

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF SOCIAL SCIENCES

**DEPARTMENT OF PUBLIC ADMINISTRATION AND LOCAL
GOVERNMENT (PALG).**

**A BUSINESS PLAN SUBMITTED IN THE PARTIAL
FULFILMENT FOR THE REQUIREMENT OF THE COURSE
CEDR 342 (BUSINESS CREATION AND GROWTH)**

TOPIC:

***BUSINESS PLAN FOR THE ESTABLISHMENT OF
COMPUTER TRAINING CENTRE***

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0.1 EXECUTIVE SUMMARY

The following report and recommendation relate to the proposal by **KELYBEST & SONS COMPUTER TRAINING CENTRE** for the establishment of **A COMPUTER TRAINING CENTRE AT OWERRI, IMO STATE.**

The proposed project is to be fully implemented with an investment of ₦2, 000,000 (two million naira), made up of 900,000 (nine hundred

thousand naira only) working capital and N1, 100,000 (one million one hundred thousand naira) fixed capital.

The company’s vision is to meet the computer training needs of computer users and area businesses by training people into becoming computer wizards and be able to adapt to the modern world. The business will be located at 121 Samek road near IMSU University. The computer training services as shown in our plan, have an excellent profitable level and growth rate, therefore a huge market is available for the business to serve.

The company’s competitive edge is the management strength, technical skills and knowledge of the business and the ability to come up with new training techniques. This is the era where computer knowledge is a must and the market for computer training is booming. Our training centre will be different from traditional computer training services (usually offered by colleges and universities) because of our added personal touch.

Indicators	Year 1	Year 2	Year 3
Turnover	3,200,200	3,800,500	4,200,100
Returns on sales	10.5	25.7	35.5
%			

Net operating profit	2,144,750	2,399,170	2,676,942
Return on owner's contribution %	550	615	686
Return on total investment %	217	243	271

1.1 CONCLUSION AND RECOMMENDATION

From the point of view of the analysis of our findings, the proposed project is found to be technically feasible financially viable and economically desirable. The project offers good investment benefits. We recommend it for funding and implementation.

2.0 BACKGROUND

2.1 INTRODUCTION

The planed computer training centre is as a result of the important role that computer plays in our modern world today. Starting a computer training centre is a lucrative venture because to find a job in any industry in the world today, you must know how to use a computer.

Most vacancy publication normally states computer knowledge and proficiency as one of the requirement. Computer has become one of the indispensable tool in our society today because of the role it plays in the area of education, business etc. in the current world, even in organizations it is impossible to imagine that someone can live without computers. They have become an electronic device of almost every day use for individuals of every age and essential in almost all the business dealings.

In recent years they have gained significance as they have improved the efficiency and productivity of work done. Large amounts of information in industrial and business sectors as well as in the personal lives are stored on servers.

2.2 VISION AND MISSION.

VISION: to be the most outstanding entrepreneur that will meet the computer training needs of computer users and area businesses by the way of goal – based training.

MISSION: To actually identify and understand what students and businesses hope to achieve and align our computer training and development to the fulfilment of those goals. The company will maintain a financial balance, will deliver high quality services to our clients. The company will provide a rewarding work environment and fringe benefits to our employees.

2.3 KEY SUCCESS FACTORS

The success factors for the business are.....

- The main promoter has undergone training in entrepreneurship
- Knowledge of computer is highly indispensable in our modern society
- Provision of home based training centre
- Letting our customer demand shape our training and development offerings by providing a core curriculum designed to train individuals in basic computer skills.
- Structure trainings to provide exactly what the customer's needs
- Document customers expectation

2.4 INHERENT RISKS IN THE BUSINESS

- Emergence of new entrants to the business to compete with
- Computer virus attack
- Constant supply of electricity is not guaranteed
- Expensive software and equipment
- Machine breakdown which maybe expensive to repair

2.5 OWNERSHIP OF THE ENTERPRISE

The business is a family business. Owned and managed by **KELYBEST & SONS**.

2.6 LOCATION AND FACILITIES

The Computer Training Centre Is Located At Owerri in Imo State. What informed the choices of this location are.....

- Existence of good road network and ease of market access

- Abundance of population in the area, cheap labour, cheap rent.
- Nearness to major universities, colleges and workers
- Easy accessibility
- The land mass is big for a starting business, approximately 500ms area of land. Buildings and office structure are also available which could facilitate the springing up of other companies as a chain business of my company located there.

3.0 AVAILABLE MARKET

Information from survey shows that there is a high demand for computer literates in Owerri. Trends in our society today shows that computer is highly indispensable in every area of life, in businesses, organization (both private and public organizations). The high demand of computer operators in our society shows that there is a wide gap between what is being produced and what is been required, implying a huge market available for new entrants into the business.

3.1 Product and Services

- Word processing soft ware
- Power point presentation software
- Access database
- Publisher desktop publishing / graphics software
- Microsoft excel outlook E –mail / calendar/ scheduling
- Internet online technology
- Office management testing
- Computer literacy testing

3.2 SERVICE DESCRIPTION

We will provide core curriculum designed to train individuals from basic skills to certification competencies. Students will undertake the following training:

- Basic level: consists of students who have little or no computer knowledge
- Advanced level: consists of students who have had a former knowledge and experience on some computer software and packages
- Intermediate level: consists of certificate training of students in preparation for the Microsoft office user specialist certification text.

3.3 TRAINING SCHEDULE

The computer training class will run from Monday – Thursdays. We will be running a three section training every day. 4 hours in the morning (8am-11am), 4 hours in the afternoon (1pm- 4pm) and 4 hours in the evening (5pm- 8pm). Our workshop will be on every Fridays, it will be a 7 hour class (9am-3pm). The essence of the workshop is to enable individuals to brush up and learn quickly.

3.4 BUSINESS STRATEGY

The business strategy in computer training mostly have to do with recognition for expertise.it starts with our known contacts in positions to recommend us and continues with long term efforts to develop recognition in professional forum. We will develop and maintain database with people in the right position. From there we will engage in advertisement of our services. We will engage in home based training centres and corporate training.

3.5 REVENUE BASE

The business raises revenue from the different contribution of her promoters, sale of its service. Also it raises revenues from the services of delivery and sales of computer materials.

4.0 MARKETING AND CLIENTS

4.1 NATURE AND SIZE; computer is one that the people cannot do without as it is needed in so many areas such as education sector, business sector. Therefore the nature and size of the business is really large as there exists so many industries who are very much in need of computer literates, it therefore correct to say that computer is highly indispensable.

4.2 TARGET CLIENT

Our target clients are college leavers, university students, workers, organizations.

4.3 FUTURE SERVICES

- Web page design classes
- Computer question / help desk
- Retail self – learning materials
- Secretarial training classes

4.4 SERVICE DELIVERY

The way we are going to handle our client so as not to lose them. They include; having courtesy, being frank, being sincere, smiling, always respecting the integrity, accepting that they are kings.

4.5 TECHNOLOGY

The enterprise shall maintain the latest windows capacities, such as..

- A complete desktop publishing facilities for delivery of regular advertising and promotional materials
- Complete e- mail facilities on the internet, for working with students directly through e – mail delivery of schedules and information.

5.0 MARKETING PROGRAMS

- Our representatives shall be letters, brochures, business cards, flyers and other literature.

We will design good and hard copy to reach our customers:

- Choose proper publication
- Always be specific
- Make our offer a good one
- Be creative in our media choices such as unusual avenue like fax – on – demand, mall, kiosks, fax newsletters, online marketing
- Keep our customers / prospects in a database and stay in touch with them
- Advertise regularly and consistently
- Evaluate our efforts

5.1 PROMOTION STRATEGY

We will make use of handbills, posters, banners, use announcements in TV stations and radio station to make people aware of our services and our product. We will be engaging on computer knowledge competitions. We also hope to employ marketers to act as agents, who would go to houses, and

other cooperate institution to advertise our services. We also hope to do promos to sensitize the masses on the value and price range of our services.

5.2 DISTIBUTION STRATEGY

The training distribution will begin first completing a needs assessment on the customer. Once the customers have been assessed they will be placed in a class that meets their assessment needs. The following distribution tools will be used to aid in our class room delivery:

- Internet
- CD- ROM
- Printed materials
- Professional speakers

5.3 ALLIANCES

In order to protect our business from external market forces and competitive rivals, we would register our business in all beneficiary unions such as trade unions and other unions. Also we would register our company and products with an insurance company to back us in the event of fire outbreak or burglary.

5.5 MARKET POSITIONING

In order to outshine competitors and rivals, this company is located in the urban part of town where it is easily assessable to our consumers as well as where there is much organizations that demands our services.

5.6 SELF-EVALUATION PROGRAMME

We will maintain our customers happiness by utilizing our self-evaluation programme in which we will continually ask ourselves these questions –

- Is our services the best?
- Do we treat others with respect and honesty at all times?
- Do we have a well-developed marketing plan that we follow on consistent basis?
- Do customers know about all of our products and services?
- Is the appearance of our trainers, business surroundings and product packaging professional?

We will ensure that will pay attention to customers' needs by offering workshops and seminars, private sales or classes.

6.0 SWOT ANALYSIS

6.1 STRENGTH

In the training process, we will make use of reliable computer machineries and computer materials, in management; we will be extremely creative at sales, approaching each customer in a way that is best suited for them. We would not only be selling our service but we as well assess the needs of our customers. We will provide a core designed curriculum to train individuals from basic computer skills to certification competencies. We will equally employ creative mind-set.

6.2 OPPORTUNITY

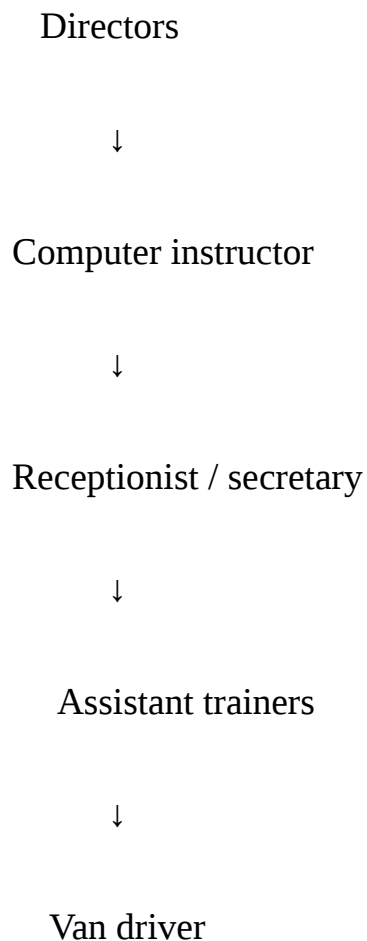
Chang of the status quo in our society often results in increase in the interest and demand of our services. Computer has become an indispensable tool in our society today. Therefore we hope to make our company different from what had been before.

6.3 T-THREATS

The major threat to this business is the government policy and we need to keep appraise to government policy. Also, there exist other small competitors who offer their services at a much reduced price making price sales very competitive. Epileptic power supply equally poses a threat to the business.

7.0 ORGANIZATION AND MANAGEMENT.

7.1 ORGANIZATIONAL STRUCTURE (Organogram)



7.2 SHAREHOLDERS AND DIRECTORS

We do not have chance for shareholders and directors until our business expand.

Therefore the main shareholders in the business are the owners. These people also constitute the board of directors in this company with each overseeing and supervising every units. We also make the decisions together.

7.3 MANAGEMENT TEAM

POST	QUALIFICATIONS
------	----------------

van driver	WASC/GCE
Operator	WASC/GCE,OND, B.SC
Receptionist / secretary	WASC/GCE, OND
Computer instructor	HND/ OND, B.Sc
Assistant Manager	HND/B.Sc
Director	HND/B.Sc

7.4 VALUES AND NORMS OF THE COMPANY

Some values and norms of the company include;

- To offer the best services to the benefit of our customer
- To uphold integrity always
- We will not farcify receipt
- We will be honest to our customers
- We will not insult our customers even if they do not accept our services
- Being able to interact with the customers

7.5 EXTERNAL SUPPORT

This business is funded by the family and our bank loan. There is therefore no support from outsiders or the general public at the beginning of the company.

8.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES

8.1 LEGAL ISSUES

This business ventures which belongs to **KELYBEST AND SONS** is located at Owerri capital, Imo State. It is in the process of being registered with the Co-operate Affairs Commission (CAC) and Computer Professionals Registration Council Of Nigeria (CPN).

8.2 REGULATORY

This business is going to abide by the norms and values of all the regulatory body governing the business that is corporate Affairs Commission (CAC), Computer Professionals Registration Council Of Nigeria (CPN) and so on.

8.3 SOCIAL ISSUES

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

- It will help to produce more computer literates
- It will create job opportunities for trained people

- It will equally make the people to be self-reliant

8.4 ENVIRONMENTAL

This company will not in any way knowingly constitute environmental hazards to the environment where it is located. We ensure recycling of damage computers. We are to make sure all waste is properly disposed not to endanger the environment.

9.0 FINANCIAL PLAN

9.1 PROJECT COST

The total cost of this project will be ₦2, 000,000 (one million naira), made up of 900,000 (nine hundred thousand naira only) working capital and N1, 100,000 (one million one hundred thousand naira) fixed capital.

Total fixed capital = #1,100,000

Total working capital = #900,000

Total project cost = 2,000,000

9.2 FUNDING PLAN AND STATEMENT

The funding plan of the business is divided into:

Owners Contribution = #1,400,000

Loan Capital = # 600,000

Total funding = #2,000,000

As we a family we be contributing #1,400,000 to the company out of the # 2,000,000 required, the funding requirement in hereby #600,000.

9.3 INTEREST AND LOAN REPAYMENT SCHEDULE

Interest =10%

Year	Principal	Repaymen t	Interest	Total repayment	Loan payment
1	600,000	200,000	60,000	260,000	340,000
2	340,000	200,000	34,000	234,000	106,000
3	106,000	143,400	10,600	154,000	-

9.4 DEPRECAITION SCHEDULE

Serial No	Assets items	Cost (₦)	Scrap value(₦)	Life span	Amount (₦)
1	Computer systems	475,000	150,000	5	65,000
2	Generator set	150,000	40,000	4	27,500
3	Printing machine	30,000	5,000	5	5,000
4	Distribution Van	65,000	10,000	5	9,000
5	Photocopyin g machine	100,000	20000	5	16000
6	Laminating	80,000	10,000	4	17,500

	machine				
7	Scanning machine	70,000	5,000	4	16,250
		970,000			156,250

Total annual depreciation N156, 250

9.5 PROJECT INCOME STATEMENT

KELYBEST & SONS PROJECTED INCOME STATEMENT

	Year 1 (₦)	Year 2 (₦)	Year 3 (₦)
Turnover	4,055,200	4,360,720	4,696,792
Less operating expense			
Utility gas oil	80,000	85,000	90,750
Maintenance	90,000	77,000	84,750
Salaries	670,000	627,000	689,700
Rent	48,000	48,000	48,000
Depreciations	45,000	50,750	60,500
Interest on loan	60,000	38,900	19,900
Total operating expenses	(993,000)	(883,450)	(993,600)
Net operating profit	3,062,200	3,477,270	3,703,192

9.6 KELYBEST & SONS VENTURES PROJECTED CASH FLOWS

STATEMENT

Cash – inflow	Year 1	Year 2 (₦)	Year 3 (₦)
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	(₦)		
Owner's contribution		-	-
	1,400,000		
Loan from bank		-	-
	600,000		
Revenue (sales)			4,696,792
	4,055,200	4,360,720	
Total cash inflows (A)			4,696,792
	6,055,200	4,360,720	
Cash outflows			
Operating expenses	993,000		993,600
		883,450	
Loan repayment	200,000	200,000	143,400
Total cash outflow(B)	1,193,000	1,083,450	1,137,000
Net cash flow (A-B)	4,862,200	3,277,270	3559,792
Opening cash balance	-		3,277,270
		4,862,200	
Closing cash balance			11,699,262
	4,862,200	3,277,270	

9.7 KELYBEST & SONS VENTURES PROJECTED BALANCE

SHEET

	Year 1 (₦)	Year 2 (₦)	Year 3 (₦)
Capital			

employed			
Fixed assets	1,100,000	1,100,000	1,100,000
Less	45,000	50,750	60,500
depreciation			
	1,055,000	1,049,250	1,160,500
Current assets			
Balance at bank	1,251,500	2,592,420	4,211,112
and in hand			
Prepayment	96,000	48,000	-
(rent)			
	2,347,500	2,544,420	4,211,112
Less	340,000	260,000	-
creditors(bank			
loan)			
Net current	2,007,500	2,284,420	4,211,112
assets			
Net assets	3,062,500	3,333.670	5,371,612
Financed by			
Owner's capital	1,400.000	1,400,000	1,400,000
Retained profit	2,144,750	3,627,395	6,386,880
Owner's funds	3,544,750	5,027,395	7,786,880

10.0 PROFITABILITY ANALYSIS

	Year 1	Year 2	Year 3
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Return on Owner's Capital	80	85	90
Return on Total Investment	40	50	55

10.1 BREAK EVEN ANALYSIS

$$\text{Break Even Point (BEP)} = \frac{\text{fixed cost}}{1 - \frac{\text{variable cost}}{\text{Sales}}}$$

Where

Fixed cost=fixed capital cost = 1,100,000

Variable cost=total operating cost=~~₦~~900,000

Total revenue = sales = ₦3,055,200

BEP= ₦1,100,000

$\frac{1 - \cancel{\text{₦}}900,000}{\text{₦}3,055,200}$

$\frac{\text{₦}822,000}{1 - 0.298}$

₦822,000 = ₦ 1,170,940.20

1-0.298

10.2 RISK ANALYSIS, CONTINGENCY PLAN AND EXIT STRATEGY

RISK ANALYSIS AND MITIGANTS

RISKS

MITIGANTS

Low Power Supply	Purchase of Generator
Fire Incidents	Use of Fire- Extinguishers
Theft	Standard Security

10.3 CONTINGENCY PLAN

Also this company will invest to avoid it failing and profits made will be pumped back into the company.

10.4 EXIT STRATEGY

This company will have another source of revenue. Therefore, no exit is planned, rather diversification will be pursued.

10.5 OTHER CONSIDERATIONS, CONCLUSIONS AND RECOMMENDATIONS

10.6 ECONOMIC JUSTIFICATION

This company will give room for employment not just for us but other people as well as we hope that other companies will develop alongside our own in the community where it is located. This will invariably contribute to the economy of the community as well as the country at large.

10.7 COMMERCIAL VIABILITY

“We have found this project to be commercially viable, having shown through our financial projections, a conservative but impressive turnover, cash flows, profit line and investments appraisal metrics.”

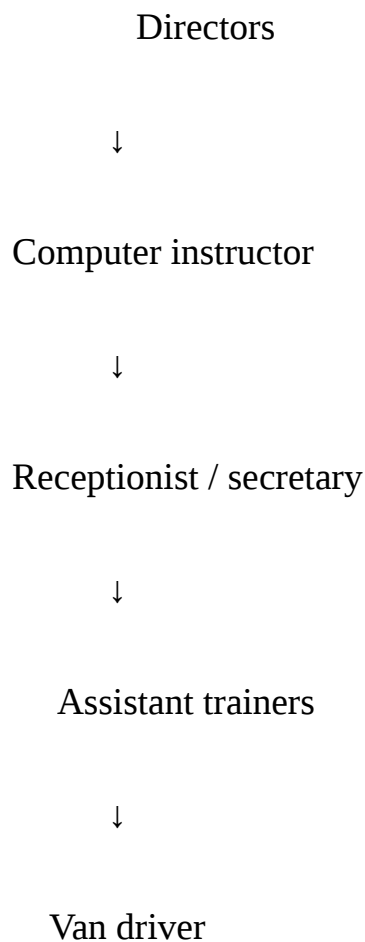
10.8 CONCLUSION/RECOMMENDATION

From all the business analysis carried out in the course of establishing this company, we have been able to see that it is both economically, technically and financially able and viable business to engage in.

The project offers good investment benefits. We therefore highly recommend it to be funded so we can ensure its implementation.

10.9 APPENDIX

10.10 Organogram



10.11 Assumption behind the figures

All the estimations and figures used for these and the projections in this plan are strictly based on prevailing market.

- Constant government policy
- Constant market price
- Constant interest rate regime