

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

DEPARTMENT OF BUSINESS STUDIES
BACHELOR OF BUSINESS ADMINISTRATION

STRAM HOUSEHOLD SERVICES LIMITED (SHS)
(Laundry and Household Cleaning Services)

BUSINESS PLAN

BY

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DECEMBER, 2011

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A BUSINESS PLAN SUBMITTED TO THE DEPARTMENT OF BUSINESS
STUDIES OF CHRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI IN
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE COURSE
CSAD 443 TEAM BUSINESS PROPOSAL

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STATEMENT OF AUTHENTICITY

We have read the Christian Service University College's regulations relating to plagiarism and certify that this Business Plan is all our work and do not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this Business Plan herein submitted.

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Executive Summary

STRAM Ltd for some time now has been monitoring closely professionals doubling as students for the pursuit of academic progression with regards to their house hold activities. This has triggered the idea of establishing a household cleaning and laundry service. SHS Ltd is intended to become a service leader in the laundry and household cleaning industry through the introduction of new unique service in the Region; the first in its kind in the region.

The innovative and creative approach to these household activities would be to pick up and drop off clothes at the convince of our customers. For the household cleaning service SHS intended to provide professional, effective and efficient cleaning service at the convenient of our customers. Emphasis will be on quality and customer-driven services, which will be envious to our competitors.

STRAM Household ltd main target market will be middle income, student/workers and the affluent whose opportunity costs are too great to spend time cleaning the house.

SHS ltd is intended to capture approximately 30% of its target market for the first year and over 60% for the next five years. This is because the company wants to become the leading cleaning and laundry services in the country in the next five years. SHS ltd seeks to be household name in Ghana.

STRAM ltd is aware of the high expectation of its clients and will make quality service its hallmark. This will come as a result of the heavy investment made by the company on staff training and career development. This is to help our well motivated and trained staff to be on top of issues.

In the first year of operation, STRAM Ltd will purchase 2 washers with necessary fittings, Van and three-leg bike (tricycle) with a container at the back. This can facilitate the fast movement during rush hours so that we can still maintain our reliability as our customers are yearning for.

There are well-laid policies on assets acquisition and how they will be depreciated.

The company pre-organisation will be January – February 2012 and will commence work by March 2012.

SHS Ltd hopes to break-even, in the first year. The earnings for the year 2012 is projected to be GH¢ 68,730.00. SHS Ltd is expected to increase its earnings by 113.44% and 37.13% for 2013 and 2014 respectively.

The company starts with initial capital of GH¢ 150,000.00 being the contribution from owners.

TABLE OF CONTENTS

1.0	ORGANISATION	3
1.1	COMPANY OWNERSHIP	3
2.0	PRODUCT IDEA & RELISATION OF SCHEDULE	4
2.1	PRODUCT IDEA	4
3.	MANAGEMENT TEAM	6
3.1	MANAGEMENT SUMMARY	6
3.2	ORGANIZATIONAL CHAT	6
3.3	MANAGEMENT TEAM	6
3.40	PERSONNEL PLAN	8
3.5	NUMBER OF STAFF AND SALARY	9
3.6	ORGANISATIONAL CULTURAL CONTEXT	10
4.0	MARKETING ANALYSIS	12
4.1	BUSINESS SYSTEMS & OPERATIONS	12
4.2	ENVIRONMENTAL ANALYSIS	14
4.2.1	COMPETITOR ANALYSES	14
4.2.2	POSITIONING FOR COMPETITIVE EDGE	15
4.3	MACRO FACTORS	16
4.4	SWOT ANALYSIS	19
4.5	MARKET SEGMENTATION	20
4.6	CUSTOMER BASE (3 YEARS)	22
4.7	TARGET MARKET	23
4.8	MARKETING MIX	23
4.9	SALES STRATEGY	25
4.10	SALES FORECAST	27
5.0	RISK ANALYSIS	30
6.0	FINANCIAL STATEMENTS	33
7.0	APPENDIX	43
8.0	REFERENCE	44

1.20 VISION

To be a leading and preferred cleaning and laundry agency offering hygienic, convenient and affordable laundry and residential cleaning services to our chosen clients.

1.30 MISSION

Our mission is to provide the customer with all residential cleaning services in an environmentally sound, completely trustworthy, and professional manner. We exist

- To provide our customers with all laundry and residential cleaning solution in other to give customers value for their money.
- To fill the gap created as result of workers seeking academic progression.
- To provide sanitary solution.

1.40 CORE VALUES

In other to achieve this vision, we subscribe to the following core values that will help in providing hygienic, convenient and affordable services to our customers.

- Door to door services;
- The use of quality detergents;
- To give customers value for money;
- Fast delivery;
- Advisory services in terms of interior decoration;
- Respect for customers in accepting critics, complains and putting customers first.

1.50 GOALS AND OBJECTIVES

- Create employment for the unemployment;
- Create hygienic environment within the community;
- Promote cleanliness in Ghana in the near future;
- To be a nationwide cleaning agency in the next five years;
- To break even within the first year.

GROWTH

- To move into the Greater Accra Region in the next five (5) years.
- As part of stram growth plan, we intend to Maintain customer base throughout each year with about 30% increase in customer base
- To include event cleaning in our activities.

1.0 ORGANISATION

STRAM Ltd is a start – up company to be established as private limited liability company.

The company will provide cleaning and laundry services for students who double as workers in most of the popular universities in the Kumasi metropolis. STRAM Ltd also intended to target the affluent homes that also have little time to spend on house hold activities. The company will give quality, reliable and convenience service through pick- up the cloth/clothing from homes and offices and deliver them off after washing.

The name of the business is STRAM Co. Ltd. The name is derived from the initials of the

Owners of the company: that is

S Stephen
T Tony
R Richard
A Augustine
M Monica

Start – up Financing will be through owner contribution of 20% each.

1.1 COMPANY OWNERSHIP

The proposed legal form of the business is a private limited liabilities company wholly owned by its founders. This is a micro business and will neither float shares nor publicly disclose its finances.

Location of the Business

The business is located at Ahodwo in the Ashanti Region (Opposite the Barclays Bank Ahodwo branch) off Sokoban road.

Email address: stram@yahoo.com website www.stramshs.co.gh.

The date of registration: June, 2011 and incorporated under the Companies Code 1963 (ACT 179).

Take off: January 2012.

2.0 PRODUCT IDEA & RELISATION OF SCHEDULE

2.1 PRODUCT IDEA

STRAM Ltd is formed by five bachelor of Business Administration Students at Christian Service University College (CSUC) – Kumasi Ashanti - Ghana

The whole idea immerged as a result of professionals doubling as students for the pursuit of academic profession with regards to their household activities.

One day at the lecture hall, we looked round and saw so many professionals, both men and women coming to lectures every day from their various organizations and institutions. Then this question came to mind, how do this people combine their office work, school and their household activities such as laundry and cleaning?

We then got the idea that there is a gab created or problem that needs a solution, among the three activities (i.e. office, school and household).

As a result, the team agreed to set up a business that involve laundry and house hold cleaning services so as to assist professionals who pursuit academic progression.

Also, the team also came to the realization that there are married couples who are both working professionals and the affluent in our society who do not have enough time for their household activities since their opportunity costs are too great to spend time cleaning the house. They will prefer to find the money for the money to cater for these house activities. The team finally agreed to fill the gap for these categories of people in the Kumasi metropolis.

Observation has shown that one of the key factors in choosing a cleaning and laundry service, is not price but the convenience and reliability of the service.

Although there are several cleaning/laundry service providers in the metropolis, SHS will primarily market its convenient pick-up/delivery and door to door service to those busy individuals who are willing to appreciate such service, as it saves them time

STRAM Household Services (SHS) will provide a residential cleaning, pick-up and drop-off laundry service for working professionals who double as student.

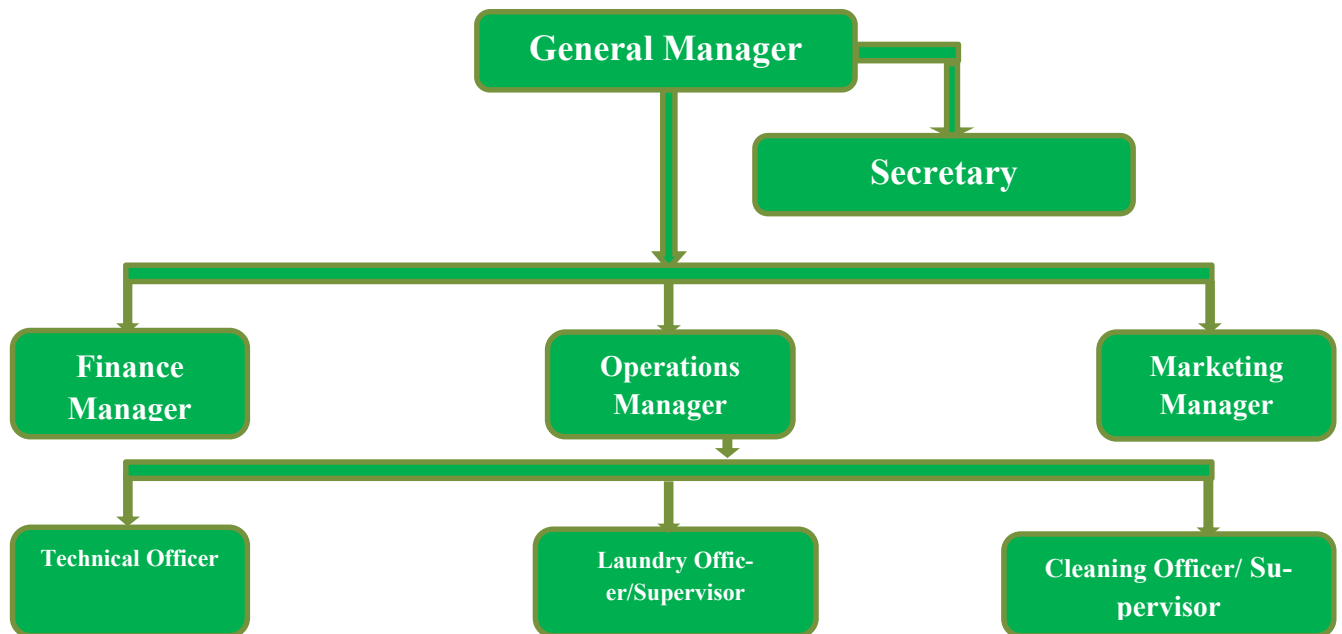
SHS will offer house cleaning and laundry services to these target customers. And our services range from pick-up/drop-off laundry services, residential cleaning and rearrangement of standard rooms such as sitting room (Hall), kitchen, bathrooms, and washrooms. The cleaning activities also range from floor, walls, and ceiling. Our services to the external part of the main building also includes cleaning of compound, re-shaping of grass, trimming of hedges, pronging of flowers and other items to be determined and agreed by our customers requirement and specification.

3. MANAGEMENT TEAM

3.1 MANAGEMENT SUMMARY

Our basic philosophy revolves around total respect among staff and customer value. SHS will strive to achieve efficiency and adapt a much smarter way of ensuring hygienic and shareholder value.

3.2 ORGANIZATIONAL CHART



3.3 MANAGEMENT TEAM

TABLE 1.0

Title	Name	Qualification	Responsibilities
General Manager	Richard Nsoh Atuguba	<ul style="list-style-type: none">➤ Bachelor of Business Administration (BBA) Accounting➤ ACCA Part 2	<ul style="list-style-type: none">➤ Making strategic decisions➤ Supervisory

Secretary	Monica Amoah	<ul style="list-style-type: none"> ➤ Bachelor of Business Administration (HR) ➤ Higher National Diploma (HND) Marketing ➤ Diploma In Business Studies (DBS) Secretarial 	<ul style="list-style-type: none"> ➤ Correspondence and legal issues ➤ Make sure decisions are communicated to the various managers
Operations manager	Stephen Osei Agyekum	<ul style="list-style-type: none"> ➤ Bachelor of Business Administration (BBA) Marketing ➤ Higher National Diploma (HND) Engineering 	<ul style="list-style-type: none"> ➤ Coordinate the daily activities of the organization ➤ Support the company's strategic business plan and its implementation ➤ Design the training and development needs of the organization
Marketing / Customer Relation Manager	Augustine Owusu Ansah	<ul style="list-style-type: none"> ➤ Bachelor of Business Administration(BBA) Marketing ➤ Higher National Diploma (HND) Engineering 	<ul style="list-style-type: none"> ➤ To ensure the target market are satisfy ➤ Conduct market research on pricing and other promotional activities ➤ Design marketing activities to achieve organizational goals ➤ Take customers' complains and find ways in solving them
Finance Manager	Anthony Opoku-Nuamah	<ul style="list-style-type: none"> ➤ Bachelor of Business Administration (BBA) Accounting ➤ Higher National Diploma (HND) Accounting 	<ul style="list-style-type: none"> ➤ Preparing financial statement. ➤ Preparing monthly payroll ➤ Preparing budget and control ➤ Keeping corporate account

CATEGORY	NUMBER	QUALIFICATION	JOB DESCRIPTION
Technical Officers	2	HND Mechanical/Electrical Engineering	Installation, Fixing and Maintenance of plant/equipment
Laundry expert	1	WASSCE	Supervising the entire laundry service
Cleaning expert	1	Certificate in interior decoration	supervising the interior cleaning /decoration
Receptionist	2	Diploma in business studies	receiving and giving appointment to client
Other employees	10	WASSCE	Taking care of the laundry and cleaning activities
Gardener	2		In charge of client garden
			Picking and delivering
Driver	1	WASSCE	
TOTAL	24		

3.40 PERSONNEL PLAN

The management team will work as full time employees in the SHS Company. The company will employ part time workers whenever necessary.

BROAD TERMS AND CONDITIONS FOR EMPLOYEES

- Be responsible to their supervisors for any duties assigned to them
- Understand and apply correct and standard laundry and cleaning practices

- The normal hours of work will be from Monday to Saturday at specified hours or any other hours required by SHS to meet the organizational goals.
- Perform the same work continuously
- Overtime may be required whenever necessary.

Table 2.0 STAFF AND SALARY

Description	Status	No.	Salary Per Month GH ¢	Salary Per Annum GH¢
General Manager	Full – Time	1	500.00	6,000.00
Secretary	Full – Time	1	450.00	5,400.00
Operations Manager	Full – Time	1	400.00	4,800.00
Marketing Customer Relation Manager	Full - Time	1	400.00	4,800.00
Finance Manager	Full - Time	1	400.00	4,800.00
Technical Officers	Full - Time	2	250.00	6,000.00
Laundry expert	Full - Time	1	200.00	2,400.00
Cleaning expert	Full - Time	1	200.00	2,400.00
Receptionist	Full - Time	2	150.00	3,600.00
Other employees	Full - Time	10	150.00	25,200.00
Gardener	Full - Time	2	150.00	3,600.00
Driver	Full - Time	1	150.00	1,800.00
Other workers	Part -Time		1.50/Hour	
TOTAL		24		70,800.00

SHS will pay its' employees a competitive wage, quite a little above the minimum wage. This is calculated to attract more skillful and qualified employees as well as retain them in the organization to minimize employee turnover. This will also help SHS to control costs.

In addition to paying an above market wage, SHS will offer an extensive training, and a career development plan to attract high caliber employees. The need for the higher caliber employees is necessitated due to the upper end clients that we serve.

In order to exceed the customer's expectations of our services, SHS will have the right employees that have been properly trained and feel a sense of empowerment on the job.

SHS will provide every working logistics necessary to our employees to make sure they are safe and well protected in working field. The company will as well provide first aid in case of any emergency.

3.6 ORGANISATIONAL CULTURAL CONTEXT

STRAM Household Services Ltd will operate under ENTREPRENEURAL CULTURE. This will characterize itself through;

- Our mission being well focused and attainable;
- Performance will be link to payment;
- Promotion will not be based on seniority;
- SHS will adapt to change.

SHS will try as much as possible to make sure that the employees of the organization will understand the company's culture and ensure that it is well implemented to get the full participation of

employees as well as help achieve the organizational goals. The company will again make sure that Taxes and social security of our employees are paid.

STRAM Household Services Ltd aspires to make our employees feel that they own the organization which will make them own our customers too.

4.0MARKETING ANALYSIS

4.1BUSINESS SYSTEMS &OPERATIONS

Many people might think there is no need for another laundry or introduction of house cleaning service. However; there is the need for a reliable, quality, honest and professional service that is brought to your doorsteps. SHS is offering a high quality, reliable, trustworthy and professional service for middle income and affluent households who are pursuing academic progression and their opportunity costs are too great to spend time on washing and cleaning the house.

Our competitors currently has quite a range of different work place cleaning services, from independent companies such as Banks, shopping malls and other individual offices.

Our targeted groups appreciate professional, reliable, trustworthy cleaning and laundry service and are willing to get value for money. We will get to our target customers through campuses who give part time studies to the working class by distribution of flyers, brochures, word of mouth, referrals as well as door to door (going to residential areas) to sell our products.

In Ghana today, universities (public & private) are springing up showing that, people are now attending higher institutions for academic advancement. This will results in increasing standard of living, which in turn leaves people having less time to do their housework (including laundry). They are often tired after the whole day of work and this push them to spend money to hire someone else to do the housework for them. Moreover, the demand on clothes of these working people (particularly professionals) usually increases proportionately with their income. Buying more clothes, especially expensive clothes, makes them pay more attention to the care and cleaning of those cloths. With careful research, our business focuses on, working and professional class customers as a target segment market.

SHS is focusing on these people because they appreciate professional, reliable, trustworthy, and immaculate house cleaning services, and are more than willing to pay for it. SHS is the only company that targets the affluent and middle income workers of which some of them are also seeking academic progression. These groups always have the money for our services, just as they always need/desire either our laundry or residential cleaning services.

The company will use two strategies in marketing our product. One is the distribution of color flyers and brochures detailing our services. The distribution of these flyers will be targeted to hit our chosen segment. This will be done by setting up strategic relationships with schools and organizations whose members fit our targeted customer profile. We will gain access to these schools and organization membership through sponsorship by offering campus and organizing clean-up quality service to be tested which will be a way of getting to our potential customers.

The second approach will be through word of mouth referrals. SHS Ltd will offer an incentive to existing customer who introduces three new customers. We believe this will be effective.

4.2 ENVIRONMENTAL ANALYSIS

4.2.1 COMPETITOR ANALYSES

The residential house cleaning is a niche market which is a subset of the larger cleaning business. Within the cleaning business, there are both residential as well as commercial cleaners. The commercial cleaners are typically offer a wide range of services from external cleaning such as street cleaning, and waste management example of such a company is Zoom Lion Company. The residential or household services are divided into different categories, maid or house cleaners, carpet cleaners, window cleaners, and a variety of other services that are required on a less frequent basis.

Competition in the cleaning/laundry service in the Kumasi metropolis is not keen. Although there are lots of competitors in the cleaning and laundry service industry, there is good reason for this competition, because demand is high. Investigations have review that there are about Five cleaning agencies and about Ten laundry services in the city, but most of them do not offer the traditional drop-off service.

Our major competitors in the cleaning and laundry industry are Ke-Clean, Golden Tulip Laundry service God Bless Laundry and cleaning, Spar clean laundry services, and Africa – America Laundry.

SHS will therefore use an effective and efficient marketing strategy to gain customer base. If existing competitors see us as a major threat they may resort to aggressive and deliberate actions that will make it very difficult for us to become an established player in the marketplace. Risks caused by competitors are possible, therefore the business has to monitor and evaluate its perfor-

mance frequently, and collect customer evaluations and suggestions in order to continually improve our services.

4.2.2 POSITIONING FOR COMPETITIVE EDGE

Our competitive advantage will be based on our large investment in human capital. SHS will begin with a well plan training program for our staff. Employees will be trained on how to clean. Granted everyone has some idea on how to clean, but we will show them a methodical way producing a far cleaner home more efficiently. We will then be training employees to work effectively in teams. While there are some households that prefer individual cleaners instead of a team, a request that we are more than happy to oblige, we generally work in teams as they are more efficient. Working efficiently in a team takes training, and through this team training, we are able to make significant gains in efficiency.

The company will provide pick-up and drop-off delivery services and little to pay as delivery charge. We make our customers' live simpler by saving them time, and eliminating waiting in queues, parking problems, forgetting to collect clothes, and going home late because of collection of clothes.

SHS intends to provide Professionalism through the provision of all the tools necessary to satisfy our most affluent clients.

4.3 MACRO FACTORS

Our research in the Kumasi market reveals that both cleaning and laundry services as an industry is not presenting much competition. Our decision to start this business is the prospects it projects. Kumasi as the capital of the Ashanti Region of Ghana has a population of about three million and the growth of businesses mean limited time for people to on periodic basis take care of house hold duties like cleaning and washing. Central Kumasi presents about four laundry firms which are not able to meet the increasing demand for quality services. With regards for Cleaning, the growth in the housing sector calls for a more professional cleaning services which will take care of the beautification of gardens and the in-house cleaning.

The cleaning and laundry services environment present a lot of challenges and opportunities in areas of competition, economic development, political policies, legal issues, social-cultural and technological changes.

Political policies

It is established that a change in government will not have a direct implication on our business but stand a threat of an attempt of higher taxes. The support and partnership of the private sector is a key element we stand to take advantage of. A change in policies relating to our industry would be complied as well. It must to notice that government by law do not have a direct regulation to this industry, but we have in our code of ethics to respect our workers' rights and customer interest as well.

Economic development

Factors relating to inflation and interest rates affect our operations and any future financial support from our bankers. An increase in tariffs in both water and electricity is surely going to have implications on our profit margin. Government policies on taxes are surely important to our existence. We hope to review our prices as and when is necessary to reflect the economic situation, so as to maintain our customer base and possibly increase it. Special pricing offer has being instituted to support key customer on our customer base to help us achieve our projected growth.

Social-cultural issues

In collaboration with the Kumasi Metropolitan Assembly, SHS will support some of their events; provide dust bins with our name branded, to create a good image with our immediate environment. On cultural issues it natural that people are very particular about their privacy at their homes and it will be respected as such. Our staffs sign the oath of secrecy and disciplinary measures are instituted to punish offenders

Technological advancement

New and modern ways of cleaning are adapted to ensure we don't repeat what our competitors are doing. It is revealing that our competitors are mostly using old industrial washing machines which periodically break down, coursing delay in deliveries. Periodic training programs have being budgeted for, to help our technical team acquire the required knowledge to maintain our machines to prevent break downs. Our website is always abated to exhibit what we have to offer.

We will also communicate with our customers on deliveries and updates on their work. SMS is instituted to instantly notify our customers on delivery dates, price changes and delays as and when it will occur.

Legal issues

The labouract of Ghana, which regulates the working environment is the core of our business and are implanted in our corporate objectives. Our legal consultant alerts us on issues of client privacy, marketing issues, advertising codes and our obligation as a firm to both our internal customers and clients. All client information on our data base is confidential and can be shared only in the relationship. All recruitment and remuneration matters are taken care of by our human resource department to ensure that employee interest is respected

Competition

Since the industry does not present much competition, we have invested in our laundry machines to offer a neat and good finishing delighting our clients. Our staffs are highly professional and on periodic basis will be engage in training to deliver on quality customer service. Due to the nature of our market and the rate of growth, SHS hopes to achieve more than 50% of the total market share in the next three years to be the leader. We have identified that we face some new entrance in the coming years.

4.4 SWOT ANALYSIS

The following is the SWOT analysis for SHS:

Strengths:

- We offer a relatively new, door-to-door service for residential cleaning, and pick-up and drop off laundry, providing another choice for customers.
- We provide quick and convenient service in order to save customer's time.

Weaknesses:

- Low market share.
- Less experience than competitors.

Opportunities:

- Part-time studies are on the increase since every working individual seeks academic progression and this has created a hole in many of these people's home since they spend most of their time in the office and school and the little time they get, they spend it on studying.
- There is a growing interest within the affluent in the society for house-help.
- Increase in expensive cloth expenditures, therefore the demand for proper handling of such cloth.
- People tend to spend more time on leisure activities rather than doing the house work.

Threats:

- It is expected that with the technology at the increase, new technological changes may bring out new family washing machines that families may tend to purchase their own machine in order to do their own laundry.
- If the business is successful, there will be new competitors who supply the same kind of service.
- Competition from existing competitors in the Kumasi Metropolis.

4.5 MARKET SEGMENTATION

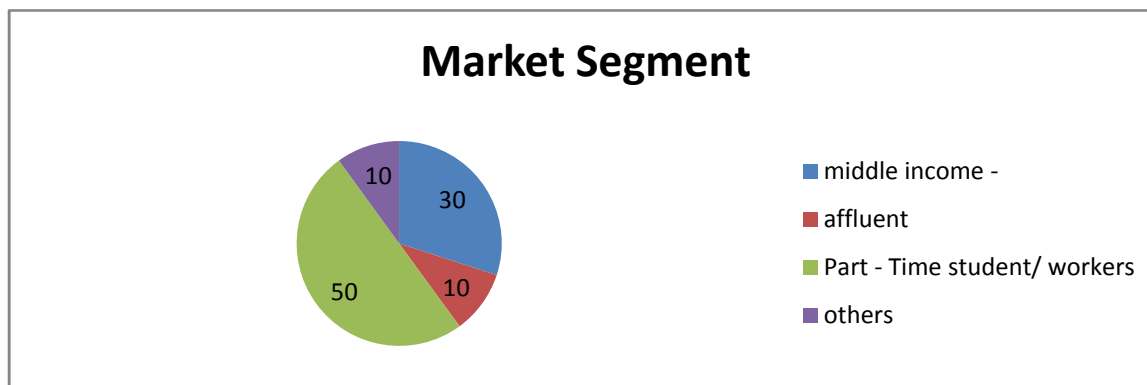
Our activities will be focusing on three socio/economic groups in Kumasi. Our first segment of the market is the unmarried and married but working and schooling at the same time whose opportunity costs are too great to spend time cleaning the house due to attending lectures and studying. Since they spend most of their time in the office and school and the little they get in their house they spend it on studying, this has given most of these people the desire to pay for the services of cleaning and laundry. This segment of our market addend's part – time schools like Christian Service University College (CSUC), Garden City University College, Baptist University College, University of Education- Kumasi Campus, Kwame Nkrumah University of Science and Technology etc. Approximately 5,000 representing 50% of segment of our market.

The second group is the middle income who are married and both couples are working professionals and do not have enough time for their house hold activities and whose opportunity costs are too

great to spend time cleaning the house. This segment of our market have little time by both spouse at home and both are occupied by their work so much that they have little time for their household activities. To them it is better to find money and use some to pay for these kinds of household works. This market has annual incomes if combined is between GH¢ 20,000.00 and GH¢ 30,000.00. These households are typically age between 30 to 50 years and live in moderate house either rented or owned. From the (Ashanti Regional Coordinating Council and Kumasi Metropolitan Assembly) Approximately Downtown Kumasi has a population of 3,612,950 and it estimated that about 10,000 families' falls into this demography.

SHS's third segment of the market is the affluent in the society. They have the idea that having a house-help for house hold activities is a symbol of wealth. This spouse would rather volunteer for a public interest organization, play tennis and golf, or just spend time resting or traveling. They have no desire to clean the house because of their class or status in life. To them that is not enjoyable and they have the money to pay someone to do that kind of work. These markets have an approximate annual income over GH¢ 100,000. These households are typically age between 50-80 years and live in expensive houses in places like Ahodwo, Nyiayeso, Denyame, Atasomansu, TUC, Odeneho Kwadaso, Patasi, Danban and the rest. About 2,000 families fall into this demography which is also a potential market.

Additionally, there are some potential customers that SHS has labeled as others "well-off" households. These are families that have the money for our services that do not fit into the three previous categories

**Table 3 CUSTOMER BASE (3 YEARS)**

Type of segment	No Regular Customers	Year 1 (2012)	Year 2 (2013)	Year 3 (2014)
MIDDLE INCOME		15	19	25
AFFLUENT		5	8	11
PART - TIME STUDENT/ WORKERS		25	30	38
OTHERS		5	8	11
TOTAL		50	65	85

4.7 TARGET MARKET

Our target customers will be grouped into three:

- Unmarried and married but schooling.
- Middle income married couples and working professionals
- The Affluent

4.8 MARKETING MIX

Product: Home or office pickup and delivery service, door to door service of cleaning at the customers own convenience time. We will provide convenience and high quality cleaning, laundry, and re-arrangement of sitting room and other rooms.

Price: People with higher incomes who are the company's target market are willing to pay more for, quality, reliable, and convenience customer service. However, the business has higher costs for our delivery service and promotions to increase customers' awareness and establish our brand name. SHS will set its prices a bit lower than our competitors for a start in order to penetrate the market and our pricing will be based on a per service price. Moreover, SHS targets working and professional customers who often pay less attention to price than the quality and convenience of service which give us an advantage to increase our price when the impact is achieved.

Place: Because of our target market we plan of renting an office accommodation at Ahodwo since it is close to most of target market, thereby reducing costs and providing convenience to our cus-

tomers. SHS will receive clothes from and return them to customers' houses and office. For Household cleaning, arrangement can be made for customers' convenience.

Promotion:

- **Sponsorship:** SHS will gain access to these schools and organisation membership through sponsorship by offering campus and organizational clean-up for our quality service to be tested which will be a way of getting to our potential customers.
- **Discount:** SHS will Offer 15 percent discount as an incentive for customers who sign one-year contracts.
- **Incentive:** SHS will offer an incentive if an existing customer introduces three new customers, he or she will be offered a free service, it can be a day, week or even a month.

Physical evidence

SHS's corporate colours are white and green, symbolizing neat finishing and a green environment which indicate environmental friendliness. Our laundry staffs will wear white together with front liners. Our staffs will be in green outfit to signify environmental cleanliness. Our logo is ^SH_s, indicating our company name STRAM Household Services. Our company's vehicle will have our name, logo and white and green colours. Our office outlet will have the same symbols. The interior decoration of our office will indicate cleanliness to tell customers who visit us that we can and will deliver.

People

Since it is service delivery, the people delivering it is very critical to the success of our services at large. Motivation in the form of training and reasonable remuneration should help us achieve the required service standards set by our company. Our staffs are encouraged in teams to play leadership roles to involve them in decision making process. Management together with supervisors will do periodic checks and visit to clients to understand staff behavior and attitudes during a service experience. This allows us to evaluate staffs and support them to be professional as possible. Service standards are critical to our success and our staffs are the core of the business.

Process

How clients experience our services is critical to the business. With our marketing strategy we link up through the internet, SMS, phone, face to face interactions and customer visits. Our emergency line is provided on all our corporate assets like company vehicles, sign boards, office outlet, website and letter heads to give clients easy access to us, whenever they need us. We have train our receptionist to pick all call not exceeding the third ring tone to show we care, ready to help and can deliver.

4.9 SALES STRATEGY

The sales process will begin with the development of territory or channels generated from our marketing campaign. The marketing campaign will primarily generate leads through interest sparked from our flyers. Others will call to receive more information about our service, while we will be able to give them an estimate over the phone, we would prefer to be able to get into their

home and speak with them so we can give accurate estimate. More importantly, it provides us an opportunity to impress them with our company services.

For those clients whom we are only able to speak with over the phone, we will initially quote them a price. Because they are less price sensitive than the general population, we will then detail why our service is priced a bit higher than most of our competitors

1ST MONTH

The first month will be used to set up the business. It is not likely that we will engage in official transactions. In addition to dealing with legal and accounting issues for the business, office equipment will be purchased and set up. Once the physical office is ready the company will then develop the employee policy and procedure manual. Then we will develop our training program.

2ND MONTH

The second month will begin to see some activity. We will begin by prospecting and field inquiries over the phone and expect to turn some of those into contracts.

3.63 FROM 3RD – 1 YEAR

The third month jobs will be done in two teams, as the number of contracts begin to pick up at the end of the second month, an additional person will be hired to form the first employee team. By the end of the fourth month, we will have built enough demand that a new team of two will be trained and begin working. Having four teams, of two will be sufficient until month seven,

when one more team will be brought on. We expect to remain with a five teams by the end of year one when we expect to bring on one more team base on demand.

4.10 SALES FORECAST

The sales forecast is based on the assumption that increased demand will occur at a steady pace. This is based on the assumption that a large part for our new clients after month two will be from word of mouth referrals. The logic is that we will incrementally gain customers as we continue to serve current customers. It is also assumed that all clients will be maintained in subsequent months, this will make our customer base be increase per month.

Table 3 SALES FORECAST FOR 1ST YEAR (2012)

Month	SALES (GH¢)	
	Cleaning Services	Laundry Services
1	0.00	0.00
2	0.00	0.00
3	1,320.00	2,784.00
4	2,290.00	2,784.00
5	2,770.00	2,784.00
6	3,770.00	2,784.00
7	3,690.00	2,784.00
8	4,410.00	2,784.00
9	4,880.00	2,784.00
10	5,480.00	2,784.00
11	6,080.00	2,784.00
12	6,600.00	2,784.00
TOTAL	40,890.00	27,840.00

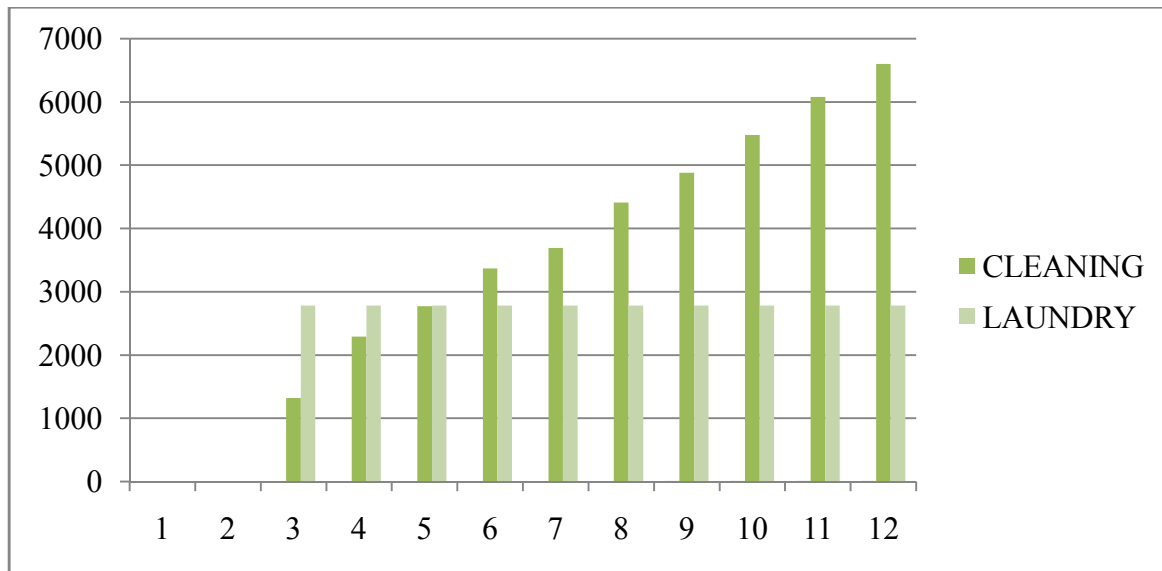


Table 4 SALE FORECAST FOR 3 YEARS

YEAR	SALES (GH¢)	
	Cleaning Services	Laundry Services
Year 1 (2012)	40,890.00	27,840.00
Year 2 (2013)	98,845.00	47,856.00
Year 3 (2014)	127,490.00	73,680.00

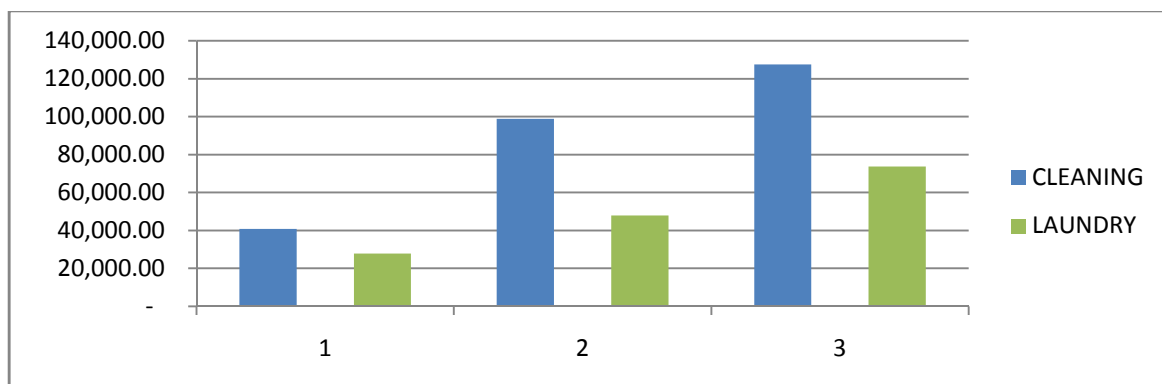
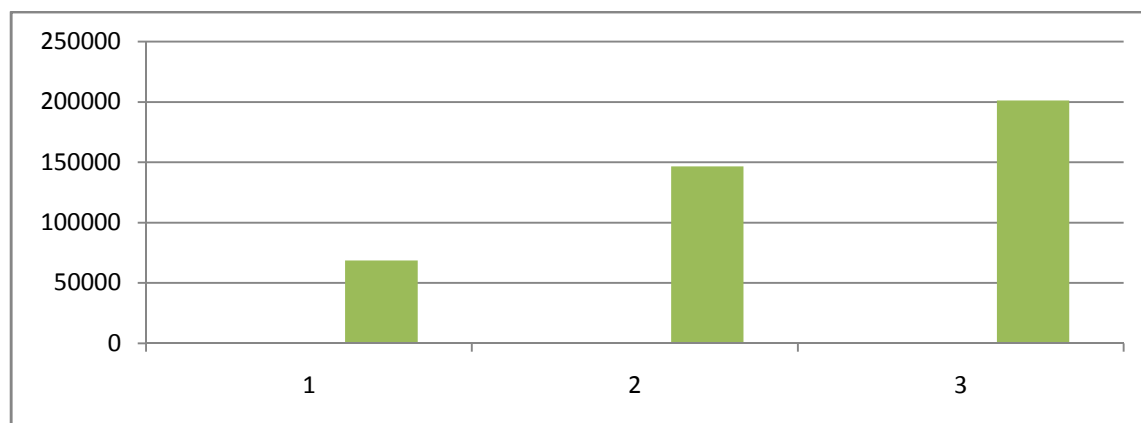


Table 5 ANNUAL SALES FOR 3 YEARS

YEAR	TOTAL SALES (GH¢)
1 (2012)	68,730.00
2 (2013)	146,701.00
3 (2014)	201,170.00



5.00 RISK MANAGEMENT

Regardless of whatever type of risk being associated with Stram Household Services, Greater risk implies greater cost. For this reason, the management will adopt the following risk management strategies which are not mutually exclusive to help reduce risk associated with the business; this will help increase the business value and profit.

1. **Loss control**

This is also known as risk control. These are actions that reduce the frequency of loss (Loss prevention) and actions that reduce the severity of loss (Loss reduction).

For loss Prevention measures, SHS will adopt the following:

- In its quest for loss prevention will adopt routine inspection of all Washing equipment. The inspection will help reduce the frequency break down of washing and cleaning equipment.

For loss reduction measures, SHS will adopt the following:

- Washing and pressing room will have fire extinguishers to reduce the extent of damage in case a fire outbreak.
- Install washing equipment properly by an expert

2. **Loss financing**

These methods are used to obtain funds to pay for or offset losses that may occur.

SHS will adopt the following two ways of financing the losses.

- **Retention**

SHS will retain or plough back 2% of yearly profits; this will be invested in liquid assets and will be dedicated to financing minor losses.

- **Insurance Contract or Policy**

SHS will purchase an insurance contract or policy with State Insurance Company (SIC) for its major losses such as fire, burglary.

3. Internal Risk Reduction

This is a loss financing method that allows a firm or business to reduce risk internally. SHS will adopt this method in the long run. Apart from its 2% retention of its yearly profit and insurance contracts with SIC to offset for its losses, it will also embark on the following:

- **Diversification**

SHS will diversify risk by investing part of its yearly profits in different stocks and mutual funds where dividends will be paid.

- **Investment information**

SHS in the near future will establish a Research and Development department to embark on market research on the potential demand and consumer behavior. This will help the business to satisfy the needs and wants of its customers. The departments will also advise management on policy formulation based on accurate forecasting on market trends and the entire recreational industry.

4. Investment in human capital (training for workers)

Workers will be well trained and cautioned on thrift, SHS also intends to make workers sign an indemnity and also provide a guarantor who will be held responsible when a worker is accused of stealing and is not found. Workers will also be trained on how clothes must be handled to maintain their state as they came.

5. Legal issues

The labour act of Ghana, which regulates the working environment is the core of our business and are implanted in our corporate objectives. Our legal consultant alerts us on issues of client privacy, marketing issues, advertising codes and our obligation as a firm to both our internal customers and

clients. All client information on our data base is confidential and can be shared only in the relationship. All recruitment and remuneration matters are taken care of by our human resource department to ensure that employee interest is respected.

CONCLUTION

In the course of writing the proposal, the Management of Stram Household Services (SHS) identified several areas which are strengths and others that could affect us negatively. For all these that could affect our performance negatively, the company will be able to take particular steps to avoid or resolve the issues.

The worst scenario is a significance of devaluation of the cedi against major foreign currencies causing the failure to achieve projected sales.

Stram Household Services (SHS) believes that the risks of these occurring are slight and in either case, the financial consequences would still permit scheduled repayment expenses.

6.0

FINANCIAL STATEMENT

7.0

Appendix

8.0 REFERENCES

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- Adjei D.A (2011) **Advanced Accounting 1:** Unpublished lecture Note
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- www.bplan.com

DISCOUNTING CASHFLOW

$$NPV = -C_0 + \frac{C_1}{(1+r)^1} + \frac{C_2}{(1+r)^2} + \frac{C_3}{(1+r)^3}$$

$$(150,000.00) + \frac{68,730}{(1+0.24)^1} + \frac{146,701}{(1+0.24)^2} + \frac{201,170}{(1+0.24)^3}$$

$$(150,000.00) + 55,437.42 + 95,409.08 + 105,511.10$$

$$(150,000.00) + 256,357.60$$

$$NPV = \mathbf{160,357.60}$$

NPV is positive, This means the project is viable and must be undertaken.

Stram **HOUSEHOLD** **SERVICES**

Tel: 03220 86613



LAUNDRY & HOUSEHOLD CLEANING SERVICES

LOCATION: Ahodwo, Kumasi. opposite Barclays Bank off Sokoban road

Email: stramshs@yahoo.co www.stramshs.co.gh





STRAM Household Services Ltd. (Company Logo)

Stram
HOUSEHOLD
SERVICES

Tel: 03220 86613

LAUNDRY & HOUSEHOLD CLEANING SERVICES

LOCATION: Ahodwo, Kumasi. opposite Barclays Bank off Sokoban road
Email: stramshs@yahoo.co www.stramshs.co.gh

SAMPLE OF FLYER



Cleaning Machines



Cleaning Machines



Laundry Machines





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Microprocessor controlled
 Programmable on site with single
 button operation
 Soft mount - lower installation cost
 Heavy duty suspension
 800rpm spin. 350 Gs for better extraction
 - reduces drying time by up to 30%
 Frequency controlled motor for improved
 energy efficiency. Controlled acceleration
 to full speed ensures improved distribution
 of load and long term reliability
 High build quality in stainless steel
 Large door for easy loading and unloading
 Optional one way tilt for faster
 loading and unloading and ease of
 single person operation

SAFE - Sensor Activated Fire Extinguishing system

SAFE is a unique system specially designed to eliminate serious fires which start in tumble dryers. Developed exclusively for JLA, the Sensor Activated Fire Extinguishing system combats blazes which are often caused by spontaneous combustion or small loads that are over-dried.

SAFE is fast and efficient. When a fire starts in a dryer drum, two sensors detect the change in temperature and activate a sophisticated water vapour mechanism.

The vapour douses flames within seconds and the drum rotates, exposing and soaking all laundry to ensure that the fire is completely extinguished. The entire process takes just three minutes and if the fire restarts for any reason, the vapour mechanism reactivates.

A great advantage of SAFE is that the risk of major damage to dryer and property and flooding to premises is eliminated.



Washers

Stylish and robust
 High speed spin ensures quick drying times and reduces costs
 Low water consumption achieves further energy savings
 Free standing for lower installation costs and siting on any floor
 Four heavy-duty suspension mounts ensure stability and quiet operation
 Self-heating – no need for boiler installation
 Simple to use with large door for easy loading and unloading

Dryers

Stylish and robust
 Fast dry cycles ensure low running costs
 Simple to use with touch control pad and four temperature settings
 Wide door opening for easy loading and unloading

Gas or electric heat

A vast selection of parts and spares for your commercial washing machines and dryers

With more than 12,000 lines of parts in stock at any one time, JLA's parts department is widely acknowledged as the best and most efficient in the laundry business:

- **Next day delivery** anywhere on the UK mainland, guaranteed
- **Timed deliveries** also an option
- **Guaranteed delivery** within three days for overseas customers
- **Competitive** prices
- **Generous discounts** on bulk purchases