

UNIVERSITY OF NIGERIA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

HOME PAINTING BUSINESS

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

BY

CHIJOKE, ARINZE GIDEON

2014/191463

LECTURER: DR. MRS. C. T. NWAOGA

JULY, 2017.

HOME WISE PAINTING SERVICES

12 BUILDERS LANE, KENYETTA, ENUGU, ENUGU STATE.

CHIJOKE, ARINZE GIDEON

08038238601

EMAIL: info@homewisepaintings.com.ng

WEBSITE: www.homewisepaintings.com.ng

JULY 2017.

TABLE OF CONTENT

THE TITLE PAGE.....	1
TABLE OF CONTENT.....	2
CONFIDENTIALITY AGREEMENT.....	4
1.0 EXECUTIVE SUMMARY.....	5
2.0 COMPANY DESCRIPTION	7
2.1 GENERAL BUSINESS OVERVIEW.....	7
2.2 PROMOTERS.....	7
2.3 ADVISERS.....	7
2.4 LEGAL ISSUES.....	8
2.5 LOCATION AND FACILITIES.....	8
2.6 PRODUCTS AND SERVICES.....	9
2.7 LONG TERM AIM AND OBJECTIVES.....	9
2.8 SWOT.....	10
3.0 MARKET ANALYSIS.....	11
3.1 TARGET MARKET.....	11
3.2 TOTAL MARKET VALUATION.....	11
3.3 TARGET COMPANY REVENUES	11
3.4 MARKET TRENDS.....	11
3.5 PROFILE OF COMPETITORS.....	12
3.6 COMPETITIVE ADVANTAGES.....	12
3.7 BENEFITS TO CLIENTS/CUSTOMERS.....	13
4.0 MARKETING/ SALES STRATEGY.....	14
4.1 MARKETING STRATEGIES.....	14
4.2 REVENUES SOURCES.....	14
4.3 SALE STRATEGY.....	14
4.4 PRICING.....	14
4.5 MARKETING AND COMMUNICATIONS STRATEGY	15
5.0 RESEARCH AND DEVELOPMENT.....	16
5.1 TECHNOLOGY ROADMAP	16

5.2	TECHNICAL PARTNERS	-----	16
5.3	PATENTS, COPYRIGHTS, BRANDS	-----	16
6.0	STAFFING AND OPERATION	-----	17
6.1	MANAGEMENT ORGANOGRAM	-----	17
6.2	STAFFING	-----	17
6.3	STAFFING NEEDS	-----	18
6.4	TRAINING PLANS	-----	18
6.5	OPERATIONS	-----	18
7.0	FINANCIAL PROJECTIONS	-----	20
7.1	KEY ASSUMPTIONS	-----	20
7.2	PROFIT AND LOSS ACCOUNTS	-----	20
7.3	BALANCE SHEET	-----	21
7.4	CASH FLOW	-----	21
8.0	SALES PIPELINE	-----	23
9.0	FUNDING REQUIREMENTS	-----	24
9.1	SOURCES OF FUND	-----	24
9.2	PURPOSE OF FUND	-----	24
9.3	RISKS ANALYSIS AND MITIGANTS	-----	24
9.4	CONTINGENCY PLAN	-----	25
9.5	EXIT STRATEGY	-----	25
10.0	OTHER CONSIDERATION, CONCLUSION AND RECOMMENDATION --		26
10.1	ECONOMICS JUSTIFICATION	-----	26
10.2	COMMERCIAL VIABILITY	-----	26
10.3	CONCLUSION/RECOMMENDATION	-----	26

1.0 Executive Summary

1.11 Name of business:

The name is HOME WISE PAINTING SERVICES

1.12 Legal form of business:

HOME WISE PAINTING SERVICES is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.13 Contact address:

12 Builders Lane, Kenyetta, ENUGU, ENUGU STATE.

1.14

Telephone: 08038238601. Email: info@homewisepaintings.com.ng

1.15 Type of business:

This is a sole proprietorship business.

1.16 Description of business:

HOME WISE PAINTING SERVICES is a company established for the purpose of meeting the demand for painting services in Nigeria.

The customers cover all individual homes, factories, schools, hostels, restaurants, bars, hotels, or any other building that need painting services.

The name of the owner of the business is; CHIJOKE ARINZE GIDEON; he oversees the entire running of the business.

1.17 Job opportunities:

It will create 3 jobs directly.

1.18 Start-up capital:

It would require a start-up capital of N144,100 comprising of fixed asset of N40,100 working capital of N80,000, and others which amount to N24,000.

Table 1

A	Fixed capital	N40,100
B	Working capital	N80,000
C	others	N24,000

Total-N144,100

1.19 Source of capital:

The capital will be sourced as follows

Table 2

a	Owners capital	N150,000
	TOTAL	N150,000

1.20 Profitability:

The business has the ability of raising above N2 million profits from the third year.

2.10 GENERAL INTRODUCTION

2.11 Background

Home painting has been in existence for long. People paint their homes to beautify the house. Houses are painted with different paint colour as chosen by the home owner. The business was established with the aim of meeting the painting demand of customers using quality paints that are water resistant and last long.

The customers cover all individual homes, factories, schools, hostels, restaurants, bars, hotels, or any other building that need painting services.

2.12 Vision Statement

Establish over ten (10) painting service outlets across the major cities of Nigeria in the next twelve (12) years.

2.13 Mission Statement

Become the leading painting company in Nigeria in the next ten years.

2.14 The Company

The name of the company is HOME WISE PAINTING SERVICES. It is a new business and it is in the process of being registered.

2.15 Services Offered

We render painting services.

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;

CHIJOKE ARINZE GIDEON	-----	100%
-----------------------	-------	------

2.17 Location of the business

The business headquarters would be located at 12 Builders Lane, Kenyetta, Enugu Enugu State. It is strategically positioned in Enugu at the center of the town where

there is access to many customers. 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; large numbers of painters, 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 painting services. 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, good location, and highly competitive price.

The Market

3.10 Target Market

The main targeted markets for now are homes, schools, supermarkets, hotels, and any other building in 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 painting services.

3.11 Sales and market share analysis

The market has the potential of offering us opportunity to offer over 20,000 painting services 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
Swiss Paint Nigeria Ltd.	Sells of paints and rendering of painting services	Employs over 10 workers.	Over N20million yearly	Have been long in the business.	Not located in an easily accessible place, and sales product costly.
Aka Painters	Painting services	Employs about 12 workers.	Makes over N21million as turnover yearly.	Have competent personnel.	Just started in the business.

Competitive Advantages

Home wise Painting Services 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>The location of the business which makes us to pay much tax.</p>
OPPORTUNITIES	THREATS
<p>Can reach great amount of customers.</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

Painting services belongs to the housing sector of the economy. The location of the business was done in relation to the market demand of painting services and where production could be cheap.

4.12 Target market

The main targeted markets for now are all homes, schools, hotels, restaurants and markets in 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 and other south-south and south west states in Nigeria.

4.13 description of the edge of service

service	1
Denomination	Painting services
Packaging	No packaging

4.14 Marketing Plan Price

Consumers are willing to pay highest N 45,000, average of N15,000 and lowest of N2,500 for every painting job.

Our competitors prices ranges from highest of N45,000, an average of N20,000 and the lowest of N5,000.

The price we charge per service is N4,500.

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 N45,000 per year.

5.00 Production Plan

5.11 The Project

The project is the establishment of a company that is into the business of painting homes, schools, hotels and every other building that requires painting.

5.12 Production Process

Though we are into services, our rendering of services follows suit; contact by customers, negotiation is made, work is delivered.

5.13 The Production flow chart

Contacting of customers ----- Negotiation -----rendering of service

6.10 Management and Organizational structure

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

CHIJOKE ARINZE GIDEON ----- 100%

Our financial adviser is Olumo Financial Adviser 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

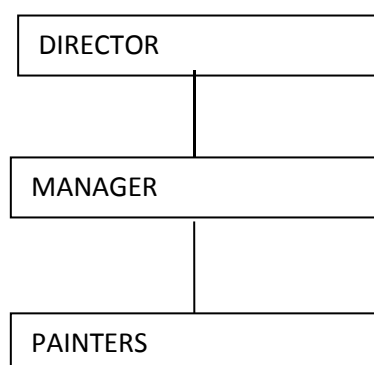
6.11 Management team

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
MANAGER	OND in business management	2 years' experience as manager at Chimso Printing Press Enugu.	Overseas the day to day operation of the business.
PAINTERS	WAEC.	Have experience in painting work.	Paints houses.

Our future management needs.

The company would currently employ 3 persons, and would increase its number of staff to over 7 persons after 5 years of operation.

6.12 Organizational structure



6.13 The personnel plan

S/N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	Manager	1	N35,000	N420,000
2.	Painters	2	N15,000	N360,000

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	QTY	UNIT COST (N)	TOTAL COST (N)
1.	Shop rent	1 shop	2,000	24,000
2.	EQUIPMENTS			
	i) Rollers	3	1,200	3,600
	ii) Brush	5	400	2,000
	iii) Ladder	2	9,000	18,000
	iv) Spray	3	1,500	4,500
	v) Furniture		12,000	12,000
	TOTAL INVESTMENT			64,100

8.12 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service Quantity	450	650	800
Sales per unit	N4,500	N4,500	N4,500
TOTAL	2,025,000	2,925,000	3,600,000

8.13 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	780,000
TRANSPORTATION	32,000
TELEPHONE	29,900
ELECTRICITY	14,400

ADVERTISING	45,000
TOTAL EXPENSES	901,300

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)	40,100
2.	Working capital	80,000
3.	Pre-operating expenditures	24,000
	TOTAL	144,100

8.16 Financing Plan

S/N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	150,000
	TOTAL	150,000

8.17 Schedule of Depreciation

S/N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Roller	3,600	300	3 years	1,100
2.	Ladder	18,000	1,500	10 years	1,650
3.	Furniture	12,000	2,000	5 years	2,000
					N4,750

8.18 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	2,025,000	2,925,000	3,600,000
OTHERS	-----	-----	-----
NET SALES	2,025,000	2,925,000	3,600,000
LESS EXPENSES:			
SALARIES	780,000	780,000	780,000
TRANSPORTATION	32,000	38,200	44,100
TELEPHONE	29,900	31,000	34,800
ELECTRICITY	14,400	14,400	14,400
ADVERTISING	45,000	45,000	45,000
EQUIPMENTS	40,100	----	-----
RENT	24,000	24,000	24,000
BUILDING	450,000	----	----
TOTAL EXPENSES	965,400	932,600	942,300
PROFIT BEFORE TAX/INTEREST	1,059,600	1,992,400	2,657,700
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	1,059,600	1,992,400	2,657,700
LESS DEPRECIATION	4.750	4.750	4.750
TAXABLE PROFIT	1,054,850	1,987,650	2,652,950
LESS TAX (10%)	105,485	198,765	265,295
PROFIT AFTER TAX	949,365	1,788,885	2,387,655
NET PROFIT	949,365	1,788,885	2,387,655

8.19 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
CASH IN:			
SALES INCOME	2,025,000	2,925,000	3,600,000
RE-INVESTMENT			
TOTAL CASH IN	2,025,000	2,925,000	3,600,000
CASH OUT:			
SALARIES	780,000	780,000	780,000
TRANSPORTATION	32,000	38,200	44,100
TELEPHONE	29,900	31,000	34,800
ELECTRICITY	14,400	14,400	14,400
ADVERTISING	45,000	45,000	45,000
OTHER EXPENSES	64,100	24,000	24,000
TAX	105,485	198,765	265,295
TOTAL CASH OUT:	1,070,885	1,131,365	1,207,595
NET CASH FLOW	954,115	1,793,635	2,392,405

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 new 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 N949, 365, N1,788,885 and N2,387, 655, 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 home painting business, we greatly believe that the business would grow and expand exponentially within the next five (5) years of production, thus, we recommend that the business be sponsored.