Planning Your Business

Understanding Your Consumer Audience

Know exactly who will buy from you, what they need, when they buy, and how much they can pay.

Step-by-Step Implementation:

1. **Customer Research Week**:
    - **Day 1-2**: List 20 people who might buy your product. Categorise them into primary customers and secondary customers. For example, the primary customers for tailoring office wear for working women is working women and secondary customers would be college girls in need for formal fits
    - **Day 3-4**: Interview 10 of them with these questions:
        - "What frustrates you about current options?"
        - "How much do you currently spend on this?"
        - "Where do you usually buy this?"
        - "What would make you switch to a new provider
    - **Day 5**: Analyze patterns in their answers

2. **Behavior Mapping**: Using the patterns map the customer behaviour:

   - When do they buy? (salary day, festivals, emergencies)
   - Where do they buy? (online, local shops, from home)
   - How do they decide? (price, quality, convenience, recommendations)

Make use of these answers to understand more about your customers, their needs and what and who your business needs to cater to.

Making a Business Plan

Create a clear roadmap for your business with goals, strategies, and financial projections.

Step-by-Step Business Plan Creation:

Week 1: Curate the Basic Framework for your Business

1. **Business Overview**:

   - What exactly will you sell?
   - Who will buy it?
   - Why will they choose you over others?
   - Where will you operate? (home, shop, online)

2. **Goals Setting** (Use SMART format):
    - **Specific**: "Sell 100 tiffins per month"
    - **Measurable**: "Earn ₹25,000 monthly profit"
    - **Achievable**: Based on your capacity
    - **Relevant**: Fits your lifestyle
    - **Time-bound**: "Within 6 months"

Week 2: Detailed Planning

3. **Operations Plan**:

- Daily routine: What time will you start work?
- Production schedule: How many units per day?
- Quality control: How will you ensure consistency?
- Delivery method: Self-delivery, courier, pickup?

4. **Marketing Plan**:
    - How will people know about you? (WhatsApp, word of mouth, flyers)
    - What will you say to convince them? (key selling points)
    - How will you handle complaints and returns?

Week 3: Financial Planning
5. **Money Calculations**::

Sample calculation:
Monthly Revenue Goal: ₹30,000
Monthly Costs: ₹18,000
Monthly Profit: ₹12,000
Break-even: Need to sell 150 units at ₹200 each

- Business Plan Template for Tiffin Service:

Business Name: "Ghar Jaisa Khana Tiffin Service"
Target: Office workers in [Your Area]
Product: Homemade lunch tiffins with variety

Daily Operations:
- 5 AM: Start cooking
- 11 AM: Pack tiffins
- 12 PM: Deliver to offices
- 2 PM: Collect empty boxes
- 4 PM: Plan next day's menu

Monthly Targets:
- 50 regular customers
- ₹150 per tiffin
- 25 working days = ₹1,87,500 revenue
- Costs ₹1,12,500, Profit ₹75,000

Note: Most businesses take a while to start making profits after opening. Do not give up in the first few months!

Calculating Initial Costs and Profit

Understand every rupee you need to start and how much profit you can make.

Complete Cost Calculation Process:

Step 1: One-Time Setup Costs

Create this detailed list for your business:

Item	Estimated Cost	Where to Buy	Priority
Equipment (sewing machine, mixer, etc.)	₹15,000	Local shop vs online	High
Initial inventory/raw materials	₹5,000	Wholesale market	High
Business registration	₹2,000	Online/local office	Medium
Marketing materials	₹1,000	Local printer	Low
Total Setup Cost	**₹23,000**		

Note: If you are making a business that utilises your home skills (like sewing), it will be more practical to use the resources that you already own rather than buying more equipment.

Later on when you want to expand your business you can invest more.

Step 2: Monthly Operating Costs

Expense Category	Monthly Cost	Notes
Raw materials	₹8,000	Based on 100 units production
Transportation	₹1,500	Fuel, delivery costs
Utilities	₹800	Extra electricity, gas
Packaging	₹1,200	Boxes, labels, bags
Phone/Internet	₹500	Business communications
Total Monthly	**₹12,000**	

Step 3: Revenue and Profit Calculation

Selling Price per Unit: ₹200
Units Sold per Month: 100
Monthly Revenue: ₹20,000

Monthly Costs: ₹12,000
Monthly Profit: ₹8,000
Profit Margin: 40%

Break-even Point: 60 units (₹12,000 ÷ ₹200)

Step 4: Pricing Strategy:

1. **Cost-Plus Method**:
    - Production cost per unit: ₹120
    - Desired profit margin: 40%
    - Selling price: ₹120 + (₹120 × 0.4) = ₹168
    - Round to attractive price: ₹170

2. **Market-Based Pricing**:

- Research competitors: ₹150-₹250 range
- Your positioning: Premium homemade quality
- Your price: ₹200 (middle-high range)
- This method is better as you should set the price according to what the consumers are willing and able to pay and at the price you are willing and able to supply.

NOTE: The more you produce, the lower will be your per unit production cost as you will start buying more resources in bulk. Hence, you can reduce your prices later in the long run.

Tracking Money

Maintain accurate financial records to understand your business performance.

Daily Money Tracking System:

Method 1: Simple Notebook System

Create two sections :

Daily Sales Record:

Date: 15th October 2025
Sales:
- Mrs. Sharma: ₹200 (1 tiffin)
- Office order: ₹1,000 (5 tiffins)
- Walk-in customer: ₹150
Total Today: ₹1,350

Daily Expenses:

Date: 15th October 2025
Expenses:
- Vegetables: ₹150
- Packaging boxes: ₹50
- Transport: ₹40
Total Today: ₹240

Method 2: Mobile App System

1. **Download Khatabook App**:
    - Add customer names and phone numbers
    - Record each sale immediately after transaction
    - Set payment reminders for credit customers
    - Generate monthly reports automatically
2. **Using Excel/Google Sheets**:

Date | Customer | Product | Sale Amount | Cost | Profit | Payment Mode
15/10 | Mrs.Sharma | Tiffin | ₹200 | ₹120 | ₹80 | Cash
15/10 | Office XYZ | 5 Tiffins | ₹1000 | ₹600 | ₹400 | UPI

Weekly Review Process:

Do not just track money, but analyse the performance. You can review the performance on a weekly level or a monthly level.

Monthly Analysis:

- Compare with previous month
- Calculate average daily sales
- Identify seasonal patterns
- Identify the products people prefer (and try marketing those more)
- Plan improvements for next month

Simple Profit Tracking Formula:

Daily Profit = Daily Sales - Daily Expenses
Weekly Profit = Sum of 7 Daily Profits
Monthly Profit = Sum of 4 Weekly Profits
Profit Margin % = (Monthly Profit ÷ Monthly Sales) × 100