

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

**A BUSINESS PLAN**

**SUBMITTED IN PARTIAL FULFILMENT OF THE COURSE BUSINESS**  
**DEVELOPMENT AND MANAGEMENT (CED 342)**

**TOPIC**

**SARZ PHOTO AND VIDEO STUDIO BUSINESS PLAN**

**BY**

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**2014/191958**

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## **PART I**

### **1.0 EXECUTIVE SUMMARY**

1.1. The following report and recommendation relate to the proposal by Sarz photo and video studio to establish a studio at independence layout Enugu state.

1.2 The project will require a start-up capital of #20,962,000. This is made of #20,815,000 in fixed capital and #147,000 as a working capital.

1.3 The enterprise vision is to become a world class photography and video brand and to be amongst the top leaders in the photography trade and video production in Nigeria

1.4 The project will be located at Enugu do to presence of a huge market

1.5 A huge market is available for the business

1.6 The financial projections show that the project would be financially stable and liquid by the time it matures. The sales figures stand at #124,822,600 at year 1, year 2, year 3, and year 4 respectively. Also the cash flow is good an encouraging by the second year through the third year.

1.7 Competitive edge of the studio lies in its ability to provide quality products and services such as renting. Sarz photo and video studio will continue to develop this competitive edge by training additional photographers with her signature style of photography and high attention to customer service.

## **PART II**

### **2.0 INTRODUCTION**

Sarz photo and video studio is a start-up studio located at Independence layout Enugu State. It is owned and managed by Okafor, Henry. The location of the studio in the locale was as a result of research carried out by the owner and other research team members who are experienced in the photography business. The research showed that there can be access to a huge market from the location of the enterprise.

### **2.1 VISSION**

To become a world class photography and video brand and to be amongst the top leaders in the photography trade and video production in Nigeria

### **2.2 MISSION**

To make top notch photography and video services available to a wide range of clients that cuts across different classes of people at affordable price.

### **2.3 KEY SUCCESS FACTORS**

The key success factors are:

- a. The use of modern digital cameras for capturing and shooing
- b. Provision of photography and video shooting academy
- c. High skilled and experienced employees
- d. Presence of photo lab accessible to other photographers and private individuals who wants to print or burn their videos into DVDs

### **2.4 INHERENT RISKS**

a. advancement of technology: it is now a lot easier for non - professional photographers to take cool shots or 'selfies' that can be processed to classic portraits from their smart phones or other computer devices like iPADS and even digital cameras.

- b. Competition from other photography and video industries

## **2.5 BUSINESS OWNERSHIP**

The business is a sole proprietorship fully owned and managed by Okafor, Henry

## **2.6 LOCATIONAL FACTORS**

The photo and video studio is located at Independence Layout Enugu. What informed the choices of this location are:

1. The high population of the area
2. The presence of schools from primary to university level
3. High rate of social activities

## **PART III**

### **3.0 PRODUCTS AND SERVICES**

Sarz photo and video studios will provide the following products and services

- a. photographs
- b. Video productions
- c. photography training and consultancy services
- d. Selling of photo and video shooting appliances

### **3.1 COSTING**

#### **Start-up Requirements**

- Start-up expenses include the legal fees associated with re-incorporating the business, permits associated with a studio space, and the build-out of the studio space.
- Marketing includes a promotional campaign to alert customers and potential customers to the services and capacity Flash Commercial Photography is adding.
- Rent includes two months of studio rent to cover the build-out period and two additional months for a security deposit.
- Long-term assets include additional photography equipment (cameras, tripods, backdrops, flashes, and lighting) that must be purchased.

### **3.2 MARKET DEMAND**

The target market for the photography and video industry is pretty wide, but in order to easily stay focused and pursue our target, we have clearly defined our target market as;

- Young Executives
- Intended couples planning to get married
- Churches and other religious centers
- Schools
- Wedding planners
- Corporate Executives
- Event Planners
- Families

## **PART IV**

### **4.0 MARKET ANALYSIS**

There is always a readily available market for the photography industry, and whoever is hardworking and can produce decent photography jobs will always make headway in the industry. There is always presence of social activities in one form or the other such as graduation ceremonies, wedding ceremonies, and other events.

#### **4.1 CUSTOMERS/MARKET SEGMENTATION**

Customer is defined as any individual or organization that has need for one of the services we provide. Our target customers are as follows.

1. Television stations
2. Video production companies
3. Movie directors and producers
4. High schools
5. Future brides and grooms
6. Families
7. Fashion designers
8. Small and medium scale photography businesses

### **PART V**

#### **5.0 MARKETING PLAN**

There are many photographers and video studios in the locale so we are expecting a tough competition. So, to get edge we have to win the favour of video directors, fashion designers, musicians, small and medium photography businesses and also try to reach out to families and students

and try to gain their trust through production of quality pictures and videos for them.

## **5.1 PROMOTIONAL STRATEGY**

From the report gathered from our feasibility studies, we have been able to identify some platforms that will help us effectively create awareness and promote our photography business. Here are the platforms we intend making use of to promote and advertise our business;

- Place adverts on national newspapers
- Leverage on the internet and social media platforms like Instagram, Facebook et al
- Attend photography exhibitions and conferences
- Engage in roadshow from time to time
- Distribute our fliers and handbills to targeted areas from time to time
- Door to door and word of mouth promotions

## **5.2 MARKETING STRATEGY**

The marketing strategy for Sarz photo and video studio is based on the belief that using a few marketing tactics extremely well is preferable to using many marketing tactics with moderate success with each. The following are components of the initial marketing campaign:

**Email Marketing:** Emailing a new business announcement and then monthly newsletters with details on new packages, the development of the studio, and new hires to past clients and other targets in the business

community. Newsletters will include helpful tips on how to use photography and this will be used to gain permission from marketing departments at prospective client businesses to be sent the newsletters. Within these emails will be calls to action to encourage business referrals.

**Web Marketing:** Sarz photo and video studio will purchase search engine advertising with Google Adwords around commercial photography keywords for the Nigerian market and gear its advertisements towards the needs of small and medium-sized businesses. Furthermore, Sarz photo and video studio's website will be optimized for higher search engine ranking under these keywords.

### **5.3 MARKET POSITIONING**

Sarz photo and video studio will position itself as the prime-mover and market leader in the photography business in Enugu and its environs.

The studio will create peculiar leading edge profile for itself. The understated is how the firm will want to be seen by its customers, competitors and the general public.

- As a provider of the best quality photos and videos
- As a studio that has its customers interest at heart
- As the best photography and video shooting academy

## **PART VI**

### **6.0 MANAGEMENT AND ORGANISATION**

#### **6.1 OWNER/MANAGER**



Sarz photo and video studio is a sole proprietorship. It is owned and managed by Okafor, Henry. Mr. Okafor, Henry is an experienced photographer and has been in the business for about six years.

## **6.2 MANAGEMENT SUMMARY**

Okafor, Henry will act as CEO of Sarz Photo and Video studio. Sarz has extensive industry, sales, and operational experience. Immediate hires will include two part-time assistant photographer and one part-time administrative assistant.

The CEO will be responsible for sales and marketing, management of all staff, and fulfillment of client services.

The assistant photographer will assist on shoots during training and begin to take the lead on photo shoots over time. He will move to full-time within one year if sales projections are met.

The administrative assistant will be responsible for bookkeeping (accounts payable and receivable), scheduling of shoots and labor, and fielding calls for rental of the studio and initial sales inquiries. He or she will execute marketing campaigns (update website, print brochures and portfolios, etc). He or she will offer customer service to answer basic questions by phone or email.

## **6.3 Personnel Plan**

Sarz Photo and Video studio will begin its expansion with two part-time assistant photographer and one part-time administrative assistant, with the understanding that both positions will grow to full-time shortly. Each year an additional assistant photographer will be added.

**Table 3: Personnel Plan**

<b>Personnel</b>	<b>YEAR 0</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
CEO	#60,000	#60,000	#60,000	#60,000
Admin. Assistant	#20,000	#28,000	#40,000	#45,000
Assist. Photographer	#33,500	#48,000	#48,000	#50,000
Assist. Photographer 2	#33,500	#48,000	#48,000	#50,000
Assist. Photographer 3	_____	#22,000	#48,000	#49,500
Assist. Photographer 4	_____	_____	#20,000	#48,000
Assist. Photographer 5	_____	_____	_____	#19,500
<b>TOTAL PEOPLE</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>TOTAL PAYROLL</b>	<b>#147,000</b>	<b>#206,000</b>	<b>#264,000</b>	<b>#322,000</b>

#### **6.4 EXTERNAL SUPPORT**

Sarz studio is discussing with the Enugu Small and Medium Enterprises (SME) centre to offer, over a period of years, strong management and business support service. Also the studio will access help from video production companies and work with them as a sub-contractor.

#### **6.5 VALUES AND NORMS OF THE COMPANY**

Sarz photo and video studio plans to adopt the following norms and values:

- a. To offer the best service to her customers
- b. To uphold there integrity always
- c. To see her employees as the most valuable assets
- d. To do her business within the scope of the law

## **PART VII**

### **7.0 LEGAL ISSUES**

Sarz photo and video studio plans to commence commercial operations as a sole proprietorship. Such it is just enough to register the business name with the appropriate department at the Local Government Headquarters. No special licenses are required for the operation of a photo and video studio; however every attempt will be made to get all necessary permit and licenses.

### **7.1 ENVIRONMENT**

The studio byproducts such as spoiled tapes, picture frames, papers etc. if not disposed properly could lead to environmental pollution but that can be solved through the provision of waste bins and proper disposal of waste.

### **7.2 SOCIAL**

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

- a. It will create employment
- b. It will bring about and poverty reduction

### **7.3 REGULATORY**

The photo and video studio will comply with all environmental regulations, as well as all relevant industrial safety regulatory requirements.

## **PART VIII**

### **8.0 RISK ANALYSIS**

This project has been subjected to risk analysis and some inherent risks identified and appropriate mitigates preferred to avoid the business being disrupted.

**Table 8: Identified risks and their mitigates**

Identified Risks	Mitigates
Spoiling of cameras	The service of a technician
Absence of electricity	The use of generator sets and solar energy
Inadequate start-up demand	Aggressive promotion and advertising campaigns
Fire outbreaks	The use of Fire extinguishers

### **8.1 SWOT ANALYSIS**

Strength-:

Our strength is not limited to the robust professional training, certification and experience we have acquired prior to setting up a photography business, but also our rich network, passion and ability to convert leads to loyal customers within a short time - frame.

Weakness-:

Part of our weakness as a start - up Photography Company is that we have fewer employees and experts, and also we have limited cash to execute all we intend executing before launching the business. For example, we would have loved to build our own customized CRM Software.

Opportunities-:

Enugu state is one of the cities in Nigeria that attract tons or diverse classes of visitors, coupled with the fact that some of the finest schools are located in Enugu. It is easier for a start - up photography business to leverage on these factors to build to their businesses and that is exactly what we intend doing. There are presence of small and medium scale photographers who might be looking for a studio to help them in their pictures and video processing.

Threat-:

There are well established photography businesses / photographers in Enugu state who may not need much stress to convince new clients to patronize them. There is also the threat of the huge cost of running businesses in Enugu state, as it is on the high side. Hence, we need to be on the top of our game if we must grow our photography business to profitability.

## **8.2 EXIT STRATEGY**

No exit is planned, rather international acknowledgement will be pursued.

## **PART IX**

## 9.0 COMPANY FINANCIALS

### 9.1 SUMMARY OF PROJECT COST

The total cost of the project is #20,962,000. This is made of #20,815,000 in fixed capital and #147,000 as a working capital.

### 9.2 Fixed Capital Investment

**Table 1: Fixed capital investment**

<b>Start-up Expenses</b>	
Legal	#875,000
Stationary	#350,000
Insurance	#350,000
Studio build-out	#700,000
Rent	#840,000
Marketing	#1,600,000
<b>Total start-up Expenses</b>	<b>#4,715,000</b>
<b>Start-up Assets</b>	
Cash required	#5,250,000
Other Current Assets	#350,000
Long-term Assets	#10,475,000
<b>TOTAL ASSETS</b>	<b>#16,100,000</b>
<b>Total Requirements</b>	<b>#20,790,000</b>

### 9.3 Total Investment Outlay

<b>s/n</b>	<b>Capital items</b>	<b>Amount (#)</b>
1	Fixed Capital Requirement	20,790,000
2	Working Capital Requirement	172,000
3	<b>Total</b>	<b>20962000</b>

### 9.4 Financing Plan

The start-up capital is coming from the owner's personal savings and contributions from family members. While a loan from the bank will be added also to the starting of the business.

<b>Source</b>	<b>Amount(#)</b>
Equity Contribution	9,500,000
Bank Loan	11,462,000
<b>Total</b>	<b>20,962,000</b>

### **9.5 Loan Repayment and Interest paid**

It is expected that the loan will attract an interest of 10% and that funds are available to pay monthly interest as well scheduled repayments of the principal amount.

**Table 4: Interest and repayment schedule**

<b>Year</b>	<b>Loan</b>	<b>Repayment s</b>	<b>Interests</b>	<b>Loan balance</b>
1	11,462,000	Nil	73500	11,462,000
2	11,462,000	5,630,900	27000	5831100
3		5831100	14000	Nil

### **9.6 Sales Forecast**

**Table 5: sales forecast**

<b>Sales</b>	<b>Year 0(#)</b>	<b>Year 1(#)</b>	<b>Year 2(#)</b>	<b>Year 3(#)</b>
Photo Shoots	206,332	256841	300000	1700000
Photo Editing	553450	244155	315000	1200000
Printing and	233210	295240	500000	700000

Framing				
Studio Rental	716380	360000	360000	400000
<b>TOTAL SALES</b>	<b>1503246</b>	<b>3467805</b>	<b>1475000</b>	<b>4,000,000</b>
<b>Direct Cost of Sales</b>				
Printing and Framing cost	174910	217430	37,5000	525000
Other Cost of Sales	53,4950	58,8190	71,4000	90,0000
<b>Subtotal Direct Cost of Sales</b>	<b>709,860</b>	<b>805,620</b>	<b>109000</b>	<b>1,425,000</b>

### 9.7 Projected Profit and Loss

Gross margins are expected to remain consistent, as most costs of the business are not direct costs of sales. The greatest cost of the service is labor, which is part of salaries and not cost of sales, for example.

In year 2, profit is expected to drop as capacity is increased to prepare for growth. This will rectify in future years as sales come in line with the payroll expenses.

**Table 6: Profit and Loss**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Sales	#12,822,600	#13,243,400	#26,600,000
Direct Cost of Sales	#4,845,100	#6,196,700	#7,115,000
Other Cost of Sales	#0	#0	#0
<b>TOTAL COST OF SALES</b>	<b>#4,845,100</b>	<b>#6,196,700</b>	<b>#7,115,000</b>
Gross Margin	#7,977,500	#7,046,700	#19,485,000
Gross Margin %	80.10%	79.46%	77.12%
Expenses			
Payroll	#147,000	#206,000	#264,000



Marketing/promotion	#1,600,000	#1,600,000	#2,500,000
Depreciation	#100,000	#100,000	#100,000
Rent	#840,000	#840,000	#961,000
Utilities	#840,000	#1,050,000	#1,225,000
Insurance	#350,000	#850,000	#1,000,000
Payroll Taxes	#30,850	#60,050	#75,300
Other	#200,000	#240,000	#350,000
<b>Total Operating Expenses</b>	<b>#4,107,850</b>	<b>#4,892,050</b>	<b>#6,475,300</b>
Profit before interest and Taxes	#1,201,400	#2,200,900	#3,500,700
EBITDA	#1,195,400	#2,206,900	#3,506,700
Interest expense	#160,300	Nil	Nil
Taxes incurred	#255,400	#369,000	#453,250
Net Profit	(#946,000)	#1,831,900	#3,053,450
Net Profit/Sales	14.04%	9.13%	10.44%
Retained Earnings	(#946,000)	#1,831,900	#3,053,450
Dividend	Nil	Nil	#1416000

## 9.8 Projected Cash Flow

Cash flow is expected to be positive after the first month of operations. This is due to the fact that Sarz has a proven track record and can hit the ground running with continued work for existing clients. Cash reserves in the company will be increased over the first year to prepare for additional expansion in year two.

<b>Cash in</b>	<b>Year 0 (#)</b>	<b>Year 1 (#)</b>	<b>Year 2 (#)</b>	<b>Year 3 (#)</b>
Equity	9,500,000			
Bank loan	11,462,000			
Net profits		(946,000)	1,831,900	3,053,450
Depreciation		100,000	100,000	100,000
<b>Total Cash in</b>	<b>20,962,000</b>	<b>(846,000)</b>	<b>1,931,900</b>	<b>3,153,450</b>
Cash Out				
Equipment and others	20,815,000			

Working capital	147000			
Increase/Decrease in cash		64000	115000	267000
Loan Repayment			1,630,900	1,000,450
Dividend			1816000	1416000
Increase/Decrease in cash				470000
<b>Total cash out</b>	<b>20,962,000</b>	<b>(846,000)</b>	<b>1,931,900</b>	<b>3,153,450</b>
Opening bal	Nil	Nil	(910000)	906000
Increase/Decrease in cash	Nil	(910000)	1816000	70000
Closing balance	Nil	(910000)	906000	976000

### 9.8.1 Cash Flow Projection

By the second year when the business has fully matured, the cash flow position is as shown below.

<b>Year 2</b>	<b>Year 3</b>
906000	976000

### 9.9 Balance of Sheet

	Year 0 (#)	Year 1 (#)	Year 2 (#)	Year 3 (#)
<b>Fixed Assets:</b>				
Land Machinery & others	20,790,000	20,790,000	20,790,000	20,790,000
Less Cum. Dep.		100,000	200,000	300,000
Net Fixed Assets (A)	20,790,000	20,690,000	20,590,000	20,490,000

Current Assets:			350,000	365,000
Operating Bal				
Debtors	350,000	400,000	650,000	810,000
Cash (use as balancing item)		621000	800,200	1,101,000
<b>Total Current Assets (B)</b>	<b>350,000</b>	<b>1,021,000</b>	<b>1,450,200</b>	<b>1,911,000</b>
<b>Total Assets (C)</b>	<b>20,825,000</b>	<b>21,711,000</b>	<b>22,040,200</b>	<b>22,401,000</b>
Long Term Liabilities				
Capital (Equity)	9,500,000	9,500,000	9,500,000	9,500,000
Retained Earnings		(946,000)	1,831,900	3,053,450
Bank Loan	11,462,000	11,462,000	5,831,100	Nil
Total of Long Term Liabilities	20,962,000	20,016,000	17,163,000	12,553,450
Current Liabilities				
Loan Repayment			5,630,900	5831100
Creditors	142,000	142,000	212,000	217,000
Dividend				1,416,000
Total of Current Liabilities	142,000	142,000	5,842,900	7,464,100
Total Liabilities	21,104,000	20,158,000	23,005,900	20,017,550

## **PART X**

### **10.0 OTHER CONSIDERATIONS AND CONCLUSION**

#### **10.1 ECONOMIC JUSTIFICATION**

From the point of view of our study and analysis of the findings made, the project offers goods benefits to the promoter, and the economy. Wealth will

be created even as jobs are also created. These are consistent with the Federal and States Government Policy on entrepreneurship, wealth and job creation.

## **10.2 COMMERCIAL VIABILITY**

The commercial viability of the project is very clear. The project has been found to be

Commercially viable, having shown through projections, an impressive sales, profits and cash flow positions.

## **10.3 CONCLUSION**

Therefore, the project is highly recommended both finding and implementation.