

FLOSTAR POLY

22, UNIVERSITY MARKET ROAD, NSUKKA, ENIGU

ONYEKAUZURU FLORENCE. I.

08105375287

EMAIL: info@flostarpoly.com

WEBSITE: www.flostarpoly.com

JULY 2017.

TABLE OF CONTENT

THE TITLE PAGE.....	1
TABLE OF CONTENT.....	2
1.0 EXECUTIVE SUMMARY.....	5
2.0 GENERAL INTRODUCTION.....	6
2.1 BACKGROUND.....	6
2.2 VISION STATEMENT.....	6
2.3 MISSION STATEMENT.....	6
2.4 COMPANY.....	6
2.5 SERVICE OFFERED.....	6
2.6 LEGAL FORM AND OWNERSHIP OF BUSINESS.....	7
2.7 LOCATION OF BUSINESS.....	7
2.8 INDUSTRY TREND AND ANALYSIS.....	7
2.9 BUSINESS STRATEGY.....	8
2.10 KEY SUCCESS FACTOR.....	8
3.0 TARGET MARKET	9
3.1 SALES AND MARKET SHARE ANALYSIS.....	9
3.2 PROFILE OF COMPETITORS.....	9
3.3 SWOT ANALYSIS.....	9
3.4 DEMAND AND SUPPLY ANALYSIS AND ESTIMATING THE INTIAL INSTALLED CAPACITY.....	10
4.0 MARKETING/ SALES STRATEGY.....	11
4.1 MARKETING SEGEMENTATION.....	11
4.2 TARGET MARKET.....	11
4.3 DESCRIPTIVE EDGE OF SERVICE.....	14
4.4 PRICING.....	11

4.5	MARKETING AND COMMUNICATIONS STRATEGY	11
4.6	MARKETING MIX IMPLEMENTATION TOOLS.....	12
4.7	CHANNEL OF DISTRIBUTION.....	12
4.8	START UP PROMOTION.....	12
4.9	ALLIANCE.....	12
4.10	MARKETING CALENDER BUDGET.....	12
5.0	PRODUCTION PLAN	13
5.1	PROJECT.....	13
5.2	PRODUCTION PROCESS.....	13
5.3	PRODUCTION FLOW CHART	13
6.0	MANAGEMENT ORGANISATIONAL STRUCTURE.....	14
6.1	MANAGEMENT TEAM.....	14
6.2	ORGANISATIONAL STRUCTURE.....	15
6.3	PERSONNEL PLAN.....	15
6.4	ORGANISATION VALUE AND NORMS.....	15
7.0	LEGAL REGULATORY SOCIAL AND ENVIRONMENTAL ISSUES.....	16
7.1	LEGAL ISSUES	16
7.2	REGULATORY AND ENVIRONMENTAL ISSUES.....	16
8.0	FINANCIALS.....	17-21
9.0	RISK ANALYSIS AND MITGANT.....	21
9.1	RISK CONTIGENCY ANALYSIS	21
9.2	CONTIGENCY PLAN.....	21
9.3	EXIT STRATEGY	21
10.0	OTHER CONSIDERATION, CONCLUSION AND RECOMMENDATION	22
10.1	ECONOMICS JUSTIFICATION.....	22
10.2	COMMERCIAL VIABILITY	22
10.3	CONCLUSION/RECOMMENDATION	22

1.0 Executive Summary

1.1 Name of business:

The name is FLOSTAR POLY

1.2 Legal form of business:

FLOSTAR POLY is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.3 Contact address:

22, UNIVERSITY MARKET ROAD, NSUKKA, ENUGU

1.4 Telephone: 08105375287 Email: info@flostartpoly.com

1.5 Type of business:

This is a sole proprietorship business.

1.6 Description of business:

Flostar poly is a business enterprise that deals in sales of polythene and packaging bags of different type and size in wholesale and retail, we deal in both local and foreign product, we sell at an affordable price, This business is wholesale and retail business, it is a medium scale business, it is a lucrative business and can prosper in any area both urban and rural area because of the nature of the product which is not perishable

The name of the owner of the business is; Onyekaozuru Florence Ifunanya ; she oversees the entire running of the business.

1.7 Job opportunities:

It will create 7 menial jobs

1.8 Start-up capital:

It would require a start-up capital of ₦3, 949, 000 comprising of fixed asset of ₦ 2, 409,000 working capital of N540, 000, and others which amount to ₦1, 000,000.

Table 1

A	Fixed capital	N2,409,000
B	Working capital	N540,000
C	Others	N1,000,000

Total-N3, 949,000

1.9 Source of capital:

The capital will be sourced as follows

Table 2

A	Owners capital	N2,700,000
B	Grant	N1,300,000
	TOTAL	N4,000,000

1.10 Profitability:

The business has the ability of raising above N30 million profits from the third year.

2.0 GENERAL INTRODUCTION

2.1 Background

The demand for polythene and packaging bags has been identified to continue to expand as the standard of living of over 160million population growing at the rate of 5.7 percent per annum continues to surge, the supply gap situation in Nigeria has created a market gap, a growing market exists for the sales of polythene and packaging bags in Nigeria, Nsukka, Enugu. This is a cheering information for the promoters whose primary market is in Enugu and Nsukka to be precise lot of opportunity abounds in the polythene and packaging bags business for new entrants into the business , the price is determined by the quality and quantity demanded by the prospective buyer

2.2 Vision Statement

Establish over ten (10) polythene and packaging bag whole sales and retail stores across the major cities of Nigeria in the next twelve (12) years.

2.3 Mission Statement

The enterprise mission is to be the one of the biggest wholesaler/distributor of polythene and packaging bags in the south east particularly in Nsukka, Enugu.

2.4 The Company

The name of the company is FLOSTAR it is a new business and it is in the process of being registered.

2.5 Services Offered

We sell different packaging bag and nylon at wholesale and retail, we also do delivery of goods

2.6 Legal form and ownership of business

The business is a sole proprietorship business that is in the process of being registered.

The main promoter which is also the owner of the company is;

ONYEKAOZURU FLORENCE .I.	-----	100%
--------------------------	-------	------

2.7 Location of the business

The business headquarters would be located at 22, university market road, Nsukka, Enugu State. Due to the location of the company's business premises, the business would experience great sales, since it is located at a strategic place where it could access the market easily.

The location has a challenge which is; insecurity experienced in the city, and thus, poses a danger to the growth of the business.

We choose the location despite the challenge because of the great number of customers we would have access to.

2.8 Industry Trend and Analysis

The business is a growing business that has an all year demand for polythene and packaging bag as it demand is on daily basis. This means that the business is such that is not seasonal with great potential for sales, and generation of income for the business owner and workers as well.

2.9 Business Strategy

To ensure we remain in business, we would always use cheap price, quality product and good customer relations as our business strategy to attract and keep our customers.

2.10 Key success factors

The key success factors in this business are

- a. Existence of reliable market outlets
- b. It is a demanding commodity
- c. It is one of the fastest consumer selling commodity
- d. It is demanded all round the year that is it is not a seasonal product although it has a greater demand during raining season
- e. It enjoys both national and international patronage
- f. It is not perishable

The Market

3.0 Target Market

This business is open to both retailer and consumer of ages, gender, occupation, marital status etc. it is a business that accommodates all because the product sold is used by all.

The main targeted markets for now are all supermarkets, bars, pure water companies, pharmacy, banks, hospitals, laundry outfit, fashion outfit, hotels, restaurants, markets etc. in Nsukka, Opi, 9th Mile corner, Enugu, Awka and other parts of the south eastern states. The size of the market is large, because it comprises of people from all walks of life found in different location. The market is bound to increase because of the growing population of people and the demand for nylon and packaging bag

3.1 Sales and market share analysis

The market has the potential of offering us opportunity to sell more than 20,000 per year. For now we can control 10 to 15% of the market.

3.2 Profile of Competitors

My competitors are few as they are mostly on the retail scale

Competitive Advantages

Flostar poly enjoys some measures of competitive advantages which are:

The location of our business is very strategic, the different quality offered and the affordable price we present to our customers is also an added advantage and also our delivery services offers us a comparatively

Our good customer relations are also an added advantage.

3.3 SWOT Analysis

STRENGTHS	WEAKNESSES
The strength of this business lies in its ability to sale quality and affordable polythene and packaging bag, which I would get from the production company direct, both local and foreign type of all size	The location of the business which makes us to pay much tax.
OPPORTUNITIES	THREATS
Ability to expand to great limit, since so many people in the Southern part of Nigeria uses polythene and packaging bags on a daily basis	Fluctuating of prices especially since will deal with foreign exchange rate that might increase cost of product

3.4 Demand and supply analysis and Estimating the initial installed capacity

Details	Size (numbers)
Potential demand to be served	30,000
Less 30% existing competitors	21,000
Available market (in the absence of expansion and very high entry wall)	120,000
Less 10% due to possible expansion of existing competitors and entrant of new ones.	108,000
Available market	300,000
Less 5% due to error in estimation	285,000
Available demand/qualified market/ demand supply gap	126,800
Initial installed capacity cat most 60% of available demand (served market)	

4.0 Marketing Plan

4.1 Market segmentation

This business belongs to economic segment of the economy as it involves selling of goods, the location of the business was done in relation to market demand for quality and affordable polythene and packaging bags and where they will be sales.

4.2 Target market

The main targeted markets for now are all supermarkets, bars, hotels, laundry outfit, fashion outfit, pharmacy, restaurants, hospitals, market etc. in Nsukka, Opi, 9th Mile corner, Enugu, Awka and other parts of the south eastern states.

But with time, we seek to extend our reach to cities like Port Harcourt, Asaba, Uyo, Aba and other south east and south- south states in Nigeria.

4.3 description of the edge of service

Service	1	2
Denominatio n	Big packaging bag	
Packaging	No packaging	

4.4 Marketing Plan Price

The price of product sold is determined by the exchange rate and cost of production and also some factors which include:

1. thickness
2. sizes
3. quantities
4. markets
5. buyers
6. Transportation cost etc.

4.5 Market positioning strategy

The firm has not gained more ground in the market. So with good advert and price, we seek to gain more position in the near future.

4.6 marketing mix implementation tools

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

4.7 Channel of distribution

Customers will deal directly with us and we can deliver if they order

4.8 Start-up promotion

For startup promotion, we would print banners and posters.

4.9 Alliances

The alliance we would enjoy from friends and customers would help us enjoy increase in our customer base.

4.10 Marketing calendar and Budget

For every six month we would print notebooks that are customized, banners and posters. We would carry out announcement in radio twice every week. All will cost us N42, 000 per year.

5.00 Production Plan

5.1 The Project

Polythene and packaging bags are consumed by majority of people especially in the south east due to its fatty meat and tasty meat. But the supply for pork meat had always been far greater than the supply over the years. Not just only that; there had also been need for the supply of healthy pork meat. This project came up to address these issues and help to provide solutions.

It is a small scale business and a capital intensive business.

5.2 Production Process

The product is bought from the producer and transports them to base and then offload them in the warehouse, some are taken to main shop and there they are sold

5.3 The Production flow chart

Product----- warehousing-----Sales of product

6.0 Management and Organizational structure

The main promoter is the owner of the company and holds all the share of the company. She is;

ONYEKAOZURU FLORENCE IFUNANYA ----- 100%

Our financial adviser is chinaza Financial Advisor Nig Ltd; 252 prison road Enugu, email: info@nazafinance.com.ng, website: www.nazafinance.com.ng, telephone number: 081 011 629 08

Our legal adviser is Davidson solicitors; 07 Alvin Avenue, Enugu, Enugu State.

Email:davison23solicitors@gmail.com. Phone number: 0810 657 6187

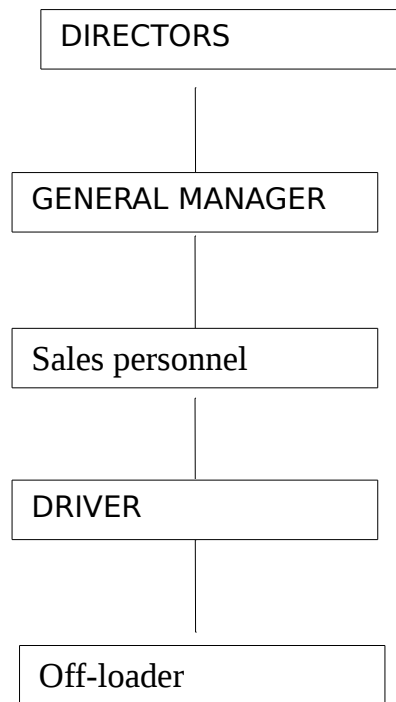
6.1 Management team

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	HND in business management	4 years' experience as manager at ify and sons poly, lagos state.	Overseas the day to day operation of the business.
Sales personnel	WAEC..	No experience	Attend to customer
DRIVER	WAEC	3 to 5 years' experience at different companies	Driving and maintenance of trucks.
Off-loader	WAEC	No experience.	Off load goods to the warehouse

Our future management needs.

The company would currently employ 7 persons, and would increase its number of staff to over 10 persons after 5 years of operation.

6.2 Organizational structure



6.3 The personnel plan

S/ N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N50,000	N600,000
2.	Sales personnel	3	N30,000	N1,080,000
3.	Driver	1	N30,000	N360,000
4.	Off-loader	2	N45,000	N5400,000

6.4 Organization's values and norms

Integrity, faithfulness, truth, faithfulness and diligence

7.0 Legal, regulatory, social, and environmental issues

7.1 Legal Issues

There are no legal issues for now.

7.2 Regulatory and environmental issues

The service is not regulated, but on the process of registration with corporate affairs commission. The business does not create any environmental hazard

8.0 Financials

8.1 Equipments

S/	INVESTMENT	QT	UNIT COST (N)	TOTAL COST (N)
----	------------	----	---------------	----------------

N		Y		
1.	Rent (shop and rent)	1 yr	160,000	800,000
2.	Industrial fan	2	90,000	450,000
3.	EQUIPMENTS			
	i) sealing machine	1	22,000	22,000
	ii) furniture	10	1,500	15,000
	iv) Generator	1	64,000	64,000
	v) Lighting		8,000	8,000
	TOTAL INVESTMENT			1,359,000

8.2 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service	500	1,200	2500
Quantity			
Sales per unit	N30,000	N30,000	N28,000
TOTAL	15,000,00	36,000,00	70,000,00
	0	0	0

8.3 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	2,580,000
FUELLING	43,500
TELEPHONE	24,000
ELECTRICITY	38,400
ADVERTISING	42,000
TOTAL EXPENSES	2,727,900

8.4 Working Capital Projection

8.5 Start up Capital Needed

S/ N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and	2,409,000

	machines)	
2.	Working capital	540,000
3.	Pre-operating expenditures	1,000,000
	TOTAL	3, 949,000

8.6 Financing Plan

S/ N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	2,700,000
2.	Grant	1,300,000
	TOTAL	4,000,000

8.7 Schedule of Depreciation

S/ N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Generator	52,000	12,000	10 years	4,000
2.	Sealing machine	22,000	3,800	5 years	3,640
3.	Security	15,000	2,500	5 years	2,500
4.	Furniture	12,960	2,100	3 years	3,300
5.	Van	1,500,000	450,000	15 years	70,000
					N83,440

8.8 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	15,000,000	36,000,000	70,000,000
OTHERS	-----	-----	-----
NET SALES	15,000,000	36,000,000	70,000,000
LESS EXPENSES:			

SALARIES	2,580,000	2,580,000	2,580,000
FUELLING	43,500	43,500	43,500
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	42,000	42,000	42,000
EQUIPMENTS	109,000	----	-----
RENT	800,000	----	-----
BUILDING	450,000	----	----
PACKAGING BAG	1,500,000	-----	-----
WARE HOUSING	74,000	87,000	92,000
POLYTHENE	1,000,000	1,200,000	1,600,000
VAN	270,000	382,000	410,900
TOTAL EXPENSES	6,930,900	4,396,900	4,830,800
PROFIT BEFORE TAX/INTEREST	8,069,100	31,603,100	65,169,200
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	8,069,100	31,603,100	65,169,200
LESS DEPRECIATION	83,440	83,440	83,440
TAXABLE PROFIT	7,985,660	31,519,660	65,085,760
LESS TAX (30%)	2,395,698	9,455,898	19,525,728
PROFIT AFTER TAX	5,589,962	22,063,762	45,560,032
NET PROFIT	5,589,962	22,063,762	45,560,032

8.9 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
CASH IN:			
SALES INCOME	15,000,000	36,000,000	70,000,000
RE-INVESTMENT			
TOTAL CASH IN	15,000,000	36,000,000	70,000,000
CASH OUT:			
SALARIES	2,580,000	2,580,000	2,580,000
FUELLING	43,500	43,500	43,500
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	42,000	42,000	42,000
OTHER EXPENSES	4,203,000	1,669,000	2,102,900
TAX	2,395,968	9,455,898	19,525,728

TOTAL CASH	9,326,868	13,852,798	24,356,528
OUT:			
NET CASH FLOW	5, 673, 132	22, 147, 202	45, 643, 472

Risks Analysis and Mitigants

9.10 Risk Contingent Analysis

S/ N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to sell our products on credit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum security of our properties.
3.	Accident	To checkmate the incidence of accident, we have made adequate provision for safety and would implement all preventive measures.

9.11 Contingency Plan

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

9.12 Exit Strategy

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in investors or selling the business off.

10.0 Other Consideration, Conclusion and Recommendation

10.1 Economics Justification

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

10.2 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N5, 673, 132, N22, 147, 202 and N45, 643, 472, as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.3 Conclusion/Recommendation

Based on the above information supplied about our planned wholesale polythene and packaging bag business, we greatly believe that the business would grow and expand greatly within the next five (5) years of production, thus, we recommend that the business be sponsored.