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TOPIC:
BUSINESS PLAN ON GRACIOUSVILLE NURSERY SCHOOL

**AN ASSIGNMENT WRITTEN IN PARTIAL FULFILMENT OF THE
COURSE CED 342 (BUSINESS CREATION AND GROWTH)**

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GRACIOUSVILLE NURSERY SCHOOL

PART I

1.0 Executive Summary

1.1 The following report and recommendation relate to the proposal by graciousville nursery school,

at Aseese town, Ogun state.

1.2 The project would require a start-up of 30000000, made up of N1000000 for fixed assets and 2000000 for working capital.

1.3 The school vision is to be the outstanding school in South West of Nigeria, particularly in Ogun state.

1.4 The project will be located at Aseese town because of its easy target market for that location.

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

1.6 The financial projection shows that the project would be financially stable and liquid by the time it matures.

1.7 The competitive edge of the school lies in its ability to satisfy parents in a way other schools

have not being able to do from the point of the analysis of our findings, the proposed project is

found to be technically feasible, financially viable, and economically worthy. Thus, the project

offers good investment benefits, and therefore highly recommended for implementation.

PART II

2.0 Introduction

The planned nursery school project is the result of researched assessment studies under

taken in South Western Zone of Nigeria, particularly in Aseese Town, Ogun State.

2.1 VISION

Our vision is to be an outstanding nursery school in Southwest of Nigeria, particularly

Aseese Town, Ogun state.

2.2 MISSION

Bringing out the best in every child.

2.3 KEY SUCCESS FACTOR

The key success factors are:

- Handling each child individually
- Making the school home away from home
- Extra class activities i. e teaching the pupils handiwork
- Excursion to places of history to acquire more knowledge
- Making our parents no 1 on our list
- Our pupils are always standing out wherever they are found.

2.4 INHERENT RISK

- a. There are many schools around with lower fees
- b. The place is a developing site
- c. Provision of basic utilities like electricity is not guaranteed.

2.5 BUSINESS OWNERSHIP

The business is a sole proprietorship wholly owned and managed by MISS EKPE,

GRACE AMAKA.

2.6 LOCATIONAL FACTOR

The nursery school is located at Aseese Town, Ogun State. What informed the choice of this location are:

1. Its services are what is lacking in other schools
2. Availability of competent and effective teachers
3. Parents in this location tends to come back very late from work especially times when there is serious traffic on the express.
4. Its good road which is closer to Lagos will attracts parents from outside the location.

2.7 AVAILABILITY MARKET

Information from survey shows that from about 10 schools in this location only one is leading in terms of structure, one is leading in terms of standard, one is leading in terms of cheap few while the remaining seven is struggling for students. This information has helped me to discover the high demand for a better nursery school with affordable fee, competent teachers and adequate attention for pupils.

PART III

3.0 PRODUCTS

Graciousville Nursery School will provide the following:
Outstanding pupils in every ranification

3.1 PRODUCT DESCRIPTION

Bringing out the best in each child. Nursery pupils are still very tender and needs every attention to be well nurtured. This, the school will achieve by moulding the child's mind towards achieving greatness.

3.2 COSTING

The cost of the nursery school is mainly built around three aspect, they are:

- I. The building
- II. The facilities
- III. The uniform

THE BUILDING

To get a building for this kind of business cost a lot, a very good and standard building would attract the kinds of needed parents.

THE FACILITIES

The facilities needed to operate a nursery school are very costly. Facilities like toys, good and conducive environment, a standard kitchen, competent teachers, a better playground, books and other necessary materials.

THE UNIFORM

Uniform alone can take 5% of the money if I am not very careful. A very good and quality uniform which will make the school different from other schools is the school uniform.

This is because it is from a well known designer.

III.3 DEMAND

Most parents prefer to choose a nursery close to home or failing that their workplace and currently there is no day nursery to cater for the working parents living in the relatively densely populated town of Aseese.

The customer base for the nursery is predominately working parents from the local area but would also offer places for free entitlement to provide sessional care to facilitate the transition into work for other Aseese parents currently at home with young children. Graciousville is confident that there is more than sufficient market availability in Aseese Town, Ogun State to support the day nursery. Policies to encourage walking and reduce car dependency for reasons of health and traffic congestion mean that provision for young children should be focused within or

very close to areas of population density. This current customer base will grow as the local population expands.

3.4 HOUSING AND POPULATION GROWTH

Graciousville enjoys its status as a popular and growing nursery school. Within the area previously served by well known bottling company in Nigeria. There are large numbers of people living in this area of Aseese Town, Ogun State. In addition to this, there is a brand new development of homes as more people are coming daily to this developing area of Ogun State.

PART IV

Market, customers and competitors

4.0 market analysis

Graciousville nursery school has an exciting business opportunity since there is huge market for a nursery school that will make parents be at rest that their wards are in good hands.

4.1 CUSTOMERS/MARKET SEGMENTATION

The following are the target market:

- i. Parents that are working very far from home
- ii. Parents that are not comfortable with the nursery system of other school.

Graciousville nursery school plans to articulate appropriate service for each class of parents.

PART V

5.0 Marketing Plan

There are no major nursery school in Aseese Town of Ogun State. Hence, there is complete absence of well structured and organized nursery school in this area that can really put up commendable competition. Therefore, if graciousville nursery school commences operation as planned, it will be a market leader in no distant time.

5.1 Promotion Strategy

Graciousville nursery school will embark on an aggressive awareness campaign to break the last vestige of unstructured nursery schools. This will make the admission of pupils into graciousville nursery school increase tremendously. To do this, graciousville plans to use fliers, billboard, radio and television programmes. Graciousville to sponsor spelling and art competitions to reach out to households.

5.2 Marketing Strategy.

To maintain a large number of pupils in Aseese and its environs, graciousville nursery school has decided that her pupils would be outstanding and no matter what the fee will never be

compromised upon to suit any parent because of the facilities the school provides and the learning comfort it gives the pupils. Furthermore, graciousville nursery school has planned her nursery school in such a way that there would be discount for the first twenty(20) pupils that enrolled.this would help in no small way to increase the school’s popularity and increase no of patronizers amongst other schools.

5.3 Market Positioning

Graciousville nursery school would position itself as the prime-mover and market leader in nursery school services in Aseese Town, Ogun State. The school would create peculiar leading edge profile for itself. The under stated is how the school would want to be seen by its customers, competitors and the general public.

- a . As an educational service provider with the best facilities
- b. An educator that has the customers’s (parent) interest in form of attentind to each parent’s need without discussing it another parent.
- c. As a trust worthy educator parents are assured their children is well cared for.

5.4 PROJECTED SERVICES

	Sales from Books (N)	sales from school Uniform (N)	Total sales (N)
Year 1	940000	1050000	1990000
Year 2	3407000	2970000	6377000
Year 3	2193300	3367000	5560300

Note: to push sales, 5% discount is given to regular customers.

PART VI

TECHNICAL ANALYSIS, MANAGEMENT AND ORGANIZATION

6.0 TECHNICAL ANALYSIS

Nursery school is a very difficult business to establish because of the age range of pupils and the level of understanding of the pupils. Therefore, it is a very big challenge among nursery school owners to manage her pupils with their diverse character. However, graciousville has planned its schedule of operations in such a way as to contain challenges.

6.1 SCHEDULE OPERATION

Fifty (50) pupils have been planned for the nursery school. They consist of 0-2, 2-4 years of age respectively. It is expected that each of the pupil's performance will attract more customers to the

school. This implies that the school expects 50 pupils each term.

Each term is opened with a very serious campaign and advertisement to enable the school meet target point in the market as planned.

The school involve in spelling, art, music, facility competition with other school.

6.2 MANAGEMENT AND ORGANIZATION

6.2.1 OWNER/MANAGER

Graciousville nursery school is a sole proprietorship. It is wholly owned and managed by MISS EKPE, GRACE AMAKA, who being the sole owner of the school will manage the affairs of the school. Miss Ekpe, Grace Amaka is a trained teacher and as such has enough basic knowledge of education services and management which is expected to utilize the running of the school.

To help in the day to day management of the school, some other good hands would be hired. The plan is that the hired hands will compliment Miss Ekpe, Grace Amaka especially in the area of teaching the pupils. Table three shows the staff and management compliments of graciousville nursery school.

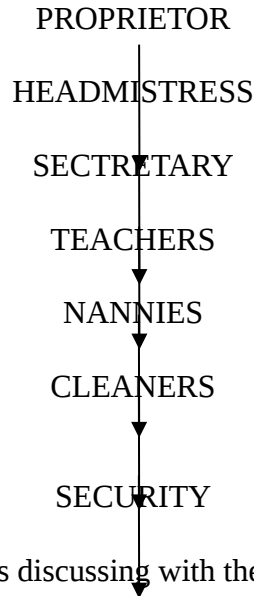
TABLE 3: MANAGEMENT AND LABOUR COMPLIMENTS

S/N	POSITIONS	NO. OF STAFF	ANNUAL SALARY PER STAFF (N)	TOTAL
1	Proprietor	1	200,000	200,000
2	Headmistress	1	110,000	110,000
3	Secretary	1	45,000	45,000
4	Teachers	4	50,000	200,000
5	Nannies	2	30,000	60,000
6	Cleaners	2	15,000	30,000

7	Security	1	15,000	15,000
	Add 5% fringe benefits			660,000 20,000
	Grand total			680,000

1.

Figure I below shows that organizational structure of the nursery school
FIGURE I



6.3 EXTERNAL SUPPORT

Graciousville Nursery school is discussing with the Ogun State small and medium Enterprises (SME) centre to offer , over a period of years , strong management and business support service. Also the Nursery school will access support on technical issues from the Entrepreneurship Development Centre where the proprietor received training on entrepreneurship. Finally the service of an educator expert and consultant has been planned to be retained.

6.4 VALUE AND NORMS OF THE SCHOOL

GRACIOUSVILLE NURSERY School plans to adopt the following norms and values:

- a. To offer the best for the benefit of her customer
- b. To uphold here integrity always
- c. To see her employees as her most valuable assets.
- d. To always be available to her customers.
- e. To do her business within business within the federal, state and local government laws.

PART VII

LEGAL, ENVIRONMENT, SOCIAL AND REGULATORY ISSUES.

7.0 LEGAL ISSUES.

Graciousville Nursery plans to commence commercial operation 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 a Nursery School however every attempt would be made to get all necessary permit and licenses.

7.1 ENVIRONMENTAL.

Gracious Nursery could pose a threat to other schools around. It is the plan of the school to strategies well on how to execute to impress parents and set standard other schools cannot meet in a short time.

7.2 SOCIAL

The implementation of the project will bring about social and economic benefitys to the society in the following ways.

- a. It will create new jobs
- b. It will bring about safety to pupils and parents who travel far to school and work.
- c. It will help to mould pupils mind.

7.3REGULATORY

Graciousville Nursery school will comply with all environmental regulations, as well as all relevant industrial safety regulatory requirements.

PART VIII

RISK ANALYSIS

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

TABLE 4: IDENTIFIED RISKS & THEIR MITIGANTS

IDENTIFIED RISKS	MITIGANTS
Possibility of services	The service of educationist
Inadequate start-up demand	Aggressive promotion and advertising campaigns
Irregular power supply	A stand by generator would be needed to power electricity in times of dry season.

8.1 SWOT ANALYSIS.

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

8.1 STRENGHTS.

- I. The location of the Nursery School makes it have easy access to its targeted customers.
- II. The category of pupils admitted must have very good and qualitative background
- III. The Nursery school has a very good plan to contain expansion which is one of the major

challenges of Nursery schools.

8.2 WEAKNESS

- i. Initial problem of raising adequate capital for the project anticipated.
 - ii. The proprietor has limited experience and expertise in Nursery School.
 - iii. Graciousville Nursery school would have to depend on the services of other teachers.
- Graciousville Nursery School plans to address these weaknesses through hiring professionals in

education and retaining services of experts in arts, music.

8.1.3 OPPORTUNITIES

Currently, there is no quality Nursery School in this location. Therefore, the expectation of

parents is very high.

Nursery School is very high in demand that is to parents that knows the worth of a very standard

Nursery school.

8.1.4 THREATS

There is still the challenge of convincing parents that this new Nursery school in their

environment has all they are travelling far to get.

- Increased competition due to more nursery schools around.
- Low initial demand

To checkmate these threats, the nursery school would mount aggressive awareness campaign and

other promotions that will portray standard and qualitative nursery school.

8.2 EXIT STRATEGY

No exit is planned, rather diversification will be pursued.

PART IX

COMPANY FINANCIAL

9.1 SUMMARY OF PROJECT COST.

The total cost of the project is N3,000,000. This is made up of N2,000,000 in a fixed capital and 1,000,000 in working capital.

9.2 FIXED CAPITAL INVESTMENT

Graciousville Nursery school is located at Aseese Town, Ogun State. On a land area of about 5 standard plots of 60"x 120". The site is motorable all year round. Table 6 shows the fixed capital investment required for the project.

Table 6: Fixed Capital Cost

s/n	Detail	Qty	Unit price (N)	Total amount (N)
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1	4 classrooms, 1 proprietress office, 1 secretary office, 1 headmistress office, 1 kitchen,	8	50,000	400,000
2	School signpost & bill board	2	30,000 & 70,000	100,000
3	White boards	7	2,000	14,000
4	Set of computers	4	37,500	150,000
5	Packets of marker	10	1,000	10,000
6	Generator set	1	75,000	75,000
	Total			749,000

9.3 Utilities

Although ,the school is somehow close to Lagos yet the electricity supply is zero.

The pupils needs electricity to cool off after a long break.

Utilities	Year 1 (N)	Year 2 (N)	Year 3 (N)
Light	10,000	20,000	30,000
Water	90,000	70,000	50,000
Total	100,000	90,000	80,000

9.4 Working Capital forecast

There are working capital needed for the business. The capital are used in an expected course of running Graciousville Nursery School.
Below is a table for the forecast of working capital needed for the project:

Working capital Items	Year 0 (N)	Year 1 (N)	Year 2 (N)	Year 3(N)

Stock of markers, boards, and others	100,000	100,000	250,000	300,000
Provision for utilities	150,000	150,000	200,000	250,000
Salaries/wages	680,000	680,000	700,000	750,000
Working capital	800,000	890,000	894000	178,4000

10.0 FNANCIAL ANALYSIS

The project comes out of the gestation period in 10 months and even by that time the sales for the month stood at N700,000.00. by the end of the first year (of which there was only 10 month of admitting and teaching activity), the sales was N178000000 and this is expected to grow to 587400000 and N646200000 respectively for the second and third year.

10.1 PROFITABLE ANALYSIS

Relevant key profitable ratios for the first three years are shown below:

	Year 1	Year 2	Year 3
Profit Tax	(985000)	10904000	204000
% Return on Turn Over	N/A	42.05	36.04
%Return on Equity	N/A	101.45	45.40
%Return on Investment	N/A	88.72	86.14

PART X

10.2 CASH FLOW PROJECTION.

By the second year of operation when the business has fully matured the cash flow deposition is shown below

Year 2	Year 3
234000	775000