

UNIVERSITY OF NIGERIA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

FISH POND BUSINESS

**A BUSINESS PLAN PREPARED IN PARTIAL FULFILLMENT FOR
THE REQUIREMENT OF THE COURSE; CED 342 (BUSINESS
CREATION AND GROWTH).**

BY

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2014/196556

LECTURER: DR. MRS. C. T. NWOGA

JULY, 2017.

OCEANIC FISH FARM

14 DANLADI STREET, KADUNA, KADUNA STATE.

EZE CHARITY GINIKA

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JULY 2017.

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1.0 Executive Summary

1.11 Name of business:

The name is OCEANIC FISH FARM

1.12 Legal form of business:

OCEANIC FISH FARM is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.13 Contact address:

14 DANLADI STREET, KADUNA, KADUNA STATE.

1.14

Telephone: 07062283584. Email: info@oceanicfishfarm.com.ng

1.15 Type of business:

This is a sole proprietorship business.

1.16 Description of business:

Oceanic Fish Farm is into the business of raising fish in ponds and selling them when they are matured.

Our customers cover all individual, schools, hostels, restaurants, bars, hotels, etc.

The name of the owner of the business is; Eze Charity Ginika; he oversees the entire running of the business.

1.17 Job opportunities:

It will create 3 jobs directly.

1.18 Start-up capital:

It would require a start-up capital of N344,460 comprising of fixed asset of N70,460 working capital of N108,000, and others which amount to N166,000.

Table 1

A	Fixed capital	N70,460
B	Working capital	N108,000
C	others	N166,000

Total-N344,460

1.19 Source of capital:

The capital will be sourced as follows

Table 2

a	Owners capital	N120,000
b	Grant from Bank Of Agriculture	N250,000
	TOTAL	N4,000,000

1.20 Profitability:

The business has the ability of raising above N1 million profits from the third year.

2.10 GENERAL INTRODUCTION

2.11 Background

Fish have consumed in ancient times. It forms part of most communities' delicacies. Nigerians are not also left out in the consumption of fish. Most people prefer it to other type of meat due to its sweet and fatty nature. That is why there had been different people from one town to another that are into the business of pig farming. Even at that, the demand for fish is not always met. That is why Oceanic Fish Farm came into existence to bridge this gap, by making more fish to be available in the market.

Our customers cover all individuals that eat fish, restaurants, bars, hotels butchers

2.12 Vision Statement

Establish over ten (10) fish farms across the major cities of Nigeria in the next twelve (12) years.

2.13 Mission Statement

Become the leading fish farmer in Nigeria in the next ten years.

2.14 The Company

The name of the company is OCEANIC FISH FARM. It is a new business and it is in the process of being registered.

2.15 Services Offered

We rear and sell mature fish.

2.16 Legal form and ownership of business

The business is a sole proprietorship business that is in the process of being registered.

The main promoter which is also the owner of the company is;

EZE CHARITY GINIKA	-----	100%
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2.17 Location of the business

The business headquarters would be located at 14 Danladi Street, Kaduna, Kaduna State. Due to the location of the company's business premises, the business would experience great sales, since it is located at a strategic place where it could access the market easily.

The location has a challenge which is; insecurity experienced in the city, and thus, poses a danger to the growth of the business.

We choose the location despite the challenge because of the great number of customers we would have access to.

2.18 Industry Trend and Analysis

The industry is a growing business that has an all year demand for pork meat. This means that the industry is such that is not seasonal with great potential for sales, and generation of income for the business owner and his workers as well.

2.19 Business Strategy

To ensure we remain in business, we would always use cheap price, quality service and good customer relations as our business strategy to attract and keep our customers.

2.20 Key success factors

Our key success factors include; experience workers, easy access to feed for fish, good location, and highly competitive price.

The Market

3.10 Target Market

The main targeted markets for now are all supermarkets, bars, hotels, restaurants and markets in Kaduna, Niger, and Abuja. The size of the market is large, because it comprises of people from all works of life found in different location. The market is bound to increase because of the growing population of people and the demand for fish.

3.11 Sales and market share analysis

The market has the potential of offering us opportunity to sell matured that are more than 20,000 per year. For now we can control 10 to 15% of the market.

3.12 Profile of Competitors

COMPETITOR S	PRODUCTS/SERVICE S	COMPAN Y SIZE	TURNOVE R	ADVANTAGE S	DISADVANTAGE S
Sinka Fish Farm Nigeria Ltd.	Fish farming and poultry farming	Employs over 16 workers.	Over N30million yearly	Have been long in the business.	Not located in an easily accessible place, and sales product costly.
Sunny bright pig farm and butcher Nig Ltd	Pig farming and fish farming	Employs about 12 workers.	Makes over N21million as turnover yearly.	Have competent personnel.	Just started in the business.

Competitive Advantages

Oceanic Fish Farm enjoys some measures of competitive advantages which are:

The location of our business is very strategic hence gives us great advantage over our competitors since they will access us easily. The cheaper price we present to our customers is also an added advantage.

Our good customer relations are also an added advantage.

3.13 SWOT Analysis

STRENGTHS	WEAKNESSES
The great experiences of our workers are a plus to us. The ability to increase our services in order to meet demand. The location of our company which makes it easy to be accessed. Our cheaper price is also an edge over our competitors. Prior experience in fish farming.	The location of the business which makes us to pay much tax.
OPPORTUNITIES	THREATS
Ability to expand to great limit, since so many people in the Southern part of Nigeria eats fish.	Theft of our fishes. Disease outbreak in the farm. Fluctuating prices of fuel that might increase cost of operation.

3.14 Demand and supply analysis and Estimating the initial installed capacity

Details	Size (numbers)
Potential demand to be served	30,000
Less 30% existing competitors	21,000
Available market (in the absence of expansion and very high entry wall)	120,000
Less 10% due to possible expansion of existing competitors and entrant of new ones.	108,000
Available market	300,000
Less 5% due to error in estimation	285,000
Available demand/qualified market/ demand supply gap	126,800
Initial installed capacity cat most 60% of available demand (served market)	

4.10 Marketing Plan

4.11 Market segmentation

Fish farming belongs to the agricultural segment of the economy. The location of the business was done in relation to the market demand of fish and where production could be cheap.

4.12 Target market

The main targeted markets for now are all supermarkets, bars, hotels, restaurants and markets in Kaduna, Abuja, etc

4.13 description of the edge of service

service	1
Denominatio n	Matured fish
Packaging	No packaging

4.14 Marketing Plan Price

Consumers are willing to pay highest N 900, average of N400 and lowest of N200 for every matured fish.

Our competitors prices ranges from highest of N800, an average of N500 and the lowest of N300.

The price we charge per matured fish is N300.

This gives us advantage over our competitors because they charge higher than what we are charging. So, we would be able to command great patronage because of our price.

4.15 Market positioning strategy

The firm has not gained more ground in the market. So with good advert and price, we seek to gain more position in the near future.

4.16 marketing mix implementation tools

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

4.17 Channel of distribution

Customers will deal directly with us.

4.18 Start-up promotion

For start up promotion, we would print banners and posters.

4.19 Alliances

The alliance we would enjoy from friends and customers would help us enjoy increase in our customer base.

4.20 Marketing calendar and Budget

For every six month we would print notebooks that is customized, banners and posters. We would carryout announcement in radio twice every week. All will cost us N42,000 per year.

5.00 Production Plan

5.11 The Project

Fish farming is the raising of fish in ponds for the purpose of providing quality fish for consumption. Fish is consumed by majority of people especially in the south east due to its fatty meat and tasty meat. But the supply for fish had always been far greater than the supply over the years. Not just only that; there had also been need for the

supply of healthy fish. This project came up to address these issues and help to provide solutions.

It is a small scale business and a capital intensive business.

5.12 Production Process

Fishes are brought to farm, quarantined, placed in the ponds, feed them for several months until maturity, they are then sold.

5.13 The Production flow chart

Quarantine ----- Feeding -----Sales of mature fish

6.10 Management and Organisational structure

The main promoter is the owner of the company and holds all the share of the company. She is;

EZE, CHARITY GINIKA ----- 100%

Our financial adviser is Olumo Financial Advisor Nig Ltd; 252 Presidential road Enugu, email: info@olumofinance.com.ng, website: www.olumofinance.com.ng, telephone number: 0803 909 9921

Our legal adviser is Nwakanma solicitors; 07 Ziks Avenue , Enugu, Enugu State.

Email: nwakanmasolicitors@gmail.com. phone number: 0816 344 6767

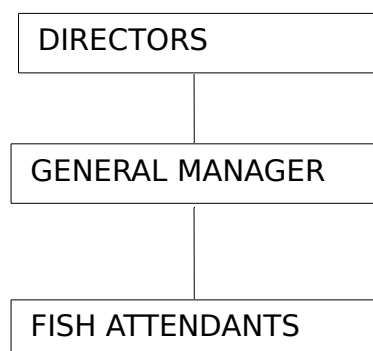
6.11 Management team

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	HND in business management	4 years' experience as manager at Reality Fish Farm Enugu.	Overseas the day to day operation of the business.
FISH ATTENDANTS	WAEC.	Have experience in Fish farming.	Feeds fish, watch over them and treat them when necessary.

Our future management needs.

The company would currently employ 3 persons, and would increase its number of staff to over 7 persons after 5 years of operation.

6.12 Organizational structure



6.13 The personnel plan

S/N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N50,000	N360,000
2.	Fish	2	N15,000	N360,000

	attendants			
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6.14 Organization's values and norms

Integrity, faithfulness, truth, faithfulness and diligence.

7.10 Legal, regulatory, social, and environmental issues

7.11 Legal Issues

There are no legal issues for now.

7.12 Regulatory and environmental issues

The service is not regulated, but on the process of registration with corporate affairs commission. The farm does not create any environmental hazard.

8.0 Financials

8.11 Equipments

S/ N	INVESTMENT	QT Y	UNIT COST (N)	TOTAL COST (N)
1.	Fish Ponds	2	46,000	92,000
2.	EQUIPMENTS			
	i) Metal tank	1	65,000	65,000
	ii) Fish nets	3	1,400	4,200
	iii) Pool washing brush	3	420	1,260
	TOTAL INVESTMENT			162,460

8.12 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service	4,200	6,400	9,800
Quantity			
Sales per unit	N350	N350	N350
TOTAL	N1,470,00	2,240,00	3,430,00
	0	0	0

8.13 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	720,000
TRANSPORTATION	41,000
TELEPHONE	19,500
ADVERTISING	26,000
TOTAL EXPENSES	806,500

8.14 Working Capital Projection

8.15 Start Up Capital Needed

S/ N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	70,460
2.	Working capital	108,000
3.	Pre-operating expenditures	166,000
	TOTAL	344,460

8.16 Financing Plan

S/ N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	120,000
2.	Grant from bank of	250,000

	agriculture	
	TOTAL	370,000

8.17 Schedule of Depreciation

S/ N	ITEM DEPRECIATION	OF VALUA	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Metal tank		65,000	12,000	10 years	5,300
						N5,300

8.18 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	1,470,000	2,240,000	3,430,000
OTHERS	-----	-----	-----
NET SALES	1,470,000	2,240,000	3,430,000
LESS EXPENSES:			
SALARIES	720,000	720,000	720,000
TRANSPORTATION	41,000	46,000	52,000
TELEPHONE	19,500	22,000	24,200
ADVERTISING	26,000	26,000	26,000
EQUIPMENTS	70,460	----	-----
RENT	54,000	54,000	54,000
BUYING OF FINGERLINGS	20,000	35,000	46,000
FISH FEED	90,000	123,000	210,000
BUILDING OF FISH PONDS	92,000	----	----
TOTAL EXPENSES	1,132,960	1,026,000	1,132,200
PROFIT BEFORE TAX/INTEREST	337,040	1,214,000	2,297,800
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	337,040	1,214,000	2,297,800
LESS DEPRECIATION	5,300	5,300	5,300
TAXABLE PROFIT	331,740	1,208,700	2,292,500
LESS TAX (30%)	33,174	120,870	229,250
PROFIT AFTER TAX	298,566	1,087,830	2,063,250

NET PROFIT	298,566	1,087,830	2,063,250

8.19 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
CASH IN:			
SALES INCOME	15,000,000	36,000,000	70,000,000
RE-INVESTMENT			
TOTAL CASH IN	15,000,000	36,000,000	70,000,000
CASH OUT:			
SALARIES	720,000	720,000	720,000
TRANSPORTATION	41,000	46,000	52,000
TELEPHONE	19,500	22,000	24,200
ADVERTISING	26,000	26,000	26,000
OTHER EXPENSES	326,460	212,000	310,000
TAX	33,174	120,870	229,250
TOTAL CASH OUT:	1,171,534	1,152,270	1,366,850
NET CASH FLOW	298,466	1,087,730	2,063,150

Risks Analysis and Mitigants

9.10 Risk Contingent Analysis

S/ N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to sell our products on credit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum security of our properties, and also employed security personnel.
3.	Accident	To checkmate the incidence of accident, we have made adequate provision for safety and would implement all preventive measures.

9.11 Contingency Plan

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

9.12 Exit Strategy

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in ne investors or selling the business off.

10.0 Other Consideration, Conclusion and Recommendation

10.11 Economics Justification

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

10.12 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N298,566, N1,087,830 and N2,063,250, as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.13 Conclusion/Recommendation

Based on the above information supplied about our planned pig farming business, we greatly believe that the business would grow and expand greatly within the next five (5) years of production, thus, we recommend that the business be sponsored.