

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

TOPIC

ULTISOAP MAKING/PRODUCTION

A BUSINESS PLAN

**SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE COURSE: CED 342
(BUSINESS DEVELOPMENT AND MANAGEMENT)**

BY

INI-UMOREN ITORO

2014/194778

LECTURER:

DR. C.T NWAOGA

JULY, 2017

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY

2.0 BACKGROUND

- Introduction
- Vision and mission
- Ownership of the Enterprise
- Legal Status
- Location and Facilities
- Products/services
- Business strategy
- Key Success Factors
- Revenue Base

3.0 MARKETING AND CLIENTS

- Nature and size
- Target Clients
- Key competitors and players
- Production Process
- Services Delivery
- Quality Assurance
- Demand/Supply Analysis
- Technology
- Competitive Edge

4.0 MARKETING PLAN

- Marketing plan
- Promotion and distribution strategy

- Alliance
- Marketing positioning
- Services delivery strategy
- SWOOT Analysis

5.0 ORGANIZATION AND MANAGEMENTAL

- Organisational structure
- Shareholders and directors
- Management team
- External support
- Personal plan
- Value and norms of the company

6.0 LEGAL, REGULATORY, SOCIAL AND ENVIROMENTAL ISSUES

- Legal Issues
- Regulatory Issues
- Social Issues
- Environmental Issues

7.0 THE FINANCIAL PLAN

Total project cost

Indicating funding plan and funding requirement

Projected profit and loss account:3 years projected revenue and operation expenses

Projected cash flow statement

Analysis of profitability, return sales, return on equity and return on total investment.

Calculate a break even point analysis

8.0 RISK ANALYSIS/CONTINGENCY PLAN

Risk of the business

Contingency plan and assumptions change

OTHER

CONSIDERATIONS,

CONCLUSION/RECOMMENNDATION

- Economic Justification
- Commercial Viability
- Conclusion/Recommendation

1.0 Executive summary

The following report and recommendations relate to the proposal by ULTISOAP to establish soap making . The proposal project is to be fully implemented with an investment of 800,000, made up of 400,000 fixed capitals and 400,000 working capital. The companies' vision is to be a soap making producers of choice, providing quality product/services to discerning customers. The financial projections reveal a good level of liquidity and stability. The projected turn over for 2013, 2014 and 2015 respectively is 1.2million profit after taxation in 2013 is 1025,500 increasing to 2,808,425 in 2015. The Company's competitive edge is the management strong technical skill and knowledge of the industry.

The profitability indicators as extracted from the projections embodied in this plan are as follows:

Indicators	2013	2014
2015		
Turnover	2,300,000	3,200,000
4,100,000		
Gross margin	1,700,000	2,600,000
3,500,000		
Net operating profit	1,025,500	1,898,000

2,808,425		
Return on equity	341.8%	632.6%
9361.4%		
Total investment	128.2%	237.2%
351.0%		

2.0 THE BACKGROUND {THE COMPANY}

Introduction of the planned business

- **Soap making**

Soap making business involves the mass production of soap for commercial uses and exports. The business involves the production of soap by mass production and conversion of the fermented or fresh oil with salt which can be used for the production of soap, or can be used as sources of detergent for automobile and other machineries. These businesses thrive well in areas where there is incessant power outage, very large vegetation of palm, raffia, or coconut trees that is economically viable and sustainable, and also in over-populated places like motor parks, market places, schools, commercial and business areas, any place

there are human beings and activities demand a cooling off either by a bottle of cold soap making drink or some sort of alcoholic beverages.

Vision

The vision is to repackage the soap making drink in such a way that it would look different from the traditional method of its dispensal. It should be noted that from its inception, soap making has been the alcoholic beverage of choice of many. It is been consumed by both the rich and the poor. Due to its pleasant taste and its ability to be converted into other liquids like spirits which can be used to treat wounds, and as a cleaning fluid.

Mission

We live in the tropics with a lot of heat. Even during the rainy season, the heat is still intense, intense enough to make people to ask for cold local wine. Most of these wine are not made available for and when needed. As a result, therefore, besides the conventional function of wine preservation, innovations are needed to cool drinks for people. Since most people cannot afford fridges and freezers, it becomes imperative to look for better way of preperation and storage of soap making . Even those who can

afford Fridges do not have electricity to power them. Innovation on soap making and storage would be pertinent for this to happen.

Ownership of the enterprise

There are three major CEO in the planned business of the soap making named the ULTISOAP soap making and host of others who organised the home based work issues. Together we build a custom flavour by combining a few.

Location

The proposed project will be located at coal camp area in Ogbaru Local Government area of Anambra State because of the power stability and one can have access to soap making trees and soap making tapers within the area. In Ogbaru local government area, there are very large vegetation of raffia tress that can last for decades.

Facilities

In starting this business, you need to have a good environment, factory, treatment plant and equipment, tanks, bore-hole, pumping machines, packaging machines, generators, distribution vehicles, etc.

The type of equipment use in the production of soap making is the electronic cutter with a high capacity and the capacity of cutting is 136 litres of water into wine tree. Electronic cutter cost an average of N50,000, while Generator average N60,000 and stabilizer N35,000 and plastic container (30packs) N600 or polythene bottles and glass bottle. There is also the use of legends for maximum extraction of wine from the raffia, coconut or palm trees.

Services

This is a special and unique product for household use, hotels, restaurants, bars, fast-food shops, Liquor stores, supermarkets and cold shops and even exports. Soap making could be in different forms, like in bottles, packs, shaved and cans.

Business strategy

Price---- During the dry season the price is naturally higher. During this period the demand for alcoholic beverages increase and people ask for more. During this period, the their used to be festivals and ceremonies, making it easy for celebrates to demand for ULTISOAP, season and competition affect your pricing. You ask questions and feel the market to arrive at your price and this may vary on daily basis. You just have to be current. Keeping ULTISOAP fresh by rotating the newer and older cubed and Avoid storing it in

the freezer near foods like fish or anything else you don't want to taste in your next Highball.

Key success factor

Machines-----The use of ULTISOAP machines as a cooling medium offers several advantages over mechanical refrigeration. It has a large cooling capacity for a given weight and involves little or no complication in the design and operation of the storage space. In addition to keeping a product, also keeps it moist and prevents the drying that may accompany other chilling methods.

3.0

MARKET AND CLIENTS

Nature of the business

The nature of soap making does not matter whether you have the high or low capital or the technology machines to manufacture that product or not. Nowadays, you can be a manufacturer while using even the little of local equipment you have to start up.

ULTISOAP is widely used in Africa, and has varieties of names. It is very easy to market to supermarkets, local shops, hawkers etc.

the target market for this product is wide and varied, and if the product is not needed at the individual level, there are organisations/institutions whose work/products require constant icing. The market for ULTISOAP in Nigeria includes among others:

- Drink sellers dealing in carbonated soft drinks, alcoholic drinks and fruit juice beverages;
- Packaged water sellers dealing in sachet and bottled ULTISOAP;
- Party people or individuals or groups having one festivity or celebration or the other;
- Carbonated and fruit juice beverages manufacturers e.g. Coca Cola, Pepsi, Chi Vita, etc.
- Restaurant and fast food vendors;
- Cafeteria (what some popularly call “buka”);
- Pharmaceutical companies and manufacturers of drug products requiring cooling effect to preserve the efficacy and potency of some of their drugs.
- Hospitals and clinics also need it for the treatment of patients and for preserving certain drugs and vaccines.
- Hawkers who sell their drink, water and juice products during traffic and who need to wine these items to attract buyers, among many others.

Key competitors or players

Based on our market survey, a ready market exists for the planned business but on very local level so there will be fewer competitors. We can target the local or the international market, and build a brand of the future through distilled, purified, natural spring or bottled ULTISOAP.

Quality assurance

Soap making can be used to avoid fall damage. The yeast content of soap making has proved to have very low toxicity. It has reasonably good health recommendation. When ULTISOAP your character falls normally, but doesn't take any damage when hitting the ground. For those that have the skill of Herbalism casting Lifeblood right before Soap making give your health a reprieve. The quality of this product will be every man's choice and global cool down.

Technology

Fermentation technology and brine refrigeration technology for your Different needs of ULTISOAP; the standard size of soap making produced and it's by products.

ULTISOAP making has evolved over the years from fermenting of various sizes, and liters to using mechanical mechanised method to

make ULTISOAP. Wine plants however, are being gradually replaced by more modern, automatic wine making equipment.

Competitive edge

The company's competitive edge is the management strong technical skills and knowledge of the industry.

4. 0

MARKETING PLAN

The market is vast in the big cities where the population is on the high side. Cities like Lagos, Ibadan, Kano, Port Harcourt, Benin and Kaduna and or even outside the country. The business also booms where there is high population of workers which again takes us back to the big cities..

Promotion and distribution

Create a good network of retail and wholesale stores and exports to Asia, and Europe. With proper branding and packaging, you are sure to capture the market in no time. You can either package in sachet or plastic bottles. Some people even use plastic bottle. The packaging materials must also be treated such that any impurities must be removed.

Awareness

Place an advert in selected magazines, television {federal news}, radio stations, with a more easily identified target readership.

Alliances

The ULTISOAP producing company open door of alliances to shanghai better industry co-ltd, a company base on research, design, sales and manufacture of soap making machines. And business institutions that will help the growth to the company like supermarkets, hotels etc.

SWOT

-----strength

-----Communication between the company and the customers and information based on the current price and the customers comment.

-----wine generator consists of a standard refrigeration unit, which supplies refrigerant to a scraped surface heat exchanger.

-----The large size of the local and the international market level and the time regulated in the planned business.

Weakness

-----Most of the machines might be at the cost of being unable to take action.

-----Deformed or lack of current prices will make the wholesalers cut your throat.

Opportunities

ULTISOAP Company create opportunity for the young, old and even the environment where it's located will benefit from it in order to be trained and produce great producers.

Threat

Unstable power supply.

It is a seasonal business therefore the rainy season is the major threat.

5.0 ORGANISATION AND MANAGEMENT

The ULTISOAP wine business organisation set up well defined formulation managing identity for effective regulation of operation, the guidance and the progress of the business. The principal factors making up the organs of management;

-----THE LEGISTRATIVE {the board of directors}, ----- they view the memorandum and articles of association of the organisation.

-----THE JUDICIARY {the general manager or the managing director}
---they interpret and manage the activities of the company every day.

-----THE EXECUTIVES {managers} -----they execute the policies formulated or laid down by the board of directors.

The management team:

Board of directors

Shareholders

Customer

Government agencies

And other environments income tax returns, price or value of share.

Personal plan

The company will employ qualified and able strong persons to meet the end need of the company and will be randomly paid

Values and Norms

It is one of independent business that allow people put they skills to work and gain adequate knowledge about production.

Its create job opportunities for small {young} and big {old}.

It offers good investment benefits.

Cut Costs: Make wine for the cost of electricity and water - around a penny a pound.

6.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENT ISSUES

The company have been given the fullness setup through its license and approved by the government agencies with the support of the community.

It will affect the environment in a positive way of create job and investment opportunity for the people since it's a net business.

7.0 THE FINANCIAL PLAN

The total project cost

The total project cost is estimated at #800,000, made up of #600,000 in fixed capital and #200,000 in working capital.

FUNDING PLAN

The total project cost of #800, 000, is proposed to fund in the following:

	Owner's contr	Term loan	Total
Owner's contr.	#300,000		#400,000
Term loan		#500,000	#500,000
Grand total		#800,000	#800,000

Funding requirement: The funding requirement for this project is 800,000, as the promoter is committing #300,000 into the project.

PROJECT INCOME STATEMENT

2015	2013	2014
------	------	------

Turnover 4,100,000	2,300,000	3,200,000
Cost of sale {600,000}	{600,000}	{600,000}
Gross margin 3,500,000	1,700,000	2,600,000
Less: operation expenses		
Salaries & allowances 529,000	480,000	504,000
Electricity 22,000	20,000	21,000
Transport 33,075	30,000	31,500
Loan interest 40,000	80,000	80, 000
Telephone 39,000	36,000	37,000
Depreciation 28,500	28,500	28, 500

Total Operating Expenses 674,500 702,000

69,575

Net operating profit 1,025,000 1,898,000

2,808,428

PROJECT CASH FLOWS STATEMENT

Cash in flows

Owner's capital	300,000		
Bank loan	500,000		
Sales revenue	1,700,000	2,600,000	3,050,000
Total cash inflows (A)	2,300,500	3,200,000	4,100,000

Cash outflows

Fixed assets acquisition	600,000		
Cost of sales		600,000	660,000
			726,000
Operating expenses		646,000	674,000
			664,015
Loan repayment		400,000	400,000
Total cash outflows (B)		(1,846,000)	(1,734,300)
			(1,790,015)
Net cash flow (A—B)=C	654,000	65,000	369,985

Opening cash balance (D)	--	654,000
719,700		
Closing cash balance (D)	654,000	719,700
1,089,685		

PROJECT BALANCE SHEET

Capital employed

Fixed assets (at cost)	600,000	600, 000	600,000
Less depreciation	28,500	28, 500	28,500
Net book value A=	571,500	571, 500	571,500

Current assets

Balance at bank and in hand (B)	1,025,500	1,898,000	
2,808,425			
Less: current liabilities (C)	500,000	250,000	250,000
Net current assets B—C=D	525,500	1,648,000	
2,558,425			
Net assets (E)	525,500	1,648,000	
2,558,425			

FINANCED BY:

Owners capital	(F)	300,000	300, 000
300,000			
Retained profit	(G)	225,500	1,348,000
2,258,425			
Owners funds	P+E=H	525,500	1,648,000
2,558,425			

PROFITABILITY ANALYSIS

Indicators	2013	2014
2015		
Turnover	2,300,000	3,200,000
4,100,000		
Gross margin	1,700,000	2,600,000
3,500,000		
Net operating profit	1,025,500	1,898,000
2,808,425		
Return on equity	341.8%	632.6%
9361.4%		

Total investment	128.2%	237.2%
		351.0%

Formula (a) return on equity or owners contribution = operating profit/owners contribution

BREAK—EVEN POINT (BEP) Analysis

Fixed cost		variable cost	
#		#	
Salaries & allowance	480,000		--
Electricity			--
20,000			
Transport			--
30,000			
Loan interest	80,000		--

Postages		--
36,000		
Depreciation	28,500	28,
500		
Total		5885,500
57,500		

BEP= $FC/1-VC/S$ where FC=fixed cost VC=variable cost

S=sales 1= constant

$617,000/1-86,000/1,500,000$

$86,000/1,500,000=0.057$

$1-0.057=0.943$

BEP= $\#617,000/0.943=\#654,295$

8.0 RISK Analysis/contingency plan

A great sense of dependence on unstable power supply of the PHCN.

Low valuation of time,

Excess production,

Contingency plan

These wine generators require operator adjustment and attention so as to avoid possible freeze up.

Control and influence as much by personal and family consideration.

Maintainance of mechanical applies.

OTHER CONSIDERATION, CONCLUSION AND RECOMMENDATION.

Economic justification:

From the point of view of our study and analysis of the findings embodied in this plan, the project offers good benefit to the economy as it create job and wealth.

Commercial viability:

We have find this project to be commercial and economically viable, having shown through our financial projections, a conservation but impressive turnover, cash flows, profit line and investment appraisal metrics.

Conclusion and recommendation:

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