

Betty and Benny's business plan

<p>This business plan form is for starting a new business. Complete this business plan form in pencil, then do the final version using black or blue pen. This form can be submitted to any finance organisation. This form can also be used to plan your new business even if you do not need outside help (if this is the case you don't need to complete sections T and U). There is training available to help you complete this form (ask the finance organisation you plan to give the form to for more information). No finance organisation expects you to have all the answers. What they expect is that you be honest and open with them. <i>Tok stret na tok klia em tu em samting bilong skelim.</i> If you need more space to answer any of the sections below, then write "see attachment" and include it as an attachment (and say clearly which section the attachment is for). The more information you provide about your business idea the better, so feel free to include any other attachments.</p>																		
A. DETAILS OF PROPOSED BUSINESS																		
What is your business idea? <i>A business making meri blaus for women and girls.</i>																		
If the business has a name what is it? <i>B and B sewing bees</i>																		
What is the business organisation? <i>Family business</i>			<p>What is the business organisation? Is it a family business or a farmer group or a women's group o kain olsem. If the business organisation has a name, then also include it (for example, <i>Mun Kopi Asosieson</i>).</p> <p>The finance organisation that you want to get money from will definitely contact you to find out more about your business plan. This is why you need to include the best postal address and mobile number for them to contact you on. If your business has an email or social networking address then also include it.</p>															
Where will the business be located? <i>Mako village, Ward 23, Dapto District, Morobe Province</i>																		
What will be the business postal address? <i>P.O. Box 2234 Goroka, Eastern Highlands Province</i>																		
What will be the business contact details (mobile, email, etc.)? <i>7379999 (Betty). 7398787 (Benny).</i> <i><u>BandBsewingbees@gmail.com</u></i> <i><u>http://www.facebook.com/BandBsewingbees</u></i>																		
B. PRINCIPALS																		
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<p>C. OUR CUSTOMERS</p> <p>(1) <i>Meri blaus</i> for women. The main customer groups for this product are:</p> <ul style="list-style-type: none"> • <u>Women</u> buying for themselves. Women will find out about this product because they will see <i>meri blaus</i> for sale at the local market and at the town market. They will also find out by word-of-mouth. • <u>Husbands</u> buying for their wives. Husbands will find out about this product through their wives. <p>(2) <i>Meri blaus</i> for girls. The main customer groups for this product are:</p> <ul style="list-style-type: none"> • <u>Parents</u> buying for their daughters. Parents will find out about this product through the wives. 	<p>(1) List the product or products you plan to sell. Products are either goods or services. Goods are things you can hold – like scones or meat birds or <i>buai</i>. A service is work that you (or something you own) performs for someone – like car repairs or generator hire or security or PMV. List each of the product or products that you plan to sell.</p> <p>(2) For each product, explain who you think the customer groups will be for the product? For example, men buying for themselves or women buying for their family or young people or 'middlemen' or schools or buyers from factories or <i>taun lain</i>? These customer groups should be the same ones that you include in your product profile (section K).</p> <p>(3) For each product, explain how the customer groups will find out about the product (how will you advertise)?</p>
<p>D. OUR COMPETITION</p> <p>(1) <i>Meri blaus</i> for women. At the local market there is only <u>one</u> competitor. A local lady also makes <i>meri blaus</i>. At the town market there are <u>five or more</u> competitors. There are also many shops in town that also sell <i>meri blaus</i>.</p> <p>(2) <i>Meri blaus</i> for girls. At the local market there are no competitors (<u>none</u>). At the town market there are two competitors also selling <i>meri blaus</i> for girls. There are <u>three</u> shops in town that also sell <i>meri blaus</i> for girls.</p>	<p>(1) List the product or products that you plan to sell.</p> <p>(2) For each product, how many competitors will you have? Write 'none' or 'one' or 'two' or 'three' or 'four' or 'five or more'?</p> <p>(3) For each product, explain who your main competitors will be?</p>
<p>E. OUR SUPPORT</p> <p>Do the members of your business organisation support this idea?</p> <p><i>This business is a family business. Our whole family support this idea.</i></p> <p>How will this business idea also benefit women and youth?</p> <p><i>The benefits from this business will help Betty and we will use the profits also to help our son and two daughters. In our family we always plan together (husband and wife) how to use our money.</i></p>	<p>Your business organisation might be a family business or a women's group or a community or a church group or a landowner group or a farmer group. <i>Kain kain</i>. Do the members of your business organisation support this business idea? Do you have any evidence?</p> <p>The <i>kumul</i> needs two wings to fly. The next generation needs to learn how to fly. A priority for PNG is for women and youth to have more choices and opportunities. How will this business idea also benefit women and youth?</p>

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F. OUR UPSTREAM SUPPLY CHAIN	
<ol style="list-style-type: none"> 1. Bintangor fabric store. We need laplap, thread, and bias binding. We don't know them, but they always seem to have what we need. There are a number of other stores in town that also sell laplap and thread and bias binding. 2. Uncle David's PMV. We need to use this PMV to get to town and bring our supplies. David's PMV is reliable, except in the wet season. There are three other PMVs from Mako village that also regularly go to town. 3. Town PMV. We need town PMV to get around town. There are plenty of town PMVs. 4. Jenny. We need Jenny because we can sleep at her house when we go to town. Jenny is Benny's sister, and she is reliable. We have some other wantoks that we can sleep with if necessary. 5. Jan's table market. Flex for calls and data. The reception is reliable. If Digicel did not work, then we can use Bmobile. In an emergency we can also use the sched radio at the clinic. We also get kerosene from Jan but there are plenty of other people selling it. 6. Cousin Debbie. We hire her on a casual basis to help cut fabric. She is family so is reliable, but she might be getting married. Can use Jan instead. 7. David's store. We need washing powder to wash meri blaus before selling. David is a friend. There are a number of local trade stores that sell washing powder. 8. John's stationery. We need blank stickers for prices, marker pen, plastic sale bags. They are a good store and always have what we need. There are two other stationery stores in town. 	<p>(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to PRODUCE your finished product. This is called your upstream supply chain. In your upstream supply chain just include the things you will use-up (<i>kaikai</i>) each year to produce your finished product. Don't include assets in your upstream supply chain (like a sewing machine or coffee pulper) as these are big things that you won't use up (<i>kaikai</i>) each year to produce your finished product.</p> <p>(2) For each person or other business that you list down, explain what you need from them?</p> <p>(3) For each person or other business that you list down, explain how reliable they are?</p> <p>(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you with the same goods or services that you need.</p>

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G. OUR DOWNSTREAM SUPPLY CHAIN	
<ol style="list-style-type: none"> 1. Uncle David's PMV. We need to use this PMV to take <i>meri blaus</i> to market. David's PMV is reliable, except in the wet season. There are three other PMVs from Mako village that also regularly go to town. 2. Jan's table market. Flex for calls and data. The reception is reliable. If Digicel did not work, then we can use Bmobile. In an emergency we can also use the sched radio at the clinic. 3. Jenny. We need Jenny because we can sleep at her house when we go to town. Jenny is Benny's sister, and she is reliable. We have some other <i>wantoks</i> that we can sleep with if necessary. 4. Town market. We need the town market to sell <i>meri blaus</i>. Jenny sells our <i>meri blaus</i> at her second-hand clothing store. Jenny always has her store there – and the market seems to work well. There are no other suitable markets in town. 5. Mako market. To sell our <i>meri blaus</i>. The local market (Mako market) runs every Tuesday. It runs well. There are three other markets in walking distance (Wara bung market and Kitpak market). 6. Wara bung market. To sell our <i>meri blaus</i>. The local market (Mako market) runs every Tuesday. It runs well. There are three other markets in walking distance (Mako market and Kitpak market). 	<p>(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to SELL your finished product to customers. This is called your downstream supply chain. These are the people and other businesses you need <i>after</i> you have produced your finished product (your upstream supply chain) to then SELL your finished product to customers. In your downstream supply chain just include the things you will use-up (<i>kaikai</i>) each year to sell your finished product to customers. Don't include assets in your downstream supply chain (like a drum oven or a car) as these are big things that you won't use up (<i>kaikai</i>) each year to sell your finished product to customers.</p> <p>(2) For each person or other business that you list down, explain what you need from them?</p> <p>(3) For each person or other business that you list down, explain how reliable they are?</p> <p>(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you the same goods or services you need.</p>

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<p>H. OUR CAPACITY</p> <p>What skills and knowledge and <i>pasin</i> do you already have that will help you?</p> <ol style="list-style-type: none"> 1. Management skills. Benny is treasurer of Ward 44 Community School. See the letter of support from the Head Teacher from Ward 44 Community School. Betty is Chair of Mako Elementary school. Benny has had 3 years' experience running a PMV business. 2. Marketing skills. Benny had some experience with marketing for his PMV business. 3. Good governance skills. We have both done a good governance short course. We have a good idea about the importance of being honest and transparent. 4. Financial management skills. Benny is treasurer of Ward 44 Community School. Benny has had 3 years' experience running a PMV business. 5. Sewing skills. Betty has excellent sewing skills. We have what we need. 6. Maintenance. Benny is good at maintaining small engines (like generators) and can also maintain sewing machines. 7. Honesty. We have a reputation for being honest people. Please find attached a letter of support from the Pastor of Mako Church which says that we are honest and good people. 8. Hard work. We are very hard-working people. Please find attached a letter of support from the Pastor of Mako Church which says we are hard working. 	<p>List the skills and knowledge that you already have that will help your business succeed. Skills and knowledge might include things like management skills or negotiation skills or production skills or money management skills or governance skills or leadership skills o <i>kain olsem</i>. If you have any evidence that you have the skill or knowledge then include it as an attachment (for example, training certificate or letter of support).</p> <p>Also list the <i>pasin</i> that you already have that will help your business succeed. <i>Pasin</i> might include things like transparency or honesty or <i>wok bung o kain olsem</i>. If you have any evidence that you have this <i>pasin</i> then include it as an attachment (for example, training certificate or letter of support).</p> <p>Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section G).</p>
<p>What more skills and knowledge and <i>pasin</i> will you need – and how will you get it?</p> <ol style="list-style-type: none"> 1. We need more save long sait bilong menesmen. We will ask the Head Teacher to help us to get more save. 2. We need more save long sait bilong menesmen. We will ask Jenny to give us help with marketing. 3. Negotiation skills. We hope that we might be able to get a contract from a store in town. We need negotiation skills. We are not sure how to get negotiation skills. 4. We need more save so we can manage our finances better. We will find out from the District if there is training available. 	<p>List down any more skills and knowledge and <i>pasin</i> that you think you will need to make your business successful. Skills and knowledge and <i>pasin</i> you don't have – or that you need more of. If you have a plan for how to get the skill or knowledge or <i>pasin</i> then say what it is.</p>

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<p>What assets and other resources do you already have that will help you?</p> <ol style="list-style-type: none"> 1. The road to town is in good condition, except in the wet season when sometimes there are landslides. 2. We have a big extended family <i>no haus lain stap</i>. 3. We have good law and order in Mako 4. There is a person in Mako who know how to repair sewing machines 5. We have a workroom already to use for production, with chairs (no table) 6. We have good mobile service. 	<p>List down the resources that you already have that will help your business succeed. Resources are the big things you use or depend on year after year. Resources include:</p> <ul style="list-style-type: none"> • Assets (machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, phone) • Human resources (a big family, local experts, <i>haus lain</i>) • Natural resources (water and land and <i>kunai</i> and timber and <i>wait san</i>) • Services (road, footbridge, mobile reception, banks, law and justice committee, power supply, schools). If you pay for the service each time you produce your product or take it to market and sell it, then be sure to include it in your supply chain.
<p>I. OUR RISKS</p> <ol style="list-style-type: none"> 1. Stealing on the road when we go to town. We will only travel during the day. 2. We get sick. We will eat healthy food and not drink or smoke. If one of us gets sick, we will make sure we look after our money so we can afford medicine. We will work together so that if one of us is sick the other person can take over their work. 3. Not enough customers. We will always try and find more customers by advertising and marketing ourselves. If there are not enough customers, we will think about selling something else as well (like uniforms or curtains). We will also make savings each year in case there are downtimes. 	<p>What are the things that could go wrong with the business? The things that could go wrong are called 'risks'.</p> <p>(1) List down all the risks that you worry about.</p> <p>(2) For each risk, explain what you will do to reduce the chance that it will go wrong, and what you will do to manage if it does go wrong.</p> <p>Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section I).</p>
<p>What will you do to manage demands from friends and family (social obligations)?</p> <p>We plan to budget some money each year for using for social obligations – <i>taim man i dai o kain olsem</i>. We will also budget a loan amount of K100 for helping friends and family – but once we loan the money, we will tell anyone else that needs money that they can only have some when the previous loans have been paid back. We have also included our draft asset use policy as an attachment.</p>	<p>A big risk for any business is demands from friends and family for money or for use of your assets (the things the business owns). You need to meet your social obligations, but how will you find a balance so that you meet your social obligations without destroying your business?</p>

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<p>How will you put the principle of transparency into practice?</p> <p><i>We will keep the records of all our expenses and profit. This information will be available for anyone who wants to look at it. If we get a loan for our business bai mipela putim long ples klia ol dispela samting.</i></p>	<p>Transparency means <i>klia glas</i>. <i>Pasin bilong mekim na putim olgeta samting long ples klia</i>. A big risk for any business is <i>dak glas</i>. Problems grow in darkness. Let the sunshine. <i>San save kilim binatang nogut</i>. The PNG Government wants every organisation to put the principle of transparency into practice. What will you do to when you run your business to <i>mekim na putim olgeta samting long ples klia</i>?</p>
<p>J. OUR COMPETITIVE ADVANTAGE</p> <p><i>(1) Meri blaus for women. Customers in Mako and Ward 44 will buy this product because they know us (relationship). Customers in town will buy our product because it will be quality (difference). They will also buy it because they know Jenny who will sell it at her market (relationship).</i></p> <p><i>(2) Meri blaus for girls. Customers in Mako and Ward 44 will buy this product because no one else is selling it. Customers in town will buy our product because it will be quality (difference). They will also buy it because they know Jenny who will sell it at her market (relationship).</i></p>	<p>Normally customers choose one product over another product because of <u>price</u> (it is cheaper than another product) or <u>convenience</u> (it is easier to buy when they want it) or <u>relationship</u> (the customers know you) or <u>difference</u> (it is different and better than another product).</p> <p>(1) List each of the products you are going to sell.</p> <p>(2) For each product, explain why you think customers will buy your product instead of your competitors' product. What is your competitive advantage?</p>
<p>K. PRODUCT PROFILE</p> <p><u>Product (1) Meri blaus for women</u></p> <ol style="list-style-type: none"> <i>1. The price for meri blaus for women will be K40</i> <i>2. The main customer groups for this product will be women buying for themselves and husbands buying for their wives.</i> <i>3. Women will buy one dress for themselves every two years. This means half a dress each year (1 dress divided by 2 years). Husbands will buy one dress for their wife each year.</i> <i>4. Luk olsem 30 women will buy one dress for themselves every two years (half a dress each year). 80 husbands will buy one dress for their wife each year.</i> <p><u>Product (2) Meri blaus for girls</u></p> <ol style="list-style-type: none"> <i>1. The price for meri blaus for girls will be K20</i> <i>2. The main customer group for this product is parents buying for their daughters</i> <i>3. Parents will buy one dress for each daughter every year. If we say there are two daughters on average for each family this means parents will buy two dresses for their daughters in a year.</i> <i>4. We estimate 100 parents will buy two dresses for their daughters in a year.</i> 	<p>(1) Identify each of the different products (the goods or services) that you plan to sell.</p> <p>(2) Then for each product ask yourself four questions:</p> <ol style="list-style-type: none"> 1. What will be the price for this product? 2. What will be the main customer groups for this product? 3. How much product will a customer in each customer group buy in a year? 4. How many customers are there in each customer group?

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<p>L. FORECAST ANNUAL PRODUCTION</p> <p><u>Product (1) Meri blaus for women</u></p> <p>The first customer group is women buying for themselves $\frac{1}{2}$ dress each year \times 30 women = 15 meri blaus for women</p> <p>The second customer group is husbands buying for their wives 1 dress each year \times 80 husbands = 80 meri blaus for women</p> <p>Forecast annual production for product (1) = 95 meri blaus for women</p> <p><u>Product (2) Meri blaus for girls</u></p> <p>The main customer group is parents buying for their daughters 2 dresses each year \times 100 parents = 200 meri blaus for girls</p> <p>Forecast annual production for product (2) = 200 meri blaus for girls</p>	<p>(1) List the different products you plan to sell. To work out how much product you will need, look at the product profile (section K) for each of the products you want to sell and multiply your answers for question 3 and question 4. If there is more than one customer group for a product, you need to multiply question 3 and question 4 for each customer group first and then add them together.</p>
<p>M. FORECAST ANNUAL INCOME</p> <p><u>Product (1) Meri blaus for women</u></p> <p>Forecast annual income is 95 meri blaus for women \times K40 = K3,800</p> <p><u>Product (2) Meri blaus for girls</u></p> <p>Forecast annual income is 200 meri blaus for girls \times K20 = K4,000</p> <p><u>Total forecast annual income for the business is K3,800 + K4,000 = K7,800</u></p>	<p>To work out how much income you should get, multiple your forecast annual production for each product by the price for each product (question 1 in the product profile). If there is more than one product, you need to add the forecast annual income for each product together. This gives you the total forecast annual income.</p>
<p>N. FORECAST ANNUAL COSTS (maintenance costs)</p> <ol style="list-style-type: none"> Two sewing machines = K600 \times 2 = K1200 Cloth scissors = K100 Sharpener for scissors = K30 Worktable = K200 Coleman lantern = K300 Chairs for worktable = K60 (we already have this) Needles = K20 Tape measure = K20 Backpack for transport = K80 Workroom = K500 (we already have this) <p>Total cost for assets = K2,510 K2,510 \times 0.1 (10%) = K251</p> <p><u>Forecast annual maintenance costs for first year = K251</u></p>	<p>When you start a business, or if you are not sure what your maintenance costs are, then one way to forecast your annual maintenance costs is:</p> <p>(1) List the assets you will need for your business. Assets are the big things you need to have or own that you need year after year - <i>ino ol samting wan raun na painim gen</i>. Assets might include things like land, machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, mobile phone. Include assets you already have.</p> <p>(2) For each asset that your business will need, write the cost to buy it (or if you already own it write its value).</p> <p>(3) Total the costs for all the assets.</p> <p>(4) Then work out what 10% of the total cost for all the assets is. 10% of the total cost for all the assets gives you an estimate (best guess) for what you can expect the annual maintenance costs to be (if you look after your assets!) To work out what 10% is, multiply the total cost for all the assets by 0.1.</p>

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O. FORECAST ANNUAL COSTS (operation costs)

1. A4 paper for the office – 1 ream = K15
2. Box of black and red pens = K15
3. Receipt book = K10
4. Stamps (per book of 10) = K5
5. Batteries for wall clock = K10
6. Tea and coffee for mid-year and end of year meetings with members = K30
7. Kerosene for lantern for office 10 litres = K25
8. Tea/coffee/milo/biscuits = K150
9. Transport Treasurer to town – 2 trips per year plus one standby = K100
10. Membership of District Small Business Association = K100
11. Petty cash – K200 per half-year = K400
12. Community contributions = K400
13. Bank fees = K25
14. Annual loan repayment to bank = K500

Total forecast operation costs = K1,790

Operation costs are the costs for the things you need each year to run your business. Operation costs are fixed. This means they don't change much from year to year. Operation costs grow slowly as your business slowly grows. In *tok bisnis* operation costs are often called 'fixed costs'.

The costs for any 'fixed' permanent or part-time employees are operation costs. These are people you need regardless of how much product you produce and sell. But if the person you employ is only to help you with the work when you produce or sell your product, then it is better to include their cost as a production cost. This is because this cost is 'flexible' - it depends on how much product you produce and sell.

Operation costs are not the costs for what you need to buy or get from the people and other businesses in your upstream and your downstream supply chain. These are 'flexible' costs because they depend on how much product you produce and sell.

Don't include the costs to buy assets as operation costs - you buy new assets with start-up funding or savings or profit. And don't include costs to repair your assets or to replace them if they *bagarap* - these are maintenance costs (and you have already included these costs).

To forecast your annual operation costs, do the following:

(1) List the things your business will need to operate. (2) For each thing that your business will need to operate, write the cost. (3) Total all of the operation costs.

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P. FORECAST ANNUAL COSTS (production costs)

Bintangor fabric store (laplap, thread, bias binding) K300 for laplap, K30 for thread, K30 for bias binding = K360 per year

Uncle David's PMV (get to town) K50 x 4 return trips = K200 per year

Town PMV K4 x 16 trips = K64 per year

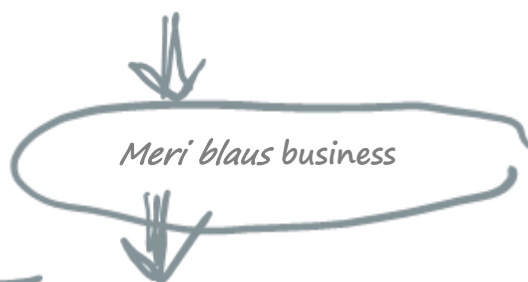
Jenny (house in town for accommodation) K40 per trip for food contribution = K160 per year

Jan's table market (Digicel flex and kerosene) = K100 per year

Cousin Debbie (casual hire to help cutting fabric) = K200 per year

David's store (washing powder to wash meri blaus before selling) = K30 per year

Johno's stationery (blank stickers for prices, marker pen, plastic sale bags) = K40 per year



Uncle David's PMV (to take meri blaus to market) = cost included in upstream costs

Jan's table market (Digicel flex) = K50 per year

Jenny (house in town for accommodation) = cost included in upstream costs

Town market (sold by Jenny at her peanut market) Contribution market fees = K50 per year

Weegena market (local market fees) K2.50 market fee x 20 = K100 per year

Wara bung market (local market fees) K2.50 market fee 20 = K100 per year

Forecast annual production costs = K1390

Production costs are the costs to produce and sell your product. They are 'flexible' because they depend on how much product you produce or sell. To forecast your annual production costs, you need to work out what your supply chain will cost each year. Do the following:

(1) Look at section F (Our upstream supply chain) and copy down the names of the people and businesses that will supply the things you need to PRODUCE your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).



(2) Next, include your own business in the middle. Your production costs are shown in your upstream or downstream supply chain. But if there is a production cost that you don't know where to include, you can include it here (but make sure it is not a maintenance cost or operation cost). If you do this, then write down what this production cost will cost each year to achieve your forecast annual production (see section L).

(3) Next, look at section G (Our downstream supply chain) and copy down the names of the people and businesses that will supply the things you need to SELL your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).


(4) Finally, add up the cost for each link in your supply chain. This is your total annual production cost.

Be careful. Don't double count costs. Don't include a cost as a production cost if it has already been included as an operation cost. Don't include the cost to buy an asset as a production cost – the costs to buy assets will be included in the section 'forecast start-up costs'. Don't count the same production cost twice in two different links. And don't count the cost to go to town twice if you can combine and make just one trip.

Betty and Benny's business plan

<p>Q. TOTAL FORECAST ANNUAL COSTS</p> <p>The forecast annual maintenance cost (section N) = K251 The forecast annual operation cost (section O) = K1790 The forecast annual production cost (section P) = K1390 $K251 + K1790 + K1390 = K3,431$ (total forecast annual costs)</p>	<p>To work out your total forecast annual costs, add the forecast annual maintenance costs (see section N) and forecast annual operation costs (see section O) and forecast annual production costs (see section P).</p>
<p>R. FORECAST ANNUAL PROFIT (OR LOSS)</p> <p>Forecast annual income (section M) = K7,800 Forecast annual cost (section Q) = K3,431 $K7,800 - K3,431 = K4,369$ (forecast annual profit)</p>	<p>Subtract your forecast annual costs (see section Q) from your forecast annual income (see section M). This will give you your forecast annual profit (or loss).</p>
<p>Tok save. You profit is not just for spending. You need to use your profit to make savings. You should always try and grow your savings by 10% each year.</p>	
<p>S. FORECAST START-UP COSTS</p> <p>(1) The total cost of the new assets we need to purchase = <u>K1,950</u> + (2) We need to transport assets = 2 return trips to town ($K55 \times 2$) = <u>K110</u> + (3) Total forecast annual costs = <u>K3,431</u> = (4) Total so far is $K1,950 + K3,431 + K110 = \underline{K5,491}$ + (5) $K5,491 \times 0.1 = K549.1 = K549$ (10% contingency) = (6) Total forecast start-up costs for one year (plus 10% contingency) = <u>K5,491 + K549 = K6,040</u></p>	<p>To forecast your start-up costs for one year, do the following:</p> <p>(1) Get the total cost of the new assets you need (see section N). Don't include the cost for those assets that you already own.</p> <p>(2) Work out any other one-off start-up costs (like transport for assets after you buy them).</p> <p>(3) Get the total forecast annual costs (see section Q).</p> <p>(4) Add it all together (1-3) and this gives you your total forecast start-up costs for one year.</p> <p>(5) Now is a good time to include 10% contingency (<i>sefti moni</i>) just in case prices change or something goes wrong. To work out what 10% contingency is, multiply the total forecast start-up costs for one year by 0.1. Don't worry about <i>toea</i> - just round it up or down.</p> <p>(6) Finally, add this amount to the total forecast start-up costs for one year. This gives you the total forecast start-up costs for one year (plus 10% contingency).</p> <p>If you need two years to start-up your business, then add the forecast annual costs again for a second year (your answer for section Q plus 10% contingency). You don't need to include again the cost of the assets you need to purchase (you already bought them) or any one-off start-up costs (they were once-off). If you need three years, then do the same thing again for the third year.</p>
<p>Tok save. You won't need to put aside money for paying tax until you start to earn profit. To find out about what tax you will need to pay talk to a financial organisation or the Government.</p>	

Betty and Benny's business plan

<p>T. CONTRIBUTION AMOUNT AND LOAN REQUESTED</p> <p>The total forecast start-up cost is K6,040. This is the amount of money we forecast we need before the business can start to <i>karim kaikai</i>.</p> <p>We will contribute K1,200 of this amount from local contributions</p> <p>We are requesting a loan of K4,840 from a financial organisation</p>	<p>First, list the total amount required to start your business. Will you need start-up funding for 1 or 2 or 3 years? Next, work out how much money your community will contribute. Often the finance organisation will require you to contribute a set amount before they will lend you any money. Find out from them what contribution they require. If you are not sure, then contribute 20% (the total forecast start-up costs x 0.2). Finally, subtract your contribution from the total forecast start-up costs This gives you how much money you need to loan.</p>								
<p>Tok save. If you are successful in getting a loan, the financial organisation will need to be repaid. Definitely. A loan is repaid by paying back the original loan amount (called the 'principal' amount) and the interest. Interest is the <i>antap</i> money the finance organisation charges you for using their money. If you are successful in getting a loan, the finance organisation will set the minimum monthly or quarterly repayments. This means they will tell you how much you have to pay back each month or each quarter. Normally the repayment will come from your income. This repayment amount becomes one of your operating costs. <i>Tingim</i>.</p>									
<p>U. SECURITY</p> <p>The following items are available as a security</p> <p>1 x generator Honda DX500 2 years old. Good condition. K1500</p> <p>1 x solar pump Sanyo ss956. Brand new under warranty. K3000</p>	<p>Financial organisations will need a guarantee that if you cannot repay the loan, then you have other items of value that they can take and sell to recover the loan. In <i>tok benk</i> this is called 'security'. List anything you have which is a valuable asset. Describe it and how old it is and what condition it is in and what you think the asset is really worth. If you don't know the value don't worry - the financial organisation will check. The total value of the items you list as security should be at least 30% of the loan requested (loan requested x 0.3). 50% is better. But don't list something that you are not prepared to lose. Getting a loan is a risk.</p>								
<p>V. SIGNATURES</p> <ul style="list-style-type: none"> We the Principles confirm that the information in this form is true and correct to the best of our knowledge. We the Principles promise that we will be truthful and honest and transparent in all our dealings with the members of our organisation. We the Principles promise that we will be truthful and honest and transparent in all our dealings with any financial organisation. <table border="1" data-bbox="145 1733 1099 2033"> <thead> <tr> <th>Name and position</th> <th>Signature</th> </tr> </thead> <tbody> <tr> <td>Betty Benny (Production Manager)</td> <td><i>Betty</i></td> </tr> <tr> <td>Benny Waisi (Sales Manager)</td> <td><i>Benny X</i></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Name and position	Signature	Betty Benny (Production Manager)	<i>Betty</i>	Benny Waisi (Sales Manager)	<i>Benny X</i>			<p>All of the Principals that you listed in section B need to sign and date as evidence that they have read the statement and confirm that it is true. Each Principal should write their name, sign under their name, and then write the date that they signed.</p>
Name and position	Signature								
Betty Benny (Production Manager)	<i>Betty</i>								
Benny Waisi (Sales Manager)	<i>Benny X</i>								

Betty and Benny's business plan

<p>W. ATTACHMENTS</p> <ul style="list-style-type: none"> • <i>Market research</i> • <i>Business analysis</i> • <i>Certification of Participation for Good Governance course (Betty Benny and Benny Waisi) from Luthern Development Services</i> • <i>Letter of support from Pastor of Mako Church</i> • <i>Letter of support from Head Teacher, Ward 44 Community School</i> • <i>Photos of proposed workshop and location</i> • <i>Story of how we developed this business plan</i> • <i>Organisation profile (business profile)</i> • <i>Good governance policy (constitution)</i> • <i>Supply chain plan</i> 	<p>List the attachments you have included. Attachments might include your market research, your business analysis, evidence of what your organisation or business has done in the past, minutes from meetings, the story of how you completed this business plan form, your good governance policy (constitution), asset control policy, financial control policy, roles and responsibilities policy, behaviour policy (code of conduct), letters of support, a supply chain plan, a five-year plan, an organisation/business profile, any budgets or annual plans. <i>Kain kain.</i></p>
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