

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

**TOPIC:**

**BLOCK INDUSTRY**

**A BUSINESS PLAN  
SUBMITTED IN PARTIAL FULFILLMENT FOR THE  
REQUIREMENT OF THE COURSE: CED 342  
(BUSINESS DEVELOPMENT AND MANAGEMENT)**

**BY**

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REG. NO: 2014/193085**

**LECTURER: DR. MRS. T.C. NWAOGA**

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## **1.0 EXECUTIVE SUMMARY**

**1.1** The following report and recommendation relate to the proposal by **Emma Bright Industry**. Associate company of Emma Bright establish a block Industry business.

**1.2** The proposed project is to be fully implemented with an investment of **₦775,000.00** (seven hundred and seventy-five thousand), made up of **₦325,000.00** fixed capital and **₦450,000.00** working capital.

**1.3** The business's vision is to improve the structure and strong building Products through the production of highly block industry/factory.

**1.4** The proposed business will be located at Obollo in Enugu State, Nigeria.

**1.5** A ready market exists for the planned business, based on our market survey.

**1.6** The financial projections reveal a good level of liquidity and stability. The projected turnover for year 1, year 2 and year 3 are respectively **₦980, 000.00, ₦975, 900.00, and ₦995, 780.00.**

**1.7** The funding requirement is **₦775, 000.00** as the promoters are committing **₦400, 000.00** to the project.

**1.8** The business's competitive edge is the management's strong technical skills and knowledge of the business; and sales of varieties of block for different houses.

## **2.0 INTRODUCTION**

Obollo is a highly populated town that is blessed with a large crowd of people. This made block industry to be the most lucrative occupation in the area. Analysis has shown that outside those engaged in white collar jobs, the majority of the remaining populace is involved in brick layer, trading and other menial jobs.

It is evident that block industry is fast growing business venture in Obollo. Others have taken this block industry as a sole business venture.

These increasing demand for bricks for both small and large quantity has led to the establishment of this business, **EMMA BRIGHT BLOCK INDUSTRY**.

## **2.2 VISION**

The vision of the business is to make blocks available in sufficient quantity to all consumers in Obollo town.

## **2.3 MISSION**

The mission of the business is to provide few employment for people contribute to the poverty eradication exercise in Obollo land.

## **2.4 KEY SUCCESS FACTORS**

The key success factors of this business include:

- (i) a very high experience and skills of our workers;
- (ii) being friendly to our customers;
- (iii) a welcoming countenance shown to customers;
- (iv) neatness of the business premises;

- (v) high quality products manufactured;
- (vi) A quality delivery service and customers' care services rendered to customers.

## **2.4 INHERENT RISK**

- i. There is a currently lean resource to contain the expansion that is normal with block industry.
- ii. The implementation of this project attract more entrants to the business to compete with?
- iii. Provision of basic utilities like water supply and electricity is not regular.

## **2.5 OWNERSHIP OF THE ENTREPRISE**

The name of the company is Emma Bright Block Industry. It is a partnership business which is owned by me and Bright. A legal registered business form of ownership and enterprise. The promoters of the business: **Emma Bright** discovered that the success of block industry in Nigeria cannot be over emphasized, following the supply of bricks as a source of building material, there by limiting the volume of people. Suffering from lack of bricks.

Having gone through the product formulation and development stage, the company now desire to embark on the production bricks for commercialization and it is currently seeking financial support from. Nigerian Bank of industry.

## **2.6 LOCATION AND FACILITIES**

The business will be located at Obollo-Afor in Enugu State, Nigeria.

The geographical location of the business is advantageous due to the following location factors.

- (1) The nearest of the market nearest to the heart of the town will enable easy access of good supply of bricks, for each builders in the town.
- (2) Availability of land to contain expansion of the block industry.
- (3) Existence of good road network for efficiency and effectiveness in distribution blocks.
- (4) Availability of cheap and reliable productive factor input (labour).

## **2.7 AVAILABLE MARKET**

Information from survey shows that about 40000 bricks are demanded yearly in Obollo area.

### **Industry trend and analysis**

The sector within which this block industry business will operate is the industrial sector that is the primary sector of the economy. Industry in Nigeria is generally under developed especially the block industry. This is because, The challenges faced by this industry include the following

- The use of out dated equipment
- Scarcity and sand
- Non-availability of water

### **The Opportunity In The Industry Include The Following:**

- Source of income to man
- It serve as the building material

## 2.9 REVENUE BASE

ITEM	QUANTITY PER MONTH	UNIT PRICE(₦)	QUANTITY PER YEAR	AMOUNT (₦)
Block	50 blocks	800	600	480,000
Sand	50 trips of sand	1000	600	600,000
Total	100	1800	1200	1,080,000

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## 3.0 PRODUCT/SERVICE

# Blocks

### Business Strategy:

The Emma Bright industry will adopt the following business strategies that will distinguish it from others and also make customers to consider it as an option of first choice. Our business strategy include the following;

- To be well known as the company that produces the best quality of block product without endangering the environment.
- A reliable source of product supply of block at any point in times
- The player with the best ethical standard,
- Embarking on advertisement which will evening affect the demand for the product through advertisement, the demand for the product will increase.

### Key Success Factors:

- (a) The use of improved variety of sand
- (b) Importing the latest and best sand from Amanyi Orba River, Nsukka in Enugu State

(c) The main promoter has undergone training in entrepreneurship and has gained the required skill

(d) Adopting improved techniques of production.

### **3.1 Marketing Strategy**

Our products will be sold through wholesalers, retailers as well as direct to the customers.

### **3.2 Pricing Strategy**

We will make use of **penetrating price strategy**, i.e. selling at a reduced price to attract customers and then gradually increasing it to the appropriate prices. We will also inculcate **price lining** during scarce periods. Discount of 5% will be given on any purchase below 30 crates while a discount of 10% will be given on any purchase above 30 crates.

### **3.3 Distribution Strategy**

Any purchase that is up to 50 bricks at a go attracts free delivery to customers.

### **3.4 NATURE AND SIZE**

Due to the advent of block industry in Obollo, the demand for bricks has increased. Both rural and urban industries keepers are in dire need of these blocks as a source of building materials that can be used for building house.

### **TARGET CLIENTS**

This business is established for all consumers.

### **3.5 KEY COMPETITORS AND PLAYERS**

- (i) Johnbosco block, Obollo.

### **3.6 SERVICE DELIVERY**

- (i) We will be sincere to my customers.
- (ii) We will be polite to them.
- (iii) We will be conscious in delivery so as to avoid shortage in quantity delivered.
- (iv) We will give a free home delivery service to every customer that purchases not less than 50 blocks.
- (v) We will give 5% discount to any purchase below 30 blocks, and 10% discount to any purchase above 60 blocks.

### **3.7 QUALITY ASSURANCE**

Our products are going to observe all quality control measures necessary in thus firm approved by the poultry regulating body.

### **3.8 DEMAND/SUPPLY ANALYSIS**

The supply of block to the market is dwindling because it is seasonal. This makes the availability of blocks in the market dependent on the season of the year.

### **3.9 TECHNOLOGY**

For a start, we will employ manual technology in all the production process except in the moulding stage where we will make use of an electric moulder. As time goes on, we will mechanize the whole process.

### **3.10 COMPETITIVE EDGE**



The competitive edge we have over our competitors includes the following:

- (i) Availability of cheap labour;
- (ii) Availability of large sand for moulding.
- (iii) Availability of power supply from the national grid;
- (iv) Proximity to the source of raw materials;
- (v) A good network of roads for easy transportation;
- (vi) A high working experience of labourers; and
- (vii) A high level of skill.

#### **4.0 MARKETING**

We will operate a sedentary marketing whereby our products will be marketed in our business premises. We will employ price penetration method in order to attract customers thereby advertising our products.

#### **4.1 PROMOTION AND DISTRIBUTION STRATEGY**

We will distribute non-coloured printed handbills and posters to the masses. We will also send announcements to churches, offices and business centers to let them know about our products. The distribution of products will be based on the quantity purchased. 30 blocks and above attract a free delivery service while below 30 blocks attract delivery at a subsidized amount.

#### **4.2 ALLIANCES**

We will establish alliances with pre-existing block industry enterprises in order to connect to contacts. We will also liaise with sand supplier to keep our industry in a constant business.

### **4.3 MARKET POSITIONING**

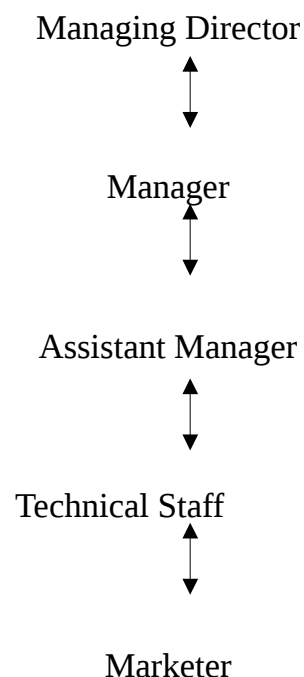
We will run a specialization aspect of market positioning for a start until we attain to a one-stop shop when we shall delve into block facilities.

### **4.4 SERVICE DELIVERY STRATEGY**

**EMMA BRIGHT BLOCK INDUSTRY** will adopt the following strategies in delivering/rendering services:

- (i) Attending to customers as they come (i.e. first come, first serve);

### **5.1 ORGANIZATION OF STRUCTURES**



### **5.2 SHARE HOLDERS AND DIRECTORS**

We don't have chances for share holders and directors until our business expands.

### 5.3 MANAGEMENT TEAM

Manager and Assistant Manager

### 5.4 EXTERNAL SUPPORT

We may seek external supports for special areas like accounting, personnel training, etc.

### 5.5 PERSONNEL PLAN

NAME	POSITION	QUALIFICATION	SALARY (₦)	AMOUNT (₦)
Victor Nwachukwu	Managing Director	M.Sc (Bus.Admin)	20,000	60,000
UgwuMaduabuchi	Manager	M.Sc(Bus. Admin.)	15,000	45,000
Eke Ijeoma	Asst. Manager	B.Sc(Bus.Admin.)	12,000	36,000
OdoEbuka	Staff 1	HND	10,000	30,000
Amadi Cecilia	Staff 2	OND	8,000	24,000
EkweChinonso	Tech. Staff	WASSCE	6,000	18,000
OmekeChinedu	Tech. Staff	WASSCE	6,000	18,000
AmehIkenna	Driver	WASSCE	6,000	18,000
<b>Total:</b>			<b>83,000</b>	<b>249,000</b>

### 5.6 VALUES AND NORMS

(i) The managing director is the highest authority in this enterprise.

(ii) The hierarchy of staff is as follows:

- Manager
- Asst. Manager
- Staff 1
- Staff 2
- Technical staff
- Driver

(ii) Workers are to treat one another with tolerance and respect.

- (iii) Customers are to be served with uttermost concern. The service will be rendered to the satisfaction of the customers.
- (iv) We will give room for replacement of livestock feeds that are rejected by customers.
- (v) Discipline must be maintained among the staff.

## **6.1 LEGAL ISSUES**

This enterprise, Emma Bright Block Industry, located at Obollo-Afor in Enugu State, Nigeria. It is in the process of being registered with the Cooperate Affairs Commission.

## **6.2 REGULATORY ISSUES**

Our products, are subject to test and recommendation by the Regulatory body on block industry and quality control measures are to be exercised with respect to the recommendation.

## **6.3 SOCIAL ISSUES**

This enterprise will establish a cordial relationship with neighbouring enterprises, especially those that deals in poultry products.

## **6.4 ENVIRONMENTAL ISSUES**

The wastes that will come out during the production of our block are going to be properly disposed in other to avoid environmental pollution.

## **7.0 SWOT ANALYSIS**

**Strength-** Our strength lies in the facts that we have well-trained and experienced workers in all level of management of block



### WORKING CAPITAL

Fuel	-	-	-	-	-	-	-	-	-	-N30, 000
Raw Materials	-	-	-	-	-	-	-	-	-	-N190, 000
Shop Rent (for 3 years)	-	-	-	-	-	-	-	-	-	N90, 000
Electricity Bill (for 3 years)	-	-	-	-	-	-	-	-	-	N45, 000
Vehicle Rental (for 3 years)-	-	-	-	-	-	-	-	-	-	N60, 000
Maintenance	-	-	-	-	-	-	-	-	-	N10, 000
<b>Total</b>	-	-	-	-	-	-	-	-	-	<b>N450, 000</b>

### 8.2 FUNDING PLAN

The total project cost is planned to be funded as follows:

Owners' Contribution	-	-	-	-	-	-	-	-	-	N400, 000
Loan Capital	-	-	-	-	-	-	-	-	-	N375, 000

### 8.3 FUNDING REQUIREMENT

The funding requirement for this project is N375, 000 since the promoter is going to commit N400, 000 to the business.

### INTEREST AND LOAN REPAYMENT

Assume 10% Interest in 3 years.

YEAR	PRINCIPAL (N)	REPAYMENT (N)	INTEREST (N)	TOTAL REPAYMENT (N)	LOAN BALANCE( N)
1	375, 000	125, 000	37, 000	162, 000	250, 000
2	250, 000	125, 000	25, 000	150, 000	100, 000
3	100, 000	125, 000	10, 000	135, 000	

### 8.5 DEPRECIATION SCHEDULE

S/N	ASSET ITEM	COST (₦)	SCRAP VALUE (₦)	LIFE SPAN	AMOUNT (₦)
1	Generator	80, 000	45, 000	10 yrs	3, 500
2	Moulding bowl	130, 000	90, 000	10 yrs	4, 000
3	Electric Mill	110, 000	60, 000	10 yrs	5, 000
4	Shovels (2)	4, 000	2, 000	10 yrs	200
5	Moulder	1000	200	10 yrs	80
<b>Total:</b>		<b>325, 000</b>	<b>197, 200</b>		<b>12, 780</b>

## 8.6 PROJECTED INCOME STATEMENT

ITEM	YEAR 1 (₦)	YEAR 2 (₦)	YEAR 3 (₦)
<b>Turnover</b>	<b>980, 000</b>	<b>975, 900</b>	<b>995, 780</b>
<b>Less: Operating Expenses</b>			
Fuel	9, 000	12, 000	9, 000
Raw materials	70, 000	60, 000	60, 000
Supply Materials	7, 000	9, 000	9, 000
Shop Rent	30, 000	30, 000	30, 000
Electricity Bill	17, 000	13, 000	15, 000
Vehicle Rental	20, 000	20, 000	20, 000
Maintenance	3, 000	3, 500	3, 500
Salaries	249, 000	260, 000	285, 000
Depreciation	197, 200	197, 200	197, 200
Interest On Loan	37, 000	25, 000	10, 000
Miscellaneous	5, 000	6, 000	5, 500
Admin. Expenses	23, 000	27, 000	34, 000
<b>Total Operating Expenses</b>	<b>667, 200</b>	<b>662, 700</b>	<b>678, 200</b>
<b>Net Operating Profit</b>	<b>312, 800</b>	<b>313, 200</b>	<b>317, 580</b>

## 8.7 PROJECTED CASHFLOWS STATEMENT

ITEM	YEAR 1 (₦)	YEAR 2 (₦)	YEAR 3 (₦)
<b>CASH INFLOWS</b>			
Owners' Contribution	400, 000	-	-
Loan from Bank	375, 000	-	-
Revenue (sales)	980, 000	975, 900	995, 780
<b>Total Cash Inflows (A)</b>	<b>1, 755, 000</b>	<b>975, 900</b>	<b>995, 780</b>
<b>CASH OUTFLOWS</b>			
Equipment and Rent (less year 1 rent)	385, 000	-	-

Operating Expenses (less depreciation & Rents Yr 2 & Yr 3)	607, 200	602, 700	618, 200
Loan Repayment	125, 000	125, 000	125, 000
<b>Total Cash Outflows (B)</b>	<b>1, 117, 200</b>	<b>727, 700</b>	<b>743, 200</b>
Net Cash Flows(A-B)	637, 800	248, 200	252, 580
Opening Cash Balance	-	637, 800	886, 000
Closing Cash Balance	637, 800	886, 000	1, 138, 580

## 8.8 PROJECTED BALANCE SHEETS

ITEM	YEAR 1 (₦)	YEAR 2 (₦)	YEAR 3 (₦)
<b>CAPITAL EMPLOYED</b>			
Fixed Assets	325, 000	325, 000	325, 000
Less: Depreciation	197, 200	216, 920	238, 612
<b>Net Fixed Assets</b>	<b>127, 800</b>	<b>108, 080</b>	<b>86, 388</b>
<b>Current Assets</b>			
Balance at Bank and in Hand	637, 800	886, 000	1, 138, 580
Prepayment (Rent)	60, 000	30, 000	-
	<b>697, 800</b>	<b>916, 000</b>	<b>1, 138, 580</b>
Less: Creditors (Bank Loan)	250, 000	100, 000	-
<b>Net Current Assets</b>	<b>447, 800</b>	<b>816, 000</b>	<b>1, 138, 580</b>
<b>Net Asset = Net Fixed Asset + Net Current Asset</b>	<b>575, 600</b>	<b>924, 080</b>	<b>1, 224, 968</b>
<b>FINANCED BY:</b>			
Owner's Capital	400, 000	400, 000	400,000
Retained Profit	175, 600	524080	824, 968
Owner's Fund	575, 600	924, 080	1, 224, 968

## 9.1 ECONOMIC JUSTIFICATION

This enterprise, Emma Bright Block Industry, has the capacity of providing / generating economic activities such as cheap blocks and cheap labour, constant power supply as well as making the neighbouring enterprises to progress.



## **9.2 COMMERCIAL VIABILITY**

Since block business has become a very prolific business, importance of block cannot be over-emphasized. Because of the indispensable nature of this, its demand has increased drastically. Hence, there is a very large market for the sales of our products.

## **10.0 CONCLUSION / RECOMMENDATION**

This business, EMMA BRIGHT BLOCK INDUSTRY, will improve the building of houses in Obollo land and beyond through wealth creation. Job creation, improved skill acquisition and poverty eradication. It is therefore recommended as a successful business plan for a developing community like Obollo.