

Palm Oil Processing Plant Business Plan – Executive Summary

DOD Palm Oil Ventures is a standard palm oil processing business that will be based in Agbor-Delta State, Nigeria. To be registered under the Nigerian Corporate Affairs Commission (CAC). Although I intend starting out on a small scale by purchasing palm kernel from farmers, but that will not in any way stop me from maximizing our potential in the palm oil processing line of business.

I hope to grow the business from purchasing palm kernel from farmers to owning my palm tree plantation and exporting palm oil to other countries in Africa and the world at large where people consume palm oil or make use of palm oil for the production of soap or body cream et al.

My business goal as a palm oil processing business is to become the number one choice of households and petty traders in Nigeria and other countries of the world where we intend retailing our palm oil. As a business, we are willing to go the extra mile to invest in owning our own palm tree plantation and also to hire efficient and dedicated employees. We have been able to secure permits from all relevant departments both at local government level and state level in Delta state.

Delta Palm Oil Ventures is set to redefine how standard palm oil processing business should be run, not just in Agbor – Delta State, but also in the whole of the Nigeria. This is why we have put plans in place for continuous training of all our staff at regular interval.

No doubt the demand for palm oil is not going to plummet any time soon because there will always be people who can't cook without palm oil and cottage companies who need palm oil as their raw material et al, which is why we have put plans in place to continue to explore all available market around the communities where we intend retailing our palm oil.

In the nearest future, I will ensure that we create a wide range of distribution channels all across Lagos Nigeria, the West African Coats and the World at large. With that, we know we will be able to maximize profits in our business.

my strongest selling point at Delta Palm Oil Ventures is the unique distribution channels. There is hardly any customer that will purchase my well – processed palm oil who would not want to come back and make more purchase – we take delight in welcoming repeat customers over and over again.

Delta Palm Oil Ventures will at all time demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely. We will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for our partners, employees and for our customers.

My plan is to position our palm oil processing business to become the leading brand in the palm oil processing line of business in the whole of Nigeria, and also to own my palm tree plantation and become a major wholesale distributor of palm oil through Nigeria, the West African Coast and the world at large.

This might look too tall a dream but we are optimistic that this will surely come to pass because we have done our research and feasibility studies and we are enthusiastic and confident that Agbor – Delta State is the right place to launch this type of business before spreading to other states in the southern part of Nigeria.

Delta Palm Oil Ventures is a family business that will be owned by Mr. Mitchell Okonta and his immediate family members. Mr. Mitchell Okonta is an astute business man who have been able to start and grow several businesses before starting Delta Palm Oil Ventures. He has a degree in business administration from the University of Benin and also alumni of FATE Foundation business school, Ijora – Lagos.

- **my Product and Services**

I'm very much aware of the importance of having very good products and services. This is one of the reasons why we have made great plans to have the best of products and services. At Delta Palm Oil Ventures we will be involved in palm oil processing, packing and wholesale distribution across Nigeria, West African Coats and the world at large. my intention of starting Delta Palm Oil Ventures is to make

profits from the palm oil processing line of business and we will do all that is permitted by the law in Delta State – Nigeria to achieve our business aim and ambition.

- **my Vision Statement**

my vision as a palm oil processing business is to own my own palm tree plantation and to engage in wholesale distribution of palm oil all across Nigeria and to export palm oil to other countries of the world.

- **my Mission Statement**

Our mission is to establish a standard and world class palm oil processing business that in our own capacity will favorably compete with leaders in the industry. We want to build a palm oil processing business that will be listed amongst the top 5 palm oil processing brands in the West African Coast.

- **my Business Structure**

Ordinarily, i would have succeeded in running a palm oil processing business with few employees, but as part of our plan to build a top flight palm oil processing business in Agbor – Delta State, we have perfected plans to get it right from the onset which is why i am going the extra mile to ensure that i have competent employees to occupy all the available positions in my company.

The picture of the kind of palm oil processing business we intend building and the business goals we want to achieve is what informed the amount we are ready to spend to ensure that we build a business with dedicated workforce and robust distribution network.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions at Delta Palm Oil Ventures;

- Chief Executive Officer (Owner)
- Palm Oil Processing Plant Manager
- Human Resources and Admin Manager
- Sales and Marketing Officer
- Accountants / Cashiers
- Palm Oil Processing Plant Casual Workers
- Truck Drivers / Palm Oil Wholesale Distributors
- Customer Service Executives

Roles and Responsibilities

Chief Baker / Chief Executive Officer – CEO (Owner):

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

Palm Oil Processing Plant Manager

- Responsible for overseeing the smooth running of the palm oil processing plant
- Makes sure that quality is maintained at all times
- Maps out strategy that will lead to efficiency amongst workers in the palm oil processing plant

- Responsible for training, evaluation and assessment of the workforce
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Ensures that the palm oil processing plant meets the expected safety and health standard at all times.

Human Resources and Admin Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Oversees the smooth running of the daily business activities.

Merchandize Manager

- Manages vendor relations, market / farm visits, and the ongoing education and development of the organizations' buying teams
- Helps to ensure consistent quality and quantity of palm oil
- Responsible for the purchase of palm kernels and measuring materials (drums, bottles, and plastics et al)
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors
- Ensures that the organization operates within stipulated budget.

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritize, and reach out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with customers
- Develops, executes and evaluates new plans for expanding increase sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

Palm Oil Processing Plant Casual Workers

- Responsible for operating palm oil processing equipment
- Responsible for measuring and filling palm oil into various containers as demanded by clients
- Responsible for carrying out all casual or unskilled jobs in the palm oil processing plant
- Assists in loading and unloading of palm kernels and processed palm oil
- Handles any other duty as assigned by the palm oil processing plant manager

Accountant / Cashier

- Responsible for preparing financial reports, budgets, and financial statements for the organization

- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

Distribution Truck Drivers

- Assist in loading and unloading palm kernels and processed palm oil.
- Maintain a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keep a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Assist the transport and logistics manager in planning their route according to a delivery schedule.
- Local-delivery drivers may be required to sell products or services to stores and businesses on their route, obtain signatures from recipients and collect cash.
- Transport finished goods and raw materials over land to and from manufacturing plants or retail and distribution centers
- Inspect vehicles for mechanical items and safety issues and perform preventative maintenance
- Comply with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Collect and verify delivery instructions
- Report defects, accidents or violations

Client Service Executive

- Ensures that all contacts with customer (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the store manager in an effective and timely manner
- Consistently stays abreast of any new information on Delta Palm Oil Ventures products, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make enquiries

Palm Oil Processing Plant Business Plan – SWOT Analysis

Due to our drive for excellence when it comes to running a standard palm oil processing business, we were able to engage some of the finest business consultants in Lagos – Nigeria to look through our business concept and together we were able to critically examine the prospect of the business and to access ourselves to be sure we have what it takes to run a standard palm oil processing business that can compete favorably in the palm oil processing line of business.

In view of that, we were able to take stock of our strengths, our weakness, our opportunities and also the threats that we are likely going to be exposed to in Nigeria and also in other parts of the world that we intend selling our palm oil. Here is a preview of what we got from the critically conducted SWOT Analysis Delta Palm Oil Ventures;

- **Strength:**

Our strength lies in the fact that we own our own palm tree plantation. We have state of the art palm oil processing facility and equipment that has positioned us to meet the demand of palm oil in Nigeria and the world at large even if the demand tripled over night or if we have a massive order to meet and emergency need.

Another factor that counts to our advantage is the background of our Chief Executive Office; he has a robust experience in the industry and also a pretty good academic qualification to match the experience acquired which has placed her amongst the top flight business men in Nigeria. We are not ignoring the fact that our team of highly qualified and dedicated workers will also serve as a strength for our organization

- **Weakness:**

We do not take for granted the facts that we have weaknesses. In fact, the reality that we are setting up a palm oil processing business in a city with other smaller and larger palm oil processing businesses might likely pose a challenge for us in breaking into the already saturated market in Nigeria.

In essence our chosen location might be our weakness. But never the less, we have plans to launch out with a big bang. We know with that, we will be able to create a positive impression and we have a proper handle when it comes to building on already gather momentum.

- **Opportunities:**

The opportunities available to us are unlimited. Loads of people make use of palm oil on a daily basis and all what we are going to do to push our push our palm oil to them is already perfected. Agbor in Delta state is just ideal for palm oil processing business because the land is ideal for farming palm trees, plus the fact that palm kernel is cheaper in Agbor.

- **Threat:**

The threat that is likely going to confront us is the fact that we are competing with already established palm oil processing businesses in Delta State and also there are other entrepreneurs who are likely going to launch similar business within the location of our business. Of course, they will compete with us in winning over the available market.

Another threat that we are likely going to face is unfavorable government policies and economic downturn. Usually economic downturn affects purchasing / spending powers and unfavorable government policies can hinder my free – flow of exporting palm oil to other countries of the world.

Palm Oil Processing Plant Business Plan – MARKET ANALYSIS

- **Market Trends**

It is common trend in the palm oil processing line of business to find palm oil processing companies positioning their business in locations and communities where they can easily have access to fresh and cheap palm kernels. If you make the mistake of positioning this type of business in a location where you would have to travel a distance before you can access palm kernels in commercial quantities, then you would have to struggle to make profits and maintain your overhead and logistics.

So also another trend in this line of business is that most registered and well organized palm oil processing companies look beyond the market within their locations or even Nigeria; they are involved in packaging and exporting palm oil to communities abroad with robust Nigerian cum African communities. United States of America, Canada and most countries in Europe are their major targets.

Lastly, in the bid to stay afloat and continue to make profits from this line of business, most standard businesses that are into palm oil processing tend to work hard to ensure that they own their own palm tree plantation. With that, it is easier for them to maximize profits and grow the business.

- **my Target Market**

When it comes to retailing processed palm oil, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just a group of people, but all those who make use of palm oil for cooking and also all those who make use of palm oil as raw material in the cottage industry.

One thing is certain; there are no restriction to the demographic and psychographics composition of the target market for oil in Nigeria. This goes to show that the target market for palm oil is wide and far reaching, you can create your own make niche yourself to serve a specific purpose.

In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in retailing and wholesale distribution cum exporting of palm oil to the following groups of people:

- Households who make use of palm oil for cooking
- Restaurants and canteens that make use of palm oil for cooking
- Nigerian cum African communities in the United States of America, Canada, and Europe
- Small scale businesses that make use of palm oil as part of their raw material.

my Competitive Advantage

First and foremost, the fact that anybody with a business cum retailing skills can decide to start palm oil processing business means that the business is open to all and sundry hence it is expected that there will be high – level competition in the industry. There is hardly any busy community where palm trees can easily be cultivated that you won't find several oil processing businesses especially on a small scale level.

As a standard palm oil processing business, we know that gaining a competitive edge requires a detailed analysis of the demographics of the surrounding area and the nature of existing competitors. And even if you are successful at first, new competitors could enter your market at any time to steal your regular customers. Hence we will not hesitate to adopt successful and workable strategies from our competitors.

We are going to be one of the very few palm oil processing companies in Agbor – Delta State that will also engage in wholesale distribution of palm oil all across Nigeria and also export palm oil to other countries of the world.

Another competitive advantage that we have is the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business from the scratch to becoming a national phenomenon. Our large and robust distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

One thing is certain, we will ensure that in future, we own our palm tree plantations all across states in the southern part of Nigeria where palm trees can easily be cultivated. With that our brand will be well communicated and accepted nationally.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (startups palm oil processing companies) in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

Palm Oil Processing Plant Business Plan – SALES AND MARKETING STRATEGY

• Sources of Income

Delta Palm Oil Ventures is established with the aim of maximizing profits in the palm oil processing line of business both in Delta State and throughout key cities in Nigeria and of course in some countries of the world. We are going to go all the way to ensure that we do all it takes to sell our palm oil both in retail and wholesale to a wide range of customers who make use of palm oil.

Delta Palm Oil Ventures will generate income by simply selling palm oil.

• Sales Forecast

One thing is certain when it comes to palm oil processing business, if your business is centrally positioned and easily accessible, you will always attract customers cum sales and that will sure translate to increase in revenue generation for the business.

We are well positioned to take on the available market in Nigeria and every other countries of the world where we intend exporting our palm oil to and we are quite optimistic that we will meet our set target of generating enough income / profits from the first six month of operations and grow the business and our clientele base.

We have been able to critically examine the palm oil processing line of business and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection are based on information gathered on the field and some assumptions that are peculiar to start-ups in Delta State – Nigeria.

Below are the sales projection for Delta Palm Oil Ventures, it is based on the location of our business and other factors as it relates to small scale and medium scale coconut oil production company start-ups in the United States;

- **First Fiscal Year-:** N500,000
- **Second Fiscal Year-:** N2.1 Million
- **Third Fiscal Year-:** N3.5 Million

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same product and customer care services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

- **Marketing Strategy and Sales Strategy**

Before choosing a location to launch Delta Palm Oil Ventures, we conduct a thorough market survey and feasibility studies in order for us to be able to penetrate the available market in Nigeria and the international market. We have detailed information and data that we were able to utilize to structure our business to attract the numbers of customers we want to attract per time and also for to compete with other palm oil processing companies.

i hired experts who have good understanding of the palm oil processing line of business to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market for our products.

In other to continue to be in business and grow, we must continue to sell our palm oil to the available market which is why we will go all out to empower our sales and marketing team to deliver our corporate sales goals. In summary, Delta Palm Oil Ventures will adopt the following sales and marketing approach to sell our wide range of cupcake flavors;

- Introduce our palm oil product cum business by sending introductory letters to residence, merchants and other stakeholders both in Nigeria and abroad.
- Open our palm oil processing business with a party so as to capture the attention of residence who are our first targets
- Engage in road show in targeted communities from time to time to sell our products
- Advertise our products in community based newspapers, local TV and radio stations
- List our business and products on yellow pages ads (local directories)
- Leverage on the internet to promote our product cum business
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)

Palm Oil Processing Plant Business Plan – Publicity and Advertising Strategy

Regardless of the fact that our palm oil processing business is a standard one that can favourably compete with other leading palm oil processing business in Nigeria and in any part of the world, we will still go ahead to intensify publicity for all our products and brand. We are going to explore all available means to promote Delta Palm Oil Ventures.

Delta Palm Oil Ventures has a long term plan of owning our own palm tree plantations all across the southern part of Nigeria and export our product all across the world. This is why we will deliberately build our brand to be well accepted in Agbor – Delta State before venturing out to other cities in

Nigeria and the world. As a matter of fact, our publicity and advertising strategy is not solely for selling our products but to also effectively communicate our brand.

Here are the platforms we intend leveraging on to promote and advertise Delta Palm Oil Ventures;

- Place adverts on both print (community based newspapers and magazines) and electronic media platforms
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like; Instagram, Facebook , twitter, et al to promote our brand
- Install our Bill Boards on strategic locations all around major communities in Nigeria
- Engage in road show from time to time in targeted communities
- Distribute our fliers and handbills in target areas
- Position our Flexi Banners at strategic positions in the location where we intend getting customers to start patronizing our palm oil.
- Ensure that all our staff members wear our customized clothes, and all our official cars and distribution trucks are customized and well branded.

Our Pricing Strategy

When it comes to pricing for products such as palm oil, there are no hard and fast rules, the prices depends are based on per liter or the container in which the palm oil are placed in.

In view of that, our prices will conform to what is obtainable in the industry but will ensure that within the first 3 to 6 months our palm oil are sold a little bit below the average prices when compared to other palm oil retailing businesses in Nigeria. We have put in place business strategies that will help us run on low profits for a period of 6 months; it is a way of encouraging people to buy into our brands.

Payment Options

The payment policy adopted by Delta Palm Oil Ventures is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the United States of America.

Here are the payment options that Delta Palm Oil Ventures will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for farm produces purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for the purchase of palm oil in wholesale.

Start – Up Expenditure (Budget)

In setting up any business, the amount or cost will depend on the approach and scale you want to undertake. If you intend to go big by renting a place, then you would need a good amount of capital as you would need to ensure that your employees are well taken care of, and that your facility is conducive enough for workers to be creative and productive.

This means that the start-up can either be low or high depending on your goals, vision and aspirations for your business.

The tools and equipment that will be used are nearly the same cost everywhere, and any difference in prices would be minimal and can be overlooked. As for the detailed cost analysis for starting a palm oil processing business; it might differ in other countries due to the value of their money.

We know that no matter where we intend starting our palm oil processing business, we would be required to fulfill most of the items listed below;

- The Fee for registering the business (venture) in Nigeria – **N15,000**
- Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – **N30,000**
- Marketing promotion expenses for the grand opening of Delta Palm Oil Ventures –**N15,000**
- Cost for hiring Business Consultant – **N20,000**
- Insurance (general liability, workers' compensation and property casualty) coverage at a total premium – **N20,000**
- Cost for payment of rent for 12 month and renovation inclusive – **N24,000**
- Other start-up expenses including stationery and phone and utility deposits – **N5,000**
- Operational cost for the first 3 months (salaries of employees, payments of bills et al) – **N200,000**
- The cost for Start-up inventory (palm kernel supply, storage tanks, drums, bottles and packaging materials et al) – **N320,000**
- Cost for store equipment (cash register, security, ventilation, signage) – **N10,000**
- Cost of purchase of distribution trucks – **N450,000**
- The cost for the purchase of furniture and palm oil processing equipment (Computers, Printers, Telephone, Fax Machines, tables and chairs et al) – **N15,000**
- The cost of Launching a Website – **N25,000**
- The cost for our opening party – **N10,000**
- Miscellaneous – **N10,000**

We would need an estimate of **N750, 000** to successfully set up a standard and world class Palm oil processing business. Please note that this amount includes the salaries of all the staff for the first 3 month of operation.

Generating Funding / Startup Capital for Delta Palm Oil Ventures

No matter how fantastic your business idea might be, if you don't have the required money to finance the business, the business might not become a reality. Finance is a very important factor when it comes to starting a business such as kerosene retailing business. No doubt raising start – up capital for a business might not come cheap, but it is a task that an entrepreneur must go through.

Delta Palm Oil Ventures is a family business that is owned and financed by Mr. Mitchell Okonta and his immediate family members. They do not intend to welcome any external business partners which is why he has decided to restrict the sourcing of the start – up capital to 3 major sources.

These are the areas we intend generating our start – up capital;

- Generate part of the start – up capital from personal savings and sell of stocks
- Source for soft loans from family members and friends
- Apply for loan from my Bank

N.B: We have been able to generate about **N250,000** (*Personal savings N200,000 and soft loan from family members N50,000*) and we are at the final stages of obtaining a loan facility of N500,000 from our bank. All the papers and document have been signed and submitted, the loan has been approved and any moment from now our account will be credited with the amount.

Palm Oil Processing Plant Business Plan – Sustainability and Expansion Strategy

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business close shop.

One of our major goals of starting Delta Palm Oil Ventures is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to retail our palm oil a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Delta Palm Oil Ventures will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.