

**UNIVERSITY OF NIGERIA, NSUKKA**

**FACULTY OF AGRICULTURE**

**DEPARTMENT OF HOME SCIENCE & MANAGEMEN**

**TOPIC:**

**PHARMACY BUSINESS PLAN**

**A BUSINESS PLAN**

**SUBMITTED IN PARTIAL FULFILLMENT FOR THE  
REQUIREMENT OF THE COURSE: CED 342  
(BUSINESS DEVELOPMENT AND MANAGEMENT)**

**BY**

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**2013/187821**

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

**JULY, 2017**

**SECTION ONE**

## 1.0 EXECUTIVE SUMMARY

Health Bloom Pharmacy is located at Plot 11, Area C Nyanya, Abuja. Nigeria. Our aim is to be the best provider of pharmaceutical products and services to Area C and Nyanya by establishing long term relationship with our customers, provision of cost-effective and superior quality products with excellent consultative services in a friendly environment focused at satisfying the health need of each customer by placing priority on customer's satisfaction

Health Bloom Pharmacy aims at establishing a business entity that operates as a private partnership company comprising of shareholders with equal equity of eight hundred and seventy two thousand seven hundred and thirty naira only (N872,730) and six million, four hundred thousand naira (6, 400,000) to be sourced from Ceelog Health Financial System resulting to a grand total of sixteen million naira only as part of the five year plan that is highly profitable and reliable

### 1.1 VISION STATEMENT

To be the best provider of pharmaceutical products and services to Area C and Nyanya as a whole by establishing long term relationship with our customers, provision of cost effective and superior quality products with excellent consultative services in a friendly environment focused at satisfying the health needs of each customer by placing priority on customer satisfaction.

### 1.2 MISSION STATEMENT

We will achieve our goals by

- ✚ Providing the highest customer service to our customers
- ✚ Offering innovative ways of providing pharmaceutical care with knowledgeable and compassionate/friendly pharmacist.
- ✚ Continuing to grow and be profitable in an ever-changing healthcare environment.

- ✚ Giving optimum satisfaction to our customers by providing high quality products for disease state management.

### 1.3 AIMS AND OBJECTIVES

Our aims and objectives are:-

- ✚ Fostering an environment that promotes the safe, efficacious and cost effective use of medications.
- ✚ Improving the medication use process to enhance continuity of care and to provide quality health care services in Nyanya by becoming a standard for measuring excellence and the household name in the area of community pharmacy care
- ✚ Contributing to and accepting responsibility for optimal therapeutic outcomes including promotion wellness.
- ✚ Recruiting and retaining qualified and supportive personnel. Provisions of wide variety of quality products including generic products.
- ✚ Ensuring high quality care through proper selection of staffs, thereby enhancing their profession
- ✚ Providing swift and reliable delivery services through our efficient delivery network.
- ✚ To become the best when it comes to supplying of medical equipments

### 1.4 BACKGROUND INFORMATION AND DESCRIPTION

Health Bloom Pharmacy Nigeria is located in Area C, Nyanya, in the Federal Capital Territory of Nigeria. Area C, Nyanya plays a host to custom, immigration, Agric ministry and mobile police quarters which is the main residential area for civil servants working in this organization. Also located in Area C is the Mopol 21 Headquarters, providing security to the resident of Area C.

Area C also has an extension also known as phase 4 which is known for its beautiful estates, schools, churches. Also in Area C to a mini-market which serves the residents of this quarters by

catering for their daily needs. Area C is accessible by roads interconnecting each other and therefore there is a considerable amount of traffic. Nyanya has a current population of approximately 70,000.

### ANALYSIS OF LOCATION

The trade area is bounded by area A and B to the South, Area D, E and F by the East. Five population tracks of these areas total a population of 70,000 residents.

Population tract	Total population	Household with individuals $\geq 65$ years	Household with individual $\leq 25$ years	Household with individual $\leq 25$ years	Potential sales
Area A	10,000	7%	40%	53%	2,000,000
Area B	15,000			52%	2,500,000
Area C	25,000			50%	4,500,000
Area D	15,000			57%	2,500,000
Area E & F	5,000	8%	35%	59%	1,000,000
Total	70,000				12,500,000

The table above estimates potential sales from these areas from their estimated population.

## 1.5 PRODUCTS & SERVICES

### Products

- Prescription medications including generic equivalents
- Over the counter products including:
  - a. Herbal medications and aphrodisiac
  - b. Supplements: vitamins and minerals
  - c. Contraceptive
- Medical devices and Hospital Products.
  - a. Blood pressure checking machines

- b. Test kits for pregnancy, malaria, HIV etc.
- c. Weight checking balance
- d. Infusion
- e. Syringes, needles, giving sets, catheter, umbilical cord clamp etc.
- f. Laboratory apparatus
- Other Products
  - a. Table water
  - b. Energy drinks e.g. Lucozade, ribena, glucose.
  - c. Disinfectants
  - d. Sanitary pads
  - e. Toiletries

## SERVICES

- First aid services
- Counseling and consultation
- Pregnancy, malaria, body mass index, blood pressure



# Health Bloom

## MARKET ANALYSIS

### 2.0 POTENTIAL MARKET

Our trade area Nyanya described above has an estimated population of 70,000. It is a satellite town with a lot of estate constructions and other projects going on, hence we expect a population increase of at least 3,000 new residents a year as a result of influx of people to this area citing affordable house rent as a major reason for this relocation. From this increase in population, the projected annual prescription spending in the area is expected to increase by approximately ₦20,000,000. In summary, our location gives us greater access and visibility to the new residents trooping into Nyanya, Abuja.

### 2.1 TARGET MARKET

A part of the target market for Health Bloom Pharmacy includes residents from the barracks and other areas (Areas A, B, D, E and F) who seek to get pharmaceutical services from a pharmacy that emphasizes a higher level of service and quality drugs provision at affordable prices. Because of the inadequate number of pharmacies in the area, our target market will also include those customers that have been deprived of good pharmaceutical care as a result of bad customer service, long waiting lines and other imperfections currently projected by these pharmacies.

Another high target market HealthBloom Pharmacy will focus on are the hospitals and other retail pharmacy outlets and chemist stores around. We intend to eliminate this obvious competition by being their main suppliers when they are out of stock which is a common and constant pattern in these pharmacies. Our target market will expand to induce patients from these hospital and the 3 laboratories located in the area.

Another important target is the General Market and Area C Market within close range to HealthBloom pharmacy site. The traders in the market constitute a significant part of the population and spend every day there. Capital polytechnic Abuja, a tertiary institution situated close to a proposed site provide a significant part of our target market which include lectures and students living there.

### 2.2 MARKETING STRATEGY

- Regular and steady stocking by running efficient inventory control
- Building good relationship with all patients that visit the pharmacy.
- Partnership with medical laboratories and other hospitals without proper functioning pharmacy units.
- Building strong relationship with Doctors and other people in partnership with us by giving free gifts given by our sales representatives.
- Offering free services like checking of weight, B.P level, consultation services.
- Keeping patients comfortable when waiting by having a well ventilated and conducive reception area. Having television set to keep their eyes and ears busy.
- Building trust of customers through the use of barcode reader.
- Giving sachet water to customers and will gradually upgrade to bottle water as the business grows.
- Offering quality cost effective products and services which have superior packaging in customized and attractive bags.
- Sale of all pharmacy/medical related products e.g. sanitary pads, medicated soaps, sanitizers, antiseptics and energy drinks.
- Longer operating hours 7:00am-11pm.

## 2.3 ADVERTISING AND PROMOTION

The main groups that HealthBloom pharmacy will be advertising and promoting to are listed in Target Market above.

### Advertising Strategy



- Large sign
- Distribution of fliers and tracks emphasizing the availability of certain rare drugs and other products.
- Advertise in the local newspapers highlighting events such as our ongoing services.
- Distribution of circulars in the trade area emphasizing on an services provided.

- Posters on individual apartment buildings highlighting services provided and information/leaflets about drugs.

**Promotion Strategy**

- Contract with Nyanya customized t-shirt company, Safron and Panraf hospitals and other clinics and/labs to refer their patients to the pharmacy.





## SECTION THREE

### 3.0 COMPETITION ANALYSIS

Competition for health bloom pharmacy will come from

- One General hospital pharmacy, (Nyanya General Hospital)
- Two Private hospital pharmacies (Gaskiya& Life free private hospitals)
- Three Patent medicine dealers,
- Wholesalers at Maraba and;
- Possibly private pharmacies at area A and B.

All the competition will come from all listed above. The general hospital and other private pharmacists at Area A and B are located at the north end of the trade area. The two private hospitals (Safron and Panraf) are located at the south end of the trade area.

Life free pharmacy and 2 other patent medicine dealers are located on the west end while Gaskiya pharmacy and one other patent dealer are located on the east end of the trade area. All of the above pharmacies and patent dealers combine have an annual estimated sales volume of about N15, 250,000 and not all of this volume is generated from sales of drugs in that these pharmacies (Gaskiya and Life free) one retail outlets and deal on other general goods. While the patent dealers are relatively small in size. Also they all go to Mararaba a close by town to obtain their goods; the hospital pharmacies are not well stocked thereby their patients also go as far as 'Mararaba' to obtain their full prescription since most times these private pharmacies and patent dealers are unable to meet their needs.

Hence these pharmacies, patent dealers, hospital pharmacies and residents of the area are our target market in that since we are always in stock of quality products we serve as suppliers to these pharmacies, patent dealers, hospital pharmacies and meeting the residents medical and drug needs; there is our competitive advantage.

## Assessment of the Competition

Name	Location	Type
Gaskiya	Plot 03	Pharmacy + supermarket
Life free pharmacy	Plot 26	Pharmacy + supermarket
Patent dealer A	Block 152 Room 07	Patent medicine store
Patent dealer B	Plot 156 Room 12	Patent medicine
Patent dealer C	Plot 219 Room 05	Patent medicine

Estimated sales volume captured by the existing pharmacists in the trade area is approximately 15,250,000. The table below estimates total sales for each pharmacy and patent dealers in the trade area.

Name	Total Sales (₦)
Gaskiya	78,200
Life free	100
Saffron hospital pharmacy	
Panraf hospital pharmacy	820,600
Patent dealer A	1,510,400
Patent dealer B	1,200,700
Patent dealer C	1,121,000
General hospital	4,68,100
Total	15,250,000

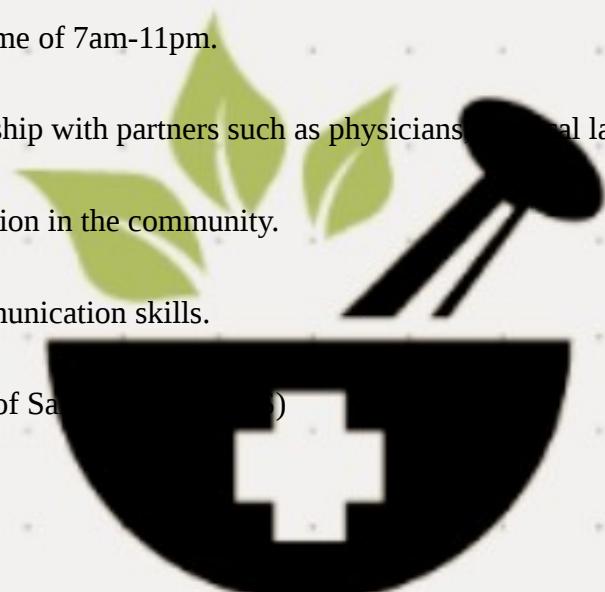
This figure is an estimate of total sales for each pharmacy that is generated by residents in the trade area.

### 3.1 SWOT ANALYSIS

#### Strengths

- Offering quality affordable, cost-effective products and services; excellent clinical skills.

- Always be in stock
- Maintaining credit worthiness policy with suppliers
- Having a cool, conducive, well ventilated waiting area for patients.
- On-time delivery of products.
- Counseling on clinical issues.
- Long service time of 7am-11pm.
- Strong relationship with partners such as physicians and clinical laboratory scientists.
- Positive reputation in the community.
- Excellent communication skills.
- Offering Point of Sale (POS) system



### **Weaknesses**

- Possibility of staff slacking even after training.
- Newness to the market.
- Time constraint: possibility of not being able to render 24hours services.

**Health Bloom**

- Need to enhance documentation skills.
- Inability to estimate demand for services from suppliers.

## **Opportunities**

- Maintaining credit worthiness policy with suppliers.
- Use of Bar code reader.
- B.P machine, electronic clinical machines.
- Operating for longer working hours compared to other pharmacies/chemists around.
- Strong relationship with partners such as physicians, medical laboratory scientists.
- Supplying our own competitors.
- Always being in stock unlike our competitors.



## **Threats**

- Bad road network
- Suppliers being out of stock. Possibility of new competitors offering exactly the same services we offer.
- Unforeseen circumstances like accidents, fire.
- If inflation rate continues to rise.
- Already existing pharmacies and patent medical practitioners.

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### 3.2 Unique Selling Point

- Never being out of stock and excellent communication skills.

#### Risk Management

- In case of a particular supplier being out of stock we can have more than one suppliers from different pharmaceutical companies.
- In case of bad road network, there is more than one route to get to the pharmacy.
- To handle competition from already existing pharmacies we should never be out of stock for patients and also maintain quality and cost effective services to customers.
- In cases of new competitors offering exactly the same services we offer, we can review and improve the services.
- In cases of accident or illness, replace with competent personnel.



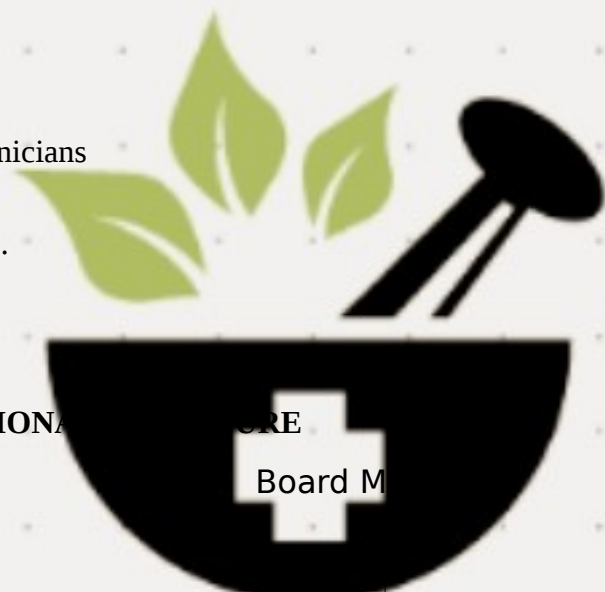
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## CHAPTER FOUR

### 4.0 MANAGEMENT TEAM

- Chief superintendent pharmacist/CEO
- Pharmacist
- Media/Marketing Personnel (Pharmacist)
- Accountant
- Pharmacy Technicians
- Sales Personnel.

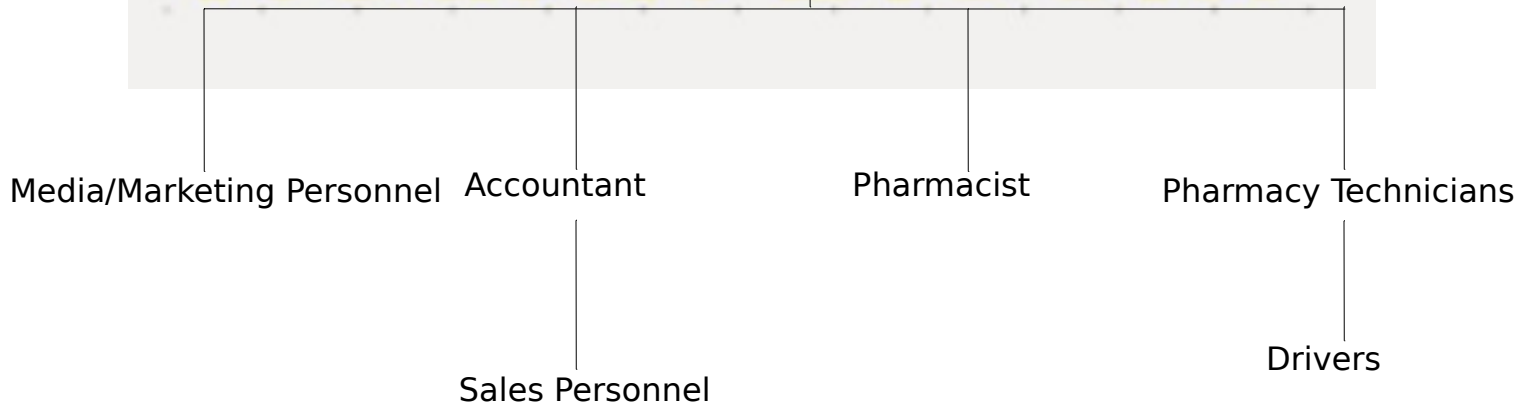
### 4.1 ORGANIZATIONAL CHART



Board M

CEO/Chief Superintendent Pharmacist

# Health Bloom



## 4.2 SERVICE BLUE PRINT

### Customer Action:

Visits Health Bloom pharma cy	Ask for OTC drugs	Receives drugs	Pays for service		
	Submit prescription	Receive drug	Pays for prescription and other items	Receive information on drug compliance and dosage	
	Place a complaint	Queues and wait to talk to pharmacist/assistant	Receives medical tips	Receives drugs if need be	Pays for services rendered
	Seek medical devices	Receives devices	Receive information on how to use it	Pays for services rendered	
	Request for test e.g pregnancy test	Supplies urine/blood sample	Receives test result	Pays for services rendered	
	Request for counseling	Book appointment	Receives counseling	Pays for services rendered	
	Submit tests/ Medication record	Receives health tip and information	Receive drug	Receives information on compliance, drug dosage	Pays for services rendered
	Request for delivery/ medical supplies	Supply identifying information	Agree on time to pick up/deliver	Receive drugs/goods	Pays for service rendered



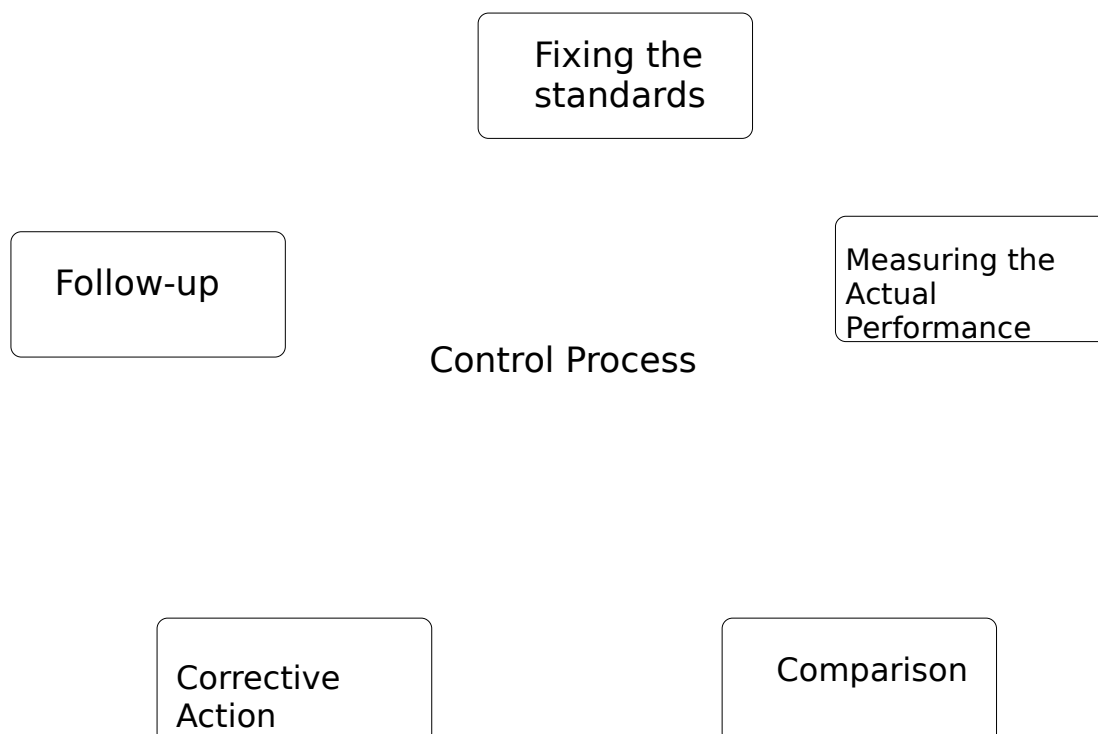
**Employee Action:**

	Receive order for OTC	Dispense drugs	Receives payment			
	Receives prescription	Interprets prescription	Dispense drugs	Gives information on compliance/dosage	Receives payment	
	Receives complaint	Listen and gives medical advice	Dispense drugs if need be	Gives information on compliance dosage	Receives payment	
	Receives order for medical devices	Provides the devices	Provides information on use of device	Receives payment		
Introduce/welcome	Receives request for carrying out test	Collect test samples/specimens e.g. urine	Carryout test	Gives test result	Receives payment	
	Receives appointment notice from customer	Processes appointment	Notify customer for information on appointment	Gives counseling	Receives payment	
	Receives test result/medication record	Interprets the result	Gives advice to the patients	Dispense drugs	Gives compliance/dosage information	Receives payment
	Receives order for supplies/delivery	Process orders e.g. costing, supply terms	Package the goods	Deliver the goods	Receives payment	Receives payment

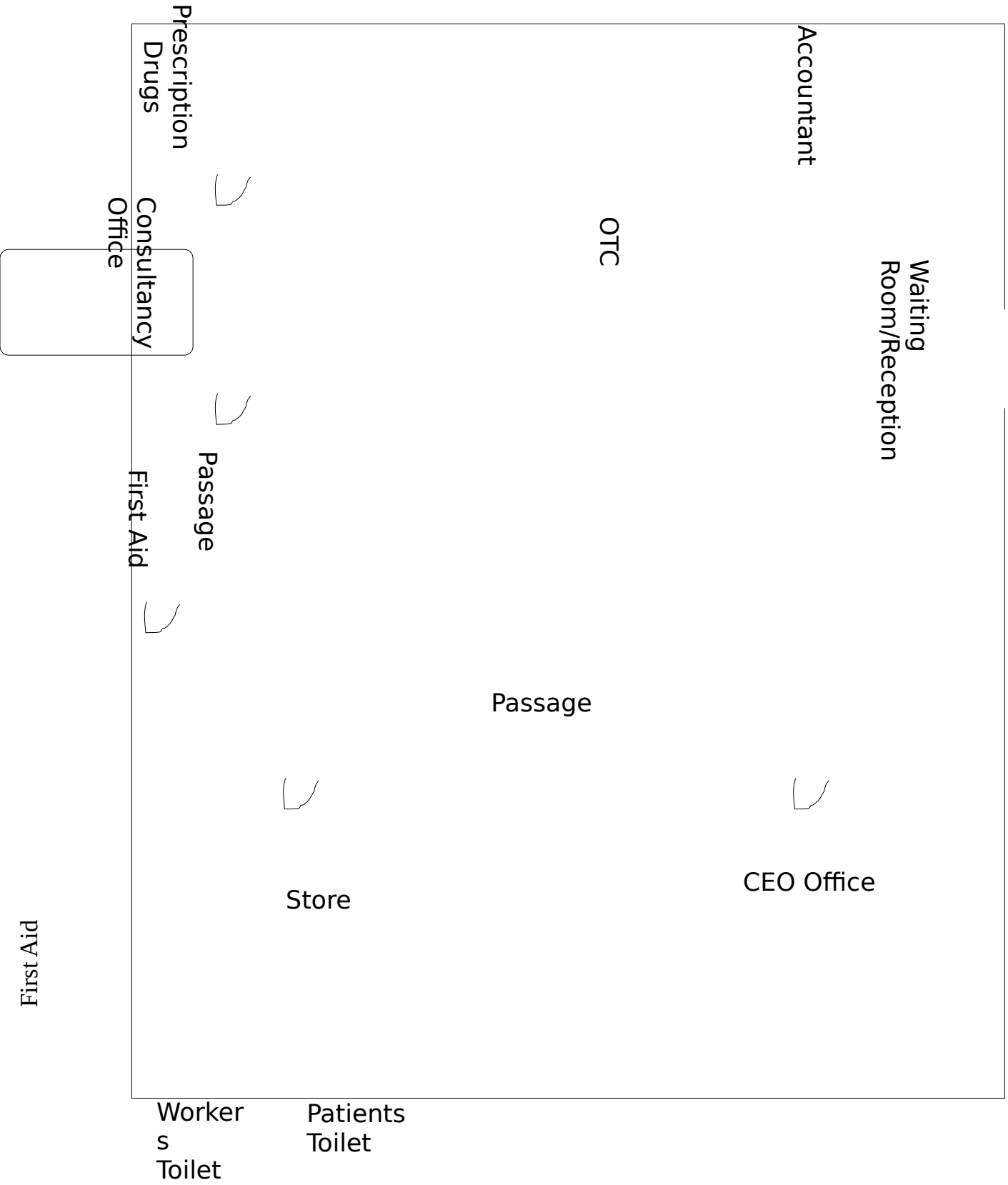
### 4.3 Action Plan

S/ n	Activities	Performed by	Months												
			1	2	3	4	5	6	7	8	9	10	11	12	
1	Redesigning the Layout	Staff Members	X												
2	Budget planning	Board Members						X							X
3	Advertising	Media/Marketing Personnel	X						X						
4	Buying Drugs and Stock	Pharmacist	X			X			X			X			
5	Train staff	Media Personnel	X					X							
6	Marketing	Media Personnel	X	X	X	X	X	X	X	X	X	X	X	X	X
7	Equipment Maintenance	Pharmacy Technician						X							X
8	Board Meeting	CEO/Board Members	X			X			X			X			
9	Staff Appraisal	CEO/Chief Superintendant			X			X			X				X
10	Financial Audit	Accountant													X
11	Financial Reporting	Accountant	X			X			X			X			

### 1.4 Control Processes



## 4.5 Building Layout/Plan



## SECTION FIVE

### 5.0 FINANCIAL ANALYSIS

Internal generated funds	=	9600,000
Venture capitalist	=	6400,000
Total start up	=	16,000,000

28% additional interest of 6,400,000 to be paid back to the venture capitalist after 5 years.

### CAPITAL DISTRIBUTION IN PERCENTAGE

Fixed Asset	=	30.86%
Annual salary	=	17.25%
Variable factor	=	1.8438%
Stock	=	46.875%
Reserved capital	=	3.169%

### 5.1 WORKERS ANNUAL PAYMENT SCHEME

S/n	Positions	No. of Staff	Amount Per month (₦)	Amount per year (₦)
1	Chief superintendent pharmacist	1	-	-
2	Pharmacist	1	65000	780,000
3	Media/Marketing Personnel (Pharmacist)	1	40000	480,000
4	Pharmacy Technician	1	75000	840,000
5	Sales/Personnel	2	25000	300,000
6	Driver	1	15000	360,000

### 5.2 CAPITAL EXPENDITURE ANALYSIS

S/n	Fixed Asset	Quantity	Unit Price (₦)
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1	House on lease	1	3000,000
2	Bus	1	850,000
3	BP apparatus	1	5000
5	Glucose tester	2	6000
6	Weight checker	1	2500
7	Refrigerator	2	82,000
8	AC	1	92,000
9	Furniture and equipment		360,000
10	Computer	2	352,000
11	Television	1	45,000
12	Stabilizer	2	28,000
13	Water dispenser	1	41,000
14	Barcode reader	1	8300
15	Generator	1	95,000
16	Electrical installation		40,000
17	CCTV	3	65,000
18	Fan	4	10,400

### 5.3 RUNNING EXPENSES (VARIABLE FACTOR)

S/n	Expenses	(N) Year 1	(N) Year 2	(N) Year 3	(N) Year 4	(N) Year 5
1	Salaries	276000 0	276000 0	276000 0	324000 0	324000 0
2	Maintenance	50000	50000	60000	50000	60000
3	Utility	30000	35000	40000	40000	40000
4	Advertisemen t	70000	40000	40000	80000	85000
5	Miscellaneous	50000	55000	60000	60000	50000
6	Fuel	90000	93000	95000	100 000	100 000
7	Staff appraisal	5000	5000	5000	15000	15000

### 5.4 CUSTOMER PROJECTION

	Year 1	Year 2	Year 3	Year 4	Year 5
Hospitals	32	47	61	69	74

Patent Dealers	Medicine	13	17	21	26	30
Pharmacy Outlets		7	11	16	21	27
Walk-in-Customers		18,951	25,218	34,200	38,160	42,120
Laboratories		7	10	13	16	19

## 5.5 PROFIT AND LOSS STATEMENT

Expenses	(N) Year 1	(N) Year 2	(N) Year 3	(N) Year 4	(N) Year 5
Sales	1000000 0	1500000 0	1500000 0	2400000 0	3200000 0
Cost of Goods	7500000	9000000	10000	1500000 0	1700000 0
Gross Margin	2500000	4000000	5000000	9000000	1500000 0
GMR (%)	25.0	30.7	33.3	37.5	45.88
Services	1900000	2000000	2100000	3000000	4000000
Total Revenue	4400000	6000000	7100000	1200000 0	1900000 0
<b>EXPENSES</b>					
Salaries	2760000	2760000	2760000	324000	3240000
Staff Appraisal	5000	5000	5000	15000	15000
Maintenance	50000	50000	60000	50000	60000
Utility	30000	35000	40000	40000	40000
Advertisement	70000	40000	40000	80000	85000
Miscellaneous	50000	55000	60000	60000	50000
Fuel	90000	93000	95000	100000	100000
Total Expense	3055000	3038000	3060000	3585000	3590000
NPBT	1345000	2962000	4400000	8415000	1864100 0
5% Tax	67250	148100	202000	414750	932050
NPAT	1277750	3110100	4019800	8000250	1770895 0

Note: We increased our GMR from 25.0% in years 1 to 30.7% in year 2 by increasing our stock.

From year 2 to year 3, our GMR increased only by 2.6%. in the fourth year, there was a 6.8% increase (from 30.7% in the third years to 37.5% in fourth year). We did it by increasing the salaries of all our workers by 10%, offering discounted services to all our loyal customers, employed a driver from easy and cost effective transportation, increased the incentive given to the best staff of the year based on thorough assessment (staff appraisal), improved on our

packaging, offering free weight check, increased our advertisement and promotion, using the media and printing out cards with our pharmacy name on it.

**Below is the breakdown of the 10% increase of salary**

S/n	Position	No. of staff	Month	Year( ₦)
1	Chief pharmacist superintendent	1	-	-
2	Pharmacist	1	71500	858000
3	Media/Marking Personnel	1	77000	924000
4	Accountant	1	44000	528000
5	Pharmacy Technician	1	27500	418000
6	Sales Personnel	2	16500	396000
7	Driver	1	10000	120000

**PROFIT SHARING**

Retained earning; 50% to be ploughed back to the business. 60% of the remaining profit to be given the venture capitalist yearly and 40% of the remaining to be shared among the Board Members.

By represent Board members . – VC represents venture capitalist

First year

Profit = 1277750

R.E = 766650

VC: 60% of shared profit = 306660

BM: 40% of shared profit = 459990

Second year

Profit = 2962000

R.E. = 1481000

VC: 60% of shared profit = 888600

BM: 40% of shared profit = 528900

Third year

Profit = 4019800

R.E. = 2009900

V.C: 60% of shared profit = 1205940

Fourth year

Profit = 8000250

R.E. = 4000125

V.C: 60% of shared profit = 2400075



B.M: 40% of shared profit = 803960

B.M: 40% of shared profit = 1600050

Fifth year

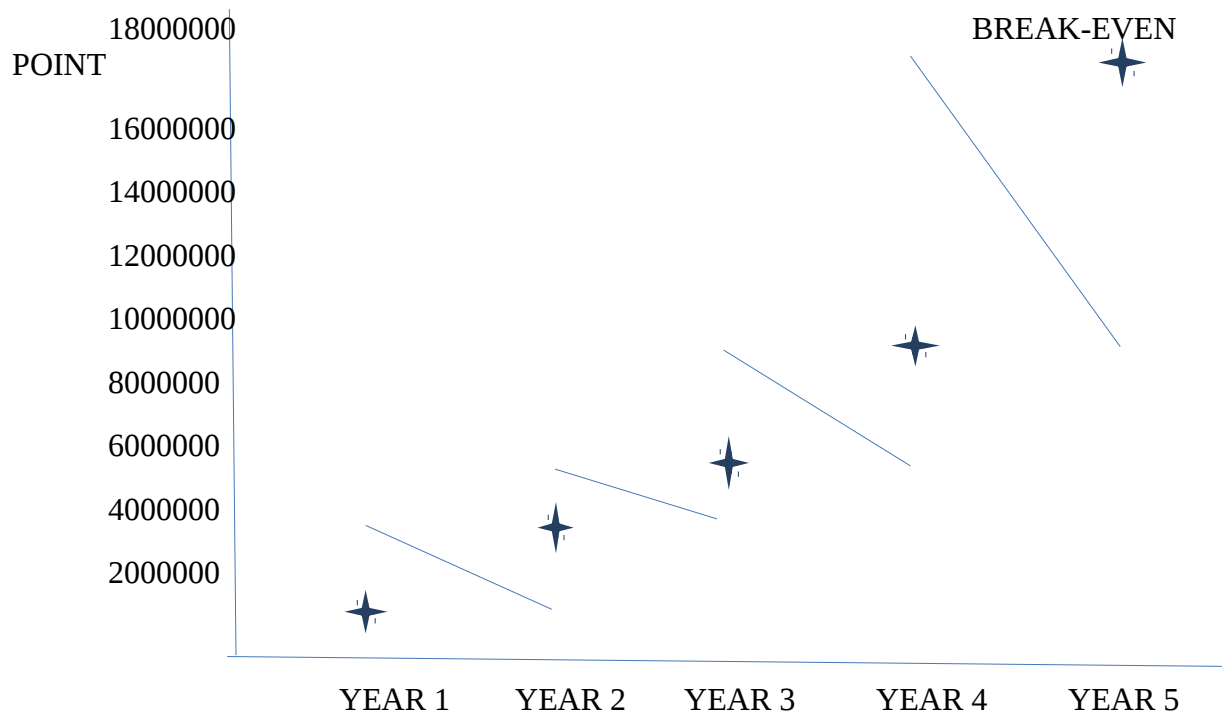
Profit = 1145555

R.E. = 5727750

B.M: 60% of shared profit = 2291100

V.C: 70% of shared profit = 3436650

### 5.6 BREAK EVEN ANALYSIS CURVE



## 5.7 BALANCE SHEET

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ASSETS</b>					
Equipment/Fixtures	1,938,000	1,938,000	1,938,000	1,938,000	1,938,000
Building (on lease)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	4,938,000	4,938,000	4,938,000	4,938,000	4,938,000
<b>CURRENT ASSETS</b>					
Reserved capital	507,000	507,000	507,000	507,000	507,000
Inventory	7,500,000	9,000,000	10,000,000	15,000,000	17,000,000
Total	8,007,000	9,507,000	10,507,000	15,507,000	17,507,000
Total Assets	12,945,000	14,445,000	15,445,000	20,445,000	22,445,000
<b>LIABILITIES</b>					
Salaries	2,760,000	2,760,000	2,760,000	3,240,000	3,240,000
Staff appraisal	5,000	5,000	5,000	15,000	15,000
Maintenance	50,000	50,000	60,000	50,000	60,000
Utility	30,000	35,000	40,000	40,000	40,000
Advertisement	70,000	40,000	40,000	80,000	85,000
Miscellaneous	50,000	55,000	60,000	60,000	50,000
Fuel	90,000	93,000	95,000	100,000	100,000
Total Liability	3,055,000	3,038,000	3,606,000	3,585,000	3,590,000
Total Net worth	9,890,000	11,407,000	12,385,000	16,860,000	18,855,000
Contributed Capital	16,000,00	16,000,00	16,000,00	16,000,00	16,000,00

	0	0	0	0	0
Retained Earning	766,650	1,481,000	2,009,900	4,000,125	5,727,750

## 5.8 CASH FLOW PROJECTION

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>CASH FLOW</b>					
Net Sales	2,500,000	4,000,000	5,000,000	9,000,000	15,000,000
Services	1,900,000	2,000,000	2,100,000	3,000,000	4,000,000
<b>Initial Cash Flow</b>	4,400,000	6,000,000	7,100,000	12,000,000	19,000,000
<b>CASH OUTFLOW</b>					
Salaries	2,760,000	2,760,000	2,760,000	3,240,000	3,240,000
Staff appraisal	5,000	5,000	5,000	15,000	15,000
Maintenance	50,000	50,000	60,000	50,000	60,000
Utility	30,000	35,000	40,000	40,000	40,000
Advertisement	70,000	40,000	40,000	80,000	85,000
Miscellaneous	50,000	55,000	60,000	60,000	50,000
Fuel	90,000	93,000	95,000	100,000	100,000
Total Cash Outflow	3,055,000	3,038,000	3,060,000	3,585,000	3,590,000
<b>CASH INCOME</b>	<b>1,345,000</b>	<b>2,962,000</b>	<b>4,400,000</b>	<b>8,415,000</b>	<b>18,641,000</b>

## 5.9 BUSINESS PARAMETERS

Year	Net Income	Owner's Equity	Return on Investment (%)	Sales (N)	Net Profit ratio (%)
1	1277750	9890000	12.9	1000000 0	12.76
2	3110100	211407000	27.26	1300000 0	23.92
3	4019800	12385000	32.46	1500000 0	26.80
4	8000250	16860000	47.45	2400000 0	33.33
5	17708950	18855000	60.76	3200000 0	55.34

### SECTION SIX

## 6.0 EXIT PLAN

The business is commercially viable having shown through the projections, impressive sales, profit and cash flow position but if any of the following happens;

- Decreasing profit leading to failure to break-even after 5 years
- Inability to pay off venture capitalist or investors after 5 years
- If we make 50% loss of our current assets after the first 3 years of operation
- Ethno-religious or Ethno-political unrest
- Disasters such as fire outbreak, flood, bomb blast etc

The following are our exit plan strategies

1. **Merger and Acquisition:** This involves merging with a bigger pharmaceutical company and acquisition which is by being bought by a bigger pharmaceutical company. This merging and acquisition will enable us generate the resources to pay off the venture capitalist
2. **Liquidation and close:** This involves selling off the remaining inventory and giving the venture capitalist 30% of the money and 70% to be shared among board members

## 6.1 LEGAL DOCUMENTATION

## **Registration of business**

The registration of a Community pharmacy is governed by the Pharmacist Council of Nigeria (PCN). Association of Community Pharmacist of Nigeria (ACPN) and Corporate Affairs Commission).

## **PARTNERSHIP AGREEMENT**

**THIS PARTNERSHIP AGREEMENT** made and entered into 18<sup>th</sup> July 2017

BETWEEN:

**Okanumee Samuel M., Okanumee Uchechukwu, Nwafor Chinonso C, and Fidel Adaugo.**

### **BACKGROUND**

- A. The Partners wish to associate themselves as partners in business
- B. This agreement sets out the terms and conditions that govern the partners within the partnership

**IN CONSIDERATION** OF and as a condition of the partners entering into this agreement and other valuable considerations, the receipt and sufficiency of which consideration is acknowledged, the parties to this agreement as follows

- The firm name of the Partnership will be Health Bloom Pharmacy
- The Partnership will begin on July 17, 2017 and will continue until terminated as provided in this Agreement. The principal office of the business of the Partnership will be located at Plot 11, Area C Nyanya, Abuja

- Each of the Partners has contributed to the capital of the Partnership, in cash or property in agreed upon value, as follows (the "Capital Contribution"):

<b>Partner</b>	<b>Contribution</b>	<b>Agreed Value</b>
Partners	60%	N872730 each
Venture capitalist	40%	N 6400000

All Partners will contribute their respective Capital Contributions fully and on time.

No Partner will withdraw any portion of their Capital Contribution without the express written consent of the remaining Partners.

- **Additional Capital:** Capital Contributions may be amended from time to time, according to the requirements of the Partnership provided that the interests of the Partners are not affected, except with the unanimous consent of the Partners. No Partner will be required to make Additional Capital Contributions. Whenever additional capital is determined to be required and an individual Partner is unwilling or unable to meet the additional contribution requirement within a reasonable period, as required by Partnership business obligations, remaining Partners may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case the allocation of profits or losses among all the Partners will be adjusted to reflect the aggregate change in Capital Contributions by the Partners,
- Decisions regarding the distribution of profits, allocation of losses, and the requirement for Additional Capital Contributions as well as all other financial matters will be decided by a unanimous vote of the Partners.

- Subject to any other provisions of this Agreement, the net profits and losses of the Partnership, for both accounting and tax purposes, will accrue to and be borne by the Partners in equal proportions (the "Profit and Loss Distribution").
- **Annual Report**: As soon as practicable after the close of each fiscal year, the Partnership will furnish to each Partner an annual report showing a full and complete account of the condition of the Partnership
- **Management**: Except as all of the Partners may otherwise agree in writing, all actions and decisions respecting the management, operation and control of the Partnership and its business will be decided by a unanimous vote of the Partners.
- **Contract Binding Authority**: Each Partner will have authority to bind the Partnership in contract.
- **Distribution of Property on Dissolution of Partnership**: In the event of the dissolution of the Partnership, each Partner will share equally (the "Dissolution Distribution") in any remaining assets or liabilities of the Partnership.