Assignment Taken:

Financial Planning, Budgeting, Risk Analysis, Development of Cash Flow, Payroll, Taxation etc.

Case Understanding:

* The “Elite Courier Service Private Limited” company provides with targeted with fast and safe delivery service to most pin codes.
* As per company’s next step for business advancement, the Company’s Board has decided to venture into “Hyper Local Delivery Space” and want to conduct local delivery through drones and we have access to all necessary permissions. Our team was successful in testing deliveries.
* Exploring the concepts of courier services few initial deliveries were experimented such as food, pharma and internal local deliveries with a hope in exploring more business areas for cost exploring cargo deliveries.
* As a proof of concept, we received valuable feedback by Initial Users in terms of time saving, safe service, effective transport and displacement via traffic free innovations despite today’s busy city roads.
* Initially the company has decided to start this venture as “Short Range Drone Based Services” accordingly company intended for building for building an end-to-end Drone Operations and Management Platform through which a rapid scaling of business can be achieved.
* Inspired by the radical innovation in this sector, our company wants drone services to add value to end users and as it is an extension of company’s’ current services portfolio.

BCS Solution Summary :

Plan out and develop the Financial Planning and Budgeting for next fiscal year including Financial support, accounting report, risk analysis and end-to-end Drone Operations and Management Platform through which a rapid scaling of business can be achieved. Also providing support to the inter-functional department.

Solution:

**Finance Department has plan to Implement the following financial functions.**

**Financial Transparency and Planning:**

Financial transparency shows how accumulated costs are transferred to service consuming fees and how actually implemented to plans.

Financial planning ensures: Reserving future cash flow to business technology elements and comparing actuals spend by business technology elements (budgeting).

Measuring the actual spend by business technology elements and comparing actuals to planned costs to identify deviations and suggest corrective actions (controlling).

Allocation of business technology costs to business units and capabilities as service fees (invoicing).

**Financial Feasibility:**

Financial feasibility focuses specifically on the financial aspects of the study. It assesses the economical viability of a proposed venture by evaluating the startup costs, operating expenses, cash flow and making a forecast of future performance.

Financial Feasibility of **proposed development initiatives** with the demand and development portfolio steering. Analysis is based on a business case with payback and/or net present value calculation. Financial feasibility of an **on-going development initiative** with the project steering. Analysis will help to make go/no-go decisions to identify initiatives that should not be continued even with high sunk costs.

Financial feasibility of **completed initiative** **by** measuring the realized costs and business benefits and comparing them to the previously approved business case.

**The analysis is important for lesson learned purposes:**

1. Resource and Asset Management
2. Forecasts od Demand
3. Digital support
4. Risk division support
5. Taxation and Compliance
6. Providing sustainable cash support
7. Investment and tracking of cash system
8. Budgeting and taxes
9. Managing liquidity, or ready access to cash

10.Financing large purchase

11.Managing risk

12.Investing Money

13.Communication and record keeping.

**SALES TARGET TO REACH**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category of couriers** | **Courier weight** | **Price** | **Unit Booking (min)** | **Daily** | **Monthly with 25 days** | **Yearly** |
| A | 0.1 grams to 500 grams | 60 | 5000 | 300000 | 7500000 | 90000000 |
| B | 501 grams to 1kg | 80 | 2000 | 160000 | 4000000 | 48000000 |
| C | 1kg to 5kg | 100 | 2000 | 200000 | 5000000 | 60000000 |
| D | 5.01kg to 10 kg | 110 | 1000 | 110000 | 2750000 | 33000000 |

**TOTAL REVENUE COLLECTION : 231000000**

**Planning for FY 2021-22 with Recurring Expenditure Budget**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sr no.** | **Particulars** | | **Quantity** | **Cost/Per unit (INR)** | **Remark** |
| 1 | Office Rent | | 12 | 30000 | 360000 |
| 2 | Short Range Drones | | 6 | 125000 | 750000 |
| 3 | Long Range Drone | | 2 | 400000 | 800000 |
| 4 | Qualified Drone Operator | | 6 | 500000 | 3000000 |
| 5 | Management Team | | 8 | 100000 | 800000 |
| 6 | Software | | 2 | 2500000 | 5000000 |
| 7 | Software Development Team | | 4 | 70000 | 280000 |
| 8 | | Support Staff | 4 | 20000 | 80000 | |
| 9 | | Training | - | **-** | 3940000 | |
| 10 | | Promotion | **-** | **-** | 2500000 | |

**Total Operating Costs for FY 2021-22 = 17510000**

**CONCLUSION:**

ELITE COURIER SERVICES PVT. LTD. – As a Finance Department need to be conduct day-to-day Cash in Flow and Out Flow activities, Daily need of liquid cash, getting daily cash report over the selling and booking of packages from the sales team, support to administration department, HR department, IT department, Purchase Department with need of financial cash expenditure. Also, responsible to generate the income through the investments. To going with plan as shown, will provide the company to reach the Break-even in the first financial year.