SCHOOL OF COMMERCE

Entrepreneurship and Enterprise Development

Group Business Plan

by

Abel Tedla BER/9538/11

Dagmawi Wendirad BER/7814/11

Nebiyou Samuel BER/7594/10

Tilahun Wegene BER/5362/11

Yeabkal Tesfaye BER/5351/11

Submitted to,

Dr. Wasihun M.

May 23, 2021

TAMEN Visa Consultancy
Tor Hailoch Area, Kolfe Keraneo
ADDIS ABABA, ETHIOPIA
www.TAMENconsultancy.com

Co-Owners: Abel Tedla, Dagmawi Wendirad, Nebiyou Samuel, Tilahun Wegene, Yeabkal Tesfaye

Description: This business provides visa consultancy services for Ethiopians and non-Ethiopians than want to travel to China via the Chinese Embassy in Ethiopia. It provides services which include filling of application forms for different kinds of travelers; schedule appointments and providing reminders on application submission dates; facilitating a network between business clients and firms in China; organizing flight and hotel bookings managing and organizing trip itineraries for clients. TAMEN charges service fees for the various functional services it provides and receives the payments upon service delivery.

Financing: TAMEN requests a loan of ETB 150,000 to be paid over one year. The debt will cover all business establishment costs which include office rent, computers and printers, utilities, promotional activities and office supplies.

This report is confidential and is the property of the co-owners listed above. It is intended for use only by the persons to whom it is transmitted, and any reproduction or divulgence of any of its contents without the prior written consent of the company is prohibited.

Executive Summary

TAMEN consultancy is a dedicated visa consultancy agency that provides different types of travel related services for travelers to China from Ethiopia. Travel to China from Ethiopia is conducted for trade, education, work, recreation and training among others. In recent years there has been an observable increase in travel to China with the Ethiopian increasing the number of flights to/from China from 35 a week to 50 a week and adding two more destinations in mainland China. TAMEN aims to provide high quality consultancy for individuals or groups that want to travel to China by assisting them in the visa application process, scheduling appointments for entrance into the Embassy, facilitating network between firms in China and potential customers in Ethiopia and by fast-tracking procedures for special and emergency travel needs. Apart from the above-mentioned services TAMEN will also provide flight and hotel booking services to potential customers and assist them in final preparations of copies of important documents upon submission of application with the Embassy. TAMEN seeks to become the go-to Chinese visa consultancy provider for the whole of Ethiopia.

According to a number of field analysis conducted by our team, this business has identified the target market to be travelers from Ethiopia to China. The main market segments are business travelers and tourists. Educational and government related travelers also make up a relevant portion of the market. TAMEN has devised a business model that accommodates the different needs of the different market segments that constitute our company's customer base.

TAMEN plans on renting out an office that is located a short walking distance from the Chinese Embassy in Ethiopia. This office will be the primary location from which all our services will be provided. The rent price that has been ascertained from market research is ETB 12,000 and our business will have to pay six months advance to have a rental agreement signed. The office space is desired to have a minimalistic design with only necessary objects in view of the customer so that he/she feels like they're in a friendly and calm environment. There will be four desk workers in the office at any given time of the day that are ready to assist customers in any of their needs regarding the application process and other related procedures. Our office will have enough seating arrangements for customers that might have to wait if all the desk workers are busy handling other clients.

TAMEN is a general partnership that is composed of five partners that have an equal income sharing agreement. The partnership was formed based on the principles of brotherhood and

mutually beneficial arrangement. The five partners are Abel Tedla, Dagmawi Wendirad, Nebiyou Samuel, Tilahun Wegene and Yeabkal Tesfaye. All the partners of this company will also hold important managerial positions based on their respective skills and opportunities they bring to the business. There will be no general manager for the first months and all partners will have an equal say towards general market decisions and will use various negotiation mechanisms for disagreements that arise. The company will use a vote for contentious decisions that require the managerial inputs of all the partners concerned. The managers of this business have a wide range of skills but also share common characteristics that are important for the smooth flow of our services in the office space.

The marketing aspect of our business relies on research done on the competitor practices and the prices those competitors charge in the area. The team has studied the environment extensively through interview with competitor cl After combining market determined prices with the company's specific cost constraints our team has been able to map out a suitable pricing schedule that will be discussed in detail in the marketing plan section. To give a brief overview, the application form filling will cost a customer ETB 300, securing invitations and facilitating networks in China for a customer may cost up to ETB 3000. Additional services like flight/hotel bookings and trip itinerary management cost customers ETB 150 and EETB 500 respectively.

TAMEN requires a relatively low level of financing to fully establish operations. Diligent cost analysis by our team has come to the conclusion that an amount of ETB 150,000 is needed in funding to start operations. This money is expected to be obtained from a loan that will be paid in one year from a financial institution that provides the most competitive interest rate. The amount will be used to finance rent cost, cost of technical equipment, utility payments, promotional activities and other office supplies. TAMEN plans to collect its revenues form the various services it provides and has made conservative predictions based on estimated people that will likely come to the office to request for services. Our company projects that the earnings at the end of six months will be over ETB 500,000, which will place TAMEN in a comfortable position to be able to pay back the initial loan.

Service Description

Objective

The objective of TAMEN is to become a profitable service provider and to become an organization that is capable of serving as a source of income for all the partners. Our company seeks to achieve this by providing consulting services regarding visa application processes for travelers form Ethiopia to China and charging fees on the various functions we perform for our clients. TAMEN plans to earn over ETB 500,000 in revenue at the end of the first six months of operations.

Mission

TAMEN's mission is to become the top visa consultancy provider for all travelers that seek travel from Ethiopia to China. Our company aims to revolutionize what it means to apply for a Chinese visa by significantly increasing the efficiency and decreasing common errors made by other firms. Our business plans to utilize state of the art information technological practices to utilize any competitive advantage at our disposal. This is with the intention to make our company the most advanced and innovative firm in the specific market, providing the best services. We aim to instill trust in our customers so that we become their number one choice in considering consultancy services when they plan to travel to China for whatever reason.

Service

It is well known that international travel is subject to various hinderances that are put in place for various reasons, ranging from national security concerns to controlling immigration. Hence it is typical to observe a vast majority of countries adopting visa requirements for foreign citizens to enter their country. The same reasoning applies to China, as it requires all foreign citizens to apply for a visa and get approval from the Chinese Embassy to travel to China for any reason. Chinese Embassies use a system of visa application that is both online and paper based. The Chinese Embassies around the world primarily use an online application system that contains an application form and a scheduling mechanism to obtain an appointment to submit the application at the Embassy in-person. The application form that is rendered online from the website is printed alongside an appointment confirmation document and is submitted on the day and time of the appointment. The full application form consists of eight sections with just over 10 pages and contains various required fields for various purposes of travel. In addition to this the Embassy receives applications only five

days a week, half a day and only accepts 100 applications a day. The application forms are strictly reviewed and the Embassy has a low tolerance for mistakes, which might cause applicants to apply multiple times and waste a lot of time and money.

Herein lies the opportunity TAMEN seeks to exploit by starting this venture. Due to the circumstances stated above and other nuances the visa application process to travel to China is significantly tedious, cumbersome and at-times confusing. This created an opportunity for the business to become an important intermediary in handling visa applications for individuals that want to travel to China.

TAMEN seeks to provide a full visa consultancy for customers by assisting in the application process to facilitate a smooth and efficient form our offices to the Embassy and finally to our customers destination for a reasonable price. The services that are provided by TAMEN can be classified into five important functions. Although these functions have been classified into separate tasks, they are closely related to one another and at times can all be performed simultaneously for a single customer. These five functions are:

1. Assisting the Application Process

This basically refers to the service provided to customers who want to delegate the filling of application forms and related tasks that are required by the Embassy. As briefly mentioned earlier, the Chinese Visa application form is a rather bulky form with eight sections that request different types of information from the applicant depending of the purpose of visit, that is tourism, business or study to mention a few. This becomes a significant source of inconvenience for applicants and can become excessively time consuming in the event of errors, which invalidates the whole application. Our service is, therefore, to take over the application process on behalf of the applicant so as to complete the application with the highest efficiency and diligence. By using the expertise of TAMEN's well trained and motivated work force to handle the visa application, customers are simply expected to come to our offices or contact us by phone or email and provide their personal information, time and purpose of visit and other basic data to be used in the application. TAMEN's staff are equipped with the training and know-how of the application process and are highly efficient in completing application forms correctly in a short time.

Once a client enters our office, he/she will be greeted and will be directed to one of our desk workers that where the he/she will have a short interview with the client. Depending on the

purpose of the client's visit to China, our desk worker will also check if the client has all the necessary supporting documents that are submitted along with the application form.

2. Scheduling and Appointment Services

The application process for the Chinese travel visa also has a platform on which appointments are scheduled for application submissions. The Chinese Embassy only allows applicants who come with an appointment confirmation into the compound. The platform allots around 100 people to enter the Embassy for visa applications in a day. This circumstance leads to long waiting times as the nearest possible free date one can find on an average day will usually be more than two weeks. This has also been identified by our company as an opportunity, and will work to effectively guide clients through this process. Clients that have submitted an application online have to wait up to three weeks until they will enter the Embassy to submit their application by paper along with other supporting documents. During the time a number of clients forget they scheduled an appointment and miss the day. By using the services of our company, clients can get reminders by phone and email regarding their pending appointments.

3. Facilitating Customer to Firm Networks

This is a particularly important service our company provides. As alluded to earlier, travel to China is no easy matter and the Embassy of China in Ethiopia placed a number of requirements for obtaining a visa. One important requirement for business travelers is that any applicant travelling for business is expected to submit along with his/her application a signed invitation letter from a Chinese individual or firm. This requirement also applies to clients that apply for the tourism visa. Our company plans to become an important intermediary in this process by using our wide network of business connections in China. Customers that choose to use TAMEN's services in their visa applications will be provided with a wide range of companies that engage in different types of trade and reside all over the country. Potential travelers can then be able to acquire invitation letters from firms they have reached an agreement with. This acquisition will be conducted through our office and will be charged as part of the company's services.

By strategically aligning the interests of our clients with the Chinese firm's interests, we establish a crucial relationship between the two parties. This allows those clients to be able to obtain tailor-made invitation letters that covers the specific purpose of their visit from

recognized Chinese firms. Business clients who have never visited China or have no prior experience regarding China are primary beneficials of this particular service.

4. Hotel/Flight Booking and Trip Itinerary Management

TAMEN is dedicated to provide its customers with premium services regarding any process and requirement for their Chinese visa applications. As such it's important that our company identifies the potential needs of our customers and adjust our services accordingly. The Chinese Embassy requires all applicants for a travel visa to state their desired date of travel, the location of their possible accommodations and the various locations they intend on visiting. Arranging these details, for travelers that are not familiar with the country, becomes difficult. Our company uses this opportunity to offer our clients a solution by providing a wide range of options for travel and lodging. TAMEN plans to assist its clients by booking flights and hotels that are reasonably priced by using our dedicated desk workers to diligently search for all possible options on all relevant platforms. Our company will also draw on experiences of our management to design trip itineraries for our clients that best suits their purpose of travel.

By combining the various functions stated above TAMEN aims to provide a comprehensive visa consultancy service for travelers to China. The services are described separately so as to give a better idea of the general purpose of our company but are in fact an interconnected network of functions. TAMEN seeks to provide high quality services by adopting a mix of a highly energetic work ethics with exceeding regard for customer service.

Operations Plan

In this section we describe how our company will go about its establishment and operations. TAMEN has identified an office location that is potentially viable for renting and to run operations out of. The office is located around Tor Hailoch, about 150 meters form the Chinese Embassy, on the side of the street that leads from the main road to the Chinese Embassy. This office space is crucial as it will give our business access to nearly all the people that will come to the Embassy. The office will need three computers, two printers, a power saving unit, a long work table, a small coffee table, around 15 chairs and five packets of A4 size paper to start operations. Our company believes that people who think about travelling to China for any reason will first go to the Embassy to inquire about the process of visa application. It is during this visit that we plan on attracting our customers. Our office will

have the necessary promotion materials at the entrance so as to give fast and easily visible information on the content of our services. The details of the promotion material our company will use will be discussed in detail in the marketing plan segment of this business plan.

Potential customers that enter the door of our offices will face an office environment similar to Ethiopian Airlines ticket offices, in which there will be a long table in front of them and four desk workers equally spaced from one another behind the table. On the other side of the table will be four vacant chairs where the potential customer will sit to speak with the desk worker. From the entrance to the left will be placed a row of chairs that will be used for customers that will be waiting in the case where all three desk workers are busy handling other clients. In front of the waiting chairs will be a table which will have various newspapers and magazines that will entertain the waiting customers while passing the time.

A customer that enters our office and directly sits in front of one of our desk workers will be greeted politely and will be asked how they can be of assistance. Depending on what purposes the customer wants to travel to China to he/she will be asked a number of questions whose answers will be written down by our desk worker. Once it has become clear what kind of service the customer is in need of, our desk worker may commence on beginning to fill the application form as per the details the customer provided. The filling of the application from will take our experienced and well-trained desk workers less than ten minutes. Once the application form is complete our desk worker will consult with the client on the desired date for the appointment. The client can choose any date they want from the available options given by the platform. After an appointment date is selected and confirmed the client will receive the printed version of the application form and the appointment confirmation.

Customers that don’t possess invitation letters and are in need of one will be directed to a special desk worker that is concerned with these issues. The client will bring his/her case to the special desk worker and will be assisted in accordance with their needs. Business travelers will be briefed on the types of Chinese firms our company has relations with and will be given options as well as recommendations to choose the company they would like to receive their invitation letters form. Clients that want booking and itinerary management services can simply ask the desk worker for that additional service.

Working hours for our company is based on the working hours of the Embassy and observation of market conditions. Thus, our team has decided that office working hours are

form 7:45AM to 4:00PM with a 2-hour lunch break from 12:00PM to 2:00PM. Working days will be five days a week which don't include Ethiopian public holidays and Chinese public holidays that will make the Embassy closed for consular services.

Marketing Plan

Recognized Opportunity

The primary target of our business are travelers from Ethiopia that plan on going to China for different purposes. These travelers may for different reasons be unable to fill out an application form for a Chinese visa on their own. Our business steps in to alleviate the stress associated with making sure application forms are filled out properly, appointment dates are not missed, necessary additional documents are collected and bookings of flights and hotels are made in accordance with trip itinerary.

Travel to China form Ethiopia has increased significantly over the last few years. In 2019, Ethiopian Airlines announced that they will increase the number of flights to China to 50 a week, up form 35 a week. The airlines sited the increasing demand for travel to China as a major reason for the significant expansion in flights. In addition to this Ethiopian Airlines has also announced that they will be flying to two more cities, namely ChengDu and ShenZhen, in addition to the three major cities it operated flights to. China has also increasingly become a preferred destination for business travelers from Ethiopia. Increasing awareness from the business community about the opportunities in China has significantly raided the number of Ethiopians that seek to go to China. The country has also become a desirable destination for students that want to further their academic career abroad. Stronger relations on a governmental level between Ethiopia and China has also caused in a higher demand for travel to China for various government training programs.

Market Segmentation

TAMEN expects to provide its services to different segments of the society. Based on a thorough market analysis our company has identified four segments of the population that represent the bulk on the individuals that may seek our services. The target segments our business identified are;

1. Business Travelers: represent our largest target segment and also the most frequently travelling segment. Individuals that come from these segments usually utilize all the

services provided by our company. They are usually time constrained and want to get the visa as fast as possible and hence approach service providers like our company to assist them in the tedious process. Business clients typically request for filling of the application forms, facilitating the invitation letter acquiring process and trip itinerary management services. These client group is projected to provide the largest portion of the income collected from our company's activities.

2. Recreational Travelers: are basically tourists that want to travel to China for recreational reasons, either for vacations or participating in a certain event. This client group, although not a lot in number, are not very experienced in the visa application processes and usually request for all the services that our business provides.
3. Educational Travelers: are students that are going to China to study. Student travelers usually have a functional connection to institutions in China and typically only request for application filling and appointment scheduling services.
4. Government-related Travelers: are basically people from government offices and institutions that are travelling to China to perform a specific task or receive some sort of training. They usually have a stable connection either with the Chinese government or other Chinese institutions and come to the Embassy with some level of information regarding the application process. This client group is predicted to highly utilize our application filling and appointment scheduling services.

Pricing Strategy

TAMEN has given a significant amount of time and market research to analyze the market needs and determine a sustainable and affordable price for the various services it provides. As mentioned in the service description section of the business plan, the services our company provides is segmented into interrelated functions. It is based on the specific functions that our business will collect its payments. The table below gives a clear pricing arrangement for all the specific functions that are stated in the service description section. The pricing decisions were reached after careful analysis of going market prices for similar services and by also taking into account the costs our business need to cover. In addition to these special considerations were made during the pricing process to take into account the superior service our company provides and the legitimacy of the resources our team utilizes in performing the various functions.

Pricing Schedule		
Function	Description	Price
The Application and Appointment Process	Filling out the application form, scheduling an appointment and related tasks.	ETB 300
Customer to Business Networking Services	Obtaining invitation letters, establishing working relationships b/n customers and firms in China	ETB 3000
Hotel and Flight Bookings	Booking affordable flights and hotels for travelers	ETB 150
Trip Itinerary Management Services	Recommendations of special interest business and tourism locations and organizing an itinerary	ETB 500

Promotion Framework

Our company acknowledges the importance of promotion in obtaining increasing market share in a given industry. That is why our team has devised a rather simple two-part promotional plan to place our business in the eyes of potential customers. These two parts involve location centered promotion and internet-based promotion.

Location Centered Promotion refers to promotion activities that will be conducted within the premises of our office. That includes the use of various posters, banners and slogans that aim to give a short and simple information on the services our company provides for people passing by, potentially on their way to the Embassy.

Internet-Based Promotion refers to the use of targeted social media ad campaigns aimed at increasing the public awareness of our firm to the general public. The aim of the social media ad campaign is to place our business in the minds of not only the people that come to the Embassy but to be remembered whenever someone wants to go to China without even coming to the Embassy. That means that the internet-based promotion will enable us to

provide the additional service to our clients of arranging their applications from the comfort of their homes through phone and email.

Competitor Analysis

The market situation in which TAMEN seeks to engage in is not characterized by a lot of competition. Going on field research done around the area, our team has identified two businesses that can qualify as competitors. These two businesses are working out of small offices that are incapable of satisfying the growing need of the services we plan to provide. In addition to this the two competitor firms don't seem to have any system for handling customers and usually engage in time wasting practices. Due to this reason a lot of customers have been heard to complain about mistakes in the application forms and nonchalance regarding the appointment notifications for the application submission date. It was also observable that the competition does not have the opportunities for obtaining invitation letters and have minimal means of establishing networks with firms based in China that facilitate that service. The overall work ethics of the two competitors are characterized by an outdated and lazy mentality that usually makes a negative impact on the customer's satisfaction. Overall assessment of the competition has given our team encouragement as we believe our network opportunities, high work ethic, diligence and comfortable office spaces will give us a significant competitive edge over the other firms in the area.

SWOT Analysis

Our company's main goal is to become the most reliable and efficient visa consultancy for travelers to China in Ethiopia. To do so we plan on providing high quality performance and to give our customers a guarantee of a smooth application process. We believe that our main strength is our impeccable work ethics and desire to make our customers happy. Our business model relies heavily on building stable and solid relationships with our clients so our company is the first that comes to their mind when thinking about travelling to China. To achieve this, we will dedicate our man power and human capital to make sure customers leave our offices with the higher possible level of satisfaction they can obtain. Apart from completing the work in an effective manner, TAMEN will also give high regard for our client's time and our team has taken steps to ensure that our time management is highly efficient. Another competitive edge our company has is that it is composed of young and ambitious managers/workers. Our team, entirely composed of young adults, gives us the advantage of better utilization of technology as each member is skilled in various computer

functions. Our relatively youthful work force also brings a high work energy along with a smile that will define" the air" of our offices. These aspects will surely make our company stand out on top of other similar service providers in the area making us the choice visa consultancy for our customers' travel needs.

An aspect of a sufficient analysis of the market includes identification of our company's possible weaknesses. According to the market research done by the partners, the most significant weakness that can be pointed out in our business model is the high cost of office rent. This cost, that represents the largest portion of the business's variable costs, is considered as a weakness due to the fact that the two competitors in the area are working out of their residence, effectively having to pay zero rent. This gives the competitors a slight advantage over our companies as they will be able to mobilize funds with relatively less restrictions. Since rent will consume a significant portion of our early earnings it is possible that it will restrict the business form making any significant purchases and hiring.

Organizational Plan

TAMEN Visa Consultancy is a general partnership which has five partners; all of whom have unlimited liability for the company. The five partners all take up important managerial positions where according to the specific skill and contribution they provide making up the management team. Accordingly, stated in alphabetical order: the first partner Abel Tedla will be the International Relations Manager; Dagmawi Wendirad will serve as the Customer Service Manager; Nebiyou Samuel will be in charge of Marketing, Tilahun Wegene will be manager of the Finance Department and Yeabkal Tesfaye as IT and communications manager. The income sharing agreement gives each partner equal stake in the profits and losses of the company.

The five managers constitute the total number of workers that will be involved in the business. This means that each partner is fully engaged in the business in terms of functionality. Each partner is specifically assigned to their managerial role after careful observations of their prior skills and experiences. In addition to their managerial roles each partner will also serve as a desk worker in providing the services mentioned in the service description section.

Regarding some exceptions, service fees obtained from networking activities between customers and firms in China with respect to invitations, the International Relations Manager

will have a claim of 50% of the earnings and the remaining will be pooled into the revenue of the firm. This is due to the unique opportunity the partner brings to the business regarding strategic connections with firms located in China. Distribution of earnings in the event of profits will not be conducted for the first three months of the business's operations.

Upon future expansion the business plans to hire desk workers that will take over the technical and rather clerical work of the front desk. The number of workers to be employed will be determined after a detailed analysis of earnings and costs over a six months period. Due to the interplay of the roles of ownership, management and front desk work for a single partner, there will be no payroll system until our company finds it necessary. Rather than a payroll, partners will have an equal income sharing agreement-based division of profits/losses after the first three months of the operation.

Risk Assessment

Risk is a natural component in all business endeavors and our company is no exception to this reality. The fundamental risk our company might face during its business activities strongly relates with the various measures and policies the Chinese Embassy implements. Additionally, the COVID-19 pandemic has exposed the travel industry to a number of restrictions and some embassies in Ethiopia have totally stopped giving visa services all together. This is the most important risk element our company faces in conducting its business operations. The Chinese Embassy might decide, for one reason or another, to suspend visa issuances and this will have detrimental consequences on the services we provide.

Another risk our team has given attention to it the state of our office rental contracts. Since our company will not be owning its office space, the fate of the office inevitably depends on the specific rental agreement it has with the owner of the space. Eviction without notice is one of the most important risk factors in this regard but can be relatively controlled by making sure the rental contract includes clauses that forces both our company and the landlord to give a 2 month notice before breaching the contract.

Apart from the above-mentioned industry related risks, TAMEN also faces the more general risks that affect all businesses associated with economic and political stability of the country. TAMEN has formulated different mechanisms that are planned to help conceptualize and

implement solutions and mitigation efforts in the face of both industry specific and general risks to the business.

Financial Plan

TAMEN has identified the source of finance to establish this venture to come from a loan of ETB 150,000 from a commercial bank or other financial institution that will provide the most competitive interest rate. This fund will be used for various operational needs and will pave the way for the business to start its activities. Our team has identified office rent, computers, printers, utilities (including internet), promotional activities and office supplies to be the primary expenditures required to get the business running. In the descriptions below each of the expenditures will be briefly discussed as to their figures.

Office Rent: This is the largest cost that our business will face in establishing its operations. After careful assessment of the going rent around the area we have settled on the office space that is close to the Embassy. The rent amount the landlord of the office offered is ETB 12,000 a month. The landlord also requires that there be a six months advance payment to sign the rent contract. After the first six months the landlord has agreed to receive rent payments every three months. The rental contract will be signed for one year with options to renew the contract at the end of the year.

Computers and Printers: These devices are the second largest expenses for the business. They are crucial for the business operations as most, if not all, of the operations reply on computers and printers. Our company plans on purchasing four computers and two printers. Market assessment has found that the going price for a computer that fits the specifications we desire is about ETB 6000. A good printer that can print multiple colors and has high print capabilities costs about ETB 8000.

Internet Service and other Utilities: These are costs that recur month to months and serve an integral role in our business activities. Internet service allows our company to access the Chinese visa application platform, appointment scheduling platform, booking services and serves as a means to connect with our networks in China. Other utilities include electricity, water and cleaning services. Our company want to purchase the internet service from EthioTelecom, which offers a wide range of bandwidths. We will be subscribing to the 3MBPS service which costs about ETB 1000 a month for the first month and we plan to adjust depending on the requirements of the business. The registration costs for the internet

will cost the company ETB 1300. We have put out a budget of ETB 1000 a month for utility payments for electricity, water and cleaning.

Promotional Cost: These costs represent strategic expenditures that are aimed at attracting clients using specific aspects of the promotion mix. Our company will engage in two types of promotion activities, which are composed of location-based promotion activities and internet-based promotion activities. Each of these activities constitute their own cost. The location-based activities, which comprise of posters, banners, stands, slogans and business cards, are composed of mainly of fixed costs that have been estimated to be around ETB 4000. On the other hand, the internet-based activities, which involve targeted social media advertisement campaigns, represent recurring costs that are paid via subscriptions on a monthly basis. As the internet-based promotional activities will be conducted in a targeted manner using only specific time periods to campaign, TAMEN has allotted a recurring budget of ETB 1000 a month to handle the subscription fees.

Office Supplies: This refers to the different miscellaneous supplies that every office needs. Under this category our company plans on purchasing tables, chairs, paper, power dividers, staplers, envelopes and similar materials. For this purpose, our company has set aside a budget of ETB 11,000.

Regarding repayment of the loan, TAMEN seeks an arrangement where there will be 6 months resting period in which the business activities can be conducted without recurring loan repayments. After the first six months of the business activity and careful analysis of earnings and cost reports our company will begin loan repayments to the designated financial institution

Cost Layout		
Expenditure	Fixed Cost	Recurring Cost (Monthly)
Office Rent		ETB 12,000 (*6=72,000)
Computers and Printers	ETB 40,000	
Utilities (Internet, electricity…)	ETB 1300	ETB 2000
Promotional Activities	ETB 4000	ETB 1000
Office Supplies	ETB 11,000	ETB 500
	ETB 56,000	ETB 75,500
Total Cost (6 months' rent)		ETB 131,500

Earnings Forecast

TAMEN predicts business activities to earn revenues from the start, though we project the first three month to register lower return. This is a safe estimate to give time for the business to establish a foothold in the industry it is competing in. It is typical for a new business to experience low growth at the beginning of its venture and our team has no reason to believe TAMEN will be any different. That being said we do believe that the business will quickly start attracting clients and that there will be an exponential increase in our client base as our promotional activities and work reputation becomes better known.

Our team's projections of client attraction and earnings based on market research around the Chinese Embassy area is very encouraging. As stated earlier, the Embassy works five days a week and services a little more than 100 people in a day. Based on these figures our company predicts that, once our office starts operations, we will be able to receive around 10 people a day that will require application forms to be filled. This is a very conservative estimate and our company fully realizes that this number can increase tremendously as time goes on. Nonetheless, to make forecasting earnings relatively easier, we will consider the 10 people a da figure to prevail throughout the first month. As time goes on and the quality of our services make a name in the areas, we expect the number of people to walk in our offices to increase to up to 30 people a day for the second and third months. These projections are done purely based on the primary function of the business, which is to fill out application forms. Earnings from the other services are not projected because our team believes that just the earnings from the application form filling service will create enough earnings to make the business sufficiently profitable.

Earnings Forecast				
Service	Earnings, 1st month	Earnings, 2nd month	Earnings, 3rd month	Total earnings, End of 3rd month
Application form filling	ETB 60,000 (@10 ppl a day)	ETB 180,000 (@30 ppl a day)	ETB 180,000 (@30 ppl a day)	ETB 420,000

Appendix

Pricing Schedule		
Function	Description	Price
The Application and Appointment Process	Filling out the application form, scheduling an appointment and related tasks.	ETB 300
Customer to Business Networking Services	Obtaining invitation letters, establishing working relationships b/n customers and firms in China	ETB 3000
Hotel and Flight Bookings	Booking affordable flights and hotels for travelers	ETB 150
Trip Itinerary Management Services	Recommendations of special interest business and tourism locations and organizing an itinerary	ETB 500

Cost Layout		
Expenditure	Fixed Cost	Recurring Cost (Monthly)
Office Rent		ETB 12,000 (*6=72,000)
Computers and Printers	ETB 40,000	
Utilities (Internet, electricity…)	ETB 1300	ETB 2000
Promotional Activities	ETB 4000	ETB 1000
Office Supplies	ETB 11,000	ETB 500
	ETB 56,000	ETB 75,500
Total Cost (Including 6 months' rent)		ETB 131,500

Earnings Forecast				
Service	Earnings, 1st month	Earnings, 2nd month	Earnings, 3rd month	Total earnings, End of 3rd month
Application form filling	ETB 60,000 (@10 ppl a day)	ETB 180,000 (@30 ppl a day)	ETB 180,000 (@30 ppl a day)	ETB 420,000