

UNIVERSITY OF NIGERIA NSUKKA

FACULTY OF THE SOCIAL SCIENCES

**DEPARTMENT OF PUBLIC ADMINISTRATION AND LOCAL
GOVERNMENT**

**A BUSINESSES PLAN SUBMITTED IN PARTIAL FULFILMENT
OF THE REQUIREMENTS FOR THE COURSE (CEDR 342)**

BUSINESS GROWTH AND DEVELOPMENT

TOPIC:

CARROTS JUICE PRODUCTION.

BY

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CARROT JUICE PRODUCTION COMPANY

INTRODUCTION

EXECUTIVE SUMMARY

Carrot juice is going to be a successful product brand in the city of Enugu which is planned to go through a test of three years. The company's natural, 100% carrot juice will grow in sales by 15% each year and is now going to be available in over 100 store outlets in the greater Enugu area. Carrot juice will gross N580,000 in sales at starting this year. This will be generated from the initial investment of 180,000.

Carrot juice production company is planning to start its operation to include distribution of stores within the entire state. Owner funding and family and friends generated plan. The company will also secure a N100,000 short-term loan sale projections for the next three years are based on our action and seriousness at starting which will base on the target customer base in Enugu. Presently, contacts have been completed with

retail outlets throughout the state and the potential target markets have been identified.

This plan will result in sales revenues growing to N1.2 million by year 2.

OBJECTIVES

The objectives of Don Pee carrot juice are the following

To create a state -wide sales staff

To establish strong sales in the state's two metro areas by year 2.

To maintain tight of cost and operation during commencement.

MISSION

Don pees carrot juice mission is as follows:

Quality: Our carrot juice is the highest quality, meat nutrition's food products because we will accept nothing less.

Innovative: Our products have always been in the forefront of the health and nutrition wave. Innovative products state of

the of manufacturing, quality assurance and industry expertise are the bases for our present and future successes. Integrity: Our customers depend on the quality of our juice products. Our commitment on the highest standard is the foundation of our customers that in carrot juice. Delivering freshly made juice to consumers depends on extensive cooperation and mutual reliance between supplier and retailer. We stand behind our product, our service and our word.

COMPANY SUMMARY

Carrot juice is going to build a reputation on offering the meal delivers, nutrition's, 100% natural juice with artificial flavours, colours or preservative.

COMPANY OWNERSHIP. Carrot juice production company is owned by Asadu Paulinus Okonkwo.

The following table illustrate the rapid proposed sale of carrot juice.

Our proposed performance:-

| | 2018 | 2019 | 2020 |
|--------------------------|----------|----------|----------|
| sales | N450,000 | N520,000 | N580,000 |
| Gross margin | N120,000 | N143,000 | N160,000 |
| Gross margin | 26.67% | 27.50% | 27.50% |
| Operating expenses | N200,000 | N240,000 | 280,000 |
| Collection period (days) | 0 | 0 | 76 |
| Inventory turnover | 15.00 | 15.00 | 15.00 |

| Balance sheet current assets | 2018 | 2019 | 2020 |
|------------------------------|----------|----------|----------|
| Cash | N20,000 | N58,000 | N40,000 |
| Account receivable | N49,000 | N10,000 | N80,000 |
| Inventory | N10,000 | N5,000 | N10,000 |
| Other current assets | N5,000 | N5,000 | N5,000 |
| Total current assets | N84,000 | N103,000 | N135,000 |
| Long -term assets | N70,000 | N8,000 | N50,000 |
| Accumulated depreciative | N4,000 | N8,000 | N12,000 |
| Total long term assets | N66,000 | N42,000 | N38,000 |
| Total assets | N150,000 | N145,000 | N173,000 |

| Balance sheet current | 2018 | 2019 | 2020 |
|-------------------------------|----------|----------|----------|
| assets | | | |
| Current liabilities | | | |
| Accounts payable | N30,000 | N20,000 | N20,000 |
| Current borrowing | N0 | N0 | N0 |
| Other current (interest free) | N0 | N0 | N0 |
| Total current and liabilities | N30,000 | N20,000 | N20,000 |
| Long-term liabilities | N60,000 | N40,000 | N40,000 |
| Total liabilities | N90,000 | N60,000 | N60,000 |
| Paid-in- capital | N30,000 | N40,000 | N80,000 |
| Retained earnings | N30,000 | N45,000 | N9,000 |
| Earning | N0 | N0 | N0 |
| Total capital | N60,000 | N85,000 | N113,000 |
| and liabilities | N150,000 | N145,000 | N173,000 |
| | | | |
| Other input | | | |
| Payments days | 0 | 0 | 0 |
| Sales credit | N0 | N0 | N0 |
| Receivable | 0.000 | 0.000 | 0.000 |

COMPANY'S LOCATIONS AND FACILITIES

Carrot juice production company is proposed to be located at No 23 Chime Avenue Enugu.

PRODUCTS

Carrot juice production company offers the following products

Carrot juice

Smoothies

Supper carrot food drinks

Carrot fruit shakes

MARKET ANALYSIS SUMMARY

The demographics of carrot juice customers are as follows:

Young professional ages 25-45

Average income of N40,000 a year

Involved in athletic activity

Slap in upscale health/natural food stores

MARKET SEGMENTATION

Carrot juice production company will identify matro locations within the state where we can reach our target customers.

Ogu

Independent layout

Abakpa

New heaven

Nsukka

Ngwo

Oji

PROPOSED MARKET ANALYSIS

| Proposed | | | | | | | |
|----------------------------|-----|--------|--------|---------|---------|---------|------------|
| Potential customers growth | | | | | | | |
| Ogu | 10% | 60,000 | 66,000 | 72,000 | 79,860 | 87,840 | 10.00 % |
| Independent | 10% | 75,000 | 82,500 | 90,750 | 99,825 | 109,808 | 10.00 % |
| Abakpa | 10% | 85,000 | 93,500 | 102,850 | 113,135 | 124,449 | 10.00 % |
| New heaven | 10% | 75,000 | 82,500 | 90,750 | 99,825 | 109,808 | 10.00 % |
| Nsukka | 10% | 62,000 | 68,200 | 75,020 | 82,522 | 90,774 | 10.00 |

| | | | | | | | |
|----------|---------|--------|--------|--------|--------|--------|-------|
| Proposed | | | | | | | |
| | | | | | 2 | | % |
| Ngwo | 10% | 90,000 | 99,000 | 108,90 | 119,79 | 131,76 | 10.00 |
| | | | | 0 | 0 | 9 | % |
| Oji | 10% | 48,000 | 52,800 | 58,080 | 63,888 | 70,272 | 10.00 |
| | | | | | | | % |
| Total | -10.00% | 495,00 | 544,54 | 598,95 | 658,84 | 724,73 | 10.00 |
| | | 0 | 0 | 0 | 5 | 1 | % |

STRATEGY AND IMPLEMENTATION SUMMARY

The strategy of carrot juice is to focus on our niche market which is health /natural food stores that serve the young active professional.

MARKET STRATEGY

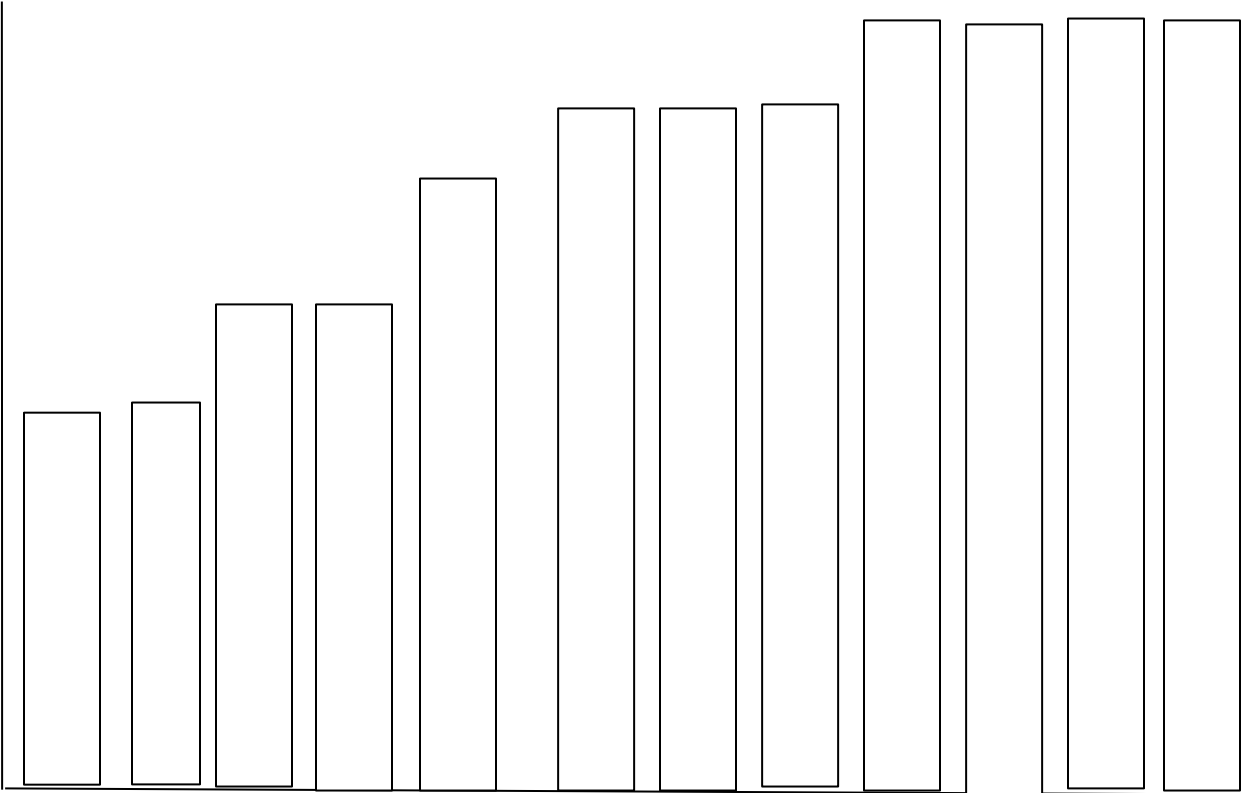
Carrot juice will introduce its products at 20% off regular price during the first month. In addition, carrot juice will co-sponsor local athletic charitable events to raise the visibility.

SALES STRATEGY

The sales strategy is to build customers' loyalty in the new markets. Carrot juice will increase its sales forces to focus on the new markets.

SALES FORECAST

The following table and charts shows the rapid ramp-up of sales during the first twelve months of operation.



SALES FORECAST

| | 2018 | 2019 | 2020 |
|----------------------|------------|------------|------------|
| Sales | | | |
| Products | | | |
| Other | | | |
| | | | |
| Total sales | N1,020,000 | N1,200,000 | N1,300.000 |
| Direct cost of sales | 2018 | 2019 | 2020 |
| Products | N278,000 | N310,000 | N360,000 |
| Other | N0 | N0 | N0 |
| Sub-total | N278,000 | N310,000 | N360,000 |
| Direct cost of sales | | | |

MY BUSINESS STRENGTHS:-

The competitors are pushing boxes, but know system networks, programming, and data management

Relationship selling: we get to know my customers, one by one.

History: I have been in our town forever. I have the loyalty of customer and vendors.

WEAKNESSES:-

Price and volume: The major stores pushing boxes can afford to sell for less.

Brand power: I cannot match the competitors full-page advertising in the sun or vanguard paper. I don't have the national brand name.

OPPORTUNITIES

Training: The major stores do not provide training but as systems become more complex, training is in greater demand.

Service: As our target market needs more service, our competitors are less likely than ever to provide it.

THREATS

The larger price: Oriented store: when they advertise low prices in the newspaper, our customers think we are not giving them good value.

The computer as appliance: volume buying of computers as product in boxes people thinks they need our services less.

PERSONAL PLAN

The following table shows the project personal plan for carrot juice.

Personal plan

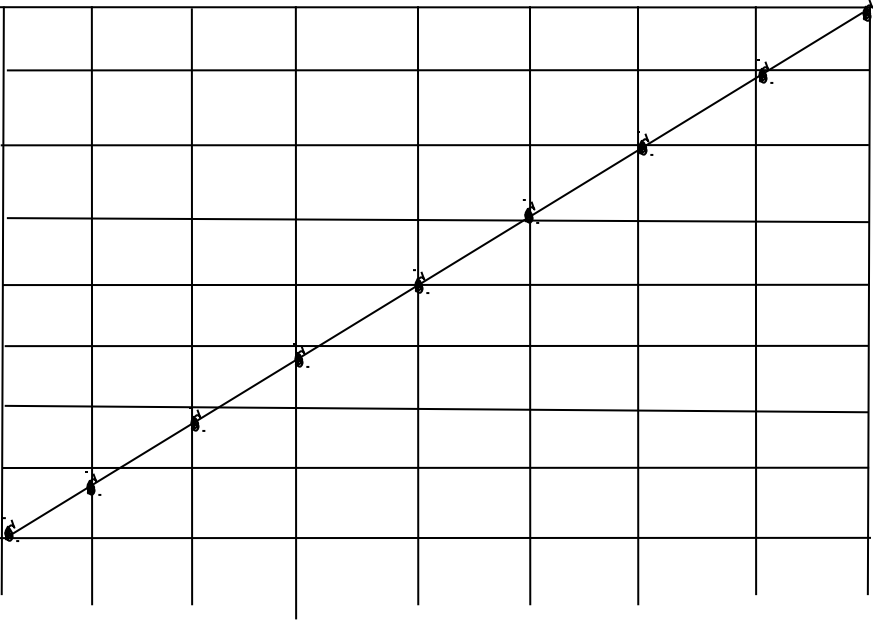
| | 2018 | 2019 | 2020 |
|------------------|----------|---------|---------|
| PaulinusAsadu O. | N360,000 | N40,000 | N44,000 |
| Production staff | N120,000 | N130,00 | N140,00 |
| | | 0 | 0 |
| Sales staff | N72,000 | N76,000 | N80,000 |
| | | | |
| Total people | 13 | 13 | 13 |
| Total payroll | N384,000 | N416,00 | N448,00 |
| | | 0 | 0 |

FINANCIAL PLAN:-

The following is the financial plan for carrot juice.

BREAK-EVER ANALYSIS

The monthly break -even point is N66,534



BREAK-EVER ANALYSIS

Monthly revue break-even assumptions:- N66,534

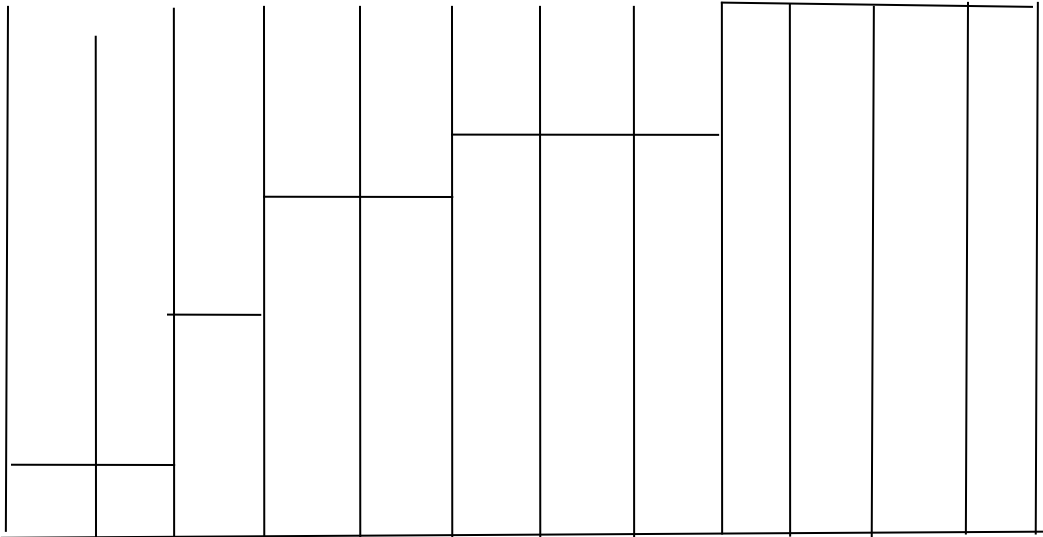
Average percent variable cost 27%

Estimated monthly fixed cost N48,400

PROJECTED PROFIT AND LOSS

The following table and charts are the projected profit and for three years.

PROFIT MONTHLY



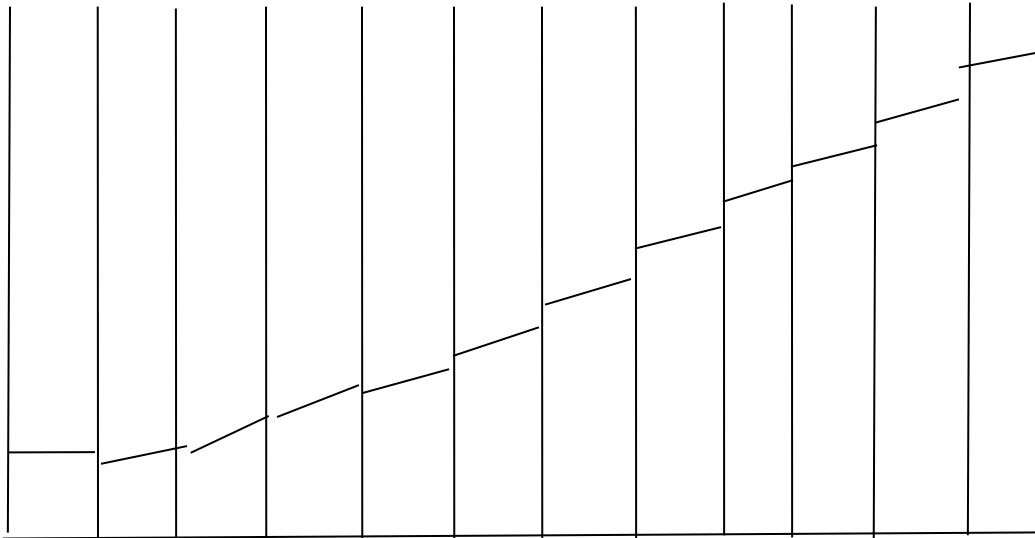
Pro Forma profit and loss

| | 2018 | 2019 | 2020 |
|--|------------|------------|------------|
| Sales | N1,020,000 | N1,020,000 | N1,300,000 |
| Direct cost of sales | N278,000 | N310,000 | N360,000 |
| Other production express | N0 | N0 | N0 |
| Total cost of sales | N278,000 | N310,000 | N360,000 |
| Gross margin | N742,000 | N890,000 | N940,000 |
| Gross margin% | 72.75% | 74.17% | 72.32% |
| Expenses | | | |
| Payroll | N384,000 | N416,000 | N448,000 |
| Sales and marketing and other expenses | N72,000 | N132,000 | N132,000 |
| | | | |
| Depreciation | N9,600 | N9,600 | N9,600 |
| Leased equipment | N0 | N0 | N0 |
| Utilities | N12,000 | N12,000 | N12,000 |
| Insurance | N9,600 | N9,600 | N9,600 |
| Rent | N36,000 | N36,000 | N36,000 |
| | | | |
| Payroll taxes | N57,600 | N62,400 | N67,200 |
| Other | N0 | N0 | N0 |

| | 2018 | 2019 | 2020 |
|----------------------------------|----------|----------|----------|
| Total operating expenses | N580,800 | N677,600 | N225,600 |
| Profit before interest and taxes | N161,200 | N212,400 | N225,600 |
| EBITDA | N170,800 | N222,000 | N235,200 |
| Interest expenses | N9,310 | N13,703 | N14,203 |
| Taxes incurred | N45,567 | N59,609 | N63,419 |
| Net profit | N106,323 | N139,288 | N147,978 |
| Net profit codes | N10.42% | 11.59% | 11.38% |

PROJECTED CASH FLOW

The following test and chart are the projected cash flow for three years.



PRO FORMA CASHERS FLOW

| | 2018 | 2019 | 2020 |
|----------------------|----------|------------|------------|
| Cash received | | | |
| Cash from operations | | | |
| Cash sales | N225,000 | N300,000 | |
| Cash from receivable | N697,500 | N893,971 | |
| Subtotal cash | N925,000 | N1,173,971 | N1.285,539 |

ADDITIONAL CASH RECEIVED

| | | | |
|--|----------------|------------|------------|
| Sales tax, vat, Cash last received | N0 | N0 | N0 |
| New current borrowing | N100,163 | N0 | N0 |
| New other liabilities (interests free) | N36,000 | N36,000 | N36,000 |
| New long-term liabilities | N36,000 | N36,000 | N36,000 |
| Sales of other current assets | N0 | N0 | N0 |
| Sales of long-term assets | N0 | N0 | N0 |
| New investment received | N0 | N0 | N0 |
| | | | |
| Subtotal cash received | N1,124,66 3 | N1,245,971 | N1,357,539 |

| Expenditure | 2018 | 2019 | 2020 |
|---|----------|------------|------------|
| Expenditure from operation | | | |
| Cash spending | N384,000 | N416,000 | N443,000 |
| Bill payments | N511,954 | N637,704 | N695,324 |
| | | | |
| Subtotal spent on operation | N895,954 | N1,053,704 | N1,143,324 |
| Additional cash spent | | | |
| Seles tax, vat, HST/GST list paid out | N0 | N0 | N0 |
| Principal payment of current borrowing | | | |
| Other liabilities principal payment | | | |
| Long-term liabilities principal payment | | | |
| Produces other | | | |

| Expenditure | 2018 | 2019 | 2020 |
|---------------------------|----------|------------|------------|
| current assets | | | |
| Purchase long-term assets | | | |
| Dividends | | | |
| | | | |
| Subtotal cash spent | N981,946 | N1,157,996 | N1,237,016 |
| Net cash flow | N142,717 | N93,975 | N120,524 |
| Cash balance | N182,717 | N276,692 | N397,216 |

STAKE HOLDERS

I want to say that carrot juice production company has decided to gather their stakeholders from the seven major catchment areas of the cities of Enugu state viz: Ogu, Abakpa, independents layout, New heaven Oji, Nsukka and Ngwo. The company wants their stakeholders to come from these sere major areas so as to help advertise and maintain a high level of our products campaign.

The proposed content of carrot juice products or ingredients:

Carbonated water

Natural carrot flavor

Super

Citric acid

Disoascorbete (vit.C)

Sodium benzoate

EXIT STRATEGY

An investor can leave the company when he/she wants to leave after the divided of the cost investment has been duely received by him/her.

CONCLUSION

The carrot juice production company as proposed is aspiring to be viable and a very reliable company in Enugu state and has of beginning and expanding to other parts of the state and other states of the country. We have place of proposed equipment for production balancing of the sales of present. Also there is order for technology like machines for grinding, serving, rinsing and separating the chaff from the real juice. We also have machines for mixing and proposed employees for better distribution by our products. May God help us.