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|  | STANDARD OPERATING PROCEDURE | Number | SOP-IND-APPSANI-004 |
| | | Revision | 2 |
| | ONE STOP SHOP SANITATION SERVICE (BUSINESS PLAN DEVELOPMENT) | Date | February 28. 2014 |
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1. PURPOSE

This procedure is specifically aimed to organize the steps in business planning activity for one stop shop sanitation services, so that they can be implemented consistently and well-planned according to the target.

This is the **fourth part** of a complete SOP files which are aimed as references used by the ENTREPRENEUR (including Sanitarian who wants to be or are working as an entrepreneur in sanitation business), which consist of several SOP documents as follow:

Business Process Map of One Stop Shop Sanitation Services as a simple visualization of the whole process flow of this sanitation business (filename: **@2 Business Process Map One Stop Shop Sanitation.pdf**)

The first part of SOP that explains procedures of **one-stop** shop sanitation services from developing social map, triggering and product introduction until order processing (filename: **01_SOP one shop sanitation social map until order.docx**).

The second part of SOP that explains procedures of one-stop shop sanitation services from receiving order, materials preparation, construction, until handover (filename: **02_SOP one shop sanitation WSP construction.docx**).

The third part of SOP that explains procedures of one-stop shop sanitation services on how an entrepreneur and the customers could select different type of payment methods until the final payment process (filename: **03_SOP one shop sanitation WSP payment.docx**).

The first, second, and third part of SOP are part of the business cycle while the forth part of SOP is the process that need to be done prior to starting the business.

The fourth part of SOP that explains procedures of one-stop shop sanitation services for a new entrepreneur to prepare the sanitation business. This SOP is a prerequisite for starting a new business, which means in term of value stream this SOP is not part of the common Business Process Map cycle (filename: **04_SOP Business Plan.docx**).

As an SOP, in general these documents are considered the best the process that are performed **today**, hence these documents should be revised and updated to keep up with the latest practices and technology.



STANDARD OPERATING PROCEDURE

ONE STOP SHOP SANITATION SERVICE (BUSINESS PLAN DEVELOPMENT)

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2. SCOPE

This procedure covers business plan development, organization structure, jobs and responsibilities determination, market segment determination, market survey, way of promotion, and payment scheme determination which is the **fourth part** of SOP documentation related to the sanitation business process.


3. DEFINITION

- 3.1. Entrepreneur** is business actor (private party) who owns a business in sanitation/healthy toilet construction sector. In terms of payment by installments, Entrepreneur is also the one who funds the toilet construction which is then repaid by installments by Customer.
- 3.2. Customer** is resident or public who orders a toilet construction.
- 3.3. Business Plan** is a detailed plan which documents business objective, target market, how business makes profit, cost estimation, organization structure and how business is run.
- 3.4. Organization Structure** is an arrangement of functions or sections within a business in accordance with the tasks to be executed.

4. GENERAL PROVISIONS

- 4.1.** Job and responsibility as well as expertise from Entrepreneur's organization structure are illustrated in the following table::

| Position | Jobs & Responsibilities | Expertise |
|---|---|--|
| Entrepreneur (Manager) | <ul style="list-style-type: none"> • Lead all sanitation business activities • Perform business activities coordination • Evaluate activities periodically • Motivate human resources • Control the organization • Generate policy • Make innovation | <ul style="list-style-type: none"> • Has strong leadership • Possess related business knowledge • Able to communicate fluently • Creative and innovative • Honest |
| Marketing/Sales Division | <ul style="list-style-type: none"> • Develop promotion • Find market share • Receive feedback from customer, including complaint • Receive order from customer • Develop periodic sales report | <ul style="list-style-type: none"> • Diligent • Creative • Self confident • Understand the market • Good at negotiating |
| Administration & Finance Division | <ul style="list-style-type: none"> • Manage cash flow • Make regular bookkeeping • Coordinate with marketing division | <ul style="list-style-type: none"> • Thorough • Honest • Comprehend accounting and finance |

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| Position | Jobs & Responsibilities | Expertise |
|----------|--|---|
| Mason | Perform toilet/sanitation construction | Possess carpentry skill, especially related to sanitation |

5. SUCCESS INDICATORS AND MEASURES

- 5.1. Clear business plan which provide clear numbers on target market and objectives, business organization, business link, sales goal, profit and cost.
- 5.2. Execution of business is run according to the business plan efficiently and the successful measurement based on minimum target sales.
- 5.3. The successful business is shown from very low number of NPL (Non Performing Loan)

6. PROCEDURE CONTENT

6.1. Perform market analysis


- 6.1. 1. Entrepreneur and Marketing/Sales Division perform market analysis based on the following considerations: market opportunity, market segment, target market and competitors. The key success factor is understanding and Social Map.
- 6.1. 2. Entrepreneur works together with his/her business partner and sanitarian to get Social Map as the foundation for target market.
- 6.1. 3. Entrepreneur set the goals/strategy.

6.2. Perform competitor analysis

- 6.2. 1. Collect information and analyze competitors who are in the same marketing area so as to set a more competitive price quality of product, time, services, and the guarantee of product which has more competitive.
- 6.2. 2. Analysis conducted covers SWOT: *Strength, Weakness, Opportunity, and Threat.*

6.3. Organization structure, jobs and responsibility determination

- 6.3. 1. Entrepreneur forms organization structure, which consists of a manager (can be held by the the entrepreneur himself), Marketing/Sales Division, Administration and Finance Division and Production/Construction.
- 6.3. 2. Entrepreneur determines jobs and responsibility for every member within the organization structure.
- 6.3. 3. Entrepreneur develop business link/networks to all parties that related to sanitation business.

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6.4. Business activity standards

- 6.4.1. Make an market segmentation
- 6.4.2. Identify competitor
- 6.4.3. Make an organization and build business link.
- 6.4.4. Determine sales target.
- 6.4.5. Determine capacity production which can be sold in the specific time.
- 6.4.6. Determine operation cost for projects to be executed.
- 6.4.7. Perform finance cash flow projection.
- 6.4.8. Determine required initial capital to start a toilet construction business.
- 6.4.9. Determine financing source and amounts of capital for financing toilet construction business.

7. ROLES AND RESPONSIBILITIES

7.1. Entrepreneur


- 7.1.1. Entrepreneur ensures tools and mold are available.
- 7.1.2. Entrepreneur manages team in his Enterprise to ensure order recording, construction scheduling, Mason management, materials procurement and dead line agreement with Customer go well..
- 7.1.3. Entrepreneur serves as the healthy toilet construction service provider by ensuring all processes ranging from receiving order until execution and handover are run well.
- 7.1.4. Entrepreneur coordinates with cadre to follow up triggering results, evaluates the Social Map and develops business plan to improve access to healthy toilet profitably using sanitation business plan form.
- 7.1.5. Entrepreneur is required to always improve process, product and service so that he can deliver better, healthier, faster and more affordable service while keep generating profits.

7.2. Marketing and Sales Division

- 7.2.1. Prepare promotion materials like presentation and brochures.
- 7.2.2. Work together with sanitarian and cadre to carry out Product Promotion during Triggering event.
- 7.2.3. Perform door to door promotion to Customer and potential Customer.
- 7.2.4 Make record and report for order coming from customers.

7.3. Administration and Finance Division

- 7.3.1. Manage cash flow, by using cash flow projection form.
- 7.3.2. Keep records for all financial activities both cash flow and profit/loss calculation, by using cash flow projection form, operational cost projection form.

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7.3.3. Ensure organization/enterprise gains profit and is not short of cash, by using profit and lost projection form.

7.3.4. Perform coordination with Entrepreneur and Mason in material procurement and delivery to location.


7.4. Mason


7.4.1 Mason ensures all logistic is ready.

7.4.3. perform all production process based on National Health Department and APPSANI standart.


8. RELATED DOCUMENTS

- 8.1. Sanitation Business Plan Form
- 8.2. Market Analysis Form
- 8.3. Market Segmentation Form
- 8.4. Competitor Analysis Form
- 8.5. Promotion Form
- 8.6. Cost of Goods Manufactured Form
- 8.7. Production Capacity Form
- 8.8. Sales Projection Form
- 8.9. Operational Cost Projection Form
- 8.10. Cash Flow Projection Form
- 8.11. Profit and Loss Projection Form
- 8.12. Business Initial Capital Form
- 8.13. Capital Source Form


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|---|-----------------------------------|-----------------------------|----------|----------------|
|  | FORM | | Number | FR-APPSANI-011 |
| | COST OF GOODS MANUFACTURED | | Revision | 00 |
| | | | Date | 1-Nov-13 |
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| COGM COST | | PRODUCT/SERVICE TYPE | | |
| | | 3-0 | 3-2 | 3-3-1 |
| Material Cost | | | | |
| Direct Labor Cost (Handyman + Assistant Handyman) | | | | |
| TOTAL COGM | | | | |

Attachment 7 : Production Capacity Form


| | | | | |
|---|---------------------------------------|--|--------------------|----------------|
|  | FORM | | Number | FR-APPSANI-012 |
| | PRODUCTION CAPACITY | | Revision | 00 |
| | | | Date | 1-Nov-13 |
| | | | Page | 1 of 1 |
| PRODUCT | MAXIMUM MONTHLY SALES CAPACITY | | INFORMATION | |
| 3 - 0 | | | | |
| 3 - 2 | | | | |
| 3 - 3 - 1 | | | | |

Attachment 8: Sales Projection Form


| | | | |
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|---|-----------------------------|----------------------------------|----------------|----------------|----------------|----------------|----------------|
|  | FORM | | Number | FR-APPSANI-014 | | | |
| | CASH FLOW PROJECTION | | Revision | 00 | | | |
| | | | Date | 1-Nov-13 | | | |
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| | | | | | | | |
| DETAILS | | MONTH # (IN THOUSANDS/RP) | | | | | |
| | | MONTH 1 | MONTH 2 | MONTH 3 | MONTH 4 | MONTH 5 | MONTH 6 |
| CASH IN | Cash in / Initial Balance | | | | | | |
| | Cash in from Toilet Sales | | | | | | |
| | Cash in from Miscellaneous | | | | | | |
| | TOTAL CASH IN | | | | | | |
| CASH OUT | COGM Cost | | | | | | |
| | Operational Cost | | | | | | |
| | Miscellaneous Cost | | | | | | |
| | TOTAL CASH OUT | | | | | | |
| TOTAL ENDING BALANCE | | | | | | | |

Attachment 11: Profit and Loss Projection Form

| | | | | | | | |
|---|-----------------------------------|----------------------------------|----------------|----------------|----------------|----------------|----------------|
|  | FORM | | Number | FR-APPSANI-015 | | | |
| | PROFIT AND LOSS PROJECTION | | Revision | 00 | | | |
| | | | Date | 1-Nov-13 | | | |
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| | | | | | | | |
| DETAILS | | MONTH # (IN THOUSANDS/RP) | | | | | |
| | | MONTH 1 | MONTH 2 | MONTH 3 | MONTH 4 | MONTH 5 | MONTH 6 |
| Sales Income | | | | | | | |
| Other Income | | | | | | | |
| Total COGM | | | | | | | |
| GROSS PROFIT | | | | | | | |
| Operational Cost | | | | | | | |
| PROFIT BEFORE INTEREST | | | | | | | |
| Interest on Loans | | | | | | | |
| PROFIT BEFORE TAX | | | | | | | |
| Business Tax | | | | | | | |
| NET PROFIT | | | | | | | |
| TOTAL AMOUNT BY END OF MONTH | | | | | | | |


Attachment 12 : Business Initial Capital Form

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|---|---------------------------------|----------|----------------|
|  | Form | Number | FR-APPSANI-016 |
| | BUSINESS INITIAL CAPITAL | Revision | 00 |
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| NO | INITIAL CAPITAL COMPONENT | TOTAL AMOUNT (THOUSANDS/RP) |
|----|------------------------------------|-----------------------------|
| | INVESTMENT CAPITAL: | |
| 1 | Tools | |
| 2 | | |
| 3 | | |
| 4 | | |
| | Total Investment Capital: 462.0000 | |
| | WORKING CAPITAL: | |
| 1 | Material Cost for 1 Month | |
| 2 | Direct Labor Cost for 1 Month | |
| 3 | Operational Cost for 1 Month | |
| 4 | Miscellaneous:..... | |
| | Total Working Capital | |
| | TOTAL WORKING CAPITAL | |

Attachment 13:Capital Source Form

| | | | |
|---|-----------------------|----------|----------------|
|  | FORM | Number | FR-APPSANI-017 |
| | CAPITAL SOURCE | Revision | 00 |
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| NO | SALES PRICE PER UNIT | AMOUNT (THOUSANDS RP) | INFORMATION (PLEASE INFORM INTEREST AND TERMS & CONDITION) |
|----------------------|----------------------|-----------------------|--|
| 1 | Private Capital | | |
| 2 | Bank Loans | | |
| 3 | Cooperative Loans | | |
| 4 | Miscellaneous | | |
| TOTAL CAPITAL | | | |