
UNIVERSITY OF NIGERIA, NSUKKA
FACULTY OF AGRICULTURAL SCIENCES

DEPARTMENT OF HOME SCIENCE, NUTRITION AND DIETETICS

TOPIC:

BUSINESS PLAN ON TISSUES PRODUCTION AND DISTRIBUTION

A BUSINESS PLAN

**PRESENTED IN PARTIAL FULFILMENT FOR THE REQUIRMENT OF THE
COURSE: CED 342**

(BUSINESS MANAGEMENT AND DEVELOPMENT)

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GODWIN PAPERS

ESTABLISHMENT OF TISSUE PAPER INDUSTRY - BUSINESS PLAN

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY.....	1
1.1 INTRODUCTION.....	1
2.0 INTRODUCTION.....	2
2.1 Vision Of The Business.....	2
2.2 Mission.....	2
2.3 Business Ownership.....	3
2.4 Legal Status.....	3
2.5 Location and Facilities.....	3
2.6 Products and Services.....	3
2.7 Business Strategies.....	3
2.8 Key Success Factors.....	4
3.0 MARKET.....	4
3.1 Market Size.....	5
3.2 Competitive Edge.....	6
3.3 Market segmentation.....	6
3.4 Promotion Strategy.....	6
3.5 Market Strategies.....	7
4.0 MANAGEMENT, ORGANIZATION AND OWNERSHIP.....	7
4.1 Management Team.....	8
4.2 Personnel Plan.....	8
4.3 Organizational Structure.....	9
5.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES.....	9
5.0.1 LEGAL ISSUES.....	9
5.0.2 ENVIRONMENTAL ISSUES.....	9
5.0.3 SOCIAL ISSUES.....	10

5.04 REGULATORY ISSUES.....10

5.1 VALUES AND NORMS.....10

6.0 RISK ANALYSIS.....10

6.1 SWOT ANALYSIS.....10

6.1.1 STRENGTH.....10

6.1.2 WEAKNESSES.....10

6.1.3 OPPORTUNITIES.....11

6.1.4 THREATS.....11

6.2 EXIT STRATEGY.....11

7.0 SUMMARY OF PROJECT COST.....11

7.1 FIXED CAPITAL INVESTMENT.....11

7.2 UTILITIES.....12

7.3 TOTAL STARTUP CAPITAL REQUIRED.....12

7.4 FINANCING PLAN.....12

7.5 INTEREST AND LOAN REPAYMENT SCHEDULE.....12

8.0 FINANCIAL ANALYSIS.....13

9.0 OTHER CONSIDERATIONS AND CONCLUSION.....13

9.1 ECONOMIC JUSTIFICATION.....13

9.2 COMMERCIAL VIABILITY.....13

9.3 CONCLUSION AND RECOMMENDATION.....13

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

Godwin Papers will be a specialty manufacturing and retail industry offering a large array of tissue papers and supplies.

Godwin Papers will be at the forefront in an exciting and growing market. The town of Nsukka currently has a few tissue paper producing industry and supply. None of the industries in the area is able to stand out as a standard tissue paper producing industry. They are also not able to give the high level of customer support that Godwin Papers can. Godwin Papers will be the only tissue paper producing industry in the town that will meet all the demand of the customers.

1.2 The Organization: Godwin Papers is owned and operated by practicing entrepreneur. It is founded on the idea that maintaining satisfied customers is essential to the bottom line. With this in mind, Godwin Papers will be working hard to ensure that all of their customers' expectations are exceeded in all transactions. To maintain a presence within the industry and close relationships to customers, Godwin Papers Group will be an active member of the industrial scene through participation and education. Godwin Papers staff will receive training in the most current trends and products. Godwin papers' owners will both anticipate and set consumer trends in creative work.

1.3 Products, Services, and Delivery: Godwin Papers will be located in the commercial business park between Costco and Home Depot, in a 3,000 square foot store. The previous tenants were cabinet makers and much of their handiwork remains to our benefit. Godwin Papers will have the floor space to offer a wide variety of tissue paper supplies. Due to our size, we will also have the purchasing power to buy from manufacturers of the raw materials directly, thus avoiding middle man mark-ups. We will offer discounts to regular customers. We will also offer free delivery in North Kona for orders of N300 or more. Godwin papers will offer Entrepreneur's Oasis holidays to travelers by arranging local accommodations, renting equipment, selling supplies, and offering maps and guides.

1.4 Financials: Margins are forecasted to be at 50%, due to the ability to buy wholesale. Sales in the first full year will be slightly over N300, 000. We are projecting conservatively a growth rate of 5% the first three years and 20% thereafter, even though existing art supply stores are reporting growth of over 30%. We budget conservatively, but have great vision.

1.5 Objectives

1. Customer Satisfaction: To create entrepreneurial environment that caters to the needs of tissue paper in the Town by offering knowledgeable and professional customer service. Customer satisfaction will be measured through repeat business (our goal is that 50% of our customers will return within 6 months for an additional purchase) and multiple sales (our goal is that 30% of sales are accompanied by an additional purchase).
2. To earn 80% market share and become the number one tissue paper supplier in town.
3. To achieve a 50% profit margin within the first year.
4. To be an active and vocal member in the community and to provide continual re-investment through sponsorship of community activities and celebrations, including: supporting production of tissue paper, providing scholarships.
5. To develop, in year two and three.

2.0 INTRODUCTION

In this context establishment of tissue paper industry refers to a private industry where tissue papers are produced for sale. It has clearly been observed that there are no many tissue papers producing industry in Nsukka .Sighting of Godwin Papers will help increase the production of tissue paper in Nsukka and also help increase job opportunities in Nsukka .The major idea of the business is to exploit this opportunity which is very lucrative.

2.1 Vision Of The Business

To make the enterprise a giant manufacturing industry for tissue paper.

To establish branches of the business all over Nigeria.

To expand the variety of goods (tissue papers) the business deals in.

2.2 Mission

To manufacture market and sell tissue paper.

2.3 Business Ownership

The tissue paper business is to be a sole proprietorship business wholly owned and managed by Uduoji Godwin C.

2.4 Legal Status

GODWIN PAPERS will be registered under Cooperate Affairs Commission (CAC). The industry is to be registered as an unlimited liability company.

2.5 Location and Facilities

The business will have two major facilities, a head branch that will comprise of raw materials and the equipment, plus a smaller branch comprising of just the tissue papers.

The major head branch is to be located in Nsukka town at the U C Network Building, while the other branch will be located inside U.N.N at the New SUB Complex Centre.

2.6 Products and Services

Products

Waste paper

Wheat straw

Bagasse

Wood pulp

Chips

Services

Production of tissue paper for customers

Service delivery to a retail shop

2.7 Business Strategies

The business will adopt a low cost production strategy in order to sell at a low price and penetrate the market.

The business will maintain a set level of inventory to mitigate loss and at the same time be able to meet the demand of customers.

The facilities will be located near the customers in a strategic site.

The enterprise will have a website where it can market its products by displaying them on the site.

The business will make use of various means of advertising to capture a large market

Godwin Papers will also sponsor events, publish calendars and conduct yearly bonanzas.

2.8 Key Success Factors

In order for Godwin Papers to succeed the business must:

- Provide for the satisfaction of 100% of the customers.
- Advertise and promote in areas where the target customer base will learn about the industry.
- Continuously review of the business inventory and sales and adjust the inventory levels accordingly.
- Sell products that are of the highest reliability and quality. To offer as many or more premium products than our competitors offers. Offer loss leaders and other promotions that bring customers into the industry to buy goods, explore our line of services, and sign up for future manufactures.
- Be an active member of the community.
- Provide in-store classes, demonstrations, and events.

3.0 MARKET

The targeted market is the Nsukka town and the U.N.N community. The population is made up of highly enlightened people (especially the university community) who attach great value for the use of tissue paper.

This population is concerned about price and quality of products. The market comprises mainly of households, students and businessmen.

3.1 Market Size

From survey I have the following;

Total population	100%	500,000
Potential market	20%	100,000
Potential market	100%	100,000
Available market	40%	40,000
Served market	15%	15,000
Penetrated market	6%	6,000

Demand and supply Analysis

Estimated annual demand	5,000
Less 20% of existing supplies	-1,000
	4,000
Less 10% due to expansions	
And new establishments	500
	3,500
Less 5% estimation error	-250
Estimated demand – supply gap	3,500
Installed capacity of shop	2,000
Target supply	1,600

3.2 Competitive Edge

Godwin Papers' competitive edge involves five areas:

- Customer Service as priority one.

- Location: The store is located in the main town of Nsukka. The location will attract more customers from out of town.
- Godwin Papers will also be an entrepreneur center.
- Godwin Papers will be a gathering place for entrepreneurs. We will dedicate a portion of the warehouse area to a cafe style lounge where customers can read art magazines, look at the art gallery, drink coffee, listen to music, or visit with other artists.
- We will provide percentage discounts for repeat customers.
- Each of these is a competitive advantage because none is being addressed, by any tissue paper manufacturing and supply outlet, in Nsukka at this time.

3.3 Market segmentation

The market is divided broadly into the following;

- Households.
- Schools
- Businesses - hotels, restaurants etc.
- Government – government offices and institutions.
- Students.
- Others

3.4 Promotion Strategy

D.P will use various captivating means to promote the industry; it will make use of such media as the internet, radio (Lion FM), posters and events sponsoring

3.5 Market Strategies

My marketing strategy will focus heavily on creating a large market, on sales promotion, and on niche positioning in the market. In addition to price and item promotional announcements, Godwin Papers will focus its marketing efforts via several key direct-to-consumer advertising.

- Local and regional magazine publications.
- Direct mail postcards: Godwin Papers will look to increase consumer awareness, retain the existing customer base and promote increased sales via postcard mailings. These mailings will be targeted around special events.
- Website Marketing: As DP establishes its on-line manufacturing site, it will support the business via search engine marketing, URL links and e-mail marketing on all correspondence. This third channel of business will increase the customer base, sales potential and service opportunities provided by GODWIN PAPERS.
- Direct calls on manufacture and supply of tissue paper.
- Word of mouth. By giving first-time customers great service and a fair price, the word is sure to spread.
- In-store events and celebrations.

All marketing decisions with regard to specific media choices, frequency, size, and expenditures will be analyzed on an on-going basis with careful consideration of returns generated and consistency with the mission and vision.

4.0 MANAGEMENT, ORGANIZATION AND OWNERSHIP

Godwin papers is a sole proprietorship. It is wholly owned by Uduoji Godwin C. who being the sole owner of the industry will manage the affairs of the business. Mr. Godwin is well enlightened on tissue paper production and in business management, therefore has the knowledge to undertake the task involved in running the business.

To carry out the day-to-day activities of the business and also in carrying out the professional activities of the business; certain personnel will be employed.

4.1 Management Team

The general manager will oversee all the affairs of the industry .Then the directors will manage the industry.

The business will hire professionals to offer the services required. There will also be a web manager to take care of the enterprise' website. Others will include the marketers, computer operators, sales/purchase managers, accountants and lawyer.

4.2 Personnel Plan

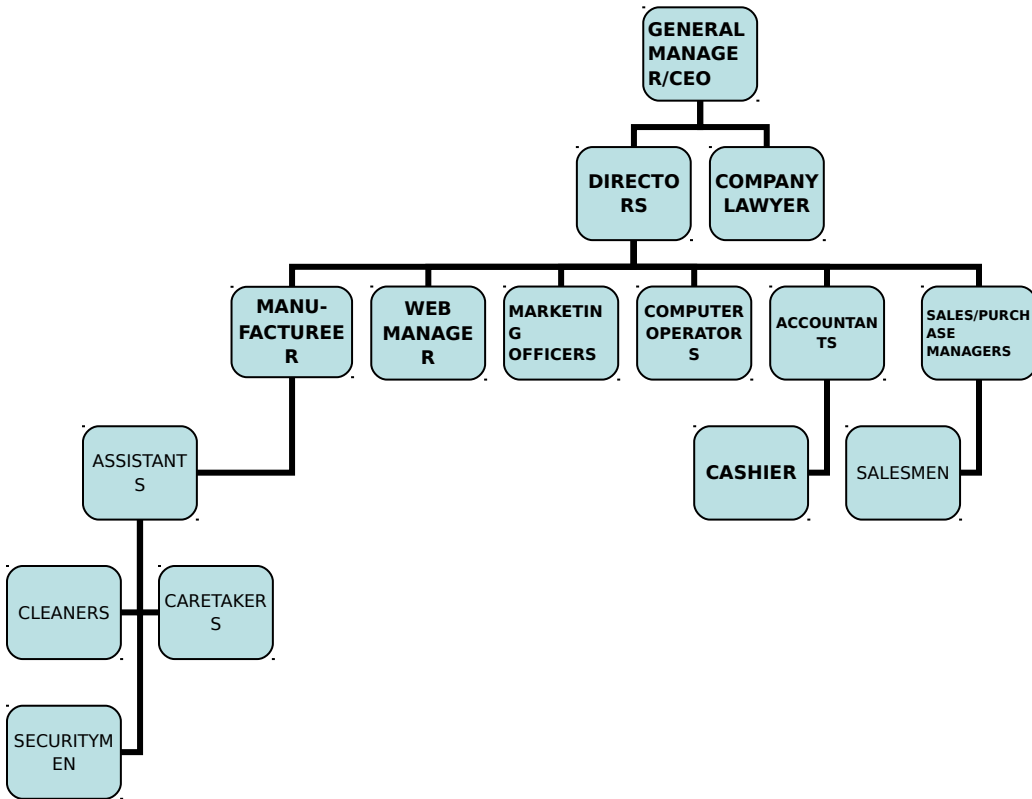
Below is the staff of the business and their respective annual salaries.

POSITION	NO	ANNUAL SALARY (N)	TOTAL
GENERAL MANAGER	1	2,400,000	2,400,000.00 N
DIRECTORS	2	720,000	1,440,000.00 N
MANUFACTUERERS	3	1,200,000	3,600,000.00 N
WEB MANAGER	1	720,000	720,000.00 N
MARKETING OFFICERS	3	720,000	2,160,000.00 N
COMPUTER OPERATORS	4	600,000	2,400,000.00 N
COMPANY LAWYER	1	600,000	600,000.00 N
SALES/PURCHASES MANAGER	4	600,000	2,400,000.00 N
ACCOUNTANTS	2	600,000	1,200,000.00 N
ASSISTANTS	4	120,000	480,000.00 N
SALESMEN	2	96,000	192,000.00 N
CASHIER	3	96,000	288,000.00 N
SECURITYMEN	3	72,000	N

			216,000.00
CLEANERS	3	56,000	N 168,000.00
CARETAKERS	2	56,000	N 112,000.00
MISCELEANOUS	2	36,000	N 72,000.00
TOTAL		N	18,448,000.00

4.3 Organizational Structure

Below is the organizational structure of the stores;



5.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES

5.0.1 LEGAL ISSUES

This Company is in the process of being registered with the Corporate Affairs Commission.

5.0.2 ENVIRONMENTAL ISSUES

This business is going to discharge all effluents properly and waste products will not affect the environment adversely.

5.0.3 SOCIAL ISSUES

This business, after two working years, would relate to the people and environs by giving out free bonanzas, free toilet papers, and feeding the less privileged.

5.0.4 REGULATORY ISSUES

This business is going to ensure strict observance of all quality control measures of the regulatory commission.

5.1 VALUES AND NORMS

Godwin Papers will adopt the following values and regulations;

- The stores will maintain a high integrity always.
- It will carry on with its business in accordance with the law of the state.
- It will seek to serve customers at the best standard.
- The employees must be loyal to the enterprise at all times
- The business will protect its secrets and strategies from competitors.

6.0 RISK ANALYSIS

The services of machine experts are needed.

6.1 SWOT ANALYSIS

6.1.1 STRENGTH

Presence of a seething population, availability of raw materials and cheap labor, cheap rent, strong managerial and technical team.

6.1.2 WEAKNESSES

Unsteady power supply.

6.1.3 OPPORTUNITIES

Increased disposable income. The disposable income in Nigeria is very high.

6.1.4 THREATS

Inflation rates, foreign policies, change in government policies.

6.2 EXIT STRATEGY

Diversification will be pursued.

7.0 SUMMARY OF PROJECT COST

The total cost of the project is N2, 000,000.00. This is made up of N1, 000,000.00 fixed capital and N1, 000,000.00 working capital.

7.1 FIXED CAPITAL INVESTMENT

S/N	DETAIL	QUANTITY	UNIT PRICE (N)	TOTAL AMOUNT (N)
1	Roller Machine	1	50,000.00	200,000.00
2	Generator Set	1	150,000.00	150,000.00
3	GP Tank	1	10,000.00	10,000.00
4	Synchrony wave	2	2000	4000
5	Feed Trays	20	200	4000
6	Van	2	200,000.00	400,000.00
7	Waste papers	10 cartons	25000	360,000.00

7.2 UTILITIES

Water will be supplied by commercial supply tankers. Fuel for the vans will be bought from nearby filling stations.

7.3 TOTAL STARTUP CAPITAL REQUIRED

The total cost of this project is estimated at N, 2000,000. It is then broken into N1, 000,000 Fixed capital and N1, 000,000 working capital.

Fixed Capital Cost

Fixed structures N7100, 000

Rent for three years N290, 000

Total fixed capital N1, 000,000

Working capital N1000, 000

Total project cost N2, 000,000

7.4 FINANCING PLAN

Total project cost is planned to be funded as below:

Owner's Contribution	N500, 000
Loan Capital (Bank)	N, 1500,000
Total Project Cost	N2000, 000

7.5 INTEREST AND LOAN REPAYMENT SCHEDULE

YEAR	PRINCIPAL (N)	REPAYMENT	INTEREST	TOTAL REPAYMENT	LOAN BALANCE
1	550,000	200,000	55,000	255,000	350,000
2	350,000	200,000	35,000	235,000	150,000
3	150,000	150,000	15,000	155,000	-

8.0 FINANCIAL ANALYSIS

The project comes out of the gestation period in 4 months and even by that time sales for the month stood at N200, 000.00. By the end of first year, the sales were 1,000,000.00 and this is expected to grow to N1, 500,000.00 and 1,800,000.00 respectively.

9.0 OTHER CONSIDERATIONS AND CONCLUSION

9.1 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 would create job opportunities and generate wealth, thus also being compatible with the vision 2020 and millennium development goals.

9.2 COMMERCIAL VIABILITY

This proposed project would be commercially viable as shown from our financial projections, impressive turnover, cash flow, and profit line.

9.3 CONCLUSION AND RECOMMENDATION

In conclusion, this proposed project would be very feasible and thus is highly recommended for execution.