

**UNIVERSITY OF NIGERIA, NSUKKA**  
**FACULTY OF ART**  
**DEPARTMENT OF MASS COMMUNICATION**

**TOPIC:**

**RENTAL SERVICES**

**A BUSINESS PLAN**

**WRITING IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE**  
**COURSE: CEDR 342**

**(BUSINESS GROWTH AND DEVELOPMENT)**

**BY:**

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**REG NO:**

**2014/196934**

**LECTURER:**

**DR. (MRS) T. C. NWAOGA**

**JULY, 2017.**





10.11	Economics Justification	=	=	=	=	=	=	=	21
10.12	Commercial Viability	=	=	=	=	=	=	=	21
10.13	Conclusion/Recommendation	=	=	=	=	=	=	=	21

## **1.0 EXECUTIVE SUMMARY**

### **1.11 NAME OF BUSINESS:**

The name is **VICKY RENTAL SERVICES**

### **1.12 LEGAL FORM OF BUSINESS:**

Vicky rental services is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

### **1.15 CONTACT ADDRESS:**

**No 152 Ogige market Road, Nsukka, Enugu state.**

**1.16 Telephone: 08134386806 Email: onuorahviki20@gmail.com**

### **1.15 TYPE OF BUSINESS:**

Proprietorship business.

### **1.21 DESCRIPTION OF BUSINESS:**

Vicky rental services is a company that renders the services of lending of event planning equipment such as chairs, canopy, all kitchen utensils, sound support systems and speakers and every thing in between. We also make arrangement for some of the best DJs and live bands to thrill your occasion, making it worth your while. Even though there are a lot of other services already existing which cover this kind of services, we come into the open market fray with the strive of rendering better services than any priorly existing company can offer. To this effect, this business came into existence with this mojo of capitalizing on the loopholes left by other so-called rental services providers.

Victor C. Onuorah, is the sole owner of this enterprise. Although there are members of staff, he alone oversees the administration of the programmes and projects of the establishment.

### **1.22 JOB OPPORTUNITIES:**

The business will be able to create roughly 30 to 45 jobs, directly and indirectly upon its running.

### **1.23 START-UP CAPITAL:**

It would require a start-up capital of N3, 949, 000 comprising of fixed asset of N2,409,000 working capital of N540,000, and others which amount to N1,000,000.

Table 1

A	Fixed capital	N2,409,000
B	Working capital	N540,000
C	Others	N1,000,000

Total N3,949,000

### **1.24 SOURCE OF CAPITAL:**

The capital will be sourced as follows

Table 2

A	Equity funds	N2,700,000
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B	Grant	N1,300,000
	<b>TOTAL</b>	<b>N4,000,000</b>

**1.25 PROFITABILITY:**

The business has the ability of raising above N5 million profits in its first year of running. We are in expectant of garnering up to N8 and N11 million in its second and third years respectively.

## 2.10 GENERAL INTRODUCTION

### 2.11 BACKGROUND

Vicky rental services has been rendering services for a long time in many remote communities within the country. Despite the fact, there is still a whole world out there not benefitting from our cutting-edge topnotch services rendition. This is why Vicky rental services is seeking to spread its tentacles into every nook and cranny of the country, Nigeria.

### 2.12 VISION STATEMENT

To establish outlooks of at least one in every state of Nigeria within the next 10 years.

### 2.13 MISSION STATEMENT

Become the best in terms of services in Nigeria in the next ten years.

### 2.14 THE COMPANY

The name of the company is **Vicky rental services**. It is a new business and it is in the process of being registered.

### 2.15 SERVICES OFFERED

We render services for the betterment of those who are clamoring for it. Our customers include all kinds of individuals both children, youths and adult together with hospitals and companies.

### 2.16 LEGAL FORM AND OWNERSHIP OF BUSINESS

The business is a sole proprietorship business that is in the process of being registered. The main promoter which is also the owner of the company is;

Victor C. Onuorah	-----	100%
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### 2.17 LOCATION OF THE BUSINESS

The business headquarters will be located at No 152 Ogige market Road, Nsukka, Enugu State. It is strategically positioned in along Odenigbo at the center of the town where there is access to road and electricity supply. Due to the location of the company's business premises, the business would experience great income since it is located at a strategic place where it could access the market easily.

The location has a challenge which may delay the services. It could be inadequate of power supply.

We choose the location despite the challenge because of the great number of customers we would have access to.

## **2.18 INDUSTRY TREND AND ANALYSIS**

The industry is a growing business that has an all year demand for rental services. This means that the industry is such that is not seasonal with great potential for sales, and generation of income for the business owner and his workers as well.

## **2.19 BUSINESS STRATEGY**

To ensure we remain in business, we will render quality services at affordable prices and good customer relations is part of our business strategy to attract and keep our customers.

## **2.20 KEY SUCCESS FACTORS**

Our key success factors include; experience workers, easy access workers, good location, and highly competitive services.

## **THE MARKET**

### **3.10 TARGET MARKET**

The main targeted markets for now are all the dwellers in Odenigbo and Nsukka, in general. As time goes on, we will extend it to all the Local Government in Nsukka, Enugu town, and other south East region and then take it out nationally.

### **3.11 SALES AND MARKET SHARE ANALYSIS**

market has the potential of offering us opportunity to render services that can accumulate more than 20,000 per year. For now, we can control 10 to 15% of the market.

### **3.12 PROFILE OF COMPETITORS**

COMPETITORS	PRODUCTS/ SERVICES	COMPANY SIZE	TURNOVER	ADVANTAGES	DISADVANTAGES
Pacheco rental Services Ltd.	Laundry services	Employs over 16 workers.	Over N30million yearly	Have been long in the	Not located in an easily accessible



				business.	place, and sales product costly.
Emako and Sons Nig Ltd	Laundry services	Employs about 12 workers.	Makes over N21million as turnover yearly.	Have competent personnel.	Just started in the business.

### COMPETITIVE ADVANTAGES

Vicky rental Services enjoys some measures of competitive advantages which are:

The location of our business is very strategic hence gives us great advantage over our competitors since they will access us easily. affordability price tag we present to our customers is also an added advantage.

Our good customer relations is also an added advantage.

### 3.13 SWOT Analysis

STRENGTHS	WEAKNESSES
<p>The great experiences of our workers are a plus to us.</p> <p>The ability to increase our services in order to meet demand.</p> <p>The location of our company which makes it easy to be accessed.</p> <p>Our affordable price is also an edge over our competitors.</p> <p>Prior experience in palm wine Disk Jockeying.</p>	<p>The location of the business which makes us to pay much tax.</p>
OPPORTUNITIES	THREATS
<p>Ability to expand to great limit, since so many people in the Southern part of Nigeria need services of rental companies.</p>	<p>Inadequate of electricity supply.</p> <p>Inadequate of water supply</p>

### 3.14 demand and supply analysis and estimating the initial installed capacity

Details	Size (numbers)
Potential demand to be served	<b>30,000</b>
Less 30% existing competitors	<b>21,000</b>
<b>Available market (in the absence of expansion and very high entry wall)</b>	<b>120,000</b>
Less 10% due to possible expansion of existing competitors and entrant of new	<b>108,000</b>

ones.	
<b>Available market</b>	<b>300,000</b>
Less 5% due to error in estimation	<b>285,000</b>
<b>Available demand/qualified market/ demand supply gap</b>	<b>126,800</b>
<b>Initial installed capacity cat most 60% of available demand (served market)</b>	

#### 4.10 MARKETING PLAN

#### 4.11 MARKET SEGMENTATION

Vicky rental Services belongs to the home activities. The location of the business was done in relation to the market demand of rental services and where the services could be cheap.

#### 4.12 TARGET MARKET

The main targeted markets for now are all supermarkets, bars, hotels, restaurants and markets in Odenigbo Road, Nsukka, Enugu State. and other parts of the south eastern states.

But with time, we seek to extend our reach to cities like Anambra, Ebonyi and other south-south and south west states and ultimately, across Nigeria.

#### 4.13 DESCRIPTION OF THE EDGE OF SERVICE

Service	1
Denomination	Rentage of utilities for occasions
Party planning	Other services

#### 4.14 MARKETING PLAN PRICE

Consumers are willing to pay highest of N 45,000, average of N40,000 and lowest of N25,000 party planned for them.

Our competitors prices ranges from highest of N45,000, an average of N40,000 and the lowest of N32,000.

The price we charge per 25 per renting a set of occasion utilities is N30,000.

This gives us advantage over our competitors because they charge higher than what we are charging.

So, we would be able to command great patronage because of our price.

#### 4.15 MARKET POSITIONING STRATEGY

The firm has not gained more ground in the market. So with good advert and price, we seek to gain more position in the nearest future.

#### **4.16 MARKETING MIX IMPLEMENTATION TOOLS**

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

#### **4.17 CHANNEL OF DISTRIBUTION**

Customers will deal directly with us.

#### **4.18 START-UP PROMOTION**

For start up promotion, we would print banners and handbills.

#### **4.19 ALLIANCES**

The alliance we would enjoy from friends and customers would help us enjoy increase in our customer base.

#### **4.20 MARKETING CALENDAR AND BUDGET**

For every six months we would print publications that are customized, banners and handbills. We would carry out announcement in radio twice every week. All will cost us N42,000 per year.

### **5.00 PRODUCTION PLAN**

#### **5.11 THE PROJECT**

Rental services serves the purposes of providing qualitative equipment and organizing of party planners and professionals to deliver the best of services yet unseen by any. Rental services is needed by majority of people especially those who are yet to acquire their own property and are in need of corporate support.

#### **5.12 PRODUCTION PROCESS**

No basic production, just acquisition and renting of event utilities.

#### **5.13 THE PRODUCTION FLOW CHART**

sourcing ----- acquiring -----lending

### **6.10 MANAGEMENT AND ORGANISATIONAL STRUCTURE**

The main promoter is the owner of the company and holds all the share of the company. He is;

Victor C. Onuoirah                   -----                   100%

Our financial adviser is IFECO Nig. Ltd; No 34, Agbani Road Enugu, email: info@ifeco.com.ng, website: www.ifeco.com.ng, telephone number: 08105455570

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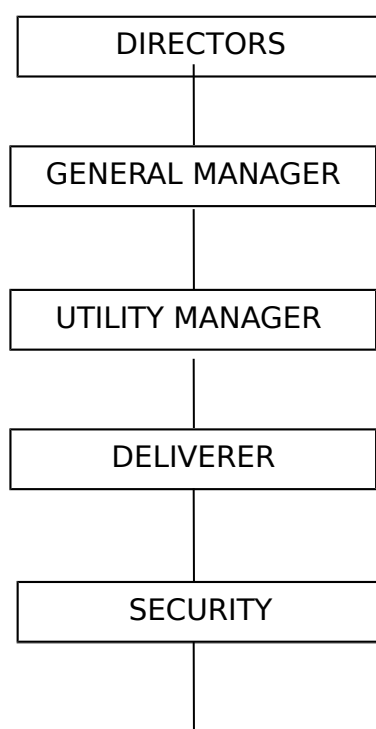
### 6.11 MANAGEMENT TEAM

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	OND in business management	4 years' experience as manager at Elma Printing Press Enugu.	Oversees the day to day operation of the business.
UTILITY DELIVERIES	NCE and WAEC..	Have experience in Disk Jockeying and sound system settings.	Utility provision as well as other party planning activities.
DRIVER	NECO	3 to 5 years' experience at different companies	Driving and maintenance of machines.
CLEANER	WAEC	No experience.	Cleaning of the chairs, neatly stashing of kitchen utensils and arranging of canopies and their iron frames.
SECURITY	WAEC	Vigilance.	Watching over the environment.

### OUR FUTURE MANAGEMENT NEEDS.

The company would currently directly employ 10 persons for a start, and would increase its number of staff to over 20 persons after 5 years of operation.

## 6.12 ORGANIZATIONAL STRUCTURE



## 6.13 The personnel plan

S/N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N50,000	N600,000
2.	Utility manager	3	N30,000	N1,080,000
3.	Deliverer	1	N30,000	N360,000
4.	Cleaner	1	N25,000	N300,000
5.	Security	1	N20,000	N240,000

## 6.14 ORGANIZATION'S VALUES AND NORMS

Best services with integrity, faithfulness, truth and diligence.

## 7.10 LEGAL, REGULATORY, SOCIAL, AND ENVIRONMENTAL ISSUES

### 7.11 LEGAL ISSUES

There are no legal issues for now.

### 7.12 REGULATORY AND ENVIRONMENTAL ISSUES

The service is not regulated, but on the process of registration with corporate affairs commission.

## 8.0 FINANCIALS

### 8.11 EQUIPMENTS

S/N	INVESTMENT	QTY	UNIT COST (N)	TOTAL COST (N)
1.	Land	5 acres	160,000	800,000
2.	Complex building	5	90,000	450,000
3.	Equipments			
	i) Machines	10	2,200	22,000
	ii) Starch	10	1,500	15,000
	iii) Furniture		12,000	12,000
	iv) Generator	1	52,000	52,000
	v) Electricity		8,000	8,000
	<b>TOTAL INVESTMENT</b>			<b>1,359,000</b>

### 8.12 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service Quantity	500	1,200	2500
Sales per unit	N30,000	N30,000	N28,000
<b>TOTAL</b>	<b>15,000,000</b>	<b>36,000,000</b>	<b>70,000,000</b>

### 8.13 General cost of Administration

Item	Current (For existing projects only) (N)
<b>SALARIES</b>	<b>2,580,000</b>
<b>FUELLING</b>	<b>43,500</b>
<b>TELEPHONE</b>	<b>24,000</b>
<b>ELECTRICITY</b>	<b>38,400</b>
<b>ADVERTISING</b>	<b>42,000</b>
<b>TOTAL EXPENSES</b>	<b>2,727,900</b>

### 8.14 Working Capital Projection

### 8.15 Start Up Capital Needed

S/N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	2,409,000
2.	Working capital	540,000
3.	Pre-operating expenditures	1,000,000
	<b>TOTAL</b>	<b>3, 949,000</b>

### 8.16 Financing Plan

S/N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	2,700,000
2.	Grant	1,300,000
	<b>TOTAL</b>	<b>4,000,000</b>

### 8.17 Schedule of Depreciation

S/N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Generator	52,000	12,000	10 years	4,000
2.	Starch	22,000	3,800	5 years	3,640
3.	Machine	15,000	2,500	5 years	2,500
4.	Furniture	12,960	2,100	3 years	3,300
5.	Bus	1,500,000	450,000	15 years	70,000
					<b>N83,440</b>

### 8.18 Final Accounts projection

PARTICULARS	YEAR 1,	YEAR 2,	YEAR 3,
	AMOUNT (N)	AMOUNT (N)	AMOUNT (N)
<b>SALES</b>	<b>15,000,000</b>	<b>36,000,000</b>	<b>70,000,000</b>
<b>OTHERS</b>	-----	-----	-----
<b>NET SALES</b>	<b>15,000,000</b>	<b>36,000,000</b>	<b>70,000,000</b>
<b>LESS EXPENSES:</b>			
<b>SALARIES</b>	<b>2,580,000</b>	<b>2,580,000</b>	<b>2,580,000</b>
<b>FUELLING</b>	<b>43,500</b>	<b>43,500</b>	<b>43,500</b>
<b>TELEPHONE</b>	<b>24,000</b>	<b>24,000</b>	<b>24,000</b>
<b>ELECTRICITY</b>	<b>38,400</b>	<b>38,400</b>	<b>38,400</b>
<b>ADVERTISING</b>	<b>42,000</b>	<b>42,000</b>	<b>42,000</b>
<b>EQUIPMENTS</b>	<b>109,000</b>	----	-----

<b>LAND</b>	<b>800,000</b>	----	-----
<b>BUILDING</b>	<b>450,000</b>	----	-----
<b>BUS</b>	<b>1,500,000</b>	-----	-----
<b>MAINTENANCE</b>	<b>74,000</b>	<b>87,000</b>	<b>92,000</b>
<b>IRON</b>	<b>1,000,000</b>	<b>1,200,000</b>	<b>1,600,000</b>
<b>MACHINES</b>	<b>270,000</b>	<b>382,000</b>	<b>410,900</b>
<b>TOTAL EXPENSES</b>	<b>6,930,900</b>	<b>4,396,900</b>	<b>4,830,800</b>
<b>PROFIT BEFORE TAX/INTEREST</b>	<b>8,069,100</b>	<b>31,603,100</b>	<b>65,169,200</b>
<b>LESS INTEREST</b>	-----	-----	-----
<b>PROFIT AFTER INTEREST</b>	<b>8,069,100</b>	<b>31,603,100</b>	<b>65,169,200</b>
<b>LESS DEPRECIATION</b>	<b>83,440</b>	<b>83,440</b>	<b>83,440</b>
<b>TAXABLE PROFIT</b>	<b>7,985,660</b>	<b>31,519,660</b>	<b>65,085,760</b>
<b>LESS TAX (30%)</b>	<b>2,395,698</b>	<b>9,455,898</b>	<b>19,525,728</b>
<b>PROFIT AFTER TAX</b>	<b>5,589,962</b>	<b>22,063,762</b>	<b>45,560,032</b>
<b>NET PROFIT</b>	<b>5,589,962</b>	<b>22,063,762</b>	<b>45,560,032</b>

#### 8.19 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
<b>CASH IN:</b>			
SALES INCOME	15,000,000	36,000,000	70,000,000
RE-INVESTMENT			
<b>TOTAL CASH IN</b>	<b>15,000,000</b>	<b>36,000,000</b>	<b>70,000,000</b>
<b>CASH OUT:</b>			
SALARIES	2,580,000	2,580,000	2,580,000
FUELLING	43,500	43,500	43,500
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	42,000	42,000	42,000
OTHER EXPENSES	4,203,000	1,669,000	2,102,900
TAX	2,395,968	9,455,898	19,525,728
<b>TOTAL CASH OUT:</b>	<b>9,326,868</b>	<b>13,852,798</b>	<b>24,356,528</b>
<b>NET CASH FLOW</b>	<b>5, 673, 132</b>	<b>22, 147, 202</b>	<b>45, 643, 472</b>



## Risks Analysis and Mitigates

### 9.10 RISK CONTINGENT ANALYSIS

S/N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to sell our products on credit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum security of our properties, and also employed security personnel.
3.	Accident	To checkmate the incidence of accident, we have made adequate provision for safety and would implement all preventive measures.

### 9.11 CONTINGENCY PLAN

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

### 9.12 EXIT STRATEGY

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in the investors or selling the business off.

## 10.0 OTHER CONSIDERATION, CONCLUSION AND RECOMMENDATION

### 10.11 ECONOMICS JUSTIFICATION

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

### 10.12 COMMERCIAL VIABILITY

Looking at the cash flow projection, the business would be able to generate N5, 673, 132, N22, 147, 202 and N45, 643, 472, as profits after 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> year of production. Thus, we are very optimistic that the business is a very commercially viable one.

### **10.13 CONCLUSION/RECOMMENDATION**

In light of the information supplied about our planned rental services business, we see this enterprise as a highly feasible, incredibly lucrative and humanly plausible and applicable and therefore employ that this prototype be set into fruition.