

**UNIVERSITY OF NIGERIA, NSUKKA  
FACULTY OF THE SOCIAL SCIENCE  
DEPARTMENT OF PUBLIC ADMINISTRATION AND  
LOCAL GOVERNMENT**

**A BUSINESS PLAN ON EVENT PLANNING AND USHERING SERVICES**

**SUBMITTED**

**BY**

**MERITABLE EVENTS/  
NWAKPA MERIT UGONNA  
2014/192926**

**SURULERE, LAGOS STATE  
EVENT PLANNING AND USHERING SERVICES**

**SUBMITTED**

**TO**

**Centre for Entrepreneurship and Development Research  
University of Nigeria Nsukka  
(CEDR 342)**

**LECTURER: DR. MRS T.C. NWAOGA**

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## **MERITABLE EVENTS**

### **PART 1**

#### **1.0 EXECUTIVE SUMMARY**

**1.1** The following report and recommendation relate to the proposal by *MERITABLE EVENTS* to establish an events planning and ushering services at Surulere, Lagos state, with prospective branches all over the nation.

**1.2** The project would require a start-up capital of N1, 500,000, made up of N780, 000 for fixed assets and N720, 000 for working capital

**1.3** The enterprise vision is to be positioned to be a one-stop shop in Nigeria for high quality varied events management service. We provide the people, product and services needed to make our clients' event pleasurable and memorable.

**1.4** The project will be located at Surulere because of its easy access to target market from that location.

**1.5** A huge market is available for the business to serve.

**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 N800, 000 for year 1, N950, 000 year 2 and N1, 200,000 year 3 respectively.

## **PART 11**

### **2.0 INTRODUCTION**

The planned events planning and ushering services outlet project is the result of strong industry and needs assessment studies undertaken by the promoter of this project in the western zone of Nigeria, particularly in Lagos state. The studies reveal that the demands for an affordable, pleasurable and memorable event by prospective clients are high and there are few to none event planning centers willing to offer this service. Also because of this bias, many don't think they can afford a befitting planned event for their occasion that will be pleasurable. With the provision of this service the people's heart would be revived again to have their events planned and many will opt for their events to be planned causing an expansion in the events planning industry. This expanding demand trend is expected to be sustained into the future.

### **2.1 VISION**

The enterprise vision is to be positioned to be a one-stop shop in Nigeria for high quality varied events management service. We provide the people, product and services needed to make our clients' event pleasurable and memorable.

## **2.2 MISSION**

To be the best event planning and ushering service provider in Lagos state, Nigeria in an ever changing, fast-paced world, *Meritable Events* strives to be the best choice of clients by helping to ease their event planning burden. Through consistent, predictable professionalism, *Meritable Events* will ensure a worry and hassle-free event at a reasonable price.

## **2.3 KEY SUCCESS FACTOR**

Our keys to success include the commitment to quality by every person who is part of the team. Each of us will be responsible to push ourselves to a higher level of professionalism in three areas:

1. Consistent, accurate fulfillment of the client's wishes.
2. Competitive pricing for the quality of services offered.
3. Significant profit made on each event planned.

## **2.4 BUSINESS OWNERSHIP**

The business is a sole proprietorship wholly owned and managed by Nwakpa Merit Ugonna.

## **2.5 LOCATIONAL FACTORS**

The event planning project is located at Surulere, Lagos state. What informed the choices of this location are:

- A. easy access for clients
- B. existence of good road network and ease of market access
- C. nearness to suppliers for sources for planning events
- D. availability of cheap and reliable labour

## **2.6 AVAILABLE MARKET**

Survey shows that not less than 1,000 persons have occasions to celebrate e.g. funeral, child naming ceremony, weddings, graduations, coronation to mention in a month in Surulere, while in the whole of Lagos state at least 5000 events are taking place monthly. This demand figure is expected to rise as the population within the market area being targeted increase, especially as not all these events are being planned by professionals due to the high price of engaging an event planner. Study shows that 90% of these events are not planned not that the people are not desiring to have a planned event that will leave an indelible memory and pleasure in their lives, but because of the unaffordable nature of the available event planners, they opt out to

go about their occasions and events on their own, which leaves about 90% of demand-supply gap, implying a huge market available for new entrants into the business. This is the joyous information for the promoter whose primary market is at Surulere, Lagos state.

## **PART III**

### **3.0 MARKET ANALYSIS SUMMARY**

The following sections describe the market segmentation, strategies, and industry analysis.

#### **3.1 MARKET SEGMENTATION**

The breakdown of the market for event planning falls in a wide, very diverse grouping. Individuals as well as organizations demand the services we provide. In order to provide the greatest depth of information, the market segments have been broken down into private and public organizations, and age groups.

##### **1. Private Organizations and Businesses**

Private organizations make up the single largest portion of Occasions' client base.

Private organizations such as businesses, corporations, and political parties host the



most events on the largest scales; therefore, these events generate larger revenues per event. The majority of larger scale holiday functions will fall under this segment.

## 2. Public Organizations

Government agencies host many events every year. Occasions hopes to alleviate the pressure of event planning for public employees. The second single largest segment, the public sector, can save money and give back to its community at the same time. These events are moderate in scale with middle to low revenues generated. Emphasis is placed on the visibility of the event for public viewing. The majority of organizational family functions will fall under this segment.

## 3. Age Breakdowns

**Under 24:** Persons under the age of twenty-four (24) using an event planner are rare at best. We hope to tap the early college graduates who have begun their professional careers but have not yet started their families. These events will focus mainly on themes with moderate to high energy appeal. The revenues generated will range from moderate to high, depending on the event. The majority of weddings will fall into this segment.

**Ages 25-55:** The persons that fall into this age group are employed, middle to upper-middle class families. The reason they choose event planners is they are too busy to

do it themselves. Therefore, Occasions will be on hand for questions, contact will be moderate in length but occur regularly so as not to disturb the daily life of the families. These events will generate moderate revenues, with a few generating low revenues. The majority of special occasion planning will occur in this market segment.

**Ages 56 and above:** Persons over the age of 55 have reached the turning point of life. Many are retiring, others are celebrating anniversaries of significant years, and still others are seeing that their children's special events are taken care of. These events will generate moderate to high revenues depending upon the income level of the family (direct correlation to social status). Most holiday parties, and other special occasions, such as wedding receptions and reunions, will occur in this market segment.

#### 4. Other

this segment has no direct information to compile for a description. It consists of any event planned that does not fit into one of the above categories.

## PART IV

### 4.0 TARGET MARKET SEGMENT STRATEGY

Our target markets are middle to upper-middle class families, couples, individuals, or private and public organizations. We chose these groups because they are most able to afford event planners, and have the least amount of time to spare for event planning in general. Families demand attention, employees are overburdened, and overwhelming detail needed to plan large events are too large a constraint to place on people not trained in the area of event planning.

The fast pace of the world we live in leaves little time for extra things we would like to do, like plan events, parties, and social get-togethers. *Meritable Events* fills the need by being available to take on the burden of planning so that people can spend time on more important things, like family and friends. The demand for this service can only increase considering the rise in incomes, population, and need for interpersonal relations in the workplace.

### 4.1 SERVICE BUSINESS ANALYSIS

*Meritable Events* is in a unique position of competition. We compete against hotels with conference facilities, conference centers, other event planners both on the large and small scale, persons within an organization who are assigned the task of

organizing an event, and people who wish to organize their own events without the benefit of assistance. The benefits and drawbacks of each of our competitors as compared with the services we offer are hardly a match in quality and price.

### 1. Hotels and Conference Centers

Strengths: On-site facilities, equipment, and support staff. Ability to transport and house persons for overnight stays. Able to internalize costs of transportation and equipment.

Weakness: Often very expensive, impersonal, rely on unskilled labor for support staff. The error rate is high due to high volume and traffic from other events happening at the same time.

### 2. Other Event Planners

Strengths: Have been in the market longer, have established a reputation and client base.

Weakness: Reputation precedes them, no systems-based businesses designed to produce consistent results; focus on smaller events, specialized events are main focused rather than all events; do not have the supporting products to market with, or instead of, event planning services.

### 3. Employees or Persons wishing to do it themselves

Strengths: Internalized cost of planning the event; able to add tiny personalized touches that have meaning within the group or family.

Weakness: Consumes time that could be spent on other things; don't have access to the best prices, services, and other needed resources available.

When marketing to public or private organizations, the idea of greater efficiency for the money and a professional event without error would be the key concept. Groups, especially large ones, do not wish to deal with problems that arise due to oversight on their part. If the guarantee of worry-free, error-free events is available at a cost benefit to them, there really appears to be no better choice.

## **PART V**

### **5.0 Management Summary**

Information and expense details are presented in subtopics Organizational Structure and Personnel Plan.

#### **5.1 Organizational Structure**

The management team within *Meritable Events* will be small in the beginning. The primary employee is the founder, who plans events, then contracts with caterers,

decorators, disc jockeys, and bands to fill out the event. A contract labor site manager will be on hand to work the events as a liaison and vendor coordinator. Thus, there are two main employees with various levels of vendors.

When *Meritable Events* reaches its expansion goals, each office will have one to two event planners, an office assistant, two to three site managers for the events, and a product and marketing specialist. This team will function as one with constant communication through weekly staff meetings, email, and message boards. All jobs are interrelated. The performance of one affects the performance of the others; therefore, each team member expects nothing but the best from each other.

As it functions currently, we see no gaps in the management of this organization. Should *Meritable Events* grow beyond its estimated size; more positions in specialized areas will need to be added as well as additional site support and office assistance. To fill these positions, *Occasions* is looking for energetic, teachable, detail-oriented persons who want the potential to grow and improve their skills within the organization. *Meritable Events* wants to be the best; therefore, they will hire those who want to succeed.

## 5.2 Personnel Plan

The following table shows the estimated personnel needs for *MERITABLE EVENTS*

Personnel Plan			
	Year 1	Year 2	Year 3
Event Specialist	N360,000	N380,000	N400,000
Site Manager	N480,000	N500,000	N560,000
Other	N500,000	N550,000	N600,000
Total People	12	15	20
Total Payroll	N1,340,000	N1,430,000	N1,560,000
Grand total			N4,330,00

0

## PART VI

### Legal, environmental, social and regulatory issues

## 6.0 LEGAL ISSUES

*Meritable Events* plan to commence operations as a sole proprietorship. Such it is just enough to register the business name with the appropriate department at the local government headquarters. No special licenses are required for the operation of an events planning outlet, however, every attempt to get the necessary permits and licenses will be made.

## **6.1 ENVIRONMENTAL ISSUES**

There are no adverse environmental challenges posed by this kind of business.

## **6.2 SOCIAL ISSUES**

The implementation of this project will bring a lot of social and economic benefit to the society in the following ways:

A. it will create new jobs

B. it will bring about wealth creation and poverty reduction.

## **6.3. REGULATORY ISSUES**

The event planning and ushering services will comply to all relevant industrial safety regulatory requirements.

## **PART VII**

## **7.0 RISK ANALYSIS**

This project is subjected to risk analysis and some inherent risks identified and appropriate mitigants preferred to avoid the business being disrupted.



<b>WEAKNESSES</b>	<b>STRENGTHS</b>
Consumes time that could be spent on other things; don't have access to the best prices, services, and other needed resources available	Internalized cost of planning the event; able to add tiny personalized touches that have meaning within the group or family.
Have been in the market longer, have established a reputation and client base.	Reputation precedes them, no systems-based businesses designed to produce consistent results; focus on smaller events, specialized events are main focused rather than all events; do not have the supporting products to market with, or instead of, event planning services
Often very expensive, impersonal, rely on unskilled labor for support staff. The error rate is high due to high volume and traffic from other events happening at the same time	On-site facilities, equipment, and support staff. Ability to transport and house persons for overnight stays. Able to internalize costs of transportation and equipment.

## **PART VIII**

### **8.0 PROJECTED CASH FLOW**

Our cash situation is great. Although we begin with little extra cash, our increased growth allows us to make up for lost time. Our cash balance is always above the mark with the cash flow not too far behind. We have no negatives in our cash analysis.

#### Pro Forma Cash Flow

Year 1            Year 2            Year 3

Cash Received			
Cash from Operations			
Cash Sales	N141,260	N197,868	N221,912
Cash from Receivables	N178,271	N283,330	N27,145
Subtotal Cash from Operations	N319,531	N481,198	N549,057
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	N0	N0	N0
New Current Borrowing	N4,000	N1,080	N1,080
New Other Liabilities (interest-free)	N0	N0	N0
New Long-term Liabilities	N0	N0	N0
Sales of Other Current Assets	N0	N0	N0
Sales of Long-term Assets	N0	N0	N0
New Investment Received	N0	N0	N0
Subtotal Cash Received	N323,531	N482,278	N550,137
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	N56,044	N63,310	N66,560
Bill Payments	N199,964	N209,268	N223,979
Subtotal Spent on Operations	N256,008	N272,578	N290,539
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	N0	N0	N0
Principal Repayment of Current Borrowing	N3,500	N500	N0
Other Liabilities Principal Repayment	N0	N0	N0
Long-term Liabilities Principal Repayment	N0	N0	N0
Purchase Other Current Assets	N0	N0	N0
Purchase Long-term Assets	N0	N0	N0
Dividends	N0	N0	N0
Subtotal Cash Spent	N259,508	N273,078	N290,539
Net Cash Flow	N64,023	N209,200	N259,598
Cash Balance	N66,323	N275,523	N535,121

## 8.1 Projected Balance Sheet

*Meritable Events* is set up for success. According to the numbers, we start out fair and end up amazing. By FY2020, we will be worth over N2, 225,000 with a profit margin of over 30%. We are operating with little to zero debt, boosting the net worth even higher. Our only weakness is the products to be released in FY2000 have not been accounted for as an investment of funds. This will affect the cash flow in a moderate way, and is undetermined how it will affect the profit ratio of the business.

#### Pro Forma Balance Sheet

	Year 1	Year 2	Year 3
Assets	N66,323	N275,523	N535,121
Current Assets	N33,618	N47,090	N52,812
Cash			
Accounts Receivable			
Inventory	N4,991	N6,975	N7,665
Other Current Assets	N0	N0	N0
Total Current Assets	N104,933	N329,588	N595,598
Long-term Assets			
Long-term Assets	N0	N0	N0
Accumulated Depreciation	N0	N0	N0
Total	N0	N0	N0

Long-term Assets			
Total Assets	N104,933	N329,588	N595,598
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	N21,270	N16,836	N18,550
Current Borrowing	N2,500	N3,080	N4,160
Other Current Liabilities	N0	N0	N0
Subtotal Current Liabilities	N230,770	N119,916	N322,710
Long-term Liabilities	N0	N0	N0
Total Liabilities	N23,770	N19,916	N22,710
Paid-in Capital	N3,665	N3,665	N3,665
Retained Earnings	(N3,365)	N77,497	N306,007
Earnings	N80,862	N228,510	N263,216
Total Capital	N81,162	N309,672	N572,888
Total Liabilities and Capital	N104,933	N329,588	N595,598
Net Worth	N81,162	N309,672	N572,888

## 8.2 Business Ratios

Data on our business ratios is shown in the table below. Industry Profile ratios are based on Standard Industry Classification (SIC) Index code 7299.

	Ratio Analysis			
	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	0.00%	40.07%	12.15%	11.37%
Percent of Total Assets				
Accounts Receivable	32.04%	14.29%	8.87%	10.40%
Inventory	4.76%	2.12%	1.29%	3.83%
Other Current Assets	0.00%	0.00%	0.00%	48.41%
Total Current Assets	100.00%	100.00%	100.00%	62.64%
Long-term Assets	0.00%	0.00%	0.00%	37.36%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	22.65%	6.04%	3.81%	23.10%
Long-term Liabilities	0.00%	0.00%	0.00%	24.97%
Total Liabilities	22.65%	6.04%	3.81%	48.07%
Net Worth	77.35%	93.96%	96.19%	51.93%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	88.09%	88.13%	88.37%	100.00%
Selling, General & Administrative Expenses	69.22%	35.37%	34.65%	65.24%
Advertising Expenses	0.51%	0.44%	0.47%	2.43%
Profit Before Interest and Taxes	30.24%	60.84%	62.49%	4.31%
Main Ratios				

Current	4.41	16.55	26.23	1.83
Quick	4.20	16.20	25.89	1.31
Total Debt to Total Assets	22.65%	6.04%	3.81%	58.52%
Pre-tax Return on Net Worth	131.09%	97.09%	60.45%	7.33%
Pre-tax Return on Assets	101.40%	91.23%	58.15%	17.66%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	22.90%	46.19%	47.45%	n.a
Return on Equity	99.63%	73.79%	45.95%	n.a
Activity Ratios				
Accounts Receivable Turnover	6.30	6.30	6.30	n.a
Collection Days	43	50	55	n.a
Inventory Turnover	10.91	9.78	8.78	n.a
Accounts Payable Turnover	10.40	12.17	12.17	n.a
Payment Days	27	34	29	n.a
Total Asset Turnover	3.37	1.50	0.93	n.a
Debt Ratios				
Debt to Net Worth	0.29	0.06	0.04	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	N81,162	N309,672	N572,888	n.a
Interest Coverage	262.90	1,078.67	957.73	n.a
Additional Ratios				
Assets to Sales	0.30	0.67	1.07	n.a
Current Debt/Total Assets	23%	6%	4%	n.a
Acid Test	2.79	13.83	23.56	n.a
Sales/Net Worth	4.35	1.60	0.97	n.a

Dividend Payout	0.00	0.00	0.00	n.a
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