1, Executive summary

We want to establish a new stationery shop (Amu Stationery Store), in Addis Ababa Science and Technology University (AASTU) around Kilinto prison is though, students need more of stationery materials for their study, there is no stationery store with in the campus that can solve their problems.

The project will bring increases in revenue and profit by 45% and 50%respectively in the first year and will do more in the years to come.

The stationery store will satisfy the customers' needs, increase the revenue and profit, and improve the financial statements.

The stationery store, organized as a partnership, mainly carries all kinds of pens, pencils, rulers, pencil-boxes, notebooks, envelops, etc, and various best sellers for students, teachers and other employees &residents of the Campus. It is located in Addis Ababa town in AASTU.

The stationery Store, which will be located in AASTU around Kilinto prison, has the following features:

It will have a wide space to make the customers comfortable, they do not have to disturb other customers when walling along the aisles.

The interior decorating is simple but comfortable.

Lighting and ventilation of the stationery store in response to the warm nature of the site to make customers refreshed & relaxed.

It will have large display & shelf which have enough spaces for putting inventories.

It will have two classes. The front class is very broad used for doing all activities relates to the business, but the interior class will be used for storing stock of inventories &for doing other related activities.

2, INTRODUCTION

Originally the term "stationary" referred to all products sold by a stationary, who's name indicates that a fixed spot, usually near a university and permanent and others .It includes pens, paper, envelop and other things used for writing

The usage and marketing of stationary is a niche industry that is increasingly threatened by electronics media .as intrinsically linked to paper and the process of written, personalized communication, many techniques of stationary manufacture are employed of varying desirability and expense.

Stationary has historically meant a while gamut materials paper and office supplies, writing implements, greeting cards ,glue, pencil case etc with the opening up of the economy, the top and not only premium products entered the market while high priced once are being sold in small unassuming way - side stores.

3, Name and address of the business

The name of the business is Amu Stationery Shop. It aims to get the required level of profit by providing quality service and product to satisfy and adequate service for customers which will include gamut materials paper and office supplies, writing implements, greeting cards. The location is found in the capital city of Addis Ababa around Kilinto prison, different industry and new condominium & real state site.

4,Business objective & Strategy

Mission

Making available all necessary stationery materials at one place with affordable price to save our customers time, money and buying effort.

Vision

To be a leading and most competent stationery store in Addis Ababa town by the year 2015 E.c.

Objective

To serve the students who are the main customers. The shop will offer the best services to meet the customers' need.

to increase sales revenue by higher rate

To solve the problem of students consumption.

5, Description of the Project

Amu Stationery Shop, it is a new business project exists in AASTU which provide school stationary and other gift materials for students, teachers and other community or society who live within the compound. it usually will have a stoke of 10,000 stationary which increase when a semester starts and decrease by the end of a semester.

Positioning strategy

Campus will offer its products & services mostly to the students, teachers, and other residents of the University. The store will position itself as choice number one provider of stationery materials and other related services for interested groups. Unlike most of other stationery material dealers, Campus will offer all necessary school stationery material, gift materials and other related services with affordable price, at a convenience place for our customers. This will significantly reduce the customers' time and buying effort. Moreover, by utilizing numerous supplier contacts that the company owners will established and increase its efficiency.

Pricing strategy

Campus will uses cost plus pricing specifically market penetration which is setting lower price for a product especially at the introduction stage of the business to attract price sensitive customers.

Some of the prices for sample products:-

No	*Item*	*Price/piece*	*Price/dozen or pack*
1	*paper*	*1.00 Br*	*300Br*
2	*Pen*	*5.00 Br*	*60 Br*
3	*Drawing material*	*80.00 Br*	*--*
4	*Album*	*50.00 Br*	*--*
5	*Envelop*	*5.00--8.00Br*	*--*

6	*Stapler*	*15.00 Br*	*180.00 Br*
7	*calculator*	*175.00 Br*	*--*
8	*plaser*	*5.00--10.00 Br*	*130.00 Br*
9	*Note book*	*15.00--20.00 Br*	*200.00 Br*

Promotion Strategy

The store's promotion strategy will be based on the following elements:

Developing good relationships with other stationery stores that would receive a percentage of sales to the referred customers.

Word of mouth referrals - generating sales leads in the local community through customer referrals.

Advertising using Brochures &fliers.

Working hour

Working hour will be from 8:30AM to 8:00PM including weekend days.

SWOT Analysis

Strengths:

- The fashionable decoration of the store will meet the students' need.

- The stationery shop purchases directly from wholesale, so it can offer larger discounts to the customers than the retail's outlet.
- It is the only store in the university which offers all necessary school and other materials at one place.

Weaknesses:

- Difficulty to expand the stationery shop at the present location.
- Shortage of capital.
- The working hours are shorter because students may need materials during mid nights to do assignments or other projects.

Opportunities:

- The students of different schools are the steady customers of consuming.
- The store can supply the demand of different levels of customers.
- The students cannot find a place to telephone when they are in trouble or something urgent.
- It is a good place for students to communicate each other.

Threats:

- During non class seasons there will not be sales.

- Other convenient shops will sell stationery as their by work in order to increase the business volume.

6, Product &service to be offered

Products

- *All kinds of pen, pencil, ruler, pencil-boxes, note books, envelop*
- *Various size of notebooks*
- *Ball pens with colorful design*
- *Albums*
- *Letter papers*
- *Erasers*
- *Gift materials*
- *Drawing materials*
- *Envelop*
- *Calculator*
- *Other stationery materials*

Services

- *Provide writing service with help of a computer.*
- *Provide printing service.*
- *Id and document binding.*
- *Provide telephone dialing service.*

7, Business location & site

The stationary store will be located in Addis Ababa town, specifically in AASTU. A good location plays a very vital role in inviting customers and increasing business.

Reason for selecting AASTU as our business site

a. *Easy to asses for students, teachers and other users to buy their requirements.*
b. *To encourage customers by offering them everything at one place saving them hassle of going for away and searching for the required stationary products.*
c. *It is a good commercial area for increasing sales and profit.*
d. *It is a good location near to Kilinto prison, different industry and new condominium & real state site.*

8, Demand & market analysis

Market Analysis

Amu stationery store has searched the number of people who will likely to use or benefit from the project via a questionnaire. Based on market survey, we estimate the number of potential customers to be 7500 -- 9000 from the total population found in the compound.

Results of the market survey

Envelop, binder, pen is mostly needed by teachers.

Drawing materials like fixer, eraser, ruler, compass and other related materials are mostly needed by engineering student in large quantities. Paper, pen, stapler are mostly needed by social students.

- ✓ *50% of the students use stationary materials in large quantities at the beginning of the semester.*
- ✓ *15% of the students use most of stationary during exam.*
- ✓ *35%of students use most of stationary materials regularly.*
- ✓ *More than half of the students prefer to buy stationary materials with affordable price.*
- ✓ *35% of the students take learning materials from their own home along with them when class is started.*
- ✓ *65% of the students purchase stationary materials from shop and other stationary stores in the town.*
- ✓ *most of the students are unsatisfied to purchase stationary materials from shops found in the town due to its high price ,farness, high buying effort ,absence of related service*
- ✓ *more than half of the student will be satisfied if the store is opened in their compound because it saves their time ,cost and efforts of buying*
- ✓ *15% of the students buy stationary materials in pack or dozen.*
- ✓ *85% of students purchase stationary materials in piece.*
- ✓ *45% of the student purchase gift materials during holiday.*
- ✓ *35% of the student purchase gift materials during graduation.*
- ✓ *20% of the students purchase gift materials during other occasions*

Marketing Implication

We have to carry large stock of inventory at the beginning of the semester to meet the high demand.

We have to carry large stock of gift materials during holiday & graduation to satisfy our customer & to increase volume of sales.

Most of the students will be satisfied by the opening of stationery store in their campus. So, we have to work hard in order to exceed their expectation by providing what they need at relatively affordable price.

We have to make readily available regularly needed stationery materials like paper, pen, pencil and other related materials in order to satisfy the higher need.

We have to attract students who buy stationery materials from their homes in order to make them buy from us.

Customers

Campus identified its target customers they are students of different Batches & Schools and teachers and other employees and communities of the University.

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Demand Analysis

Currently, there are 15,000 students found in AASTU. From the total population,

a,) 7500 of students use stationery materials in large quantity at the beginning of semester, 2250 use during exam and the remaining 5250 use regularly.

b,) 5250 students get learning stationery materials from their own home & the remaining 9750 students purchase stationery material from shop & other stationary stores in the town.

c,) 2250 students buy stationery material in pack/dozen and the remaining 12750 purchase in piece.

d,) 6750 students purchase gift materials during holiday, 5250 purchase during graduation & the remaining 3000 students purchase gift material for other occasion.

e,) All of the non student (teachers, other employees & communities in the campus) are our actual & potential customers.

Demand Forecasting

Estimated demand for three years using trend projection method for the proposed project.

year	Forecasted demand
1	7,000
2	8,500
3	9,000

9, Technical Analysis_

The main input for this stationary item gamut materials paper and office supplies, writing implements, greeting cards ,glue, pencil case etc. which is widely available in the local market. It will be purchased from different suppliers located in Ethiopia.The quantity and cost of raw materials and utilities required for our service with full capacity of per annual are described in the below table. All raw material and utilities will be consumed from locally.

10, Financial Analysis

Cost of a project

Initial investment cost -include

machinery and equipment.....23000

legal fee for license and others.....5000

pre- production marketing costs.....1000

Operating cost

decorating.....900

material cost.....8000

utilities.....1800

wages and salaries.....20000

rent.....70000

telephone.....1100

Project investment cost

No	***Item***	***Project year***		
		1	***2***	***3***
1	*equipment*	*8,000*	*8200*	*8350*
2	*Supply*	*9,000*	*9500*	*9880*
3	*Building(for rent)*	*10,000*	*10000*	*10000*
4	*Machinery ,computer*	*15,000*	*15300*	*15450*
5	*Office furniture*	*3,000*	*3600*	*4000*
6	*Other costs*	*50,000*	*50300*	*50560*
Total		***95,000***	***96,900***	***98,240***

11, Source of Finance

Initial capital fund

Amu Stationery Shop will set up its business with capital of birr 300,000.The source of finance will be birr 200,000 from owners' fund & the remaining 100,000 from financial institutions or banks.

Owner ***capital***

Amarech **----------35,000**

Maheder Sisay----------90,000

Andamelak Belatu----------35,000

Ayelech Dereja---------- 40,000

Total owners capital.....200,000

Loan from bank.....100,000

Total fund.....***300,000***

12, Financial statement

Financial statement of the proposed project for the next three years will be presented as follows:-

- *income statement*
- *balance sheet*
- *statement of cash flow*

13, Income statement

Amu Stationery Shop

For the year ended June 2010 E.C

Revenue

Fees earned.....160,000

Less operating expense

Rent expense□□□□□□□.....60000

Utility expense□□□□□□.....2000

Advertizing expense□□□□.....500

Salary expense□□□□□□.....30000

Supply expense□□□□□.....9000

Depreciation □□□□□□□.....1000

Equipment□□□□□□□□.....8000

Total operating expense□□□□□□□..... 110500

Net income □□□□□□□□□□□□.....□..... 49500

Income statement

Amu Stationery Shop

For the year ended June, 2011 E.C

Revenue

Fees earned.....195,000

Less operating expense

Rent expense□□□□□□□.....60000

Utility expense□□□□□□.....2400

Advertizing expense□□□□.....500

Salary expense□□□□□□.....30000

Supply expense□□□□□.....9500

Depreciation □□□□□□□.....1200

Equipment□□□□□□□□.....8200

Total operating expense□□□□□□□..... 111800

Net income □□□□□□□□□□□□.....□..... 83,200

Income statement

Amu Stationery Shop

For the year ended June 2012 E.C

Revenue

Fees earned.....225,000

Less operating expense

Rent expense□□□□□□□.....60000

Utility expense□□□□□□.....2450

Advertizing expense□□□□.....400

Salary expense□□□□□□.....30600

Supply expense□□□□□.....9880

Depreciation □□□□□□□.....1500

Equipment□□□□□□□□.....8350

Total operating expense□□□□□□□.....113,180

Net income □□□□□□□□□□□□.....□..... 111,820

14, Balance Sheet

Amu Stationery Shop

For the year ended June, 2010E.C

Asset

Cash□□□□□□□□□.....174,000

Account receivable□□□.....35,000

Inventory.....45,000

Supplies.....□□.....16000

equipment.....9500

Machinery.....20,500

Total asset□□□□□□□

.....**300,000**

Liability and Owner□s equity

Liability□□□□□□□□□...100,000

Owner□s equity□□□□□□.....200,000

Total Liability & owners' equity.....**300,000**

Balance Sheet

Amu Stationery Shop

For the year ended June, 2011 E.C

Asset

Cash□□□□□□□□□.....160000

Account receivable□□□.....40000

Inventory.....52500

Supplies.....□□.....16600

equipment.....9900

Machinery.....21,000

Total asset□□□□□□□

.....**300,000**

Liability and Owner□s equity

Liability□□□□□□□□□...100,000

Owner□s equity□□□□□□.....200, 000

Total Liability & owners' equity.....**300,000**

Balance Sheet

Amu Stationery Shop

For the year ended June, 2012 E.C

Asset

Cash□□□□□□□□□.....151000

Account receivable□□□.....42000

Inventory.....55000

Supplies.....□□.....17500

equipment.....12500

Machinery.....22000

Total asset□□□□□□□

.....**300,000**

Liability and Owner□s equity

Liability□□□□□□□□□□...300,000

Owner□s equity□□□□□□.....420, 000

Total Liability & owners' equity.....**300,000**

15, Statement of Cash Flow

Amu Stationery Shop

For the ended June 2010 E.C

Cash receipt□□□□□□□.....174,000

Less: cash paid for operation□□..... (95,000)

Less: equipment and supply□□..... (25,500)

Cash flow□□□□□□□□□.....120,500

Add: Beg. Cash□□□□.....200,000

End Balance□□□□□.....**320,500**

Statement of Cash Flow

Amu Stationery Shop

For the ended June 2011 E.C

Cash receipt□□□□□□□.....160,000

Less: cash paid for operation□□..... (96,900)

Less: equipment and supply□□..... (26,500)

Cash flow□□□□□□□□□.....123,400

Add: Beg. Cash□□□□.....200,000

End Balance□□□□□.....**323,400**

Statement of Cash Flow

Amu Stationery Shop

For the ended June 2012 E.C

Cash receipt□□□□□□□.....151,000

Less: cash paid for operation□□..... (98,240)

Less: equipment and supply□□..... (30,000)

Cash flow□□□□□□□□□.....128,240

Add: Beg. Cash□□□□.....200000

End. Balance□□□□□.....**328,240**

Financial Evaluation of the project

year	*Annual cash inflow*	*cumulative*	*PV of cash*
0	*300,000*	*-*	*300,000*
1	*160,000*	*160,000*	*145,454*
2	*195,000*	*355,000*	*161,157*
3	*225,000*	*580,000*	*169,046*
Total			*475,657*

PBP *= years before full recovery +* $\frac{\text{uncovered cost}}{\text{Cash flow for the next period}}$

$= 1 + \frac{140,000}{195,000}$

$= 1 + 0.8$

= 1 year with 10 months

***NPV** = PV of cash inflow -- PV of cash outflow*

= 475,675 -- 300,000

= 175,675

***BCR** = 475,657*

300,000

= 1.60

***NBCR** = BCR -- 1*

= 1.60 --1

= 0.60

Out of the total benefit 60% is the net benefit & the rest 40% is cost

16, Economical & Social cost benefit_

For the society

The opening of this project will solve this problem of the society (spectators). The persons other than our target market will also benefiting from our product and services because of the fact that we will provide a better quality products with a relatively low price compared to other projects found around the schools.

Moreover, the project also benefited the society by creating an employment opportunity for twenty five persons. And as it expands its market in the future it will create additional employment opportunity.

For owners

As it is forecasted on the financial analysis the company will earn 1,961.600 birr profit annually, the owners will benefit from the profit they get and also use it for further expansion

For suppliers

The project also benefited because the number of their product distributors will increased by one and their products will delivered to final users smoothly.

For government

Ethiopian government will also benefit from the project in terms of tax obtained from profit of the project and income tax collected from employee

113.180. It also contributes to the country□s economic development in some extent by decreasing unemployment and collecting tax to the government.

17, Environmental Impact analysis

In the event of a major change in the market, we might see some reduction in revenue. We feel that we are sufficiently aware of potential risks and have contingency plans in place to either minimize or eliminate them. Other risks that may affect our business, include

- Some customers may pilfer from the stationery shop.
- Some customers may not satisfy with the environment of the shop.
- other stationery store may be opened in the campus in future.
- The stationery may not sale when class ends.
- The loan may not be obtained from the bank.
- The whole decoration to the store may not reach the standard of the management.

18, Organization & Human Resource

Organizational plan

Form of Ownership

The store will be set up as a strong partnership in a term of agreement sharing the profit or lose equity. It will have four members

5.1.1 Owner

1) Amarech **------**
2) Maheder Sisay
3) Andamelak Belatu
4) Ayelech Dereja

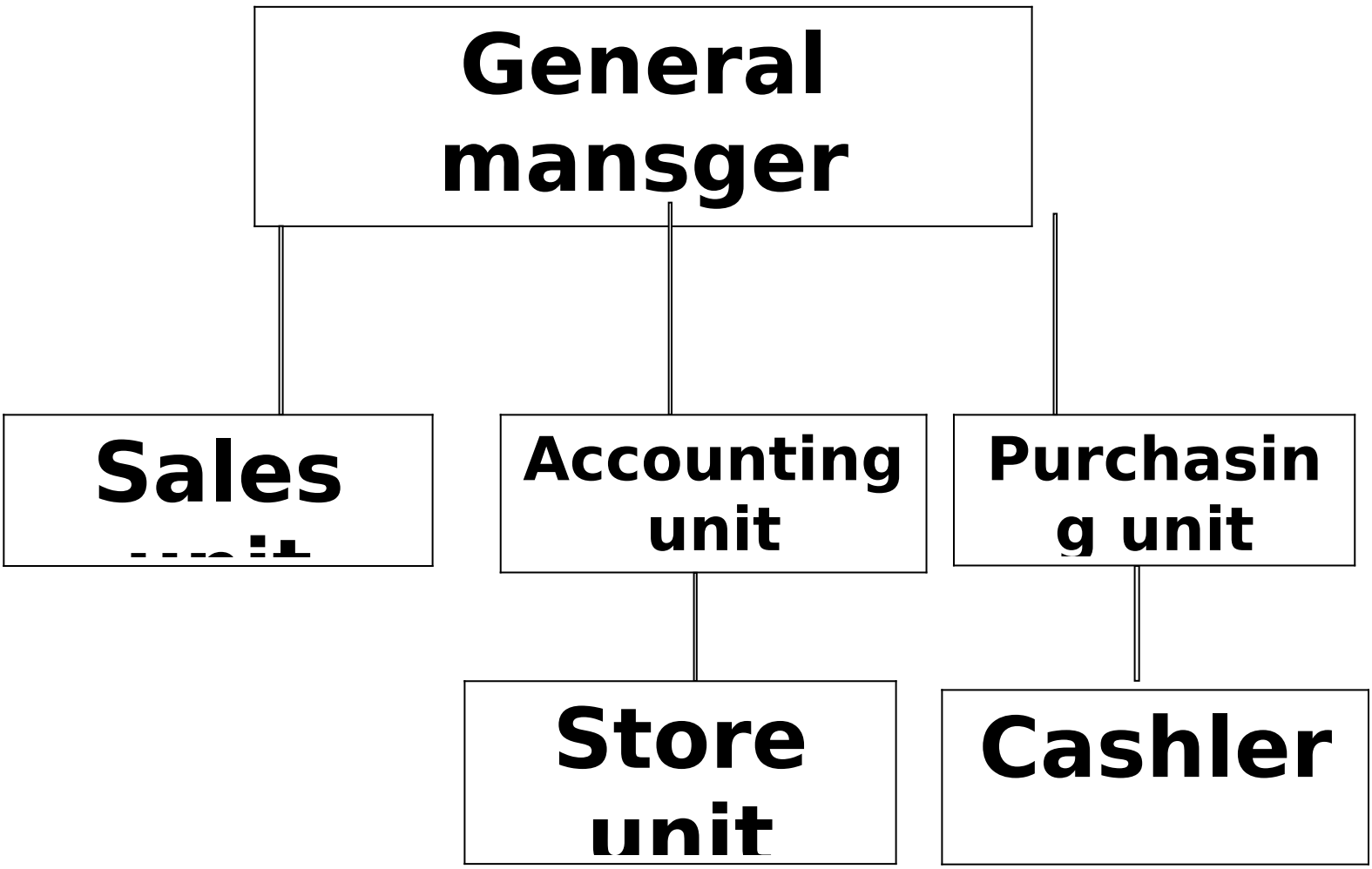
Management

The store will be managed by the general manager who is graduated in marketing and sales management because Andamelak belatu_has a general understanding about a business .so the business will be managed better by the marketing manager.

Responsibilities

- *The marketing manager will be responsible to manage and supervise all the business activities and human resource.*
- *The accountant will be responsible to keep records of all transaction and report the financial position (profit or loss) of the business.*
- *The cashier will be responsible to receive payment.*
- *The purchaser will be responsible to purchase inventory and needed supplies.*
- *The store keeper will be responsible to arrange and put inventories on the store by their respective order and to make available/to make inventories out of the store while purchase order comes.*
- *The sales person will be responsible to provide information about the quality ,price and other aspects of the product and to make sales*
- *The secretary will be responsible to write, print assignments project and other documents ordered by the customers.*
- *Photocopier will be responsible to make photo copy, binding documents, covering ids of students and others.*
- Janitor will be responsible to clean the store, display, shelf and other materials daily.

19, Organizational chart for Amu Stationery Store



20, Human Resource

Qualification		***Experienc e***	***Quantit y***	***salary***
	Position			
BDM&Masters in Marketing & Sales Management	*General manager*	*1 year*	*1*	*6,000*
BA degree in Accounting	*Accountant*	*1 year*	*1*	*3,500*
Diploma in Purchasing	*Purchaser*	*1 year*	*1*	*1,500*
Certificate in Purchasing	*Storekeeper*	*1 year*	*1*	*1,000*
Diploma in Sales Management	*Sales person*	*1 year*	*1*	*1,500*
Diploma in Accounting	*Cashier*	*8 months*	*1*	*500*
Certificate in Secretarial Science	*Secretary*	*1 year*	*2*	*1,000*
10^{th} grade	*Photocopier*	*1 year*	*1*	*650*
6^{th} grade	*Janitor*	*6 months*	*1*	*550*

REFERENCE

1, http://www.yourcoach.
2, Third year graduate students