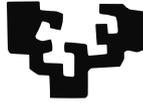


UNIVERSITY COLLEGE OF BUSINESS OF DONOSTIA – SAN SEBASTIAN

UNIVERSITY OF THE BASQUE COUNTRY

DEGREE FINAL PROJECT

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DONOSTIA - SAN SEBASTIÁN

**A BUSINESS PLAN DEVELOPMENT: THE CASE OF A PAINT COMPANY IN DOUALA –
CAMEROON BY BOMBOY & FRIENDS**



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Table of contents

1. INTRODUCTION	4
1.1. APPROACH TO THE CHOICE OF SUBJECT.....	4
1.2. METHODOLOGY.....	4
1.3. SCOPE AND DELIMITATION	5
1.4. OBJECTIVES OF THE PROJECT	6
2. BUSINESS IDEA OF BOMBOY & FRIENDS.....	7
2.1. COMPANY PRESENTATION AND BUSINESS IDEA	7
2.2. BUSINESS MODEL OF BOMBOY & FRIENDS.....	7
3. EVALUATING BOMBOY & FRIENDS GENERAL ENVIRONMENT	8
3.1. ANALYSING BOMBOY & FRIENDS GENERAL ENVIRONMENT	9
3.1.1. <i>General economic condition in Cameroon</i>	9
3.1.2. <i>Legislation and regulation in Cameroon</i>	9
3.1.3. <i>Demographic features of Cameroon</i>	10
3.1.4. <i>Social values and life style Cameroon</i>	11
3.1.5. <i>Scientific and technological environment</i>	11
3.2. ANALYSIS OF INDUSTRIAL COATINGS SECTORS IN CAMEROON	12
3.3. ANALYSIS OF BOMBOY & FRIENDS BASED ON THE 5 FORCES MODEL OF M. PORTER	13
4. EVALUATING BOMBOY & FRIENDS INTERNAL ENVIRONMENT	15
4.1 INTERNAL RESOURCES AND CAPABILITIES OF BOMBOY & FRIENDS	15
4.2 COMPONENT OF SWOT ANALYSIS.....	18
5. STRATEGIC PLANIFICATION FOR BOMBOY & FRIENDS.....	21
5.1. VISION, MISSION AND VALUES	21
5.2. OBJECTIVES.....	23
5.3. GENERIC STRATEGY OF BOMBOY & FRIENDS.....	26
5.4. OTHER STRATEGIES OF BOMBOY & FRIENDS.....	27
5.5. MARKETING MIX STRATEGY	28
6. ORGANIZING BOMBOY & FRIENDS: DEVELOPING FUNCTIONAL AREAS	34
6.1. ORGANIZATION AND STRUCTURE.....	34
6.2. HUMAN RESOURCES	35
6.3. ECONOMICAL AND FINANCIAL ANALYSIS.....	35
6.4. LOGISTIC	41
7. CONCLUSIONS	45
8. REFERENCES	47



Table of figures

FIGURE 1: GEOGRAPHICAL LOCATION AND MAP OF CAMEROON	5
FIGURE 2: THE COMPONENTS OF A COMPANY’S GENERAL ENVIRONMENT.....	8
FIGURE 3: CAMEROON POPULATION DIAGRAM.	10
FIGURE 4: THE FIVE FORCES MODEL OF M.PORTER.....	13
FIGURE 5: PORTER’S VALUE CHAIN.	15
FIGURE 6: COMPONENTS OF THE SWOT ANALYSIS.	18
FIGURE 7: CAMEROONIAN PAINT MARKET.	25
FIGURE 8: PRODUCT.	29
FIGURE 9: LOCATION ROAD MAP.....	32
FIGURE 10: RETAIL STORE FLOOR PLAN.	33
FIGURE 11: WAREHOUSE FLOOR PLAN KRIBI.	33

Table contents

TABLE 1: COMPANIES IN THE SECTOR.....	12
TABLE 2: CONSUMERS CHOICE PREFERENTIAL WHEN CHOOSING SUPPLIERS.....	14
TABLE 3: PERSONNEL ANNUAL MONTHLY/ ANNUAL PAYROLL.....	44
TABLE 4: FINANCIAL FORECAST EXTRACT FOR THE FIRST 5 YEARS.....	36
TABLE 5: INCOME EXPENDITURE AND CASH FLOW STATEMENT.	36
TABLE 6: COST PRICE.....	37



1. INTRODUCTION

1.1. Approach to the choice of subject

The enriching stay that I have carried out in Cameroon during my internship with NARESER-KCSL this last academic year in order to complete my studies in the University of the Basque Country, has highly conditioned my choice of this topic in order to present this Final Project of the Bachelor's Degree in Business Administration and Management in the University College of Business of Donostia - San Sebastian (University of the Basque Country).

NARESER-KCSL is an offshore maritime service company located at immeuble cami Yamaha, 1st floor, Akwa Douala Cameroon, involved in the following activities: Towing of offshore platforms, barges and drawers, Support works/stand-by to oil rigs, prospection works antipollution policies, and sea salvage. I was working there as an intern from the 15th of October 2014 to the 15th of January 2015. I worked under the administrative department as an administrative assistant, handling the daily vessel reports and consolidation of the monthly reports and also took care of procurements.

This paper presents a business plan to create a new company Bomboy & Friends regarding the Exclusive Distribution of a fully Eco Friendly Water-Soluble Anti-Corrosive Prime named Life Guard Active Rust Primer Paint abbreviated as "L.G.A.R.P Paint" in Douala Cameroon and the C.E.M.A.C Region.

The lack of quality paint in Cameroon has given the opportunity for a company like Bomboy & Friends to nurture its existence and be part of a fast growing economy, providing a high quality paint competition, very economical, easy to prepare, environmentally friendly, compatible with other brands and accessible to medium and small size companies.

1.2. Methodology

The approaches used in this report include: Online research, feasibility studies, ground work and first hand enriching experience working as an intern with NARESER-KCSL. Ideas grasped from presentations made by individuals with knowledge in this area. In summary, most of the findings are web based, textbooks, and own elaborations.

Besides, I have used knowledge grasped in my Bachelor's Degree in Business Administration and Management in the University College of Business of Donostia- San Sebastian. Not forgetting the knowledge acquired from participating in an exchange program at the university of applied sciences in Germany. Particularly in subjects such as: Business Administration-Organisation and Management, Marketing Research, Business Project Management, business Cycle Analysis, Economic History, Mathematics of Financial Transactions, Game Theory, Accounting and so on.

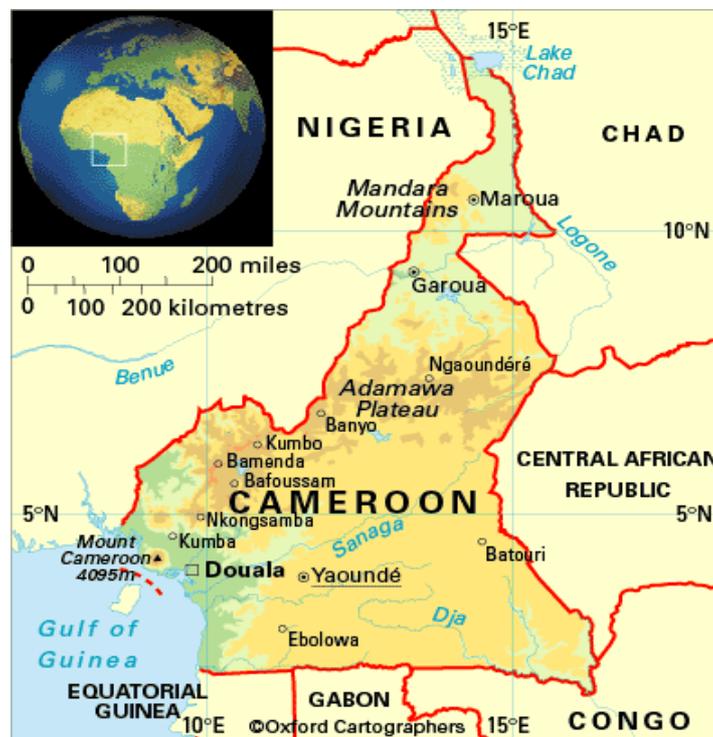


1.3. Scope and delimitation

The geographical scope of this report is Cameroon and to expand to the C.E.M.A.C region in future, that is the “Economic and Monetary Union for Central African States”. This is because Cameroon is a member of this union and the transport activities of most of the members of this region are tied to that of Cameroon. The members of this union include Gabon, Republic of Central Africa, Equatorial Guinea, Republic of Congo, Republic of Chad and Cameroon.

Cameroon is located on the armpit of Africa. To be precise Cameroon is found on 6 degrees northing and 12 degrees easting. Cameroon is the largest country in the central African sub region with a total surface area of 475,440 sq km. Cameroon is bounded to the west by Nigeria, to the south by Gabon, Republic of Congo and Equatorial Guinea to the East by the Republic of Central Africa and to the North by the Republic of Chad and Lake Chad.

Figure 1: Geographical location and map of Cameroon



Source: Assocaborg.org



1.4. Objectives of the project

Given the current economic climate in Cameroon, developing a project in this area might be risky, as competition is very high and Chinese companies are fast at bringing up similar brands of low quality and at a very cheap rate. But it can also give the opportunity for Bomboy & Friends to find a gap in the market. Therefore the main objective of this project is to find out whether it is feasible to establish a business of this nature.

In this work the basic outlines are presented to establish the project. It begins with an overview of the market, will also address strategies to get the plan into something tangible and real. In general it aims to bring the reader to the industrial paint market in Cameroon and the CEMAC region, likewise equip them with knowledge about competitors in this sector and key topics within this work. Besides, the economic landscape that surrounds us shall be analyzed.

In summary, the project will analyse the feasibility of setting up a company in the paint industry in Cameroon. Thus, this main objective will be divided in the next sub-Objectives:

- Analysing Bomboy & Friends general environment
- Analysis of industrial coatings in Cameroon
- Analysis of Bomboy & Friends based on the five forces model of M.Porter
- Evaluating Bomboy & Friends internal environment
- Internal resources and capability of Bomboy & Friends
- Component of swot analysis
- Setting objectives and strategy for Bomboy & friends
- Developing functional areas for Bomboy & Friends
- Quality management in Bomboy & Friends



2. BUSINESS IDEA OF BOMBOY & FRIENDS

2.1. Company presentation and business idea

Bomboy & Friends is a new company that intends to start up as an exclusive distributor of a fully eco friendly water-soluble anti-corrosive prime named life guard active rust primer paint abbreviated as “L.G.A.R.P paint” in Douala, kribi-Cameroon and the C.E.M.A.C region.

Bomboy & Friends is not a manufacturing company but will be importing a product that has already been manufactured and ready for sales. The company will limit itself in buying from its main supplier Grace Distributing Inc. located in the US. This product shall be introduced in to the Cameroon paint market as a new brand. A new brand that is very economical, easy to prepare, environmentally friendly, compatible with many other brands and accessible to medium and small companies. Bomboy & Friends like the company name indicates will also deliver a unique customer service with trained and specialised staffs willing to educate its customers on how to handle their products and also encourage them with free distribution service.

As we all know, a business plan is essential to every business, with Bomboy and Friends not being an exception. Being a new entrant in to the paint market in Cameroon, we shall be drafting a business plan, to serve as a guide through the company’s existence. By so doing, it will be able to elaborate a guide on the management of its cash flow, what business structure to follow, how it intends to take advantage of future opportunities, how to manage its employees and how it intends to generate sufficient cash flow to meet debt obligations and yet enable the business to operate effectively.

2.2. Business model of Bomboy & Friends

A business model is an essential part of a business which is a means by which a company tries to capture value based on how it will generate economic value in the form of revenue. Bomboy & Friends strongly hold on the quality and life span of the product they will be offering and the quality of their services. Bomboy & Friends aim at following a model of value creation for their product. By so doing, they capture the minds of potential buyers.

How will this be done, by carrying out comparative demonstration on quality of their brand and other existing brands Pointing out how much time, money and the environment will be saving in the long run. By so doing, buyers visualise for themselves what they will be saving in the long run which obviously will make a huge difference in their balances sheet at the end of the a fiscal year.



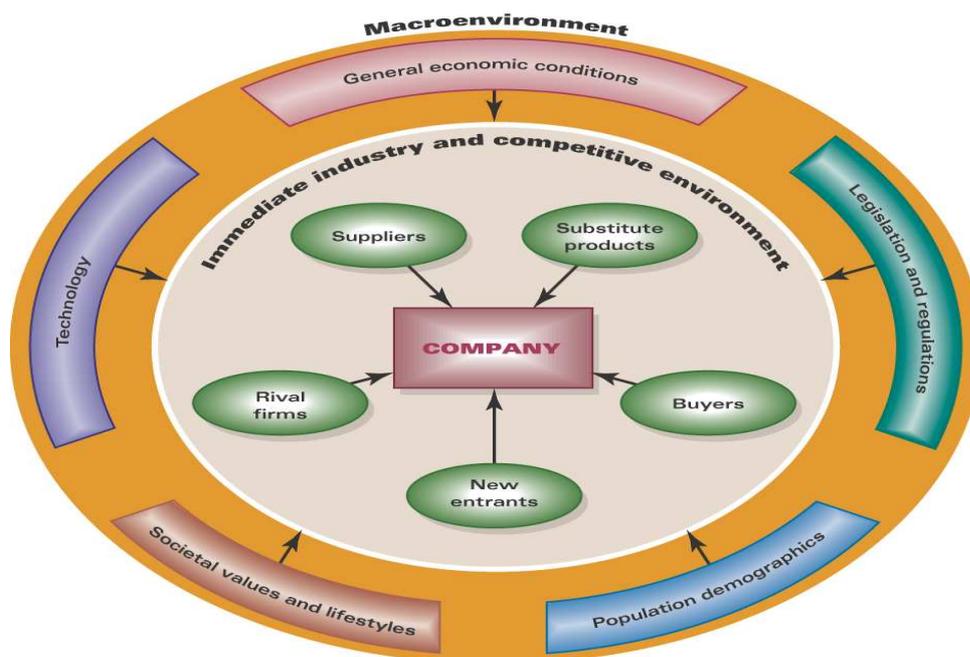
Bomboy & Friends will sell at a wholesale and retail price. Giving our customers free delivery services for the first one year. Including free seminars on the benefit of the product they offer and all necessary information required on how our products are preserved and applied for better results. Main speakers will be invited from our main supplier Grace Distribution Inc. to orientate our customer every year.

3. EVALUATING BOMBOY & FRIENDS GENERAL ENVIRONMENT

Before starting up any business, it is nothing but essential to analyse the general environment surrounding the area in which you intend to put up a company. When analyzing a company's general environment, it is necessary to consider a number of factors as presented by (Thompson, Strickland and Gamble 2014) which are listed as follows: economic and socio-cultural type, technological, political-legal factors, environmental and demographic factors.

Based on these factors, Bomboy & Friends environment will be analyse bellow. This overall environment will affect not only the activities and results of Bomboy & Friends but also help the company visualise the future of its existence and develop a proactive mind of setting objectives.

Figure 2: The components of a company's general environment



Source: Thompson, Strickland and Gamble (2014)



3.1. Analysing Bomboy & Friends general environment

3.1.1. General economic condition in Cameroon

The economic environment includes elements related to the economic conditions affecting the nature and direction of the economic system in which the company operates.

The economy of Cameroon is dominated by agriculture employing more than 50 percent of its work force. Half of the country's export comes from oil which accounts for 50 percent of its total export. The Cameroon economy depends more on commodity, even though there have been an increase in the oil revenue and foreign financial assistance, the Cameroon society is suffering from poverty. There is a massive lack of order in the country and the rate of corruption is very high.

Cameroon domestic economic has remained solid irrespective of its low commodity price deterioration terms of trade that shows a difficult global context. There has been a rise in production in different sectors, thanks to major infrastructure projects. Consolidating the growth recorded in 2012 and, the growth rate was highly driven by the tertiary sector accounting for 48.18% of gross domestic product (GDP). Followed by growth in transport, telecommunication, trade and hotel catering industry not leaving out construction and extractive industries (oil, gas) investment and basic infrastructure.

Despite falling growth in global oil prices, the main commodity Cameroon export is oil. Cameroon has always seek and still continues to seek foreign investment in order to better off its inadequate infrastructure, create jobs and improve the reputation of the Cameroon economy. Despite the struggle, the business environment in Cameroon still remains discouraging to foreign investors.

3.1.2. Legislation and regulation in Cameroon

The legislative and regulative system of Cameroon exists in paper work. That is to say, the laws are in existence but not followed, neither by the governmental system nor by its citizen. Cameroon is a country that has been marked for several years by corruption even though the Cameroonian government is willing to address a number of corruption related issues as far as joining the EITI (Extractive industries transparency initiative in order to lessen the likelihood of corruption in its resource industries.

Fighting corruption in Cameroon has been a challenge for the past decades. All public sectors in Cameroon are particularly prone to bribery and corruption. Especially from customer service, public health facilities and public procurement have all been infested



with corruption. The level of fraudulent evidence on foreign investment is discouraging to most investors. According to the transparency international global corruption barometer of 2013, Magistrates are known to favour their own religious, ethnic and political affiliations. As reported by the US department of state in 2013, it is difficult to bring in to finishing commercial contracts in Cameroon. Long procedures and time are required to enforce contracts. This leaves the country in a position where by company success depends on how far it is able to go through with fraudulent negotiation by handing envelopes under the table for fast results and better treatments.

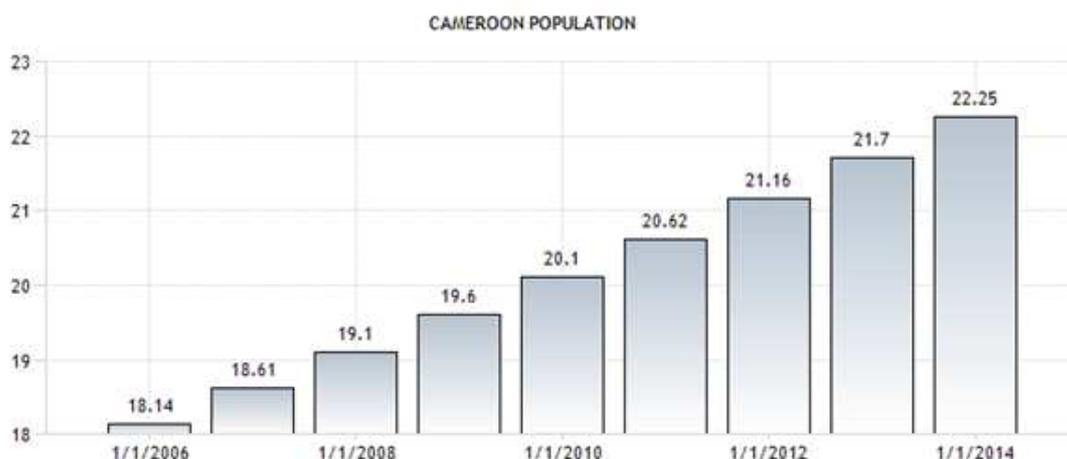
3.1.3. Demographic features of Cameroon

Cameroon has a total population of over about 22.000.000 inhabitants spread all over the country. The population growth rate is 2.9%. Population density is higher in the western highlands, in the southern forest, and along parts of the coast; it is lowest in the southeast interior.

Cameroon holds more than 250 ethnic groups divided into; the highlanders which forms the greatest part of the population of about 31% .the equatorial bantu followed with 19%, Kirdi11% Fulani 10% North western Bantu 8%, Eastern Nigrific 7%, other African 13% and non African nations less than 1%.

Just like Canada, Cameroon holds two official languages which are English and French. But there are over 270 local languages spoken by the different ethnic groups. Cameroon is also a multi religious society. 40% are Christians, 20% are Muslims and 40% are indigenous beliefs. 79% of those above 15 years are literate.

Figure 3: Cameroon population diagram.



Source: www.tradingeconomics.com (World Bank)



3.1.4. Social values and life style Cameroon

For the past years, consumer's income in Cameroon has increased progressively, giving a rise in consumer's expenditure. Cameroon still suffers from poverty, especially in rural areas. The number of young professionals coming up has increased in urban middle class and this has helped boost an increase in demand as more influential consumers come up. The retail sector in Cameroon has become more modern and formal, reducing the level of bargaining normally carried out in retail sectors.

The business culture in Cameroon is very different as compared to that of North America or Europe. Meeting rooms are usually not private; they are often shared with other people. Meetings are interrupted most often. But not seen as a sign of disrespect or lack of seriousness. Agendas are very important in Cameroon for start-up meetings. Cameroonians are expressive communicators who practice conversational overlap especially when they think they know what you are about to say. You will always find them interrupting to agree or disagree, trying to change the topic of discussion. Etiquette and protocol is one very important sign of respect.

3.1.5. Scientific and technological environment

According to the report titled 'The global technology revolution 2020', Cameroon has been positioned among the world's lagging countries. The political systems, lack of resources or infrastructure are some of the barriers to technological growth in Cameroon. From Dibussi Tandé's personal view on people, places, events and issues in Cameroon, Cameroonian citizens struggle daily to survive and people in this society are not willing to see the value or necessity of building science and technology capacity due to the fact that there are no immediate benefits or payoffs. The Cameroon economy is one which is not free from external debt servicing requirements and these are some of the short-term priorities that make it very difficult for the national budget to be improved and more resources allocated to innovation in science and technology. Cameroonian citizens are rich in creativity and innovation but with insufficient funds, materials and opportunities to put all their knowledge into practice. Corruption is another tool that helps reduce the little fund kept aside for every year's budget on scientific and technological innovation. As of now, Cameroon still depends on new technological growth from first world countries.



3.2. Analysis of industrial coatings sectors in Cameroon

For the past years, the industrial painting sector in Cameroon has experienced significant changes in its evolution. Industrial painting started up in Cameroon with a monopoly company in 1965. The equatorial paint company (CEP) was the first to come in to the market. Later followed by other subsidiaries; TOTAL GLOBAL, SAPCAM (Sté African of chemicals) within a period of 5 years after CEP. Because of the economic crisis of the 80's, investment in this sector was discouraged but these companies have shared the market for the past decades. From the 90's until 1996; the economy recovery remained stable permitting new firms to enter the market either through imports of foreign brands, or by bringing up local production. More recent manufacturers have come up in the recent years like SMALTO (1997), African trade counter (ACC) (1998), Society of industrial Paints, Inks and Adhesives (SOCIPEC) (2000) not leaving out other importers too like Pan African Society of construction Materials that also came up in (2000) and Central Product Distribution in (2002). Obviously new entrants will intensify competition in this sector. New entrants or younger competitors will have to strive to gain market share that keeps them in existence this is because the pioneering company like CEP and SAPCAM have already conquered the market share.

The growth rate of CEP as of 2001 is higher than the national economy. Above all, CEP has managed to capture a higher percentage of increasing demand despite the increasing diversity of supply and suppliers.

The table below shows the market players in the Cameroon paint industry and their positioning. CEP leading with 61 percent, SMALTO 18 percent, SOCIPEC with 11 percent and other subsidiaries crown the market with 10 percent.

Table 1: Companies in the sector.

BUSINESS	CEP	SMALTO	SOCIPEC	OTHER
MARKET SHARE	61%	18%	11%	10%

Source: Own elaboration.

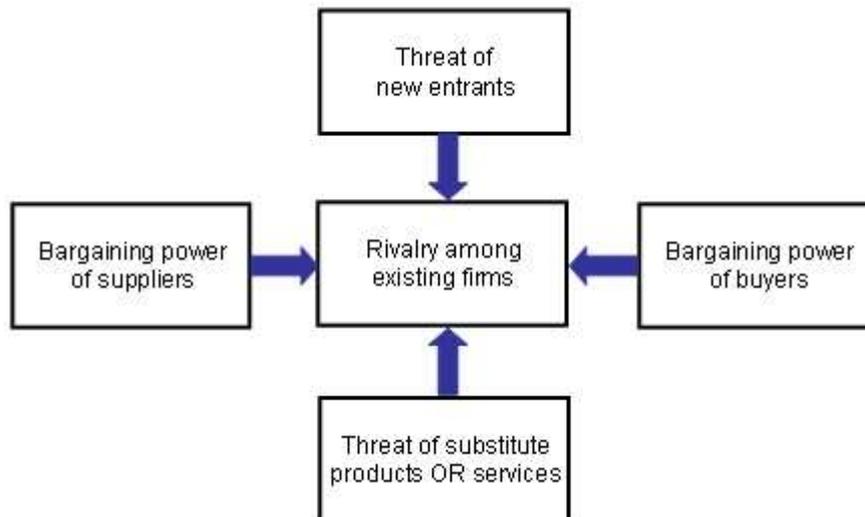


3.3. Analysis of Bomboy & Friends based on the 5 forces model of M. Porter

According to Porter, the intensity of competition in an industry determines the ability of the company to achieve profitability rates above the cost of capital. The intensity of competition is a function of so-called five basic competitive forces, which are rivalry among existing firms, bargaining power of suppliers, bargaining power of buyers, threat of substitute products or services and threat of new entrants.

Porter's five forces tool is a strong instrument used for understanding where power lies in a business situation. These tools give a clear understanding of both the strength of a company's current competitive position and the opportune strength the company considers getting in to.

Figure 4: The five forces model of M. Porter.



Source: M. Porter (1980).

Based on Porter's five forces model, in continuation we will carry out a rundown analysis on Bomboy & Friends:

Supplier Power: Here we assess how easy our supplier Grace Distribution Inc. will drive up prices. Lifeguard Active Rust Prime is a very unique paint. Due to the uniqueness of this product, and the fact that Bomboy & Friends rely on one supplier of this particular brand, the supplier choice of Bomboy & Friends is limited. Grace Distribution being our main supplier, will have more strength and control over us. In this case, Bomboy & Friends has very few suppliers' choices.



Buyer Power: Here we ask ourselves how easy it is for Bomboy & Friends to drive down prices. At the moment, Bomboy & Friends is just a small start up importing company that posse no buyer power due to the fact that other powerful buyers already exist that will dictate terms of prices.

Competitive Rivalry: In the short run, Bomboy & Friends will have tremendous strength due to the uniqueness of its brand and no similar product existing at the moment. Pioneer competitors like CEP, SMALTO and SOCIPEC have very little capability to control the situation even though they have an absolute control over the market.

Threat of Substitution: The ability of our customers to find a similar product with the same qualities as our product is very rare. Bomboy & Friends offer a unique product and hold strongly on the quality of their product, quality of services offered and at a reasonable price.

Threat of New Entry: In the long run, we will be threatened by new entrants. In other for Bomboy & friends to keep floating, we will have to maintain a very high level of economy of scale that will distance us from our competitors.

Based on this analysis, it is nothing but reasonable to say that Bomboy & Friends has a clear knowledge on its competitive position and other opportunities it pretends to take advantage of.

From a personal point of view, these are some of the very common factors that determine the choice of customers when choosing their suppliers. Customers choose a company based on the following criteria:

Table 2: Consumers choice preferential when choosing suppliers.

Customers choice	Bomboy & Friends
Reputation of supplier	Strive hard to keep a good reputation
Adaptability of the supplier to customer requirements(price ,delivery, discounts, payment mode and time,	Our customer will be a priority to us and we will always strive to reach their requirement
Technical assistance provider	Bomboy & Friends count on professionals with quality assistance



Distance of major distributors	Bomboy & Friends will be located in a perfect place, easy accessible that makes distribution easy and at a lower cost
	Bomboy & Friends posses the main qualities costumer consider when choosing suppliers.

Source: Own elaboration.

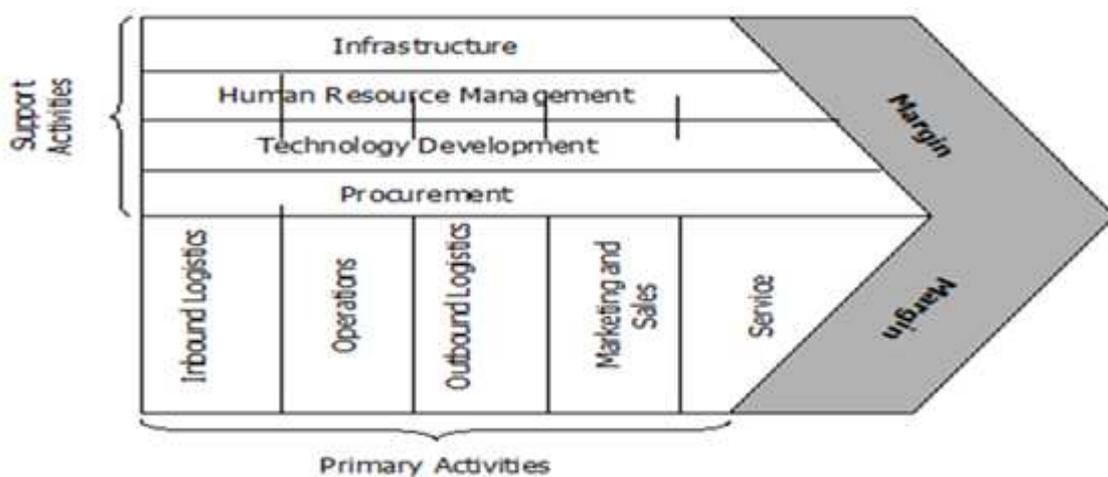
4. EVALUATING BOMBOY & FRIENDS INTERNAL ENVIRONMENT

In this chapter, we are going to run down an internal analysis looking at the resources, factors, means, skills, abilities etc. The result of this analysis we identify the strengths and weaknesses of the company to develop its strategies.

4.1 Internal resources and capabilities of Bomboy & Friends

We will make a general analysis of the value chain of Porter adapted for a paint company. A paint company, like any company, also organizes its activities around the process of value creation, and therefore can also be used to restore the concept of Value Chain.

Figure 5: Porter's value chain.



Source: Porter, M.E (1985)



Primary activities of Bomboy & Friends

- Internal logistics: activities such as reception and storage of product are included. It comprises the processes of handling, storage, maintenance, inventory control and returns to suppliers.

In our case, we do not deal with the raw material. Once our shipment is delivered at the sea port of Douala, it is then transported to the ware house where an inventory control is carried out to ensure the right product, quality and quantity has been delivered. It is further labelled with the company brand name and set ready for sales.

- Operations and outbound logistics. As mentioned above, our company is not a manufacturing company. We buy already manufactured product and the only value we add to this is our brand label.
- Sales and Marketing: It includes all the necessary means to promote the company. Persuade clients to purchase from us instead of our competitors. These means are: hospitality, advertising, guides, sales force, sales materials, pricing policies and sales control.
- After Sales Service: it consists in obtaining the means to raise or maintain the added value to the company. To be achieved through customer loyalty programs, databases, set the product based on customer requirements, personalized attention or additional services.

Support Activities for Bomboy & Friends

- Infrastructure: The infrastructure activities include the management of the business, planning, finance, accounting, cost control, quality management and legal and tax issues.
- Human Resources: These include issues related to business personnel, such as selection, training, remuneration and motivation.
- Technology: Modern technology use for managing and processing of information, protect company knowledge base and stay updated with technological advances.
- Purchasing: All company procurement will be done abroad from our main supplier Grace distributing Inc. company procurements will be carried out yearly.



Other uses of the value chain: the "Benchmarking"

"Benchmarking", is the comparison process through which a company identifies, understands and incorporates best practices to improve performance. When direct competitors are studied by comparisons to find the best practice is called "competitive benchmarking".

Bomboy & Friends will make a comparison with other leading companies in the paint sector, the process used in meeting customer requirements. This allows us to discover the strengths and the weaknesses of the business, as well as possible sources of competitive advantage, and from the outcome, try to better off the company management.

Based on the five forces of Porter, Bomboy & Friends will create value based on the following:

1. Creating value through main product

The company will be offering better quality paint. A new brand that is very economical, easy to prepare, environmentally friendly, compatible with many other brands and accessible to medium and small companies.

2. Value creation by service

Unique customer service trained and specialised staffs willing to educate customers on how to handle the product and also encourage them with free distribution service. Quick attendance to customers complains and meeting customer requirements. Bomboy & Friends intends to take good advantage on this point, because customer service in Cameroon is very poor.

3. Creating value through human resources

Hire the best professionals, with dedication to serve and handle customer demand with priority. Establish more attention to customer requirement. This will be a strong, durable and effective competitive advantage for Bomboy & Friends. This is one of the critical points in the creation and delivery of value, especially when it comes to dealing with people.

4. Creating value through facilities

A striking multicoloured decor oriented with African arts, that will attract customers and impact them at first sight, make them feel welcome and a small coffee room where customers can relax while waiting to be served. These are some of the distinctive elements significant enough to create competitive advantages.



5. Creating value through localization

A clear competitive advantage of Bomboy & Friends is undoubtedly its good location. A good location can increase both company sale and also serve as a means of publicity. Therefore, Bomboy & Friends will be located in the economic capital “Douala” in the heart of the city with easy access to main road and visible to the public. Facilitating distribution within and out of the city and also reducing transportation cost.

4.2 Component of swot analysis

By following SWOT analysis, let's get a diagnosis of the organization. The main objective of this analysis is to help the organization find its critical strategic factors, once identified, use them to support organizational changes: consolidating the strengths and minimize the weaknesses, taking advantage of opportunities, and removing threats.

The SWOT analysis is based on two pillars: the internal analysis and external analysis of the organization. The strengths and weaknesses belong to the internal field of business, and threats and opportunities belong to the external environment.

Figure 6: Components of the SWOT analysis.



Source: <https://www.edrawsoft.com/template/swot-analysis.png>

a. The strengths of Bomboy & Friends.

- The quality of our product:** Bomboy & Friends holds on to the quality of its product as its major strength. As recent studies show that Cameroon consumers now value the quality of product and takes in to account when choosing a supplier. Unlike before, that consumers were more attracted to



lower prices. Bomboy & Friend will hold on to a good reputation by offering good quality product.

- **Product of a new technology, yet uncontrolled by companies:** The product is a combination of three elements at once: base + hardener and thinner. Unlike other products the customer has no need to buy the 3 components to the mixture and the product is already prepared with directive instructions, it just needs water. Which confirms it's easy and fast handling. It is a Product that is environmentally friendly, less toxic and easy to use.

- **Brilliant marketing team:** With a well equipped and informed market team, Bomboy & friends will easily engage in to social promotions and brand messaging. Knowing what products it competitors are highlighting and if the quality is greater or less than that offered by Bomboy & Friends.

- **Highly skilled workers:** Bomboy & Friends counts on adequate trained and stilled workers in this sector. The paint sector in Cameroon has a shortage of skilled labour. Industrial painters are rare; most companies have their technicians (applicators). This has a direct impact on the delivery and quality of work and this is where Bomboy & Friends will take advantage to make its way in to the market.

- **Good reputation of American products in Cameroon:** Bomboy & Friends offers a product that is leading in the international market (No. 1 in Europe and No. 2 in the U.S.) which already makes a name for itself. Based on the fact that it is a product with high reputation in developed countries will attract customer. Must Cameroonian believe American products are always of good quality unlike Chinese made products.

b. Bomboy & Friends weaknesses

- **Lack of customer:** Consumers do not have perfect information about the product Bomboy & Friends offers before buying. Meaning it will take much time to convince customer to change from one brand to another. Our main competitor like CEP, SMALTO, SOCIPEC already hold a high percentage of customers loyalty to their product with which we have to compete.

- **Name not known:** Being a newly created business, we do not have a brand that customers can identify. Therefore we can say that it is very difficult to get noticed and get customers to come to our establishment.



- **Shortage of financial resources:** A weakness with which we will encounter when installing a business, is the lack of financial resources. I mean we do not have a local property, nor enough money saved, we are counting on taking a loan from the bank to pay back with interest.
- **Difficult access to distribution channel:** due to poor infrastructures in Cameroon especial in Douala the economic capital with a lot of traffic, bad roads, no specific street names, distribution is going to be our major problem.
- **Imported Goods-long delivery time:** Imported good normally takes time to reach its destination and it passes through long process of administrative work which in a country like Cameroon, it takes practically for ever unless the company adapt to the easy mean of bribery as a result of delays in public administration.
- **Absence of local partners:** Industrial paints, because of their high prices, they are mostly sold by large distribution companies. These large retailers have many agencies in the country (COGENI, FOKOU, SOREPCO, QUIFEUROU, AFRICA CONSTRUCTION...) giving them more power.
- **Difficulty in accessing credit:** As a result of the economic crisis faced by the Cameroon economy, it is very difficult to get loans from financial institutions, also more expensive and collateral requirements are much higher. This is a serious problem for entrepreneurs, who will meet with many obstacles, not only when opening the business, but also when it comes to paying suppliers and meeting payroll.

c. Opportunities Bomboy & Friends will hold on to

- **Political stability:** Cameroon enjoys a climate of stable political situation which guarantee good security for new investors in Cameroon and projects a brighter future for businesses in Cameroon.
- **Country growth rate Of 5.55%:** Many structural projects announced by the government (some are already in progress): Central gas and deepwater port of Kribi, dam Mvele, which will increase the demand for industrial paint.
- **The economic development of neighbouring countries** (Chad, Gabon, Equatorial Guinea. As a matter of fact, Cameroon`s strategic position in the centre of Africa and along the ocean permits us to attract international customer within neighbouring countries.



- **Cheaper labour:** with a Young and dynamic population in Cameroon, the labour market is very cheap and less demanding which is an opportunity for Bomboy & Friends to reduce expenditure on salaries which would have been a significant percentage on its balance sheet.

d. Analyzing threats for Bomboy & Friends.

- **Tax-not very conducive to investment:** Corruption in Cameroon has been a significant problem for many years, and delay in public administration is hindering investment opportunities. Companies turn to pay more taxes than the rate stipulated by the government all thanks to a very high level of corruption faced by the country.
- **Policy-protectionism in Cameroon:** high customs duties that will affect the cost of imported goods. Imported goods are levied with high custom duties and this pushes imported products to be sold at a higher price in other to meet up with the cost of the product and still make profit.
- **Location of the business exposed to high level of crime around the area.** The local security is very incompetent and cannot guarantee protection.

5. STRATEGIC PLANIFICATION FOR BOMBOY & FRIENDS

5.1. Vision, mission and values

The reason for setting vision for a company is that, it serves as a guide that helps to focus efforts of all members of the company in the same direction, that is, ensure objectives are set, design strategies, make decisions and execute tasks under the guidance as stipulated thus achieving coherence and order. We believe that vision is an inspiring key that will motivate and inspire professionals in a certain direction, providing shared objective and consistency.

According to Thompson, Strickland & Gamble, (2005), a good vision needs to be a little beyond the company's reach but progress towards the vision is what unifies the efforts of the company. On the other hand, Kotter,(1996) determines that a well worked vision statement should contain the following characteristics:

B&F B&F



- **Graphic:** a clear picture is painted on the kind of company that the management intends to create and the market position the company strives for.
- **Directional:** it is essential to set a destination for the company, showing the kind of business and strategic changes that may be up coming.
- **Flexible:** companies operate in turbulent environment; a well stated vision must be capable of adapting to all changes that might unfold in the future.
- **Focused:** Managers should make decision based on specific guidance provided on allocating resources.
- **Durable:** the vision for a company should be set in such a way that it appeals to the long term interest of its shareholders.
- **Easy to communicate:** last but not the least; a vision should not be so complex and difficult to understand. It should be easy to explain and communicate.

The vision of Bomboy & Friends is to be recognized in the paint market in Cameroon and throughout the Central African Sub-Region by consistently delivering high-quality, innovative and sustainable solutions that customers trust to protect and beautify their products and surroundings. This vision will guide us on our journey toward our common goals and principles.



On the other hand, the mission defines the essential purpose of an organization, referring to the reason for its existence, the nature of the activities in which it want to operate in and consumers expected to address and meet their needs: It defines the



need to satisfy, customers to gain, products and services to offer. The mission of a company reveals the current reason for the existence of an organization (Thompson, 1993, p 122).

The mission of Bomboy & Friends is to offer good quality product, excellent and quick customer service, gear to meet and exceed the expected services, with our main interest focus in the preference of our customers with excellent services.

Finally, values define the set of principles, beliefs, and rules governing the management of the organization. Constitute the organizational culture and organizational support (Stephen, R. 2010).

Our values are:

- Customer focus: the direction of Bomboy & Friends will be to satisfy customer needs, the development of activities will revolve around this value.
- Professionalism: Create a global atmosphere in the team o, service attitude, coexistence and harmony in an atmosphere of professionalism, honesty and enthusiasm.
- Commitment: Workers, regardless of their job and their level of responsibility must show at all times a high degree of enrolment in the company well functioning.
- Innovation: Constant search for new alternatives and elements to meet the needs of the market with a greater variety of paint and increase customer satisfaction.

5.2. Objectives

A company objective is the outcome an organization would like to achieve globally in the long run. Throw its mission and situation of its environment. The purpose of setting objectives for a company is geared towards; converting its vision in to specific performance targets and creates yardsticks to track performance.

It effectively describes the actions required to accomplish a task. This can be done looking at the techniques an organization will use to achieve sales success, customer service goals, financial goals and any other measurable aspirations of the company.



Company objectives are measurable and must be **SMART**:

- ✚ Specific → well defined and clearly stated
- ✚ Measurable → quantifiable or absolutely calculable
- ✚ Achievable → realistic under the circumstances
- ✚ Relevant → supporting accomplishment of the mission and contributing to realizing the vision in the long term.
- ✚ Time bound → time based (corresponding to the period of the business plan)

Financial and strategic are the two main types of objectives must successful company will strive to reach.

Financial objectives are set to be measure in monetary terms in achieving the following:

- Increase in the percentage of annual revenues
- An annual percentage increase in after tax profits
- Increase in the annual earnings per share
- Annual dividend in crease
- Profit margin of X %
- A percentage increase on the return of capital
- An increase in share holder value
- Strong bond and credit ratings
- Sufficient internal cash flows to fund 100% of new capital investment
- Stable earnings during periods of recession

On the other hand, Strategic objectives are planned objectives that an organization plans to achieve which could include the following:

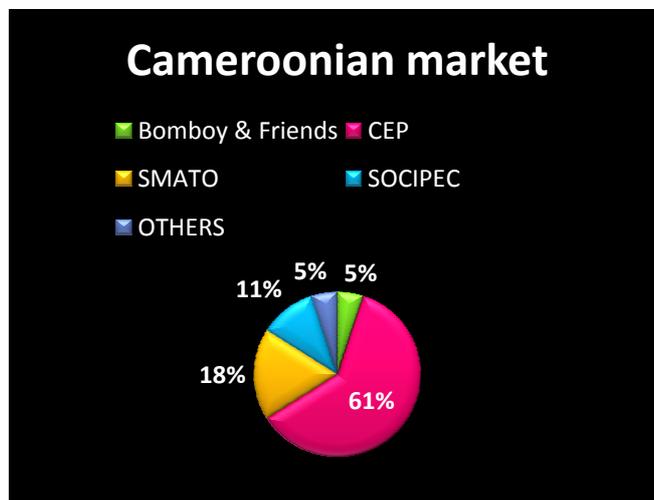
- Winning an certain percentage of market share
- Achieving lower overall costs than rivals
- Overtaking key competitors n product performance or quality or customer service
- Deriving an increase in the percentage of revenues from sale of new products in traduced in past 5 years
- Achieving technological leader ship
- Having better product selection than rivals
- Strengthening company's brand name appeal
- Having stronger national or global sales and distribution capacities than rivals
- Consistently getting new or improved products to market ahead of rivals



In summary, the outcome for setting financial objective is focused on improving financial performance. Mean while the outcome of strategic objective focuses on improving competitive vitality and future business position.

Based on the above, our strategic objective is to achieve in 2 years a market share of 5% of the Cameroonian Paint market.

Figure 7: Cameroonian paint market.



Source: Own elaboration.

The objective of the 2 years is to have a PDM 5% and give the brand a spontaneous awareness, Bomboy and Friends will spread over the 02 years as follows:

- **1st year: 2% PDM**
- **2nd year: 3% PDM**

HOW TO REACH OUR GOAL?

The first year will be a year of introduction of our product, market strategy will be to:

- Create customer awareness
- Push customers to try our product and consider



The second year will consist of the following:

- To retain customers who have tried the product
- To increase our market share
- To position ourselves in the minds of customers

5.3. Generic strategy of Bomboy & Friends

First we will analyse which generic strategy is going to be developed by Bomboy & Friends. Among all the Five Generic Competitive Strategies described by Thompson (2014), that is to say:

- Low-Cost Provider Strategies
- Broad Differentiation Strategies
- Best-Cost Provider Strategies
- Focused (or Market Niche) Strategies

Our strategy will be: Best-Cost Provider Strategies which I would suggest to be the best value for the client taking into account the price paid for the product.

A best-value provider's competitive advantage is based on its capability to include upscale attributes at a lower cost than rivals' comparable products.

In order to achieve competitive advantage, a company must be able to take the following into account:

1. Incorporate attractive features at a lower cost than rivals
2. Manufacture a good to excellent quality product at a lower cost than rivals
3. Develop a product that delivers good to excellent performance at a lower cost than rivals
4. Provide attractive customer service at a lower cost than rivals

For the case of Bomboy & Friends this will be gotten through product positioning, as the best product in terms of quality and environmental protection.

- Attacking the most promising segments including marine engineering, construction and steel structures, industrial and chemical facilities, towards telecom companies.
- Set a high price with the best quality-price ratio.



- Look for a local partner with relatively good reputation and having a good distribution network.
- Composition of a limited commercial team well trained, with logistics in line and brand positioning.
- Strong communication push and pull focus on the brand and the company, the environmental hazards and to use non-certified reference organizations on the benefits of our brand and environmental awareness.
- Support customers free for 06 months from launch of our product and free training of technicians in the sector.
- Strong exploration of potential and existing customers.

Best value strategy makes sense when

- Where buyer diversity makes product differentiation the norm *and*
- Where many buyers are also sensitive to price and value

This is the case for Bomboy & Friends in Cameroon. The quality differentiation of our product from rivals and the adaption of our prices to capture buyer that are sensitive to price and value.

5.4. Other strategies of Bomboy & Friends

Apart of generic strategy, there will be other strategy that will help the business to be successful. This is the case of the strategy lead to get an alliance with suppliers.

Most companies will some time use strategic alliance or joint partnerships to complement their own strategic initiatives in other to gain weight in competitiveness. Many companies are far beyond complementing such cooperative strategies but fall short of full joint venture partnership. Alliances and partnership can help companies cope with two demanding competitive challenges which are to jointly rise against rivals, by so doing their presence in different market is build and jointly seize opportunities on the frontiers of advancing technology from rivals.

In the case of Bomboy & Friends, we are not considering the option of getting in to a joint venture at the moment. But if need arises in the long run, we consider the idea of using strategic alliance to gain weight in competitiveness.



5.5. Marketing mix strategy

Marketing has been defined in many different ways, but it is mostly taken as the art of marketing products and services for a company in a more profitable way, through customer satisfaction (Hoffman, 2002). The Strategic line to follow is:

1. With a paint company, considering that in modern times most buyers in Cameroon increasingly prefer good quality product in other to reduce cost. Bomboy & Friends proposes to provide customers quality products with guarantee and satisfactory results from customer service.

2. For business, it is essential to know the preferences and problems companies face with existing products. Therefore, one of the main strategies of Bomboy & Friends is to remain in constant research to progressively adapt to our customers demand, proposing better quality products in different varieties. In any case, we seek to optimize the business by incorporating all suggestions made by our customers.

3. Segmentation and targeting potential buys. To determine marketing strategies, you need to determine what kind of potential buyers you look forward to dealing with. For this reason, we must carry out market segmentation:

a. **Geographical criteria:** Akwa/ Douala Cameroon, the reason for this choice is due to the fact that it is the heart of all business in Cameroon and the economic capital, close to the sea port where most big industries, factories and maritime companies are located.

b. **Potential buyers:** we are going to differentiate our product in two categories; we will have special prices for bulk buyers which will be our main target. Not leaving out the option of retailing our products to individual customers or buyers seeking smaller quantity. This will obviously go with our line of packaging that will come in drum, gallons and quarts.

c. **Psychographic criteria:** most management departments in companies now are daring to go in for good quality product in other to reduce cost in the long run.

d. The client we are heading for basically has an average purchasing power, able to appreciate a quality product.

In continuation, we will be looking at the four P's which includes the following: product, price, promotion and place.



Our product:

Lifeguard active rust prime is designed as a rust-inhibiting waterborne acrylic primer and converter for marine, industrial, automotive and residential environments. It can be used under dry or damp conditions on steel structures difficult to prepare with traditional standards.

Figure 8: Product.



Source: Own elaboration.

Pricing:

The table below gives a detail on how we arrived at a selling price. The cost is calculated in FIFO (first in first out). The quantity of paint received at the Cameroon sea port will be a container of 12000 litres, from our supplier in the US based on negotiation with our supplier at an estimated cost of 5000 France CFA Cameroon currency. In continuation, we will sum up all other charge at the Cameroon sea port as shown in the table below. This obviously gives us a cost price of 8.616,60 France CFA per litre.

Table 4: Cost price

Description	Cost per litres in FCFA
Landed Price	5.000
Offloading and Handling charges	4.9
Import Duty	7.6
Trucking	4.1
Total Cost Ex Works	5016.6



Brand Royalty	3,600
Total cost	8.616,6

Source: Own elaboration.

Price of four litre paint equivalent to a gallon in Euros = $8.616,6 \text{ Fcfa} / 650 \text{ Fcfa} \times 4 \text{ litres}$
 = 53,03euro.

Promotion

Promotion is a very important tool to us. Since we are new in the market, we are lack of experience. Promotion is the only most possible means for us to make our product known; the only means of getting our message through is by putting more attention on advertisement because it helps to increase sales in a competitive market and thus, increases profits. It also helps to introduce new products in the market by drawing the attention of potential customers.

We know promotion and advertisement is very important because it allows businesses to reach out to consumers using various forms of media, techniques and strategies to capture their attention.

Advertising channels

As we mentioned before, Advertisement is a very important tool to us. For this reason, we will use more channels to reach as many people as possible. We are open to companies of all sizes. We intend to reach the public through the following advertising channels.

- Primary advertising channels: Television, radio announcement



- Secondary advertising channels: flyers, sticker and banner



Rue Sylvani , Douala
Akwa Cameroon
Tell: 0023750576364



Television and radio advertisement: By spreading the message on TV and radio, we hope to increase the impact and getting the message to a large number of people because it is a medium must used by 70% of the population. The message will be as attractive as possible to cause reaction in people and get a positive response in them. The announcement will consist of a 20 seconds distributed as follows Monday to Friday. The cost will amount to 300,000 FCFA and will be issued between 10:00 am and 12:00 noon. We will use this as a means to produce more impact.

Our secondary advertisement channels will be carried out as follows: banners will be placed on main high way roads, city centre bus stops and strain station. Mean while flyers and stickers will be distributed around the community especially during fond raising parties, end of year gathering where most managers and director of most companies are present. The budget for this operation will amount to 100.000FCFA. This channel of advertisement is channelled to capture the remaining 30% of the population we fail to reach with our primary advertisement channel: television and radio.

Bomboy & Friends also intends to take advantage on personal selling. This is a form of sale in which there is a direct relationship between buyer and seller. Personal selling will play a very important factor in the company since we will be in continuous contact



with our clients. We will use this factor to try to promote our services as one of our values is the good customer service we intend to offer. Because this is a new company in the market, our first contact with customer must make a good impression so that they will always count on us. It should be as polite and helpful as possible, anticipate the needs of our customers and advising them in their choice.

To achieve effective and efficient personal selling, we will need adequate preparation of workers in the company, with not only a good communication skills and presence, but must also have extensive knowledge of our product and be able to provide advice to customers as far and possible.

Place.

The location of a company is often one of the factors that can most affect business success. It must be located in an area where there is an influence of substantial public.

Currently the economic situation in Cameroon especially in Douala the heart of all businesses has changed dramatically, and it is not very easy to get a good location at a reasonable price. This change in economic situation has caused an increase in prices of commercial premises. So we will not be saving as much as we would have loved to. Unless we try to find shops out of the centre, which is still not an advantage to the company because we are not visible to the public.

Bomboy & friends shall be located In the Littoral Region of Cameroon, Precisely in the cities of Douala which is the economic Capital of Cameroon and Kribi which presently Host the newest and largest Port in Cameroon. Operating within just two cities makes it possible for the workers to meet their customers easily, even on personal bases. Also being the earliest in the industry within these two Cities Bomboy & friends the first mover advantage there by making it possible for the customers to be reached easily because of its nearness.

The structures shall be leased for a period of five years renewable on an amount of CFA 4800.000fcfa a year.

Figure 9: Location road map.

Office location:

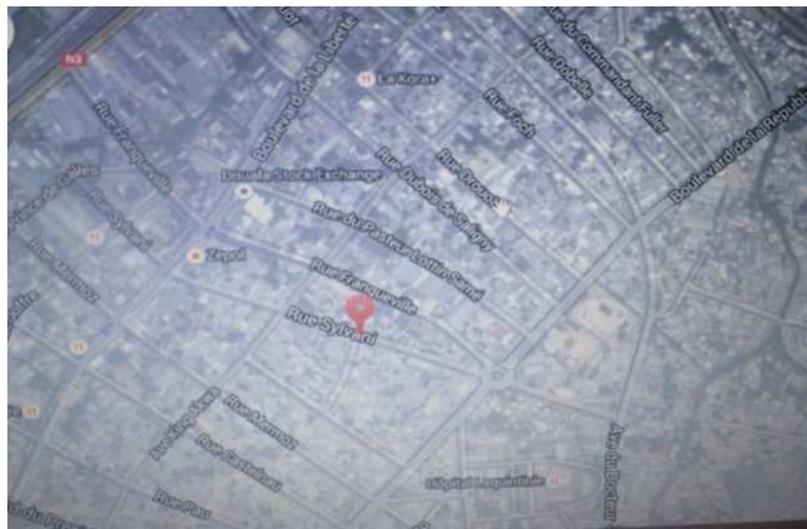
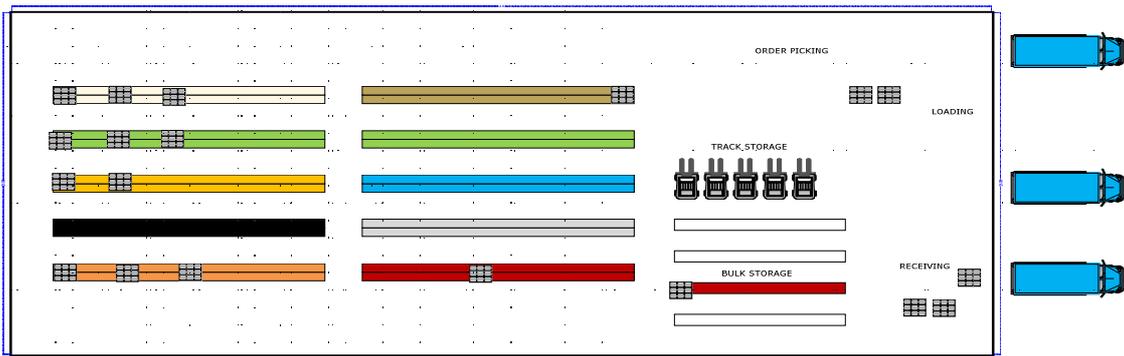


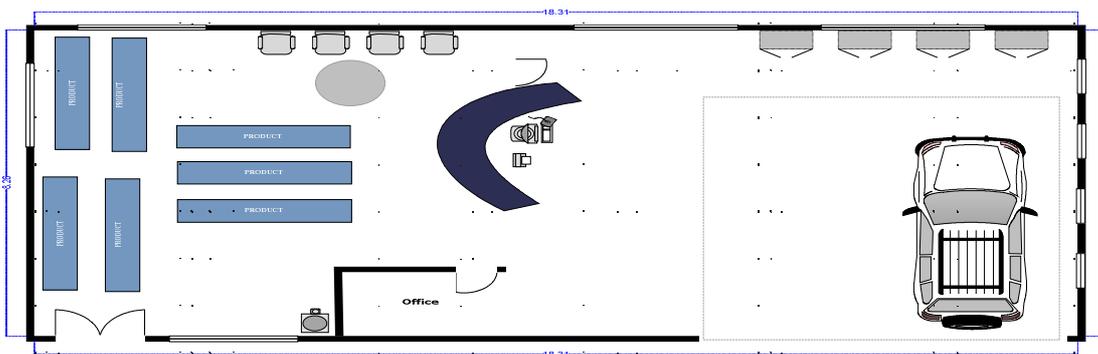


Figure 10: Warehouse floor plan kribi.



Source: Own elaboration

Figure 11: Retail store floor plan.



Source: Own elaboration



6. ORGANIZING BOMBOY & FRIENDS: DEVELOPING FUNCTIONAL AREAS

6.1. Organization and structure

Bomboy & friends will initially have 5 employees, to meet expected demand. Despite the above, the workforce can be adjusted to actual demand to be taken at all times, to avoid losing competitiveness. With regard to the hours spent on each of them, we assume that work days is equal to 40 hours per week, with the possibility of overtime as established in the Cameroon collective agreement.

✓ **Management**

The Company and Warehouse will be owned and operated by its founders, initially working with a small employee base that will cover sales and delivery. Management and personnel plans are covered in more detail below.

✓ **Organizational Structure**

The company Warehouse will be managed by the two founding partners, whose individual areas of expertise cover many of the functional aspects of the business.

The organizational structure is simple. This structure is characterized by a low degree of departmentalization, wide spans of control, authority centralized in a single person, and little formalization

The strength of the simple structure lies in its simplicity. The company is fast to react before unforeseen situations, because it is very flexible. Besides, this kind of structure is very inexpensive to maintain.

In the case of Bomboy & Friends one of its co founders (F1) will be responsible for the routing, distribution management and delivery systems. Co founder (F2) will be responsible for customer service, accounting, shipping and the general administration of the business. Together they will be responsible for product selection, sales and marketing.



The goal of The Bomboy & friends Warehouse is to have a team of committed associates who empower each other so that the customer's expectations can be exceeded. Our goal is to offer career opportunities, advancement opportunities and a level of income and benefits that is competitive within the region and job classification. It is our long-term goal to be the preferred employer within the comfort of our Paint distribution industry In the City of Douala and Kribi.

6.2. Human resources

Initially we expect to be able to handle business needs with (F1) and (F2), one administrative assistant, and two product delivery/sales personnel. As business continues to grow, we intend to hire additional employees one at a time and pay premium, over market labour rates to attract and retain quality help.

Not only will we train our employees to deliver excellent service, we will give them the flexibility to respond creatively to client requests. In addition, we will continually monitor our clients' level of satisfaction with our service through surveys and other convenient feedback opportunities.

To ensure our personnel are meeting our expectations, we will hold a minimum of quarterly meetings with all employees so that results can be reviewed and future plans can be discussed. At least twice a year, a refresher course will be required on product knowledge and how to exceed our customer's expectations.

6.3. Economical and financial analysis

This chapter, we will look at all information about economic and financial nature of the company, to assess the economic viability. Basically it is to analyse whether Bomboy &



Friends meets the conditions of profitability, solvency and liquidity necessary to carry out the business.

In continuation, we elaborate a short study to determine whether or not it is advisable to carry out the investment on opening a paint distributing company of this category.

To put up to this investment, Bomboy & Friends will have two financial source of income. The first source will come from it two share holder, who provides a capital of 300.000Euros in total. The second source of income will be a bank loan for an amount of 307.692Euros, the loan will be paid in 3 years with an interest rate at which the bank agree lending at 5% annually.

Table 3: Financial source

	FCFA	euros
Capital	195.000.000,00	300.000
Loan	200.000.000,00	307.692
1euro=650fcfa		

Source: Own elaboration

Product pricing sheet for the first three years

The table below gives a detail on how we arrived at a selling price. The cost is calculated in FIFO (first in first out). The quantity of paint received at the Cameroon sea port will be a container of 12000 litres, from our supplier in the US based on negotiation with our supplier at an estimated cost of 5000 France CFA Cameroon currency. In continuation, we will sum up all other charge at the Cameroon sea port as shown in the table below. This obviously gives us a cost price of 8.616,60 France CFA per litre.

We assume that: import charges at the sea port of Cameroon rose by 10 % annually.

Table 4: Product pricing sheet

Description	Cost per litres in FCFA		
	Year 1	Year 2	Year 3
Landed Price	5.000	5.500	6.050
Offloading and Handling charges	4,9	5,39	5,93
Import Duty	7,6	8,36	9,20
Trucking	4,1	4,51	4,96



Total Cost Ex Works	5.016,60	5.518,26	6.070
Brand Royalty	3.600	3.650	3.705
Total cost	8.616,60	9.168,26	9.775
Cost of goods at the sea port of Cameroon			

Source: Own elaboration

Income statement

An income statement matches the revenue earned in a period with the costs incurred in earning it. It is usually distinguish between a gross profit and a net profit. If the cost exceeds revenue the business has made a loss.

Table 5: Income statement for the first three years

INCOME STATEMENT				
Concept	Qty x €	Year 1	Year 2	Year 3
sales	3000 x 82	246.000	193.930	241.344
Cost of sales	3000 x 53,03	-159.090	-143.922	-184.822
Contribution margin		86.910	50.008	56.522
Rents		-7.384,62	-7.753,85	-8.141,54
wages		-18.461,54	-19.384,62	-20.353,85
Advertisement		-461,56	-484,64	-508,87
Unanticipated cost		-2.153,85	-2.261,54	-2.374,62
Operating profit		58.448,45	20.123,35	25.143,12
Interest on loan		-15.384,62	-11.538,46	-7.692,31
Operating result before taxes		43.063,83	8.584,89	17.450,81



Taxes on benefits (28%)		-12.057,64	-2.403,66	-4.886,23
Net operating profit		31.005,36	6.181,23	12.564,58

Source: Own elaboration

Year 2 :we maintain				
4lts	82 € 1500 x 82 = 123.000€			
10lts	164 € giving out 2lts 400 gallons x 164 = 65.600€			
1lt	26,65 € to sell 200lts at 200 x 26,65 = 5.330€			
Total sales year 2	193930			
cost of sales	9168,26/650 = 14,11			
	10200x14,11 = 143.922			
Cost in Cameroon will increase in 5%				
year 3: sales price will increase in 4%				
the inventory evaluation method used is FIFO				
4lits	85,28€ 1500x85,28 = 127.920€			
10lts	170,56€ 600gallons x 170,56 = 102.336€			
1lts	27,72€ 400lt s sold. . 400x27,72 =11.088€			
Total sales year 3	241.344			
cost of sales	FIFO: .775/650 = 15,04€ 1800X14,11 + 10600 X 15,04 = 184.822€			
	10200x14,11 =143.922€			
Cost in Cameroon will increase in 5%				

Source: Own elaboration

Table 7 below gives an estimation of the cash inflows and outflows of the company for the first three years of existence. This will help assess whether the company has sufficient cash to meet regular operations.



Table7: Cash budget

CASH BUDGET			
Concepts	Year 1	Year 2	Year 3
Initial cash balance	604.691,31	548.524,42	453.161,47
Receivables	235.750,00	196.099,58	239.368,60
Cost of sales	159.090,00	155.210,00	179.550
Rents	7.384,62	7.753,85	8.141,54
wages	18.461,54	19.384,62	20.353,85
Advertisement	461,54	484,64	508,87
Unanticipated cost	2.153,85	2.261,54	2.374,62
Interest	15.384,62	11.538,46	7.692,31
Loan refund	76.923,08	76.923,08	76.923,08
Taxes	12.057,69	2.403,66	4.886,23
Dividends		15.502,68	3.090,62
Payables	291.916,89	291.462,53	303.521,12
Final cash balance	548.524,42	453.161,47	389.008,95

Source: Own elaboration

Monthly sales	50% cash sales	
	50% credit sales	will be respected each year
Purchases will be negotiated with supplier to be paid in 30days		
Profit for the year will be distributed as follows: 50% reserves and the remaining 50% kept aside as company benefits.		

In continuation, we will take a look at the company's balance sheet. As we all know, a balance sheet is a statement of the assets and liabilities and capital of a business at a



given period in time. Reproduce below is the balance sheet of Bomboy & friends as from its first years of its existence.

Table 9: Balance sheet

Balance sheet for the first three years				
	Year 0	Year 1	Year 2	Year 3
Current assets	604.691,31	558.774,42	486.640,07	420.121
Commodity			25.398,00	21.056
Receivables		10.250	8.080,60	10.056
Cash	604.691,31	548.524,42	453.161,47	389.008,95
Net equities + Liability	604.691,31	558.774,42	486.640,07	420.121
Capital	300.000	300.000	300.000	300.000
Retained profits	-3.000	-3.000	12502,68	15.593,30
Income statement		31.005,36	6.181,23	12.564,58
Noncurrent liabilities	230.769,23	153.846,15	76.923,08	
Current Liabilities	76.923,08	76.923,08	76.923,08	76.923,08
Suppliers			14.110,00	15.040,00

Source: Own elaboration

The selling price of our product corresponds to that of our main supplier “grace distributing Inc”. After summing up all charges at the Cameroon sea port and adding other costs that enable the product to reach final consumers, such as (rent, wages, advertisement) we see that the product is profitable in the first year.

The second year, we have increased the supply of paints, distributing in three sizes , we have maintain the selling price constant but our cost price have increased which have reduced the profit margin considerably.



The third year, we have also increased our sales price and we have seen that the product increases profitability.

Therefore from every point of view, this product is profitable. Our pricing strategy could be to follow our distributor's price and move on or strive for a more attractive option which is a more aggressive lower pricing in importing the product. For this, it would be necessary for example to buy two containers, which will entail an increase in the space of the ware house. In other to achieve this, we will look forward to borrowing or using the high treasury the company have maintained so for. As mentioned in our marketing plan, we seem to have enough demand to implement this system.

6.4 Logistic

In this area, we have to handle with the issue of managing providers (buying goods for Bomboy & Friends) and managing clients (sales and delivery).

On the first hand, we need to have a licence to start up for importing.

In order for Bomboy & Friends to import paints into Cameroon they will have to go through all legal formalities as described in details.

1. Registration in the Ministry of Trade and Commerce and personal property credit
 2. Obtain traders Registration cards
 3. Obtaining the card for exporter/ importer (entry in the register of exporters /importers)
-
1. Registration in the Ministry of Trade and Commerce and personal property credit
 - An application form with a stamp of one thousand Francs (1.000FCFA) addressed to the court Register of the Court of First Instance in their area or locality.
 - A copy of birth certificate
 - A copy of Criminal Record. Foreigners or expats should also Provide a criminal records from the approved authorities.
 - A certificate of Residence(1.000F CFA for Fiscal stamp,100 FCFA For printing)
 - A copy of Property ownership of Rent Contract of the Location of Establishment (fiscal Stamps1.000F CFA)



- A copy of National Identity Card.
(Price: 4.500 FCFA in Yaoundé et 4.000FCFA in Douala)

2. Obtaining traders Registration cards;

The professional Traders card is obtained from the Directorate of Foreign Trade (DCE) of the Ministry of Commerce (Ground Floor of The Rose Building, Yaoundé).

The documents required are:

- An Application Form available in the divisional tax centres
- A certified copy of the national identity card for individuals and statutes for legal entities.
- A certificate from the commercial register and the real estate credit for corporations;
- A Mandate of 1500francs (1,500FCFA) Made to the order of the Director of Tax.
- A site plan of establishment (An attestation and report on location) by the Divisional tax office.
- A photocopy of the license for the Business which can be withdrawn in divisional tax centres.

3. Obtaining the card for exporter/ importer (entry in the register of exporters /importers).

The renewal of the importer card comes at the end of a financial year, with the following: parts:

- An enquiry sheet to be obtained from the Directorate of Foreign Trade against payment of (1,000 FCFA).
- A handwritten application with a stamp of five hundred francs (500 CFA)
- A certified copy of the company licenses "importer" valid;
- A receipt for payment of ten thousand (10,000 FCFA) of the National Council of
 - Cameroon chargers (CNCC) (Conseil national des chargeurs du Cameroun)



- A receipt for payment of ten thousand (10,000 CFA), Ministry of Commerce
- A tax certificate
- A copy of the old license.

Import procedures in Cameroon are not formally complex. The set of import procedures is grouped within a single window for foreign trade transactions (GUCE). This single window brings together all the services involved in the import process.

The import procedure has five (5) stages:

- The advance import declaration
- Obtaining the certificate of origin
- The pre-shipment inspection
- The technical procedures
- The domiciliation of imports with your Bank.

But informally, due to the high level of corruption, the import procedures are more complex than they look. Unless you put money is given under the table, nothing is working properly. Taking into account this environment, we will have to adapt to it in order to survive in Cameroon.

On the other hand, we will handle sales and delivery.

In order to deliver high quality, personalized service we will carefully select all employees - with extra attention given to sales representatives and delivery personnel who will deal directly with customers. We will carefully review references not just from past employers or manufacturers, but also from retailers whom these sales representatives have served. We will also make sure that each employee understands our way of delivering quality service to each customer. We will have immediate back-up support available by phone from our office for more difficult service issues. We will also give employees enough latitude so that they can respond immediately to almost any customer request or complaint - which in this industry usually means granting immediate credit for damaged merchandise, and adding additional merchandise to an order.



Table 6: Personnel annual monthly/ annual payroll.

	Monthly		Annual Total
F1	250,000fcfa		3,000,000
F2	250,000fcfa		3,000,000
Sales/Delivery administrator	150,000fcfa		1,800,000
Sales/Delivery person	100,000fcfa		1,200,000
Delivery/Warehouse Personnel	100,000fcfa		1,200,000
Administration	150,000fcfa		1,800,000
Total salary	1000,000fcfa		12,000,000fcfa
Total Payroll	32% deduction		
M = Million FCFA			

Source: Own elaboration



7. CONCLUSIONS

This entire project is based on the objective of introducing a new paint brand into the Cameroon paint market by Bomboy & Friends and draw conclusions on the profitability of the business.

Due to the lack of quality paint in Cameroon, this situation has given the opportunity for Bomboy & Friends to nurture its existence and be part of a fast growing economy, providing a high quality paint competition, very economical, easy to prepare, environmentally friendly, compatible with other brands and accessible even to small and medium size companies.

After assessing the external and internal environment of Bomboy & Friends and analysing the industrial coating sector in Cameroon, it has revealed the key opportunities which Bomboy & Friends can take advantage of as new entrant into the paint market in Cameroon and the threats it must deal with. Bomboy & Friends shall be able to respond to both external and internal issues in a proactive and dynamic manner by using its strength and reducing its weaknesses. Through this, the company will be able to generate a strong identity in the market.

Cameroon is a growing economy that is still very green to start-up businesses. That is to say, it is not congested. From the financial forecast drawn for the first three years which basically it is to analyse whether Bomboy & Friends meets the conditions of profitability, solvency and liquidity necessary to carry out the business, the company shall be financially viable enough to refund the 20,000,000 CFA bank loan plus interest by its third year of existence. With paid loan, the company stands on a better position to grow. It is a well known fact that interest on bank loans can drive businesses to bankruptcy especially in developing countries like Cameroon.

Bomboy & Friends count on a clear vision knowing the essential purpose of our existence couple with the strategies put in place, the company leans on sufficient strength and opportunities to help push the company toward achieving its objectives.

Taking into consideration the above analysis carried out on creating a new company from scratch, a big question mark always comes at the end of the day.



Should I invest in this business?

Will the business be profitable?

Well, based on the entire idea of this project, which was to analyse the feasibility of setting up a company in the paint industry in Cameroon, the answer to this question is



clear. After a ground analysis carried out, we get a projection of future growth and profitability not leaving the possible obstacles that could be faced with existing competitors and possible new entrants in to the paint industry; yes there is a very high likelihood that Bomboy & Friends is a viable and profitable company to invest in.



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