

UNIVERSITY OF NIGERIA NSUKKA

- 1.0 Executive Summary
- 2.0 Introduction
 - 2.1 Vision
 - 2.2 Mission
 - 2.3 Key success factors
 - 2.4 Inherent risks
 - 2.5 Business ownership
 - 2.6 Locational factors
 - 2.7 Available markets
- 3.0 Products
 - 3.1 Products description
 - 3.2 Costing
 - 3.3 Market demand
- 4.0 Market analysis
 - 4.1 Customers/market segmentation
- 5.0 Marketing plan
 - 5.1 Promotional strategy
 - 5.2 Marketing strategy
 - 5.3 Market positioning
- 6.0 Management and organization
 - 6.0.1 Owner/manager
 - 6.2 External support
 - 6.3 Values and norms of the company
- 7.0 Legal issues
 - 7.1 Social
 - 7.2 Regulatory
- 8.0 Risk analysis
 - 8.1 SWOT analysis
 - 8.2 Exit strategy
- 9.0 Other considerations and conclusion
 - 9.1 Economic justification

- 9.2 Commercial viability
- 9.3 Conclusion
- 10.0 Company financials
- 10.1 Summary of project cost
- 10.2 Fixed capital investment
- 10.3 Utilities
- 10.4 Other expenses
- 10.5 Working capital forecast
- 10.6 Total investment outlay
- 10.7 Financial plan
- 10.8 Loan repayment schedule
- 10.9 Depreciation
- 10.10 Profit and loss account
- 10.11 Cash flow projection
- 10.12 Balance sheet projection
- 11.0 Financial analysis

Part I

1.0 Executive Summary

- 1.1 The following report and recommendation relate to the proposal by J-best Makeover and Decoration to establish a makeup studio and Decoration shop at Nkpokiti Enugu State.
- 1.2 The project would require a startup capital of # 2000000, made up of #1500000 for fixed assets and # 500000 for working capital
- 1.3 The vision is to be the most outstanding makeup artist and decorator for any event in South East of Nigeria particularly Enugu State.
- 1.4 The project will be located at Nkpokiti ,Enugu because of its easy access to target customers from that location.
- 1.5 A huge market is available for the business to serve
- 1.6
- 1.7 The competitive edge of the enterprise lies in its ability to offer best makeup and decorations using exceptional quality products and material which is got from countries that sells in large quantity.
- 1.8 The profitability measures are as shown below:

PART II

INTRODUCTION

The planned makeup and decoration project is the result of strong industry and needs particularly in Enugu State by the promoters of this project. This studies reveal that there is high patronage for makeup and decorations because there are events going on almost everyday and also on high demand especially those of high quality and extraordinary.

2.1 Vision

To be the most outstanding makeup artist and decorator of events in the South East and beyond.

2.2 Mission

To import and deal on original and quality makeup products and materials for decorations. To satisfy the needs and expectations of the customers.

2.3 Key Success factors

The key success factors are

- a To use unique and affordable products for makeup and materials for decoration.
- b Existence of reliable market outlets
- c Rendering the services to customer's doorstep
- d To makeup and decorate at affordable prices .

2.4 Inherent Risks

- a Delay or loss of products and materials during import
- b Inadequate start up demand
- c Inadequate water supply and electricity

2.5 Business Ownership

The business is a sole proprietorship wholly owned and managed by Joy Anieke

2.6 Locational Factors

The makeup and decoration shop will be located at Nkpokiti, Enugu State. What informed the choices of this location are

- 1 Its nearness to many photography studio, student's lodge and celebrities' suites
- 2 The existence of good road networks
- 3 Availability and affordable labour.

2.7 Available Market

Nature has made that there must be a ceremony or an occasion going on that will require people especially ladies look extraordinary by wearing wakeup and also decorating the venue to be appealing. This is why makeup and decoration business is lucrative, people want these services on daily basis. Experts in that particular location has proved that there is high patronage in the business.

PART III

3.0 Services

J-Best Makeover and Decoration will deliver the following services

- Makeup
- Decoration

3.1 Services Description

✓ Makeup

It is an overall beauty treatment especially the face intended to change or improve a person's appearance.

✓ Decoration

It is the act of adorning, embellishing, or honoring a place with beautiful material to look extraordinary.

3.2 Costing

The costing of the products and material is built mainly around two major cost items, they are;

i the makeup studio and kit

ii the decoration materials

- ✓ The studio will be constructed by an outstanding architect while the kit will be imported from France, USA, Asia, UK because they deal with specific makeup products.
- ✓ The decoration materials will be imported from UK, China, and Italy.

3.3 Market Demand

J-Best Makeover and Decoration is located at Npokiti which is within photography studio such as Nani boi's studio, Nina's palace studio, Orchard's studio, Joy-Anna's studio, Celebrity suites like Golden Royale Siuite, Toskana suite and student's lodges, where makeup and decorations are in high demand. Information from other experts and experienced makeup artists and decorators reveals that people patronize yearly depending on how many occasions done yearly and demand keeps on increasing as the day goes by.

PART IV

Market ,customers and competitors

4.0 Market Analysis

J-Best makeover and decorations is a promising business opportunity since everybody especially ladies want to look extraordinary everyday in special occasions and in general basis like in offices, schools, church etc. Also everyone wants to host an event in a well decorated venue and some others want their

homes to be decorated as well. There is a high patronage especially when one uses high quality products and materials.

4.1 Customers /Market Segmentation

The following are the classes of customers for makeup and decoration

- a Those preparing for wedding, birthday, burial, child dedication and other occasions that may warrant makeover and decoration. They are usually price sensitive.
- b Households :some households usually ask for decoration of their homes. They do not want it any how and are ready to pay any amount of money to make it to their expectations.
- c Celebrities, ladies and students like makeup and decoration as well and are also ready to pay the price.

J-Best Makeover and Decoration plans to articulate appropriate marketing strategy for each class of customers.

PART V

5.0 Marketing Plan.

There are no major makeup studio and decoration house in Enugu what they have mostly is freelancers who go from one house to another hence there are absence structured makeup and decoration that can really put up commendable competition. Therefore, if J-Best makeover and decoration commences operations as planned, it will be a market leader in no distant time

5.1 Promotion Strategy

J-Best makeover and decoration will embark on an aggressive awareness campaign to make people know about the newest makeup studio and decoration. To do this-Best plans to use fliers, television and radio advertisement, outreach sensitization programmes J-Best will also sponsor entrepreneurship programmes to reach out to youths.

5.2 Marketing Strategy

J-Best will be rendering makeup and decoration services at a highly competitive price because it will be using high quality products and materials for its services. J-Best will give discount and small gifts like buckets, exercise books ,lipstick,eyepencil,material for decoration to the customers to drive the market

faster and popular. This will help in no small way to increase the makeup and decoration service 's popularity amongst the competitors.

5.3 Market positioning

J-Best Makeover and Decoration will position itself as the prime mover and market leader in makeup and decoration in Enugu and its environs. The services will create a peculiar leading edge profile for itself. The under stated is how the firm will want to be seen by its customers, competitors and general public.

- As a makeup artist and decorator with the best quality products and materials
- As a firm that has its customers' interest at heart in form of pricing and delivery
- As a trust worthy provider of makeover and decorator

PART IV

6.0 Management and Organization

6.0.1 Owner/Manager

J-Best Makeover and Decoration is a sole proprietorship. It is wholly owned by Joy Anieke, who being the sole owner of the makeup studio and decoration shop will manage the affairs of the studio and deco shop .Miss Joy Anieke is a trained makeup artist and decorator and has enough basic knowledge of financial management which she is expected to utilize in running the studio and deco shop.

To help in the day to day management of services of Makeup and Decoration. Some other good hands will be hired .The plan is that the hired hands will compliment Miss Joy Anieke especially in the area of decoration Table shows the staff and management compliments of the makeup services and decoration.

Table : Management and Labour Compliments

6.2 External support

J-Best makeover and decoration is discussing with the Enugu small and medium enterprises (SME) center to offer ,over a period of years, strong management and business support services. Also the makeup studio and decoration shop will access support on issues especially decorations from Entrepreneurship Development

Center where the proprietor received training on entrepreneurship. Finally the services of a makeup and decorator expert and consultant has been planned to retained.

6.3 Value and norms of the company

J-Best Makeover and Decoration plans to adopt the following norms and values:

- a To offer the best for the benefit of the customers
- b To uphold her integrity always
- c To see her employees as her most valuable assets
- d To always be available to her customers

PART VII

Legal, social and regulatory issues

7.0 Legal issues

J-Best Makeover and decoration plans to commercial operations as a sole proprietorship. Such is just enough to register business name with the appropriate department at the local government headquarters .No special license are required for the establishment of a makeup studio and decoration house however every attempt will be made to get all necessary permit and licenses.

7.1 Social

The implementation of the project will bring about social and economic benefits to the society in the following ways.

- 1 It will create new jobs
- 2 It will bring about wealth creation and poverty reduction .

7.2 Regulatory

J-Best studio and deco will comply with all stipulated rules and regulations .

PART VIII

8.0 Risk analysis

This project is subjected to risk analysis and some inherent risks identified and appropriate mitigants preferred to avoid the business being disrupted.

Identified Risks	Mitigants
Delay or loss of products and materials and importation of fake products	The services of a good dealers of the products and materials
Inadequate start-up demand	Aggressive promotion and advertising

	campaigns
Irregular water supply and electricity	A big water reservoir will be constructed and a generator will be provided

8.1 SWOT Analysis

A SWOT analysis carried out on the project reveals the following:

8.1.1 Strength.

-The location of the studio and shop makes it to have easy access to its targeted customers.

-The products used for makeup and materials for decoration is of high quality.

-The makeup studio and decoration shop has a very good plan to adapt to high cost of products and materials which is one the challenges in the business.

The makeup studio and decoration shop will build on these strengths.

8.1.2 Weaknesses

-Initial problems of raising adequate capital for the project anticipated

-The proprietor has limited experience on decoration

J-Best Makeover and Decoration will work with experts to address these issues

8.1.3 Opportunities

-Currently, there is no makeup artist using a quality makeup kit and also no decorator uses a quality materials for decoration. Because of this J-Best makeover and decoration has come to stay.

-Makeup and decoration is in a very high demand and it will continue growing.

J-Best studio hopes to exploit these opportunities.

8.1.4 Threats

-There is still challenge to convince people to abandon their longtime customers especially those that do not use original products and materials.

-Increased competition due to entry of more makeup artists and decorators.

-Low initial demand.

To checkmate these threats ,the makeup artist and decorator will mount to aggressive awareness campaign ,advertisements and other promotional strategies that would create TOP OF THE MIND AWARENESS(TOPA)

8.2 Exit Strategy

No exit is planned, rather diversification will be pursued.

PART IX

Company Financial

9.1 Summary of project cost.

The total cost of the project is

9.2 Fixed capital investments

J-Best is located at Nkpokiti in Enugu State

Fixed capital investment

s/n	Detail	Qty	Unity price(#)	Total amount(#)
1	Makeup studio	1	100000	100000
2	Delivery van	1	300000	300000
3	Make up kit	1	50000	50000
4	Decoratio n house	1	100000	100000
5	Water tank	1	60000	60000
		Grand total		610000

9.3 Utilities

The studio and the shop is located in a place that is not connected to sources of water and electricity; as such water will be supplied to the studio and shop by tankers ,while generator will be used for lightening.

Expenses on Utilities projected

Utilities	Year 1 (#)	Year 2(#)	Year 3 (#)
Light	20000	20300	20600
Water	10000	10200	10400
Total	30000	30500	31000

9.4 Other Expenses

There are other expenses expected to be incurred in the course of running the makeup studio and decoration shop.

Table: Other Operating Expenses

Type of expense	Year 1(#)	Year 2(#)	Year 3(#)
Vehicle maintenance	70000	70,600	70800
Business travels	20000	20400	20600
Public relations/adverts	40000	40200	40400
Miscellaneous	10000	10100	10200
Total	140000	141300	142000

9.5 Working capital forecast

To arrive at the following capital needed for the business ,the following assumptions are made

9.6 Total required investment outlay (Required start-up capital

Table :Total Start up Capital Required

s/n	Capital items	Amount(#)
1	Equipment and others	1500000
2	Working capital Requirement	500000
	Total	2000000

9.7 Financing Plan

To finance the required investment outlay, the proprietor plans to raise an equity capital of while will be borrowed from the bank.

Table: Financing Plan

Source	Amount(#)
Equity contribution	500000
Bank loan	1500000
Total	2000000

9.8 Loan repayment schedule and interest paid.

It is expected that the loan would attract an interest of 10% and that funds are available to pay monthly interest as well schedule repayments of the principal amount.

Table: Interest and Repayment Schedule

Year	Loan	Repayment	Interest	Loan balance

1	1500000	Nil	30000	1500000
2	1500000	250000	50000	500000
3	500000	500000	25000	Nil

9.9 Depreciation

The annual depreciation is calculated using the straight line method

Table: schedule of Annual Depreciation

S/n	Capital items	LS	IV	SV	Depreciation
1	Makeup studio	20	600000	300000	10000
2	Decoration house	20	200000	100000	3000
3	Delivery van	10	400000	200000	10000
4	Water tank	10	10000	5000	2500
5	Make up kit	10	10000	5000	2500
6	Decoration materials	10	10000	1000	1500
					29500

9.10 Forecast of Profit and Loss

Particulars	Year 1(#)	Year 2(#)	Year 3(#)
Expenses			
Utilities	30000	30500	31000
Other expenses	140000	141300	142000
Cost of make up and decoration materials			
Salary and wages			
Total expenses	170000	171800	173000
Profit before int \$ Tax			
Less interest			
Profit After tax			
Less Depreciation	29500	29500	29500
Net Profit			
Retained Earnings			
Dividend	Nil	Nil	

9.11 Cash flow projection

Cash in:	Year 0 (#)	Year 1(#)	Year 2(#)	Year 3(#)
----------	------------	-----------	-----------	-----------

Equity	500000			
Bank loan	1500000			
Net profit				
Depreciation		29500	29500	29500
Total cash in	2000000			
Cash out				
Equipment and others	1500000			
Working capital	500000			
Increase/decrease in cash				
Total cash out	2000000			
Opening bal	Nil	Nil		
increase/Decrease in cash	Nil			
Closing balance	Nil			

9.12 Balance sheet projection

	Year 0(#)	Year 1 (#)	Year 2 (#)	Year 3 (#)
Fixed asset				

10.0 Financial Analysis

This project do not have a particular period it comes ,it is something people demand for on daily basis so there are no fixed amount projected to it

10.1 Profitability analysis.

Relevant key profitability ratios for the first three years are shown below

	Year 1	Year 2	Year 3

Profit after tax	600000	800000	100000
% Return on turn over	N/A	40.00	41.00
% Return on equity	N/A	30.00	50.00
% Return on Investment	N/A	20.00	80.00

Part x

Other considerations and conclusion

11.1 Economic justification

From the view point of our study and analysis of the findings made ,the project offers good benefits to the promoter and the economy. Wealth will be created even as jobs are also created. These are consistent with the federal and states Government Policy on entrepreneurship, wealth and job creation.

11.2 Commercial viability

The commercial viability of the project is very clear .The project has been found to be commercially viable having shown through projections ,an impressive sales ,profit and cash flows positions.

11.3 Conclusion

Therefore ,the project is highly recommended both finding and implementation although I had so many challenges especially in the tables above. I thought it wise to write this business plan using the guide on the text book instead of giving it out for somebody to do it for me because I believe I will do it better next time.

