

UNIVERSITY OF NIGERIA, NSUKKA
FACULTY OF THE SOCIAL SCIENCES
DEPARTMENT OF PUBLIC ADMINISTRATION AND LOCAL
GOVERNMENT

A BUSINESS PLAN WRITTEN IN PARTIAL FULFILMENT OF THE
COURSE REQUIREMENT BUSINESS DEVELOPMENT AND
MANAGEMENT (CEDR 342)

BUSINESS TITLE:
VIDEO GAMES AND VIEWING CENTRE

SUBMITTED

BY

OKOYE EMMANUEL CHUKWUEMEKA
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TO

LECTURER: DR. MRS. C. NWAOGA

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PART ONE

EXECUTIVE SUMMARY

The following report and recommendation relates to the proposal made by Mr. Pertinent.

Mr. Pertinent Ventures deals with Video games/ Viewing Centre. It is a start-up Video games and Viewing Centre providing the community with video games and viewing services which the community demand is increasing as the people become more conscious of the quality and the availability of recreational services for ease. The business been established as a sole business.

Name of business

Mr. Pertinent Video games and Viewing Centre

Legal form of business

This business is called Mr. Pertinent Video games and Viewing Centre. This business is registered with the corporate Affairs Commission (CAC), F.C.T Abuja

Contact Address

The business is located in Bwari Area Council, F.C.T Abuja of Nigeria. With telephone number 08064770751 and E-mail Address: donemmashort@gmail.com

Types of business

Mr. Pertinent Video games and Viewing Centre, deals with video games like PS2, PS3, PS4, Gameboy, PSPs and Viewing Center like; football, films etc.

Product or service

The vision statement of this firm is to renew small scale production enterprise which will render everyday services that will meet the needs of our clients with first class treatment and services.

Customers

The primary function of Mr. Pertinent Video games and Viewing Centre is to render good and efficient services to customers in any way possible. The services are reliable and affordable.

Ownership of the enterprise

The firm as a sole proprietorship enterprise owned by Okoye Emmanuel Chukwuemeka an undergraduate student of the Department of Public Administration and Local Government, he has knowledge in Video games accessories and also he is a DSTV Agent.

Number of jobs to be created

The total number of jobs to be created at the early stage of the business amount to four (4) and the number of expected to increase in the nearest future.

Startup capital

Total fixed capital	N100,000
Working capital	N200, 000
Loan	N400, 000
Total project cost	N700, 000

Project income statement

Turn over per year	2017	2018	2019
Turnover	250,00	350,000	500,000
Gross profit	210,000	310,000	455,000
Net profit	550,999	90,000	150,000
Return on equity (%)	7.4%	12.5%	15.4%
Return on investment	38.4%	42.1%	45.7%

Level of liquidity

	2017	2018	2019
Salaries and allowance	N156,000	N156,000	N156,000
Transport and traveling	0		
Loan interest	N10, 000	N11,000	N12,100
Telephone and postage	N40, 000	N26,000	N13,333
Depreciation	N1, 000	N1,100	N1,210
Total operating expenses	N22, 000	N22,000	N22,000
	N229, 000	N216,766	N204,643

PART TWO

3.0 INTRODUCTION

It is obvious that Video games and Viewing Centre is a business with much profits having served as a means of employment for youths around the country. Video games and Viewing Centre in Nigeria is very profitable and lucrative provided you have enough money to start and run it effectively. It is a business you can start anywhere in the country without fear of low patronage especially where youths and sports lovers are residence. As long as there is need for leisure and relaxation and people living where you are, you are good to go in your own big or little way. This business is capable of giving you good money if you do it well. There is also good market for football viewing Centre in Nigeria with the high rate of sports lovers.

2.1 Vision

Constant Availability of Gaming facilities in Bwari, Abuja at affordable amount with efficient customer service and with time to capture the national market.

2.2 Mission

To provide video games and viewing center Services and Create jobs opportunities for youths in the area also to adopt the best global practices for video games and viewing center business and supply.

2.3 key success factors

The key success factors are:

- a.** Prompt delivery to our customers and a strong industry care
- b.** Constant motivation of business workforce through incentive to workers to ensure their commitment to organization goals.
- c.** Our focus shall concentrate on day to day activities as to ensure that services deliveries are efficient.
- d.** The use of best material for service delivery
- e.** Existence of reliable market outlets i.e customers

2.4 Inherent risk

a. Video games and viewing center are not always patronized by everyone in the area. It is mostly patronized by young boys and adult male, most ladies/women do not patronized the business

c. There are plan to use reliable mitigates to checkmate these identified risk.

2.5 Name of Business

The name of the business is Mr. Pertinent Video games and Viewing Centre

2.6 Business Ownership/Legal Status

The business is a sole proprietorship wholly owned by Okoye Emmanuel Chukwuemeka of No. 33 Ibrahim Yaro Way Bwari, Abuja. The business is a new one and has been registered with C.A.C (Corporate Affair Commission) F.C.T Abuja.

2.7 Location Factors

The business is located at Bwari, Abuja. What informed the choices of this location are:

- a. Its nearness to the commercial spinal cord of the Abuja. i.e Bwari
- b. Availability of cheap labour
- c. Availability of cheap supply
- d. Availability of raw materials at a cheap rate. e.g Ps2 Machines etc
- e. The large number of business and the people living in that community

2.8 Available Market

Information from survey shows that the annual demand for Video games and Viewing Centre service in Nigeria is over 90 million on Daily Basis. They will only need an assurance of regular services per week. There is also a good market for Video games and Viewing Centre business both inside and outside. One can make millions of naira from this vast and inexhaustible market.

PART THREE

4.0

THE MARKET

Mr. Pertinent Video games and Viewing Centre is a services providing type of business located at Bwari, Abuja. Our prospective customers are Game players and football viewers and different sports/game lovers within Bwari and beyond knowing that gaming and football seeing is very essential in everyday life.

3.1 Natural and size

Video games and Viewing Centre service is an essential business due to its daily demand from the potential users. Because of the economical value and market demand of Video games and Viewing Centre, the demand has spread across the country and beyond. It is ever growing to accommodate on coming entrepreneur. There is wide gap between the supply and demand of the service hence we seek to move in to help fill the gap.

3.2 Target Market

In this area of business mortgage application and business plan analysis, that needs to focus on the demographics of my localization industry. This part should go over how numerous

Video games and Viewing Centre in my area, the anticipated number of Video games and Viewing Centre that would demand the need for games service, the medium revenue of folks living in the area, poverty line strategies and any applicable laws that would apply to my application of Mr. Pertinent Video games and Viewing Centre.

3.3 Service delivery

During the market survey and feasibility study, it was gathered that every part of the population have need for Video games and Viewing Centre of different types. Our services are going to be packaged in a unique style and they will meet our client demands even in a highly competitive market. We will position the enterprise to have a competitive edge over other firms in the industry. We shall ensure effective service delivery to the customers and allowance of free games and viewing of free matches for a good period after we kick-off.

3.4 Quality assurance

Mr. Pertinent Video games and Viewing Centre shall render the best and efficient video games service and viewing center of different games/match to our clients and customers. The customer will be compensated appropriately, as this will

increase and foster and excellent customer services relationship.

3.5 Demand and supply analysis

Details	Size (Number)
Available market	4000
Potential demand to be served	2000
Less 30% existing competitors	1500
Less 10% due to possible expansion and very high entry wall	2250
Less 5% due to error in estimation	2140
Available demand or market size	1500

PART FOUR

5.0

MARKET PLAN

Embarking on any business, there must be a market plan, these deals mapping out strategies for making market profit.

4.1 Market Segmentation

On this platform, we will segment the firm into four (4) departments, the personnel recruitment will be in charge of recruitment of staff welfare. It will be headed by the personnel officer. Efforts will be taken to ensure that the few workers on ground work to meet up the demand of customers and also the standard needed by the firm.

The attendant section will deal with attending to customers and ensuring quality and consistent gaming and match viewing for customers and will be supervised by the games manager.

4.2 Market Strategy

We will adopt the penetrative pricing system in our service delivery and competitive advertising to achieve publicity. We shall also compensate for and replace any break in power supply to any customer at any time. This will help maintain the good will of the firm with the customers, thereby enhancing sustainability and growth.

The business will have diverse qualities one which will be offering a wide range of services. Our gaming and viewing center will be arranged in such a way that it will serve the needs of our target population, making it the number one choice of our clients.

4.3 Market Promotion strategy

For promotion, we will make use of posters, local magazines, street publicity, bills and radio jingles to create awareness. We shall make use of price penetration strategy.

4.4 Alliances

Mr. Pertinent Video games and Viewing Centre will be establishing contacts and business relationships with other business around the vicinity as this gesture will enable us to gain more shareholders, customers and obtain more technical and market knowledge skills.

4.5 SWOT Analysis

Strength: The ability to provide a communal customer care relationship and loyalty this we shall achieve through customer satisfaction and loyalty. The firm has other strengths which include skilled personnel, cheap labour supply, and proximity to equipment or materials.

Weakness: Power inconsistency may weaken the business as the PS2 machine runs on electricity, but the availability of alternative power supply will minimize this problem.

Opportunity: There are a lot of opportunities in the industry.

Threats: Some of the threats to Mr. Pertinent Video games and Viewing Centre:

- Competition from the existing firms in the industry who seek to out-compete us;
- Initial low demand as new entrants in the industry
- Few available labour at the initial stage.

PART FIVE

6.0 MANAGEMENT AND ORGANIZATION STRUCTURE

5.1 Organization Structure

The firm will consider a small organization structures at start-up.

Share-holder and Director: There are no shareholders and directors in the business since the firm is a sole proprietorship. The enterprise is owned by Okoye Emmanuel Chukwuemeka.

Management Team: The management team of the firm will make up chief executive office, services officers and cleaners. With a minimum qualification of SSCE and some years of experience, in the future there will definitely be need for a more qualified and sophisticated management team.

External support: The Company is discussing with the Nigerian Law School Bwari Abuja to offer strong management and business support this year.

5.2 PERSONNEL PLAN

S/N	POSITION	NO	PER MONTH	PER ANNUAL
1	Marketing Officer	1	6,000	70,000
2	Other Employees	2	8,000	97,000
	Total			167,000

5.3 Value and norms of the Company

For sustainable market, the firm will adopt the following and that will appeal to the clients.

- To do the best for the benefit of the client
- To bring value and large market share to my investors
- Being honest in serving my customers
- Always uphold integrity in my services.

PART SIX

7.0 LEGAL REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES

6.1 Legal Issues

This business is registered with the Corporate Affairs Commission (CAC), FCT, Abuja as Mr. Pertinent Video games and Viewing Centre.

6.2 Regulatory Issues

The firm will comply with all relevant regulatory requirements. The firm will pay its taxes and equal its corporate and social responsibility to its host community.

6.3 Social Issues

The project will bring social and economic benefits to the state in the following ways:

- It will create employment
- It will build management and social capital to the citizen
- It will achieve poverty reduction in line with the millennium development goals.

6.4 Environmental Issues

Mr. Pertinent Video games and Viewing Centre is environmental friendly as our activity generate no threatening waste which could be unfriendly to the environment.

PART SEVEN

8.0 COMPANY FINANCES

7.1 Project Cost

The total project cost of the business is eight hundred thousand naira (N800,000.000). This amount is broken down into fixed asset cost of two hundred thousand naira (N200,000.00) and working capital of two hundred thousand naira (N200,000.00).

7.2 Schedule of Production

ITEM (CARTONS)	QTY	UNIT PRICE	PRICE PER MONTH	PRICE PER YEAR
Rent	15			45,000
Realm of papers	3		650	50,000
Printer				50,000
Tariff payment				500,000
Miscellaneous				20,000
Salaries				135,000
Total				800,000.00

7.3 Estimate of Sales And Cost Estimate

	2017(N)	2018(N)	2019(N)
Turn over	250,000	350,000	500,000
Cost estimate	40,000	40,000	45,000
Profit	210,000	310,000	455,000

7.4 FIXED ASSET COST

S/NO	ITEMS	PRICE (N)
1	Rent (per year)	45,000

2	Generator set	42,000
3	Delivery bus	130,000
TOTAL	Total	217,000

7.5 WORKING CAPITAL (PER YEAR)

S/NO	ITEMS	PRICE (N)
1	Salaries	156,000
2	Fuel	39,000
3	Electricity	22,000
4	Repairs/maintenance	13,000
5	Administration expenses	23,000
TOTAL	Total project Cost	253,000

7.6 START UP CAPITAL REQUIREMENT

The total capital needed, including fixed asset and working capital is eight hundred thousand naira (N800,000.00).

7.7 FINANCIAL STRUCTURE PURPOSE

The funding plan for Mr. Pertinent Video games and Viewing Centre is scheduled as follows:

- Owner contribution: The owner Mr. Okoye Emmanuel Chukwuemeka will contribute the sum of three hundred thousand naira (N300,000.00). This is equity funding.
- Debt Funding: The business shall borrow the sum of four hundred thousand naira (N400,000.00) from any bank.

7.8 DEPRECIATION

Knowing fully well that most of the fixed asset will tend to depreciate in quality as time goes on, we will plan towards their regular repairs as stated in our working plan and eventual replacement as our profit increases.

7.9 DEPRECIATION SCHEDULE

ITEM	COST (N)	DEPRECIATED VALUE (N)	SCRAP VALUE (N)	TIME
Rent (per year)	45,000	-	-	4 years
Generator set	42,000	12,000	30,000	4 years
Delivery bus	130,000	10,000	120,000	4 years

7.10 LOAN REPAYMENT AND INTEREST PAYMENT SCHEDULE

An agreement will be reached with the bank to start repayment after two years of running the business with an interest of ten percent on the principal; the repayment time lag will run for a total of three years with a monthly repayment installment spread equally over the months.

The contributions by the partners remain part of the business venture.

Year	Principal (N)	Repayment (N)	Interest (N)	
1	400,000	133333.33	40000	266666.

				67
2	266666.67	173333.33	266666.7	133334
3	133334	200000	13333.4	

7.11 BUSINESS DEVELOPMENT AND MANAGEMENT

	2017	2018	2019
Capital	70000	572500	558341
Sales revenue	250000	350000	500000
Less discount	---	---	---
Product costs	40000	40000	40000
Gross profit	210000	310000	455000
Salaries	156000	156000	156000
Rent	46,000	45,000	46,500
Repairs and maintenance	13,000	13,000	13,000
Marketing	6,500	7,000	7,8000
Electricity	22000	22,000	22500
Legal	11,000	---	--
Admin expenses	23000	22000	20000
Fuel	39,000	39,650	40,250
Total expenses	315500	282650	306050
Depreciation	22,000	22,000	22,000
Profit before tax	572500	577850	685291
Less tax		19,509	38,670
Net profit	572500	558341	646621

7.12 CASH FLOW

	2017	2018	2019
Bank loan	400000	---	---
Sales income	25,000 0	350000	50000
Other income (owner's contribution)	300,00 0	---	----
Total cash in	95000 0	350000	500000
Cash payments	156,00 0	156,000	156000
Total expenses	31500 0	282650	306050
Cost of goods	40000	40,000	45000
Interest expenses		26666	13333

Loan repayment			
Tax		19509	38670
Other payments	13,000	14,500	17,000
Total cash out	564500	539325	576053
Net cash flow	385500	196175	120122
Opening cash balance	700000	572500	558341
Closing cash balance	572500	558341	646621

7.13 BALANCE SHEET

	Six months	2017	2018	2019
Fixed assets (costs)				
Machinery equipment		172000	172,000	172,000
Less cumulative depreciation		22,000	23,000	25,500
Book value of machinery		150000	149,000	146,500
Total fixed assets		172,000	172,000	172,000
Total assets		744,500	730341	818621
Current liabilities		25,000	25,000	25,000
Creditors		---	---	---
Provision		20,000	20,000	15000
Total current liabilities		45,000	45,000	40,000
Total net worth		699500	685341	778621

7.14 BREAK EVEN ANALYSIS

$$S-VC = C = FC + P$$

$$BEP = \frac{F X S}{S-VC}$$

Where S = SALES

VC= VARIABLE COST

F=FIXED COST

C= CONTRIBUTION MARGIN

P = PROFIT

BEP = BREAK EVEN POINT

BEP = $\frac{218000 \times 250000}{250000 - 103500}$

$= N\ 372013.65$

This implies that at the turnover of N372013.65, the business will break even.

RETURN ON INVESTMENT (ROI) RETURN ON OWNERS' EQUITY

For 1st Years:

Net profit	65000 x 100	
Owner equity	30000	= 21.7%

For 2nd Year

	$\frac{90000 \times 100}{300,000}$	= 30%
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For 3rd Year

	$\frac{15000 \times 100}{300,000}$	= 50%
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RETURN ON INVESTMENT

For 1st Years:

Net profit	65000 x 100	
Owner equity	70000	= 9.29%

For 2nd Year

$$\frac{90000 \times 100}{700,000} = 12.86\%$$

For 3rd Year

$$\frac{15000 \times 100}{700,000} = 21.4\%$$

7.15 ACTION PLAN

Presently, we have a time lag of a few months before we intend kicking-off the business in the following fiscal year. Plan is already on ground to work tirelessly in order to achieve the set goal of the firm.

PART EIGHT

RISK ANALYSIS, CONTINGENCY PLAN AND EXIST STRATEGY

8.1 Risk Analysis

We have done the risk analysis for the venture to identify the imminent risk associated with it. After identifying the risks, we generated measures to reduce the negative effects of the risks on the business.

S/N	IDENTIFIED RISK	MEASURES
0		

1	Competition	Use of competitive and persuasive advertising and packaging/service
2	Initial low demand	Use of price strategy and good customer relations.
3	Electricity issues	Use of stand-by generator for adequate and consistent power supply.
4	Labour migration	Use of relevant motivational tools and care for the employees

8.2 CONTINGENCY

In case of any contingency in the first few months after the business take-off, we will use the following procedures:

- Price and service discount;
- Aggressive advertising;
- Use of strong customer relationship and
- Effective customer care and retention.

8.3 EXIT STRATEGY

From the cash inflows that business will generate, we will be able to set off the bank loan and its interest thereby. This is to avoid cases or violation of the business legal requirements. The business will still be open and pursue expansion and sustainable growth.