

BUSINESS PLAN



ADDA JEWELLERY

BUSINESS PLAN

Date: 01/October/2023

REGISTRATION DETAILS

BUSINESS NAME: ADDA JEWELLERY
PRESENTED TO: KENYA NATIONAL EXAMINATION COUNCIL
COURSE NAME: DIPLOMA IN INFORMATION COMMUNICATION TECHNOLOGY
SUBJECT NAME: ENTREPRENEURSHIP
COLLEGE NAME: PC KINYANJUI TECHNICAL TRAINING INSTITUTE
EXAM SERIES: NOVEMBER 2023
SUPERVISOR NAME: MR KEVIN OTIENO
CANDIDATE INDEX NO: 4050240148
CANDIDATE NAME: FATUMA MOHAMED GALGALO

THE BUSINESS PLAN PROJECT IS PRESENTED TO THE KENYA NATIONAL EXAMINATION COUNCIL (KNEC) AS PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DIPLOMA IN INFORMATION COMMUNICATION TECHNOLOGY

Table of Contents

EXECUTIVE SUMMARY	5
DECLARATION	6
ACKNOWLEDGEMENT	7
CHAPTER ONE	1
1.0 BUSINESS DESCRIPTION	1
1.1 Business Name, Location, and Address	1
1.1.2 Business Location	1
1.1.3 Business Address.....	1
1.2 Business Ownership	1
1.2.1 Sponsor	2
1.2.2 Business Objective	2
1.3 Justification of Opportunity	2
1.4.1 Goods for Sale	3
1.4.2 Services	3
CHAPTER TWO	4
2.0 MARKETING PLAN	4
2.1 POTENTIAL CUSTOMERS	4
2.2 POTENTIAL COMPETITORS.....	4
2.3 MARKET SHARES	5
2.4 PRICING STRATEGY.....	5
2.5 ADVERTISEMENT AND PROMOTION STRATEGY	6
2.5.1 Advertisement Strategy	6
2.5.2 Promotion Strategy.....	6
2.6 DISTRIBUTION CHANNEL.....	6
CHAPTER THREE	7
3.0 MANAGEMENT PLAN	7
3.1 ORGANIZATIONAL STRUCTURE.....	7
3.2 Management Team.....	8
3.2.1 The Manager	8
3.2.2 Assistant Manager	8
3.2.3 The Supervisor	8
3.2.4 Sales and Marketing Staff	9

3.2.5	The Clerk	9
3.2.6	The Security Staff	9
3.2.7	The Cleaner	10
3.3	Training and Development.....	10
3.4	Recruitment and Selection.....	10
3.5	Remuneration and Compensation	11
3.6	Support Staff	11
CHAPTER FOUR	12
4.0	OPERATIONAL PLAN AND PRODUCTION	12
4.1	PRODUCTION FACILITIES AND CAPACITY.....	12
4.1.1	Machinery and Equipment.....	12
4.2	PRODUCTION PROCESS.....	12
4.3	PRODUCTION STRATEGY.....	13
4.4	OFFICE PLAN.....	14
4.5	GOVERNMENT REGULATION AND REQUIREMENTS	14
4.5.1	Licensing.....	14
4.5.2	Insurance.....	15
4.5.3	Taxes and Revenues.....	15
CHAPTER FIVE	16
5.0	FINANCIAL PLAN.....	16
5.2	WORKING CAPITAL	16
5.3	CASHFLOW PROJECTION STATEMENT	17
5.4	PROFORMA INCOME STATEMENT	18

EXECUTIVE SUMMARY

ADDA JEWELLERY is a high-end jewellery business dedicated to fashioning exquisite, handcrafted and ready-made jewellery pieces. Our collection ranges from necklaces, rings, bracelets and earrings, designed to cater for the trust of our customers.

The jewellery business is thriving with an increasing demand for unique artisanal pieces. Adda Jewellery business is poised to capitalize on this growing market with our commitment to quality and distinctive design.

ADDA JEWELLERY business will be located in Eastleigh, Nairobi County at Business Bay Mall (BBS Mall) and the potential customers targeted are engaged couples, working class, economy class and social influencers.

ADDA JEWELLERY will contribute 15% of its annual growth rate in revenue over the next three years. Our business financial outlook will project initial investment of 3M on our stock inventory, equipment and marketing.

Our team is comprised of experienced business manager, skilled jewellers, and marketing professionals. Therefore, the business is uniquely positioned to meet the increasing demand of high-quality custom jewellery, and we are targeting to become the trusted source of brand jewellery.

DECLARATION

I FATUMA MOHAMED GALGALO hereby declare that this is my original work and at no point was it presented before any examination body. Plans and interpretations are all my thoughts and work.

Name: FATUMA MOHAMED GALGALO

Signature: -----

Index No: -----

Date: -----

Supervisor name: Mr. KEVIN OTIENO

Signature: -----

Date: -----

ACKNOWLEDGEMENT

My sincere gratitude goes to Allah (The Exalted Almighty) for the health, strength, and wisdom that enabled me to carry out this project. I acknowledge the effort of my spouse, parents, brothers, and sisters, who encouraged me to pursue this path of acquiring knowledge and always dreaming of my excellence in success. Finally, special thanks to my lecturers at PC KINYANJUI TECHNICAL TRAINING COLLEGE and specifically my supervisor, Mr. Kevin Otieno, for the inspiration, dedication, and encouragement to work hard in achieving my best.

DEDICATION

To my parents,

brothers and sisters in recognition of what they deeply mean to me.

My husband,

for all the support and encouragement. For the financial support to make sure this business will have a brighter sunrise. For helping and proofreading this document, correcting typing errors, and guiding on the business terms to include and exclude.

Finally,

I dedicate my project to all my friends both at the college and from my humble neighbourhoods.

CHAPTER ONE

1.0 BUSINESS DESCRIPTION

1.1 Business Name, Location, and Address

The business is called ADDA JEWELLERY. ADDA is a name acquired from my Cushitic first language which means sisters. JEWELLERY is an English term meaning the collection of decorative ornaments typically made from precious metals such as gold, diamond, and silver, and worn for personal adornments.

1.1.2 Business Location

The intended business will be located in Eastleigh, Nairobi County at Business Bay Mall (BBS Mall). The area features a highly populated business environment, well-developed infrastructure, and a booming economic hub serving as a centre of the flow of people and goods, in and out of the country.

1.1.3 Business Address

Direct access and inquiries to the business can be made through its website at <https://addajewelleryshop.co.ke>, email address at care@addajewelleryshop.co.ke, addajewellerycare@gmail.com, and official mobile number at +254708456395.

1.2 Business Ownership

ADDA JEWELLERY is a sole proprietorship to be registered by the registrar of business under the Laws of Kenya. The business will operate as a licensed entity and observe all rules and regulations governing businesses in Kenya. Profits and losses of the business are borne solely by the owner.

1.2.1 Sponsor

The primary source of finance to start and run the business is Kes 1.5M from my savings. In addition to that, I have agreed with my husband, Mr. Hamza Twaleb, an entrepreneur in Men's wear and Muslim Ladies' Fashion Clothes, to provide a refundable, interest-free loan of Kes 3M, to be repaid in three (3) years on Kes 100,000 annual instalments.

1.2.2 Business Objective

ADDA JEWELLERY will take off in a positive business direction and guarantee a beneficial future for the owner, government, customers, and suppliers as well. To achieve this ultimatum goal, the ownership has planned to focus on the following objectives:

- a. Provide excellent quality and legit jewellery ornaments to clients.
- b. Provide reliable services as per customers' specifications in designing the ornaments.
- c. Provide enough product description information as well as classical and fashionable pieces for the customer to make an informed purchasing decision.
- d. Empower local artisans by availing them jewellery cleaning opportunities as a way of contributing to the local economy.
- e. Ensure full compliance with business regulations and requirements

1.3 Justification of Opportunity

Having conducted three (3) months of business research, and surveys, and analysed the collected data, it has come to my observation that most jewellery business operators in the market still dwell on ancient designing tools and old-fashioned designs. The availability of ready material suppliers greatly boosts my confidence and willingness to start and thrive in the beautiful ornaments sector. In conclusion, this gives me an excellent opportunity to maintain customers' elegance and keep moving with the latest trends globally.

1.4 The Product

ADDA JEWELLERY will present its collection of jewellery in both retail and wholesale market levels. Tables 1.4.1 and 1.4.2 below display each product's description information.

1.4.1 Goods for Sale

Product Name	Product Number	Quantity gram/kgs	per	Cost per grams//kgs in KES
Yellow gold earring	1	1 gram		10,000
White gold chain	2	1 gram		13,000
Rose gold necklace	3	1 gram		8,000
Gold coated crown	4	1 Kg		1000
Nose ring	5	1 gram		500
Bracelet	6	1 gram		1200
Silver	7	1 gram		5000

1.4.2 Services

Product Name	Product Number	Service	Cost per grams//kgs in KES
Yellow gold	1	Jewellery Cleaning	2,000
White gold	2	Jewellery Engraving	5,000
Rose gold	3	Jewellery Valuation	3,000

1.5 Business Entry and Growth

The business will be launched at the special grand opening ceremony of the BBS Mall to take the chance of meeting potential customers among the estimated thousands of distinguished visitors and passers-by community. Promotional fliers will be distributed on the occasion by employed youth wearing ADDA JEWELLERY T-shirts and green reflectors to capture as much attention as possible. Fliers will present ADD social media account handles including TikTok as @addajewelleryshop, X (formally, Twitter) as @addajewelleryshop, and Facebook and Instagram both at ADDA JEWELLERY SHOP. This will add great value to the business's prosperity and build a high volume of local networks.

1.5.1 Business Growth

With the above-mentioned entry-level strategy, ADDA JEWELLERY is estimated to expand exponentially in sales volume, therefore generating a maximum level of profits and minimizing the unforeseen risk of losses. The business will be able to repay the loan, cater for running costs, and progressively build from its' profitable portfolios, and branches within Nairobi County, Mombasa, Kisumu, Nakuru, and Garissa County in ten (10) years of operation.

CHAPTER TWO

2.0 MARKETING PLAN

To capture the market widely, ADDA JEWELLERY will conduct Jewellery Expos annually to attract more clients and customers to familiarize themselves with the shop and have a taste feeling of the product. The management will analyse strengths, weaknesses, opportunities, and threats (SWOT analysis) to assess both the internal and external factors that can impact the marketing efforts positively.

Other forms of the marketing strategy planned by the management are as follows:

- a. Displays within the shop capture brief product explanations for the customers to witness the product's legibility.
- b. Gifts to be included in the customers' package to make them happy, maintain the existing customers and attract more customer referrals.
- c. Marketing through online platforms including social media presence and attractive websites for vast product exposure and professional engagements with customers.

ADDA JEWELLERY marketing team will ensure to adhere to rules and regulations governing the products' advertisements. Sales promotions to customers including discounts and coupons will be highly considered.

2.1 POTENTIAL CUSTOMERS

ADDA JEWELLERY, being strategically located in the biggest mall in the region where customers, working class, professional business people, entrepreneurs, and social influencers converge to make investments and drive daily sales, are the major targets of our business's potential customers. It is expected that the community will also refer their family members and friends to do their ornament shopping at our shop to get reliable quality and latest fashion trends. Couples in their wedding preparations will be highly attracted to make their choice of ornaments from our shop as well.

2.2 POTENTIAL COMPETITORS

ADDA JEWELLERY, being in the most competitive environment with different jewellery shops, the Elhuzaa Beauty and Khairat Jewellery shops are the toughest competitors around. Both have a ready-established and well-built foundation in the region and are located within a radius of about 300 meters away from the proposed business location. It is highly expected that our business will still thrive in the environment.

Other competitors still operate with ancient marketing techniques and old-fashioned designs. ADDA JEWELLERY management has confidence that it has strong advantageous ground for large customer opportunities.

The table below indicates the market opportunity and competitive edge for ADDA JEWELLERY in the same business field.

Factor	ADDA JEWELLERY	ELHUZAA BEAUTY	KHAIRAT JEWELLERY
Price	Moderate	Low	High
Quality	High	Moderate	High
Features	10	12	15
Customer Services	Face to face, Phones, Online Chats and Emails	Face to face and Online Chats	Face to face, Phones and Online Chats

2.3 MARKET SHARES

Eastleigh Business Community estimates that the value of money exchanged daily at two (2) billion Kenyan Shilling. Approximately, over a million people interact daily either in sales of products or service acquisitions. The BBS Mall is expected to serve over a hundred thousand people daily. The table below shows the approximated market share according to the ADDA JEWELLERY research.

Name of Business	Percentage
Elhuzaa	25%
Khairat	35%
ADDA	30%
Others	10%

ADDA JEWELLERY shop estimates to capture 35% of the current dynamic market share, as it will attract different social classes of people with a justified price mark, rather than the exploitive highly priced poor-quality ornaments. The shop is confident in running a weekly transaction valued at one million Kenya Shillings, a fair contribution to tax, profits, running cost, and a hundred thousand (Kes100,000) for savings.

2.4 PRICING STRATEGY

The commodity prices are determined by the products and services, demand and supply, competitors' pricing, and market trends. Despite the influence experienced through on and off-peak market seasons, ADDA JEWELLERY will continue to serve customers with reliable quality and genuine brands of the product with flexible justified pricing of the products.

2.5 ADVERTISEMENT AND PROMOTION STRATEGY

2.5.1 Advertisement Strategy

To capture the attention of the target audience, ADDA JEWELLERY will advertise its products and services through its social media platforms, public posters with its logo will be set in the main junction of the BBS Mall, Expos will be conducted in different market areas such as the South C Women Expos, which has contributed a lot in most businesses' promotions within the region.

Social Influencer marketing will be considered with people who command a high number of positive engagements through social media pages and blogs online. ADDA will publish its own blogs and informative content through its website and other online platforms to attract customers across demographic levels.

2.5.2 Promotion Strategy

ADDA JEWELLERY's location is the major promotion strategy selected for its advantageous opportunity in a densely populated area where the target customers are ladies. Featured with high quality, legit brands and justified pricing for customers, it gives a competitive edge over the Elhuzaa, Khairat, and other competitors in the region.

In addition, end-of-year offers and rewarding customers with gifts and discounts for any referrals will be considered highly as it creates stronger connections in social networks. Finally, the management will participate in the relevant industrial shows and exhibitions to meet and expand the social connections and familiarize the attendees with the products.

2.6 DISTRIBUTION CHANNEL

Distribution of products from the suppliers to the shop and finally to customers is conducted differently in highly secure levels. Between the suppliers and our shop, the management will higher the service of the G4S Transporters to ship the jewellery products with guaranteed safety and security. Customers can reach the business location in person to buy and take their products home. For online shoppers, the management will provide delivery at a cost to the customer, paid once the product is delivered. Within the Nairobi region, ADDA will send its appointed delivery rides to the customers' address, while outside Nairobi, products will be sent through G4S Transporters to the nearest branch for the customers to pick by themselves with their identification cards.

For wholesale customers, the management will carry the delivery fee to attract customer trust and continued engagements in the future.

CHAPTER THREE

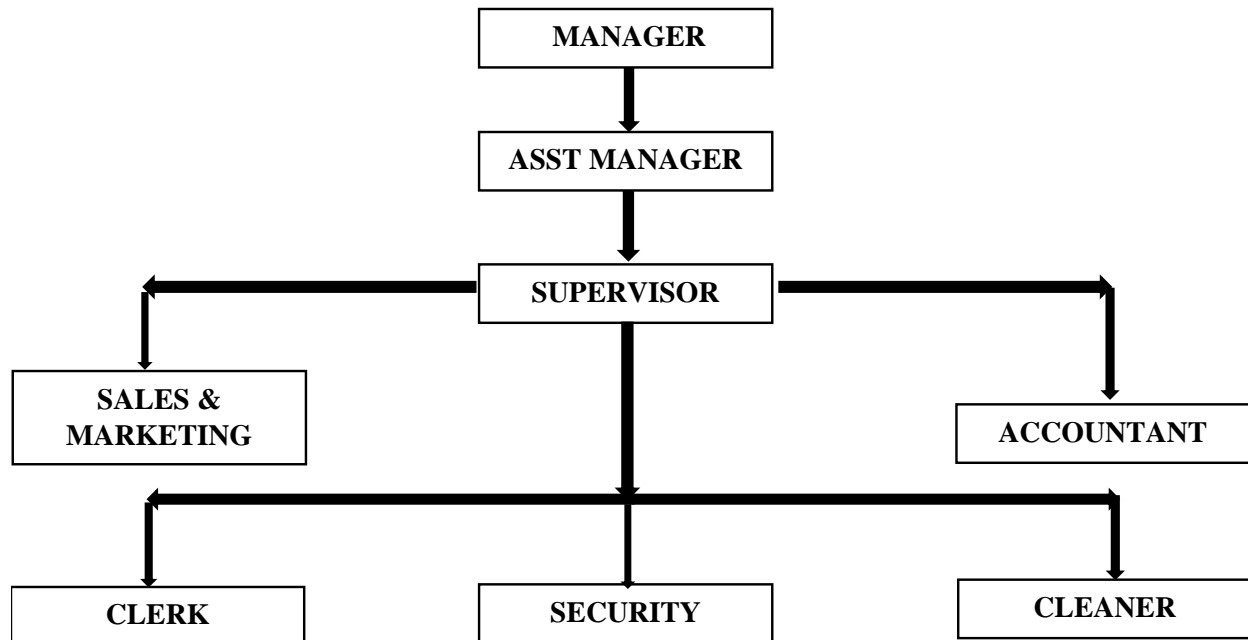
3.0 MANAGEMENT PLAN

The management plan summarizes the structure of managing the business. It is one of the crucial components of business that outlines how the business is planned and managed. To provide an in-depth look at the company organization structure, ADDA JEWELLERY has a total of three (3) members of managerial staff including the manager, assistant manager, and the supervisor.

The manager has the authority and power and makes rules that govern the business and managerial staff at large. The assistant helps the manager to meet the expectations of the business management and the supervisor evaluates the performance of the business and supervises clerical staff and other employees.

3.1 ORGANIZATIONAL STRUCTURE

The organizational structure consists of the manager (the owner) of the business, assistant manager, supervisor, sales and marketing staff, accountant, clerk, security staff, and cleaners.



The manager is the owner of the business and the overall leader in charge of making day-to-day business decisions. Followed by the assistant manager who supports the manager in meeting business goals. The supervisor evaluates the performance of the business and is in charge of different departments. Sales and Marketing staff care for customers, promote the products and services, and boost sales.

The accountant is in charge of payments in cash, mobile money, and bank accounts and all of the transaction books. The clerk attends to records, prints, and bookkeeping. Security staff is in charge

of the security and safety of the business location, products, other staff, and customers. The cleaning staff to ensure the business area is clean and neat at all times.

3.2 Management Team

The management staff are employees who hold important posts in business. It is a section of a business plan which indicates the credentials and expertise of a team of employees. Their purpose is to show the potential customers that the professionals employed are educated persons, experienced in making meaningful decisions in their position to contribute to business success.

3.2.1 The Manager

The manager of the ADDA JEWELLERY is the business owner, Mrs. Fatuma Muhammed. She takes the role in managerial duties including planning for the business to establish organizational goals and causes of action to achieve them, organizing operations to enhance the distribution of resources, and delegating tasks to personnel to achieve the goals stated in planning.

The manager holds the leadership position to motivate employees and influence their behaviours for the organization to achieve its objectives. She is also the controller in the process of evaluating the execution of the plans and making adjustments to ensure the business goals are achieved.

3.2.2 Assistant Manager

The assistant manager will typically be holding a position of helping the manager in doing designated duties to help the business meet its expectations. The roles of the assistant manager include the following:

- a. Assisting the manager in planning, organizing, and implementing the strategy.
- b. Coordinating day-to-day operations in a business.
- c. Ensuring the company guidelines are followed.
- d. Setting up and organizing schedules and duty rosters.
- e. Devising and setting up objectives to boost company productivity.

3.2.3 The Supervisor

The supervisor refers to an individual responsible for overseeing and managing the day-to-day operations of particular departments or aspects of business. For a qualified supervisor, the following requirements are considered:

- a. Be a holder of a degree from a recognized institution.
- b. A person of high morals and etiquette.
- c. Experienced for at least three years in business management.
- d. Knowledge in record and bookkeeping with the ability to count profits and losses incurred.
- e. Must be possessing good communication skills.

The roles and responsibilities of a supervisor are as follows:

- a. Managing the workflow in business.
- b. Offer training to newly employed members.
- c. Creating and managing team schedules.
- d. Reporting to the manager either daily or weekly report.
- e. Evaluating performance and providing feedback to the manager and assistant manager.
- f. Identifying and applying career advancement opportunities concerning business development.
- g. Helping in resolving employees' issues in case they arise.

3.2.4 Sales and Marketing Staff

Sales and Marketing staff is the person at the heart of ADDA JEWELLERY operations. The roles include reaching out to customers, promoting the products and services, ensuring customer satisfaction, handling advertisement plans and strategy, and boosting sales.

3.2.5 The Clerk

A clerk is an organization role player person, typically holding an entry-level position and responsible for various administrative tasks and record keeping. For a qualified clerk at the ADDA shop, the following requirements are considered:

- a. Kenyan Citizenship.
- b. A degree holder or diploma and at least three years of experience in a similar field.
- c. Well disciplined, good character, and standard morals.
- d. Able to speak and write in both English and Swahili languages.
- e. Must be possessing good communication skills.

The roles and duties of a clerk include:

- a. Data entry to maintain books and financial records.
- b. Document preparations for preparing documents and receipts in the business.
- c. Inventory management in ensuring that jewellery in stock is per standards and receiving orders where necessary.
- d. Customer service where needed to provide information addressing inquiries or assisting with basic service requests.
- e. Compliance and regulatory tasks in ensuring that the business complies with various regulations such as tax returns, safety standards of the business community, etc.

3.2.6 The Security Staff

A security guard is a person employed by the business to protect the business assets from a variety of hazards by enforcing preventive measures.

ADDA JEWELLERY will employ its security personnel from the Pearson Security Agency which is credited for their best service and always on standby to support the clients. The functions of a security guard include the following:

- a. Inspect and patrol the premises regularly.
- b. Monitor the property entrance.
- c. Authorize entrance of people and goods.
- d. Report any suspicious behaviour and happenings around the business.
- e. Secure all exits, doors, and windows of the business.
- f. Monitor surveillance cameras around the business.

3.2.7 The Cleaner

Cleaning staff are crucial people in the business. A clean business environment will attract more customers and motivate them to come and shop often. ADDA JEWELLERY will hire neatly groomed personnel who have certificates of good conduct, hardworking, and well-mannered characters. The personnel will maintain the cleanliness of the place at all times.

3.3 Training and Development

ADDA JEWELLEY will conduct time-to-time training for its staff on good customer relations, communication skills, presentable and persuasive grooming, business management and promotion, financial management, and health education. Training staff will be provided by learning institutions and professional brands in the country. The company will bear the cost of the training including refreshers and meals. This level of employee support will boost the morale and motivation of the employees to work hard for the business as they also see growth in their standard of life career development. It will also strengthen the customer and employees' relationships boosting sales for the company.

3.4 Recruitment and Selection

Interviews will be conducted by the management to determine and employ the qualified personnel with the required credentials. The owner maintains the right to employ and reject any non-qualified person, at any given time.

The management will evaluate employee performance regularly and benefits will be reviewed annually based on the results. Management will also invite jewellery associates periodically to help customers find and purchase ornaments that suit their preferences and allow customers to ask questions about product information. A gemmologist will be invited to annual expos to meet customers and provide scientific information on artificial and natural gemstone materials available. This will greatly improve in development of the ADDA JEWELLERY shop.

3.5 Remuneration and Compensation

ADDA JEWELLERY will give its employees their salaries according to their posts, qualifications, work experiences, and work outputs. Rewards will be given to the best performers to boost their motivation. Advance salary payment will be availed to any employee in emergency need and it will be assigned dates from the 15th to 19th of every month with due filling of the payslip and given to the accounts and records office.

The table below highlights the approximated gross pay for ADDA employees.

S/N	Position	Monthly Salary	Allowances	Gross Pay
1	Manager	Kes70,000.00	Kes12,000.00	Kes82,000.00
2	Asst Manager	Kes62,000.00	Kes8,000.00	Kes70,000.00
3	Supervisor	Kes50,000.00	Kes5,000.00	Kes55,000.00
4	Sales & Marketing staff	Kes40,000.00	Kes5,000.00	Kes45,000.00
5	Accountant	Kes40,000.00	Kes5,000.00	Kes45,000.00
6	Security	Kes30,000.00	Kes3,000.00	Kes33,000.00
7	Cleaner	Kes17,000.00	Kes1000.00	Kes18,000.00

3.6 Support Staff

ADDA will hire part-time, services from qualified personnel to gauge medals and ornaments, consultations with new designers, and to carry out research for new designs and new inventions on behalf of the business.

CHAPTER FOUR

4.0 OPERATIONAL PLAN AND PRODUCTION

This informs the way our business will carry out its operation to meet customer expectations and specifications while ensuring reliable quality of goods and services. As a thriving business venture, ADDA JEWELLERY will utilize every opportunity to maximize profits and minimize losses that might be incurred during the business operation.

4.1 PRODUCTION FACILITIES AND CAPACITY

4.1.1 Machinery and Equipment

Item Description	NO.	Purchase per Yr.	Unit Cost	Total Cost
Pliers	3	2	Kes3,000.00	Kes6,000.00
Magnifying Visor	4	1	Kes5,000.00	Kes5,000.00
Prong pusher	1	2	Kes6,000.00	Kes12,000.00
Burnisher	2	2	Kes7,500.00	Kes15,000.00
Bezel Roller	1	3	Kes8,000.00	Kes24,000.00
Metal Stamps	16	4	Kes2,000.00	Kes8,000.00
Saw Frames	3	5	Kes1,500.00	Kes7,500.00
Blades	1	2	Kes1000.00	Kes2,000.00
Hammers	3	2	Kes1,700.00	Kes3,400.00
Bench	4	3	Kes5,000.00	Kes15,000
Accessory Display	6	2	Kes500.00	Kes1,000.00
Melamine Shelves	4	2	Kes1,500.00	Kes3,000.00
Baskets	6	1	Kes500.00	Kes500.00
Riser Metal	3	2	Kes800.00	Kes1,600
Total				Kes104,000.00

4.2 PRODUCTION PROCESS

In the production process, various steps will be involved as highlighted below:

- a. **ORDER RECEIVE.** Once the order is received, it is forwarded to the production team. All necessary raw materials such as diamonds and gemstones will be availed.
- b. **WAX MODEL.** The production process designs in the wax department. Each jewellery design has its rubber model for making its replica. The wax is injected into the rubber model until the temperature cools down, then the wax is removed from the model. The wax is then used to mould off the cooled wax. There is a separate wax used for each metal type, colour, and karat.

c. **CASTING.** After the three steps are completed, the liquid investment (POP) is hovered over the wax tree. After the investment hardens, the cylinder is placed inside until the wax melts then the desired metal is poured into the cylinder in liquid form. When the metal is cooled down, the metal tree is taken out.

d. **ASSEMBLY.** The metal links are connected after the pieces have been assembled. It is measured to confirm if the is of the correct length and the number of stones is correct based on the order. Then, these assembled links are soldered together. At this stage, any locks needed are attached and the final touches are done.

e. **POLISHING.** The soldered piece is cleaned and polished, quality checks are conducted, and the metals are shielded for storage in a safe place.

f. **STONE SETTING.** The stone setter will carefully set each gem to ensure its safety including to ensure that the links will not compromise the gem output.

g. **FINISHING.** The gem will then undergo final polish and application of the finishing process. This completes the production stage.

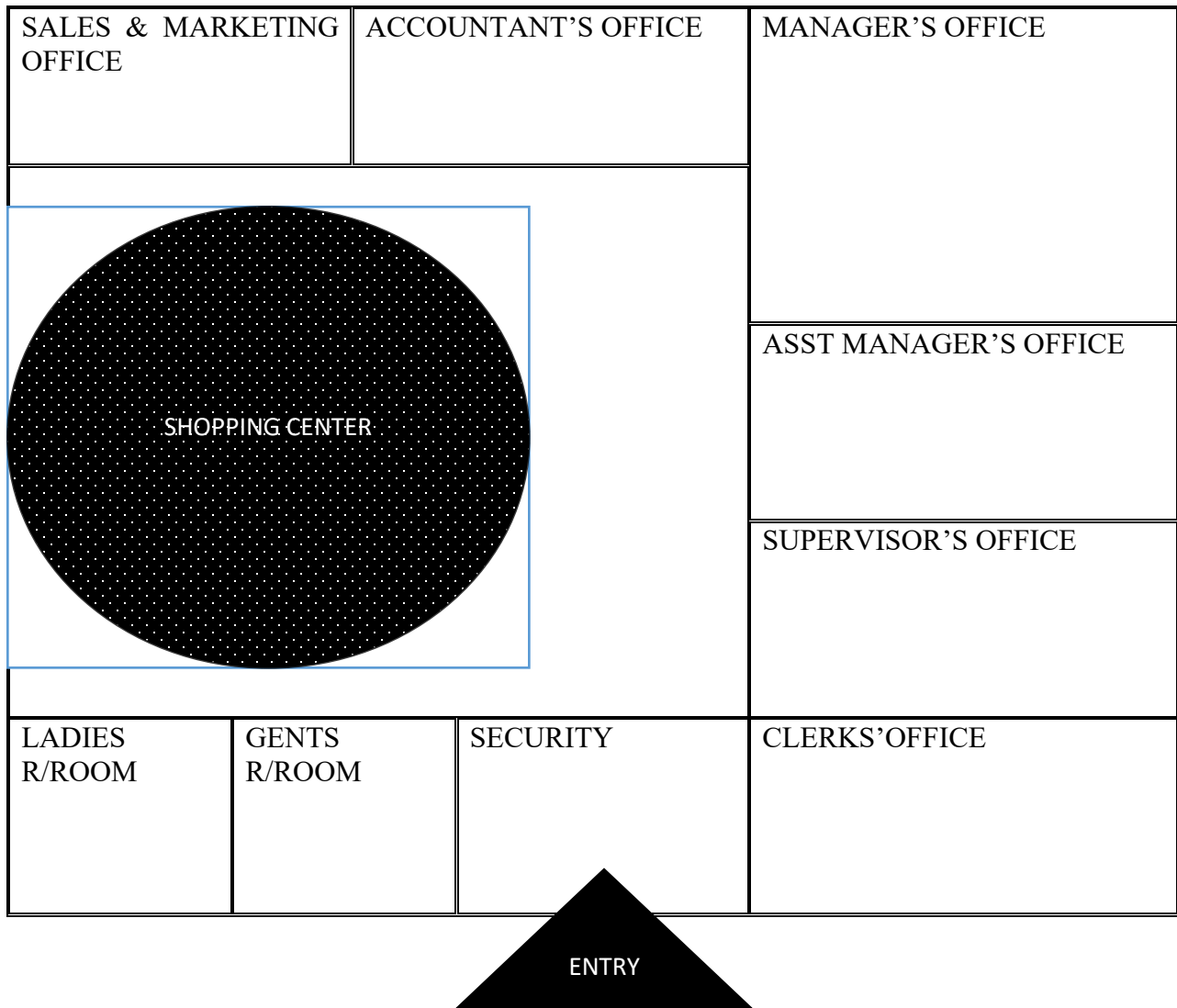
4.3 PRODUCTION STRATEGY

Production strategy outlines the production plan that allows the business to align its production capacity with customer demands. This involves forecasting market trends and analysing customer needs. The business can develop a production plan that caters to current and future demands thus avoiding overstocking or understocking situations.

ADDA JEWELLERY will work on realistic hours by opening operations at 0800Hrs and closing operations at 1900Hrs, from Monday to Saturday. Another production strategy is setting goals for the business including long-term goal identification. After the identification of the primary goal, the business will start with building steps that lead to establishing measurable goals achievable monthly.

Another strategy is performing an internal analysis. Production strategy relies on a company's internal structure and identifying areas of improvement. ADDA JEWELLERY will be conducting an internal analysis of the business to foresee areas that need improvements such as reducing energy consumption, market expansions, and comprehensive research on production strategy.

4.4 OFFICE PLAN



4.5 GOVERNMENT REGULATION AND REQUIREMENTS

4.5.1 Licensing

ADDA JEWELLERY will obtain all the required operational licenses from both the National Government and the County Government of Nairobi City before opening the business.

4.5.2 Insurance

ADDA JEWELLERY will acquire insurance services for the goods and services in the stock against fire and theft risks to cover damages from any unforeseen incidences.

4.5.3 Taxes and Revenues

As a registered business owner, I acknowledge to be my duty to pay the taxes to the Government through the Kenya Revenue Authority (KRA) and will diligently pay from the business, the 10% exercise duty imposed on jewellery ornaments by the Government.

There is also a 15% exercise duty introduced on all imported metals and precious mineral ores for making the ornaments.

CHAPTER FIVE

5.0 FINANCIAL PLAN

NO	ITEMS	COST IN KES
1	Shop Renovation	100,000.00
2	Licences and Permits	50,000.00
3	Electricity ang Lightening	50,000.00
4	Machinery & Equipment	100,000.00
	Sub - Total Cost	300,000.00

5.2 WORKING CAPITAL

	Description	Total
	ASSETS	
	Current Assets	
	Cash at Hand	250,000.00
	Cash at Bank	50,000.00
	Stock Value	26000.00
	Fixed Asset	
	Machinery & Equipment	186,000.00
	Total	512,000.00
	LIABILITIES	
	Long Term	
	Loan	100,000.00
	Short Term	
	Salaries	348,000.00
	Rent	50,000.00
	Electricity Bill	50,000.00
	Insurance	5,000.00
	Total Liabilities Cost	353,000.00
	(W.C = T.A – T.L)	512,000 – 353,000.00
	Working Capital	159,000.00

5.3 CASHFLOW PROJECTION STATEMENT

Des	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash in flow	-	159,000	339,000	524,000	241,000	921,000	1,127,500	1,814,500	2,067,500	1,814,500	2,067,500	2,333,500
Sales	290,000	295,000	298,000	299,000	300,000	310,000	330,000	380,000	390,000	396,000	400,000	450,000
Castin g	50,000	53,000	55,000	58,000	50,000	65,000	68,000	71,000	73,000	75,000	82,000	85,000
Stone Settin g	60,000	63,000	64,000	66,000	68,000	69,000	71,000	76,000	79,000	81,000	85,000	89,000
Wax Model	18,000	19,000	21,000	22,000	25,000	28,000	30,000	30,000	34,000	40,000	44,000	48,000
Polish ing	19,000	20,000	23,000	26,000	27,000	32,000	33,000	39,000	41,000	43,000	46,000	49,000
Total Cash In flow	437,000	604,000	800,000	995,000	1,121,000	1,425,000	1,659,500	1,949,500	2,199,500	2,449,500	2,724,500	3,054,500
Cash Outflow												
Tax	12,000	-	12,000	-	12,000	17,000	20,000	25,000	25,000	29,000	30,000	30,000
Licens e	7,000	-	-	-	-	-	-	7,000	-	-	-	-
Insuran ce	-	-	-	-	-	-	-	-	-	-	-	28,000
Electri city Bill	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Salarie s	348,000	348,000	348,000	348,000	348,000	348,000	348,000	348,000	348,000	348,000	348,000	348,000
Mainte nance	-	-	-	3,000	-	-	-	4,000	-	-	-	5,000
Total Cash Out flow	372,000	353,000	365,000	358,000	365,000	367,000	370,000	386,000	375,000	379,000	380,000	413,000
(Cash in flow – Cash out flow)												
Total Cash Proje ction	159,000	339,000	524,000	241,000	921,000	1,127,500	1,814,500	2,067,500	1,814,500	2,067,500	2,333,500	2,990,500

5.4 PROFORMA INCOME STATEMENT

Description	Total (Kes)
Cash inflow	2,333,500.00
Sales	450,000.00
Casting	85,000.00
Stone Setting	89,000.00
Wax Model	48,000.00
Polishing	49,000.00
Total Cash inflow	3, 054,500.00
Cash Outflow	-
Licenses	35,000.00
Electricity Bills	50,000.00
Salaries & Allowances	365,000.00
Shop Equipment Maintenance	50,000.00
Rent	50,000.00
Total Cash out flow	550,000
Profit before Tax (Cash inflow – Cash outflow)	3,054,500 – 550,000 = 2,504,500.00
10% tax Calculation	$(2,504,500 * 10) / 100 = 250,450$
Profit after Tax	$2,504,500 - 250,450 = 2,254,250$
Total Profit	2,254,250