

UNIVERSITY OF NIGERIA, NSUKKA

**FACULTY OF SOCIAL SCIENCES**

**DEPARTMENT OF PUBLIC ADMINISTRATION AND LOCAL  
GOVERNMENT**

**TOPIC**

**A BUSINESS PLAN AS PROPOSED ON THE  
PRODUCTION AND DISTRIBUTION OF LIVY'S  
BLEACH**

**A BUSINESS PLAN WRITTEN IN PARTIAL  
FUFILLMENT OF THE REQUIREMENTS OF THE  
COURSE: CEDR 342**

**BY**

**UWAZIE CHIOMA GRACE  
REG NO: 2014/192625**

**LECTURER: DR. MRS. T.C NWOGA**

**JULY, 2017**

**TABLE OF CONTENTS**

- 1.0 Executive Summary
- 2.0 Background

- 2.1 Introduction
- 2.2 Vision and Mission
  - 2.2.1 Vision
  - 2.2.2 Mission
- 2.3 Ownership of the Enterprise
- 2.4 Legal status
- 2.5 Location and facilities
- 2.6 Product/services
- 2.7 Business strategy
- 2.8 Key success factor
- 2.9 Revenue Base
- 3.0 Marketing and Clients
  - 3.1 Nature and Size
  - 3.2 Target Client
  - 3.3 Key competitors and played
  - 3.4 Production process
  - 3.5 Service Delivery
  - 3.6 Quality Assurance
  - 3.7 Demand/Supply Analysis
  - 3.8 Technology
  - 3.9 Competitive edge
- 4.0 Marketing plan
  - 4.1 Marketing strategy
  - 4.2 Promotion and Distribution strategy
  - 4.3 Alliances
  - 4.4 Market Positioning
  - 4.5 Service Delivery strategy
  - 4.6 SWOT Analysis
- 5.0 Organization and Management
  - 5.1 Organization Structure
  - 5.2 Shareholders and Directors

- 5.3 Management team
- 5.4 External Support
- 5.5 Personnel Plan
- 6.0 Legal, regulatory, social and environmental issues
- 6.1 Legal issues
- 6.2 Regulatory issue
- 6.3 Social issue
- 6.4 Environmental issue
- 7.0 Financial Plan
- 7.1 summary of Project Cost
- 7.2 Funding Plan
- 7.3 Funding Requirement
- 7.3.1 Interest and Loan repayment schedule
- 7.3.2 Depreciation
- 7.4 Projected Income Statement
- 7.5 Projected Cash Flows Statement
- 7.6 Projected Balance Sheet
- 7.7 Profitability Analysis
- 7.8 Break even point analysis
- 8.0 Risk analysis, contingency plan and exit strategy
- 8.1 Risk analysis
- 8.2 Contingency plan
- 8.3 Exit strategy
- 9.0 Other considerations, conclusion and recommendation
- 9.1 Economic Justification
- 9.2 Commercial viability
- 9.3 Conclusion and Recommendation

## **CHAPTER ONE**

### **1.0EXECUTIVE SUMMARY**

**1.1** The following report and recommendations represents the proposal by UWAZIE, CHIOMA GRACE for the establishment of a BLEACH MANUFACTURING COMPANY

**1.2** The proposed project is to be fully implemented with an investment of =N=900,000 made up of =N=550,000 fixed capital and =N=350,000 working capital.

**1.3** The company vision is to be the major manufacturer and supplier to individual, laboratory, hospitals and co-operate bodies in the South East of Nigeria on or before 2016

**1.4** This project will be located at LAGOS STREET, INDEPENDENCE OUT, in ENUGU State.

**1.5** A ready market exists for the planned business based on market survey.

**1.6** The financial projections reveal a good liquidity and stability. The projected turnover for year1, year2, and year3 are =N=2,155,200, =N=2,262,960, and =N=2,376,108 and the profit for each year is =N=1,440,200, =N=1,538,427, and =N=1,640,482.

**1.7** The funding requirement is =N=650,000 since the promoter is committing =N=250,000

**1.8** The company's competitive edge is the near unavailability of other firms that are into the distribution and marketing of solar powered chargers.

**1.9** The profitability indicators as extracted from the projections embodied in this business are as follows:

<b>Items</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Revenue	=N=2,155,200	=N=2,262,960	=N=2,376,108
	0		8
Operating profit	=N=1,440,200	=N=1,538,427	=N=1,640,482
	0		2
Returns on owner's capital	576.08%	615.37%	656.19%
Return on total investment	160.02%	170.94%	180.28%

## **1.10 CONCLUSION AND RECOMMENDATION**

From my inquiries, this business is realistic, commercially viable and economically desirable. The project offers good benefits, therefore is highly recommended for funding and execution.

## **CHAPTER TWO**

### **2.0 BACKGROUND**

## **2.1 INTRODUCTION**

Bleach also known as sodium hypo chlorite is a solid or liquid chemical compound used to whiten or remove the natural colours of fibre, yarns, paper and textile fabrics. Sunlight was the chief agent up to the discovery of chlorine in 1774 by Karl Wilhelm. In textile finishing, the bleaching process is used to produce white cloth, to prepare fabrics for other finishes or to remove discolouration. Chlorine, sodium hypochlorite, calcium hypochlorite, and hydrogen peroxide are commonly used as bleaches. Sodium hypochlorite is prepared by reacting dilute caustic soda solution with liquid or gaseous chlorine, accompanied by cooling. It is commonly produced either through a batch process or through a continuous process.

Bleach can also be used in hospitals and home to disinfect surfaces and washing of hands against unseen germs and diseases. I am naturally passionate about improving on the quality and minimize the prize of Bleach (sodium hypochlorite) and as well minimize the disparity between the supply and demand of the product in our **immediate** business environment. This will go a long way to ameliorate the problem arising from the products shortage/crisis

## **2.2 VISION AND MISSIONS**

### **2.2.1 VISION**

To attempt reducing the high rate of contacting infections from hospitals and homes and getting our desired cloth color.

### **2.2.2 MISSION**

To make this device well known and the enormous advantages that can be enjoyed from it, and also to showcase the usefulness of this great chemical compound device.

## **2.3 OWNERSHIP OF THE ENTERPRISE**

This enterprise, LIVY'S NIGERIA ENTERPRISE, is owned by UWAZIE, CHIOMA GRACE of No.20 Lagos Street, Independence lay Out, Enugu State.

## **2.4 LEGAL STATUS**

This enterprise, LIVY'S NIGERIA ENTERPRISE, located at NDAN HOUSE, opposite Da'English hotel Enugu is in the process of being registered with the Corporate Affairs Commission (C.A.C.).

## **2.5 LOCATION AND FACILITIES**

This business will be located in Enugu urban area and university communities because of the availability of the following:

- I. Raw materials and manpower which is easily attainable and affordable at minimal prices.
- II. Good motorable roads for conveying raw materials and finished goods.
- III. Ready market.

The facilities of the business shall be my uncle's business building and my dad's laboratory

## 2.6 PRODUCTS AND SERVICES

<b>Products</b>	<b>Services</b>
A reasonable amount of sodium hypochlorite and Powell Continuous Sodium Hypochlorite Dry liquid/Vapor System.	Manufacture and sales to hospitals, homes and hotels
Emergency Scrubber Systems for chlorine and Sulfur Dioxide	Mopping of spills of chemical which may be hazardous
Aprons	Protects the body against chemicals

## 2.7 Business Strategy

As entrepreneurs, we have to "think big by starting small" in order to grow and expand our business. For initial market penetration, we shall use:

- I. Production of the complete product.
- II. No wastage of the available material through careless handling
- III. Sales of only interchangeable tips at a fixed price. This I believe will lead to repeat patronage which by extension will help us achieve business survival and growth.

## 2.8 KEY SUCESS FACTOR

I shall be dedicated to the smooth running of the business. This will help to ensure the production of good, quality products and services at a friendly price.

- I. Unavailability of other outfits that are into the making of this product.
- II. Elements produced by well-known producers.
- III. My knowledge as an experienced manager.
- IV. Admittance of well-trained/skilled staff.
- V. Low cost of raw materials and readily available market.

## 2.9 REVENUE BASE

<b>Items</b>	<b>Qty/month</b>	<b>Qty per</b>	<b>Unit</b>	<b>Amount</b>
--------------	------------------	----------------	-------------	---------------

		<b>annum</b>	<b>price(=N=)</b>	
5% Sodium chloride	30	360	750	270,000
7.5% Sodium chloride	25	300	1000	300,000
Total	55	660	1750	570000

## CHAPTER THREE

### 3.0 MARKETING AND CLIENTS

#### 3.1 NATURE AND SIZE

In my own speculation, more than 70% of the Enugu population uses bleach, students and hotels also make use of the aforementioned too, and since this product is mobile devices duct that can be used anywhere, it allows for flexibility, gives no room for fear having a stain on your cloth or doctors getting infected by treated patients in the hospital. These people are potential buyers and also students of schools in other states, workers or those who do long outdoor jobs. There are also a large number of people living outside Enugu who will buy the bleach even with little or no advertisement.

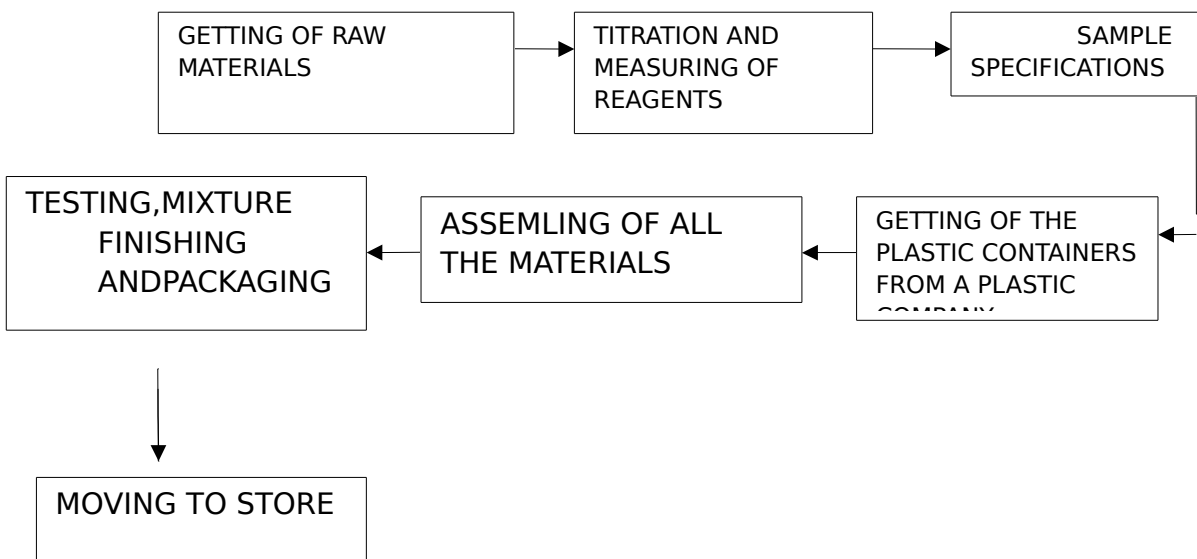
#### 3.2 TARGET CLIENTS

Those who live in the urban areas of Enugu, university communities, hospitals and hotels which are in every nook and cranny of the state are my target clients, this bleach will remove stains on hotels' white sheets, disinfects any surface being cleaned with it. No more dirty sheets and towels which can scare customers away and spoil the reputation of the hotel, no more cases of doctors being infected by the patients they treated, this product will save them both money and frustration of replacing the sheets once a customer leaves a stain on it.

#### 3.3 KEY COMPETITORS AND PLAYERS

Very few companies are distributors and they are not present or relatively unknown in most places where its usage is mostly needed. Others (both individuals and firms) depend on inverters which are actually stationary and non-portable power supply source, which is also used due to erratic power supply from PHCN. So the competition is relatively low.

#### 3.4 PRODUCTION PROCESS





### **3.5 SERVICE DELIVERY**

My firm will sell to both individuals, corporate firms, hospitals, universities and hotels.

### **3.6 QUALITY ASSURANCE**

I will adhere to the quality control mapped out according to the Federal Ministry of Health.

### **3.7 DEMAND AND SUPPLY ANALYSIS**

Bleach is a product that will be on high demand depending on the rate at which people begin to know about it. This is the purpose of my supplying 5% and 7.5% of sodium hypochlorite which will do the work as needed by the individuals and corporate individuals respectively for a start. Note that the above is for a start and the supply will definitely increase as more people get to know about the product.

### **3.8 TECHNOLOGY**

As this is a new business, less or no technology will be employed in the production of the bleach. But as the business begins to expand, full automation will be achieved in order to give a corresponding supply to demands.

### **3.9 COMPETITIVE EDGE**

My competitive edge in this enterprise is that, there are currently few firms into the distribution and marketing of bleaches.

## **CHAPTER FOUR**

### **4.0 MARKETING PLAN**

#### **4.1 MARKETING STRATEGY**

For the main time, my products will be sold directly to the consumers in hospital and hotels. This is because I don't have too many wares produced that can serve high demands. By doing this, I will be able to satisfy my consumers within my locality; in order to establish and have loyalty in my business, though branches may spring up in different parts of the country as the business grows and production increases.

#### **4.2 PROMOTION AND DISTRIBUTION STRATEGY**

Because my enterprise is still growing and the cost implication, posters, handbills, market exhibitions, making contact with people and addressing secular groups, shall be used to stimulate our market.

#### **4.3 ALLIANCES**

As the business grows, I will belong to the trade union the business falls into. This is because the union will help me get market information about the product. This constant relation will contribute in nurturing the business towards profitability and growth.

#### **4.4 MARKET POSITIONING**

My firm will focus only on the distribution and marketing of 5.0% and 7.5% sodium hypochlorite bleaches through in the middle of the state so as to establish my presence throughout my locality.

#### **4.5 SERVICE DELIVERY STRATEGY**

I will adopt service delivery strategy such as: being as friendly as possible to customers; exceeding their expectations, testing the product in their presence in order to gain their confidence and also giving them a guarantee on the product over a period of time.

#### **4.6 SWOT ANALYSIS**

##### **4.6.1 S-STRENGTH**

The strength of my firm includes the following:

- ❖ Skilled manpower.
- ❖ Availability of raw materials.
- ❖ Readily available market.
- ❖ Adequate knowledge of the business

- ❖ Very low or no competition etc. I shall exploit these strengths to maximize productivity and profitability.

#### **4.6.2 W-WEAKNESS**

Though am new, however, only few people know about the product, so a great deal of advertisement and publicity is needed in order to grow and obtain an unprecedented market share.

#### **4.6.3 O-OPPORTUNITY**

There is chance for good advancement in this business and I can also go into producing of other disinfectants depending on demand.

#### **4.6.4 T-THREATS**

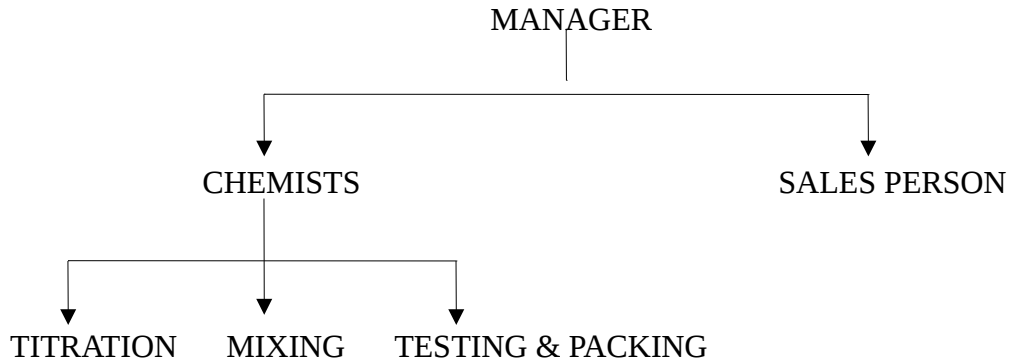
My greatest threat lies on government policies and inferior production by fake chemist who are t in order to sell o produce the chemicals to be used.

## CHAPTER FIVE

### ORGANISATION AND MANAGEMENT

#### 5.1 ORGANISATION AND STRUCTURE

As a new venture, GRACE NIGERIA ENTERPRISE shall have her management structure thus:



#### 5.2 SHAREHOLDERS AND DIRECTORS

None

#### 5.3 MANAGEMENT TEAM

The management team of this enterprise would be made up of me as the manager and the following persons:

Position	Qualification
MANAGER	Degree holder(B.Sc)
CHEMISTS	Degree holder and a Cetificate showing acquisition of skill
SALES PERSON	HND/OND or SSCE/FSLC

#### 5.4 EXTERNAL SUPPORT

I intend to have support from my Alliances and financial institution and also specialist/experts to assist in production in order to have new improvement and better models. I believe their continued support shall continue to guide my business in its quest for survival, growth, development and expansion.

#### 5.5 PERSONNEL PLAN

Name	Position	Monthly salary	3 months' salary
Grace	Chemist	15,000	45,000

Emeka	Chemist	15,000	45,000
Amaka	Sales person	8,000	24,000
Total			114,000

## **CHAPTER SIX**

### **6.0LEGAL REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES**

#### **6.1 LEGAL ISSUES**

This enterprise shall be known as and called DOMMAROH NIGERIA ENTERPRISE. It is in the process of being registered with the Corporate Affairs Commission. Therefore, the business will have a legal standing and approval.

#### **6.2 REGULATORY ISSUES**

This business will abide by all regulatory policies available or subsequently made by government that may impede the smooth operation of our enterprise in any way. I shall not hesitate to adjust and comply strictly.

#### **6.3 SOCIAL ISSUES**

The implementation of this project will bring social and economic benefits to the area of location. I shall also participate in social development and also create employment as the business grows.

#### **6.4 ENVIRONMENTAL ISSUES**

Since what i produce is a chemical product, I will endeavour to maintain healthy environment standard by disposing all waste properly.

## CHAPTER SEVEN

### 7.0 FINANCIAL PLAN

#### 7.1 SUMMARY OF PROJECT COST

The proposed project is to be fully implemented with an investment of Nine Hundred Thousand naira (=N=900,000). The project is broken down into fixed capital of =N=550,000 and working capital of =N=350,000.

##### 7.1.1 FIXED COST

Items	Amount(=N=)
Chemicals and test tubes	50,000
Electrical/electronic appliances	60,000
Rent (3 yrs.)	300,000
Equipment	100,000
Standby-by-generator	40,000
Total	550,000

##### 7.1.2 WORKING CAPITAL

Items	Amount(=N=)
Elements	110,000
Packaging	100,000
Bills(utilities)	30,000
Salaries	114,000
Depreciation	26,000
Total	380,000

#### 7.2 FUNDING PLAN

This project is planned to be funded as follows:

1. Owner's contribution from family members(equity): =N=250,000
  2. Loan from bank: =N=650,000
- Total: =N=900,000

#### 7.3 FUNDING REQUIREMENTS

The fund required for this project is =N=650,000 since the promoter is investing =N=250,000 into the business.

##### 7.3.1 INTEREST AND LOAN PAYMENT SCHEDULE. (Assuming 10% interest)

Year	Principal	Loan	Interes	Total	Loan Balance
------	-----------	------	---------	-------	--------------

		<b>Repayment</b>	<b>t</b>	<b>Payment</b>	
1	650,000	216,667	65,000	281,667	433,333
2	433,333	216,667	43,333	260,000	216,666
3	216,666	216,667	21,666	238,333	---

### 7.3.2 DEPRECIATION SCHEDULE

Item	Cost	Scrap value	Lifespan (Yrs)	Depreciation amount
Equipments	100,000	20,000	10	8,000
Generator	40,000	10,000	5	6,000
Furniture	50,000	10,000	5	8,000
Electrical appliances	60,000	20,000	10	4,000
<b>Total</b>				26,000

### 7.4 PROJECTED INCOME STATEMENT. (Assuming a growth rate of 5%)

<b>Items</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Revenue	2,155,200	2,262,960	2,376,108
<b>Operating Expenses</b>			
Elements	110,000	115,500	121,275
Packaging	100,000	105,000	110,250
Bills (utility)	30,000	31,500	33,075
Rents (3 yrs.)	100,000	100,000	100,000
Depreciation	26,000	26,000	26,000
Salaries	114,000	118,200	126,610
Interest	65,000	43,333	21,667
<b>Total Operating Expenses</b>	745,000	754,533	765,626
<b>Net Operating Profit</b>	1,410,200	1,508,427	1,610,482

### 7.5 PROJECTED CASHFLOW STATEMENT

<b>Items</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Inflow</b>			
Owner's Capital	250,000	---	---
Bank Loan	650,000	---	---
Revenue	2,155,200	2,262,960	2,376,108
<b>Total Inflow</b>	3,055,200	2,262,960	2,376,108
<b>Outflow</b>			
Fixed Cost less Yr 1 Depreciation	524,000	---	---
Operating Expenses less yr2 & yr3	715,000	724,533	735,626
Depreciation			
Loan repayment	216,667	216,667	216,667
<b>Total Outflow</b>	1,455,667	941,200	952,293
<b>Net Cash Flow</b>	1,599,533	1,321,760	1,423,815
<b>Opening Cash Balance</b>	---	1,599,533	2,921,293
<b>Closing Cash Balance</b>	1,599,533	2,921,293	4,345,108



## 7.6 PROJECTED BALANCED SHEET

Items	Year 1	Year 2	Year 3
Fixed asset	550,000	550,000	550,000
Depreciation	26,000	52,000	78,000
Fixed asset less depreciation	524,000	498,000	472,000
Current asset			
Cash at hand and in bank	1,599,533	2,921,293	4,345,108
Prepayments	200,000	100,000	---
Total current assets	1,799,533	3,021,293	4,345,108
Creditors	433,334	216,667	---
Net current asset	1,366,199	2,804,626	4,345,108
Net Asset	1,890,199	3,302,626	4,817,108
Financed By:			
owner's capital	250,000	250,000	250,000
Retained profit	1,640,199	3,052,626	4,567,108
Owner's fund	1,890,199	3,302,626	4,817,108

## 7.7 PROFITABILITY ANALYSIS

Items	Year 1 (%)	Year 2 (%)	Year 3 (%)
Returns on owner's capital	576.08	615.37	656.19
Returns on total investment	160.02	170.94`	180.28

## 7.8 BREAK EVEN POINT ANALYSIS (BEP)

Items	Year 1 (=N=)	Year 2 (=N=)	Year 3 (=N=)
BEP	656,636	650,629	645,009

This business will breakeven when the yield is equal to the above BEPs.

## CHAPTER EIGHT

### 8.0 RISK ANALYSIS, CONTINGENCY PLAN AND EXIT STRATEGY

#### 8.1 RISK ANALYSIS AND MITIGANTS

Risks	Mitigants
Electric shock	Insulated hand gloves
Power outage	Stand-by generator
Theft	Security
Fire outbreak	Provision of fire extinguisher
Low initial demand	Promotion strategies and aggressive marketing

#### 8.2 CONTINGENCY PLAN

As a new man in the bleach production field of business, my enterprise may not generate enough revenue for the first few months, I will therefore use the following exigency plan:

- i. Strong awareness creation.
- ii. Effective customer satisfaction.
- iii. Giving discounts to those who buy in large quantities.
- iv. Price reduction.
- v. Forming strong and reliable customer bonds.

#### 8.3 EXIT STRATEGY

In the case of business failure, I can easily switch from the distribution and marketing of bleach to production of locally made detergents or lend out the business premises and facilities to other corporations rent for the space.

## **CHAPTER NINE**

### **9.0 OTHER CONSIDERATION, CONCLUSION/RECOMMENDATION**

#### **9.1 Economic Justification**

This business is economically justified due to its provision of vital services to the general public, establishment of job opportunities, and wealth as it grows.

#### **9.2 Commercial Viability**

The result of my analysis shows that this project is commercially viable due to the fact that it will generate adequate cash flow and good productivity returns, to pay off its loans and still be able to expand and achieve long term survival and profitability.

#### **9.3 Conclusion And Recommendation**

From the analysis of my findings, this business is practically workable, financially viable and economically desirable. The project offers good investment benefits, therefore I highly recommend it for funding and implementation.