

**BUSINESS PLAN
CONVENIENCE STORE ESTABLISHMENT IN VIETNAM**



AHMED NAWAZ

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE GRADUATE SCHOOL
STAMFORD INTERNATIONAL UNIVERSITY
MASTER OF BUSINESS ADMINISTRATION
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**The Research has been approved by
Stamford International University
The Graduate School**

Title: Convenience Store Establishment in Vietnam

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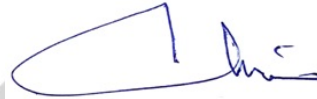
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GLOSSARY OF TERMS

CEO	Chief Executive Officer
CFO	Chief Financial Officer
GDP	Gross Domestic Products
FIE	Foreign invested enterprise
FMCG	Fast-Moving Consumer Goods
SPT	Segmentation – Positioning – Targeting
SWOT	Strength – Weakness – Opportunity – Threat
USD	United State dollar
VND	Vietnamese dong
WTO	World Trade Organization

EXECUTIVE SUMMARY

At present, despite an aggressive expansion of modern trade, the majority of FMCG products are still consumed via traditional distribution channels, such as wet markets or street shops. Meanwhile, as the life of everyone becomes more hurried, the living standard is improved, and their lifestyle is partially affected by western culture imported in Vietnam, the demand for shopping at modern trade channels has got higher. Therefore, an idea of opening a convenience store is an excellence opportunity for this point in time.

The convenience store name is T-Mart will be located at D2 Street – Ward 26 – Binh Thanh District Ho Chi Minh city, Vietnam. The objective for T-Mart for the first year breakeven and Open the second store after one year of operation, The key success factor for this business include very good customer service , positive attitude , clean and comfortable environment for shopping at a responsible price.

The total initial investment for T-Mart is 2.5 billion VND (100% invested by two main partners) According to the plan and forecast the revenue per year will be 5.5 billion VND which lead to the net profit market of 21.7%. T-Mart will be break even within one year.

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CHAPTER 1

INTRODUCTION

1.1 Business Idea and Rationale

Vietnam is appreciated as one of the five most lucrative retail markets in the world thank to its overpopulation, increasing personal income of inhabitants and improved living. Even though majority of the consumers still prefer buying from corner grocery shops than modern outlets, the modern retail channels is expected to play a crucial role in the next few years. Increasing purchasing power, changing lifestyle towards greater haste, and influence of western culture are some of the key growth drivers in the country's modern retail market.

Given rationales, they are planning to start a business – a convenience store chain the company named is T-Mart that will supply a range of everyday items. The stores will be located on roads or regions which are far from wet markets and supermarkets; and will be open 24 hours a day, and seven days a week to meet the shopping demand whenever customers need.

1.2 COMPANY SUMMARY

a. Company name

The company named is T-Mart Investment and Trading Joint Stock Company which owns a T-Mart convenience store chain.

b. Products/ Services

The company T-Mart will provide an expansive variety of groceries, fresh food, tobacco products, packaged food, bottled beverages, and ancillary merchandise such as toiletries, automotive products, and other small life essentials. In general, they will sell all daily necessities which people can need for their daily life.

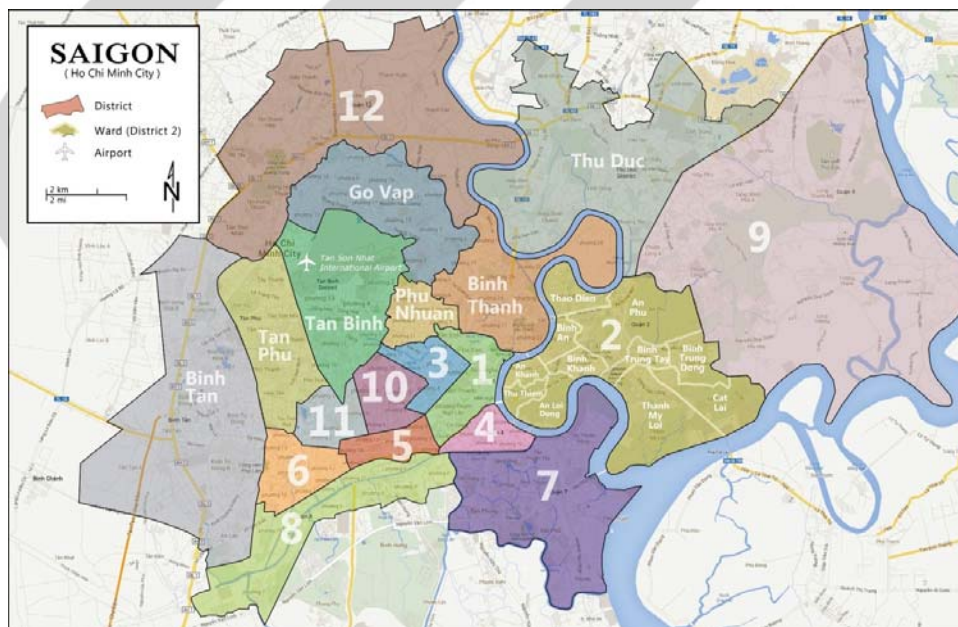
In spite of having no outstanding advantages regarding supply chain, they will take effort to contact with manufacturers and/or distributors of all these product lines (upon locally-produced or imported ones) with a desire that customers can get all needs as coming to our store.

c. Company ownership

In the ownership structure of the company T-Mart Investment and Trading Joint Stock Company, Mrs Ha Naree and Mr. Ahmed Nawaz hold the same stakes (50% - 50%). They are those who have passion for business and abundant experience in the business and finance, which is a good base for project implementation. (The additional information is inclusive in SWOT analysis section).

d. Company location

Indeed, location is every critical to convenience business. It should be chosen provided that it makes clients comfortable to shop there as its name implies. Catching up this importance, they intend to rent a business premise in a crowded resident area, and there are also many offices here and especially no traditional markets and supermarkets within a radius of 3 kilometres. It is on D2 street – Ward 26 – Binh Thanh District. Furthermore, the rental on this street is not too expensive compared to that in central districts.





e. Vision

Be branded convenience store which can compete directly with foreign-owned ones being present in Vietnam such as Shop & Go, Family Mart, and 7-Eleven, etc.

f. Mission

The convenience store is established with a hope of bringing the best comfort to clients. It also commits to serve clients with a friendly and enthusiastic attitude at a competitive price. The company plans to provide a 24-hour service to customers, for their convenience, making it easy for them to drop in and pick up something that they may have forgotten to get at the grocery store, or could drop in and get some coffee or a sandwich, make a money transfer, top up their phones or pay a bill. The company will also provide a good salary and rewarding working environment for its employee and make a healthy profit margin for its owners.

g. Objective

- The company expects to:
- Break even within one year.
- Open the second store after one year of operation.
- Be well recognized by customer in Ho Chi Minh city.



CHAPTER 2

MARKET ANALYSIS

2.1. EXTERNAL FACTORS

2.1.1 Macro environment

a. Political factors

Vietnam is a nation having political stabilization under the leadership of one party - Communist party. Since the renovation in 1986 and the market-oriented reform in 1989, Vietnam's economy saw significant changes. Especially, after joining the World Trade Organization (WTO), many business sectors, inclusive of retail industry, have been liberated from a very tight control. Since 2008, foreign investors were allowed to possess 49% of capital in the joint ventures. From the beginning of 2009, fully foreign-owned companies can be established and operate independently in the market, leading to the birth of many foreign retail outlets.

Until 2015, under the WTO terms, Vietnam retail market will be opened completely for foreign organizations, which will create a very competitive environment and boost the development of the market even further, on one side. Yet, on the other hand, more popularity in Vietnam's retail market will bring intense competitive pressure for domestic retailers.

b. Economic factors

In consecutive years, Vietnam was always one of the high-growing economies before 2008. Nominal GDP continued to climb with a two-digit growth rate. Thereby, the personal income of Vietnamese people was improved. From a poor country with a close market, Vietnam has become a middle-income country. This is a driver to a boom of Vietnam's retail market prior to 2008.

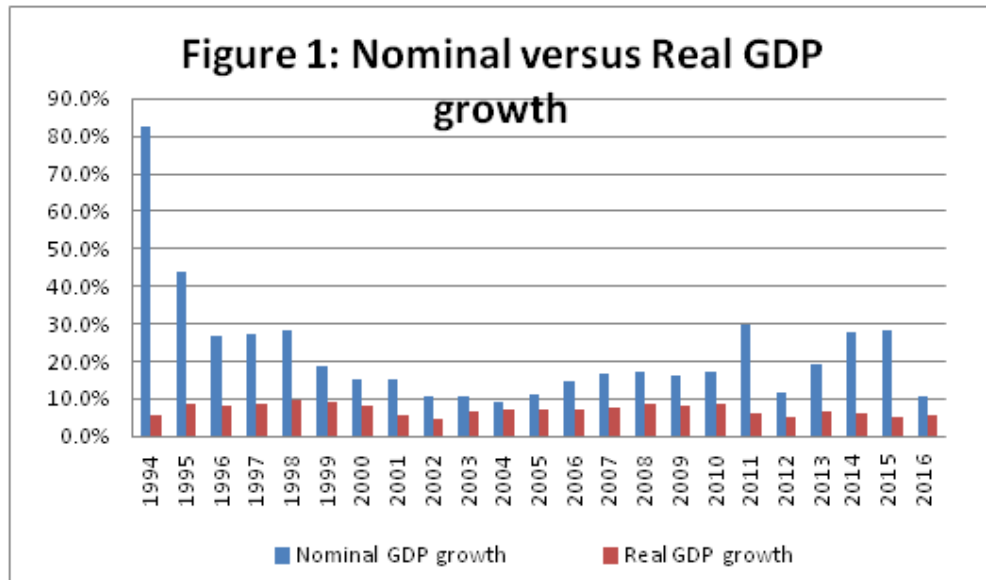


Figure 2.1: Nominal versus real GDP growth

Source: Statistics yearbook, vietstock 2016

Though its growth pace slowed down due to negative influences from global financial crisis and economic recession from 2011, Vietnam's economy has gradually rebounded. A recovered economic growth and well-controlled inflation is expected to lead to a rise in purchasing power and consumer spending on retail products.

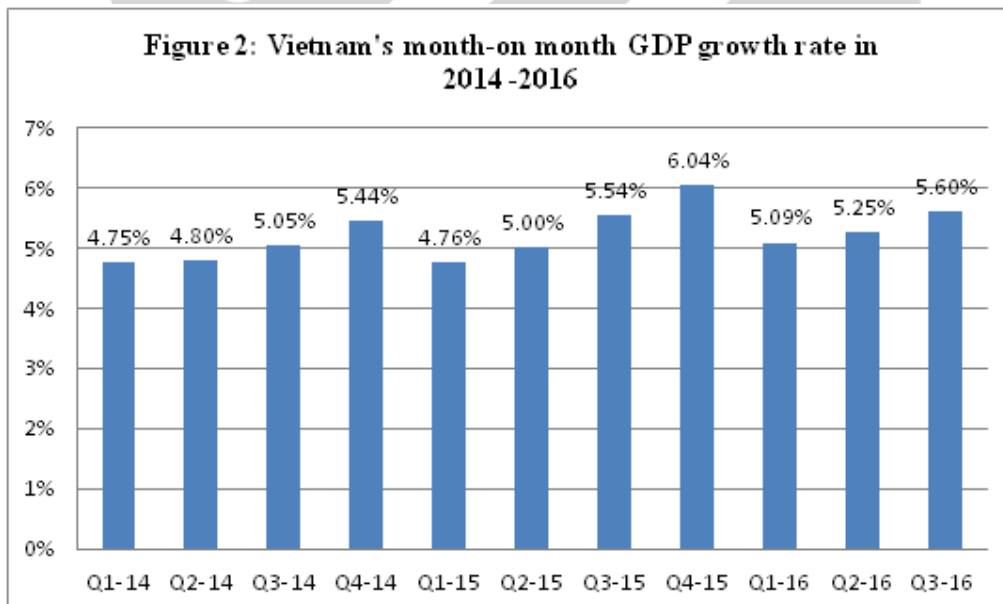


Figure 2.2: Vietnam's month -on-month GDP growth rate in 2014-2016

Source: World Bank, Year 2016

c. Social factors

Social factors (i.e. population, the well-off of inhabitants, and lifestyle, etc.) have critical effects on the retail industry. First, Vietnam is an over-populated nation. As of early November 2016, the country already reached the 90 million citizens. Population is one of the key drivers for retail market growth, as the bigger the population size is, the bigger the demand for retail products becomes. And Vietnam has this advantage.

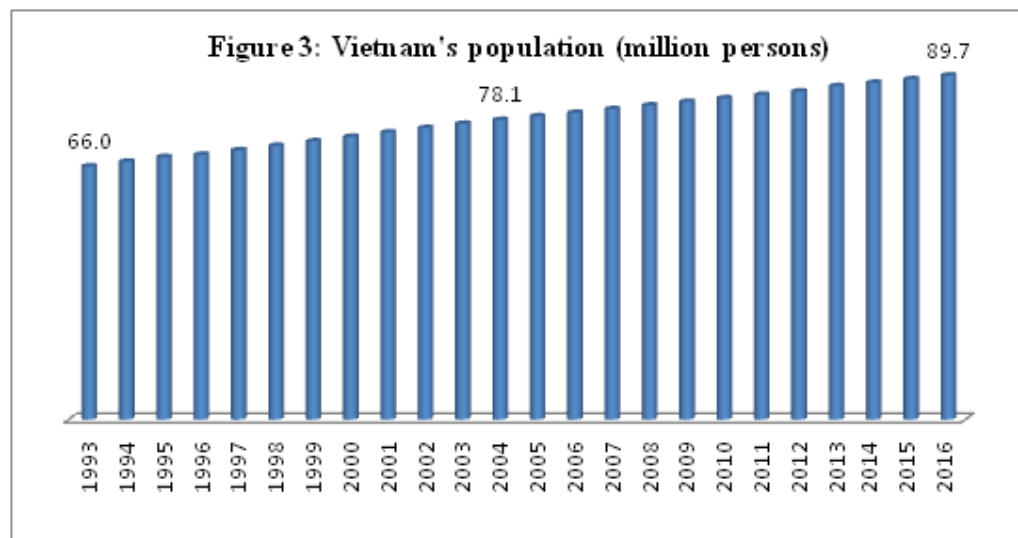


Figure 2.3: Vietnam's population

Source: Statistics yearbook Vietstock 2016

Meanwhile, the disposable income per capita has been on rise. From a poor country, Vietnam has become a middle-income country with average personal income per capita in urban and rural is VND3 million and VND1.5 million per month respectively. They are nearly four-fold more than the figures for 2006, which certainly pushes up purchasing power and consumer spending.

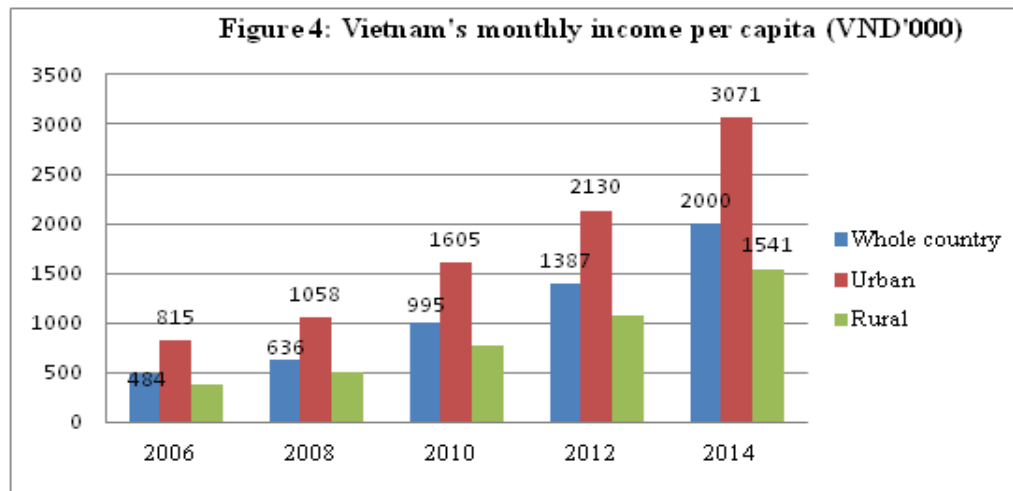


Figure 2.4: Vietnam's monthly income
Source: Statistics yearbook Vietstock 2015

In addition, the consumer behaviour of Vietnamese people is changing as their life becomes more hurried. Previously, Vietnamese housewives often go to wet markets every morning for their daily meals. Yet, today, they also go to office as their husbands. Therefore, they have less time fund for meal preparation. Thus, they go to mini-marts or convenience stores each evening instead. Specifically, they want everything related to their daily meals to be faster, more convenient, safer and more stable prices. These can be all enjoyed in convenience stores. As a result, the demand for shopping at convenience stores has been increased.

d. Technological factors

Technology is changing the consumer habit of Vietnamese people. Everyone prefers to get goods online or via telephone in order to enjoy door-to-door delivery service. Besides, to retain customers' loyalty, retailers often build up recorder software to monitor their purchase volume. Given these records, the retailers then offer discount or promotion programs. Almost all retailers follow this way. Therefore, to survive in this competitive environment, new set-ups should invest in the technology to bring convenience and benefits to customers.

e. Environmental factors

Today, pollution is an issue worth of considering. Any business is also required to have social responsibility. As for the convenience store business, if your store's product list includes kinds of fresh food (i.e. fresh meat or fish), equipping with a drainage treatment system is a must; otherwise, your store will be fined.

f. Legal factors

To operate a convenience store, added to getting a business license, retailers must also have food hygiene and safety certificates (if it provides kinds of fresh meat). Moreover, to possibly develop sustainably, the registration of proprietary brand name with Intellectual Property Department is a must in order to prevent your brand name from being mimicked in a day when your convenience store chain has a certain reputation.

2.1.2 Porter five forces

(Competition between T-Mart and other retailers)

Porter's five forces analysis in 1979, a young economist and associate professor, Michael E. Porter, published his first article in Harvard Business Review with title "How Competitive Forces Shape Strategy" (Michael E. Porter 2008) and started a revolution in the strategy field. In the following decades, this theory was the tool to study the strategy for companies, corporations and even nations.

Porter's Five Forces is demonstrated in the figure:

The Five Forces That Shape Industry Competition



Figure 2.5: Porter's Five Forces (Porter)

Source: Google image

Five Forces mentioned by Porter were Threat of New Entrants, Bargaining Power of Buyers, Threat of Substitute Products or Services, Bargaining Power of Suppliers, Rivalry among Existing Competitors. Strong competitive forces will be the barriers for the company to gain profits, and on the contrary, weak competitive forces will give opportunities to earn more profits. Managers' duty is to recognize how these forces change and establish an appropriate for the firm.

For the case of T-Mart and Vietnamese retail market, Porter's Five Forces can also applied:

a. Threat of New Entrants:

Vietnam, with big population and people's increasing income, is a promising market for retail development. Together with existing retailers, many international groups have just entered or having the intention of entering the country. The biggest retail group in Japan, AEON, opened its first AEON mall in Ho Chi Minh City, Vietnam in the beginning of 2014. Central Group from Thailand is also building the first store "Robins" to begin the operation this year in Hanoi. Besides, other big corporations are showing their interests in the market such as Walmart, Tesco, etc. Therefore, the pressure for T-Mart is really intense.

b. Bargaining Power of Buyers:

The price in T-Mart stores is reasonable and often cheaper than other supermarkets. It is just higher than in traditional markets but the quality of items is much better. As the result, the pressure for T-Mart in this force is just in low level.

c. Bargaining Power of Suppliers:

Items available in T-Mart store come from many different suppliers who are substitutable. These suppliers do not want to lose their presence in the store. So as similar as the bargaining power of buyers, this force is in low pressure.

d. Threat of Substitute Products:

There are many supermarkets and shopping centers in Vietnam today. The completion is therefore is harsh. The pressure for T-Mart is high.

e. Rivalry Among Existing Competitors:

Metro, AEON, Robins, Lotte Mart, etc. from big international groups have all been present in Vietnam and compete to obtain the market share. In addition, local retail companies are getting stronger and stronger. The pressure is high.

2.1.3. Competitor's analysis:

At the moment, although Vietnam has 750 supermarkets, 130 trade centers and more than 1000 convenient stores together with about 9000 traditional markets (H. Nguyen 2015), the completion in retail industry mainly happens among three big names: Co.opmart, Big C and Metro.

2.1.4. Micro environment

a. Vietnam's retail market

Market size

Vietnam's retail market has been quite potential to investors or businessmen who are wanting to entry into. During nearly 10 last years, retail sales has risen by over 22% per annum, except a slow-down in 2012-2013 due to negative impacts from the local economic recession. According to the statistics yearbook, as of the end of 2013, retail sales of the whole country reached VND1,976 thousand of billion, of which Ho Chi Minh accounted for 22.16%.

Regarding its attractiveness, Vietnam consistently ranked in Top 10 Retail Markets by GRDI during 2001-2011¹. Meanwhile, pursuant to the 2013 Global Retail Development Index, despite being downgraded, Vietnam remained in Top 30 of the most appealing retail markets with a two-digit growth rate.

¹



Figure 2.6: Vietnam's retail sales

Source: Statistic yearbook (Year 2013)

Prospects

In next 5 years, the potential of Vietnam's retail industry is still evaluated to be positive given many driving forces such as crowded population, increasing personal income and fast urbanization rate. Besides, Vietnam's economy is gradually recovering, typically illustrated by a controlled inflation rate (6.04% in 2016, the lowest record for last 10 years) and rebounded economic growth rate. In addition, lower trade barriers and some favourable state regulations are also factors driving to its attractiveness.

Distribution channels

Vietnam's retail industry has two key distribution channels, namely traditional and modern trade. Traditional trade includes wet markets, grocery outlets, and street vendors. At present, traditional trade keeps on leading the retail landscape in Vietnam, but is gradually losing its market share. Meanwhile, non-grocery categories or modern retail channels (i.e. supermarkets, hypermarkets or convenience stores) are showing an impressive growth

Table 2.1: Total number of wet markets, non-grocery categories, and trade buildings in Vietnam

	Wet markets		Non-grocery categories		Trade building	
	Number (Unit)	Growth rate (%)	Number (Unit)	Growth rate (%)	Number (Unit)	Growth rate (%)
2011	7,871		385		72	
2012	8,495	7.93%	451	17.14%	85	18.06%
2013	8,528	0.39%	571	26.61%	101	18.82%
2014	8,550	0.26%	638	11.73%	116	14.85%
2015	8,547	-0.04%	659	3.29%	115	-0.86%

Note: Non-grocery categories include supermarkets, hypermarkets and convenience

Source: Vietnam's 2015 Statistics yearbook

As of the end of 2015, there were 8,547 wet markets, 659 non-grocery categories and 115 trade buildings nationwide. Most of modern retail is mainly concentrated in a handful of big cities. Of total non-grocery categories and trade buildings nationwide, those in Ho Chi Minh City and Ha Noi makes up 24.3% and 14.9% respectively.

Table 2.2: The number of wet markets, non-grocery categories and trade buildings in Ho Chi Minh City and Ha Noi.

	Ho Chi Minh			Ha Noi		
	Wet markets	Non-grocery categories	Trade building	Wet markets	Non-grocery categories	Trade building
2011	238	82	18	362	59	11
2012	249	87	21	410	78	13
2013	255	142	24	411	74	18
2014	247	152	27	411	88	20
2015	243	162	26	414	100	15

Source: Vietnam's 2015 Statistics yearbook

Non-grocery categories are modern retail channels selling variety of goods with quality assurance, and meeting the standards of business area, technical equipment and level of business management. They can be mixed or specialized supermarkets. Pursuant to the

classification stipulated in Decision No. 1371/2004/QĐ-BTM about supermarkets and commercial centre business dated 24 September 2004, they are categorized as follows:

Category	Business area (m ²)	Number of items sold	examples
Supermarket class 1	≥ 5,000 m ²	≥ 20,000 items	Co.op Mart Lotte Mart
Specialized class 1	≥ 1,000 m ²	≥ 2,000 items	Nguyen Kim Electronics Supermarket
Supermarket class 2	≥ 2,000 m ²	≥ 10,000 items	N/A
Specialized class 2	≥ 500 m ²	≥ 1,000 items	Guardian (cosmetics)
Supermarket class 3 (or called convenience store)	≥ 500 m ²	≥ 4,000 items	Shop & Go
Specialized class 3 (or called specialized convenience store)	≥ 250 m ²	≥ 500 items	Co.op Food Medicare

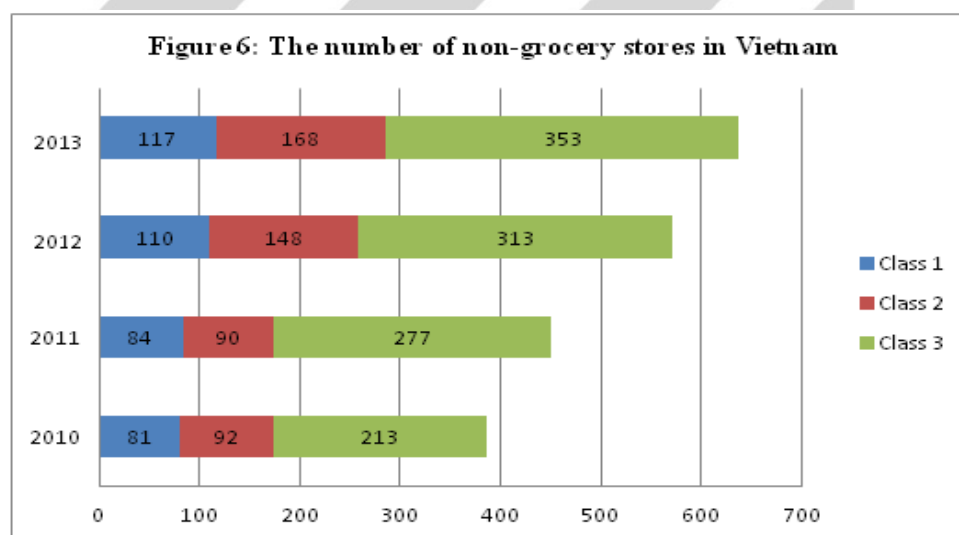


Figure .2.7: The number of non –grocery stores in Vietnam

Source: Vietnam's 2014 Statistics yearbook

b. Convenience store segment

Market size and prospect

Despite no official statistics publicized, the number of street shops was estimated around 180,000 units in a report of Thang Long Securities Company in 2008. They are a part of Vietnamese culture. People like shopping there due to their convenience, accessibility and service.

Yet, in recent 5 years, the convenience store has emerged as an alternative to street shop. In fact, the scale and model of these two businesses are virtually similar, but the convenience store is more methodically managed in terms of pricing, serving style, product display, etc.

In a popularized trend of the modern trade channels, many people begin to shift into shopping at convenience stores instead of street shops as before. There are many rationales for this changed consumer behaviour. First, goods/commodities are quoted at a standard price, which helps consumers not being charged at unfair price. Second, the quality of commodities/ goods there are better-controlled, which enables them not to get counterfeits. The third is related to serving attitude. Everyone does not need to hesitate leaving the store without any goods to buy. Meanwhile, if the same circumstance goes on at a street shop, its owner often expresses an irritated or rude attitude to the customer. Fourth, street shops are often only open until 8 – 9 p.m or open whenever their owners want while some convenience stores are open 24 hours a day and 7 days per week.

Perhaps thanks to the aforementioned rationales, the sales of mini supermarkets and convenience stores have rocketed for recent years, especially up 74% in 2016 (stated in “2016 FMCG Monitor” of Kantar), and is accounting for 5% of total retail sales via all distribution channels (about VND98,350 billion)². Also in this report, it was estimated that only 10% of urban households shopped FMCG at mini supermarkets or convenience stores at least once a year. Meanwhile, one in each 5 urban households purchases their necessities there at least once a year, and spends about VND 90,000 for a visit. Moreover, Kantar also forecasts that every urban household will likely shop at convenience stores at least once year.

Key market players & Competition

Due to the prospect and attractiveness of the convenience store segment, the existing players have expanded their distribution network whilst many new players have entered the market. Especially, hypermarkets and supermarkets have also opened their own convenience stores to meet the market demand. Besides, the segment has both foreign and local brand names.

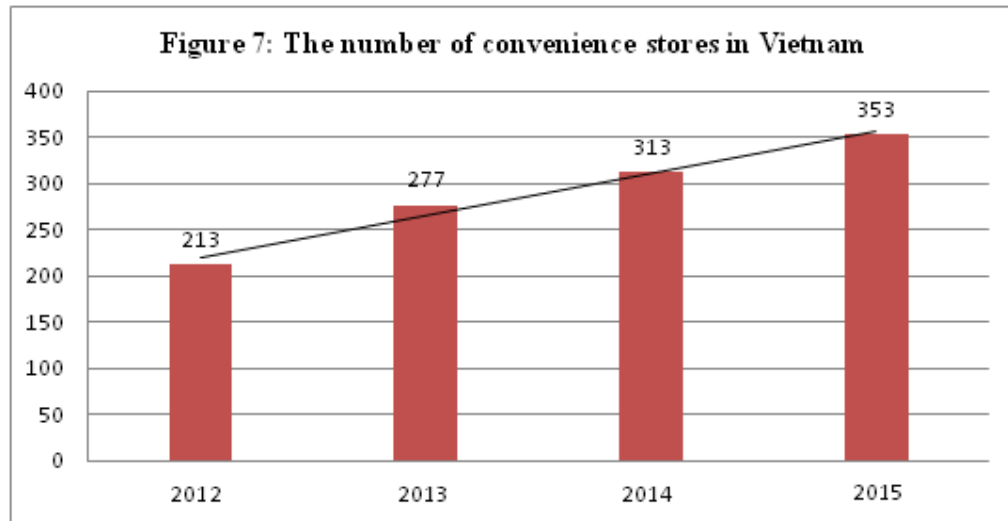


Figure 2.8: The number of convenience stores in Vietnam

Source: Vietnam's Statistics yearbook (Year 2016)

Some key local players include Co.op Food (of Co.op Mart), Satra Food (of Satra Group), G7 Mart (of Trung Nguyen Coffee Company), and Visan's store chain, etc. Foreign brand names having presence in Vietnam are Circle K, Speedy, Small Mart 24h/7, Seven Eleven, Family Mart, Shop & Go, and Guardian.

c. Experiences in supermarket operation in the world

Store design principles

According to the "core principles for supermarket Aisle management" report of Ron Larson (2006), many supermarkets placed popular perishable products at the back of the store to encourage shoppers to travel through the entire store. Meanwhile, high-margin categories were placed between two high-penetration categories to boost their visibility and sales.

Product display principles

It is particularly important for retailers to highlight the items they want to sell and the items consumers are looking for. Yet, it is notable that this may not involve making products easier to find. One common principle is that brands should be always grouped together to create “billboard” effects. In addition, customers’ consumer behaviours are also affected by how products are organized on the shelf. Pursuant to Smith and Burns (1996), retailers should display a limited of discounted items at a store’s entrance to give customers a positive first impression of “low prices”.

2.2 INTERNAL FACTORS

It is sometimes possible to start up a business with nothing in hand. Meanwhile, T-Mart have a strong passion for doing business and insight of the retail sector. With many years of experience of Mrs. Ha Naree (a founder member) in Big C supermarket chain, she completely knows what product lines are better-sellers and has relations with many big suppliers in the retail sector. All of these things are helpful in the start-up of convenience store chain.

Another critical task is to choose a good location for the business. Indeed, location is every critical to convenience business. It should be chosen provided that it makes clients comfortable to shop there as its name implies. Catching up this importance, they have already selected a rental in a crowded resident area and there are also many offices here and especially no traditional markets and supermarkets within a radius of 3 kilometres. It is on D2 street – Ward 26 – Binh Thanh District, Ho Chi Minh city. Furthermore, the rental on this street is not too expensive compared to that on central districts.

CHAPTER 3

MARKET STP AND SWOT ANALYSIS

3.1 Market segmentation – targeting – positioning (STP)

a. Market segmentation

In this segment, there are several kinds of convenience stores. For instance, some, specialize in offering packaged and fresh food (i.e. Visan stores), some others sell both food and personal care products (i.e. Co.op Food of Saigon Co.op), or some others only sell cosmetics (i.e. Guardian), and so on.

Besides, in regards to the target client base, convenience stores can be classified into two categories. One offers high-priced products to serve high-income consumers. For instance, some stores specialize in supplying imported meats, fishes or fruits. The others aim at middle-class customers; typically, Co.op Food sells all the most popular middle-priced household necessities.

b. Market targeting

As introduced above, T-Mart will operate as a one-stop shop where all daily household necessities are offered. And, they intend to target at a client base to be middle-class families with average monthly household expenditure of around VND 1,500,000 – 3,000,000. A rationale for targeting at this client base is because this group makes up a majority of Vietnam's population. Although the store is expected to earn a lower gross margin as serving them, the goods are sold at a much higher turnover rate, which will limit fresh food from being ripening or stinking and will lead a better working capital turnover.

c. Market positioning

Given the targeted client base, T-Mart will position itself as a middle-end one-stop shop that mainly serves popular or middle-priced household necessities. That means our key focus is being the best in the neighbourhood for all middle-class housewives.

3.2 SWOT analysis

They decide to enter the convenience store business because they find out the market opportunities to get money here. In addition, they themselves believe their strengths suitable with this business model. Even though any business has, in fact, potential risks, they will make their best to take advantage of the strengths and size the market opportunities to overcome weaknesses and mitigate risks and threats.

a. Strength

Mrs. Ha Naree and Mr. Ahmed Nawaz (founder members) have a good background for this business. Mrs. Ha used to work as a head of Purchasing Department of Big C supermarket chain. Thereby, she not only has relationship with FMCG suppliers but also understand comprehensively their sales policies (in terms of discount rates, credit terms, etc.). Given that, the information she gives is very helpful to preliminarily-evaluate the feasibility of this project, and to make draft estimation of capital needs in order to settle it in preparation for a smooth operation. Meanwhile, Mr. Ahmed Nawaz has a passion for business and a lot of experience in financial control. They believe to overcome all possible difficulties in the process of conducting the project by our passion, enthusiasm and experience.

Most importantly, their initial equity is relatively high in relation to this business model. This will probably prevent the Company from falling into a financial distress or loan interest payment pressure in case that the sales of T-Mart fail to go on as initially expected.

b. Weakness

It is the first time for both of them to do the business. Therefore, their critical weakness is the lack of practical experience in business. They are also not good at marketing and sales. Thoroughly aware of our weaknesses, they will make their efforts to surmount them by recruiting a well-experienced Marketing & Sales Manager.

c. Opportunity

While the passion is regarded as a cornerstone urging us to do business, recognizing a good market opportunity in this segment is a motivation to enter. As presented in chapter 2, the modern retailing generally and convenience store business particularly has a good growth potential in the future thanks to increasingly high demand. Key driving forces to the high market demand include (1) over-population of Vietnam, and (2) increased consumer spending owing to personal income per capita on rise, a gradual economic rebound and a speed-up in urbanization rate in Vietnam.

d. Threat

In Vietnam, it is not simple for all (even Vietnamese individuals or legal entities) to get a business license despite the Government's encouragement to develop modern retail channels. Getting a business license smoothly sometimes requires "under-the-table" expenses. To eliminate the problem, they will outsource to a legal company, who specializes in consulting on business licenses, to get it.

Another threat to the business success is an increasingly stronger competition in this segment with more penetration of new players, especially foreign ones who have many experiences in retailing in the world.

CHAPTER 4

STRATEGY & IMPLEMENTATION

4.1 Marketing strategy

As M.J. Baker (2003) states, the marketing mix is the only way to maximize customer satisfaction and it results in higher sales and market share. The marketing mix consists of four key elements, namely products, place, price and promotion. T-Mart will also follow this set of the marketing tool.

a. Products

T-Mart will provide an expansive variety of common low-price daily necessities including groceries, fresh food, tobacco products, packaged food, bottled beverages, and ancillary merchandise such as toiletries, automotive products, and other small life essentials from local suppliers.

b. Place

As referred in the <Company location> section, the first store as well as the following ones in T-Mart chain will be located at areas crowded of residence and offices. The strategic advantages of this location are, very close to commercial & residential area, here are no wet markets and supermarkets within their radius of 3 kilometres.

c. Price

T-Mart convenience store will use price penetration strategies. The average product items price will be around 5% cheaper than other competitors. T-Mart can be success by this strategy by using more efficient inventory, and procurement system.

d. Promotion

Added to the location, the store format is also regarded as an efficient way to promote and position the brand name while product display (or the presentation of products) is important to get the attention of consumers. Thus, in order to capture attention of consumers, T-Mart will use prominent signs at the store location that will be visible to both drivers and passers-by. This will create immediate awareness of the Company's brand name.

At the onset of operations, the company intend to distribute a number of coupons to households surrounding the store that will provide incentives for customers to come to it. If so, many of the initial customers will be drawn to the unique nature of the store and will then have the opportunity to realize the cost savings from the store.

In addition, leaflets will be distributed on a weekly basis to inform customers the discount/ promotion programs of the store, which is also regarded as an efficient way to be reminiscent of the store in customers' mind. This enables the store to develop a regular client base.

4.2 SALES STRATEGY

a. Sales strategy

T-Mart will aim to increase customer loyalty in their stores. Loyal customers are those who repeatedly come back each week. One way, they think, to build a repeat customer base is through loyalty programs. Loyalty programs are designed to reward customers according to their purchase volumes. These rewards may include coupons on popular items or even free products. They intend to distribute magnetic stripe cards to track customers' purchases.

b. Sales forecast

At the onset of operation when everyone does not yet know who T-Mart is, the frequency rate of customers' visit to the store will be low, but will gradually climb to 120 visits per day on average in the late months of the first year.

Table 4.1: Sales forecast for T-Mart

Month of the 1 st year	Number of clients' visit per day (visit)	Average shopping expenditure per person (VND/person)	Daily sales (VND)	Total monthly sales (VND)
1	40	150,000	6,000,000	180,000,000
2	60	150,000	9,000,000	270,000,000
3	80	150,000	12,000,000	360,000,000
4	100	150,000	15,000,000	450,000,000
5	120	150,000	18,000,000	540,000,000
6	120	150,000	18,000,000	540,000,000
7	120	150,000	18,000,000	540,000,000
8	120	150,000	18,000,000	540,000,000
9	120	150,000	18,000,000	540,000,000
10	120	150,000	18,000,000	540,000,000
11	120	150,000	18,000,000	540,000,000
12	120	150,000	18,000,000	540,000,000

However, as expanding store network, T-Mart brand name will be already familiar to everyone. Therefore, the frequency rate of customers' visit to the new stores will be high right at onset of their operation. It is also assumed to be averagely 120 visits per day.

4.3 Human resource strategy

The business model of any supermarket empirically depends on its size. Our project consists of two phases.

a. Phase 1

Strategy

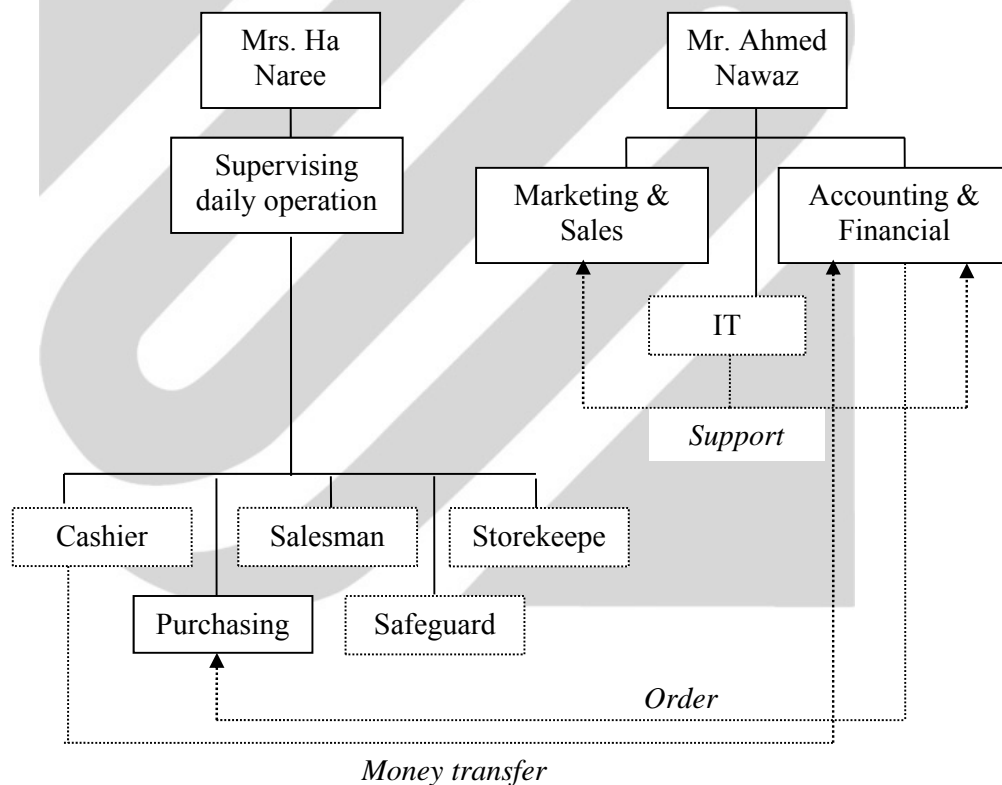
In the first stage when T-Mart has only a store, the organization structure will be simplified to economize costs. Owing to its small scale and maybe not high

turnover, our human resource strategy is to condense headcounts in a minimum in order to attain financial efficiency. Accordingly, they, two founder members, will directly get involved in daily operation and undertake some key tasks to limit risks. Besides, an employee can be in charge of several different tasks simultaneously. Some positions will be shift work for cost-efficiency. After recruiting, they will train staffs in a professional manner.

In this stage, the Company will have an incomplete organization structure that will not have CEO and Deputy CEO yet. Mrs. Ha Naree and Mr. Ahmed Nawaz are co-founders, holders of the same ownership and have the same position level.

Organizational structure

Diagram 4.1: Organizational chart for Phase 1



On realizing the strategy above, Mr. Ahmed Nawaz will be in charge of accounting and financial control and marketing sales. Accordingly, Mr. Ahmed Nawaz will directly act as a financial controller, but tasks related to marketing, sales and customer service will be done by an employed Marketing and Sales Manager and reported to me. The financial controller is here responsible for book-keeping all daily transactions,

controlling inventory and balancing capital structure. Furthermore, IT-related task is done by an IT staff and reported to me.

Meanwhile, Mrs. Ha Naree will undertake to supervise the daily operation. Accordingly, she will directly act as a Purchasing Manager who is responsible for contacting with suppliers and ordering goods upon the inventory controller's request. Moreover, she is also in charge of managing and supervising cashiers, salesmen, storekeeper and outsourced safeguards³.

The store will recruit salesmen and cashiers as part-time employees. A day is divided into two shifts. In each shift, there will always have two salesmen and two cashiers at the store simultaneously to serve customers promptly. A salesman will be responsible for (re)arranging goods on the shelves neatly and instructing customers to the right shelves/places if necessary, and the other one will undertake to weigh products at area of fresh food (i.e. vegetable, meat, fish). Meanwhile, the cashiers will be in charge of calculating customers' bills and collecting payment. Everyday the cashier who works in the ending shift will hand over money to financial controller (me).

All goods sold are immediately recorded in the system as soon as the cashier calculates customers' bills. Thereby, the financial controller Mr. Ahmed Nawaz can monitor how many inventories in stock or what goods the store is lacking in order then to send an order request to the purchasing division (Mrs. Ha) in the next morning. Given this order request, Mrs. Ha Naree will order them.

When suppliers deliver goods to the store, the storekeeper will be responsible for checking and counting goods. He will also be in charge of monitoring goods getting in or out from the stock.

As aforementioned, both Mrs. Ha Naree and Mr. Ahmed Nawaz do not have experience in marketing and sales. Therefore, the Company will employ a headcount as Marketing and Sales Manager who is responsible for drawing sales and promotion programs, and designing leaflets or shopping manuals. Yet, all what he does will be submitted to Mr Ahmed Nawaz.

Mr. Ahmed Nawaz other responsibility is to make tax reports on the monthly or quarterly basis.

IT staff will support Mr. Ahmed Nawaz if any errors of the accounting software happen and/or support the marketing and sales manager in writing software for online sales strategy.

b. Phase 2

Strategy

In the second stage when T-Mart brand name is popular to housewives and has a certain volume of clients, they will expand our business via opening more stores. Correspondingly, they will also have a personnel expansion plan that means the organizational structure will be changed.

At that time, Mrs. Ha Naree and Mr. Ahmed Nawaz will leave daily detailed job, and hold top management positions instead. Accordingly, Mr. Ahmed Nawaz will be appointed as CEO and Mrs. Ha Naree will be Deputy CEO. Mr. Ahmed Nawaz will control the finance-related issues and Mrs. Ha Naree will control the other departments. Yet, each department will be directly managed by its employed manager. (Please see the diagram below).

Obviously, the Company will have a training course for each recruitment in order to ensure that new employees will serve customers in T-Mart serving style.

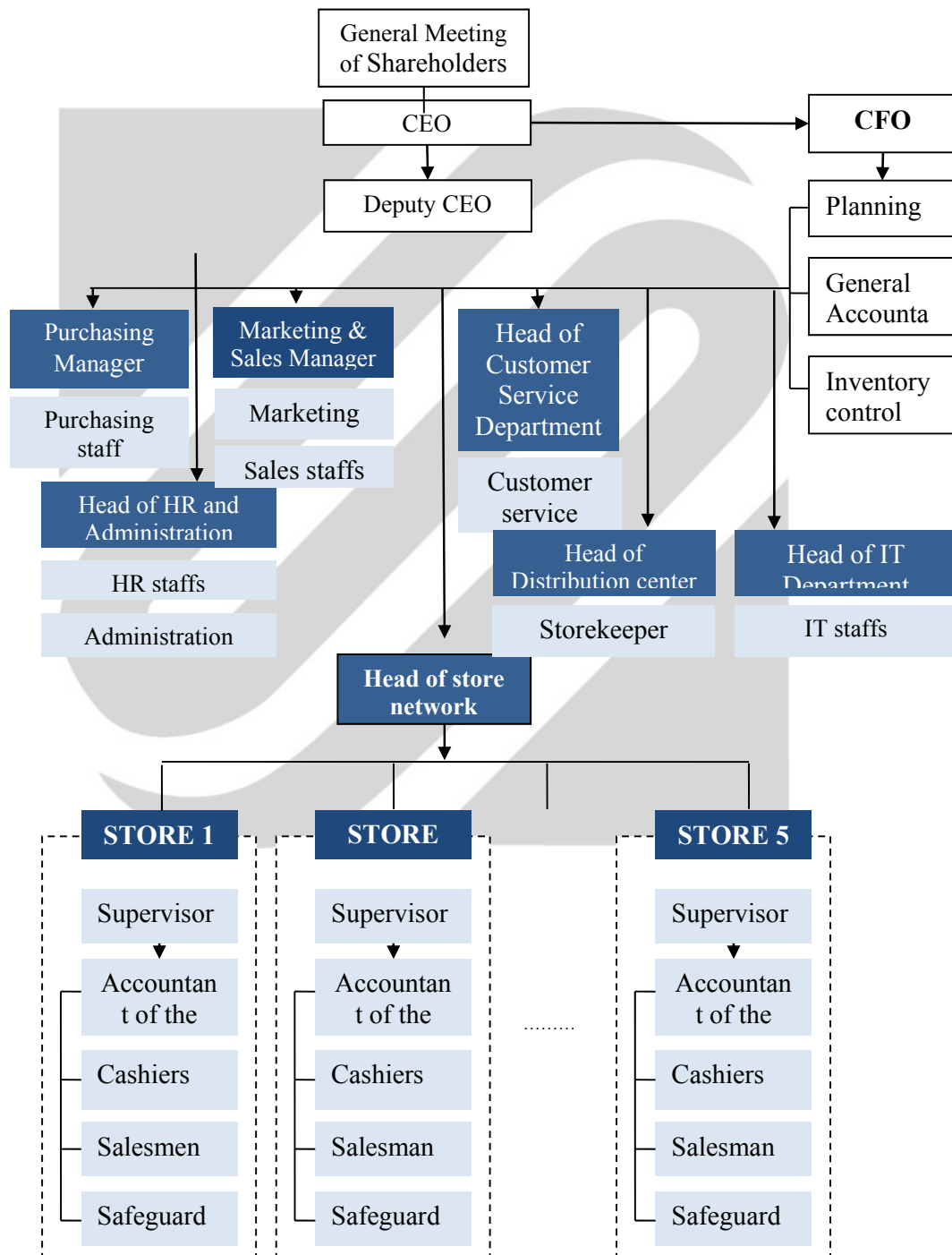
Organization structure

In this organization structure, the Company will have such departments as Financial Department (whose head is CFO), Purchasing Department, Marketing and Sales Department, Customer Service Department, IT Department, and Human Resource and Administration Department. Besides, the Company will have a distribution centre located in a place separated from the headquarter.

Marketing and Sales Department will be in charge of building up marketing and sales strategies for each period. The marketing strategy is related to making advertising programs on TV or newspapers, designing periodical shopping manuals, leaflets or panels stucked on bus stations, or making product display. Meanwhile, the sales strategy includes sales promotions or discount programs, etc.

Customer Service Department will come up with customer retention strategy (for instance, customer loyalty and membership cards, delivery service, or answering all questions of customers if necessary)

Diagram 4.2: Organizational chart for Phase 2



IT Department will give technical support to all departments if necessary, and especially to Sales Department in terms of uploading images of new or discounted products, etc.

Financial Department will control finance-related issues. It will make periodical general accounting and tax reports, monitor and control inventories in stock and the volume of goods remained in each store in order then to make purchasing plans and settle capital.

Purchasing Department will look for and contact with suppliers, and order goods upon the purchasing plan sent from Financial Department.

Human resource and Administration Department will include two sub-divisions, of which one will be in charge of recruitment and training and the other one will undertake all administrative (back-office) tasks. The administration sub-division will also manage the outsourced safeguard team.

Another key different point in this stage compared to the previous stage is to have a distribution centre. In the first phase of operation as T-Mart has below two stores, the storage will be placed at the second floor or the store for convenience and cost saving. However, after its distribution expansion, they will rent a separate warehouse as a distribution centre at another location. This distribution centre operates 24 hours a day. Everyday, goods will be shipped from here to our stores upon order request of each store by a small truck of the Company.

The sub-structure of each store for its daily operation will be virtually the same as in the first stage. Each store will managed by a supervisor (or head of store), also have two cashiers and two salesmen in each shift. However, at that time, each store will not have a purchasing staff and storekeeper, but an accountant, instead, who is responsible for controlling inventories, and sending order request to the distribution centre and all collected receipts to the Financial Department on daily basis.

Training policy

As customers are identified as the top priority of the company, all the employees are well trained to have them equipped with social skills, communicating and problem-solving skills in order to provide best service. Besides, within the company, they are

required to have team working skills to coordinate with different departments to operate smoothly.

Personnel plan

Table 4.2: Personnel plan for the whole project

PERSONNEL PLAN (Headcounts)	2017	2018	2019
Number of stores	1	3	5
CEO	0	0	0
Deputy CEO	0	0	0
CFO	1	1	1
General accountant	0	1	1
Inventory control	0	1	1
Planning	0	1	1
Purchasing Manager	1	1	9
Purchasing staffs	0	2	4
Marketing & Sales Manager	1	1	1

PERSONNEL PLAN (Headcounts)	2017	2018	2019
Marketing staffs	0	1	2
Sales staffs	0	1	2
Head of Customer Service	0	1	1
Customer service staffs	0	2	4
IT Manager	1	1	1
IT staffs	0	1	2
HR and administration manager	0	1	1
HR staffs	0	1	2
Administration	0	1	2
Head of Store network	0	1	1
Store supervisor	0	4	10
Cashier (shift)	4	16	40
Salesmen (shift)	4	16	40

PERSONNEL PLAN (Headcounts)	2017	2018	2019
Accountant of the store	0	4	10
Head of Distribution Center	0	1	1
Storekeeper	1	1	1
Security Guards	1	4	10
Total	14	61	138

Payroll plan

Table 4.3: Salary plan for the whole project

PAYROLL (VND million)	2017	2018	2019
CEO	-	30.0	50.0
Deputy CEO	-	30.0	50.0
CFO	15.0	15.0	20.0
General accountant	-	5.0	6.0
Inventory control	-	5.0	6.0
Planning	-	5.0	6.0
Purchasing Manager	15.0	12.0	14.4
Purchasing staffs	-	-	-

PAYROLL			
(VND million)	2017	2018	2019
Marketing & Sales Manager	15.0	15.0	18.0
Marketing staffs	-	5.0	6.0
Sales staffs	-	5.0	6.0
Head of Customer Service	-	10.0	12.0
Customer service staffs	-	3.5	4.2
IT Manager	7.0	12.0	13.2
IT staffs	-	5.0	6.0
HR and administration manager	-	12.0	13.2
HR staffs	-	5.0	6.0
Administration	-	5.0	6.0
Head of Store network	-	-	-
Store supervisor	-	15.0	20.0
Cashier (shift)	-	10.0	10.0
Salesmen (shift)	1.5	1.7	1.8
Accountant of the store	1.5	1.7	1.8
Head of Distribution Center	-	5.0	5.5
Storekeeper	-	10.0	10.0
Safeguard	2.5	2.8	3.0
Safeguard	1.5	1.5	1.5
Total	14	61	138

4.4 Operation

As for supermarket or convenience store business, the supply chain (including purchasing, logistics and inventory management) is the most stage. They have very significant impacts on business performance. Therefore, they build standard procedure and guidelines for it so that the operation of the Company will be run smoothly.

a. Purchasing

There are 2 Standard Operating Procedures “SOPs” for Purchasing department, namely one for purchasing and the other one for assessing and choosing suppliers. Input goods are purchased according to Planning Division’s projection (including volume, product lines, and suggested delivery date, etc...);

Procedure

Purchasing is conducted upon the following steps: Based on Planning division’s reports of goods demand, purchasing teams will (1) make a "purchasing request" and submit it to the CEO for 1st approval; (2) choose and submit "the supplier comparison" report to the CEO for 2nd approval; (3) order and co-ordinate with other teams (i.e. planning, logistics) to receive and check goods; and (4) send a "payment request form" to Accounting department after the stock-in is already accepted.

Note that these demand reports are sent to Purchasing Department by Planning Department on 5th and 25th of every month. Then it will take 1 week to choose and negotiate with suppliers.

Guidelines for choosing suppliers

Except some big brand names in product lines (i.e. Kinh Do in Bakery segment) that the Company should virtually get their products to meet customers’ demand, purchasing staffs are responsible for finding out and verifying suppliers’ information (i.e. capacity, performance, prestige...). In the process of assessing suppliers, whether it is necessary to visit suppliers’ factory and inspect their production condition is decided by Head of Purchasing teams.

Criteria for supplier selection are as follows

- Competitive selling price, good product quality. (Purchasing team must make a price comparison form which has at least 2-3 suppliers’ information).
- Term of delivery (i.e. timely delivery)
- Credit policy
- Applying modern production technologies

- Being a legal entity

Authority to sign purchasing contracts: All purchasing contracts should be signed by the CEO.

b. Logistics (related to distribution center)

They also build 3 SOPs for Logistics division:

- Procedure for stock-in and stock-out;
- Procedure for checking materials before acceptance;
- Procedure for internal transfer (from distribution centre to stores)

The stock-in and stock-out procedures are conducted as below:

Stock-out:

- All cases of stock-in or stock-out must be signed/ approved by Head of Distribution Center

Detailed procedures are conducted as follows:

- Head of Distribution Center should be informed in advance about any stock-out (i.e. (product lines, volume, purchasers/receivers, shipping time, etc...)) before 11 a.m of the preceding date.
- Then he instructs store-keeper to make dossiers for stock-out; and documentation staff is in charge of contacting with carriers on that date afternoon. It is noteworthy that the store-keeper is in charge of check goods (i.e. volume).
- As transporting goods out of warehouse, drivers must show “goods delivery notes” and “acceptance for taking goods out of door” (which are approved by the authority as mentioned above).
- Stock-in: There are different procedures for goods stock-in (from outside/ suppliers to Distribution Centre) and internal transfer of goods (from Distribution Centre to stores
- Based on invoice, store-keeper cross-checks with actual goods. Finally, storage arrangement and updating inventory tags are conducted.

c. Inventory management

In fact, as soon as printing receipts for customers, daily sales volume are recorded in the system that is linked between departments (stores, distribution centre, accounting and planning departments). Thereby, the Planning and Accounting Departments can monitor inventories in stock easily



CHAPTER 5

FINANCIAL PLAN

5.1 Assumptions

Start-up summary

At first, the company office will be settled on the second floor of the rental where the store will be placed at the ground in order to economize costs. The company headquarter will be just separated into an independent office when our chain consists of 3 stores.

Table 5.1: Start-up requirement for T-Mart

Kinds of cost	Value (VND)
Legal fees	5,000,000
Rental	20,000,000
Premise deposit	60,000,000
Storefront build-out	10,000,000
Leasehold improvement	20,000,000
Equipment	
Counting machine (2 unit)	10,000,000
Computer (1 unit)	22,000,000
Other equipment	20,000,000
Shelves	40,000,000
Inventory Management Software	8,000,000
Camera system	6,000,000
Start-up inventory	300,000,000
Total start-up requirement	521,000,000

Empirically, the gross margin of the supermarket business ranges from 25% to 30%⁴. Moreover, while supermarkets cash immediately from customers, their suppliers often grant to them a credit term of around 3-5 months. They use this lag as a financial source. To estimate T-Mart's financial statement and feasibility of the project, they also make some assumptions based on these industry indicators, sales projection, and aforementioned personnel plan. Hereunder are some assumptions and projected financial statements for T-Mart.



Table 5.2: Other assumptions for T-Mart chain

ASSUMPTIONS	2017	2018	2019
Number of clients per day per store		120	120
Average shopping expenditure per person (VND)		150,000	150,000
Gross margin	30%	30%	30%
Some operating expenses			
Loan interest rate	9%	9%	9%
Deposit interest rate	5%	5%	5%
Monthly rental per store (VND)	30,000,000	30,000,000	30,000,000
Monthly rental for distribution center (VND)	10,000,000	10,000,000	10,000,000
Utility cost/ revenue	0.20%	0.20%	0.20%
Other administrative expenses (stationery, excluding security cost) / revenue	0.10%	0.10%	0.10%
Advertisement cost/ revenue	2.00%	1.00%	1.00%
Cost for loyalty programs / revenue	2.00%	2.00%	2.00%
Other expenses/ revenue	0.20%	0.20%	0.20%
No. of days account receivable (days)	-	-	-

ASSUMPTIONS	2017	2018	2019
AR turnover (x)	-	-	-
No. of days inventory in stock (days)	180	120	120
Inventory turnover (x)	2.03	3.04	3.04
No. of days account payables (days)	90	105	120
AP turnover (x)	4.06	3.48	3.04
Expansion plan			
Number of stores (unit)	1	3	5
Total investment for each store (VND)	886,500,000	886,500,000	886,500,000
Additional purchase of computers (VND)		140,000,000	170,000,000
Total investment for expansion plan (VND)		2,799,500,000	8,148,500,000
Additional depreciation cost (VND)		166,931,429	500,794,286

5.2 Income statement

Table 5.3: Forecasted income statement for T-Mart chain

Unit: VND	2017	2018	2019
Total revenue	5,580,000,000	25,920,000,000	64,800,000,000
Cost of goods sold	3,906,000,000	18,144,000,000	45,360,000,000
Gross profit	1,674,000,000	7,776,000,000	19,440,000,000
Administrative expenses			
- Rental	480,000,000	1,560,000,000	3,720,000,000
- Salary	816,000,000	3,234,600,000	7,788,300,000
- Utility cost	11,160,000	51,840,000	129,600,000
- Other Administrative expenses	23,580,000	97,920,000	244,800,000
Sales and marketing expenses			
- Advertisements	111,600,000	259,200,000	648,000,000
- Loyalty programs	111,600,000	518,400,000	1,296,000,000
Operating profit	231,660,000	2,572,440,000	6,909,300,000
Other expenses	11,160,000	51,840,000	129,600,000
Interest incomes	-	-	-
Interest expenses	135,000,000	108,000,000	81,000,000
Net profit before tax	85,500,000	2,412,600,000	6,698,700,000
Corporate tax rate (22%)	18,810,000	530,772,000	1,473,714,000
Net profit after tax	66,690,000	1,881,828,000	5,224,986,000

5.3 Balance sheet

Table 5.4: Forecasted balance sheet for T-Mart chain

Unit: VND	2017	2018	2019
TOTAL ASSETS	4,029,813,288	9,868,024,849	24,486,380,712
Short-term assets	3,170,457,097	6,573,243,897	16,430,537,855
Cash	1,154,210,522	248,093,212	617,661,143
Short-term investment			
Account receivables			
Inventory	1,926,246,575	5,965,150,685	14,912,876,712
Other current assets	90,000,000	360,000,000	900,000,000
Long-term assets	859,356,190	3,294,780,952	8,055,842,857
Tangible fixed assets	859,356,190	3,294,780,952	8,055,842,857
- Cost	916,500,000	3,576,000,000	8,895,000,000
- Depreciation	(57,143,810)	(281,219,048)	(839,157,143)
EQUITY & LIABILITIES	4,029,813,288	9,868,024,849	24,486,380,712
Short-term loans			
Account payables	963,123,288	5,219,506,849	14,912,876,712
Long-term loans	1,500,000,000	1,200,000,000	900,000,000
Equity	1,566,690,000	3,448,518,000	8,673,504,000
Owners' capital	1,500,000,000	1,500,000,000	1,500,000,000
Retained earnings	66,690,000	1,948,518,000	7,173,504,000

5.4 Cash flow statement

Table 5.5: Forecasted cash flow for T-Mart chain

Unit: VND	2017	2018	2019
I. Cash flows from operating activities			
Net profit before tax	85,500,000	2,412,600,000	6,698,700,000
Adjustments for			
Depreciation and amortization	57,143,810	224,075,238	557,938,095
Interest expenses	135,000,000	108,000,000	81,000,000
Operating income before changes in working capital	277,643,810	2,744,675,238	7,337,638,095
Decrease(increase) in receivables	-	-	-
Increase in inventory	(1,926,246,575)	(4,038,904,110)	(8,947,726,027)
Decrease (increase) in payables	963,123,288	4,256,383,562	9,693,369,863
Interest payment	(135,000,000)	(108,000,000)	(81,000,000)
CIT	(18,810,000)	(530,772,000)	(1,473,714,000)
Other receivables from operation	(90,000,000)	(270,000,000)	(540,000,000)
Other expenses from operation			
Net cash flows from operating activities	(929,289,478)	2,053,382,690	5,988,567,931
II. Cash flows from investing activities			
Purchases of fixed assets	(916,500,000)	(2,659,500,000)	(5,319,000,000)

Unit: VND	2017	2018	2019
Decrease/ (increase) in short-term investment (deposit)	-	-	-
Dividends and interest received	-	-	-
Net cash flows used in investing activities	(916,500,000)	(2,659,500,000)	(5,319,000,000)
III. Cash flows from financing activities			
Proceeds from issuance of shares	1,500,000,000	-	-
Proceeds/ (repayments) from short-term and long-term borrowings	1,500,000,000	(300,000,000)	(300,000,000)
Net cash outflows from financing activities	3,000,000,000	(300,000,000)	(300,000,000)
NET INCREASE/DECREASE IN CASH	1,154,210,522	(906,117,310)	369,567,931
Cash at beginning of period	-	1,154,210,522	248,093,212
CASH AT THE END OF PERIOD	1,154,210,522	248,093,212	617,661,143

5.5 Financial Ratio

Table 5.6: Forecasted Financial Ratio for T-Mart chain

Ratio	Year One	Year Two	Year Three
Liquidity			
Current Ratio	23.3	44.3	88.3
Quick Ratio	42.6	43.9	78.6
Safety			
Debt to Equity Ratio	0.0	0.0	0.0
Debt to Coverage Ratio	42.3	72.0	84.3
Profitability			
Gross Profit Margin	30.0%	30.0%	30.0%
Net Profit Margin	21.7%	23.5%	26.3%
Return on Equity	93.5%	78.0%	69.0%
Return on Assets	95.6%	78.5%	69.5%
Efficiency			
Days in Receivables	17.4	16.8	15.7
Accounts Receivable Turnover	20.7	21.4	21.1
Days in Inventory	4.7	2.8	2.5
Inventory Turnover	2.03	3.04	3.04
AP Turnover	4.06	3.48	3.04

CHAPTER 6

LEGAL & ETHICAL

6.1 Related state regulations

a. Business license related regulations

There are no obstacles for Vietnamese individuals or legal entities to get a supermarket business license. However, as for foreigners, it is completely different. Before WTO accession, Vietnam had many protective policies as to the distribution sector. After that, under WTO commitments, Vietnam would have to open up upon a certain roadmap. Accordingly, foreign investors from WTO states were allowed to establish foreign-invested enterprises (FIEs) providing distribution services in the form of a joint venture company (with the foreign investors' equity capped at 49%) from the date accession. This cap was lifted entirely on 1 January 2008; and since 1 January, 2009 wholly-foreign-owned enterprises have been allowed. This has facilitated many foreigners to penetrate into the modern retail business, especially convenience stores for the last 5 years. As a result, the competition in the segment has become stronger.

b. Stipulations related to goods sold there

The Ministry of Commerce (today renamed as Ministry of Industry and Trade) issued a "Supermarket and Commercial centre Regulation" enclosed to Decision No. 1371/2004/QD-BTM in 2004. Pursuant to Article 7 of the Decision, there are some regulations on goods sold at supermarkets and commercial centres. Particularly, goods and services sold or offered by supermarkets and commercial centres must meet the following specific requirements:

- (1) Having their own trade names or bearing the trade names of department stores or trade centres (if they have no trade names, they must have their own names) and having their origins clearly inscribed in compliance to the provisions of law.
- (2) Having numeral codes or barcodes, for those goods for which numeral codes or barcodes may be registered, in order facilitate the management of department stores or trade centres and the supervision by customers.

- (3) For goods being food, they must ensure the hygiene and safety criteria and have their usage durations clearly inscribed on their packages. For fresh or unpacked preliminarily- processed agricultural products or food, they must be sorted and classified, and have their origins, quality as well as usage durations clearly inscribed at goods stands or counters.
- (4) All kinds of goods and services traded in department stores or trade centres must have their prices clearly inscribed in the goods labels or packages or posted up at goods stands or counters or service-providing places.
- (5) Goods under warranty must have their warranty durations and locations clearly inscribed.
- (6) Goods must be supplied stably and regularly through goods orders or contracts with producers and businessmen.

6.2 Ethic & Social responsibility

Today, corporate social responsibility plays an important role in business. It is the strict compliance with social responsibility that brings success to some brand name in many sectors. Understanding this, they will also comply to code of ethics in business and corporate social responsibility.

Apart from charity contribution and many different actions, the corporate social responsibility in convenience store business can be understood to include product quality assurance and waste treatment. One of key reasons bringing consumers from wet markets and/or street shops to modern channels is hygiene and food safety related issue. Therefore, to attract customers, our business principle and policy is not to offer goods that do not have clear source, and expired ones to customers. Besides, they will also comply to regulations about waste treatment in order not to harm our environment.

CONCLUSION

Vietnam is one of the five most lucrative retail markets in the world. In Vietnam, the penetration of modern retailing in Vietnam is quite low as the sector is dominated by traditional players. Majority of the consumers still prefer buying from corner grocery shops than modern outlets. This is opposite to the international consumers. However, their consumer behavior is gradually changing. Moreover, with the recovered economy growth, changes in the country's regulatory structure favoring foreign investors, and increasing consumer attention towards modern retail concepts, the modern retail sales are expected to continuously hike in the next few years.

A clear market opportunity, combined with our certain advantages term of experience and knowledge of the retail market, they are planning to engage in the sector with a convenience store chain. In this business plan, they already come up with strategies and how to implement them. Based on all of those intentions, they draw a financial estimation that shows the bottom line and cash flow look good. Given that, they have a strong belief in our success in this business.

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