

BUSINESS STARTUP PLAN FOR “SUNRISE NUTRACEUTICALS”



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DECLARATION

We hereby declare that this project report is based on our original work except for citations and quotations which have been duly acknowledged. We also declare that it has not been previously and concurrently submitted for any other degree or award at Bahria University or other institutions.

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DEDICATION

Specially dedicated to
My Parents and Teachers
(MA MINGXIAO)
My Parents and Teachers
(MUNEEB QADIR)
My Parents and Teachers
(RABBIA SAMI KHAN)

ACKNOWLEDGEMENTS

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In addition, we would also like to express my gratitude to our loving parent and friends who had helped and given me encouragement.

MA MINGXIAO
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EXECUTIVE SUMMARY

The nutraceutical industry is a rapidly growing sector that encompasses products derived from food sources with potential health benefits. It bridges the gap between pharmaceuticals and traditional food products, offering a range of functional foods, dietary supplements, and herbal products. This executive summary provides an overview of the nutraceutical industry, including its market size, key trends, challenges, and opportunities. The nutraceutical industry has experienced significant growth in recent years, driven by rising consumer awareness of the link between nutrition and health. The global market size for nutraceutical was valued at over \$300 billion in 2021 and is projected to reach \$500 billion by 2027, with a compound annual growth rate (CAGR) of approximately 7%. This growth is fueled by factors such as an aging population, increasing healthcare costs, and a shift towards preventive healthcare.

Consumers are seeking tailored solutions that address their specific health needs. Personalized nutrition, including genetic testing and personalized supplement regimens, is gaining traction. There is a growing preference for natural and organic ingredients in nutraceuticals. Consumers are looking for clean labels, free from artificial additives and preservatives.

The demand for functional beverages, such as energy drinks, fortified waters, and probiotic drinks, is on the rise. These beverages offer convenience and health benefits in a single package. The popularity of plant-based diets has increased, leading to a surge in plant-based nutraceutical, including protein powders, plant-based omega-3 supplements, and vegan multivitamins. E-commerce has transformed the nutraceutical industry, allowing consumers to access a wide range of products and information conveniently. Online sales platforms and direct-to-consumer brands have gained prominence. The nutraceutical industry faces complex and evolving regulations globally. Companies must navigate varying regulatory frameworks and compliance requirements, which can be challenging and time-consuming. Demonstrating the efficacy and safety of nutraceutical

products through rigorous scientific studies is crucial. However, conducting high-quality research and obtaining sufficient evidence can be costly and time-intensive.

Despite growing awareness, there is still a need for consumer education regarding the benefits and proper usage of nutraceuticals. Providing clear and evidence-based information to consumers is essential for building trust and ensuring responsible product use. The increasing global aging population presents a significant opportunity for the nutraceutical industry. Targeted products that support healthy aging, cognitive function, joint health, and cardiovascular health are in high demand.

Developing novel delivery formats such as gummies, chewable tablets, and functional foods allows for enhanced product differentiation and consumer appeal. Collaboration between nutraceutical companies, pharmaceutical firms, and research institutions can lead to innovative product development and improved scientific validation. Developing economies with a growing middle class and rising disposable incomes represent untapped markets for nutraceutical products. Expanding into these regions can drive substantial growth.

The nutraceutical industry continues to thrive as consumers prioritize health and wellness. The market is characterized by rapid innovation, evolving consumer preferences, and regulatory challenges. Companies that can address these trends, invest in scientific research, and adapt to changing consumer demands are well-positioned to capitalize on the growth opportunities in the nutraceutical sector.

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CHAPTER 1

GENERAL COMPANY DESCRIPTION

Sunrise Nutraceuticals will be in the business of importing herbal products from China and selling them in Pakistan at a small scale. We specialize in the nutraceutical industry, which involves using natural herbs, shrubs, fruits, and plants to produce various health and wellness products. Our product range includes hair oils, skin care products, nutritious supplements, fitness and growth supplements, and other products that provide additional health benefits beyond basic nutrition. We aim to offer high-quality, natural, and effective products that contribute to the well-being and active lifestyle of our customers.

1.1 Mission Statement

“Changing lives of every human being”

Health is wealth so we need to have quality nutrition and natural products to enjoy life in a sustainable manner.

1.2 Company Goals and Objectives

1.2.1 Goals

- Establish a healthy and successful company that is a leader in providing nutritious health products.
- Build a loyal customer following by offering products that provide extra health benefits beyond basic nutrition.

1.2.2 Objectives

Achieve annual sales targets to ensure consistent growth and profitability.

Maintain a high level of customer satisfaction through exceptional customer service.

Develop and introduce a range of hair oils, skin care products, and nutritious supplements to cater to different customer needs.

1.3 Business Philosophy:

Health and wellbeing are our top priorities at Sunrise Nutraceuticals. For the sake of our clients, we strive to provide goods that replicate nature's goodness because we believe in its power.

1.4 Target Market:

Sunrise Nutraceuticals will market its products to health-conscious individuals of all age groups who prioritize natural and nutritious solutions for their wellness needs.

1.5 Industry Description:

In order to create products that provide additional health advantages beyond basic nutrition, the nutraceutical sector focuses on employing natural herbs, shrubs, fruits, and plants. As more individuals look for natural and holistic methods to health and wellness, this market is expanding. We see a rise in demand for sustainable and organic goods in the near future. Long-term, we anticipate that advances in research and development will produce novel nutraceutical remedies. By providing high-quality products and remaining up to date with the most recent advances in the industry, our business is well-positioned to benefit from these trends.

1.6 Company Strengths and Core Competencies:

- Extensive expertise and knowledge in finding and bringing in Chinese herbal products.
- Strong knowledge of Pakistani consumers' preferences and the local market.
- Commitment to offering natural, effective products of the highest caliber.
- Ability to establish and maintain a solid rapport with clients and suppliers.
- Innovative skills for product development to meet changing client needs.

1.7 Legal Form of Ownership:

Sunrise Nutraceuticals is a partnership company consisting of three partners. This form of ownership has been selected to leverage the diverse skills, expertise, and resources of each partner while sharing the responsibilities and risks associated with the business.

CHAPTER 2

PRODUCT

Aging populations, increasing chronic diseases, rising healthcare costs outpacing economic growth, consumer access to health information, and unprecedented technological innovations (e.g., medical and pharmaceutical technologies, information technology) are common challenges and opportunities for countries around the world that impact the health of their citizens and healthcare systems.

At the same time, each region and country face unique dynamic circumstances that challenge their healthcare systems to achieve better outcomes at lower costs.

The COVID-19 pandemic is continuing to bring unprecedented challenges to healthcare, education, finance, business and society as a whole. Consumers' attitudes towards work, travel, social interaction and health care are fundamentally changing and their behavior is changing. While some of the trends in healthcare may fade when the worst is over, others are likely to persist and drive revenue and profit growth for consumer health companies and brands in the "new normal." With an aging population and the increasing cost of innovative medicines placing unbearable pressure on many healthcare systems, disease prevention and self-health management have become increasingly important, even before the outbreak of COVID-19. There is growing evidence that the corona-virus outbreak has accelerated the self-care trend. The World Health Organization (WHO) defines self-care as "the ability of individuals, families and communities to promote health, prevent disease, maintain health, and cope with illness and disability, with or without the support of a health care provider". A survey conducted in the summer of 2020 in Germany, Italy, Spain and the United Kingdom found that 65 percent of people are

more likely to take their health into account when making daily decisions, and as many as 80 percent would self-care to reduce pressure on the health care system.

The study focused on the effects of Sunrise Nutraceutical on people's health. Sunrise Nutraceutical located 35 km off Multan Road is a nutraceutical business in which natural herbs, shrubs, fruits and plants are used to produce hair oil, skin care products, nutritious supplements, fitness as well as growth supplements, etc. that provides extra health benefits in addition to the basic nutrition value in every age.

Some natural health materials worth importing, such as:

2.1 Wolfberry (Goji Berries)

Small, bright red berries called wolfberries are produced by Chinese natural plants called *Lycium barbarum* or *Lycium Chinese*. Due to the possible health advantages, they have long been employed in traditional Chinese medicine.

Wolfberries are well-known for having a lot of nutrients. They are a great source of antioxidants, containing several carotenoids including lutein, zeaxanthin, and beta-carotene. These antioxidants aid in the body's defense against oxidative stress and free radicals.

Wolfberries are a good source of vitamins and minerals in addition to antioxidants. They are a good source of iron, selenium, vitamin B2, vitamin A, vitamin C, and other minerals.

Wolfberry is a good treatment for anti-tumor, decreasing blood pressure, and fighting fatty liver and atherosclerosis, according to studies.



Figure 1 Wolf Berry

2.1.1 Origins

It's native of Tibet and China, specifically the Ningxia Hui Autonomous Region and Xinjiang Autonomous Region.

2.1.2 Benefits

2.1.2.1 Delay aging

Goji berries are excellent tonics and have a good anti-aging effect.

2.1.2.2 Beauty

For women, regular consumption of goji berries can improve beauty.

2.1.2.3 Tonifying the liver and brightening the eyes

Wolfberry goes to the liver and kidney meridian, so it has the effect of nourishing the liver and kidney and brightening the eyes.

2.1.2.4 Immune boost & Cancer prevention and suppression

Goji berries have a significant inhibitory effect on cancer cells, preventing the spread of cancer cells and strengthening the body's immune system.

Some potential health benefits associated with consuming wolfberries include:

Antioxidant properties: The high antioxidant content in wolfberries may help reduce oxidative damage and promote overall health.

Eye health: The zeaxanthin and lutein found in wolfberries are believed to be beneficial for eye health and may help protect against age-related macular degeneration.

Immune system support: The vitamins and minerals in wolfberries can support a healthy immune system.

Anti-aging properties: The antioxidants in wolfberries may help reduce the signs of aging and promote healthy skin.

Potential cancer-fighting properties: Some studies suggest that the antioxidants and other compounds in wolfberries may have anti-cancer properties, although more research is needed to confirm this.



Figure 2 Dried Wolf Berry

2.2 Traditional Chinese Medicines

Berries are often cooked in soups and stews as a functional food to strengthen the body.

Root infusions have been used to lower blood pressure and treat fevers.

Used for liver problems and eyesight improvement.

2.3 Wolfberry Related Products

There are many different wolfberry (also known as goji berry) products available on the market, and the prices can vary depending on the quality, form, and brand. Here are some common wolfberry products:

1. Dried Wolfberries
2. Wolfberry Tea
3. Wolfberry Juice
4. Wolfberry Extract Powder

But initially we will go for the one product that is wolfberry extract powder and other products will use in future.

2.4 Wolfberry Extract Powder

The "Wolfberry Extract Powder" is a product that was brought into Pakistan from China and is supposed to be sold there as capsules. The wolfberry plant, commonly referred to as goji berry or *Lycium barbarum*, is the source of this extract.

Wolfberry extract is well known for its possible health benefits and is a dietary powerhouse of vitamins, minerals, and antioxidants. It is thought to strengthen the immune system, enhance eye health, increase energy levels, and advance general wellbeing.



Figure 3 Wolf Berries Extract Powder

A powdered form of the extract is shaped by processing and is then bounded for simple consumption. Consuming wolfberry extract in capsule form is straightforward and precise, resulting in continuous amounts and simple combination into everyday routines.

People in Pakistan can get the possible health advantages of this conformist Chinese herbal treatment by purchasing and using the wolfberry extract capsules. The product provides a simple and trustworthy approach to incorporate wolfberry's health benefits into a regular wellness routine.

2.5 Competitor

In the Pakistan market, several factors can contribute to competitive advantages or disadvantages for Sunrise Nutraceuticals in relation to its wolfberry (goji berries) products

2.5.1 Competitive Advantages:

2.5.1.1 High-Quality Products: Sunrise Nutraceuticals may have an advantage by providing goji berries of higher caliber than rivals. Customers' trust can be increased by making sure that the products adhere to strict quality standards and are supplied from reputable sources.

2.5.1.2 Unique Health Benefits: Sunrise Nutraceuticals can set itself apart from rivals by accenting the specific health advantages of goji berries, such as their anti-aging effects, immune-boosting effects, and potential cancer prevention. Stressing these distinctive qualities can draw in customers who care about their health.

2.5.1.3 Traditional Chinese Medicine Association: A competitive edge can be gained by take advantage of on the link between goji berries and traditional Chinese medicine as well as its historical use for liver issues and the improvement of eyesight. Customers might be interested in learning more about the medical uses and rich traditional history of goji berries.

2.5.1.4 Diverse Product Range: Sunrise Nutraceuticals can satisfy many consumer tastes and demands by providing a wide range of wolfberry products, including dried wolfberries, wolfberry tea, wolfberry juice, wolfberry extract powder, and wolfberry supplements. This flexibility may draw in more clients.

2.5.2 Competitive Disadvantages:

2.5.2.1 Price Sensitivity: According to the data supplied, goji berries are relatively expensive, which could be difficult in Pakistan's price-sensitive market. Goji berries cost more than other fruits or health goods, which may deter some buyers from making a purchase.

2.5.2.2 Limited Market Awareness: Some of the Pakistani market may still be don't know about of goji berries. To address this possible drawback, education and raising awareness about the advantages and uses of goji berries would be vital.

2.5.2.3 Availability of Alternative Products: Goji berries have distinctive qualities that can be used to set Sunrise Nutraceuticals apart from competing products.

We are concentrating on providing consistently high-quality products, participating in efficient marketing and educational initiatives and will try our best to build strong distribution channels, and continuously innovating to satisfy changing client expectations if it wants to keep a competitive edge.

Pricing:

The product's price will remain in a range that is competitive with the market. Since we are new to the market, we will launch the product at a lower cost than what has been approved. For instance, the product's approved pricing by the Ministry is PKR 3500 per pack, however we would launch it at a 15% discount. After reaching a certain sales goal, the price will be raised.

CHAPTER 3

MARKETING PLAN

3 Marketing Mission for Sunrise Nutraceuticals:

"To empower and inspire individuals to embrace a healthier and more vibrant lifestyle through our high-quality, natural, and effective nutraceutical products. We aim to become a trusted name in the Pakistan market, promoting well-being and active living through our range of herbal health and wellness solutions."

3 Marketing Vision for Sunrise Nutraceuticals:

"To be the leading provider of premium nutraceutical products in Pakistan, known for our commitment to quality, authenticity, and customer satisfaction. We aspire to create a positive impact on people's lives by offering innovative and natural health solutions, thereby becoming the preferred choice for health-conscious consumers across the nation."

3.0 PESTEL Analysis for the Pakistan Nutraceutical Industry:

Political Factors:

- Policies and laws of the government governing the import of herbal items.
- Tariffs and trade agreements that could impact the importation process.

Economic Factors:

- Product demand is influenced by consumer disposable income and purchasing power.
- Exchange rates have an impact on how much it costs to import herbal items.

Social Factors:

- Increasing awareness and interest in natural health and wellness products.

- Changing lifestyle trends, leading to a greater emphasis on fitness and health.

Technological Factors:

- Improvements in manufacturing and formulation methods for herbal products.
- Venues for digital marketing and online shopping to reach a larger audience.

Environmental Factors:

- Eco-friendly wrapping thoughts and environmental sustainability practices.
- Ecological responsibility in the gaining of natural herbs and plants.

Legal Factors:

- Devotion to safety and labelling standards for dietary supplements.
- Patents and intellectual property rights should be taken into account for novel preparations.

3.0 TOWS Analysis for Sunrise Nutraceuticals:

Threats:

- Intense market competition between existing players and new entrants.
- Potentially affecting import/export procedures are changes to government rules.
- Economic fluctuations affecting consumer spending patterns.

Opportunities:

- Growing demand for natural products and herbal health products in Pakistan.
- Associations with local health and fitness influencers for product authorizations.
- Increasing the product line to address developing health trends.

Weaknesses:

- Small-scale processes may limit market reach and brand acknowledgement.
- Limited resources for wide marketing and distribution efforts.

Strengths:

- Specialism in the nutraceutical industry with a focus on natural products.
- Diverse product range catering to various health and wellness needs.
- Commitment to high-quality products and customer satisfaction.

3.1 SWOT Analysis

SWOT will help us to understanding the internal and external factors that can impact the business's performance and decision-making. Let's analyze the provided SWOT factors:

3.1.1 Strengths:

Distribution and reach: The business has a strong distribution network and wide market reach, which can enable it to reach a large customer base efficiently.

Financial position: The business has a strong financial position, indicating stability and the ability to invest in growth opportunities.

Social media and websites: The business effectively utilizes social media platforms and websites to engage with customers, promote products, and build brand awareness.

Quality: The business emphasizes high-quality products, which can enhance customer satisfaction and loyalty.

Product portfolio: The business has a diverse and competitive product portfolio, allowing it to cater to different customer needs and preferences.

3.1.2 Weaknesses:

Research and development: Lack of attention on R&D by the industry can stifle innovation and prevent the introduction of new, better products.

Low current ratio: The company's low current ratio suggests probable liquidity concerns and challenges in satisfying immediate financial obligations.

High turnover ratio: The company has a high turnover rate, which can be a sign that it's hard to keep experienced workers on board and that more people need to be hired and trained often.

Less market penetration: Because the company has not completely penetrated the target market, efficient marketing tactics and improved market share are required.

No quality controls: The company does not have enough quality control procedures, which can result in variable product quality and dissatisfied customers.

3.1.3 Opportunities:

Internet and E-commerce: The increasing use of the internet and e-commerce platforms provides opportunities to expand online sales channels and reach a wider customer base.

Green government drive: Opportunities to create eco-friendly products and support green initiatives are presented by the government's focus on environmental sustainability.

Tourism: Opportunities for the business to meet the needs of tourists and provide specialized goods or services are created by the expanding tourism sector.

Globalization: By entering overseas markets, a business can get access to new clients, diversify its revenue sources, and take advantage of developing markets.

Niche market: The business can concentrate on narrow consumer segments and provide customized products or services by identifying and targeting relevant niche markets.

3.1.4 Threats:

Competitors: Intense competition from existing competitors can pose challenges in terms of market share, pricing, and differentiation.

New entrants: The emergence of new rivals on the market has the potential to exacerbate competition and alter the market position of the company.

Substitute products: Customers may switch to competing goods or services, which could have an adverse effect on sales and market share.

Regulatory departments: Regulation adherence and prospective changes to regulations may present difficulties and raise operating costs.

Consumer switching: Consumer preferences and behaviors are subject to change, which increases the risk of losing clients to rivals that provide superior goods or services.

This SWOT analysis of our product provides an overview of our business's internal strengths and weaknesses as well as external opportunities and threats. It can help us for strategic planning and decision-making to leverage strengths, address weaknesses, capitalize on opportunities, and mitigate threats.

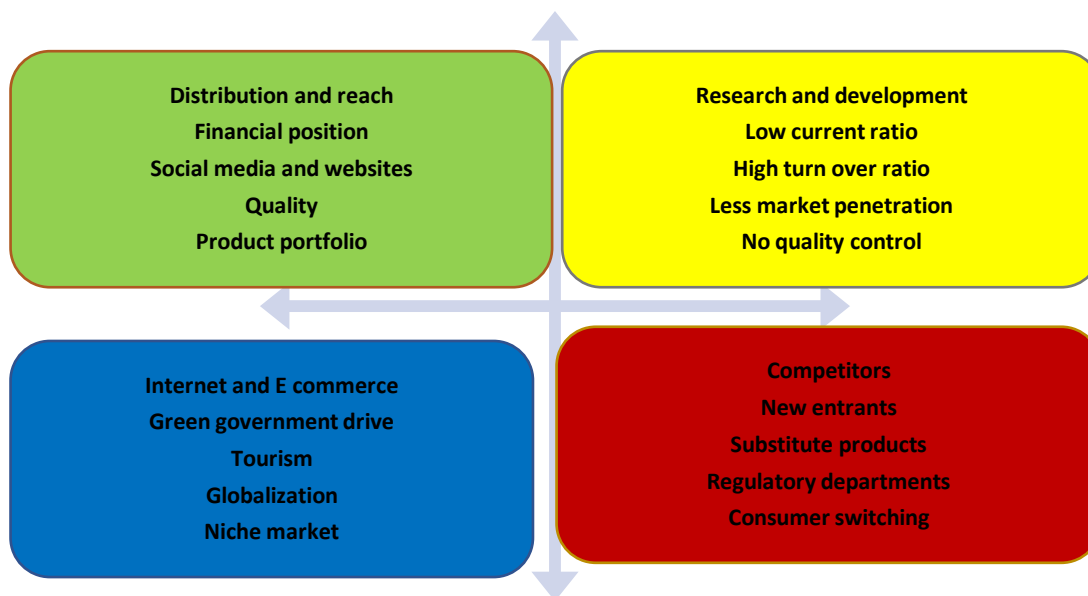


Figure 4 Swot Analysis

3.2 Economics

3.2.1 Facts about the Nutraceutical Industry in Pakistan:

Pakistan Food Supplements Market size was valued at USD 997.53 Million in 2021 and is projected to reach USD 1459.60 Million by 2030.

As a new company, the percent share of the market that Sunrise Nutraceuticals aims to capture is Target Market Share would be 30% and archived would be 10%.

The nutraceutical industry in Pakistan is steadily growing, driven by factors such as increasing consumer awareness about health and wellness, rising disposable incomes, and a growing interest in preventive healthcare. Here are some key facts about the nutraceutical industry in Pakistan:

3.2.1.1 Market Growth: Nutraceuticals created from natural ingredients and conventional treatments are becoming more and more popular with Pakistani consumers, who are becoming more and more interested in natural and organic products nowadays.

3.2.1.2 Traditional Medicine: Pakistan has a long history of using natural substances and herbal medicines in its traditional medicine. This has helped nutraceutical goods made from traditional medical plants and herbs become more popular.

3.2.1.3 Regulatory Environment: As previously indicated, the Drug Act of 1976 and the broader framework of the Drug Regulatory Authority of Pakistan (DRAP) govern the

regulation of nutraceutical goods in Pakistan. Requirements for registration, labelling, and quality control must be met by manufacturers and importers.

3.2.1.4 Local Production and Imports: In Pakistan, the nutraceutical sector combines domestic production with the importation of raw ingredients and final goods. Numerous nutraceuticals are created locally by producers, including functional foods, herbal remedies, and dietary supplements.

3.2.1.5 Consumer Preferences: Nutraceuticals created from natural ingredients and conventional treatments are becoming more and more popular with Pakistani consumers, who are becoming more and more interested in natural and organic products.

3.2.1.6 Health and Wellness Focus: We are seen as a means to improve overall health and well-being. Consumers are seeking products that can help specific health concerns, boost immunity, provide nutritional support, and promote vitality.

3.2.1.7 Market Channels: Our products are distributed through various channels, including pharmacies, health stores, online platforms, and direct selling networks.

3.2.1.8 Research and Development: In Pakistan, initiatives are being undertaken to encourage research and development in the nutraceutical industry. The therapeutic benefits of regional plants are being researched by academic institutions and research organizations, who are also looking at how they might be used in nutraceutical formulations.

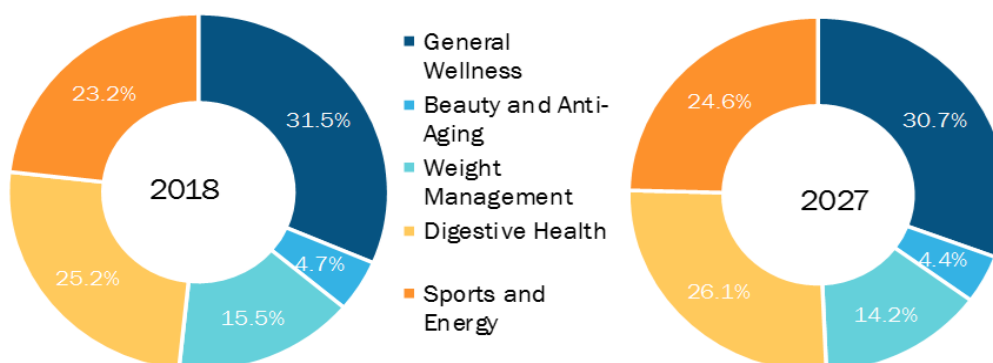




Figure 5 Global Nutraceuticals Market 2021-2025

3.3 Nutraceutical Industry Introduction

The last couple of decades witnessed phenomenal increase in Nutraceutical use worldwide. Today, Nutraceutical is over a US\$120 billion market (2011) with an ever-increasing usage trend both at prescription & OTC levels. The reasons for this extraordinary growth are:

The global market for Nutraceuticals is projected to reach US\$250 billion by 2018, driven primarily by the growing affinity among the general populace towards adopting a healthy lifestyle.

Other factors fueling demand for Nutraceuticals include higher disposable income in developing regions; evolution of innovative products, particularly for the beauty care segment; and emerging opportunities in other newer areas.

The global Nutraceuticals market continues to be driven by growing consumers' desire to lead a healthy life and avoid dependence on synthetic drugs. Major trends influencing the market include growing competition leading to industry consolidation, maturing markets in the developed regions, higher disposable incomes leading to greater personal care in the developing markets, growing fixation with beauty, and the launch of supplements enhancing beauty. Also, Nutraceuticals are delving into new areas with products, such as conjugated linoleic acid (CLA) soy, whey, and dietary fibers claiming to facilitate in

weight management. Growth also emanates from specific products developed for gender groups, kid groups, and age-related treatment.

Performance-wise, Nutraceuticals registered a steady growth pattern in the post-recession years. An aging population has been a major factor contributing to this growth of the Nutraceuticals market. By the year 2020, the number of individuals who are aged 60 years and above is expected to surpass 1.0 billion, with 70% of this populace dwelling in the developing nations. The Nutraceuticals industry is geared to meet the rising demand for health foods and products as companies with sufficient capital for scientific research enter the Nutraceuticals space. The trend towards personalized health nutrition is expected to provide solutions to successfully prevent, manage, and treat chronic medical illnesses. Also, the availability and accessibility of healthy foods in the developing nations, evolving understanding of the concepts that promote healthy living, and the launch of targeted foods and products scientifically formulated to address disease conditions are expected to support the growth of the Nutraceuticals market in the near future.

One of the key growth drivers for the Nutraceuticals market is now the cosmetics sector. Anti-aging products in particular and skin care in general are propelling growth in the beauty industry. Additionally, as the skin care business matures, manufacturers are creating specialized solutions tailored to certain body parts and the issues they address. The majority of recent product launches on the market aren't just intended to enhance appearance; they also offer practical benefits including sun protection, hair restoration, acne treatment, skin radiance and whitening, and anti-cellulite remedies.

The US is the largest regional market for nutraceuticals, followed by Europe and Japan, according to a recent market research analysis on n. The main market drivers in the aforementioned areas have been the ageing population, increased health care spending, and growing interest in self-medication and preventative healthcare. Given the rapid pace of development of the food and beverage, pharmaceutical, and nutritional industries in BRIC countries (Brazil, Russia, Pakistan, and China), Mexico, Poland, and South Korea, developing markets are anticipated to contribute to future growth in both production and consumption of nutraceuticals. Additionally, because to their demonstrable health advantages, consumers' perceptions of nutraceuticals are evolving. Prosperity in the economy, rising consumer disposable income, and increased production activities are other variables influencing demand in these areas.

Market enjoyed double-digit growth rates throughout the 1990s in buoyant market conditions led by herbal supplement products. However, growth in the market slowed down, owing to diverse factors, including altering consumer demands and economic pressures as well as tightening regulatory requirements and competitive market conditions. Market growth slowed down for herbal supplements, but other dietary supplements, including non-herbals, and sports nutrition and meal supplements are experiencing relatively stronger growth rates. Vitamin and mineral supplements are projected to generate relatively moderate growth in nutraceutical applications, resulting from intense pricing competition, overall lack of proprietary compounds, and mature product applications. Vitamins A and E are expected to perform the best among bulk vitamins due to increasing evidence of health advantages and expanding end-user preferences for value-added natural formulations. Among minerals, calcium and potassium are expected to record fastest sales gains based on demonstrated preventive benefits in geriatric and women's health care.

3.3.1 FUTURE OUTLOOK OF PAKISTAN NUTRACEUTICAL INDUSTRY

Nutrition is a fundamental need. Various risk factors related to health result from an imbalance in nutrition.

Together, these factors contribute to more than 40% of deaths and 30% of the overall disease burden in developing countries.

- In Pakistan nearly 20% of the total population and 45% of young children (below 5 years of age) are undernourished, numbers which are significantly higher than even the poorer sub-Saharan African countries. Iron deficiency anemia during pregnancy accounts for one-fifth of maternal deaths in Pakistan and the prevalence of this deficiency in women has alarmingly increased over 50% (UNICEF Report).
- Iodine and Vitamin A deficiencies in Pakistan are still above the WHO specified desired levels. Annually as many as
- 0.3 million children succumb to Vitamin A deficiency related diseases. Nearly 48% of Pakistani children are suffering from Vitamin A deficiency and enhancing its supplement could help decrease child mortality by 25%.

- Around the world, 260 million children suffer from Vitamin A deficiency (VAD), causing between 250,000 and 500,000 to go blind, 14 million have damaged eyes and 1 to 3 million die annually.

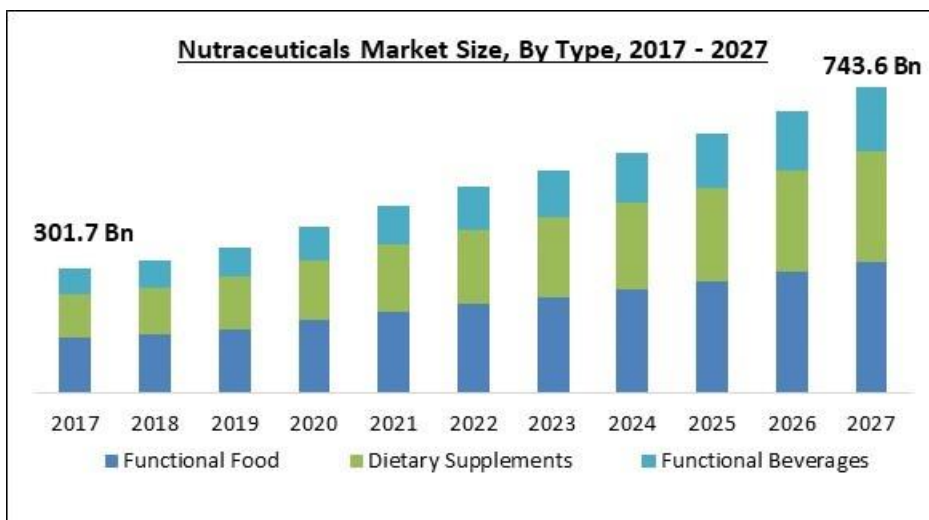


Figure 6 Nutraceutical Market Size



Figure 7 Global Nutra Market

For a company the size of Sunrise Nutraceuticals, the nutraceutical market in Pakistan offers tremendous growth potential and business opportunities. The prospects for the industry's growth are influenced by consumer health consciousness and increased knowledge of the advantages of natural and holistic approaches to wellbeing.

3.3.2 Barriers to entry in the nutraceutical market in Pakistan may include:

- Exorbitant startup expenses for production facilities, distribution systems, and marketing initiatives.
- High production costs brought on by the need to source high-quality ingredients and guarantee adherence to legal requirements.
- Exorbitant marketing expenditures to build customer approval and brand exposure.
- Increasing brand recognition and consumer approval in a cutthroat market.
- Eliminating the need for specialized education and expertise in marketing, quality assurance, and product creation.
- Ensuring the protection of intellectual property rights, such as patents and proprietary technology, to set oneself apart from rivals.
- The cost of shipping imported raw materials or completed goods.
- Potential tariff restrictions and import quotas on raw materials or finished goods.

3.3.3 To overcome these barriers, Sunrise Nutraceuticals plans to:

- Obtain sufficient cash to cover capital and marketing costs via investors, loans, or partnerships.
- Create effective supply chain management and production methods to manage production costs.
- Launch targeted marketing initiatives to increase consumer knowledge of the brand and inform them of the advantages of nutraceutical products.
- To establish acceptance and brand awareness, concentrate on the quality of the product, its difference, and developing trust with customers.
- Hire and train qualified personnel, and cooperate with professionals in the field to ensure product development knowledge.
- Create unique formulations and make significant investments in R&D to stay ahead of the competition.
- Build solid relationships with dependable suppliers, streamline your logistics, and reduce shipping expenses and delivery times.
- Keep up with regulatory developments and make sure you're following all rules and guidelines set forth by the government.

3.4 Changes in technology, government regulations, the economy, and the industry can affect Sunrise Nutraceuticals:

3.4.1 Change in technology: Technological developments can result in product compositions. Sunrise Nutraceuticals seeks to stay focus of cutting-edge developments in order to get advantage of them to improve product development and operational effectiveness.

3.4.2 Change in government regulations: The nutraceutical sector may be impacted by modifications to laws governing labelling, health claims, import/export, and safety requirements. To ensure that its products are safe for consumers and compliant with applicable laws, we will continuously monitor and abide by these rules.

3.4.3 Change in the economy: The demand for nutraceutical products can be influenced by economic factors such as consumer spending power, inflation rates, and general market conditions. We will change its pricing policies and marketing initiatives to reflect prevailing market conditions and consumer preferences.

3.4.4 Change in the industry: The competitive environment may change as a result of industry developments including the entry of new competitors, the emergence of trends, or changes in customer preferences. For this we have to keep continuously perform market research to stay current on market trends and modify its business plans as necessary.

From the perspective of its clients, Sunrise Nutraceuticals' main goods and services are as follows:

3.5 Product

3.5.1 Wolfberry (Goji Berries):

Name of the product: Berry Power Plus

3.5.1.1 Features: Our Berry Power Plus wolfberry products come from the Ningxia Hui Autonomous Region and Xinjiang Autonomous Region, which are native to Tibet and China. They are meticulously chosen and prepared to guarantee top quality.

3.5.1.1 Benefits: Customers can enjoy the following benefits:

Health and Anti-Aging: The anti-aging benefits of wolfberries are well known, and they help support a healthy lifestyle.

Beauty Enhancement: Wolfberries can enhance skin health and provide a young appearance when consumed regularly.

Liver and Eye Nourishment: Because wolfberries are good for the liver and kidneys, they also benefit the eyes and vision.

Immune Boost: Customers can fortify their body's defenses by consuming wolfberries, which maintain a healthy immune system.

Cancer Prevention: The considerable inhibitory effects of wolfberries on cancer cells may lower the risk of cancer and improve general health.

3.5.2 Nutraceutical Products:

3.5.2.1 Features: Our products are produced by using natural herbs, shrubs, fruits, and plants.

3.5.2.2 Benefits: Customers can experience the following benefits by using our products:

Comprehensive Health Support: Our nutraceutical products address particular issues including hair care, skin care, general nutrition, fitness, and growth while also providing a wide range of health advantages.

Holistic Approach: Our products support a healthy lifestyle and general well-being by utilizing the power of natural ingredients.

Quality Nutrition: Our nutraceutical products are trusted by customers to supplement their daily nutritional requirements and guarantee they get the nutrients they need for optimum health.

Trusted and Safe: In order to guarantee product quality, safety, effectiveness, and client pleasure, we adhere to stringent standards and regulations.

Preventive Healthcare: By actively assisting clients in actively maintaining their health and proactively preventing prospective health issues, our nutraceutical products encourage preventive healthcare.

We strive to offer clients high-quality, natural, and efficient products that enhance their well-being, beauty, and general health by focusing on these traits and advantages.

3.6 Customers

3.6.1 Targeted Customers and Demographic Profiles:

Consumer Group:

Characteristics: People who are interested in preventative healthcare, high-quality nutrition, and supplements; people who are beauty aficionados; people looking for natural and holistic health solutions.

Geographic Location: Pakistan (Nationwide).

Demographic Profile: Age range of 25-55, both males and females, urban and suburban areas, middle to high income levels, education level varies, health-conscious individuals who focus on personal well-being, beauty, and leading a healthy lifestyle.

3.7 Retailers and Distributors:

Characteristics: Health and wellness stores, natural product retailers, pharmacies, fitness centers, beauty salons, e-commerce platforms, distributors, and wholesalers in the nutraceutical industry.

Geographic Location: Pakistan (nationwide).

Demographic Profile: various sized retailers, including regional and national chains, wholesalers, and distributors. They serve a diverse spectrum of clients, including those who value their health, those who enjoy beauty, and those looking for natural and holistic health remedies.

The consumer group is the most important customer segment for us, as they directly consume the products. However, building strong partnerships with retailers and distributors is crucial for reaching a wider customer base and ensuring effective distribution of the products.

We are conducting surveys, analyzing industry data, and gathering customer feedback that will help us obtaining more clear demographic information for the effective targeting and marketing strategies.

3.8 Major Competitors of Company

As the company is manufacturing mostly pharmaceutical products which is a very big and fast-growing industry therefore it has large number of competitors as regard to different products.

Some of the main competitors are:

Sanofi Aventis

Organon

Pfizer

Highnoon Lab.

ICI

Abbott

GSK

Servier

Novartis

CCL

Sante

Ferozsons

3.9 Niche

As a supplier of premium, natural nutraceutical goods with an emphasis on combining traditional herbs and plants to give all-encompassing health benefits, Sunrise Nutraceuticals fills a distinctive niche in the market. Our specialty is providing consumers in Pakistan with a broad selection of wellness solutions that integrate the might of nature and cutting-edge research. We set ourselves apart by providing effective, natural, and preventive healthcare choices to health-conscious people looking to improve their well-being and beauty. We are dedicated to quality, customer happiness, and encouraging a holistic approach to health.

3.10 Marketing Strategy

Marketing Strategy for Sunrise Nutraceuticals:

Our Marketing strategy follows as:

3.10.1 Brand Positioning: Promote Sunrise Nutraceuticals as a reputable and industry-leading manufacturer of natural nutraceutical products that enhance overall attractiveness

and well-being. In order to emphasize the effectiveness and high caliber of our services, emphasize the merging of conventional herbs and plants with scientific advancement.

3.10.2 Targeted Messaging: Create marketing communications that are specifically aimed at our specified client categories. Draw attention to the distinctive selling characteristics of our products, such as their all-natural composition, extensive health advantages, and preventative healthcare philosophy. Promote the importance of making investments in one's health and appearance using our reputable and superior nutraceutical products.

3.10.3 Online Presence: Create a solid online presence by creating a user-friendly website and participating actively on social media sites. To inform and educate clients about the advantages of our goods, share customer success stories, and offer wellness advice, we use content marketing. Utilize online communities and influencer collaborations to increase our credibility and reach.

3.10.4 Retail and Distribution Partnerships: To increase the accessibility and exposure of our products, forge strategic alliances with merchants, distributors, and outlets selling natural products. Work together with pharmacies, wellness centers, and beauty salons to present our products as the top choice for people who care about their health.

3.10.5 Customer Relationship Management: For the long-term relationship with the customers, clients, and the supplier and distributors we focused on the communication. Loyalty program and offer the great customer services in order to build good relationship. To continuously improve product offerings and meet their changing needs, collect client feedback.

3.10.6 Education and Awareness: To spread the word about the advantages of natural nutraceuticals and preventative healthcare, we will provide educational workshops, webinars, and seminars.

3.10.7 Market Expansion: When the company expands, we will think about opening up new markets in nearby areas and looking into the export possibilities.

We can effectively contact, connect and interact with its target customers, build a strong brand presence, and set itself out in the market as a dependable supplier of natural and holistic nutraceutical products by putting this marketing plan into practice.

3.11 Promotion

Getting the Word Out to Customers Through

3.11.1 Advertising: To efficiently reach our target audience, we'll use a combination of traditional and digital media outlets. Online advertising on relevant websites, social media platforms, and search engines may be used in this way to promote brands and improve website traffic. Additionally, think about placing targeted print ads in periodicals or journals related to health and lifestyle. Advertising frequency should be determined by the marketing budget, consumer behavior, and market developments.

3.11.2 Social Media Marketing: Social Media Marketing is the key to get success of every business. We will aggressively use social platforms to aware peoples about our product. We will post our daily activity, new promotion, new news and information about the health and that will help to engage the customers and we will get the feedback as well. Encourage customers to share their experiences with our products through user-generated content and testimonials.

3.11.3 Networking and Referral Programs: We will build the relationship with the healthcare professionals, nutritionists, wellness centers, and beauty experts who can endorse our products and refer customers to us. Introduce referral programs to encourage current clients to refer their friends and family, so promoting word-of-mouth.

3.11.4 Graphic Image Support: Through the creation of a logo, business cards, stationery, brochures, product packaging, and websites, we create a visually appealing and unified brand identity. Invest in expert graphic design services to create a brand image that is unified and visually appealing and matches our desired positioning.

Sunrise Nutraceuticals wants to be known as a reliable, creative, and customer-focused brand that sells premium natural nutraceutical goods. Customers should view us as a dependable provider of comprehensive wellness solutions that is dedicated to their wellbeing and supported by scientific research. We seek to elicit expertise, credibility, and a sense of unadulterated beauty through our branding and graphic image support.

3.12 Promotional Budget

We have decided to spend around 50k on promotional activities in which include the Website, Social Media Marketing, SEO, Paid Google Ads, Facebook Ads, Instagram Campaigns, etc. We believe that this investment will pay off in the long run and boost our sales and profits.

3.12.1 Pricing

Although the pricing plan is somewhat similar to that of the competition, the idea of gradual price increases is a much better strategy. Maintaining a pricing that is 10% less than the price permitted by the ministry is a good idea since satisfied customers are less likely to stop using the brand's products if prices rise in the future.

3.12.2 Pricing Strategy

The pricing plan is similar to that of the competitors, but incremental price increases are a far better strategy. It is a good idea to maintain a pricing that is 10% below the amount set by the ministry since satisfied customers are less likely to stop using the brand's products if prices rise in the future.

3.12.3 Price Comparison with Competitors

Despite the fact that the majority of our competitors are well-known MNCs, our price is cheaper than theirs. However, it is not by much. We will be about 15% less expensive than our MNC competitors, which will help us to get in more clients. Customers frequently perceive price benefits with our equivalent efficacy because our brands are for general health and are nutraceutical brands.

3.12.4 Price is important as a competitive factor

Price is a significant point and influences on customers' purchase decisions, but at the same time, the effectiveness of the product and the desired results are what ultimately determine whether or not price is a role. The success of the nutraceutical and pharmaceutical industries depends on how a given brand is seen; if the desired effect is achieved, then price becomes less important. A prime example is Centrum, one of the top global nutraceutical brands that commands a high price while maintaining a sizable market share.

For our product access, we'll leverage both offline and internet shopping locations. There won't be any credit guidelines. Only retailers will be subject to the 7-day credit policy.

3.13 Proposed Location

Since we'll be starting with residential deliveries as well, our warehouse will be located on Multan Road or Jail Road. Lahore will be the first city we target. We will introduce our brand to the retail pharmacies, which are primarily found in Lahore's smaller towns, and then

3.14 Distribution Channels

3.14.1 Distribution Policy

IBL Healthcare is responsible for distributing the products of Searle including both pharmaceutical and consumer has 11 major warehouses around the country which are located at:

Karachi

Hyderabad

Sukkar

Quetta

Multan

Faisalabad

Sargodha

Lahore

Gujranwala

Rawalpindi

Peshawar

The above warehouses are replenished by the main warehouse located at Karachi. In addition to these depots, IBL has a network of small branches known as IBL network located at different parts of the country. These network depots are fed with stock by the major depots located nearby IBL Healthcare.

The main structure of IBL staff consisting of:

Branch Managers

Branch Sales Officers

Territory Sales Officers

IBL Healthcare is responsible for distributing the pharmaceutical products while IBL Consumer is responsible for the supply of consumer products

3.15 How do we sell our products

3.15.1 Promotional Strategy

Promotion is any kind of communication used to inform, convince, and remind people about a company's products, services, reputation, beliefs, and involvement in the community or other social effects. Developing a promotional plan involves making methodical decisions about all facets of a company's or an individual's communication activities.

A solid promotional strategy often places a strong emphasis on certain products and services with the aim of converting consumers from awareness to purchase. A business, however, also aims to convey its entire image or social influence. Being a successful marketing company, Searle always made an effort to base its operations on contemporary marketing principles.

Every three months, the promotional plan is updated while maintaining its core principles.

The plan of action is arranged (selling for each SBU) for three months and it provides comprehensive guidelines to establish and arrange the marketing activities during the quarter. It includes:

3.15.2 Sales Analysis

The sales of previous quarter are discussed, and future volume is suggested. Expected growth rate is determined.

3.15.3 Positioning of the product

The future status (foreseeing) in current situation is determined.

3.15.4 Quantitative Objective

It includes the total sales volume to be expected during the current quarter as well as the current fiscal year.

3.15.5 Qualitative Objective

It refers to characteristics of the product to established for marketing purpose.

3.15.6 Key selling points

The key selling points are the specific features and benefits of the product to be promoted during the current quarter.

3.15.7 Promotional Tools

Certain number of samples, give aways and clinical studies to be given to the sales force for the customers is mentioned under this head.

3.15.8 Sales presentation

It is perhaps the most important aspect of the plan. The presentation of product consists of certain type of drop cards and visual aids to be used for the presentation of product profile and characteristics.

CHAPTER 4

OPERATIONAL PLAN

In this chapter we describe the business's daily operations, including its location, furnishings, staff, procedures, and surroundings.

4.1 Production

Our company has established a production facility on Multan Road, Lahore, where our product is made using raw materials that are supplied from China.

4.2 Procurement Process:

We have two options for importing the product: either through LC or through Ali Baba. For the time being, we'll use Ali Baba, and this is the procedure we'll use:

4.2.1 Import product through Ali Baba:

The following stages are usually involved in importing goods from a supplier on Alibaba:

4.2.1.2 Supplier Selection:

Look through the Alibaba website to identify potential vendors who sell the requested item.

Review the supplier's company profile, product listings, client testimonials, and ratings to gauge their authenticity. To learn more, get samples, and discuss costs and terms, get in touch with several providers.

4.2.1.4 Sample Evaluation:

We ask the supplier for product samples so we can evaluate the functionality, design, and quality.

Consider elements including product performance, durability, packaging, and adherence to applicable standards and laws when evaluating the samples in great detail.

4.2.1.5 Order Placement and Contract:

Place an order with the supplier after being pleased with the sample evaluation. A sales contract or a purchase agreement containing the agreed-upon terms and conditions, such as product specifications, pricing, a delivery schedule, payment terms, and quality assurance procedures, will normally be provided by the supplier.

Before signing, we thoroughly analyze the contract to make sure all terms are spelled out and accepted.

4.2.1.6 Payment and Production:

Establish payment arrangements in accordance with the terms agreed upon, which may include alternatives like full payment beforehand, partial payment, or payment upon dispatch. Once the supplier receives confirmation of payment, production can commence. Keep in constant contact with the supplier to monitor the production's progress and address any potential problems or challenges.

4.2.1.7 Quality Control and Inspection:

For quality control checks during manufacturing or prior to shipment, we intend to contract with a third-party inspection service.

Make inspection arrangements to make sure the items adhere to the necessary specifications, quality standards, and legal requirements.

To ensure prompt resolutions, discuss any issues with the provider that have been found.

4.2.1.8 Shipment and Logistics:

Plan the shipment strategy, the packaging, and the required paperwork (such as the commercial invoice, packing list, bill of lading, and customs documentation) in conjunction with the supplier.

Pick a trustworthy shipping agent or freight forwarder to manage the delivery and customs clearing procedures.

To guarantee a flawless delivery, keep track of the shipment's status and maintain contact with the logistics company.

4.2.1.9 Customs Clearance and Import Duties:

We are aware of and abide by the import taxes and customs rules that apply to our nation.

To facilitate clearance, we give customs authorities all required documentation.

Pay all relevant import duties, taxes, or fees in accordance with the customs laws of your nation.

4.2.1.10 Product Receipt and Evaluation:

We thoroughly verify the products once they are delivered to make sure they meet the agreed-upon standards for quality, quantity, and specifications. Any differences or damage should be discussed right away with the provider. We assess the overall experience and the quality of the goods to decide on our future commercial dealings with the provider.

It's crucial to remember that the procedure may change according on the precise supplier, item, and import country. To ensure a smooth importation of goods from an Alibaba provider, it is advisable to do in-depth research, obtain professional advice, and keep open lines of contact with the supplier throughout the procedure.

4.3 Location:

I would require a location that satisfies these requirements for my company. Multan Road in Lahore, which is a busy business district with lots of foot traffic and client demand, is where I would love to be situated. In order to store my merchandise and fulfill requests, I would require a warehouse that is around 5 marla (1361.25 square feet) in size. Depending on cost and availability, I would need a building type that is either a house or a floor. In addition, I would require electricity and other services like internet, gas, and water. To ensure that my business is allowed there, I would need to examine the local zoning laws.

4.4 Access:

Our production facility is located on Multan Road, which is the primary industrial hub of the city, therefore access to suppliers and transportation is essential. Our property is not a frequently visited location, so we do not require simple walk-in access. The shipping-related marked cars can fit in our parking lot. Not the questions themselves, but the solutions to the access-related queries are explained in the paragraph.

4.5 Cost:

The five key expenses for the area are the following: rent, utilities, laptop, furniture, and UPS. The basic use of the office space is included in the 40,000 monthly rent. Electricity, water, internet, and phone bills are included in the 50,000 monthly utility expense. Costing \$160,000, the laptop is a one-time investment in a powerful machine for professional use. Desks, seats, shelves, and cupboards for the office cost 100,000; this is a one-time buy. In case of a power loss, there is a backup power supply called a UPS those costs \$50,000. The space will require 400,000 in total.

4.6 Legal Environment

Company Registration Process

There are various processes and forms that must be submitted in order to register a corporation in Pakistan with the Securities and Exchange Commission of Pakistan (SECP). Here is a summary of the procedure, along with information on fees and frequently needed forms:

Name Reservation:

Form: Form-1A (Application for Availability of Name)

Fee: PKR 200 (approximately)

Incorporation Application:

Form: Form-1 (Application for Incorporation of a Company)

Fee: The registration fee varies based on the authorized share capital of the company. Here are the fees as of my knowledge cutoff in September 2021:

Documents Required:

Memorandum of Association (MoA) and Articles of Association (AoA)

Form-21 (Notice of Situation of Registered Office)

CNIC copies of directors and subscribers

Undertaking to the SECP

Declaration of compliance with the Companies Act

Obtaining Digital Signature Certificates (DSCs):

Directors and company secretary are required to obtain Digital Signature Certificates (DSCs) from the National Institutional Facilitation Technologies (NIFT).

The DSC fee is approximately PKR 1,000 per person.

Professional Fee:

There will be additional professional fees if you hire a lawyer, accountant, or corporate service provider to help you with the registration procedure. Depending on the service provider and the range of services, the sum varies.

4.7 Personnel

- Number of Employees
- Team consists of 9 people country wide,
- In which 3 are unskilled labor, 3 executives and 3 professionals.

4.8 Finding the right employees

Recruiting people, assessing their qualifications, and choosing the best prospects for the job are all steps in the multi-step process of finding the right staff for our company. Here are some tactics and strategies for hiring the best people:

Job Advertising:

Place job postings on social networking sites, industry-specific websites, and online employment boards. To draw qualified candidates, clearly define the position's responsibilities, prerequisites, and ideal candidates.

Use the website and careers section of our business to advertise open positions and share details about the company's principles, culture, and perks.

Employee Referrals:

Encourage your current employees to refer qualified candidates for open positions. We offer referral incentives or bonuses to motivate them to recommend suitable candidates from their professional networks.

Recruitment Agencies and Headhunters:

Work with headhunters or recruitment organizations that are knowledgeable about your field or particular employment positions. These experts can help with applicant sourcing and screening because they have access to a network of possible prospects.

Networking and Industry Events:

To meet possible applicants in person and establish relationships, go to industry conferences, job fairs, and networking gatherings.

Online Platforms and Professional Networks:

Use professional internet networking sites like LinkedIn to look for competent applicants, interact with them, and have conversations about your sector.

Screening and Selection Process:

Shortlist individuals who fulfill the required credentials and job requirements by evaluating their resumes and applications. Conduct in-person or online video interviews to evaluate a candidate's attitude, experience, cultural fit, and skills. Verify the credentials and track record of candidates by contacting the references they have supplied.

4.9 Setting Organizational Goals and Strategic Direction:

As the organization's leaders, Rabbia and Muneeb would work with important stakeholders to determine its long-term objectives and strategic course.

They would take into account elements like customer needs, market trends, and the competitive environment to create a clear vision and goal for the firm.

To make sure everyone on the team was on the same page and understood the direction, Rabbia and Muneeb would explain these objectives to them.

4.9.1 Making High-Level Decisions:

In their capacity as leaders, Rabbia and Muneeb would be in charge of making important choices that would affect the organization's overall performance, growth, and direction.

They would review pertinent data, confer with team members and subject-matter experts, and weigh the advantages and disadvantages of every option.

Rabbia and Muneeb would exhibit good decision-making abilities by analyzing various points of view, considering advantages and disadvantages, and eventually making wise decisions.

4.9.2 Planning and Resource Allocation:

In order to attain the organizational goals, Rabbia and Muneeb would engage in strategic planning, outlining the objectives, strategies, and action plans necessary.

In order to support the organization's operations, they would identify and distribute resources wisely, taking into account things like budget, people, technology, and infrastructure requirements.

To maximize production and accomplish desired results, Rabbia and Muneeb would make sure that resources are used effectively.

Monitoring Performance and Providing Guidance:

- Employees, customers, vendors, and business partners are just a few of the stakeholders that Rabbia and Muneeb would interact with internally and externally.
- They would establish and maintain connections in order to advance collaboration, trust, and effective communication.
- Rabbia and Muneeb would act as the organization's representatives, negotiate contracts, and settle disputes in a mature and polite way.
- It's vital to remember that based on the organization's size, sector, and setting, certain duties and tactics may change. With good decision-making, communication, and strategic thinking abilities, Rabbia and Muneeb would adapt their management and leadership style to the organization's and its employees' demands.

Building and Maintaining Relationships with Stakeholders:

- Rabbia and Muneeb would interact with internal and external stakeholders such as employees, customers, vendors, and industry partners.
- They would build and nurture connections while encouraging effective communication, trust, and collaboration.
- Rabbia and Muneeb would diplomatically and professionally represent the organization's interests, negotiate agreements, and handle disagreements.
- It is crucial to remember that specific duties and approaches may differ based on the size, industry, and setting of the organization. As leaders, Rabbia and Muneeb would tailor their management and leadership style to the demands of the organization and its people, exhibiting good decision-making, communication, and strategic thinking abilities.

4.9.3 Operational Tasks:

Ma, as an operational manager, would be in charge of managing the organization's day-to-day operations and ensuring that all operational tasks are completed efficiently. Here's an explanation of Musa's operational responsibilities:

4.9.4 Process and Workflow Management:

- Musa would examine current operational procedures and workflows to identify areas for improvement and efficiency gains.
- He would create standardized procedures and guidelines to streamline operations and maintain task consistency.
- Musa would monitor and evaluate the performance of processes, making adjustments as needed to maximize production and reduce errors.

4.9.5 Resource Planning and Allocation:

- Musa would evaluate the resource needs for various operating operations, such as labour, equipment, materials, and technology.
- He would create resource allocation plans to ensure that resources are available when needed and used effectively.
- Musa would coordinate resource allocation with other departments and stakeholders, as well as address any resource shortages or bottlenecks.

4.9.6 Monitoring and Quality Control:

- Musa would put in place monitoring systems and quality control methods to guarantee that the organization's standards and customer expectations are met or exceeded.
- He would implement key performance indicators (KPIs) and metrics to monitor operational performance and find opportunities for improvement.
- Musa would undertake periodical inspections, audits, and assessments to ensure operational process adherence, regulatory compliance, and overall quality assurance.

4.9.7 Team Management and Development:

- Musa would lead and manage operational teams, giving advice, support, and feedback to ensure tasks were completed successfully.

- He would delegate tasks, establish performance goals, and track team members' success.
- Musa would identify training and development needs, as well as provide chances for skill building and career advancement within the operating team.

4.9.8 Crisis and Risk Management:

- Musa would proactively identify potential dangers and devise mitigation strategies.
- He would work with key stakeholders to develop emergency response processes and maintain company continuity in the event of an interruption.
- Musa would lead the team in crisis management, making quick judgements and implementing efficient solutions to minimize operational impact.

4.9.9 Communication and Collaboration:

- Musa will promote good communication and collaboration among members of the operating team as well as with other departments.
- He would ensure that all key stakeholders were kept informed of operational goals, modifications, and updates in a clear and timely manner.
- To improve operational efficiency and effectiveness, Musa would encourage cooperation, cross-functional collaboration, and knowledge exchange.
- Musa would help to the seamless operation of the organization by effectively fulfilling these operational activities, optimizing resource utilization, ensuring quality control, and driving continual improvement in operational processes.

4.9.10 Specialized Tasks:

Accountants, financial analysts, and finance experts are responsible for handling financial records, budgeting, and financial analysis.

4.10 Inventory

As we are a manufacturing firm, we will have two stores one will be the raw material store where we will keep the inventory of raw material and a finished goods store where we will be keeping stock of our finished goods.

Average value in stock

For Raw material We will be investing 270,000 Rs.

Lead-time for ordering

This will be made to stock and not make to order so as such there will be no lead time.

4.11 Suppliers

4.11.1 Identify key suppliers:

Names and addresses

Xi'an Sentian Biotechnology Co Ltd

Address

2504, Unit 1, Building 2, Blue Spring City, Tianlang Daxing County, Xian, Shaanxi, China

Type and amount of inventory furnished

Goji berry extract powder

Credit and delivery policies

7 Days delivery and payment up front through Ali Baba Portal

History and reliability

No History

4.11.2 Shortages or short-term delivery problems

I will use replenishment model for my raw material through which I will make sure that when I will hit 10 kg in my raw material stock levels, I will be ordering 20 kg more and this cycle will go on.

4.11.3 Supply costs fluctuating

My supply cost will fluctuate based on dollar rate as my vendor is charging 17\$ per kg, A big change in dollar rate will affect my production cost but I will try not to change my sale price until the difference is huge.

4.11.4 Credit Policies

As I will be supplying it to retail stores so yes, I will be selling on credit.

Yes, it is customary in pharmaceutical industry to sell on credit as retailers will not keep a new product in their stores by paying upfront. Payment terms will be decided with the customers (especially retailers)

Creditworthiness will be decided based on the clients' footprint in the market.

Payment terms may vary from customer to customer but mainly it will be of 30 Days.

Cost does have the direct effect on the prices but Extension in credit will not affect my cost but it will sure effect by back up investment as I had to put in more money to keep the production running.

4.11.5 Policy for dealing with slow-paying customers:

We will make a phone call a day before the payment is due just to give customer a reminder.

A letter will be sent when credit is due for more than 90 days,

We will try as much as humanly possible to get the money without attorney but I will contact the attorney when customer will blatantly deny to make payment.

CHAPTER 5

MANAGEMENT AND ORGANIZATION

This firm will be led by our dedicated staff, which includes a project leader who will oversee day-to-day operations. The Project Leader will ensure that all tasks are performed on schedule and will be responsible for sharing the most recent report with the entire team.

Because the report will be provided on a regular basis, no one will be harmed, and the entire team was linked with the project lead. As a result, if someone leaves the company, the firm is secure.

5.1 Professional and Advisory Support

List the following:

5.1.1 Board of directors

1. Rabbia Sami Khan
2. Muneeb Qadir
3. Musa

CHAPTER 6

STARTUP EXPENSE AND CAPITALIZATION

In the context of beginning a new business importing wolfberries from China and selling them in Pakistan as a nutraceutical supplement in the form of capsules, the following startup costs and capitalization might be elaborated:

6.1 Company Registration: This expense covers the legal process of registering the business entity. It includes fees for company incorporation, obtaining necessary licenses, and fulfilling regulatory requirements. The cost of company registration is 20,000 Rs.

6.2 Office Rent: Setting up an office space is necessary for carrying out business operations. The 120,000 Rs in office rent is for leasing or renting a suitable place for administrative work, product storage, and prospective client encounters.

6.3 Furniture: A cost of 100,000 Rs is incurred to furnish the office with necessary furniture such as desks, chairs, cupboards, and other fittings. This provides employees with a comfortable and effective workstation while also increasing organizational efficiency.

6.4 UPS: Uninterruptible Power Supply (UPS) devices are critical for ensuring a constant power supply, particularly during power outages or variations. Investing 50,000 Rs in UPS systems helps to prevent downtime and protects electrical equipment.

6.5 Capsule Filling Machine: A capsule filling machine is required because the business involves selling wolfberries in capsule form. This machine costs 500,000 rupees. It allows for efficient and automated capsule filling, assuring product uniformity and satisfying production objectives.

6.6 Salaries: Employee salaries are a regular expense that is critical to the operation of the firm. Allocating 180,000 Rs for salaries enables the hiring of critical individuals such as administrative personnel, sales agents, and production workers.

6.7 Raw Material: To produce the capsules, raw materials such as wolfberries need to be procured. Allocating 470,000 Rs towards raw material costs covers the expenses associated with importing wolfberries from China.

6.8 Total Startup Expenses: The total of these expenses is 1,440,000 Rs. This sum represents the initial investment required to establish the business, acquire necessary assets, and cover the startup expenditures.

It should be noted that these costs are unique to the startup phase and may vary depending on factors such as location, scale of operations, sourcing strategy, and market circumstances.

No.	Expense Description	Amount (Rs)
1	Company Registration	20,000
2	Office Rent	120,000
3	Furniture	100,000
4	UPS	50,000
5	Capsule Filling Machine	500,000
6	Salaries	180,000
7	Raw Material	470,000
Total Startup Expenses		1,440,000

Please note that the table provides a clear breakdown of each expense along with the corresponding amount in Pakistani Rupees (Rs). The total startup expenses are calculated at the bottom of the table.

CHAPTER 7

FINANCIAL PLAN

7.1 Quarterly Analysis

7.1.1 Qty Sales Analysis:

It consists the quantity of the product that we have to sell quarterly.

Qty Sales Analysis	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Physical Sale	47	76	132	228
Online Sale	99	179	308	533
Total sale in Quarter	146	255	440	761

Hence break-even will be achieved in the 3rd Quarter.

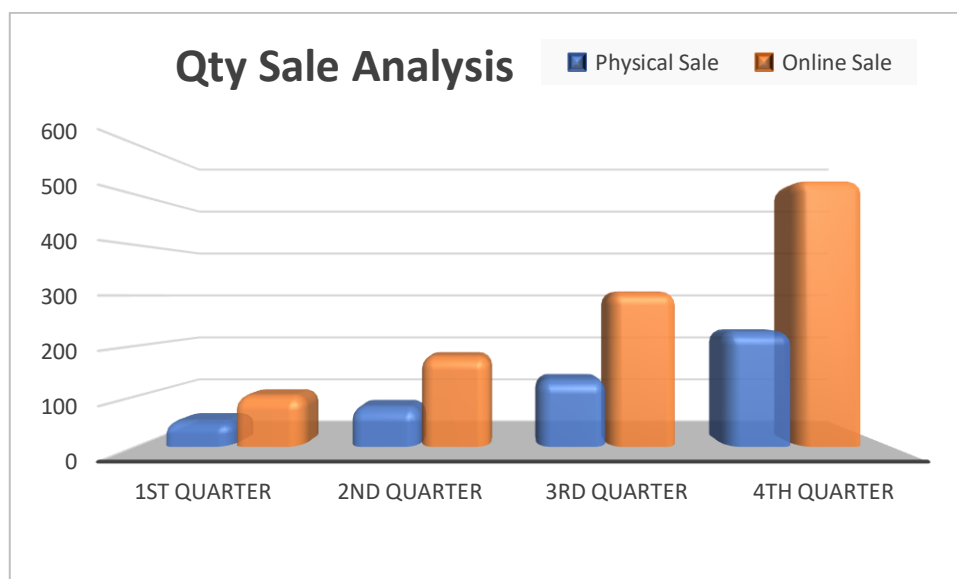


Figure 8 Qty Sales Analysis

7.1.2 Sales Analysis:

Sales analysis would be the total sales that we will sell on quarterly basis.

Sales Analysis	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Physical Sale	141,000	228,000	396,000	684,000
Online Sale	297,000	537,000	924,000	1,599,000
Total sale	438,000	765,000	1,320,000	2,283,000

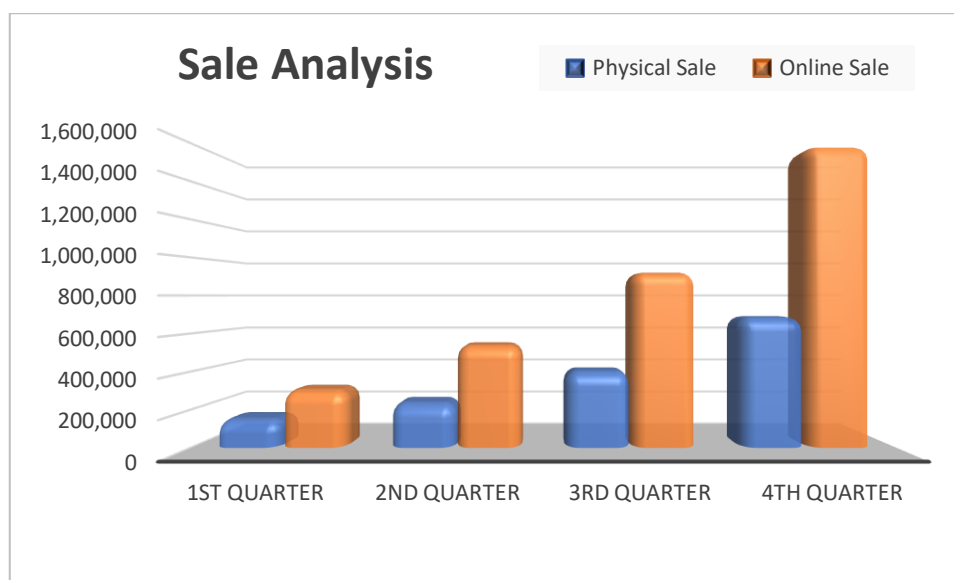


Figure 9 Sales Analysis

7.1.3 Expense & Profit Analysis:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Physical item cost	37130	60040	104280	180120
Online item cost	73,260	132,460	227,920	394,420
Total Cost	110390	192500	332200	574540
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Gross profit / (Loss)	327610	572500	987800	1708460
Administrative and Selling Expenses	282278	423417	423417	423417
Net Profit / (Loss)	-135807	149806	564383	1285083
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total Cost	110,390	192,500	332,200	574,540
Net Profit / (Loss)	(135,807)	149,806	564,383	1,285,083

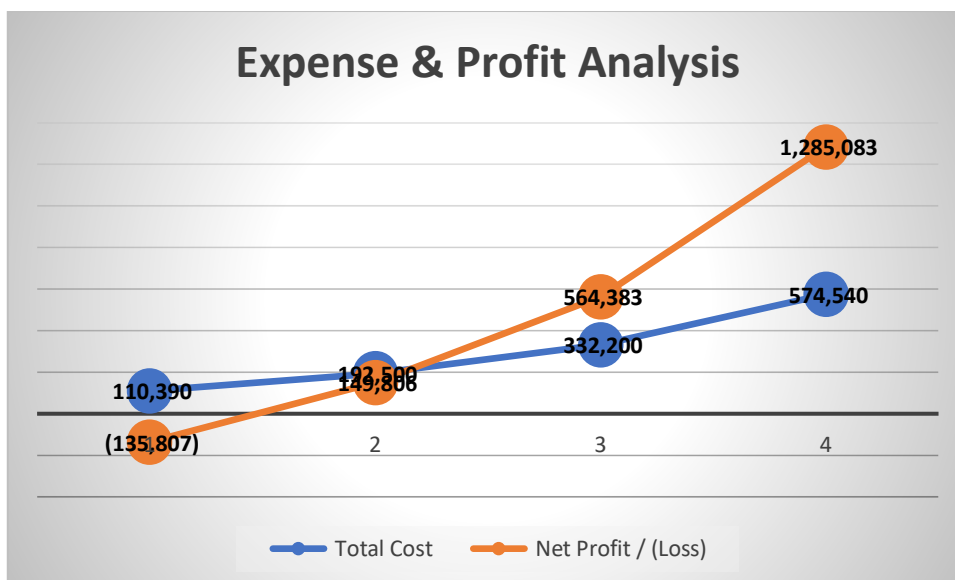


Figure 10 Expense & Profit Analysis

Physical Sale	70%
Online Sale	30%

7.2 Profit / Loss Projection:

7.2.1 Quarter 1st:

		Jan	Feb	Mar
Physical Sale	Qty	16	14	17
Online Sale	Qty	24	34	41
Total sale in year	Qty	40	48	58
Physical Sale	Amount	48,000	42,000	51,000
Online Sale	Amount	72,000	102,000	123,000
Total sale	Amount	120,000	144,000	174,000
Physical item cost	Amount	12,640	11,060	13,430
Online item cost	Amount	17,760	25,160	30,340
Total Cost	Amount	30,400	36,220	43,770
Gross profit / (Loss)		89,600	107,780	130,230
Admin and Selling Exp		181,139	141,139	141,139
Net Profit / (Loss)		(91,539)	(33,359)	(10,909)

7.2.2 2nd Quarter

		Apr	May	Jun
Physical Sale	Qty	21	25	30
Online Sale	Qty	49	59	71
Total sale in year	Qty	70	84	101
Physical Sale	Amount	63,000	75,000	90,000
Online Sale	Amount	147,000	177,000	213,000
Total sale	Amount	210,000	252,000	303,000
Physical item cost	Amount	16,590	19,750	23,700
Online item cost	Amount	36,260	43,660	52,540
Total Cost	Amount	52,850	63,410	76,240
Gross profit / (Loss)		157,150	188,590	226,760
Admin and Selling Exp		141,139	141,139	141,139
Net Profit / (Loss)		16,011	47,451	85,621

7.2.3 3rd Quarter:

		Jul	Aug	Sep
Physical Sale	Qty	36	44	52
Online Sale	Qty	85	101	122
Total sale in year	Qty	121	145	174
Physical Sale	Amount	108,000	132,000	156,000
Online Sale	Amount	255,000	303,000	366,000
Total sale	Amount	363,000	435,000	522,000
Physical item cost	Amount	28,440	34,760	41,080
Online item cost	Amount	62,900	74,740	90,280
Total Cost	Amount	91,340	109,500	131,360
Gross profit / (Loss)		271,660	325,500	390,640
Admin and Selling Exp		141,139	141,139	141,139
Net Profit / (Loss)		130,521	184,361	249,501

7.2.4 4th Quarter:

		Oct	Nov	Dec
Physical Sale	Qty	63	75	90
Online Sale	Qty	146	176	211
Total sale in year	Qty	209	251	301
Physical Sale	Amount	189,000	225,000	270,000
Online Sale	Amount	438,000	528,000	633,000
Total sale	Amount	627,000	753,000	903,000
Physical item cost	Amount	49,770	59,250	71,100
Online item cost	Amount	108,040	130,240	156,140
Total Cost	Amount	157,810	189,490	227,240
Gross profit / (Loss)		469,190	563,510	675,760
Admin and Selling Exp		141,139	141,139	141,139
Net Profit / (Loss)		328,051	422,371	534,621

7.3 Full Year/Monthly Break Even

Sr No	Variable Cost Per Unit			
	Ingredients	50 Cap Jar 500mg	Physical	Online
1	Wolf Berries Power	180	180	180
2	Bottle with Labelling	70	70	70
3	Packaging Box	40	40	40
4	Delivery Cost local	500	500	-
5	TCS/Delivery Charges	450	-	450
6	Total Variable Cost Per Unit		790	740

- Sale price of the jar would be 3000 per jar containing 50 capsules (500mg)
- Calculating all the ingredients price total variable cost of physical delivery is 790 and online delivery is 740. That is the total cost of 1 jar.
- Contribution Margin per Unit = Sale Price – Total Variable Cost Per Unit
- CMU of Physical Delivery = 2210
- CMU of Online Delivery = 2260

Sr No	Full Year Fixed Cost			
	Items	Cost	Dep	Year FC
1	Rent	40,000		480,000
2	Capsule Filling Machine	500,000	4 Years	125,000
3	Company Registration	25,000		25,000
4	Trade mark registration	15,000		15,000
5	Utility Expense	50,000		600,000
6	Website Dev Expense	50,000	5 Years	10,000
7	Marketing Expense	30,000		360,000
8	Laptop	160,000	5 Years	32,000
9	Furniture	100,000	5 Years	20,000
10	UPS	50,000	3 Years	16,667
11	Markup on Loan	50,000		50,000
	Total Cost	1,070,000		1,733,667
12	Loan	1,000,000	1 Year	

- Break-even Point (in units) = Total Fixed Costs / Contribution Margin per Unit
- Break-even Point (in units) for Physical Delivery = 2210 Rs / 1,733,667 Rs

- Break-even Point (in units) for Online Delivery = 2260 Rs / 1,733,667 Rs
- Break-even Point (in units) for Physical Delivery = 784 units
- Break-even Point (in units) for Online Delivery = 767 units

To achieved Break-even Point (in units) for Physical Delivery per year we have sell 784 units per year and for Online Delivery we have sell 767 units per year in order achieved break even per month so after combined both we have to sell 1551 units.

7.3.1 Break-Even Analysis Monthly

7.3.1 Calculation of Variable Cost Per Unit (Unit as a 1 Jar & 1 Jar (50 Capsules))

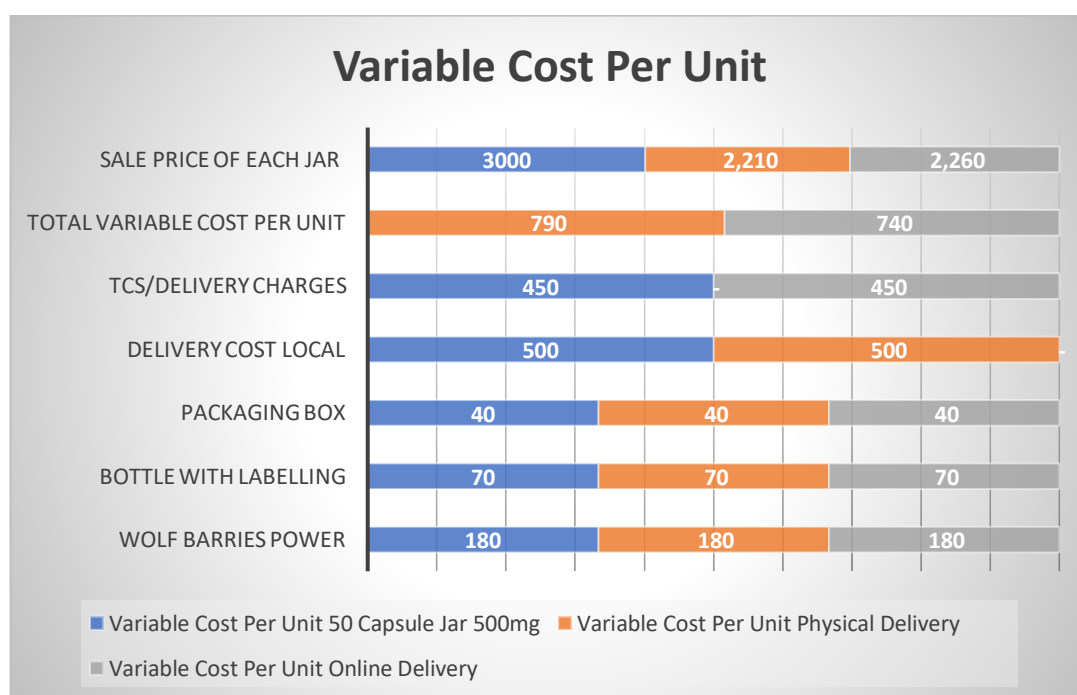


Figure 11 Variable Cost Per Unit

Sr No	Variable Cost Per Unit			
	Ingredients	50 Cap Jar 500mg	Physical	Online
1	Wolf Barries Power	180	180	180
2	Bottle with Labelling	70	70	70
3	Packaging Box	40	40	40
4	Delivery Cost local	500	500	-
5	TCS/Delivery Charges	450	-	450
6	Total Variable Cost Per Unit		790	740

7.3.1.1 Interpretation:

- Sale price of the jar would be 3000 per jar containing 50 capsules (500mg)
- Calculating all the ingredients price total variable cost of physical delivery is 790 and online delivery is 740. That is the total cost of 1 jar.
- Contribution Margin per Unit = Sale Price – Total Variable Cost Per Unit
- CMU of Physical Delivery = 2210
- CMU of Online Delivery = 2260

7.3.2 Calculation of Fixed Cost

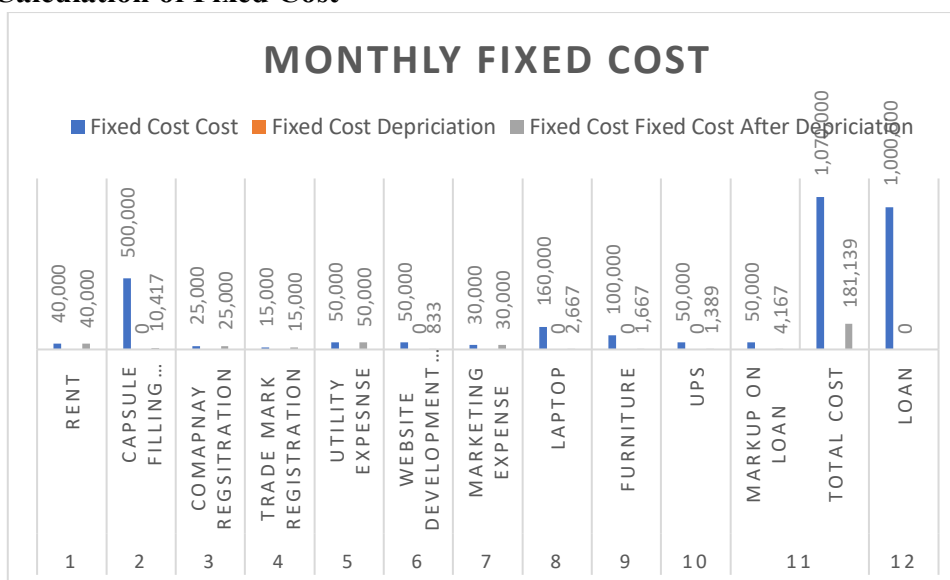


Figure 12 Calculation of Fixed Cost

Sr No	Items	Cost	Depreciation	After Dep
1	Rent	40,000		40,000
2	Capsule Filling Machine	500,000	4 Years	10,417
3	Company Registration	25,000		25,000
4	Trade mark registration	15,000		15,000
5	Utility Expense	50,000		50,000
6	Website Development Expense	50,000	5 Years	833
7	Marketing Expense	30,000		30,000
8	Laptop	160,000	5 Years	2,667
9	Furniture	100,000	5 Years	1,667
10	UPS	50,000	3 Years	1,389
11	Markup on Loan	50,000		4,167
	Total Cost	1,070,000		181,139
12	Loan	1,000,000	1 Year	

7.3.2.1 Interpretation of Fixed Cost:

Fixed cost is the cost that cannot be change and will remain the same it's the one-time cost. There is something which cost can be depreciate with the passage of time. The things those cost would be depreciated with the passage of time are mentioned below:

- Capsule Filling Machine
- Website Development Expense
- Laptop
- Furniture
- UPS
- Loan

We will take the family loan of 1,000,000 for the markup of 6% and it will be cover in 12 months.

After the calculation total cost of the fixed amount is **(1,070,000)** and after depreciation per month of the fixed cost would be **(181,139)**.

7.4 Break Even Calculations:

Formula and results:

As we know the formula to calculation the Break-even

Break-even Point (in units) = Total Fixed Costs / Contribution Margin per Unit

After putting the values in to the formula the results that we get for Physical Delivery

Break-even Point (in units) for Physical Delivery = 2210 Rs / 181,139 Rs

After putting the values in to the formula the results that we get for Online Delivery

Break-even Point (in units) for Online Delivery = 2240 Rs / 181,139 Rs

To achieved Break-even Point (in units) for Physical Delivery per month we have sell 82 units per month and for Online Delivery we have sell 62 units per month in order achieved break even per month so after combined both we have to sell 144 units.