CHRISTIAN SERVICE UNIVERSITY COLLEGE-KUMASI
DEPARTMENT OF BUSINESS STUDIES
BACHELOR OF BUSINESS ADMINISTRATION
GARAMOTH COMPANY LIMITED
BUSINESS PLAN

A BUSINESS PLAN SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES OF CHRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI IN PARTIAL FULFILLMENT OF REQUIREMENTS OF THE COURSE

CSAD 443 TEAM BUSINESS PROPOSAL

BY
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JACOB JALULAH
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FRANCISCA NYARKO BOAKY

DECEMBER 2011

STATEMENT OF AUTHENTICITY
I have read the Christian Service University College’s regulations relating to plagiarism and certify that this Business Plan is all my work and does not contain any unacknowledged work from any other source. I also declare that I have been under supervision for this business plan herein submitted.

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<th>Name of students</th>
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<td>FRANCISCA NYARKO BOAKYE</td>
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CERTIFIED BY:

.................................................................
(Supervisor) Signature Date

CERTIFIED BY:

.................................................................
(Head of Business Studies Department) Signature Date
EXECUTIVE SUMMARY

Garamoth Limited brings to the community of Ghana a new breath of air in the event planning market. By combining old fashioned values, going the extra mile, and using cutting edge event-planning strategies, Garamoth Limited will lead the market, providing the same quality results, every time.

Locations and Address: The Company will be located at Ahodwo in Kumasi in the Ashanti region at Atinga Junction. The address of the company is Garamoth Limited, P.O. box 25, Adum- Kumasi, email address:garamoth@yahoo.com and our contact number is 0322030312 or 0202816696.

Solicitors: GL has appointed Nayman and Nayman Chambers to act for and on our behalf on all legal related issues.

Capital: GL startup capital will be One hundred and twenty thousand Ghana cedis only. (GHC120, 000.00)

For the purpose of this Event Business Plan Model the name GL would be used as a generic term to represent Garamoth Limited

GL is an equal opportunity business making its expertise and its products available to help its customers plan their own events. This event planning model brings interactive event planning as close as possible to potential event Planners.

GL is the answer to demands of the social world, on the working family, heavily-burdened offices, out-of-town businesses, individuals and families or special occasions in need of special recognition.

As a business, we understand the needs of public and private organizations. As parents and family members, we understand the needs of setting special time apart from other events in our
lives. GL strives to accomplish these goals, in the southern sector and some part of the northern sector in Ghana

**Mission**

Garamoth Company Limited is offering a master class event planning services to all prospective clients in a hassle free manner all the time at an affordable cost.

**VISION**

To be one of the top three (3) event planning specialists in the West Africa Sub-Region justly compensating employees, owners, and founders and producing the same quality results, every time.

**Objectives**

1. Be one of the top 3 event planning specialists in the southern sector of Ghana
2. To organize 2 big concerts in every year
3. To be an academic centre on event planning by the end of the 3rd year

**Products and services:** The innovative approach with which we approach our work would be unsurpassed—thus we would initiate other follow the traditional norm of waiting for events to happen we would make events happen such as bring to town top local and international arties, arranging for international renowned teams such as Barcelona, Real Madrid, Manchester united, AC Milan and co, including local festivals such as Akwasidae etc.

**Competitors and the market:** we are aware of the huge presence of Owner Services, funeral Parlour, O.A. services and others but with our innovative products and kind of services we intend
to provide we will surely succeed on the basis that consumer needs are insatiable and are always looking for opportunity to try elsewhere.

**Financials:** our modest projection is the underpinning motivation for undertaken this venture. All the projection point to the positive lane, the job employment opportunity to some our teeming youth is also a factor. The breakeven point is very short for the impatient investor.

Risk Analysis: the comprehensive review of the risk situation coupled with the insurance cover policy of GL makes us one of the few such entities to tow that line securing our staff who are key to our deliverable targets and securing the assets of the company.

**CONCLUSION:**

GL has the penchant for success the anchor around which this business plan has been prepared and both shareholders and staff of the company must adhere to the policies that guide us to ensure that success is our hallmark.

We believe in the collective responsibilities of our common goal.
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1.0 ORGANIZATION

Company History

GL will be a limited liability company duly registered and limited by shares of the Directors of the company. GL is designed to meet the needs of the ever changing social world. Kumasi is the current head office with plans to expand its branch offices within the next three years. Staff of five, with numerous contract vendors, GL plans events, writes event-planning programs, and trains students in the art of event planning.

Garamoth limited was registered on 1st June 2011 and the expected commencement date will be 1st January 2012. The capital startup will be one hundred and twenty thousand Ghana cedis (GHC120, 000.00) which will be funded by its first board of directors with each having a corresponding shareholding percentage as so objectively calculated.

COMPANY PROFILE

BUSINESS ADDRESS AND LOCATION

Business Name: Garamoth Company Limited
Address: P.O. Box 25 Adum –Kumasi
E.mail: garamoth@yahoo .com
Location: Ahodwo at Atinga junction
Store number 56.
Telephone numbers: 0247494858
0322030312
0202816696

Key Services: Event planning

**BOARD OF DIRECTORS**

The first board of directors includes:

**Jacob Jalula**

An entrepreneur/businessman CA, DBS, currently pursuing a Bachelor degree in business administration with accounting option in Christian Service University College

**Osei Frank Baah**

A big time farmer at Atebubu with a degree certificate in Bachelor of business administration, accounting. He attended Christian Service University College. He also holds a diploma in event management.

**Francisca Buachie Nyarko**

Holds a bachelor degree in business administration in banking and finance from Christian Service University College
Esther Akologo

A secretary at britak steel company limited, a student at Christian Service University College, specializing in banking and finance, degree

Rita Nti-Appiagyei

Rita is beautician at Diamond Saloon (Kronum) and also a student at the Christian University College with human resource management as her specialization. She holds Diploma in event management and she is a member of ICM Ghana.

Company Locations and Facilities

Garamoth Limited will be located at Ahodwo in Kumasi in the Ashanti region at Atinga junction, Kumasi-Ghana. Most meetings with clients are conducted in social settings, such as restaurants, coffee houses, the client's home, or over the phone.

GL will eventually move from its home base into a small office complex. When the company has reached its profit targets in three years, GL will assume national and international in outlook with branches in all the African countries, Europe and North America using a network tool.

The company will maintain a high degree of professionalism. All offices will be equipped with the latest in business technology, such as telephone systems, computers, fax machines, email, duplicators, printers, and software. Each location will have a secure storage area for supplies and equipment used in events, such as walkie-talkies, cellular phones, portable fax machines, and laptops.
2.0 PRODUCT IDEA AND REALIZATIONS OF SCHEDULE

2.1 Products/Services Idea

Garamouth Limited is basically a business which organizes events and rent out event organizing tools (canopies, chairs, sound systems, and so on.). The whole concept is to offer to our clients an event hassle/stress free organization processes, from invitation to the post-event stage. The simple jargon to run as the thematic slogan will be “give us a call and your event is done” this in the minds of prospective clients is that once a contract is signed with us (GL) your event in whatever form is a done deal.

GL will brand one popular and famous person each year who will be invited to perform during events, we will in turn make an agreement with him/her to come for our event organizing tools (canopies, chairs, sound systems, and soon.) use it for free and return it.

Although GL is primarily a service business, we also offer event planning tools to aid our customers in planning the event themselves. The following tools are available for our operations for the best possible results:

1. Party Pack

The Party Pack is a complete kit for any party. It includes decorations, lighting effects guide, disposable theme cameras, cutlery, plates, napkins, cups, punch mix (or recipe), snack supplies (or recipe), tablecloths, theme music (where applicable), invitations, thank-you cards, and a step-by-step guide to planning, putting together, and hosting the event.
2. **Step-by-Step Guides**

These booklets include a calendar to map out the event, a step-by-step guide on what is needed for and how to put together a successful, worry-free event, resource information, popular refreshments with recipes, games, and tips to put their event in the record books. The events available include birthdays for all ages, meetings, retreats, parties, vacations, and special occasion celebrations such as graduations, holidays, showers, weddings, and receptions.

3. **Event Planning Software**

This cutting-edge tool will allow the client all the resources and visual aids for their event planning. They will be able to play with decoration themes, listen to theme music, design invitations, thank-you cards, and RSVP cards, use the interactive planning calendar, and much more. This software will bring their event into the millennium with cutting edge technology that is designed to save time and money.

4. **Projectors and other accessories**

These tools are available for seminars and presentations by institutions such as insurance companies, bankers, government functionaries and so on.

GL provides event planning in a wide range of applications. We guarantee satisfaction in the areas of appearance, performance, and taste. The following is a sampling of the types of events we plan every year:

1. Meetings, Trainings, and Retreats.
2. Funerals
3. Conferences and Workshops.
5. Weddings, Receptions, and Showers.
6. Company picnics, banquets, and award ceremonies.
7. and any other event that needs to be planned

### 2.2 RELIZATION OF SCHEDULE

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3.0 MANAGEMENT TEAM

ORGANIZATIONAL CHART OF GARAMOUTH LIMITED

The business is to be governed by a general manager, departmental managers; marketing manager, human resource manager, accountant and operations manager. Other working staff of GL will be account clerk under the accountant, sales personnel under marketing manager. Technical officer in charge of GL software and hardware, a caterer, drivers and others.

Board Of Directors (BoD)

The boards of directors as shown by the shareholding structure have the following roles to play.

1. Governing the organization by establishing broad policies and objectives

2. Selecting, appointing, supporting and reviewing the performance of the Managing Director/General Manager.
3. To protect the shareholders’ assets and ensure they receive a decent return on their investment

4. To protect employee

**General Manager**

The general manager must hold at least recognized university degree with good knowledge on how to organize events or having had extensive exposure in event planning.

**Duties and responsibilities:**

1. Report to the Board of Directors of the company
2. Ensure that procedures and business plans are been followed to.
3. Track schedules, budget and moralize the team, plan ahead and decide what to get done.
4. Represent the company in all meetings and social gatherings approving of events to be taken.
5. Approve recommendations by marketing manager of all events to be undertaken.

**Marketing Manager**

This position requires a graduate from a recognized University, preferably with concentrations in Marketing or a related field of study. He/she must have a good working knowledge in service industries.

**Duties and responsibilities:**

1. Managing the customer-company relationship
2. Researching and reporting on external opportunities

3. Understanding current and potential customers

4. Developing the marketing strategy and planning

**Human Resource Manager**

The HR manager must have some exposure in human resource experience with at least higher learning in Human resources management or similar experiences from else where.

**Duties and Responsibilities:**

1. Provide current and prospective employee with information about policies, job duties, working conditions, wages, opportunities for promotions and employee benefits.

2. Plan and conduct new employee orientation to foster positive attitude towards organizational objective.

3. Represent organization at personnel-related hearings and investigations and also negotiate bargaining agreements and help interpret labor contract.

**Accountant**

The accountant must hold and recognized qualification in Accounting preferably HND Accounting or Bachelor degree in business administration with accounting option.

**Duties and Responsibilities:**

1. Prepare profit and loss statements and monthly closing and cost accounting reports.
2. Monitor and review accounting and related system reports for accuracy and completeness

3. Prepare and review budget, income, expenses, payroll entries, invoice, and other accounting documents.

4. and any other duties that may be assigned by management.

**Operations Manager**

The operations manager must have a diploma in human resource and has competence and good public relationship which is the right attitude for the successful running of the company.

Duties and Responsibilities:

1. Report to the Managing Director

2. To supervise and manage operations staff

3. Ensuring the efficiency and effectiveness of operations

4. To make sure the necessary resources are available for every planned event

Other Staffs includes secretary at the front desk, sound system operators, caterers, drivers, cleaners, security and messengers
4.0 MARKET ANALYSIS

The following sections describe the market segmentation, strategies, and industry analysis for Garamoth Company limited projections into the next three years (2012-2014).

4.1 Business System Operations

GL is in a unique position of competition. We compete against hotels with conference facilities, conference centers, other event planners both on the large and small scale, persons within an organization who are assigned the task of organizing an event, and people who wish to organize their own events without the benefit of assistance. The benefits and drawbacks of each of our competitors as compared with the services we offer are hardly a match in quality and price.

1. Hotels and Conference Centers

   Strengths: On-site facilities, equipment, and support staff. Our ability to transport and house persons for overnight stays is a key feature. GL has able to internalize costs of transportation and equipment.

   Weakness: Often very expensive, impersonal, rely on unskilled labor for support staff. The error rate is high due to high volume and traffic from other events happening at the same time.

2. Other Event Planners

   Strengths: Have been in the market longer, have established a reputation and client base.

   Weakness: Reputation precedes them, no systems-based businesses designed to produce consistent results; focus on smaller events, specialized events are main focused rather
than all events; do not have the supporting products to market with, or instead of, event planning services.

3. Employees or Persons wishing to do it themselves

Strengths: Internalized cost of planning the event; able to add tiny personalized touches that have meaning within the group or family.

Weakness: Consumes time that could be spent on other things; don't have access to the best prices, services, and other needed resources available.

4.2 ENVIRONMENTAL ANALYSIS

BUSINESS STRATEGY

Garamoth plans to inculcate efficient systems to gain competitive advantage over other competitors in the market. By this we will assure our customers of quality services and on time delivery.

SWOT ANALYSIS

STRENGTH

1. On–time delivery
2. Business will have longer hours and better prices as compare to our competitors.
3. Use of technology will enable us customize our service to customers
4. Competences of the managers and staff with their technical experiences will move the business forward.
WEAKNESS

1. Newness in business as compare to our rivals
2. Marketing expenses at start will be large due to advertising expenses
3. Working capital inadequacy is a stagnating factor to grow.

ADDRESSING THE WEAKNESS

Garamoth will address these weaknesses by the following measures

1. Contracting a loan facility
2. Increasing sales of operations by adding small service
3. Set up, train and equip marketing and sales from effective marketing and sales personnel for effective marketing of services

OPPORTUNITIES

1. Seasonal festivities such as Christmas, Easter, Edi-fitr and other which make demand very high
2. The sector is going very fast in Ghana due to increasing economic development
3. The growing population of the country will increase demand in the subsequent years

THREATS

1. Competition is very high in the industry
2. Customers are conscious for pricing due to economic hardship and for discount

OTHER FACTORS

PEST (acronym for Political, Economic, Social, Technology)
These are forces very difficult for businesses to fight because they are beyond control of businesses because they could be opportunities or threats to the business

**POLITICAL FACTORS**

When tax policies are such that entrepreneurial ventures pay huge taxes, the growth will be low. Government policies rather favor infant industry to enable industrial growth

**ECONOMIC FACTORS**

Market plans get distorted and sales affected, when inflation is not stable, since stable inflation is a requisite for businesses to thrive.

**SOCIAL FACTORS**

There is the need to understand the social background of our clients in relation to religion, culture and language differences to match our services to their demand.

**TECHNOLOGICAL FACTORS**

Technology is changing the demand for services and the service industry. Garamoth limited will keep with technological trend to enable us match our services to any change in type of the demand.

**Keys to Success**

Although GL has identified the various environmental factors that can hamper the smooth running of the company with the following key success tools in mind it is expected that the “can do” attitude would overcome those SWOT analysis so far envisaged.
Our keys to success include the commitment to quality by every person who is part of the team. Each of us will be responsible to push ourselves to a higher level of professionalism in three areas:

1. Consistent, accurate fulfillment of the client's wishes (Free consultation to our clients)
2. Competitive pricing for the quality of services offered.
3. Significant profit made on each event planned.
4. Quick response time

4.3 MARKET SEGMENTATION

In order to provide the greatest depth of information and to serve our clientele well, the market segments have been broken down into private and public organizations, and age groups.

1. Private Organizations and Businesses
   
   Private organizations make up the single largest portion of GL’s client base. Private organizations such as businesses, corporations, individuals and political parties host the most events on the largest scales therefore these events generate larger revenues per event. The majority of larger scale holiday functions will fall under this segment.

2. Public Organizations
   
   Government agencies host many events every year. GL hopes to alleviate the pressure of event planning for public employees. The second single largest segment, the public sector, can save money and give back to its community at the same time. These events are moderate in scale with middle to low revenues generated. Emphasis is placed on the visibility of the event for public viewing. The majority of organizational family functions will fall under this segment.
3. AGE SEGMENT:

- Under 24: Persons under the age of twenty-four (24) using an event planner are rare at best. We hope to tap the early college undergraduates/graduates who have begun their professional careers but have not yet started their families. These events will focus mainly on themes with moderate to high energy appeal. The revenues generated will range from moderate to high, depending on the event. The majority of parties with high profile arties (Musicians), top Chief Executives of most successful businesses, Pool parties and weddings will fall into this segment.

- Ages 25-55: The persons that fall into this age group are employed, middle to upper-middle class families. The reason they choose event planners is they are too busy to do it themselves. Therefore, Occasions will be on hand for questions, contact will be moderate in length but occur regularly so as not to disturb the daily life of the families. These events will generate moderate revenues, with a few generating low revenues. The majority of special occasion planning will occur in this market segment.

- Ages 56 and above: Persons over the age of 55 have reached the turning point of life. Many are retiring, others are celebrating anniversaries of significant years, and still others are seeing that their children's special events are taken care of. These events will generate moderate to high revenues depending upon the income level of the family (direct correlation to social status). Most holiday parties, and other special occasions, such as wedding receptions and reunions, will occur in this market segment.

4. Other
This segment has no direct information to compile for a description. It consists of any event planned that does not fit into one of the above categories.

1. 30% for public organizations
2. 25% for private organizations
3. 15% for age 56 and over
4. 15% for age 25 to 55
5. 10% for under 24
6. 5% for others
4.4 Target markets

1. Upper-middle class families.
2. Couples
3. Individuals
4. Public organizations
5. Private organizations

Our target markets are middle to upper-middle class families, couples, individuals, or public organizations and private organizations including churches and political parties. We chose these groups because they are most able to afford event planners, and have the least amount of time to spare for event planning in general. Families demand attention, employees are overburdened, and overwhelming detail needed to plan large events are too large a constraint to place on people not trained in the area of event planning.

4.5 Market Mix

4.5.1 Service

Garamouth Limited as stated in earlier chapters is basically a business which organizes events and rent out event organizing tools (canopies, chairs, sound systems, and so on.). We are into the successful organization of meetings, trainings, retreats, funerals, conferences, workshops, birthdays, anniversaries, Graduations and holidays, weddings, company picnics, banquets, and award ceremonies.
4.5.2 Price

GL will use cost based pricing system. All the cost of the event will be considered when charging. The larger the event to be organized the higher the price. However to maintain our client base and referrals we would enter into terms such as part payments and the balance just after the event.

4.5.3 Promotion

For the first year, GL will adopt door to door promotion where posters will be printed out to people and on walls at some vantage points. Talks will also be held on GL services in schools, churches, organizations and durbars.

GL will adopt advertising through newspapers, televisions, radios, and internet (especially facebook) in the subsequent years.

4.5.4 Distribution

GL deals with a diverse market of clients. Within each market segment, closing of sales will differ. Each approach is described as follows:

1. Private and Public Organizations

   Sales will be concluded one to two days after the end of the event. A follow-up phone call will be placed informing the client of the total cost, number of attendees, and information about the billing packet that will arrive at their offices. Feedback forms will be included in these packets to ensure the client is being served as they deem appropriate. Form letter thank-you will be sent following each event.
2. Individuals

Sales will be concluded with a follow-up phone call one to two days after the event. The phone call will explain the total cost of the event, number of attendees, and information concerning the billing. Feedback forms will be included in these packets to ensure the client is being served as they deem appropriate. Thank-you cards will follow each individual event.

**Sales Forecast**

By beginning on a smaller scale, GL has the foresight to grow at a rapid pace to keep up with demand. We wish to maintain a steady rate of sales growth; however, we understand that sales of products and services will vary in different months.

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<th>2012</th>
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<td>Public Organization (30%)</td>
<td>27,600</td>
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<td>Private Organizations (25%)</td>
<td>23,000</td>
<td>37,000</td>
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<tr>
<td>Age 56 and over (15%)</td>
<td>13,800</td>
<td>22,200</td>
<td>27,492</td>
</tr>
<tr>
<td>Age 25 to 55 (15%)</td>
<td>13,800</td>
<td>22,200</td>
<td>27,492</td>
</tr>
<tr>
<td>Under 24(10%)</td>
<td>9,200</td>
<td>14,800</td>
<td>18,328</td>
</tr>
<tr>
<td>Others (5%)</td>
<td>4,600</td>
<td>7,400</td>
<td>9,164</td>
</tr>
<tr>
<td>FORECASTED SALES</td>
<td>92,000</td>
<td>148,000</td>
<td>183,280</td>
</tr>
</tbody>
</table>
GRAPH SHOWING PROJECTED SALES FOR 2012 TO 2014

The graph illustrates the projected sales for different age groups and income statuses from 2012 to 2014. The age categories include:
- Age 56 & Over
- Age 25-55
- Under 24
- Others

The income status categories are:
- Public
- Private

The sales figures are represented in thousands.
5.0 FINANCIAL ANALYSIS

Service-based businesses require little funds to start-up, and as they grow and expand, less funds to maintain. The charts and graphs that follow will show that investment up front allows Garamoth Company limited (GL) to function debt-free with little overhead. This gives GL a quicker break-even point and increased profit margins from the start. As GL grows, the debt-free philosophy will be maintained until it is impossible to function during growth periods without financial assistance.

Tax rates are noted for information. We carry no loan burden that would be affected by these rates. What hits GL the hardest (but not nearly as bad as other service businesses), is the tax rate of 25% in Ghana, which is nearly one quarter of the total sales. Total build up cost per event is estimated at only 5% of the expected revenue for that event since most of the costs making the start up are capital expenditure.
5.1 Projected Profit and Loss

Leading the industry in event planning requires the use of the resources available at the lowest cost. As noted in the table, we spend less money on overhead than other event planners with an outside office or office space in their own facility. This savings allows us to market in creative ways and spend funds on expansion into other areas when the time is right.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>TURNOVER</td>
<td>92,000.00</td>
<td>148,000.00</td>
<td>183,289.00</td>
</tr>
<tr>
<td>COST OF SERVICE RENDERED</td>
<td>18,000.00</td>
<td>33,950.00</td>
<td>42,300.00</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>74,000.00</td>
<td>114,050.00</td>
<td>140,980.00</td>
</tr>
<tr>
<td>LESS: ADMN. GENERAL &amp; MKTING EXP.</td>
<td>35,165.00</td>
<td>37,125.00</td>
<td>39,915.00</td>
</tr>
<tr>
<td>NET PROFIT BEFORE TAX</td>
<td>38,835.00</td>
<td>76,925.00</td>
<td>101,065.00</td>
</tr>
<tr>
<td>TAXATION</td>
<td>9,708.75</td>
<td>19,231.25</td>
<td>25,266.25</td>
</tr>
<tr>
<td>NET PROFIT AFTER TAX</td>
<td><strong>29,126.25</strong></td>
<td><strong>57,693.75</strong></td>
<td>75,798.75</td>
</tr>
<tr>
<td>INCOME SURPLUS:</td>
<td>-</td>
<td><strong>29,126.25</strong></td>
<td><strong>86,820.00</strong></td>
</tr>
<tr>
<td>NET PROFIT TRANSFERRED</td>
<td><strong>29,126.25</strong></td>
<td><strong>86,820.00</strong></td>
<td>162,618.75</td>
</tr>
</tbody>
</table>
5.2 Break-even Analysis

The break-even point is based on the assumption that we will produce 4 events per month and average approximately GHC 5,000.00 per event. The break-even point will appear more rapidly for Garamoth Company limited than for other types of home-based businesses. Start-up costs are limited to minimal equipment, there is little or no staff to pay in the beginning, and contracted companies will handle any additional equipment required for the planned events.
Break even analysis

Assumptions:

Average percent per variable cost 5%

Estimated monthly fixed cost GHC 3,500.00
5.3 Projected Cash Flow

Our cash situation is great. Although we begin with little extra cash, our increased growth allows us to make up for lost time. Our cash balance is always above the mark with the cash flow not too far behind. We have no negatives in our cash analysis.

<table>
<thead>
<tr>
<th>INFLOWS:</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPITAL</td>
<td>120,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SALES REVENUE</td>
<td>92,000.00</td>
<td>148,000.00</td>
<td>183,280.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>212,000.00</td>
<td>148,000.00</td>
<td>183,280.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUTFLOWS:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td>30,500.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MATERIALS</td>
<td>20,000.00</td>
<td>32,000.00</td>
<td>43,000.00</td>
</tr>
<tr>
<td>ADMN,GEN &amp; MKETING EXP.</td>
<td>35,165.00</td>
<td>37,125.00</td>
<td>39,915.00</td>
</tr>
<tr>
<td>CARRIAGE INWARDS</td>
<td>300.00</td>
<td>450.00</td>
<td>700.00</td>
</tr>
<tr>
<td>HANDLING</td>
<td>200.00</td>
<td>1,500.00</td>
<td>100.00</td>
</tr>
<tr>
<td>TAXATION</td>
<td>9,708.75</td>
<td>19,231.25</td>
<td>19,435.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>95,873.75</td>
<td>90,306.25</td>
<td>103,150.00</td>
</tr>
</tbody>
</table>

| SURPLUS / DEFICIT | 116,125.25 | 57,693.75 | 80,130.00 |
| OPENING BALANCE | 116,125.25 | 173,819.00 | 253,949.00 |
| TOTAL | 116,125.25 | 173,819.00 | 253,949.00 |
5.4 Projected Balance Sheet

_Garamoth Company Limited_ is set up for success. According to the numbers, we start out fair and end up amazing. By the end of the first year we will be worth over GHC 29,126.25 with a profit margin of over 30%. We are operating with little to zero debt, boosting the net worth even higher. A projected end of year 2014 profit of GHC 162,618.75 is enough motivation to pursue this dream into reality.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,500.00</td>
<td>27,450.00</td>
<td>24,400.00</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVENTORY</td>
<td>2,500.00</td>
<td>3,000.00</td>
<td>4,500.00</td>
</tr>
<tr>
<td>BANK</td>
<td>82,236.25</td>
<td>138,370.00</td>
<td>207,318.75</td>
</tr>
<tr>
<td>PREPAYMENTS</td>
<td>24,654.00</td>
<td>18,000.00</td>
<td>12,000.00</td>
</tr>
<tr>
<td>CASH</td>
<td>9,236.00</td>
<td>20,000.00</td>
<td>34,400.00</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>149,126.25</td>
<td>206,820.00</td>
<td>282,618.75</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATED CAPITAL</td>
<td>120,000.00</td>
<td>120,000.00</td>
<td>120,000.00</td>
</tr>
<tr>
<td>INCOME SURPLUS</td>
<td>29,126.25</td>
<td>86,820.00</td>
<td>162,618.75</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>149,126.25</td>
<td>206,820.00</td>
<td>282,618.75</td>
</tr>
</tbody>
</table>
6.0 RISK ANALYSIS

Risk is defined as the chance that an investment's actual return will be different than expected. This includes the possibility of losing some or all of the original investment.

TYPES OF RISK

Risks are generally grouped into two main types:

- **Systematic Risk**: Systematic risk influences a large number of assets. A significant political event such as elections in Ghana, for example, could affect several of the assets in our investment. It is virtually impossible to protect yourself against this type of risk.

- **Unsystematic Risk**: Unsystematic risk sometimes referred to as "specific risk". This kind of risk affects a very small number of assets. An example is news that affects a specific stock such as a sudden strike by employees. Diversification is the only way to protect the company from unsystematic risk.

The main risks faced by Garamoth Company Limited are:

1. **Financial (credit risk) and operational risks**
2. **Strategic and compliance risks**

**Financial (credit risk) and operational risks**

Financial risks are associated with our business' financial structure and systems and the transactions our business makes.
Identifying financial risk involves examining our daily financial operations, especially cashflow. If our business is too dependent on a single customer and they became unable to pay us, this could have serious implications for our business' viability. We might examine:

- how we extend **credit** to customers
- who owes us money
- how we can recover it
- insurance to cover large or doubtful debts

Financial risk assessment should take into account external factors such as interest rates and foreign exchange rates.

Rate changes will affect our debt repayments and the competitiveness of our goods and services compared with those produced abroad.

**Operational risks**

Operational risks are associated with our business' operational and administrative procedures. These include:

- recruitment
- supply chain
- transportation
- accounting controls
- IT systems
- regulations
- board composition
GL should examine these operations in turn, prioritize the risks and make necessary provisions. For example, if GL rely on one supplier for a key component we could source other suppliers to help us minimize the risk.

IT risk and data protection are increasingly important to business. If hackers break into our IT systems, they could steal valuable data and even money from our bank account which at best would be embarrassing and at worst could put us out of business. A secure IT system employing encryption will safeguard commercial and customer information.

**Strategic and compliance risks**

Strategic risks are those risks associated with operating in a particular industry.

They include risks arising from:

- merger and acquisition activity
- changes among customers or in demand
- industry changes
- research and development

For example we might consider the strategic risks of the possibility of an existing company buying one of our competitors. This could give the new company a synergy power than we are.

- whether there are any existing companies which have the cash/share price to do this
- whether there are any foreign competitors who could be a takeover target, perhaps because of financial difficulties
• whether the foreign company would lower prices or invest more in research and development

**Compliance risk (government)**

Compliance risks are those associated with the need to comply with laws and regulations. They also apply to the need to act in a manner which investors and customers expect, for example, by ensuring proper corporate governance.

We are also concerned to consider legislative risks to our business. We would also analyze to see whether the products or services we offer could be made less marketable by legislation or taxation as often happens in Ghana.

**RISK MANAGEMENT**

There are four ways GL seeks to deal with, or manage, each risk that we have identified. We can:

• accept it
• transfer it
• reduce it
• eliminate it

For example, we may decide to accept a risk because the cost of eliminating it completely is too high. We might also decide to transfer the risk, which is typically done with insurance.

Insurance will not reduce our business' risks but we can use it as a financial tool to protect against losses associated with some risks. This means that in the event of a loss we will have
some financial recompense. This can be crucial for our business' survival in the event of, say, a fire which destroys our offices or equipments or even accident with our cars.

Or we may be able to reduce the risk by introducing new safety measures or eliminate it completely by changing the way we operational tools.

When we have evaluated and agreed on the actions and procedures to reduce the risk, these measures need to be put in place.

Risk management is not a one-off exercise. Continuous monitoring and reviewing are crucial for the success of risk management approach. Such monitoring ensures that risks have been correctly identified and assessed and appropriate controls put in place. It is also a way to learn from experience and make improvements to our risk management approach.

We intend to formalize identifiable risk control measures in a risk management policy, setting out our business' approach to and appetite for risk and its approach to risk management. We believe Risk management will be even more effective if we clearly assign responsibility for it to chosen employees. It is also a good idea to get commitment to risk management at the board level.
## APPENDIX

### COST OF SALES

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>GH</td>
<td>GH</td>
<td>GH</td>
<td>GH</td>
</tr>
<tr>
<td><strong>Opening Stock</strong></td>
<td>_</td>
<td>2500</td>
<td>3000</td>
</tr>
<tr>
<td><strong>Purchases(Materials)</strong></td>
<td>20000</td>
<td>32500</td>
<td>43000</td>
</tr>
<tr>
<td><strong>Carriage Inwards</strong></td>
<td>300</td>
<td>450</td>
<td>700</td>
</tr>
<tr>
<td><strong>Handling Charges</strong></td>
<td>200</td>
<td>1500</td>
<td>100</td>
</tr>
<tr>
<td><strong>Less Closing Stock</strong></td>
<td>2500</td>
<td>3000</td>
<td>4500</td>
</tr>
<tr>
<td><strong>Cost Of Sales</strong></td>
<td>18000</td>
<td>33950</td>
<td>42300</td>
</tr>
</tbody>
</table>
## GENERAL, ADMINISTRATION AND MARKETING EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GHC</td>
<td>GHC</td>
<td>GHC</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>26,035</td>
<td>27,345</td>
<td>29,550</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,300</td>
<td>1,300</td>
<td>1,350</td>
</tr>
<tr>
<td>Rent</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Electricity fuel and water</td>
<td>900</td>
<td>970</td>
<td>1,170</td>
</tr>
<tr>
<td>Telephone</td>
<td>300</td>
<td>400</td>
<td>445</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,050</td>
<td>3,050</td>
<td>3,050</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>700</td>
<td>760</td>
<td>785</td>
</tr>
<tr>
<td>Stationary</td>
<td>430</td>
<td>460</td>
<td>500</td>
</tr>
<tr>
<td>Bank charges</td>
<td>200</td>
<td>250</td>
<td>330</td>
</tr>
<tr>
<td>Packaging</td>
<td>400</td>
<td>490</td>
<td>535</td>
</tr>
<tr>
<td>Sales promotion</td>
<td>600</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>250</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>35,165</td>
<td>37,125</td>
<td>39,915</td>
</tr>
</tbody>
</table>
DISCOUNTED CASH FLOWS

Net present value NPV = \(-C_0 + C_1 + C_2 + C_3\)

\[(1 + r)^1 (1+r)^2 (1+r)^3\]

\[-120,000 + 116,125.25 + 57693.75 + 80130\]

\[(1+0.20)^1 (1+0.20)^2 (1+0.20)^3\]

\[-120,000 + 116,125.25 + 57693.75 + 80130\]

\[1.20^1 1.20^2 1.20^3\]

\[-120,000 + 116,125.25 + 57693.75 + 80130\]

\[1.20 1.44 1.728\]

\[-120,000 + 967718.8 + 40,065.10 + 46,371.52\]

\[-120,000 + 183,208.42\]

\[= 63208.42\]

The Net Present Value NPV been positive means the project is viable and must be undertaken.
KEY MANAGEMENT CURRICULUM VITAE

GENERAL / HUMAN RESOURCE MANAGER

NAME: MR. SAMUEL ANTWI

ADDRESS: P.O. BOX 1917

TELEPHONE: 0244515662

AGE: 35 YEARS

SEX: MALE

NATIONALITY: GHANAIAN

MARITAL STATUS: MARRIED

EDUCATION

1992-1995 PREMPEH COLLEGE

1999-2003 CHRISTIAN SERVICE UNIVERSITY COLLEGE - KUMASI

CERTIFICATE OBTAINED

Degree in human resource at Christian University College

ACCOUNTANT

NAME: MR. P.K. OSEI

ADDRESS: P.O. BOX 181
TELEPHONE: 0244653783
AGE: 37 YEARS
SEX: MALE
NATIONALITY: GHANAIAN
MARITAL STATUS: MARRIED

EDUCATION

1993-1994  OPOKU WARE

1996-2000  UNIVERSITY OF SCIENCE AND TECHNOLOGY - KUMASI

CERTIFICATE OBTAINED

Degree in Accounting at Christian University College

MARKETING MANAGER

NAME: MRS. BRENDA OWUSU

ADDRESS: P.O. BOX 2523

TELEPHONE: 0242345778

AGE: 30 YEARS
SEX: MALE
NATIONALITY: GHANAIAN
MARITAL STATUS: MARRIED
EDUCATION

1996-1999  YAA ASATUWAA SECONDARY SCHOOL

1999-2003  UNIVERSITY OF GHANA - LAGON

CERTIFICATE OBTAINED

Degree in marketing at University Of Ghana(Lagon)

OPERATIONS MANAGER

NAME: MR. DAVID MENSAH

ADDRESS: P.O. BOX 6857

TELEPHONE: 0244656789

AGE: 37 YEARS

SEX: MALE

NATIONALITY: GHANAIAN

MARITAL STATUS: MARRIED

EDUCATION

1992-1995  PREMPEH COLLEGE
1996-1999  KUMASI POLYTECHNIC

2002-2006  CAPE COAST UNIVERSITY

CERTIFICATE OBTAINED

Degree in human resource at Cape Coast University

Diploma in event management at Kumasi Polytechnic
REFERENCE

NAME: DANIEL DOMPEH
POSITION: BRANCH MANAGER
BANK NAME : FIRST NATIONAL BANK
LOCATION: KONONGO

NAME: OSEI KUFFOUR SAMUEL
POSITION: MARKETING MANAGER
COMPANY NAME: OWNERS SERVICE
LOCATION: KUMASI