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**FORM 3 : FY 2021/22**

**Clothing, Textiles, Footwear and Leather Growth Programme (CTFLGP)**

**Company Name:**

***CTFLGP*** *is a Programme of the Department of Trade, Industry and Competition (****“the dtic”****) to grow employment, improve overall competitiveness and to grow the clothing, textiles, footwear, leather, and leather goods manufacturing industries. The purpose of this form is to provide the applicant with a guide to a business plan and to collect the necessary data for the purposes of processing applications.*

**Trading Name:**

**Financial Year End**

**Funding Type (Chapter):**

**Date:**

**Note:**

**Complete the questionnaire in soft copy (word & excel (*projections*) version or electronic format) and email the completed form to** [**ctflgp@idc.co.za**](mailto:ctflgp@idc.co.za)**. In addition, please print the completed form and attach the document as required in the documentation checklist when submitting your CTFLGP application.**

**The electronic version should also assist your business when or should you apply again for a funding under the CTFLGPP.**

## Section 1:

*The aim of this section is to capture a detailed business plan and or turnaround strategy of the applicant.*

**BUSINESS PLAN GUIDELINES**

**GENERAL**

A business plan is a working document that reflects the business strategy of a company, its operating structure, and most importantly, its financial plan. It needs to show the company’s strategy going forward, to ensure sustainability and growth of the business. The document should be maintained by all businesses and updated continuously to reflect any changes which may potentially affect the business. A business plan should also be drafted for a start-up business and then updated when necessary hereafter. When submitting a business plan to a financier as part of the funding application process (either for an existing or start-up business), the business plan should provide sufficient information to convince a financier or potential investor of the prospective success of the business venture.

It is crucial that the foundations of the business plan be based predominantly on verifiable facts and market research including changes in market forces affecting the business, key risks and mitigating factors, as opposed to opinion and belief. The more facts in the business plan, the easier it is for a potential financier to decide on whether to invest in a business. The business plan should demonstrate that the business venture is commercially viable and that all those involved in the project, from management to employees and consultants, have the skills, knowledge and/or qualifications, to deliver on the plan.

A good business plan should have the following minimum requirements:

**EXECUTIVE SUMMARY**

General overview of the business:

* State if the business is a start-up operation or an existing business;
* Background/history of the business including the geographic location of the operations and how long the business has been operating for;
* Industry within which the business operates;
* Products/services being offered;
* Outline of expansion plan/start-up plans and the amount of funding required;
* Other material issues such as number of existing and new jobs to be created; and
* New/existing contracts or letters of intent secured.

**LEGAL ENTITY - FICA**

Certified or original copies of:

* Registration documents (CICP certificate; CoR 14.1 & 14.3; CK1, CK2 etc.).
* Income Tax and VAT documents (if applicable).
* Registered proof of address of the company.
* SARS Tax PIN (existing business including certificates of holding, subsidiary or associated companies linked to the transaction).
* Copy of ID document for all shareholders of the company

**SHAREHOLDERS AND MANAGEMENT**

* Profiles of all shareholders/members, directors, senior management and key personnel;
* Motivation that management has the necessary experience to successfully manage all aspects of the business, including manufacturing (where applicable), operations, administration, human resources, finance and marketing;
* Signed (or at least draft) shareholder’s agreement or memorandum or incorporation; and
* Amount of funds that shareholders will be injecting into the project as their own contribution and the source of these funds.

**ORGANOGRAMS**

* Group structure (if there is more than one within the applicant company).

**LAND AND BUILDINGS**

* Information on the right of use of the current or proposed premises from which the business undertakes its operations (e.g. proof of title, existing or proposed lease agreement, offer to purchase; or sale agreement);

**CAPITAL EXPENDITURE**

* Quotations from suppliers for all fixed assets to be purchased, time required for delivery after order placement, delivery and installation costs (not older than three months).
* Terms and conditions of payment for machinery to be purchased (deposits, progress payments etc.).
* Ensure that the fixed assets to be purchased are sufficient to meet production forecasts from a capacity (i.e. units produced per hour/day/week/month) and electricity consumption point of view.
* Be sure to budget adequately for other ‘soft assets’ such as office furniture, photocopy and fax machines as well as other equipment that are necessary but not directly related to the production process.
* Copies of all warranties and guarantees, repairs and maintenance agreements relating to the assets to be acquired.
* The design, size, technology type, and layout of the plant and equipment.

**PRODUCTION**

* Production process description and process flow diagram or images.
* A copy of the factory/building layout.
* Identification of key suppliers and quotations for all raw material input costs (not older than three months).
* Details of any registered processes (patents, trademarks etc.) and terms of using the process or license if applicable.

**STAFFING**

* Cost-to-company breakdown of all salaried, waged, part-time and contract employees, historical and going forward. Indicate labour hours and number of shifts per day.
* Number of staff and their salaries/wages, pensions, allowances, bonuses, commissions and other benefits by job title or rank.
* Ensure that staff numbers are adequate and in line with production capacity and forecasts including labour hours and number of shifts

**MARKETING ANALYSIS**

* Sales Projections:
* Projected turnover levels need to be based on secured contracts, letters of intent and/or verifiable market research.
* Copies of all contracts with customers, letters of intent from potential customers (detailing volumes, prices and duration) and/or verifiable market research to be provided.
* Turnover levels projected without any marketing backup or based purely on verbal agreements will be significantly discounted, which could result in the business projections being non-viable.
* For existing businesses,
* Details of existing contracts/orders being serviced and remaining periods and/or volumes on these contracts/orders.
* Details of major customers and non-contract-based work done each month over the past 12 months.
* A detailed marketing strategy and verifiable market research.
* Some of the areas that the marketing research should focus on are:
* Competitor analysis (e.g. pricing, product or service portfolio, key target market and locations etc.);
* Competitive edge of the business;
* Demand vs. supply;
* Future developments (technological, new market entrants, alternate products etc.); o Other networks and relationships created;
* Selling strategy used (e.g. discounts offered, rebates etc.)

**FINANCIAL INFORMATION AND FORECASTS**

* Detailed five-year income statement, balance sheet and cash flow forecasts. Show monthly forecasts for the first 12 months.
* Amount of funding applied for and how the funds are to be spent.
* Where applicable, provide copies of agreements with other financiers for existing loans.
* Details of overdraft and other debt facilities in place.
* For existing businesses, historical financial statements for two years (audited/draft where applicable) and latest management accounts (not older than three months).

**NOTE IN PREPARING FINANCIAL PROJECTIONS:**

**BALANCE SHEET**

* Include all existing assets and liabilities as well as those that will be brought into the company as per the current application for finance.
* For new loans, budget on realistic payback periods (usually five years for IDC purposes, but will depend on the company’s cash flow forecasts and may vary based on the industry).
* Working capital levels (debtors and creditors) to be budgeted for in terms of company’s payment policies or as negotiated with debtors and creditors.
* Stock to be budgeted for based on anticipated stock levels to be held (include raw materials, work in progress and finished goods).
* Owners’ contribution towards the business to be included as shareholders’/members’ loans. This needs to be unencumbered, interest-free and with no fixed repayment terms.

**INCOME STATEMENT**

* Sales projections should tie in closely with any contracts and letters of intent obtained from potential customers and marketing research performed. Sales should be conservatively phased into expected levels over a reasonable period to allow for the time it will take to penetrate the market.
* Cost of sales to be accurately costed and budgeted for per product item.
* Take all possible expenses into account. Expenses frequently omitted include:
* Depreciation; Security costs; Insurance costs; Bank, audit, legal and IT related charges; Interest costs; and Royalties, commissions and discounts.
* All expenses in the income statement should be adequate for the size of the business and its operations. For example, the salaries and wages bill should be directly linked to the number of staff (including directors) to be hired, multiplied by their total cost-to-company.
* Normal company tax to be factored into the income statement.

***DISCLAIMER:***

*Applicants should use their own preferred sources of information to compile business plans, based on the nature of their businesses. The above-mentioned information constitute a summary of our general guidelines, not an exhaustive list of requirements. Submission of an application in line with the guidelines do not guarantee that IDC will approve a funding application.*

*This Business Plan Guideline document is neither an agreement nor an offer. It is to provide the Applicant(s) with information to assist the Applicant to formulate its business plan. These guidelines do not claim to contain all the information each Applicant may require. Each Applicant should conduct its own investigations and analysis and should check the accuracy, reliability and completeness of the information in this Business Plan Guidelines document and where necessary obtain independent advice.*

*IDC and the dtic makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this Business Plan Guidelines. IDC may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this Business Plan Guidelines and without notice.*

*The Applicant hereby consents to the IDC providing the information submitted pursuant to a funding application to a third party in adherence to the Promotion of Access to Information Act (“PAIA”) and other legislation should it be required to so disclose.*

*The Business Plan Guidelines must be read in conjunction with the mandatory information and documentation to be made available to the Applicant by the IDC following receipt of the Application.*

## Section 2:

This section is only applicable to the entities that have previously benefited under the PIP, CIP and WCIS

Please provide a summary of the qualitative and quantitative impact of the previous intervention under the Production Incentive Programme (PIP), Competitive Improvement Programme (CIP), and the Working Capital Interest Subsidy (WCIS):

1. **Summary of the intervention (e.g., people, product, processes, marketing, equipment/capital)**

**(***e.g. between 2010 and 2021, the entity spent most of its PIP/CIP grants upgrading the factory with new equipment***)**

1. **Quantitative impact (e.g. operational, financial, jobs saved and created)**

*(e.g. this has had a significant impact on efficiencies such as revenue, which grew by 14% between and jobs by 20% 2010 and 2021)*

1. **Qualitative (number of styles, size, brands, training type and impact, export orders, etc.)**

(e.g. also, the entity was able to increase variety of styles produced and trained over 50 machinist and interns)

**SECTION 3:**

Question 1:

As part of your business plan which of the Masterplan objectives are you aligned with, i.e. Increase revenue of locally manufactured goods; Grow manufacturing output per employee; Deliver upstream manufacturing employment growth; Enhance the value chain’s cost, process and product competitiveness; Improve financial returns. Expand in detail on your applicable objectives.

Question 2:

Distribution Network

1. Please indicate the share (%) of total sales to each of the following:

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| --- |
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|  |

* 1. Retail Chains
  2. Independent Retailers
  3. Government
  4. Other manufacturers
  5. Other

**DECLARATION:**

I hereby declare that the information in this application is a fair and true reflection of the intended project and that the company has no pending litigation against it, the outcome of which may have a material impact on the company’s financial position. I am aware of the fact that the information which I have submitted above will have a material bearing on the adjudication of the application, and if it therefore subsequently appears that any information in the application (together with any addendums) was not correct, or that certain information was omitted, the **CTFLGP desk** willbe entitled to withdraw or amend its approval, and without prejudice to its rights recover any amounts already paid or withhold further payments due.

**Questionnaire completed by:**

**Name: Position:**

**Date:**