

**CHRISTIAN SERVICE UNIVERSITY
COLLEGE-KUMASI**

**DEPARTMENT OF BUSINESS STUDIES
BACHELOR OF BUSINESS ADMINISTRATION**

**EEZY KLEEN COMPANY LIMITED
BUSINESS PLAN**

BY

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A BUSINESS PLAN SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES OF CHRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE COURSE CSAD 443 TEAM BUSINESS PROPOSAL.

BY

THOMAS AMPONSAH

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EXECUTIVE SUMMARY

The purpose of this business plan is to serve as a blueprint for operational guidance. The business plan seeks to help managers of the business to manage the business more effectively and efficiently and so this business plan is specially crafted to ease management work in the dispensation of their managerial duties and tasks.

The company is into the production of high quality liquid soap to serve its clients. The company is schedule to begin operations in January, 2012 and to be located at Santasi, within the Kumasi Metropolis. There will be products like Eezy Kleen Floor-Cleaning Liquid Soap and Eezy Kleen Hand and Dish-Washing Liquid Soap. . Not withstanding quality control measures, a part-time Chemist shall be employed to ensure that only the best, in terms of quality products are produced and sold.

The objective of Eezy Kleen Company Limited is to be able to capture one-third of our target market within the first year of operation and become a household name nationwide within the next five years.

The company was formed in September, 2011 and registration form has been submitted to the Registrar General's Department awaiting approval. However, the company shall be managed by an employed team of managers who shall see to the day-to-day operations of the business. However, one of the founders shall be the overall managing director of the business to do away with the problem of asymmetry of information existing between shareholders and managers and also helps to achieve objectives. Our target market are the hotels, restaurants, chop bars and schools in the cities, towns and rural communities within the Ashanti region for the first year. The market size of our product is very large and has a very good potential to grow once proper

business strategies are adopted. Since the government is very concerned about personal hygiene among school children, since they are those who are mostly affected by contaminable diseases like diarrhoea and cholera, we at Eezy Kleen Company Limited finds it as a profitable venture to enter into liquid soap manufacturing not just to make profit but to help curb this menace. Our prices are also very affordable that anybody, no matter his income status, can buy our product.

The projected net profit Eezy Kleen Company Limited wishes to achieve in the first year of its operations is GH¢29,359.65 Those for the second and third years are GH¢36,069.70 and GH¢48,246.54 respectively. The total assets of the company will be valued at GH¢18,015.00 and total equity is valued at GH¢100,000. The total revenue Eezy Kleen Company Limited wishes to achieve in the first year of operations is GH¢111,948.00 and those for the second and third years are GH¢123,142.80 and GH¢147,771.36 respectively. The projected Net Present Value (NPV) for Eezy Kleen Company Limited for the first three years is a positive NPV of GH¢ 47,468.76

Eezy Kleen Company Ltd wishes to expand its customer base to other parts of the country within the next three years. The company also wishes to own its own manufacturing site within the next five years and wishes to purchase its own bottling and packaging plant within the same time period of five years. Eezy Kleen Company Limited wishes to expand its operations to exporting our products to nearby countries like Cote D'Ivoire and Burkina Faso within the next five years.

The needed capital to start the business will be required in Ghana cedis and valued at GH¢100,000. This money will be used to buy asset, raw materials and pay for it expenditures. The capital will be contributed by the shareholders in equal proportion of twenty percent(20) each.

Vision Statements

Our vision is to be a household name in liquid soap production within most rural communities, towns and villages in Ghana within the next three years.

Mission Statement

Our mission is to meet everyday needs for hygiene and personal care with quality brands that will make you get more out of life.

1.0 ORGANIZATION

The name of the company is Eezy Kleen Company Limited. The company was formed in September, 2011 and registration form has been submitted to the Registrar General's Department awaiting approval. The company is schedule to begin operations in January, 2012.

Eezy Kleen is a limited liability company which operates within the confines of small and medium scale businesses but precisely, a small scale enterprise. The company shall be owned by the founders who are going to contribute the start-up capital and so shall be the shareholders of the business. However, the company shall be managed by an employed team of managers who shall see to the day-to-day operations of the business. The founders of this business are five in number and each person has equal share in the business, that is, twenty percent (20%) each. The funders are Thomas Amponsah, Stephen Obeng, Kusi Afia Agyeiwaa, Diana Arku and Anthony Appiagyei. A sixth member of the board is Amankwaa Gyasi who is a business consultant and shall help in the general administration of the business.

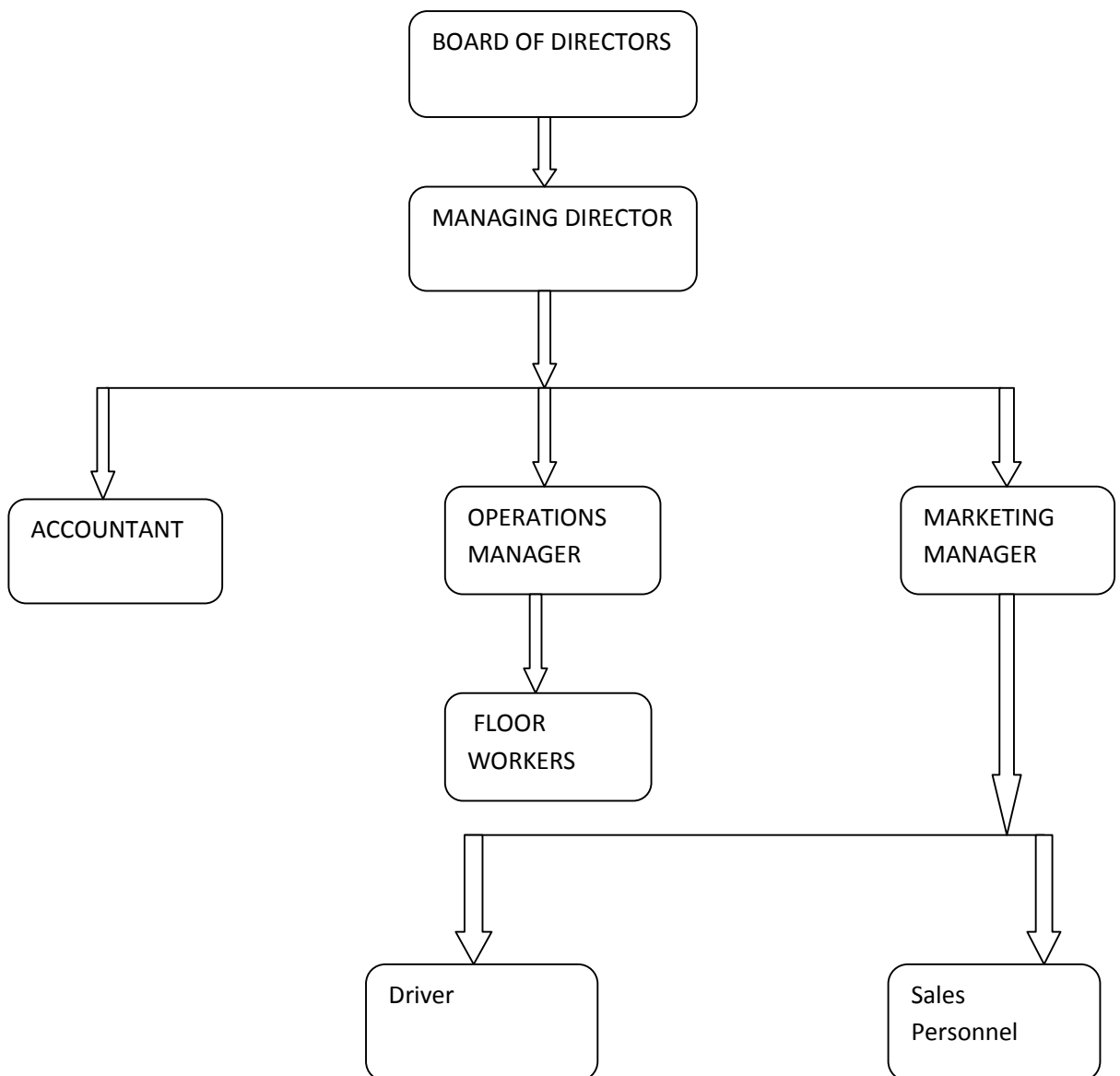
The company shall comprise of the Accounts Department, The Marketing Department and Operations Department.

Using a mix of differentiation and focus strategy, it gives Eezy Kleen Company Limited the chance to fill the niche in the market that the large companies have overlooked. The ability to have direct contact with our customers will enable us to know their opinion about our product which will help us improve our product to meet our target market or customers.

By using differentiation strategy, our product is packaged in different sizes, colours and perfumes to give our customers a variety of product choices to choose from. Our focus strategy

helps us to concentrate on the profitable markets that the larger companies have overlooked, like the hotels, restaurants and especially, the schools.

Organizational chart



2.0 PRODUCT IDEA AND REALIZATION OF SCHEDULE

2.1 PRODUCT IDEA

Personal hygiene is a great course for concern in the Ghanaian community. Communicable disease like cholera and diarrhoea are rampant and severe in the country due to the nature of our environment or the environmental conditions we found ourselves in. Research has shown that improper hand washing contributes to more than 130,000 death in the United States each year through the transfer of communicable disease in restaurants, day cares and hospitals (more than Aids and Breast cancer combined) (www.webmd.com)

It is therefore an undeniable fact that even in the most advanced and civilized countries like the U.S, such deaths do occur due to the unhygienic way they tend to live by each day, how much more in Ghana? A nation which is poverty stricken, lack various social amenities, engulfed by filth and far behind when it comes to development. Where would this nation stand if such a research is conducted in the country? Your guess will be as good as ours that it will definitely be an eye-sour.

15th of October each year has been declared Global Hand washing Day which is observed as way of creating the awareness of hand washing to help curb the spread of cholera, diarrhoea and other communicable diseases (Daily Graphic, September 27, 2011, page 20).

From the above reasons, we spotted a very good business opportunity and lucrative market created since we thought it wise that if the government is even iterating people to cultivate the habit of hand washing, then if a product was brought out to aid hand washing especially among the most endangered group of people, like the children in schools, hospitals, restaurants and even those who are travelling, then it will go on a long way to promote personal hygiene among people in the country.

Upon careful reasoning and examination of facts, as young entrepreneurs, we thought it wise to come out with an idea that can help curb such a menace and in the course of fighting such a problem, employment opportunities can also be created for the unemployed youth in the country. This was what informed the establishment of Eezy Kleen Company Limited which produces various categories of liquid soap for varying purposes and needs. We will develop the hand and dish washing liquid soap which comes in various colours, perfumes and in an attractive package as well. It also comes in various sizes and one good thing about this product is its pocket sized and handy one which can easily be carried along when travelling. We also have floor-cleaning liquid soaps for mopping the tiles, terrazzo and any kind of floor. It contains a powerful disinfectant that kills germs and bacteria on contact. Therefore, parents do not have to restrict their children not to play on the floors because they fear that their children would dirty the tiles and terrazzo and even contract certain diseases like cholera. With Eezy Kleen liquid soaps, this problem becomes a thing of the past since stubborn stains and germs can easily be removed and killed upon contact. This then guarantees parents the safety of their children when they play because children learn when they play.

The Ministry of Health has always advised that people should thoroughly wash their hands with soap anytime they visit the lavatories. Eezy Kleen Company Limited, in addition to this advise, also advises that, anytime one goes out from the house to another place like to the market, hospital, to a colleague's house or just for a walk, the person should wash his hands with Eezy Kleen liquid soap on return.

This product idea is tested and its viability is assured since even the government is more concerned about the rate at which contaminable diseases like cholera and diarrhoea is rampant and killing people, especially the young ones in the country due to poor hygiene and the

government has to spend millions of Ghana cedis to control such diseases when the strike. Therefore, some Headmasters of certain schools were contacted of Eezy Kleen Company Limited's intention to supply the school with our liquid soaps and they even lauded the idea since at PTA general meetings, parents are more concerned about the health of their wards and so will not hesitate to buy the products for their wards should in case it is billed in the children's school fees.

2.2 REALIZATION OF SCHEDULE

S/N	ACTIVITY	TIME BOUND	RESPONSIBILITY	COST(GHC)
1	Funding	Oct., 2011	All Owners	50.00
2	Office location and manufacturing site	Oct.- Nov., 2011	Operations Manager	50.00
3	Registration	Oct.-Nov., 2011	Legal Adviser	500.00
4	Recruitment	Dec., 2011	Board of Directors	100.00
5	Quality Control	Dec., 2011	Chemist	50.00
6	Launching of Company	Jan., 2012	Founders and Management	1,100.00

3.0 MANAGEMENT TEAM

Board of Directors: The Board of Directors shall comprise of the owners of the business. They are; Thomas Amponsah, who holds a Bachelor of Business Administration in Human Resource Management from Christian Service University College. He has worked with Caspar Group of Companies as their overall Human Resource Personnel for three years and currently the CEO of the entire company due to his expertise. Stephen Obeng, another founding member is the Managing Director of Eezy Kleen Company Limited. Kusi Afia Agyeiwaa is a founding member of the company who holds a first and second degree from London Metropolitan University, UK and is now working with the Coca Cola Bottling Company of Ghana Limited, Kumasi as a marketing manager. The fourth member of the board is Diana Arku, an accountant at Danny Praise Computers. Appiagyei Boakye Anthony, is also a member of the board and works as a branch manager at Barclays Bank Ghana, Tesano. Each member of the board owns equal share of 20% in the company. Another member of the board called Amankwaa Gyasi who is not a founding member is the Managing Director of Crest Consultancy Services which is a business consultancy firm, will be appointed due to his knowledge and expertise in the business arena. He would however receive dividends when declared by the company. The duties of the Board of Directors will be:

- To formulate the overall objectives of the business
- To formulate the vision and mission of the business
- To ensure that the management of the business work towards achieving the objectives
- To take decisions on behalf of the company whenever necessary

Managing Director: The Managing Director is Stephen Obeng. He holds an HND certificate in Management and Finance from the Ghana Institute of Management and Public Administration (GIMPA), Ghana. The General Manager has worked with Barclays Bank Ghana Limited, Tafo Branch and so has a working experience in the financial sector. He has served in various financial committees both on campus, church and in the work place. In January, 2005, he was awarded a full-year scholarship for been the Best Student, Business Studies Department of GIMPA. Due to his working experience at Barclays bank, he knows what it takes and the requirements the financial sector demands from people or organizations before granting them credits. He also has what it takes to convince people to gain access to credit. He has good human relation and was a senior executive member of the Business Student's Association of GIMPA. He has also worked with Sun Citrus Fruit Drinks as their Managing Director for three years and so has experience at the manufacturing sector.

The Managing Director will be responsible for:

- Breaking down the objectives of the Board of Directors into achievable outcomes
- Managing the day-to-day activities of the business
- Ensuring that all staff are up to their task with due diligence
- Managing all sorts of risks faced by the company
- Seeks for funds when the need be

Accountant: The Accountant is called Roland Boakye. He will be responsible for;

- Supervision of all accounting transactions processing
- Preparation of financial budget

- Preparation of financial statement for auditing purpose and also interpreting it to management
- Provision of administrative support to the day to day management of the business

He holds ACCA part 1 and Diploma in Accounting from the University College of Management Studies.

He has worked with Rohi consulting services and also as an accountant at Abena Nyamekye Enterprise. In addition he has also worked with Barclays Bank of Ghana (Tanos branch).

He has the following skills/abilities

- Excellent interpersonal and Communication Skills
- Ability to work under minimal supervision
- Ability to use microsoft word,excel and PowerPoint
- Good team player

Marketing Manager: The marketing manager is Rhoda Amoateng. She also holds Higher National Diploma in Marketing from Kumasi Polytechnic, Ghana. She has worked with Guinness Ghana Limited, Kumasi branch for three years. She is a hard and dedicated worker who stops at nothing but the best. Her responsibilities shall be:

- To co-ordinate all the sales personnel.
- To help advertise our products and get more customers.
- To develop a convenient and efficient marketing strategies for our product.
- To make sure our sales target for the year are achieved.

Operations Manager: The Operation manager is called Diana Acquaye, who holds a Higher National Diploma in Operations Management from the Ghana Institute of Management and Public Administration(GIMPA). She has worked with Voltic Ghana Limited as an operations manager for three years. She will be responsible for;

- The day-to-day operations of the company.
- She is also in charge of the entire production process to ensure effectiveness.
- Maintaining clean and safety working environment so as to ensure safety.
- Designing effective and efficient procedures for all major undertakings.

The laborers shall be people with a minimum qualification of Basic Education Certificate Examination who can read and write basic grammar. Three laborers shall be employed and will be in charge of the production with supervision of the operations manager.

A driver shall be employed to do the weekly distribution and shall have a minimum qualification as those of the labourers but should have at least three years of driving experience and a driver license class of D or above.

The sales personnel shall have a minimum qualification of WASSCE or SSCE.

The afore mentioned team shall be responsible for implementing the project in the first year of operations of the company. However, as the business expands, changes might be made when necessary.

4.0 MARKETING ANALYSIS

4.1 BUSINESS SYSTEMS AND OPERATIONS

Eezy Kleen Company Liquid soaps are manufactured under clean and hygienic environment. The production process is less cumbersome and of higher standards. What makes our process easy is the use of the mixing machine which ensures the smooth and fine end product produced. Alternatively a big basin and a pestle can be used in place of the mixing machine but that is more labour intensive and takes time unlike the use of the mixing machine which is faster, less labour intensive and of a higher quality of output.

The production process of Eezy Kleen liquid soap is divided into two sessions. The preparation session and bottling and packaging session. The preparation session deals with the preparation of the liquid soap actually whiles the bottling and packaging session involves, as the name implies, bottling and packaging of the liquid soap.

The ingredients used in the preparation session includes; salt, soap base, water, booster, thickener brown, colour and perfume. Another ingredient called liquid phenol is added to the floor cleaning liquid soap to make it a disinfectant.

The 50liter mixing machine runs through out the production process and the preparation process as per 50 liters of soap produced is as follows:

- Step 1: Pour 2500 kg of salt into the mixer.

- Step: 2: Add 5kg of soap base into the mixer.



Illustration 2.0 A mixture of salt and soap base

- Step 3: As the machine runs, add 22.5 litres of water gradually into the mixer to form a solution.



Illustration 3.0 A mixture of the salt and soap base as water is being added gradually

- Step 4: Allow the mixer to run for some few minutes to ensure that the whole mixture and soap base has completely dissolved in the water.
- Step 5: Add 300 ml of the booster to the solution while the mixer still runs. It makes the solution easily lather or foam with water.
- Step 6: Add 300 ml of the thickener brown to the solution as it makes the liquid soap thicker.



Illustration 4.0 A combination of salt, soap base, booster, thickner brown and water

- Step7: Add just 10 grams of colour to the solution.
- Step 8: Add 150 ml of perfume to the solution and note that, too much of the perfume makes the solution watery.



Illustration 5.0 The solution with added colour and perfume

- Step 9: If the floor cleaning soap is been produced then 150 ml of liquid phenol is added to make the solution a disinfectant.
- Step 10: Leave the mixer to run for a few minutes and transfer the solution in its foamed state into the polytank for the foam to dissolve and afterwards, the soap is ready for bottling.



Illustration 6.0 The liquid soap ready after preparation but in a foamed state.



Illustration 7.0 The liquid soap settled and ready for bottling

It is worthy of the note that, the solution takes about 3 to 6 hours to settle and so while we wait to bottle, the chemist tests the solution to ensure that the solution meets quality standards before being bottled. All abnormalities are identified and rectified before bottling. This is why there are two polytanks so that as we wait for the solution to settle, the previous day's production would have settled and ready for bottling. When demand is not that much then, one polytank would be dedicated to producing just the hand and dish washing soap and the other for the floor cleaning soap.

Since the business is a start up and demand is estimated not to be that high at initial stages, then the hand and dish washing liquid soap will be produced every Saturday and tested by the chemist after production while bottling begins on the following Monday. Production for the floor cleaning liquid soap would be done every Wednesday and tested after production by the chemist. Bottling then begins on Thursday along with that of hand and dish washing liquid soap.

Distribution will then be on Tuesdays and Fridays. On Tuesdays, some of the hand and dish washing soap would be ready for distribution as well as some of the floor cleaning liquid soap

that was undistributed on the previous Friday's distribution. On Fridays also, some of the floor cleaning liquid soap would be ready for distribution along with some of the hand and dish washing soap that was left undistributed on Tuesday's distribution. Thus with this kind of distribution, stocks and inventory would not take a longer time before being sold.

If a client order is received, then more would be produced in a day since the polytank is big enough and bottled the day after its production after been tested by the chemist and will be distributed after bottling. Thus a customer's order is delivered three (3) days after the request and if the customer is living outside Kumasi, then a small amount of money is charged extra for carriage to the customer's location.

4.2 ENVIRONMENTAL ANALYSIS

The environment of Eezy Kleen Company Limited is a very conducive one since there is not much of a competition.

First of all, our direct competitors are the local producers who are unable to produce in large quantities and meet certain quality standards. We, having a mixing machine and a chemist ensures that we are able to produce more and at a high level of quality. The objectives of our direct competitors are mostly to be able to get many to maintain their families and meet their daily expenditures. However, Eezy Kleen Company Ltd aims beyond such objectives and has future expansion objectives in mind, that is, to be a household name in liquid soap production within the next three years. Another competitor who is not a direct competitor but our major challenge is Sunlight liquid soap produced by Unilever Ghana Ltd. Though Unilever has a high capacity to produce more and sell quality liquid soap, they have a market niche that they have overlooked and Eezy Kleen intends to fill that niche. Their prices are relatively high and don't

have varied product sizes. What makes our product unique from theirs is not just the lower prices of our product as compared to theirs but our portable pocket sized ones that could easily be carried along and very affordable of which sunlight do not have and the various product varieties that we produce. This then gives Eezy Kleen Company Ltd the edge over its competitors in the market, whether big or small. Supplies of raw materials for our product is also readily available as they can be obtained from the market easily of which there are substitute raw materials available to serve as buffer should in case the raw materials are short in supply.

Ghana as the country stands now, is enjoying sound economic conditions and even the government has incentives to help build the manufacturing sector by giving tax rebate and tax exemptions to newly established manufacturing firms to ensure their survival. Economic factors like inflation as at now is very stable which stands 8.5% .This then gives us the nod to continue our production because of the relief that the inflation is not just a single digit but Ghana will continue to enjoy single digit inflation rate for years to come due to good fiscal and monetary policies in place.

As already stated, the political factors are very sound since the government has many polices in place to ensure the growth and stability of young and newly established firms like Eezy Kleen Company Ltd to enjoy certain incentives like tax rebate and tax exemptions. The industry is characterized by many local and indigenous manufacturers and a few giant foreign owned firms whose target market is the upper class in the society. The government in trying to control the rampant spread of cholera and diarrhea has iterated Ghanaians to wash their hands frequently with soap before and after eating, after using the lavatories, and whenever one goes outside to public places and return home.

Socially, the Ghanaian culture also supports the washing of hands and utensils with soap and Eezy Kleen intends not to destroy this social norm but to help its sustenance with our liquid soap. Even the religious bodies and families all encourage personal hygiene and our mission is to promote personal hygiene among individuals in the society. As the gospel adage goes that “cleanliness is next to Godliness” which means to get closer to God, one needs to be physically clean which then tune our minds to personal hygiene.

Technologically, Eezy Kleen Company Limited is not that advance since it is a start up business. But with time, Eezy Kleen Company Limited has the vision to expand its production base and includes better technology to be competitive even with bigger firms. As at now, Eezy Kleen Company Limited has a mixing machine which aids the mixing of soap ingredients which is a step ahead in technology as compared to the other direct competitors who have no sort of mixing machine and relies on the traditional pestle and bowl mixing strategy to produce their soap which is even in smaller quantities.

Finally, with legal factors, Eezy Kleen Company Limited do not have significant toxic waste produced after production. In fact the style of our production process leads to no waste generated for the firm to battle with any legal issues like the health and safety laws but the safety of our workers are ensured as protective clothes, hand gloves and nose masks are worn by the workers to protect them from the chemicals and their strong scent. Also head bands or hair nets are worn by our female employees who work at the production site and not forgetting safety boots for all workers.

There are generally no barriers to entry in the industry. Companies which intend to operate in the sector are free to start businesses and end them freely so long as they meet general legal requirements for operation.

To wrap up therefore, it can be concluded that the environment Eezy Kleen Company Limited operates is an enabling environment for the growth and success of our company.

SWOT Analysis

The environmental factor such as SWOT analysis helps Eezy Kleen Company Limited to be able to know its internal strength and weaknesses and external opportunities and threats. Environmental factors such as weather and climate, in the short run of the business operations do not have significant effects on our company.

This diagram below shows the analysis of our strength, weakness, opportunities and threats.

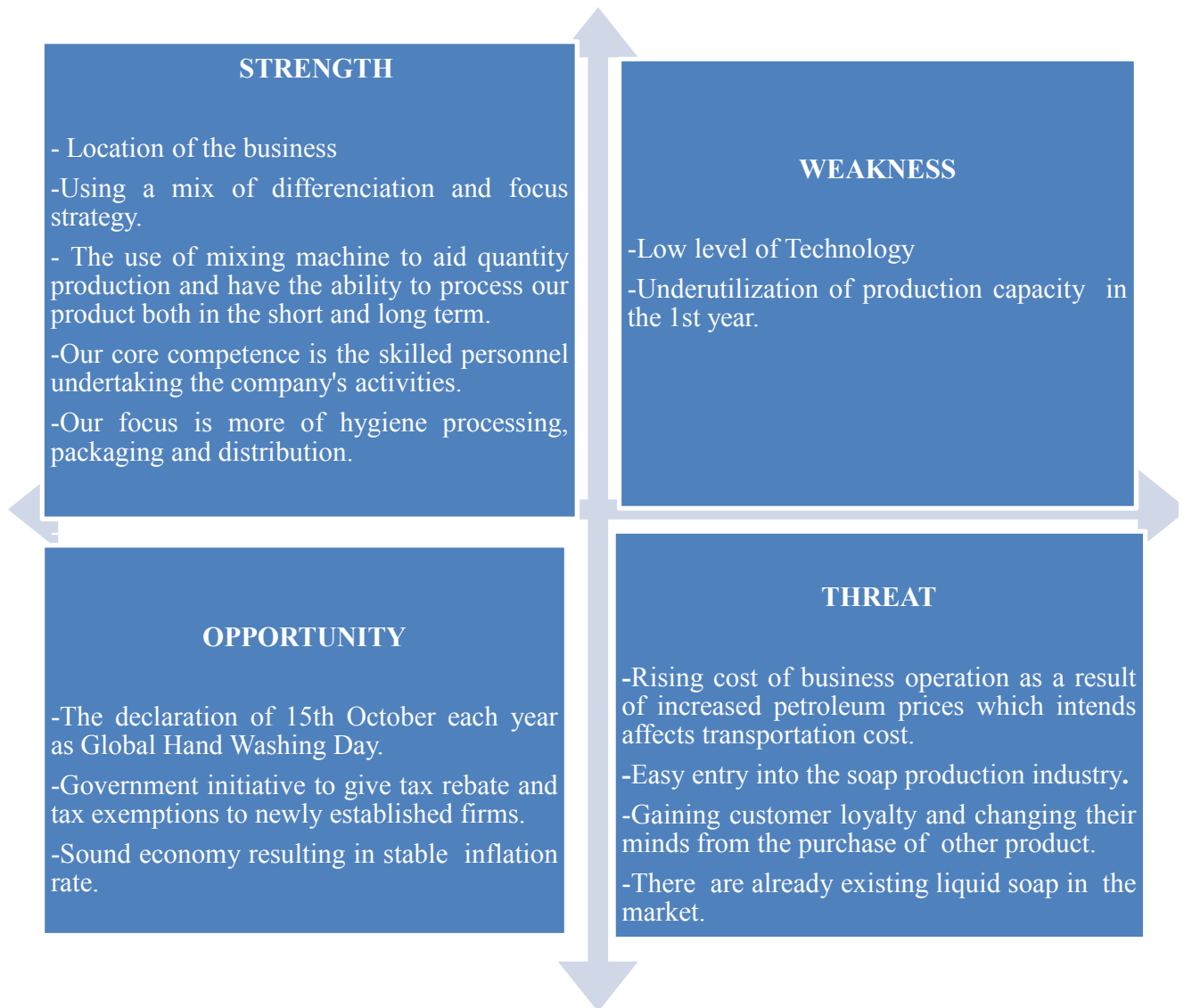


Illustration 8.0 SWOT Analysis

4.3 Market Segmentation

The company sees this as subdividing the market into distinct subsets of customers, where any subset may conceivably be selected as a target market with our distinct marketing mix. By segmenting, it increase benefit to customers by providing products features or attributes more closely matching their identified needs.

It helps the company to identify those groups of customers who are likely most to buy the product, and to ensure that the resources will not be wasted, and also marketing and sales can be focused. With this segment it brings greater sales and higher profitability.

Eezy Kleen intends to segment the market based on geographic segmentation.

Eezy Kleen Company limited is based on geographic segmentation because we have everybody in mind. Base on geographic location to segment our customers, it helps our retailers who need to get to know about the different groups of customers within their catchment areas to do so.

Segmenting by location is formulated around the different needs of various regions in which our company intend to focus in Ashanti region for the first year before stepping ahead to the rest of the regions. This helps us to know where the products are being sold in order to increase advertising and sales effort in that region.

This segmentation helps to identify and construct segments on the basis of information that is evaluated as being highly relevant to our company. Clearly, this segment conveys a far more homogeneous picture in an advertising message (or a product package) since this segment would be much easier to design, and this emphasis has to be on our Ashanti region.

This would enable the company to thoroughly investigate the options and make more informed Strategic management decision.

4.4 Target Market

The target market of Eezy Kleen Company Limited are both the commercial and private users. Eezy Kleen Company Limited focuses its strength mostly on the schools, restaurants, chop bars, hotels and hospitals in Ashanti Region for the first year. The total population in the Ashanti Region is estimated to be 3,612,950 representing 19.1% of total population in the country. Since there are different packaging sizes, some target people like travelers, busy workers and students, depending on their income and needs at a particular time, can have the soap that fit their needs. Students are always advised to live a healthy life by adopting a habit of regularly washing their hands with soap after visiting the lavatories. Schools can also purchase some of the floor cleaning soap to clean their offices, canteens and their lavatories. There are several schools in the Ashanti Region, ranging from day cares, primaries, junior and senior high schools to tertiary institutions. The total number in the region, through a rough estimate is over 2000(kma.ghanadistricts.com), so if Eezy Kleen can target just about ten high schools, then our sales can be covered. Restaurants are about 58(registered) and 300(assumed to be unregistered), chop bars are about 400(both registered and unregistered) and hotels are about 330(Source: Ghana Tourist Board). All the above are able to buy more of the products since people needs to wash their hands after eating and the floor needs to be kept tidy always for the place to be attractive to customers. Hospitals, are estimated to be more than 50 in the metropolis and always are in need of floor cleaning and hand washing soaps and that is why Eezy Kleen Company Limited added them to our target customers since they buy in bulk always.

4.5 MARKETING MIX

PRODUCT

Eezy Kleen company limited company strives in producing quality products at good and affordable prices which is much more easily affordable for living. Our soap is of a high quality which has a good fragrance that stays on the hand after washing and helps smoothens your hand and keep your hand fresh all day. Again it is produced with high quality chemical substances which help protect the hand from germs and other infectious disease and therefore our customers need not to use other hand creams after using Eezy Kleen Liquid Soap. Eezy Kleen products has also been packaged very well in portable and attractive containers which make it easy to be kept in hand bags when moving from one place to the other. Our promotion and communication effort in marketing strategy are directed at accomplishing brand awareness, brand loyalty and increase in market share. All these serves as a comparative advantage over our competitor's product.

PRICING

Eezy Kleen Company limited uses penetration pricing to stimulate market growth and capture market share by offering low prices. We also use to acquire and hold share of market as a competitive maneuver. Initially the prices of our product for the medium size (250ml) are GHC0.80 pesewas, GHC0.30 pesewas for the small size. The company conducts market research to know what consumers want, how they buy, whom they buy from, and not forgetting how they get access to the product, that is, the availability of the product if needed by consumers. And also, we conducted a market survey to know the income of our population and how inflation affects their buying and their income. It was revealed that their income level will much more be

able to afford our cheap but quality products.

PROMOTION

Taking into consideration cost-effectiveness and efficiency, we will use a combination of radio advert and targeted leaflets in the most potential areas. Our target at the start will be the schools, hospitals, hotels, the chop bars and the restaurants. Eezy Kleen Company Limited shall embark on free distribution float in Kumasi and other parts of the Ashanti Region to introduce consumers to our new product and to encourage product trial and immediate purchase from consumer. Since 15th October every year has been declared a global hand washing day, Eezy Kleen will capitalize on this opportunity to promote their products through visiting some schools and educating them on the need for proper self hygiene and distribute free samples and use the opportunity to convince the head masters to ensure that each student had our products all the time to promote self hygiene.

In Personal selling, we will use one-on-one persuasive selling technique. During personal selling our plan is to use some free samples to the centers that have the potential of pushing our sales. Since we don't envisage employing a large sales force, the marketing manager and the individual sellers will target the Secondary Schools, Restaurants, Chop Bars and the rest.

PLACE/DISTRIBUTION CHANNEL

Eezy Kleen Company limited makes product available for consumers at a place where they can conveniently make purchase. The best distribution strategy that will help our product is INTENSIVE DISTRIBUTION STRATEGY (mass coverage) in our targeted areas. With this strategy we can plan to distribute our product widely in nearly all our locations in which our product can be sold. This strategy helps us to know the maximum exposure at places where the

point of sale is needed. Eezy Kleen knows that the company will make us incur a substantial amount of cost because of our large target market and therefore requires an intensive and effective distribution which helps us to offset cost with a high sales volume.

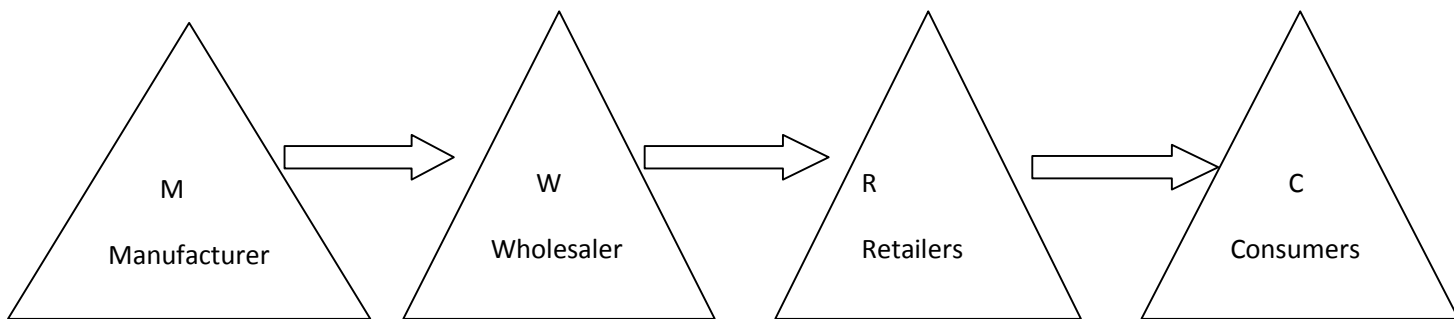


Illustration 9.0 The distribution channel for Eezy Kleen Company Limited

This channel is prepared for the sale of our products to consumers. It is applied because our market is spread over a large area and it will help us to evaluate the value of small purchases by individuals and the frequency of their purchase when its high.

Market Strategy

Eezy Kleen company limited is adapting differentiation, the cost strategy and price penetration to gain competitive advantage over our competitors. Since the market of this product is perfectly elastic, Eezy Kleen strategies to differentiate its products and will put it on a quiet different pedestal for changing prices. We plan to differentiate our products through quality and attractive packaging, emphasizing the health benefits. With the cost strategy, we will base our prices by putting just a little margin over our unit cost of production to arrive at our prices. This strategy then leads us to the price penetration strategy where our prices shall be a little lower than the market prices since just a small margin was added to the unit cost of production.

5.0 FINACIAL ANALYSIS

5.1 ASSUMPTIONS AND RISK ANALYSIS

ASSUMPTIONS

Depreciation is on straight line basis.

Fixture and fittings is depreciated over a period of five years.

Equipment is depreciated over a period of five years.

Motor vehicle is depreciated over a period of five years.

Computer is depreciated over a period of five years.

BASIS OF APPORTIONMENT

FACTORY	OFFICE
---------	--------

2/3

1/3

FACTORY

PRODUCT A	PRODUCT B
-----------	-----------

2/3

1/3

PROJECTED MANUFACTURING

Closing inventory is 5% of raw materials available.

Work – in – progress is 5% of raw materials used.

Raw materials will increase by 5% in the second and third year.

Carriage will increase by 5% in the second and third year.

Direct expenses will be constant in the second year and reduce to GH5520.00 the third year.

Packaging will increase to GH2000 and GH2500 in the second and third year respectively.

Light and heat will increase to GH900 and GH1000 in the second and third year respectively.

Labour will be constant in the second year and increase to four in the third year, and salaries will increase by 15%.

PROJECTED INCOME STATEMENT

Sales will increase by 10% and 20% in the second and third year respectively.

Salaries will be constant in the second year and increase by 15% in the third year.

Fuel will increase to GH 2000 and GH 2500 in the second and third year respectively.

Maintenance will increase to GH 800 and GH 1000 in the second and third year respectively.

RISK ANALYSIS

In as much as Eezy Kleen Company Limited is a viable business venture to pursue, the various forms of risk faced by the company cannot be overlooked. Risk in business is inevitable and is an integral part of every business operation and so calls to be managed. If risk is not properly managed, it could lead to a collapse of a rather profitable business venture.

First of all, there is a major internal risk the shareholders might face with the business which is the problem of asymmetry of information between shareholders or founders of the business and the managers. Whiles shareholders want better returns on their investments, managers also want to put their own interest first. To solve this issue, mangers can be intimidated with threats of dismissal if they fail to put shareholders interest first in their managerial objectives. Also, monetary rewards like giving an increase in salaries too can be used to entice managers to pursue the goals of shareholders and increase the value of the business. Also on both regular and irregular basis, the owners will visit the firm's premises not to intimidate the workers but to ensure that the right things are done. To check the problem of asymmetry of information, a member of the founders is made the overall Managing Director of the business.

Secondly, the business faces a kind of price risk which is the commodity price risk. This risk occurs when the price of raw materials changes due to environmental factors like changes in demand and supply of the raw materials and changes in the economic factors like inflation. These changes can either have a positive or negative influence on our company. For instance if a positive influence of the changes in raw materials happens, then it means due to the above factors like reduced inflation rates, the price of the raw materials have been reduced. In such a scenario, the cost of production will reduce leading to an increased profit level. However, if

prices of raw materials increase, then the cost of production will reduce and thus prices of our produce would be forced to increase. But higher prices would lead to our company losing customers to our competitors though the higher prices issues can be a general problem in the industry but certain firms might sacrifice quality to produce just anything, but this can never be so with Eezy Kleen Company Limited who believes that quality is our hallmark and so should never be sacrificed. This risk can therefore be dealt with when the managing director who is also a finance manager, by studying patterns and movement of inflation and other economic factors as well as the movement of prices of raw materials in the market, can speculate constructively to know the trend in the supply and prices of raw materials so that when it becomes obvious that there is going to be an increase in prices of raw materials then bulk purchases can be made and stocked so that during the season of price increase due to shortage of raw materials, then production will not be reduced and customers confidence can still be promoted. Even if we are unable to speculate, raw materials will still be bought in bulk for us to enjoy bulk purchase discount and ensure smooth running of the business when raw materials are short in supply.

Moreover, there are some pure risks faced by the business that can affect its viability. That is, the risk of reduction in value of business asset due to factors likes theft, fire, and physical damage. To manage this risk, first of all, insurance policy is purchased to cater for the losses that may arise from this occurrences or happenings. Secondly, safety rules are practiced, like the safe use of our equipments are enforced so that people will not mal-handle the equipment when using them in order not to destroy them to bring losses to the firm. A security guard is also hired to protect the assets when we are not around. The delivery van has an insurance cover to pay for damages when it incurs accident and even pay for third parties who get injured from the van's

accident. A fire extinguisher is in place to take care of minute fire cases before they turn in huge problems.

Furthermore the risk of paying compensation to workers due to working related injuries is another risk that might face our company. Workers can get injured during the cause of expending their duties at work. The cost of paying compensation to the injured workers is also a cost and a loss to the firm. Therefore, to prevent such losses safety measures are put in place to prevent worker injuries in the work place. Safety boots and other safety equipments are worn to protect people from harm. Insurance also can cater for damages to people who are injured in the work place.

Lastly, the risk of product liabilities can be dealt with at ease. Eezy Kleen Company Limited has a Chemist in place to test every produced batch before been bottled and packaged for the market. Therefore only tested and approved batch are sold. The Chemist has to certify the authenticity of every tested batch before been packaged. Since the manufacturing site is in the same building as that of the offices of the management team, the workers are always under supervision to ensure strict adherence to standards and norms of manufacturing. Should in case our products on the markets are found to be defective or not safe for consumer consumption by Standards Board and so returned to the factory, the Chemist will be sued and made to pay for any damages incurred by the company for selling defective products, as stipulated in the clause in their employment contracts should in case the defect is traced to the factory.

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5.2 PROJECTED INCOME STATEMENT FOR THE THREE YEARS AS AT 31ST DECEMBER FOR EEZY KLEEN CO. LTD

	2012		2013		2014	
	GHC	GHC	GHC	GHC	GHC	GHC
REVENUE		111,948.00		123,142.80		147,771.36
LESS COST OF SALES						
OPENING INVENTORY			2,220.06		2,581.96	
PRODUCTION COST	44,401.17		49,419.18		54,781.68	
COST OF GOODS AVAILABLE	44,401.17		51,639.24		57,363.64	
LESS CLOSING INVENTORY	(2,220.06)		(2,581.96)		(2,868.18)	
COST OF GOODS SOLD		(42,181.11)		(49,057.28)		(54,495.46)
GROSS PROFIT		69,766.89		74,085.52		93,275.90
LESS GENERAL AND ADMINISTRATIVE EXPENSE						
RENT	800.00		800.00		800.00	
SALARIES	23,160.00		23,160.00		26,634.00	
FUEL	1,500.00		2,000.00		2,500.00	
MAINTENANCE	600.00		800.00		1,000.00	
TELEPHONE CHARGES	500.00		300.00		300.00	
PRELIMINARY EXPENSE	1,850.00					
FIRE EXTINGUISHER	1,400.00				1,500.00	
TRAINING	500.00		300.00		300.00	
UTILITY	900.00		1,000.00		1,100.00	

SELLING AND DISTRIBUTION EXPENSE

ADVERTISING	2,000.00	(36,213.00)	1,500.00	(32,863.00)	1,000.00	(38,137.00)
PROFIT BEFORE TAX		33,553.89		41,222.52		55,138.90
TAXATION(25%)	8,388.47		10,305.63		13,784.73	
TAX REBATE(50%)	<u>(4,194.24)</u>	<u>(4,194.24)</u>	<u>(5,152.82)</u>	<u>(5,152.82)</u>	<u>(6,892.36)</u>	<u>(6,892.36)</u>
PROFIT AFTER TAX		<u>29,359.65</u>		<u>36,069.70</u>		<u>48,246.54</u>

KLEEN COMPANY LIMITED**5.5 PROJECTED FINANCIAL STATEMENT AS AT 31ST DECEMBER FOR EEZY**

	2011	2012	2013
NON CURRENT ASSET	GH¢	GH¢	GH¢
PROPERTY, PLANT AND EQUIPMENT	14,412.00	10,809.00	7,206.00
CURRENT ASSET			
INVENTORIES: CLOSING INVENTORY	2,220.06	2,581.96	2,868.18
CLOSING RAW MATERIAL	1,629.04	1,791.94	1,885.61
CLOSING WORK IN PROGRESS	1,547.59	1,702.35	1,791.33
DEBTORS	5,597.40	6,157.14	7,388.57
CASH	108,147.80	147,539.78	199,428.56
TOTAL ASSET	133,553.89	170,582.17	220,568.25
EQUITY AND LIABILITY			
STATED CAPITAL	100,000.00	100,000.00	100,000.00
INCOME SURPLUS	29,359.65	65,429.35	113,675.89

	<u>129,359.65</u>	<u>165,429.35</u>	<u>213,675.89</u>
CURRENT LIABILITY			
TAXATION	<u>4,194.24</u>	<u>5,152.82</u>	<u>6,892.36</u>
TOTAL EQUITY AND LIABILITY	<u>133,553.89</u>	<u>170,582.17</u>	<u>220,568.25</u>

5.3 BREAK EVEN ANALYSIS

FIXED COST	GH¢	VARIABLE COST	GH¢
MEASURING CAN	10.00	PURCHASES	32380.80
WEIGHING SCALE	20.00	SALARIES	32280.00
PIPE AND TAP	70.00	UTILITY	900.00
RENT	2400.00	INSURANCE	1200.00
MOTOR VEHICLE	10000.00	LIGHT AND HEAT	800.00
3 IN 1 VISITORS SEAT	300.00	MAINTENANCE	600.00
DESK	500.00	FUEL	1500.00
SWIVEL CHAIR	750.00	TRAINING	500.00
SAFE	500.00	TELEPHONE	500.00
CABINET	280.00	PACKAGING	1500.00
POLYTHANK	900.00	CARRIAGE	200.00
MIXING MACHINE	3000.00	FIRE EXTINGUISHER	1400.00
COMPUTERS	800.00	PRELIMINARY EXPENSE	1850.00
CEILING FAN	240.00	NOSE MASK	10.00
TELEVISION	300.00	APRON	40.00
WATER DISPENSOR	400.00	HAIR NET	7.00
TELEVISION	45.00	GLOVES	20.00
		ADVERTISING	2000.00
TOTAL	<u>20515.00</u>	TOTAL	<u>77687.80</u>

ESTIMATED OF UNITS

PRODUCT A

50ml (size) = 57600 units

250ml (size) = 19200units

400ml (size) = 19600 units

5 l (size) = 1920 units

PRODUCT B

5l (size) = 1440units

1.5l (size) = 3216units

Total fixed cost and variable cost apportionment

Ratio 2:1 to Product A and B Respectively.

Total fixed cost from table = GH¢ 20515

Total variable cost from table = GH¢ 77687.80p

PRODUCT A

Fixed cost apportioned

$2/3 * 20515 = \text{GH¢ } 13676.67\text{p}$

Variable cost apportioned

$2/3 * 77687.80 = \text{GH¢ } 51791.87\text{p}$

PRODUCT B

Fixed cost apportioned

$1/3 * 20515 = \text{GH¢ } 6838.33\text{p}$

Variable cost apportioned

$(1/3 * 77687.80) + 120 = \text{GH¢ } 26015.93\text{p}$

PRODUCT A

BASIS OF APPORTIONMENT

Ratio 1:2:3:4 for the sizes 50ml, 250ml, 400ml and 5l respectively.

50ml (size)

Total fixed cost apportion

$1/10 * 13676.67 = \text{GH¢ } 1367.67\text{p}$

Fixed cost per unit

$1367.667/57600 = \text{GH¢ } 0.024\text{p}$

Total variable cost apportion

$1/10 * 51671.87 = \text{GH¢ } 5167.19\text{p}$

Variable cost per unit

$5167.187/57600 = \text{GH¢ } 0.089\text{p}$

Total cost of production = fixed cost + variable cost = GH¢ 0.0237p + GH¢ 0.0897p = GH¢ 0.1134p

Selling price = GH¢ 0.30p

250ml (size)

Total fixed cost apportion

$$2/10 * 13676.67 = \text{GH}¢ 2735.334\text{p}$$

Fixed cost per unit

$$2735.334/19200 = \text{GH}¢ 0.142\text{p}$$

$$\text{Total cost of production} = \text{FC} + \text{VC} = \text{GH}¢ 0.142\text{p} + \text{GH}¢ 0.538 = \text{GH}¢ 0.68\text{p}$$

$$\text{Selling price} = \text{GH}¢ 0.80\text{p}$$

Total variable cost apportion

$$2/10 * 51671.87 = \text{GH}¢ 10334.374\text{p}$$

Variable cost per unit

$$10334.374/19200 = \text{GH}¢ 0.538\text{p}$$

400ml (size)

Total fixed cost apportion

$$3/10 * 13676.67 = \text{GH}¢ 4103.001\text{p}$$

Fixed cost per unit

$$4103.001/19600 = \text{GH}¢ 0.209\text{p}$$

$$\text{Total cost of production} = \text{FC} + \text{VC} = \text{GH}¢ 0.209\text{p} + \text{GH}¢ 0.79\text{p} = \text{GH}¢ 0.999\text{p}$$

$$\text{Selling price} = \text{GH}¢ 2.00$$

Total variable cost apportion

$$3/10 * 51671.87 = \text{GH}¢ 15501.561\text{p}$$

Variable cost per unit

$$15501.561/19600 = \text{GH}¢ 0.791\text{p}$$

5l (size)

Total fixed cost apportion

$$4/10 * 13676.67 = \text{GH}¢ 5470.668$$

Fixed cost per unit

$$5470.668/1920 = \text{GH}¢ 2.849\text{p}$$

$$\text{Total cost of production} = \text{FC} + \text{VC} = \text{GH}¢ 2.849\text{p} + \text{GH}¢ 10.765\text{p} = \text{GH}¢ 13.61\text{p}$$

$$\text{Selling price} = \text{GH}¢ 14.00\text{p}$$

Total variable cost apportion

$$4/10 * 51671.87 = \text{GH}¢ 20668.748\text{p}$$

Variable cost per unit

$$20668.748/1920 = \text{GH}¢ 10.765\text{p}$$

PRODUCT B**BASIS OF APPORTIONMENT**

Ratio 1:2 for the sizes 1.5l and 5l respectively.

Fixed cost = GH¢6838.333p

Variable cost = GH¢26015.93p

1.5l (size)

Total fixed cost apportion

$1/3 * 6838.33 = \text{GH}¢2279.44\text{p}$

Fixed cost per unit

$2279.44/3216 = \text{GH}¢ 0.71\text{p}$

Total variable cost apportion

$1/3 * 26015.93 = \text{GH}¢8671.98\text{p}$

Variable cost per unit

$8671.98/3216 = \text{GH}¢2.70\text{p}$

Total cost of production = FC + VC = GH¢ 0.71p + GH¢ 2.70p = GH¢ 3.41p

Selling price = GH¢ 5.00p

5l (size)

Total fixed cost apportion

$2/3 * 6838.33 = \text{GH}¢ 4558.89\text{p}$

Fixed cost per unit

$4558.89/1440 = \text{¢}3.17$

Total variable cost apportion

$2/3 * 26015.93 = \text{GH} ¢17343.95\text{p}$

Variable cost per units

$17343.95/1440 = \text{¢}12.04$

Total cost of production = FC + VC = GH¢ 3.17p + GH 12.04p = GH ¢15.21p

Selling price = GH¢16.00

BREAKEVEN ANALYSIS

$$= \frac{\text{Fixed cost}}{\text{Contribution per unit}}$$

PRODUCT A**50ml (size)**

$$= \frac{1367.667}{0.30 - 0.0897} = 6503.41 \text{ units}$$

$$\text{Breakeven sales} = 6503.41 * \text{GH}\text{¢} 0.30\text{p} = \text{GH}\text{¢} 1,951.02\text{p}$$

250ml (size)

$$= \frac{2735.334}{0.80 - 0.538} = 10440.21 \text{ unit}$$

$$\text{Breakeven sales} = \text{GH}\text{¢}0.80\text{p} * 10440.21 = \text{GH}\text{¢} 8,352.16\text{p}$$

400ml (size)

$$= \frac{41103.001}{2.00 - 0.791} = 3393.71 \text{ unit}$$

$$\text{Breakeven sales} = \text{GH}\text{¢} 2.00 * 3393.71 = \text{GH}\text{¢} 6,787.43\text{p}$$

5l (size)

$$\begin{aligned} &= 5470.668 && = 1691.09 \text{ units} \\ &\underline{\hspace{1.5cm}} && \\ &14 - 10.765 \end{aligned}$$

$$\text{Breakeven sales} = \text{GH}¢14.00 * 1691.09 = \text{GH}¢ 23675.22$$

PRODUCT B**1.5l (size)**

$$\begin{aligned} &= 6838.33 && = 2973.19 \text{ units} \\ &\underline{\hspace{1.5cm}} && \\ &5.00 - 2.30\text{p} \end{aligned}$$

$$\text{Breakeven sales} = 2973.19 * 5.00 = \text{GH}¢14865.95\text{p}$$

5l (size)

$$\begin{aligned} &= 6838.33 && =\text{GH}¢1726.85 \text{ units} \\ &\underline{\hspace{1.5cm}} && \\ &16.00 - 12.04 \end{aligned}$$

$$\text{Breakeven sales} = \text{GH}¢16.00 * 1726.85 = \text{GH}¢27,629.60\text{p}$$

APPENDIX

APPENDIX 1

PROJECTED MANUFACTURING ACCOUNTS AS AT 31ST DECEMBER FOR EEZY KLEEN COMPANY LTD

	2012		2013		2014	
	GH¢		GH¢		GH¢	
RAW MATERIALS	PRODUCT A	PRODUCT B	PRODUCT A	PRODUCT B	PRODUCT A	PRODUCT B
OPENING INVENTORY			1,167.87	461.17	1,284.65	507.29
PURCHASES	23,224.00	9,156.80	24,385.20	9,614.64	25,604.46	10,095.37
CARRIAGE	133.33	66.67	140.00	70.00	147.00	73.50
	<u>23,357.33</u>	<u>9,223.47</u>	<u>25,693.07</u>	<u>10,145.81</u>	<u>27,036.11</u>	<u>10,676.16</u>
LESS CLOSING INVENTORY	1,167.87	461.17	1,284.65	507.29	1,351.81	533.81
	<u>22,189.47</u>	<u>8,762.29</u>	<u>24,408.42</u>	<u>9,638.52</u>	<u>25,684.30</u>	<u>10,142.35</u>
DIRECT LABOUR	2,880.00	1,440.00	2,880.00	1,440.00	4,416.00	2,208.00
DIRECT EXPENSES	3,271.33	1,635.67	3,271.33	1,635.67	3,680.00	1,840.00
PRIME COST	28,340.80	11,837.96	30,559.75	12,714.19	33,780.30	14,190.35
OVERHEADS						
INSUREANCE	800.00	400.00	800.00	400.00	800.00	400.00
RENT	1,066.67	533.33	1,066.67	533.33	1,066.67	533.33
PACKAGING	1,000.00	500.00	1,333.33	666.67	1,666.67	833.33
LIGHT AND HEAT	533.33	266.67	600.00	300.00	666.67	333.33
PIPE AND TAPE	46.67	23.33				
DEPRECIATION	400.00	200.00	400.00	200.00	400.00	200.00
ADD OPENING W. I. P			1,109.47	438.11	1,220.42	481.93

LESS CLOSING W. I. P.	1,109.47	438.11	1,220.42	481.93	1,284.22	507.12
PRODUCTION COST	31,077.99	13,323.18	34,665.80	14,770.37	38,316.51	16,465.15

APPENDIX 2

**EEZY KLEEN COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY**

	2011 GH¢	2012 GH¢	2013 GH¢
BAL ANCE b/f		29,359.65	65,429.35
PROFIT	29,359.65	36,069.70	48,246.54
CLOSING BALANCE	29,359.65	65,429.35	113,675.89

APPENDIX 3

**EEZY KLEEN COMPANY LIMITED
PROJECTED FIXED ASSET SCHEDULE FOR THE FIRST YEAR**

	GH¢	GH¢	GH¢	GH¢	GH¢
	FIXTURE AND FITTINGS	EQUIPMENT	MOTOR	COMPUTER	TOTAL
COST/REVALUATION	3,230.00	3,985.00	10,000.00	800.00	18,015.00
ADDITIONAL DISPOSAL REVALUATION					
TOTAL	3,230.00	3,985.00	10,000.00	800.00	18,015.00

DEPRECIATION B/F CHARGES FOR THE YEAR DISPOSAL	646.00	797.00	2,000.00	160.00	3,603.00
TOTAL	646.00	797.00	2,000.00	160.00	3,603.00
NBV	2,584.00	3,188.00	8,000.00	640.00	14,412.00

**EEZY KLEEN COMPANY LIMITED
PROJECTED FIXED ASSET SCHEDULE FOR THE FIRST YEAR**

	GH¢	GH¢	GH¢	GH¢	GH¢
	FIXTURE AND FITTINGS	EQUIPMENT	MOTOR	COMPUTER	TOTAL
COST/REVALUATION ADDITIONAL DISPOSAL REVALUATION TOTAL	3,230.00	3,985.00	10,000.00	800.00	18,015.00
DEPRECIATION B/F CHARGES FOR THE YEAR DISPOSAL	646.00	797.00	2,000.00	160.00	3,603.00
TOTAL	646.00	797.00	2,000.00	160.00	3,603.00
NBV	2,584.00	3,188.00	8,000.00	640.00	14,412.00

EEZY KLEEN COMPANY LIMITED
PROJECTED FIXED ASSET SCHEDULE FOR THE SECOND YEAR

	GH¢	GH¢	GH¢	GH¢	GH¢
	FIXTURE AND FITTINGS	EQUIPMENT	MOTOR	COMPUTER	TOTAL
COST/REVALUATION ADDITIONAL DISPOSAL REVALUATION TOTAL	3,230.00	3,985.00	10,000.00	800.00	18,015.00
DEPRECIATION B/F CHARGES FOR THE YEAR DISPOSAL TOTAL	646.00 646.00	797.00 797.00	2,000.00 2,000.00	160.00 160.00	3,603.00 3,603.00
NBV	1,938.00	2,391.00	6,000.00	480.00	10,809.00

EEZY KLEEN COMPANY LIMITED
PROJECTED FIXED ASSET SCHEDULE FOR THE THIRD YEAR

	GH¢	GH¢	GH¢	GH¢	GH¢
	FIXTURE AND FITTINGS	EQUIPMENT	MOTOR	COMPUTER	TOTAL
COST/REVALUATION ADDITIONAL DISPOSAL REVALUATION TOTAL	3,230.00	3,985.00	10,000.00	800.00	18,015.00
DEPRECIATION B/F	1,292.00	1,594.00	4,000.00	320.00	7,206.00

CHARGES FOR THE YEAR	646.00	797.00	2,000.00	160.00	3,603.00
DISPOSAL					
TOTAL	1,938.00	2,391.00	6,000.00	480.00	10,809.00
NBV	1,292.00	1,594.00	4,000.00	320.00	7,206.00

APPENDIX 4

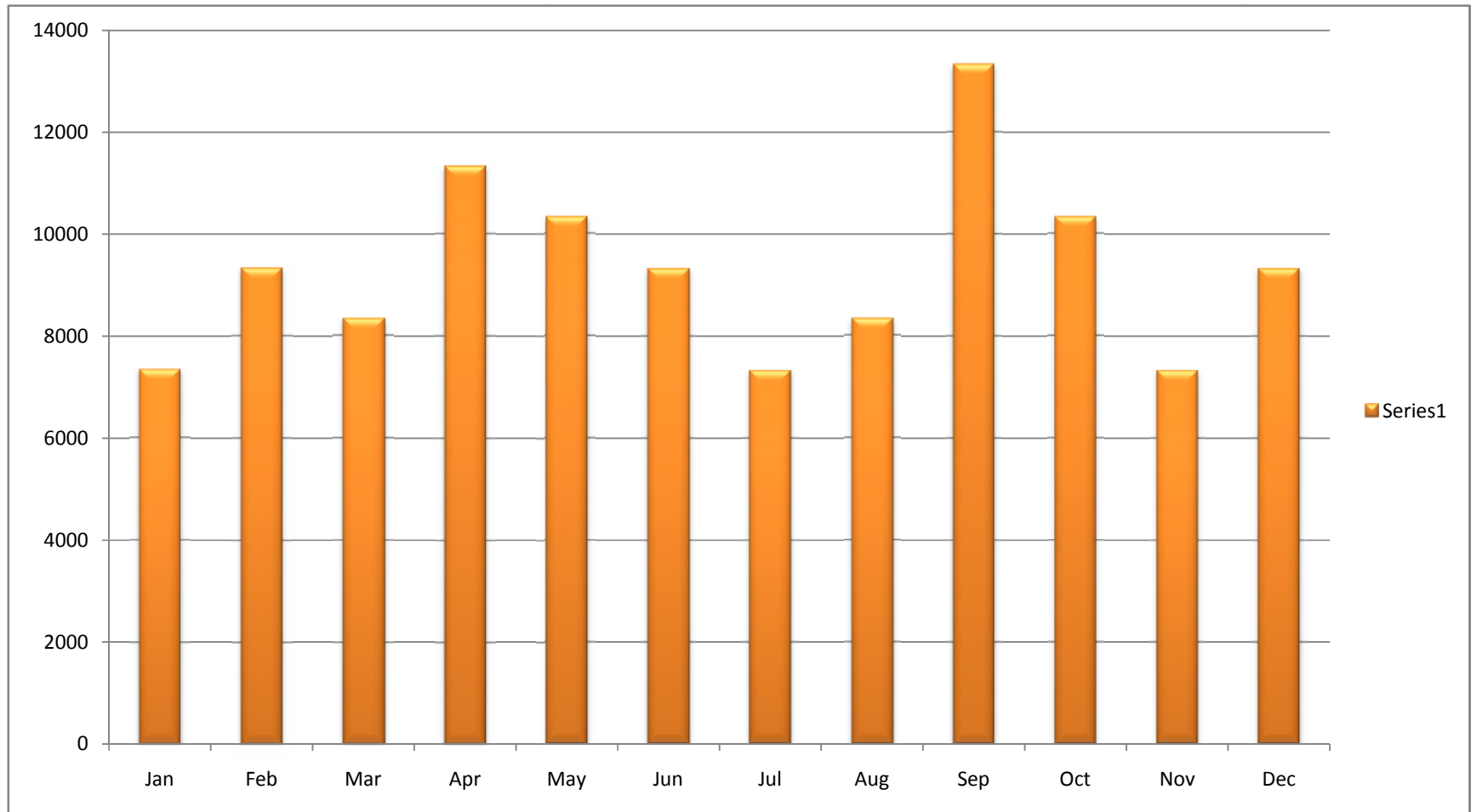
Cost of Raw Materials for Hand and Dish Washing Liquid Soap						
Ingredients	Quantity Per Week	Cost Per Week GH¢	Cost Per Month GH¢	Cost Per Year GH¢		
Soap Base	44kg	176	704	8448		
Salt	22,000kg	17.6	70.4	844.8		
Perfume	1,320ml	33	132	1,584		
Booster	2.64lt	31.68	126.72	1520.64		
Thickner Brown	2.64lt	31.68	126.72	1520.64		
Colour	88g	0.66	2.64	31.68		
Bottles	460 pcs	45	180	2160		
Total		335.62	1342.48	16109.76		

Cost of Raw Materials For Floor-Cleaning Liquid Soap						
Ingredients	Quantity Per Week	Cost Per Week GH¢	Cost Per Month GH¢	Cost Per Year GH¢		
Soap Base	25kg	100	400	4,800		
Salt	12,500kg	10	40	480		
Perfume	750ml	18.75	75	900		
Booster	1.5lt	18	72	864		
Thickner Brown	1.5lt	18	72	864		
Colour	50g	0.38	1.52	18.24		
Liquid Phenol	750ml	3.75	15	180		
Bottles	97 pcs	35.1	140.4	1684.8		
Total		203.98	815.92	9,791		

APPENDIX 5

Monthly Sales for the first year for Eezy Kleen Company Limited

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
7329	9329	8329	11329	10329	9329	7329	8329	13329	10329	7329	9329



EEZY KLEEN COMPANY LTD**Payroll Schedule for year 1**

Position	No.of employees	Rate per head GH¢	Monthly salary GH¢	Annual Salary GH¢
Managing director	1	500.00	500.00	6000.00
Operations manager	1	300.00	300.00	3600.00
Accounts Manager	1	300.00	300.00	3600.00
Marketing manager	1	300.00	300.00	3600.00
Sales personnel	2	150.00	300.00	3600.00
Floor workers	3	120.00	360.00	4320.00
Driver	1	120.00	120.00	1440.00
Security	1	110.00	110.00	1320.00
Chemist	1	400.00	400.00	4800.00
Total	12	2300.00	2690.00	35880.00

13% SSF CONTRIBUTION FOR SALARY WORKERS

4664.40

NOTE

Sales personnel are paid commission only. That is based on the quantity that is sold each day. GH¢150.00 has been set as the highest commission that may be attain in a particular month by a worker.

EEZY KLEEN COMPANY LTD**Payroll Schedule for year 2**

Position	No.of employees	Rate per head GH¢	Monthly salary GH¢	Annual Salary GH¢
Managing director	1	500.00	500.00	6000.00
Operations manager	1	300.00	300.00	3600.00
Accounts Manager	1	300.00	300.00	3600.00
Marketing manager	1	300.00	300.00	3600.00
Sales personnel	2	150.00	300.00	3600.00
Floor workers	3	120.00	360.00	4320.00
Driver	1	120.00	120.00	1440.00
Security	1	110.00	110.00	1320.00
Chemist	1	400.00	400.00	4800.00
Total	12	2300.00	2690.00	35880.00

13% SSF CONTRIBUTION FOR SALARY WORKERS

4664.40

NOTE

Sales personnel are paid commission only. That is based on the quantity that is sold each day. GH¢150.00 has been set as the highest commission that may be attain in a particular month by a worker.

EEZY KLEEN COMPANY LTD**Payroll Schedule for year 3**

Position	No.of employees	Rate per head GH¢	Monthly salary GH¢	Annual Salary GH¢
Managing director	1	575.00	575.00	6900.00
Operations manager	1	345.00	345 .00	4140 .00
Accounts Manager	1	345.00	345 .00	4140.00
Marketing manager	1	345.00	345.00	4140.00
Sales personnel	2	172.50	345.00	4140.00
Floor workers	3	138.00	414.00	4968.00
Driver	1	138.00	138.00	1656.00
Security	1	126.50	126.50	1518.00
Chemist	1	460.00	460 .00	5520.00
Total	12	2300.00	3,093.50	37122 .00

13% SSF CONTRIBUTION FOR SALARY WORKERS

4825.86

In the third year, wages and salaries is increased by 15% across board.

NOTE

Sales personnel are paid commission only. That is based on the quantity that is sold each day. GH¢172.50 has been set as the highest commission that may be attain in a particular month by a worker.

PROJECTED MANUFACTURING ACCOUNT FOR THE THREE YEARS OF EEZY KLEEN COMPANY LTD

	YEAR 1		YEAR 2		YEAR 3	
	GH		GH		GH	
RAW MATERIALS	PRODUCT A	PRODUCT B	PRODUCT A	PRODUCT B	PRODUCT A	PRODUCT B
OPENING INVENTORY			1,167.87	461.17	1,284.65	507.29
PURCHASES	23,224.00	9,156.80	24,385.20	9,614.64	25,604.46	10,095.37
CARRIAGE	<u>133.33</u>	<u>66.67</u>	<u>140.00</u>	<u>70.00</u>	<u>147.00</u>	<u>73.50</u>
	23,357.33	9,223.47	25,693.07	10,145.81	27,036.11	10,676.16
LESS CLOSING INVENTORY	<u>1,167.87</u>	<u>461.17</u>	<u>1,284.65</u>	<u>507.29</u>	<u>1,351.81</u>	<u>533.81</u>
	22,189.47	8,762.29	24,408.42	9,638.52	25,684.30	10,142.35
DIRECT LABOUR	2,880.00	1,440.00	2,880.00	1,440.00	4,416.00	2,208.00
DIRECT EXPENSES	<u>3,271.33</u>	<u>1,635.67</u>	<u>3,271.33</u>	<u>1,635.67</u>	<u>3,680.00</u>	<u>1,840.00</u>
PRIME COST	28,340.80	11,837.96	30,559.75	12,714.19	33,780.30	14,190.35
OVERHEADS						
INSUREANCE	800.00	400.00	800.00	400.00	800.00	400.00
RENT	1,066.67	533.33	1,066.67	533.33	1,066.67	533.33
PACKAGING	1,000.00	500.00	1,333.33	666.67	1,666.67	833.33
LIGHT AND HEAT	533.33	266.67	600.00	300.00	666.67	333.33
PIPE AND TAPE	46.67	23.33				
DEPRECIATION	400.00	200.00	400.00	200.00	400.00	200.00
ADD OPENING W. I .P			1,109.47	438.11	1,220.42	481.93
LESS CLOSING W. I. P.	<u>1,109.47</u>	<u>438.11</u>	<u>1,220.42</u>	<u>481.93</u>	<u>1,284.22</u>	<u>507.12</u>
PRODUCTION COST	<u>31,077.99</u>	<u>13,323.18</u>	<u>34,665.80</u>	<u>14,770.37</u>	<u>38,316.51</u>	<u>16,465.15</u>

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EEZY KLEEN COMPANY LIMITED
CASH FLOW STATEMENT FOR THE THREE YEARS

	2011	2012	2013
INFLOW	GH¢	GH¢	GH¢
CAPITAL	100,000.00		
CASH SALES	106,350.60	116,985.66	140,382.79
RECEIPT FROM DEBTORS		5,597.40	6,157.14
TOTAL IN FLOW	206,350.60	122,583.06	146,539.93
 OUT FLOW			
ASSET	18,015.00		
PURCHASES	32,380.80	33,999.84	35,699.83
CARRIAGE	200.00	210.00	220.50
DIRECT LABOUR	4,320.00	4,320.00	6,624.00
DIRECT EXPENSE	4,907.00	4,907.00	5,520.00
TAXATION		4,194.24	5,152.82
OVERHEADS	5,170.00	5,700.00	6,300.00

SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSE	<u>33,210.00</u>	<u>29,860.00</u>	<u>35,134.00</u>
TOTAL OUT FLOW	98,202.80	83,191.08	94,651.15
NET CASH FLOW	108,147.80	39,391.98	51,888.78
OPENING BALANCE		<u>108,147.80</u>	<u>147,539.78</u>
CLOSING BALANCE	<u>108,147.80</u>	<u>147,539.78</u>	<u>199,428.56</u>