

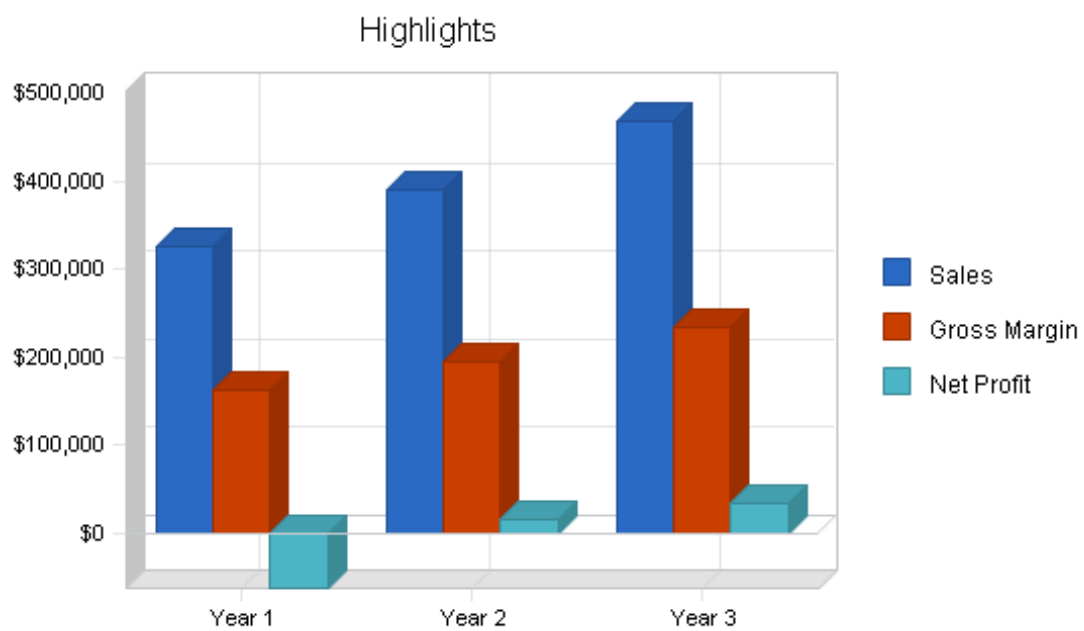
## **Executive Summary**

The Nelson Store is a start-up retail store in Ogbete Main Market, Enugu that provides interesting merchandise options at bargain prices. Financing will come from Umuchinemere Pro-credit Micro Finance Bank. They will donate equity that will be cleared at the end of 36 months. Dividends will be paid quarterly on the outstanding equity.

The Nelson Store will be incorporated as an OMATA corporation. This will shield the owners from issues of personal liability and double taxation. The investors will be treated as shareholders and therefore will not be liable for more than their personal investments. The majority owner Enugwu Nelson will contribute from his personal savings toward this business venture. With an aggressive marketing plan The Nelson Store expects to experience steady growth as it becomes more familiar to the general public.

With the financing in place The Nelson Store will be able to successfully open and maintain operations through year one. The large capital investments of the owners will provide the public with a unique and innovative store that will cater to the needs of those on fixed incomes such as low income families, the elderly, and the large student population in the Enugu metropolis. The successful operation of the

Nelson Store will provide a customer base that will allow it to be self-sufficient.



## 1.1 Objectives

1. To provide a wide range of merchandise at reasonable prices.
2. To achieve a healthy profit margin within the first year.

3. To achieve a modest net profit by year two.
4. To be an active and vocal member of the community, and provide continual re-investment through participation in community activities and financial contributions.

## **1.2 Mission**

The **Nelson** Store provides a variety of interesting merchandise options at bargain prices. Dedicated to customer service the **Nelson** Store will give its patrons the kind of service that is respectful and prompt. Employees of the **Nelson** Store will also be treated in a professional manner with a rewarding work environment and fair compensation. The **Nelson** Store wants each customer to feel as though he/she has gotten fair treatment at a bargain price.

## **1.3 Keys to Success**

To succeed in this business we must:

- Sell a broad range of products.
- Provide for the satisfaction of 100% of our customers.
- Be an active member of the community.

- Encourage customer input.

## **Company Summary**

The Nelson Store sells products and provides excellent customer service for the general public. We have leased a retail store which we use to market and merchandise our products. It is located Ogbete Main Market Enugu. The company was incorporated on January 2<sup>nd</sup> 2010.

### **2.1 Company Ownership**

The Nelson Store is a privately held corporation. It will be registered as a Subchapter S, with ownership Enugwu Nelson (60%), Enugwu Kingsley (40%).

### **2.2 Start-up Summary**

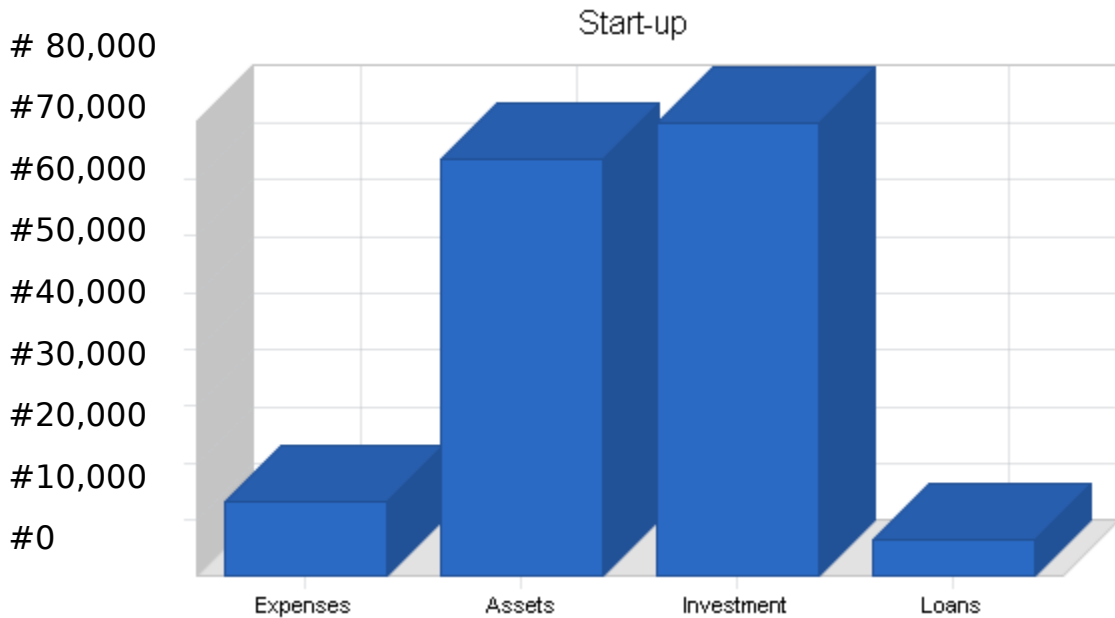
The building will be leased with a down payment of #30,000 on a four year lease.

Start-up costs will be financed through a combination of owner investment and short-term borrowing. The start-up chart shows the distribution of financing.

Other miscellaneous expenses include:

- Marketing/advertising consultancy fees for assistance in designing our grand-opening ads and brochures.

- Legal fees for corporate organization filings.
- Retail merchandising/designing fees for store layout and minor renovations.



## Products

The Nelson Store sells a variety of quality discount merchandise. The types of merchandise we will carry will include items such as beverages, article, kitchen utensils, household goods, toys, cosmetics, candy, greeting cards, and a list of items too exhaustive to list here. A dedicated staff is committed to providing excellent customer service.

The merchandise is purchased from a variety of well-known manufacturers such as Ugochukwu Ventures, O.K Foods, Chioma and Co. ventures as well as a number of

other generic branded companies. Cartons of goods arrive on a daily basis. We will continue to find new product lines that can be added to our inventory.

We are able to sell products at very low prices, because we will purchase items from discontinued lines, seconds, over runs, etc., that cannot be sold to a manufacturer's usual retail customers.

## **Market Analysis Summary**

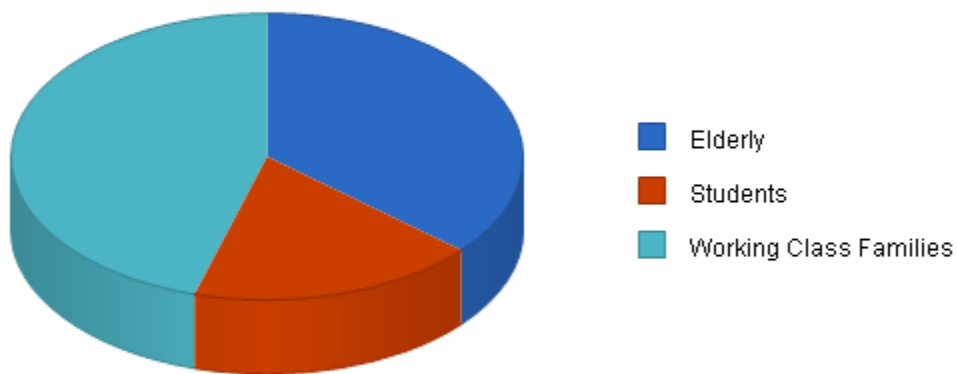
We expect sales to increase steadily as consumers find that they can purchase a variety of quality items at bargain prices. We intend to tap into the retail market with pricing that will encourage quantity buying, and our pricing will attract consumers on fixed budgets.

Our target market is the lower income portion of the Mgbemena and Coal Camp community. This includes working class individuals, the elderly, and students, many of whom are price conscious and looking to find a value for their naira.

### **4.1 Market Segmentation**

The market analysis pie chart shows potential customers and the company's target markets. The Nelson Store intends to provide affordable shopping alternatives to working class families with incomes under #25,000, for elderly people on fixed incomes, and also a large student population that tend to be on strict budgets. Nnamdi Ventures makes up the largest market segment. We expect this market to grow at a rate of 10% per year. This market constitutes the general public who are looking for affordable merchandise at bargain prices. Raymond Plaza constitutes the second largest market with a fast growing retirement community. There are also many bedroom communities that shop in the Ogbete area that will add to the percentage of consumers.

Market Analysis (Pie)



#### 4.2 Target Market Segment Strategy

We focus on the price conscious consumer who is looking for value as well as quality. Both the Nnamdi and the Raymond groups will be marketed to as they are isolated populations which do most of their shopping in the greater Ogbete area. If we can attract and keep these consumers the word will continue to spread about what our store has to offer.

### **4.3 Industry Analysis**

In an ever changing economy the discount store model is becoming more popular with the consumer. Providing a large selection of bargain-priced items is our intended goal.

#### **4.3.1 Competition and Buying Patterns**

Consumers demand quality customer service, fair pricing, and a convenient location.

Competition is very tough with customer service and location key components. The selection of merchandise a store provides is also very important.

### **Strategy and Implementation Summary**



The Nelson Store uses a strategy of total market service. Our promise is in our location and the products we sell, the people we attract, and the atmosphere we create.

We will present a store that is pleasant to shop in with a large variety of merchandise to choose from.

Ultimately, we are selling more than just merchandise. We are selling ourselves. We want to provide the kind of customer service that will provide an atmosphere that creates a positive shopping experience for our customers.

### **Strategic Assumptions:**

1. Every person with income limitations or on fixed incomes is a potential customer.
2. Marketing to these segments of the population will lead to an expansion in overall market growth.

### **5.1 Competitive Edge**

Our location is a very important competitive edge. We are located in the popular P Line which has a high appeal to many different kinds of consumers. There is a good mix of high and low end shops with several quality restaurants nearby. With

easy access from St. Patrick axis is a popular destination not only for Coal Camp residents, but for people commuting from Mgbemena and the outlying areas.

Another competitive edge we will have over our competition is the large variety of merchandise we will carry. With the sources we are working with, it will be possible to carry many name brand items at a discount price. Add a staff committed to providing great customer service and the Nelson Store will be an attractive stop for the consumer.

## **5.2 Marketing Strategy**

The Nelson Store will benchmark our objectives for sales promotion and mass selling.

We are focusing our marketing effort on the community of consumers that want a store which has an interesting variety of merchandise at bar gin prices. We will implement a strategy that treats these customers as a community. This means our marketing resources will be centered around both sales promotions (events, displays) and personal sales (customer service, friendly atmosphere).

- We will stay within our marketing budget.
- Marketing promotions will be consistent with the Mission Statement.

## **5.3 Sales Strategy**

Employees are paid a straight wage but can achieve a semi-yearly bonus based on profits and customer satisfaction rates.

All potential sales will be attended to in a timely fashion and long-term salesperson-customer relationships will take precedence over sales closure.

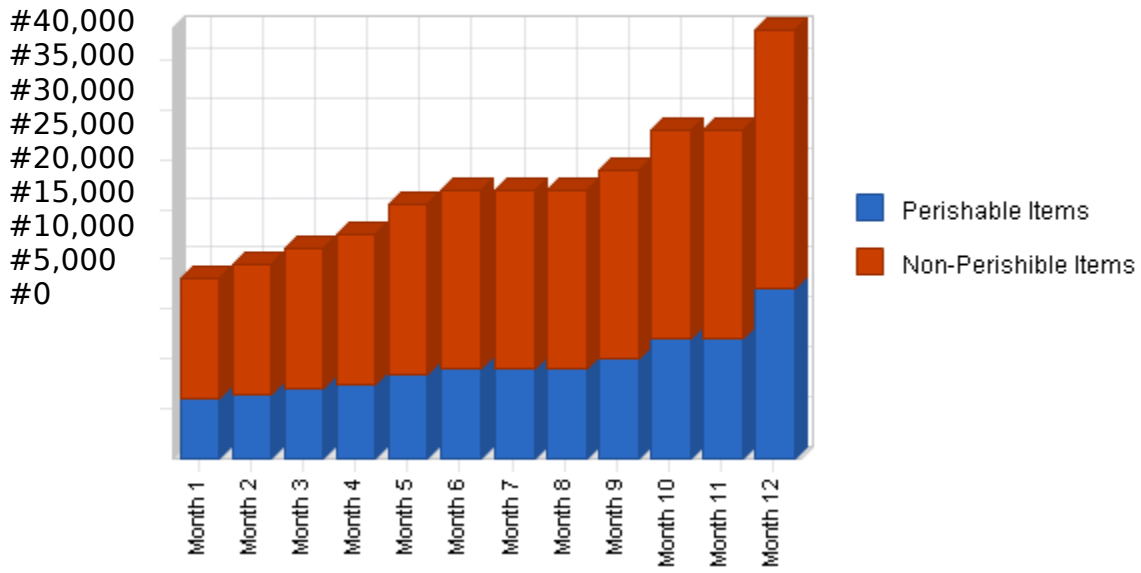
### **5.3.1 Sales Forecast**

The following table and chart give a run-down on forecasted sales. We expect sales to increase at a rate of 10% by April. We would like to see another increase of 10% by August.

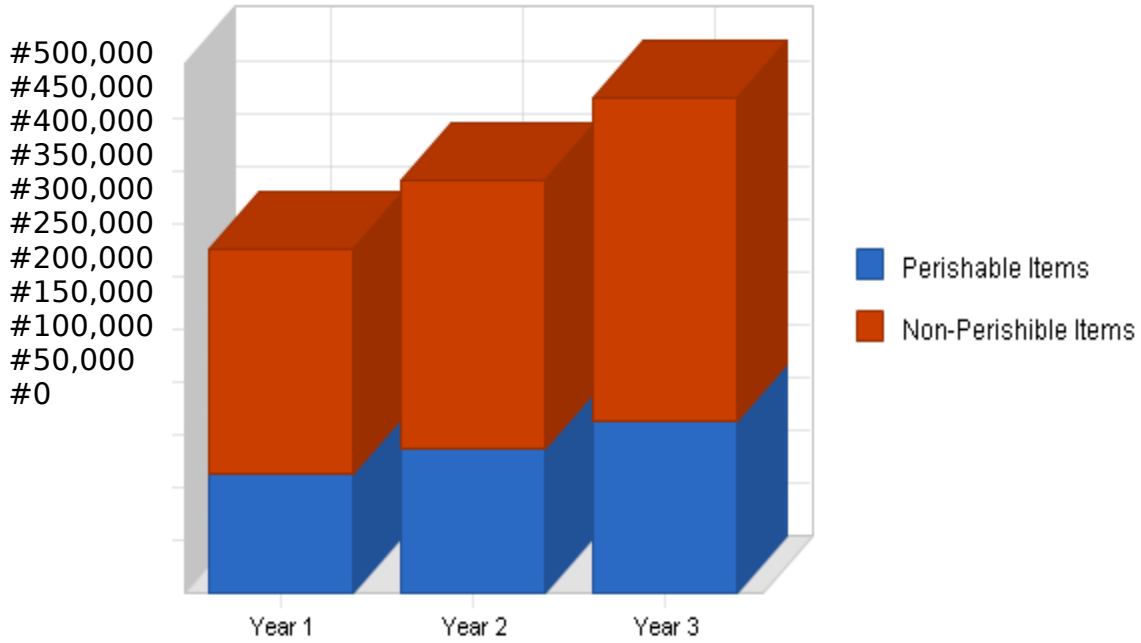
We expect to experience a steady growth throughout our first year even though we are a new business enterprise. As we become more familiar to the public we expect to gain more market share and would like to see progressive growth as we head into the following year. The Nelson Store, with an aggressive marketing approach expects to increase its share of the market by offering a unique option to discount shopping.

Note: For company purchases, the per-unit price of inventory purchases includes cost of shipping.

Sales Monthly



Sales by Year



## 5.4 Milestones

The milestone table shows how the responsibilities break down in the start up of our store. MaximumAgbo will head up the drafting of the business plan and will conduct the drive to secure funding. Ifeanyi Ugwu will work to secure a site for the store and will handle the details with the personnel plan. Our accountant Chinwendu will set up our accounting plan.



## **Management Summary**

The owners of the Nelson Store believe very strongly that relationships should be forthright, work should be structured with enough room for creativity, and pay should be fair and equitable in relation to what the industry is paying. With the right people in place the Nelson Store will have the incentives to encourage quality people to stay.

Nelson and Kingsley worked together as managers of a group of large regional retail operations (Nelkings Ventures) before starting the Nelson Store. Over the past 10 years, under their direction, the organization became the largest and most well-known in their area. The owners of the store were looking to sell the store to a pharmacist and it was at that point that Nnamdi and Chioma decided to branch out on their own. Both bring extensive retail marketing and finance knowledge to the company. They have the knowledge, experience and contacts to make the company a success.

### **6.1 Personnel Plan**

The personnel plan is included in the following table. It shows the owner's salary in which Chinwendu only wants a small draw at the initial start of the store. There will be four full-time employees and four part-time employees. Kingsley will act as

the full-time manager to oversee many of the day-to-day functions of the store. Store employees will start at an hourly rate and raises will come after the stores first year of operation. The manager will start at a monthly salary. Salaries and hourly rates are shown in the table below. Full-time employees will qualify for full benefits.

#### Personnel Plan

	Year 1	Year 2	Year 3
Owner	#24,000	#28,000	#30,000
Owner/Manager	#30,000	#31,500	#33,000
Full Time	#16,800	#17,000	#18,500
Full Time	#16,800	#17,000	#18,500
Full Time	#16,800	#17,000	#18,500
Full Time	# 6,800	#17,000	#18,500
Part Time	#6,000	#5,900	#6,300
Part Time	#6,000	#5,900	#6,300
Part Time	#6,000	#5,900	#6,300
Part Time	#6,000	#5,900	#6,300
Total People	10	10	10
Total Payroll	#145,200	#151,100	#162,200

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