

KAZI NAZRUL UNIVERSITY

RANGANT GIRLS' COLLEGE

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Development

Department :- Commerce

INTRODUCTION

→ A Business plan is a written representation of an entrepreneur's vision for his business. It is the story of his venture as told. Business plans are used by entrepreneurs for various purposes. It can be used to get debt from banks or equity funding from angel investors. But the most important use of the business plan is to clarify the exact nature of the business to the entrepreneur. Often, many shortcomings in business planning come to fore only after the plan has been put down on paper. So, a business plan gives the entrepreneur an opportunity to think through and come up with answers to questions.

→ A business plan describes the company, its product and its entrepreneurial team. Also, it states the money needed by the business and how it will be spent, as well as the objectives of the business and how they will be achieved. At the end, the business plan must help the entrepreneur to understand the business and make him/her confident that the venture's objectives could be achieved.

MY BUSINESS IDEA

→ For starting a business, one of the most promising industries today is the laundry washing powder or the detergent powder. Plus, anyone can start a detergent making business. It needs significant capital investment to make it work. Washing and detergent powders are surfactants. These are the most crucial ingredients in washing and cleaning purpose. A business plan is essential in guiding to start a detergent powder making business. In general, there are two types of manufacturing technology today for manufacturing detergent powder. There's the mixing of raw materials and other is spray dried. I would choose the easier option that is the mixing formula. It can easily start manufacturing process with a small amount of money. I planned to enter into the detergent powder business.

→ The proposed name for my business venture is 'Neema detergent powder'. This name is trendy and catchy.

TAGLINE

→ Taglines are basically simple but powerful messages that help to communicate an enterprise goals, mission, distinct qualities etc. Thus a tagline is a short text which conveys a thought effectively. They can come in the form of

(i) Questions (ii) statement (iii) Exclamations

The basic purpose behind a tagline is to create a memorable dramatic phrase that will sum up a product.

Examples:- Rasna - 'I love you, Rasna'
 Yamaha Bike - 'The rugged Personality'
 Raymond's Suits - 'The complete man'

* 'Tagline' and 'Tag' are American terms. In UK they are called 'end lines' or straplines. German call them as claims. French refer to them as 'signatures'. Belgians call them as baseline.

MY PRODUCT TAGLINE

→ Neema detergent powder aisa - jo maare kapdo ke germs'.

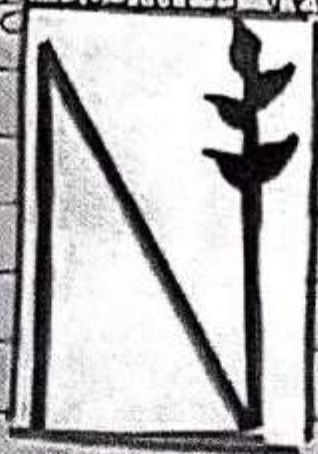
LOGO

- Logo is the short for logotype and is an identifying symbol for a product, services or a business. Logo is an important feature or part of branding. It is a graphic mark or emblem used to aid and promote instant public recognition. Logos are either purely graphic or are composed of the name of the organisation. Some logos are given below:



MY BUSINESS LOGO

- The logo of my business venture will be



A five neem petals signify the use of neem in detergent powder and its eco-friendly.

COMPETING

→ Wheel detergent Powder BRANDS



→ Wheel is a brand of laundry detergent manufactured by Hindustan Unilever Ltd. This product was created specifically by Hindustan Unilever to counter Nirma. It was launched in 1988. The low cost detergent and top selling detergent of Hindustan Unilever product. The price range of wheel detergent powder are

- 250 g ⇒ ~~111~~ 99 Rs
- 500 g ⇒ 99 Rs
- 1 kg ⇒ 344 Rs
- 2 kg ⇒ 400 Rs

→ Ariel detergent Powder



→ Ariel is a European brand of laundry detergent developed by P&G European Technology Centre. In Belgium and is an early example of pan-European consumer product branding. It was launched in multiple markets between 1967 and 1969. The brand is owned by US multinational P and G and has grown to become one of the most recognised laundry brands in many markets around the world.

→ The rates are given below

500g = 135 Rs

1.5kg = 280 Rs

2kg = 520 Rs

4kg = 960 Rs

→ Tide detergent powder



→ Tide is an American brand of laundry detergent manufactured and marketed by Procter & Gamble (P&G). Introduced in 1946, it is the highest selling detergent brand in the world, with an estimated 14.3 percent of the global market. The evolution and innovations of Tide products mirror many of the changes in America's culture.

→ The rates are given below

$$500g = 65 \text{ Rs}$$

$$2 \text{ kg} = 156 \text{ Rs}$$

$$1 \text{ kg} = 80 \text{ Rs}$$

$$4 \text{ kg} = 389 \text{ Rs}$$

$$8 \text{ kg} = 673 \text{ Rs}$$

USP

U S P
Unique Selling Proposition

- Unique Selling Proposition or USP is the one feature or the perceived benefit of a good which makes it unique from the rest of the competing brands in the market. It is that very reason which motivates a buyer to purchase that product even though it might be costlier than other product.
- Unique Selling Proposition or USP is a very important concept used during the time when a company promote its product through its advertisement in both TV as well as print media which eventually attract a consumer to buy a particular product. The key to boost the sales of the product effectively through advertising is to highlight the USP of the product prominently. Unless you highlight the USP, consumer will not be tempted to buy your product. Every product should have its own USP which makes it stand apart from other products in the similar category.

MY PRODUCT USP

- My Unique Selling Proposition (USP) is that Neema detergent powder is Ayurvedic and it doesn't harm or damages any cloth. It gently removes the stain from the cloth. A unique soft powder will not damage our hands.
- Neema detergent powder is equally effective for all sorts of fabrics made with different materials and colours.
- Neema detergent powder is an effective formulated detergent that act as a bleach alternative, stain fighter, freshness and fabric softness. In fact Neema detergent powder not only remove stain but also help preserve clothes shape and colour when used regularly.
- This detergent also has an array of uses besides eliminating stains. Detergent absorb oil pills, while the liquid soap is used to clean floors.

USP
UNIQUE
SELLING
PROPOSITION

MARKET POTENTIAL

- In recent years, demand for detergents has increased as with the growth of population. In general, the detergent powder segment only caters to three different categories, which are the lower, middle, and higher-end markets. As one of the necessities of people today, the demand for detergents is slowly increasing.
- Because of rapid urbanisation, there is more and more demand for detergent powders in sachets and small pack sizes. Aside from that, there is also the increasing per capita income, which helps in boosting the population's purchase capacity. Furthermore, a very wide range of options in hunger for good living, health awareness and choice are just some of the main reasons why detergent powder are growing in demand.
- Also rural areas are replacing detergent cake with washing powder. Aside from domestic consumption, these products also have different usages in several industrial sectors. In the small and medium sector, you can find a good investment opportunity in the detergent industry. Thus washing powder is a quite a lucrative opportunity.

TARGET CUSTOMERS



A specific group of consumers at which a company aims its products and services

Target customers are those who are most likely to buy from you. Resist the temptation to be too general in the hope of getting a larger slice of the market. That's like firing 10 bullets in random directions instead of aiming just one dead center of the mark - expensive and dangerous.

- People who have fixed budget for household things like detergent and look for economical options. Neema detergent powder serves as a better option and helps the consumers, one of the finest the products in convenient rates. Target group women age group from 18 to 54 years old are the target audience for the product as well as the middle class category. A product that has all required qualities needed in the detergent, and priced well in the market, affordable to all.

ADVERTISING

- Advertising is a paid form of non-personal communication designed to persuade potential customers to choose a product or a service over that of a competitor.
- American Marketing Association defines advertising as, "Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor".
- Advertising in short, should be a planned, consistent activity that keeps the name of the business and the benefits of product/services uppermost in the mind of the consumer.

OBJECTIVES

- The objective of advertising is to increase profit by increasing sales.
Advertising achieves this by:
 - (i) Making business and product name familiar to the public
 - (ii) Creating goodwill and building a favourable image

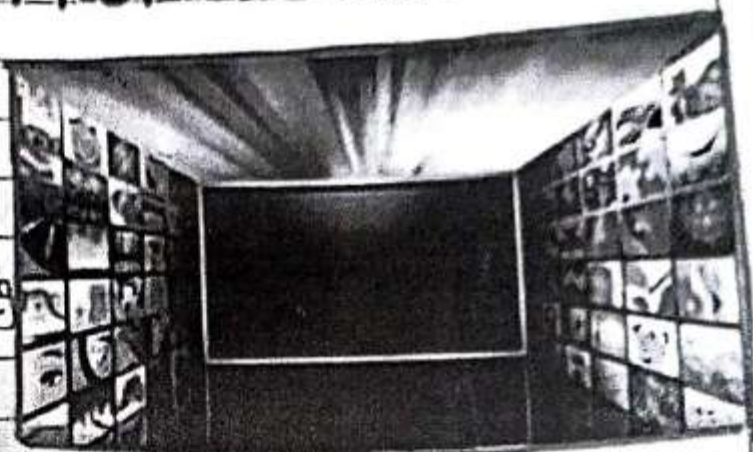
- (iii) offering specific products or services
 (iv) attracting customers, so that they search for more information about the products or services offered by the business.

COMMONLY USED MEDIA FOR PROMOTION

1. Television

→ A television

advertisement is a powerful advertising medium because it creates impact through sight,

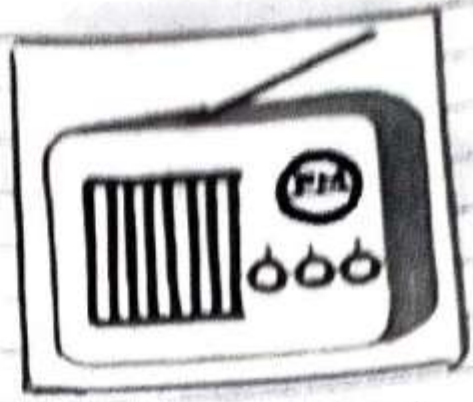


sound and movement. But high cost of advertising on this medium often makes it prohibitive for small business.

- For my project business I have used this method so that it grab the attention, combines sight and sound, reaches a wide, targeted audience and help to provide more information about the product.

2) Radio

- Radio is considered to be an ideal medium due to its ability to reach specific target groups such as teenagers, housewives etc.



- Radio advertising covers spot advertisements which usually last for 15 to 30 seconds promotion or talkback/RT discussion. Most radio stations offer packages which includes production and extension of the radio campaign through their websites.

- Radio promotion is the division of a record company which is charged with placing songs on the radio. They maintain relationships with program directors at radio stations and attempt to persuade them to play singles to promote the sale of recordings, such as CDs, sold by the record company.

- For my project business I have used this method so that it grab the target specific demographics. It gives emotional edge. It is a cost effective at building brand and is less expensive than advertising on television.

SALES PROMOTION

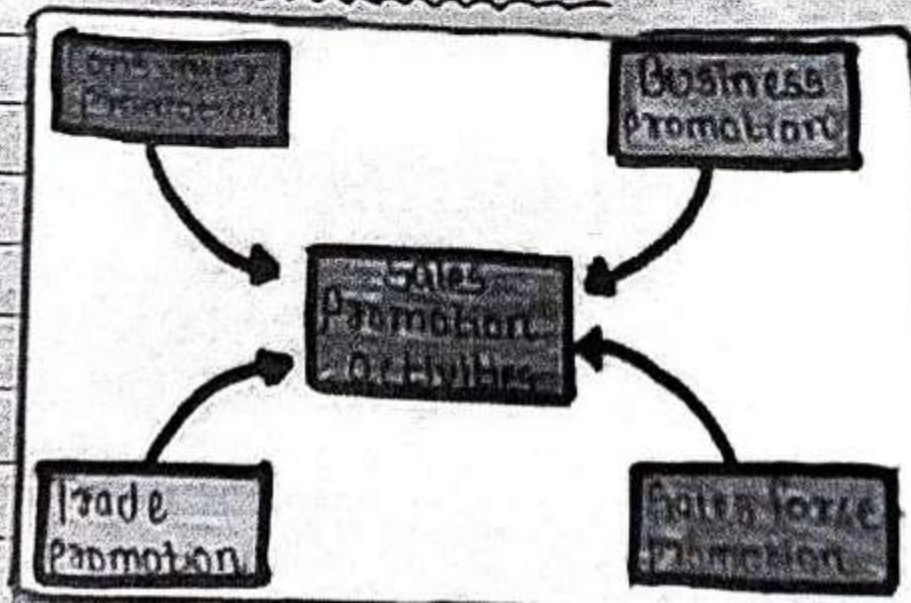


→ Sales promotion relates to short-term incentives that encourage or promote the purchase or sale of a product or a service. Sales promotion initiatives are often referred to as 'below the line activities'

→ According to Philip Kotler, "Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of particular products/services by consumers or the trade"

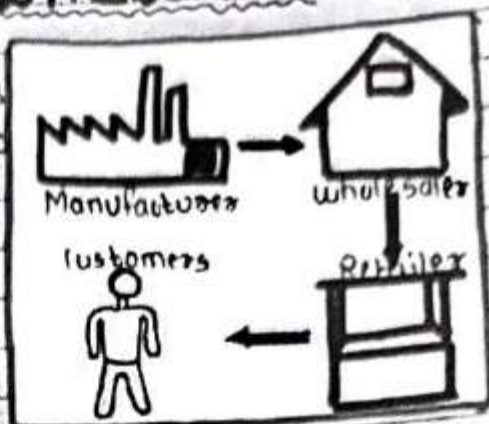
SALES PROMOTION

ACTIVITIES



PHYSICAL DISTRIBUTION

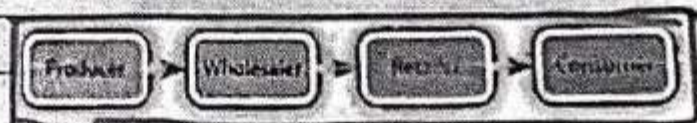
→ Physical distribution covers all the activities required to physically move the goods from manufacturer to the customer. The two major decisions areas under this functions are:



(i) Decision regarding channel of distribution

(ii) Physical movement of goods from the place where it is produced to the place of consumption. It involves major decisions and activities like storage, warehousing, inventory control, transportation etc.

→ My product Neema detergent powder is less costly and it is not an fragile or perishable item, long distribution channel is preferable. It include, wholesaler and Retailers.



PACKAGING

→ Packaging refers to the art of designing and producing the container or unwrapping of a product. Various kind of goods are placed or packed into appropriate



containers for protection and convenient handling.

→ Packaging implies placing product in suitable packages for delivery of the product to customer or for the purpose of storage and transport. Packaging is not limited to facilitating use and protection of the product, but also helps in product identification and promotion of the product.

LEVELS OF PACKAGING

- Primary Packaging

→ It encloses the actual product.

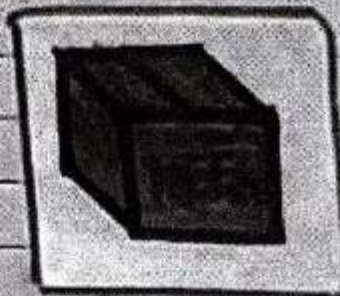


- Secondary Packaging

→ It is an additional layer of protection.

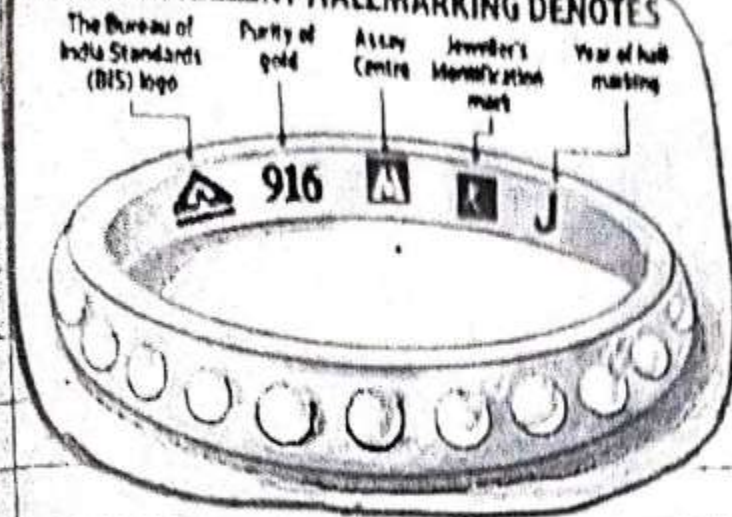
- Transportation Packaging

→ It is the packaging which is used to transport or storage.



QUALITY MARK

WHAT JEWELLERY HALLMARKING DENOTES



→ Quality marks are the expression of the quality of certified products. It assures that the product meets at least a certain threshold value as is required to obtain the certificate. The Quality Mark appears on the certificate, on labels attached to the product, on its packaging or on the product itself. This quality mark leads to the Body that granted the right to use it and is therefore the first step in the traceability of the product to its original manufacturer.

→ Under IS 2887, ISI license is issued by Bureau of Indian standards (BIS). For detergent powder or laundry soap powder ISI mark is used. The ISI mark is a certification mark that confirms the product to be of Indian standard.

SELLING PRICE OF PRODUCT

• PRICING

→ It involves determination of price of the product. It plays an important role in the marketing of goods and services. It is considered as an effective weapon during stiff competition as firms compete with each other on the basis of price.

→ Pricing strategy refers to the method that the entrepreneur uses to price his/her product or services. All entrepreneurs, large or small, base the price of their product and services on production cost, labour charges and advertising exp etc.

• PRICING STRATEGIES

• Penetration Pricing

→ Under this pricing strategy, the price of the product is initially set a price lower than the prevailing market price to attract new customers, increase profit and increase its market share. Penetration pricing is most commonly associated with a marketing objective to increase market share rather than make a profit in the short run.

→ For my product, I have chosen Penetration Pricing method to increase my product market share. There are many competitors offering detergent at higher price and have a greater goodwill. So in order to increase my product goodwill, I have chosen this method for increasing market share and goodwill. The prices that I will be offering for my product are

Neema Detergent Powder

For 250g → 30 Rs
500g → 60 Rs
1 kg → 120 Rs
2 kg → 235 Rs
4 kg → 540 Rs

- * Advantages of Penetration Pricing method
- (i) It can result in fast diffusion and adoption, resulting in an increased market share quickly.
 - (ii) It can create goodwill among the early users.
 - (iii) It leads to cost control and cost reduction.
 - (iv) It can create high stock turnover.

PLANT SET UP AND MACHINERY

- Initiating a small scale Neema detergent powder business is only around 1000 sq ft area. But the final area required will depend mostly on your desired quantity output.
- Plus, To secure your factory location with careful planning, It must have transportation, electricity and water nearby.

MACHINES

- These are some of the types of equipment that will need in manufacturing detergent powder.
- Reactors
- Pulveriser
- Weighing Scale
- Blender
- Neutraliser
- Fine screen
- Machinery
- Separator
- Product quality
- mixer

RAW MATERIALS FOR DETERGENT POWDER

→ Below mentioned are the basic raw materials required to manufacture detergent powder.

- Acid slurry
- Soda Ash
- Trisodium Phosphate
- Sodium tripolyphosphate
- Clabber's Salt
- Carboxy methyl
- Neem oil
- Palm fatty acid

MANUFACTURING PROCESS

→ Detergent powder manufacturing includes the steps of spray drying, agglomeration, dry mixing or combination of these methods.

• In the sulfate drying process, dry and liquid ingredients are first combined into a slurry or thick suspension, in a tank called a catcher.

• The slurry is heated and then pumped to the top of a tower where it is sprayed through nozzles under high pressure to produce small droplets. The droplets fall through a current of hot

air, forming hollow granules as they dry

- The dried granules are collected from the bottom of the spray tower where they are screened to achieve a relatively uniform size.
- After the granules have been cooled, heat sensitive ingredients that are not compatible with the spray drying temperatures (such as bleach, enzymes and fragrances) are added.
- Traditional spray drying produces relatively low density powder.
- New technology has enabled the soap and detergent industry to reduce the air inside the granules during spray drying to achieve higher densities.

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PROFIT & LOSS STATEMENT

S. NO	Particulars	Units	Rs.
			₹ 150
(a)	Sales	500 @	75,000
(b)	Cost of Sales	Rs 70	35,000
(c)	Gross Profit = a - b		40,000
	Fixed expenses (cash)		20,000
(i)	Salaries		5,000
(ii)	Rent		3,000
(iii)	Utilities		5,000
(iv)	Monthly interest on the loan taken		2,000
(v)	Transportation		500
(vi)	Miscellaneous		
(d)	Total Fixed expenses (cash)		35,500
(e)	Depreciation (Non-cash)	2k @ 10%	2,000
(f)	Total Fixed exp = d + e		37,500
(g)	Operating profit or loss = c - f		2,500
(h)	Taxes = Use 25% on Profit only		625
(i)	Net Profit / or Loss = g - h		1,875

BREAK-EVEN POINT

→ Break-even analysis

This analysis is a technique widely used by production management and management accountants. It is based on categorising production costs between those which are variable and those that are fixed.

→ Total variable and fixed costs are compared with sales revenue in order to determine the level of sales volume, sales value of production at which the business makes neither a profit nor a loss (the "Break-even point")

→ Fixed costs

→ Fixed costs are those business costs that are not directly related to the level of production or output

examples (for my products)

- Rent Rates
- Depreciation
- Research and development
- Marketing cost, administration costs

→ Variable costs

→ Variable costs are those costs which vary directly with the level of output. They represent payments output-related input such as raw material, direct labour, fuel etc.

BREAK - UP POINT

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BEP is the point of No Profit No loss for the business

The formula for computing BEP for a business is $\text{BEP} = \frac{\text{Fixed expenses}}{\text{Profit volume ratio}}$

$$\text{Profit volume ratio} = \frac{\text{Sales} - \text{Variable cost} \times 100}{\text{Sales}}$$

So, Profit volume ratio for the month of January is worked out as

$$\frac{3,95,500 - 1,05,200 \times 100}{3,25,500} = \frac{2,20,250 \times 100}{3,25,500} = 67.1 \text{ approx}$$

$$\text{BEP (In Rs)} = \frac{1,05,500}{0.67} = \text{Rs } 1,57,463 \text{ approx}$$

If average price of a bouquet is assumed to be Rs 1000, then no. of bouquet to be sold to break even are = $\frac{1,57,463}{1000} = 158 \text{ approx}$

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