

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF SOCIAL SCIENCES

**DEPARTMENT OF PUBLIC ADMINISTRATION AND LOCAL
GOVERNMENT**

A BUSINESS PLAN ON

**HOME ANIMALS AND VETERINARY CARE IN NSUKKA AND
BENUE**

A BUSINESS PLAN

**WRITTEN IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF
THE COURSE CED 342**

(BUSINESS DEVELOPMENT AND MANAGEMENT)

BY

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2014/195172**

LECTURER: DR, MRS .T .C NWOGA

SEPTEMBER, 2017.

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PART ONE
EXECUTIVE SUMMARY

1.1 Name of Business: OLIVER HOME ANIMALS AND VETERINARY CARE

1.2 Legal Form of Business: Partnership

1.3 Contact Address: No 21 Ovokoagu village Nsukka

1.4 Telephone No: 07033099179.

1.5 Type of Business: Service provider

1.6 Concise description of the business idea:

A. Products or Services: This business is an area that would offer a wide range services especially in the area of animal training, small pet visit, health services to animals, rehabilitation services and adoption of animals. The services provided are tailored to our customers and animal needs(pets)

Customers: Public members that own pets and also customers who deal in the rearing and breeding of animals

B. Ownership Name: Eze,oliver. C.
Enete, Charles I.
Nduka, Ogonna

Address: no 4 Ovoko agu village Nsukka

Qualification: Undergraduates

Function in the Business: Administrators

1.7 Number of jobs to be created: By the time the business is running we hope it would have being able to create jobs for 9 people.

1.8 Start – up capital

The following are the components of the required start up capital

Type of Investment	Amount
A. Investment (equipment, machinery, and others)	6,743, 000
b. Working capital and pre-operating expenses	5,000,000
Total	11, 743, 000

1.9 Source of capital and share holding structure

Capital requirement for the project will be sourced as shown in the table below.

S/no	Source of capital	Amount
a.	Owners capital	9,743,000
b.	Bank loan	2,000,000
	Total	11,743,000

1.10 The profitability measures are shown below

Items	Year 1	Year 2	Year 3
Sales of dogs	800,000	1,900,000	1500,000
Sales of cats	300,000	500,000	500,000
Sales of rabbit	400,000	700,000	700,000
Veterinary	150,000	250,000	300,000
Total Sales	1250,000	3,350,000	3100,000
Expenses	1482,300	1232000	1,000,000
Profits	232,300	2,118,000	2,100,000

PART TWO

BACKGROUND

2.0 Introduction

The idea on which the business stands is a large determining factor. Therefore, a solid foundation should be built in order to give the business a solid ground. The business will serve our customers by treating our customer's pet with attention at every time of the day. The business will also handle emergency cases at any time of the day. This business would be a small scale business, it is going to be located in two states that is Nsukka and Benue. Our services shall be very effective and efficient giving our customers pets special attention and we would deal with all domestic animals like cats, dogs, rabbits, parrots and other domestic animals our customers have.

2.1 Vision and mission statements

Vision: To create a large variety of market able pets; cats, dogs and rabbit; to specialize the industry for home animals, increase the availability of veterinary services in the Nsukka and Benue, then nationally and internationally.

2.2 Mission: Increasing the scale at which pets are reared, increasing the export of these animals and create a large range of customers locally, then internationally through operating the home animals rearing in large scale and also creating real veterinary services.

2.3 THE COMPANY

The business will be a partnership that will be registered as under National Veterinary Research Institute Vom.

2.4 PRODUCTS OR SERVICES OFFERED

The business will provide health care services, animal training services, rehabilitation services, adoption of animals babysitting of pets for customers who are really busy to look after their pets.

2.5 Ownership

This business is a partnership, owned and controlled Oliver, Richard N, Enete, Charles I. and Nduka, Ogonna.

2.6 Legal Status

The legal certain of the business has been attained by the employment of the services of a veterinary doctor because of the license given to them.

2.7 Location and Facilities of the Business

The business will be located in the in Nsukka, Enugu State and Benue

The project would be located Jos and Benue. The reasons why these locations were chose are:-

- Nsukka and Benue have the largest markets for home animals.
- i. The residents of Nsukka and Benue creates a ready market for unwanted animals to be used as meat by the Birom People of Enugu and the Tiv people of Benue .
- iii. There is cheap and available labour in Nsukka.
- iii. There are better opportunities to international contractors in Nsukka
- iv. There are many underdeveloped land to help in future expansion

INDUSTRY TREND AND ANALYSIS

This business would exist under the veterinary research institute in Nigeria. Animal health services shall improve reducing the spread of animal diseases and reducing the amount of wandering pets in the society and create well and better trained animals. This home animal and veterinary care shall provide services for domestic animals of all kinds.

BUSINESS STRATEGY

RICHAROG HOME ANIMALS AND VETERINARY CARE AND SERVICES shall provide standardized animal care services to all our customers in profitable way.

2.9 Key Success Factors

The key success factors include:-

- i. There would be a variety of pets and home animals under production
- ii. This business would operate in a large scale
- iii. There would be professional veterinary doctors.
- iv. It would include other varieties of services formally not so available such as cross breeding on contractual basis
- v. There is a combination of both home/pet animals rearing and veterinary are which comprise the best mix for the job.

Inherent Risk

As always inherent in a business, there are:-

- i. Credit and financial risk
- ii. Profitability Risk
- iii. Goal delivery risk

All these risks would be controlled in the course of the plan.

REVENUEBASE

This business will be making its revenue from the services it provides to its customers on a daily basis.

PART THREE

PRODUCTS AND MARKETS

3.0 Products

Home Animals and veterinary care will provide the following products and services:-

- i. Rear variety of dog, cat and rabbit breeds
- ii. Availability of veterinary services for animal farmer
- iii. Retail sales of home animals drugs
- iv. Sale of white meat (low fat meat) from rabbits
- v. Provide contractual cross-breeding
- vi. Provide crossing services for customers

3.1 Product Description

Varieties of dogs, cat, Rabbits

The customers have different preferences on the breeds of the different home animals. For Instance, dog specie are Australian shepherd, Hand, Bulldog, German shepherd, bomastif etc. Different customers have different taste thus, the creation of different varieties.

Veterinary care for home animals with the provision of vet doctor, the different pets and also customers home animals may receive treatment and professional care.

Veterinary Services to Animals farmers.

These veterinary services, to animal farmer include vet doctor advice and consultation service. Many others may decide to start up their own animal farm and in doing this, professional advice of stages of development among other issues is necessary for the customers to create a good mental picture of their idea

Retail sales of Home Animal Drugs

This has to do with an entity or shop established to make available the drugs for the home available as prescribed by the veterinary doctor.

Sale of Animals

The animals maybe sold out as pets to customers or to those who deal in the cross breeding of animals.

3.2 Costing

The costing of the business divided into different components that comprise.

- i. Feeding
- ii. Employee wages

- iii. Building construction
- iv. Drugs
- v. Miscellaneous

Feeding: The feeding of the home animals is cooked locally made either fish or bone meal and buying of vegetables. During birth or gestation period, special diets may be given to the pregnant animals. Their meals would mainly certain maize, fish bones, milk for puppies, carrot for rabbits, grinded bones of livestock. From a small scale farm survey, the following was observed:

- i. 1 bag of maize/soya beans per month
- ii. 3. painters of dried fish bone per moth
- iii. The livestock bone is best bought weekly.

These requirements are for a scale of a pair of 3 breeds of dogs each. Considering that the businesses have a variety of home animals and breed, then the quantity would charge

Dog Feeding and Puppy feeding

Number of dogs = 14 dogs,

From survey

1000 kg of maize

1 painter of fish bone

Feed content	Quantity month	Amt/month	Amt per head
Maize	1000 kg/month	1	
Fishbone	(painter/month)	6	

Rabbit feeding

- Weekly purchase of fresh vegetables
- Bulk purchase of carrots.
- Vegetables

Special case for puppies, Kittens and Bunnines

- Higher milk and egg demand for few weeks
- Rabbit pellets
- Higher demand for vegetable

Employee Wages

- 2 labours per location = N20,000 each/month
- 2 vet doctors/location = N50, 000 each/month excluding services to customers.

Drugs

- i. Deworming medicine
- ii. Vitamins, injection
- iii. Vaccination

3.3 Market Demand and Supply Analysis

Due to varying amount of time in the gestation periods and different points of maturing and delivery so the market fluctuates. It involves getting a very dependable dealer that would be able to pay as soon as deliveries are made and when they are made. Mainly there is always a market clearing for producers with dependable contacts.

At different points in time there is a supply while the demanders are constant due to different gestation periods.

Projected annual demand

All demander of pets in Jos and Benue and its neighbouring states also, exporters' of pets mainly in port-Harcourt, also, marketers in Abuja.

For veterinary products, the target are all livestock farmer within the location of the various veterinary others, poultry, cattle in Jos, pets etc.

3.4 Market Analysis

The market for pets has increased with the general agreement that pets are a source of aesthetic and also their use for securities and biological control of pests.

This day, every household have some agricultural business going on whether plant or anima farming. Due to this fact at least there is a secure market for the veterinary services and drugs.

PART FOUR

MARKETING PLAN

4.1 Market Segmentation

The following are the classes of customers for home animals and veterinary services:-

- i. Domestic/Regional Buyers of pets for home purchase
- ii. Exporters of pets and whole sale demanders in Abuja
- iii. Contractual customers within Nigeria for special demands and cross breeds.
- iv. White meat demanders within the region of station
- v. Livestock farmers within the region of station for veterinary services and drugs.

4.2 Target Market

The target markets include:

Owners of pets who give their pets special treatment, people who deal in cross breeding of animals and lastly people who deal with the be sell of animal feed.

4.3 Promotion and Distribution strategy

In order to create awareness in the new market a lot has to be done. The main out lets and production and service delivery centres for home animals and veterinary care would have a sign board. Also, contact from the various veterinary clinics would be gotten and awareness sent out to them. A brief awareness would be carried out to various small scale farmers and if possible contacts of customer collected with the region.

Distribution to customers would mainly be considered first if there was prior booking than of not, the contacts of dependable demanders are than contacted

4.4 Market Positioning

The market would be positioned on the:-

- i. Dependability to always have the best product and service.
- ii. Consumer satisfaction is always sought to be satisfied to a possible best.
- iii Also strict adherence to contract and transaction agreement
- iv. Having a great deal of varieties to save customers better.

In summary, the market is built around dependability, customer satisfaction and optimum productivity. "Satisfaction is our watch word."

4.5 Service Delivery Strategy

To make-sure our service is delivered to the target market and customers; the home annual and veterinary care aims at the following:-

- i. At first entrance, the price of pets would be subsidized to buy customer interest.

- i. Quality pets of pure breeds would be produced in order to gain some share from the already existing market.
- ii. Product payment and drug payment would be subsidized and also much more convenient payment ways would be created to serve customer better.

4.6 SWOT Analysis

SWOT analysis is an analysis carried out that measures the strengths

Strength

- i. Different varieties of services to satisfy customer needs are available
- ii. The business is operating in a large scale.
- iii. Reaping external economics of scale
- iii. Employment of professional staffs

Weakness

- Initial problems of raising adequate capital for the business
- Initial problem of finding a good geographical location for the business were majority of the population own pets.

Opportunities

- Crossing service with different species
- Hybrid creation via variety of breeds
- Mass production of pets giving opportunities within large exporter and economics of scale

Threats

- Recent development in the crisis of the employed as seen in the religious and
- Fluctuating government policies
- Inflationary effects on price of goods

PART FIVE
TECHNICAL ANALYSIS

5. 0 Production plan:

5.1 The project:

The sole purpose of creating this veterinary care is save guard animal life and provide good services to customers who lack the ability to look after their pet efficiently. The establishment is a small scale business for a start, which will be located in Jos and Benue intention of expanding with time all over Nigeria and it is would make use of labour intensive and capital intensive method.

5.2. Production schedule of the project

The production schedule shows how the process would take place for the home animals. Since it considers different animals, the production schedule of the different animals and production periods are considered.

5.2.1 Production schedule of the Dog

Gestation period of dog = 65 days after crossing

Total Gestation period of a female dog in a year= 4 times a year. Average litter of a matured bitch= 6 puppies lactation period in a bitch (female dog) = 4-6 weeks

5.2.2 Production for year 1 (start up year)

This production plan covers only the female dogs (bitches) which would be the main production agent. Also, it is considered after the maturity stage. The 1st Assuming a production year is made up of 52 weeks the first period (week) parent stock poppies

Months	Parent Stock		No of puppies	No of puppies sold
	Male	Female		
January	8	8	-	-
February	8	8	-	-
March	8	8	-	-
April	8	8	-	-
May	8	8	-	-
June	8	8	-	-
July	8	8	-	-
August	8	8	-	-
September	8	8	24	-
October	8	8	-	24
November	8	8	24	-
December	8	8	-	24
Aggregate	8	8	48	48

Assuming a mortality rate of 5%. The number of puppies produced and sold may be 46 for both.

Production for Subsequent Years

Months	Parent Stock		No of puppies	No of puppies sold
	Male	Female		
January	8	8	24	-
February	8	8	-	24
March	8	8	24	-
April	8	8	-	24
May	8	8	24	-
June	8	8	-	24
July	8	8	24	-
August	8	8	-	24
September	8	8	24	-
October	8	8	-	24
November	8	8	24	-
December	8	8	-	-
Aggregate	8	8	168	144

Assuming a mortality rate of 5%, the numbers of puppies produced and sold are 159 and 136 respectively.

5.2.3 Production schedule of Cats

Length of Gestation of cats = 63 days

Total gestation period in a year = 4 times

Average litter of a matured cats = 5 kittens

Location period in a female cat = 4 weeks

Production for Year 1(startup Year)

Month	parent stock		No of kittens	No of kittens sold
	Male	Female		
January	6	6	-	-
February	6	6	-	-
March	6	6	-	-
April	6	6	-	-
May	6	6	-	-
June	6	6	-	-
July	6	6	-	-
August	6	6	-	-
September	6	6	15	-
October	6	6	-	15
November	6	6	15	-
December	6	6	-	15
Aggregate	6	6	30	30

Assuming a mortality rate of 5%, the number of kitten produced and sold is 28 for both.

Production for Subsequent Year

Month	parent stock		No of kittens	No of kittens sold
	Male	Female		
January	6	6	15	-
February	6	6	-	15
March	6	6	15	-
April	6	6	-	15
May	6	6	15	-
June	6	6	-	15
July	6	6	15	-
August	6	6	-	15
September	6	6	15	-
October	6	6	-	15
November	6	6	15	-
December	6	6	-	-
Aggregate	6	6	90	75

Assuming a mortality rate of 5%, the number of kitten produced and sold are 85 and 71 respectively.

5.2.4 Production Schedule of Rabbits

Length of gestation period of cats = 30 days

Total gestation periods in a year = 10 times

Average litter of a matured rabbit 8 bunnies

Lactation period in a failure rabbit = 4 weeks

The parent stock is for males and female rabbits. The females are the main production agent. For the first stage the maturity is accounted for before any production offer crossing is carried out.

Months	Parent stock		No of bunnies	No of bunnies sold
	Male	Female		
January	6	6	-	-
February	6	6	-	-
March	6	6	-	-
April	6	6	-	-
May	6	6	-	-
June	6	6	-	-
July	4	4	-	-
August	4	4	16	-
September	4	4	16	16
October	4	4	16	16
November	4	4	16	16
December	4	4	16	16
Aggregate	4	4	80	64

Assuming a maturity rate of 5%, the number of business produced and sold are 76 and 60 respectively.

Production for subsequent years

Months	Parent stock		no of bunnies	No of bunnies sold
	Male	Female		
January	4	4	16	16
February	4	4	16	16
March	4	4	16	16
April	4	4	16	16
May	4	4	16	16
June	4	4	16	16
July	4	4	16	16
August	4	4	16	16
September	4	4	16	16
October	4	4	16	16
November	4	4	16	16
December	4	4	16	16
Aggregate	4	4	192	192

Assuming a maturity rate of 5%, the number of business produced and sold is 182 for both.

Feeding cost and veterinary operation cost

5.2.5 Feeding of dogs

Feeding cost of cost of dogs for year (start up Year)

s/n	Month	Feed c	cost of parent stock	Feed cost for puppies	Drugs	Total cost
1.	January		10000	-	8000	18000
2.	February		10000	-	1000	11 000
3.	March		10000	-	1000	11 000
4.	April		10000	-	3000	13 000
5.	May		8000	-	1000	9000
6.	June		8000	-	1000	9000
7.	July		8000	5,000	3000	16000
8.	August		8000	5,000	1000	14000
9.	September		8000	-	1000	9000
10.	October		8000	-	3000	11000
11.	November		8000	5000	1000	14000
12	December		8000	5000	1000	14000
	Aggregate		104,000	20,000	25000	149000

Feeding cost of Dogs for subsequent years

S/n	Month	Feed cost of parent stock	Feed cost of puppies	Drugs	Total cost
1.	January	8000	-	3000	
2.	February	8000	-	1000	
3.	March	8000	5000	1000	
4.	April	5000	-	3000	
5.	May	8000	-	1000	
6.	June	8000	-	1000	
7.	July	8000	5,000	3000	
8.	August	8000	5,000	1000	
9.	September	8000	-	1000	
10.	October	8000	-	3000	
11.	November	8000	5000	1000	
12.	December	8000	5000	1000	
	Aggregate	104,000	20,000	25000	146000

5.2.6 Feeding cost of cats

Feeding cost of cats for year 1 (start up year)

S/n	Month	Feed cost of parent stock	Feed cost of kittens	Drugs	Total cost
1.	January	8000	-	1,500	
2.	February	8000	-	800	
3.	March	8000	-	800	
4.	April	6,000	-	1,500	
5.	May	6,000	-	800	
6.	June	6,000	-	800	
7.	July	6,000	-	1,500	
8.	August	6,000	-	800	
9.	September	6,000	3,000	800	
10.	October	6,000	-	1,500	
11.	November	6,000	3000	800	
12.	December	6,000	-	800	
	Aggregate	78,000	6,000	12400	96,400

Feeding cost of cats for subsequent years

S/n	Month	Feed cost of parent stock	Feed cost of kittens	Drugs	Total
1.	January	6000	3000	1,500	10500
2.	February	6000	-	800	6800
3.	March	6000	3000	800	19800
4.	April	6000	-	1,500	7500
5.	May	6000	3000	800	9800
6.	June	6000	-	800	6800
7.	July	6000	3000	1,500	10500
8.	August	6000	-	800	6800
9.	September	6000	3000	800	9800

10.	October	6000	-	1,500	7500
11.	November	6000	3000	800	9800
12.	December	6000	-	800	6800
	Aggregate	72000	18000	12400	102,400

5.2.7 Feeding cost of Rabbit

Feeding cost of Rabbit for years 1 (start up)

S/n	Month	Feed cost of parent stock	Feed cost of puppies	Drugs	Total cost
1.	January	7000	-	1000	7000
2.	February	6000	-	800	6800
3.	March	6000	-	800	6800
4.	April	4,000	-	1000	7000
5.	May	4,000	-	800	4500
6.	June	4,000	-	800	4800
7.	July	4,000	-	1000	3000
8.	August	4,000	1500	800	6300
9.	September	4,000	1500	800	6300
10.	October	4,000	1500	1000	6500
11.	November	4,000	1500	800	6300
12.	December	4,000	1500	800	6300
	Aggregate	56,000	7500	10400	73,900

Feeding cost of Rabbit for subsequent years 1

S/n	Month	Feed cost of parent stock	Feed cost of bunnies	Drugs	Total cost
1.	January	4000	1500	1000	6500
2.	February	4000	1500	800	6300
3.	March	4000	1500	800	6300
4.	April	4000	1500	1000	6500
5.	May	4000	1500	800	6300
6.	June	4000	1500	800	6300
7.	July	4000	1500	1000	0500
8.	August	4000	1500	800	6300
9.	September	4000	1500	800	6300
10.	October	4000	1500	1000	6500
11.	November	4000	1500	800	6300
12.	December	4000	1500	800	6300
	Aggregate	48,000	18000	10,400	764,400

Cost of Running the Veterinary Care

S/n	Month	Start up (year 1)	Subsequent year
1.	January	400,000	10,000
2.	February	20,000	Retained profit of 10,000
3.	March	20,000	Retained profit of 10,000
4.	April	20,000	Retained profit of 10,000

5.	May	20,000	Retained profit Of 10,000
6.	June	10,000	Retained profit Of 10,000
7.	July	10,000	-
8.	August	10,000	-
9.	September	10,000	-
10.	October	10,000	-
11.	November	10,000	-
12.	December	10,000	-
	Aggregate	550,000	50,000

5.2.8 Cost Estimate

This constitutes the fixed assets and the variable cost. The fixed assets cost include the cost of equipment, machinery and other requirements for the pet farm. The variable cost includes the working capital cost and projection over the year. The costing estimated here is done per location of the farm and veterinary center.

5.9 Technology

The technology that would be used in this animal veterinary care services would be the basic machinery used in the production of animal feed and other equipment's which serve as the basic tools for a veterinary care.

5.10 Quality assurance and standardization

The services that we would be rendering will be of that of high quality and I intend doing this by ensuring that the customers pets would be given special attention and also customers who long to get new pets

PART SIX

ORGANIZATION AND MANAGEMENT

6.1 Organizational Structure

The business is mainly controlled by 3 managers who are the owner of the business. At every outlet there is a management by two veterinary doctor: one more experienced by the other. At a lower level there are two labours (mainly unskilled) in charging of the animals feeding and deadliness among other jobs.

This is the summary of the structure per outlet in Jos and Port-Harcourt.

6.2 Shareholders and Director

At least 3/5 of the capital needed to set up the business is generated by the owners while the remaining is sourced by borrowing form family and friend which is based on trust and no legal identification.

6.3 Management Team

At each outlet, the “management-by-objective (MBO) “style is adopted with the chairman as the top manager with the team that include the two veterinary doctors. For a start, the management team constitutes outlet which is subjected to increase on business growth and expansion.

6.4 Staff and management compliments

S/n	Positions	No. of staff	Annual salary/staff	Total
1.	Administrator	3	420,000	420,000
2.	Veterinary doctors	4	120,000	480,000
3.	Labourers/security	4	120,000	480,000
				1,380,000
	Add 5% fringe benefits			69,000
	Grand total			1,449,000

6.5 Value and Norms of the company

This project would involve few rules in order to allow for flexibility within the organization.

- i. To deliver quality services to her customers
- ii. To always meet transaction agreements with her customers and operate within the confines of law.
- iii. to always hold her employee as her most valuable assets
- iv. To be dependable in all her dealings.
- v. To project and better her natural environment

- vi. To earn a gold name and honesty in dealings.

PART SEVEN

LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES

7.1 Legal Issues

Home Animals and veterinary care is a sole proprietorship business. It requires to be registered with the business named at the appropriate department at the local department at the local Government Headquarters.

The permit for sales of animal drugs is acquired through the employment of the veterinary doctor who are at the head of affairs in the veterinary store.

7.2 Environmental Issues

The waste materials of the home animals could constitute disturbance to the environment around then if they are not properly disposed. Most case the waste of the animals are handled by buying method. These waste of animals are buried with sand. In addition their wages are cleared periodically at least once a week.

7.3 Social

The procession of this project would rep the society with a number of social benefits. There benefits would include the following:-

- i. Increase in the employment level
- ii. Suggest other sources of employment for entrepreneurial minds
- iii. Wealth creation
- iv. Aesthetic values through production of beautiful pets
- v. Foster better animal farming

7.4 Regulatory

The Home Animals and veterinary care will comply with all legal, social and environment regulations, as well as all relevant industrial safety regulatory requirements in the course of carrying-out the project

PART EIGHT
FINANCIAL PLAN

8.1 EQUIPMENT MACHINERY AND OTHERS

The animal veterinary care services would need the following equipment, machinery and others in order to operate and the cost implications of these are shown in the table below

S/n	Detail/item	Qty	Unit price (N)	Total amount
1.	Feed store	1	25,000	25,000
2.	Water tanks	1	100000	100,000
3.	Feeding bowls	25	500	12,500
4.	Cages for dogs	16	20000	32,000
5.	Cages for cats	8	1300	10,400
6.	Cages for rabbits	6	1000	6000
7.	Crossing	3	2000	6000
8.	Lactation room	6	2000	12000
9.	Veterinary Drugs			400 000
10.	Pumping machine	1	150,000	150,000
11.	Weighing scale	1	15,000	15,000
12.	Name/post Board	1	5000	5000
13.	Generator	1	200,000	200,000
14.	Electric sieving machine	3	100,000	100,000
15.	Van			2,500,000
	Sub total			3,573,900

8.2 SALES PLAN

	YEAR1	YEAR 2	YEAR 3
PRODUCT / SERVICE			
Product /Service	150,000	210,000	220,000
Quantity (volume)			
Price per unit	600	800	900
Sales	90,0000	168,000,000	198,000,000

8.3 COST PLAN

	YEAR1	YEAR 2	YEAR 3
PRODUCT /SERVICE			
Product/service raw material volume Kg	300,000	440,000	440,000
Cost per unit	131.35	142	150
Cost of raw inputs	39,405,000	62,480,000	66,000,000

8.3.1 LOCAL RAW MATERIALS AND OTHER INPUTS

ITEM	UNIT COST		
Maize	150/kg	17,000	150,000
Bone Meal	180/kg	15,000	90,000
Vegetables (carrots)	100/kg	5000	10,000
Fish	40/kg	6000	12,000
Milk	90/kg	8000	16,000

8.3.2 SOURCES OF RAW MATERIALS

ITEM	SOURCE
a. Maize	JOS
b. Vegetables	JOS
c. Fish	BENUE
d. Milk	Diary farm

8.3.4 Utilities

There would be creation of permanent source of water through the well and then electricity to an efficient level

Utilities	Year 1	Year 2	Year 3
Light	23000	18000	18000
Water	30 000	500	50
Total	53 000	23 000	23000

8.3.5 Working capital projection

S/n	Working Capital items	Start 1 (year)	Year 2	Year 3
1.	Stock of feeds and provision of drug	319,300	324 800	329,500
2.	Veterinary care.	750,000	50000	50000
3.	Utilities	53 000	23 000	23 000
4.	Salaries/Wages	960,000	960,000	1000,000
5.	Rents	600,000	750,000	900,000
6.	Working capital	1,482,300	1,359,800	1,397,800
7.	Increase/ decrease in capital	-	124,500	40000
8.	Electricity	1,000,000	1,500,000	1,900,000

8.3.6 Total Start-Up Capital

S/n	Capital Hens	Amount
1	Fixed capital	9, 261,000
2.	Working capital	2,482,300
	Total	11,743,300

8.3.7 Financing Plan

S/n	Source	Amount (N)
1.	Owners capital	9,743,300
2.	Bank loan	2,000,000
	Total	11,743,300

Total fixed capital = 9,743,300

Total working capital = 2,000,000

Total project cost = #11,743,300

8.4 LOAN REPAYMENT SCHEDULE

Year	LOAN/ BALANCE	INTEREST(At 20% interest rate)	ANNUAL INTEREST	LOAN REPAYMEN T	LOAN BALANCE
	A	$B=r(A)$	$C=(A \text{ value in equation 1})$	$D= C-B$	$E=A-D$
0	2,000,000				2,000,000
1	2,000,000	400,000	940,950.55	549,450.55	1,450,549.45
2	1,450,549.45	273,116.57	940,450.55	676,333.98	774,,215.47
3	774,215.47	139,888.98	940,450.55	809,561.57	

8.5 SCHEDULE OF DEPRECIATION

S/N	Item of depreciation	Initial value	Scrap value	Life Span	Depreciation
1.	Cages	49,000	29,000	10	2000
2.	Water tank	100,000	20,000	5	16,000
3.	Pumping machine	150,000	60,000	6	15,000
4.	Weighing scale	15,000	5,000	10	1000
5.	Generator	200,000	50,000	5	30,000
6.	Van	2,500,000	500,00	10	200,000
7.	Furniture	30,000	5,000	10	2500
8.	Feeding bowls	12,500	2,500	4	2500
9.	Electric sieving machines	100,000	20,000	10	8,000
	TOTAL DEPRECIATION				277,000

8.6 ESTIMATED PROFIT AND LOSS ACCOUNT FOR THE FIRST THREE YEARS

PARTICULARS	YEAR 1	YEAR 2	YEAR 3
SALES	90,000,000	168,000,000	198,000,000
OTHERS			
NET SALES	90,000,000	168,000,000	198,000,000
LESS EXPENSES			
Cost of raw materials	39,405,000	62,480,000	66,000,000
Salaries	960,000	960,000	1,000,000
Rent	100,000	100,000	100,000
Utilities	53,000	23,000	23,000
Electricity	80,000	80,000	80,000
Office supply	30,000	30,000	30,000
Motor vehicle maintenance	300,000	300,000	300,000
Miscellaneous	80,000	80,000	80,000
TOTAL EXPENSES	41,008,000	64,503,000	67,613,000
Profit before tax	48,992,000	103,497,000	130,387,000
Less interest	400,000	273,116.57	139,888.98
Profit after interest	48,592,000	103,223,883	130,247,111
Taxable profit	48,592,000	103,223,883	130,247,111
Less Tax(30%)	14,577,600	30,967,165	39,074,133
Profit after tax	34,014,400	72,256,718	91,172,978
Less annual depreciation	277,000	277,000	277,000
NET PROFIT	33,737,400	71,979,718	90,895,978
APPROPRIATIONS	YEAR 1	YEAR 2	YEAR 3
Retained Savings(50%)	16,868,700	35,989,359	45,447,989
Dividend(50%)	16,868,700	35,989,359	45,447,989

8.7 CASH FLOW PROJECTIONS FOR RICHAROG VETERINARY SERVICES

	YEAR 0	YEAR 1	YEAR 2	YEAR 3
CASH IN				
Bank loan	2,000,000			
Sales income		90,000,000	168,000,000	198,000,000
Equity	9,743,000			

Total Cash	11,743,000	90,000,000	168,000,000	198,000,000
Cash Out				
Admin out going		60,000	60,000	60,000
Marketing		5000	5000	5000
Cost of goods		39,405,000	62,480,000	66,000,000
Interest expenses		400,000	273,116.57	139,888.98
Loan repayment		549,450.55	676,333.98	809,561.57
Initial investment	11,743,000			
Salaries		960,000	960,000	960,000
Motor vehicle maintenance		300,000	300,000	300,000,
Dividends		16,878,700	35,989,359	45,447,989
Total Cash Out	11,743,000	58,558,151	100,743,809	127,571,449
Net Cash Flow	NIL	31,441,849	67,256,191	70,428,551
Opening Balance	NIL	NIL	31,441,489	98,697,680
Closing Balance	NIL	31,441,489	98,697,680	169,126,231

8.8 Balance of sheet of Richarog Veterinary Care services

Balance Sheet Assets		Year 1	Year 2	Year 3
FIXED ASSETS:				
Equipment machinery & others	3,573,909	2,573,900	2,573,900	2,573,900
Less Cum. Dep.	NIL	277,000	554,000	831,000
Total Fixed Asset (A)	3,537,909	3,260,909	2,706,909	1,875,909
Current assets:				
Cash (use as balancing item)	4,667,182	38,978,581	77,758,448	97,123,700
Operating bal. B/F	NIL	NIL	31,441,989	98,697,680
Stock	800,000	800,000	1,200,000	1,950,000
Total current asset	8,205,091	42,239,490	80,465,357	99,572,631
TOTAL ASSET	11,743,000	45,500,399	83,172,266	101,448,540
Liabilities:				
Current liabilities:				
Dividend		16,878,700	35,989,359	45,447,989
Short term loan	-----	549,450.55	676,333.98	809,561.57
Total current liabilities	Nil	17,428,150	36,665,692	46,257,551
Long term liabilities				
Long term loan	2,000,000	1,450,549.45	774,215.47	NIL
Total long term liabilities	2,000,000	1,450,549.45	774,215.47	NIL
Long+ Short term liabilities	2,000,000	18,878,699	37,439,907	46,257,551
Shareholders' Equity	9,743,000	26,621,700	45,732,359	55,190,989

<i>Shareholders'</i>				
<i>Equity:</i>				
Capital (shares)	9,743,000	9,743,000	9,743,000	9,743,000
Retained profits		16,878,700	35,989,359	45,447,989
Total shareholders fund	9,743,000	26,621,700	45,732,359	55,190,989
TOTAL	11,743,000	45,500,399	83,172,266	101,448,540
LIABILITIES				

PART NINE

RISK ANALYSIS, CONTIGUOUS PLANNING AND EXIT STRATEGY

9.2 Risk Analysis and mitigates

In the course of the project, certain risks were identified and mitigate against than were adopted. They are shown below

Identified Risks and mitigate

1. Possibility of out break of disease- The service of vet doctors
2. Inadequate start up demand- Aggressive promotion, advertisement and construction of board post (name board)
3. Irregular water supply- Construction of a well with a pumping machine and water tank
4. poor feed constituents supply- Fixed monthly supply of materials at fixed pieces per year quarter
5. Fluctuating availability

9.2 Exit Strategy

In case to stop or close drawn the project totally, the home animals and veterinary care could start the close-down process by first selling out the home animals and matured parent. Then the firm could be operation of only the veterinary care which involve retail sales of drugs and services of veterinary doctors/experts. as the h/k in the available drugs are sold out, the left over could be sold to neighbouring veterinary clinics while the services of the vet doctors on behalf of the firm comes to a holt.

PART TEN

CONSIDERATIONS, CONCLUSIONS AND RECOMMENDATIONS

10.0 Economic Justification

The business is lucrative to the owners because it creates wealth, it gives time for other business to be managed and harnessed. In addition, jobs for some unemployed persons would be created.

10.1 Commercial Viability

The market reaction in the business is smooth with its fascinating market clearing as earlier mentioned. With the clearing point of all products within a certain price range and short period of time.

With the future forecast through the profitability analysis, cash flow and balanced sheet projection, it show that the commercial viability of the firm would continue to grow and expand

10.2 Conclusion

In general, the business is a lucrative one with high opportunities and tendencies to grow and expand in subsequent years. The new grazing ground has not been much exploited thus giving the business an edge.

10.3 Recommendation

However, it would necessary for the business to keep measuring market trends in order to look out for new trends and opportunities to exploit quickly.

Also, the markets for existing inventory should be monitored in order to control production and also when to close poor-market product outlets.