

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

**A BUSINESS PLAN WRITTEN AND SUBMITTED IN PARTIAL
FULFILLMENT TO THE REQUIREMENTS OF THE COURSE CEDR
342 (BUSINESS DEVELOPMENT AND MANAGEMENT)**

BUSINESS TOPIC:

A SOUND RECORDING, MIXING AND EDITING STUDIO

BY:

MBADUGHA IFEANYICHUKWU VALENTINE

2014/194224

LECTURER: DR. MRS. T. C NWAOGA

JULY, 2017

MOVIC SOUND STUDIO

(THE HOME OF SOUNDS)

**24 UNIVERSITY MARKET ROAD, NSUKKA,
ENUGU STATE.**

MBADUGHA IFEANYICHUKWU VALENTINE

(MOVIC)

08122362657

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1.0 Executive Summary

1.1 Name of business:

The name is MOVIC SOUND STUDIO NIGERIA LIMITED

1.2 Legal form of business:

MOVIC SOUND STUDIO NIGERIA LIMITED is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.3 Contact address:

NO 24 UNIVERSITY MARKET ROAD, NSUKKA, ENUGU STATE.

Telephone: 08123362657. Email: MovicSounds@gmail.com.ng

1.4 Type of business:

This is a sole proprietorship business.

1.5 Description of business:

MOVIC SOUND STUDIO is a company that is into sound recording, editing, mixing and also beat making. Music is the food of the soul and the need for our studio services have been on the increase since most Nigerians now see the music industry as an avenue to make money.

Our customers will be anyone who has a project that has to do with audio, be it an assignment or music recording

1.6 Source of capital:

The capital will be sourced as follows

Equity fund: N300,000

Family and friends: N200,000

Bank Loan: N500,000

2.0 GENERAL INTRODUCTION

2.1 Background

Sound engineering business has come to stay in Nigeria. It has really been doing well owing to the fact that more and more Nigerians are going into the music industry especially students in the university. In every city in Nigeria, the need for sound engineering is available due to the proliferation of music in Nigeria. They are mostly located at the major cities like Lagos, Enugu etc. but not so much in Nsukka here and that is why we have chosen to establish the business here, in the home of the DEN.

2.2 Vision Statement

To become the best sound studio in Nsukka and with time expand and become major contenders in major cities around Nigeria.

2.3 Mission Statement

To produce clean, clear and sharp sounds adopting the latest methods and technologies in the business

2.4 Services Offered

We render the services of car wash.

2.5 Legal form and ownership of business

The business is a sole proprietorship business that is in the process of being registered. The main proprietor who is also the owner of the company is Mbadugha Ifeanyi Chuku Valentine

2.6 Location of the business

The business headquarters would be located at 24 university market road, Nsukka, Enugu State. It is strategically positioned at the center of the town where there will be easy access to it since it is close to the Ogige market and also the University of Nigeria.

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

Despite this challenge, we choose this location because a great number of customers we would have access to our studio.

2.7 Business Strategy

To ensure we remain in business, we will offer our services at affordable prices, quality service and good customer relations with promos and discounts.

2.8 Key success factors

Our key success factors include; experience workers, easy access to our business premises, good location, and highly competitive price and perfect quality.

3.0 The Market

3.1 Nature of Market

Information gotten from survey shows that the demand for sound engineering has been on the increase lately and is still rising. Expert opinion has it that within Nsukka, 32% of the demands are met by the few suppliers leaving the remaining 68% available for new entrants into the business

3.2 Target Market

The main targeted markets for now is Nsukka town, with time we believe that we would expand our services to other parts of the south eastern states. 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 sound recording and engineering.

3.3 Competitive Advantages

Movic sound studio 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 affordable price we present to our customers is also an added advantage.
- Also we provide quality services with the latest equipments and skills in the field
- Our good customer relations are also an added advantage.

3.4 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 affordable price is also an edge over our competitors.</p>	<p>the location of the business which makes us to pay much tax</p> <p>And we are exposed to the insecurity that exists in Nsukka</p>
OPPORTUNITIES	THREATS
<p>Ability to expand to great limit, since sound engineering is very dynamic</p>	<p>Piracy</p> <p>Fluctuating prices of fuel that might increase cost of operation.</p>

3.5 Demand and supply analysis and Estimating the initial installed capacity

Details	Size
	(numbers)
Potential demand to be served	30,000
Less 30% existing competitors	21,000
Available market (in the absence of expansion and very high entry wall)	120,000
Less 10% due to possible expansion of existing competitors and entrant of new ones.	108,000
Available market	300,000
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)	

4.0 Marketing Plan

4.1 Market segmentation

Our segmentation was done both geographically (Nsukka which is not as developed and will serve as a semi virgin territory for our business to grow) and demographically (the fact that a university is here is an added bonus for us because there are student musicians and also, students have projects involving audio work)

4.2 Target market

The main targeted market for now is just Nsukka town and we desire to increase our reach to other parts of the country especially the major parts

4.3 Marketing Plan Price

Consumers are willing to pay highest N1,000 average of N8,000 and lowest of N6,500 for every hour of the recording session.

Our competitors prices ranges from highest of N15,000, an average of N10,000 and the lowest of N8,000.

The average price we charge for every car washed is N8,000.

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.

4.4 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.

4.5 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.

4.6 Channel of distribution

Customers will deal directly with us.

4.7 Start-up promotion

For start up promotion, we would print banners and posters.

4.8 Alliances

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

4.9 Marketing calendar and Budget

For every six month we would print our logo on headsets that is customized, banners and posters. We would carry out announcement in radio twice every week. All will cost us N32,000 per year.

5.0 Production Plan

5.1 The Project

Sound engineering is really a lucrative business in Nigeria. The project is basically the establishment of a sound studio. This is due to the increasing demand for sound engineering services in Nigeria. That is why we came into existence, to meet the need for car washing services. We are out to bridge the gap between the demand and supply.

It is a small scale business and a capital intensive business.

5.2 Production Process

The process of sound engineering depends on what you want to so exactly. If you just want to do a simple voice recording that will be edited and cleaned, you just have to get into the booth and start talking after which we will clean up the sound and remove noises. If you want to record a song, we first have to make a beat for you. You give us your already recorded voice to listen to so we will know the pattern of beat to generate for you. Next is for you to go into the booth and sing to the beat we have created for you then we do some final cleanings and additions.

6.0 Management and Organisational structure

The main promoter is the owner of the company and holds all the share of the company. He is Mbadugha Ifeanyichukwu Valentine

Our financial advisor is Austin C Audit Firm Nig Ltd; 252 Presidential Road, Marina, Lagos State email: austincaudits@gmail.com.ng, website: www.austincaudits.com.ng, telephone number: 0803 909 9921

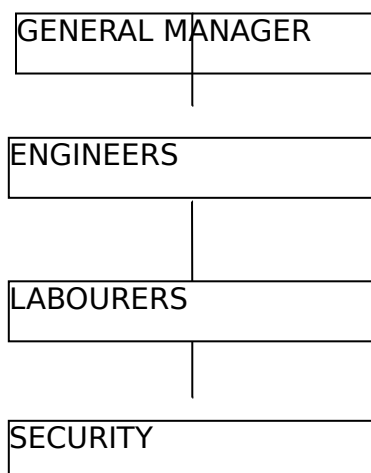
Our legal adviser is symbanion solicitors; 07 New Haven, Enugu, Enugu State.

Email: symbanionsolicitors@gmail.com. phone number: 0816 344 6767

6.1 Management team

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	Masters degree in computer science 2 nd degree in business management	2 years' experience as a sound engineer at maximum world entertainment	Oversees the day to day operation of the business.
ENGINEERS	UNIVERSITY DEGREE	Have experience with sound engineering	Handles regular recording and sound works
SECURITY AND LABOURERS	WAEC	No experience.	Safe guards company's property.

6.2 Organizational structure



6.3 The personnel plan

S/ N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N35,000	N420,000
2.	Engineers	3	N20,000	N480,000
3.	Labourers and security	3	N15,000	N180,000

6.4 Organization's values and norms

Integrity, faithfulness, truth, faithfulness and diligence.

7.0 Legal, regulatory, social, and environmental issues

7.1 Legal Issues

There are no legal issues for now.

7.2 Regulatory and environmental issues

The service is not regulated, but on the process of registration with corporate affairs commission. The studio business does not create any environmental hazard

8.0 Financials

8.1 Equipments

S/ N	INVESTMENT	QT Y	UNIT COST (N)	TOTAL COST (N)
1.	Land (Rent)		6,000	70,000
2.	Mini transformer	1	610,980	600,980
3.	EQUIPMENTS			
	i) mixer	3	50,000	100,000
	ii) mics	4	8,000	20,000
	iii) speakers	5	20	75,000
	iv) Generator	1	50,000	50,000
	v) furniture	4	2,000	8,000

	vi)head sets	5	5,000	5,000
	TOTAL INVESTMENT			N928,980

8.2 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service	500	1,000	1,500
Quantity			
Sales per unit	N8000	N8000	N8000
TOTAL	N4,000,00	N8,000,00	N12,000,00
	0	0	0

8.3 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	1,080,000
FUELLING	52,200
TELEPHONE	24,000
ELECTRICITY	14,400
ADVERTISING	32,000
TOTAL EXPENSES	1,202,600

8.4 Working Capital Projection

Start Up Capital Needed

S/ N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	109,000
2.	Working capital	100,000
3.	Pre-operating expenditures	743,980
	TOTAL	952,980

8.5 Schedule of Depreciation

S/	ITEM	OF	INITIAL	SCRAP	LIFE	DEPRECIATION
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N	DEPRECIATION	VALUA	VALUA	SPAN	
1.	Generator	35,000	7,000	10 years	2,800
2.	Car washing machine	38,000	4,600	10 years	3,340
3.	Overhead tank	65,000	8,000	5 years	11,400
4.	Buckets	1,500	200	2 years	650
5.	Brushes	1,200	300	3 years	300
6.	Bowls	2,300	200	2	1,050
					N19,540

8.6 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	3,456,000	4,320,000	5,760,000
OTHERS	-----	-----	-----
NET SALES	3,456,000	4,320,000	5,760,000
LESS EXPENSES:			
SALARIES	1,080,000	1,080,000	1,080,000
FUELLING	52,200	54,500	60,000
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	14,400	14,400	14,400
ADVERTISING	32,000	32,000	32,000
EQUIPMENTS	109,000	----	-----
BUILDING (Rent)	72,000	72,000	72,000
REPAIRS	26,000	32,000	36,000
BOREHOLE	610,980	-----	-----
GENERATOR	35,000	-----	-----
TOTAL EXPENSES	2,055,580	1,308,900	1,318,400
PROFIT BEFORE TAX/INTEREST	1,400,420	3,011,100	4,441,600
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	1,400,420	3,011,100	4,441,600
LESS DEPRECIATION	19,540	19,540	19,540
TAXABLE PROFIT	1,380,880	2,991,560	4,422,060
LESS TAX (10%)	138,088	299,156	442,206
PROFIT AFTER TAX	1,170,792	2,692,404	3,979,854
NET PROFIT	1,170,792	2,692,404	3,979,854

8.7 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)

CASH IN:			
SALES INCOME	3,456,000	4,320,000	5,760,000
RE-INVESTMENT			
TOTAL CASH IN	3,456,000	4,320,000	5,760,000
CASH OUT:			
SALARIES	1,080,000	1,080,000	1,080,000
FUELLING	52,200	54,500	60,000
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	14,400	14,400	14,400
ADVERTISING	32,000	32,000	32,000
OTHER EXPENSES	852,980	104,000	108,000
TAX	138,088	299,156	442,206
TOTAL CASH OUT:	2,193,668	1,608,056	1,760,606
NET CASH FLOW	1,262,332	2,711,944	3,999,394

9.0 Risks Analysis

9.1 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.

9.2 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.

9.3 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

10.1 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.

10.2 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N1,262,332 N2,711,944 and N3,999,394, as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.3 Conclusion/Recommendation

Based on the above information supplied about our sound studio, 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.