ADDIS ABABA SCIENCE AND TECNOLOGY UNIVERSITY

COLLEGE OF APPLIED SCIENCE

Entrepreneurship Group Assignment

BUSINESS PLAN

AASTU FRESH FRUITS & JUICE

Submitted to -

Submission date-august 22,2021

Course Title- Entrepreneurship

PROJECT ON BUISNESS PLAN FOR AASTU Fruits and Juice.

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Executive Summary

AASTU Fruits is a fresh juice business that will be located in Addis Ababa Science and Technology University compound. We intend to expand to new locations with the ultimate aim of becoming a national brand in the not-so-distant future. We will provide an assortment of chilled fruit juice such as mango, orange, apple, etc to a wide range of clients that will consist of adult Students, teenagers, and residential children. AASTU fruits is owned and managed by a team of AASTU Students. We understand that there are no fruit juice businesses in AASTU and we are going to change that. As there are no competitors we are sure that we will make a lot of profit. We will not just make the numbers but are out to ensure we create a well-known brand known for quality juice products in AASTU and throughout the Country in the near future.

This business plan we are joining is intended for:

1. Making sure that the health of our beloved fellow students are maintained mentally and physically.
2. Providing the Vegetarian Students a healthy meal. As there is no exceptions for them in the Campus cafeteria.
3. Make sure that Students use their precious time for studying. We want to sure of that by providing a Speedy delivery system. And so much more will be stated in the business plan.

The market potential of the given business plan is clearly obvious as discussed above i.e. there is less products of Fruits & vegetables in the campus relative to the people which live here, so the market potential is high ,not a controversial idea.

We need support to continue in success with this plan by ideas like customer care, supplier management, Market management, and Employee management and so on. Other supporters we need is financing such as: Banks, NGOS, volunteers and other supports like giving location and licensing to launch our creative business plan.

Finally, the successfulness of our business is service type which we give to customer, cost reduction relative to competitors, by giving them delivery services, having good respect to customer, suppliers, and the behavior of waiter, workers, managers, and so on.

1. Name of the Business

- The business will be known as Aastu fresh juice and fruits. Aastu refers to Addis Ababa science and technology university.

2. Ownership of the Business

The business will be formed as a profit making enterprise with 5 stakeholders: Yosef, Hana, Yordanos, Yordanos E.& Yohannes .all of the stakeholders will own 25% of the issued stocks and equal to their individual paid in capital. The formal charter and the agreement accordance with the law of the country and will be drawn up by the university officers.

3. Information on the Business

3.1 Type of Business and Product or Service

The purpose of our business is to give the special services to the students .every person like fruits , different types of drinks like juice , soft drinks so that the university students, teachers and other employee of the campus that live in main campus and also who visits the aastu university to get services .Rather than the services listed above it also gives the services like to watching TV .

Its form of the businesses type is partnership, which means it is two or more individuals having unlimited liability who have pooled resources to own a business . Partnerships are the most common form of business structure.

Advantages of the Partnerships

- ✓ Owners can establish a partnership with no limitations numbers.
- ✓ General Partner can transfer his/her interest only with consent of all other general partners .
- ✓ Loans or new contributions by partner require a change in partnership agreements.
- ✓ All general partners have equal control and majority rules .

AASTU fresh Juice and fruits shop will expand it'shours of operation and will be open 24 hrs. per a day, Monday through Sundays. It's a great place to refresh after class, enjoy together with friends.

4) Mission Statement

- To provide many kinds of services for all customers with satisfactory costs, particularly to visitors. Because there is one services that gives juice but that doesn't gives the full services like fresh fruits that . Furthermore our business have the following mission statement:
  - Creating accessibility of all necessary services at the area with affordable price to solve our customer's costs, time, and money and buying efforts.
  - Increasing sales revenue (profit) of the owner of the business by the higher rate.
  - Be the first and most competent supplier of the restaurant in aastu university.

A)Goals and Objectives

Expects to meet or exceed the financial performance illustrated in the pro forma financial statements accompanying this plan. The firm's immediate goals are as follows:

- ✓ In three months – to continue marketing efforts to get more customers and to have renovated the facility to have a more relaxed environment
- ✓ In one year – to have the kitchen in order and get better and fast equipment.
- ✓ In three years –increase profitability.

B) History of the Business

there is no such business in the Addis Ababa Science & Technology University . But the teachers restaurant gives juice services. However, they does not get fully services like we do .

C/ Location and Hours of Operation

The proposed business will be located at AASTU. The business center will be at block 42 between "KIBNESH" and students cafeteria. This are will be good location that may invite a large amount of customers towards our products and services and also there is accessible road that is favourable and center to all customer and good and as well as stable environment.

The operation time of the business will be from **1am** to **2 pm** local time throughout the week .the shop will be closed for holidays.

D/ Revenues and Accounting

The revenue of the business will be generated by providing reliable and quality products and services to the any type of the customers. Full accounting records will be maintained by the management . An accountant of the business will be used for the preparation of business financial statements and taxes.

E***/ Inventory and Supplies***

As a small business , it will be contains around 10 different kinds of foods and drinks, also , it will include fruit shop. The business will be in compliance regarding the rule and regulations if the university and also with countries' business laws. The owner will obtain the required operating license issued by the **Akaki Kality Trade and Industry Bureau** and the work permission granted. Contractual agreements and other legal services will be provided by the university management.

F/ ***Current Proposal***

As the need for the stationery material in the university grows, so the stakeholders will share the cost of business to operate. The stake holders have a total of 50,000 Birr to invest in this business in cash. The additional financing of both stakeholders received from commercial bank of Ethiopia with loan agreements around 50,000 Birr with totaling of 100,000 Birr to the general start of the business.

5)Marketing Strategies

Strategy guides the marketing plan by defining which marketing tools will be utilized to accomplish the above objectives for the current market environment. Effective strategy design must take into consideration which of several different approaches is best suited and properly aligned with the marketing objectives.

Below are **Five** different core strategies for consideration:

Inform: This strategy focuses on communicating information to the target market. The information can vary widely, but in all cases, marketing communications are vital to this strategy's success. Inform strategies are used to introduce a new product or service, raise awareness, or position the product or service favorably in the customers' eyes.

Compete: This strategy focuses on out-selling against rivals, in general by offering better prices or by demonstrating a better value proposition for the product/service in question.

Reach: This strategy focuses on building links to customers in order to develop incremental business with them. It may involve expansion of the customer base or expansion into new markets and territories. Its goal is to increase the size of the customer base and develop new markets for the product/services.

Focus: This strategy focuses on growing business with a specific type or group of customers. It may involve targeting customers of a certain size or type or customers located in a certain region in order to specialize in doing business with them. When a specific group of customers has unique needs, the focus strategy can be used to tailor offerings specific to their needs—and thereby exclude more generalized competitors.

Enhance: This strategy focuses on improving, or enhancing, the product/service offerings in the eyes of the customers. It may involve improving the quality of products or services or it may involve positioning the offering as better on a specific feature or attribute of importance to customers. It often uses new technology to enhance the offering as well.

Project business start-up costs

	Description	**Amount**
1	For Products and Inventories (working capital)	55,000 Birr
2	For furnishings and equipment	30,000 Birr
3	Cash reserves	10,000 Birr
4	Supplies	5,000 Birr
5	**TOTAL**	**Gr 100,000 Birr**

6. Market Analysis

The fresh juice and fruits business particularly targets the students, Currently there is no as such in the AASTU campus which gives the fruits services with it.

Comparative competitor analysis							
	Product	Quality	Price	Services	Location	Marketing program	Customer induction
"AASTU FRESH FRUIT AND JUICE	More than 100 products	Best	Medium	Full services	Block-**41** in the compound	Through all the days	In well manner
Another teachers restaurant in AASTU	A lot of number	Not satisfactory	Very high	Not much such a satisfactory	All the city around	Not all the day through.	The well manner

TABLE 1. The above table gives the clear explanation about our fresh Juice and fruits services compared with the Teachers restaurant in AASTU.

The business has many visible comparative advantages than its competitor. In terms of products or kind of services in the AASTU fruits and juice has an overwhelming advantage than the

restaurant that is found in the campus. The services quality as well as supplying capacity was far better than that of the restaurant in the campus.

In addition to this, it may have the ability to provide products with low costs and have capacity to serve the customers appropriately in a better manner than its competitor. Furthermore, “AASTU FRESH FRUIT AND JUICE " will be more beneficial in making its operation program and in terms of customer attraction capacity.

Advertising

The formal advertisement of the business is planned to begin within two months before the center is scheduled to through different mechanisms through different Social Medias, Internet and etc.

Promotion

The promotions of the business will be through the university compound administration and municipality and by erecting some big banners of the business in the core place of the city.

Sales Strategy

In order to facilitate the service delivery in addition to customer’s satisfaction, the “AASTU FRESH FRUIT AND JUICE " will have three rooms: one to food products and drink, and the second to entertainment places, the third one for bed room classes laminating, printing and writing room. The customer of the city dweller by the needed material directly from the restaurant with cash or they can use through borrowing or debt by registering their address which will and will be paid maximum within a month.

7. Management Plan

7.1. Management

One of the stakeholders most trusted family member will be responsible for the overall operation of the “AASTU FRUIT AND JUICE" house, while the cashier will be responsible for the accounting (record keeping), buying of the fruits from different agents, keeping the fruit and juice

house relation with the tax collectors and other as well as the selection of the employees. The payment for employees, the number and kind of employee required, the expenditure of funds, as well as other accidental risks and agreements will be conducted by all stakeholders jointly.

7.2. Employees

The "AASTU FRUIT AND JUICE" has six employees in addition to the one family member. Those employees with their functions will be recognized as follow:

- One trusted family member who operate and administer the business,
- Two employees who have experience in making juice and cooking will be assigned to the kitchen.
- Other two employees who have a communication skill will be required in the first room as a waiter to serve customers at their tables .
- And one cashier whose qualification and personal behavior is evaluated by stakeholders , and who have the capacity and experience will be required for keeping the fruit and juice house products.

8. Financial analysis

The financial projection is based on monthly revenues of 20,000 Birr during the first month of operation of the business and is expected to increase to 60,000 Birr by the end of the first year of operation. This profit is net profit which is out of rent payment, tax, employee's payment and other costs. And the projected revenue will gave rise the business/restaurant a gross benefit of 88,000 Birr before tax net income of 6,500 Birr, and positive cash flow of 150,000 Birr during first year.

A/ The initial capital for the business is 100,000 Birr, and increasing after a year as the revenue of the business and its scope of service is increasing.

B/ All stakeholders have equal right of sharing the revenue or profit of the business per each month.

C/ The capital getting or received from Bank as loan is expected to rapid and fast in each month after the business start and make the profit. 10% from net profit of each month will be paid to the borrower.

9. Other environmental Analysis

The environmental analysis of the business consists of both external and internal aspect of the environment. From external, opportunities and threat will be analyzed while internal environment contains analysis of strength and weakness of fruit house in its working time periods. These all analysis is called as SWOT analysis.

A/ Strength: Purchasing fruits directly from whole seller and importer companies will reduce the unit cost of purchased materials, good quality product of the store will exactly meet customers need, and it will be the only provider of all kind of only "AASTU FRUIT & JUICE " in the area inside Addis Ababa Science & Technology University.

B/ Weakness: Difficult to expand the fruit and juice house because of the place that is not much enough in the present location, shortage of capital, and high transportation cost of fruits from the providers to the fruit store.

C/ Opportunities: customers, it can easily meet demand of different level of customers, it can provide fresh fruits every day, and it will be a good place for new students to communicate with each other.

D/ Threats: There will be decreased of few number of customer during summer season. And new entrants will come to and provide the same product with low price and additional services. Then, customers will go to consume our competitor products & our market share will be decreased.

9. Critical Risks

- The fruit house may not able to pay it's debt to the borrower before the due date.
- There may not be enough customer.
- Uncontrollable cost rise of raw materials (fruits and machines).
- The fruit house may not able to cover its supplies expense.

10. Exit Strategy

While careful planning was involved in setting the strategies for AASTU Fruit And Juice House, it may be that these goals are not met. We have decided to set a zone of acceptability for meeting sales and financial objectives. For both sales and financial objectives, a 10% negative deviation from expected sales and projected returns on assets will be accepted. However, if sales objectives and returns on investment are less than 90% of projection, we planned out to take these actions.

- Merger

  If the bussiness is unable to continue providing services because of decreasing returns or any other factor, we can easily merge the fruit house with other profitable fruit and juice houses

  Since there are few of fruit houses that provide the same service around Addis Ababa Science and Technology University campus, we can find our ideal fruit and juice house to merge with. This way we can easily reduce costs of operation, unite common products and increase profits all of which should benefit the firms' shareholders.

- Initial Public Offer

  When the fruit house service capacity decreases or losses occur, we can sell a part of our business to the public in the form of shares. This strategy offers benefits in the sense of enhancing access to liquidity for the fruit house business in the event that investors are seeking returns or refunds earlier than anticipated , and we can easily do that by advertising using social media accounts to the public of the profit they can make.

“ Your Favourite Fruit Juice! “

AASTU FRUIT AND JUICE

THANK YOU