

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

TOPIC:

FURNITURE MAKING BUSINESS PLAN

AN ASSIGNMENT

**PRESENTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT OF THE COURSE: CEDR 342
(BUSINESS DEVELOPMENT AND GROWTH)**

BY:

NWAFOR CHUKU CHIMA

2014/195714

LECTURER: DR T. C. NWAOGA

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EXECUTIVE SUMMARY

The name of my business is Chisco Furniture. The name is drawn from the owner's name, Chima. It is a business that will make and sell high quality modern furniture products of all kinds within Abakaliki, Ebonyi State my location. I will offer wide variety of quality furniture styles and high quality material used in the manufacture. That is, I offer sells of finished and unfinished furniture products.

MY BUSINESS SHORT-TERM AND LONG-TERM VISION AND MISSION (OBJECTIVES).

- ❖ To become a market leader in the contemporary furniture industry in Abakaliki Ebonyi State.
- ❖ To develop the reputation for offering a convenient means of purchasing my collection of furniture via furniture industries.
- ❖ To become well trusted industry for buying furniture with a large selection.
- ❖ To have a reputation for reliable delivery all over our country Nigeria.
- ❖ To have a well known reputation for high qualities and designs.
- ❖ To confidently, one day, export my products all over the world. Especially in Europe.
- ❖ To make key decisions that need near term & long term resolution
- ❖ To get financial loan from banks after startup to support initial startup capital from owner, because without financial assistance the running of the business will be delayed as certain operations cannot be performed. The start up costs for my furniture business will be 400,000 minimum to 1,500.000 minimum.

LONG TERM

In the long term, I may require further financing to increase warehousing and manufacturing, when my business grows because if demand exceeds my financial capabilities this will result in inefficiencies and lost sales. This business plan is part of my regular business planning process. I will raise this plan semi-annually. In the next few years, I will try as much as possible to raise my business into becoming worldwide and being advertised in the selected radio, television, magazine and newspapers to raise awareness about my furniture making.

Recently, in furniture industry, there is some numbers of competitors competing to customer to buy. Although majority is based in other parts of the country, very few that are Abakaliki based. The one based in Abakaliki do not offer anything that is related to what am planning to offer. The closest competitor is selling locally made furniture from local woods. Whereas am planning to use more of foreign woods. I have seen that furniture making has an advantage by being located in Abakaliki, Ebonyi State because it is developing. I have seen this as a window opportunity to tap Abakaliki markets. The furniture making industry is a considerable one in itself, especially for many newly employed workers in the area.

EXPECTED ANNUAL SALES AND PROFIT FOR NEXT 3 YEARS

- Year 2018: Sales- 500,000

Expenses – 450,000

Profit -50,000

- Year 2019: Sales – 700,000

Expenses – 350,000

Profits – 350,000

- Year 2020 Sales – 900, 000

Expenses -400,000

Profit – 500, 000

Chisco Furniture desires to finance growth through a combination of equity/debt investment and internally generated cash flow. Because of the cost inventory and warehousing; and a marketing cost of establishing a market presence, my business will be financed primarily by a financial loan in the early stages and is expected to break even as soon as possible. It is expected that additional investment will be required in the first year, until we break even by mid to late 2019.

COMPANY DESCRIPTION

Name: Chisco Furniture Making Industry.

Address: No: 28 Ogbaga Street, Abakaliki, Ebonyi State.

Registered Name: Chisco Furnitures Nigeria Limited.

ABN: 76103582017.

Phone number: 09092176696.

Domain name: Chisco Furniture Making Company LTD.

ISP: Optus Broadband.

Bank: First Bank of Nigeria PLC.

Credit card facility: First Bank of Nigeria PLC.

- **My Product Offering**

Chisco Furnitures Nigeria LTD is in the furniture manufacturing industry to manufacture both home and office furniture; to service a wide range of clients and

of course to make profits, which is why we will ensure we go all the way to give our clients and potential clients options.

I will do all that is permitted by the law of Nigeria to achieve my business goal, aim and ambition of starting the business. My product offerings are listed below:

- Manufacturing of household furniture (living room, dining room and bedroom furniture, upholstered, coffee tables, sofa tables, end tables, sofas, love seats, chairs, bookshelves, ottomans, display cabinets, consoles and TV stands and otherwise),
- Manufacturing stationary sofas/sofa-sleepers
- Manufacturing metal household and office furniture
- Manufacturing custom architectural woodwork and other fixtures
- Manufacturing showcases, partitions, shelving and lockers

RANGE OF PRODUCT

My business will provide a convenient state and trustworthy means of purchasing modern furniture online. A wide variety colours, sizes and designs will be available.

FORMS OF PAYMENT

Chisco Furnitures will offer all forms of payment possible including cash that all customers have the opportunity to purchase my products.

FORMS OF PAYMENT AVAILABLE

Cheque – a cheque can be sent to my address with a print out attachment of

an order from my website. Customers can also call my phone number above.

MONEY ORDER

A money order can be sent to my address with a print out attachment of an order form my website, www.chiscofurniture.nig.org

HOW PRODUCTS ARE PURCHASED

Customers will fill forms on my website providing me with their name, address, phone number, e-mail, etc. If they choose to pay with credit card, they will select what type of credit card that they are using to provide me with their credit card number and expiring date. Customers will also specify to me what style of furniture they would like, by entering a code that is positioned with product photo along with colour, design and size.

RETURN POLICY

Refunds will not be given on change of mind in purchase at this point. If there is a manufacturing fault in design, quality and colour, a full refund or exchange will be made. An exchange will be offered for wrong size within 30days of purchase.. Receipts must be presented for refunds & exchanges.

REPLACEMENT

If there is a manufacturing fault, a replacement will be sent to the customer as soon as possible. My company will pay all post age costs for returns and replacement.

THE MARKET

My market in the present and future

In the past, there were only a small number of furniture industries that offer the option of buying online, but currently I believe that in the present there will be an increase in the number of competitors competing for customers to buy online. The price of buying online will be affordable because of growing technology.

THE MARKET IN TERMS OF ITS SIZE

The online furniture market is international which has become my target. The furniture industry is a considerable one in itself especially for many growing employees.

- **My Target Market**

Perhaps it will be safe to submit that the furniture manufacturing industry has the widest range of customers; almost everybody on planet earth has one or more things that they would need in their houses or offices from a furniture retail store. It is difficult to find households and office facilities without one form of furniture or the other.

In view of that, therefore, I have positioned my furniture manufacturing company to service the residence Abakaliki and every other location where showroom cum outlets will be located all over key cities in Nigeria. I have conducted my market research and feasibility studies and have ideas of what my target market would be expecting from me.

I am in business to manufacture a wide range of furniture to the following groups of people and corporate organizations:

- Households
- Bachelors and Spinsters

- Corporate Executives
- Business People
- About to wed couples
- Corporate Organizations / Offices
- Government Offices
- Schools and Students (Library inclusive)
- Churches and other religious centers, etc.

HOW MY PROSPECTIVE CUSTOMERS WILL FIND OUT ABOUT ME

I will carry out exhibition on my website and customers will also have the opportunity to subscribe to my news letter through e-mail which will alert customers of new collections. I will also use print and broadcast media adverts.

THE MAJOR COST IN SUPPLY OF MY PRODUCT.

The major cost is in supplying my shoe are warehousing and storage transport and manufacturing and regular maintenance of machines and website.

HOW QUICKLY MY CUSTOMERS EXPECT TO RECEIVE THEIR PURCHASE AFTER ONLINE PAYMENT.

Customers can expect to receive their purchase within one week after payment. My product can be delivered all over Nigeria.

HOW AM GOING TO MEET THE DELIVERY EXPECTATION OF MY CUSTOMERS

I will meet the delivery of my expectations of my customers by processing order as I received them. I will hire the software needed to process orders quickly and efficiently.

MY COMPANY'S COMPETITIVE ADVANTAGE

- High quality wide variety of colour and styles.
- Shorter delivery time deal to company only operating in Ebonyi State, Nigeria.
- Only a small delivery fee is required. At present, delivery is only within Nigeria.

BELLOW ARE THE CHARACTERISTICS OF MY COMPETITORS

- Well optimized
- Establish reputation
- Wide range of furniture products
- Investigative around their website

MARKETING AND SALES PLAN

- Problems and opportunities.
- Consumers problems: Buying high quality furniture within reliably online platforms.
- Opportunities created by the consumers problem: allows my business to try to solve this problem by researching the market place and offering a solution. Providing my customers with what they want.

TRACKING

Tracking tools will allow me to observe where my customers/visitors are coming from, the duration of their visits, what they look at and if they are repeat visitors. Through these result, I can determine whether or not my website is successful in meeting my customers needs. I will use the tracking tools provided to me when I upload my website on to the worldwide web.

THE FIRST IMPRESSION THAT I WANT A PERSON TO GET WHEN MY WEBSITE IS DISPLAYED ON THE SCREEN

The first impression that I will like a person to get when my site is displayed is to found exactly what they are looking for. I want my site to fulfill my entire customers' needs-buying fashionable, furniture securely online. I want them to view my website as inviting, pleasant to look at, stylish in design and appear to be easy to investigate.

THE GROUP OF PROSPECTS THAT WILL BE FIRST TARGET FOR MY BUSINESS:

Middle to high income earners who don't have the time to leisurely explore furniture stores, have moderate knowledge of the internet own credit cards, have experience with purchasing online, love buying the latest furniture trends.

HOW AM GOING TO ANNOUNCE MY PRODUCTS PRESENCE ON THE INTERNET

I will begin advertising in popular selected business magazines. I have choosing a magazine because it is as high quality print, which suits my intended audience. These magazine are targeted to audience that I will like to capture. My targeted audience are all classes of people who are sophisticated and like to be updated in the latest trends in furniture who are educated and enjoy reading

articles. As my website increases in popularity, I will be able to afford to advertise in more magazines and explore other media.

HOW THE EFFECTIVENESS OF MY ANNOUNCEMENT WILL BE MEASURED

My website will use the site meters to measure the size of customers. However, to determine how my customers found me will be in the form of a quick questionnaire, and then I can determine which method has been more effective. The questionnaire will include a box, which will be ticked determining finds me via magazine search. This is how I will initially measure the effectiveness of my announcement.

SUMMARY OF RISKS

- Failure
- Loss of income
- Bankruptcy
- Substantial debts

INTERACTION WITH SITE

- Site may not always be on-line
- When my target market finds my site, they do not stay and look around.
- Site may become out of date and does not continue to encourage return visits.
- Products are not update & kept current.

- Price and postage costs are not kept up to date.
- Slow postage
- Customers are not kept informed as to the status of the order.
- Returns and warranties not handle defectively.

ESTIMATED EXPECTED REWARDS

- High profit
- Large customer base
- High sales
- First-rate reputation

THE RISKS THAT ARE MOST APPLICABLE TO MY BUSINESS

With any business the most applicable risk is failure. Other risks include my target market not finding me on internet earning a reputation for unreliable delivery. About 70% new businesses fail due to poor marketing.

HOW AM GOING TO REDUCE THE RISKS THAT ARE MOST LIKELY TO APPLY TO MY BUSINESS

With the help of my website, this will be optimized to its full potential using every key word and term possible so that my target audience will find me. I will also have a team dedicated to monitoring and organizing the delivery made and I will offer to incur the delivery cost for the customers.

OPERATIONAL PLAN

Summary of the Requirements for the Following Resources.

Personnel: I will require an adequate number of staff to perform my business functions including maintaining of my website and customers service mobile lines. As my business grows, I will hire more staff as needed on a part-time and full time basis.

Technology: I will require a reliable system that will organize orders and safe payment. Mobile phone and land line for staff to communicate with other staff, delivery business services that require computers, laptops and service providers.

Finance: I will need a reputable delivery business to assist me in gaining a reputation in reputable delivery. I will be working through established distributors or manufactures’ agents.

Promotion: I will begin to advertize my products via magazine and other media to reach my initial target audience. As I grow, I will explore other media and increase promotional activities.

Products: I will provide a wide selection of high quality industrial and household furniture in different designs and styles.

Services: I will ensure high quality services when dealing with my customers through my customers’ care service.

FINANCIAL PLAN COSTS

Furniture making requires finance growth through a combination of equity/debt investment and internally generated cash flow. Because of the cost of establishing a market presence, my business will be financed primarily by a financial loan in the early stages and is expected to burn cash. It is expected that additional investment will be required within the first year, until I break even.

Start up costs	One off costs	Monthly	Annual costs	Transaction costs
Registering	20,000.00			

Business Name with Corporate Affairs Commission				
Domain Name Registration Services			10,000.00	
Broadband (cable)Optus		5,000.00	60,000.00	
Website and commerce software	4,000.000			
Secure server for order & settlement management		1,000.00	12,000.00	
Merchant account on-line settlement		3,000.00	36,000.00	10,000.00
Website design & search engine strategy	1,900.00			
Computer (basic setup with standard peripherals	1,500.00			
Initial build of website	2,000.00			
Registration with research engines (s)	1,000.00			
Maintenance of website		1,000.00	12,000.00	
Maintenance of sock storage		2,000.00	24,000.00	

Expected annual profit for the next 3years

- Year 2018: sales- 500,000.00
Expenses – 450,000.00
Profits 500,000.00
- Year 2019: Sales – 700,000.00
Expenses 350,000.00
Profit- 350,000.00.
- Year 2020: Sales – 900,000.00
Expenses – 400,000.00
Profit – 500,000.00

EXIT STRATEGY

My business aim is to provide employment in part time and full time rates. As my business making grows, I will consider taking on silent financial partners, or financial partners that have the skill and ability to take on an active role to help me reach my goals. I have no prospects to sale my business unless I fail. My aim is for the business to be a full time job for my management team.

MY FULL YEAR GOALS

- To be number one in the online furniture market in Nigeria.
- To have an excellent reputation in my products, services and delivery.
- To be large enough to expand all over the country and beyond.
- To have a large customer base.
- To have a highly motivated team of employees that will share out passion for selling my products.
- To have a successful national promotional campaign.

Specific measure of objectives for achieving my five-year goals

- Market share objectives
- To increase market share by 25% at the end of 2020.

If my business fails

- Close down and sell
- Liquidate stock

Revenue/Profitability Objectives

- To break even by mid to date 2020
- To be making 3% profit by early 2020

• My Business Structure

Chisco Furniture Nigeria LTD does not intend to start a furniture manufacturing business like the usual carpenter shops around the street corner; my intention of starting a furniture manufacturing company is to build a standard and one stop furniture manufacturing company in Nigeria.

Although my furniture manufacturing company might not be as big as some other Furniture Industries, but I will ensure that I put the right structure in place that will support the kind of growth that I have in mind while setting up the business.

I will ensure that I hire people that are qualified, honest, customer centric and are ready to work to help me build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers). In fact, profit-sharing arrangement will be made available to all my senior management staff and it will be based on their performance for a period of ten years or more.

In view of that, I have decided to hire qualified and competent hands to occupy the following positions:

- Chief Executive Officer (Owner)
- Workshop Manager
- Human Resources and Admin Manager
- Merchandize Manager
- Sales and Marketing Manager
- Carpenters and Furniture Markers
- Accountants / Cashiers
- Customer Services Executive
- Cleaners

ROLES AND RESPONSIBILITIES

Chief Executive Officer – CEO:

- 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.
- Reports to the board.

Admin and Human Resource Manager

- Responsible for overseeing the smooth running of Human Resource and administrative tasks for the organization.
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- 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.
- Responsible for arranging travel, meetings and appointments.
- Oversees the smooth running of the daily office activities.

Workshop Manager:

- Responsible for managing the daily activities in the workshop
- Ensures that proper records of furniture are kept and warehouse does not run out of finished furniture.
- Ensures that the workshop is in tip top shape and easy to locate.
- Interfaces with third – party suppliers (vendors) of raw materials (woods, forms, clothes, steels, nails and accessories etc).
- Controls furniture distribution and supply inventory.
- Supervises the workforce in the furniture manufacturing workshop.

Merchandize Manager

- Manages vendor relations, market visits, and the ongoing education and development of the organizations’ buying teams.
- Helps to ensure consistent quality of furniture making raw materials are purchased and used for the manufacturing of furniture.
- Responsible for the purchase of furniture raw material for the organization.
- 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, prioritizes, and reaches out to new partners, and business opportunities etc.
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients.
- Develop, execute and evaluate new plans for expanding increase sales.
- Document all customer contact and information.
- Represent the company in strategic meetings.
- Help increase sales and growth for the company.

Carpenters and Furniture Making Experts

- Responsible for manufacturing of household furniture (living room, dining room and bedroom furniture, upholstered, coffee tables, sofa tables, end tables, sofas, love seats, chairs, bookshelves, ottomans, display cabinets, consoles and TV stands and otherwise).
- Responsible for manufacturing stationary sofas/sofa-sleepers.
- Manufactures household and office metal furniture.
- Manufactures custom architectural woodwork and other fixtures.

- Manufactures showcases, partitions, shelving and lockers.

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.

Client Service Executive

- Ensures that all contacts with clients (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 human resources and admin manager in an effective and timely manner.

- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make enquiries.

Cleaners:

- Responsible for cleaning finished furniture and the workshop facility at all times.
- Ensures that toiletries and supplies don't run out of stock.
- Cleans both the interior and exterior of the workshop facility.
- Handles any other duty as assigned by the workshop manager.

My Strengths:

My core strength lies in the high quality of my finished furniture, the power of my team and the state of the art and well – equipped furniture making factory that I own. I have a team of highly trained and experienced carpenters and support staff members that can go all the way to produce top-notch office and household furniture.

I am well positioned in the heart of Abakaliki, Ebonyi State and I know I will attract loads of clients from the first day I open my furniture manufacturing company for business.

My Weaknesses:

A major weakness that may count against me is the fact that I am a new furniture manufacturing company and I do not have the financial capacity to compete with multi – billion dollars furniture-manufacturing companies already in

existence. So also, I may not have enough cash reserve to promote my furniture manufacturing company the way I would want to do.

My Opportunities:

The fact that I am going to operate my furniture manufacturing company in one of the developing state capital, provides me with unlimited opportunities to sell my furniture to a large number of individuals and corporate organizations. I have been able to conduct thorough feasibility studies and market survey and I know what my potential clients will be looking for when they visit my furniture-manufacturing workshop; I am well positioned to take on the opportunities that will come my way.

Threat:

Just like any other business, one of the major threats that I am likely going to be faced with is economic downturn. It is a fact that economic downturn affects purchasing / spending power. Another threat that may likely confront me is the arrival of a new furniture manufacturing company in same location where mine is located. So also, unfavorable government policies may also pose a threat for businesses such as mine.

CONCLUSION/RECOMMENDATION

My Furniture making being a business that will sell high quality household and industrial furniture products within Abakaliki, my location of which different size colours and styles are obtained in high quality. Therefore, this business will ensure meeting the need of the customer to achieve their satisfaction, not just mainly for profit making. It is therefore, recommended for any person interested for the business to buy or for partnership.

APPENDIX

To notify the public and the customers that this business is registered, I therefore, attach this document with financial projects from constant report of market research from professionals to prove my claims.