

Business plan of a new beverage company essay sample



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STATEMENT OF FINANCING NEEDED:

Initial financing required of the company is 4, 00, 00, 000 taka loan to be paid off over five years from Prime Bank Ltd. This debt will cover office space, office equipment, and for supplies two leased vans, advertising and selling cost. The Directors provided 11, 00, 00, 000 taka jointly. So, the total cost of the project estimated at 15, 00, 00, 000 taka.

Share of the Profit and Loss**NAME OF WORKING DIRECTOR SHARE OF PROFITSHARE OF LOSS**

1. Mohammad Saoban 25% 25%
2. Ismat Jerin Chetona 15%15%
3. Quazi Tamim Ahmed 25% 25%
4. Vincent Mabi D Costa 15% 15%
5. Kazi Razzak Hossain 10% 10%
6. Mahadi Hasan 10% 10%

Confidential Agreement

The undersigned reader acknowledges that the information provided by Ismat Jerin Chetona in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Mohammad Saoban, Chairman, Kinetic Company Ltd.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to membership.

Upon request, this document is to be immediately returned to chairman.

Mohammad Saoban

Name (typed or printed)

Date:

This is a business plan. It does not imply an offering of securities.

Executive Summary

We are students of MBA from xxxx; under kind supervisor of sir xxxxx started to work on new and innovative idea that has not been before in Bangladesh. As a step towards growing entrepreneurship in Bangladesh we will present our new and innovative idea in front of people which could benefit the job situation in Bangladesh and so that we could become job givers not job beggars.

We have prepared report is based on “ Business Plan on “ Kinetic Company Ltd” namely Pep-up Juice. To prepare this report we have followed marketing research methodology for whose are children and diabetic people. The information, on which the total business plan stands, was the collection of data from the questionnaire made by Kinetic Company Ltd. To see the market need and wants. The survey took place inside and outside of Dhaka.

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After analyzing questionnaires we made some plan about location, building source of finance, price, product promotion, and Channel of distribution. We selected our plant location at Ashulia, Gazipur and head office at Bashundhara City. So we will get the raw materials easily. We will introduce 500ml, and 200 ml sugarcane , Coconut water, Cocktail juices.

We keep our price relatively low than other soft drinks and fruit juice. We will place our advertisement at television & banner. We will distribute our product nearby shop of Dhaka city in the form of bottle packaging so that consumer can get it easily. The whole production process is in strict conformity with international standards, and constant research and development all products. We are confident that our products and services will satisfy the highest of standards. Our pricing policy will be reasonable and channel of distribution will be convenience. So our target customers will get it easily. We hope that we will carry a good and competitive market share in soft drinks industry.

Pep-up Juice provided superior value to their customer who they promised throwing advertising. So the customer are loyal the pep-up Juice brand and build long term relationships. Though it is exist in our country, but there is a great potentiality in this sector. If we can able to flourish this sector by investing more, our national economy will be flourishing. As well as there are lot of people may earn from this sector and can increase their life style as well increase our GDP. Vision and Mission statement:

Entrepreneur's vision and mission for the company.

Mission: Establish our brand Pep-up as the local leading source of healthy energy in the form of fresh juices with an uncompromising commitment to making a difference through our values.

Vision: To fill the desire of taste and satisfaction.

“ What business are we in”?

Our company is a beverage company. Initially we will produce only sugarcane juice and coconut water. In future our plan is to expand in juice variety. Already there are a lots of varieties juice in market. Sugarcane juice and coconut water are also available but not everywhere and not in a commercial way. We will produce these two types of juice and also try to bring others fruit juice with a new taste and feature like ‘ cocktail juice’ which will be a mixed taste of sugarcane and coconut water juice. That’s why our research and development department working on this.

Values and principles on which the business stands:

Values:

- Our product is unique.
- We will offer affordable prices.
- We will make maintaining your health easier for you.

Principles:

We are very much concerned about Consumer care, Supplier care, Employee care, and Trade care. By satisfying our consumers who purchase our product, our supplier from those we collect our raw materials, our employee

whose integrity, creativity and innovation make the final product , and trade Directors those who helps us to reach our ultimate consumers by many promotional activity.

What makes the business unique? What is the source of its competitive advantage?

Uniqueness: Our business uniqueness will be the uniqueness of our product and the high quality of our products that we will deliver.

Competitive advantage: high quality unique fruit juice

Other important features of our products are:

- Our product price is affordable.
- We will use minimum amount of Preservative.
- Unique design in packaging of products.
- We make a full utilization of our resources. As we have our own lands, it will be cost effective for us.

Industry Environment

Over view of the industry:

Our business is the part of fruit & vegetable industry of Bangladesh.

Agriculture is the largest income and employment-generating sector of Bangladesh. About two third population of the country resides in rural areas and directly or indirectly depends on agriculture for their livelihood. The sector is an important source of demands for its products.

Company Locations and Facilities

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We will select our industry location in Ashulia, Gazipur because we can collect most of our sugarcanes and Coconut from the north Bengal. The transportation system with north Bengal to Ashulia is very good.

Potential customers

Our potential customers will be every kind of individuals like:

- Students at every level.(from school to universities)
- Employees who work the entire day in hot and humid condition.
- Households, passengers.
- Patients

In summer season every kind of people with no age limit will consume this juice, because most of the people avoid unhygienic products. Initially we will only limit our geographical scope to Dhaka and then after initial success we will expand our target segments. We expect we will cover almost 30%-40% of Dhaka's population which could be almost one million. We aspire that out of these 30%-40% we will capture 60%-70% of the market.

Direct competitors:

We don't have direct competitors in our product however in substitute products we have mainly big companies like: Pran, Shezan, Akiz, Partex etc.

Business opportunity:

This is the business plan of a Directorship in the name of ' Brand name of Product'. The plan is to process and market the high-quality sugarcane and coconut-water juice. First time in Bangladesh, juice will be preserved in tin pack keeping them as fresh as at time of extraction. Till now market deals in

fresh fruit juices which can be readily preserved however this idea has not been catered yet.

Collecting raw materials

Sugar Cane: Bangladesh country is an agricultural country. In North Bengal the farmers produce a huge amount of sugarcane. Sugarcane is the only dependable cash crop in the low rainfall belt of the north-west and south-west parts of Bangladesh. Although sugarcane is grown in almost all the districts of the country, the principal growing areas are Chittagong, Comilla, Sylhet, Dhaka, Faridpur, Jamalpur, Kishoreganj, Tangail, Jessore, Kushtia, Bogra, Dinajpur, Pabna, Rajshahi, and Rangpur. Because it is an annual crop, sugarcane keeps the land occupied throughout the year. Consequently, some farmers are inclined to cultivate other profitable crop rather than sugarcane. This has resulted in a decline in crop acreage as well as the production of the commodity in recent years. The by-products obtained from sugarcane include rum, alcohol, fuel, bagasse, livestock feed, and from the stalk residue, paper and wallboard. So it is a great opportunity for us to collect our raw materials. 1st year we buy our raw materials from those farmer. On the other hand in that year we will lease 450-500 acres of land from the farmers and produce sugarcane in that land. Our sugarcane production will be increase if we grab the market.

So, based on present statistics, we will motivate sugar-cane farmers to produce sugar-cane for our company throughout the year. We will buy sugar-cane directly from the farmers, so that they get their ' just' price for their raw-materials and so that we can receive fresh sugar-cane through-out the

year. Sugarcane juice is widely used because of its sweet taste and being a solution to different health problems. The cost of production and raw material is not so much. It needs not to be marketed so much because it's a new thing which people will try and love a lot. Simply we can place it in universities cafeterias, gourmet franchises and grocery shops, the only thing we must do is to ensure its shelf life and long time preservation time.

Coconut Water: Coconut is one of the important nut crops in Bangladesh. It is mostly grown in the southern part of the country. Coconut is exported out of the country. Bangladesh is completely self sufficient in coconuts, with hundreds of thousands of nuts neglected and eventually discarded annually, a cheap supply is assured. We will lease the numerous large plantations (estates) that have fallen into neglect, where coconuts are growing and bearing anyway, will be resuscitated with the opportunity to sell to local markets. We will purchase coconuts directly from the farmers to provide them with their 'deserved' price.

Company strategy

In first year, our company will market in Dhaka. Dhaka will be sole market for first year. Then looking through our sales history we will expand our business opportunities to other big cities of Bangladesh. More products that will be processed in same way and will be included in product line after making a good reputation in the history.

Machinery requirement-For Sugar cane Juice Production

We use few kinds of machinery in our industry. Like crusher machine for crush sugarcane, filter machine for filter the crushed juice, labeling machine,

can lid machine etc. Our plant capacity will be 3500-4000 Liters per day. For both the type of Juices, the main items are the aforementioned machetes and knives plus: ■ A refrigerated tank for fermentation / enzymatic control of water collection. ■ Micro filtration facilities complete with appropriate membranes for multi-stage filtration. ■ Control laboratory for batch testing and control.

Equipment

All the coconut water operations can be mechanized but will still require approximately six operators. Alternatively, manual labor may be employed instead, which will reduce initial investments but also probably compromise quality standards. The minimum equipment required will be:

1. Hand tools such as machetes, and paring knives for initial raw material preparation.
2. Coconut de-shelling machines or manual devices to crack open nuts. A machine is a first step towards ensuring a low contamination operation.
3. Stainless Steel buckets and other containers for collecting / inspection of water and flash.
5. Press(es) for juice extraction. Choice of screw, flat or roller press will be determined by the scale of our company's production and operational considerations.
6. Packaging machines as determined by format choices i. e. cans or bottles or plastic tetra-packs complete with labeling capability. The same packaging equipment will be Sugar-cane Juice Production. We will use the waste proct husks from both the Coconuts and Sugarcane in packaging. This will be very much cost-effective.

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7. Wheelbarrows, spades and buckets for disposing of debris. 8. Electrical water pump and hoses for cleanup and maintenance. 9. Small 5Kva 110/220v AC Generator to power the equipment through blackout periods to finish a run. The generator is just to finish the run, but not for continuous operation.

Process of Manufacture of Sugar-cane Juice:

Sugarcane processing focuses on the production of cane sugar (sucrose) from sugarcane. After sugar cane has been harvested it must be processed within less than 24 hours to avoid sugar loss by inversion to glucose and fructose. The cane is received at the mill and prepared for extraction of the juice. At the mill, the cane is mechanically unloaded, placed in a large pile, and, prior to milling, the cane is cleaned. The milling process occurs in two steps: breaking the hard structure of the cane and grinding the cane. The cane is first washed to remove mud and debris. Then the cane is chopped and shredded in huge roller mills for extracting the juice. About 93% of the juice is extracted. The spent cane, called bagasse is either used as fuel, as raw material for paper or hardboard, or as insulating material. We will use this ' bagasse' as well as the husks of coconuts in the production of tetra-packs for our packaging.

Fresh, juicy and fully mature sugarcane, which is free from insect and fungal attack or any other blemish, is taken for extracting the juice. The juice so obtained is clarified and filtered to get a clear solution. Required quantities of permitted preservatives, additives and flavours are added. The process should be carried out under hygienic conditions. The sugarcane juice

beverage is stored in 200 mL bottles and crown corked. The bottles and crown cork closures should conform to ISO standards. Production technology is available from CFTRI, Mysore.

The main production process for sugarcane juice can be summarized into:

- Sugarcane Processing
- Production Process
- Cane Sugar Process (Milling)
- Processing Traditionally
- Sugarcane Juice Processing
- Ultra filtration of sugarcane juice: studies on membrane fouling
- Packaging development

Preservation system for sugarcane

Aqueous ammonia (28% NH₃ w/v) was mixed with 500ml batches freshly extracted sugarcane juice at level of 0, 0.5, 1.0, 1.5, 2.0, 2.5 and 30% (w/v). The mixture were at a room temperature is sealed glass containers for 7 day period to measure changes in pH and Brix of the juice. Result for pH & Brix during 7 days after treatment are shown in Table 1. It gives the trends in these measurement for aqueous ammonia level of 0, 0.5, 1.0, 1.5 and 2%. Results for higher concentrations were identical to those for 2% aqueous ammonia. It is obvious that ammonia works well as a preservation especially if fairly high level are used, at level above 2% w/v the juice becomes less palatable for cattle and such situations if should bereft to stand until the excess ammonia dissipates. It has been suggested by Leng and Preston (1976) that the optimum level of available nitrogen in the rumen to ensure optimum synthesis of microbial protein in 3 g N/100 g of fermentable organic

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matter. Taking this case of cane juice at 14 Brix, then this would require about 1.5% (w/v) of aqueous ammonia (28% NH₃ w/v) in order to provide the required amount of available nitrogen for microbial protein synthesis. In the experiment reported here, the inclusion of from 1.5-2.0% aqueous ammonia in the sugarcane juice thus provided the necessary amount of Nitrogen for rumen systematics.

Packaging of Sugarcane Juice:

The sugarcane juice will be preserved and packed in tetra packs and bottles which have a good storage life and are available during off-season also. Aseptic packaging not only protects the product but also will maintain the quality of the product. Aseptic packaging systems have played a vital role in providing people all over the world with essential nourishment. Fresh sugarcane juice packed under hygienic conditions will be available on the shelf. To protect the intellectual rights of the production process of our products we will make patents on:

- Method of Extraction of Juice from Sugarcane

- Method for producing Sugarcane juice and Coconut Water

- Method for producing stable sugarcane juice and Coconut Water

- Juice spread and a Process for preparing the same

- Process for preparing ready-to-drink shelf stable sugarcane and coconut water juice beverage

- Diffusion apparatus

Production Technology for Coconut Water

The Food and Agriculture Organization of the United Nations (FAO) recently developed a fairly straightforward, patented process for the stabilization of coconut water, the main beneficiaries of which will be tropical countries that process or export coconuts, and small farmers who grow them. It is the only viable methodology for producing coconut water that will be assured of success in the market place.

The new technology is essentially a micro filtration process; the water filters through a medium, such as porcelain or a polyacrylic gel, that retains all microorganisms and spores and renders the permeate commercially sterile. Nine-month old (approx) coconuts are harvested; the water is extracted, inspected and then passed through a coarse filter to remove solids and particulates. The standard procedure is to verify each opened nut prior to emptying it into a stainless-steel pail. The water is then transferred into a refrigerated tank held at 6°C to avoid fermentation and enzymatic deterioration during further processing. A clarifying resin such as polyvinylpolypyrrolidone (PVPP) is added to reduce the level of polyphenols and tannins and to improve the stability of the final product. The resin is then removed by a second coarse filtration.

The micro filtration is carried out in two stages; pre-filtration using a 0.80 µm pore membrane prior to going through the final micro filtration using a 0.20 µm membrane. These membranes can be obtained commercially from a number of sources; the manufacturers support the different configurations and pumping systems.

The now sterile coconut water is flushed with nitrogen and aseptically filled into sterile containers, either cans or bottles or Tetra-packs. The Aseptic Filling operation is the major investment of this process.

There is a distinct advantage in adding a small level of vitamin C (0.015%) to the product as this ensures color stability, regardless of coconut variety. Tests indicate that product prepared in this way has a minimum shelf life of 8 months. The entire production process must have a high level of sanitation integrity to reduce accidental contamination of the product.

Company goals and Objective:

A. Goal:

Our main goal is to achieve customer believe by providing 100% pure juice and by quality assurance. Apart from this our Operational goal is

- To find new customer.
- To retain existing customer.
- To increase the market share by 5% every year.
- To increase the total retail customer by around 10%. And our Functional goal is
- To increase the revenue by 15% every year.
- Make the cash flow very smooth.

Business strategy:

A. Desired image and position in the market.

We are new in the market. That's why in the market and also in customer mind there is no image of our product. We make a logo, tag line and also

vision & mission statement. We are planning to do a attractive promotional activity.

B. SWOT Analysis :

1. Strengths:

- Updated technology plant.
- Quality product.
- We have a first mover advantage.
- Totally Bangladeshi made.
- Reasonable price.
- We have low overheads.
- We can minimize our cost by selling by product or wastage. 2.

Weaknesses:

- New in this market.
- Small distribution network.
- Strong competitors.
- No market share.
- Limited experience of customers.
- Low reputation.
- Unreliable cash flow in the early stages. 3. Opportunities:

- Increase the distribution network.
- Acquiring the new technology.
- Big & attractive market.
- Take over the distributor.
- We can export our product to foreign country. • Increased demand.

- Business sector is expanding.
 - Government wants to encourage local businesses.
4. Threats:
- Political instability.
 - Governmental regulation.
 - Competitor can produce the same product.
 - Downward pressure on pricing.
 - New innovation from other competitors could be a threat.

C. Competitive strategy.

1. Cost leadership: We buy raw materials in bulk because there is no chance to damage of products. After than we produce juice and sell. Then we are able to achieve economies of scale. That's why our production cost will be lower. We also use our byproduct baggase from sugarcane and coconut husks in Packaging which will minimize our cost.

2. Differentiation: Sugarcane juice and Coconut water are not in the market in a commercial way. It is locally available but not in a different flavor. We bring sugarcane juice in a four new flavor which is pudina, ginger, tulsi, lemon. And coconut water in a tetra packs.

3. Focus: Apart from cost leadership and differentiation our focus will be “ how to more and more distinctive appreciable way we provide service to our customer. How we present our product to customer comparatively in a unique way.

COMPANY PRODUCTS AND SERVICES:

A . DESCRIPTION:

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Coconut Water

Coconut water's nutritional benefits - low in calories and packed with electrolytes, potassium, and other essential vitamins and minerals - also will make it a quick favorite among the celebrity set. Our company will attract investments and endorsements from some of the most renowned celebrities. Coconut husks were one of the first commercially-important components of coconuts. The fibers are used for car seat fillings. The coconut meat is also a popular ingredient of foods such as baked goods and candy bars and coconut oil is also desired for foods and personal care items. However, coconut water was a by-product in processing these coconut ingredients. I

Sugarcane Juice

The sugarcane juice preserved and packed in tetra packs and bottle has a good storage life and is available during off-season also. The juice is available in many flavors including classic plain, mint, ginger, lemonade, pepper, sweet & salt etc. Sugarcane juice is a high-energy drink that is natural, sweet and is a healthy alternative to refined sugar added drinks. It quickly replaces lost energy in the most arduous of circumstances.

1. Product feature :

- 100% fruit juice.
- No added sugars, preservatives or colorants.
- High in nutrition.
- Naturally low in fat.
- Cholesterol-free.
- Ideal for a healthy lifestyle.
- Pasteurized to guarantee quality.

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- Available in four variety of great tasting flavors
2. Customer health benefits :

a. Customer benefits of Sugarcane juice : Nutrition benefits:

Health benefit:

- Sugarcane juice is great for recharging energy because it contains rich carbohydrate and iron.
- It strengthens the stomach, kidneys, heart, eyes, and brain and sex organs.
- The juice is beneficial in fevers. When there is a great protein loss, sugarcane juice supplies the body with necessary protein and other food elements.
- It keeps the urinary flow clear and helps the kidneys to perform their functions smoothly.
- Sugarcane is very useful in scanty urination. It keeps the urinary flow clear and helps the kidneys to perform their functions properly.
- It is also valuable in burning maturation due to high acidity, gonorrhoea, enlarged prostate, cystitis and nephritis. For better results, it should be mixed with lime juice, ginger juice and coconut water.

- It hydrates the body quickly when exposed to prolong heat and physical activity.
- The juice keeps the teeth clean and increases their life.

Sugarcane juice is a fattening food. It is thus an effective remedy for thinness. Rapid gain in weight can be achieved by its regular use.

- The dew which collects on the long leaves of sugarcane is useful in several eye disorders. When instilled in the eyes, it is an effective medicine in defective vision, cataract, and conjunctivitis, burning of the eyes and eye-strain after excessive reading.

For whom Sugar cane juice suits best?

Sugar cane juice is ideal for those:

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- who often suffer from burning sensation all over the body.
- who suffer from burning sensation when urinating.
- Who are tired due to excess sun exposure, during summer?

When to take Sugar cane juice?

- The best time to take sugar cane juice is the afternoon. It is better to avoid it during night.