

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF THE SOCIAL SCIENCES

DEPARTMENT OF POLITICAL SCIENCE

**TOPIC:
DAY CARE CENTRE**

**A BUSINESS PLAN
WRITTEN FOR THE PARTIAL FULFIMENT FOR THE
REQUIRMENT OF THE COURSE CEDR 342
(BUSINESS CREATION AND GROWTH)**

BY

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PAT I

1.10 Excusive Summary

1.11. Name of Business

The name of my business is God's dwelling Day care centre

1.12. Legal form of Business

God's dwelling Day care centre will be a limited liability company when registered.

1.13 Contact Address

No 15 surulere Lagos Nigeria

1.14. Tel 08103477696 E-mail: onuamaonyekiajosh@gmail.com.

1.15. Types of Business

(A). Manufacturer (b) (✓) Service provider (C). Wholesaler (d). Retailer

1.16 Concise Description of the Business Idea

A. products or Services: A day care or crèche is a place where babies, toddlers and young ones are kept during daytime while their parents are busy with work. For their normal physical and psychological development.

B. Customers: The children for working class parents and even those engaged in a business that involves traveling from one state to another.

C. Owner(s): Name (s), address(es), qualification (s), function in the business relevant qualification (if any) Onuama Joshua Chikwado Number 24 Amagu lane Nguru Nsukka, Undergraduate. The function of the business is to see that children even though their parent has limited time due to their work related activities will still maintain a normal emotional and psychological development.

1.17 Number of Jobs to be Created

9 Jobs

1.18 start-up capital

(a) Investment (equipment, machinery and other) 1088200

(b) Working capital ₦ 1423200

Total ₦ 2511400

1.19 Source of capital

(a) Owner, Capital ₦ 1088200

(b) Donations/ Grants

(c) Bank loan ₦ 1423200

Total ₦ 2511400

1.110 Profitability

1. Year I 60479340

2. Year 2 ₦ 219508921

3. Years 3 ₦ 23830664

PART II

2.10 GENERAL INTRODUCTION

2.11 Background

Give general description of the business idea, i.e. what are the identified needs, who are the customers, type of services and needs to be satisfied, how to reach the customers, etcetera. As regards the situation in our society nowadays in terms of challenges facing every family both father and mother now engage in one job or the other to get enough money that will be sufficient in taking care of their children both academically and socially .

With this job interest, demand parents do not have enough time for their children especially toddlers. With this absence in the house and busy at respective job position, see the need for establishing day care service centre because so many couple will demand for it due to their limited time as regards their respective jobs.

2.11 Vision Statement

My vision is to be known as the best care giver to our little ones that need our service in Nigeria.

2.12. Mission Statement

To see that children develop psychologically and physically as they grow despite the absence of their parents.

2.13. The Company

Name of company, is it registered, what is the registration number, is the company already existing as a business (if yes attach 3 years audited account, also

specify if the current plan is for expansion, rehabilitation, integration, modernization, diversification, others), or is it new in business.

The company will be addressed with the name God's dwelling day care service center and it is a new business that is yet to be registered.

2.14 Products or Services Offered

What is the product/ service, is it totally a new product/ service, is to compete with already existing product/ service.

God's dwelling day care centre is a service providing company that offer good care for children for healthy development.

1.15 Legal form and Ownership of the Enterprise

What is the form of business, is it registered, who is the main promoter of the business, if owned by several individuals, show the shareholding structure.

God's Dwelling day care centre/ crèche is a sole proprietorship company and the promoter is no other person but the proprietor by name Onuama Joshua Chikwado.

1.16. Location of the Business

State business address and the geographical location of the address. Is there any advantage that made you chose that location. The business will be located at Lagos State the reason is that there are increased population which as well create more opportunity for the business to grow and also there you can find many working class couple.

2.18 Industry Trend and Analysis

This company will in it capacity meet up with solving the problem as regards children that will experience attachment disorder which is usually developed as a

result of parental or care giver absence, which always have a critical and advance effect on the child psychological development. Though God's dwelling crèche will face competition as regard to close substitute that offer similar service, however it will flourish due to their solely emphases on psychological well being of children which is the starting point for every well adjusted human being.

1.19 Business strategy

God's Dwelling crèche within my possible capacity will provide a healthy and nourishing environment to my customers and also disseminate information in terms of advertisement in my targeted city so that there will be awareness on the new service.

2.20 Key Success Factors

God dwelling Day care center company will have a psychology assessment technique and also price competitive as regard their substitute.

PARTS III

The market

3.10 Nature, location, size, and attribute analysis: Here you specify the geographic location and reach of your target market, i.e., city, country or region.

What type of area- is it urban or rural? What is the population density? State other details like: climate, season, culture, etc for attribute analysis comment on the consumers' income, taste/ buying behavior etc.

The main target of God's dwelling day care are the western and eastern part of Nigeria particularly Lagos and metropolis, with the growing population in this cities it will add to my advantage because with the estimate of 75%of parent living in the city are working class and are the target for God's dwelling day care centre.

3.11 sales and market share analysis: What is the percentage of sales to projected output? What is the market share of the product compared with that of competitors in the industry?

Like I have earlier stated the market for the service are being controlled by other substitute care giving centers but God's dwelling day care (crèche) will equally, compete favorably due to its emphasis on psychological well being of customers with the help of professional in the field will make the children adapt successfully with the environment.

3.12 Key competitors and competitive advantage: Competition could be direct (pertaining to companies in your line of business) or indirect (relating to companies whose products or service could act as substitutes to your products/services).

a. Indirect Competition

Business	Competition type	Strengths	Weaknesses
Other crèche nanny in the house	Direction competition indirect	Already established cheap to here and as well can cause problem in the house	No core market not structured

3.13 SWOT Analysis

What are the strengths, Weaknesses, opportunities and Threats?

a. Strengths

1. Provision for medical centre
2. Intimate and cordial relationship between the workers
3. Recreational facilities adequately provided

b. Weakness

Funding is low

c. Opportunities

1. Increase in maternity (birth rate)
2. Availability of job among parent especially one that requires much time.

d. Threats

1. Activities of their competitor

4.10 MARKETING PLAN

4.11 Market segmentations

This is very important so as to accurately target marketing efforts in such a way as to yield best results. Segmentation can be by way of: industry- where efforts are made to identify the needs of each industry; production process- which considers the production process adopted by the customers; financial muscle making-whereby cognizance is given to different financial capacities of customers; location- which considers level of consumption that varies with location as a good segmenting tool, i.e. the preferences of customers may vary with their location, i.e., rural and urban dwellers usually differ in their taste, and consumption.

- Spouse that want normal development of the children despite their absence
- Service will be given directly from the owner/sole proprietor.

4.14 Target Market

Which of the market above are you focusing on? For the selected segment, we consider: use profile and purchaser profiles, existing core customers, high

potential new customers, buyers decision making and buying processes; and secondary market/ customer or low potential customers.

- Children that their parent are working corporate firms that gives them little time to stay at home such as Bankers, ministries etc.
- Traders are equally not excluded especially those that travel far and near in purpose or sale of their product thereby making their time limited.

4.13 Description of the edge of product or product range of service.

Product/ service	
Denomination/ product	God's dwelling day care centre
Packaging	Designed in such a way that each child has his/ her own private corner.

4. 15 marketing plan Price

Product/service	Highest	Average	Lowest
How much are customers willing to pay?	400 Per month	3,860 For month	3600 Per month
	Highest	Average	Lowest
	4,00 Per month	3,860 For month	3600 Per month
My price	3500per person in one month		
Reasons for setting my price	To be price competitive and still making profit		
Margin for discount	Yes (%) No		

4.16 marketing mix implementation tools: state how you would use any of these tool: products/ services; advertising message; pricing, publicity; packaging, merchandising, personal selling operations; branding; and media.

1. Attractive healthy environment
2. Competitive pricing
3. Personal delivery
4. Advertisement

4.17 Channel of Distribution

How do you reach the customers? Do you sell to

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Individuals	Retailers	Wholesalers	Others

Reason for choosing this way of distribution

My services is direct to the individual which is my final consumer, reason being that their will be a close relationship between you and the customer as you are in close contact with them and they will equally develop trust on you.

4.17 Start-up Promotion

Description of the planned actions to inform customers about the opening of the new business (i.e. posters, fliers, advertisement, radio, opening ceremony, church announcements, etc. find out the cost of each form of promotion). These are the planned actions to inform customers about he opening of the new

business that is posters, fliers. Advertisement, radio, television, church announcements etc. however Gods dwelling crèche will use the following promotional activities such as:

1. Advertisement in different form such as TV, Radio print media.
2. Church announcement
3. Door to Door notification

4.18 **Alliances:** How do you form and maintain relationship with other business? Will the alliance help you to gain more clients and customers, shareholders, business associates, suppliers, workface, technical and market knowledge skills and business guidance.

God's dwelling day care will maintain a good relationship with other business by joining their union of there is any existing one.

PART IV

TECHNICAL ANALYSIS

5.00 Production Plan:

5.11 The Project: Recapitulate on your products and service. Is the project a small scale or medium scale business? Is it labor intensive or capital intensive?

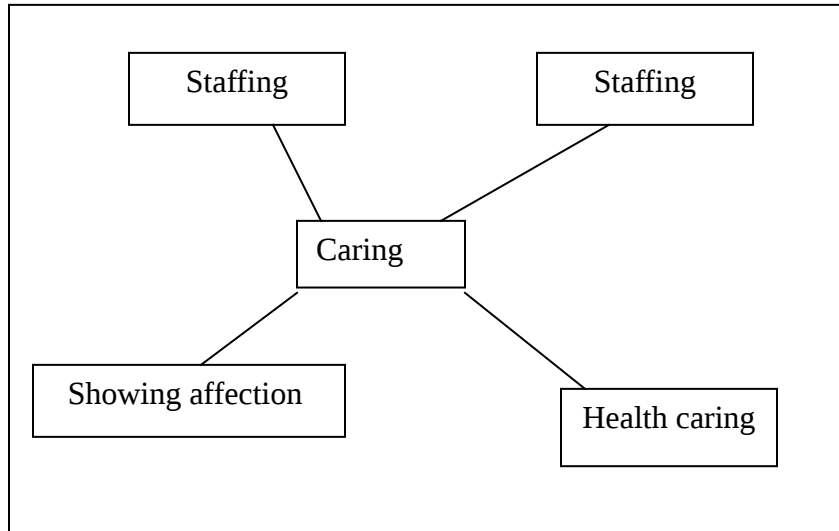
As have earlier stated God's dwelling day care centre is a service rendering company that ensure normal mental and emotional development of children that do not have their parent close to the because of one reason or the other. A month payment for each child is 2800. It is estimated that the output per month is ₦105,00

5.12 Production Process: Give a brief description of the proposed production process showing the relationship of the different machines and equipment to each other, show the basic steps to be following in the production chain.

Immediately when the parents of the child brings their children we shall receive them and take them to their own corner and relax them and as time elapse we are giving them their favorite snacks or food with appropriate time durations and in afternoon time they come out for their recreation and equally ensure that they ease himself when thy till like and this will ensure normal physical and mental development as the child grows.

5.13 The Production flow Chart

Draw the production flow chart showing the sequence of producing the product/service.



5.14 Machinery, Equipment and other Equipments

s/n	Investment (equipment and other)	Qty	Life span	Other comments
1	Land			Existing
2	Building		50 years	Existing
3	Equipment and machine:			
	i. Kitchen	10	200yrs	
	ii. Toilets	6	200yrs	
	iii. Beds	3	6 years	
	iv. Recording Books	1	1 year	
	v. blankets	1	1 year	
	vi. Toys	1	8 yrs	
	vii. swing	3	6 yrs	
	viii. football	1	1yrs	
	<input type="checkbox"/> TV	2	8 yrs	
	<input type="checkbox"/> Chairs & tables	1	3 yrs	
	<input type="checkbox"/> Generator	2	10 yrs	
	<input type="checkbox"/> Delivering Bus	2	10yrs	

5.15 **Technology:** Technology plays vital roles in businesses today. Particularly, some issues that need to be considered here are: is the technology product or process technology; is it complex or simple; does it easily get obsolete; it is local or foreign; is it expensive; and does it need special training?

My business little or technology in its process and it is a simple one which can last for a very period of time and it makes use of local and inexpensive technology that require little or no training for its operation.

6.10 Management and Organization Structure

6.11 shareholders/ directors: Who are the key promoters and or board member?

What is the shareholding structure? Identify the advisors, and consultants.

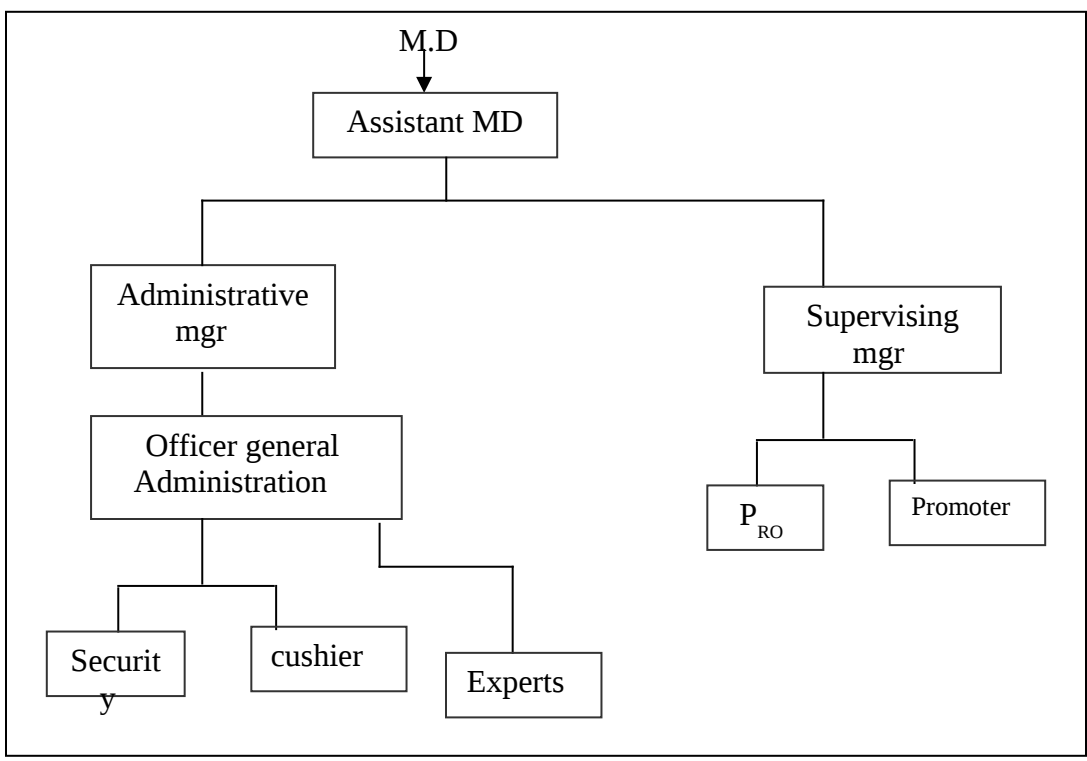
The key promoter of this project is Mr. Ugwu Damian and Mrs Eze. The shareholding structure is shown below Mr. Ugwu Damian 70% Mrs Eze. 30%

6.12 Management team

1. Highlight your key members, stating their qualifications, training, experiences, functions in the company.

Managing director- B.Sc in any management course or NCE.

6. 13. Organizational structure: show the hierarchy in the management using of organizational



6. 14 the personnel plan (staffing and salary structure)

s/n	Position	No. of staff	Salary per staff per month	Total annual salary
1	MD	1	100,000	1,200,000
2	Ad	1	40,000	48,000
3	Supervisor	1	40,000	48,000
4	Officer	1	30,000	36,000
5	Receptionist	1	20,000	240,000
6	Driver	1	15,000	180,000
7	Cookers	2	15,000	180,000
8	Nurse	1	25,000	300,000

6.15 External Support (out sourcing): The capacity of the managing crew and the organization as a body might not be adequate to handle all manner of tasks pertinent to the organization. In this instance the organization may need to

outsource certain roles or tasks. What are the tasks that might be outsourced, and who are the professionals or consultants that might be invited?

The ability of the managing crew might not be adequate in terms of keeping health condition of children in balance then the organization will seek for the help of pediatrician.

6.16 Organization's Values and Norms: what is the company's disposition towards best practices: integrity; ethics; and doing business within the ambit of law?

- (a) Business must work in line with ethical standards
- (b) Honesty and accountability will be assured
- (c) Maintain quality of all time
- (d) Accurate update of profiles

PART V

7. 10 Legal, Regulatory, Social, and Environmental Issues

7.11 Legal Issues: Is there any legal agreement, memorandum of understanding, intellectual property right issue, etc.

There will be an intellectual property right and legal agreement between the company and regulatory Body.

7.12 Regulatory and Environment Issues

A. Regulatory Issues:

i. is the product/ service regulated and who is the regulating body/ agency?

The service will be regulated by cooperate affair commission (CAC).

ii. is the product/ service registered with the regulating body?

No, But will be registered with them before its commencement

B. Environment Issues

i. What are the by- products of this product/ service?

Waste material after usage like water proof rubber etc

ii. What are the effects of these by- products on the environment?

Effect of pollution on the environment which has advance effect.

iii. How do you propose to treat and dispose the by- products?

By burning them.

iv. Have you obtained a certificate from the Ministry of Environment indicating that the by product shall not constitute environmental danger?

Like I have stated before it has not been done but shall be executed before we start

PART VI

s/n	Investment (equipment and other)	Qty	Unit cost(₦)	Total cost (₦)
1	Land			
2	Building	1	500,000	500000
3	Equipment and machine			
	i. small chairs	30	500	15,000
	ii. tables	6	700	4,200
	iii. toys	20	200	4000
	iv. TV set	1	20,000	20,000
	v. VCD player	1	5,000	5,000
	vi. Books shelf		10,000	10,000
	vii. Generator	1	40,000	40,000
	viii. Delivery Bus	1	800, 000	800,000
	ix. Recreational facility			60,000
	Health section		30,000	30,000
	Other		50,000	50,000
	Total investment			₦1, 088200

8.12 Sales Plan

	Year 1	Year 2	Year 5
Product/ service	God's dwelling day care	God's dwelling day care	God's dwelling day care
Product/ service quantity (Volume)	50	56	50
Price per unity	8,500	10,000	10,000
Sales	425000	560,000	600,000

8.13 Cost plan

	Year 1	Year 2	Year 5
Product/ service	God's dwelling day care	God's dwelling day care	God's dwelling day care
Product/ service quantity (Volume)	36923.67	850000	700,000
Price per unity	13	89.49	90,00

Sales	450000	3000,000	350,000
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8.14 Imported raw materials & Other Inputs (at Full Capacity)

Items	Unit Cost ₦	Quantity Required/ Annum		Customs Duty Rate(%)
		Current (Existing)	Proposed (After Expansion)	
a. TV set	20,000	1	2	
b. VCD player	5000	1	2	
c. generator	40,000	1	1	
d. delivery Bus	800,000	1	2	
Total	865,000			

(a) local raw materials and other inputs

Items	Unit Cost ₦	Quantity Required/ Annum	
		Current (Existing)	Proposed (After Expansion)
a. small chairs	500	30	50
b. tables	700	6	10
c. book shelf	10,000	1	1
d. recreational facilities	60,000	4	6
e. Health section	30,000	1	1
Total	101,200		

(b) Indicate Sources of Raw Materials

Item	Source
a. chairs	Abba
a. table	Abba
c. toys	Enugu
d. Tv set	Imported
e. VCD	Imported

Shelt	Enugu
Generator	Imported
Recreational faultiest	Enugu

Has any contractual arrangement been made for raw materials procurement?

No contractual arrangement has yet been done.

8.15 General cost of administration

Item	Current (for existing projects only) (₦)	Proposed (for new/expansion projects) (₦)
a. rents and rates	40,000	40,000
b. Traveling Expenses	100,000	100,000
c. stationary& sundry exp.	25,000	25000
d. vehicle Running expenses	50,000	50,000
e. Insurance	150,000	150000
f. professional fee	80,000	80000
g. other expenses	50,000	50000
Total	₦ 455,040	₦ 455,040

8.16 Preliminary and Operating Expense (for New Projects Only)

Item	Amount (₦)
a. Company incorporation	150,000
b. increase in authorized share capital	50,000
c. traveling expense	100,000
d. preparation of business plan /F.S.	40,000
Total	₦ 340,000

Notes:

- ❖ Fixed asset investment is also called fixed capital
- ❖ Fixed asset investment + working capital + pre-operative expense= initial total investment outlay.
- ❖ Pre-operating expense refer to all costs incurred as a result of activities associated with setting up the business. Example are: cost of writing the business plan; travelling expenses incurred before the business kick starts.
- ❖ WIP means work in progress; the intermediate state between raw materials and finished goods.
- ❖ FG means finished goods inventories; the final state of transformation of raw materials i.e finished goods, before it is sold.
- ❖ The number of raw materials used to produce a given good/product could range from one to in number.
- ❖ For raw materials the length of the period time n usually corresponds to the gestation period.
- ❖ Debtors could be more in value than creditor or vice versa. If debtors are more, than it means the business it assenting in supporting the operations of customers. This could be done as a type of marketing strategy. On the other hand, if the creditors are more in value, then supplies are assisting in financing the business(this is usually done by way of trade credit)

8.17 Working Capital Projection (to Cover the Gestation Period)

Working capital items	Year 0()	Year 2()	Year 3()	Year 3()
-stock of raw materials # 1 (n... days/months value)	600,000	600000	687,000	6940660
stock of raw materials # 2 (n... days/months value)	40000	400000	100000	1,10000
Stock of raw materials # 2 (n... days/months value)	30200	30200	41842	43000
Stock raw materials #n (n.20 days/months value)	3000	3000	8000	12,000
Provision for utilities and others: n I .. months need	3,000	3,000	3,000	35000
Salaries/wages	20,000	21000	36,000	50,00
Debtors: n10 days value of annual sales	Nil	200000	600000	100000
Less creditor: n20 days need of raw materials	Nil	100000	100000	500000
Working capital	1083200	2010000	7004000	7401000
Increase/decrease in working capital	1083200	103,000	40,000	470000

8.18 START UP CAPITAL NEEDED

s/n	Item of expenditure	Amount
1	Fixed asset investment (Equipt., machinery and the requirement)	1088200
2	Working capital	1083200
3	Pre-operating expenses	340,000
	Initial total investment outlay	₦2,511400

8.19 Financing Plan

s/n	Source of fund	Amount
1	Owner's capital	1088200
2	Bank loan	1423200
	Initial total investment outlay	₦2,511400

8.20 Loan repayment and interest payment schedule

Year	Loan/loan Bal/B/d	Interest	Annual installment	Loan Repayment	Loan Bal c/f
	A	B	C	D	E
	A	B=r(A)	C (A value in eqn.1)	D=C-B	E=A-D
0	1423200	N/A	N/A	N/A	1423200
1	1423200	711.600	146212	4061210.2	14232200
2	1204300	100358.3	146212	567142.7	201142.04
3	3,28100	273416.7	3204224	104582.9	Nil
Total	₦7331700				

Note $PV = \frac{A(1 - (1+r)^{-n})}{r}$

Where: PV = loan amount; A = Annual, r = rate interest per annum; and n tenure of loan in years

8.21 Schedule of Depreciation

s/n	Item of Depreciation	Initial value	Scrap value	Life span	Depreciation
1	Building	800,000	300,000	50	10,000
2	Small chairs	20,000	5,000	2	7500
3	Tables	6,000	1000	2	2100
4	Toys	5000	1000	1	4000
5	Book shelf	12,000	2000	3	3333.33
6	TV set	21,000	1000	3	6666.66
7	Generator	45,000	5000	2	20,000
8	Bus	1000000	200000	10	400000
9	Swings	70,000	10000	6	10,000
Total Depreciation					₦463599.99

Dep. (iv sv)Is

Where; Dep= total depreciation; iv= initial value; sv= scrap value; and is = life span of asset.

8.22 final accounts projection

This comprises of the profit and loss account, Cash flow statement, and the Balance sheet.

The entries made here are from earlier sections.

8.23 Estimate of Profit and loss account for the first 3 years

Particulars	Year 1	Year 2	Year 3
Sales	425000	560,000	600,000
Others	—	—	—
Net sales	42500	560000	6000000
Less expenses			

Cost of raw materials	450,000	300,000	350000

PART VII

Risk analysis Contingency plan, and Exit Strategy:

10.10 Risk Contingent analysis

What are the critical success factors- those things that can make the business to stop abruptly, identify them and state how you will overcome them.

S/N	RISKS	MITIGATES
1	Lack of staff that is tolerance	Ensure that the selection process was of no bias such as using appropriate testing
2	Proper and update recording of profile of the children	There should be close supervision to ensure that there is no mistakes
3	Governmental laws and polices involving payment of tax	Collaborate with the government activities that is being active participant.

1.12 Contingency Plan & Exit Strategy

In case you find the business failing and in such away that it could not be remedied what would you do and how can you pull out of the business with minimal damage (to you and other investors. Do you opt for acquisition, sale, allow merger, close, create franchise etc).

Normally there is no establisher of a firm that will like it to fail but when experienced such will be sole to engage in other product or savvies which he fill that will be more profitable.

PART VIII

11.10 Others considerations and Conclusion

11.11 Economic justification

State the benefits this project can deliver to the economy, i.e how many jobs created, export potentials, potential to make the country depend less on imports, taxes paid, and contribution to GDP.

This project can provide job opportunities for the nurse nannies cooks etc and equally its activities are more of domestic high meant it will add to the cross domestic product (GDP)

11.12 Commercial viability

Is the project commercially viable? Show: the profitability level over years, the liquidity positions, and the shareholders' net worth

The project is a profitable one as it will generate more than 60 million in the next seven years

11.13 Conclusion and Recommendations

Arising from what you have seen, what are your recommendations?

Seeing the fact that there is a need for, day care centres from busy parents and also there is a lot of gain/profit attached to such investment it is recommended that one should go for execution of the project.