

UBUNTU

**BUSINESS
PLAN**

Prepared For: Chris Hani District Municipality

**Prepared by: UBUNTU and Border Kei Chamber of
Business**

Reference made to documentation prepared by SEDA and Kei Business Link respectively

May 2008

EXECUTIVE SUMMARY

The UBUNTU project started as a soap manufacturing project based in Mlungisi Township in Queenstown. The project was established during May 2005. The main drivers of this project are volunteers who have been working with children from schools in Mlungisi with their school work as well as equipping them with life skills. Because working with these children was on voluntary basis with no remuneration, the members decided to start a soap manufacturing project with the intention of selling to the open market so as to raise funds for the members.

The following are some of the members who initiated the conceptualisation of UBUNTU Soap:

- 1) Miss Nina Tangaard: International coordinator
- 2) Mr Mzwamadoda Poni: Local coordinator
- 3) Mr Andile Hoho: Local coordinator

At the helm of these volunteers are Nina Tangaard and Hilde Marie Kvarenes, who are Social Workers from Norway who have been in South Africa through an exchange programme run by Pascap (**P**artners with **A**fter **S**chool **C**are **P**roject). They have both assisted with fundraising initiatives. An amount of approximately R160, 000.00 was initially raised through fundraising concerts and radio campaigns in Norway. These volunteers are also involved in the after school projects (PASCAP) initiated by a Cape Town based civil society organisation that facilitates the implementation of aftercare schools in poor and rural areas of South Africa.

Pascap has been also influential in the establishment of UBUNTU. Nina was trained as a trainer in soap manufacturing, who then trained the rest of the members. Raw material used in the process is sourced through Pascap. The members have also received training on aftercare schools programme through Pascap.

The intention and purpose of UBUNTU is to create an enabling environment for its members to assist them to earn a living through manufacturing and selling soap and other body products. It also aims to form a platform to start other fundraising projects that will supplement and sustain the after care schools project.

UBUNTU is looking for funding to assist in strengthening and core processes of a semi-established locally based businesses. The funding will be used to stimulate efficient production of stock (reach economies of scale) to be able to meet the demands of new orders at competitive prices. The funding will also provide available resources to employ a full-time marketing person who will be able to stimulate a greater demand for the products. The intention is to build an organisation that can sustain itself beyond the funding period.

BUSINESS OVERVIEW**ABOUT UBUNTU**

UBUNTU is a poverty relief program based in Queenstown, Eastern Cape. The UBUNTU Cooperative was established in May 2005 and runs a program that incorporates the processes of making and selling hand-made natural body products, including soaps, creams and shower gel and all fragranced with pure essential oils, to generate income for volunteers working in After-School Care projects in the local Townships. The After-School Care projects focus on educating the youth on relevant issues such as HIV and Aids, human rights and domestic violence. UBUNTU is driven by passion to create an enabling environment for the members and their families. The establishment of a soap manufacturing unit can be viewed as a launching pad into the economic activities of the group. The project aims to assist in poverty relief and job creation, with the result of improved social and economic standards for the community at large.

The project initially operated from church premises with limited equipment and resources. The business now operates from Shop 18, Morums Building, 3 Sheptone Street, Queenstown. It is the intention of the members to acquire their own premises when sufficient funds are available.

By using pure essential oils in UBUNTU products, they not only provide excellent skin-care properties but also provide various therapeutic effects depending on the type of oils used. Indulge yourself in Ubuntu body products and feel the benefits of refreshment, relaxation and rejuvenation!

PROFESSIONAL ADVISORS

All initial business advice on the setting up of the soap manufacturing unit within UBUNTU was done by the Small Enterprise Development Agency (SEDA), in Queenstown. Kei Business Link was approached to develop the initial Business Plan and they have participated in ongoing consultation during project developments. SEDA and Kei Business Link can be contacted by the following contact numbers as references in terms of this project:

Organisation	Contact Person	Contact Number
SEDA	Mr Mark Adams	045 839 6035
Kei Business Link	Mr Kuthale Bovu	045 839 7067

In the past year, the private sector, through the Border Kei Chamber of Business in Queenstown, has also played a significant role in securing premises, providing funding as well as business direction.

VISION

Is to be the primary driving force of sustainable development within our community and the organization, to benefit all of our members, to train them, motivate them and to contribute to the relief of poverty and to fight crime through the creation of short and long term employment.

MISSION

To manufacture good quality products at a reasonable price and create firm relationships with our clients and the community.

OBJECTIVES AND TARGETS

UBUNTU has set the following target objectives and goals in line with potential markets / orders from the Kat Leisure Group Hotels as well as Retail Outlets being secured:

- To increase sales of 100g soap from 500 to 1750 units per month by the end of 2008
- To increase sales of 25g soaps from 400 to 10000 units per month by the end of 2008
- To increase sales of 50ml body products to 7500 units per month by the end of 2008
- To increase all other body products revenue from R8000 per month to R16000 (100%) per month by the end of 2008

SITUATION ANALYSIS

<p>Strengths</p> <ul style="list-style-type: none"> ▪ Natural products ▪ Excellent quality ▪ Community based project ▪ Competitive prices for retail market compared to competitors ▪ Pure essential oil based products have medicinal and healing properties 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Lack of proactive marketing ▪ Limited production limits opportunities of scale – reduction of costs ▪ Limited funding for the purchasing of bulk packaging and raw materials
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ New product development such as Shampoo ▪ Soap branding pans so that unwrapped soaps generate equal awareness ▪ New markets in Eastern Cape and National ▪ New markets such as hotels and retail outlets etc to increase volumes ▪ Greater awareness through the development of marketing material such as flyers and an updated website 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Cost of packaging very expensive and can inflate costs ▪ Lack of an effective stock control system ▪ Increase in the price of oil

ORGANISATIONAL DETAILS

Registered Business Name	UBUNTU Soap Makers Cooperative
Business Status	Cooperative
Cooperative Registration Number	K6/3/9/4945
VAT Registration Number	4080242458
Key Contact Person (s)	Andile Hoho (South Africa) Hilde-Marie Kvarenes (Norway)
Tel Number	(Shop) 078 223 1867
Cell.	(Andile) +27 76 151 1918 (Hilde) +47 95 184 722
Fax Number	n/a
Email Address	UBUNTUsoap@gmail.com
Website	www.UBUNTUprosjektet.com
Physical Address	Morums Building, Shop 18 3 Shepstone Street Queenstown 5320.
Postal Address	PO Box 14 Queenstown 5320
Members	<ol style="list-style-type: none"> 1. Mzwamadoda Wesley Poni 2. Andile Hoho 3. Thumeka Mshweshwe 4. Hilde Marie Kvarenes (Co-ordinator) 5. Nina Tanggaard (Co-ordinator) 6. Pamela Siziba (Casual) 7. Luleka Ndlela (Casual) 8. Tonyela Ntombekaya (After-School Care) 9. Ziyanda Madotyeni (After-School Care)
Executive Structure (As Per The Statute)	<ol style="list-style-type: none"> 1. Chairperson (Andile Hoho) 2. Deputy Chairperson (Thumeka Mshweshwe) 3. Secretary (Luleka Ndlela) 4. Treasurer (Andile Hoho / Mzwamadoda Wesley Poni).
Bank Details	First National Bank Queenstown Branch Account No. 62093733585 Branch no. 210920

COOPERATIVE MEMBERS AND STAFF STRUCTURE

UBUNTU is managed and run by its members who have full financial and operational responsibilities. Basil Wormald and Andile Hoho are in the position to play the leading roles within UBUNTU. There are additional resources that will perform other specific activities.

Basil Wormald

Basil Wormald is a Chemical Engineer by trade who brings with him an enormous wealth of knowledge and experience in the manufacturing of similar products to that of UBUNTU. Mr Wormald will manage the core areas around Procurement, Product Development, Quality and Stock Control

Andile Hoho

Andile Hoho is an enthusiastic entrepreneur who has through his exposure within UBUNTU gained a significant amount of knowledge and practical experience with regards to processes and procedures with the business. Mr. Hoho's will manage core areas of Financial Control, Administration, Production and Stock Control.

Responsibilities have been assigned to individuals as follows:

Administration

Person in Charge: Andile Hoho

Responsibilities:

- Maintenance of members attendance register
- Overseeing all labour-related issues (holidays, sick-leave, funeral attendance)
- Responsible buying stationery and consumables for the shop
- Ensure that all record keeping is up to date and accurate – Microsoft office will be the primary software for all record keeping.

Procurement

Person in Charge: Basil Wormald

Responsibilities:

- Sourcing of all raw materials (correct quality and on time)
- Sourcing of all packaging materials
- Purchasing of raw materials and packaging materials

Financial Control (Costings, Books)

Person in Charge: Andile Hoho – Assistance required.

Responsibilities:

- Daily book keeping
- Daily banking (Andile Hoho and Mzwamadoda Wesley Poni)
- Payments to suppliers
- Invoicing (Debtors and Creditors)
- Pricing of products

Auditing Firm

Person in Charge: Charteris and Barnes

Responsibilities:

- Tax and VAT Registration
- VAT (input and output)

Product Development

Person in Charge: Basil Wormald

Responsibilities:

- Fine tuning product recipes
- Ensuring products ingredient quality levels
- Ensuring sufficient equipment and machinery for manufacturing
-

Production

Person in Charge: Andile Hoho

Responsibilities:

- Manufacturing of whole project range
- Packaging of all products

Marketing and Sales

Person in Charge: Appointment to be made

Responsibilities:

- Ensure that branding is relevant to target market
- Production of marketing material and ensure continuous exposure (flyers, website, business cards, signage, pamphlet, advertisements)
- Identify new markets for products (Hotels, B&Bs, Retail Outlets, Export markets)
- Broker sales deals with identified markets
- Work with product development with regards to new niche products

Quality Control

Person in Charge: Basil Wormald and Thumeka Mshweshwe

Responsibilities:

- Ensure quality levels of raw materials
- Ensure consistency of products (soaps all the same size) throughout production
- Ensure consist and quality product ready for market
- Create benchmark quality standards for each product

Stock Control

Person in Charge: Basil Wormald and Andile Hoho

Responsibilities:

- Maintain sufficient stock levels
- Maintain accurate stock levels of raw materials and finished goods
- Balance the stock levels between production and sales on a daily basis
- Do a full stock control weekly

General rules for all members of the cooperative

- Measures (strong action) in terms of legal action or even dismissal must be taken in to consideration if any member is found guilty of misusing the raw material, production (soap) or finances.

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- No member will be allowed to change the recipe of UBUNTU handmade soap, unless that is a new addition by the trainees, Nina Tanggaard and Hilde Marie Kvarenes- or by the product developer, Basil Wormald.
- Members must be honest with the UBUNTU business.
- No mixtures must be made without due research e.g. mixing geranium with lavender leaves, mixing olive oil soap with mint leaves, and mixing any of the oils in a way that will spoil the UBUNTU production.

PRODUCT RANGE

The following UBUNTU products are produced:

- Soaps: 25g and 100g
- Body Lotions: 50ml and 250ml
- Body Butter: 250ml
- Shower Gels: 50ml and 250ml
- Bath Salts: 250ml
- Healing Balm: 100ml
- Lib Balm: 10ml

Consideration has been given to ensuring a good quality product at all times. It is the intention going forward to have the products tested at the South African Bureau of Standards in Pretoria, to ensure full compliance for retail and export markets. An accepted product formula has been researched from other industry leaders in the soap manufacturing industry.

All our natural health soaps and body products are made with natural products and essential oils. The UBUNTU-soap is a hand-made soap, according to an ancient soap making method. The soaps take six weeks to cure naturally. No artificial colorants are used in the products. Key ingredients which can be found in all of the UBUNTU products are: Olive oil, coconut oil, palm oil, sweet almond, glycerine, sunflower oil, shea butter, water and essential oil. The products are very soft and mild. Due to the addition of pure essential oils, the products have qualities, amongst others, such as boosting the immune system, promoting general health and relaxation. The product ranges incorporates eleven (11) different oils:

Essential Oil	Property
Lavender	Lavender essential oil is good for relaxation and it helps heal bruises and cuts. It is recommended for dry, inflamed and sunburnt skin.
Tea Tree	Tea Tree essential is a natural antiseptic, good for skin infections such as fungal conditions, insect bites and grazes. It is also used against pimples & it is deterring colds & flu.
Sweet Orange	Sweet Orange essential oil is good in boosting the immune system and for promoting general health and relaxation. It is refreshing and good for the blood circulation.
Geranium	Geranium essential oil is good for mature, aged skin & wrinkles and can be used against cellulite. Geranium soothes eczema, acne and congested skin.
Rosemary	Rosemary essential oil is lovely for sore and tired muscles, and it is an uplifting and stimulating oil. It is great for chesty coughs, bronchitis and it is also often used in skincare for oily skin.
Eucalyptus	Eucalyptus essential oil is good for alleviating cold symptoms, to lower fever, relieve sinus and chest congestion. It is a fine decongestant and has a strong germicidal and antibacterial effect.
Ylang Ylang	Ylang Ylang essential oil has sensual, soothing and deeply calming properties that uplift the spirit and promote a sense of confidence and ease. It is good for both dry

	and oily skin.
Cinnamon	This powerfully intense, multi-purpose oil will lift your emotions, whether you're feeling depressed, stressed out, or lacking creativity. Its wonderfully rich, warming properties are invaluable for cold weather ailments, infections, and helping melt away aches and pains.
Rose	Rose essential oil is antiseptic and suitable for all skin types, but it is especially valuable for dry, sensitive or aging skins. It is specific for women and useful for stress, nerves, nausea and as an aphrodisiac.
Peppermint	Peppermint oil is excellent for improving concentration, and it helps for headache, migraine, stress, as well as for dry coughs, sinus congestion, asthma and bronchitis. It also relieves itching, sunburn and inflammation of the skin, while at the same time having a cooling action.

The table below highlights which products and made with which variants of essential oils.

Product	Essential Oil Variants
Soap 100g and 25g	The base soap is Olive Soap (this contains no oils). Oils are added to this base: <ul style="list-style-type: none"> ▪ Eucalyptus ▪ Rosemary ▪ Geranium ▪ Rooibos & Sweet Orange - also contains rooibos herbs ▪ Tea Tree - also contains mint herbs ▪ Lavender – also contains lavender leaves ▪ Peppermint
Soap 100g	<ul style="list-style-type: none"> ▪ Cinnamon ▪ Rose ▪ Ylang Ylang
Body Lotion 50ml and 250ml	The Body Lotions are made with the following oils: <ul style="list-style-type: none"> ▪ Rose ▪ Ylang Ylang ▪ Rosemary ▪ Geranium ▪ Sweet Orange ▪ Tea Tree ▪ Lavender
Body Butter 250ml	The Body Butters are made with the following oils: <ul style="list-style-type: none"> ▪ Eucalyptus ▪ Rose ▪ Ylang Ylang ▪ Rosemary ▪ Geranium ▪ Sweet Orange ▪ Tea Tree ▪ Lavender
Shower Gel 50ml and 250ml	The Shower Gels are made with the following oils: <ul style="list-style-type: none"> ▪ Rose ▪ Rosemary ▪ Geranium ▪ Sweet Orange ▪ Tea Tree ▪ Lavender ▪ Peppermint
Bath Salts 250ml	The Bath Salts are made with the following oils: <ul style="list-style-type: none"> ▪ Peppermint ▪ Ylang Ylang

	<ul style="list-style-type: none">▪ Rosemary▪ Geranium▪ Sweet Orange▪ Tea Tree▪ Lavender▪ Rose
Lip Balm 10ml	Lip Balm is available in the following variants: <ul style="list-style-type: none">▪ Geranium▪ Sweet Orange▪ Peppermint▪ Eucalyptus▪ Cinnamon

A detail outline of the Production of UBUNTU Soap can be found in Addendum A

UBUNTU PRICING

UBUNTU products are excellent quality and at the same time are extremely competitively priced. When compared to competitors that manufacture similar quality products and which are retailed through Woolworths, Clicks and the Body Shop, UBUNTU competes extremely well on price, and is noticeably the most affordable of these types of products.

The following pricing structure is being used. All products are suitably packaged. Soaps are packaged with cellophane and labels while other products use bottles of differing shapes and labels.

The challenge that UBUNTU faces with regards to pricing is that economies of scale cannot be reached with the current sales that are being generated. As such, costly items such as the packaging material (bottles, lids and labels) are ordered in small quantities, disallowing UBUNTU to reach bulk discounted prices. Once a contract is secured and sales can be bolstered, the cost of the products will be reduced substantially through more efficient procuring of packaging material as well as bulk raw material items.

*** All figures are quotes in South African Rands ***

Soaps

Soaps 25g			Soaps 100g		
Variant	Cost Price	Selling Price	Variant	Cost Price	Selling Price
Tea Tree	1.13	2	Tea Tree	4.63	10
Rosemary	1.11	2	Rosemary	4.55	10
Geranium	1.16	2	Geranium	4.82	10
Eucalyptus	1.07	2	Eucalyptus	4.31	10
Sweet Orange	1.05	2	Sweet Orange	4.22	10
Lavender	1.12	2	Lavender	4.62	10
Ylang ylang	1.25	2	Ylang ylang	5.27	12
Rose	1.23	2	Rose	5.20	12
Peppermint	1.10	2	Peppermint	4.51	10
Cinnamon	1.09	2	Cinnamon	4.46	10

Body Lotions

Lotion 50ml			Lotion 250ml		
Variant	Cost Price	Selling Price	Variant	Cost Price	Selling Price
Tea Tree	3.00	5	Tea Tree	11.42	25
Rosemary	2.98	5	Rosemary	11.32	25
Geranium	3.04	5	Geranium	11.67	25
Ylang Ylang			Ylang Ylang	12.27	25
Sweet Orange	2.91	5	Sweet Orange	10.89	25
Lavender	3.00	5	Lavender	11.41	25
Rose	3.11	5	Rose	12.17	25

Body Butter

Body Butter 250ml		
Variant	Cost Price	Selling Price
Tea Tree	15.04	30
Rosemary	14.91	30
Geranium	15.37	30
Eucalyptus	14.49	30
Lavender	15.03	30
Rose	16.03	30
Ylang Ylang	16.17	30
Sweet Orange	14.43	30

Shower Gel

Shower Gel 250ml			Shower Gel 50ml		
Variant	Cost Price	Selling Price	Variant	Cost Price	Selling Price
Tea Tree	7.65	22	Tea Tree	2.68	5
Rosemary	7.52	22	Rosemary	2.65	5
Geranium	7.98	22	Geranium	2.76	5
Sweet Orange	6,94	22	Sweet Orange	2.52	5
Lavender	7.64	22	Lavender	2.68	5
Peppermint	7.46	22	Peppermint	2.64	5
Rose	8.65	22	Rose	2.92	5

Bath Salts

Bath Salt 250ml		
Variant	Cost Price	Selling Price
Tea Tree	7.46	20
Rosemary	7.33	20
Geranium	7.79	20
Sweet Orange	6.75	20
Lavender	7.44	20
Ylang ylang	8.59	20
Rose	8.45	20
Cinnamon	7.17	20
Peppermint	7.27	20

Healing Balm

Healing Balm 100ml		
Variant	Cost Price	Selling Price
Geranium	8.34	20

Lip Balm

Lip Balm 10ml		
Variant	Cost Price	Selling Price
Geranium	5.27	10
Sweet Orange	3.39	10
Cinnamon	4.15	10
Peppermint	4.32	10
Eucalyptus	3.68	10

A detailed Pricing Schedule can be found in Addendum B

UBUNTU DISTRIBUTION

TARGET MARKET

UBUNTU products are suitable for men and women over the age of 8 years who fall within Living Standard Measure (LSM) 5-10.

Note: Pregnant women should be careful of the use of certain essential oils and should refrain from using products containing these particular oils.

TARGET DISTRIBUTION OUTLETS

The following places have been identified as potential outlets for UBUNTU Products.

These outlets match the profile of the target market described above:

- Gift shops.
- Chemists / Pharmacies
- Health Stores
- Retail Chain Stores. (e.g Clicks, Spar, Pick n Pay, Dis-Chem)
- Garages / Filling stations.
- Natural product markets / craft markets

Queenstown and its immediate surrounds will be the starting point of contact for the marketing and sales of the UBUNTU products. Once the product has been entrenched aggressive and proactive marketing and sales strategies will be used within the Eastern Cape region, followed by a National Strategy if demanded.

Nature Of Business	Contact Person
All Bed & Breakfast Businesses	Make use of Tourism Guides for contact people.
All filling station tourism / gift sections	To be visited physically.
All gift stores / boutiques	To be visited physically.
All pharmacies	To be visited physically.
All franchise stores (central buyers)	To be visited physically.
All art and craft shops	To be visited physically.

CURRENT CUSTOMERS

Below is a list of outlets that currently sell the UBUNTU range:

UBUNTU supplies the following shops in South Africa:	
Salon Zona	34 Milner Street, 5320 Queenstown
Spar Lady Frere	23 Indwe Road, Lady Frere
Molo Wethy, Lucky 7	Catchart
The Health Nut	11 Robinson Road, Queenstown
Buccaneers	Chintsa West, EL
Supaclean	Cathcart Road, 5320 Queenstown
Shell Ultra City	Queenstown
Design World	8 Zeiller Street, Queenstown, 5320
UBUNTU supplies the following Bed & Breakfasts in South Africa:	
Black Swann B&B	42 Grey Street, Queenstown
Justines B&B	2 Tylden Street, Queenstown

Norwegian Wood B&B	112 Berry Street, Queenstown
Die Tuishuise	36 Market Street, Cradock
Buccaneers Lodge/ Backpackers	Chintsa West, EL
Corbys cottage self catering	10 Monia Street, Queenstown
Lavender Lane Luxury self.	51 Frost Street, Queenstown
Conifer Place GH	42 Livingstone Road, Queenstown
UBUNTU supplies the following Shops in Norway:	
Vitus Elefantapoteket	Gyldenslovesgate 13, Kristiansand
LiBe Fairtrade	Tordenskjoldsgate 24, Kristiansand
Coop Prix Lund	St. Olavs Vei 15, Kristiansand
Coop Prix Gimlevang	Ingerhas vei 1, Kristiansand
Artisjokken Helsekost	Skippergata 12, Kristiansand
Charlies	Vestre Strandgate 12, Kristiansand
Lundskraaga	Markveien 2, Kristiansand
Frinds Fair trade	Storgata 36, Oslo
HUD Aker Brygge	Stranden 85, Oslo
Majorstua Te & Kaffe	Bogstadveien 9, Oslo

POTENTIAL MARKETS

Kat Leisure Group – Hotel Chain

Discussions and negotiations are currently taking place with representatives of Kat Leisure around the supply of hotels and Kat Leisure establishments with Ubuntu products. This is an important opportunity that once converted into actual sales will provide a constant supply base and revenue that will allow Ubuntu to become self-sustainable going forward. Ubuntu is facing the following challenges (as a result of limited funding and resources) with regards to meeting the requirements of the project.

- Production of sufficient products to realize economies of scale in order to come in a competitive prices
- Sourcing of good quality but more cost effective packaging (bottles, lids and labels)
- Branded soap pans so that the logo can be branded into the soap during the setting stage of production. Currently flat pans are being used with the result that if the product is not packaged with a label, there is no indication that it is an Ubuntu product.

South African Retail Sector

Ubuntu is currently in the process of formalizing the process of bar code products. This will open up the opportunity to supply the South African retail sector. Discussions with the Spar Group, Pick 'n Pay, Shoprite Checkers, Boxers as well as PEP outlets have indicated that they would be interested in stocking the products provided that there was bar coding.

Export Market

Already there is a significant level of export taking place. This sector will certainly increase as a result of the project manager returning to Norway.

UBUNTU MARKETING AND SALES

LOGO

The UBUNTU logo has progressed substantially since the project inception, from a very bright and colorful look to a more natural, earthy and sophisticated appeal.

In essence the meaning of 'Ubuntu', is about being human. The term 'Ubuntu' embraces hospitality, caring about others, and the willingness to go the extra mile for the sake of others. The product name UBUNTU, therefore has enormous relevance and reflects well on the purpose of the Ubuntu project.

The inclusion of a tree in the background reflects a sense of Africa and also supports the use of natural ingredients in the products.

MARKETING

A lot of work has been done to ensure that there is awareness of Ubuntu. There is still enormous opportunities that have not yet been exploited.

Word of mouth has to date been the strongest form of marketing that has taken place. Currently the following marketing material is available:

- Mini Pamphlets highlighting Product Purpose
- Flyers
- Labels
- Shop Signage
- Branded Vehicle
- Limited Advertising in Weekly Pamphlet
- Website
- Limited marketing around special days eg. Mother's Day

The following marketing opportunities exist. Some of these are limited as a result of funding, whilst others are a result of a lack of proactive marketing.

- Greater marketing and awareness of product hampers prior to special days eg Mothers Day
- Corporate Gifts – Opportunity to do co-branding with difference businesses
- Distribution through retail chain stores eg (Clicks)
- Distribution through hotel chains
- An up to date website linked to key existing websites.

SUPPLIERS

Attention has been placed on procurement of cost effective raw materials. Due to the uniqueness of some of the products as well as cost of raw materials, procurement has taken place across South Africa. Below is a list of currently suppliers:

Raw Materials

Product	Name of Business
Oils and Caustic Soda	Chipkins
Oils	Crest Chemicals
Oils/ Neodragosid Liquid	Windrose
Emulsifying wax	Bolze's Pharmacy

Packaging

Product	Name of Business
Bottles and Lids	TJC Packaging / Mega Plastics
Labels	Design World / Self Seal Labels
Boxes	Nampac
Cellphone	Gaylards
Plastic	Spectra

AFTER CARE CENTRES

THE RELATIONSHIP BETWEEN THE UBUNTU SOAP MANUFACTURING OPERATION AND THE AFTER CARE CENTRES

The UBUNTU program has two main focus areas, namely the After-School Care projects and the Ubuntu Soap Manufacturing Unit. The After-School Care projects focus on educating the youth on relevant issues such as HIV and Aids, human rights and domestic violence. UBUNTU is driven by passion to create an enabling environment for the members and their families. The establishment of a soap manufacturing unit can be viewed as a launching pad into the economic activities of the group.

The Ubuntu soap factory was initiated as a means of generating revenue for volunteers working in After School Care projects in the Local Townships. Going forward it is necessary that the Ubuntu soap factory becomes not only self-sustainable as a business enterprise but generates sufficient profits that will be used to fund the operations of the After-Care Centre.

Through the relationship between the After-Care Centres and the Manufacturing Unit, Ubuntu assists in contributing towards poverty relief and job creation, with the result of improved social and economic standards for the community at large.

CORPORATE SOCIAL INVESTMENT / RESPONSIBILITY

It is important to market the corporate social investment that business will make by supporting the Ubuntu project and / or procuring Ubuntu products. Purchasing Ubuntu products is not only about a product transaction, but rather an investment into the social upliftment of our community's underprivileged youth.

Discussions are still relatively premature, however, General Motors (GM) Head Office together with the support of the GM Dealerships countywide, is currently looking to roll out (through their Corporate Social Investment Plan) After-Care Centres at strategic locations within South Africa. Through Queenstown's local GM Dealership, Jackson's, there is potential for a type of partnership where GM could assist in setting up a facility from which to operate the Ubuntu After Care program.

This partnership is dependant on numerous factors. Some of which are listed below:

- Primarily a secure agreement that GM will fund a facility
- Ability for the Ubuntu Soap Manufacturing unit to become self-sustainable in order to assist in contributing financially to the operations of the facility
- Ability to secure additional teachers who will provide afternoon tuition to the children
- Opportunity to reemploy people who have already been trained through the PASCAP Program

FORECASTS AND FINANCIAL DATA

FUNDING REQUIREMENTS

In order to meet the demands of potential markets such as previously mentioned, the Kat Leisure Group as well as the large market of the retail sector, an injection of funding is required. This funding is critical to kick-start this potential and exciting expansion stage of Ubuntu.

Although funding has been requested for a period of 1 year, the Cash Flow Statement attached only includes a 6 month projection of expenses and revenue. IN the Cash Flow Statement, the bank balance appears to be substantial at the end of October 2008. A large proportion of this bank balance is initial funding and will continue to be used to subsidise costs as per funding requirements. New targets will be generated after October 2008.

Funding Requirement Schedule

Requirement	Description	Funding
Branded Soap Pans	Once Off	R10 000
Marketing Person	R6000/month	R72 000
Raw Materials	Bank roll once off purchases for June and July in order to build up sufficient stock to meet order requirements	R25745.10
Packaging	Once-off purchase	R20 000
Marketing Material (including labels, flyers, pamphlets and advertising)	R5000 / month for 12 months	R60 000
Transport (Sourcing knew distribution channels)	R1200/ for 12 months	R14 400
Tax / Financial Advisor	R1000 /month for 12 months	R12 000
Small Business Training	Mr Hoho and others	R20 000
Total		R234 145.10

CASH FLOW STATEMENT

All projected revenue and costs presented are in South African Rands. The financial records presented are based on realistic figures generated over the past six months (November 2007 – April 2008) and projected figures for the 6 month (May 2008 – October 2008) to come. Projected figures include expectant orders from the Kat Leisure Group as well as orders that will be generated through retail outlets. Bar-coding of products is due to begin shortly. The above funding requirements have been factored into the Cash Flow Statement as from the month of June 2008.

The following Cash Flow Statement provides a financial overview of UBUNTU. A Forecast on Revenue and Purchases has been drafted based on potential unit sales, to inform the figures used in the Cash Flow Statement.

