

FACULTY OF AGRICULTURE: DEPT. OF HSND

BUSINESS PLAN

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**Processing and production of meat and meat product**

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**A business plan submitted in partial fulfillment of the requirement of the course CEDR**

## BUSINESS PLAN

### Processing and production of meat and meat product

#### 1.0 Executive Summary

- 1.1 The following report and recommendation s relate to the proposal by Umeojiako Joseph to establish a meat and meat production and processing business.
- 1.2 The project is meat to be fully implemented in an investment of 2 million naira (two million naira) made up of 1.5 million naira fixed capital and 500 thousand operating naira system.
- 1.3 The company's vision is to be a meat and meat product company of world class standard.
- 1.4 The proposed project will be located in Awka, Anambra state
- 1.5 A ready market is for the business based on the market survey.
- 1.6 The financial projection revealed a good level of liquidity and stability. The projected turn over for 2018, 2019 and 2020 respectively is, 2.5million, 3million, 4million. Profit after taxation 2018 is 350 thousand naira increasing to 1.3 million naira, in 2020.
- 1.7 The funding requirement is 1.5 million naira , as the promoter is committing 500 thousand naira to the business
- 1.8 The companies competitive edge is the fact the we are experienced in the business and also we will be raising our own animals used the production of meat and meat products, so as to give our customers a rich product at an affordable price.
- 1.9 The profitability indicators as extracted from the indicators from the projections embodied in the plan are as follows.

Indicators	2018	2019	2020
Turn over N	2500000	3000000	4000000
Gross margin N	1000000	1300000	2200000
Net operating profit N	350000	630000	1300000
Return on equity %	70	126	260
Return on total investment %	17.5	31.5	65

#### 1.10 conclusion and recommendations

From the point of view of the analysis of our findings, the proposed project is found to be technically feasible, financially viable and economically, desirable.

The project offers good investment benefits. We therefore, highly recommend it to be funded so that we can ensure its implementation.

## **2.0 Background (the Company)**

Meat and meat product is what mainly lacking in the diet of so many Nigerians and even when they are available they are not hygienically processed and packaged, which has made people to result in so many people preparing and eating their own meat. So this business plan is mainly looking at bringing the best quality and quantity of food at an affordable rate. This the products will be designed to cater for the need of both low class, middleclass and upper class people in our society.

### **Vision**

To establish a sustainable processing and production of meat and meat product that people can have access to quantitative and qualitative, safe, secured and affordable meat for all Nigerians.

### **Mission**

Ensuring that processing and production of meat and meat product is done in international best practice standard in Nigeria

### **Ownership**

This business it's going to be a sole ownership one but with at least four employees

### **Legal status**

The business will be registered with the corporate affairs commission and license of operation gotten from federal republic of NAFDAC.

### **Location or planned location and facilities**

The business will be located in Awka, Anambra state Nigeria

The choice of location was informed by the following criteria:-

- ❖ Availability of adequate security in the location
- ❖ Availability of reliable and affordable labour
- ❖ Nearness to product and consumer markets
- ❖ Availability of relevant structures
- ❖ Availability of social amenities

### **Products/services**

Well packed meat and meat products which include ham, pork, salami and other sausages, and beef, such as steak, roast beef, corned beef, pepperoni, and pastrami, hot dogs, fried, grilled and roasted chicken.

## **3.0 MARKETING AND CLIENT**

### **Nature and size**

The business will start small while we work our way up to becoming an international company.

### **Target client**

The target client is average Nigerian who finds it hard to get decent meat and meat product.

### **Key competitors and players**

Other local and international manufacturers of meat and meat products manufacture and brand.

### **Production process**

Animals will be raised and slaughtered in an abattoir and they will be steamed, and fried or cooked. They are also incorporated into various products to make meat products. Methods of meat processing include salting, curing, fermentation, and smoking. Processed meat is usually composed of pork or beef, but also poultry, while it can also contain offal or meat by-products such as blood. Processed meat products

include bacon, ham, hotdogs, sausages, salami, corned beef, beef jerky, canned meat and meat-based sauces.

### **Service business**

Our service will be a retail and whole sale services so as to reach all our customers.

### **Quality assurance**

Our product will be endorsed by standard organization of Nigeria (SON) and NAFDAC, so as to ensure quality control.

### **Demand/supply analysis**

The demand for meat and meat product is low in Nigeria now because they are costly and even if you get one at a affordable price it is not the same quality as you want it. So we are aiming at removing the reason for theses un-affordability which is the presence of middlemen, because if we are the raisers of the animal and the once to slaughter and sale we are going to save a lot of money will make the product affordable and of high quality causing people to demand for more and more will also be supplied to them.

### **Technology**

The most affordable and hygienic equipments will be used in the raising, slaughtering and processing of meat and meat products . Some of the technologies include abattoir, freezers, processing machines, packaging machines, delivery trucks. Good production plant will be built with water system and 10KVA Generator set will be acquired. Computer Technology will be used to enable us build a data on our customers, demand, sales operating expenses databank and market trends. All these will help boost production.

### **Competitive edge**

We are going to be raising our own animal so as to minimize the cost of producing the meat and meat product which will make our product to be affordable to our esteemed customers.

### **4.0 marketing plan**

**Marketing plan**

Personal marketing will be employed with the use of flyers, the use of electronic marketing will be employed and through family and friends.

**Promotion and distribution strategy**

When it comes to selling meat and meat product, there is indeed a wide range of customers. In essence, our target market is be restricted to just a group of people or organization, but all those who resides in our target market locations and beyond.

In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in the production and wholesale distribution of meat and meat product to the following groups of organizations;

Hotels

Restaurants and Canteens

Club houses

Event Planners, Parties and Corporate Functions

Corporate Executives

Government Officials

Business People

Celebrities

Military Men and Women

Sports Men and Women

Students

Discounts for large purchase and sampling of the product will also be use for promotion, self distribution and the use of local retail chains in distribution.

Our organization , will do its best to see that these group of customers needs are met in a most appealing and customer-focused manner.

### **Alliance**

Distribution chains like stores and shops will be aligned with to enhance distribution

### **Market positioning**

The market will be positioned in the busy city of Awka, anambra state.

### **Service delivery strategy**

We are going to employ an e-commerce strategy which is going to cover mainly people living in our locality so as to facilitate easy and prompt delivery.

The following will also be emphasized;

- ❖ Customers care service
- ❖ After-sales follow-up to ensure satisfaction
- ❖ We will adopt an image branding package for bulk breaking sales
- ❖ We shall develop a data bank on our customers to enable us monitor their need, dynamics and expectation.

A delivery cars and motorcycle will also be used in the delivery services

### **SWOT analysis**

Our strength lies on the fact that we are raising our own animals so we are not affected by external factors that affect price through cost of animals.

Our weakness will be that of preservation and storage, this is because animal products don't have a long shelf life so there will be need of constant power supply and owing to the fact that

the country lack adequate power supply. Therefore we will be running our generator every day. ,  
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Opportunities exist in the fact that Nigerians are accepting more and more consumption of meat and meat product as time goes on and this will help our product to improve. Threats comes from micro-organisms which can spoil our products.

## **5.0 ORGANISATION AND MANAGEMENT**

### **Organizational structure**

There is going to be the CEO/MD of the company, there is going to be general manager, production manager and marketing manager, followed by sales officer and sales persons.

### **Shareholders and directors**

As the company grows people who are interested could buy share and there is going to be once central director and unit/section directors to oversee different sections of the business.

### **Management team**

Chief Executive Officer (Owner)

General Manager

Human Resources and Admin Manager

Sales and Marketing Manager

Accountants / Cashiers

Soap Making Machine and Packaging Operators

Customer Services Executives

Distribution Truck Drivers

### **Roles and Responsibilities**

**Chief Executive Officer – CEO (Owner):**



The CEO, Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.

Creates, communicates, and implements the organization's vision, mission, and overall direction

Responsible for fixing prices and signing business deals

Responsible for providing direction for the business

Creates, communicates, and implements the organization's vision, mission, and overall direction

Responsible for signing checks and documents on behalf of the company

Evaluates the success of the organization

### **Plant Manager**

Responsible for overseeing the smooth running of the Animal farm, abattoir and the processing and packaging plants

Part of the team that determines the quantity and variance of meat and meat products that are to be produced

Maps out strategy that will lead to efficiency amongst workers in the plant

Responsible for training, evaluation and assessment of meat production plant workers

Ensures that the steady flow of both raw materials to the plant and easy flow of finished products through wholesale distributors to the market

Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.

Ensures that the plant meets the expected safety and health standard at all times.

### **Human Resources and Admin Manager**

Responsible for overseeing the smooth running of HR and administrative tasks for the organization

Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.

Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.

Defines job positions for recruitment and managing interviewing process

Carries out staff induction for new team members

Responsible for training, evaluation and assessment of employees

Oversees the smooth running of the daily office and plant activities.

### **Sales and Marketing Manager**

Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones

Models demographic information and analyze the volumes of transactional data generated by customer purchases

Identifies, prioritizes, and reaches out to new partners, and business opportunities.

Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients

Develops, executes and evaluates new plans for expanding increase sales

Documents all customer contact and information

Represent the company in strategic meetings

Help increase sales and growth for the company

### **Accountant / Cashier**

Responsible for preparing financial reports, budgets, and financial statements for the organization

Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.

Responsible for financial forecasting and risks analysis.

Performs cash management, general ledger accounting, and financial reporting

Responsible for developing and managing financial systems and policies

Responsible for administering payrolls

Ensures compliance with taxation legislation

Handles all financial transactions for the organization

Serves as internal auditor for the organization

### **Meat processing and Packaging Machine Operator**

Handles processes and procedures as it relates to the production and packaging of Well packed meat and meat products which include ham, pork, salami and other sausages, and beef, such as steak, roast beef, corned beef, pepperoni, and pastrami, hot dogs, fried, grilled and roasted chicken etc

Assists in loading of meat and meat products into distribution trucks

Handles any other duty as assigned by the Plant Manager

### **Client Service Executive**

Ensures that all contacts with customer (e-mail, websites, SMS or phone) provides the client with a personalized customer service experience of the highest level

Through interaction with customers on the phone or via online, uses every opportunity to build client's interest in the company's products and services

Manages administrative duties assigned by the store manager in an effective and timely manner

Consistently stays on top of any new information on the meat and meat product Production Company products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients when they make enquiries

Receives parcels / documents for the company

Distributes mails in the organization

Handles any other duties as assigned by the human resources and admin manager

### **Distribution Truck Drivers**

Assists in loading and unloading meat and meat products meant for distribution.

Maintain a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.

Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment

Assists the transport and logistics manager in planning their route according to a delivery schedule.

Local-delivery drivers may be required to sell products or services to stores and businesses on their route, obtain signatures from recipients and collect cash or online money transfer.

Transports finished goods and raw materials over land to and from manufacturing plants or retail and distribution centers

Inspects vehicles for mechanical items and safety issues and perform preventative maintenance

Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures

Collects and verifies delivery instructions

Reports defects, accidents or violations

### **External support**

The government, angel investor and venture capitalists can help push our business further

### **Personal plan**

Personal plan is to make the business compete with international established brands in the field.

I will ensure that we only hire people that are trustworthy qualified, honest, hardworking, customer centered and are ready to work to help us build a prosperous the. Profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more depending how fast we meet our set target.

### **Value and norm of the company**

The company puts the need of the customer first.

The company ensures that the customer puts the need of the consumer first.

The company will continue to embrace technology for continuous improvement in service provided.

## **6.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUE**

### **Legal issue**

The company will be registered with the cooperate affairs commission (CAC).

### **Regulatory issues**

The business will be approved by NAFDAC and consumer protection council.

### **Social issues**

The business is labour intensive, so more hands are needed. So the jobs will be created

### **Environmental issues**

Issues like environmental pollution which is always the case with animal product companies will be eliminated by maintaining proper sanitation and refuse disposal.

## **7.0 FINANCIAL PLAN**

### **Project cost**

The project will cost 2 million naira

and N800,000 in working capital.

Details of fixed cost	Cost
Land and development	600,000
Delivery van	300,000
Abattoir	150,000
Generating set	25,000
2 Weighing scales	6,000
Farm set up	335,000
Water tank	35,000
big stainless steel / plastic knife	5,000
Stainless steel measuring spoons	1,000
measuring cups	1,000
small beakers	1,000
stick blender (for mixing condiments)	1,000
Electrical Installations	10,000
Furnishing and fittings	20,000
Personal computer	20,000
<b>Details of working capital</b>	<b>Cost</b>
Meat and meat product	150,000
ingredients	10,000
Water	60,000
Cash at hand for salaries and wages	2800,000
<b>Total working cost</b>	<b>500,000</b>
<b>Total Project cost</b>	<b>2,000,000</b>

### Funding plan and statement

The funding requirement is 1.5 million naira, while the promoter is committing five hundred thousand naira.

### Project income statement

	2018	2019	2020
Turn over	2500000	3000000	4000000
Cost of sales	1500000	1700000	1800000
Gross margin	1000000	1300000	2200000
Less: operating expenses			
Salaries and allowance	402,000	451000	514000
Electricity	16000	19500	20000
Transport & travel	40000	42000	43000
Loan interest	120000	120000	60000
Telephone and postages	30000	32000	34000
Depreciation	42000	47500	39000
Total operating expenses	650000	670000	680000
Net operating profit	350000	630000	1300000

### Project balance sheet

	2018	2019	2020
Cash			
Owners capital or equity	500000	-	-
Bank loan	1500000	-	-
Sales revenue	2500000	3000000	4000000
Total cash inflows (A)	4500000	3000000	4000000
Cash out flow			
Fixed asset acquisition	1500000	-	
Cost of sales	1500000	1700000	1800000
Operating expenses	608000	622500	641000

(less depr)			
Loan repayment	-	750000	750000
Total cash out flow	3608000	3072500	3191000
(B)			
Net cash flow (A-B)=C	892000	725000	809000
Opening cash balance (D)	-	-	-
Closing cash balance	892000	725000	809000

### Project balance sheet

	2018	2019	2020
<b>Capital employed</b>			
Fixed asset (at cost)	1500000	1500000	1500000
Less: depreciation	42000	89500	128500
Net book value A	1542000	1589500	1628500
<b>Current asset</b>			
Balance at bank and in hand B	892000	725000	809000
Less: current liabilities C	1500000	750000	-
Net current asset B-C=D	608000	25000	809000
Net assets E	850000	1130000	1800000
<b>Financed by;</b>			
Owners capital F	500000	500000	500000
Retained profit G	350000	630000	1300000
Owners fund F+G=H	850000	1130000	1800000

### Profitability analysis

Indicators	2018	2019	2020
Turn over N	2500000	3000000	4000000
Gross margin N	1000000	1300000	2200000
Net operating profit N	350000	630000	1300000
Return on equity %	70	126	260
Return on total	17.5	31.5	65



investment %			
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### Break even analysis

	Fixed cost	Variable cost
Salaries and allowance	402000	-
Electricity	-	16000
Transport and travel	-	40000
Loan interest	120000	
Telephone and postages		30000
<b>Total</b>	<b>522000</b>	<b>86000</b>

Breakeven point=540,596.53

## 8.0 RISK ANALYSIS, CONTINGENCY PLAN AND EXIT STRATEGY

### Risk analysis and mitigation

The risks that are associated is mainly that of food poisoning and substandard product circulation but proper sanitation and hygiene will help protect our meat and meat products

### Contingency plan

When there is an outbreak of food poisoning or substandard product. The products will be recovered and discarded

### Exit strategy

Any investor can pull out at any time or after his or her contract ends. The business is free entry free exit. But am sure there will be no reason to leave.

## 9.0 OTHER CONSIDERATIONS, CONCLUSION AND RECOMMENDATION

### Economic justification

From the point of view of our study and analysis of the findings embodied in this plan, the project offers good benefit to the economy as it create job and wealth, is consistent with the spirit of Vision 2020 and the Millennium Development Goals.

### Commercial viability

We have found this project to be commercially viable, having shown through our financial projections, a conservative but impressive turnover, cash flows, profit line and investments appraisal metrics.

### **Conclusion and recommendation**

Having found this project technically feasible, commercially viable and economically desirable, we therefore strongly recommend it for funding and implementation.