

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF ARTS

DEPARTMENT OF COMBINED ARTS (ARCHAEOLOGY/HISTORY)

**A BUSINESS PLAN PREPARED
IN PARTIAL FULFILMENT FOR THE REQUIREMENT OF THE COURSE,
CED 342
(BUSINESS DEVELOPMENT AND MANAGEMENT)**

**TOPIC:
TRAILBLAZER PRIMARY SCHOOL BUSINESS PLAN**

BY

OZUE, IFEOMA GOD'SFAVOUR

REG NO: 2014/195901

LECTURER: DR. MRS. C. NWAOGA

JULY 2017

	• Environment issues	
7.0	FINANCIAL PLAN	15
	• Funding plan and statement	
	• Funding agreement	
	• Projected income statement	
	• Projected cash-flows statement	
	• Profitability analysis	
	• Break – even analysis	
8.0	OTHER CONSIDERATIONS, CONCLUSION/ RECOMMENDATION	22
	• Economic justification	
	• Commercial viability	
	• Conclusion / recommendation	

➤ PART 1

EXECUTIVE SUMMARY

The following report and recommendation relate to the proposal by LOVE GROUP to establish a PRIMARY SCHOOL BUSINESS AT 624 ROAD, K CLOSE, BLOCK 1, FLAT 13, FESTAC TOWN LAGOS STATE.

The proposed project is to be fully implemented with an investment of ₦3,092,940 (three million, ninety two thousand, nine hundred and forty naira), made up of ₦822,000 (eight hundred and twenty-two thousand naira only) fixed capital and ₦165,000 (one hundred and sixty-five thousand naira) working capital.

The enterprises vision is “to provide all students with quality educational and social experiences in an environment where they are inspired and skilled to achieve their personal best with the confidence to recognize and grasp opportunities throughout their

lives in the Western part of Nigeria particularly Lagos state. The proposed project will be located at 624 ROAD, K CLOSE, BLOCK 1, FLAT 13, FESTAC TOWN LAGOS STATE. This is due to its easy access to target market firm in that location.

The financial projection reveals a good level of liquidity and stability. The projected turnover for year 1, year 2, year 3. The funding requirement is ₦2,192,440 since the promoters are committing ₦900,500 to sum up to ₦3,092,940.

The competitive edge of the enterprise lies in its ability to produce quality education and also in the management strength, technical skills and knowledge of the enterprise. Also, responds to the challenges of the twenty-first century with its complex environmental, social and economic pressures, we equip students to be creative, innovative, enterprising and adaptable; with the motivation, confidence and skills to use critical and creative thinking purposefully.

The profitability measures are as shown below

Indicators	Year 1	Year 2	Year 3
Turnover	3,055,200	3,360,720	3,696,792
Net Operating Profit	2, 144,750	2, 399, 170	2, 676, 942
Return on owners contribution	550	615	686
Return on total investment	217	243	271

Conclusively, from the point of view of the analysis of it findings, the proposed project is found to be technically feasible, financially viable and economically desirable. The project offers good investment benefits and is highly recommended for funding and implementation.

➤ PART 11

2.0 BACKGROUND

2.1 INTRODUCTION

Education is quite important in this 21st century, not just for the certificate but also it develops the child morally, psychologically and otherwise. It presents the basic tool for survival by sharpening the child's reasoning ability and skills. The primary school education given to a child, to a large extent determines how good or bad the child would turn out to be in his/her latter years. If the child is sent to a school full of criticisms, with no room for encouraging the child, he would grow to be full of hurtful resentments, very shy and not believing in him. But, trailblazer primary gives a reverse of these factors, it provides a conducive atmosphere for learning where the children are encouraged for every height they get to (no matter how little), those who have other skills in craft are observed keenly and helped to do something with it not just let the gifts fade away. In general, this is a love zone where every child would love to be in.

TRAILBLAZER PRIMARY SCHOOL BUSINESS is strategically located in the erstwhile federal government capital because although it has a major population of the yoruba tribe, other tribes are found there especially the Igbo tribe. This school provides a centre for learning where ethnicity is not relevant, equality is upheld. With this as a major aim, many parents in the west can comfortably send their children to school, without fear of the tribe or race of the next individual. Also, we intend to forge strong partnership between parents and the school, as this will continue to enhance outstanding student outcomes. The location of this school here also gives every child in Lagos the opportunity to be better, business is important but education is enhances your chances of surviving very well in the business sector.

In terms of the population, the business has a lot of population base that the entrepreneur can benefit from, since an average Nigerian family has about 5 children per family with over 180 million people.

2.2 VISION AND MISSION

The vision is to own the most celebrated standard primary school in Lagos state and later in Nigeria as a nation.

MISSION

- To provide an atmosphere full of love and encouragement for every student,
- To uphold equality in dealing with every child irrespective of her background or race,
- To enhance the students both academically, morally and in their various God-given talent,
- To contribute my quota to reduce unemployment in the nation among our youths.
- To provide all students with quality educational and social experiences in an environment where they are inspired and skilled to achieve their personal best
- To create sustainable economic yield.

2.3 OWNERSHIP OF THE COMPANY

The company which will be initially a sole proprietorship belongs to IFY FAVOUR of 624 ROAD, K CLOSE, BLOCK 1, FLAT 13, FESTAC TOWN LAGOS STATE NIGERIA.

2.4 LEGAL STATUS

This business will be registered with the Co-operate Affairs Commission (CAC) with NAFDAC approval.

2.5 LOCATION AND FACILITIES

The primary school is located at 624 ROAD, K CLOSE, BLOCK 1, and FESTAC TOWN LAGOS STATE NIGERIA. Due to the abundance of population in the area, cheap labour, cheap rent and good network of roads. The area is connected to the national power grid, urban water supply and good security network with a military post and police station located in the area.

2.6 PRODUCT AND SERVICES

- Quality and standard education
- Skill improvement sections
- ICT training
- Moral development
- Physical education and practice
- Official language: French, or Spanish classes

2.7 BUSINESS STRATEGY

Here is a number of this:

- Data (academic and non- academic) is used to plan programs and direct resources to areas of need.
- Develop and implement whole-school approaches towards literacy, science and numeracy which are evidence based.
- Utilise the Play is the Way to form the basis of social, emotional and cooperative skill development across the school.

- Utilise case- management and documented plans to allow curriculum differentiation to support students’ learning needs. This is to include the adoption of planning and reporting tools.
- Seek to use Information Communication Technologies to strengthen curriculum delivery and student learning (multi-modal learning).
- Access to specialist teachers is provided to enrich the curriculum offered to students. Seek to include Science as a specialist area.
- Celebrate and acknowledge student successes.

2.8 KEY SUCCESS FACTOR

The key success factor distinguishes this business from other business ventures operating in the primary school business. Even though the competitors say inexperience is its down fall, but the business is determined and focus to overcome the obstacle together with having a good moral standard, putting the students first, equality of all, sharpening their reasoning ability, training in their various skills unlike most schools that make everything purely educational. To buttress this, the rate at which the world is going shows that education, is not the only major thing needed for success in life, we have Bill gates, Mark Zuckerberg to mention but a few who dropped out at some point in their schooling but they are immensely rich and successful. With the few attribute of its team of brilliant, yet loving staff members together with the right infrastructure (ICT compliant) this business will be making wave in no distant time.

2.9 REVENUE BASE

The table below gives the revenue base for year 1 of the business. It is as follows;

S/NO	Item	Quantity per month	Unit price	Quantity per year	Amount
1	Purchase of application	240	1,000	2,880	2,678,400

	form				
2	School fees per child	120	15,500	140	2,170,000
3	PTA meeting assistance	30	>1000	40	40,000
4	Support during graduation	-	>1000	1	192, 000
	Total				₦5,080,400

➤ PART 111

3.0 MARKETING AND TARGET CLIENTS

3.1 NATURE AND THE SIZE

Trailblazer primary school is a service rendering business. It is a basic service that every child should acquire. It can also be used for commercialization. In terms of the market size, it is enormous when you consider the fact that Nigeria is a populous nation with over 150 million people while Lagos State is one of the largest cities in the Nigeria. The business can therefore say that the market size is adequately good enough.

3.2 TARGET CLIENT

The target client in the primary school business includes the following;

- Families
- Churches

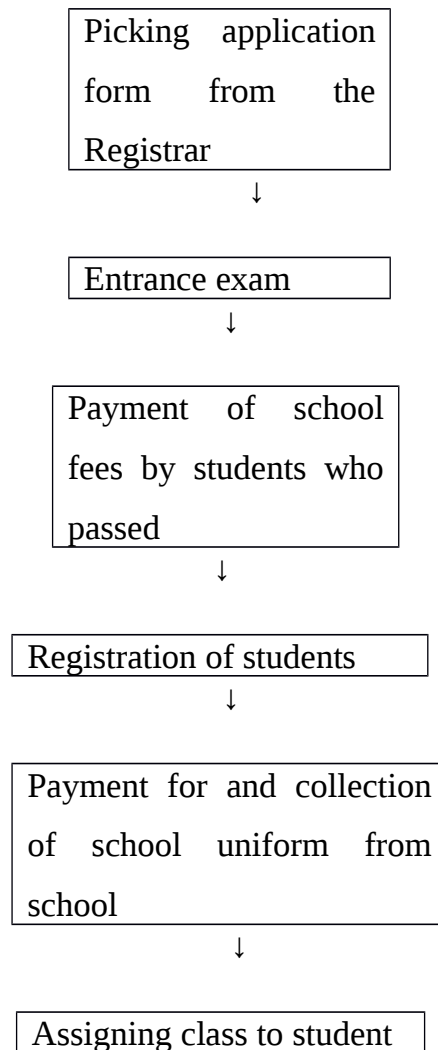
3.3 KEY COMPETITORS AND PLAYERS

There are many key competitors as listed below.

- CHRISTIAN COUNCIL NURSERY AND PRIMARY SCHOOL

- LORAL INTERNATIONAL SCHOOL
- RADIANCE NURSERY SCHOOL

3.4 PRODUCTION PROCESS



3.5 SERVICE DELIVERY

I will deliver my services in such a way that my customers will be satisfied and will not think of patronizing other school. They include: equality of all students, qualified teachers, high moral standard, keeping parents abreast with activities in the school and others.

3.6 QUALITY ASSURANCE

This business belongs to LOVE GROUP. The business is going to observe all quality control measures necessary and stated by the state education board.

3.7 DEMAND/SUPPLY ANALYSIS

The global warming is making the day hotter in the temperate region by the year, increasing the demand for cool products. The issue of poor power supply also increases the demand for cool product.

Training a child is very important and the environment a child is exposed to goes a long way in determining the child's performance in the long run

3.8 TECHNOLOGY

As a beginner, the business is going to employ manual labour computer technologies (for computer classes), but as the business grows it will gradually increase the number of computers, and other technologies needed.

3.9 COMPETITIVE EDGE

The factor that favours the business include: proximity of power supply, security, cheap labour, skill acquisition which other schools don't have, etc.

➤ PART IV

4.0 MARKETING PLAN

4.1 MARKETING PLAN

The marketing plan the business will use is the involvement of the middle men or agents, reducing the school fees below the market price, and so on.

4.2 PROMOTION AND DISTRIBUTION

The promotion strategies the business will employ include: the use of handbill, personal contact, announcement in churches, social gatherings, and posters.

4.3 ALLIANCE

The business will not play any form of alliance until the business is firmly established.

4.4 MARKET POSITIONING

With all the plans made for TRAILBLAZER PRIMARY SCHOOL to be the leader in quality education in Lagos environs, as it positions itself as the prime mover and market leader in the market.

Below are the attributes which this business wants the target customer, market and general public to recognize.

- As an outstanding primary school with highest quality.
- As a trust worthy trustee of students in Lagos metropolis.

4.5 SWOT ANALYSIS

S- Strength of the business: The strength of the business is the creative and loving minds the business will employ (teachers), ICT facilities, subsidized rate of fees, an avenue for skill acquisition and development, training in French or Spanish, etc.

W-Weakness: The weakness is the epileptic power supply of the EFCC and inexperience of some employees in the business, but the business will improve by the use of a standby generator and the manager who has over 20 years' experience in the business with academic qualifications etc.

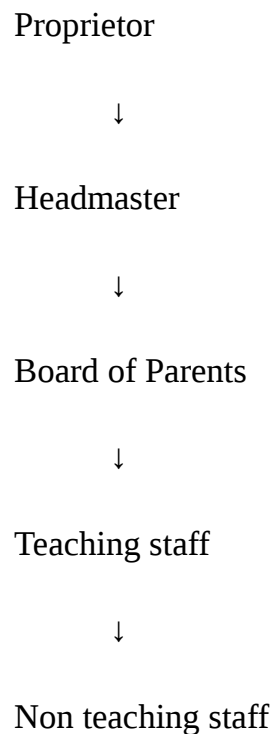
O-opportunity: The increasing rate at which school fees are increasing is an opportunity to explore.

T-Threats: The major threat to this business is the government policy and the business needs to keep to government policy.

➤ PART V

5.0 ORGANIZATION AND MANAGEMENT

5.1 Organization of structures (Organogram)



5.2 SHAREHOLDERS AND DIRECTORS

The business does not have the need for shareholders and directors until it expands.

5.3 MANAGEMENT TEAM

- Proprietor
- Headmaster
- Board of parents
- Teaching staff
- Non teaching staff

5.4 EXTERNAL SUPPORT

The business may seek external support in specialized area like accounting, personnel recruitment and so on.

5.5 PERSONNEL PLAN

Name	Position	Qualification	Monthly salary	Yearly salary	Amount
Amaechi Francisca	Head master	B. Ed and any other degree maybe in psychology	35, 000	420, 000	1, 260, 000
Nonso Iwu	Class teacher	B. Sc or B. A	20, 000	240, 000	720, 000
Okon Edet	Non teaching staff	SSCE	7, 500	90, 000	270, 000
Total					2, 250, 000

5.6 VALUES AND NORMS OF THE COMPANY

Some values and norms of the company include;

- The business will offer standard and quality education for all
- The business will uphold equality of all students
- The business will uphold a healthy moral standing with all students
- The business will intimate the parents with new developments before the children
- The teachers will work hard in carrying everyone along in the classes

➤ PART VI

6.0 LEGAL, REGULATORY, ENVIRONMENTAL ISSUES

6.1 LEGAL ISSUES

This business TRAILBLAZER PRIMARY SCHOOL plans to commence commercial operation as proprietorship. It will still be registered with the state education board.

6.2 REGULATORY ISSUES

This business is going to abide by the norms and values of all the regulatory body governing the business including the state education board, and so on.

6.3 SOCIAL ISSUES

One of the major aims of this business firm is to enhance the socio-economic standard of the people and its environs, creating self-employment opportunity for individuals and to bring wealth creation and poverty reduction. In order to relate with its Neighbours, the business intend to provide free bore hole and help decrease the demand for water in the area.

6.4 ENVIRONMENT ISSUES

The business will discharge its effluent properly; the business will make sure that all waste is properly disposed in order not to endanger the environment.

➤ PART VII

7.0 FINANCIAL PLAN

7.1 SUMMARY OF PROJECT COST

Fixed Capital Cost

S/N	Detail	Qty	Unit price (₦)	Total amount
1.	6 classrooms, 1 headmaster office and a computer lab.	8	300, 000	2, 400, 000
2.	School signpost	1	7, 500	7, 500
3.	White boards	6	10, 000	60, 000
4.	Set of computers	6	50, 000	300, 000
5.	Packets of board markers	10	3,500	35,000
6.	Generator set	1	100,000	100,000
	Total			2, 902, 500

Utilities

Although, the school is close to a power stead but the unavailability of power supply in Nigeria is alarming. The students need water to wash their hands after the break period, and for other reasons. This shows the estimated expenses likely to be incurred for lightening and water.

S/N	Utilities	Year 1 (N)	Year 2 (N)	Year 3 (N)
1.	Light	11,000	11,300	11,600
2.	Water	5,000	5,120	5,240
	Total	16,000	16,420	16,840

Other expenses

There are other expenses incurred in the cost of running a school. These expenses include:

Type of expense	Year 1 (N)	Year 2 (N)	Year 3 (N)
Computer system maintenance	100,000	105,000	110,000
Miscellaneous	60,000	62,500	63,600
Total	160,000	167,000	173,600

Working capital forecast

To arrive at the working capital needed for the business the following assumptions were made:

- i. Cost prices of items increase annually by 25 except for items mentioned under other operating expenses which grow by 5%.
- ii. Selling prices of items increase annually by 10%

Below is a table for the forecast of working capital needed for the project:

Working capital items	Year 0 (N)	Year 1 (N)	Year 2 (N)	Year 3 (N)
Stock of markers, boards, and others	383000	383000	632000	647000
Provision for utilities	115000	115000	120000	124000
Salaries/ wages	347000	347000	354000	361000
Working capital	706000	774000	893000	1162000

7.2 FUNDING PLAN

The total project cost is planned to be funded as follows:

Owners contribution ₦900,500

Loan capital (Bank)~~₦~~2,192,440

Total project cost~~₦~~3,092,940

7.3 FUNDING REQUIREMENT

The funding requirement for the project is ~~₦~~2,192,440 since my contribution as the owner is ~~₦~~900,500 into the business.

7.3.1 INTEREST AND LOAN REPAYMENT SCHEDULE

Interest =10%

Year	Principal	Repayment	Interest	Total repayment	Loan payment
1	2,192,440	1,990,000	150, 700	458, 700	598, 000
2	398, 000	199, 000	100, 800	438, 800	2,192,440
3	1,990,000	1,990,000	190, 900	418, 900	-

7.3.2 DEPRECIATION SCHEDULE

Serial no	Assets items	Cost	Scrap value	Life span	Amount
1	Re-painting of the school walls	100,000	27,000	3	65, 000
2	Generator set	100, 000	40, 000	4	13, 750

3	Furniture	120, 000	100, 000	8	70, 000
4	School bus	65, 000	10, 000	5	9, 000
Total annual depreciation		385,000		157750	

Total annual depreciation 157750

7.4 PROJECTED INCOME STATEMENT

	Year 1	Year 2	Year 3
Turnover less operating expense	3, 555, 200	3, 860, 720	1, 196, 792
Utility gas oil	70, 000	77, 000	84, 750
Maintenance	70, 000	77, 000	84, 750
Maintenance salaries	570, 000	627, 000	689, 000
Rent	548, 000	548, 000	548, 000
Depreciation	92, 750	92, 750	92, 750
Interest on loan	59, 700	38, 900	19, 900
Total operating expenses	1, 410, 450	1, 461, 550	1, 519, 850
Net operating profit	2, 644, 750	2, 899, 170	3, 176, 942

7.5 DEBBIE INTERNATIONAL PROJECTED CASH FLOWS STATEMENT

Cash inflow	Year 1	Year 2	Year 3
Owners contribution	390, 000	-	-
Loan from bank	597, 000	-	-

Revenue (sales)	3, 055, 200	3, 360, 720	3, 696, 792
Total cash inflow (A)	4, 042, 200	3, 360, 720	3, 696, 792
Cash outflows			
Equipment & rent (less year 1 rent)	774, 000	-	-
Operating expenses (less depreciation & rents year 1 and year 2)	817, 000	820, 800	879, 100
Loan repayment	199, 000	199, 000	199, 000
Total cash outflow (B)	2, 251, 500	2, 340, 920	2, 618, 692
Net cash flow (A-B)	2, 251, 500	2, 340, 920	2, 618, 692
Opening cash balance	-	2, 251, 500	4, 592, 420
Closing cash balance	2, 251, 500	4, 592, 420	7, 211, 112

.....**₦900,500**

Loan capital (Bank)**₦2,192,440**

Total project cost₦3,092,940

7. PROJECTED BALANCE SHEET

	Year 1	Year 2	Year 3
Capital employed			
Fixed assets	678, 000	678, 000	678, 000
Less depreciation	92, 750	102, 025	112, 227.50
	585, 250	575, 975	565, 772.50

Current assets			
Balance at bank and in hand	2, 251, 500	4, 592, 420	7, 211, 112
Prepayment (rent)	96, 000	48, 000	-
	2, 347, 500	4, 640, 420	7, 211, 112
Less creditor (bank loan)	398, 000	199, 000	-
Net current assets	1, 949, 500	4, 441, 420	7, 211, 112
Net assets	2, 534, 750	5, 017, 395	7, 776, 884.50
Financed by owners capital	390, 000	390, 000	390, 000
Retained profit	2, 144, 750	4, 627, 395	7, 386, 884.50
Owners funds	2, 534, 750	5, 017, 395	7, 776, 884.50

7.7 PROFITABILITY ANALYSIS

- Aspect on the owner's investment

$$\frac{\text{Operating profit}}{\text{Owner's investment}} \times 100$$

Owner's
investment

- Aspect on the total investment

$$\frac{\text{Operating profit}}{\text{Total's investment}} \times 100$$

Total's investment

Indicators	Year 1	Year 2	Year 3
Turnover	3, 055, 200	3, 360, 720	3, 696, 792
Gross margin			

Net operating profit	2, 144, 750	2, 399, 170	2, 676, 942
Return on owners contribution	550	615	686
Return on total investment	217	243	271

7.8 BREAK EVEN ANALYSIS

$$\text{Break Even Point (BEP)} = \frac{\text{fixed cost}}{1 - \text{variable cost}}$$

Where sales

$$\text{Fixed cost} = \text{fixed capital cost} = \text{N}822,000$$

$$\text{Variable cost} = \text{total operating cost} = \text{N}910,450$$

$$\text{Total revenue} = \text{sales} = \text{N}3,055,200$$

$$\text{BEP} = \frac{\text{N}822,000}{1 - \frac{\text{N}910,450}{\text{N}3,055,200}}$$

$$= \frac{\text{N}822,000}{1 - 0.298}$$

$$= \text{N}1,170,940.20$$

$$1 - 0.298$$

➤ PART VIII

8.0 OTHER CONSIDERATION, CONCLUSION AND RECOMMENDATION

8.1 ECONOMIC JUSTIFICATION

“From the point of view of the study and analysis of the findings embodied in this plan, the project offers good benefit to the economy as it creates service, job and wealth, is consistent with the spirit of Vision 2020 and the Millennium Development Goals.”

8.2 COMMERCIAL VIABILITY

“The business is commercially viable, having shown through its financial projections, a conservative but impressive turnover, cash flows, profit line and investments appraisal metrics.”

8.3 CONCLUSION AND RECOMMENDATION

“Having found this project technically feasible, socially acceptable, commercially viable and economically desirable, financially sound, with good managerial backing, it is therefore strongly recommended for funding and implementation.”