

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)

BY

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1.0. EXECUTIVE SUMMARY

My business is production and sales of pork and live pigs. I plan to establish a company that will produce these pigs in commercial quantity and sell to my numerous customers. We want to feed Nigeria with healthy meat and export to other countries. We will ensure that we sell the highest number of pigs for pork in Nigeria and increase production every year in order to satisfy our customers.

The most important thing in my business is hygiene and best practices in animal production.

Pig farmers, pig butchers, wholesalers, retailers, abattoirs, meat processing companies, food packaging companies are my target customers. My business is positioned to take advantage of growth trends in the industry. My most important company strengths are measurement of live pigs weight, processing and packaging of pork, none of my products are exposed for contamination, and best possible hygienic measures are taken.

My company will succeed because we provide the most important basic need that is protein in form of animal meat and our products are consumed daily by majority of Nigerians. Due to the fact that the available meats are not enough and are not of the best hygienic standard, we will provide quality meat and make profit. With the experience, skills, and strengths of management team and workers to be employed, we will ensure that this business grows to become a household name in Nigeria and a world class company.

1.1. Mission Statement: To ensure effective and efficient production and distribution of meat at affordable prices.

1.2. Vision Statement: To provide top quality meat for healthy living of people all over the world.

1.3. Targeted Market and Customers

Pig butchers in Onitsha, Nnewi, Awka, Nkpor and Oba, Anambra State are our valued customers. These customers buy pig from farmers in the state. It is our responsibility to locate and market our products to them.

Local consumer of pork in Onitsha, Nnewi, Awka, Nkpor and Oba, Anambra State will be encouraged through proper marketing technique using our point of purchase sales outlet. These

consumers buy pork in the market for consumption. Through proper marketing strategy, these customers will be encouraged to buy our products.

Pig farmers in the state who need boar, piglets or sows are our targeted customers. They may want to buy a boar, piglets or in- sows (pregnant pigs) for their farms. All pig farmers in the state will be located and visited and how to sell products to them when they need them will be strategized.

Wholesalers and retailers of pig in the state are our valued customers. They buy from farm and resell to the butchers and consumers. They will be searched and located and their contact kept in our record. They will be contacted when they need any product.

Public markets are places where our customers may want to come and buy our product. Sellers of pork are also our targeted customers.

Abattoir and meat processing companies are our targeted market. Our product will be sold to them for further processing.

Food processing and packaging companies like UAC foods and other food packaging companies in the state, eateries, restaurants and hotels are also our targeted customers. These companies will be encouraged to put pork in their menu, and will be sold to customers.

1.4. Growth Trends in this Business

Comparative statistics puts Nigeria's total meat production at more than 110 million metric tons/year, resulting in a meat production index of 22g per caput per day (Ademosun, 2010). In fact, the Food and Agricultural Organization of the United Nations (FAO) quarterly bulletin of statistics reported that there is a greater output of meat from pigs (63.9 million metric tons/ year) than the combined output of meat from cattle, buffalo, sheep and goats (58.9 million metric tons/year) in Nigeria.

Local pig farmers hold greater percentage of the market share. When I start my business, I plan to take more than 50% market share in the long run because I will employ the latest production technique more than the local farmers. All the pig farmers are my targeted customers because of the production technique in artificial insemination in pig production to be used. I plan to be a major factor in the market.

Demand for meat has risen more than five-fold in the past 50 years in Nigeria, according to the FAO. The FAO said that it believes that the rapid growth of developing economies suggests meat consumption will continue to grow and outpace the growth of supply.

The growth trends on the market is seriously increasing rapidly and more consumers preferring to eat pork because it is affordable and readily available upon increase production. However products in the market are not packaged and I will take advantage of this. We will introduce product packaging to increase product development.

The pig industry can be a very reliable one due to certain attributes of pigs and the Nigerian production system. Pigs have a high survival rate and also have the ability to utilize a host of agro- industrial by – products and crop residues with little or no processing and minimal cost. Pork is the most popular meat consumed in the world today and about 44% of the world meat protein consumption is derived from pork and pork products (FAO, 2004).

2.0. ORGANIZATION

2.1. Business Organization

I plan to form a Private Limited Liability Company for my business. It is my intention to grow Christ O. Nigeria Ltd into a large firm with international standard and relationships. The initial and ongoing cost of operating as private limited liability company will be a necessary business expense. Also, since a properly run private limited liability company will afford me limited liability, I feel this is the right form of business for me. I intend to depend on my attorney to handle all aspects of setting up the limited liability company and maintaining proper company records.

Management

I will manage the business on a day-to-day basis. My experience in managing my father's pig farm will be brought to this business. With my management team and me as managing director, we will grow this business and provide jobs to many Nigerians. There is a plan for continuation of the business if I am dead, or incapacitated. I can be replaced by the owners of this company.

Working hours will be from 8am to 4pm everyday from Monday to Friday except for security agents who will work all day and night.

Personnel

- Number of employees: 8
- Type of labor (4 skilled, 4 unskilled, and 8 professional). **They are owners of the Private limited liability company. This is to encourage them to put in their best and ensure business successes.**
- I will employ young graduates. I will pay them very well. I will train them and increase their salary.
- Quality of existing staff is high. This is because I will ensure that best hands are employed.
- Pay structure: I will pay twenty thousand to young youths who are unemployed when starting the business. This salary structure will increase after one year to a standard compared to the one paid by good companies.
- Training methods and requirements. My workers will be trained. The cost will be the cost of doing business.
- The job descriptions for employees will be drafted.

2.2. Organizational chart

number. I will pay myself salary, pay payroll taxes, company tax and formalize my business with the government. I will consult my professional consultants on how to acquire these licenses.

I will ensure that the following requirements are achieved.

- Licensing and bonding requirements
- Permits
- Health, workplace, or environmental regulations
- Special regulations covering my industry
- Zoning or building code requirements
- Trademarks and copyrights

2.3. PREMISES

2.3.1. Location Criteria

My location is important to my customers. This is because it will reduce the cost of transportation. It is located along a Federal Government road, Onitsha Owere road. It will help transportation because my customers will purchase life pigs with trailers and long vehicles. This location is not close to residential areas in the town. This will also help us to transport our raw materials and feeds from agro based companies in the state. This is to prevent residents from complaining of the noise of the animals. This location is good for expansion because there is vast area of land available.

When customers come to my location, it is convenient for parking.

It is competitively located. There are two nearby pig farms in the area. This is good because they are also my target customers and we can co-operate. The location is very close to my market and also very close to my raw material especially agro based industries.

2.3.2. Space requirements

- Amount of space: Three plots of land are enough for a start. This space will house fifty pens of 10 by 10 feet built strategically. This will also house my administrative building. The space can house at least five hundred pigs conveniently.

- Type of building: I plan to build low cost housing that will last for a long time. This is because I don't want to tie a lot of capital to land and building. However this is important considering the location criteria for the business. The cost of land and construction of building is provided in the cost analysis.
- Power and other utilities: Power and water bore hole are required. The cost of sinking bore hole and that of power are adequately considered.

Estimated occupancy cost as of % of sales

Since I am purchasing land and building my pens, occupation expenses, including rent, but also including maintenance are not necessary. To reduce cost in the long run, I plan to build and not pay for rent.

ACCOUNTING AND CASH FLOW

Accounting

(Upload Starting balance sheet and projected income statement for the next 6 month to 1 year)

Cash Flow Planning

(Upload 1 year cash flow analysis including estimated sales, all cost and capital investments)

Provide a checklist of all expense items for input into your cash flow projection

This is a list of expenses for which I will require either start-up capital or financing. These items include buying pigs, feeds, getting a computer (communication), equipment and fixtures, travel

expenses and start-up overhead expenses. These expenses are included in my monthly cash flow projection to indicate the ongoing requirements for cash.

S/N	List of all expenses into cash flow projection/ year	Cost (N)
1	Pig Feed	910, 800
2	Salaries	1, 440, 000
3	Treatment and Drugs	22, 950
4	Water bore hole	650, 000
5	legal Company registration	3, 000
6	Repairs and Maintenance	97, 100
7	Administrative cost	60, 000
8	Advertising	78, 000
9	Communication	250,900
10	Land	2, 100, 000
11	Building	3, 060, 000
12	Farm Implements	112, 400
13	Pig	1, 100, 000
14	Furniture and Fixtures	50, 000
15	Insurance	750, 000
16	Utilities	9,000
18	E- Commerce	20, 000
	TOTAL	10,734,180

2.4. ESTIMATE COST OF BUILDING FIFTY PENS (FIXED COST)

1. To build ten pens, one can use about one tipper load of stone for floor concrete, N 24,000
2. For 10 by 10 size of pen, one pen will gulp two bags of cement for floor concrete. Cost of 2 bags of cement at N3, 600. Plaster of one pen will take one bag of cement at N 1, 800. Workmanship N2, 500
3. For ten pens to be built, it will take 30 bags of cement at N1, 800 each at N 54, 000 and for workmanship of the ten pens it would cost N25, 000
4. Block for the ten pens. To build tens pens, it will gulp 1, 600 blocks which at 40 blocks per one bag of cement. It will cost 40 bags of cement. At N1, 800 a bag, it would cost N75, 000
5. The amount of sand to be used for molding of the 1, 600 blocks, will be at least 10 tippers of sand and the cost of one tipper load sand is N6, 000 each. So 10 tipper will cost N60, 000

6. Cost of molding the ten tippers of sand with the 40 bags of cement is N400 per bag of cement the workmanship cost N16, 000
7. To lay the 1600 block by the bricklayers will be 4 days job of a bricklayers will be 4 days job of a bricklayer with a serving job man, cost of a day work for a brick layer N 2, 500. For the 4 days cost of bricklayer is N10, 000 then the serving job man N1, 500 a day, costing N6, 000 for the 4 days. The total cost of the labor is N16, 000
8. The roofing of the ten pens. The roof will use 10 bundles of zinc which cost N10, 000 each. So ten bundles will cost N100, 000.
9. Wood for roofing of the ten pens is 100 pieces of 2×2 wood at N200 each. Total cost N20, 000. 30 pieces of 2×4 wood cost N300 each total cost N9, 000. 20 pieces of 3×4 wood for wall plate cost N600 each total N12, 000. Nail and other miscellaneous cost N 10, 000. Workmanship for the roofing N12, 000. Total cost of the roofing cost N75, 000
10. Total overhead cost of ten pens is N412, 000
11. Total cost of building fifty pens will be $N412, 000 \times 5 = N2, 060, 000$
12. Estimated cost of building two offices for administrative building is N1, 000, 000
13. Total cost of building is $N2, 060, 000 + 1, 000, 000 = N3, 060, 000$

2.4.1. FEEDING COST OF 200 PIGS

1. Three tons of PKC (palm kernel oil cake) at N20, 000 each can be used with total cost N60, 000. Eight bags of “dusa” (corn chaff) can be used. Each bag costs N600. Eight bags will cost N4, 800.
2. Total cost of January is $N60, 000 + N4, 800 = N64, 800$.
3. February feeding cost the same as N64, 800.
4. March cost is same as N64, 800
5. April cost is N64, 800
6. May cost is N64, 800
7. June feeding cost four tone of PKC was used and this was because seize and the numbers changed. More than 200 piglets were produced. So new total number of pigs was 400. Also 12 bags of “dusa” were used. The cost of 12 bags is N7, 200. Total cost of June feeding is $N80, 000 + N7, 200 = N87, 200$.
8. July feeding cost the same as N87, 200.
9. August feeding cost the same N87, 200
10. September feeding cost the same N87, 200
11. October feeding cost is N87, 200
12. November feeding cost is N87, 200
13. December feeding cost is N87, 200

2.4.2. FARM IMPLEMENTS (VARIABLE COST)

S/ No	Particulars	Qty	Unit Price N=	Total Value N
1.	Water Bowls	20	500	10000
2.	Water Gallons	20	200	4000
3.	Bowl	20	200	4000
4.	Packer	20	20	400
5.	Broom/brush	20	150	3000
6.	Shovel	10	500	5000
7.	Wheel barrow	10	7000	7000
8.	Plastics Bowls	10	2500	25000
9.	Izal disinfectant	10	1000	1000
10.	Detergents	10	400	4000
11.	Bucket	10	200	2000
12.	Weight gauge	2	7500	15000
13.	Plastic Tank	1	32,000	32, 000
			Total	112, 400

ESTIMATED PURCHASE AND SALE OF 200 PIGS AT DECEMBER

I started with 200 pigs. 150 are piglets and 40 sows and 10 boars are purchases. I plan to purchase 150 piglets at N4, 000 each. I will purchase 150 piglets at N600, 000. The 50 pigs will be purchased at N10, 000 each totaling N500, 000.

The total cost of 200 pigs is N500, 000 + N600, 000 = N1, 100, 000

After six months, I assume that 200 pigs will be added making a total of 400 pigs. This assumption is based on the lowest possible birth rate. On the average, a pig gives birth three times a year with average birth rate of 10 piglets. So 40 pigs will give birth to $40 \times 3 \times 10 = 1200$ piglets.

I assume only 200 pigs are given birth to instead of 800 piglets which is fare enough as an estimate.

At the end of the year, I assume I will sell first 200 piglets bought at N4, 000 at N15, 000 which is the least selling price possible.

ESTIMATED COST OF WAGES

Cost of labor for the four managers is N80, 000 at N20, 000 each per month.

Cost of labor for the four unskilled N40, 000 at N10, 000 each.

Total cost of labor per month is N120, 000

SALARIES & WAGES (FIXED COST)

S/ No	Particulars	Wages/Salaries per Month (=N=)	Annual Expenses (=N=)
1.	Managing Director(Me)	20, 000	240, 000
2.	Production Manager	20, 000	240, 000
3.	Marketing Manager	20, 000	240, 000
4.	Administrative Manager	20, 000	240, 000
5.	Labor 1	10, 000	120, 000
6.	Labor 2	10, 000	120, 000
7.	Security 1	10, 000	120, 000
8.	Security 2	10, 000	120, 000
	Total:	120, 000	1, 440, 000

ADMINISTRATIVE EXPENSES (VARIABLE COST)

S/No	Particulars	Monthly (=N=)	Annual Cost
1.	Stationery & Printing	2, 000	24, 000
2.	Post/Telephone	2, 000	24, 000
3	Misc.	1, 000	12, 000
	Total	5, 000	60, 000

Internal control

My accountant is experienced in my type of business which includes international trade in future. He will help me set up a system of internal controls to make sure that the company will receive all of its income without any of it being siphoned off by waste, fraud, dishonest employees or carelessness.

Included in an internal control policy is who can sign for goods and services and who controls the release of goods and services out the door. Included in the internal control policy will be the requirement that the only person authorized to sign purchase orders, make capital acquisitions and sign checks will be I personally.

Credit Policies

I plan to sell on credit to credit worth customers who have been proven to pay on time. I need to sell on credit because the wholesalers buy large numbers and supply before they get their money and pay. It is customary in my industry and it is expected by my customers.

Policy on who gets credit and how much are based on sales and volume of transaction in the past and faithfulness in prompt payment over time.

I will check the creditworthiness of new applicants by not granting it on first time. I will make it know that it is based on volume of product bought and paid for in the past. Upon time, my accountant will evaluate whether the new applicant is worthy or not. I will offer discount on prompt payment of credit. The due date for credit will be due upon negotiated date. No payment dead line will be extended and the customer will be held responsible for bridging the terms of the credit.

3.0. MARKETING

3.1. Marketing Plan

I plan to use the following marketing tactics

1. Personal contact and letters to butchers, pig farmers, wholesalers, retailers, abattoir and restaurants, hotels and food packaging companies in the major cities of Anambra State.

2. Product packaging by selling my packaged pork and live pigs will be used. This is an added advantage as most meat is exposed without being packaged.
3. Point-of-purchase display and sales outlet will be used.
4. Relationship marketing to pig farmer, and other customers will be employed. This is maintaining relationship and communication. I will visit them; send texts messages on special days in their life in order to maintain relationship.
5. Free samples to food packing companies and restaurant will be used to increase customer interest. This is for our processed product.
6. Publicity for increase awareness of huge benefit of pork consumption and using the medium to advertise our product will be used.
7. Billboards as part of publicity and increasing awareness of our product will be used.
8. Our product will be weighed and sold on scale with increase customer services.
9. Our price will be fair, correct price for the value of our product.
10. My marketing and sales manager will personally be responsible for the contacts with the appropriate buyers.

When these innovative marketing tactics are employed and the customer show interest to buy, the sales manager will sell to the customers directly. The customers will come to the farm to purchase live pigs. If customers want us to deliver the live pigs, transportation charges will be included. For processed products, it will be delivered to the customer. Sales agent will be employed to sell and distribute the product in the state.

3.2. Advertising and Promotion Plans

Short Range Plan (6 to 12): Initially my advertising and promotion will be done on an entirely personal basis without any budget for paid advertising. My customers require personal visitation. It will be my plan to limit my advertising budget to personal travel expenses in making these presentations and follow-up presentations

Mid Range Plan (12 – 36 months): To establish brand recognition and make name in the market, I plan to budget 10% of sales.

Long Range Plan: I plan to aggressively build recognition and loyalty by budgeting 20% of sales. I will increase advocacy to reduce the negative image of pigs, pig production and pork consumption through workshops, seminars etc, and also collaborate with entertainment and hospitality industries in the marketing of my products. I will call on the Federal Government to advocate on pork consumption, development of products from pork as it exists for beef.

3.3. Purchasing and Inventory Control

For inventory control, I plan to participate in just-in-time tracking with my customer, ensuring that from first day of stocking, marketing begins before my products reach 100kg weight requirement before sales. One major challenge in pig production is cost of feeding. Keeping large inventory will not be allowed because of the high, unnecessary cost associated with it. This is pig production business, and with artificial insemination, (process of breeding of piglets according to plan) where sales are periodic until the farm grows very large to supply every day. As much as possible, keeping finished products (pigs) to eat my money will be kept to a minimum by use of direct and rapid delivery systems and efficient marketing plan. The following procedures will be implemented for purchasing.

We will ask for 30 day payment terms for companies in the state, where individual will pay before delivery.

A low cost effective inventory control system will be maintained.

All merchandise received will be counted and inspected

We will pay our contractors, supplier of feed and other product on time and be loyal to them.

We will ask for and take term discounts.

When the farm grows large, the following inventory control technique will be employed.

- I will keep feeds, life pigs awaiting sales as inventory at a level to ensure that I satisfy my customer and always have pigs to sell at all time and maintain minimum inventory cost.
- Average value in stock will be the cost of feeding the pigs which are already mature for sales and general cost of maintaining the animal in the farm.
- Lead-time for ordering for feed will be a month. The feed will be bought on the monthly basis to ensure that the feed does on finish.

3.4. The competition

List of competitors and their address

S/N	Competitors	Address
1	Benco Farm	Isu Umuezedim, Oba, Anambra.
2	Mrs Eze Piggery and Poultry Farm	Aboji, Oba, Anambra.
3	Bro Emma Anodiadi Piggery Farm	Aboji, Oba, Anambra.
4	Francis Emone Piggery Farm	Umuogali, Oba, Anambra.
5	Alexander Obi Piggery Farm	Aboji, Oba, Anambra.
6	Chief F. M Nwosu Piggery Farm	Urueze, Oba, Anambra.
7	Festus Oragi Piggery Farm	Umunakwa, Oba, Anambra.

8	Samuel Nbielu Piggery Farm	Isu Umuezedim, Oba, Anambra.
9	Ifeanyi Onwutalu Piggery Farm	Isu Umuezedim, Oba, Anambra.
10	Edwin Obi Piggery Farm	Umuogali, New Road, Oba, Anambra.
11	Mrs Nwajuaku Piggery Farm	Umokokpa, Oba, Anambra.
12	Panock Piggery and Poultry Farm Ltd	Oba junction, Anambra
13	Nwaeke Abu Nwa Piggery Farm	Ukpono, Oba, Anambra
14	Emeka Udeaja Piggery Farm	Ichi, Anambra
15	Kinsly Ikegbunam Piggery Farm	Umuogali, Oba, Anambra
16	Micheal Chukwudozie Piggery Farm	Aboji, Oba, Anambra
17	Okey Nnaemeka Piggery Farm	Umuokokpa, Oba, Anambra
18	Emenike Osigwe Piggery Farm	Abime, Oba, Anambra
19	Innocent Nnoruka Piggery Farm	Ojoto, Anambra.
20	Godwin Etoniru Piggery Farm	Isu Ebi, Oba, Anambra.
21	Cliford Piggery Farm	Isu Umuabu, Anambra.
22	Mrs Theresa Uwaezuoke Piggery Farm	Ojoto, Anambra.
23	Jame Ibeneme Piggery Farm	Urueze, Oba, Anambra
24	Solomon Ekene Piggery Farm	Isu Ebi, Oba, Anambra
25	Okey Iwuchukwu Piggery Farm	Aboji, Oba, Anambra.

My principal competitor is Panock Piggery and Poultry Farm Ltd. I listed all major competitors in this business and their contact address. Other competitors are farmers of cattle, sheep, goat, fish and chicken. They have the same or equivalent product provided to the market.

Table 1: Competitive Analysis

Factor	My Strength	My Weakness	Competitor A Weakness	Competitor B Weakness	Importance to Customer
Products	Meat Packaged	New business	Not Packaged	Not packaged	Will appreciate packaging
Price	Fair price based on weighed products	Customer don't know much about me	Pricing by sight not by weight	Pricing by sight not by weight	Appropriate measurement for price

Quality	High quality meat without fat	Meat produced at higher cost	Meat contain fat because the big size.	Meat contain fat because the big size.	Fat is a loss to customer. They will like my products
Reliability	We produce in high quantity.	Higher cost of keeping inventory.	They produce in small quantity (Local farmers)	They may not satisfy their customers.	Our customers like us because we meet their need.
Stability	Stability and continuity.		-	-	They like stability
Expertise	Experts are employed		They employ low quality labor.	They employ low quality labor.	Quality products are patronized by customers
Company Reputation	Will build customer trust and reputation		-	-	Customer like trust and will patronize us
Location	Close to the road and market, easy access to feed		Are located in places close to residential areas	Are located in places close to residential areas	Lesser cost for our customers to reach us.
Appearance	Good looking products (pigs)		Produce Pigs that may not be of higher quality standard	Produce Pigs that may not be of higher quality standard	Quality sells itself to our customers. They like good looking pigs.

3.5. How I Plan to Take Advantage of Competitor Weak Points

My biggest competitor is Panock Piggery and Poultry Farm, which has gained good brand recognition. I will weigh my live pigs and package my processed products. My product does not contain much fat. This is to show that they are of higher quality than that of my competitors. Farmers of pig, cattle, sheep and goat have been in the market before me but they do not weigh their product before selling. My product will be weighed to give the customer the value to his or her money they deserve. These farmers do not process and package their product. They sell live pigs. With my additional processing facility, more customers will come and buy from me in order to reduce the stress of butchering and processing. Sellers of meat expose their product, my sales

outlet will sell packaged products thereby penetrating the market and taking advantage of their weak points.. This is an advantage to me. For product like beef, goat, sheep and poultry meat, they are more expensive when comparing the quantity and content of the product. My product will take advantage of this, because it is cheaper to produce higher quantity at lesser price compared to poultry, cattle and goat and sheep.

I intend to maintain an ongoing study of my competitors. Their successes and failure will help me form guidelines on what to do and not to do.

4.0. GROWTH PROGRAM

4.1. Expansion

Once my business has been established I plan to implement the following growth strategy. I anticipate it will take approximately five years to gain sufficient experience and level of profits before any expansion plans are implemented.

My growth strategy will be guided by the following:

I will not set an inflexible timetable for expansion but will wait until a sound basis of experience, earnings and cash flow is achieved.

Accounting and cash flow controls will be in place with profit and loss statements prepared for expansion on a six monthly basis.

My attorney will review all documentation regarding expansion. This will include leases, employment and incentive agreements, licensing, important commitments customers, etc

Hiring and training policies will be in place. Fringe benefit plans will be in place

My intention is to delegate authority and responsibility to expansion management personnel with the following conditions in place.

1. Managers will be motivated by a profit incentive plan which will be tied to manager's individual success. My plan will be in writing, simply stated and call for frequent periods of accountability.
2. Capital allocations and signing checks will not be delegated.

4.2. Handling Major Problems

The following risk will be managed.

1. A key customer cancels a contract to buy my pigs or pork.

2. My sales projections are not achieved.
3. Failure to buy feed from a seller or company due to failure to deliver.
4. Public opinion on pork consumption due to religious, cultural and socio economic challenges.
5. Failure to find the trained and experienced labor.
6. Death of my animals in the farm.
7. Disease outbreak which cannot be controlled.
8. Death of piglet during delivery due to complications.
9. Paying my employee too much
10. Hiring friends and family members rather than most qualified candidate.
11. Under estimating cost of project and other costs.
12. Loss of sales.
13. Overlooking competition.
14. Not satisfying my customers.

My policy in handling problem or risks identified above will be to identify and acknowledge problems promptly and honestly. I plan to put the following policies into effect promptly if and when the following adverse scenarios emerge during my growth program.

The risk of running out of cash: I plan to maintain very frequent monthly cash flow projections. Forecasts for income, expenses and unanticipated contingencies will be stated conservatively. Any period of cash deficits will be remedied promptly by cutting cost to maintain a positive cash flow and profitability.

Disease outbreak will be handled by the veterinary doctor and appropriate action taken to prevent further outbreak and loss. Death and other related issues will be handled seriously.

A drop in sales or insufficient sales:

1. I will be prepared to take prompt remedial steps by cutting costs.
2. I will improve every aspect of product value, performance and image
3. I will seek out new ways to expand sales
4. I plan to stick with this specialized business that I know best unless fatally defective

Dishonestly, theft, shrinkage: I intend to implement the same policies that have been proven by Panock Piggery and Poultry Farm, one of my biggest competitors.

Business recessions: I am prepared to promptly cut costs to maintain liquidity. I will also be on the lookout for good business opportunity during periods of adversity.

On 25% reduction of sales, I plan to increase cost on advertising to increase sales but maintain cost of production due to increase number of pigs in the farm.