

# BUSINESS STRATEGY

**★ IMAGINE LOCALITIES WHERE THERE ARE NO CINEMAS, NOT TO MENTION A 3-D MOVIE AND WHERE A LARGE NUMBER OF PEOPLE LIVE WHO WANT TO WATCH A MOVIE, AND HERE WE APPEAR, WITH OUR EQUIPMENT FOR SHOWING A MOVIE! WE PLACE POSTERS AND ANNOUNCEMENTS, WE SELL TICKETS FOR FILM SHOWS, WE OFFER POPCORN AND COKE, EVERYTHING IS LIKE IN A REAL CINEMA**

**STARRY NIGHT MOBILE CINEMA**



# VISION



**STARRY NIGHT'S VISION** IS TO CREATE A BETTER LIFE FOR MANY PEOPLE IN THE VILLAGES AND TO DIFFERENTIATE THEIR LEISURE TIME. WE MAKE THIS POSSIBLE BY PROVIDING MOVIE SCREENINGS AT PRICES SO LOW THAT AS MANY PEOPLE AS POSSIBLE CAN AFFORD THEM.



**STARRY NIGHT MOBILE CINEMA**

# MISSION



**\* MAKE WATCHING MOVIES AS RELIABLE AS RUNNING WATER, EVERYWHERE, FOR EVERYONE.**

**| STARRY NIGHT MOBILE CINEMA**



# AIMS

- ★ **STAYING PROFITABLE**
- ★ **EXCELLENT CUSTOMER SERVICES**
- ★ **SUSTAINABLE GROWTH**
- ★ **EMPLOYEE ATTRACTION AND RETENTION**
- ★ **HOLD MISSION**

# OBJECTIVES

- ★ **RELIABLE SERVICES**
- ★ **IMPROVE CUSTOMER SATISFACTION:**
- ★ **INCREASE REVENUE AND MANAGE COST**
- ★ **MOST INNOVATIVE TECHNOLOGY**
- ★ **AFFECT THE SOCIAL ENVIRONMENT**

# SWOT

## STRENGTH:

**UNIQUE IN THE MARKET  
SOCIAL SERVICE ALSO RELEVANT  
PROFITABLE;  
MAJOR AUDITORY ARE CHILDREN**

## OPPORTUNITY

**OPPORTUNITY TO DEVELOP FURTHER  
TRAVEL AROUND THE KAZAKHSTAN  
SOCIAL IMPACT TO LOCAL PEOPLE  
COOPERATION WITH OTHER COMPANIES**

## WEAKNESS

**REQUIRES INITIAL CAPITAL  
TECHNOLOGY REQUIREMENTS  
RANDOM ACCIDENTS MAY APPEAR  
ABSENCE IN THE MARKET**

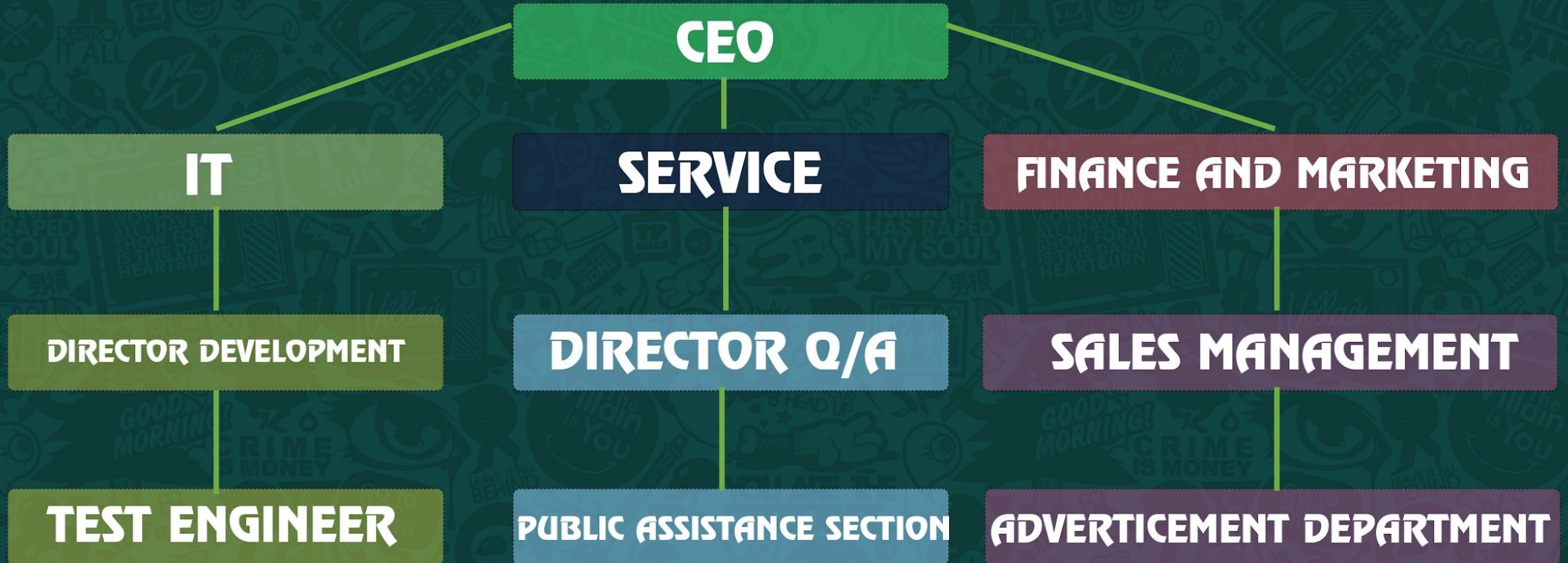
## THREAT

**HIGH LEVEL OF CONSUMER DEMANDS  
DEFICIENCY OF QUAL WORKFORCE  
MISUNDERSTANDING  
LACK OF CLEAR BILL TO SUPPORT**

# BALANCED SCORECARD

	Objectives	Measures	Targets	Initiatives
<b>Customer</b>	<ul style="list-style-type: none"> <li>• Ensure service availability</li> <li>• Provide speedy and accurate service</li> <li>• Increase customer confidence</li> </ul>	<ul style="list-style-type: none"> <li>• Community consultation measures</li> <li>• Do satisfaction Improvement analysis</li> </ul>	<ul style="list-style-type: none"> <li>• 75% kids, children, schoolboy, teenagers;</li> <li>• 14% adults;</li> <li>• 11% retires</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation with local authorities, schools, kindergartens, houses of culture;</li> <li>• Quality advertisement, announcement</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>• “Sell” idea to investors</li> <li>• Improve profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize revenue</li> <li>• Control costs</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing Annual Revenue Number</li> <li>• Increase sales growth in Almaty</li> </ul>	<ul style="list-style-type: none"> <li>• Standardizing every Operating Aspect</li> <li>• Cutting off unnecessary expenses</li> </ul>
<b>Internal</b>	<ul style="list-style-type: none"> <li>• Make product more organized and convenient</li> <li>• Reduce the fuel waste and improve logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce a CRM system</li> <li>• Be more active in social media</li> </ul>	<ul style="list-style-type: none"> <li>• Independent film directors can co-operate with us</li> </ul>	<ul style="list-style-type: none"> <li>• Make free film shows in order to attract customers</li> <li>• Expand the radius of our service to new cities</li> </ul>
<b>Learn and Growth</b>	<ul style="list-style-type: none"> <li>• Provide the latest customer information</li> <li>• Increase technological and marketing expertise</li> <li>• Increase strategy awareness and motivation</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of training hours</li> <li>• Contests and competitions</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Organizing seminars and meetings</li> <li>• Participating in various meetups</li> </ul>

# ORGANIZATIONAL STRUCTURE





# Profit/Loss

Fixed costs for implementation	Prices, \$
Equipment	2045\$
Car	4000\$
Popcorn makers	370\$
Devices for pouring drinks	292\$
Booking system(online ticket)	27\$
Unforeseen expenses	80\$
<b>Total Cost:</b>	<b><u>6854\$</u></b>
Variable costs	Prices, \$
Advertisement	1500\$
Transportation and travel(fuel)	220\$
Materials and raw(popcorn, cola)	2000\$
Rent place (50/50)	1500\$
Working capital(salary)	15000\$
VAT	2864\$
<b>Total Cost:</b>	<b><u>23084</u></b>

Profit sources	Prices, \$
Ticket sales(countryside)	5780\$
Ticket sales(other)	3500\$
Advertisement	9600\$
Popcorn & cola packet	5000\$
Offers & cooperation	4762\$
<b>Total Profit:</b>	<b><u>28642\$</u></b>

Cash Flow	Year 1	Year 2	Year 3
<b>Operating:</b>			
Net Income	-1296	4262	4558
AR	0	120	125
Cash from Operating	-1296\$	4382\$	4683\$
<b>Investing:</b>			
Equipment	0	700	800
Long - term Investment	0	2000	2000
Cash from Investing	0\$	2700\$	2800\$
<b>Financing:</b>			
Long - term debt	7000	0	0
Cash from Financing	7000\$	0\$	0\$
Opening Cash balance	0	5704	7386
Closing Cash balance	5704	7386	9269

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# Balance sheet

Balance Sheet	Year 1	Year 2	Year 3
Cash(AR)	5704\$	6386\$	8269\$
Inventory	500\$	600\$	500\$
<b>Total Current Assets:</b>	<b><u>6204\$</u></b>	<b><u>6986\$</u></b>	<b><u>8769\$</u></b>
Long-term investment	0\$	2000\$	2000\$
Equipment	0\$	700\$	800\$
<b>Total Long-term Assets:</b>	<b><u>0\$</u></b>	<b><u>2700\$</u></b>	<b><u>2800\$</u></b>
<b>Total Assets:</b>	<b><u>6204\$</u></b>	<b><u>9686\$</u></b>	<b><u>11569\$</u></b>
Accounts Payable(Forecast)	1200\$	500\$	730\$
Taxes Payable	2890\$	3095\$	3200\$
<b>Total Current Liabilities</b>	<b>4090\$</b>	<b>3595\$</b>	<b>3930\$</b>
Long Term Liabilities	2000\$	6000\$	7000\$
<b>Total Liabilities</b>	<b><u>6090\$</u></b>	<b><u>9595\$</u></b>	<b><u>10930\$</u></b>

## Liquidity

$$\text{Liquidity} = \frac{6204(\text{CA})}{4090(\text{CL})} = 1.51$$

$$\text{Quick ratio} = \frac{6204(\text{CA}) - 500(\text{IV})}{4090(\text{CL})} = 1.39$$

$$\text{Working capital} = 6204(\text{CA}) - 5090(\text{CL}) = 1114$$

$$\text{Net sales} = 20160(\text{Gross}) - 1008(\text{return}) - 2016(\text{Discounts}) = 17136$$

$$\text{Working capital turnover} = \frac{17136(\text{Net Sales})}{1114(\text{WC})} = 15.4$$

## Profitability

$$\text{Profit rate} = \frac{2262(\text{Net Profit})}{17136(\text{Net Sales})} = 0.13 \text{ (13\%)}$$

$$\text{Asset turnover} = \frac{17136(\text{Net Sales})}{(6204 + 9686) / 2(\text{Avg Total Assets})} = 2.15$$

$$\text{Return on assets} = \frac{2262(\text{Net Profit})}{(6204 + 9686) / 2(\text{Avg Total Assets})} = 0.28 \text{ (28\%)}$$

## Equity

**Cash received from investors: 29938\$**

**Cash received from creditors: 15000\$**

**Debt – Equity Ratio =  $\frac{29938}{15000} = 0.5$**

**Return on Equity =  $\frac{2262(\text{Net Profit})}{15000(\text{Self Capital})} = 0.15 (15\%)$**

## Profitability

**Net FIN Obligations = 7000(FO) – 5704(FA) = 1296**

**Net OPER Assets = 4382(OA) – 500(OL) = 3882**

**Common Stockholder's Equity = 3882 – 1296 = 2596**

**Financial Leverage =  $\frac{1296(\text{NFO})}{2596(\text{CSE})} = 0.49$**

# Stocks

Capital (\$)	30 000\$
authorized capital – common stocks	15 000\$
# Common stocks shared	10 000
# Common stocks paid	10 000
Balance value	3 \$
1 stock	0.01 % of company



## Tickets

Volume of Sales	6 857 \$
Cost of Sales	132 \$
<b>Gross Profit</b>	<b>6 725 \$</b>
Sold products	4 300
unit sales price	1.6\$
unit cost	0 (negligible)

## Popcorn & cola

Volume of Sales	5 000 \$
Cost of Sales	2 000 \$
Gross Profit	3 000\$
Sold products	1 886
unit sales price	2.65 \$
unit cost	1.06\$

**Fixed cost = 5840 \$**

**Profit margin = 4.25\$ (1 ticket, 1 pack)**

**Break-even point =  $\frac{5840}{4.25} = 1375$**

**Earning per stock =  $\frac{5626(\text{Net Profit})}{10000(\text{stocks})} = 0.5626 \$$**

## Operational cash flow

Revenue	21459	21900	22 000
Total Sales cost	(6 366\$)	(6 100\$)	(6 000\$)
Gross Profit	15 093\$	15 800	16 000
Operational expenses	(6 200\$)	(5 624\$)	(5 500\$)
Operational Profit	8 893\$	10 176\$	10 500
Interest	(4 500\$)	(5 000\$)	(5 200\$)
Income before taxes	4 393\$	5 176	5 300
Income taxes	(527\$)	(621\$)	(636\$)
Cash flow	3826\$	4555\$	4664



# NPV

**Investment requires 10 000\$**

**Cash flow 1 year: 3826**

**Cash flow 2 year: 4555**

**Cash flow 3 year: 4664**

**Interest rate = 10 %**

$$\text{NPV} = (10\ 000) + \frac{3826}{(1+0.1)} + \frac{4555}{(1+0.1)^2} + \frac{4664}{(1+0.1)^3} = 3478 + 3764 + 3504 = 746\$$$