



Proposal Writing Skills

Secondary School Group
(Level 2)



Your role

- Level 2: **Management Consultant**
(page 3: Question paper and guideline)
- Target company: **HKTV Mall**



Level 2 (Management Consultant)

Prepare a business proposal (商業企劃書) to:

- Part A: Review HKTV overall group financial performance for the past TWO years, for the years ended 31 December 2016 and 2017; and
- Part B: Formulate a **business [*promotion] plan of HK\$10 million** for the coming **TWO** years (i.e. for the years ending 31 December 2019 and 2020) to improve online shopping operations of HKTV in Hong Kong.



Proposal Formatting

Formatting is concerned with the look, style, & **layout** of the proposal.

- Adds to the perception that proposal is **well organised**.
- **Enhances** the **credibility** & professionalism of your proposal/ team.
- **Facilitates** the **reading** & understanding of the proposal content.
- Makes it **easy** for the **readers** (including **judges***) to **find** the **information** they are looking for.

Proposal **layout**

- Cover sheet

(Level 2)
Cover Sheet

(Please attach this cover sheet to your business proposal)

(Please complete in **BLOCK LETTERS**)

School name		
Participant information:		
Team leader		
Name*		
Form		
Email		
Contact number		
Team member 2	Name*	
Team member 3	Name*	
Team member 4 (if any)	Name*	
Team member 5 (if any)	Name*	

*The names should be identical to the one you have provided on the application form, which will be **used for** printing certificate.

Proposal **layout**

- Cover page [This page is **not** counted in the page limit]





Proposal **layout**

- Table of contents 目錄

[This page is counted in the page limit.]

Table of Contents

<i>Introduction</i>	4
<i>Questions to Ask Before Starting</i>	5
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<i>Market Analysis</i>	10
<i>Products and Services</i>	16
<i>Strategy and Implementation Summary</i>	19
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Proposal layout

Component/ mark allocation	Number of pages (English)	Number of pages (Chinese)
Executive summary 摘要 (5 marks)	Approximately 1 page	Approximately ½ page
Introduction 引言 (3 marks)	Approximately 1 page	Approximately ½ page
Part 1: Financial performance overall review (30 marks)	Approximately 4 pages	Approximately 3-1/2 pages



Proposal **layout**

Component/ mark allocation	Number of pages (English)	Number of pages (Chinese)
Part 2: Business plan (55 marks)	Approximately <i>(*not more than)</i> 9 pages	Approximately <i>(*not more than)</i> 7 pages
Conclusion 結論 (5 marks)	Approximately 1 page	Approximately ½ page
Appendices 附錄 (2 marks)	<i>This part is counted in the page limit.</i>	<i>This part is counted in the page limit.</i>
Survey questionnaire & its results (if any)	<i>This part is not counted n the page limit.</i>	<i>This part is not counted n the page limit.</i>



Proposal **layout**

Component/ mark allocation	Number of pages (English)	Number of pages (Chinese)
Full proposal (100 marks)	10 - 15 pages	8 - 12 pages

Remark 1: Page limit

- English proposal:
- $1+1+4+ 9+1+ \textit{Appendices + Table of contents}$
= **16** + *Appendices + Table of contents*



Proposal layout

Component/ mark allocation	Number of pages (English)	Number of pages (Chinese)
Full proposal (100 marks)	10 - 15 pages	8 - 12 pages

Remark 1: Page limit

- Chinese proposal:
- $\frac{1}{2} + \frac{1}{2} + 3\frac{1}{2} + 7 + \frac{1}{2} + \underline{\text{Appendices} + \text{Table of contents}} = \mathbf{12} + \underline{\text{Appendices} + \text{Table of contents}}$



Proposal layout

Component/ mark allocation	Number of pages (English)	Number of pages (Chinese)
Full proposal (100 marks)	10 - 15 pages	8 - 12 pages

Remark 2: Areas of improvement

We **should not** present our proposals in the following manners.....



• Executive summary (5 marks)

- Vision
- Current state of business
- Strategic direction of HKTV Mall's online shopping operations
- Key findings
- Main conclusion
- Key recommendations of your business plan

Direct copy from webpage


HUNG FOOK TONG

Home
繁體
簡體
Eng



源自傳統智慧·掀起草本飲食潮流

Chinese Tradition
for Modern Living
A Trendsetter in
the Chinese Herbal Industry

WHAT'S NEW

CORPORATE PROFILE

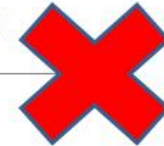
• Introduction (3 marks)

- The background
- Objectives
- **Scope** of your business proposal

Direct copy from webpage



Home
繁體
简体
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源自傳統智慧 · 掀起草本飲食潮流

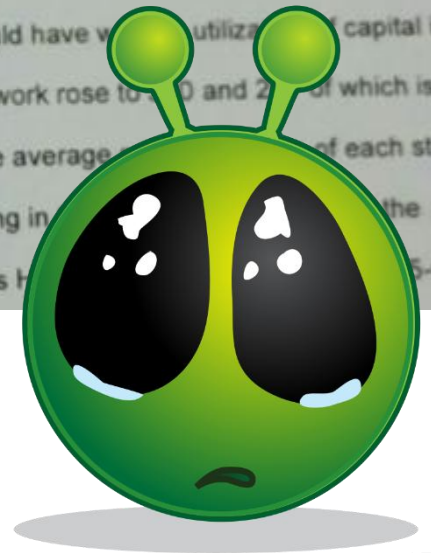
Chinese Tradition
for Modern Living
A Trendsetter in
the Chinese Herbal Industry

WHAT'S NEW

CORPORATE PROFILE

- Part 1: Financial performance overall review (30 marks)
 - Investment ratios analysis 投資效益 – **missing/ wrong answers** (C - part e)
 - Profitability 盈利能力 – **wrong answers**
 - **Long** paragraph format !!

Currently, in 2015, the overall value of retail sales in Hong Kong dropped 2.7%, while the Group's revenues increased by 11.7% to HK\$1,951,279,000 with a great improvement, which reflects that the Group performs well even under the falling-back retail market. However, the operating expenditure has also increased for 16.2%. It means that the Group should have well utilized capital in current year. The number of stores in the Group's retail network rose to 10 and 2 of which is in Hong Kong. It has increased for 10.8%. By calculations, the average of each store has only risen for 0.05%. It indicates that the reason of rising in the increase of stores. The average spending per transaction is 5-6%



- Part 2: Business plan (55 marks)
 - (a) Trend analysis [from revenue, NPBT & net profit margin] (10 marks)
 - (b) SWOT analysis (20 marks)
 - (c) Business plan – marketing expenses budget & implementation details + project impacts (25 marks)



- Part 2: Business plan (55 marks)

- SWOT analysis:

Strengths

.Hardworking
.Openminded
.Thoughtful
.Drawing

Weakness

.Very busy
.Indiscisive
.Impatient
.Get bored quickly
.Writing essays

Oppotunities

.Decide on an idea i am
.Happy to work with
.Plan ahead
.Create exciting concepts for final
.Show off the skills i have learned
through out the course.

Threats

.Lose enthusiasm in project
.Take too long to make a start
on the prtoject
.Rush and put time over quality
.Not complete by endline
.Fail corse



- Covered “advertising & promotion” only

- No marketing expenses budget & implementation details + project impacts (25 marks)



- Conclusion (5 marks)

- No conclusion is given

- Repeat “**executive summary**” (... the main conclusion & key recommendations of your business plan)

- “This is the end of our proposal. Thank you for your attention.”



Remark 3: Good proposals

Part 1: Financial performance overall review (30 marks)

Example: Investment ratio analysis

- **Clear** computation (in table format)
- **Insightful** implications (i.e. explanation)
- **Reliable** sources of facts & figures

		Investment Ratio			
Dividend Cover for Ordinary Shares Ratio	=	Net Profit after Tax and Interest - Preference Dividend	70,230,000	=	2.23 times
		Ordinary Dividend Paid	31,550,000		
Price Earning Ratio	=	Current Price per Ordinary Share	1.03	=	15.82 times
		Earnings per share	0.122		

Implication:
In terms of profitability, both return on assets and return on equity have dropped (43.8% and 43.0% decrease respectively). This indicates that the company has a lower rate of return to investors. Furthermore, the ratio of equity multiplier has increased from 1.30:1 to 1.41:1. This shows that the company has a higher reliance on debt to finance its assets, too much reliance may lead to a risk in financing. The company should try to employ more assets in the company's operations in order to obtain a better return on equity ratio.

Data quoted from International Housewares Retail Company Limited Annual Report 2015 pp. 48-49; Consolidated Income Statement of IHC for the year ended 30 April 2014, 2015 and Consolidated Balance Sheet of IHC as at 30 April 2014, 2015



- Financial analysis should **capture** the readers' **interest** and draw them to the **key points**.
- Demonstrate your financial computation & analysis have been **well thought through**.



- Part 2: Business plan (55 marks)
 - (a) Trend analysis [from revenue, NPBT & net profit margin] (10 marks)
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SWOT analysis



5.4. SWOT Analysis

Strengths

- **Low price elasticity and Stable Demand:** Major products sold by JHC are daily necessities which most households have to purchase in their daily lives. Such buying decisions are driven by habit and convenience. Therefore, the price elasticity of the products remains low, and the bargaining power of JHC is high. Hence there is still potential for the company to increase sales by increasing the price level of their products.
- **Reputation among local residents:** A popular and well-known brand name can ensure higher sales and less price sensitivity among its consumers. In our questionnaire, JHC is generally well-known to our respondents (see Appendix).
- **High coverage of goods:** JHC provides a wide range of goods and is a one-stop shop for people to buy everything useful for their homes hence will attract customers from all income segments.
- **Extensive retail network:** The number of stores has increased from 1,200 in April 2014 which are widespread in different regions across Hong Kong. JHC dominates the market and has a great market coverage. JHC dominates the market and has a great market coverage.
- **Self-reliant supply chain:** Instead of purchasing goods from external manufacturers, some of the products sold, for example, J.H.E., are produced by JHC itself thereby increasing its profit margins.

Opportunities

- **Expansion Potential:** Many of the stores are franchisee-owned. JHC can use franchise model to expand market share. They have a stable supply chain and staff training, hence a high potential for expansion.
- **Differentiated products:** JHC has successfully developed a wide range of differentiated products to cater for different customer segments.

Weaknesses

- **Selling price:** The selling price of JHC products is relatively low. A wide range of products are sold at low prices. The lack of differentiation in the products and the high bargaining power of customers can result in low profit margins.
- **Lack of differentiation:** Based on our study (see Appendix), JHC is mainly known for its low prices and not for its product quality.

Heading
Elaboration
Bold/highlight key phrases

Strength

Wide distribution network: 66.7% of the participants satisfied the store's location. 61.7% participants thought that it is convenient to shop in JHC. It is because the stores are set up in well-populated areas. It brings convenience to customers, housewives. This also provides incentive for customers to visit the stores as they are nearby.

Large variety of products: JHC has a comprehensive range of household goods with over 1000 private label products. The large global supply network allows JHC to offer a wide variety of goods. This allows JHC to cope with different needs of customers.

Well-known brand name: JHC has 25-year of development in Hong Kong. The 'JHC \$10 store' concept has gained publicity. Its products are integrated into the daily lives of Hong Kong people.

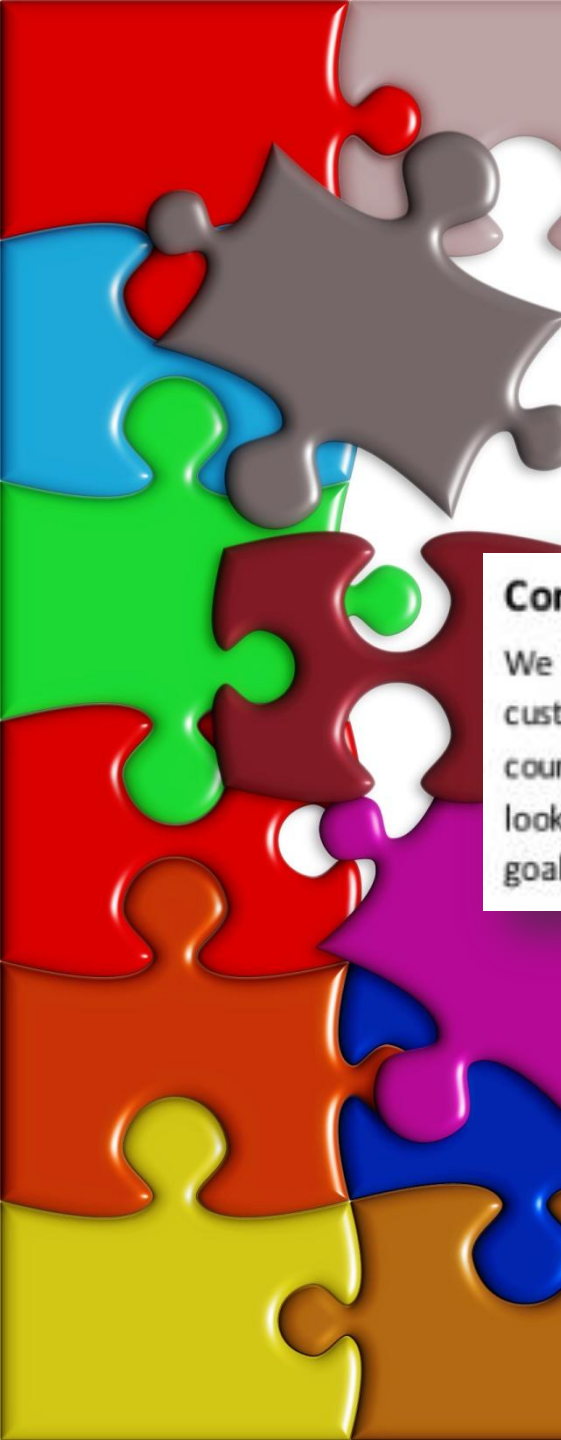
Conclusion

Conclusion:

We feel that our business will be successful and we will be able to meet the needs of our customer and give them a 100% satisfied service. Making the name of our business in the country is our target. We will put our best to make this business a successful one. We are looking forward to cover up all our expenses as mentioned in the financial part and achieve our goal in the proper way.

Your role

- Level 2: **Management Consultant**
(page 3: Question paper and guideline)
- Target company: **HKTVMall**



Question 1: What's **wrong** with this conclusion?

Conclusion:

We feel that our business will be successful and we will be able to meet the needs of our customer and give them a 100% satisfied service. Making the name of our business in the country is our target. We will put our best to make this business a successful one. We are looking forward to cover up all our expenses as mentioned in the financial part and achieve our goal in the proper way.



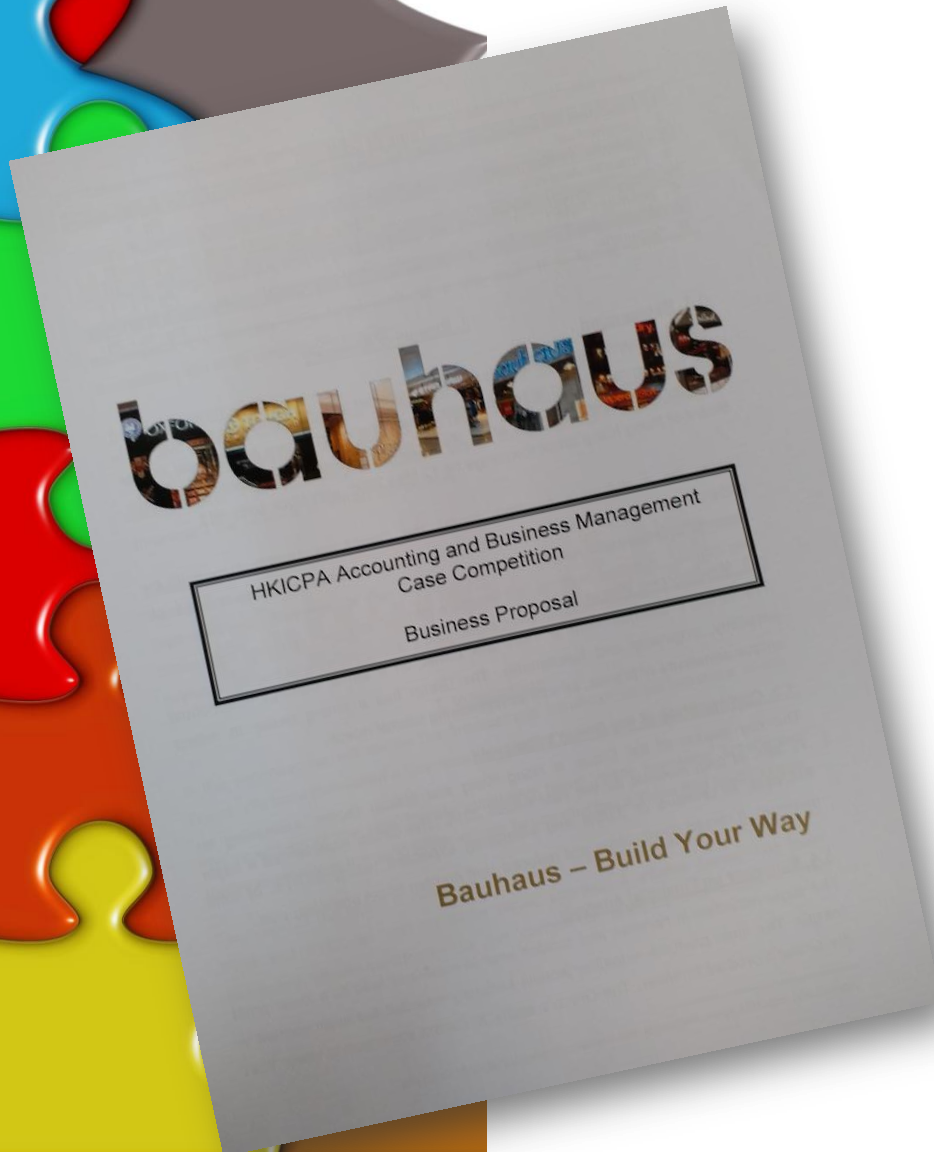
Question 2

WHEN to write **Executive Summary** 摘要 (5 marks)?

- A. Write it first
- B. Write it when we have spare time to do so
- C. Write it last
- D. A and B only

Remark 4

- Differentiation



Remark 4

- Differentiation

Q7. How would you comment on the pricing of the products in the above question in overall?
(N= 800/80)



Q8.

How much would you pay for the below product from Bauhaus? (Leather jacket)
(N= 800/80)



Q9.

If you have \$2000 to buy for products in one of the below brand's store, which brand would you prefer the most?
(N= 800/80)

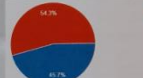


Section 7: Other Miscellaneous Questions:
Question 24: If an apparel company is frequently engaged in charitable activities, would you spend more on its stores?



- Most interviewees (56; 69.1%) would not increase their of charitable activities.

Question 25: If you acknowledge part of your spending will increase your spending?



- About 54.3% of interviews refuse to increase their spend. However, this proportion is smaller compared with Q4. Integrating charity elements into sales is more appealing than simply joining charitable activities.

- Bauhaus may create "Buy-to-donate" program to increase and polish its social image.

Question 26: Do you have sufficient time to do shopping?

Very Sufficient	Sufficient	Normal	Insufficient
14	15	27	13

Appendix (V) Brand Positioning Map

To illustrate the positioning of the Group, a perceptual map is conducted.

Different brands are arranged according to price and quality level.



- A higher quality of goods is often associated with high price. The Group aims to target the high-end market.

- Fast fashion brands (H&M, Forever 21 etc.) attract people with various low-priced goods, though quality is average.

- IT Group is the most threatening competitor



Remark 5

- Multiple submissions will be **disqualified**.
- Submission **deadline**: Before 23:59, ***18 February 2019***.





Thank you
and
see you after the break

**“Business Management
and Marketing Strategies”**

