# Executive Summary

# Introduction

Morec Tea Program is a start-up tea and snacks retail establishment within Moria Resource Centre. MOTEP expects to catch the interest of a regular loyal customer base with its broad variety of tea and snacks products. The program plans to build a strong market position in the centre through youth empowerment. It aims to offer its products at a competitive price to meet the demand of the middle-to higher-income local market area residents and visitors.

## The Company

Moriah Resource Centre (MOREC) is a local community-based organization, registered under the social and gender department office, in Homa Bay County. MOREC’s focus is on establishment of higher learning institution. One of the Morec objective is to empower youths within the county hence the participant in this initiative are the youths.

## Products and Services

MOTEPoffers a broad range of coffee,tea and snacks products, all from high quality. MOTEP caters to all of its customers by providing each customer coffee and snacks products made to suit the customer, down to the smallest detail.

## The Market

The retail tea industry in the area has recently experienced rapid growth. This has stimulated consumption of hot beverages throughout the year.

MOTEP wants to establish a large regular customer base, and will therefore concentrate its business and marketing on local residents, which will be the dominant target market. This will establish a healthy, consistent revenue base to ensure stability of the business.

## Financial Considerations

MOTEP expects to raise Ksh.10,000 of its own capital. We anticipates sales of about Ksh.20,000 in the first year, Ksh.30,000 in the second year, and Ksh.50,000 in the third year of the plan. MOTEP should break even by the fourth month of its operation as it steadily increases its sales. Profits for this time period are expected to be approximately Ksh.5,000 in year 1, Ksh.7,000 by year 2, and Ksh.10,000 by year 3.

### Mission

MOTEP aims to offer high quality coffee, tea, and snacks products at a competitive price to meet the demand of the middle- to higher-income local market area residents and tourists.

## Keys to Success

Keys to success for MOTEP will include:

* Providing the highest quality product with personal customer service.
* Competitive pricing.

# Company Summary

MOTEP is a tea,coffee and snacks program managed by MOREC. The program plans to build a strong market position in the centre.

## Company Ownership

MOREC is registered CBO with the county Government of Homa bay. It is equally owned by its two members.

## Start-up Summary

MOTEP is a start-up program. Financing will come from the founders'

### Products

MOTEP offers a broad range of coffee ,tea and snacks products, all from high quality suplies..

# Market Analysis Summary

MOTEP's focus is on meeting the demand of a regular local resident customer base, as well as a significant level of tourist traffic from nearby counties.

## Market Segmentation

MOTEP focuses on the middle- and upper-income markets. These market segments consume the majority of tea, coffee and snacks products.

**Local Residents**

MOTEP wants to establish a large regular customer base. This will establish a healthy, consistent revenue base to ensure stability of the business.

## Target Market Segment Strategy

The dominant target market for MOTEP is a regular stream of local residents. Personal and expedient customer service at a competitive price is key to maintaining the local market share of this target market..

## Competition and Buying Patterns

Competition in the local area is somewhat sparse and does not provide nearly the level of product quality and customer service as MOTEP. Local customers are looking for a high quality product in a relaxing atmosphere. They desire a unique, classy experience.

Additionally, mail order catalogs offering coffees, certain food items, and select coffee-making equipment and accessories, have been made available by a few larger competitors. Websites offering online stores that allow customers to browse for and purchase coffee, gifts, and other items via the Internet have become more commonplace as well.

# Strategy and Implementation Summary

MOTEP will succeed by offering consumers high quality tea, coffee, and bakery products with personal service at a competitive price.

## Competitive Edge

MOTEP's competitive edge is the relatively low level of competition in the local area in this particular niche.

# Management Summary

The team has extensive experience in sales, marketing, and management. The team also brings experience in the area of finance and administration.

## Personnel Plan

As per the personnel plan, MOTEP expects to make significant investments in sales, sales support, and product development personnel.

# Financial Plan

MOTEP expects to raise Ksh.10,000 of its own capital. This provides the bulk of the current financing required.

## Break-even Analysis

MOTEP's Break-even Analysis is based on the average of the first-year figures for total sales by units, and by operating expenses. These are presented as per-unit revenue, per-unit cost, and fixed costs. .

**Projected Profit and Loss**

MOTEP expects to continue its steady growth in profitability over the next three months of operations.

## Projected Cash Flow

The cash flow projection should show that, the provisions for ongoing expenses are adequate to meet MOTEP's needs as the business generates cash flow sufficient to support its operations.

**Balance Sheet**

The following is a projected Balance Sheet for MOTEP program.

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### Table: Balance Sheet

|  |  |  |  |
| --- | --- | --- | --- |
| *Pro Forma Balance Sheet* |  |  |  |
|  | **Month 1** | **Month 2** | **Month 3** |
| **Assets** |  |  |  |
|  |  |  |  |
| Current Assets |  |  |  |
| Cash | Ksh.10,000 | Ksh.10,500 | Ksh 11,000 |
| Other Current Assets | Ksh.0 | Ksh.0 | Ksh.0 |
| Total Current Assets | Ksh.10,000 | Ksh.10,500 | Ksh.11,000 |
|  |  |  |  |
| **Total Assets** | Ksh.10,000 | Ksh.10,500 | Ksh.11,000 |
|  |  |  |  |
| **Liabilities and Capital** | **Month 1** | **Month 2** | **Month 3** |
|  |  |  |  |
| Current Liabilities |  |  |  |
| Accounts Payable | Ksh.2,500 | Ksh.3,500 | Ksh.4,000 |
| Current Borrowing | Ksh.0 | Ksh.0 | Ksh.0 |
| Other Current Liabilities | Ksh.0 | Ksh.0 | Ksh.0 |
| Subtotal Current Liabilities | Ksh.2,500 | Ksh.3,500 | Ksh.4,000 |
|  |  |  |  |
| Long-term Liabilities | Ksh.10,000 | Ksh.10,500 | Ksh.11,000 |
| Total Liabilities | Ksh.12,500 | Ksh.14,000 | Ksh.15,000 |
|  |  |  |  |
| Paid-in Capital | Ksh.110,000 | Ksh.110,000 | Ksh.110,000 |
| Retained Earnings | (Ksh.64,000) | (Ksh.50,981) | (Ksh.14,544) |
| Earnings | Ksh.13,019 | Ksh.36,437 | Ksh.45,925 |
| Total Capital | Ksh.59,019 | Ksh.95,456 | Ksh.141,381 |
| Total Liabilities and Capital | Ksh.173,593 | Ksh.200,894 | Ksh.236,287 |
|  |  |  |  |
| **Net Worth** | Ksh.59,019 | Ksh.95,456 | Ksh.141,381 |