Business Management

Internal Assessment

Higher Level

Research Question:

Should [redacted] switch to online sales completely, shutting down on-counter sales to improve cash flow and increase profitability?

Intended Audience: [redacted]

Candidate code: [redacted]

Word count

Research Proposal: 500 words

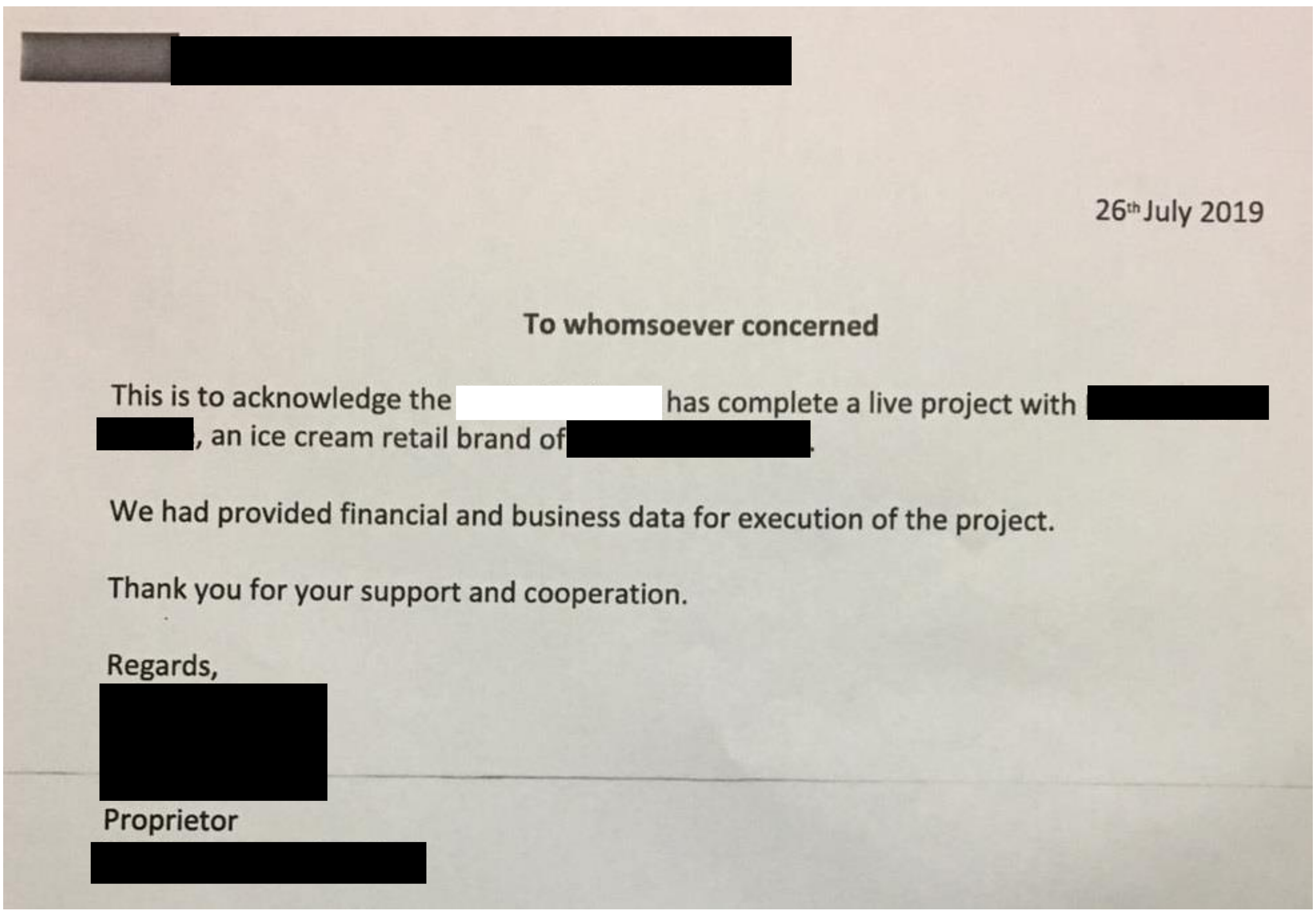
Executive Summary: 200 words

Written Report: 1853 words

Acknowledgement

I would like to acknowledge and express my gratitude towards:

- The Business Management faculty at my school, for her guidance and support throughout this process
- Ms. [redacted], Proprietor of [redacted], and Mr. [redacted], Co-owner of [redacted] for their contribution towards this report in terms of the interview and data
- The various [redacted] Customers who filled out the data-collection forms which helped in the primary data collection process.



[redacted]

26th July 2019

To whomsoever concerned

This is to acknowledge the has complete a live project with [redacted], an ice cream retail brand of [redacted].

We had provided financial and business data for execution of the project.

Thank you for your support and cooperation.

Regards,

[redacted]

Proprietor

[redacted]

Table of Contents

Research Proposal

Research Question

Should [redacted] switch to online sales completely, shutting down on-counter sales to increase profitability?

Rationale

[redacted], a Gelateria in suburban India, has a Unique Selling Point of serving low-fat gelato, waffles and cookies in a residential area, with little to no competition in a 2 km radius. Started in October of 2018, the business has not been able to reach breakeven owing to the high expenses that their location demands. A significant proportion of their revenue is through online sales - food delivery Apps such as Swiggy and Zomato. Though the gelateria is situated in a prominent location and has moderate seating space, the occupancy stays largely under-utilized. High overheads (e.g. rental charges) and under-utilized resources (occupancy rate) is impacting the overall costs, thus impacting the profitability. The proprietor hence wishes to evaluate the business feasibility of moving completely to an online mode of business and its possible impact on business profitability. This report will use different qualitative and quantitative tools to help the proprietor understand not only the financial viability but also restraining factors to work on to make the decision successful.

Theoretical Framework

To derive an answer for the Research Question, Chapters 1.7 (Organizational Tools: Decision Tree, Force Field Analysis) and 3.5 (Profitability Ratio and Analysis: Profitability Ratio) were referred to. Decision Tree allowed a forecast of the future finances for both of the choices: Moving to delivery only or not changing. Force field Analysis allows one to examine the pros and cons of both the choices side by side to make a well-informed decision. Using Profitability Ratio, one can compare the sales to the expenses that the switch would require.

Methodology

The following people will be interviewed as a part of this research:

1. Mr.[redacted], Co-owner of Kreme De La Kreme.
    a. To understand the working of the business, Financial data and help rate FFA
2. The accounts manager to get financial data for business analysis
3. A few of his customers.
    a. People who have had products from [redacted] existing customers will be interviewed via a Google Forms Survey.
4. Online sources for Secondary Research as and when required.

Anticipated Difficulties

Difficulties with access to information are anticipated. Even if the required information is acquired, it might not be reliable as it could be an estimate, as not everyone is open to disclosing their financial details to others. Secondly, all secondary data referred to could be out of date and thus unreliable. To reduce the impact of these difficulties, multiple different sources would be referred to, thus making the data valid by redundancy.

Action Plan

	May		June		July		August		September		October		November		December	
Task/Date	1st to 15th	16th to 31st	1st to 15th	16th to 30th	1st to 15th	16th to 31st	1st to 15th	16th to 31st	1st to 15th	16th to 30th	1st to 15th	16th to 31st	1st to 15th	16th to 31st	1st to 15th	16th to 30th
Identifying a Business	■	■	■													
Identifying a RQ				■	■											
Research Proposal						■										
Primary Research						■	■	■								
Secondary Research							■	■	■							
Writing Introduction								■	■							
Writing Methodology									■	■						
Main Results and Findings									■	■						
Analysis and Discussion										■	■					
Concultion and recommendations										■	■					
Executive Summary											■					
1st Draft Submission												■				
Deedback and Improvement													■	■	■	
Final Submission																■

Changes Made

1. In the process of interviewing the proprietor, it was realized that the business also suffers from cash flow issues hence the Research Question was modified to

   “**Should [redacted] switch to online sales completely, shutting down on-counter sales to improve cash flow and increase profitability?”** from

   “Should [redacted] switch to online sales completely, shutting down on-counter sales to increase profitability?”

2. Added Cashflow Forecast and its comparison as a tool.

Word Count: 500

Executive Summary

[redacted] an ice-cream brand of [redacted], specializes in low-fat desserts. While hunting for possible businesses project, one of the proprietors was contacted. Despite a seating area, they fail to attract adequate walk-ins. Therefore, this research was based on whether they should switch to online sales completely, shutting down on-counter sales to reduce operational cost thus increasing profitability. This was done using Profitability Ratio, Decision Tree, and Force Field Analysis. Primary sources of data included interviews with proprietors and surveys with customers. Secondary sources included web searches of prices and procedures of this change, and rates of economic change. The findings indicated that moving locations for a manufacturing unit was resource-intensive (time-consuming and process-oriented), considering the legal and labor framework. It would be a matter of added investments and time. However, these findings are limited in the way that the data referred to, has a lag period and hence could be inaccurate in the current context. Secondly, there could also be some legal implications regarding such a procedure that were overlooked or misinterpreted. There could have been a misinterpretation of words during the interviews. The survey was exercised to over 50 people, however, only 12 responded.

Word count: 200

Introduction

[redacted] is a dessert joint in Mumbai, Maharashtra. Being located in a predominant residential area, most of its customers live within a 2 KM radius. [redacted] specializes in gelato, cookies, and brownies that they manufacture themselves. They stand out from other dessert joints in the area due to their unique offerings- low fat gelato, as most centers in the area serve medium fat ice-cream. Started in October 2018, with a considerable investment, the proprietors wish to break even by mid-2019. Since the start of the business, the proprietor has noticed over 80% of their sales being via online food delivery apps. They are currently occupying a space, which has enough room for their manufacturing unit and seating space for their customers. With sales not being enough for a timely break-even, the proprietor wishes to switch to online sales completely, shutting down on-counter sales. This would allow them to maximize their space.

Hence gave rise to Research Question:

Should [redacted] switch to online sales completely, shutting down on-counter sales to improve cash flow and increase profitability?

Currently, they are facing cash flow problems, with high outflow without commensurate returns due to low sales and high operational cost. . I would refer to Unit 1.7 and 3.5 during this Assessment.

Main results and Findings

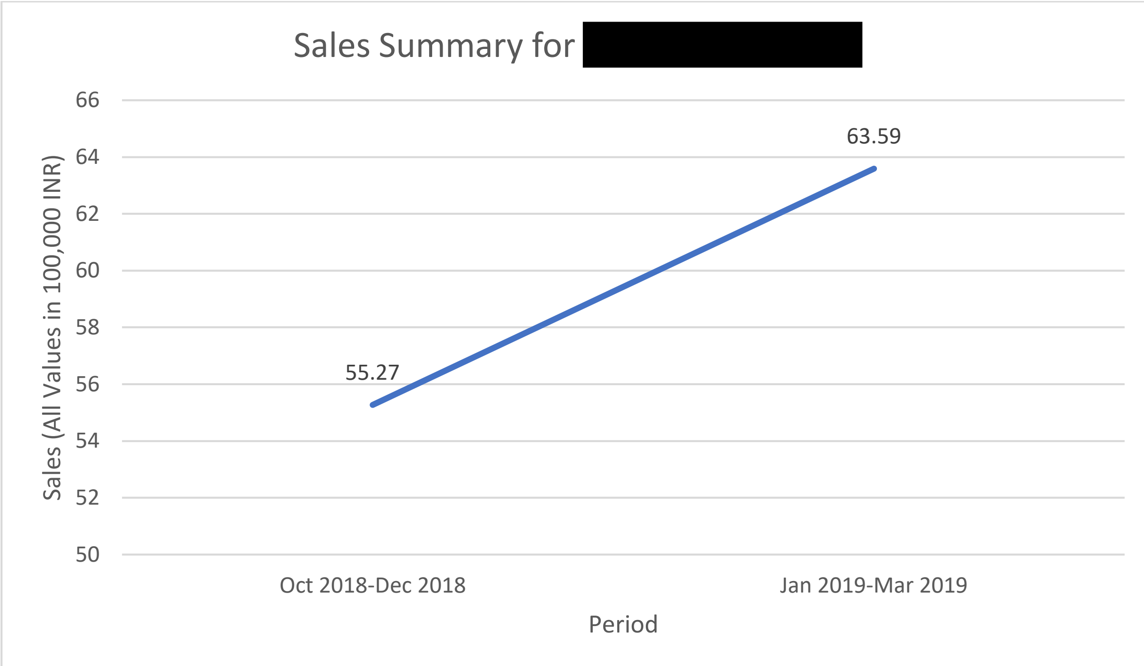
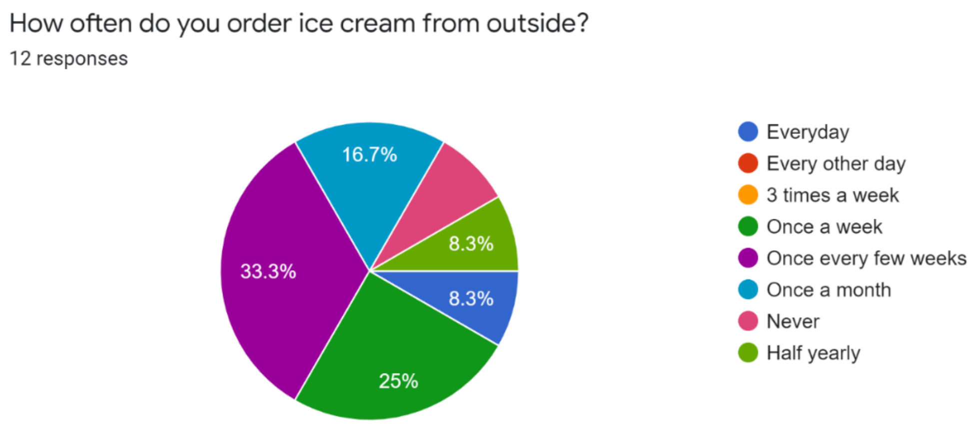


Figure 1: Sales of [redacted]

Based on the graph, we see that there has been an increase in their sales over time. As per the proprietor, a significant proportion of their sales (80%) come from online delivery orders from food delivery apps such as Swiggy and Zomato. They also have seating area for walk in customers. However, since it draws only 20% of their sales, the operational cost for procuring this 20% of the sales is significantly higher for the revenue generated. . They are located in a residential area with multiple educational institutes around, however they have not been able to attract customers as walk-ins They incur significant recurring cost for the amenities they offer in the seating area such as the tables and chairs (fixed cost), electricity and maintenance cost (recurring cost) in the seating area itself. If the seating area is removed, [redacted] could be able to reduce operational costs without significantly impacting their sales (considering walk-in contributing to only 20% of their sales), utilize the seating space to increase manufacturing capacity, or shift manufacturing to a low cost yet accessible geography and ramp-up online delivery services and increase profitability. If they move to a delivery only model, with no seating area, they can cut down on costs, and improve their profits.

According to the survey conducted through convenient sampling method and the results from Fig 2 it was found that the demand for ordering ice-cream is increasing which assures that the business can move to online flat form completely.



Analysis and Discussion

Cashflow Forecast

The proprietors wish to move to a smaller space, and move to a delivery only model, they can reduce on the rent they pay as they would be paying for a smaller area this will have a major impact on their Cashflow hence Cashflow comparison before and after the move is used for analysis considering that they will move from March 2020

Month	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
Cash Inflow (All amounts in INR)							
Sales	184,237	184,237	184,237	211,972	211,972	211,972	215,361
Cash Payouts	100,000	0	100,000	0	0	100,000	100,000
Total Inflow	284,237	184,237	284,237	211,972	211,972	311,972	315,361
Cash Outflow							
Wages	35,700	34,000	43,840	38,540	44,500	43,500	43,500
Office Lease	75,000	75,000	75,000	75,000	75,000	125,000	50,000
Electricity	23,600	27,130	23,970	24,290	27,140	25,300	25,300
Internet Access	400	400	400	400	400	400	400
Office Supplies/Raw Material	62,720	52,940	132,282	62,228	85,257	45,614	45,614
Loan Repayment	32,500	32,500	32,500	32,500	32,500	32,500	32,500
Miscellaneous	19,550	5,950	0	14,828	4,950	0	0
New Licensing	0	0	0	0	0	0	2,000
Logistics	0	0	0	0	0	0	12,000
Total Outflow	249,470	227,920	307,992	247,786	269,747	272,314	211,314
Net Cash flow	34,767	-43,683	-23,755	-35,814	-57,775	39,658	104,047
Opening Balance	350000	384,767	341,084	317,329	281,515	223,740	263,398
Closing Balance	384,767	341,084	317,329	281,515	223,740	263,398	367,445

Table 1: A cash-flow forecast made by me based on the data provided by the owner for the year 2019-20.

Month	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
Cash Inflow (All amounts in INR)							
Sales	211,136	211,136	211,136	242,920	242,920	242,920	246,804
Total Inflow	211,136	211,136	211,136	242,920	242,920	242,920	246,804
Cash Outflow (All amounts in INR)							
Wages	38,000	38,000	38,000	38,000	38,000	38,000	38,000
Office Lease	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Electricity	20,000	27,130	23,970	24,290	27,140	25,300	25,300
Internet Access	600	600	600	600	600	600	600
Office Supplies/Raw Material	22,654	22,140	22,500	11,254	11,674	23,445	11,870
Miscellaneous	12,500	21,435	50,000	14,828	4,950	45600	6640
Total Outflow	143,754	159,305	185,070	138,972	132,364	182,945	132,410
Net Cash flow	67,382	51,831	26,066	103,948	110,556	59,975	114,394
Opening Balance	367,445	434,827	486,658	512,724	616,672	727,228	787,203
Closing Balance	434,827	486,658	512,724	616,672	727,228	787,203	901,597

Table 2: A cash-flow forecast made based on the economic changes data regarding inflation and predicted change is online sales revenue for the year 2020-21.

The Rent of 75000/- is brought down to 50000/- which has a huge improvement in the Cashflow of the business and so will be with the profitability too. The net cash flow moved from negative figures to positive which surely will allow business to be stress free to take major decisions. However, the time taken to implement this change could affect their sales. Thus, the process of changing locations must be planned well. Along with that, the new location must also have a rent low enough to make a difference, while also fulfilling all of the business's needs. High foot traffic could also help in promotion. However, moving itself would have its own costs involved. To understand the impact on the profits profitability ratio is calculated.

Profitability Ratio[1]

Net Profit margin until the end of Financial Year 2019-20:

	Sales Revenue	1,192,016
-	Variable Costs	118,036
=	Gross Profit	1,073,980
-	Fixed Costs	722,663
=	Net Profit before Tax	351,317
	Net Profit after Tax	288,080

Net Profit Margin (NPM) = $\frac{Net\ Profit}{Sales\ revenue} \times 100\%$ = $\frac{288080}{1192016} \times 100\%$ = 24.18%

Net Profit Margin until the end of Financial Year 2020-21

	Sales Revenue	1,608,972
-	Variable Costs	454,620
=	Gross Profit	1,154,352
-	Fixed Costs	620,200
=	Net Profit before Tax	534,152
	Net Profit after Tax	438004.6

[1] Data taken from Appendices 2-4

Net Profit Margin (NPM) = $\frac{Net\ Profit}{Sales\ revenue} \times 100\%$ = $\frac{438004.6}{1608972} \times 100\%$ = 27.22%

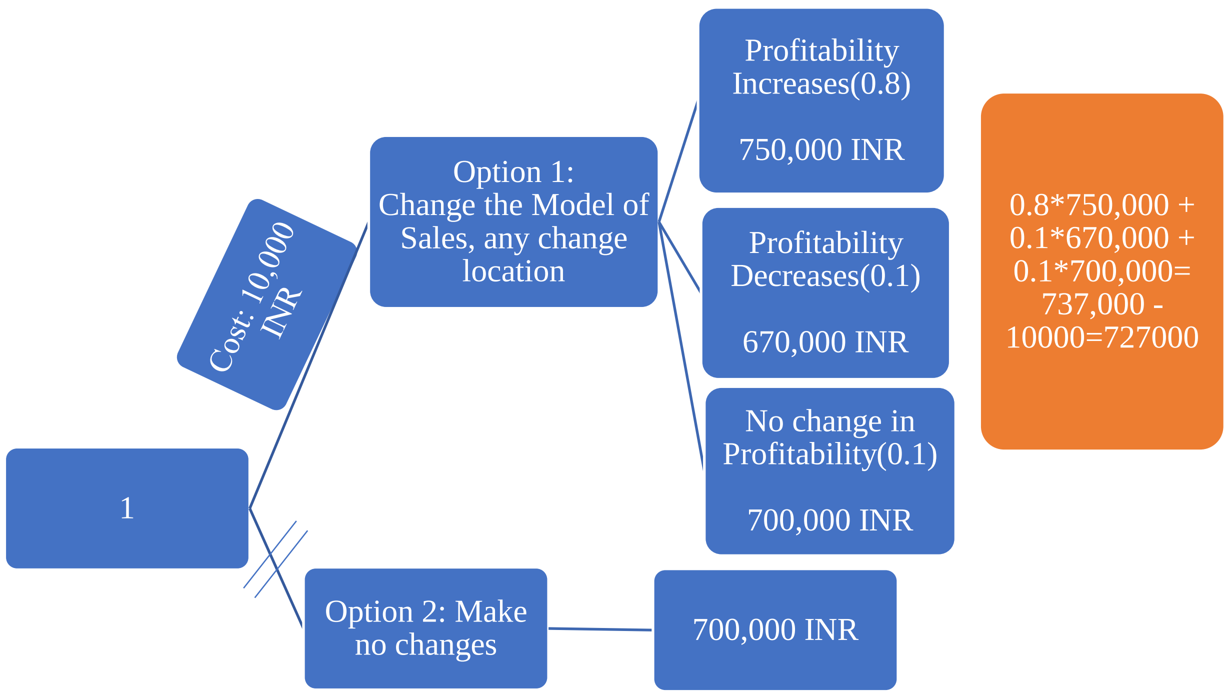
Net Profit Margin until the end of Financial Year 2021-22

	Sales Revenue	1,769,869
-	Variable Costs	130,213
=	Gross Profit	1,639,656
-	Fixed Costs	634,900
=	Net Profit before Tax	1,004,756
	Net Profit after Tax	823900

Net Profit Margin (NPM) = $\frac{Net\ Profit}{Sales\ revenue} \times 100\%$ = $\frac{823900}{1769869} \times 100\%$ = 46.55%

As we see in the above few equations and tables, the company's profits are going to rise exponentially in the next few years after they move to a new location and only offering online sales. Here, I have used the ratio Net Profit margin as it compares the sales of a business to its profits directly. Here, to explain, the NPM for FY2020 is 27.22%. This means that for every instance of sales worth 100 INR, the business makes a profit of 27.22 INR. This skyrockets in the next year to 46.55 INR, almost 47 INR per 100 INR of sales. Moving to a new location and change their model of sales, they end up reducing their fixed costs of maintaining a seating area that they have right now, and they would have to pay less in terms of utility bills such as electricity. Due to a decrease in expenditure, their net profit would increase, thus increasing their profitability

The figures from the equations show that if everything goes as planned, [redacted] would be very profitable, breaking-even in a few years. However, a limitation of this would be the fact that all figures about future performance are based on predictions, which may or may not be true. It also doesn't consider external factors much hence decision tree is constructed.



Decision Tree

With an 80% predicted chance of success on the basis of increasing demand, Option 1 has an expected value of 727,000 INR every quarter, while Option 2 has just 700,000 INR. Even with an initial investment of 10,000 INR, [redacted] can break even in just the first quarter. So, it would be a good decision to undertake Option1. However, with changing trends, these predictions and calculations can be misleading, and inaccurate. To reduce the chances, I referred to secondary resources with predictions of the market for the next few years made by reputed economists and Market Analysts. This definitely does not make it totally accurate, but it makes it as accurate as possible.

Also, if there is too much opposition to the change, moving might do more harm than good. This generates the need for a side by side analysis of the incentives and possible deterrents that the company might have about this change, or a Force Field Analysis.

Force Field Analysis

Driving forces		Restraining Forces	
Increased Profitability	8	Time consuming process	5
Reduced Cash Outflow	7	Loss of sales during the implementation of the process	4
Reduced Fixed costs	7	Possible loss of Customers	8
		Cost of new/updated permits/licenses	1
		Costs of logistics	1
Total	22	Total	19

I have used the above Force Field Analysis to compare the driving and restraining forces of moving to a new location and adopting a Business-to-Business model of sales. The driving forces are higher than restraining forces which with future brainstorming can be reduced. The change in location is relatively time consuming, and could reduce their sales in the days that are required for the change to happen. This can be managed by forecasting their sales for the days they plan on implementing the changes, and making and storing enough products to last those days, and maybe even a day or two more, as a contingency plan. There is a possibility they the product will not be sold in those days, but the ice cream can be moved to the new location, refrozen, and sold. As per the survey conducted[2], most of the customers may or may not want to continue buying from [redacted] if they moved to a new structure. This poses a justified threat of a loss of customers as people might not want to wait for the delivery service to get them their ice cream or might not want to travel to pick it up themselves. Since most of their current customers live in a 2KM radius around their outlet, going to the outlet and picking up their deserts themselves does not take more than 20-30 minutes, while the delivery apps take the same time, if not more, while adding an additional delivery charge. Moving to a different location could mean moving far enough away to affect the delivery times of the online apps, from 20-30 minutes to 30-60 minutes. Customers might not want to wait this long, or travel a further distance to bypass the wait time and delivery costs. However, moving could open more and better opportunities for the business to grow. Moving to a new, possibly a more commercial, or industrial location could expand their customer base, as they would move to new market space. Furthermore, they also get another mode of promoting their products as Food delivery apps generally advertise brands and products for a small fee, which would not be too much seeing the increased profitability. There is a cost of updating their licenses, permits, contracts, etc. and physically moving their equipment, however, these costs are one-time payments, and are relatively small when compared to their potential increase in profits. Considering all these factors, I feel that the Driving Forces outweigh the Restraining Forces.

With the Driving Forces majorly outweighing the Restraining Forces, it would be prudent to opt with undertaking the change. However, the other major factor is the cost. If there are not enough returns, opting for any change, no matter how small, is useless. This brings us to the next tool, Decision Tree.

[2] Appendix 5

Conclusion

Analysis of the data and application of appropriate business management tools to arrive at a suitable approach to address the business problem of high cost, low productivity leading to lower profitability.

The decision tree analysis indicated that a transition to a delivery-only business model would help cut-down on non-productive costs (e.g. higher than normal rental charges of operations in an elite area), utilize resources to capacity (e.g. free up / do away with non-productive resources like seating area or build productive capacity) and thus improve efficiency in the overall business operation. Though this approach may demand some short-term expense and also impact revenue negatively in the interim period. Transition to an online delivery business model would jeopardize around 20% of the revenue that is currently generated through walk-in customers. In addition to the cost optimization measures undertaken, the proprietors would also need to undertake innovative steps to ramp-up their online orders and encourage “take-away” by offering introductory freebies or discounts.

Recommendation

I would recommend [redacted] to go ahead with the above-mentioned change. It would include moving to a new place and switching to a delivery-only model, to increase profitability.

They should consider the changing behavior of the customers to get a better insight on the decision taken.

However they may even consider promotion to improve sales instead of moving to online completely allowing to look into question **“Should [redacted] improve is promotion mix to increase profitability**? considering Being in a residential area with multiple educational institutes around, Students can be one of their main targets while promoting their outlets.

Additionally, they can also modify their existing outlet to make it more student friendly, and advertise the outlet as a student’s hangout during exam and project seasons. This change would include offering free Wi-Fi with at least a passable speed and bandwidth, a larger seating place, and discounts for students. If advertised as a hangout, their outlet can attract students or the younger generation there to use the Wi-Fi for research during project seasons, or to just sit and study during an exam season.

Bibliography

Notice of Change Application for Shop & Establishment | *The Bombay Shops & Establishment Act, 1948* | *Services* | *Commissioner of Labor* | *Government of Maharashtra*, 1 Oct. 2015, mahakamgar.maharashtra.gov.in/lc-notice-of-change-application-for-shop-establishment.htm.

Welcome to Municipal Corporation of Greater Mumbai, India, 8 June 2019, portal.mcgm.gov.in/irj/portal/anonymous?NavigationTarget=navurl://02530c87767f0e0773fd252b0801aa68&guest_user=english.

"GST Registration Amendment - Change GST Data." *India Filings*, 19 Apr. 2019, www.indiafilings.com/learn/gst-registration-amendment/.

"Welcome to Food Licensing & Registration System." *Welcome to Food Licensing & Registration System*, foodlicensing.fssai.gov.in/.

"This Is How Restaurants Can Boost Revenue by 30%." *Business Insider*, 15 Oct. 2015, www.businessinsider.in/This-is-how-restaurants-can-boost-revenue-by-30/articleshow/49390435.cms.

"Ecommerce Growth Statistics - UK, US and Worldwide Forecasts." *Smart Insights*, 7 May 2018, www.smartinsights.com/digital-marketing-strategy/online-retail-sales-growth/.

Appendix

Appendix 1: Interview with the Co-owner, Mr. [redacted]

Location: His Work place.

Me: Good Afternoon Mr. [redacted]. Thanks for giving time for this meeting. This meeting is regarding my Business Management Research Paper. First off, lest start with your business, [redacted]. How did you come up with the idea to start a business?

Him: My Wife and I are fanatics of Gelato ourselves. So, we wanted to bring quality Gelato to people in Mumbai. So, we started this business, [redacted].

Me: So, when did [redacted] start?

Him: We started with the planning and the working around October 2017, and opened the outlet in July 2018.

Me: What method(s) did you use to fund this project?

Him: Apart from our personal savings, we took a loan, which we are yet to repay. We expect that we would need monthly sales of about 300,000 INR per month to break even.

Me: So, what were your sales like when you started, and how is it now?

Him: We started with 80,000 INR per month, and are at about 180,000 to 200,000 INR per month now.

Me: What kind of products do you offer at [redacted]?

Him: We mainly offer different flavors of gelato, which is made in-house. We have a professional chef who develops all the flavors and recipes. We also sell sundaes, shakes, cookies, waffles, and brownies. We sell the brownies in bulk to another local café who sell it at their outlets. We started with 14 flavors of gelato, but soon expanded the menu by another six flavors. These are divided into Premium and Exotic flavors. Along with that, we also have seasonal flavors coming out, such a

Thandai Gelato during Holi. We have found that our customers are always in search of new flavors. Therefore, we have had to keep such a large menu to cater to their expectations.

Me: As someone who lives in the neighborhood where your outlet is located, I feel that the people there are not as interested in gelato as a dessert as they are about ice creams or frozen desserts. There are also several other places around which offer ice creams and frozen desserts, and have been around for longer, and have a larger loyal customer base. What do you think such a tough competition can do to your budding business?

Him: First off, we are selling gelato, while the other outlets are selling ice creams. We consider them both very different. Therefore, there is not point of considering them as our competitors.
Me: However, your customers may not think so. For a lot of them, anything that is cold, frozen, and sweet is ice cream. These other outlets offer traditional ice creams, and have a loyal customer base for quite some time. There have also been other dessert joints around which closed due to the tough competition by the existing outlets. So, what makes your products unique from theirs?

Him: We advertise our gelato to be a low-fat product, where-as the other outlets have mid-fat options. We would still not consider them as our competitors as our products totally differ from theirs. As far as competition goes, we consider Copetto Gelateria as our main competitor. The reason for this being that we have more or less a menu similar to theirs, and we use similar equipment as them.

Me: What would you consider as your main priority right now?
Him: Breaking even is very important for me now.
Me: What forms of promotion have you used so far?
Him: Apart from putting up banners outside out shop, and using social media, we have collaborated with an Instagram influencer, who made a video at our outlet, and posted it online. That did attract some customers for a while. Apart from that, we have sponsored a college fest, which got us

considerable returns. We are also in talks with Catering Services and Wedding Organizers to opt for our products.

Me: Lastly, would it be possible for you to share with me the financial details of your business? I can assure that they will remain confidential and will only be used for this paper.

Him: Is it fine if I mail it to you in a few days?

Me: Sure. That would be great. That should be it for now. Thanks for your time Mr. [redacted] Let us stay in touch if I need any more details.

This cash flow is made by me after talking to him and his accountant.

Month	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
Cash Inflow (All amounts in INR)							
Sales	184,237	184,237	184,237	211,972	211,972	211,972	215,361
Cash Payouts	100,000	0	100,000	0	0	100,000	100,000
Total Inflow	284,237	184,237	284,237	211,972	211,972	311,972	315,361
Cash Outflow							
Wages	35,700	34,000	43,840	38,540	44,500	43,500	43,500
Office Lease	75,000	75,000	75,000	75,000	75,000	125,000	50,000
Electricity	23,600	27,130	23,970	24,290	27,140	25,300	25,300
Internet Access	400	400	400	400	400	400	400
Office Supplies/Raw Material	62,720	52,940	132,282	62,228	85,257	45,614	45,614
Loan Repayment	32,500	32,500	32,500	32,500	32,500	32,500	32,500
Miscellaneous	19,550	5,950	0	14,828	4,950	0	0

New Licensing	0	0	0	0	0	0	2,000
Logistics	0	0	0	0	0	0	12,000
Total Outflow	249,470	227,920	307,992	247,786	269,747	272,314	211,314
Net Cash flow	34,767	-43,683	-23,755	-35,814	-57,775	39,658	104,047
Opening Balance	350000	384,767	341,084	317,329	281,515	223,740	263,398
Closing Balance	384,767	341,084	317,329	281,515	223,740	263,398	367,445

Appendix 2: A cash-flow forecast made by me based on the data provided by the owner for the year 2019-2020

Month	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
Cash Inflow (All amounts in INR)							
Sales	211,136	211,136	211,136	242,920	242,920	242,920	246,804
Total Inflow	211,136	211,136	211,136	242,920	242,920	242,920	246,804
Cash Outflow (All amounts in INR)							
Wages	38,000	38,000	38,000	38,000	38,000	38,000	38,000
Office Lease	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Electricity	20,000	27,130	23,970	24,290	27,140	25,300	25,300
Internet Access	600	600	600	600	600	600	600
Office Supplies/Raw Material	22,654	22,140	22,500	11,254	11,674	23,445	11,870
Miscellaneous	12,500	21,435	50,000	14,828	4,950	45600	6640
Total Outflow	143,754	159,305	185,070	138,972	132,364	182,945	132,410

Net Cash flow	67,382	51,831	26,066	103,948	110,556	59,975	114,394
Opening Balance	367,445	434,827	486,658	512,724	616,672	727,228	787,203
Closing Balance	434,827	486,658	512,724	616,672	727,228	787,203	901,597

Appendix 3: A cash-flow forecast made based on the economic changes data regarding inflation and predicted change is online sales revenue for the year 2020-21.

Month	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Cash Inflow (All amounts in INR)							
Sales	232,250	232,250	232,250	267,212	267,212	267,212	271,484
Total Inflow	232,250	232,250	232,250	267,212	267,212	267,212	271,484
Cash Outflow (All amounts in INR)							
Wages	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Office Lease	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Electricity	5,871	2,354	2,234	2,146	8,741	6,674	6,654
Internet Access	700	700	700	700	700	700	700
Office Supplies/Raw Material	5,000	5,548	7,850	11,540	26,554	12,445	15,540
Miscellaneous	2,000	0	6658	0	2,404	0	0
Total Outflow	103,571	98,602	107,442	104,386	128,399	109,819	112,894
Net Cash flow	128,679	133,648	124,808	162,826	138,813	157,393	158,590

Opening Balance	901,597	1,030,276	1,163,923	1,288,731	1,451,557	1,590,370	1,747,763
Closing Balance	1,030,276	1,163,923	1,288,731	1,451,557	1,590,370	1,747,763	1,906,353

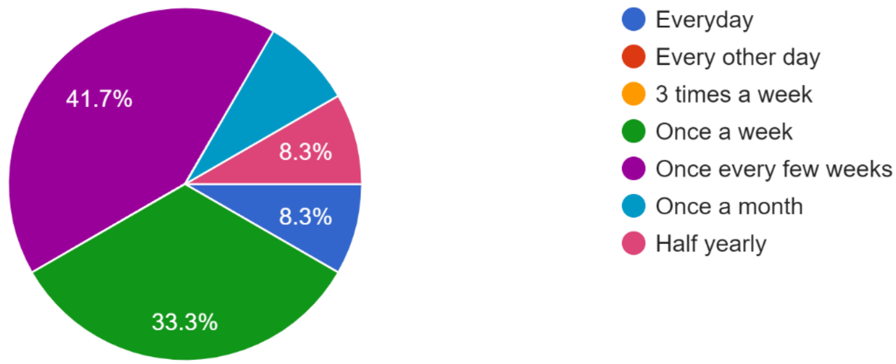
Appendix 4: A cash-flow forecast made by me based on the economic changes data regarding inflation and predicted change is online sales revenue for the year 2021-22.

Month	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Cash Inflow (All amounts in INR)							
Sales	232,250	232,250	232,250	267,212	267,212	267,212	271,484
Total Inflow	232,250	232,250	232,250	267,212	267,212	267,212	271,484
Cash Outflow (All amounts in INR)							
Wages	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Office Lease	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Electricity	5,871	2,354	2,234	2,146	8,741	6,674	6,654
Internet Access	700	700	700	700	700	700	700
Office Supplies/Raw Material	5,000	5,548	7,850	11,540	26,554	12,445	15,540
Miscellaneous	2,000	0	6658	0	2,404	0	0
Total Outflow	103,571	98,602	107,442	104,386	128,399	109,819	112,894
Net Cash flow	128,679	133,648	124,808	162,826	138,813	157,393	158,590

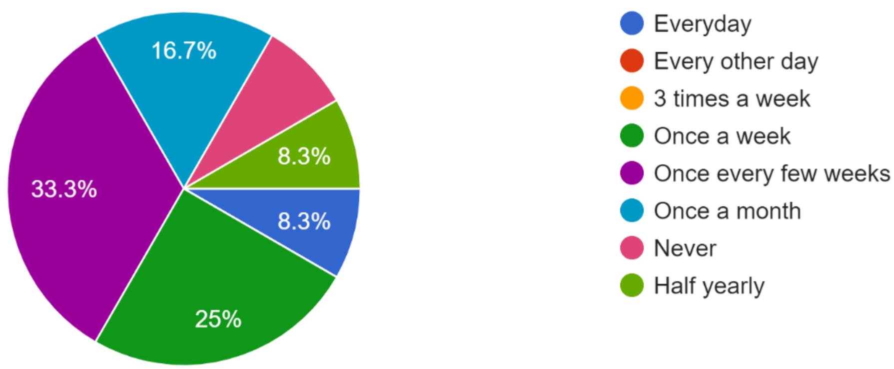
Opening Balance	901,597	1,030,276	1,163,923	1,288,731	1,451,557	1,590,370	1,747,763
Closing Balance	1,030,276	1,163,923	1,288,731	1,451,557	1,590,370	1,747,763	1,906,353

Appendix 5: Results of a survey conducted amongst the customers of [redacted]

How often do you go out for desserts?
12 responses



How often do you order ice cream from outside?
12 responses



0

Would you continue to buy from a place if it shutdown their shop and started selling ice cream only through food delivery apps?
12 responses