

CHRISTIAN SERVICE UNIVERSITY COLLEGE-KUMASI

BACHELOR OF BUSINESS ADMINISTRATION

CONVENIENCE SERVICE COMPANY LIMITED

BUSINESS PLAN

BY

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DECEMBER,2011.

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CONVENIENCE SERVICE COMPANY LIMITED

BUSINESS PLAN

A BUSINESS PLAN SUBMITTED TO THE DEPARTMENT OF BUSINESS
STUDIES OF CHRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI IN
PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE COURSE

CSAD 443 TEAM BUSINESS PROPOSAL

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DECEMBER, 2011.

We have read the Christian Service University College’s regulations relating to plagiarism and certify that this Business Plan is all our work and do not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this Business Plan herein submitted.

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EXECUTIVE SUMMARY

Convenience Service Company Limited (CSLC) will be the name of the company. Convenience Service Company Limited would be a service provider that would be ahead of all other competitors in the same industry. It is to provide comfort and convenient ultra-modern Kumasi Very Improved Pit (KVIP) for the people of Aboabo no-2 a suburb of Kumasi. The head office is to be located at Aboabo no-2, opposite the Methodist Church (M/C) primary school. This area is clustered with all kinds of clients and it is easily accessible. The reason for this area was based on a research conducted by the group to establish the need for an improved place of convenience.

Convenience Service Company limited would be a private limited liability company that would be managed by experts in environmental issues. Owusu Blessing who will be the general manager has five (5) years working experience with the Ghana Education Service (GES) in connection with environmental issues. Ayam John the operations and quality control manager also has a four (4)-year working experience as a environmental health officer at Manhyia District Hospital-Kumasi. Issah Peter has (24) years of service experience in public sector accounting, having worked in the Ghana Health service, will be in charge of purchasing, revenue collection and handling of finances.

Convenience Service Company limited will target the total community and gradually attract customers from all over the city and beyond.

A start up capital of ninety thousand Ghana cedis (Gh¢90,000) would be needed to commence the business to be equally contributed by members which is expected to generate net yearly cash inflows of Gh¢63,327, Gh¢103,474 and Gh¢140,684 in 2012, 2013 and 2014 respectively.

MISSION STATEMENT

To keep the residential area of Aboabo clean and healthy by the provision and delivery of effective, efficient, and an improved place of convenience and waste collection service and programmes environmentally acceptable disposal.

In doing all these the company will effectively collaborate with other Public Institutions, the private sector and civil society including traditional authorities.

The service shall be delivered at an affordable cost to all sections of the Aboabo community and without any adverse impact to the environment, thereby creating an enabling environment for development and healthy living.

VISION

To be the best service provider of quality, quick, save and reliable place of convenient at an affordable price and also be a world class, cost and quality provider of services whose best reference would be testimonial of excellence and satisfaction given by our customers.

CORPORATE OBJECTIVES

To provide the best possible place of convenience services following the best environmental practices governing the industry.

To ensure that the company has a robust financial turnaround to cater for more expansions.

To ensure that the company has a clear responsibility and accountability arrangements for the delivery of services, environmental standards and that proper internal control system is adhered to.

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1.0 BACKGROUND/ORGANISATION

Household Sanitation in Kumasi, Ghana: A Description of Current Practices, Attitudes, and Perceptions. This research was conducted by Dale Wittington, Donald. Lauria, Kyeongae Choe, Jeffrey A. Hughes, Venkateswarlu, Swarna. University of North Carolina, Chapel Hill. In collaboration with Albert M. Wright (The World Bank, Washington DC stated that “Over 1200 households in Kumasi, Ghana were interviewed in 1989 about their current sanitation practices, perception of existing sanitation conditions, expenditures, and their knowledge of improved sanitation options. The result of the survey and related research revealed that an appalling from a public health perspective, dangerous situation. Households were generating about 25,000 per month cubic meters of waste per month, but only about 10% of it was removed from the city. The remaining 90% was left in the urban environment. In aggregate, households were spending about US\$75,000 per month to use the existing sanitation systems (about 75% of which was spent for the use of public latrines). People in Kumasi were only spending about US\$1.50 per capita annually for sanitation services, and correspondingly, were getting very poor service. Households were quite open to the ideal simple, low-cost, on-site solution to their sanitation problems.” (source: 2005, World Bank).

As the world is becoming increasingly urban there is a growing demand for better understanding of and solutions to the conditions of urban sanitation. Some of the programmes and targeted institutions addressing urban sanitation by the government include Public Private Partnership in which institutions such as Zoom Lion Waste Management Company is in the forefront of these crusades, and the government Urban Sanitation Improvement Strategy.

1.0.1 SOLID AND LIQUID WASTE MANAGEMENT.

The mode of solid and liquid waste management in the Aboabo Area is mostly communal. There are few toilet facilities in the area. The available toilet facilities are in poor condition and pose as death traps.

According to the Population and Housing Census 2010 obtained from the statistics department of the Kumasi Metropolitan Assembly. The Aboabo Area has a population of 34,794 made up of male 17,250

And female of 17,544 representing 49.58% and 50.42% respectively.

The implication of the demographic features is that due to the size of the population there will be pressure on the existing toilet facilities which are poorly maintained and pose as death traps.

It is in the light of these that Convenience Service Company Limited has seen the need to respond and bridge the gap between the existing poor toilet facilities and providing a very improved and well constructed place of convenience with state of the art facilities since the market will be potentially good for such an investment. Kessben FM, a Kumasi based Radio Station reported on 15th November 2011 in their morning news that CPC a suburb in Kumasi residence do not have enough public place of convenience. They only have two places of convenience which people have to join a long queue starting from 4:00am -7:30am and 5:00pm-8:00pm before they can access it.

Convenience Service Company Limited will be the name of our company. The company will commence on 1st July, 2012 it is expected that all registrations would have been completed at the Registrar General's Department. Convenience Service Company limited would be a limited

liability company which would be owned by five shareholders. Each shareholder would be assigned duties as to the management of the business. General organization or operating units would include the general manager as the head, purchasing, revenue manager, and operations and quality control manager.

Convenience Service Company Limited shall strategically scan the environment to always meet the changing demands of its valued customers who would be served by competent workers.

Convenience Service Company limited would provide a modern and an improved place of convenience, constant supply of water, interior decorations such as mirrors, and disinfectants to prevent outbreak of diseases and other toiletries.

The company will have human resources that have the skills and technical capabilities which includes, team work, physical evidence, serving with integrity among others.

2.0 PRODUCT/SERVICE IDEA AND RELISATION OF SCHEDULE

2.1 Service idea

The services to be provided will be an improved place of convenience for the people of Aboabu No-2 with state of the art facilities in the Kumasi metropolis and even beyond. Convenience Service Company Limited (CSCL) will be the most effective and efficient managed service company .In doing all this the Company will effectively collaborate with other private sector and civil society including the traditional authorities The service shall be delivered at affordable cost to all without any adverse impact to the environment thereby creating an enabling environment for development and healthy living. The interior will be furnished with a first class floor and wall tiles with well installed water closet in all the thirty(Gh¢.30p) rooms. An ultra-modern ceiling fans with a reliable lighting system. Toilet roll and hand wash liquid soap with disposable tissue papers to wipe one hand after wash. To ensure constant supply of water to the facility, a polytank will be installed connected to a “borehole”, which will be drilled before actual work begins. There will be a standby generator to supply power when there is a power outage. The facility will be put to use from the first of July 2012 with the help of the company competent and efficiency level alongside commitment.

2.1.1 Proprietary position

The company before getting started in July 2012 will acquire the necessary trademark and a dealership right to operate. With the availability of our experienced staff, experts to match any competition will be at our advantage. Our services will be the first ever in the area to offer such quality but cost-efficient services.

2.1.2 Pricing

Since the business intends not to make profit from the onset and even break-even at the end of the third year after operation, thirty pesewas (30p) will be charged initially. This amount was determined based on a critical survey conducted by the group with the help of questionnaire as a tool to gather information from the people. More than sixty percent (60%) of the respondents preferred to pay thirty pesewas (30p).

2.1.3 Research and development

Due to our efficiency and pro-activeness, our staff will frequently undergo training on sanitation and environmental hygiene issues so as to avoid any environmental and sanitation hazard including cholera, malaria among others.

2.1.4 Quality assurance and control

As stated in our vision statement to provide quality services, Convenient Service Company Limited (CSCL) intends to give its clients a faultless service such as a well trained staff with attractive incentives to motivate them to bring out the best in them, to follow standard pertaining in the industry, subjecting our company to peer view mechanism to identify our faults if any and address them, suggestion boxes for our clients to speak their minds and acting on their concerns immediately. CSCL is determined to win both local and international awards to enhance our service. Convenience Service Company Limited will be managed by six people, the general manager, two administrative heads and three supporting staff.

2.2 REALIZATION OF SCHEDULE

SN	ACTIVITIES	TIME							RESPONSIBILITY	COST (GH¢)
		JAN	FEB	MAR	APR	MAY	JUN	JUL		
1	FUNDING								OWNERS	90,000
2	OFFICE LOCATION								QUALITY CONTROL & OPERATION MANGER	500.00
3	REGISTRATION								LEGAL ADVISER	300.00
4	RECRUITMENT								QUALITY CONTROL & OPERATION MANAGER	150.00
5	LAUNCHING								KUMASI METROPOLITAN ASSEMBLY (CEO)	300.00
6	COMMENCEMENT TIME & BUSINESS								ALL STAFF	350.00

Table 1

3.0 MANAGEMENT TEAM

The Convenience Service Company's Limited human resource plan is as follows;

- a. General Manager
- b. Purchase, Revenue and Finance Manager
- c. Operations and Quality Control Manager
- d. Revenue collectors (2)
- e. Cleaner (1)

3.0.1 GENERAL MANAGER

Mr. Owusu Blessing will be the General Manager of Convenience Service Company Limited. He will be the administrative head of all the four (4) departments of Convenience Service Company Ltd.

Mr. Owusu is a holder of Diploma in Basic Education from the University of Cape Coast at the Akrokeri College of Education (Dip.ed). A B.ed (Basic) degree in Mathematics from the University of Education Winniber(UEW), Institute for Educational Development and Extension (IEDE).

Before he enrolled at Christian Service University College (CSUC), Mr. Owusu was an assistant headteacher at Daa Primary School, a suburb of Ashante Bekwai Municipality. As a Teacher, he was the Secretary to the staff of the school and to the Parent Teachers Association (PTA). Not only that he was also the Sports Secretary and zonal Assistant Organizer of Sporting Activities

(2007/2008). He is currently contracted as the editor to a yet to be published Mathematics book written by Asamoah Baffour.

Mr. Owusu Blessing shall be responsible for:

- Coordinating the works of all the departments of Convenient Service Ghana Ltd

- Monitoring the daily activities of the departments

- Advising the departmental heads as to how to strategise action and programmes for the realization of the company's objectives.

3.0.2 PURCHASING, REVENUE AND FINANCES

Mr. Issah peter will be the head of this unit of the Company. He will report directly to the General Manager.

Mr, Issah holds a professional certificate in Management Accounting (CIMA PART 1 UK) from the Chartered Institute of Management Accountant's in 1991. He also holds a Certificate in Internal Auditing from Management Development and Productivity Institute (MDPI Accra)in 2005. He has also attended a two(2)week course organized by Fefeti & Co Chartered Accountant, for in charge Accountants of Health Facilities in Accounting Treasury and Financial Regulation in 1997. He also attended a course in Logistics Management of Health Commodities in 2008.He will be responsible for the purchases of logistics, receipts of all monies and all lodgements to the bank.

- He shall supervise all the accounting transaction process.

- He shall prepare the financial budget.

-He shall prepare financial account for auditing purpose.

-He shall prepare a periodical budgetary auditing of all sessions of Convenience Service Company Limited

-He shall issue all monies and cheques for payments.

3.0.3 OPERATIONS AND QUALITY CONTROL

Mr. Ayam John will be the head of this unit of the Company. He will report directly to the General Manager. He will be responsible for the day to day operation of the facility ,maintenance and improvement and enforcement of standards set by the industry.

Mr. Ayam pursued his tertiary education at Institute of Business Management & Journalism

(IBM&J) at Krofrom in Kumasi of which he was awarded Diploma in both Journalism and

Marketing. He also has Certificate in Marketing, Post Graduate Diploma and Advance Diploma in Marketing, all were awarded to him by Institute of Commercial Management (ICM) UK.

Mr. Ayam enrolled at Christian Service University College(CSUC) in September,2009 for an awarded of a Bachelor of Business Administration (BBA) Human Resource Management.

Mr, Ayam was once a teacher at Joy Ahead International School Moshie Zongo, a suburb of Kumasi in 2004, he also worked as a marketing Officer at Magnate Technology & Service Ltd in Asafo Kumasi in 2004, he was once a Youth President of Yennyawoso Presby Congregation from 2004-2010,he has also worked as the Data Entry Officer and Registration Assistance at National Health Insurance Scheme (NHIS) Manhyia Sub metro from 2005-2010.

Mr. Ayam John shall be responsible for the following:

- Recruitment and selection of staff
- Training of management and staff
- Formulation and implementation of the Company's policies and strategies
- Designing the pay structure of Convenience Service Company
- He shall be the liaison between management and staff
- Designing job description for Convenience Service Company
- Conducting marketing research for the Company
- Bringing new ideas to improve upon our services
- Advertising the service
- Developing marketing plan for the Company

3.0.4 Supporting staff

The company will employ one worker, male and who will be assigned to clean the male and female facility in addition to Amoako Grace Palithia and Addai Sarah as supporting staff. Each worker will be given allowance at the end of every month.

Amoako Grace Palithia is a self motivated person with two years working experience as a revenue officer in a similar firm.

Amoako Grace and Addai Sarah will be responsible for the collection of all revenue from clients. One new worker to be employed will hold a minimum qualification of Junior High School Certificate with experience in a similar firm.

In line with reporting, authority and responsibilities, the one responsible for the entire operations of the company would be the general manager assisted by purchasing, revenue and finance manager and quality control and operations manager.

The supporting staff, made up of one cleaner and two revenue collectors would be reporting directly to the quality control and operations manager and purchasing, revenue and finance

Manager respectively. Line of reporting and responsibility is shown by the chart below;

3.0.5 THE ORGANISATIONAL STRUCTURE OF CONVENIENCE SERVICE LIMITED

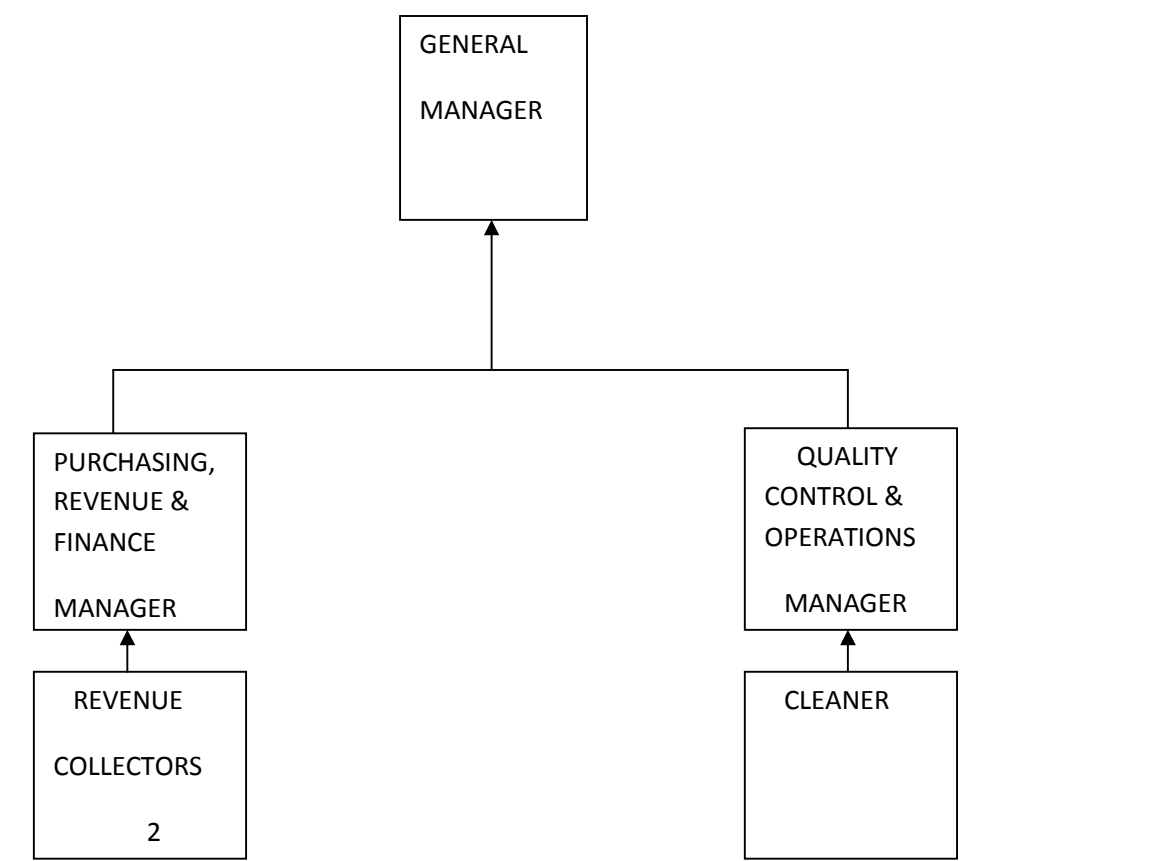


Figure 1.

4.0 MARKETING ANALYSIS

4.1 Business Systems and Operations

Operations will consist of regular water cleansing of the slab (with soaps or detergents) to remove any excreta and urine, and daily cleansing of the floor, door handles and other parts of the superstructure.

Maintenance will consist of monthly inspection to check for cracks in the floor slabs and damage to the vent pipe and fly screen and digging out part of the faeces at the end of the dry season. These faeces will be handled with care and buried in a pit covered with soil at an approved site. After at least a year when the content have decomposed into harmless humus, the humus will be used as fertilizers.

A septic tank will be installed to which wastes will be carried by water flushed down a short PVC pipe .A septic tank will not dispose of wastes, it will only help to separate and digest the solid matter.The sludge accumulating in the tank will be removed regularly, usually once every two years.

After the toilet is used, a minimum of 2.5 liters of water will be poured into the pan to flush the toilet. The flush toilet will have a U-shaped conduit partly filled with water (U rap) under the pan. The U trap will help to overcome the problems of flies, mosquitoes and odor by serving as a seal.

On the issue of clients attendants, there will be one exit and entry point. This will assist in ensuring that all cutomers who patronise the service pay their fee at the entrance where the

revenue collector would be seated. All money collected daily would be handed over to the finance manager who will intend record it in the general ledger and then lodge it in the bank.

The facility will be devoid of stair cases to cater effectively for the disabled. People with emergency cases shall be allowed to use the facility before money is collected.

Convenience Service Company limited (CSCL) will be sited at Aboabo no 2, a suburb of Kumasi. The location is very accessible because of the popular P&G printing press which is in direct opposite. This clustered area was chosen because the place has been well scanned and with the aid of our questionnaires responses, we realized that there are vast number of customers who are in dye need of an improved and a comfortable place of convenient to patronize. Apart from the existing facility which has deteriorated, land acquisition at Aboabo no 2 is much affordable as compared to other areas in the Kumasi Metropolis. The place is also known to be a traffic free area with transportation always accessible

With advertisement on new spaces and land to let, the company intends to rent an office near the Aboabo M/C primary school, a less than five minute walk from the facility.

The facility itself will be sited on the premises of the existing one where there is enough space which belong to Kumasi Metropolitan Assembly . The company's buildings will be basically modernized with orange and cream paintings.

4.2 ENVIRONMENTAL ANALYSIS

Demand for quality and affordable place of convenience with state of the art facilities cannot be over emphasized due to the increasing population in the Kumasi Metropolis especial Aboabo No. 2 area where there is pressure on the existing facilities which have existed for more than forty (40) years as the research has revealed.

Unlike in the past when the population of the area was nothing to write home about due to increase migration and urbanization the pressure on the only place of convenience has outlived its usefulness, it is in the light of these that an ultra modern state of the art place of convenience will not only be patronized as revealed by the respondent it will be commercially sustainable as affordability and quality of service will be our competitive urge.

The population and Housing Census 2010 as obtained from the statistics department of Kumasi Metropolitan Assembly indicates that with the population of 34,794 in Aboabo No 2 and with private use of water closet representing only 8.4% ,the potential for the company becoming successfull is bright representing a percentage of 91.6 of the projected population that is 31,871.3 .

Our competitor by name 'Jincheo' who is in the neighbourhood charges a fee of Gh¢.10p per client with outmoded facilities and complains by clients for improved and an affordable state of the art place of convenience .

If "Jincheo" earns Gh¢.10p per client based on the projected population of 600, the company will make sales revenue of Gh¢60 cedis per day . It therefore means that the new facility in which clients are prepared to pay Gh¢.30p per client based on a projected population of 600 will yield the company an income of Gh¢.180.00 cedis per day.

COMPETITION

The company is well poised for any possible competition in the future from other facilities such as 'Jinncheo' who is also in the neighbourhood.

KEY TO SUCCESS

One of the keys to success in the place of convenience industry is quality of service to clients. Another key is affordability if this key to success is pursued and achieved the company will be profitable and sustainable.

MANAGEMENT ACTION

If the company is to be the market leader in the places of convenience industry, the following issues will be considered.

1. Its management ability to formulate strategies and policies to be implemented by the operational staff.
2. Working capital for the acquisition of appropriate state of the art operational equipment for cleaning and dislodgement.
3. The ability to attract, train and retain young and committed personnel to handle the operation of the business.
4. Adoption of competitive pricing policy for its services.

4.2.1 Strength ,Weakness, Opportunities, And Threats

The following analysis captures the major strength and weaknesses within Convenience Service Company Limited and describes the opportunities and threats facing it.

The strength of the company lies in two main areas

1. Competent staff

Experienced managers who have been involved in education on environmental issues with Zoomlion especially on waste management.

Key Equipment and Machinery

The Company will make available an improved state of the art place of convenience equipment needed in its operation

WEAKNESS

1. No effective marketing team.

STRATEGIES FOR ADDRESSING THE WEAKNESS

The management of company intends to address the weakness enumerated above by pursuing the following interventions;

1. CSCL will outsource the use of a public address system from the ministry of information Kumasi, for education, announcement about the presence of the facility

2. The company will make use of young and dynamic boys and girls from the area and trained by experts in the field of customer care service to carry out the message to the Aboabo community.
3. The company intends to build a good relationship with our suppliers in order to achieve low cost of operation, constant supply of materials so that competitive prices can be charged for our services .
4. The company intends to make use of very reliable suppliers such as pz company and unilever company for all our disinfectants ,moppers ,toilet rolls and detergents etc

OPPORTUNITIES

1. Increasing population.

THREATS

1. Rising cost of doing business as a result of increases utility tariffs
2. Possibility of every home getting a place of convenience as required by City Authorities in the not too distant future..

4.3 MARKET SEGMENTATION

The population of the Aboabo area with respect to the number of inhabitants, gender and those who have the facility in their various homes are given below;

SEX	Counts	%	Cumulative %
Male	17,250	49.58%	49.58%
Female	17,544	50.42%	50.42%
Total	34,794	100.00%	100.00%

Table 2 (total population and gender)

OWN_TOILET	Counts	%	Cumulative %
Owned by household	328	15.15%	15.15%
Shared	1,837	84.85%	84.85%
Total	2,165	100.00%	100.00%

Table 3 (SOURCE;2005, WORLD BANK)

From the above table, the population for which this work would be based on is indicated in table 2 above. In table 3, the percentage of people who owns the facility is given as 15.15%, indicating that the remaining 84.85% of the total population share the limited public facility. This shows clearly that, the company's projections of six hundred (600) clients attendants per day could even be more, hence making the annual sales revenue projections achievable.

4.4 TARGET MARKETS

The intention of Convenience Service Company Limited (CSCL) is to explore the increase migration and urbanization in the Aboabo area which has resulted in pressure on the existing facilities to offer a better and state of the art place convenience in which survey carried out indicate that the respondent are in favour of a better place at an affordable price. The target includes all residents in the community of Aboab No-2

4.4.1 MARKET NEEDS

The target market of CSCL require two main benefits

1. Quality service
2. Cost and affordability

4.5 MARKETING MIX

The company 's marketing mix shall comprise the following approaches pricing, promotion and distribution. and product (service).

4.5.1 Pricing

The pricing strategy of Convenience Service Company Limited has been critically analyzed using penetration strategy since the competition is high and customers are price sensitive. We intend to maintain this strategy for three years because management believes that the company has the expertise and experience to deliver with high efficiency to satisfy all clients at all times.

4.5.2 Promotional Strategies

Doing business without advertisement is like pouring water in a leaked bucket, the desired results will not be achieved.

Posters will be posted at vantage points to display the facility, the state of art equipment and useful information about the facility. Personal selling of the service by the entire management team, motivated and trained young people of the vicinity as a way of attracting clients. Participate in socially responsible programmes as part of its public relations strategy.

4.5.3 DISTRIBUTION

The company will engage in franchising or allow its product to be replicated in another way by maintaining standards to be adopted. It is our strategy to be at the order winner stage.

4.5.4 POSITIONING

The company will position itself as the market leader in the industry as a healthy place of convenience by emphasizing its key competitive priorities in its promotional activities. The company wants to be incomparable to none in the Aboabo No2 area and the only name on the lips and mind of the people and even our competitor 'Jincheo'.

STRATEGIES

The marketing message of the company will be that of quality of service, and affordability with a purpose. The message will be communicated through a variety of methods;

1. Door to door advertising by young people recruited from the vicinity of Aboabo No-2.
2. Make use of ministry of information public address system van to spread message about the existence of the facility and its state of the art cleaning equipment

5.0 FINANCIAL ANALYSIS

5.1 Assumptions and Risk Analysis

5.1.1 Assumptions

- a. Depreciation of property, plant and equipment would be provided at 10% on straightline method.
- b. Average inflation for the period would stand at 12%.
- c. Taxes are not taken into consideration.
- d. Average interest rate would stand at 25%.
- e. Other assets are charged against sales revenue.

5.1.2 Risk Analysis.

RISK ANALYSIS

Risk is inevitable in everything we do. There may be commonplace risk that is almost inevitable, for example the risk that a member of a team is sick for part of the project. There may be some unlikely but impact risk, for example the risk that the solution could cause the destruction of the organization. The company will identify all realistic risks associated with it.

The following are some of the risks that are associated with our business:

Risks Associated with K.M.A's Bye –Laws

Convenience Services Company Limited major risk lies in the ability of Kumasi Metropolitan Assembly to enforce its bye laws in making its citizens to provide toilets facilities in their homes. If it's successful, the company's sales revenue of GH¢180 per day may be seriously affected.

Price Risk

Our suppliers may tend to increase the cost of their raw materials due to external factors like, exchange rate and interest rate fluctuations. This can affect our pricing strategy since they (suppliers) import the raw materials and put it into finished products before they supply to us.

Risks of Fire Outbreak

Since the business is to be established to serve as a public place for convenience, and though no cigarette or match is allowed in there, yet we believe that some people would still not heed to rules. And in such moments the place can catch fire.

RISK MANAGEMENT

Risks cannot be entirely removed. But the interesting thing is that it can be minimized to its infinitesimal level.

With respect to the risks associated with Kumasi Metropolitan Assembly's directive for all houses to have a toilet facility in their homes the company believes strongly that it would be impossible for majority of houses to abide by such a directive thereby using this as an

opportunity coupled with the way the Aboabo community is congested, Convenience Services Company Limited would improve much better on their services.

Convenience Services Company Limited would manage the stock it has efficiently to prevent losses due to wastage.

In solving the issue of risks of fire outbreak, Convenience Services Company Limited would purchase insurance policy from an insurance company to transfer some of the risks associated with losing the entire facility to fire.

Moreover, Convenience Services Company Limited would adapt to other loss control, preventive and internal risk reduction measures to lower any such uncertainties.

PROJECTED INCOME STATEMENT

	YEAR 2012	YEAR 2013	YEAR 2014
	GH¢	GH¢	GH¢
Sales Revenue	67,500.00	72270	79497
<u>Less:</u>			
Direct cost of sales	(5,500.00)	(9,000.00)	(10,000.00)
Gross margin	62,000.00	63,270.00	69,497.00
Gross margin (%)	91.85%	87.55%	87.42%
<u>Expenses:</u>			
Toilet rolls	3,942.00	4,000.00	5,000.00
Allowances	10,800.00	12,960.00	13,680.00
Detergents	600.00	650.00	700.00
Liquid soaps	300.00	400.00	500.00
Hand towel	150.00	200.00	300.00
Transportation	100.00	100.00	250.00
Scrubbing brush	6.00	8.00	12.00
Air freshners	150.00	200.00	250.00

Dislodging		1,500.00	2,000.00
Stationery	10.00	10.00	15.00
Pinting of tickets	20.00	20.00	25.00
Building maintenance		500.00	6,000.00
Electricity	480.00	560.00	700.00
Fuel	140.00	180.00	300.00
Vim	15.00	20.00	30.00
Gloves	10.00	15.00	25.00
Legal Expenses	500.00		
Insurance	1,200.00	1,400.00	2,000.00
Telephone	150.00	200.00	300.00
Rent	200.00	200.00	200.00
Depreciation	7,000.00	7,000.00	7,000.00
Total operating expenses	25,773.00	30,123.00	39,287.00
Net profit	34,227.00	33,147.00	30,210.00
net profit/sales	50.71%	45.87%	38.00%

PROJECTED CASH FLOW STATEMENT

	Year 2012	Year 2013	Year 2014
Inflows	GH¢	GH¢	GH¢
Bal bld		63,327	103,474
Capital	90,000		
Sales revenue (B)	<u>67,500</u>	<u>72,270</u>	<u>79,497</u>
	<u>157,500</u>	<u>135,597</u>	<u>182,971</u>
Out flows			
Property, Plant & Equip (A)	70,000		
Expenses (D)	18,673	23,123	32,287
Others	<u>5,500</u>	<u>9,000</u>	<u>10,000</u>
Total Out flow	94,173	32,123	42,287
Net cash flow	<u>63,327</u>	<u>103,474</u>	<u>140,684</u>
	<u>157,500</u>	<u>135,597</u>	<u>182,971</u>

CONVENIENCE SERVICE COMPANY LIMITED (CSCL)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012, 2013 & 2014

	2012		2013		2014	
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
ASSETS						
<u>NON-CURRENT ASSETS</u>						
Property, plant & equipment	63,000		56,000		49,000	
Other financial assets	<u>5500</u>	68,500	<u>9000</u>	65,000	<u>10000</u>	59,000
<u>CURRENT ASSETS</u>						
Cash & cash equivalents	<u>63327</u>	<u>63327</u>	<u>103474</u>	<u>103474</u>	<u>140684</u>	<u>140684</u>
		<u>131827</u>		<u>168474</u>		<u>199689</u>
EQUITY & LIABILITIES						
<u>CAPITAL & SURPLUS</u>						
Stated capital		90,000		126,227		159,374
Income Surplus		<u>36227</u>		<u>33147</u>		<u>30210</u>
		126227		159374		189584
<u>CURRENT LIABILITY</u>						
Trade & other payables		<u>5600</u>		<u>9100</u>		<u>10105</u>
		<u>131827</u>		<u>168474</u>		<u>199689</u>

PROJECTED INCOME SURPLUS ACCOUNT

1 ST YEAR2012	STATED CAPITAL	RETAINED PROFIT	TOTAL
Balance	90,000.00	-	90,000.00
Net profit for the year	- _____	<u>36227.00</u>	<u>36,227.00</u>
	<u>90,0000.00</u>	<u>36,227.00</u>	<u>126,227.00</u>
2 ND Year2013			
Balance	90,0000.00	36,227.00	126,227.00
Net profit for the year	- _____	<u>33,147.00</u>	<u>33,147.00</u>
	<u>90,000.00</u>	<u>69.374.00</u>	<u>159,374.00</u>
3 RD			
Balance	90,000.00	69.374.00	159,374.00
Net profit for the year	- _____	<u>30,210.00</u>	<u>30,210.00</u>
	<u>90,000.00</u>	<u>99,584.00</u>	<u>189,584.00</u>

INVESTMENT APPRAISAL				
NET PRESENT VALUE (NPV)				
YEAR	CASH FLOWS	DISCOUNT	PRESENT VALUE (PV)	
	GH¢	FACTOR	25%	GH¢
YEAR 0	90,000.00		0	(90,000.00)
YEAR 2012	63,327.00		0.8	50,661.60
YEAR 2013	103,474.00		0.64	66,223.36
YEAR 2014	140,684.00		0.512	72,030.21
Net present value (NPV), Positive(+)				188,915.17

NOTE

Positive net present value (NPV) indicates that this project is worth embarked upon, hence viable.

REFERENCES:

- 1.Kumasi Metropolitan Assembly (Population and Housing Census Provisional) ,2010
- 2.Kessben FM News-Kumasi (Tuesday 15th November 6am ,)
- 3.World Bank and University of North Carolina collaborative Research , Kumasi (2005)

APPENDIX A

Estimation cash (building)

1. 5 inch of solid block 600 at 1.5 for 2 rooms (900x15) =Gh¢13,500

2.1 Trip of sand at 110 = (110x15)= Gh¢1,650

3. 1 Trip of stones =(250x15) = Gh¢3,750

4. Bags of cement =(300x13) = Gh¢3,900

5 . 30 doors and frames =(120x30) = Gh3¢,600

6. Floor tiles (2x40x30) = Gh¢2,400

7. Wall tiles =(5x13.2x30) = Gh¢1,980

8. Iron sheet = (4x17x30) = Gh¢2,040

9.Hard wood for roofing

2x4 at 6 = Gh¢48

2x3 at 7= Gh¢42

2x2 at 10 = Gh¢30 (120x30) = Gh¢3,600

10. Water closet seater (30x230) = Gh¢6,900

11. Manhole (3x3000 each) Gh¢9,000

12. Workmanship Gh¢2,500

13. Sink Gh¢1,500

14. other projected related cost Gh¢15,160

Total = Gh¢70,000

APPENDIX B

1st year revenue

Projected attendance per day = Gh¢600

Price per day = Gh¢30

Revenue per day 600x30p =Gh¢180

Revenue per year (180x365) =Gh¢65,700

2nd year revenue

Sales increased by 10%

65700+6570 =Gh¢72,270

3rd year revenue

2nd years sales increased by 10%

72270+(10% of 72270) = Gh¢7227

72270+7227 = Gh¢79497

APPENDIX C

Allowances

General Manager	Gh¢150
Quality control and operation manager	Gh¢150
Purchasing, revenue and finance manager	Gh¢150
Revenue collector 1	Gh¢150
Revenue collector 2	Gh¢150
Cleaner	Gh¢150
Total	Gh¢900
(900x12)	Gh¢ 10,800

2nd year

20% increased in allowances

(180x6) =Gh¢1,080

(1080x12) =Gh¢12,960

3rd year

(190 x6) = Gh¢1,140

(1,140x12) = Gh¢**13,680**

APPENDIX D

Expenses;	2012	2013	2014
Toilet rolls	3942	4000.0	5000.00
Salaries & allowances	10800	12960.	13680.00
Detergents	600.00	650.00	700.00
Liquid soaps	300.00	400.00	500.00
Hand towel	150.00	200.00	300.00
Transportation	100.00	100.00	250.00
Scrubbing brush	6.00	8.00	12.00
Air freshners	150.00	200.00	250.00
Dislodging	-	1500.00	2000.00
Stationery	10.00	10.00	15.00
Printing of tickets	20.00	20.00	25.00
Building maintenance	-	500.00	6000.00
Electricity	480.00	560.00	700.00
Fuel	140.00	180.00	300.00
Vim	15.00	20.00	30.00

Gloves	10.00	15.00	25.00
Legal Expenses	500.00	-	-
Insurance	1200.00	1400.00	2000.00
Telephone	150.00	200.00	300.00
Rent	<u>200.00</u>	<u>200.00</u>	<u>200.00</u>
Total operating expenses	<u>18773.00</u>	<u>23123.00</u>	<u>32,287.00</u>

APPENDIX E
QUESTIONNAIRE

NAME:.....

AGE:.....

GENDER:

OCCUPATION:

1. For how long have you lived in this area?
2. Do you use the public toilet? Tick Yes [] No []
3. If yes, how many of these toilets facilities are you accessible to? Tick
One [] Two [] Three []
4. How long has the facility existed?
5. How much is charged for the use of the facility? Tick
5Gps [] 10Gps [] 20Gps []
6. Does the amount paid worth the services rendered? Tick Yes [] No [] If NO,
Why?
.....
.....
.....
.....
.....
.....
.....
7. Would you prefer something better than the existing one? Yes [] No []
8. If yes, how much would you prefer to pay?
20Gps [] 50Gps []
9. In your opinion, what do you think should be added to the existing one?
.....
.....
.....
.....
.....
.....

APPENDIX F

DEPRECIATION, PROPERTY PLANT AND EQUIPMENT

1 ST Year	Addition	Charge for the year	Disposal	Total
Balance b/d		Gh¢	Gh¢	Gh¢
Addition	-			-
Charged for the year		7,000.00		7,000.00
Disposal			-	<u>-</u>
		<u>7,000.00</u>	<u>-</u>	<u>7,000.00</u>
2 ND Year	Addition	Charge for the year	Disposal	
Balance b/d		7,000.00		7,000.00
Addition	-			-
Charged for the year		7,000.00		7,000.00
Disposal		<u>-</u>	<u>-</u>	<u>-</u>
		<u>14,000.00</u>	<u>-</u>	<u>14,000.00</u>
3 RD Year	Addition	Charge for the year	Disposal	
Balance b/d	-	14,000.00	-	14,000.00
Addition	-	-	-	-
Charged for the year		7,000.00		7,000.00
Disposal		<u>-</u>	<u>-</u>	<u>-</u>
		<u>21,000.00</u>	<u>-</u>	<u>21,000.00</u>