

Pre-Feasibility Study

(Florist Shop)



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Ministry of Industries & Production
Government of Pakistan

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December, 2013

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1. DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the said subject. Although, the material included in this document is based on data / information gathered from various reliable sources; however, it is based upon certain assumptions which may differ from case to case. The information has been provided on “as is where is” basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision including taking professional advice from a qualified consultant / technical expert before taking any decision to act upon the information.

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2. PURPOSE OF THE DOCUMENT

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document / study covers various aspects of project concept development, start-up, production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors in **Florist Shop** business by providing them a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error, and certain industrial norms that become a guiding source regarding various aspects of business set-up and its successful management.

Apart from carefully studying the whole document one must consider critical aspects provided later on, which form basis of any Investment Decision.

3. INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs" , SMEDA has carried out 'sectoral research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a successful hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

4. INTRODUCTION TO SCHEME

'Prime Minister's Youth Business Loan' scheme, for young entrepreneurs, with an allocated budget of Rs. 5.0 Billion for the year 2013-14, is designed to provide subsidised financing at 8% mark-up per annum for one hundred thousand (100,000) beneficiaries, through designated financial institutions, initially by the National Bank of Pakistan (NBP) and the First Women Bank Ltd. (FWBL).

Loans from Rs. 0.1 million to Rs. 2.0 million with tenure up to 8 years inclusive of 1 year grace period, and a debt: equity of 90: 10 will be disbursed to SME beneficiaries+ across Pakistan, covering; Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan, Azad Jammu & Kashmir and Federally Administered Tribal Areas (FATA).

5. EXECUTIVE SUMMARY ■ ■ ■ ■ ■

This pre-feasibility study is about Florist Shop business in the floriculture sector. Florist Shop is a retail outlet having a warehouse and an in-house living facility for workers to deal in a variety of fresh flowers, flower baskets, bouquets, event decoration and car decoration for weddings. The shop will be located in developed urban areas and cater to the needs of local customers as well as customers from outside of that particular location.

The cost for setting up the proposed project is estimated at Rs. 1.58 million and will provide employment to eight (08) individuals. The project is proposed to be financed under the 'Prime Minister's Youth Business Loan' scheme through 90% debt and 10% equity. The NPV is projected around Rs. 5.28 million, with an IRR of 50% and a payback period of 2.46 years.

The estimated yield potential of the project varies according to the selected business dimensions including but not limited to business model, marketability, investment size, availability of raw material, HR skills & competencies and location. However, the estimated revenue of the proposed model would be Rs. 4.42 million in the first year.

It is proposed that the status of this business should be a sole proprietorship.

6. BRIEF DESCRIPTION OF PROJECT & PRODUCT

The proposed business model is about a florist retail outlet with rental premises of 350 sq. ft. for retail operations and 1,125 sq. ft. for the purpose of warehouse with an in-house living facility. The florist shop is assumed to achieve a sale target of 121,465 flowers/units in the first year of its commencement at 85% of its total capacity. However, the capacity utilization is assumed to be increased at the rate of five percent (5%) whereas, the prices of shop items will be increased at the rate of 10% per annum.

A total funding of Rs. 1.58 million inclusive of the equity would be required to finance the main costs including furniture & fixture, shop equipment, vehicle and initial working capital for establishing florist shop business in the developed localities of the prospective region.

7. CRITICAL FACTORS

The key success factors of the proposed business model are as under:

- 1) Location and decor of the shop
- 2) Variety of innovative designs
- 3) Management of events
- 4) Availability of fresh and good quality flowers
- 5) Promotional activities

8. INSTALLED & OPERATIONAL CAPACITIES

A shop of 350 sq. ft. and warehouse / workers' living facility of 1,125 sq. ft. primarily used for decoration stands, wreaths, stage arrangement etc. Project is proposed to be located at a suitable place in the city to achieve the proposed sale target of 142,900 units (Roses, Glad, Tube Rose and Tulip) for Basket & Bouquet, Events and Car Decorations. It is assumed that 120,790 units will be sold in year 1 at 85% of its capacity.

9. GEOGRAPHICAL POTENTIAL FOR INVESTMENT AND POTENTIAL TARGET MARKETS

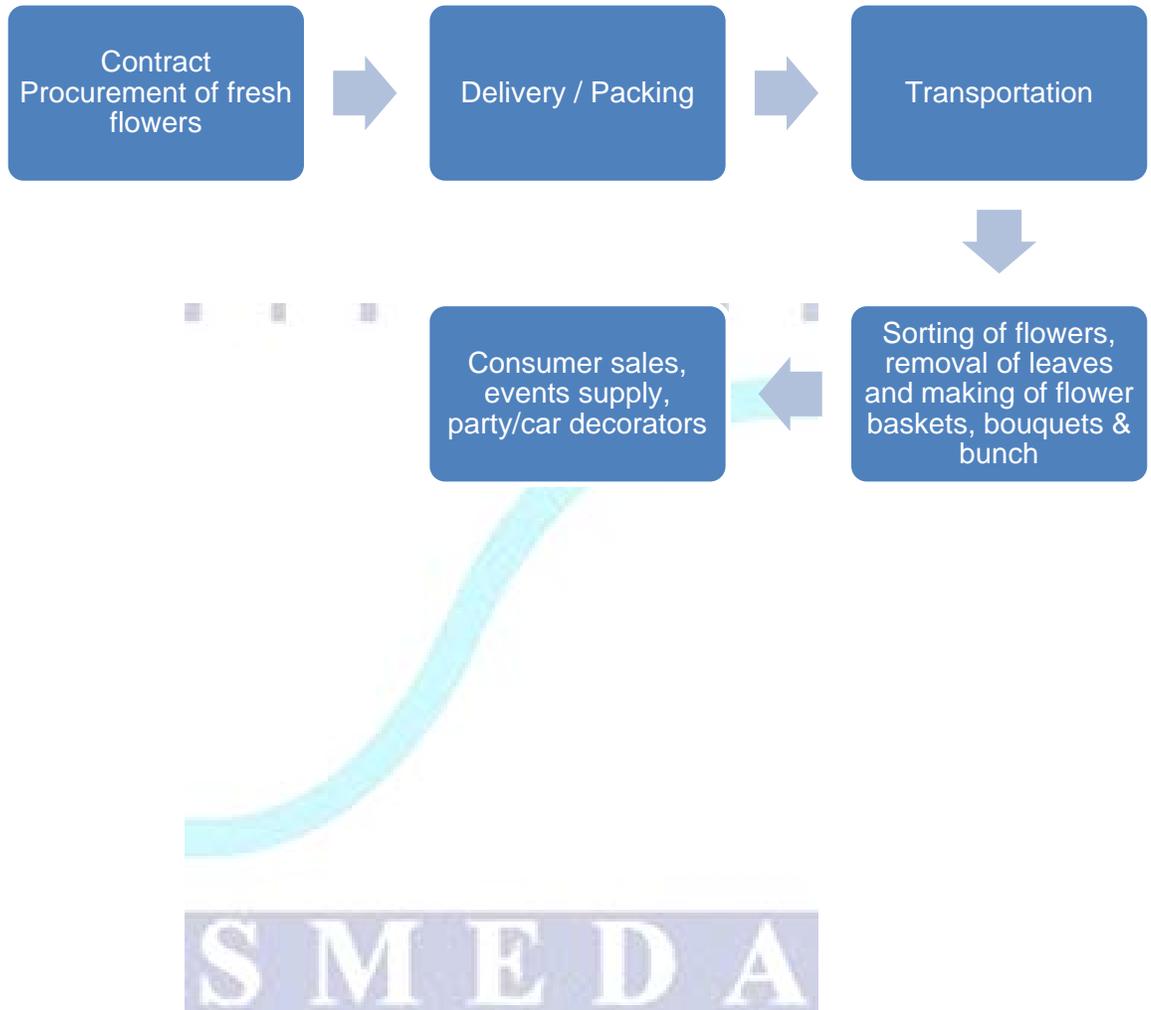
Florist shop is proposed to be established in urban areas, in close proximity of event complexes, shopping malls and designated commercial areas.

10. POTENTIAL TARGET MARKETS

Major commercial centers/areas of cities across Pakistan targeting following;

- Banquet Halls
- Commercial / Corporate area's and offices
- Hotels / Restaurants
- Bouquets and flower buyers
- Party decorators and event organizer

11. RODUCTION PROCESS FLOW



12. PROJECT COST SUMMARY

A detailed financial model has been developed to analyze the commercial viability of Florist Shop under the 'Prime Minister's Youth Business Loan' scheme. Various cost and revenue related assumptions along with results of the analysis are outlined in this section.

The projected Income Statement, Cash Flow Statement and Balance Sheet are attached as appendix.

12.1 Project Economics

All the figures in this financial model have been calculated for a target of 142,900 units (Roses, Glad, Tube Rose and Tulip) for, Basket & Bouquet, Events and Car Decorations), whereby, it is assumed that 120,790 units will be sold in year one at 85% of its capacity.

The following table shows internal rates of return and payback period.

Table 1: Project Economics

Description	Details
Internal Rate of Return (IRR)	50%
Payback Period (yrs)	2.46
Net Present Value (NPV)	Rs. 5.28 million

Returns on the shop and its profitability are highly dependent on the variety of innovative designs, proper management of events, availability of fresh and good quality flowers, skilled work force and location of the shop. In case management of the shop is not efficient, they will not be able to cover the potential market and recover payments; hence cost of operating the business will increase.

S M E D A

12.2 Project Financing

Following table provides details of the equity required and variables related to bank loan:

Table 2: Project Financing

Description	Details
Total Equity (10%)	Rs. 158,359
Bank Loan (90%)	Rs. 1,425,235
Markup to the Borrower (%age/annum)	8%
Tenure of the Loan (Years)	8
Grace Period (Year)	1

12.3 Project Cost

Following requirements have been identified for operations of the proposed business:

Table 3: Capital Investment for the Project

Capital Investment	Amount (Rs.)
Equipment for the Shop	141,000
Furniture & Fixtures	285,500
Pre-operating Cost	90,000
Vehicle	550,000
Total Capital Cost	1,066,500
Initial Working Capital	517,094
Total Project Cost	1,583,594

12.4 Space Requirement

The shop area has been calculated on the basis of space required for display of flowers and warehouse / worker's residence. In this pre-feasibility the shop and warehouse / workers' residence are assumed to be on rent. However, the shops operating in the industry do not follow any set pattern. Following table shows calculations for project space requirement.

Table 4: Space Requirement

Space Requirement	Area Required in Sq. ft	Rent per Month (Rs.)
Shop	350	30,000
Ware house/Worker's residence	1,125	11,250
Total Area		41,250

12.5 Furniture & Equipment for the Shop and Warehouse

Following table provides list of equipment required for an average florist shop.

■ **Table 5: List of Machinery and Equipment** ■

	Quantity	Cost / Unit (Rs.)	Amount (Rs.)
Laptop (Used / New)	1	40,000	40,000
Printer	1	15,000	15,000
Telephone Set	1	1,000	1,000
Furniture Set			75,600
Interior Decoration for the Shop			92,500
Refrigerator for Shop	1	40,000	40,000
Air conditioner	1	50,000	50,000
Fans and Lightening for Shop and Ware House			27,400
Frame for decoration of events	5	6,000	30,000
Generator for Outlet (3.8 KW)	1	55,000	55,000
Total			426,500

Main cost for the shop is its interior designing cost, furniture set, designing frames; 5 frames of different designs will be purchased for the decoration in events which is a more viable option compared to market practice of renting these frames. Generator (3.8 KW) is required for the shop as flowers are highly perishable items and need low temperature, therefore, an air conditioner is also required for the shop.

12.6 Commercial Vehicle Requirement

Office Vehicles required for the project are as follows:

Table 6: Office Vehicles

	Number	Unit Cost (Rs.)	Amount (Rs.)
Suzuki Pickup (Used)	1	550,000	550,000

One Suzuki pickup, assumed to be second hand, is sufficient for access to Flower Mandi for fresh flowers and events management.

12.7 Raw Material Requirements

The most critical input to run a florist shop is procurement of fresh flowers. In this pre-feasibility study, it is assumed that contract procurement would be made from the whole sale market. Following are the cost analysis of critical raw materials.

Table 7: Cost of Material

	Unit	Cost/Unit	Qty	Rs.
Rose	No	2.00	51,000	102,000
Glad	No	20.00	17,000	340,000
Tube Rose	No	2.00	34,000	68,000
Stalice	No	2.50	17,000	42,500
Tulip	No	5.00	17,000	85,000
Baskets & Bouquet	No	100.00	6,800	680,000
Events	No	5,000.00	40	200,000
Car Decoration	No	750.00	60	45,000
Total			142,900	1,562,500

12.8 Human Resource Requirement

Table 8: Human Resource Requirement

Description	No. of Employees	Salary per month (Rs.)
Owner Manager	1	30,000
Flower Decorator / Sales Men	4	52,000
Helper	2	20,000
Driver	1	12,000
Total	8	114,000

The above table provides details of human resource required to run a florist shop. Owner will perform the duties of procurement & marketing for the proposed business. Sales men are skilled flower decorators who would perform the duties at different events for decoration services and also work as sales-men on Florist Shop. Helper will provide support services to flowers decorators in events and also in sales at shop. A driver is compulsory for florist shop as flowers are procured from whole sale market and own transportation is economical in this case. Beside this, in case of any event, driver will be responsible for logistics arrangement (Flowers, Frames etc.) and for pick and drop of flower decorators.

Salaries of all employees are estimated to increase at 10% annually.

12.9 Revenue Generation

Table 9: Revenue Generation

Product	Unit	Sales Price (Rs./Unit)	Units available for Sale	Units for Sale at Year 1	First Year Sales Revenue (Rs)
Rose	No	15	51,000	43,350	650,250
Glad	No	30	17,000	14,450	433,500
Tube Rose	No	15	34,000	28,900	433,500
Statice	No	20	17,000	14,450	289,000
Tulip	No	20	17,000	14,450	289,000
Baskets & Bouquet	No	300	6,800	5,780	1,734,000
Events	No	15,000	40	34	510,000
Car Decoration	No	2,000	60	51	102,000
Total Sales		-	142,900	121,465	4,441,250

The above table shows the details of sales / revenue of florist shop for year 1 at a capacity of 85%. Major income of florist shop is from Basket and Bouquet and selling of single flowers. The capacity utilization will be increased at a rate of 5% while the price increase rate is assumed at 10%. Maximum 2 days inventory of finished goods is being proposed.

12.10 Other Costs

Other cost includes the rent of shop & warehouse and commercial vehicle running cost. Rental expense for florist shop is estimated at Rs. 495,003 per annum. Total running cost of official vehicle is estimated at Rs. 309,160 per annum.

13. CONTACT DETAILS OF SUPPLIERS, EXPERTS / CONSULTANTS

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14. ANNEXURE

14.1 Income Statement

Income Statement											
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue		4,416,576	5,171,153	6,004,381	6,606,751	7,267,426	7,994,169	8,793,586	9,672,945	10,640,239	11,704,263
<i>Cost of sales</i>											
Cost of goods sold 1	30%	1,320,747	1,546,398	1,795,569	1,975,703	2,173,273	2,390,601	2,629,661	2,892,627	3,181,890	3,500,079
Operation costs 1 (direct labor)	19%	859,200	947,828	1,040,126	1,141,728	1,252,889	1,374,872	1,508,731	1,655,623	1,816,817	1,993,705
Operating costs 3 (direct electricity)	7%	288,000	316,800	348,480	383,328	421,661	463,827	510,210	561,231	617,354	679,089
Total cost of sales	56%	2,467,947	2,811,025	3,184,175	3,500,760	3,847,823	4,229,299	4,648,602	5,109,481	5,616,060	6,172,873
Gross Profit		1,948,630	2,360,128	2,820,206	3,105,992	3,419,603	3,764,870	4,144,984	4,563,464	5,024,179	5,531,390
<i>General administration & selling expenses</i>											
Administration expense	11%	504,000	553,070	606,918	666,008	730,852	802,008	880,093	965,780	1,059,810	1,162,995
Administration benefits expense	1%	50,400	55,307	60,692	66,601	73,085	80,201	88,009	96,578	105,981	116,299
Building rental expense	11%	495,003	544,503	598,954	658,849	724,734	797,207	876,928	964,621	1,061,083	1,167,191
Electricity expense (Worker's Residence)	1%	60,000	66,000	72,600	79,860	87,846	96,631	106,294	116,923	128,615	141,477
Decorated Cloths and Foam Expenses	0%	10,000	11,000	12,100	13,310	14,641	16,105	17,716	19,487	21,436	23,579
Travelling expense	7%	309,160	361,981	420,307	462,473	508,720	559,592	615,551	677,106	744,817	819,298
Communications expense (phone, fax, mail, internet, etc.)	0%	10,080	11,061	12,138	13,320	14,617	16,040	17,602	19,316	21,196	23,260
Office expenses (stationary, entertainment, janitorial services, etc.)	0%	5,040	5,531	6,069	6,660	7,309	8,020	8,801	9,658	10,598	11,630
Promotional expense	1%	22,083	25,856	30,022	33,034	36,337	39,971	43,968	48,365	53,201	58,521
Depreciation expense	2%	103,250	103,250	103,250	103,250	103,250	106,344	106,344	106,344	106,344	106,344
Amortization of pre-operating costs	0%	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Subtotal		1,578,016	1,746,559	1,932,049	2,112,365	2,310,390	2,531,120	2,770,306	3,033,178	3,322,082	3,639,595
Operating Income		370,614	613,569	888,157	993,627	1,109,213	1,233,750	1,374,679	1,530,286	1,702,097	1,891,795
Gain / (loss) on sale of office equipment		-	-	-	-	22,400	-	-	-	-	-
Earnings Before Interest & Taxes		370,614	613,569	888,157	993,627	1,131,613	1,233,750	1,374,679	1,530,286	1,702,097	1,891,795
Interest expense on long term debt (Project Loan)		118,294	108,299	95,163	80,936	65,529	48,843	30,772	11,201	-	-
Interest expense on long term debt (Working Capital Loan)		-	-	-	-	-	-	-	-	-	-
Subtotal		118,294	108,299	95,163	80,936	65,529	48,843	30,772	11,201	-	-
Earnings Before Tax		252,320	505,270	792,994	912,691	1,066,084	1,184,907	1,343,907	1,519,085	1,702,097	1,891,795
Tax		-	10,527	41,449	59,403	82,412	100,236	124,086	151,317	187,919	225,859
NET PROFIT/(LOSS) AFTER TAX		252,320	494,743	751,545	853,287	983,672	1,084,671	1,219,821	1,367,768	1,514,178	1,665,936

14.2 Cash Flow Statement

Cash Flow Statement											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Operating activities</i>											
Net profit		252,320	494,743	751,545	853,287	983,672	1,084,671	1,219,821	1,367,768	1,514,178	1,665,936
Add: depreciation expense		103,250	103,250	103,250	103,250	103,250	106,344	106,344	106,344	106,344	106,344
amortization of pre-operating costs		9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Deferred income tax		-	10,527	41,449	59,403	82,412	100,236	124,086	151,317	187,919	225,859
Accounts receivable		(36,301)	(3,101)	(6,525)	(5,900)	(5,191)	(5,702)	(6,272)	(6,899)	(7,589)	(8,348)
Finished goods inventory		(13,787)	(1,834)	(2,073)	(1,754)	(1,928)	(2,119)	(2,329)	(2,560)	(2,814)	(3,093)
Equipment inventory		-	-	-	-	-	-	-	-	-	-
Raw material inventory		(18,344)	(5,282)	(6,550)	(6,348)	(7,670)	(9,281)	(11,229)	(13,588)	(16,441)	114,625
Pre-paid building rent		(123,751)	(12,375)	(13,613)	(14,974)	(16,471)	(18,118)	(19,930)	(21,923)	(24,116)	291,798
Accounts payable		18,416	3,181	3,500	2,573	2,834	3,131	3,461	3,827	4,235	2,789
Cash provided by operations	(142,094)	315,241	595,603	878,824	995,719	1,146,650	1,264,402	1,418,600	1,588,241	1,764,852	2,404,909
<i>Financing activities</i>											
Project Loan - principal repayment		-	(158,269)	(171,405)	(185,632)	(201,039)	(217,725)	(235,797)	(255,368)	-	-
Additions to Project Loan	1,425,235	-	-	-	-	-	-	-	-	-	-
Issuance of shares	158,359	-	-	-	-	71,472	-	-	-	-	-
Purchase of (treasury) shares											
Cash provided by / (used for) financing activities	1,583,594	-	(158,269)	(171,405)	(185,632)	(129,567)	(217,725)	(235,797)	(255,368)	-	-
<i>Investing activities</i>											
Capital expenditure	(1,066,500)	-	-	-	-	(71,472)	-	-	-	-	-
Acquisitions											
Cash (used for) / provided by investing activities	(1,066,500)	-	-	-	-	(71,472)	-	-	-	-	-
NET CASH	375,000	315,241	437,334	707,419	810,087	945,611	1,046,676	1,182,803	1,332,873	1,764,852	2,404,909



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14.3 Balance Sheet

Balance Sheet											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
<i>Current assets</i>											
Cash & Bank	375,000	690,241	1,127,575	1,834,994	2,645,081	3,590,692	4,637,368	5,820,172	7,153,045	8,917,898	11,322,807
Accounts receivable		36,301	39,402	45,927	51,827	57,017	62,719	68,991	75,890	83,479	91,827
Finished goods inventory		13,787	15,622	17,695	19,449	21,377	23,496	25,826	28,386	31,200	34,294
Raw material inventory	18,344	23,626	30,176	36,523	44,193	53,473	64,703	78,290	94,731	114,625	-
Pre-paid annual land lease	-	-	-	-	-	-	-	-	-	-	-
Pre-paid building rent	123,751	136,126	149,738	164,712	181,183	199,302	219,232	241,155	265,271	291,798	-
Total Current Assets	517,094	900,080	1,362,512	2,099,851	2,941,733	3,921,861	5,007,518	6,234,434	7,617,323	9,439,000	11,448,927
<i>Fixed assets</i>											
Machinery & equipment	85,000	76,500	68,000	59,500	51,000	42,500	34,000	25,500	17,000	8,500	-
Furniture & fixtures	285,500	256,950	228,400	199,850	171,300	142,750	114,200	85,650	57,100	28,550	-
Office vehicles	550,000	495,000	440,000	385,000	330,000	275,000	220,000	165,000	110,000	55,000	-
Office equipment	56,000	44,800	33,600	22,400	11,200	71,472	57,177	42,883	28,589	14,294	-
Total Fixed Assets	976,500	873,250	770,000	666,750	563,500	531,722	425,377	319,033	212,689	106,344	-
<i>Intangible assets</i>											
Pre-operation costs	90,000	81,000	72,000	63,000	54,000	45,000	36,000	27,000	18,000	9,000	-
Total Intangible Assets	90,000	81,000	72,000	63,000	54,000	45,000	36,000	27,000	18,000	9,000	-
TOTAL ASSETS	1,583,594	1,854,330	2,204,512	2,829,601	3,559,233	4,498,583	5,468,896	6,580,467	7,848,012	9,554,344	11,448,927
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable		18,416	21,597	25,097	27,670	30,503	33,634	37,095	40,923	45,158	47,946
Total Current Liabilities	-	18,416	21,597	25,097	27,670	30,503	33,634	37,095	40,923	45,158	47,946
<i>Other liabilities</i>											
Deferred tax		-	10,527	51,976	111,379	193,792	294,028	418,114	569,431	757,350	983,208
Long term debt (Project Loan)	1,425,235	1,425,235	1,266,966	1,095,561	909,929	708,889	491,164	255,368	-	-	-
Total Long Term Liabilities	1,425,235	1,425,235	1,277,493	1,147,537	1,021,308	902,681	785,192	673,481	569,431	757,350	983,208
<i>Shareholders' equity</i>											
Paid-up capital	158,359	158,359	158,359	158,359	158,359	229,831	229,831	229,831	229,831	229,831	229,831
Retained earnings		252,320	747,063	1,498,608	2,351,895	3,335,567	4,420,238	5,640,059	7,007,828	8,522,005	10,187,941
Total Equity	158,359	410,679	905,422	1,656,967	2,510,255	3,565,398	4,650,070	5,869,890	7,237,659	8,751,836	10,417,772
TOTAL CAPITAL AND LIABILITIES	1,583,594	1,854,330	2,204,512	2,829,601	3,559,233	4,498,583	5,468,896	6,580,467	7,848,012	9,554,344	11,448,927

14.4 Useful Project Management Tips

Technology

- **Energy Requirement:** Should not be overlooked for retaining freshness of flower and alternate source of energy for critical operations be arranged in advance
- **Quality Assurance Equipment & Standards:** Whatever means required products and service quality standards need to be defined and a system to check them instituted, this improves credibility

Marketing

- **Product Development & Packaging:** Set designer & other expert's help may be engaged for product/service and packaging design & development
- **Ads & Point of Sale Promotion:** Business promotion and dissemination through banners and launch events is highly recommended. Product brochures from good quality service providers may be developed.
- **Sales & Distribution Network:** Expert's advise and distribution agreements are required with appropriate retailers or institutional buyers.
- **Price - Bulk Discounts, Cost plus Introductory Discounts:** Price should never be allowed to compromise quality. Price during introductory phase may be lower and used as promotional tool. Product cost estimates should be carefully documented before price setting. Government controlled market committee prices shall be displayed, if applicable.

Human Resources

- **Adequacy & Competencies:** Skilled and experienced staff should be considered an investment even to the extent of offering share in business profit.
- **Performance Based Remuneration:** Attempt to manage human resource cost should be focused through performance measurement and performance based compensation.
- **Training & Skill Development:** Encouraging training and skill of self & employees through experts and exposure of best practices is route to success. Least cost options for Training and Skill Development (T&SD) may be linked with compensation benefits and awards.

14.5 Useful Links

- Prime Minister's Office, www.pmo.gov.pk
- Small and Medium Enterprise Development Authority, www.smeda.org.pk
- National Bank of Pakistan (NBP), www.nbp.com.pk
- First Women Bank Limited (FWBL), www.fwbl.com.pk
- Government of Pakistan, www.pakistan.gov.pk
- Ministry of Industries & Production, www.moip.gov.pk
- Ministry of Education, Training & Standards in Higher Education, <http://moptt.gov.pk>
- Government of Punjab, www.punjab.gov.pk
- Government of Sindh, www.sindh.gov.pk
- Government of Khyber Pakhtunkhwa, www.khyberpakhtunkhwa.gov.pk
- Government of Balochistan, www.balochistan.gov.pk
- Government of Gilgit Baltistan, www.gilgitbaltistan.gov.pk
- Government of Azad Jamu Kashmir, www.ajk.gov.pk
- Trade Development Authority of Pakistan (TDAP), www.tdap.gov.pk
- Securities and Exchange Commission of Pakistan (SECP), www.secp.gov.pk
- Federation of Pakistan Chambers of Commerce and Industry (FPCCI), www.fpcci.com.pk
- State Bank of Pakistan (SBP), www.sbp.org.pk

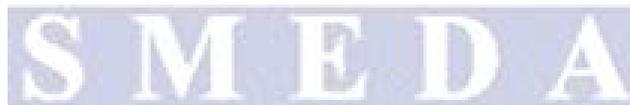
15. KEY ASSUMPTION

Table 10: Operating Assumptions

Days Operational per Year (Days)	340
Accounts Payable (Days)	5
Accounts Receivable (Days)	3
Finished Goods Inventory (Days)	2

Table 11: Expense Assumptions

Admin Benefit Expenses	1% of Admin Salaries
Travelling Expenses	7% of Sales
Promotional Expenses	0.5 % of Revenue



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