

# *Business Plan*

## **TRADITIONAL FOOD MANUFACTURING & TIFFIN SERVICE**



## Executive Summary

*Traditional Food Manufacturing & Tiffin Service is a local company. The company is providing prepared foods tiffin services in malls, educational sector, and industrial sector and to the individuals who want to order directly. Why we are going to start is the business is the main question and the reason to set this manufacturing company is to provide the healthy food to the workers, employees, teachers, students and in malls where employees perform duties in shifts. Another reason to start this venture is to delight the customers with a traditional variety of foods. The purpose of our project is to prepare a business plan and to represent the projected cash flow statement and profits by proper budget planning related to our Managerial Accounting Course.*

*We are going to prepare the business plan for our new venture “Traditional Food Manufacturing & Tiffin Service” from November 2016. The business plan will discuss the entire areas presenting the location of business; framework of our departments, mission, vision, goals, an overview of the food industry, target market, marketing strategy, competitors, management projected financial budgeting in detail. Segmentation will be pointed according to the business that will surely discuss the geographic, demographic and behavioral segmentation. The marketing strategy will be following by the demonstrate the promotional campaigns, promotional tools and 4p”s and 4C’s of the marketing mix. Products and services will also be mentioned in the business plan with future opportunities and new product development chances.*

*The financial budgeting and cash flow statements will indicate the business position in next three years. Management structure and staffing will provide the overview of the working employees that will be the managers of different departments. Finally, the business plan will show the entire sheets of projected cost, revenue and projected income and projected balance sheet of next three years.*

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# **1 Business Overview**

## **1.1 Business History**

The United Arab Emirates (UAE) has a competitive environment in foods manufacturing industry. There are many foods manufacturing firms that are working internationally. One of the top food sellers in UAE are JW's Steakhouse, Kcal Healthy Fast Food, Burgers and Lobsters (Al-Kandari & Jukes, 2011). The market entry is a little difficult because of health standards by the government. The food specialty corners are also present in Dubai that is based on certain origins like Korean, Chinese, Arabian and sea foods.

This a fact that from 10 food business manufacturing firms just three show successful behavior and this is only based on the perfect strategies in the market. There is strong competition in the market and the competitors are working on fast product development and they are entering into new markets too.

We are going to start our new manufacturing business in the same area that is foods. The firm will be owned by 3 friends including me. We are from the same discipline that is Business Administration, therefore, it will be easy for us to implement strategic business strategies for getting desired results. Traditional Food Manufacturing & Tiffin Service will be our firm where we will provide food to the customers. We have planned to add values in our food industry by adding nutritional factors in it. We will prepare food for our customers but it will be according to the health of our customer. Our product will be segmented according to the psychographic, geographic and behavioral segmentation. We are entering into a tough competition but we have skills to run a successful business.

## **1.2 Vision and Mission Statement**

### **1.2.1 Vision**

“To delight customers by nurturing high-quality food”

### **1.2.2 Mission**

“Our mission is to be traditional sellers with multiple regions taste and delighting the customer with healthy life products”.

### 1.3 Key initiatives and Objectives

Our company goals are divided into the short term and long term goals.

#### 1.3.1 Short-term Goals

- To set positive image and awareness among the targeted customer in first 6 months.
- To get the breakeven point in sales in within 1 year
- To increase the business by opening two more outlets from the projected profit in posh area
- To ensure the customers about the quality by penetrating in market
- To launch our website for latest technology social media marketing

#### 1.3.2 Long Term Goals

- To add new products in the current product line- New product development with the help of research and development department and we will focus on the overseas people and will introduce new products according to their regional taste.
- To use the advertising campaigns by using different promotional tools. It is also our major focus to set more than 3 outlets of our manufacturing business in UAE for easy delivery of the tiffin services during lunch especially. It will take 3 years to be there according to the projected sales.
- We will try to develop our outlets in Sharjah, Abu Dhabi, and Oman after making proper marketing strategy and it is based on the populated areas where the working overseas community stays. The entire mechanism of growth needs properly applied research that can see the food business opportunities in Sharjah, Abu Dhabi, and Oman.
- To provide semi cooked foods to the known bakeries for awareness about our unique brand

### 1.4 Ownership and Management

Traditional Food Manufacturing & Tiffin Service is a collective dream of 3 friends and we are going to launch a perfect manufacturing firm where we will work hard to provide actual services. The venture will grow possibly with great revenue because all of us have the Business Administration discipline and we will work on the proper management system.

We have theoretical experience and now we will do research on market food companies for the sake of finding a gap in a new food manufacturing. The research will help to locate our target audiences. We will work on proper interview process during the employee's selection and it will

be easy for us to manage structured and nonstructured interview based on our management subject. Further, the functions will be aligned according to our knowledge of organizational management. The entire accounting system will be managed by us following our managerial accounting to subjects. We will specially focus on the chefs from all over the world to entertain the overseas with their home country taste.

## **1.5 Location and Management**

Traditional Food Manufacturing & Tiffin Service will be located in most populated and the working area which will be Dubai. The fact why we are going to launch our food manufacturing firm is the number of tourists too. The working people from other countries can enjoy the tastes of home country by ordering them via mobile call or SMS. This is the best target market for our business and it will help us to boost our revenue. There we will focus on a unique café design that will be our symbol too. Our all food will be cooked in this café and we are striving to add another feature to our business that is the provision of the cooked foods to the bakeries by delivering the semi cooked foods with our brand name. It will help us to cultivate projected revenue because we will be able to catch the consumer eye by shelving our product at famous bakeries.

## **2 Product and Services**

### **2.1 Description of Product and Services**

Our venture is going to entertain the customers with traditional foods where we will focus on prepared cooked and semi cooked foods. Our foods will be based on the proper nutritional facts that will be one of our strengths too. We will collect the recipes from all over the world and will purchase different spices from different regions of the world. These will help us to prepare the food according to the workers, tourists or overseas region. Traditional Food Manufacturing & Tiffin Service will work to see the competitors' products and their tastes also. Our products will be of affordable ranges with fine tastes and extraordinary quality. The services will be offered to the customers with on-time delivery where we will register the customers and our company will deliver the tiffin exactly on breakfast, lunch and dinner time. We will add value to our services with the passage of time.



## 2.2 Key Product and Services

We will ensure our product quality by catering the customers according to their moods. The customer services and delivery services departments will be trained to be polite and be nice to the customer for building positive word of mouth about Traditional Food Manufacturing & Tiffin Service. We will add multiple food products like:

		
Cooked vegetables	Cooked Meat	Light foods for patients
		
Fruit salads	Low-calorie foods for diet conscious people	Sweets
		
Vegetable salads	White meat	Different bakery products

With all these products we will add delivery services, call services, and clean environments to add value to our services, green environment service and regional tastes service too.

## 2.3 Achievement of Services Provided by the Company

Traditional Food Manufacturing & Tiffin Service will be local manufacturing firm but our goal is to be known as quality firm among our competitors. We know the competitors are strong but we



want to overwhelm these competitors for getting a proper market share. Our main focus will be to add customer preferences in our product and it will be our strength.

The research and development department will continuously work on the new products and tastes of new target market whereas the operations department will continuously add up the services in foods depending on our research department. We need to create customer's attraction by satisfying the customers and for this, we have to work on the customer relationship management (CRM) that will help to grow our contacts for further marketing (Lee-Kelley, et al, 2003). Our website will help us to create social media campaign especially focusing our area of supply.

## **2.4 Future Products (Product Development)**

We have a broad vision to add continuous products and services in our venture. New product development and diversification is our purpose and we have a basic principle to be diversified in taste because we have to cater multi-taste environment where overseas from different regions of world and tourists will be entertained without any confusion. We have long term goal to grow in the market by spreading our manufacturing outlets. After getting break even sales we will focus on a new outlet in Sharjah in an industrial area. We have another development plan where we will provide our semi cooked foods to the known bakeries.

We will launch new products by targeting our valuable customers and there will be proper marketing before the launch of the product because without awareness we cannot achieve our goals.

## **2.5 Competitive Advantage of the Company**

The competitive advantage is a company strength that helps to stand the company in a better position among the competitors (Grant, 1991). We will set our objectives in the market for getting desired results from the market. The food market is competitive in UAE and there are many food bakeries present having most of the market share. We will penetrate with our premium price strategy and we will focus to create awareness about each and every segment of our product (Calantone & Di Benedetto, 2007). Our competitive advantage will be the strong business environment, cleanliness, and nutritional facts, to value even patients, proper segmentation,

traditional foods and customer relationship management. Our strategic management policies will help us to beat our competitors and Traditional Food Manufacturing & Tiffin Service will be able to get proper market share within 3 years.

### **3 Market and Sales Analysis Strategy**

#### **3.1 Competitors**

Traditional Food Manufacturing & Tiffin Service has competitors in the market having a proper market share. The competitors are JW Steakhouse, Kcal Healthy Fast Foods, Burgers, and Lobsters. All these competitors are working in an aggressive market competition where our brand will sell the product by using traditional foods as the major product (Laequuddin, et al, 2009). Our marketing strategy will help us to grow in our target market where we will try to capture the market share within 3 years' time period. We will observe the key values of our competitors and we will try to deliver the services with accordingly.

#### **3.2 Customers**

Our customer will be the people from different regions of the world. We are going to provide the foods according to the taste of the customers by implementing the nutritional facts in our brand. There will be segments of customers presenting the low-calorie food for hypertensive patients and sugar-free sweets for diabetics. We will focus on the taste of our customers by market research and by directly asking the customers when they will visit our outlet or they will be entertained with the product they will be asked the preferences of foods.

#### **3.3 Geographic Segmentation**

The geographic segmentation is basically small segments in a population where target audiences prefer the product according to their living areas (Tkaczynski, et al, 2009). Our geographic segmentation is based on the broad target audiences because we are going to target the tastes of almost all nations in Dubai. These people are working in UAE and they are part of our targeted customers.

#### **3.4 Demographic Segmentation**

Demographics characteristics is a must in the segmentation of food that elaborates the age nutrition, gender tastes, social class, religion, lifestyle and many other eating habits factors

(Washi, 2012). The demographic are necessary to know before segmentation of foods by Traditional Food Manufacturing & Tiffin Service. It is the age that first comes to the demographic and we are delivering or product from 20 to 65 years. Both male and female are part of our segmentation. We will focus on the middle class and lower class by providing them with low price food items.

**Table 1: Demographic Segmentation**

Demographic Segmentation	
<b>Age</b>	12-65
<b>Gender</b>	Males, Females
<b>Lifestyle</b>	Normal lifestyle
<b>Income Level</b>	Lower and middle
<b>Social Class</b>	Lower and middle class
<b>Religion</b>	Islam, Christian can also eat the same

### 3.5 Behavioral Segmentation

The behavioral segmentation depicts the moods and attitude of the customer towards products use where the response from the customer is of value (Hollywood, et al, 2007). It depends on the moods and tastes of the people and we are considered with the customer tastes first. Traditional Food Manufacturing & Tiffin Service will keep a constant focus on the customer preferences and moods. It will help to get a positive response from the market and our product will grow according to our settled goals.

### 3.6 Psychographic Segmentation

The psychographic segmentation is to divide the market into small segments by considering the interests, values and personality traits of the customers (Gonzalez & Bello, 2002). Our marketing team will especially look into the market for psychographic segmentation because we are going to start our business in an area where multinational people are living. It will help us to create new tastes because we are trying to make our food manufacturing traditional and we need to consult about the customer personality traits, values, and interest.

## 4 Market Strategy

### 4.1 Target Market

Our target market will be the UAE residents, overseas, tourists, students and job holders in Dubai from all over the world. We are proving our unique and traditional product to our target class. Adults and patients will be focused and there will be a segment of special foods for patients. The targeted population by Traditional Food Manufacturing & Tiffin Service will be the lower and middle-class because we are penetrating in the market and we will give our best to create awareness of our brand.

We have an opportunity in the market to target the high class and bakeries for our food product availability but it will be possible after a certain time period. This is probably our next target market that is also part of our long-term goals.

### 4.2 Competitive Positioning

The gap in the market is found by using the perceptual map. It helps to identify some traits of a product that can be developed.

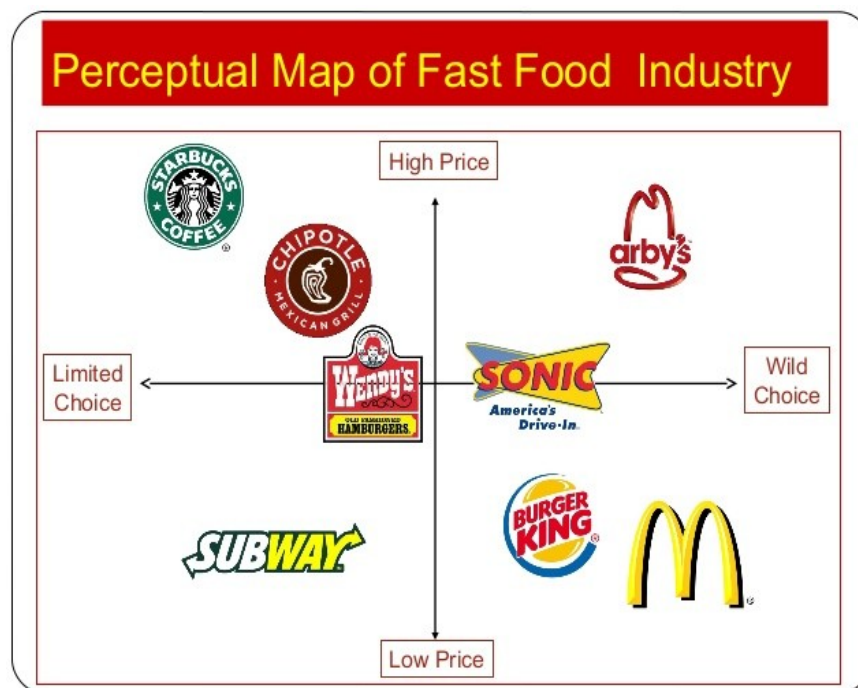


Figure 1: Fast Food Industry Perceptual Map for Gap Identification

The other competitors in the market have already big shares and there are some brands that are working for the healthy foods but the difference is of price only (Gundala & Khawaja, 2014). We have to focus on the price and more concentrated towards the product segmentation. Fast delivery of the food will also be part of our customer values and we can be re-known by the fast product delivery that will be admired by the customers. Traditional Food Manufacturing & Tiffin Service will be for the middle and lower class and be a newbie in the industry, therefore, it needs almost one year to get a little market share.

### 4.3 Pricing Strategy

Price strategy is very important to set for a new product where the strategists should focus on the premium price that leads to high quality and low price of the service or product (Saaty & Vargas, 2012). Our main goal will be to attract the customers and for getting right position in food market we have to set penetration price strategy. The strategy will help us to boost our product among the normal customers who cannot have expensive foods. Our main competitors in the market are delivering good quality foods but the price is high, therefore we are getting the idea to set low price as compared to the competitors with high-quality food products. It will help us to gain our break-even sales point soon.

	Low Quality	High Quality
Low Price	Economic Prices Strategy	Penetration Price Strategy
High Price	Skimming Price Strategy	Premium Price Strategy

**Price Strategies Matrix**

**Figure 2: Pricing Strategies (Saaty & Vargas, 2012)**

#### 4.4 Promotional Strategy

Promotional tools are the key to reaching towards the target audiences (Samu, et al, 1999). Traditional Food Manufacturing & Tiffin Service has to follow many of the marketing strategies because the firm is totally new and it needs to create awareness among the targeted customers. The budget for marketing and promotional techniques is preferred to be AED 200,000. The marketing expense will be for the first year and it will be maintained later according to the sales.

The first year aggressive marketing plan will help to gain maximum customers and awareness among the targeted class. Further promotional techniques will be:

- **Advertisements:** printed brochures with attractive food colors designed by our logo will help to create awareness of our brand. The social media campaign will also be part of our plan where our marketing team will design the social media pages on different sites that are mostly used in UAE like Facebook, LinkedIn, Instagram and Google Plus. Traditional media TV newspapers, posters, and billboards will be designed to run a marketing campaign (Verbeke, 2005).
- **Sales Promotions:** The sales promotions will be by giving discounts to the customers or a special day will be organized on 50% discount rates to attract the customers and to make bulk sales on semi-cooked food.
- **Sampling:** It will be to the new targeted organizations for having a taste of our product but the samples will be limited in quantity.
- **Public Relations:** the public relation is a good way to attract the industrialists about the product so that they can allow us to introduce our product in their firms to the employees (Butler, et al, 2007).
- **Trade Shows:** Trade shows will be focused for the getting customer's attraction.
- **Loyalty Programs:** The loyalty programs will help to aware the customers and it will be part of our marketing strategy (Uncles, et al, 2003).

## 5 Management and Staffing

### 5.1 Organisational Structure

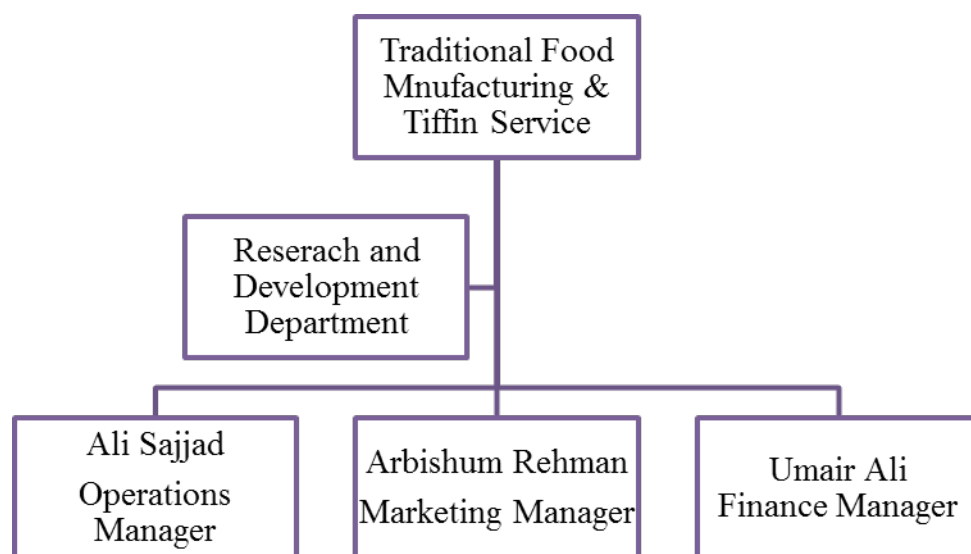
The organizational structure is shown in the Figure3; here the departments are categorized according to the nature of work. Research and development department will be fixed for the conducting the research and to test the strategies for business. Operations department will be



head by **Ali Sajjad** were the entire food preparation will be completed. The operational department will be our kitchen where chefs will prepare foods then the other part of the operational department will be the packing of food and it will also be head by the same person for the sake of quality there will be quality control standards and workers will be trained according to the rules and regulation.

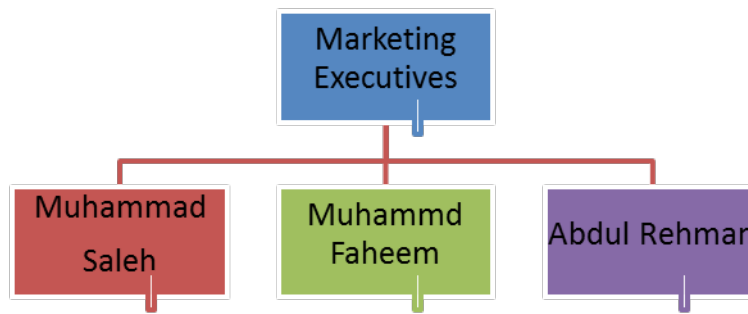
The marketing department will prepare market strategies and promotional campaigns where **Miss Arbishum Rehman** will be an active manager. She will develop promotional packages and deals for customer attraction.

Financial department manager, Umair Ali will make the projected plans and he will develop financial plans. The entire purchasing will be under him. He will be responsible for seeing the entire expenses during the purchase and sale of the product. Internal Audits of the firm will also be under his control



**Figure 3: Organizational Hierarchy**

The marketing department will need business developers and these will be our main priority. We have to develop our business on the basis of marketing, therefore, it is necessary to target the customer and to convince the companies for our food product availability for their worker. For building customer network the marketing executives will help us further by using marketing tools.



**Figure 4: Marketing Department Hierarchy**

## **5.2 Management Team**

The three people working on a different position in the Traditional Food Manufacturing & Tiffin Service. Owners will recruit the rest of the team by proper interviews and the management team will also play its role in the collection of interview and management of interviews for different posts in our company. The management team will be responsible for setting the standards for the organizations and the rules for creating a proper culture of the organization. The management team will evaluate the policies and strategies for the business and will be helpful to run the system smoothly.

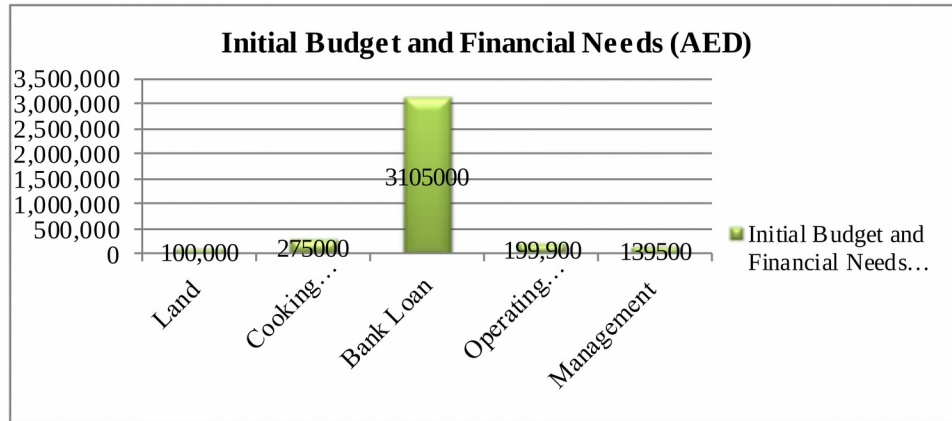
## **5.3 Staffing**

The chefs, cleaning staff, product delivery staff and the employees for the packing of the product will be part of Traditional Food Manufacturing & Tiffin Service. There will be a system of work hours and it will be circulated among all employees in the firm.

# **6 Financial Plan**

## **6.1 Initial Budget and Financial Needs**

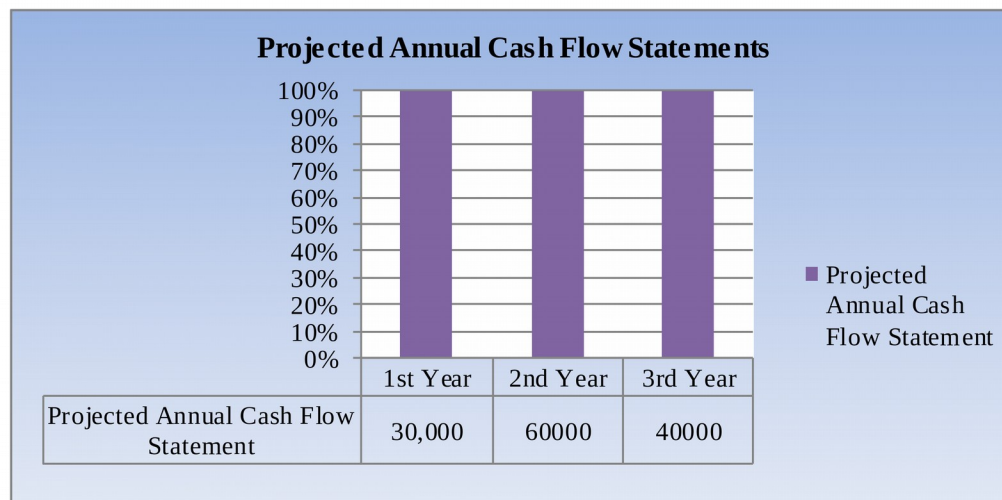
The startup budget will be the expenses that are of land, cooking equipment's and kitchen equipment's, loan from a bank, operation expenses and the management team expenses. These are initial budget needs that are required by the Traditional Food Manufacturing & Tiffin Service. Figure 5 is showing the initial expenses with detailed values.



**Figure 5: Initial Budget and Financial Needs**

## 6.2 Projected Annual Cash Flow Statement

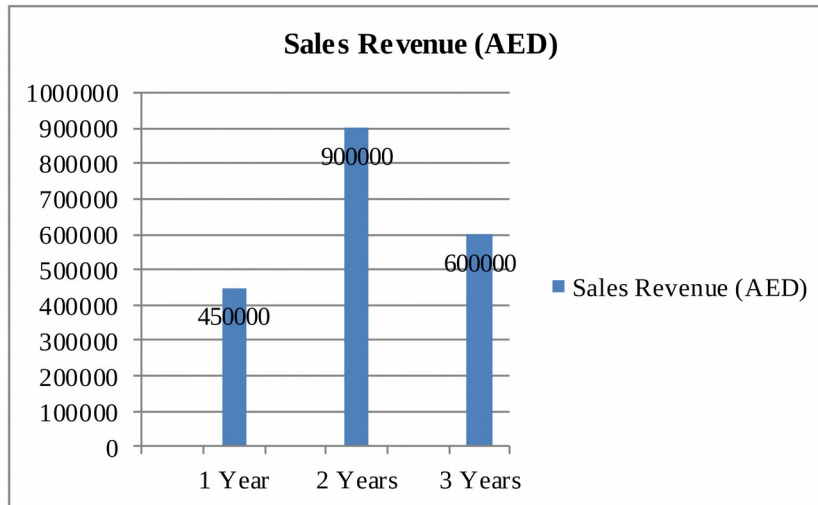
Projected annual cash flow is showing the three years cash and it is set by AED 50,000 every New Year. Figure 6 has shown the amount of annual cash of three years.



**Figure 6: Projected Annual Cash Flow Statement**

## 6.3 Projected Sales Revenue

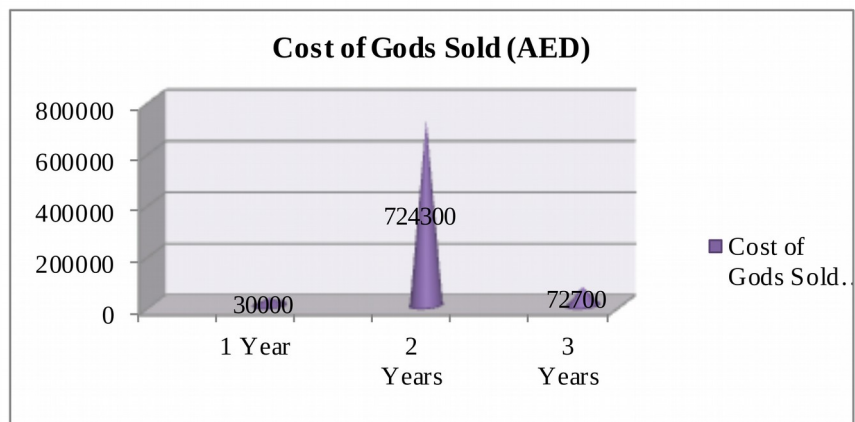
The revenue is what we get after selling our product. We have settled the yearly revenue target that is showing in Figure 7. This is our target in future to sell a maximum of our products and earn revenue accordingly.



**Figure 7: Projected Annual Sales Revenue**

#### 6.4 Cost of Sales

Every product by Traditional Food Manufacturing & Tiffin Service will be sold by setting a price level. We have settled out target for 3 years to sell our final product. It will be different every year and it is also dependent upon the marketing and awareness about the product. Figure 8 is presenting the sales in 3 years that is variable from year 1 to year3.

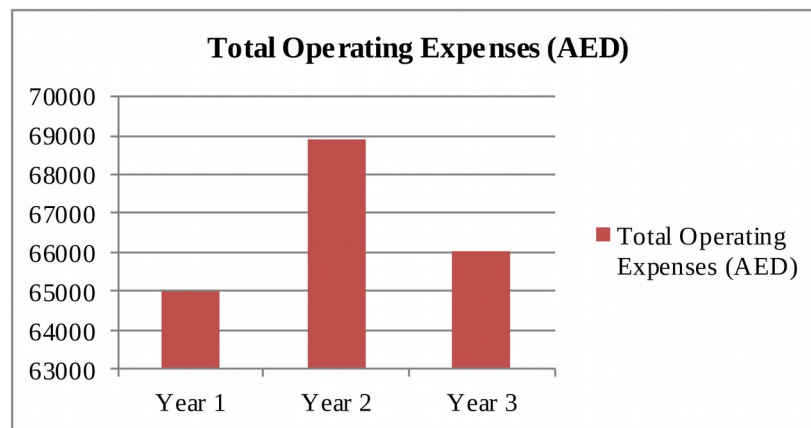


**Figure 8: Cost of Goods Sold**

#### 6.5 Operating Expenses

Operating expenses are the operating costs that can be varied according to the expenses. The major expense in first two years will be of marketing and management expenses. These are

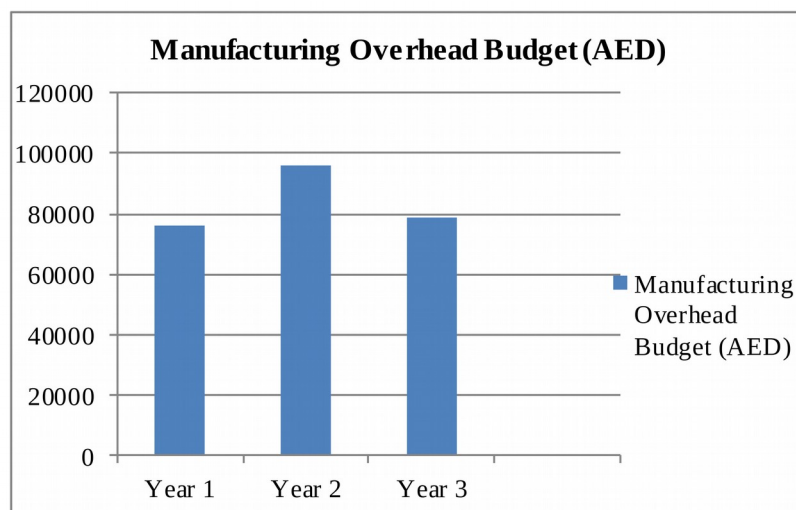
shown in figure 9. The three years expenses are not matching as the first year it will be less and increased as double in the second year because of the demand of the product and labor expenses.



**Figure 9: Total Expenses**

## 6.6 Manufacturing Overhead

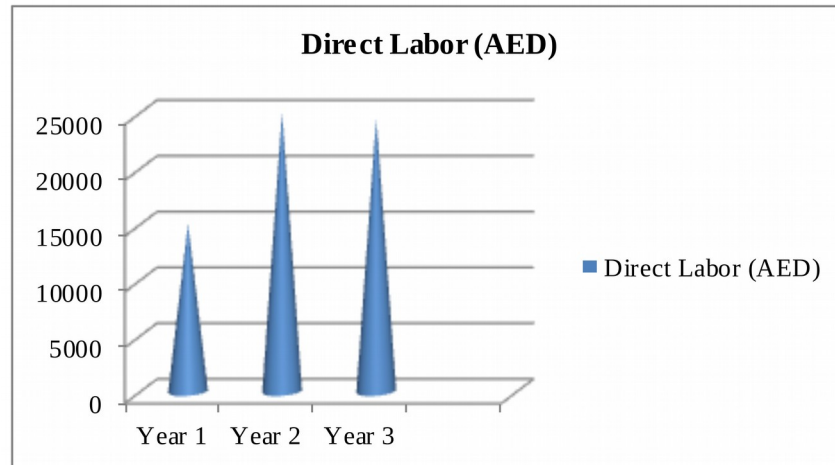
The manufacturing overhead Budget is the assembling of different products and their packaging. It includes the raw material that will be of Traditional Food Manufacturing & Tiffin Service. The raw material for food and transport expenses will be included in the overhead budget showing in Figure 10.



**Figure 10: Manufacturing Overhead Budget**

## 6.7 Labor

The direct labor is shown in Figure 11 and it is describing the labor hours and per unit cost of the labor hours worked.



**Figure 11: Direct Labor**

## 6.8 Projected Income Statement

The projected Income statement is showing the net income in end result in table 2. The net projected income of Traditional Food Manufacturing & Tiffin Service includes cost of goods sold, gross margin, selling and administrative expenses, operating income, depreciation and interest expenses. Selling and administrative expenses include the salaries, shipping, advertisement, rent and other office utilities expenses. Depreciation will be charged from the tangible assets that are land and equipment (cooking and other equipment for operations department). The depreciation expense will be same every passing year and will be a must part of the Traditional Food Manufacturing & Tiffin Service income statement.

**Table 2: Budgeted Income Statement**

<b>Budgeted Income Statement (AED)</b>	
<b>Sales</b>	15000,00
Cost of Goods Sold	599,000
Gross Margin	901000
Selling and administrative expenses	199900
Operating Income	1100900
Depreciation	37500
Interest Expense	31050
Net Income	1032350

## 6.9 Projected Balance Sheet

The balance sheet is showing the current assets of Traditional Food Manufacturing & Tiffin Service. Fixed assets are land and equipment that will be depreciated with the passage of time as we have shown in Table 3 about the equipment depreciation value.



Table 3: Projected Balance Sheet for 3 years

<b>Projected Balance Sheet</b>	
Current Assets	50,000 (AED)
Cash	3105000
Raw Material Inventory	1395000
<b>Total Current Assets</b>	
Fixed Assets	
Land	100000
Equipment	275000
Total Fixed Assets	375000
<b>Total Assets</b>	
Liabilities	
Bank Loan	310500
Shareholders' Equity	
Owner's Equity	249300
<b>Total Liabilities and Equity</b>	<b>280000</b>

## 7 Conclusion

Traditional Food Manufacturing & Tiffin Service is hopeful about the success of its business as we have an opportunity in the market to grow in new segments. The services provided by Traditional Food Manufacturing & Tiffin Service will be according to the desire of the customer and we have planned our goals to reach maximum customers by adding multiple taste products in our brand. We are hoping to grow further in other UAE part by opening our outlets and entertaining. We will try to provide the best management mechanism to our employees because of our basic education in Business Administration.

The entire business plan creation increased our knowledge as there are all of the activities that a business need to startup. During preparation of the business plan it was easy to see the strengths of a business and true meanings of the core competencies. We have developed a sense of differeciation by looking into the market and we have gain about the significance of the segmentation in the market. We have selected out target market first then developed our market strategies according to our target market. Different promotional techniques were helpful to learn about the advertisement through different channels.

Financial plan preparation was also helpful to understand the allocation of resources and need of resources. Labor overhead, balance sheet preparation and projected costing for the our future business was helpful to learn new methods to run a business.

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## 9 Appendices

### 9.1 Appendix 1 – Startup Capital Budget

Description	Amount	Percentage	
Bank Loan	3105000	61%	
Management Investment	1395000	39%	
<b>Total</b>	4500000	100	
<b>Startup Capital Budget</b>			
Items	Expenses		
Land	10,000		
Coking Equipment	275000		
operating expenses	199900		
Total Startup Capital	574900		

### 9.2 Appendix 2 – Sales Budget

<b>The Sales Budget</b>						
	Year 1	Year 2	Year 3			
Sales Average Unit	30,000	60,000	40,000			
Sales Price per unit	15	15	15			
<b>Total Budgeted sales</b>	450000	900000	600000			
T r aditional Food Manufacturing & Tiffin Service						
3 years sales budget						

### 9.3 Appendix 3 – Cash Collection Budget

<b>Cash Collection Budget</b>					
Year 1 Sales	Year 1	Year 2	Year 3		Total 3 Year
55%* 4500000	247500				247,500
40%* 4500000		180000			180,000
Year 2 Sales					
55%* 900,000		495,000			495,000
40%* 900,000			360,000		360,000
Year 3 Sales					
55%* 600,000			330000		330,000
40%* 600,000				240,000	240,000
<b>Total Cash Collection</b>	247,500	675000	690000	240,000	950,000
* All sales are on account.					
Traditional Food Manufacturing & Tiffin Service collection pattern is:					
55% collected in the year of sale,					
40% Collected in the year of following sale,					
5% uncollectable.					

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### pendix 4 – Production Budget

<b>Production Budget</b>					
	year 1	year 2	year 3		
Budgeted Sales	30,000	60,000	35,000		
Add: Ending Inventory	15,000	7000	6000		
Total Need	30,500	67000	41000		
Less: Begning Inventory	6,000	13000	720000		
Required Production	25,500	56000	38400		



## 9.5 Appendix 5 – Material Disbursement

Material Disbursement to Material					
Year 1 Purchases	Year 1	Year 2	Year 3		
$140,000 * 0.4 = 600,000$					
$50\% * 600,000$	30,000				
$50\% * 600,000$		30,000			
Year 2 Purchases					
$221,500 * 0.4 = 88,600$		44,300			
$50\% * 88,600$			44,300		
$50\% * 88,600$					
Year 3 Purchases					
$142,000 * 0.4 = 56,800$					
$50\% * 56,800$			28,400		
Total Material Disbursement	30,000	74,300	72,700		

## 9.6 Appendix 6 – Manufacturing Overhead

	Manufacturing Overhead			(MOH)	
	Year 1	Year 2	Year 3		
Budgeted Direct Labor Hour	1500	2500	1650		
Variable MOH Rate	30,000	50,000	33,000		
Fixed MOH cost	500,000	500,000	500,000		
Total MOH cost	760,000	960,000	790,000		
Less noncash Cost	10,000	10,000	10,000		
Total MOH	660,000	860,000	690,000		

## 9.7 Appendix 7 – Cash Budget

<b>Cash Budget</b>					
	Year 1	Year 2	Year 3	Full 3 Year	
Beginning cash balance	10000	100000	100000	2010000	
Add cash collection	247,500	675,000	690000	1612500	
Total cash available	257500	167500	790000	8932500	
Cash payments					
Materials	28000	72300	72700	173000	
Direct Labor	15000	25000	24500	50500	
MOH	56000	76000	59000	191000	
Selling and Administrative Expense	65000	68900	66000	199900	
Total Payment	284000	74700	37800	395500	
Balance	1200	228000	190700	419900	
Interest	-	15525	15525	31050	
Bank Loan	310500	310500	310500	931500	
Ending Cash Balance	50,000	50,000	50,000	150,000	
Beginning cash balance 5000					
Annual Interest 5%					
Minimum maintained cash balance 50,000					

## 9.8 Appendix 8 – Selling and Administrative Expenses

<b>Selling and Administrative Expenses</b>					
	Year 1	Year 2	Year 3	Total 3 Years	
Salaries	45000	45000	45000	135000	
Shipping	2000	4400	3000	9400	
Advertising	8000	8000	8000	24000	
Commission	1500	3000	1500	6000	
Rent	7000	7000	7000	21000	
Office Utilities	1500	1500	1500	4500	
Total Selling and Administrative	65000	68900	66000	199900	

## 9.9 Appendix 9 – Income Statement

Traditional Food Manufacturing & Tiffin Service				
Budgeted Income Statement for 3 years				
Sales 100000 * 15	1500000			
Cost of Goods Sold 100000 * 5.99	599000			
Gross Margin	901000			
Selling and Administrative Expenses	199900			
Operating Income	1100900			
Depreciation	37500			
Interest Expenses	31050			
<b>Net Income</b>	<b>1032350</b>			
1000000 sales are for 3 years and cost per unit is AED 5.99				

## 9.10 Appendix 10 – Depreciation on Fixed Assets

Land	10,000	0.1	10000
Cooking Equipm	275000	0.1	27500
Total Depredation of Fixed assets			37500

