

**UNIVERSITY OF NIGERIA NSUKKA
FACULTY OF ARTS
DEPARTMENT OF MASS COMMUNICATION**

**TOPIC
BUSINESS PLAN (ROC' ND WEAR SHOES COMPANY)**

**A BUSINESS PLAN
SUBMITTED IN PARTIAL FUFILLMENT FOR THE REQUIREMENTS
OF THE COURSE: CEDR 342
(BUSINESS GROWTH AND DEVELOPMENT)**

BY

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JULY, 2017

TITLE PAGE

ROC' ND WEAR SHOES COMPANY

DEDICATION

This work is dedicated to almighty God who made this work possible

ACKNOWLEDGEMENT

I am grateful to God almighty for making it possible for me to write this work, I also acknowledge my lecturer for inculcating in me the knowledge of this work.

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CHAPTER ONE

EXECUTIVE SUMMARY

- 1.1 The following report and recommendation relates to the proposal by ROC' ND WEAR Shoes COMPANY NIGERIA LIMITED to establish a shoe and bag company at University of Lagos, Yaba Lagos state.
- 1.2 The project would require a start-up of ₦ 800,000. This is made up of ₦ 600,000.00 in fixed capital and ₦ 200,000.00 in working capital
- 1.3 The company vision is to be the most outstanding producers of cheap and quality shoe and bag supply in south east zone of Nigeria particularly Lagos state.
- 1.4 The project will be located at Yaba because of its easy access to target the public at that location.
- 1.5 A huge market is available for the business to serve.
- 1.6 The financial projections shows that the project will be financially stable by the time it matures. The sales figures stand at ₦ 600,000.00 for year 1, ₦ 1.2 million for year 2 and ₦ 5 million for year 3. Also the profits after tax are: ₦ 500,000.00, ₦ 4 million and ₦ 10 million for years 1, 2 and 3 respectively. The cash flow position is equally good and encouraging by the second year through the third year.
- 1.7 The competitive edge of the enterprise lies in its ability to produce quality shoes and bag
- 1.8 The profitability measures are shown below.

| | Year 1 (4 months) ₦ | Year 2 ₦ | Year 3 ₦ |
|--|--------------------------------|---------------------|---------------------|
| Turnover | 600,000.00 | 1,200,000.00 | 5,000,000.00 |
| Profits before Int. and tax | 600,000.00 | 1,200,000.00 | 1,200,000.00 |
| % return on turn | N/A | 33.3 | 20.2 |

| | | | |
|-------------------------------|-----|-------|--------|
| over | | | |
| % return on equity | N/A | 89.76 | 100.20 |
| % return on investment | N/A | 65.44 | 81.0 |

From the point of view of the analysis of our findings, the proposed project is found to be technically feasible, financially viable and economically desirable. Thus the project offers good investment benefits and is therefore highly recommended for implementation.

CHAPTER TWO

BACKGROUND

2.0 Introduction

A shoe company is an attractive business even in a dwindling economy, ranking as one of the more low risk venture to get involved in. shoes production businesses are likely to swing in the

economy because people continue to plan on wearing quality shoes during weddings, birthdays, anniversaries and other ceremonies.

ROC' ND WEAR Shoes is a manufacturing and processing industry that serves the consuming market. ROC' ND WEAR Shoes gives opportunity to people to be creative.

2.1 Vision

To be the most outstanding producers of the cheap and quality shoes and bags supply in the South west zone of Nigeria, particularly Lagos State.

2.2 Mission Statement

Guided by the relentless forces on our imperatives, we will consistently strive to implement the critical initiatives required to achieve our vision. In doing this we will deliver operational excellence in every corner of the company and meet or exceed our commitments to the many customers we serve. All of our long term strategies and short term actions will be moulded by a set of core values that are shared by each and every associate to combine aggressive strategic marketing with quality products and services at competitive prices to provide quality shoes for costumers and to improve the quality of life in other to be the best in the eyes of our customers, employees and shareholders.

2.3 Ownership of the Enterprise

The business is owned by ROC' ND WEAR Shoe Nigeria Enterprise Ltd

2.4 Legal Status

The industry is currently undergoing registration process with the corporate affairs commission under the name ROC' ND WEAR Shoe Nigeria Enterprises Ltd

2.5 Location and Facilities

The project will be located at No. 6 Oladele street, Yaba, Lagos state.

Factors that formed the choice of location are:

- Proximity to the market or the targeted clients
- Easy accessibility and high visibility
- Low cost of supply
- An environment that appeals to the customers
- Security consciousness

These qualities are consistent with ROC' ND WEAR Shoe Enterprises. The facilities of the business will be rented building, machinery and equipment like leather materials, sewing machines and threads.

2.6 Products and Services

ROC' ND WEAR Shoes will provide the general public with high quality and affordable shoes for the low class in order for them to be up to the standard of the high class. ROC' ND WEAR Shoes seeks to fulfil the following so as to expand her business and reach out to her customers.

2.7 Business Strategy

ROC' ND WEAR Shoes will do everything possible to make sure that her product is known to be the best affordable company. Also, efforts will be made to ensure that the products are within affordable price range and available in most major markets being targeted especially Ikeja, Ojodu-Berger, Ogun and Oyo state.

2.8 Risk

- Quality and Quantity Strategies: the company will make sure that the Shoes are the satisfaction of the customer's needs and wants
- Time Service Provider: the company will adopt the time servicer provider by making sure it gets to them at the right time.
- Creating a customer friendly environment: We will create a friendly producer-customer relationship for effective and efficient outcome for profit maximization.
- Using package strategy: packaging of our products will be unique in respect to others in the market so as to benchmark them.

2.9 Key Success Factor

The key to success is to meet and exceed the customer's needs and wants in terms of quality shoes and excellent service.

Some of the key success factors derive from the fact that:its location is easy to find and its quality is good. The Price is also affordable and is backed by an aggressive market force. The factors make the product highly sought after.

CHAPTER THREE

MARKETING AND CLIENTS

3.1 Nature and Size

ROC' ND WEAR Shoes Company is market driven and also a fast growing sector of the economy. It is ever growing to accommodate oncoming entrepreneurs; it would also market her products through publicity which includes social media (Instagram, Facebook, and WhatsApp

etc), fliers and posters. Thus the nature and size of the market will be a very large are; hence we seek to move in to help fill the gap.

3.2 Target Customers

ROC' ND WEAR Shoes has the following target populations: Our target clients are the students, staff, market women, and the entire Yaba community and also the:

- I. **Middle-class clients:** This class of people not having large amount of disposable income, recognizes that it is costly to sponsor shoes that are expensive to wedding party are willing to incur debts but will also try to minimize such debts.
- II. **Upper-class clients:** this class has higher traditional and natural value throughout their lives is willing to spend whatever it takes to throw a high end natural uses and processing functions. Typically, this group is characterized by a wealthy one income family where the male works and the female does not. The female of the household typically enjoys the planning of these events.
- III. **Foreign-class clients:** this class of people are foreigners of high income with also high natural value for the quality value especially people from the United State of America and London, Europe, etc.

3.3 Key Competitors and Players

These other shoes industries that serve the low to middle end of the market such as; the quality and expensive shoes, these are the main areas of service that the industries compete on. People with knowledge of the industry observed that their companies are not a strong competitor because of their overpriced/ service offerings relative to the service provided. Despite these intense competitions, ROC' ND WEAR Shoes enterprise intends to become an active player in the industry before 2019 with our innovation of specializing in traditional and foreign

production. We will seek quality service at minimal cost, price differentiation, after sales services and other bundles of benefit to obtain market share.

3.4 Service Delivery

ROC' ND WEAR Shoes will serve a wide variety of quality shoes. This is offered for due to large selections required because of the maintenance of our clients. Much inventive shoes will also be offered to appeal to the higher and more discriminating customers such as; we shall also engage in consultancy services to the general public.

3.5 Quality Assurance

With our objective at ROC' ND WEAR Shoes enterprise which is to experience an increase in new customers who turned into long term customers, ROC' ND WEAR Shoes will provide her customers with high quality and affordable shoes and bags. The processing service will be for weddings, birthdays and other activities.

3.6 Demand and Supply Analysis

With the market survey carried out and other information at our disposal, its estimated that the immediate geographic target is the city of Lagos with its population of over 3.6million. A 75 mile geographic area is in need of ROC' ND WEAR services and the targeted population are

estimated at 700,000 with a household income of 7, million naira. ROC' ND WEAR Shoes industry tends to supply to their clients through innovations and all time service delivery.

3.7 Competitive Edge

ROC' ND WEAR will provide competitive edge as follows:

- ROC' ND WEAR Shoes competitive edge is based on their customer's attention and inventive approach to wild service.
- ROC' ND WEAR Shoes customer's attention differentiates them in the world of quality and affordable production which is dominated by several companies that have plenty of demand. The consequence of having a lot of demand is decreased pressure to accommodate customers. When you have a lot of customers, you have to modify your business plans less to deal with them.

CHAPTER FOUR

MARKET PLAN

ROC' ND WEAR Shoes marketing plan will be based on developing visibility among the south east community. This will be accomplished through two ways. The first method is:

- 📌 A targeted advertising campaign: advertisement will be placed in various newsletters. Additionally, we will advertise in a few specific newsletters, these advertisements should yield a decent amount of service inquires since they are firmly targeted to the population that utilizes quality and affordable shoes.

The other marketing strategy which is less formal is

- A networking campaign among the population: while the population is to decent size numbering around, it is a close-knit community where people tend to know each other. We will leverage contacts within the community to raise awareness for our product. It will cost far less and the relationships that it builds will be far stronger because of the trust relationships that has already been established.

4.1 Promotion and Distribution Strategy

ROC' ND WEAR Shoes is comprised of the following approaches to pricing, distribution, advertising, promotion and customers services:

Company embarks on an aggressive awareness campaign; this will increase the demand in other to achieve this, and ROC' ND WEAR Shoes plans to use means of communication. We will also use a strategic awareness to create our presence to specific potential clients we will capitalize on simple but effective tools like negotiations with our potential clients. Other strategies to be used are:

- Setting up billboard
- Distribution of hand bills and flyers
- One on one contact
- Radio jingles.

4.4 Service Delivery Strategy

ROC possesses good information about the market and knows a great deal about the common attributes of our most prized and loyal customers. We will leverage this information to better understand who is served, their specific needs and how ROC can better communicate.

During the initial phase of our marketing plan development, several focus groups were held to gain insight into a variety of people that observe/demand our services. These focus groups provide helpful insight into decision making processes of potential customers.

An addition source of our service delivery is a feedback mechanism based on a suggestion card system; the suggestion card has several statements that customers are asked to rate in terms of a given product. There are also several open ended questions that allow the customer to freely offer constructive criticism or praise. We will work hard to implement reasonable suggestion in order to improve our production offering as well as show their commitment to the customer that my suggestions are valued.

4.5 SWOT Analysis

To ascertain a proper thorough analysis of this project, we have subjected it to SWOT analysis which captures the key strength and weaknesses with the company and describe the threats facing ROC' ND WEAR Shoes.

4.6 Strength

- Vehement relationship with many communities
- Excellent staff who are highly trained and very customer attractive
- Quality and affordable offering
- High customer loyalty
- An equipped team with the right skills and experience
- Location of the enterprise
- Marketing strategy

4.7 Weaknesses

- The main aim is to produce quality and affordable equity
- Limited marketing budget to generate awareness
- The problem of finding someone with enough similar skill to support the industry
- The aim to be the best in the eyes of our customers, employees and shareholders

The problem of electricity supply and having fuel for generating sets to power the machine is the obvious challenge. In most parts of Nigeria, electricity supply is usually less than 10 hours a day making cost of doing business to be unnecessarily high. When the business becomes more stable and profitable one would expect the business to expand, unfortunately capital to fund growth is not readily available but with micro finance banks this is gradually changing for the better.

NB: This challenge will be solved by providing a stand by generator that will serve throughout the period of power outage.

4.8 Opportunity

- Growing market with a significant percentage of the target market still not aware that ROC' ND WEAR Shoes exists
- The steep learning curve that ROC can be productive
- The ability to generate many long term customers because of a close knit community
- The close-knit community generates the ability of many long term customers
- The opportunity to make better returns and turnover from being exceptionally professional and organized.

4.9 Threats

- Increase flow into the market by the other business individuals
- Competition from similar shoes and bags producers in the area
- A decrease in customer's budget as a result of a slump in the economy will decrease the customer's income for social gathering
- Good leather have inherent high cost of production.
- Local and foreign established competitors that wake up and realize that there is a large market in the city

To checkmate these threats, institute will mount an aggressive awareness campaign and other promotions

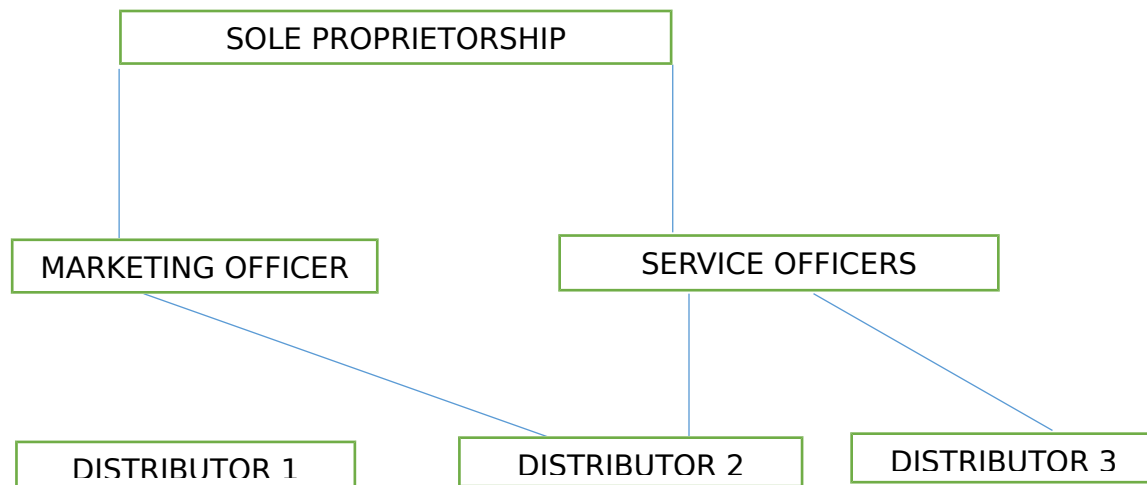
4.10 Exit Strategy

- No exit is planned, rather diversification will be pursued.

CHAPTER FIVE

ORGANIZATION AND MANAGEMENT

5.1 Organizational Structure



5.2 Shareholders and Director

The ROC' ND WEAR Shoe Industry hopes to welcome shareholders.

5.3 Management Team

The management team shall be made up of the manager, a marketing officer, service officer, cleaner and driver

5.4 External Support

We are soliciting for help from NERFUND (National Economic Reconstruction Fund) centre to give us some period of year's strong management and business support services to our industry. Centre for Entrepreneurship of Development and Research (CEDR) of NAU will also offer a strong support to ensure that the business priorities and milestone are kept in focus.

5.5 Value and Norm of the Industry

To maintain a sustainable strong market presence and in order to drive our vision, our industry will adopt this value and norms.

- It will build a good corporate cultural value
- It will build a good management team
- It will lay down procedure of local condition for the pay system
- It will be devotion of carrying out my breeding effectively and in spirit of cultural loge

In many successful businesses enterprise of which ours will not be left out, culture is a paramount, vital factor to be put in place. In breeding business culture, it must give proper attention to the features of breeding enterprises.

CHAPTER SIX

6.1 Legal Issues

ROC' ND WEAR INDUSTRIES:

It is a partnership that's owned by company, the investors chose this type of business because it is the most essential business for a real start up entrepreneurs.

This business is about undergoing regulations with the corporate affairs commission. This business is legally approved.

6.2 Regulatory Issues

The company will comply with all the relevant industrial safety regulatory. It has no stringent regulation. In addition, it discover any regulation policies that will infringe on our business in any way, we will observe it strictly, meanwhile, the industry will pay its taxes as at when due, however its corporate and social responsibility to its host community.

6.3 Social Issues

The implementation of the project will bring social and economic benefits to the state:

- New jobs will be created
- It will build both managerial and social skill of manager {mental empowerment}

6.4 Environmental Issues

Shoes production business is environmental friendly, as no waste shall be generated. The premises of the business will kept clean, neat and friendly for the customer to explore and access. An incinerator shall be constructed and dispersal bin shall be provided to reduce air and environmental pollution.

CHAPTER SEVEN

FINANCIAL PLAN

7.1 Project Cost

The proposed project will be fully complemented with an investment of approximately #800,000.00 {Eight hundred thousand naira} and #400,000.00 {Four hundred thousand naira} working capitals

7.2 Break down of the project cost

| | |
|--------------------------|-----------------------|
| Start-up expense | Amount {# 800,000.00} |
| Legal | #50,000 |
| Consultant | #50,000 |
| Insurance | #200,000 |
| Rent | #100,000 |
| Research and development | #200,000 |
| Expensed equipment | #200,000 |

| | |
|-------------------------------|--------------------|
| Total Start-up expense | #800,000.00 |
|-------------------------------|--------------------|

7.3 Start-up Asset needed

| | |
|------------------------------|----------|
| Cash balance on the starting | #400,000 |
|------------------------------|----------|

| | |
|-------------------------|----------|
| Other short term assets | #100,000 |
|-------------------------|----------|

| | |
|--------------------------------|--------------------|
| Total short term assets | #500,000.00 |
|--------------------------------|--------------------|

| | |
|------------------|----------|
| Long term assets | #200,000 |
|------------------|----------|

| | |
|--------------------|----------|
| Total of the whole | #700,000 |
|--------------------|----------|

| | |
|----------------------|----------|
| Start-up requirement | #800,000 |
|----------------------|----------|

Funding plan and statement

The funding plan for that as structured as follows:

| | |
|-------------------------------|----------|
| Owner's contribution {Equity} | #400,000 |
|-------------------------------|----------|

| | |
|---------------------|----------|
| Loan capital {Debt} | #200,000 |
|---------------------|----------|

Ratio of Equity of Debt risk is 40:20

- Forecast for sales
- Estimate of the costs
- Working capital projection
- Start-up capital required
- Proposed financial structure
- Depreciation
- Loan repayment and interest payment schedules
- Project profit and loss account
- Cash flow projection
- Projected balance sheet
- Financial analysis

CHAPTER EIGHT

OTHER CONSIDERATIONS AND CONCLUSION

8.1 Economic Justification

From the point of view of our study and analysis of the findings made, the project offers good benefits to the promoter and the economy. Wealth will be created even as jobs will be created. There are consistent with the federal and states government policy of Entrepreneurship, wealth and job creation.

8.2 Commercial Viability

The commercial viability of the project is very clear. The project has been found to be commercially viable, having shown through projects an impressive sales, profits and cash flow positions.

Conclusion

Therefore, the project is highly recommended both for finding and implementation.