

Detailed analysis on appropriateness in context to the new entrepreneurial venture and its operations for seeking government grant

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Abstract— This research was conducted in an innovative tactic of Artificial Intelligence where cost analysis was projected after carefully considering factors like, marketing strategy, human capital safety, economy of scale, management strategies, legal compliances, etc for seeking government grant. The aim for this research is to develop & deliver the technology that can accurately measure human body or any other spices as well it can be used in textile industry for custom made outfits and for security vigilance at the airports, malls, etc.

Index Terms Entrepreneurship, Innovation, Creativity, Cost & Financial Accounting, Commercial & Corporation Law, Marketing & Human Resources, Information Technology, Strategic Planning, Legal compliances, Revolution

1. BUSINESS IDEAS & GOALS

The business has regular innovation and will trade with providing complete kit of 3D Body Scanners and licensed Softwares with flat monitor, dual core high speed computer which will provide solution for offering accurate fittings to the industry wide customers.

Currently the staff will be consisting of business owner and two employees Mrs Naandi Parikh & Shaun Parker as trainer. According to (Appendices 3) the \$47,260 cost of goods sold per item includes the training expenses, freight charges and estimated import duties. According to (Stamp Duty 2008) the actual cost for duty did not show. The financial forecast reveals that with a mark up of 21.16% and a profit margin of 5.27% break even point of \$1,199,476.69 will be attained in ten and half months of operation which will be Mid April 2009. The business will be recruiting field sales executive for face to face marketing, manager and accountant to manage and perform accounting duties after achieving the break even point. According to (AIM, 2004, p.140) 'Unfortunately many of those small entrepreneurs are reluctant to delegate authority as the organisation grows.' As the business grows unlike other small company's we will not make a mistake of taking all decisions by owner.

2. MARKETING

The initial marketing activity will be conducted face to face, post mails, electronic mails, trade fairs and outbound telephone calls. According to (Do Not Call Register 2008) 'Under the Do Not Call Register Act 2006' those contacts that are registered will not be contacted. The business will be advertising on World Wide Web without any charges applicable. According to (Appendices 3) advertising expenses will be \$3000 per annum which can be found in.

3. OPERATIONS

The business will commence from security building located at Bourke Street Surry Hills Sydney. The office premises look fairly new with wooden flooring which is ideal for stock keeping and it has toilet, kitchen and garage. It will be under one-year lease with Carrington Group at the rate of \$380 weekly.

Office Works will be supplying laptop, peripherals, anti virus protection, furniture and stationery which will cost \$9163.70. The import of 3D Scanners and 3D Softwares are not restricted in Australia. According to (Undertake Manufacturing and productions 2008)

The Textile, Clothing and Footwear Strategic Investment Program was extended for 10 years through to 2015. The Textile, Clothing and Footwear Post-2005 Strategic Investment Program Scheme (TCF Post-2005 (SIP) Scheme) aims to foster the development of a sustainable and internationally competitive TCF manufacturing industry and TCF design industry in Australia by providing incentives which will promote investment and innovation. It is an entitlement program which provides incentives in the form of reimbursement grants, paid annually and in arrears. The program will run from 2005/06 until 2014/15.'

4. FINANCE

The bank has a balance of \$50,000 which will be used initially for funding the basic operations cost. The funds required for the business proposal are for the research and development to gain innovation at growing scale. If grant is provided by the government than the business can easily attain economy of scale as the rival firms within the market does not have adequate capital to meet the objective and once the rivals meet the requirement we will be heading towards economy of scope.

The return over the investment will be ploughed back in business for extending the cash flow. The depreciation for accounting purpose will be calculated at the rate of 10% on a straight-line basis. According to (Appendices 2) The projected cash flow statement reveals a surplus of 146074.08, the profit and loss statement reveals a before tax profit of \$90,523.39 for the first year. The government will not only benefit supporting Satyam K Parikh in an innovative trade rather it will benefit by increasing the business for Australian's owned small tailoring businesses which are demolishing with ready to wear concept.

5. MISSION STATEMENT

The company aims to develop demonising small tailoring

businesses to provide their customers with better fittings than others. To help you serve better within your industry we have develop new avenues to achieve your goal. We work hard to fulfil yours and our dreams of being better than the best by which we can be richer than the rich companies. The company will also thrive on challenges for accurate scanning during vigilance at airports, malls, etc.

6. COMPANY HISTORY

The founder of the company Mr Satyam Parikh has established the company in lieu to the requirement of Assignment 2 of MGT8040 but he will take the project further to develop revenues for small tailoring businesses in Australia. The demand in consumption for clothing and footwear as per (Trends in Household consumption: Components of household final consumption expenditure (a) per capita, 2007) has shown a growing need of clothing and footwear within the market place which will positively result in tremendous gain both for business and the tailoring industry. The company branch in Sydney under direct management of Mr Satyam Parikh will be in action from 1 June 2008.

7. BUSINESS GOALS

This proposal is in relation to acquire funds for our small private company registered according to (Begin Application Information 2007) under the name of Satyam K Parikh having Australian Business number 62 498 417 215. According to (USQ 2007.3 p.3.3) *'Regular innovation -Innovation of this sort involves change that builds on established technical and production competence and that is applied to existing markets and customers. The effect of these changes is to entrench existing skills and resources.'*

The goal of the business is not only to achieve profits but we will constantly try to offer best quality and services to increase our member portfolio by providing them satisfaction. By the end of financial year, we thrive to increase the member's portfolio which will help in achieving before tax profit of 90,523.39. The small portion of generated revenue will be used towards increasing the demonstration 3D Body Scanners and Softwares. We will be recruiting field sales representative on a \$100 commission per sale. The potential candidate will be a fresh management student as his zeal and enthusiasm will allow the latest theoretical knowledge to transform in practical knowledge and the business will grow further.

8. MARKETING

The business aims to sell 3D Body Scanner and licensed Softwares with dual core, high speed computer and flat panel monitor to the tailors within Australia via field sales executive offering \$100 per sale. The business will be focusing on generating more sales via outbound calling to the potential customers Mrs Naandi Parikh will be performing outbound calls. According to (Do Not Call Register 2008) 'Under the Do Not Call Register Act 2006' the people registered will not be called. According to (Parikh N, 21 January 2008, Personal Communication) *'The market never has a need but having confidence in your product from research findings and using creativity will generate a*

need within the market.' It is very true that business will grow dramatically if due consideration is given to find creative ways how to sell a product

The secondary research reveals important results According to (Honey FL & Olds TI, 2007) *'The Results suggest a need for revision of the current system, or development of a new system, revision of current clothing sizes, or development of new sizes would be optimised by using 3D body scanning technology.'*

According to (Honey FL, Olds TI, 2007) *'The secular changes in body size and shape suggest that the current size templates are no longer an accurate representation of our current population adopted from (Standards Australia, 1997). Also, the current sizing system does not account for changing body shapes resulting from modern undergarments, ethnic diversity and our ageing population source adopted from (Lang, 1995).'*

The market is more matured and needs better resources, by providing information and training on 3D Body Scanner and 3D Software's to the tailors we will be aiming to make them potential customers. The market will replenish with the product which we aim to sell as the manufacturers within the trade once they receive education from us about overcoming the problems of providing correct sizing as a result of innovation most of their problems will be solved. According to (USQ 2007.3, p.3.8) adopted from (Source: Byrd & Brown 2003, pp.26-9, 44) the business believes that few businesses in the market will not adopt the technology as they are *'sustainers, synthesizers, innovators and dreamers.'* The *'modifiers, challengers, planners, planners'* will be potential customers as business is happy to demonstrate the product. The business will perform an analysis over the phone to know what area the potential customer fits in and accordingly the marketing activity will be conducted.

Having an intention to be a market leader we will not only educate the customers but will also offer on site training to them with 90 days warranty. If any problems faced by the customer due to manufacturing defect then we will offer the demonstration piece for usage on their premises. The value-added services will allow us to become one of the leading company's in the trade in future. The business will maintain a record of existing clients and will offer loyalty discount of 5%. On the lifetime value of customer, the business will offer extra discounts if possible.

According to (Kotler, P, Ang, SH, Leong, SM & Tan, CT 2006 p.108) *'Secondary data are data that were collected for another purpose and already exist somewhere. Primary data are data freshly gathered for a specific purpose or for a specific research project.'*

According to (Kotler, P, Ang, SH, Leong, SM & Tan, CT 2006, p.108) the primary data has number of research and one of them is *'observational research'*, the business owner has constantly been observing the problems faced by people at the retail store in Australia, Singapore, Malaysia and India. The observation analysis figures out those customers who are not pleased by fitting moves on to other brands. The problem in India is tailors do not provide accurate fittings and it will be a

future opportunity to equip those tailors with 3D Body Scanners and 3D Software's.

According to (Trends in Household consumption: Components of household final consumption expenditure (a) per capita, 2007) the market for clothing and footwear shows an increase of 0.6% on average per annum for consumption per capita and *total change of 12.4% from 1985 to 2006*. This means with the growing market the profitability will keep on increasing within the market and a definite demand has been confirmed. The new product will certainly help in getting positive results.

According to (Layton, A, Robinson, T & Tucker, IB 2005) the increase in income will drive the demand upwards for the normal goods and at the same time investment on technology will increase and the demand for inferior goods will vanish. The business forecast reveals a strong growth in demand for the complete kit as it is a normal good and substitutes are not available within the market.

According to (Purchasing Power –Change in price relative to growth in household income and wealth, Australian Social Trends 2007) *'There was relatively low average annual price inflation between 1985–86 and 2005–06 on a range of manufactured goods Clothing and footwear (1.9%) On average, an Australian's purchasing power over these items increased substantially over the period.'* According to (Low Income Low Wealth Households: 'Mean weekly equivalized household expenditure - 2003–04, Australian Social Trends 2007) *'all households spend 4.1% of \$21.85 on clothing and footwear.'*

With the increased spending power overall, the market shows a positive demand from the past few years trend. According to (Layton, A, Robinson, T & Tucker, IB 2005) the change in taste and preferences allows the business to generate a change in demand. The business will substantially increase with the changes which market needs on a frequent basis.

9. MARKET ANALYSIS

According to (Haermeyer A 2005) *"it was also important that Australia's sizing regime accurately reflected the current size and shape of Australians.... The current standard sizes were developed some time ago, based on data collected between the 1920s and 1940s... one solution was to measure a cross-section of Australians, using a 3D laser whole-body scanner to develop and establish standard clothes sizes more in step with the average Australian's body shape."* The findings are empirical evidence that the demand for 3D body scanner is they're within the market and the government is supporting to develop the industry by establishing 3D body scanners in the market. It has not been in the market so far but According to (Students use scanning technology for fashion 2008) RMIT university of Melbourne has implemented *Lectra 3D body scanner technology on loan from France for study purpose only.*

10. SWOT ANALYSIS.

10.1. STRENGTHS

The business is new to Australian market and will enjoy the potential customers demand. New concept of accurate fitting of clothing will provide solution to the tailors and manufacturers in clothing industry. The concept will reduce the time of searching the clothes and cost of customers as accurate fittings will be provided. The product will be positioned at a lower cost as the business will be direct channel of manufacturers. The creative idea will lead towards entrepreneurial activity at a larger scale and the company will reach economy of scale with the new concept. According to (Davis K, 4 February 2008, Personal Communication) from ([TC]² Turning research into reality 2008) the complete kit for business solution is *'white light safe'* which means it is safe for usage. *'The data density about one million and can be scanned from 16 fixed heads at 4 angles around the body at 4 heights.'* The scanner can be operated on an *automatic mode* to save time. The *'footprints on it is 4X5 to fit in a dressing room'* which means its compact and would not require much of space.

10.2. WEAKNESS

The current financial resources are not allowing the management to operate at full capacity with a minimum stock in hand but rather only having one demonstration stock and as a result the new market entrant will capture some of the market segments. According to (Davis K, February 4 2008, Personal Communication) from ([TC]² Turning research into reality 2008) The 3D Body Scanners and Softwares are developed in United States of America and due to distance, the business will have to wait for a period of *'6 to 8 weeks for delivery.'* The terms also include half of money will be required on order which means a capital blockage for 6 to 8 weeks! In a high demand if the supply is not made than potential customers are ready to pay any price but that will promote only black marketing which is breach of the law and ethically unfair.

10.3. OPPORTUNITY

Once the economy of scale is established within the clothing business more creative ideas will be considered and company will be achieving economy of scope as we plan to offer the product to footwear company in future with further innovations with the product. The company will have advantage of rising opportunities like having own manufacturing unit in Australia as the actual demand for cost effective and accurate fitting of a product is analysed within the market. The other opportunities like growing to a public company are seen at this point of time. The observation of primary data will lead the business to attach various demographics to the existing portfolio and will give the business opportunity to operate globally. The management intends to be more creative and innovative with a team of experts to reach economy of scope.

10.4. THREATS

There is a possibility of new entrants in the market as investors finds the business growing more people will be investing in similar projects. The current capability of not having enough stock on hand and long delivery period can possibly

threaten the business as customers will order from new entrants if they are having stock on hand. If the goods in transit are damaged the delivery time will increase and again threaten the business to create wrong impression in the eyes of customer.

11. MARKETING PLAN – 4 P'S

11.1. PRODUCT

The Company intends to place 3D Body Scanners, licensed softwares, high speed computer and flat screens as entire package within the target market of normal goods users. The business will provide special privileges like further discounts on the lifetime value of customer. The business will further provide full training to the employees on regular basis to meet the objectives and business goals. The business will aim to educate potential focus group by demonstrating its product for achieving higher sales.

11.2. PLACE

The business car will be used for collecting the goods from docks and at the same time it will be delivered and installed at the customers place. According to (Appendices 3) the motor expenses are estimated \$250 per month taking delivery and other business transports into consideration. According to (Your Road to Success is our Expertise, 2005) the safety rules and regulation like *OHS Review Act and Work Cover NSW* will have to be followed strictly, the manual will be carried at all times by person leaving for delivery.

11.3. PROMOTION AND ADVERTISEMENTS

As the business is new to hammer the brand the business we will be spending \$1000 in July 2008 on direct mails, \$1000 for promotions in August 2008 and a budget of \$500 is generated for month of October and November 2008. According to (Do Not Call Register 2008) 'Under the Do Not Call Register Act 2006.' The outbound calls will be made excluding those registered with do not call register. The activity will be performed by Mrs Naandi Parikh and provision for phone cost has been considered \$150 per month when preparing the plan. The business will also involve correspondence on day to day basis via electronic mails. The business will be having advantage of free advertising via World Wide Web. According to (Australian free advertising portal 2003) the business can register free of cost advertisements on it, apart from the specified web site there are many other web sites who offers similar services. In future with increased cash flow we aim to post our advert on yahoo.

11.4. PRICING POLICY

The customers will have to make an initial payment of 50% for ordering the complete kit for tailoring solutions. The part payment will be required on delivery. The life time value of the customer will be calculated and 5% discount will be offered to them. If promotion is going on than a further 5% discount will be applied to loyal customers.

12. EVALUTION OF MARKETING

The total revenue raised during initial promotion will be compared with previous month's sales report and constant reports will be documented on weekly basis. If support and training is required than owner will be providing it to gain better performance. The marketing staff will be evaluated on performance management and higher incentives will be provided for better performers. The business strongly believes to achieve the forecasted key performance indicators on monthly basis for meeting the short-term business objectives and goals as this is the only way by which we can achieve our long-term goals. The field sales representative will have to perform their best in order to earn commission. The strategy of keeping the employees on commission will work for the business. The business owner will personally establish contacts via correspondence and meetings. From owner to employee everyone within the business will be liable for the growth.

13. OPERATIONS – LEGAL & LICENSING REQUIREMENTS

13.1. MANAGEMENT DETAILS

Our small private company registered according to (Australian Business Register) under the name of Satyam K Parikh having Australian Business number 62 498 417 215. In case of any contacts to be established the business, owner Mr Satyam Parikh born on 8th day of October 1978 may be contacted on +61-2-97990448 residing at 11/144 Edwin Street North NSW-2132 Australia. The owner has completed his bachelor degree with accounting major from India and is pursuing his final semester of MPA (16 units) from University of Southern Queensland Sydney Education Centre Australia. With completion of elective subjects, the student has gained theoretical knowledge which he can apply on time strategically with his research skills within the market to overcome any difficulties. The student worked as a peer tutor at USQ SEC with one year's experience. The student has never faced any criminal convictions neither has any pending loans under his name. According to (Your Road to Success is our Expertise, 2005) the safety rules and regulation like *OHS Review Act and Work Cover NSW* will have to be followed strictly, the manual will be carried at all times by person leaving for delivery. According to (Do Not Call Register 2008) 'Under the Do Not Call Register Act 2006.' The outbound calls can be made excluding those registered with do not call register. According to (Fair trading 2008) 'the business will be complying with Trade Practices Act, Fair Trading Laws, Codes of Practice, Customer service, dispute resolution, product safety and standards, warranties and maintain the culture of enterprise bargaining with the new law forced by effect of Rudd Government.'

13.2. ORGANISATIONAL STRUCTURE AND STAFFING

The business will need Mrs Naandi Parikh to offer her expertise to maintain the records and perform outbound calls, apart from her general duties she would be responsible for customer relationships and general office duties. She will be contracting

with annual salary of net \$27,500 and 9% superannuation to her nominee fund. Every year she will get increment with effecting changes in Consumer Price Index. Mr Shaun Parker will be contracting and he will be responsible for delivery, installation and training the customers. He will be paid \$27,500 and 9% superannuation to his nominee fund. Every year he will get increment with effecting changes in CPI. The field sales executives will earn \$100 commission for each sale. The owner of the business will receive an annual salary of \$50,000 and 9% superannuation. He will be entitled to increment with changes in CPI.

Looking towards future growth of the company we intend to increase sites and staff. The recruitment agencies will be contracted for finding eligible employee and face to face interviews will be organised with the owner.

13.3. PROFESSIONAL ADVISERS

The business activity statements for paying and claiming GST will be managed by CNR Accounting & Taxation. They are registered Tax Agents & Accountants located at 36A First Floor Railway Parade Burwood NSW-2134 Australia. The cost will be \$150 payable to them at end of each quarter.

The business account will be maintained with ANZ banking 212 Burwood Road NSW - 2134 Australia. The total estimated cost with ANZ comes down to \$148 per year.

If the business needs any professional advice in relation to business affair from the lawyer than insurance company should be called at first instance.

13.4. INSURANCE AND SECURITY ISSUES

According to (Rebecca 6 February 2008, Personal Communication) operator from (Business Insurance 2008) *she asked all questions and transferred the line, student was been told student will be contacted by field sales representative for providing quote.* According to (Mike 6 February 2008, Personal Communication) operator from (Retailers 2008) *'said they cannot help further.'* The budgeted insurance is shown in the financial projection which is \$4000 per annum.

The business will need public liability insurance, worker compensation insurance, professional indemnity, director's liability insurance, motor car insurance goods on ship insurance and office contents insurance.

13.5. BUSINESS PREMISES

The property will be leased from Carrington Group, according to (Immaculate Office Space 2008) the rent will be \$380 on weekly basis and office will be contracted for one year. *The property has secured access with alarms, air-conditioning, bathroom and a car space.* The flooring is wooden which will be ideal to keep the equipments and the premises can also be used as warehouse if needed. The location is ideal for the business venture as the property looks fairly new and is located in heart of Sydney which is on Bourke Street Surry Hills NSW -2010 Australia. The property is close to train station and buss station with an advantage of shops and pubs nearby. If the business premises are overstocked with goods than a business

meeting can be conducted to nearby coffee shops or Bistros. The property is 51m² which is ideal for the venture and has been decided to proceed with.

13.6. EQUIPMENT REQUIRED

The business will be ordering online from Office Works to manage time and cut the cost of transportation. According to (Our Free delivery offer, 2006-2007) the store will be providing free delivery in Sydney metro if purchases are above fifty dollars and orders will be delivered on same day if placed before 11.30 am. We intend to order the equipments the day we access the business premises. The depreciable equipments will be actually costing \$8246.98 and stationery worth \$1036.72 will be ordered, the business will be receiving fly buys for the order which can be used in future for business cost savings.

13.7. PRODUCTION PROCESS

The business will maintain detailed manual complying with company policy, health and safety standards, work ethics and codes of conducts, emergency contact list, fire exits and training manual. The company will follow a training process covered under the manual. The company will get this manual free of cost as the owner will prepare it with his detailed knowledge of Corporations Law.

13.8. CRITICAL RISKS/ CONTINGENCY PLANS

The business will be covered by insurance before starting the operations taking into consideration of the facts that injury or liability can lead the business to failure.

14. CONCLUSION

The current finding in the entire report reveals that there is a need and demand for the proposed project of providing the complete kit of 3D Scanner within Australia. The need arises because of different body shape and the old standard are not reliable for retail industry as Australians are healthy than other nationals. The findings also reveal that government is providing grants to bring up small and medium businesses who provides innovation and services to develop the Textile, Fashion and Footwear market within Australia.

The entire report has been structured with detailed analysis of Australian economy, marketing management for offering better customer services, Entrepreneurship innovation and creativity for core insight of developing a business plan, Australian commercial law for insurance and other purposes, corporation's law for compliance with corporations Act 2003, taxation law for tax purpose treatments with BAS statement, auditing practice for better internal and external control, cost and management accounting for cost analysis, global issues in information strategy for developing strategy for cost analysis and better performance with digitalization, financial accounting for projection of financial needs and decision support tools for managers for knowing the past trends and patterns within the market.

Swot analysis has been a foundation to know the success and risk attached with the project but financial projection reveals a

better analysis of the actual outcome within the market place. Further findings show business will be more advantageous by operating globally; the end of the life cycle in business will never come as footwear market will be targeted after achieving enough capital reserves.

If the government offers a grant to the business than the business will have competitive advantage within the market place with having enough stock on hand to deliver before time resulting in achieving economy of scale and economy of scope.

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Appendices

Appendices 1

According to (Schaper M & Volery T, 2004, pg.141)													
SATYAM K PARIKH													
Sales Mix Forecast													
for the period February 2008 to February 2009													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Item													
Business planning													
Number sold	1	1	3	4	4	1	1	2	3	2	3	5	30
Selling price	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$57,260	\$687,120
Total sales	\$57,260	\$57,260	\$171,780	\$229,040	\$229,040	\$57,260	\$57,260	\$114,520	\$171,780	\$114,520	\$171,780	\$286,300	\$1,717,800
Cost of goods sold	47260	47260	141780	189040	189040	47260	47260	94520	141780	94520	141780	236300	1417800
Total cost of goods sold													

Appendices 2

According to (Schaper M & Volery T, 2004, p.172)													
SATYAM K PARIKH													
Cash Flow Forecast													
for the period July 2008 to June 2009													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Income													
Sales revenue	1	1	3	4	4	1	1	2	3	2	3	5	30
Capital	\$57,260	\$57,260	\$171,780	\$229,040	\$229,040	\$57,260	\$57,260	\$114,520	\$171,780	\$114,520	\$171,780	\$286,300	\$1,717,800
Total income	\$107,260	\$57,260	\$171,780	\$229,040	\$229,040	\$57,260	\$57,260	\$114,520	\$171,780	\$114,520	\$171,780	\$286,300	\$1,767,800
Expenses													
COGS	47,260	47,260	141,780	189,040	189,040	47,260	47,260	94,520	141,780	94,520	141,780	236,300	1,417,800
Accounting	1000	1000	500	500	150	150	150	150	250	250	250	250	3000
Advertising	16	12	12	12	12	12	12	12	12	12	12	12	148
ANZ Business	5550.98												5550.98
Equipment pu	4000												4000
Insurance	75	75	75	50	50	50	45	45	45	70	70	70	720
Motor	250	250	250	250	250	250	250	250	250	250	250	250	3000
Stationery	916.72	20	10	10	10	10	10	10	40	10	10	10	1036.72
Wages	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	105,000
Suppermanut	5787.50	5787.50	5787.50	5787.50	5787.50	5787.50	5787.50	5787.50	5787.50	5787.50	5787.50	5787.50	69,450.00
Telephone	150	150	150	150	150	150	150	150	150	150	150	150	1800
Fuel	1628.85	1628.85	1628.85	1628.85	1628.85	1628.85	1628.85	1519.99	1628.85	1628.85	1628.85	1628.85	19614.22
Total expense	120,395.05	59,987.35	153,943.07	201,382.35	200,678.07	58,482.35	58,937.35	106,194.40	153,457.35	106,208.07	153,492.35	248,098.07	1,621,725.92
Cash surplus	-13,135.05	-2,727.35	17,836.93	27,657.65	28,361.93	-1,692.35	-1,677.35	8,325.51	18,322.65	8,311.93	18,287.65	38,201.93	146,074.08
Bank balance													
Beginning	0.00	-13,135.05	-15,862.40	1,974.53	29,632.18	57,994.11	56,301.76	54,624.41	62,949.92	81,272.57	89,584.50	107,872.15	\$146,074.08
Closing	-13,135.05	-2,727.35	17,836.93	27,657.65	28,361.93	-1,692.35	-1,677.35	8,325.51	18,322.65	8,311.93	18,287.65	38,201.93	

Note: bank balance in previous month closing is new month opening

Appendices 3

According to (Schaper M & Volery T, 2004, p.173)			
SATYAM K PARIKH			
Projected Profit and loss statement			
for the period July 2008 to June 2009			
Revenue			
Sale	\$1,717,800		
(-) Cost of Goods Sold			
Opening Stock	\$47,260		
(+) Purchases	\$1,370,540		
(-) Closing	\$0		
(=) Cost of Goods Sold	\$1,417,800		
Gross Profit	\$300,000		
Expenses			
Accounting	450		
Advertising	3000		
Bank fees	148		
Equipment purchases	55506.98		
Insurance	4000		
Electricity	720		
Motor	3000		
Stationery	1036.72		
Rent	19814.22		
Telephone	1800		
Wages	105000		
Depreciation	5550.69		
Supperannuation	9450		
Total expenses	209476.61		
Profit before Income Tax	\$90,523.39		
According to (Schaper M & Volery T, 2004, pg.255)			
Mark up	Gross profit	\$300,000	21.16%
	COGS	\$1,417,800	
According to (Schaper M & Volery T, 2004, pg.170)			
Net profit margin%	Net profit before tax	\$90,523	5.270%
	Sales turnover	\$1,717,800	
According to (Schaper M & Volery T, 2004, pg.254)			
Contribution margin (CM)	TS-TVC		
	TS		
	\$1,717,800 (-)1417800	\$300,000	17.464%
	\$1,717,800	\$1,717,800	
According to (Schaper M & Volery T, 2004, pg.254)			
Break even point in dollars	Fixed Cost	\$209,476.61	\$1,199,476.69
	CM	17.464%	

Appendices 4

According to (Schaper M & Volery T, 2004, p.174)													
SATYAM K PARIKH													
Owners Personal Expenses													
for the period July 2008 to June 2009													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Monthly commitments													
Transportation	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$1,440
Electricity	75	75	75	50	50	50	45	45	45	70	70	70	720
News paper Sydney Morning Herald	23	23	23	23	23	23	23	23	23	23	23	23	276
Grocery/Food	200	200	200	200	200	200	200	200	200	200	200	200	2400
Rent received notice for increase	535.71	535.71	535.71	535.71	535.71	557.14	557.14	557.14	557.14	557.14	557.14	557.14	6578.53
Telephone/Internet	100	100	100	100	100	100	100	100	100	100	100	100	1200
Mobile	29	29	29	29	29	29	29	29	29	29	29	29	348
Clothes	50	50	50	50	20	0	50	50	50	50	50	50	520
Entertainment Movie DVD	20	20	20	20	20	20	20	20	20	20	20	20	240
Insurance	75	75	75	75	75	75	75	75	75	75	75	75	900
PAYG	207	207	207	207	207	207	207	207	207	207	207	207	2484
Monthly drawings needed	\$1,435	\$1,435	\$1,435	\$1,410	\$1,380	\$1,381	\$1,426	\$1,426	\$1,426	\$1,451	\$1,451	\$1,451	\$17,107

Appendices 5

		According to	(Schaper M & Volery T, 2004, p.175)
		SATYAM K PARIKH	
		Owners Personal Asset and Liabilites as at 1 July 2008	
Assets			
Motor vehicle insured value			\$6,500
Cash at bank			\$50,000
Superannuation			\$5,000
Furniture			\$4,000
Home appliances			\$2,000
Gold			\$20,000
Liabilities			0
Personal worth			\$87,500

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