

BUSINESS PLAN

Reg. No. 055-595 NPO/2007

**Agisanang Bed Linen Project**

[](http://www.google.co.za/imgres?imgurl=http://image.made-in-china.com/2f0j00nMiTorpChIbP/Bed-Linen-Escondido-.jpg&imgrefurl=http://www.made-in-china.com/showroom/aacrosun/product-detailCMimWrpbHuhP/China-Bed-Linen-Escondido-.html&h=467&w=650&sz=36&tbnid=9dzhCcXh7qY-kM:&tbnh=86&tbnw=120&zoom=1&usg=__vfgbhiyheITXrLkjP6IHjO4Moxk=&docid=_aYizoQ8h1bdAM&hl=en&sa=X&ei=Wi9sUK7eIY6FhQeB0YDIDw&sqi=2&ved=0CFgQ9QEwEg)[](http://saimatextiles.webs.com/apps/photos/photo?photoid=110583558)

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**EXECUTIVE SUMMARY**

### OVERVIEW

The Plan introduces Agisanang Linen Project which is a community based project under Bridge Centre Foundation that seeks to self-sustain as a business entity as well as empower the marginalized in the communities. The Bridge Centre Foundation is a private, charitable, social development organisation devoted to alleviate poverty, job creation, women and youth empowerment and economic development. The Foundation’s special focus is to work alongside marginalized people through innovative and compassionate programmes which will equip them with the proper resources and the power to help others and the entire community as well. Therefore its key stakeholders are;

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* Vulnerable People ( Commercial Sex Workers)
* Employees of Project Members
* Suppliers and Distributors
* Government
* Community

🗴 Customers

The project will specialize in the making of bed linen. It will in essence purchase material and make unique embroided bed linen. The project members already have suitable location and office to run the project. The project shall be based in Randburg (Gauteng Province), South Africa and will employ the Commercial sex Workers and Grannies that take care of the OVC from the informal settlements of Diepsloot.

The Bed linen projects will be mainly initiated through borrowed, sponsored or grant funds and administered through strict supervision of the skillful and a vast experienced project team. The functionality of this project will lead to the success of subsequent projects that will embark on constituting strong, economically prosperous and self-reliant communities. The project seeks to empower the sex workers in Diepsloot to have a self-dependent income generating project.

**THE BUSINESS OPPORTUNITY**

The members of the project have realised that there is demand for unique embroided linen and this type of niche market has not been fully exploited. The Bed Linen Project wishes therefore to exploit the opportunities presented by making uniquely embroided linen as well as Egyptian woven linen. This shall be by means of purchasing material which will be sewn and embroided, branded and packaged and thereafter sold and distributed to the target market of the project which primarily encompasses the leading home and décor retail stores.

**THE TARGET MARKET**

The selection of a lucrative market is imperative to the success of Agisanang Bed Linen Project. Key factors were considered prior to selecting a lucrative market for the project. These encompass profitability, growth, growth potential, size of the market, risks associated with the market and the capacity of the business to serve the selected market. The proposed target market for Agisanang Bed Linen Project shall be primarily composed of clients within the corporate arena that is the home and decor retailers. Agisanang Bed Linen Project will strive to secure contract to supply on a regular basis.

**COMPETITION**  
The market is composed of both direct and indirect competitors. Direct competitions will emanate from the suppliers that are already supplying these leading retail stores. The project will also face indirect competition which emanate from cheap imported Chinese products.

**THE COMPETITIVE STRATEGIES**

In terms of competitive advantages, the project will focus on having a thorough understanding of the needs and preferences of the customers. The business will strive to ensure that it has a better understanding of the customer’s needs and preferences as compared to its direct and indirect competitors. Meeting the expectations of customers will be a key priority for the business. Efficient and effective marketing will be important to drive the sales and profits of Agisanang Bed Linen Project CC. Emphasis will be placed on establishing a strong brand for the project that provides   
an excellent positioning for the project.

**THE FINANCIAL PLAN**

The project will require R 500,000R2in total in order to finance its capital asset requirements (R150 000) as well as its working capital (R350 000– includes fabric costs and other working capital needs. The main requisitions shall include: The cutting machine, industrial sewing machine, embroidery machine, overlock machine, steam press and iron.

**PURPOSE OF THE BUSINESS PLAN**

The purpose of the business plan is to serve as a motivation document to source the required funding for Agisanang Bed Linen Project.

The business plan shall also be instrumental in the following ways:

* To further understand the project
* To understand the macroeconomic factors affecting the project
* To understand the microeconomic factors affecting the project
* To understand the industry that the project will operate in
* To understand the dynamics of the market
* To draw up a SWOT analysis and devise a vision and mission for the project
* To develop strategic objectives and strategies for the project
* To improve the performance of the project
* To focus on a profitable activities and customers

**PROJECT SUMMARY**

### PROJECT NAME

The name of the project is Agisanang Bed Linen Project

### PROJECT LOCATION

The project shall be situated in Randburg.

### PROJECT SPONSORS

The Bed Linen projects will be mainly initiated through borrowed funds, as well as equity funding from local businesses and community members. It will be administered through strict supervision of the skillful and a vast experienced project team. The functionality of the project will lead to the success of subsequent projects that will embark on constituting strong, economically prosperous and self-reliant communities.

**PROJECT OBJECTIVES**

* To empower women and the vulnerable in areas of self-reliance and development
* To provide assistance to the elderly who support Orphans
* To contribute towards poverty alleviation
* To ultimately create women’s participatory self-sustaining development at local levels

**VISION**

To provide meaningful service provision that will impact the lives of the vulnerable through holistic support, education and empowerment in South Africa. Help the disadvantaged to live in hope for a brighter future and to provide communities with the tools required to build none dependent communities. Create individual inclusion and promote community cohesion.To respond to malnutrition and food security challenges in communities through farming and agricultural skills development programmes that will create employment opportunities that strengthen capacity for self-help.

**PROJECT MISSION**

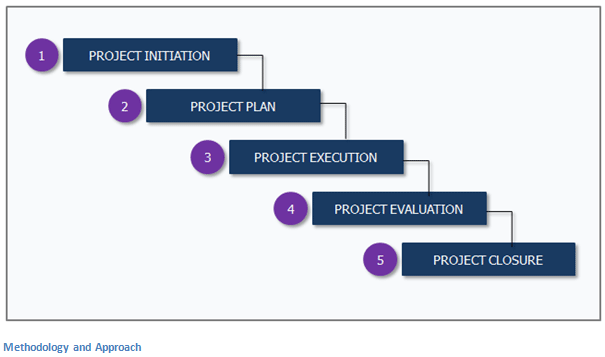
The project is aimed at proving that given the right leadership, guidance and funding it is possible to alleviate poverty and to meet the fundamental human needs of all the people.

**PROJECT SCOPE**

The scope of work at (business planning stage) includes an analysis of the industry, market, competition, external and internal environment. The business plan shall also be coverage of the technical/operational aspects of the project, the legal aspects, human resources and financial requirements of Agisanang Bed Linen Project.

**PROJECT METHODOLOGY AND APPROACH**

The following methodology and approach will be used to help Agisanang Bed Linen Project achieve its purpose and objectives:



**PROJECT SCHEDULE**

### The main phases in the project include: the project initiation, project plan, project execution and project closure. The progress of the project will be guided by the project timeline shown below:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Phase | Milestones | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
| Initiation | Project  Charter |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Stakeholder  Consultation |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Business  Case |  |  |  |  |  |  |  |  |  |  |  |  |
| Project Plan |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project Execution |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project Evaluation |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project Closure |  |  |  |  |  |  |  |  |  |  |  |  |  |

**EXTERNAL ENVIRONMENT ANALYSIS**

This section is coverage of the external environment analysis in order to identify opportunities and threats facing the textile concern.

**POLITICAL CHANGES**

* The promotion of SMME development in South Africa has been intensified. The Government is in support with development strategies relating to Broad-Based Black Economic Empowerment, Job Creation and SMME development.

* Women and youth empowerment is one of the key agendas for the South African Government (currently). The availability of support programmes such as The National Youth Development Programme will be an opportunity in terms of financial and non-financial support for the project.

* The movement against anti-competitive behavior by the competition commission is an opportunity for the project
* The assistance by DTI to women involved in entrepreneurial projects will be an opportunity for the project
* Small business development programmes seek to help small businesses improve the quality of their products as well as their well-being. This shall be an opportunity for Agisanang Bed Linen Project.

**ECONOMIC CHANGES**

* The introduction of Quotas in 2007 has positively affected the textile industry by supporting the local brands and hence local companies have benefitted from these.
* There is a potential for Eskom to increase electricity prices by at least 24.8%. This is a threat to the project as its operations will be more costly and thus force the project to pass on the additional costs to consumers. This is a threat to the project as it has potential to result in reduced sales and profits.
* The potential for a further increase in petrol prices will be a threat to the business as this will render the cost of transporting the products of the project to be relatively high. An increase in petrol prices usually results in an overall increase in the price of commodities and this burden is usually pushed towards consumers.
* Rising Inflation or the rising of costs is a threat to the project as this could potentially reduce the market for the business. The tradeoff between inflation and employment is another factor to take into consideration.
* Interest rates are currently moderate – this is encouraging as the cost of borrowing funds is not as high
* Fluctuating exchange rates are likely to adversely affect the cost of imported items such as materials and this will result in lower gross profit margins as a result of the increase in the cost of goods sold.

**SOCIAL CHANGES**

* The increasing population will result in more potential clients for the project.
* The Government is committed towards improving the quality of education in South Africa. This is an opportunity for the project as it is likely to benefit from a quality labor supply.
* The increase in the budget for social grants will see more people having money in their pockets thus building on the potential market for the bed linen project.
* The growth of the middle income group and double income families have led to increased disposable income allowing for more people access to products and services.

**TECHNOLOGICAL CHANGES**

* The new developments in technology for the textile industry present lucrative opportunities for the business to enhance productivity and expand its horizons. The current technologies in the textile industry mostly concern specialized sewing and embroidery equipment which includes the latest designs from abroad and a small percentage of some locally developed designs. The project is open to benefit from advanced technology in key areas such as production/ operations, distribution, marketing and back office support.
* The business can also render significant improvements to its marketing efforts by making use of technology. This can be by means of having a static or dynamic ecommerce website for the business that could provide marketing literature to clients and also possibly facilitate enquiries and orders for the project. Branding material such as business cards, business logos, business letterheads, presentations and brochures can also be made using computer technology
* In terms of back office support, technology in the form of computers and software is available on the market to facilitate and simplify back office activities such as record keeping, accounting, logistics management and much more. Additionally, technology will be an opportunity for the business in the sense that it can be used for market intelligence purposes.

**LEGISLATIVE CHANGES**

* Full compliance with other Acts such as those relating to Basic Conditions of Employment Act, Employment Equity, labor relations and many more could be seen as a threat to the business
* Meeting the standard specifications of SABS can be perceived as a threat should the project have difficulties attaining high standards

.

**ANALYSIS OF THE INDUSTRY**

The South African clothing industry comprises a complex set of dynamic linkages (value chains) between the producers (who source their materials both nationally and – increasingly – internationally) and the retail outlets. Internationally, the clothing commodity chain is a classic „buyer-driven‟ value chain in which producers are subordinated to a highly concentrated retail sector in a market characterised by increasing competition around product differentiation and branding (Gibbon and Ponte, 2005) and where „buyers‟ can optimise the comparative advantage of different production locations (Gibbon, 2008: 185). The South African domestic clothing market is similar in that it is dominated by a powerful retail sector whose market power effectively subordinates the producers

Lesotho:

Large runs, standard items (jeans, work-wear, knitwear

**Formal Retail Outlets**: Some aimed

at the middle and bottom end (e.g.

Mr Price) and others at the middle to

top end (Woolworths, Foschini

**China**:

large runs,

where short

turn around

times are

not necessary

**Design Houses**

**Non-compliant**

**domestic firms**:

mid-sized runs,

basic CMT,

middle to

bottom end of

the market

**Compliant full-line**

**producers**: fast-fashion

(quick turnaround times), high quality materials, complex designs, top end of the market. Some have their

own branded outlets

**Compliant**

**CMT**: niche market fast

fashion

**Factory shops, other informal outlets in South Africa**

The above Figure: The South African clothing value chain in the domestic market Figure presents a stylised depiction of various clothing value-chains in South Africa. At the centre are the large retail outlets, which are responsible for an estimated 70 percent of total domestic sales. Their products are obtained from a range of sources such as China (for basic items in long runs where turn-around times of five months are not a problem), low-wage producers in non-metro South Africa and neighbouring countries (where faster turn-around times on basic items is an advantage in competing with China), and from firms in metro areas (where design, quality and fast-fashion production is required). There is evidence that some clothing firms do indeed sub-contract to other, typically smaller CMT operations, though the extent of this practice is unclear (see e.g. Rogerson 2000: 711; Altman 1996: 394, Todes 2002: 386). According to interviews with industry sources in 2011 and 2012, many of the large firms that comply with NBC minimum wages for the items they produce also subcontract to low-wage firms in places like Newcastle where non-compliant firms pay wages that are lower than the NBC minima. They apparently do this both directly and indirectly via the Design Houses. The figure shows how complicated value-chains can be – and how many options that retailers and large clothing producers have in terms of sourcing basic products from low-wage areas both domestically and internationally.

**PROCESSES OF MAKING THE BED LINEN**

Cutting Table/

Machine cutting



[](http://en.wikipedia.org/wiki/File:Stickmaschine.jpg)

Computerised Embroidery Machine



Sewing Machine



Overlock Machine/

Serger

Button-hole

Machine

Trimmers & Packers

|  |  |
| --- | --- |
| Cutting | In this process, fabric is being cut into components (shapes or patterns of different garment parts, i.e. front, back, sleeve, collar shapes etc.). In mass production multiple layers of fabrics are laid on a table and large number of garments is being cut at a time. The laid fabric stack is called as lay. |
| Embroidery | Embroidery is an [embroidery](http://en.wikipedia.org/wiki/Embroidery) process whereby a [sewing machine](http://en.wikipedia.org/wiki/Sewing_machine) or embroidery machine is used to create patterns on textiles. It is used commercially in product branding, corporate advertising, and uniform adornment. Hobbyists also machine embroidery for personal sewing and craft projects. |
| Sewing | Sewing is using a thread and needle or a sewing machine to stitch together fabrics to make an item. |
| Overlocking/Seam Covering | An overlock machine trims the seam and encloses the seam allowance or edge of the fabric, inside a thread casing, all in one step. The width and density of the stitching are two of the many variables available on overlock machines. The options are not the same on all overlock machines. As with almost anything you purchase, the more you spend, the more options you will have |
| Button-hole making | This is a process of trimming the edges of a buttonhole using either a machine or the hand, using zigzag stitches. |
| Trimming & Packing | Trim has two meanings in sewing. One is to use a variety of decorative elements or trims to embellish garments or household items. The other is to use scissors to trim away excess fabric in areas like seam allowances. Trimming materials include lace, cords, rick rack, piping, sequins, pearls, beads, ribbons, fringe, tassels, braids, appliques and decorative buttons. Some trims are made up of several of these elements combined. |

**ANALYSIS OF THE MARKET**

**MARKET SEGMENTATION**

This section divides the market into similar groups with common characteristics so as to identify a lucrative market segment for the products of Agisanang Bed Linen Project. Generally, the potential market segments for embroidery bed linen business are as listed below:

Formal market sector

* Large Home & Décor Retailers
* Exclusive Décor Retailers
* Lodges and bed & breakfast Accommodations
* Franchise décor stores
* Export

Informal market sector

* Individuals
* Tourists
* Flea Markets

The potential market open to Agisanang Bed Linen Project is analysed as per the following categories.

* Individual market segment
* Corporate market segment

**INDIVIDUAL CONSUMER MARKET SEGMENTATION**

The individual consumer market segment primarily covers individual consumers as well as households. This segment is further discussed within the context of demographics, psychographics and behavioural segmentation

|  |  |
| --- | --- |
| Demographic segmentation | While the location of the project is in Avondale, the potential clients of the business emanate from the whole Gauteng Province. This market segment features both male and female with a taste of good linen. The market features low income, medium and high income earners from a diversity of educational backgrounds. |
| Psychographic segmentation | In terms of psychographics, the market features consumers with an array of lifestyles. The lifestyles include career oriented men and women, scholars, entertainers, holiday makers, famers and many more. They quest for comfortable and beautiful lifestyles and have a positive, ambitious and charismatic personality. They value where and what they sleep in. |
| Behavioural segmentation |  |

**CORPORATE SEGMENTATION**

The corporate segment can be divided into sub-segments; namely: small businesses, medium businesses and large businesses. The sub-segments are further discussed below:

|  |  |
| --- | --- |
| Market Segment | Characteristics |
| Small businesses | Small businesses generally employ between 1 to 10 employees and have a turnover less than 500 000 per annum. Additionally, small businesses form part of South Africa’s Small, Medium and Micro Enterprises (SMME) sector. Small businesses can be split into micro and small businesses. Micro businesses have assets of less than R50 000 and an annual turnover of less than R50 000. Moreover, micro businesses employ less than 5 people. Small businesses on the other hand have combined assets between R50 000 and R500 000. They have a turnover between R50 000 and R500 000. Small businesses employ between 5 and 10 people. They are mainly made up of sole proprietors, small partnership businesses and formally registered close corporation business entities ranging from small fast food stalls to guest houses. |
| Medium businesses | Medium enterprises also form part of South Africa’s Small, Medium and Micro Enterprises. Medium businesses employ about 20 to 100 employees and have a turnover that is greater than 500 000 per annum but less than 5 million. Medium businesses range from small retailers with niche market store. Lodges and bed and breakfast accommodation with unique clientele. |
| Large businesses | This segment features large well established retailers with different branches all over the country, large scale exporters. Most large businesses provide employment to more than 100 employees and have an annual turnover that is greater than 3 million. They mainly consist of public limited companies, private companies and non-governmental organisations. |

**SEGMENT ATTRACTIVENESS**

The attractiveness of the various market segments is based on the market size, growth potential of the segment, profitability, the risk associated with the segment and the nature of competition in the market segment. The corporate market segment supersedes the individual market segment in terms of size, growth potential and profitability. Corporate consumers are more reliable customers (taking into consideration the fact that they usually buy in bulk orders, makes the segment more attractive). There is a risk of delayed payment on part of some corporate entities. Nevertheless, with effective payment collection systems, the risk can be mitigated.

**PROPOSED TARGET MARKET**

The project will target large retailers and will initially supply one of the branches of the retail outlets and eventually increase in all branches. This segment has potential for future growth and has a few direct competitors of a similar nature to the project. The ability of Agisanang Bed Linen Project to serve this targeted segment has also been taken into consideration.

**COMPETITION ANALYSIS**

Agisanang Bed Linen Project will face direct and indirect competition.

**DIRECT COMPETITION**

|  |  |
| --- | --- |
| Direct competition | Direct competition will emanate from small and emerging players in the bed linen project who are also targeting to supply the same retail shops or who are already supplying these Home & Décor retailers and are in the close proximity to Agisanang Bed Linen. |

**INDIRECT COMPETITION**

|  |  |
| --- | --- |
| Chinese  Imports | These are Chinese products that have been mass produced and are low quality and very low prices as well. |
| Retail Shops | These are retail shops that are already established and produce the products that they sell as well as the factory shops that already supply these retail shops. |
| Other indirect competitors | Indirect competition for the project also posed by foreign or local entities that make sell very exclusive & expensive bed linen in South Africa. |

**INTENSITY OF COMPETITION**

* **THREAT FROM NEW ENTRANT**

The threat from new entrants in to the market is relatively low taking in to account the capital cost of acquiring new machines and knowledge skills, expertise required to do embroidery. The ability to acquire a contract to supply the huge retailers also hinders people wishing to participate in providing bed linen.

* **THREAT FROM NEW CUSTOMERS**

There is a threat emanating from the dynamics in the needs and preferences of consumers. Customer demands and expectations must be met and products attractively priced, otherwise the customers could opt for other providers. The threat is demonstrated by the scenario that the customer’s preferences are easily determined by evolving social changes can choose other products that will be popular.

* **THREAT FROM CHINESE PRODUCTS**

While there is potentially no immediate threat to exclusive embroided bed by Chinese market as they are of low quality but Chinese linen can prove to be a threat if economic conditions are deteriorated.

* **THREAT FROM SUPPLIERS OF FABRIC**

This threat is relatively minimal as there are many suppliers of fabric. A threat may emanate from a scenario where suppliers are affected by the legislative laws of importing the material is either controlled or made unfavourable and this will therefore affect the whole Textile and clothing industry.

* **INTENSITY OF RIVALRY**

The intensity of rivalry is centred on factors such as price, reliability, quality, and brand recognition. The intensity of rivalry in the Industry is relatively high as evidenced by the high frequency of marketing campaigns, internet advertising, and number of new players entering the market, new strategic alliances being formed and the subsequent closure of certain poorly performing businesses in the market. Major players in the industry such as Home Choice appear to control strategic areas of the retail value.

**ANALYSIS OF INTERNAL ENVIRONMENT**

The internal environment analysis is coverage of the scanning of factors considered internal to the project and within the control of the business. Internal environment scanning is important in order to deduce the strengths and weaknesses of the project. The identified strengths shall be capitalised on and the weakness shall be mitigated.

**SHARED VALUES AND PRINCIPLES**

The project members have great passion and commitment for the project. Shared values and principles regarding the team are as follows:

* Customer Intimacy
* Process Efficiency
* Transparency
* Accountability
* Honesty and Integrity
* Convenience
* Consistency
* Reliability
* Hygiene and good health

**UNDERSTANDING OF THE STRATEGIC PLANNING PROCESS**

The members need an understanding of effective opportunity identification and exploitation by means of external and internal environmental scanning, coming up with a strategic intent, formulating strategies, implementing, monitoring and evaluating plans. It shall be important for the project members to have a good understanding of the industry (global and regional perspective), the market, competition, government policies and the available opportunities.

**ORGANISATIONAL STRUCTURE**

A formal organisational structure demonstrating clear lines of communicating and reporting needs is to be drawn up. This shall be accompanied by an account on the roles and responsibilities of each person in the team. At present, the project has a supervisors and machinists in the areas of operation. The Board of Directors will act in their capacities as Management Team e.g. marketing role, Finance and Administration role, until such a time that the organisation will be able to employ such offices. The current organisational structure and an account on roles and responsibilities have been provided under the staffing or human resource plan of this business plan.

**LEADERSHIP STYLE**

The members have a strong participative and democratic style of leadership. This style of leadership is appropriate for the project as all members will appreciate the fact that their voices with regard to the direction of the business are.  
 heard and that their contributions towards important decision making are valued**.**

**STAFF REQUIREMENTS**

In terms of staff, the project is well staffed as all three members shall work full time in the project. The project has great potential to create employment for more people subsequent to the attainment of optimum operation levels.

**SKILLS AND COMPETENCIES**

The project demands skills in sewing & embroidery. The project requires essential skills, competencies and expertise in key areas such as financial management, project management, strategic planning, marketing, costing and business management and administration. The members of the project currently have experience and expertise in general business administration and management. It will be important for the project to seek advanced training embroidery making.

**SYSTEMS**

Currently the members of the business have a general understanding of systems. It is important for the members to gain further understanding of systems as well as know how to implement them. The following systems are deemed important for the business:

* Management Information Systems
* Quality Control Systems
* Performance Management Systems
* Accounting System
* Risk Management System

**SWOT ANALYSIS**

|  |  |  |  |
| --- | --- | --- | --- |
| Strengths | | Implications | Actions Required |
| 🖒 Members of Different Background make up the Project team | | A cross pollination of ideas to develop strong strategies | Assign every member with important tasks |
| 🖒 Proposals from prospective customers | | An indicator of readily available market | Ensure to maintain the credibility and customer confidence |
| 🖒 Experiences and skills in embroidery and sewing | | Energy, Cost &Time saving | Encourage other members to enhance their knowledge and skills in sewing so as to be also well equipped with the sewing operations |
| 🖒 Team work | | Members are committed to accomplishing a common goal which is the success of the project | To strengthen the team spirit within the members |
| 🖒 Own initiative | | The team member requires no supervisions and control to make improvements and corrections. | Foster the spirit, power and ability to begin or to follow through energetically with a plan or task without direct managerial influence |
| 🖒 Fair Gender Representation | | Easy to access resources and support from gender orientated platforms | Strengthen this point by ensuring that all positions are equally distributed and fairly awarded. |
| 🖒 Community Initiative | | Easy to harness support from community since it is a project for the people by the people | Carry on with programmes that create and enhance community awareness and participation. |
|  | | | |
| Weaknesses | Implications | | Actions Required |
| 🖓 Financial dependency on too few resources | Acts as stumbling block to implement plans and cannot cover most of the needs of the Project | | Recruitment and training of fundraisers  Development of fundraising strategy including appropriate motivation scheme for fundraisers and recruiters |
| 🖓 Communication and Process Optimization | Inefficient Communication and poor information sharing leading to wastage of resources and loss of credibility | | Implement a well-defined a communication channel.  Perform process mapping & Gap analysis with recommendation for addressing most important processes / sub-processes. |
| 🖓 Insufficient Project Monitoring | Might lead to conflict in implementation of plans | | Design a strong legal structured constitution |
| 🖓 Little or no link between project goals and personal goals and performance evaluation | Projects goals are not met | | Alignment of project goals with operational plan & strategic plan |

|  |  |  |
| --- | --- | --- |
| Opportunities | Implications | Actions Required |
| 🖑 Availability of a contract market | Viability of the business | Maintain good relations with the market |
| 🖑 Small Enterprise Development Agency | Increase small business support and opportunities | By encouraging participation in small business support forums |
| 🖑 Skilled Workforce | They can be moved and trained into other areas of the business | Encourage staff development and rotation to learn all areas of the business |
| 🖑 Good Financial Position | Good reputation with our financiers and Funders  Good governance and transparency of financial reports | Maintain a Transparent preparations and presentation of audited financial statements that can clearly outline the performance and position of the Project |
|  |  |  |
| Threats | Implications | Actions Required |
| 🖙 Increased price of materials | Lower profit margins | Devise ways of cutting costs |
| 🖙 Escalating Electricity cost | Increase in production cost passing it on to the customer | Employ alternative sources of energy e.g. solar and coal |
| 🖙 Cheap imports | Lowering of prices | Exploit the niche market thoroughly |

### 

### Critical Success Factors (CSFs)

* Top Management support
* Competent Project Managers
* Competent Team Members
* Effective Communication Processes/ Channels
* Control mechanisms (Planning, schedules )
* Responsiveness to Clients/ Customer Care

**PROJECT STRATEGIC FOCUS**

**VISION**  
  
The vision of the project is to be a women and society empowerment and development community project that is renowned for promoting good quality and well embroided and creative bed linen

**MISSION**

To contribute towards the reduction of unemployment levels as well as empowering women and youth and ultimately adding value to the lives of all the stakeholders of the project

**VALUES AND PRINCIPLES**

Values and principles shall guide the actions of the members of the project and form the very essence of the culture of the project. They include,

* Respect and value for stakeholders as well as establishing long term value laden relationships in order to realise mutual growth based upon mutual trust
* The fostering of a corporate culture that enhances individual creativity, innovation and teamwork
* The provision of excellent working conditions in terms of health and safety for the employees and other business stakeholders
* Integrity, honesty and understanding that success depends upon unswerving adherence to the standards and principles of the project
* The creation of value for clients by valuing their opinions and ensuring quality poultry products
* Productivity in terms of being results driven and materialising value added achievements
* Being efficiency in operations and other areas of the business
* Working together in harmony as a team and cultivating a team spirit oriented business culture
* Customer centric: this is a core value for the project as it strives to understand the needs and preferences of its customers and superseding their expectations

**PROJECT STRATEGIES**

**LONG TERM STRATEGIES**

* Expansion and diversification through the formation of strategic relationships and strengthening relationships with strategic alliances. To increase our product line and introduce curtaining, cushions and focus on the whole area of décor.
* Enter new markets such as the export market.

**MEDIUM TERM STRATEGIES**

* Focus on competitiveness by striving to achieve the desired positioning in the market
* Focus on customer intimacy and process efficiency
* Focus on niche markets
* Focus on quality
* Grow the market share of the project by understanding the needs and expectations of the customers better than the competitors

**SHORT TERM STRATEGIES**

* Formalise the organisational structure
* Standardization of processes and procedures
* Training and development of staff

**FINANCIAL STRATEGIES**

* Enhance the profitability of the business by setting a sales mix that results in the most profitable contribution margin
* Minimise operating expenses by monitoring against the budget on a weekly and monthly basis
* Minimise the bad debts by having a strict debt issue and collection policy

**MARKETING STRATEGIES**

* Improve awareness of the project by advancing publicity, having presence on the internet by developing a website and other marketing efforts
* Improve the competitiveness of the project by implementing market intelligence initiatives such as improving the competitive advantages of the business, studying the competition, conducting market surveys and being more customer intimate
* Improve the image of the business by branding the business and its products as well as provide excellent customer service and delivering promptly

**OPERATIONAL STRATEGIES**

* Improve the efficiency of operations by ensuring that tasks are completed timely and that process and procedures are evaluated so as to eliminate redundancies in workflow
* Improve operations by standardizing processes
* Employ technology
* Regular audits in processes
* Improve health and safety for the employees by conducting regular audits to ensure that all health and safety related regulations and standards are being met.

**HUMAN RESOURCE STRATEGIES**

* Improve the skills, knowledge and competencies of the members and employees of the project and eliminate the risks associated with the loss of key man in the project by providing on going skills development and training.
* Employ a performance management system
* Align the values of the individuals to team values

**HUMAN RESOURCES PLAN**



The management team is made up of strong personnel with the required and relevant experience in the field. They are highly motivated and positively looking forward to see the Agisanang Bed Linen Poultry Project a success. Shown below is the organogram.

**MAN POWER REQUIREMENTS**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Position** | **2013** | **2014** | **2015** | **2016** | **2017** | **2015** |
| Supervisor | 1 | 1 | 1 | 1 | 1 | 1 |
| Marketing Officer | 0 | 0 | 1 | 1 | 1 | 1 |
| Finance & Administration | 0 | 0 | 1 | 1 | 1 | 1 |
| Embroidery Machinist | 2 | 3 | 4 | 6 | 7 | 8 |
| Sewing Machinist | 1 | 2 | 3 | 3 | 4 | 4 |
| Overlocking Machinist | 1 | 2 | 2 | 2 | 2 | 2 |
| Packaging & Trimming | 1 | 2 | 2 | 2 | 2 | 2 |
| Total | 6 | 10 | 14 | 16 | 16 | 19 |

**MAN POWER BUDGET**

|  |  |  |  |
| --- | --- | --- | --- |
| **Position** | Total Cost to Company (Monthly) | Number | Total |
| Supervisor | 6,000 | 1 | 6,000 |
| Embroidery Machinist | 4,500 | 2 | 9,000 |
| Overlocking Machinist | 4000 | 1 | 4,000 |
| Sewing Machinists | 4,000 | 1 | 4,000 |
| Packaging & Trimming | 3500 | 1 | 3,500 |
| **Total** |  | **6** | **26,500** |

**ROLES AND RESPONSIBILITIES**

|  |  |
| --- | --- |
| Position | Responsibilities |
| Project Sponsor | The project sponsors shall assist the project with the required funding and oversee the responsible and accountable use of the funds by the project. They will also act as a board to ensure that the project achieves the set objectives and ultimately its vision. |
| Board Of Directors | The Board Of Directors shall be responsible for strategic planning and strategic decision making in the project. |
| Supervisor | The Supervisor shall be responsible for the implementation of the strategy as well as ensure the smooth running of the project and ensuring that standards are kept and monitoring the quality of work. |
| Embroidery Machinist | Responsible for the art work embroidery on the linen |
| Overlocking Machinist | Responsible for overlocking and serging the seams of the linen after being sewn |
| Sewing Machinists | Responsible for sewing and stitching the linen that has been cut |
| Packaging & Trimming | Responsible for trimming and packaging the finished product |

**TECHNICAL AND OPERATIONAL PLAN**

**MATERIALS REQUIREMENTS**

|  |  |
| --- | --- |
| Item | Details |
| Fabric, Scissors & other accessories | The Project shall buy all fabric in bulk from a reputable supplier and discounts and an account will be awarded by the supplier. All small accessories as well will be acquired from this supplier |
|  |  |
| Machinery | Equipment |
| Cutting Machine | The Project will acquire a 5 inch Lightweight Fabric Cutting Machine with automatic sharpening & lubrication system. Used to cut various materials such as cotton, wool, hemp, chemical fibres, leather, silk etc. Parts are interchangeable with KM-EU series machines. |
| Industrial Sewing Machine | The Project will acquire an industrial machine with following features   * Lockstitch machine for a wide range of materials from light to heavy fabrics * Singer exclusive design * Fully automatic lubrication system * Easy adjustable stitch length by new design feed dial * Machine bed plate with screw hole for attachments * Drop feed type and reverse feed by hand lever * Easy presser foot adjustment with scaled adjusting screw * Table-top bobbin winder * Smooth and quiet running and easy maintenance * Â½ HP High Speed Clutch Motor |
| Overlocker Machine | The following Features will be for an Overlocker that the Project will acquire   * 4-thread * Pre-threaded for easy start up * 9 Stitch formations * Rolled hemmer * Movable upper knife * Snap-on presser feet * Free arm * Stitch length adjustment dial 2-4mm * Stitch width adjustment knob 3-6.7mm * Easy colour coded threading * Optional presser feet for beading and piping |
| Embroidery Machine | There is also need for the Project to acquire 2 embroidery machines with the following features   * Singer exclusive design * Automatic lubrication system with oil filter * Moveable needle guard to prevent skipping stitches and to reduce needle wear * Push button stitch length regulating device for easy stitch length adjustment * Easy adjustable differential feed by the operating lever with fine adjustment screw * Simple opening cloth plate for easy threading and cleaning * needle and needle thread cooler |
| Steam Presses | A steam Press should have the following Features   * Burst of Steam Facility * Power / Heat / Steam Indicators and Control System * Automatic High Pressure approx. 45 Kilos * Automatic safety shut off system * Kind to Clothes – Avoids ‘Shining’ * Ideal for Delicate Fabrics, removes creases easily |
| Steam Iron | * Model: GC6510 * 2400W * Non-stick soleplate * Water tank capacity: 800ml * Heat-up time: 6 minutes * Steam pressure up to 4 bars for fast ironing * 24 month guarantee |

Consideration shall also need to be given to the following areas:

**ELECTRICTY SUPPLY**

As these are business premises electricity is uninterrupted.

**THE LAYOUT OF THE BUSINESS PREMISES**

Shown below is the suggested layout of the business premises for Agisanang Bed Linen Project. The sections within the business premises will include:

* Reception
* Offices
* Storage Area
* Kitchen
* Cutting Area
* Sewing Area
* Embroidery Area
* Ironing/ Pressing Area
* Trimming and Packaging Area

Storage Area Filing Area Kitchen

Office 1 Reception

Office 2

Entrance

Cutting Machine

Trimming &

Sewing Machine Packaging

Ironing/

Embroidery Overlocking Pressing Area

Machine Machine

The Figure above shows the layout of the business premises.

**QUALITY ASSURANCE**

It is very important for constant supervision in all stages for maintenance of high quality standard products. It is therefore, the duty of the supervisor to ensure that in each stage proper procedures are adhere to.

The factors shown in the schematic above are essential for managing quality. To maintain and improve the quality of products produced the above aspects must be taken into account.

**MARKETING PLAN**

The marketing efforts will focus on identifying and understanding the ever changing needs and preferences of the customers in order to satisfy them. The marketing mix will drive the customer value proposition of the project. The following is an account on the product, promotion

****

**PRODUCT**

[](http://saimatextiles.webs.com/apps/photos/photo?photoid=110583554)

Agisanang Bed Linen Project produces unique embroidery bed Linen that maintain high standards of quality. As a result of many retailers that produce ordinary bed Linen, people are constantly looking for uniquely made and different types of bed linen. The project will provide for that unique niche market that strives to be different and at the same time classic. The project will strive to improve the quality bed linen produced by purchasing the right quality material & unique embroidery patterns and also to have well managed quality control procedures.

**PLACE**

The project shall be located in Randburg, Gauteng Province. The place is central and has good access to roads and communication networks. It can be accessed easily as it is in the CBD centre of Randburg, Gauteng Province.  The clients as well as the employees can easily get to the Project’s location and with an excellent promotion mix; the target market will be attracted to come directly to buy from the project or for the Project to deliver to the client.

**PRICE**

|  |  |  |
| --- | --- | --- |
| PRODUCT DESCRIPTION | WEIGHT | SELLING PRICE (R)/UNIT |
| FLAT SHEETS | **SINGLE**  **DOUBLE**  **KING/QUEEN** | **63**  **71**  **77** |
| FITTED SHEETS | **SINGLE**  **DOUBLE**  **KING/QUEEN** | **65**  **73**  **79** |
| DUVET COVERS | **SINGLE**  **DOUBLE**  **KING/QUEEN** | **180**  **220**  **230** |
| BED COVERS/RUNNERS | **SINGLE**  **DOUBLE**  **KING/QUEEN** | **150**  **190**  **210** |
| PILLOW COVERS | **CONTINENTAL**  **STANDARD SIZE** | **43**  **39** |
| OTHER PRODUCTS  CUSHION COVERS  CURTAINING | **PER REQUEST**  **PER REQUEST** |  |

The above prices are based on high quality cotton material and will differ depending on the type of material e.g., silk will have different pricing.

**PROMOTION**

The project will embark on a promotional plan or promotional mix that will clearly define how much attention to pay to each category and how much money to budget for each. The main aims of promotional plan will be:

* To Increase Sales and demand
* To create a new product acceptance through providing creatively unique and a different product.
* To generate a brand equity and brand positioning
* To originate a corporate image;
* To present information to consumers as well as others.

The project will therefore involve the following elements of promotional mix

|  |  |
| --- | --- |
| 1. **Advertizing** | This will be used to encourage or persuade targeted customers to continue or start to buy the products of Agisanang Bed Linen project. It will mainly involve advertisement through online advertisement through famous website and the foundations website, in store advertisement whereby an advertisement will be placed in the retail stores and other distribution points and largely on word of mouth |
| 1. **Personal Selling**   **Direct Marketing** | The project will make use of direct sales and marketing personnel that will be responsible for communicating the benefits or value of the products of the project and all the promotions the project is running  The project will communicate straight to the customer with advertising techniques such as emails, interactive consumer websites, fliers, promotional letters and outdoor advertisement |
| 1. **Sales Promotions** | The project will use this method as a way to advertise and also as a way to gather information about what type of customers the project is drawing in and where they are and to jumpstart sales. This will include; Bulk purchases discounts, contests and games, products giveaways, sample coupons, loyalty programs |
| 1. **Public Relations** | The project will take advantage of the foundation’s exposure to persuade the public, investors, partners, employees and other stakeholders to hold a certain point of view about the project, its leadership, products and the aims, objectives and vision of the project. Venues where the project can take advantage of this includes speaking at conferences, working with the press, employee communication |

**KEY FINANCIAL MANAGEMENT CONTROLS**

**BOOKKEEPING AND FINANCIAL ADMINISTRATION**

In terms of the bookkeeping and financial administration needs of Agisanang Bed Linen Project, the business needs to keep and maintain bookkeeping and financial administration records as noted below:

* Records of all sales made together with copies of invoices issued
* A record of all the purchases and expenses of the business
* Invoices for all the business purchases and expenses
* Details of any amounts that are taken for personal use by the project members
* Copies of the bank statement.

It will also be important for the business to maintain a record keeping system of the following documents:

|  |  |
| --- | --- |
| Document/ records | Details |
| Business Registration Documents | The founding statement of the Close Corporation in terms of the CK1 |
| Statutory Documents | * IT 14 Income Tax * IRP 3 * Employees’ Tax Certificates, that is; IRP 5 and IT3 * Tax Clearance Certificates * Financial statements - in terms of the income statement and balance sheet |
| Financial Documents and Records | * Sales analysis reports * Expense analysis reports * Financial statements * Fixed Asset Register |
| Bookkeeping Records | The financial records essentially include the following:   * Sales day book * Purchases day book * Cash receipt book * Cheque payments book * Petty cash book * General Journal * Nominal Ledger * Accounts Payable Ledger * Accounts Receivable Ledger * Payroll System |
| Financial Statements | * Statement of Financial Performance (Income Statement) * Statement of Financial Position (Balance Sheet) * Cash flow Statement |
| Other Records | * Business minutes for meetings * Business letters to clients, suppliers and other stakeholders |

**IMPORTANCE OF BOOKKEEPING AND FINANCIAL ADMINISTRATION**

The importance of a bookkeeping and financial administration system cannot be overstated. The key importance of bookkeeping and financial administration is to extract accurate data and information for the preparation of useful financial statements such as the statement of financial position, statement of financial performance and cash flow statement, to mention a few principle ones. The importance of bookkeeping and financial administration is as discussed below

* Bookkeeping and financial administration facilitates the keeping of accurate and complete records. If the project does not keep accurate and complete records, it could end up paying more tax than is actually due to the South African Revenue Services because of a lack of evidence of tax deductible expenditure. Another factor to consider is that in some cases the Accountant of the project charges according to how long it takes them to prepare the financial statements. With proper and complete bookkeeping and financial administration, it shall be less complex, hassle free and time saving to prepare financial statements.
* Additionally, a key important reason is the fact that bookkeeping and financial administration ensures that the managing members have control over the project and that they can assess the profitability and cash flow situation of the business. Ultimately the managing members shall be in a position to make decisions on the basis of the reports resulting from bookkeeping and financial administration.

**COMPUTERISED BOOKKEEPING AND FINANCE SYSTEM**

The project members are enthusiastic and savvy about computers; as a result a computerised bookkeeping, finance and accounting system would be ideal. Computerised bookkeeping, finance and accounting systems encompass all the features of a traditional bookkeeping and financial administration system. They essentially encompass key areas such as:

* A cash book
* Petty cash book
* Sales day book
* Purchases day book
* Cash receipt book
* Cheque payments book
* General Journal
* Nominal Ledger
* Accounts Payable Ledger
* Accounts Receivable Ledger
* Payroll System
* Order notes and invoices
* Copy of sales invoice
* Details of any other business income received
* Details of any private money brought into the business
* Details of any other income
* Any cash taken out of the till to pay small business expenses i.e. petty cash
* Bills and invoices for purchases and expenses
* Records of stock on hand at the end of the year
* Bank statements, cheque stubs and paying-in-slips which includes details of business transactions.

The project shall adopt and implement a computerised bookkeeping and financial administration system. Pastel Express Start-up was identified as a suitable computerised bookkeeping, finance and accounting system on the basis of the following reasons.

* Pastel Express Start-up is an all in one complete bookkeeping, finance and accounting solution package
* Pastel Express Start-up is designed for small businesses like Agisanang Bed Linen Project
* With a computerised bookkeeping, finance and accounting system data is only entered once as the software is highly integrated. For instance once a customer record has been made it can be used and entered on all subsequent invoices.
* The software results in fewer errors and provides better internal control for the business
* The entrepreneurs or any other person for that matter does not need to have any accounting experience to use Pastel Express Start-up because it is light on accounting jargon and is designed to help business people keep accurate and complete records.

**MONITORING AND EVALUATION PLAN**

|  |  |  |
| --- | --- | --- |
| Objectives | Indicator | Target |
| Financial objectives |  |  |
| To attain a return on investment higher than the cost of capital invested in the business | Return on investment per annum | > 15% |
| To improve the profitability in the project | Contribution margin | > 40% |
| Marketing objectives |  |  |
| To meet and exceed customer expectations | Customer satisfaction survey | 100% customer satisfaction |
| Establish long term customer relations | Amount of repeat and referral business | 100% |
| Improve competitiveness of the business | Feedback from customers | Bi-monthly |
| Operations objective |  |  |
| To improve efficiency within the workplace | Dynamics in workflow | Weekly |
| To effectively utilize existing resources within each functional area of the business | Deliveries  Quality standards | Monthly |
| Improve health and safety within the project | Quarterly audits | Monthly |
| Human Resource objective |  |  |
| To improve the motivation of employees | Performance management  Staff certifications and number of training workshops and programmes | Quarterly |
|  |  |  |

**RISK ANALYSIS**

Discussed below are the key risks and issues likely to face Agisanang Bed Linen Project. An account on the possible mitigation efforts is also given.

**FINANCIAL RISK**

In terms of the financial risk, this emanates from the fact that the owners’ contribution is less compared to the funds required from potential investors. Hence, the gearing ratio is therefore not as desirable. To mitigate this risk, the project members shall strive to reinvest at least 60% of the profits into the business so as to improve the gearing ratio. The project will strive for a good return on investment. In the first year of operation, employee costs will be minimised so as to ensure that this risk is minimised.

**MARKET RISK**

There is a potential market risk in terms of competition from well-established bed linen retailers such as Sheet Street, Weartherly’s, White Horse, etc. Agisanang Bed Linen Project will have to compete for market share with these established businesses. To mitigate this, the business will focus on a specific market   
segment and strive to understand the customers better than the competitors.

**HUMAN RESORCE RISK**

The project will require skilled, knowledgeable and competent staff in significant areas such as business management, financial management, costing, entrepreneurship and technical aspects relating to raising layers and egg production management. It will be important for the owners, management and employees to be well trained. Moreover, a loss of key personnel is likely to affect the business adversely. To mitigate this risk, the business will promote and cultivate a culture of sharing knowledge and skills amongst the members and employees. The business will approach agencies such as SEDA for business training sessions.

**ECONOMIC RISK**

Another risk facing Agisanang Bed Linen Project is an economic risk. On a global level, there is currently an economic recession (declining at present), as such the unemployment rate has gone up meaning that few people have buying power and the fact that consumers have tighter budgets as compared excellent financial years such as the year 2007. Furthermore, an economic risk may emanate from the high electricity charges should Eskom go ahead with the 24.8% hike currently subject to discussions. This may ultimately outlook high inflation that renders expenditure items and other costs to be expensive. The depreciating rand is also a factor to consider as it also affects prices of imported fabric supplies. This risk is external and out of the control of the business. There will be likelihood to implement energy saving measures such as the use of energy saving bulbs.

**PROJECT KEYS TO SUCCESS**

**TEAM WORK**

The Agisanang Bed Linen Project has a great team of committed workers and a structure of operations designed to ensure that all segments of the project coordinate and the goals of different segments synchronize to achieve a common goal and total success. We embrace individual initiative and team collaboration, such that in mutual partnership with our clients and in our clients and in our communities, we are all stronger and more successful.

**REDUCED OVERHEAD COST**

The Agisanang Bed Linen Project as a continued objective will lower overheads through implementing stricter management controls with zero tolerance for defects, cutting down unnecessary feed wastage and equipment.

**SENSE OF AWARENESS**

The Agisanang Bed Linen Project makes a checklist of some of the biggest challenges that might arise in the future by keeping all its eyes and ears wide open to guarantee that the little details are not over or under emphasized.

**CUSTOMER CARE**

The Agisanang Bed Linen Project will exert the extra effort to ensure that it retains the business of top customers as it continues to search for a larger and wider customer base. To us a customer is more important no matter the size of the business they give us.

**MANAGEMENT INTENSITY**

The Agisanang Bed Linen Project makes it a priority to know what is important to the success of the business and staying focused in achieving it. Since it is the mission of the project to provide value to our customers then we ensure that the bed linen is produced and chosen in respect to the needs of the customers.

**NETWORKING**

The Agisanang Bed Linen Project believes in creating a rewarding relationship with industry key personnel and companies so as to create a wider information bank and knowledge that is key to its operations.

APPROVAL AND ACCEPTANCE

This proposal was approved and accepted by project team members of the Phakama Poultry Project, at a special general meeting held on 10th November 2012.

Director



Rosiland Van Biljion