

**UNIVERSITY OF NIGERIA, NSUKKA.
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF POLITICAL SCIENCE**

TOPIC:

**BUSINESS PLAN ON ESTABLISHMENT OF AN
EATERY SERVICES**

**A BUSINESS PLAN
SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS OF THE COURSE: CEDR 342
(INTRODUCTION TO ENTREPRENEURSHIP DEVELOPMENT II)**

BY

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PART I

1.0 EXECUTIVE SUMMARY

Casmir Eatery Services is a local Eatery company serving both business and private clients in Nsukka, Enugu State and the surrounding towns within a ten mile radius. The following report and recommendations relate to the proposal of CASMIR EATERY SERVICES to establish an event Eatery service.

- 1.1 The proposed project is to be fully implemented with an investment of #979,500 made up of #415,300 fixed capital and #546,200 working capital.
- 1.2 The company's vision is to be a renowned Eatery and Eatery service company that will deal on different varieties of dishes and snacks and employ numerous staffs among graduates.
- 1.3 The proposed project will be located at Onuiyi Junction, Nsukka, Enugu State.
- 1.4 A ready market exists for the planned business based on our market survey.

1.5 The financial projections reveal a good level of liquidity and stability. The projection turnover for Year 1, Year 2 and Year 3 respectively is #1,830,000, #2,013,000 and #2,214,300.

1.6 The funding requirement is #629,500 as the promoters are committing #350,000 to the project.

1.7 The company's competitive edge is the ability to provide effective packaging and delivery of products, services and combine health and delicacy.

1.8 The profitability indicators as extracted from the projection embodied in this plan are as follows:

		YEAR 1	YEAR 2	YEAR 3
Turnover	(#)	1,830,000	2,013,000	2,214,300
Operating Profit	(#)	1,284,500	1,448,064	1,625,885
Return on Equity	(%)	367	413.73	464.54
Return on Investment	(%)	131.14	147.84	166

PART II

2.0 BACKGROUND

2.1 Introduction

The food services industry is growing at an alarming rate in Nigeria. The services are widely needed, and there is virtually no event that does not require Eatery services. Eatery company is expected to know how to prepare food and make it attractive. They take charge of not only food preparation but also decorations such as table settings and lighting.

The trend is towards satisfying all the client senses with food as a focal point. With the correct atmosphere, professional event caterers with experience can make an event special and memorable. The planned project is as a result of increase in demand of Eatery services and needs assessment studies undertaken in South West zone of Nigeria, particularly Enugu. The studies reveal that the demand for Eatery services is high while there are few Eatery companies to meet this demand.

2.2 Vision and Mission

Vision: To be a renowned Eatery service which will deal on different varieties of products and services and, employ numerous staffs among graduates.

Mission: To offer top-class event experiences with flawless execution to business and private clients in Enugu state. With Casmir Eatery Services limited running your event, the food will be delicious, the service will be excellent and the guests will be impressed.

2.3 Ownership of the Enterprise

Casmir Eatery Services limited belong to Onyeali Casmir Chibuike.

2.4 Legal Status

Casmir Eatery Services Limited which belongs to Onyeali Casmir Chibuike and family is located at Onuiyi Junction, Nsukka, Enugu State. This business is being registered with Corporate Affairs Commission (CAC).

2.5 Location and Facilities

The location of this business is such that it is easily accessible for motorists and pedestrians. Due to the nearness of this business to the market place there is availability of raw materials. All facilities and materials needed for this business including man power is easily attainable and affordable at minimal prices. There is availability of power, water and other social and economic amenities for the business. Also there will be high patronage as it is located in a busy area.

2.6 Products/ Services

Casmir Eatery Service Limited will be offering the following products and services:

- Event management
- Coat-check, door check, and restroom attendants
- A variety of cuisine for breakfasts, lunches, dinners, and appetizers
- Non-alcoholic, wine, beer, and liquor beverage service
- Wait service

Through subcontractors, Casmir Eatery Services Limited will also make provision for:

- Floral design
- Space design and decor
- Musicians and DJs
- Event equipment and furniture rentals
- Cakes

Through referrals, Casmir Eatery Service Limited will also offer:

- Lighting

- Event security
- Valet service

2.7 Business Strategy

The wholesale retail chain, direct chain to final consumer and pricing system will be adopted.

2.8 Key Success Factors

Keys to success in the Eatery business include:

- Managing and exceeding client expectations
- Balancing expert opinions and advice with care for the client's preferences and vision
- Protecting the client's interests and liability even when it requires unpopular decisions

2.9 Revenue Base

Item	Qty per month	Qty per annum	Price #	Amount #
Occasion Service	3 Occasions	36 Occasions	15,000	540,000
Home Service	1 home	12 homes	5,000	60,000
Jollof Rice	8 plate	96 plate	5,000	66,000
Meat pie	110 pies	1,320 pies	50	336,000
Fish roll	280 rolls	3,360 rolls	50	168,000
Moi Moi	400	4,800 pieces	30	144,000

Plastic Chairs	600 Chairs	7,200 Chairs	50	360,000
Ceramic plates	100 plates	1,200 plates	30	36,000
Decoration	2 times	24 times	5,000	120,000
				1,830,000

PART III

3.0 MARKETING AND CLIENTS

3.1 Nature and Size

The Eatery industry serves private, corporate, and non-profit events with food, drinks, event management and other services.

- **Communication:** Events to communicate a message for the benefit of attendees or the press (product launches, press events, trade shows, conferences, presentations, lectures, fundraisers) or to stimulate discussion (corporate meetings, summits, etc.)

3.2 Target Clients

The corporate market is defined as businesses which hold at least one off-site event each year. Businesses often have public relations needs in concert with their events which may serve a marketing function for the business. Whether the businesses require professional execution, delicious food and drinks.

The **private market** includes households with a combined household income of over #8,000,000 per year (those most likely to throw an upscale event in a rented venue). This group puts a great deal of pressure on Eatery and caterers and requires added attention, as lavish events may be uncommon for them. They require hands-on work and planning as well as expert advice and referrals throughout the process.

The **non-profit** market is defined as non-profit organizations which hold at least one off-site event each year. Very price conscious, the non-profit market looks for in-kind donations and discounted services whenever possible. Some non-profits realize the benefit of paying for great events which lead, in kind, to improved perception of the organization and donations, while others will take the lowest price available at the minimal quality level acceptable.

3.3 Key Competitors and Players

Key competitors of Casmir Eatery Services include:

- **Fancy Fetes:** An upscale caterer which is the in-house caterer at the King's Hotel in Nsukka.
- **Food For Thought:** A cuisine caterer which provides simple drop-off service as well as full-service Eatery

- **Pandora's:** An upscale Eatery which caters a variety of events primarily for private clients

Casmir Eatery Services offers a range of cuisine options, high quality, and added services based on the one-stop shop model. The business does not compete on price and offers services at prices higher than average for caterers in general and on the upper side of options for the Nsukka area and environs.

3.4 PRODUCTION PROCESS

S/N	ITEM	QTY	COST #	AGGREGATE #	TOTAL #
1.	Gas cooker	1 Year	60,000	60,000	60,000
2.	Oven	1	50,000	50,000	50,000
3.	Cylinder (50kg)	1	25,000	25,000	25,000
4.	Mould	1	20,000	20,000	20,000
5.	Mixer	1	50,000	50,000	50,000
6.	Generator	1	100,000	100,000	100,000
7.	3 Legged Native Pot	1	30,000	30,000	30,000
8.	Refrigerator	1	100,000	100,000	100,000
9.	Pickers	1	150	150	150
10.	Sign post	1	3,000	3,000	3,000
11.	Grinder	1	5,000	5,000	5,000
12.	Burners	2	2,000	4,000	4,000
13.	Pots	3	1,000	3,000	3,000
14.	Kettle	1	450	450	450
15.	Cooking Pans	3	500	1,500	1,500
16.	Rolling Pin	1	200	200	200
17.	Boiler	1	200	200	200
18.	Pans for Cake			5,000	5,000
19.	Spices			10,000	10,000
20.	Bowls	5		1,500	1,500
21.	Cooking utensils			5,000	5,000
22.	Flour	10 bags	5,000	50,000	50,000
23.	Labour			200,000	200,000
24.	Ceramics plates	200 plates	50	10,000	10,000

25.	Plastic Chairs	100 chairs	500	50,000	50,000
26.	Water Bill	12 months	1,000	12,000	12,000
27.	Electricity Bill	12 months	1,000	12,000	12,000
28.	Other Baking Items			30,000	
29.	Transportation			50,000	50,000
30.	Table & Chair (for Office use)	1 set		10,000	10,000
31.	Fuel & Gas			30,000	30,000
32.	Repairs/Maintenance			10,000	10,000
33.	Administration Expenses			40,000	40,000
34.	Buta (100 litres)	1	1,500	1,500	1,500
	TOTAL				979,500

3.5 Service Delivery

Home service delivery, occasion service delivery and company service delivery.

3.6 Quality Assurance

Quality is determined through reviews and references as well as through tastings of the food. Basic quality is a must, but high-quality is sought out for once-in-a-lifetime private events and the fanciest of business functions.

3.7 Demand / Supply Analysis

There is virtually no event and occasion that does not demand Eatery services at least little of it. This business will offer Eatery services in different manner for various occasions like birthday, wedding, anniversary and other formal and informal parties. Our services are going to be offered in unique style, and fulfill the demands of our clients at highly competitive prices. Since our products will be needed in occasions, companies, schools

and even churches, there will be high demand of our products and services, and supply appears to be static.

3.8 Technology

As this is a new business less technology will be employed but as business begins to expand, full automation will be achieved. We will acquire snacks warmer, sound system, listen generator and so on, to enhance production and offer effective services to our customers.

3.9 Competitive Edge

Casmir Eatery Services will create a competitive edge in Enugu state and the eastern region by becoming a true "one-stop-shop" for all-inclusive events. Clients will not have to work with multiple vendors, but can work directly with their assigned Casmir Eatery and catering account executive for all of their event planning and vendor coordination needs.

PART IV

4.0 MARKETING PLAN

4.1 Marketing Plan

I will adopt the penetrative pricing system in selling our products. Direct chain to final consumer and the wholesale retail chain is going to be used in distribution.

4.2 Promotion and Distribution Strategy

Since it is a new business, I will create awareness of our products in offices, schools, meetings. Fliers will be used in passing information to the public.

4.3 Alliances

The business will be registered in all beneficiary unions like trade union and so on, so as to guide against external forces.

4.4 Market Positioning

This business is going to offer the widest range of products with quality guaranteed. We are going to offer all kinds of Eatery services. It will offer various Eatery services to our esteemed clients to make their celebration successful. The products of this business are various snacks, dishes both local and continental, thereby offering the widest range of products with guaranteed quality.

4.5 Service Delivery Strategy

We are going to render honest, friendly and efficient services to make our customers comfortable and happy all the time.

4.6 SWOT Analysis

Strength: The ability to offer friendly and efficient services and combine delicacy and health.

Weakness: Lack of constant power supply may weaken this business as most of the activities of the business will make use of electricity. However, alternative power supply like the use of generator will minimize the problem that will be encountered by lack of constant power supply.

Opportunity: Festive periods will offer great opportunity to this business to expand. There will be high demand of our products and services during this period. Festive period, like Easter and Christmas period when many people engage in ceremonies like weddings, End of the year parties, anniversaries and other formal and informal parties, will offer good opportunity to our business.

Threat: Perishability of products can be a threat to this business. This can be caused by low patronage and when this occurs, it may lead to fall of the business. To avoid perishability of our products, we are going to preserve them.

PART V

5.0 ORGANISATION AND MANAGEMENT

5.1 Organizational structures

Manager \implies Production Assistant \implies Sale Clerk

5.2 Shareholders and directors

None but as business begins to expand, it will have shareholders and directors.

5.3 Management Team

<u>Name</u>	<u>Qualification</u>	<u>Salary</u>
Onyeali Casmir Chibuike	WASSCE	20,000
Onyeali Stanley	WASSCE	10,000
Onyeali Chinonso	NECO	7,000

5.4 External Support

None

5.5 Personal Plan

Name	Position	Qualification	Salary(#)	Amount(#) x3
Onyeali Casmir Chibuike	Manager	WASSCE	20,000	60,000

Onyeali Stanley	Production Assistant	WASSC	10,000	30,000
Onyeali Chinonso	Sale Clerk	NECO	7,000	21,000

5.6 Value and Norms of the Company

There will be standard norms and values. Negative norms will not be allowed. There is going to be organizational principles.

PART VI

6.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES.

6.1 Legal Issue

The name of this business is Casmir Eatery Services. It is located at Onuiyi Junction Aroma, Nsukka, Enugu State. It is owned by Onyeali Casmir Chibuike.

6.2 Regulatory Issues

This business is going to be registered with Corporate Affairs Commission (CAC), National Agency for food and Drug Administration Commission (NAFDAC) and other essential regulatory bodies.

6.3 Social Issues

This business will be one of the biggest Eatery and catering company in Nsukka and as such will create employment opportunity for the inhabitants. It is not going to cause any form of social vices in the location.

6.4 Environmental Issues

This business will not cause any form of environmental hazard in the location. Wastes are going to be disposed properly. There will be drainage system, to avoid pollution of the environment.

PART VII

7.0 FINANCIAL PLAN

7.1 Project Cost

The total cost of this business is #979,500 broken down into #415,300 fixed capital and #564,200 working capital.

FIXED CAPITAL COST

S/N	ITEM	AMOUNT(#)
1.	Table & Chair(for Office use)	10,000
2.	Oven	50,000
3.	Cylinder	25,000
4.	Mould	20,000
5.	Mixer	50,000
6.	Generator	100,000
7.	Refrigerator	100,000
8.	Signpost	3,000
9.	Grinder	5,000
10.	Burners	4,000
11.	Pots	3,000
12.	3 Legged Native Pot	30,000
13.	Kettle	450
14.	Cooking Pot	1,500
15.	Rolling Pin	200
16.	Pans for Cake	5,000
17.	Bowl	1,500
18.	Pickers	150
19.	Cooking Utensils	5,000
20.	Buta (100 litres)	1,500
	Total	415,300

WORKING CAPITAL

S/N	ITEM	AMOUNT (#)
1.	Gas cooker	60,000
2.	Spices	10,000
3.	Flour	50,000
4.	Boiler	200
5.	Other food Items	30,000
6.	Salaries	200,000
7.	Ceramic Plate	10,000
8.	Plastic Chairs	50,000
9.	Water Bill	12,000
10.	Electricity Bill	12,000
11.	Transportation	50,000
12.	Fuel/Gas	30,000
13.	Repairs/Maintenance	10,000
14.	Administration Expenses	50,000
	Total	564,200

Total Fixed Capital = #415,300

Total Working Capital = #564,200

Total Project Cost = **#979,500**

7.2 Funding Plan and Statement

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

Owner's Contribution = #350,000

Loan Capital = #629,500

Total Project Cost = **#979,500**

7.3 Funding Requirement

The funding requirement for this project is #629,500 since the promoter is committing # 350,000 into the business.

7.3.1 Interest and Loan Repayment Schedule

Year	Principle(#)	Repayment(#)	Interest(#)	Total Repayment(#)	Loan Balance(#)
1	629,500	209,833	62,950	272,783	419,666
2	419,666	209,833	41,966	251,799	209,833
3	209,833	209,833	20,983	230,816	

7.3.2 Depreciation Schedule

S/N	Asset	Cost (#)	Scrap value(#)	Life span(#)	Amount (#)
1.	Table & Chair (Office use)	10,000	5,000	5	1,000
2.	Oven	50,000	30,000	10	2,000
3.	Cylinder	25,000	15,000	10	1,000
4.	Mould	20,000	10,000	5	2,000
5.	Mixer	50,000	35,000	10	1,500
6.	Generator	100,000	65,000	10	3,500
7.	Refrigerator	100,000	60,000	10	4,000
8.	Signpost	3,000	1,000	5	600
9.	Grinder	5,000	3,000	5	400
10.	Burners	4,000	2,500	5	300
11.	Pots	3,000	1,700	5	260
12.	3 Legged Native Pot	30,000	22,000	10	800
13.	Kettle	450	250	5	40
14.	Cooking Pans	1,500	1,000	5	100
15.	Rolling Pin	200	120	5	16
16.	Pans for Cake	5,000	3,500	5	300
17.	Bowl	1,500	1,000	5	100
18.	Pickers	150	80	5	14
19.	Cooking Utensils	5,000	4,000	5	200
20.	Buta (100 litres)	1,500	400	5	220
		415,300			18,350

Total Annual Depreciation= #18,350

7.4 PROJECTED INCOME STATEMENT

ITEM	YEAR 1 (#)	YEAR 2 (#)	YEAR 3 (#)
Turnover	1,830,000	2,013,000	2,214,300
Less: Operating Expenses			
Raw Material Input	90,200	99,220	109,142
Utility and Gas Oil	54,000	59,400	65,340
Maintenance	10,000	11,000	12,100
Salaries	200,000	220,000	242,000
Rent	60,000	60,000	60,000
Depreciation	18,350	18,350	18,350
Interest on loan	62,950	41,966	20,983
Admin Expenses	50,000	55,000	60,500
Total Operating Expenses	545,500	564,936	588,415
Net Operating Profit	1,284,500	1,448,064	1,625,885

7.5 PROJECTED CASHFLOWS STATEMENT

ITEM	YEAR 1 (#)	YEAR 2 (#)	YEAR 3 (#)
CASH-INFLOWS			
Owner's Contribution	350,000	-	-
Loan from Bank	629,500	-	-
Revenue(sales)	979,500	1,077,450	1,185,195
Total Cash Inflows(A)	1,959,000	1,077,450	1,185,195
CASH OUTFLOWS			
Fixed Assets	415,300	-	-
Operating Expenses (less depreciation &Rents)	467,150	513,865	565,252
Loan Repayment	272,783	251,799	230,816
Total Cash outflows(B)	1,155,233	765,664	796,068
Net Cash Flows(A-B)	803,767	311,786	389,127
Opening Cash Balance	-	803,767	1,115,553

Closing Cash Balance	803,767	1,115,553	1,504,680
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7.6 PROJECTED BALANCE SHEET

	YEAR 1	YEAR 2	YEAR 3
CAPITAL EMPLOYED			
Fixed Assets	415,300	415,300	415,300
Less: Depreciation	18,350	36,700	55,050
	396,950	378,600	360,250
Current Assets			
Balance at Bank and in Hand	803,767	1,115,553	1,504,680
Prepayment(Rent)	120,000	60,000	
	683,767	1,055,553	1,504,680
Less Creditors(Bank Loan)	419,666	209,833	
Net Current Assets	264,101	845,720	1,504,680
Net Assets	661,051	1,224,320	1,864,930
BALANCED BY:			
Owner's Capital	350,000	350,000	350,000
Retained Profit	311,051	874,320	1,514,930
Owner's Fund	661,051	1,224,320	1,864,930

7.7 PROFITABILITY ANALYSIS

INDICATORS	YEAR 1 (#)	YEAR 2 (#)	YEAR 3 (#)
Turnover	1,830,000	2,013,000	2,214,300
Net Operating Profit	1,284,500	1,448,064	1,625,885
Return on Owner's Capital %	367	413.73	464.54

Return on Total Investment %	131.14	147.84	166
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7.8 BREAK EVEN POINT (BEP) ANALYSIS.

	FIXED COST(#)	VARIABLE COST(#)
Fixed Assets	415,300	-
Working Capital	-	564,200
Loan interest	125,899	
Depreciation	18,350	
Total	559,549	564,200

$$\text{BEP} = \frac{\text{FC}}{1 - \frac{\text{VC}}{\text{S}}}$$

where FC= Fixed Cost =559,549
VC= Variable Cost =564,200
S= Sales or Turnover =1,830,000

$$\text{BEP} = \frac{559,549}{1 - \frac{564,200}{1,830,000}}$$

$$= \frac{559,549}{1 - 0.31}$$

$$= \frac{559,549}{0.69}$$

$$\text{BEP} = \#810,941$$

PART VIII

OTHER CONSIDERATIONS, CONCLUSION/ RECOMMENDATION

8.1 ECONOMIC JUSTIFICATION

This business will create employment opportunity as it expands. It will attract economic development to the area of location through the localization

of other industries for marketing, distribution or other purposes of economic interest.

8.2 COMMERCIAL VIABILITY

The products and services of this business are easily marketable because of the increase in demand of the products and services.

8.3 CONCLUSION/ RECOMMENDATION

From the point of view the analysis of our findings, the proposed project is found to be technically feasible, financially viable and economically desirable. The project offers good investment benefit. We therefore highly recommend it for funding and implementation.