

UNIVERSITY OF NIGERIA,

NSUKKA

FACULTY OF ART

DEPARTMENT OF MASS

COMMUNICATION

TOPIC

MAUREEN'S PHOTOGRAPHIC STUDIO

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

CED 342

BY

Ugwu Tochukwu Maureen.

2014/196971

LECTURER: Dr. Mrs. Nwaoga C.

July, 2017

TABLE OF CONTENTS

CHAPTER 1

1.0 EXECUTIVE SUMMARY

CHAPTER 2

2.0 BACKGROUND

2.1 Introduction

2.2 Vision Statement

2.3 Mission Statement

2.4 Key success factors

2.5 Inherent risk

2.6 Business ownership

2.7 Location and facilities

2.8 Services rendered

2.9 Industry trends

2.10 Production plan

2.10.1 Facilities

2.10.2 Raw materials

2.10.3 Production process

2.11 Business strategy

CHAPTER 3

3.0 MARKET

3.1 Available market

3.2 Service delivery chart

CHAPTER 4

4.0 MARKETING PLAN

4.1 Promotion and distribution strategy

4.2 Service delivery strategy

4.3 SWOT analysis

4.3.1 Strength

- 4.3.2 Weakness
- 4.3.3 Opportunity
- 4.3.4 Threats

CHAPTER 5

- 5.0 ORGANIZATION AND MANAGEMENT
- 5.1 Organizational structure
- 5.2 Management
- 5.3 Salary scale
- 5.4 External support
- 5.5 Values and norms of the company

CHAPTER 6

- 6.0 LEGAL AND REGULATORY ISSUES
- 6.1 Legal issues
- 6.2 Regulatory issues

CHAPTER 7

- 7.0 FINANCIAL PLAN
- 7.1 Summary of project cost
- 7.2 Fixed capital investments
- 7.3 Utilities
- 7.4 Working capital forecast
- 7.5 Total required startup capital
- 7.6 Financing plan
- 7.7 Fixed costs
- 7.8 Loan repayment schedule and interest paid
- 7.9 Schedule of annual depreciation
- 7.10 Forecast of profit and loss
- 7.11 Cash flow projection
- 7.12 Balance Sheet
- 7.13 Profitability Analysis
- 7.14 Break even Analysis

CHAPTER EIGHT

8.0 Risk Analysis, Contingency Plan and Exit Strategy

8.1 Risk analysis and mitigants

8.2 Contingency plan

8.3 Exit strategy

CHAPTER NINE

9.0 Other considerations, conclusions, and Recommendations

9.1 Economic justification

9.2 Commercial viability

9.3 Conclusion/recommendation

CHAPTER 1

1.0 EXECUTIVE SUMMARY

- 1.1 The preceding report relate to the proposal to establish Maureen's photographic studio at Nsukka, Enugu. The photographic Studio 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 Maureen's photographic studio helps clients preserve memories and portray themselves in the best light. Make professional quality photographs easily available in a digital format.
- 1.3 The raw materials used for production are good room, light, generator, extra bulb and battery, tripod, white balanced card, memory card and film, fan, lot of extension stocket and both video and picture camera, solid sturdy trusses, ladder handy,
- 1.4 The photographic studio is solely owned by Ugwu Maureen and registered with the Corporate Affairs Commission. The photographic studio is located at Nsukka because it is a business town (and pictures and videos are on a high demand because of lecturer and students of the university of Nigeria Nsukka) and due to the easy access to the target market from that location.
- 1.5 The presence of many business outlets, Banks, schools and homes provide a huge available market for the photography. The competitive edge of the enterprise lies in its ability to of taking the best high quality pictures and video and of different sizes - medium and family

size. Making it of different size and colour, and making of enlargements pictures for family, students, lecturers, and other workers. This give the studio an edge over other obtainable ones. The studio will be supplied to Banks for students on some occasion like matriculation, convocation, and family and works who need them for their own reasons.

- 1.6 The photographing aims to reach market demand by the end of its first quarter in 2018 and also reach its market demand per month at the same period.
- 1.7 The photographic studio also intends to increase its output market supply for day by upgrading its materials and machines by the year 2019. 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 photographic studio project as a result of the high demands in good quality pictures and videos by students, lecturers, workers, family group and others, that will meet their test for high quality pictures and videos. The opening of Maureen's Photo Studio will mark a change in the way professional photography is delivered. Rather than being a rare place to visit, this photo studio will be a fun part of a family's lives, helping them capture special moments and share them in a digital world.

Vision Statement

To be a leading producer of high quality pictures and videos in the University Of Nigeria, Nsukka and probably the whole Nsukka community at large.

2.2 Mission Statement

2.3 Maureen Photo Studio helps clients preserve memories and portray themselves in the best light. We thrive on repeat business by developing relationships with our clients and calling them with timely reminders for new photos. We make professional quality photographs

easily available in a digital format. We do this by using a pricing structure that makes our digital photographs a household staple and by making it fun for them to come here or to have us in their homes

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

3 Target marketing for the gateway products of baby pictures, high school photos and wedding albums.

4 Developing relationships with our clients through personal customer service, to turn one-time customers into lifetime clients.

5 Our system of tracking clients' ongoing needs for photos and taking the initiative to call them for appointments.

5.2 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.

5.3 Business Ownership

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

5.4 Location and Facilities

The photo studio is located in one of the major cities in Enugu State, Nsukka, precisely University Of Nigeria plaza, 1st floor Nsukka 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, schools.
- (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.

5.5 Services Rendered

Due to high or increase in demand of high quality pictures and video by students, lecturer, and other with the fact that Nigerian markets serve most West African Countries, the demand for photos, though not estimated could be substantial and bound to increase. Hence the photos is primed to meet up with these demands by going out to take the pictures and videos to the homes or the place it is needed. We have a unique combination of props and a passion for babies. Babies are also our prime gateway product for entering families into our programs of ongoing pictures. This makes for easy assessing and choice making by the consumers. Plans exist of improving the quality photos by adding honey in place of sugar. This would be achieved after the business breaks even.

5.6 Industry Trends

Nigerian population which is estimated at 18.4 million still increases every passing second. The greatest problem of Nigerians and Nigerian government is the provision of good quality pictures and video for her teeming population. Photography has gone digital. Digital cameras are replacing conventional cameras faster than DVDs are replacing VHS in video stores. Even cell phones have digital cameras on them. The uses of photography have expanded as well because of Web pages on the Internet and email. Digital images are needed for printing uses as well, for such uses as brochures and business cards.

Photo studios have mostly switched to digital format because it also allows for easy processing and manipulation. They have been less amenable to making digital files affordably available to clients, and this is a trend on which we intend to capitalize.

Production Plan

2. good room,

generator,

extra bulb and battery,

tripod,

white balanced card,

memory card and film,

fan,

10 The facilities required for production include:_____

lot of extension socket and

both video and picture camera, solid sturdy trusses, ladder handy,

This profile envisages setting up a photo studio with a production capacity of 2,000 pictures per occasion, 1000 video recording a day, 500 enlargement per day which will accrue the total sum of ₦525,000 per day from all the production units.

Raw materials : This include good room, light, generator, extra bulb and battery, tripod, white balanced card, memory card and film, fan, lot of extension stocket and both video and picture camera, solid sturdy trusses, ladder handy,

5.6.1 Production Process consist of:

- 1 baby pictures
- 2 portraits for home or office
- 3 senior pictures for the high school yearbook
- 4 family pictures to send to family members
- 5 family newsletters
- 6 family, individual or business websites
- 7 portraits for business cards, such as for real estate agents
- 8 portraits for brochures and annual reports
- 9 enlargement

a. Business Strategy

10 Photo Studio is unique in having programs to capture the special moments of a family's life. These moments can easily pass by and be lost by busy professional families. We take the initiative to call them, if they request this service, to schedule appointments to mark the special

stages of growth in their families. We're there for baby pictures, high school senior pictures, wedding pictures and photos for their professional needs.

11 Our prices are about the same as those at other photo studios, but we email digital files of our clients' images for free to help them put their pictures on the Web. There is no charge for our calling service, either, so we are a great value.

12 We will get the word out by conventional advertising to start, and by a yellow page ad and a website. We have a targeted marketing effort to families of newborn babies.

CHAPTER 3:

3.0 MARKET

3.1 The photo studio is set to serve banks, students, business men and women hospitals and the Nsukka Community as a whole. The presence of other photo studio around serve as a competing feature but the strategies employed serves to handle the issue. The use of high quality electrically operated camera and video recording tools ensures the best quality neatness and efficiency and effectiveness of the products are maintained. This gives the photo studio 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

**Money paid to Cashier List of items needed
sent to various units**

Delivery of Products to Client

CHAPTER 4:

4.0 MARKETING PLAN

4.1 Promotion and distribution strategy

We will have a professionally designed Yellow Page ad and a website. In addition, baby pictures will be targeted using public birth records and mailings to families in our target areas.

During the first six months, we will run display ads in the local paper and radio spots on several different local stations. A special for the first baby picture will be a regular feature of our pricing structure. This is offered with the intent of getting the whole family on an ongoing basis as clients, because babies need photos frequently and we want these families to be clients for life.

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 photo makes it have easy access to targeted customers.
- The quality, packaging and distribution of products is consistent as to meet customers' demands.

- The photo has good plans to contain expansion to other parts of the city to aid in equal dissemination of her products.

4.3.2 Weakness

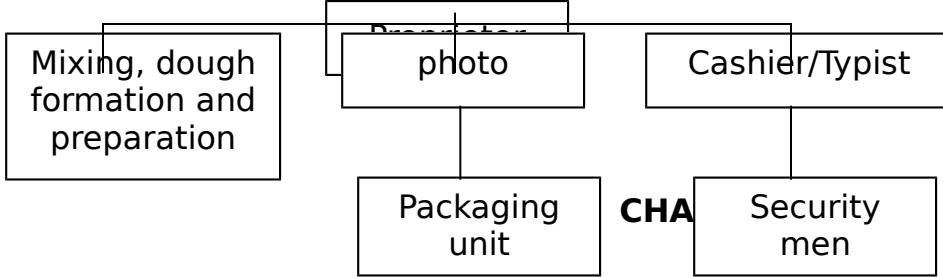
- Inadequate power supply which will delay the rate of production and quantity of output.
- Lack of adequate or good surrounding environment for best picture taking.
- Problems of raising adequate capital for the anticipated project.
- The usual problem that comes with getting customers to patronize a new product.

4.3.3 Opportunities

4.3.4 Our competitive edge is that we provide not only a photograph, but a program of ongoing portraits to capture the special moments in a family's life. We then make the digital images of their photos easily and affordably available for distributing on the Internet.

4.3.5 Threats

- Low initial demand for products
- Increased competition due to more photo studio springing up.
- Price instability due to raise in dollar rate of Nigeria naira to dollar which increase price of goods



ORGANIZATIONAL & MANAGEMENT

5.1 Organizational Structure

5.2 Management

Maureen’s photo studio is a private enterprise owned by Ugwu Maureen and managed by her and other members of the staff who will see to the affairs of the photographing. The manager is a trained photographer and has a basic knowledge of what it takes to produce a good picture and video recording. To help in day to day management of the photo studio, some other good hands will be employed. They will assist in the area of machine maintenance and servicing as regards to the electrical items and machines. The table below shows the salary scale which is subject to amendment as the photo studio grows.

5.3

Job Description or Post	Unit	Salary Scale per annum (₦)	Total salary (₦)
I General Manager or	1	400,000	400,000

	Proprietor				
ii	Baking assistants or workers	6	299,000	1,200,000	
iii	Typist/Cashier	1	210,000	210,000	
iv	Security men	3	50,000	150,000	
				1,960,000	
	5% fringe benefits			100,000	
	Grand Total			2,060,000	

5.4 External Support

The photo studio will seek for support on technical issues from dankod Entrepreneurial 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 photo studio 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

Maureen's photo studio 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) The copyright infringement law: they ever see the selling someone's photo.
- (ii) The chairman of film and movie ministry: they assist and govern the affairs of the manufacturing, photographic studio and movies industries.
- (iii) Shooting People on the Street: not all street is permitted for a photographer to locate it studio or even go and start shooting his video.

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

Maureen's photo studio is located at University Of Nigeria Nsukka shopping Plaza, 1st 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	Photo studio Building	1	700,000	700,000
2	Digital camera	2	10,000	20,000
3	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 photo studio faces the challenge of non-constant power supply by the Nigeria electricity company and also fluctuations in bad roads. Hence, it pays 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 photo 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 (N)	Year 1 (N)	Year 2 (N)	Year 3 (N)
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	Generator	24,000
2.	Camera	2,600
3	Battery	1,200
4	Van	40,000
5	tripod	22,000
6	memory card	5,000
7	Fuel	10,000
8	Fan and socket	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	Repayment	Interest	Loan Balance
1	4,000,000	Nil	200,000	4,000,000
2	4,000,000	2,000,000	200,000	2,000,000
3	2,000,000	2,000,000	200,000	Nil

7.9 Schedule of Annual Depreciation

	Capital items	LS	IV	SV	Depreciation
1	building	20	700,000	500,000	10,000
2	Camera	10	20,000	10,000	1,000
3	Van	10	1,500,000	1,000,000	50,000
4	Generator/Lister	20	780,000	700,000	8,000
	Total				69,000

7.10 Forecast of Profit and Loss

Particulars	Year 1 (₦)	Year 2 (₦)	Year 3 (₦)
Expected sales	1,800,000	3,500,000	5,000,000

Less 1% discount in price	18,000	35,000	50,000
Net sales	1,782,000	3,465,000	4,950,000
Expenses			
Cost of photo Operations	1,200,000	1,210,000	1,225,000
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	2,354,000	2,120,200	2,430,000
Profit before Int. & Tax	572,000	1,344,800	2,520,000
Less Interest	200,000	200,000	100,000
Profit before Tax	772,000	1,144,800	2,420,000
Less 5% Tax	Nil	114,480	242,000
Profit after Tax	772,000	1,030,320	2,178,000
Less Depreciation	69,000	69,000	69,000
Net Profit	841,000	961,320	2,109,000
Retained Earnings	841,000	961,320	2,000,000
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	1,000,000	-	-	-
Bank loan	4,000,000	-	-	-
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			

	0			
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
tripod	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 = $BE. P = FC$

$1-VC$

S

Where FC = fixed costs VC = Variable costs

S = Sales 1 = Constant

$BEF = FC = 729,000$ $1-VC = 1-90,0000 = -89999$

$S = 500,000$ $500,000$

-89999

$500,000 = 0.179998$

$729,000 - 0.179998 = \underline{4050045}$

CHAPTER EIGHT

8.0 RISK ANALYSIS, CONTINGENCY PLAN AND EXIST STRATEGY

8.1 Risk analysis and Mitigates

Risk analysis

S/N	Identified risk	Mitigates
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 NBC, in Enugu 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.