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**TOPIC:
PROCESSING OF BAMBARA NUT INTO FINE FLOUR**

**AN ASSIGNMENT
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PROCESSING OF BAMBARA NUT INTO FINE FLOUR

Part I

1.0 Executive summary

The following are report and recommendation relative to the propose processing of bambara nut into fine flour.

1.1 the following report and recommendation relate to the proposal by the Iroegbu Ifeoma Destiny to establish a bambara nut processing company that will as well bag and market the produce, the actual target for this operation is Enugu Anambra road.

1.2 The project would require a start-up capital of 432500. Made up of N337500 for fixed capital and 9500 for working capital.

1.3 The enterprises vision is to be the most out standing supplier of fine bambara nut flour with relative price and door step delivery.

1.4 The project will be located at Enugu Anambra express road for easy access to market, that includes raw material and where the produce will be disposed.

1.5 A huge market is available for the business operation.

1.6 The financial projections indicates that the project will be financial stable as profit ranges from N409983750 for the first year, 616871250 for the second year and 822639600 for the third year.

1.7 The competitive edge of the enterprise lies in its ability to produce quality bambara nut flour that will replace the local means of production, carry out door step delivery and other marketing strategy.

1.8 Profitability measures are shown below:

	Year 1	Year 2	Year 3
Profit after tax	409983750	616871250	822639600

% return on turn over	Nil	1.58	125.1
% return on equity	309421.698	465563.21	620860.1
% return on investments	477.93	481.46	481.90

From the analysis made through the findings, the proposed project is found to be technically feasible, financially viable, and economically desirable. Therefore the project offers good investment benefits, and is highly recommended for implementation.

Part II

2.0 Introduction:

The plan processing of bambara nut into fine flour is a business concept that is expected to yield a great return due to the fact that many patronise bambara nut flour which is called *okpa* in the local parlance it is a nutritious meal that many have come to embrace even non indigenes of the original eater's, the product have gone wide in the marketer and have attracted many sales yet not all that buy this product know how to process it coupled that the process involved is a tedious one because of the reason many have resulted in patronising market woman who sales the powdered form. As this may be loves of quality have come to discover that majority of the sellers do mix some other type of flour with this bambara nut flour thereby changing the original testy and quality therefore have resolved to battle with the stress that go with the processing of the bambara nut seed to fine flour that will be used to prepare the delicious meal called *okpa*.

For some others who could not coup with the stress the buy what they see, while others who can bally tolerate don't have the chance and time to, therefore the need for this market where this bambara nut seeds will be process into fine flour and will be bagged to meet with demand of modern testy and fashion. It's

believed that demand for this product will increase much greater as it will be made easier and simple for people.

2.1 Vision of

The main target is to produce quality products and be known for it.

2.2 mission

To produce bambara nuts fine flour that stands for quality.

Making the preparation of *okpa* an easier one.

2.3 Key success factors

The key success factors are:

- a. The use of modern machine to process bambara nut seed into fine flour.
- b. Sell of goods at affordable rates.
- c. Bagging of the products into different sizes to meet with all level of demand.
- d. Door step delivery.

2.4 Inherent risks.

- a. The major problem that will delay this project is inadequate finance to back up and standardize the product.
- b. The massive outgrowth of this product will draw lots of people to embark in the business.
- c. Acquisition of bambara nut seeds from April-September will constitute some financial problem.
- d. Plans are drawn to checkmate the above mentioned obstacles.

2.5 Business ownership

The business is going to be a sole proprietorship, wholly own and managed by the proposal Iroegbu Ifeoma Destiny.

2.6 Locational factors

The bambara nut processing company is to be station at Enugu Anambara express way, the choice for this location are:

1. It's nearness to market where the products will be sold.
2. It's nearness to market where bambara nut seeds will be purchased.
3. Road network is also another contributing factor.
4. Technical knowhow with relative price consideration.

2.7 Available market

From available information the demand for *opka* is of high value and is on increase, the processing of bambara nut into fine flour and bagging of it is a new concept even though a semi processing of this product is in market. The proposal wishes to use modified equipments to process and bag the product thereby increasing effectiveness and efficacy of the produce. The producer also

targets meeting up with students and working class people who might not have the chance to process the seed into fine flour because of time and space a Suring them of quality with affordable price, with these it's most expected of the business to flow and grow to greater height.

Part III

3.0 Products

The product and services to be rendered by this company are:

Processing of bambara nut into fine flour and bagging of it.

Selling of the processed bambara nut fine flour to both retailers and consumers.

Selling of waste produce from the processed bambara nut seeds.

3.1 Product description

. Processing of bambara nut

The processing of bambara nut seeds into fine flour is the major target of this company, its aim is to make available at affordable rate bambara nut flour and bagging it in different sizes to compete and bet current market supply.

. Selling of process bambara nut fine flour.

Marketing of this product is also the aim of this company as it hope delivery the products to both retailers and consumers, including door step delivery.

. selling of the waste produce from the processed bambara nut seeds

The company will also generate income from the sales of waste produce of bambara nut seed.

3.2 Costing.

The costing of produce is base mainly on:

Bambara nut seeds and needed equipments especially in the first year.

3.3 Market demand.

The demand for bambara nuts flour is on high demand within the eastern part of the country as many use it prepare their local dish called *okpa*, *the choice of the site will enable the production and marketing of the products as it's close to market where raw materials will be purchased at a lower price and to market where sales will be made.*

It is estimated that about 6000000 demand is made on annual bases and suppliers of locally processed flour are less than 35% and could only make available 2100000, from this one can deduce a viable market.

3.4 Projected demand-supply gap of processed bambara nut fine flour

The total demand of bambara nut fine flour within the area of location is 6000000 and current supply is of 2100000, for better understanding a table below will explain this in detail.

Table 1: projected demand-supply gap of bambara nut fine flour

Adjustment	Demanded-supply gap
Estimated average annual demand	6000000
Less 35% of supplies of existing marketers or bambara nut fine flour in the area	2100000
	3900000
Less 20% due to expansion of existing marketers and new ones	120000
	2700000
Less 5% estimate error	300000
Estimated demand-supply gap	2400000
Anticipated annual production of bambara nut fine flour	1000000

with the estimated demand-supply gap ranging at 2400000 and anticipated annual production being 1000000 there would not be much trouble in the sale of this product and even possible increase in produce.

Part IV

Market, customers and competitors

4.0 Market analysis

The processing of bambara nut into fine flour and bagging it is a vital business and has excellent market opportunity as many patronise the produce and only limited few are using modern means in their processing while majority uses the local means of production, I plan using modern means of production to out bet

current suppliers, and should the market become competitive there is enough demand to go round.

4.1 Customers/market segmentation.

The following are groups that will easily purchase the produce:

- a. Students and singles; the students and singles in the society will find it easy to buy the small and medium size, and they will prefer it over those prepared in market places as the product will be relatively cheaper and easy to prepare.
- b. Working class people and some others that might not be able to cope with the stress of processing of the bambara nut seeds into fine flour either for lack of or laziness, this group are highly expected to go for the family size, to add to them other consumers of the produce are sure to patronise the goods and services.
- c. Livestock farmers are sure to patronise the waste from the bambara nut seeds.

Part V

5.0 Marketing plan.

There are many grinding and processing stores around but majority use local means which is much tedious, in the market sellers of processed once are there but many do not patronise them for the fear of buying low quality produce as many believed that the sellers do mix the bambara nut flour with another to maximal profits. Its against this background that the concept of processing and bagging of the product is generated aiming at high quality production at affordable price is target. Following analysis I hope over taken and becoming a leading figure in the market world of bambara nut processing.

5.1 Promotion strategy.

Adequate measure will be put in place to attract buyers from different works of life and one of them will be end of the year promo, buy two family size to get one small size free.

5.2 Marketing strategy.

To maintain a vibrant market the company intends using door step delivery, giving out goods on credit to trusted retailers on the bases of payment a week- two weeks after delivery.

Local market will be penetrates and with time more cities will be served with the produce

To round it up adverts will be made on radio, television and social medias .

5.3 Marketing positioning.

The company will position herself to be know and reckon with quality production.

Time delivery and ever trusted.

5.4 Projected sales, the table below will indicate the annual projected sales of processed bambara nut seed.

Table 2: projected sales

No of year	Sales from small size	Sales from medium	Sales from family size	Sales from waste	Total sales
Year 1	34050000	26550000	481500000	100000	541200000
Year 2	51075000	39825000	722250000	150000	813300000
Year 3	68100000	53100000	963000000	200000	1084400000

Part VI

Technical Analysis, Management and Organization

6 Technical analysis.

The modify means of processing of bambara nut seeds into fine flour requires technical knowhow and for this reason the service of able technicians will be hired for smooth operation and processing.

6.2 Schedule of operation.

Bambara nut seeds are plenteous during October to February period but scares within other months of the year, in other to combat this obstacle so that it does not affect market supply the company has planed producing abundance in the months of plenty and storing them up, while a reduce number will be produced during scares period in other to reduce cost. The table below will explain in detail the complany's scheduled operation plan.

Table 3: schedule operation plan

Month	Small size	Medium size	Family size	Total
Jan	10000	5000	35000	50000
Feb	10000	5000	35000	50000
Mar	10000	5000	35000	50000
Apr	5000	2500	10000	17500
May	5000	2500	10000	17500
Jun	5000	2500	10000	17500
Jul	5000	2500	10000	17500

Aug	5000	2500	10000	17500
Spt	7000	3000	20000	30000
Oct	15000	7000	40000	62000
Nov	50000	21000	120000	191000
Dec	100000	30000	200000	330000
Total	227000	88500	535000	850500

This production plan will guide the company on its produce, the reason for decline from the month of Apr to Spt is that at this period the bambara nut seeds are scarce and more costing, not minding the decrease in production the supply curve wouldn't be affected as produce from subsequent months will be on sale.

6.2 Management and organisation

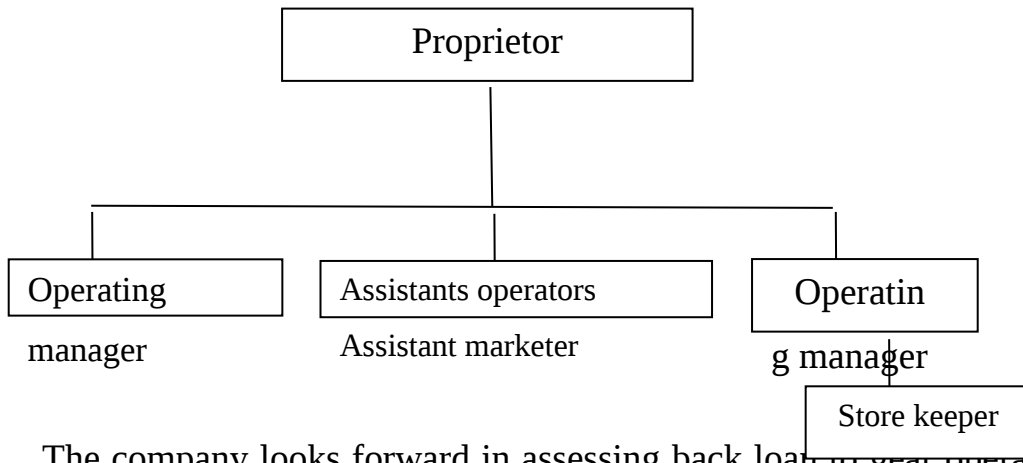
The management and organisation of the company will be run by the proprietor. For time management and efficient output the processing section will have its term of manager that will control production while the proprietor with enabling hand will go for the marketing, this choice is based on the owners love and good marketing skills, the second motivating factor is that market is a tedious work and requires able hand, more over the success and failure of the business depends largely on sales and return income output.

Table 4: management and labour compliments

s/n	Positions	No. Of staff	Annual salary per a staff	Total
1	Proprietor	1	40000	40000
2	Operating manager	1	25000	25000
3	Assistants operators	2	20000	40000
4	Assistant marketer	1	30000	30000
5	Store keeper	1	10000	10000
	5% take home bonus			30000
	Total			175000

Figure 1 below shows the organisational structure of the company

Figure 1



The company looks forward in assessing back loan to start operation as fund is the major challenge facing the production of this market idea.

6.3 Value and norms of the company.

The value and norms that will guide the company are as follows:

- a. To produce quality products
- b. To have adequate supply of products in the market arena
- c. To provide goods at affordable price.

Part VII

Legal, environmental, social and regulatory issues.

7.0 Legal issues

The company plan to commence commercial operations as a sole proprietorship, as such the business will be registered with appropriate quarters.

7.1 Enviroment

There is no much environmental issues connected with bambara nut processing as such there is no cause for alarm.

7.2 Social

The processing of bambara nut into fine flour will greatly influence the society and the environs for good as labour will be employ, quality market served, door step delivery carried for time management and the waste produce use as compose manure.

7.3 Regulatory

The company will comply with all regulatory body necessary for the production of the produce.

Part VIII

8.0 Risk analysis

The project can be faced with some challenges that will try to hinder the progress of the plan, the threats have been identified and the possible solutions made available the can be seen in the table below.

Table 5: Identified risks and their possible solutions.

Identified risks	Solution
Inadequate funding	To borrow loan from bank
Inadequate start-up demand	Aggressive promotion and advertising campaigns
Irregular bambara nut supply	Buying plenty bambara nut during the season.

8.1 SWOT analysis

A SWOT analysis carried out on the project reveals the following:

8.1.1 Strengths

. The location of the company is one of its major strength as both market is well positioned for it.

. The pricing also stands in for its opportunity

. Door step delivery will add up to the opportunities of the company strength

8.1.2 weaknesses

The weakness that might face this business plan is pleasures from competitors, and inadequate supply of raw materials.

8.1.3 Opportunities

The high demand for this product is one of its great opportunities

The market positioning also add to its opportunity.

8.1.4 Threats

Pleasures from competitors and standing traditional ways of processing bambara nut will create a barrel to the success of the business.

From the above threats, opportunity, weakness and strength adequate plans are put into place to combat them.

8.2 Exit strategy

There is no plan for exit rather diversification will be considered.

Part IX

Company financial

9.1 Summary of project cost.

The total cost of the business is 86025000, but the start-up capital is N432500 and its made up N337500 for machinery and other equipment while N95000 is for working capital.

9.2 Fixed capital investments

The company is located in a very motorable area that will enhance market supply and acquisition of raw material.

Table 6: fixed capital investments

s/n	Detail	Qty	Unit price N	Total amount N
1	Company building	1	30000	30000
2	Gridding machine	1	60000	60000
3	Sieving machine	1	75000	75000
4	Packaging machine	1	70000	70000
5	Bowel	5	2500	12500
6	Delivery van	2	45000	90000
	Total			337500

9.3 utilities

There are needs for light and water for day to day running of the business, the table below makes provisions for such expenses.

Table 7: Expenses on utilities projected

Utilities	Year 1N	Year 2 N	Year 3 N
Light	50000	70000	90000
Water	5000	5500	6000
Total	55000	75500	96000

9.4 Other expenses

There are other expenses that the company will incur at long run they are illustrated in the table below.

Table 7: Other operating expenses

Types of expenses	Year 1 N	Year 2 N	Year 3 N
Vehicle maintenance	5000	10000	15000
Business travels	10000	5000	5000
Machine maintenance	20000	30000	40000
Total	35000	45000	60000

9.5 Working capital forecast.

The table below indicate the working capital forecast.

Table 8: working capital forecast

Working capital items	Year 0 N	Year 1N	Year 2 N	Year 3N
Bambara nut	85000000	85000000	127500000	170000000
Lyon bag	50000	50000	75000	100000
Fuel	100000	100000	150000	200000
Diesel	45000	48000	68000	90000
Salaries/wages	175000	175000	177000	180000
Provision for utilities and other expenses	75000	95000	755000	136000
Debtors 14 day value of sales	20758356	20758336	31195068	41593425
Less creditor 10% of price of bambara	850000	850000	1275000	1700000
Working capital	95000	85782500	128125000	170706000
Increase and decrease in working capital		85687500	42342500	42581000

9.6 Total required investment for start-up, the table below will indicate the start-up capital.

Table 9: start-up capital

S/n	Capital items	Amount N
1	Machine, equipment, and others	337500
2	Working capital requirement	95000
	Total	432500

9.7 Financing plan.

The financing plan will be showed in the table below.

Table 10: financing structure

Source	Amount N
Equity contribution	132500

Bank loan	300000
Total	432500

9.8 loan repayment schedule and interest paid.

The loan repayment schedule plan is drawn below

Table 11: loan repayment and interest repayment schedule

Year	Loan	Repayments	Interests	Loan balance
	300000	Nil	35000	335000
	335000	200000	35000	170000
	170000	205000	35000	Nil

9.9 Depreciation

The table below will showcase the annual depreciation

s/n	Capital	Ls	Iv	Sv	Depreciation
1	Gridding machine	1	60000	40000	20000
2	Sieving machine	1	75000	60000	15000
3	Packaging machine	1	70000	65000	5000
4	Bowel	5	12500	10500	400
5	Delivery van	2	90000	80000	5000
	Total				45400

9.10 Forecast of profit and loss

Table 12: profit and loss table

Particular	Year 1 N	Year 2 N	Year 3 N
Expected sales	541200000	813300000	1084400000
Less 1% discount	10000	15000	20000
Net sales	541190000	813285000	1084380000
Expenses			
Cost of production	85387500	127575000	170000000
Utilities	55000	75500	96000
Other expenses	35000	45000	60000
Salaries and wages	175000	177000	180000
Total expenses	85652500	127872500	170336000
Profit before	455537500	685412500	914044000

tax			
Less 10% tax	45553750	68541250	91404400
Profit after tax	409983750	616871250	822639600
Less depreciation	45400	90400	136200
Net profit	40993838850	616780850	822503400
Retained earnings	40993838850	616780850	822503400
Dividend	200000	150000	100000

9.11 Cash flow projection

Table 13: cash flow

Cash in:	Year 0 N	Year 1 N	Year 2 N	Year 3 N
Equity	132500			
Bank loan	300000			
Net profits		40993838850	616780850	822503400
Depreciation		45400	90400	136200
Total cash in	432500	40993884250	616871250	822639600
Cash out				
Equipment & others	337500			
Working capital	95000	85782500	128125000	170706000
Increase/decrease in cash		85687500	42342500	42581000
Loan repayment			200000	205000
Dividend		200000	150000	100000
Increase/decrease in cash				651628600
Total cash out	432500	85487500	128475000	171011000
Opening bal	Nil	Nil	40908396750	651628600
Increase/decrease in cash	Nil	85055000	4089989250	523153600
Closing balance	Nil	432500	36818407500	128475000

9.12 Balance sheet projection

Table 14 balance sheet

	Year 0 N	Year 1 N	Year 2 N	Year 3 N
Fixed assets:	337500	337500	337500	337500

Machinery, equity & others Less Com. Dep.		45400	90800	136200
Net fixed assets	337500	292100	246700	201300
Current assets				
Stock of material	85095000	85095000	127793000	170390000
Opening bal b/f			40908396750	651628600
Debtors	20758356	20758356	31195068	41593425
Cash in / bank				
Total of current assets	105853356	105853356	41067384818	863612025
Long term liabilities:				
Capital (Equity)	132500	132500	132500	132500
Retained earnings		40993838850	616780850	822503400
Bank loan	300000	335000	370000	405000
Total of long term liabilities	432500	40994306350	617283350	823040900
Current liabilities				
Loan repayment			200000	205000
Creditors Dividend		200000	150000	100000
Total of current liabilities		200000	350000	305000
Total liabilities	432500	40994506350	617633350	822735900

Part X

10.0 Financial analysis

The project commence commercial operation the very the year its install and the expected sells range from 541200000, 813300000, and 1084400000 for the three year program analysis.

10.1 profitability analysis relevant profitability ratios for the first three year are shown below

Table 15 profitability analysis

	Year 1	Year 2	Year 3
Profit after tax	409983750	616871250	822639600
% return on turn over	Nil	1.58	125.1
% return on equity	309421.698	465563.21	620860.1
% return on investments	477.93	481.46	481.90

10.2 Cash flow projection

The cash flow is shown below

Table 16:cash flow

Year 1	Year 2	Year 3
432500	3681407500	128475000

The cash flow projection indicates that the business plan is viable.

10.3 Projected balance sheet

From the three year period the share holders fund grew on the average shown in

the table below

Table 17

Year of operation	Year 1 N	Year 2 N	Year 3 N
Share holders	200000	150000	100000

11.0 other considerations and conclusion

11.1 Economic justification.

From the analysis made through the findings it can be said with bond confidence that this market plan is viable and economical reliable

11.2 commercial viability

The commercial viability of the business is sure as shown in the above analysis, the sales are good and profits are on increase with relative price.

11.3 Conclusion

Having drawn the following tables to illustrate the economic viability of bambara nut seed processing and bagging using improved modern facilities to achieve a refined product and easy to cook food with door step delivery and other marketing strategies is sure to say that the business plan is a real business opportunity that is hidden to many, therefore requires extra carefulness in its identification.