,000
TOTAL				UGX 5,200	UGX156,000

The business will be earning UGX 156,000,000 million monthly and when we compare it to our monthly expenditure, it will be making great profits as shown below.

Particulars	Monthly expenditure	Monthly income/earnings	Monthly Profit margin
Loan	UGX 7,622,100	UGX 156,000,000	UGX 7,167,900
Administration	UGX 6,950,000		
Specialized labour	UGX 5,270,000		
Raw materials	UGX 128,990,000		
TOTAL	UGX 148,832,100		

The business will making a monthly profit of UGX 7,167,900 so it's viable.

CHAPTER EIGHT

8.0 ACTION PLAN

The funding will be spent as follows so as to start business operations

Activity	Period	Amount needed	person in charge
Registration and license	2 week	UGX 1,000,000	CEO
Installation of furniture	2 week	UGX 3,000,000	GM
Installation of machinery	1 month	UGX 40,000,000	GM
Purchase of motor van	2 days	UGX 1,500,000	PM
Clearing insurance	2 days	UGX 1,200,000	CEO
Purchase of computers	1 week	UGX 7,500,000	PM
Recruitment of workers	1 month	UGX 1,500,000	HRM
Marketing	2 month	UGX 7,750,000	MM
Purchase of raw materials	1 week	UGX 128,990,000	PM

The rest of the capital will remain in the bank to cater for other overhead costs