

UNIVERSITY OF NIGERIA, NSUKKA.

FACULTY OF AGRICULTURE

DEPARTMENT OF HOME SCIENCE, NUTRITION AND DIETETICS

BUSINESS PLAN

**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT
OF THE COURSE CED 342 (BUSINESS DEVELOPMENT AND
MANAGEMENT)**

TOPIC:

**ESTABLISHMENT OF WINE AND BEVERAGES IN NSUKKA
METROPOLIS.**

BY

NWANKWO CHIDIEBUBE PEACE

2013/186302

LECTURER: DR. T.C. NWAOGA

JULY, 2017.

TABLE OF CONTENTS

PART I

Executive Summary.....

PART II

Introduction.....

Vision.....

Mission.....

PART III

Marketing Plan.....

Promotion Strategy.....

Marketing Strategy

Alliance.....

Market position.....

Service delivery strategy.....

SWOT Analysis.....

Weakness.....

Opportunities.....

Threats.....

PART IV

FINANCIAL PLAN

Initial.....

Forecast of sale.....

Estimate of cost.....

Working capital projection.....

Startup capital required.....

Proposed financial structure.....

Depreciation.....

Loan repayment projected profit and loss account.....

Financial Analysis.....

Profitability Analysis.....

Cash flow Projection.....

Projected balance Sheet.....

PART I

EXECUTIVES SUMMARY

PALVN -DRINK Company is a wine making company that is based in the heart Nsukka, Enugu state. Its main products are papaya wine, guava wine, pineapple drinks and other beverages and those contains a lot of rich vitamins and minerals that could help to prevent hidden hunger or the lack of micronutrients in the human body.

This organization tends to be the fastest growing wine producing firm in the whole of Nigeria. My services consist of retailing my wines, distributing to the organizations, delivering cold drinks using cooling van for ceremonies by well trained personnel with adequate qualification.

PALVN-DRINK cool enterprise also plan to be a public liberty company where the public would be invited to subscribe shares in order to enhance the well being of the Nigerians.

PART II

INTRODUCTION

PALVN-DRINK enterprise has decided to venture into wine business in order to save the general public need for commodities. This is born out of the economic condition of the country that made it imperative for everyone to seek alternative means of surviving without dependent on white collar job and also to help promote lives of individual's well being through the nutritional adequacy (micronutrients) of this drink. Entrepreneurship had been discovered by experts on white collar job. Entrepreneurship had been discovered by experts as the only way out in this 21st Century. According to IMF statistics, developing nations [Nigeria inclusive] are suffering most in this period of economic meltdown. The recent World Bank report shows that an average Nigeria family live below the 5 dollar benchmark. Also, the micronutrient deficiency indicators in Nigeria reveal that 28percent of children under 5 where suffering from iron deficiency anemia (IDA), 29.5 percent from vitamin A deficiency (VAD), and 29.6 percent from iodine deficiency (Maziya-Dixon et al. 2004).

PALVN-DRINK enterprise decides to go into this kind of business for several reasons. The desire by the people to have a world class wine factory around Nsukka metropolis that can offer various kinds of services. The nearness of

Nsukka to the northern part of the country equally guarantees of Nsukka to the northern part of the country equally guarantee the availability of different wines such as papaya wine, guava wine, grape wines, soft drinks {juices} etc. Also, Nsukka as a town is a developing business centre there by guaranteeing an already made market for my services.

VISION

My vision is to be the best upcoming wine producing company on/or before 2018 and become one of the foremost distributing enterprise in the world on/or before 2021 and by 2019 become a public liability company.

MISSION

My mission is to control and manage a prosperous and highly respected wine company. Creating job opportunities for all levels of labor skills e.g. unskilled, semiskilled, and skilled labor, poverty eradication through community based projects, people's empowerment through our company's sponsored program, creation of wealth and humanitarian benefits and also improve the health benefits of the nation.

PART III

MARKETING PLAN

PALVN-DRINK enterprise marketing plans are stated as follows:

- Create awareness campaign which will be carried out to win customers interest.
- Use of attractive branding and nice packaging techniques.
- Use of vast advertisement e.g. Posters, bill-board, handbill, flyers, TV, radio, magazine. Newspapers etc.
- Direct services delivery to my customers
- I also planned to understand my competitor's weakness and exploit such in order to reap a fair market share, and bury their assets up if need call for it.

PROMOTION AND DISTRIBUTION STRATEGY

I have plan on how to enter the market with a great storming awareness and strategic distribution techniques such door step delivery services, market storm and using media like creating a website where people can order for the products and also facebook, whatsapp, instagram where I can advertise my products. I also plan to promote youth, communities and health development

programmed as a mean of catching my customer's interest and put them to work for us by patronizing us consistent.

MARKETING POSITIONING

PALVN-DRINK enterprise have firmly planned in positioning itself as a pace setter and market prime mover in drink industries throughout the country with the help of my systematic market strategies. The firm will want to be seen by my competitors, customers, business partners and general public with the following:

- As a reliable provider of quality services
- As a quick and prompt service provider
- As a transparent and responsible market key player

SERVICE DELIVERY STRATEGY

I planned to drive my business through the following service delivery strategies.

- Production of quality service
- Provision of after sales service and preferential services to all my customers
- Have a consistent eye on the market through test marketing to find market report

- Since I know so well that service delivery strategy starts with quality services, I shall make sure that my complaint are taken care of attentively.
- I will ensure that my happiness and satisfaction is based on my customers satisfaction and happiness by training my staff to be customers' friendly.

RISK ANALYSIS

This business has been subjected to risk analysis and some inherent risks identified and appropriately mitigate to avoid the business from being disputed.

IDENTIFIED RISKS AND THEIR MITIGATE

Identified Risks	Mitigate
Labor intensive	The use of technology will be employed to reduce the labor intensively.
High start-up capital	Aggressive promotion and advertising companies
Irregular power supply/electricity	Gas can be used for heating and solar energy can be used as an alternative

SWOT ANALYSIS

I have planned to ensure a thorough analysis of our project, so I have subjected it to S.W.O.T. analysis.

STRENGTH

- My first strength is based on my highly skilled labor and board of management.
- Centrality of the location to the prospective client from the most populous city.
- We shall continually develop and build on the strength.
- Low price

WEAKNESS

- Less experience in the business I am the starter of the business. But I poise to increase in adequate experiences and knowledge of how the industry works.
- Target market is too vague
- Power failure but I planned to use alternative sources of power supply e.g. solar, diesel etc.
- Inadequate funding but I planned to have more reliable source of funds.

All these weaknesses shall be tackled systematically through hiring and employing skilled and experienced personal as well as building, the technical exposure of the management.

OPPORTUNITY

- I believe that my competitors are not operating at full capacity so this is an opportunity for us to exploit.
- Improvement on website to bring in new costumers.
- In-store layout could be redesigned for a better atmosphere.
- New costumers could be brought in by updating or changing the brand

PALVN-DRINK Enterprise shall exploit all these opportunities with the help of our prompt- to-do-it workers.

THREATS

- Low initial demand
- Increased competition
- Change in technology
- Change in market trend
- Changes in government policy

I shall adequately tackle these threats; the firm will consistently provide high quality service, well up graded customer care service and innovative strategies to retain and enlarge existing customers and take their lion share of the market.

I shall use the best technology and ICT, and partner with government.

EXIT STRATEGY

PALVN-DRINK Company does not plan to exit from the industry because I am here to rule. I apply diversification strategy.

MANAGEMENT AND ORGANIZATION OWNER/MANAGER

PALVN-DRINK enterprise is a type of enterprise that is owned and ran by a sole proprietor. Even though I am not well experienced I believe that my competence, proper planning and unquenchable zeal concerning this business establishment will go far. I have been equipped with adequate managerial knowledge and skills. I am a fourth year student of the department of Home Science, Nutrition and Dietetics in the University of Nigeria, Nsukka

ORGANOGRAM OF THE COMPANY

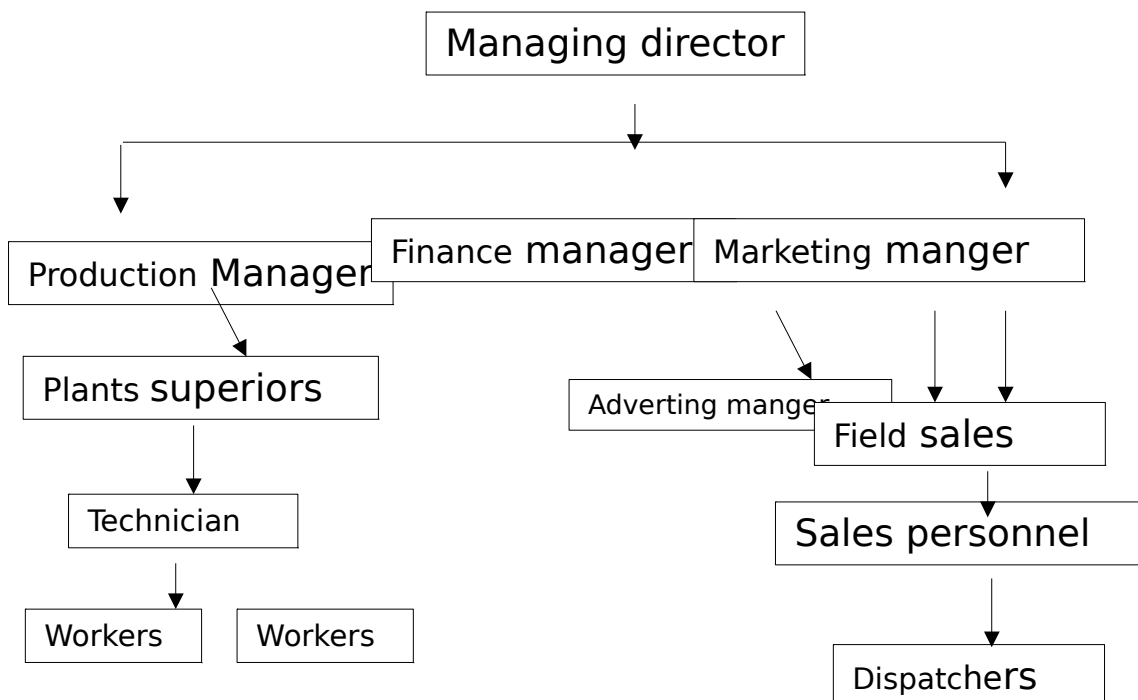


CHART OF PALVN-DRINK ENTERPRISE

In accordance to this above chart, I am using a relatively broad organizational structure at inception of business operation, but I still have plan on making it a broader organizational structure having zonal managers and host of others. The solid lines represent the flow of authority and the dash or broken lines indicate a staff and advisory relationship among our employees respectively. Since finance manager will need to work hand-in-hand especially with the sales personnel with the help of their marketing manager. My plan for this mutual relationship is to help the finance manager ascertain whether or not the product sales is becoming well in the market from the sales personnel/dispatchers through customers' response. This in turn will help the advertising manager to bring up more fascinating plans and market advertisement, etc.

However, the production manager will in turn be informed whether to increase or reduce level of production to a profit driven extent by the MD/CEO. Although, the advertising manager has no effect control over sales personnel/dispatchers but can offer advice when need arises.

DIRECTORS' MANAGEMENT

PALVN-DRINK enterprise is an establishment opened me. Therefore, I am the CEO. I make my own decisions

PERSONNEL PLAN

PALVN-DRINK enterprise will adopt a relatively broad personnel structure at inception.

	Position	No	(monthly) Salary per annum	Per annum
1	MD/ CEO	1	N25,000	300,000
2	Production Managers	1	N24,000	288,000
3	Finance manager	1	N24,000	288,000
4	Marketing manager	1	N25,000	300,000
5	Technicians	3	N60,000	720,000
6	Resource Manager	1	N10,000	120,000
7	Advertising manager	1	N30,000	360,000
8	Field sale manager	1	N25,000	300,000
9	Sales personnel	6	N70,000	840,000
10	Worker	8	N90,000	1,080,000
11	Dispatchers	3	N50,000	600,000

EXTERNAL SUPPORT

PALVN-DRINK enterprises is discussing with May-Fresh Microfinance Bank (MFMFB) to offer, over a period of years, strong management and business

support service. Also the firm will access support of technical issues from the Entrepreneurship Development Centre where the proprietor received training on entrepreneurship.

VALUES AND NORMS OF COMPANY

- To ensure a sustainable strong market presence
- To see my employees as my most valuable assets
- To strive to do the best for benefit of my customers
- To be transparent and uphold integrity in my dealings
- To do our business within ambits of the law of the land.

PART IV
COMPANY FINANCIAL PLAN

TOTAL PROJECT COST

The total project cost is estimated at N1, 500, 000.00 made up of N1000, 000.00 in fixed capital and N500, 000.00 in working capital.

FUNDING PLAN AND STATEMENT

The funding plan for this project is as follows:

Owner's contribution	=	N10, 000,000.00
Loan capital	=	N3, 000,000.00
	=	N13, 000,000.00

FUNDING REQUIREMENT

The funding requirement for this project is N13, 000,000.00 as the promoter raising N3, 500,000.000 into our investment project.

PROJECT INCOME STATEMENT

PALVN-DRINK enterprise

	2016	2017	2018
Turnover	4,000,000.00	6,000,000	7,000,000
Packaging material and equipment	350,000	700,000	1,000,000
Cost sale	250,000	300,000	400,000
Gross margin	5,000,000	6,000,000	7,500,000
Salaries and allowance	6,500,000	7,700,000	10,000,000
Electricity	360,000	420,000	500,000
Transportation	63,000	100,000	200,000
Telephone and postage	42,000	54,000	58,000
Depreciation	80,000	81,000	82,000
Total operating expenses	650,000	850,000	950,000
Net operating	6,506,223	3,077,137	7,520,190

ECONOMIC JUSTIFICATION

My purpose is financially and economically justifiable, in that it create job wealth and opportunities; reduce poverty and line with the spirit of vision 2021, Millennium Development Goals (MDGS) and National Economic Employment Strategy and other opportunities.

COMMERCIAL VIABILITY

Viability is one of sore part of my business plan. To generate adequate cash flow and has a good profitability indicator.

CONCLUSION

My business is technically feasible, commercially viable and economically justifiable. Therefore, I recommend this for funding, implementation and my watch ward for success.