

NAIROBI COMMUNITY POVERTY ERADICATION AND ECONOMIC EMPOWERMENT PROGRAMMES

**A PROJECT BY
BELIEVERS BUSINESS AND PROFESSIONALS
BREAKTHROUGH CLUB**

**BUSINESS IDEAS & OPPORTUNITIES, FEASIBILITY STUDY &
PLANNING EDUCATION AND TRAINING GUIDE**

**VISION - RAISING CHAMPIONS IN BUSINESS, PROFESSIONAL
AND TALENT THROUGH COMMUNITY
EMPOWERMENT**

**MISSION- COMMUNITY EMPOWERMENT IN EDUCATION,
TRAINING AND MOTIVATION TOWARDS SELF -
EMPLOYMENT, JOB CREATION, ENTREPRISE
DEVELOPMENT, TALENT DEVELOPMENT, CAREER
GUIDANCE & DEVELOPMENT, BUSINESS START UP &
DEVELOPMENT SKILLS AND MICRO-FINANCING**

WHY GOD GIVES WEALTH

- 1) To build and facilitate his Kingdom here on earth. (Children of Israel were blessed to build the tabernacle RELEASE Exodus 12 , Deception of Calf , Actual purpose Exodus 25: 1-6
- 2) To take care of our families
 - Eden well nourished for the first family
 - Not able to take care of our own worse than none believer
- 3) To be comfortable and enjoy life
 - After you have dwelt in beautiful houses---- remember the lord your God
 - Enjoy life in the days given here on earth
 - Holidays, A good car, good food, good outfit etc BRINGS JOY.
- 4) Live an inheritance to our children, Children
 - A good man leaves an inheritance to your children , children
- 5) To be a blessing to others
 - Taking care of others, blessed to be a blessing
 - Paul worked for himself and others
 - Good Samaritan paid bill for stranger
 - Early church took food and gave lands for others
- 6) Every revival is accompanied by material blessings
 - Wealth transfer in the revival of Leaving Egypt
 - Early Church revived and Rich – Nobody lacked , took food to Judea , people gave lands
 - David & Solomon revived and were able to build a sanctuary with no stress
 - Israel after the exodus gave until moises said that they should not give any more
 - Days of Joel Wealth first then outpouring of the spirit.
- 7) That God may be glorified through our prosperity as a way and Image of EVANGELISM.
 - Queen of the south
 - The heathen are asking where is our God
 -

8) That he may establish his covenant with us of his promises and his faithfulness

- That you may Know that I am the lord who keeps his covenant with his people

9) That God may be happy with our prosperity.

- God is a our father He is happy to see us blessed and happy--- He takes pleasure in the prosperity of his people

10) That we may glorify him.

- Thanks giving flows easily when we are blessed
- No anxiety in prayer
- Other people will join us to praise the lord (New car, house dedications

11) Facilitate the gospel and the ministers

- Go means Spend GREAT COMMISSION
- How can they go unless they are send
- Men of peace that we meet will give accommodation and food us we preach the gospel
- Woman of Zeraphath
-

12) That we have an answer to all things

- Money answers all things (Good things for us and our children

13) To have a security Stay in Good places, Lawyers, Physicians, Security guards etc

- A poor man has no defence

14) To have an Image and voice

- The richest is honored at home more that even the first borne.
- A poor man has no voice and honour

15) Good health

- Where World food program is operating also World Health organization operates (HUNGER AND DISEASE ARE CONNECTED)
- Proper health care is expensive (Skin care making people look younger, Many diseases such as pressure, asthma etc are stress related diseases sometimes out of money issues)

16) Wealth brings joy (At home, Enjoying facilities, Birthdays, Outings, Holidays, Gifts to Children and spouses etc)

17) Waging warfare

- Mission field
- Prayer facilitation and church missions & crusades
- Building God altars in the Nation to dethrone demonic activities

NB Building of mosques, buying of Church facilities because of debts. Is KINGDOM ATTACK that can only be won through money.

18) Wealth facilitates spiritual growth

- Money can activate spiritual growth (BUYING BOOKS, GIVING, ATTENDING CRUSADES & CONFERENCES, CHARITY, BUYING CDS/ DVDS, SATELLITE DISHES ETC.

19) Create and sustain friendship

- Avenue for evangelism if you can entertain friends by developing contacts
- A poor man has no friends
- Rehabilitation of sex workers, thugs, street children etc

20) A benefit of God's Covenant >

HOW WEALTH COMES

1) Supernatural and Commanded blessings

- Favour (Children of Israel)
- Reward of Sowing (Men will give to your bosom)
- Provision for special assignments Elijah fed by ravens

2) Employment > Daniel and Joseph

- Add value to yourself (Reading, exposure etc)
- Be faithful, Own their vision. (Keep time, meet targets, heed to instructions, do beyond expectation, be diligent, accountable, submissive, attentive to instructions, give feedback, motivate others, He who is faithful with little will be given much
- Be creative to interpret your employer dream, be part of it (Joseph)
- Serve as a seed. (He who is faithful with someone else thing will be given his own) (Others will serve you)
- Position yourself to have your own at retirement or retrenchments or when your strategies to launch are complete. Feasibility Study / Business plans / Pilots ready
- Enjoy your current work, Find joy and appraise where you are now.
- Do it as unto God that his name will not be despised. Let God be glorified (Your image is evangelism enough to others)
- Do things professionally, avoid casual workings, dressings where your job requires.
- Have excellence so that there is no loss
- Apply for higher positions and attend interview accordingly (Good C.V , resume, Confidently, excellence in details

3) Identification and developing your talent. (Sports, leadership, music,

- **those things you like most to do under self motivation**
- **Research on entrepreneurship opportunities that tarry with your talent.**

Eg Musician having a School of music, recording studio, producing products to sell., Art Graphics, publishing etc

- **Network with others who have similar talents to learn and grow**
- **Identify a mentor/ coach. (Somebody who has suseeded)**
- **Set up Goals (short-term and long term and Structures of TALENT MANAGEMENT.**
- **Launch out and review your performance.**
- **Don't Give Up as you stretch (MICHAEL JORDAN)**

EXELLING THROUGH BUSINESS

Stages to business

- **Conceiving the ideas through the ELEMENTS BELOW.**
- **Prioritize you list (Those that fit now and**
- **Owning the concept (Branding , Business name registration)**
- **Gathering information & Checking facts**
- **Feasibility study (Spying the land)**
- **BUSINESS PLAN WRITING (Organizing information, Financing, focusing,**
- **Pilot Activity**
- **Site preparation**
- **Setting up Operations**
- **Staffing and Capacity building (Beginning small to grow**
- **Major financing ,Investment and Major set up**
- **Grow it and put sustainable measures (Structure)**
- **Nature your seed (Don't Eat ROW FRUITS- They have no seeds and they don't have climax taste)**

- Build capacity to handle growth (Facilities and staff)
- Get it out of the Box (Marketing & Network with others)
- Sustain the Current customers
- Branch it to other REGIONS, SERVICES, PRODUCTS
- Strategize for future completion and change
- Remain creative to keep up completion, solving problems and Changes (Culture, technology, government policies)
- Begin Other Ideas and Keep inspecting the first ones and Network to come of with a CHAIN, where your business are adding value to each other
- Protect your investments. KEEP OBSERVING, RESEARCHING, THINKING, IMPROVING, RECEIVE FEEDBACK AND ACT NOT REACT
- Discern Seasons Ahead and evaluate how they will affect you business eg Politics, Consolidations (East Africa), Technology, competition, Family commitments, spiritual assignments etc.

KEEP GROWING THROUGH

- **Giving (Tithes, Offering 10 types)**
- **Diligence (Work Hard)**
- **Wisdom (Work Smart)**
- **Excellence**
- **Knowledge**
- **Flexibility**
- **Dreaming Again**
- **Planning**
- **Networking (Hooking up with divine partnership/ covering)**
- **Praying**
- **Rest & enjoy life(Holidays, Treat yourself, workers)**
- **Help others to come up that have helped you**
- **Remain humble (Full of thanking)**
- **Manage properly**
- **Avoid unmanageable BAD DEPTS**
- **SEEK GODS FAVOUR**
- **Do not loose your Family**

- **Do Not loose your Christianity**
- **Be Patient to see the Seed Become a Tree**
- **Be consistent with viable stardards**
- **Persist**
- **Be grateful to God and Men**
- **Make the holy spirit a partner**
- **Always Update your professional standards to deliver.**
Refresh your service delivery & develop products
- **Seek counsel**
- **Diversify**
- **Walk in Integrity (BUILD A GOOD NAME)**
- **Love People**
- **Be a Servant to you customers**
- **Invest you harvest wisely (7 years harvest, Seven years of) Joseph.**

HOW TO ACQUIRE BUSINESS IDEAS AND OPPORTUNITIES

There are very many business ideas and opportunities that can come through the following ways.

- 1) Extending an existing successful business to new territories.
- 2) Adding to a certain popular service / product business which is in demand that is not meeting demand.
- 3) Identifying needs and problems in the community and seeking on ways to meet them. (Every problem is a business idea)
- 4) Activating Creativity and identifying relevant areas of need to generate new services and products. (Thinking and brainstorming) Looking for better or other ways of doing things.
- 5) Improving or adding value to existing businesses adder takings to come up with a new (repackaged product or services)
- 6) Combining many ideas into one to meet the needs of your customers well.
- 7) Developing talents into opportunities.
- 8) Information and observation or hearing about other businesses that are succeeding.
- 9) Utilization of artificial and natural resources in the land to meet the basic and emotional needs of the people.
- 10) Research and brainstorming to invent new products, services and solutions.
- 11) Taking advantage of climatic condition to sell or produce products or services.
- 12) Inherited opportunities that come from family businesses, charity, grace.
- 13) Taking advantages of government emphasis or opportunities or incentives on certain areas.
- 14) Taking advantage where existing businesses do not offer the standard of services and products in a particular area and setting up businesses with strength in the area of weakness.
- 15) Marketing products of others
- 16) Divine creativity or ideas from God.
- 17) New or alternative markets.
- 18) Business or professional ideas through skill acquisition and development.

Business Ideas and Areas of entrepreneurship

EVALUATING A RELEVANT AND VIABLE IDEAS

After long listing all the business ideas through the items above, evaluate the best ideas that can become the best opportunities by short listing and narrowing them to a single opportunity. The following analysis will help.

- 1) Select one/ones that does not need a lot of money to begin that can begin small at your level.
- 2) Select one/ones that are easy to manage.
- 3) Select one/ones that offers good returns on investment.
- 4) Select one/ ones that has good scope of future growth
- 5) Select one/ones that require basic operational skills, which can be achieved with available talents or skills or minimal training.
- 6) Select one/ones that have minimal risk.

- 7) Select one/ones that are most relevant and compatible to goals and interest of the owner. (Evaluate how such activity will affect your faith, family, social and other responsibilities jobs, businesses)
- 8) Select one/ones that do not go against the expectations of the society, local by- laws, society values and ethics, governmental and legal conditions.
- 9) Select one/ones that are most original and creative to be above immediate competition.
- 10) Select one/ones that you can acquire manpower and technology to achieve.
- 11) Select one / ones with a big current and future market size.

Acquiring knowledge to develop your business ideas

After identifying a viable idea, it is important to evaluate them by considering several factors that determine business success:

- I. Market demand- check whether the ideas you have are in demand and figure out how to penetrate the market.
- II. Capital requirements- counts the cost of venturing into business and considers possible sources of finance.
- III. Availability of raw materials (if need be)
- IV. Availability of labour and management skills required.
- V. Social implication- evaluates how your business will affect social and family responsibilities.
- VI. Spiritual implication- evaluates how your business will affect your commitment towards god and the work of the ministry. Ensuring that your business activity will maintain your Christian integrity.

Knowledge will help in evaluation of the viability of ideas. The knowledge required fall under different categories:

(a) Environmental knowledge

The environment surrounding your business will contribute a lot towards the success of the business. Research will help in maximizing the potential of your business, and assist in decision-making pertaining to various aspects of the business:

- i. Business location- evaluates the location in terms of space for accommodation and expansion; state of security; accessibility by customers; availability of raw materials; communication and essential services.
- ii. Population- Knowledge about the population will help you plan your market strategy; especially where the market targeted is a particular group of people in the region. The following questions may be helpful:
 - Are the people permanently/ temporarily settled in the area?
 - Is the population increasing or decreasing?
 - What is the occupation of the people?
 - What is status of the people in the region?
- (iii) Status of the people- this will dictate the standards the business will have to meet. Different taste, attitudes, standard and choices of products and service. The following considerations are important:

Class- the financial position of the people will determine their purchasing power and the kind of products or services you will need to offer them. You cannot plan to build a food kiosk if you are targeting rich people. It is not wise also to build an expensive Five Star Hotel in the middle of the slums.

Religion- the spiritual beliefs of the people mould their character, priorities and taste. Some business activities may therefore, not be acceptable. E.G. pork to Muslims, beef to Hindus.

Customs- the ethnic and traditional beliefs of the people also mould their priorities and choices. Some group of people may not welcome certain business activities and so your business may not be popular initially, but with a good strategy and faith in God you may be able to persuade them to accept your product or service.

Note: **Believers should not engage in business activities** that are a disgrace to the kingdom of God, for example bars, disco halls, etc since it will be extending the kingdom of devil instead of the kingdom of God.

(b) Production knowledge

You must research on the production progress so that you can enhance excellence and profits. This may be guided by the following question:

- Which is the best source of materials in terms of costs and reliability.
- What raw material will be required and in what quantities?
- What kind of machinery will be required at the start and expansion of the business?
- Where and how will I acquire the required machinery and equipment for my work?
- Do I need to buy all the machines and equipment or some be hired? (Consider the best plan for maximum utilization of equipment).
- What will be the repair and maintenance costs of the machines and equipments?
- Will it be possible to man the equipment locally or technology will need to be imported?
- Will all the machines be required at once or in stages?
- Will the machines operators be on part-time or full-time employment?
- What size of space will be required for the operations and is it available?
- If space is not available, how can I create it? (Consider other storage grounds)
- How can I maximize the use of the available space? (consult relevant engineers).
- What are the foreseen future expansions of my shed/factory/workshop/shop, etc?
- What other facilities will I need to install
- What product processes or servicing processes will be involved? (consider safety and ease of access).

© Organization and management knowledge

Management knowledge is very important in the running of a business. Poor management causes many businesses to fail; even when they are founded on the right idea, with the right facilities, and in the right location. The decisions on how to organize and manage your business will be based on the answer to such questions as:

- What duties and responsibilities arise from my business operations?
- Do these duties and responsibilities require a full time worker or not?
- Can I handle these activities alone or do I need another person or persons?
- Will the business be able to pay the number of workers I intend to have?
- How many workers are required?

- What kind of lab our do I require- skilled or casual, permanent or casual?
- What safety precautions are needed in my premises to protect operatives (fires, theft, fire fighting equipments, security fencing, lighting, watchmen)?
- How will I prevent losses of material equipment and tools? (Storage, inventory system, etc)?
- How will I dispose off the waste material form my premises? (Consult local authorities, private companies)?
- How will I store the raw materials and finished products in my warehousing?
- What is the proposed organization structure of my firm? (Present and future)
- What are the job descriptions of the official position in the organization structure?
- Are the duties and responsibilities enough to keep each person busy through the working hours?
- What are the official working hours, and will there be options for overtime hours
- What are the proposed salaries for the workers?

How does it compare by the Labour Laws or payments in other similar businesses?

- What incentives do I intent to offer the workers? (Training, house allowance, leave, time-off, bonus for good performance, medical allowances, insurance covers, hardship allowances, Retirement schemes)
- What are the supervision strategies to enhance good performance?
- What is the business policy regarding the management of assets, and purchase and sales?
- What other support services will be required? (doctors, lawyer, maintenance, supplies, etc)
- What recruitment procedure will be adopted? (personal conduct, attachment, experience, induction/ apprenticeship)
- What basic qualification will you consider for each position in the organization?

(d) Marketing Knowledge

The knowledge of a product is a very important factor for business success. Development for proper marketing programs and strategies leads to business success. The focus should be on identifying, satisfying and following up customer needs. This is done by determining the needs of the customers, analysis of competition from other similar business and market selection.

The objective of gathering such information is to identify appropriate price, distribution patterns, advertisement and promotion strategies, volume of production and evaluate market performance.

Important question that can guide your research include

- Who are the potential customers? How frequent will they require my product or service? (daily, weekly, monthly, yearly, seasons)
- How will they buy or pay for the product or service? (Cash, credit in advance, after supply) and why?
- Do I know my customers well? (age group, education level, occupation, belief and values, the number)
- Are these potential customers willing and able to buy product?
- Who are the key competitors?
- Where are the competitors located? Does it affect my business?

- What is the impact of competitors in the targeted market?
- What are the strengths and weaknesses of the competitors? How will I capitalize on the weaknesses?
- How will the prices of products or charges of service be set out?
- What factors will influence price setting? Market prices, cost of labour and raw materials, running, expenses, depreciation rates, target profit margins, market costs, etc.
- If credit will be allowed, how is the credit policy? (consider security, legal matters, ease of payments, follow-up system).
- Any discount or bonuses to your customers? (Parking, free transport, free maintenance, additional free service, free gifts)
- Will I employ sales personnel or apply direct selling?
- What will be terms of service for the sales personnel?
- How will I motivate distributors or agents? (Profit share, vehicles for transport)
- How will I monitor the distribution pattern avoid losses through breaches, fraud or theft? What security measures are taken
- How will I make the product known to the people? (personal contacts, newspaper, magazines, business newsletter, business cards, shows and exhibitions, banners, posters, internet, letters, fax, telephone signboards, promotion agents, television).
- What image should I portray about the product or services?
- What is the cost of advertisement and promotion effort? Is there a project of compensation through sales?
- What impact will advertisements and promotions have on sales?
- Which will be the channel of distribution
- How safe is the distribution pattern? (consider product safety, damages, losses, depreciation
- What problem may arise in the distribution pattern and how would they be solved?
- Which are the strategies of attracting customers? (quality, quantity, special offers, price displays, bargaining power through customer relation park age design, suitable catch phrases etc)
- What is the product or service guarantee? Is it appealing to the customers? (Consider deliveries, repairs, installations where applicable)
- What are the market expansion plans?
- What changes are anticipated and how will I cope with them? (technological, economic trends

(e) Legal knowledge

We cannot ignore the legal aspect in business. The regulation governing the starting and operations of businesses are available and needed to be known. Every legal obligation needs to be fulfilled. Some important aspects that need consideration include.

What form of business of ownership? (Sole proprietorship, partnership, company)? What are the legal procedures that are attached to the form of business ownership? (Shares, partnership Deed, Articles of Association, partnership Declaration)

What are the registration requirements? (Government Inspections, land use, taxation, local authorities procedure, trade licences, registration, insurance, business names)

Safety requirements. (fire fighting equipments, insurances where necessary, workman's compensation procedure, etc)

How will I undertake business transaction? (employment contracts, tenders) what are the legal rights or obligations attached to the business transactions?

Note: Consult legal advisor in order to receive more refined details

(f) Financial knowledge

Good financial management will lead to business success. Decision regarding finances must be handled carefully to avoid losses. There must be proper search for the relevant information before decisions are made. The basic guidelines that will enable you to come up with a good financial policy involve the following question:

- How much money is to be invested in stock and other assets (initial capital)?
- How will you monitor the business progress (book keeping and accounts, inventories)?
- What will be the frequency of stock taking and auditing?
- How will the revenue be collected and secured to avoid fraud and other losses?
- How will you control materials procurement? (to monitor supplies and purchase)
- What are your plans to enhance transparency? (receipts, vouchers or others)
- What will be your accounting system in keeping records and financial account statement
- How much money will you need to start the business finance? (friends, financial institution, bank, government agencies, family, donors, retirement benefits, NGO)
- Why have you selected that source of business finance? (mode of payment, conditions, interest rates, securities, guarantees, etc)
- What type of bank accounts are you planning to operate? (credit account, fixed deposit, saving or current account)
- Why have you chosen this type of account or accounts? (Ease of withdrawal, dealing with other people, interest rate, investments, overdrafts, benefit of loans)

What is a Business Plan?

- A. A document which spells out the goals and objective of a business and clearly outlines how and when they will be achieved.
- B. A structured guideline to achieve a business goal.
- C. A road map to owning and operating a business.
- D. A proposal that describes a business opportunity for financial agencies or investors.
- E. A detailed action program outlining every conceivable aspect of the proposed business venture.

Why Write a Business Plan?

To obtain financing
Guide for opening a business
Guide for managing a business
To communicate clearly with interested parties

When Is a Business Plan Written?

After deciding to go into business
Before starting the business
When updating is required

What Are the Types of Business Plan?

For retail business

For wholesale business
For service businesses
For manufacturing business
For any other type of business

Who Writes the Business plan?

Each prospective business owner/ manager writes a business plan for the business he/ she wants to open.

A support agency may assist in writing certain areas of the business plan.

How Is a Business Plan Written?

By identifying all the questions that could be asked related to the business
By determining what further information needs to be gathered to answer all the question
By obtaining all the necessary information
By comparing various alternatives
By making a decision on each question

What Is Done With a Business Plan?

The owner refers to it often to see whether action and plans are consistent

He/she takes it to a bank to discuss funding

He/she discusses other sections of it with the relevant interest group

What Should a Business Plan Look Like?

The appearance of the business plan is expected to be good

Provide an index

Provide a summary

Number each copy

Sign to show who is submitting it

The length will depend on the nature of the business

What Sort of Research Needs To Be Done When Preparing a Business Plan?

Customer

Competitors

Suppliers

How Is a Business Plan Organized?

- A. Cover page
- B. Table of contents
- C. Executive summary
- D. Business description
- E. Marketing plan
- F. Organizational plan
- G. Operational plan
- H. Financial plan
- I. Appendices

Business Plan

Name of the business: _____

Address and telephone: _____

Prepared by: _____

Name of owner: _____
 Address and telephone: _____
 Date: _____
 Signature _____

Table of Content

ITEM	PAGE

Executive Summary

Summarize statement on:

Business description

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Opportunity and entity

.....

Target market

.....

Competitive advantage

.....

Management team

.....

Financial plan

.....

Overall schedule

.....

Critical risks and problems, and solution

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Business Description

(A) Owner details

Name:

Age:

Address:

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Occupation:

Education/Professional

Qualification:

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Business Experience:

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(b) The Business Venture

Name of business:

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Location of business:

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Legal form of business:

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Major activity of business

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Principal customers:

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Location of customers:

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Amount to be invested by owners
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Amount to be borrowed:
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Total amount needed for the venture:
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© **The product service**

Name of product/ service:
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Feature of product/ service
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Benefits obtained from product/service:
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Unique feature of product/service
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(d) Entry Plan

Competitive advantage of the business:
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Weakness of competition:
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Pricing plan:
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Plans to attract customers:
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(e) Growth Plan

Trends which signal business growth:

Opportunities arising this trend:

Plans to take advantage of the opportunities:

Marketing Plan

(a) Potential Customers

Types of customer (individual institutions):

Total target market population:

Number of customers who can buy product/ service:

(b) Competition

Names of the key competitors:

Location in relation to your business:

size of the competitors:

Comparisons between your product(s) or service(s) and those of the competitors:

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Strengths and weakness of the competitors
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Plans to capitalize on the weakness of the competitors:
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© **Pricing**

Methods of calculating the selling price of your product/ service:
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Factors which will influence your price setting, e.g. competitors price:
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Actual selling price(s) of your product(s) or service (s):
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Credit terms to be offered:
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Discounts to be allowed:
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Any after-sales service(s) and relevant costs:
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(d) Sales Tactics

Methods of direct selling or personal selling:
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Methods of indirect selling:
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Methods of recruitment of the sales forces:
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Utilization of distribution or agents:
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Ways of selecting and motivating distributors or agents:

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Geographical area you intend to serve:

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(e) Advertising and promotion

Media to be used:

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Product/ service image to be portrayed:

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Image to be projected regarding business:

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Frequency of advertisement:

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Cost per advertisement

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Measuring effectiveness of the advertisement:

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Plans for initial promotion campaign:

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Plans for regular promotion methods:

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Cost of each promotion event:

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Measuring effectiveness of promotion campaign:

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(f) Distribution

Channels to be utilized:

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Means of transport you will use:

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Transport cost per month:

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Anticipate distribution problems:

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Overcoming distribution problems:

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Organization Plan

(a) Structure (draw)

(b) Key personnel

Number of position:

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Title of position:

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Duties of positions:

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Remuneration level:

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Incentive package:

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© Ordinary employees

Number required:

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Titles and duties:

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Remuneration:

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Incentive package:

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(d) Support service

Banking:

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Bookkeeping:

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Legal:

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Postal:

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Management advice:

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Other:

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Operational Plan

(a) Production Facilities

Machine/ equipments

Cost.....
 Source.....
 Repairs & spare parts.....

Ground/ workshop plan (draw):

Other fixed assets:

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Production Cost

TYPES OF COST	MONTHLY COST
Source of materials	
Materials required	
Transportation	
Workers/labour	
Overhead expenses	
Cost per unit	
Total cost	

© **Production process**

Steps:

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(d) Complying With Operational Requirements

TYPES OF REQUIREMENTS	COST
Licences	
Taxes	
Other approvals	
TOTAL COST	

Financial plans

(a) Pre- operational costs

ITEM	COST
Transport	
Market research	
Plan properties	
Meeting people	
Photocopying	
Installation	
TOTAL COST	

Working Capital

ITEM	AMOUNT
Stock of raw materials	
Work in progress	
Stock if finished goods	
Debtors	
Cash	
TOTAL WORKING CAPITAL	

© Pro-forma income statement

Pro-forma income statement for the year ending.....

ITEM	AMOUNT
Sales:	

• Cost of goods sold • Gross profit	
Expenses: • Wages • Rent • Water • Telephone • Electricity • Advertising • Stationary • Postage • Transport • Depreciation • Interest • Repairs	
Net profit before tax	
TAX	
NET PROFIT AFTER TAX	

(d) Pro-forma Balance Sheet

ASSETS	AMOUNT
Current Assets • Cash • Debtors • Stock of finished goods • Stock of raw materials	
Total Current Assets	
Fixed Assets • Machinery and equipment (cost) • Accumulated depreciation • Vehicles • Accumulated depreciation • Furniture and fittings (cost) • Other (specify) fixed assets (cost) • Accumulated depreciation	
Total fixed Assets	
TOTAL ASSETS	

LIABILITIES	
Current Liabilities • Creditors	

• Other (specify) liabilities	
Total Current Liabilities	
Long-term Liabilities:	
• Bank loan	
• Other (specify)	
Owner's Equity	
TOTAL LIABILITIES AND EQUITY	

Project Cash Flow Statement

YEAR	MONTHS											
	1	2	3	4	5	6	7	8	9	10	11	12
Beginning Balance												
Add cash sales												
Accounts Received												
Others												
CASH RECEIPTS												
TOTAL CASH AVAILABLE												
CASH PAYEMENT:												
• Purchases												
• Creditors												
• Wages												
• Rent												
• Water												
• Telephone												
• Electricity												
• Transport												
• Stationery												
• Postage												
• Interest												
• Repairs												
• Advertising												
• Taxes												
• Others												
TOTAL CASH PAYMENT												
ENDING CASH BALANCE												

Break-Even Calculations

Determine the sales and total variable costs. Calculate the total contribution margin.

(i) Total contribution marine:

Sales-Total Variable costs=sh.....

(ii) Calculate the contribution margin percentage:

Contribution margin % $\frac{\text{Contribution}}{\text{Sales}} \times 100 = \text{sh}.....$

(iii) Determine the total fixed costs, i.e. operating expenses, for year 1:

Total fixed costs=sh.....

(iv) Calculate the break-even level of sales in shilling:

Break-even level = $\frac{\text{Fixed costs}}{\text{Contribution margin \%}}$ =sh.....

(v) Break-even revenue:

Total.....
Less cost of sales.....
Contribution.....
Contribution Ratio (%) = $\frac{\text{Contribution}}{\text{Total Sales}} \times 100$ =sh.....

(vi) Break-even turnover = $\frac{\text{Fixed cost}}{\text{Contribution \%}}$ =sh.....

(vii) Break-even units = $\frac{\text{Contribution margin}}{\text{Fixed costs}}$ =sh.....

Desired Financing

ITEM	AMOUNT
Pre-operation costs	
Working capital	
Fixed assets	
TOTAL DESIRED FINANCING	

Capitalization

ITEM	AMOUNT
Total investment	
Owners Contribution	
Borrowed funds	

Profitability

(i) Gross profit percentage

Gross profit () x100=sh.....
()

(ii) Return on equity

Net profit after tax () x100=sh.....
Owners equity ()

(iii) Return on investment

Net profit after tax () x100=sh
Total investments ()

FAMILY FINANCIAL MANAGEMENT GUIDANCE

(To be filled on either monthly or yearly basis by both for planning)

Stipulate your income correctly

ICOME SOURCES	AMOUNT (KSH)
1. Income from employment both and husband wife.	
2. Profits from Business	
3. Other sources – Donations, Miracles	
TOTALS	

NB Income dictates how you plan below for expenditure

EXPENDITURE STIPULATION

ITEMS	DESCRIPTION	AMOUNT
Tithes	Divine obligation	
Offerings of the month	Divine obligation	
Pledges / Debts	Church / Individuals e.t.c	
House rents	According to Income	
Water	As per the bill / Income	
Electricity	“ “ “	
School fees / children expenses	Plan accordingly	
Food	According to income / Budget plan well	
Transport	Fares / car expenses	
Telephone	According to bill minimize	
Basic clothing		

Income – Direct expenses = Savings for developments

NB Reduce expenditure to increase income for the following

Development from savings + Income

ITEMS	DESCRIPTION	AMOUNT
Housing development		
Investments	Land expansion of business	
Money savings	Any eventualities	
Other family responsibilities	Extended family responsibilities Gifts, Extras	
Seeds in the Church		
Leisure	Holidays / Visits	

NB With this

Other Facts that contribute to success