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BY:

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FEEDWELL FOODS NIGERIA LIMITED

23 AGBOR ROAD, BENIN CITY, EDO STATE.

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1.0 Executive Summary

1.11 Name of business:

The name of the business is: FEEDWELL FOODS NIGERIA LIMITED

1.12 Legal form of business:

FEEDWELL FOODS NIGERIA LIMITED is a partnership business that registered with the Corporate Affairs Commission (CAC).

1.13 Contact address:

23 Agbor Road, Benin City, Edo State.

1.14 **Telephone:** 07062283584. Email: info@feedwellfoods.com.ng

1.15 Type of business:

This is a sole proprietorship business.

1.16 Description of business:

Feedwell Foods Nigeria Limited is a food processing company that is in the business of processing raw cassava into garri and cassava flour used in making bread. The demand for processed cassava products have been on the rise over the years. This is due to cassava flour have been recommended to be used in the production of bread and animal feed, while the demand for garri too has also been on the rise because it is consumed by a greater part of the population. Both the rich and the poor alike like's garri as a part of their delicacies. Every culture in Nigeria, eats garri either with soup or soaked in water and taken with groundnut and sugar. Though Nigeria is a major producer of cassava, still the demand for processed cassava is always higher than its supply. Thus, the need for more cassava processing companies in Nigeria. So, this business came into existence to bridge this gap, by making more processed cassava to be available in the market. Our customers cover all households, bakeries, animal feed producers, restaurants, bars, hotels, markets etc. The name of the owner of the business is; Adamu, Micah Irarimam

1.17 Job opportunities:

It will create 5 jobs directly.

1.18 Start-up capital:

It would require a start-up capital of N2, 747,400 comprising of fixed asset of N377, 000 working capital of N1, 080,000, and others which amount to N1, 290,400.

Table 1

A	Fixed capital	N377,000
B	Working capital	N1, 080,000
C	Others	N1,290,400

Total-N2, 747,400

1.19 Source of capital:

The capital will be sourced as follows

Table 2

A	Owners capital	N2,500,000
B	Seed from angel investor	N600,000
	TOTAL	N3,800,000

1.20 Profitability:

The business has the ability of raising above N15 million profits from the third year.

2.10 GENERAL INTRODUCTION

2.11 Background

The cultivation of cassava in Nigeria had been in part of the farming done in this country. Over the years, cassava had been cultivated for different purposes. Some people cooks the raw cassava tubers and eat them with red oil and salt, while other people slice it after cooking it, soak in water for long, and then eats it that way. Whereas others still uses it to make garri for food. Food is an integral part of human life; this is because we cannot do with it for we need it for survival. Garri is one of the staple foods in Nigeria that is consumed by majority of the people irrespective of social background, educational status, age, religion or culture. The demand for garri and cassava flour is always their due to it is cheap, easy to make, nutritious, and last long without losing its taste. Garri though consumed by majority of the population, it is mostly consumed by low income earners because it is cheap. The need for garri in Nigeria is always not met due to the supply for it is always less than its supply. This company came up to help reduce the shortage of garri in the market, and also make quality cassava products available in the market. Our customers cover majority of households, animal food manufacturers, bakeries, boarding schools, restaurants, bars, hotels etc.

2.12 Vision Statement

Our vision is to produce always quality cheap and healthy processed cassava products.

2.13 Mission Statement

To be the best food processing company in Nigeria.

2.14 The Company

The name of the company is FEEDWELL FOODS NIGERIA LIMITED. It is registered in Nigeria.

2.15 Services Offered

We process cassava tubers to processed products like garri and cassava flour.

2.16 Legal form and ownership of business

The business is a partnership business that is registered. The main promoter which is also the owner of the company is;

ADAMU, MICAH IRARIMAM ----- 100%

2.17 Location of the business

The business headquarters would be located at 23 Agbor road, Benin City, Edo State. It is strategically positioned in Benin City where there is easy access to the market, and raw materials needed for production. Due to the location of the company's business premises, the business would experience great sales, since it is located at a strategic place where it could access the market easily.

The location has a challenge which is touting activities in the city, and thus, poses a danger to the growth of the business.

We choose the location despite the challenge because of the great number of customers we would have access to.

2.18 Industry Trend and Analysis

The industry is a growing business that has an all year demand for cassava flour and garri is always there all year round. This means that the industry is such that is not seasonal with great potential for sales, and generation of income for the business owner and his workers as well.

2.19 Business Strategy

To ensure we remain in business, we would always use cheap price, quality service and good customer relations as our business strategy to attract and keep our customers.

2.20 Key success factors

Our key success factors include; experience workers, easy access to raw materials, good location, and highly competitive price.

The Market

3.10 Target Market

The main targeted markets for now are Benin City Commodity market, markets in Abakaliki, Enugu, Aba, Awka and other parts of the middle belt states in Nigeria. The size of the market is large, because it comprises of people from all works of life found in different location. The market is bound to increase because of the growing population of people and the demand for cassava flour and garri.

3.11 Sales and market share analysis

The market has the potential of offering us opportunity to sell 50kg bags of garri that are more than 20,000 per year. For now we can control 12 to 15% of the market.

3.12 Profile of Competitors

COMPETITOR S	PRODUCTS/SERVICE S	COMPAN Y SIZE	TURNOVE R	ADVANTAGE S	DISADVANTAGE S
Albert Garri Industry, Agbor, Delta State.	Garri production	Employs over6 workers.	Over N70million yearly	Have been in the business for more than 12 years.	Sales their product costly.
Abdul Foods Auchi, Edo State.	Garri and cassava flour production.	Employs about 9 workers.	Makes over N21million	Easy access to cheap raw materials.	Poor quality of garri.

			n as turnover yearly.		
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Competitive Advantages

FEEDWELL FOODS NIGERIA LIMITED enjoys some measures of competitive advantages which are: The location of our business is very strategic hence gives us great advantage over our competitors since they will access us easily. The cheaper price we present to our customers is also an added advantage.

Our good customer relations are also an added advantage.

3.13 SWOT Analysis

STRENGTHS	WEAKNESSES
<p>The great experiences of our workers are a plus to us.</p> <p>The ability to increase our services in order to meet demand.</p> <p>The location of our company which makes it easy to be accessed.</p> <p>Our cheaper price is also an edge over our competitors.</p> <p>Prior experience in cassava processing.</p>	<p>The location of the business which makes us to pay much tax.</p>
OPPORTUNITIES	THREATS
<p>Ability to expand to our reach greatly.</p>	<p>Theft of our products.</p> <p>Touting activities in the city.</p> <p>Fluctuating prices of fuel that might increase cost of operation.</p>

3.14 Demand and supply analysis and Estimating the initial installed capacity

Details	Size
	(numbers)
Potential demand to be served	300,000
Less 30% existing competitors	210,000
Available market (in the absence of expansion and very high entry wall)	1,200,000
Less 10% due to possible expansion of existing competitors and entrant of new ones.	108,000
Available market	3,000,000
Less 5% due to error in estimation	285,000
Available demand/qualified market/ demand supply gap	126,800
Initial installed capacity cat most 60% of available demand (served market)	

4.10 Marketing Plan

4.11 Market segmentation

Cassava processing belongs to the food processing segment of the agricultural sector of the economy. The location of the business was done in relation to the market demand of garri and where production could be cheap.

4.12 Target market

The main targeted markets for now are markets in Benin City Commodity Market, bars, hotels, restaurants and markets in Enugu, Lagos, Abakaliki, Uyo, Calabar, Awka and other parts of the south eastern and middle belt states.

But with time, we seek to extend our reach to cities like Port Harcourt, Asaba, Umuahia and other south-south and south west states in Nigeria.

4.13 description of the edge of service

service	Product 1	Product 2
Denominatio n	Cassava flour	Garri
Packaging	Packaged in 50kg sack bags	Packaged in 50kg sack bags

4.14 Marketing Plan Price

Consumers are willing to pay highest N 8,000, average of N6, 500 and lowest of N6, 200 for every 50kg of garri.

Our competitors' prices ranges from highest of N8, 200, an average of N6, 700 and the lowest of N6, 500. The price we charge per 50kg bag of garri is N6, 500.

This gives us advantage over our competitors because they charge higher than what we are charging. So, we would be able to command great patronage because of our price.

4.15 Market positioning strategy

The firm has not gained more ground in the market. So with good advert and price, we seek to gain more position in the near future.

4.16 marketing mix implementation tools

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

4.17 Channel of distribution

Customers will deal directly with us, or through wholesalers or retailers.

4.18 Start-up promotion

For startup promotion, we would print banners and posters.

4.19 Alliances

The alliance we would enjoy from friends and customers would help us enjoy increase in our customer base.

4.20 Marketing calendar and Budget

For every six months we would print notebooks that is customized, banners and posters. We would carry out announcement in radio twice every week. All will cost us N62, 000 per year.

5.00 Production Plan

5.11 The Project

Cassava processing is the act of turning raw materials (cassava tubers) into formats that are edible; in this, the raw cassava tubers are peeled, grinded, and fried to create a finish product called garri. Garri is consumed by majority of people irrespective of their educational background, economic status, sex, or religion. The project is to create a mill where these raw cassava tubers are processed into garri to help meet the demand for garri in Nigeria. It is a small scale business and a capital intensive business.

5.12 Production Process

For cassava flour, cassava tubers are peeled, washed, grinded, put in a screw press, then dried. After it is dried, it is sieved and the flour is then packaged for selling. While for garri, cassava tubers are washed, poured into the peeling machine that peels the back, it is then taken to the grater that grinds the tubers. They are then placed in bags and kept in the mechanical screw press to remove unwanted substance. After that, it is sieved, fried and packaged in bags ready for sale.

5.13 The Production flow chart

Washing ---- Peeling ---- Grinding---- Placing in screw press ---- sieving ---- Frying ---- Packaging in bags.

6.10 Management and Organisational structure

The main promoters of the business who are also the owners of the company hold all the share of the company. They are;

ADAMU, MICAH IRARIMAM ----- 100%

Our financial adviser is Adeyemi Financial Advisor Nig Ltd; 252 Presidential road Asaba, Delta State, email: info@adeyemifinance.com.ng, website: www.adeyemifinance.com.ng, telephone number: 0803 909 9921

Our legal adviser is Nwakanma solicitors; 07 Onitsha Road, Enugu, Enugu State.

Email: nwakanmasolicitors@gmail.com. Phone number: 0816 344 6767

6.11 Management team

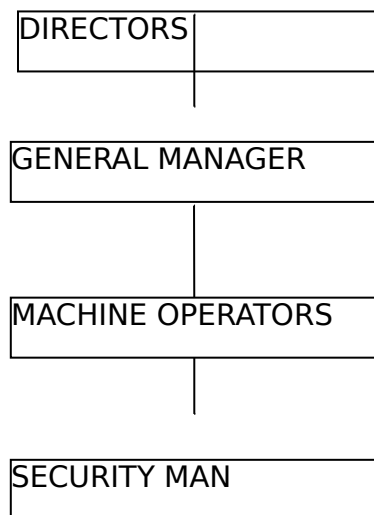
DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	HND in business management	4 years' experience as manager at Auchi Palm Oil Mill, Auchi, Edo State...	Overseas the day to day operation of the business.
MACHINE OPERATORS	OND and WAEC...	Have experience in running the processing machines.	Sees to the processing of the raw cassava to finish

			products.
SECURITY	WAEC	No experience.	Safeguard the company's properties.

Our future management needs.

The company would currently employ 5 persons, and would increase its number of staff to over 12 persons after 5 years of operation.

6.12 Organizational structure



6.13 The personnel plan

S/ N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N40,000	N480,000
2.	Factory workers	3	N20,000	N720,000
3.	Security	1	N15,000	N180,000

6.14 Organization's values and norms

Integrity, faithfulness, truth, faithfulness and diligence.

7.10 Legal, regulatory, social, and environmental issues

7.11 Legal Issues

There are no legal issues for now.

7.12 Regulatory and environmental issues

The product is not regulated, but we are registered with corporate affairs commission.

The processing plant does create environmental hazards like noise pollution.

8.0 Financials

8.11 Equipment

S/ N	INVESTMENT	QTY	UNIT COST (N)	TOTAL COST (N)
1.	Building	2 rooms	8,000	96,000
2.	EQUIPMENTS			
	i) Grater	1	54,000	54,000
	ii) Hydraulic press	1	15,000	15,000
	iii) cassava peeler	1	52,000	52,000
	iv) Generator	1	92,000	92,000
	v) Roster	1	64,000	64,000
	vi) Sieving Machine	1	58,000	58,000
	vii) Packaging machine	1	42,000	42,000
	TOTAL INVESTMENT			473,000

8.12 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service	1,400	3,000	6,500
Quantity			
Sales per unit	N6,400	N6,400	N6,200
TOTAL	8,960,00	19,200,00	40,300,00
	0	0	0

8.13 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	1,380,000
FUELLING	43,500
TELEPHONE	32,000
ELECTRICITY	38,400
ADVERTISING	62,000
TOTAL EXPENSES	1,555,900

8.14 Working Capital Projection

8.15 Startup Capital Needed

S/ N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	377,000
2.	Working capital	1,080,000
3.	Pre-operating expenditures	1,290,400
	TOTAL	2,747,400

8.16 Financing Plan

S/ N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	2,500,000
2.	Seed from angel investors	600,000
	TOTAL	3,100,000

8.17 Schedule of Depreciation

S/ N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Generator	92,000	25,000	10 years	6,700
2.	Hydraulic press	15,000	3,500	10 years	1,150
3.	Grater	54,000	14,000	10 years	4,000
4.	Cassava peeler	52,000	21,000	10 years	3,100
5.	Roaster	64,000	18,000	10	4,600
6.	Packaging machine	42,000	9,000	5	6,600
7.	Sieving machine	58,000	16,000	5	8,400
					N70,550

8.18 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	8,960,000	19,200,000	40,300,000
OTHERS	-----	-----	-----
NET SALES	8,960,000	19,200,000	40,300,000
LESS EXPENSES:			
SALARIES	1,380,000	1,380,000	1,380,000
FUELLING	43,500	43,500	43,500
TELEPHONE	32,000	32,000	34,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	62,000	62,000	62,000
EQUIPMENTS	377,000	----	-----
BUILDING (RENT)	96,000	96,000	96,000
MAINTENANCE	65,000	77,000	78,000
RAW MATERIALS	125,000	234,000	345,000
TOTAL EXPENSES	2,218,900	1,962,900	2,076,900
PROFIT BEFORE TAX/INTEREST	6,741,100	17,237,100	38,22,100
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	6,741,100	17,237,100	38,22,100
LESS DEPRECIATION	70,550	70,550	70,550
TAXABLE PROFIT	6,670,550	17,166,550	38,152,550
LESS TAX (30%)	2,001,165	5,149,965	11,445,765
PROFIT AFTER TAX	4,669,385	12,016,585	26,706,785
NET PROFIT	4,669,385	12,016,585	26,706,785

8.19 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
CASH IN:			
SALES INCOME	8,960,000	19,200,000	40,300,000
RE-INVESTMENT			
TOTAL CASH IN	8,960,000	19,200,000	40,300,000
CASH OUT:			
SALARIES	1, 380, 000	1, 380, 000	1, 380, 000
FUELLING	43,500	43,500	43,500
TELEPHONE	32,000	32,000	34,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	62,000	62,000	62,000
OTHER EXPENSES	598,000	407,000	519,000
TAX	2,001,165	5,149,965	11,445,765
TOTAL CASH OUT:	4,155,065	7,112,865	13,522,665
NET CASH FLOW	4,804,935	12,087,135	26,777,335

Risks Analysis and Mitigants

9.10 Risk Contingent Analysis

S/ N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to sell our products on credit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum security of our properties, and also employed security personnel.
3.	Accident	To checkmate the incidence of accident, we have made adequate provision for safety and would implement all preventive measures.

9.11 Contingency Plan

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

9.12 Exit Strategy

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in new investors or selling the business off.

10.0 Other Consideration, Conclusion and Recommendation

10.11 Economics Justification

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

10.12 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N4, 804,935, N12, 087,135 and N26, 777,335, as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.13 Conclusion/Recommendation

Based on the above information supplied about our planned cassava processing business, we greatly believe that the business would grow and expand greatly within the next five (5) years of production, thus, we recommend that the business be sponsored.

