

## **PART I**

### **1.0 EXECUTIVE SUMMARY**

1.1. The following report and recommendation relate to the proposal by maliz multi-purpose oil mill to establish a palm oil mill in akwa- ibom .

1.2 The project will require a start-up capital of #4,467,320. This is made of #1,874,400 in fixed capital and #3,111,000 as a working capital.

1.3 The enterprise vision is to become a major player in the palm oil industry, and to satisfy the needs of the people.

1.4 The project will be located at ikot-ekpene in akwa-ibom

1.5 A huge market is available for the business

1.6 The financial projections show that the project would be financially stable and liquid by the time it matures. The sales figures stand at #30,000,000 at year 1, #60,000,000, #90,000,000 respectively.

1.7 Competitive edge of the farm lies in its ability to produce sustainable palm oil and maintain low operating cost.

## **Part II**

### **2.0 INTRODUCTION**

Nigeria is a country with different ethnic groups, which also implies that some of this ethnic groups share things in common. Palm oil is an essential food ingredient for most if not all the ethnic groups in Nigeria but not all of them can produce palm oil. The abundance of palm oil in states like Akwa Ibom, Anambra, etc has informed the establishment of palm oil mill by. The palm oil mill will focus on the production of palm oil, palm kernel and the distribution of palm oil to buyers in the different part of the country. Maliz

multi-purpose oil mill will be a sole proprietorship and will be will funded with the combination of both external and internal source of funds, and will be sold all across the country. The palm kernel will also be sold to companies or industries using it for the production of pomade and from there money can be made from it. The oil mill will also offer delivery services to customers anywhere and anytime all over the country. The major goal of the mill is to be the number one palm oil distributing company in the country and also to satisfy the needs of some of the ethnic groups in the country who do not have easy access to palm oil in their area. Our product and services will be a very affordable price to our customers all around the country. With this line of business, I hope to make a remarkable impact In the life of poor Nigerians whom does not have access to good and enough pal oil both for consumption and for business.

## **2.1 VISION**

My visions as it concerns the palm oil industry are;

- ❖ To become a major player in the palm oil industry
- ❖ To have my business be the go-to place to purchase cheap, environmentally friendly palm oil
- ❖ To reach profitability within 6 month from when we start full production of our product

## **2.2 MISSION STATEMENT**

To meet customers increasing demands for a more sustainable palm oil by providing by providing them with a clean, more environmentally friendly alternative.

## **2.3 KEY SUCCESS FACTORS**

Our key to making this venture a success are;

- ❖ Maintaining our core-values to only provide a more sustainable alternative to the palm oil produced by competitors.
- ❖ Maintain low operating cost
- ❖ Keep the supply chain to a number of steps to ensure convenience for our target market

## **2.4 OWNERSHIP OF BUSINESS**

This business will be owned solely by IGWE UCHECHUKWU ALEXANDER, which will make it a sole proprietorship, all aspects of business would be documented to ensure clients enjoy the same result every time. As a sole proprietor, my name would serve as the guarantor of each service, to gain the client or customer's trust.

## **2.5 LOCATIONAL FACTOR**

This business will be located at ikot-ekpene in Akwa Ibom. It is a site-based business. Meetings with customers will hold mostly in the company or over the phone.

## **2.6 AVAILABLE MARKET**

Nigeria with an estimated population of over 150 million people, a national population growth rate of 5.7% per annum and an average economic growth rate of 3.5% per annum in the past five years has a very large market for palm oil. This is because about 80% of all the edible vegetable oil consumed in Nigeria is made from refined palm oil.

So with these, the demand for palm oil in the local market is very high, as a result of that we will be able to supply palm oil to these available markets.

## **2.7 PRODUCT**

We offer the supply of lab-synthetic palm oil to companies and markets all over the country. Our distinctive unique selling point of providing an environmentally less destructive alternative to current methods of palm oil production will be sufficient enough to secure survival in a competitive market.

## **2.8 PRODUCT DISCRIPTION**

This describes the main materials, or expertise that you will need to create palm oil and they are Palm oil seedlings, hectares land, organic fertilizer, basins, weighing scales, standby generator, sacks an nylon, gallons and cans for packaging, sealing machine.

## **PART III**

### **3.0 MARKET ANALYSIS**

The marketing survey conducted by my team members' show that the potentials for the product are enormous. Yes, the palm oil mill has a very good prospect for surviving in the raw materials market for industrials.

#### **3.1 MARKET SEGEMENTATION**

We have identified the following segments which make up our market.

- ❖ Biofuel manufacturers and distributors; our potential customers in this segment includes energy groups etc.these companies support the manufacturing of palm oil which is not environmentally damaging
- ❖ Cosmetics manufacturers; our potential customers in this segment includes baby care, familiar. Both of this brands have made a commitment to use our sustainable palm oil in the production of their cosmetics.

- ❖ Food manufacturers; our potential customers in the segment includes hain Daniels. The company has expressed an interest in our product by offering to help make the venture a success.

### **3.2 TARGET MARKET SEGMENT ANALYSIS**

**BIOFUEL INDUSTRY;** this is potentially our greatest market opportunity. Biofuel is a growing market in terms of its palm oil use. Palm oil is now thought to compose at least 20% and the use of palm oil in Africa alone is projected to reach 2.7 million tonnes by 2020. This has forced many governments to seek a more sustainable palm oil supply chain. Therefore it seems logical to exploit this opportunity and devote the majority of our time and palm oil supply meeting the demand. This market will potentially be the basis of our growth.

**PERSONAL CARE INDUSTRY; palm oil and association products are presents in over 70% of cosmetic products. The growing** demand for personal care products has contributed to the increased level of deforestation. There seems to be a lack of communication of what pertains to palm oil products in this industry. For example, customers who avoid palm oil maybe shocked to know that a chemical used in cosmetics called sodium laureth sulfate is derived from products associated with palm oil. We believe that our product is particularly suitable to be the personal care industry as they are often only interested in certain components of the oil. Using our three batch system, we are able to create components of palm oil individually, reducing the amount of time and money spent purifying the products.

**FOOD PRODUCTION INDUSTRY;** Here, we have acknowledged that our products does not hold as much potential compared to our other two target market. We have factored in the public's generally negative attitude towards genetically modified foodstuffs in this conclusion. However, as available arable land becomes less and less food manufacturers may have no choice

but to utilize our palm oil their production processes. The food industry has already shown an interest in a synthetically produced palm oil, with two companies financially supporting the preliminary research carried out in this project. With a strong marketing campaign aimed at the public emphasizing the safety of consuming a genetically modified palm oil we believe that capturing a percentage of this market to be possible.

### **3.3 INDUSRTY ANALYSIS**

The palm oil industry is characterized by a multi-step supply chain. Smallholders and large estate holders, millers, refiners

### **3.4 MARKETING PLAN/STRATEGIES: PROMOTION AND DISTRIBUTION**

**MALIZ MULTI-PURPOSE PALM OIL MILL** has a team of good marketing and sales awareness who will create public awareness of the mills product. There would be an integrated marketing communication between the mill and its target market. The mills product would be communicated to the public through advertisement (using various media including the internet). Public relations posters, flyers, sale promotion and publicity. There will be proficient marketing professionals recruited for this purpose.

Again, the industry will make use of customer based pricing one of its pricing strategy. It will also emphasize on quantity discount as a pricing strategy also. The industry will make use of sales representative and agents instead of middleman to avoid hoarding of the products, excessive price hike and low customers satisfaction.

### **3.5 SWOT ANALYSIS**

#### **Strength**

- ❖ A leadership made of the brightest brain in the field that are relevant to event management
- ❖ Punctuality in service or product delivery

- ❖ Palm oil product made of the highest quality.

## **WEAKNESS**

- ❖ The presence of other palm oil production mills
- ❖ Time as well as proximity to clients can be a weakness to the industry

## **OPPORTUNITIES**

As the saying goes “opportunity comes but once”, we are readily available to go over and beyond in other to meet the needs and expectations of our clients

## **THREAT**

- ❖ Whether condition of the industry
- ❖ Engine or mechanical failure to any of the available machines.

## **3.6 ALLIANCES**

In other to speed up the growth of the palm oil mill we have to forge alliances with organizations that sells things online. Online organization like jumia, konga and ali express. So as to increase the sale of our unique product as well as increase the awareness of our product all over the country.

## **PART IV**

### **4.0 MANAGEMENT AND ORGANISATION**

The management team will be small at first and the management team works hard to increase the sales, market shares and profit by understanding the customers and the competition. The team is collectively building

cohesive marketing strategies for the products and creating maximum impact.

#### 4.1 BACKGROUND OF KEY OFFICERS

MR STEPHEN NWEKE- A business mogul and well-trained manager with vast experience in management and entrepreneur, he assumes the post of the vice president. His knowledge will lead to effective management of industry.

MRS OKWUOWULU GIVETH- A versatile business guru in all aspect of business operation takes the post of the secretary. Her skills are needed for the development and sustainability of the industry.

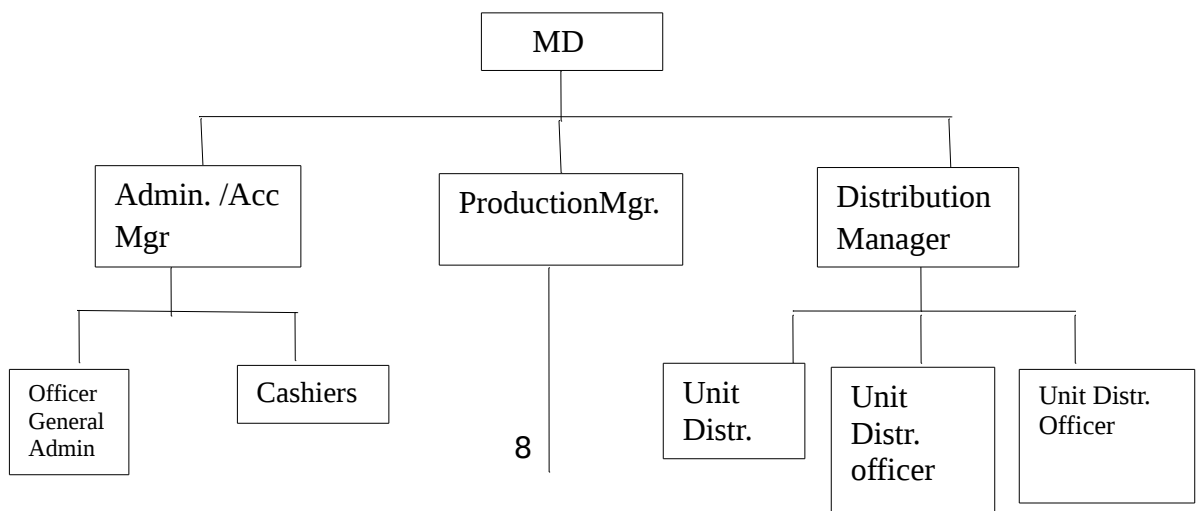
MR UGORJI PROSPER- With his educational background and qualification in accounting and finance, utilizes his skills in recording the business operation and analyzing our financial prospect. He serves as a treasurer/ financial secretary

OTHER MEMBERS who are oriented business men and women jointly share in various aspects of the daily production, and marketing of the products.

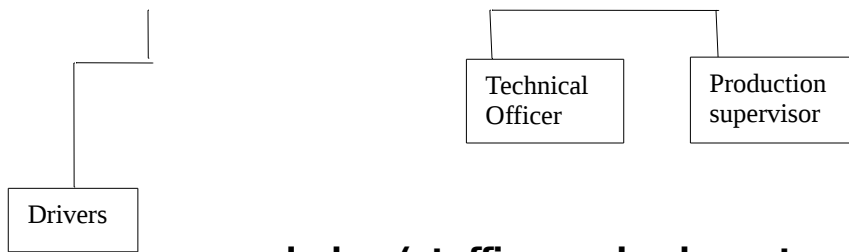
#### 4.2 Organizational structure:

This shows the hierarchy in the management using an organizational chart

#### ORGANIZATION STRUCTURE







### 4.3 The personnel plan (staffing and salary structure)

S/n	Position	No. of staff	Salary per staff per month	Total annual salary
	Proprietor / M.P	1	50,000.00	600,000
	Production Supervisor	1	25,000.00	300,000
	Cashier	1	15,000.00	180,000
	Sales men	3	10,000.00	120,000
5	Drivers		10,000.00	120,000
	Sub Total			1,320,000
	Add 5% fringe benefits			66,000
	<b>GRAND TOTAL</b>			<b>1,386,000</b>

### 4.4 External support (Out sourcing):

The capacity of the managing crew and the organization as a body might not be adequate to handle all manner of tasks pertinent to the organization. In this instance, the organization may need to outsource certain roles or tasks.

The supply of fabrics to the company shall be outsourced to established produce wholesalers since I may not have the chance of visiting most of the nearby markets. However, efforts shall be made to select adults who source their supplies in the market. This is to ensure that the prices are competitive.

### Organization's values and norms:

Jedi minds production's core values are as listed below:

- a. To carry out business on the best ethical standards
- b. To show highest level of integrity and honesty.
- c. To maintain quality supply at all times

**7.10 Legal, regulatory, social, and environmental issues**

**7.12 Regulatory and Environmental Issues.**

**A. Regulatory Issues:**

- i. Every idea generated within the company is patented and protected

**B. Environmental Issues**

There are no environmental issues.

The bye-product can still be used for other things

**4.5 Financials**

**Equipment machinery and others costs:**

I would need the following equipment, machinery and others to operate.

The cost implications of these are shown in the table below.

S/n	Investment (Equipments and others)	Qty	Amount	Total
	Grinding machine		25000	50000
	Processing machine	4	10000	400000
	Printing machine for labels		200000	200000
	Desk top computer		100000	200000
	Packaging machine		40000	40000
	Generator		40000	40000
	Internet facilities for R&D		10000	10000
	Air conditioner for staffs		20000s	60000
	Delivery motorcycles		10000	300000

**SALES PLAN**

	Year 1	Year 2	Year 3
Product/Service			
Product(A)/Service	Quantity	10 000	20 000
		20 000	30 000

(Volume)			
Price per unit(A)	3 000	3 000	3 000
Sales	<b>30 000 000</b>	<b>60 000 000</b>	<b>90 000 000</b>

### **COST PLAN**

	Year 1	Year 2	Year 3
Product/Service			
Product(A and B)/Raw input	10000	20 000	30 000
Cost per unit	2 000	2 000	2 000
costs of Raw Input Total	<b>20 000 000</b>	<b>40 000 000</b>	<b>60 000 000</b>

### **General cost of Administration**

The cost structure shown below is as currently applied and it is hoped it will remain so even after increases has been achieved in output

<b>Item</b>	<b>Current (for existing projects only (N) for Annum</b>	<b>Proposed (for new/expansion projects) (N)</b>
a. Rates (Water Rate)	63,000	63,000
b. Traveling Expenses/Telephone	100000	100000
c. Stationery & Sundry Exp.	50,000	50,000
d. Vehicle Running Expenses	80,000	80,000
e. Insurance	150,000	150,000
f. Electricity/others	180,000	180,000

g. Other Expenses	100,000	100,000
<b>TOTAL</b>	<b>723,000</b>	<b>7</b>
		<b>23,000</b>

### **Preliminary & Pre-Operating Expenses (For New Projects Only)**

The following expenses were incurred as a result of running around to organize men and materials needed to launch my company into commercial operation.

<b>Item</b>	<b>Amount</b>
a. Company Incorporation	10,000
b. Increase in Authorized Share Capital	NIL
c. Traveling Expenses	85,000
Preparation of Business Plan/F.S.	22,000
Others (please specify)	NIL
<b>TOTAL</b>	<b>117,000</b>

#### **Notes:**

- Fixed asset investment is also called fixed capital
- Fixed asset investment + working capital + Pre - operating expenses = Initial total investment outlay.
- "Pre - operating expenses" refers to all expenses incurred as a result of activities associated with setting up the business. Examples are: cost of writing the business plan; travelling expenses incurred before the business kick starts.
- WIP means Work In Progress; the intermediate state between raw materials and finished goods.
- FG means finished goods inventories; the final state of transformation of raw materials i.e. finished goods, before it is sold
- The number of raw materials used to produce a given good/product could range from one ton in number.
- For raw materials the length of the period of time n usually corresponds to the gestation period.
- Debtors could be more in value than creditors or vice versa. If debtors are more, than it means the business is assisting in supporting the

operations of customers. This could be done as a type of marking strategy. On the other hand, if the creditors are more in value, then supplies are assisting in financing the business (this is usually done by way of trade credit).

### **Working Capital Projection (to cover the gestation period)**

<b>Working capital items</b>	<b>Year 0 (N)</b>	<b>Year1 N</b>	<b>Year 2 N</b>	<b>Year3 N</b>
Stock of raw material (layers and broilers for 14 days value)	800,000	800000	800000	880000
Stock of raw material(feeds)	852,600	852600	852600	860000
Provision for utilities and others: 1 month need of annual utilities	72,400	72400	72400	81000
Salaries/wages ( 3 months provision)	1,386,000	1386000	1386000	1400000
Debtors: 10 days value of annual sales	NIL	120000	140000	170000
	3,111,000	3231000	2991000	3391000
Less creditor: 20 days need of raw materials	NIL	180000	130000	190000
<b>Working capital</b>	<b>3,111,000</b>	<b>3,051,000</b>	<b>3121000</b>	<b>3201000</b>
Increase/Decrease in working capital	—	60,000	70,000	80,000

The working capital needed to get the business running as planned is N3, 111,000 (Three million, one hundred and eleven thousand naira only)

### **Start- up Capital Needed**

The funds needed for fixed asset investments, working capital and pre-operating expenses add up to give us the initial total investment outlay for my company. As shown in the table below

S/n	Item of Expenditure	Amount
	Fixed asset investment (Equipt. Machinery and other requirements)	1,874,400
	Working Capital	3,111,000
	Pre-operating Expenses	117,000
	<b>Initial Total Investment Outlay</b>	<b>N4,467,320</b>

Thus the start-up capital need to launch my company into commercial production is N4, 467,320 (Four million, four hundred and sixty- seven thousand, and three hundred and twenty naira only).

## PART V

### 5.1 Financing Plan

To raise the start-up capital, the table below shows how the capital requirement will be funded

S/n	Source of Fund	Amount (N)
	Owner's capital	3,120,000
	Bank Loan	1,347,320
	<b>Total</b>	<b>4,467,320</b>

### Loan Repayment and Interest payment schedule.

Year	Loan/Loan Bal B/d	Interest	Annual Instalment	Loan Repayment	Loan Bal c/f
	A	B	C	D	E
	A	$B = r(A)$	C (A value in eqn. 1)	$D = C - B$	$E = A - D$
	1,347,320.00	N/A	N/A	N/A	1,347,320.00
	1,347,320.00	67,366	450,516.46	383,150.46	964,169.54
	964,169.54	48,208.	322,400.03	274,191.55	689,977.9

		48			9
	689,977.99	34,498.90	230,715.57	196,216.67	NIL

**Note:**

$$PV = \frac{A(1 - (1 + r)^{-n})}{r} \dots\dots\dots (1)$$

Where: PV = Loan amount; A = Annual Instalment; r = rate of interest per annum=20%; and n = tenure of loan in years=5yrs

**Schedule of Depreciation**

S/n	Item of Depreciation	Initial value	Scrap value	Life span (yrs)	Depreciation
1	Grinding machine	24,500	15,000	5	1,900
2	processing machine	26,400	13,000	5	2,680
3	Printing Label machine	50,000	30,000	5	4000
4	Internet facilities for R&D	5000	1000	4	1000
5	Packaging machine	16,500	10,000	5	1300
6	Generator	12,000	7000	5	1000
7	Building for storage purposes	400,000	380,000	5	4000
8	Land	700,000	600,000	10	10,000

9	Desktop computers	40,000	20,000	5	4000
10	Delivery van	550,000	320,000	10	23,000
11	Miscellaneous	50,000	20,000	5	4000
	<b>Total Depreciation</b>				<b>N56,880.00</b>

$$\text{Dep.} = (\text{iv} - \text{Sv})/\text{Is}$$

Where; Dep. = Total depreciation; iv = initial value; sv = scrap value; and Is = life span of asset.

## 5.2 Final Account Projection

This comprises of the profit and loss account, cash flow statement, and the Balance sheet. The entries made here are from earlier sections.

### **Estimate of Profit and Loss Account for the first 3 years for my Company.**

<b>Particulars</b>	<b>Year 1</b>	<b>Years 2</b>	<b>Years 3</b>
Sales	5, 100,025.00	6, 210,080.00	13, 101,200.00
Net Sales	5, 100,025.00	6, 210,080.00	13, 101,200.00
<b>Less Expenses:</b>			
Cost of raw materials	1,652,600	1,741,000	1,828,000
Salaries	1,386,000	1,386,000	1,486,000
Rate (water)	63,000	63,000	63,000
Telephone/Travels	100,000	100,000	100,000



Advertising	40,000	40,000	40,000
Electricity/others	180,000	180,000	185,600
Insurance	150,000	150,000	150,000
Motor Vehicle maintenance	80,000	80,000	85,000
<b>Total Expenses</b>	<b>3,651,600</b>	<b>3,740,000</b>	<b>3,937,000</b>
<b>Profit before Tax/Int</b>	5, 100,025	6, 210,080.00	<b>13,101,200</b>
Less Interest	300,000	200,100	165,000
<b>Profit After Interest</b>	<b>4,800,025</b>	<b>6,009,980</b>	<b>12,936,200</b>
<b>Taxable Profit</b>	<b>4,800,025</b>	<b>6,009,980</b>	<b>12,936,200</b>
Less Tax (30%)	144007.50	1802994	3880860
Profit After Tax	4,656,017.50	4,206,986.00	9,055,340.00
Less Annual depreciation	58,880.00	58,880.00	58,880.00
<b>Net Profit</b>	<b>4,597,137.50</b>	<b>4,148,106.00</b>	<b>8,996,460.00</b>
<b>Appropriations</b>	<b>Year</b>	<b>Year 2</b>	<b>Year 3</b>
Retained servings	2,298,568.75	2,074,053.00	4,498,230.00
Dividend	1,915473.96	1,481,466.43	2,998,820.00

### Cash flow Projection for my Company

	Yr 0 (N)	Yr 1 Total (N)	Yr 2 Total (N)	Yr 3 Total (N)
<b>Cash In</b>				
Bank Loan	1,347,320	—		—
Sales Income	—	5, 100,025	6,	13,101,200

			210,080.00	
Equity	3,120,000	————	————	————
<b>Total Cash In</b>	<b>4,467,320.00</b>	<b>5,100,025.00</b>	<b>6,210,080.00</b>	<b>13,101,200.00</b>
<b>Cash Out</b>				
Admin. Outgoings.	————	20,000	30,000	40,600
Marketing		350,000	200,000	250,000
Cost of Goods		1,652,600	1,741,000	1,828,000
Interest Expenses		180,000	200,000	280,500
Loan Repayment	1,347,320.00	964,169.51	689,977.99	—————
Initial Investments	4,467,320.00	————	————	————
Salaries		1,386,000	1,386,000	1,486,000
Motor vehicle maintenance		80,000	80,000	80,000
Dividends		1,915,473.96	1,481,466.43	2,998,820.00
<b>Total Cash Out</b>	<b>5,814.00</b>	<b>6,548,243.47</b>	<b>5,808,444.42</b>	<b>6,963,920.00</b>
<b>Net Cash Flow</b>	<b>NIL</b>	<b>4,451,781.53</b>	<b>401,635.58</b>	<b>6,137,280.00</b>
Opening cash Bal	NIL	NIL	4,451,781.53	6,538,915.58
<b>Closing cash Bal</b>	<b>NIL</b>	<b>4,451,781.53</b>	<b>6,538,915.58</b>	<b>10,990,697.10</b>

**Balance of Sheet of my Company for the 1<sup>st</sup> 3 years**

Balance Sheet Assets	Yr 0	Yr 1	Yr 2	Yr 3
<b>Fixed Assets:</b>				
Land Machinery & others	1,874,400	1,874,400	1,874,400	1,874,400
Less Cum. Dep.	NIL	56,880.00	60,000.00	66,242.21
Total Fixed Assets (A)	1,874,400	1,874,400	1,874,400	1,874,400
<b>Current Assets:</b>				
Cash (use as balancing item)	5,100,025.00	6,210,080.00	8,101,200.00	13,101,200.00
Operating Bal	NIL	NIL	5,100,025.00	6,210,080.00
Debtors	NIL	40,000	65,000	81,000
Stock	413,550	165,420	283,970	312,200
<b>Total Current Assets (B)</b>		<b>19870993</b>	<b>50584233</b>	<b>67,626,795</b>
<b>Total Assets (C)</b>	<b>18,504,200</b>	<b>32,688,993</b>	<b>62,180,233</b>	<b>66,038,195</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Creditors	NIL	2,363,000	4,057,000	4,179,000
Dividend	NIL	5,364,157	17,595,814	20,258,718
Short Term Loan	-	2,782,052	2,921,155	3,281,000
Total Current Liabilities (D)	NIL	10,509,209	24,574,029	27,718,718
<b>Long Term Liabilities</b>				

Long Term Loan	8,984,200	6,202,148	3,280,993	NIL
Other (specify)	-	-	-	-
<b>Total Long Term Liabilities (E)</b>	8,984,200	6,202,148	2,280,993	NIL
<b>Long + Short Term Liab. (F)</b>	420,200	1,711,357	2,855,022	2,718,718
<b>Equity (C-F)</b>	520,000	1,977,636	3,325,211	3,319,477
<b>Equity:</b>				
Capital (Shares)	952000	952000	952000	952000
Retained Profits	NIL	6457636	2480521	2799477
Total Equity fund (G)	952000	1,977,636	3325211	3319477
Total Liabilities (F+G)	504,200	1,688,993	1,180,233	1,038,195

### Notes:

- Total Assets = Fixed Asset + Current + assets
- Total Liabilities = Long term Liabilities + Current Liabilities + Shareholders Fund
- Shareholders' Equity = Total Assets - Total liabilities
- Capital Employed = Total Assets - Current Liabilities
- Working Capital = Current Assets - Current Liabilities.

### Ratio Analysis

Type of ratios	Year 1	Year 2	Year 3
<b>Liquidity</b>			

<b>ratios:</b>			
a. Current ratio	0.21	0.22	2.46
b. Acid test ratio	1.62	1.89	2.22
<b>Leverage ratios:</b>			
a. Debt equity ratio	0.41	0.22	—
<b>b. Debt capitalization ratio</b>	0.25	0.08	—
<b>Loan coverage ratio</b>			
a. Interest coverage ratio	32.48	150.96	235.85
b. Assets coverage ratio	3.25	9.47	—
<b>Profitability ratio</b>			
a. Return on capital employed	65.04%	121.23%	145.21%
b. Net profit margin	16.50%	42.54%	36.25%

## PART VI

### Risk Analysis, Contingency plan, and Exit Strategy:

#### 6.1 Risk Contingent Analysis

My palm oil distribution company has identified the risks discussed in the table below.

Actions taken to guard against the risk are given as Mitigants

S/n	Risks	Mitigants
1.	Inadequate start - up demand	Aggressive promotion and advertising campaigns.
2.	Unexpected adverse events	Appropriate insurance policy will be taken
3.	High unexpected entrance of many competitors due to the fact that the business is profitable	Use of trade secret to keep product formulation formula secret from potential competitors. Also continuous aggressive marketing will be sustained

#### 6.2 Contingency Plan & Exit Strategy

The project promoters do not foresee a situation where it will fail. However, if the scenario tends to failing, the business can easily be sold since the equipment can easily be used for other things. Alternatively, the business can easily open other lines of business and diversify.

## **Other Consideration and Conclusions**

### **6.3 Economic Justification**

This project can deliver incense benefits like job creation, contribution to GDP, gross capital formation, gross domestic product (GDP). Particularly it will:

1. It will provide job for 12 persons
2. It will contribute more than ₦ 10,000,000 to Gross Capital
3. It will contribute more than ₦200 Million to the GDP in the next three years.

### **6.4 Commercial Viability**

The project is very profitable as it will generate more than ₦103 Million in profit in the next three years. The liquidity positions are: N5, 200,185.00, ₦7, 415,000.00; and ₦ N22, 520,105.00 for year 1,2, and 3 respectively. Equally share holders net worth will from ₦2, 520,000 operation to over ₦21, 319,477.00 at the inception of business by the third year of operation.

### **6.5 Conclusion and Recommendation:**

In view of the technical feasibility and commercial viability of the project, it is highly recommended for implementation and funding.