

The Builders' Friend Innovations Ltd Business Plan

Michael Chama



DESCRIBE YOUR BUSINESS:

The Builders' Friend innovations is a block manufacturing business, with a current customer base of between 5 to 20 people per month. The loan investment will be used to procure a new electrical block making machine valued at \$575 that has the capacity to make about 1000 blocks a day, reducing production cost by 17% while improving the efficiency of manufacturing process by 80%, we will further procure two wheelbarrows valued at total cost of \$125 for easy transportation of raw materials during the production process which will contribute to efficient, effective and lean production process. We also procure an additional 40 tons of flux stone costing \$30, which is one of the major raw materials that will add about 2500 blocks to our inventory. This loan investment will increase our customer base to 100% or more and turn our business into a cash cow within 12 months.

EXPLAIN THE PROBLEM.

The construction sector has been on an upward trend since the liberalization of land ownership in Zambia. This has created a high demand for building materials by people who wish would own their own homes, people who are investing in private schools and small shops in newly opened areas. The challenge is that there are not enough blocks being planted to satisfy the demand, and the current plants are mostly overbooked by big construction companies, such that customers looking for 3000 blocks and below must wait for weeks before their order is fulfilled; therefore, some result in poorly compacted alternatives. For some customers, there are locations very far and remote from most block-making plants.

EXPLAIN YOUR SOLUTION.

We offer highly compacted concrete blocks and burned clay bricks. We make and sell our products near most home constructions because our plant is a hybrid for clay bricks. We offer timely delivery within seven days of ordering at a competitive price, and consequently reduce transportation costs to our clients. We also provide a construction management consultancy as a free service to all our current and prospective customers to empower them with knowledge to avoid project creep.

BUSINESS MISSION STATEMENT:

At Builder's Friend Innovations, our mission is to provide timely, efficient, and smart solutions to individuals and businesses in the construction industry. Our goal is to enhance timely and efficient product delivery, supply quality products, and save money for our customers.

HOW LONG HAVE YOU BEEN IN BUSINESS?

Builders' Friend has been operating for nine months, during which we have managed to create a sizable clientele, with the potential to convert more with increased productivity.

YOUR NET INCOME

We are currently operating with revenue of \$175 to \$200, from which our total cost of doing business is \$122.5 (70%), leaving us with the net profit of \$52.5 (projecting a 30%), which, on most occasions, is reinvested. The business has the potential to grow if we improve on automation and production capacity to capitalize on lost opportunities.

SERVICE OR PRODUCT DELIVERABLE:

We manufacture concrete blocks for selling from business to customers (B2C) and Business to Business (B2B). These can be purchased from our plant by ordering either online on our WhatsApp line, and their order will be processed after the mobile money transaction is complete, or by walking into our plant. Delivery is done to the client's location either through our partner, or the customer can come and get it using their own transport. A similar process is done with burned clay bricks, but the plant for clay bricks is highbred it is. The products are sold near the client's location to make transportation affordable. Furthermore, for now, construction management consultancy is offered as a free service to all our current and prospective customers to empower them with knowledge on good construction habits that can ensure quality and project completion.

DESCRIBE YOUR BEST CUSTOMER:

The business operates on the philosophy of Kaizen; therefore, to ensure this is achieved, a treasured customer for our establishment is one who values quality and appreciates the effort to supply them with quality but affordable products. They give honest feedback, which contributes to the growth of the business, and they positively criticize where they feel satisfied with the product or services. They seek to create a network, and they actively participate in referring prospective customers. They present a long customer lifetime value (CLV) to our business.

WHY CUSTOMERS DO BUSINESS WITH YOU RATHER THAN WITH YOUR COMPETITORS:

Despite the quality and price of our product matching that of other competitors, our location and hybrid plant model offer convenience as well as cost-cutting opportunities for our customers. We pride ourselves on the reduced delivery period; we sell our product regardless of the quantity, and each order is treated with the agency it deserves. Our free consultancy policy enables us to interact with prospective and current customers, and I make them feel that we care about the project, and we

treasure their input in ours. We also offer loyalty promotion discounts as well as referral points that can be redeemed through mobile phone talk time anytime.

WHAT IS THE MOST COMMON CAUSE FOR A BUSINESS LIKE THIS TO FAIL?

Like many entities, our business can be adversely affected by several threats, including bad customer service, pilferage, and poor-quality products. But my research gave me an insight into the fact that poor financial management, poor bookkeeping, and ineffective cost control measures lead to a business failing. The business depends so much on balancing the COGs and the speed at which inventory is dispensed, though the products are non-perishable, their selling price and cost of product depend on the price of cement, the main ingredient, which has a very volatile price.

HOW CAN YOU AVOID THIS PROBLEM?

To counter these threats, we have we depend on the following principles:

- **Prudent Fiscal Management** - Deliberate, timely, and strict keeping of business records enables us to track the financial health of the business, and it helps us plan, track expenses, and forecast demand to minimize lost opportunities. Our records help us track production, inventory, and sales, it curtails pilferage and directs our resources investment, which can improve products and services.
- **Market positioning** - To avoid low sales and high inventory, it is important to position our product to target a wider market segment. Positioning statement.” Our marketing position statement guides us to efficiently target our desired clientele
- **Lean and Kaizen** – in the spirit of continuous improvement, efficient production, and timely delivery, we are constantly engaged with our customers to get timely feedback on our products and services. This helps us to provide value for our customers and ensure their satisfaction. Furthermore, regularly reviewing costs and revenue will ensure the business stays competitive and grows sustainably.

LIST YOUR SERVICES OR PRODUCTS AND THEIR PRICES:

Product	Unit Price

6-inch Concrete Block	\$0.32
4-inch Concrete Block	\$0.32
Clay Brick(Burned) 290 mm x 180mm	\$0.10

HOW DO CUSTOMERS KNOW THAT YOU EXIST?

Apart from word of mouth, which has the highest conversion rate, we have leveraged the power of social media through WhatsApp Business and the Facebook business page. We also have a signpost at the location.

WHY DID YOU CHOOSE THIS BUSINESS?

I am a qualified Design and Technology Graduate with vast experience in most vocational trades such as bricklaying, metalwork, woodwork, technical Drawing, and basic electrical and electronics. Therefore, I have a passion for construction work, and this knowledge gives me an edge in providing my clients with quality products and sound consultancy that is up to date with the SI standards and current trends.

LIST YOUR TOP WAYS TO FIND NEW CUSTOMERS:

Local visibility- we have a signpost at our plant with visible advertisement, and we coupled it with personal selling from plots of prospecting customers

Networking – We encourage our current customers to refer new clients for a token of appreciation in the form of airtime bundles sent to their phone. We also contact family and friends to refer new clients for airtime.

Social media – we use WhatsApp Business to show our catalogue of products and constantly post. Furthermore, WhatsApp and Facebook have good reach that can be leveraged for very affordable advertisements.

Notice boards- currently local supermarkets have public Notice boards that are being used for advertising different products, which presents us with an opportunity to publish our adverts at a very low cost but target a large section of the local market.



First, a well-mixed mortar in proportions of 10mm flux stone, quarry dust, cement, and water is inserted into the manual block mode.



The mode is rammed to the hard-core ground until desired compaction, the shovel can be hit on top to assist in the compaction, and then it is ejected in a single line as seen above. The block will be cured in the open sun for 3 to 4 days while watering them to improve the bonding process during curing, and then they are stacked, ready to be sold or picked by a client who ordered as shown above

HOW WILL YOU USE THE MONEY?



Block making machine \$575



Industrial wheelbarrows \$125 for 2



Flux stone and quarry dust \$300

This loan investment will enable us to procure an egg layer single-phase electrical block making machine capable of producing 1000 blocks per day, with a total cost is \$575.

Furthermore, we will buy two (2) wheelbarrows with a capacity of 100 kg each at \$62.5 each. We will also buy 40 tons of flux stone and quarry dust at \$300, which will boost production to 100%, dramatically reducing production and delivery time per pocket of cement, increasing efficiency, and driving our sales revenue significantly. It will also increase our client base because a large segment of the market believes that electronically compacted blocks are more compact.

Income statement

Income Statement		Instructions: Type your information into the white cells												
Your name is: Chama Michael														
Business name: The builders' Friend Innovations														
Current Date: 09/05/2025														
Month	9 Months Ago	8 Months Ago	7 Months Ago	6 Months Ago	5 Months Ago	4 Months Ago	3 Months Ago	2 Months Ago	Last Month	Month 1 Forecast	Month 2 Forecast	Month 3 Forecast	Total	
Sales revenue	185	220	275	325	355	389	529	698	710	974	985	998	6 643	
Total transactions or units sold	2	2	5	2	3	4	6	25	22	16	23	35	145	
Revenue per transaction or unit	93	110	55	162	110	97	88	28	32	61	43	29	46	
Expenses														
Self salary	30	30	30	30	30	30	65	98	98	98	98	98	735	
Employee salaries	0	0	0	0	0	0	30	30	30	30	30	30	180	
Raw materials	50	51	51	53	54	55	65	65	93	94	96	100	827	
Store Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	
Technology	0	0	0	0	0	0	0	0	0	0	0	0	0	
Advertising	0	0	0	0	0	0	0	0	7	7	7	7	28	
Transportation	10	10	10	14	14	14	14	14	16	18	19	20	173	
Loan repayment	0	0	0	0	0	0	0	0	0	0	0	50	50	
Taxes/Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	
wages	10	13	14	14	15	21	25	28	39	39	39	43	301	
Total Expenses	100	104	105	111	113	120	199	235	283	286	289	348	2 294	
Expense per transaction or unit	50	52	21	56	38	30	33	9	13	18	13	10		
Net Income to reinvest	85	116	170	214	243	269	330	463	427	687	696	650	4 349	
Net Profit Margin	46%	53%	52%	66%	58%	69%	62%	66%	60%	71%	71%	65%		

Cash flow statement

Instructions: Change the numbers in the income statement below to match your business. Then save it and upload

	2 months ago	last month	this month	next month	month 3	month 4
Income	698	710	725	974	998	1006
- Fixed expenses	-128	-128	-128	-128	-128	-128
- Loan payment	0	0	0	0	-50	-50
- Variable expenses	-107	-155	-155.15	-158	-170	-170
= Profit (or loss)	463	427	441.85	687.5	650	657.5
Starting cash	175	638	1065	1506.85	2194.35	2844.35
Available cash	638	1065	1506.85	2194.35	2844.35	3501.85

My Family

The love I have for family is the main drive that makes me stay focused on the growth of this business. I want to be a good role model for my children in what innovative ideas they conceive and wish to pursue. I wish to be their guide as a trailblazer if they decide to venture into entrepreneurship. I love guiding them in all things, and their confidence in me makes me humble, and it makes me grateful for this opportunity to expand my business through the Entrepreneurial Investment.



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