

**UNIVERSITY OF NIGERIA,  
NSUKKA  
FACULTY OF SOCIAL SCIENCE  
DEPARTMENT OF PUBLIC  
ADMINISTRATION AND LOCAL  
GOVERNMENT**

**TOPIC**

**Izu's Tiling Enterprise**

A BUSINESS PLAN  
PREPARED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE COURSE: BUSINESS DEVELOPMENT  
AND MANAGEMENT.

**CED 342**

**BY**

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## **CHAPTER 1**

### **1.0 EXECUTIVE SUMMARY**

1.1 The preceding report relate to the proposal to establish Izu's Tiling enterprise at Beach junction Nsukka, Enugu. The Tiling shall require a startup capital of ₦5,000,000 of which ₦3,000,000 for fixed asset and ₦2,000,000 for working capital.

1.2 Izu's Tiling enterprise has a clear business objective to develop Wall and floor tiling services. These services have been developed with a core focus on addressing the key customer problem and associated opportunities.

1.3 The raw materials that I will be used for tiling are Tile cutter, adhesive trowel, tile spacers, robber mallets, spreader, grout sponge, Tile nipper, tiles, Tile score, Profile gauge Adhesive and grout mixer, mechanical version, Knee pads, Dust mask

1.4 The Tiling enterprise is solely owned by Ozioko Izuchukwu and registered with the Corporate Affairs Commission. The Tiling enterprise is located at Nsukka because it is a business town and due to the easy access to the target market from that location. And it will be serving three state within the country: Enugu state, Imo state and Anambra state.

1.5 The presence of many business outlets, Banks, schools and homes provide a huge available market for the Tiling business. The competitive edge of the enterprise lies in its ability to produce well

efficiency and effective best Wall and floor tiling services for the three state.

- 1.6 The tiling business aims to reach market demand by the end of its first quarter in 2020 and also reach its market demand per month at the same period.
- 1.7 The Tiling business also intends to increase its output market supply for day by upgrading its production machines by the year 2021. By the special grace of God, the loan will be fully liquidated by the end of the second year of the bakery's year of operation.

## **CHAPTER 2**

### **2.0 BACKGROUND**

#### **2.1 Introduction**

The planned tiling enterprise project as a result of the high demands in good quality tiling of new and old schools both primary, nursery school and university, government house, banks, family homes, hospital, industry, enterprise etc. in each of these three state. These builds demands for tiling because tiling seems to last longer and looks more magnificent.

#### **2.2 Vision Statement**

To be a leading producer of high quality Tiling service in the three state, Anambra, Imo, and Enugu state, to many company and houses, hospital etc. within these three state.

#### **2.3 Mission Statement**

Izu's tiling company is uniquely positioned to deliver value to Contractors. Izu's tiling company will We aim for quality, efficiency and enthusiasm." In order to be deliver on this value proposition, we The directors of the company all have a hands on site presence seeing over contracts on a personal level. This capability has taken considerable time and resources to develop and forms the cornerstone of our competitive advantage.

#### **2.4 Key market factors:** The key success factors include:



- (a) The addition of dried vegetable in small amounts to cassava bread cake in order to improve digestibility and provide more fiber that is of health importance.
- (b) To produce baked coconut crisps that will still give the same nutritional requirements as the fresh coconut. This also helps in preserving the coconut for a long time.
- (c) To produce whole wheat bread which will serve to ameliorate the health condition of diabetic patients and any consumer who may have the interest of regulating their blood sugar levels.

## **2.5 Inherent Risks**

- (i) There are slim chances of expansion because of limited resources and space.
- (ii) Provision of facilities like constant power supply to operate the electrical ovens.
- (iii) To checkmate these risks, plans have been put in place to ameliorate the situation.

## **2.6 Business Ownership**

The business is a sole proprietorship solely owned by Ozioko Izuchukwu and it is registered with the Corporate Affairs Commission.

## **2.7 Location and Facilities**

The tiling enterprise is located in one of the major cities in Enugu State, Nsukka, precisely beach junction, 2nd floor Nsukka oka plaza,

with service across Anambra, and Imo because of the following reasons:

- (i) The city is a commercial type and has so many available markets like the students in its environs, banks, business outlets in international markets, hospitals and residential homes.
- (ii) Existence of good road network to aid in easy distribution of products.
- (iii) Availability of skilled labour work force because of high population of the area.
- (iv) Presence of facilities like good water supply and power supply.

## **2.8 Services Rendered**

Izu's Tiling enterprise provide the client with Izu's Tiling enterprise Countertop products. These are used to resurface existing countertops, such as Formica, granite, marble and other solid surfaces to replicate granite, marble, natural stone or completely customized tops. Izu's Tiling enterprise Flooring Overlay can be installed over existing flooring, such as concrete, wood, and linoleum. Izu's Tiling enterprise products are designed to complement your current style and colour specifications. Once installed, Izu's Tiling enterprise products are easy to clean and maintain.

Izu's Tiling enterprise Flooring products give you the look of Flagstone, Slate, and many more natural stone flooring products right over your existing concrete. If your concrete is ugly, discoloured, or even cracked,

our Concrete Overlay system is the perfect choice for enhancing your indoor or outdoor surfaces. This newly developed "green" product is designed to meet the most demanding residential and commercial decorative specifications for either interior or exterior locations. Any imaginable patterns including, but not limited to, slate, tile, flagstone, travertine or Saltillo can be replicated by Izu's Tiling enterprise certified installers in a nearly unlimited colour selection.

The finished product withstands the rigors of residential and commercial pedestrian or wheeled equipment traffic retaining its beauty throughout a long serviceable lifetime. Experienced decorative concrete contractors conducting beta-site testing unanimously agree that the Izu's Tiling enterprise Overlay System is more economical and is easier to use than similar product formerly available. This is a testimony that Izu's Tiling enterprise's efforts to manufacture and market a product that takes into consideration reduced material costs and decreased installation labour expense have been successful.

## **2.9 Industry Trends**

Nigerian population which is estimated at 167 million still increases every passing second. The one of the greatest problem of Nigerians and Nigerian government is the overpopulation. A country where many are living below the poverty line of below 1 U.S. dollar per demand due to this increase in population there is increase in demand for housing, and increase in hospital, schools, industry in other to sustain the population of the people, There is always more

demand schools, and health care centers, and family building house everywhere.

The Izu's Tiling enterprise belong to the tiling industries which is an industry that grows on a larger scale and has more opportunities which provide the service of tiling for these all this institutions, homes and schools, because of high demand for quality beautify tiling of the walls, and floor. Izu's Tiling enterprise will try to give the best quality tiling which the people needs.

### **Production Plan**

2.10 The facilities required for production include:

Tile cutter,

adhesive trowel,

tile spacers,

robber mallets,

spreader,

grout sponge,

Tile nipper,

Office equipment.

This profile envisages setting up a bakery with a production capacity of 2,000 wall tiling per month, 1000 floor tiling, 500 bathroom tiling

per day which will accrue the total sum of ₦525, 000 per day from all the production units.

**Raw materials** : This include Tile cutter, adhesive trowel, tile spacers, robber mallets, spreader, grout sponge, Tile nipper, tiles, Tile score, Profile gauge Adhesive and grout mixer, mechanical version, Knee pads, Dust mask.

2.9.1 Production Process consist of:

- ✓ Tiling of house, home and palace.
- ✓ Tiling of All kinds of Floor.
- ✓ Tiling of Walls, schools, hospitals wall,
- ✓ Tiling of companies, industries, universities and hotel floor and walls.

The products are sent through quality control unit to checkmate for errors in packaging before they are supplied.

## **2.10 Business Strategy**

Over the next 5 years my focus will be to Train up new fixers. This task will be undertaken in the context of our broader strategy to Major tiling company in the midlands. These strategies are a tactical implementation of our overall business goal as outlined above. Another strategy is a 24-hour operation which will enable customers from far and wide to be attended to anytime. There are also vans ready to transport us anywhere we are to go for work.

## **CHAPTER 3:**

### **3.0 MARKET**

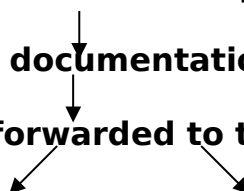
**3.1** The bakery is set to serve banks, students, business men and women hospitals and the Nsukka Community as a whole within the three state, Anambra, Imo and Enugu. The presence of other tiling company around serve as a competing feature but the strategies employed serves to handle the issue. The use of good and quality tools and machineries and qualified personal are maintained and This gives my tiling company a competitive edge over others.

**3.2 Service delivery chart is below:**

**Client calls at the reception**

**Record & documentation of items needed**

**Records forwarded to the appropriate units**





## **CHAPTER 4:**

### **4.0 MARKETING PLAN**

#### **4.1 Promotion and distribution strategy**

Luchng of the Direct-mail campaigns will allow you to promote your flooring products and services to a large, specific customer base through mailed sales letters, postcards and greeting cards. They will be given authority for discounts at sales point. For promotion of products, the media - T.V, radio, newspapers, internet ads, fliers, and market women will be used. Also there will be 3% price discount for a given quantity of floor tiling. Conducting Seminar marketing will afford you the opportunity to speak directly to your target markets and to educate them on flooring options.

Building relationships with complementary businesses in your area can help you increase your visibility among your target market, giving you multiple avenues for promoting your flooring company. Local blogs, websites and print publications that target homeowners and business owners may provide advertising opportunities that can help you promote your flooring business.

#### **4.2 Service delivery strategy.**

The products for distant outlets would be transported to the distribution joints, top restaurants in school and central markets.

#### **4.3 SWOT Analysis**

A SWOT analysis carried out on the project reveals

##### **4.3.1 Strengths**

- The location of the tiling makes it have easy access to targeted customers.
- The quality, packaging and fast delivery of work is consistent as to meet customers' demands.
- The tiling has good plans to contain expansion to other parts of the city to aid in equal dissemination of her products.

##### **4.3.2 Weakness**

- Inadequate power supply which will delay the rate of work and quantity of output.
- Lack of good materials and equipment at times for working purposes.
- Problems of raising adequate capital for the anticipated project.



- The usual problem that comes with getting customers to patronize a new product.

### 4.3.3 Opportunities

No recognized firm of tillers or tiling franchises in the region.

To capitalize on a growing market and trends in tiling.

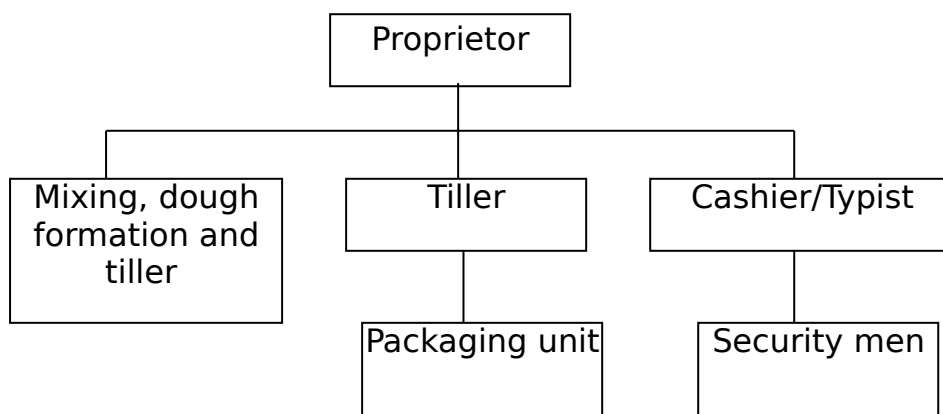
### 4.3.4 Threats

- Low initial demand for products
- Increased competition due to more tiling companies are springing up.
- Price instability due to increase in the equipment and tools needs for the tiling business.

## CHAPTER 5:

### ORGANIZATIONAL & MANAGEMENT

#### 5.1 Organizational Structure



#### 5.2 Management

Izu's tiling enterprise is a private enterprise owned by Ozioko Izuchukwu and managed by him and other members of the staff

who will see to the affairs of the tiling. The manager is a trained engineer and has a basic knowledge of what it takes to produce a good tiling. To help in day to day management of the tiling, some other good hands will be employed. They will assist in the area of machine maintenance and servicing as regards to the electrical, tools and machines use for work. The table below shows the salary scale which is subject to amendment as the tiling grows.

### 5.3

Job Description or Post		Unit	Salary Scale per annum (₦)	Total salary (₦)
I	General Manager or Proprietor	1	400,000	400,000
li	Baking assistants or workers	6	299,000	1,200,000
lii	Typist/Cashier	1	210,000	210,000
lv	Security men	3	50,000	150,000
				<b>1,960,000</b>
	5% fringe benefits			100,000
	<b>Grand Total</b>			<b>2,060,000</b>

### 5.4 External Support

The tiling will seek for support on technical issues from ABUS Tiling Development Centre where the proprietor received entrepreneurial training. The services the machine technicians has been planned to be retained.

### 5.5 Value and norms of the Company

The Tiling business adopts the following norms and values

- To see her employees as her most valuable asset
- To do her best within the federal, state and local government laws
- To uphold her integrity always

- To offer the best for the customer's benefit.

## **CHAPTER 6:**

### **LEGAL AND REGULATORY ISSUES**

#### **6.1 Legal Issues**

Izu's Tiling plans to commence operations as a sole proprietorship, hence, the business name is registered with the appropriate department at the Local Government Headquarters and also the state government headquarters.

**6.2 Regulatory Issues:** the major federal regulations that govern the bakery include

- (i) National Nigeria engineering administration control: they ever see the standard quality works of all the tiling companies within the country.

- (ii) Ministry of tiling & Commerce: they assist and govern the affairs of the all tiling industries.
- (iii) Other regulating bodies include Manufacturers' Association of Nigeria (MAN), other trade associations, local and state government approval certificate. Some of the requirements needed by the operating regulating bodies have been duly met.

## **CHAPTER 7:**

### **FINANCIAL PLAN**

#### **7.1 Summary of Project Cost**

The total cost of the project is ₦5,000,000 which is made up of ₦3,000,000 in fixed capital and ₦2,000,000 in working capital.

#### **7.2 Fixed Capital Investments**

Izu's Tiling is located at beach junction Nsukka shopping Plaza, 2nd floor. The site is motorable all year round. The table below shows the fixed capital investment required for the project.

**Table: Fixed Capital Investment**

	Detail	Qty	Unit Price (₦)	Total amount (₦)
--	--------	-----	----------------	------------------

1	office Building	1	700,000	700,000
2	Office equipment	2	10,000	20,000
3	Transport Vans	3	500,000	1,500,000
4	Generator/Lister	1	780,000	780,000
	Total			3,000,000

### 7.3 Utilities

7.3.1 The tiling faces the challenge of poor road for transportations, and also fluctuations in electric supply for the use of some of the electronic tool for work. Hence, it pays commercial and uses generator to generate power in the absence of power supply.

#### Expenses on Utilities Projected

Utilities	Year 1 (N)	Year 2 (N)	Year 3 (N)
Light	150,000	155,000	160,000
Light	144,000	147,000	150,000
Total	294,000	302,000	310,000

#### Other Expenses

Other expenses incurred in the process of running the bakery include:

Type of Expenses	Year 1 (N)	Year 2 (N)	Year 3 (N)
Vehicle maintenance	100,000	105,000	109,000
Business travels	20,000	25,000	29,000
Public relations/advert	50,000	53,000	55,000
Miscellaneous	90,000	95,000	97,000
Total	260,000	278,000	290,000

### 7.4 Working Capital Forecast

The following assumptions are made to arrive at working capital needed for the business.

1. Selling price of stocks increase annually by 10%
2. It is expected that goods are disposed off at the market as scheduled.

	Working capital items	Year 0 (₦)	Year 1 (₦)	Year 2 (₦)	Year 3 (₦)
1	Stock of raw materials	900,000	910,000	920,000	920,000
2	Provision for utilities and other expenses	300,000	300,000	305,000	305,000
3	Salaries/wages	600,000	600,000	602,000	605,000
4	Less creditor: 1 month need of stock of raw materials	200,000	200,000	210,000	210,000
5	Working capital	2,000,000	2,010,000	2,037,000	2,040,000
6	Increase/decrease in working capital	-	10,000	37,000	40,000

### 7.5 Total required start up capital

	Capital items	Amount (₦)
1	Machinery, Equipment & others	3,000,000
2	Working Capital Requirements	2,000,000
	Total	5,000,000

### 7.6 Financial Plan

To finance the required investment outlay, the proprietor plans to raise an equity capital of ₦1,000,000 while ₦4,000,000 will be borrowed from the bank.

Source	Amount
Equity contribution	1,000,000
Bank loan	4,000,000
Total	5,000,000

### 7.7 Fixed estimated costs of items

S/N	Materials	Cost of materials (₦)
-----	-----------	-----------------------

1	Oven	24,000
2.	Tilier cutter	2,600
3	Tile nipper	1,200
4	Tile sore	40,000
5	trowel	22,000
6	robber mallets	5,000
7	Fuel	10,000
8	Spreader	11,000
Total		11,58000

### 7.8 Loan Repayment Schedule and Interest Paid

It is expected that the loan would attract an interest of 5% and that funds are available to pay annual interest as well as scheduled repayment of the principal amount.

#### Interest and Repayment Schedule

Year	Loan	Repaymen t	Interest s	Loan Balance
1	4,000,00 0	Nil	200,000	4,000,000
2	4,000,00 0	2,000,000	200,000	2,000,000
3	2,000,00 0	2,000,000	200,000	Nil

### 7.9 Schedule of Annual Depreciation

	Capital items	LS	IV	SV	Depreciatio n
1	building	2 0	700,000	500,000	10,000

2	Tiller tools	1 0	20,000	10,000	1,000
3	Transport Van	1 0	1,500,00 0	1,000,00 0	50,000
4	Generator/Lister	2 0	780,000	700,000	8,000
	<b>Total</b>				<b>69,000</b>

### 7.10 Forecast of Profit and Loss

Particulars	Year 1 (N)	Year 2 (N)	Year 3 (N)
Expected sales	1,800,00 0	3,500,00	5,000,00 0
Less 1% discount in price	18,000	35,000	50,000
Net sales	1,782,00 0	3,465,00 0	4,950,00 0
Expenses			
Cost of tiling Operations	1,200,00 0	1,210,00 0	1,225,00 0
Utilities	294,000	302,000	310,000
Other expenses	260,000	278,000	290,000
Salaries/wages	600,000	602,000	605,000
Total Expenses	2,354,00 0	2,120,20 0	2,430,00 0
Profit before Int. & Tax	572,000	1,344,80 0	2,520,00 0
Less Interest	200,000	200,000	100,000
Profit before Tax	772,000	1,144,80 0	2,420,00 0
Less 5% Tax	Nil	114,480	242,000
Profit after Tax	772,000	1,030,32 0	2,178,00 0
Less Depreciation	69,000	69,000	69,000
Net Profit	841,000	961,320	2,109,00 0
Retained Earnings	841,000	961,320	2,000,00 0
Dividend	Nil	Nil	109,000

### 7.11 Cash Flow Projection

Ash in	Year 0 (N)	Year 1 (N)	Year 2 (N)	Year 3 (N)
Equity	1,000,00 0	-	-	-
Bank loan	4,000,00 0	-	-	-



Net profit	-	841,000	961,320	2,109,000
Depreciation	=	910,000	1,030,320	2,178,000
Total Cash in	5,000,000	910,000	1,030,320	2,178,000
Cash out				
Equipment and others	3,000,000			
Working Capital	2,000,000			
Increase or decrease in cash		10,000	37,000	40,000
Loan Repayment	-	-	2,000,000	2,000,000
Dividends				109,000
Total Cash out	5,000,000	10,000	2,937,000	2,149,000
Opening Balance	Nil	Nil	1,320,000	950,000
Increase/Decrease in Cash	Nil	1,320,000	1,000,000	700,000
Closing Balance	Nil	1,320,000	180,000	1,650,000

## 7.12 BALANCE SHEET

	Year Zero	Year one	Year two	Year Three
Fixed assets				
Machinery, equity and others	389,000	389,000	389,000	389,000
Less com. Dep		- 15,472	- 30,944	- 46,416
Net fixed assets	389,000	373,528	358,056	342,584
Current assets			16,575	238,803
Spreader	100,000	100,000	150,000	120,000
Debtors		480,000	300,000	450,000
Cash in bank	350,000	400000	550000	450000

Total current assets	100,000	580,000	666,575	808,803
Total assets	489,000	953,528	1,021,631	1,255,168
Long term liabilities				
Capital/ equity	1,200,000	1,200,000	1,200,000	1,200,000
Retained earning		1,102	524,756	949,744
Bank loan	328,500	328,500	14,925	Nil
Total long term liabilities	1,528,500	1,528,500	1,819,681	2,149,744
Current liability	50000	50000	50000	50000
Loan repayment			250,000	4,746
Creditors	50,000	50,000	150,000	100,000
Dividend				50,000
Total current liabilities	50,000	50,000	300,000	154,746
Total liabilities	1,578,500	1,728,500	2,119,681	2,304,490

### 7.13 PROFITABILITY ANALYSES

	YEAR ONE	YEAR TWO	YEAR THREE
Profit after tax	16,575	540,228	1,015,216
% Return on turnover	0.09	20.10	35.10
% Return on equity	1.36	45.15	85.31
% Return on investment	0.12	51.40	79.70

### 7.14 Break-Even Analysis

Break even analysis for year 2014 formula =  $BE. P = \frac{FC}{1-VC}$

$$\frac{1-VC}{S}$$

Where FC = fixed costs VC = Variable costs

S = Sales 1 = Constant

$$BEF = \frac{FC}{1-VC} = \frac{729,000}{1-90,000/500,000} = \frac{729,000}{0.82} = 890,122$$

-89999

$$500,000 \times 0.179998 = 89,999$$

$$729,000 - 89,999 = 639,001$$

## CHAPTER EIGHT

### 8.0 RISK ANALYSIS, CONTINGENCY PLAN AND EXIST STRATEGY

#### 8.1 Risk analysis and Mitigants

Risk analysis

S/N	Identified risk	Mitigants
1.	Power supply	Buying of enough stand-by generators.
2.	Emerging competition	Continuous high quality products, special delivery packages

#### 8.2 Contingency Plan

We will insure my business and effect a merger with NCE, in Imo state to ensure constant power supply in order to maintain my business.

### **8.3 Exit Strategy**

There will be an alternative source of income for instance we can start another business like manufacturing of sachet water should the business not be viable any longer.

## **CHAPTER NINE**

### **9.0 OTHER CONSIDERATIONS, CONCLUSIONS, AND RECOMMENDATIONS**

#### **9.1 Economic Justification**

From the point of view of our study and analysis of the findings embodied in this plan, the profit offers good benefit to the economy, as it create job and wealth, is consistent with the spirit of vision 20:20:20 and Millennium Development Goals (MDG)

#### **9.2 Commercial Viability**

we have found this project to be commercially viable, having shown through my financial projections, a conservative but impressive turnover, cash flows, profit line and investment appraisal techniques.

#### **9.3 Conclusion/Recommendation**

Conclusively this project technically feasible, commercially viable and economically desirable, we therefore strongly recommend it for funding and implementation.