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**A BUSINESS PLAN SUBMITTED IN PARTIAL
FULLFILMENT OF THE COURSE CEDR342**

**(BUSINESS DEVELOPMENT AND
MANAGEMENT)**

TITLE

GARRI PRODUCTION AND PROCESSING BUSINESS

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Part 1

1.0 Executive Summary

- ✓ The following report and recommendation relate to a proposal for the establishment of garri processing and production at Nsukka Enugu state.
- ✓ The proposed project would require a start-up capital of #5, 000,000 made up #3,500,000 for fixed assets and #1,500,000 for working capital.
- ✓ The owner's vision is to make available quality GARRI to all garri consumers in Nsukka Enugu State and also to ensure the distribution of the product to other States across Nigeria
- ✓ The proposed farm will be located at firm park Nsukka Enugu state
- ✓ This company was located there because it will be close to Ogige market Nsukka which is close to university of Nigeria Nsukka. Both students and staff and the urban dwellers normally buy from that market and garri is mostly consumed.

- ✓ The financial projections reveal a good level of stability and liquidity by the time the business matures. The turnover is #4,000,000, #4,400,000 and #4,900,000 for year1, year 2 and year 3 respectively.
- ✓ There will be competition in that area which will be overcome by making my product in a unique way and affordable price
- ✓ The profitability measures are as shown below:

	Year 1	Year 2	Year 3
Turnover	4,000,000	4,400,000	4,900,000
Profit before int and tax	220,000	350000	600,000
Profit after tax	96000	120000	150000
Return on sale	N/A	32.1%	41.4%
Return on equity	N/A	79.5%	74%
return on investment	N/A	67%	83.6%

1.1 Business overview

Garri is one of the major products from processed cassava the staple food for almost all Nigerians, as about 75% of Cassava is processed into Garri. According to statistics, about 130 million people – both in rural and urban areas – consume 12 million tons of garri annually.

This is the reason why most entrepreneurs are going into the garri processing business especially as this product is recession proof. The recent economic downturn in the country has seen more and more people turning to Garri.

According to reports, any entrepreneur going into this business will make immense profit, as the reports show that demand for this product is not only stable but increasing even though there are few close alternatives to Garri. Garri can be consumed in two ways – the cold process and the hot process, and while there is no substitute for the garri consumed via the cold process method, the few substitutes available for garri taken during the hot process are expensive, which leaves consumers with no alternative than to stick to garri.

Also, another factor in favor of the garri demand is the growth the population which has pushed the demand for garri and has also caused more garri processing businesses to crop up to be able to meet the growing demand

Part 2

2.0 Introduction

Unemployment is definitely one of the biggest economic problems in Nigeria. It is the root cause of poverty, youth restiveness, robbery, lawlessness, kidnapping and all sorts of deviant behaviors. The number of unemployed youths so much and among them are over five million young boys and girls with NYSC discharge certificates roaming about the nooks and crannies of the country searching for jobs that do not exist. The situation is not totally hopeless because governments, communities and civil society organizations are coming up with strategies that can alleviate poverty and empower citizens by creating wealth. Some of them are Improved Garri Production Plants, Cottage Industries, and Entrepreneurship and so on.

2.1 Our Vision Statement

Our vision is to be the best in what we do for our customers

2.2 Our Mission Statement

Our mission is to ensure we process garri of the highest quality using the best machines and resources. We also intend to ensure that our processed garri does not only meet the needs of our household clients but become a profitable business for our partners and distributors.

2.3 Key Success Factor

The key success factors are:

- 1) The use of quality breeds of cassava free from pest and diseases
- 2) The enrichment with vitamin A
- 3) The packaging of the product in sachet

- 4) The high demand of garri as an important inclusion in the diet of the people of the southern Nigeria.
- 5) In this era of growing middle class in the country, garri comes in handy to very busy housewives who combine their roles as mothers and workers and who scarcely have enough time to engage in daily pounding of cassava fufu as was done when women have enough time

2.4 Inherent risk

Regular electric supply would not be guaranteed.

Business ownership

The business is sole proprietorship owned and managed by chybest

2.5 Location and Facilities

The business will be located at two places in firm park Nsukka. Facilities such as closeness to, target market, solar power supply and electricity informed the choices of these locations.

2.6 Available market

The population in Nsukka urban enugu state and entire onisha is up to 1,000,000 and 70% of them consumes garri. In an interaction with 20 different garri sellers in ogige market, I found out that the most easily and frequently sold garri. Thus the number people that will need our services are 700,000. The demand figure is expected to increase with the population increase.

PART 3

3.0 Product and services

In chy best Garri Processing Company, we plan to deliver these products and servicesa to our customers in an affordable prices.

Some of the products and services we intend to indulge in as a business includes;

- White garri (Ijebu and normal, packaged)

- Yellow garri (packaged)
- Consultancy Services
- Training and Coaching

3.1 Product description

The cassava will be bought from the farmers and then peeled, washed very well, grind jack and left to ferment very well for 3 days followed by sieving and frying.

3.2 Market demand

Chy best company is located at firm park nsukka within easy reach of some market like orie Orba, Ogige market, Nkwo Ibagwa, obollo afor, nkwo ogbede etc. where garri consumption is on high demand. Information from experience worker shows that about 70,000 tonnes of gari are demanded yearly in Enugu state and its environ for 4 years now this population is expected to increase as the population within the area continue to increase.

3.3 Projected annual demand Of packaged garri in Enugu state and its environs

As earlier stated, 70000 tonnes of gari are demanded yearly in Enugu state and its environs for 4 years. The figure is expected to grow with the growth in the population. Since the population growth in the area hovers arround 2.5-3.5% for 5 years now it seems rational to expect that the demand for garri will grow with at least a growth rate of ½ for the next three years.

s/n	Years	Annual growth rate	Projected demand
0	Base year(2013)	0.7	70,000
1	2014	0.7	70,500
2	2015	0.7	80,100
3	2016	0.7%	81,200
	Total	2.8%	301800
	Average	0.7	75450

PART 4

4.0 Market analysis

Chy best company has an existing opportunity since there is a huge markets around where garri is retailed in Nsukka and enugu at large. The increase in population and also the packaging will help to attract more costumers.

4.1 Customers/market segmentation

- ✓ Retailers who sell in local markrts
- ✓ Super markets
- ✓ Households and students

PART 5

5.0 Marketing plan

There are no major garri processing company that package their garri in Nsukka Enugu state, hence reduced or no commendable competitor. Therefore, if chy best company commences operation as planned, it will be a market leader in no distant time.

5.1 Promotion strategy

There will be awareness creation both on the radio and news papers to attract people's attention to my product.

5.2 Marketing strategies

- ✓ Discount will be given to first 20 customers.
- ✓ Organizing of promos.
- ✓ Giving of gifts to customers at the end of the year.

5.3 Market Positioning

Chybest garri producing company will position itself as the leading market in garri marketing in Enugu and it's environ particularly Nsukka. The venture will create peculiar leading edge profile for itself. Below is how the firm will be seen; as

- 1) A provider of the best quality garri

- 2) As a firm that is customer oriented providing clean and cost effective quality garri at an awesome delivery system
- 3) As a trust worthy provider of consistently reliable sachet garri

5.4 Projected sales

Year	Sales of garri
Year 1	3,500000
Year 2	7.800000
Year 3	9,000000

Note: 3% discount will be given to regular customer in other to push up sales

PART 6

Technical analysis, management and organization

6.0 Technical analysis

- i. POS (Point of Sale Terminal) will be used for payment. This is to enable customers who are not with cash to use their ATM card to pay.
- ii. Customers phone numbers and email account will be collected so that the farm owner will send those messages on their birthdays, on special occasions and any important information.

Customers will also have the farmer's complimentary card and Facebook account to order for supply and to give their suggestions in order to make the farmer serve them better

6.1 Schedule of operation

Knowing how our vision is to be best for our customers, we have decided to ensure that we draft a business structure that will allow us not only achieve all our intended goals and objectives but also enable us build a solid business foundation as well.

One of our top priorities is to ensure that we hire the best professional hands that have the required necessary experience, are dedicated and that will ensure that the business runs smoothly. We intend to ensure that our employees get the best training obtainable in this

industry and also have welfare packages that will place our companies as one of the best places to work in.

We also intend to provide excellent customer service by hiring those with the experience of handling customer orders and complaints efficiently. We know how important it is to get the right fit for this task as they will be communicating and representing the brand to our various customers.

Those we intend to employ to handle various tasks with assigned roles and responsibilities for the growth of our company include:

- Management team
- Accountant/Cashier
- Cleaner
- Van Driver
- Operator

Their roles and responsibilities

Management team

- Makes strategic decision on behalf of the company and ensure its implementation
- Represents the company especially in areas of contracts and negotiation with high level clients
- Controls overall resources and expenditures
- Ensure that the business is financially secured
- See to the day-to-day running of the business
- Handles the sourcing and recruitment of able hands to run the business
- Communicates the vision and corporate culture of the business to employees
- Sees to the welfare and promotion of employee

- Create a workable marketing strategy and plan for Koko garri business
- Develop a workable budget in collaboration with the Managing Director and Accountant
- In charge of store and inventory by keeping an accurate logbook detailing stock levels
- Ensures that the store is conducive and well maintained
- Ensures that the racks and shelves are stocked properly so that products do not fall off unnecessarily
- Ensures that the store is well secured to prevent theft
-
- Responsible for using conventional and non-conventional means to attract clients
- Carry out market research so as to have a better understanding of the target market
- Sources for reliable vendors and suppliers for the business
- Prepare purchase orders and requisitions on behalf of the company to suppliers and vendors
- Maintain accurate report of goods ordered for and those received
- Develop a workable budget for the purchasing department in collaboration with the Managing Director and Accountant

Accountant/Cashier

- Carry out a thorough analysis of the income and expenditure of the business
- Works with the Managing Director to prepare a workable budget for the business
- Resolve discrepancies that have occurred by reconciling bank statement with cash statement
- Work with the purchasing manager and offer advices and suggestions where necessary

Cleaner

- Peel and wash the cassava
- Ensure that the premises is kept clean at all times

- Ensure that the restrooms are clean for staff and customers
- Replenish restroom with necessary facilities
- Report broken or spoilt facilities to management

Van Driver

- Ensure that the products are transported and delivered to its proper destination
- Keep detailed records by maintaining a log book recording distance traveled and fuel consumed
- Ensure that van is in good shape to take the journey
- Carry out regular maintenance and light repairs on the delivery van

6.2 Organizational Structure

Management Team

Cashier

Driver

cleaner

6.3 Management Team

The management team is made up of 4 people, Mr Ugwu John and Mss ogbonna Chinenyenwa , Eze Abel and Abugu Ifeanyi are members of the management team.

6.4 Personnel Plan

The skills needed are expertise in handling the company. The operator of the machine, driver and individual that will help in peeling will be recruited for the success of the company

Category	Number of Staff	Salary per month	Salary per annum
Manager	1	15,000	180,000
Management Team	4	24,000	288, 000
Pealers	3	15,000	180,000
Driver	1	6000	72,000
Total		60,000	720000

NB: Personnel salaries for the subsequent year will increase as our profit margin increases.

6.5 Values and norms of the company

- ✓ Workers are to resume work by 8.00 am Mondays to Saturday

- ✓ Lateness to work is highly Prohibited
- ✓ Cleaningness is our priority

PART 7

Legal, Environmental, Social and Regulatory Issues.

7.0 Legal Issues

The business is a sole proprietor and it will be registered under the cooperate affair commission.

7.1 Environmental Issues

The business will not cause any hazard to the environment.

7.2 Social Issues

The business will provide employment opportunity to youths

7.3 Regulatory Issues

The business will abide by all the regulation of the cooperate affair commission

PART 8

8.0 Risk Analysis

The inherent risks were identified and appropriate measures generated to prevent the business from being disrupted are shown in the table below:

Identified Risks	Measures
Animal invasion	Fencing of the farm
Competitors	Quality products, services and incentives.
Fire outbreak	Provision of fire extinguisher.
Initial low demand	Advert and promos.
Labour Migration	Care for employees and increment of salary.

8.1 SWOT Analysis

A SWOT analysis carried out on the project reveals the following

Strengths

- 1) The location of the business makes it easier to reach the target market
- 2) The ability to enrich the crayfish nutritionally with Vitamin A
- 3) Packaging in process makes it different and safe from contaminants convenient for use
- 4) Enough land already available to site the business (family land; a plot)

Weaknesses

- 1) Initial problem of raising adequate capital for the project anticipated
- 2) The proprietor has limited experience and expertise in the business
- 3) Transportation challenge

Opportunities

Currently, there is no sachet garri product in the market. Therefore, the introduction of sachet crayfish enriched with Vitamin in the market will arouse the need for convenience which will enhance patronage and hence a major advantage.

Threats

There is still a campaign on the reduction in the consumption of such processed products due to likely cancerous properties in such food items. This may discourage continuous patronage.

8.2 other considerations, conclusion and recommendation

Economic Justification:

“From the point of view of our study and analysis of the findings embodied in this plan, the project offers good benefit to the economy as it create job and wealth, is consistent with the spirit of Vision 2020 and the Millennium Development Goals.

Commercial Viability:

“We have found this project to be commercially viable, having shown through our financial projections, a conservative but impressive turnover, cash flows, profit line and investments appraisal metrics.”

PART 9

9.0 Financial Plan

9.1 Summary of Project cost

The project will be executed with the total sum of #5000,000 only. Broken down #3000,000 fixed capital and #2000,000 working capital.

9.2 Fixed Capital Investment

Items	Quantity	Unit Price	Total #
Hiring apartment			1,000,000
Purchasing isuzu for trasporing the cassava from the farm			400,000
Grinding machine			200,000
Jark			90,000
Basin	7	25000	17500
Knife	12	100	1200
Tank for water storage	2	45000	90000
Total			3,400,000

Working Capital and other Operating Expenses

Items	Amount (#)
Salaries	1,392,000
Dissel	36,000
Cost of Licensing	50,000
Administrative Expenses	42,000
Petrol , water, oil, gas, packegging material	1,080,000
Total	2,600,000

9.3 Funding Plan

To finance the required investment outlay, the company plan to raise an equity capital of #2,000,000, from the contribution of 2 members of her family. each member will contribute the sum of #1,000,000 this will be added to her savings of #1000000 while #2,000,000 will be borrowed from the bank making it a total of #5,000,000.

Source	Amount (#)
Equity Capital	3,000,000
Bank Loan	2,000,000
Total	5,000,000

9.4 Funding Requirement

The fund requirement for this project is #2,000,000 since four family members are contributing #1,000,000 into the business.

9.5 Interest and Loan Repayment Schedule (10%)

Year	Principal	Loan Repayment	Interest on Loan (10%)	Total Payment	Loan Balance
First	2,000,000	1,000,000	200,000	1,200,000	1,000,000
Second	1,000,000	1,000,000	200,000	1,200,000	0.0

9.6 Projected Cash Flows Statement

Inflows	Year 1	Year 2	Year 3
Owners Capital	1,000,000	-	-
Bank Loan	2,000,000	-	1,000,000
Revenue	2,000,000	3,400,000	2,500,000
Total Cash Flow	5,000,000	3,400,000	3,500,000
Outflow	Year 1	Year 2	Year 3
Machinery	200,000	-	
Fixed Cost year 1 depreciation	50,000	-	
Interest	50,000	28,33.4	88,334.6
Operating Expenses	2,224,000	2,436,400	2,708,040
Loan Repayment	166,666	166,666	166,667
Total Outflow	2,690,666	2,631,399.4	2,963,041.6
Net Cash Flow	3,309,334	768,600.6	986,958.4
Opening Cash Balance	-	3,309,334	4,077,934.6
Closing Cash Balance	3,309,334	4,077,934.6	5,064,0893

9.7 Projected Balance Sheet

Capital	Year 1	Year 2	Year 3
Employed			
Less Depreciation			700,000
Fixed Asset less Depreciation			150,000
Cash at hand or in bank			550,000
Prepayment			5,064,893
Total Current asset			-
Less Creditors			5,064,893
Net Currents Asset			-
Net Asset			5,614,893
Financed by Owners Capital			2,500,00
Retained Profit			5,20000
Owners Fund			5400000

Items	Year 1	Year 2	Year 3
Return on Owners Capital	31.04%	38.52%	49.68%
Return on Total Investment	25.87%	32.1%	41.4%

PART 10

10.0 Key Competitors and Players

Local garri producers in the markets, semovita production, wheat producers but greater chance exist for me r accepted by people because of the quality and packaging my product will be cheaper than those product even though they will be of the same quantity. To the other garri producers, my garri will be bet of the better accepted because of the quality and packaging. Also the retailers of packaged garri will have to come and buy from my company at a cheaper rate.

10.1 Quality Assurance

I am out to provide a good garri that is of high quality therefore customers are assured that they will get the best. A trial will convince each consumer

10.2 Competitive Edge

The sale of freshly prossesed and packaged garri and also the closeness of the farm to the market and use of modern technology like POS give me an edge over others.

10.3 Sustainability and expansion strategy

Every established business' aim is to make enough profit that will sustain the company and also ensure that growth and expansion takes place. However, before we can make this profit, we know that certain factors need to be in place to ensure that we have a chance at sustainability.

The reason why most businesses exist is because of its customers, as without having any customers, one's business might not only remain stagnant but fail in the end, because customers inject money into the business that will keep it running.

Due to this fact, we intend to ensure that we treat our customers' right by ensuring we promptly attend to their requests, orders and complaints. We also intend to ensure that our loyal customers and those who refer us are given discounts on certain quantity of garri they buy from us.

Having customers isn't enough, but hiring the right people into the right positions is also paramount to us. Our employees will not only be professionals with vast experience, we also intend to ensure that they have the best welfare package necessary to improve their productivity, and also the best training to enhance their skills and make them better than their peers in the same industry.

Aside having the required start-up capital necessary to start the business, we know that if the above factors are correctly done, we will be successful at not only sustaining the business and also expanding the business in the long run as well.

10.4 Conclusion and Recommendation:

“Having found this project technically feasible, commercially viable and economically desirable, we therefore strongly recommend it for funding and implementation.”