

UNIVERSITY OF NIGERIA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

SNAIL FARMING

**A BUSINESS PLAN PREPARED IN PARTIAL FULFILLMENT FOR
THE REQUIREMENT OF THE COURSE; CED 342 (BUSINESS
CREATION AND GROWTH).**

BY

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LECTURER: DR. MRS. C. T. NWOGA

JULY, 2017.

GREENY SNAIL FARM

90 DOUGLAS ROAD, OWERRI, IMO STATE.

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JULY 2017.

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1.0 Executive Summary

1.11 Name of business:

The name is GREENY SNAIL FARM

1.12 Legal form of business:

GREENY SNAIL FARM is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.13 Contact address:

90 DOUGLAS ROAD, OWERRI, IMO STATE.

1.14

Telephone: 07062283584. Email: info@greenysnailfarm.com.ng

1.15 Type of business:

This is a sole proprietorship business.

1.16 Description of business:

Greeny Snail Farm is a farm that was established for the purpose of rearing snails which would be sold for meat and ornamental purposes when they are matured. We came into existence to meet the demand for snail meat in Nigeria.

Our customers cover all individual homes, factories, schools, hostels, restaurants, bars, hotels, or any other building.

The name of the owner of the business is; Onuorji Susan Chinazo; she oversees the entire running of the business.

1.17 Job opportunities:

It will create 1 jobs directly.

1.18 Start-up capital:

It would require a start-up capital of N161, 000 comprising of fixed asset of N15,000 working capital of N82,000, and others which amount to N64,000.

Table 1

A	Fixed capital	N15,000
B	Working capital	N82,000
C	others	N64,000

Total-N161,000

1.19 Source of capital:

The capital will be sourced as follows

Table 2

a	Owners capital	N180,000
	TOTAL	N180,000

1.20 Profitability:

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

2.10 GENERAL INTRODUCTION

2.11 Background

Snail meat have consumed in ancient times. It forms part of most communities' delicacies. Nigerians are not also left out in the consumption of snail meat. Most people prefer it to other type of meat due to its sweet and nutritious nature. That is why there had been different people from one town to another tat are into the business of snail farming. Even at that, the demand for snail meat is not always met. That is why Greeny Snail Farm came into existence to bridge this gap, by making more snail meat to be available in the market.

Our customers cover all individuals that eat snail meat, restaurants, bars, hotels etc.

2.12 Vision Statement

Establish over ten (10) snail farms across the major cities of Nigeria in the next twelve (12) years.

2.13 Mission Statement

Become the leading snail farmer in Nigeria in the next ten years.

2.14 The Company

The name of the company is GREENY SNAIL FARM. It is a new business and it is in the process of being registered.

2.15 Services Offered

We rear and sell mature snails.

2.16 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;

ONUORJI SUSAN CHINAZO	-----	100%
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2.17 Location of the business

The business headquarters would be located at 90 Douglas Road, Owerri, Imo State. It is strategically positioned in Owerri at the center of the town where there is access to road and feed for the snails. 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.

2.18 Industry Trend and Analysis

The industry is a growing business that has an all year demand for snail meat. This means that the industry is such that is not seasonal with great potential for sales, and generation of income for the business owner and his workers as well.

2.19 Business Strategy

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

2.20 Key success factors

Our key success factors include; experience workers, easy access to feed for snails, good location, and highly competitive price.

The Market

3.10 Target Market

The main targeted markets for now are all supermarkets, bars, hotels, restaurants and markets in Owerri, Umuahia, Aba, Enugu, Awka and other parts of the south eastern states. The size of the market is large, because it comprises of people from all works of life found in different location. The market is bound to increase because of the growing population of people and the demand for snail meat.

3.11 Sales and market share analysis

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

3.12 Profile of Competitors

COMPETITORS	PRODUCTS/SERVICES	COMPANY SIZE	TURNOVER	ADVANTAGES	DISADVANTAGES
Akanchawa Piggery Nigeria Ltd.	Pig farming and poultry farming	Employs over 16 workers.	Over N30million yearly	Have been long in the business.	Not located in an easily accessible place, and sales product costly.
Sunny bright pig farm and butcher Nig Ltd	Pig farming and a butcher	Employs about 12 workers.	Makes over N21million as turnover yearly.	Have competent personnel.	Just started in the business.

Competitive Advantages

Greeny Snail Farm enjoys some measures of competitive advantages which are:

The location of our business is very strategic hence gives us great advantage over our competitors since they will access us easily. The cheaper price we present to our customers is also an added advantage.

Our good customer relations are also an added advantage.

3.13 SWOT Analysis

STRENGTHS	WEAKNESSES
<p>The great experiences of our workers are a plus to us.</p> <p>The ability to increase our services in order to meet demand.</p> <p>The location of our company which makes it easy to be accessed.</p> <p>Our cheaper price is also an edge over our competitors.</p> <p>Prior experience in snail farming.</p>	<p>The location of the business which makes us to pay much tax.</p>
OPPORTUNITIES	THREATS
<p>Ability to expand to great limit, since so many people in the Southern part of Nigeria eats snail meat.</p>	<p>Theft of our snails.</p> <p>Predators attacking our snails.</p> <p>Fluctuating prices of fuel that might increase cost of operation.</p>

3.14 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)	

4.10 Marketing Plan

4.11 Market segmentation

Snail farming belongs to the agricultural segment of the economy. The location of the business was done in relation to the market demand of snail meat and where production could be cheap.

4.12 Target market

The main targeted markets for now are all supermarkets, bars, hotels, restaurants and markets in Owerri, Aba, Enugu, Awka and other parts of the south eastern states.

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

4.13 description of the edge of service

service	1	2
Denominatio n	Matured snail	
Packaging	No packaging	

4.14 Marketing Plan Price

Consumers are willing to pay highest N 500, average of N400 and lowest of N200 for every matured snail.

Our competitors prices ranges from highest of N400, an average of N300 and the lowest of N200.

The price we charge per matured snail is N100.

This gives us advantage over our competitors because they charge higher than what we are charging. So, we would be able to command great patronage because of our price.

4.15 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.

4.16 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.

4.17 Channel of distribution

Customers will deal directly with us.

4.18 Start-up promotion

For start up promotion, we would print banners and posters.

4.19 Alliances

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

4.20 Marketing calendar and Budget

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

5.00 Production Plan

5.11 The Project

Snail farming is the rearing of snails in pen for the purpose of providing quality meat for consumption. Snail meat is consumed by majority of people especially in the south east due to it is a healthy and tasty meat. But the supply for snail 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 snail 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.

5.12 Production Process

Snails are brought to farm, quarantined, placed in the pen, feed them for several until maturity, they are then sold.

5.13 The Production flow chart

Quarantine ----- Feeding -----Sales of mature snails

6.10 Management and Organisational structure

The main promoter is the owner of the company and holds all the share of the company. She is; ONUORJI SUSAN CHINAZO ----- 100%

Our financial adviser is Olumo Financial Advisor Nig Ltd; 252 Presidential road Enugu, email: info@olumofinance.com.ng, website: www.olumofinance.com.ng, telephone number: 0803 909 9921

Our legal adviser is Nwakanma solicitors; 07 Ziks Avenue , Enugu, Enugu State.

Email: nwakanmasolicitors@gmail.com. phone number: 0816 344 6767

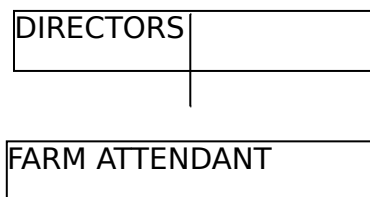
6.11 Management team

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
FARM ATTENDANT	WAEC.	Have experience in animal farming.	Feeds snails, watch over them and treat them when necessary.

Our future management needs.

The company would currently employ 1 person, and would increase its number of staff to over 5 persons after 5 years of operation.

6.12 Organizational structure



6.13 The personnel plan

S/	POSITION	NO. OF	SALARY PER STAFF	TOTAL ANNUAL
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N		STAFF	PER MONTH	SALARY
1.	Farm attendant	1	N10,000	N120,000

6.14 Organization's values and norms

Integrity, faithfulness, truth, faithfulness and diligence.

7.10 Legal, regulatory, social, and environmental issues

7.11 Legal Issues

There are no legal issues for now.

7.12 Regulatory and environmental issues

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

8.0 Financials

8.11 Equipments

S/ N	INVESTMENT	QT Y	UNIT COST (N)	TOTAL COST (N)
1.	Rent		2,500	18,000
2.	Dwarf building			32,000
3.	EQUIPMENTS			
	i) wire for covering pits for the snails			15,000
	TOTAL INVESTMENT			65,000

8.12 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service	3,500	4,600	7,000
Quantity			
Sales per unit	N100	N100	N100
TOTAL	15,000,00	36,000,00	70,000,00
	0	0	0

8.13 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	120,000
TRANSPORTATION	14,000
TELEPHONE	27,000
ADVERTISING	12,000
TOTAL EXPENSES	173,000

8.14 Working Capital Projection

8.15 Start Up Capital Needed

S/ N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	15,000

2.	Working capital	82,000
3.	Pre-operating expenditures	64,000
	TOTAL	161,000

8.16 Financing Plan

S/ N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	180,000
	TOTAL	180,000

8.17 Schedule of Depreciation

S/ N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Wire for covering	15,000	3,000	5 years	2,400
					N2,400

8.18 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	350,000	460,000	700,000
OTHERS	-----	-----	-----
NET SALES	350,000	460,000	700,000
LESS EXPENSES:			
SALARIES	120,000	120,000	120,000
TRANSPORTATION	14,000	16,000	19,000
TELEPHONE	27,000	27,000	27,000
ADVERTISING	12,000	12,000	12,000
BUYING OF SNAILS	12,000	----	-----
RENT	18,000	18,000	18,000
BUILDING OF SNAIL HOUSE	32,000	----	----
FEED FOR SNAILS	16,000	19,000	23,000
TOTAL EXPENSES	239,000	214,000	221,000

PROFIT BEFORE TAX/INTEREST	111,000	246,000	479,000
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	111,000	246,000	479,000
LESS DEPRECIATION	2,400	2,400	2,400
NET PROFIT	108,600	243,600	476,600

8.19 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	120,000	120,000	120,000
TRANSPORTATION	14,000	16,000	19,000
TELEPHONE	27,000	27,000	27,000
ADVERTISING	12,000	12,000	12,000
OTHER EXPENSES	78,000	37,000	41,000
TOTAL CASH OUT:	251,000	214,000	221,000
NET CASH FLOW	99,000	246,000	479,000

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, and also employed security personnel.
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 ne investors or selling the business off.

10.0 Other Consideration, Conclusion and Recommendation

10.11 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.

10.12 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N108,600, N243,600 and N476,600, as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.13 Conclusion/Recommendation

Based on the above information supplied about our planned snail farming 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.