

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

TOPIC:

BUSINESS PROPOSAL FOR A WINE STORE

AN ASSIGNMENT

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

BY

OJOBOR, NELSON CHUKWUKA

2014/195993

LECTURER:

DR. MRS. C.T. NWAOGA

JULY, 2017

CHAPTER ONE

1.0 EXECUTIVE SUMMARY

- 1.1 The following report and recommendations relate to the proposal by Nelson Wine Maestro at Enugu in Enugu state.
- 1.2 The project would require a start-up of N3, 976,500.00. This is made up of a fixed capital of N3, 300,000 and a working capital of N676500.
- 1.3 The vision of this enterprise is to be the best sellers of variegated wines in Eastern part of Nigeria particularly Enugu metropolis in Enugu State.
- 1.4 The project will be located at Enugu because of its easy access to the target market from that location.
- 1.5 A huge market is available for the business to serve.
- 1.6 The financial projections show that the project would be financially stable by the time it matures. The sales figures stand at 2300, 000; 6800,000; and 8,100,500 for year 1, 2, and 3 respectively.
- 1.7 The competitive edge of the enterprise lies in its ability to procure quality wine and by employing the services of competent personnel.
- 1.8 The profitability measures are shown below:

	YEAR 1	YEAR 2	YEAR 3
Turnover	2300,000	6,800,000	8,100,500
Profit before Tax	300,000	6,800,000	8,100,000
Profit after Tax	200,000	4,500,000	7.600,000
% Return on turn over	N/A		
% Return on equity	N/A		
% Return on Investments	N/A		

From the point of view of the analysis of our findings, the proposed project is found to be technically feasible, financially viable, and economically

desirable. Thus, the project offers good investment benefits, and is therefore highly recommended for implementation

CHAPTER TWO

2.0 INTRODUCTION

This business plan relates to **NELSON WINE MAESTRO**, which deals in the sales of quality wine, which will be established in 2018 in Enugu Metropolis

This company will help the economic status of the country, improving the amount of resources available for a healthier life for people. The purpose of this business is to provide the inhabitants of the community with quality wine of different kinds. This document is confidential and has been made available to the individual it has been addressed strictly on the understanding that it will not be disclosed.

2.1 VISION

The vision of **NELSON WINE MAESTRO** is to become a key player in the sales of high quality wine in Enugu, in Enugu State. It expects to have a staff of about ten people engaged in distribution and sales of products in Enugu state.

2.2 MISSION

To become the major sellers of quality wine in Nigeria and to reduce the level of unemployment thereby creating wealth and reducing poverty.

2.3 KEY SUCCESS FACTORS

- The company will employ the help of skilled labour
- This company will have a good customer care and friendly environment.
- Implementation of strict financial controls

2.4 OWNERSHIP

NELSON WINE MAESTRO will be a sole proprietorship.

2.5 KEY SUCCESS FACTOR

1. Lack of competition
2. Easy access to foreign wine

2.6 LOCATIONAL FACTOR:

The store will be located in side Enugu metropolis, Enugu State Nigeria. Reasons are:

1. Because of large population.
2. Availability of labour.

2.7 AVAILABILITY OF MARKET

The store is targeted for all Nigerians, intimating them on the importance of drinking good and quality wine.

CHAPTER THREE

3.0 PRODUCTS

The company plans to concentrate on the sales of high quality wine in the area.

3.1 PRODUCT DESCRIPTION

The product being sold are not produced by **NELSON WINE MAESTRO**. We only market them.

3.2 COSTING

Since we don't produce, but sell, the cost of wine varies from the different kinds available.

3.3 MARKET DEMAND

NELSON WINE MAESTRO hopes to fill consumers request for quality wine.

CHAPTER FOUR

4.0 MARKET ANALYSIS

NELSON WINE MAESTRO has an exciting business opportunity since there is a huge market in Enugu state and its environs quality wine is always needed. Increase in population is also going to enhance the market available for this product.

4.1 CUSTOMERS / MARKET SEGMENTATION

Our target clients include

- Homes
- Supermarkets
- Hotels
- Restaurants

CHAPTER FIVE

5.0 MARKETING PLAN

Marketing Strategy includes

- Penetration pricing
- Availability/ nearness of the product to the consumer.

5.1 PROMOTION STRATEGY

NELSON WINE MAESTRO will embark on extensive awareness campaign so that the public can be aware of the existence of a Wine Store within their vicinity. This can be done through radio stations like Dream FM, television programs, use of fliers, outreach sensitization programs. Sponsorship of the Mayor's cup which is a football competition played annually in Nsukka will also be one of the promotion strategies.

5.2 MARKETING STRATEGY

- Initially, sell directly to customers, after few months of inception, the company will involve the services of middle men.
- In addition to product consistency, **NELSON WINE MAESTRO** will have consistency in regards to their presence. It is much easier to build awareness and loyalty if people can reliably expect to see you every week.
- Progressively appoint distributors to target specialist retail outlets. To acquire key distribution points/distributor around retail and wholesale markets and supermarkets to be able to reach the demands of customers in the fastest time possible. The desire for profit will not overshadow our focus on quality. Provisions will be made to get feedback from customers on how good the

products are, even faults and have it can be improved to increase satisfaction derived from the product.

5.3 MARKET POSITIONING

The company will position itself as the market leader in sales of wine in Enugu State and its environs. The company will create peculiar leading edge profile for itself. Shown below is how the company will want to be seen by its customers, competitors and the general public:

- As the major seller and supplier of standard wine.
- As a company with the customer's interest at heart in the forms of hygiene, pricing and delivery.

5.4 PROJECTED SALES

	Sales from Provisions (N)	Sales from Wine	Total
Year 1	500,000	800,000	1,300,000
Year 2	650,000	1,000,000	1,650,000
Year 3	800,000	1,350,000	2,150,000

CHAPTER SIX

TECHNICAL ANALYSIS, MANAGEMENT AND ORGANIZATION

6.0 TECHNICAL ANALYSIS

People love fine wine. As a major supplier of wine **NELSON WINE MAESTRO** will ensure the continuous consistency in the sales of fine wines.

6.1 SCHEDULE OF OPERATION

We have incurred the services of two professional wine specialists that will inspect the wines to make sure they are of original standards at least once in a week except in an emergency case. Sales of the product which is wine will be well taken care of. This is because wines are stored for a long time.

6.2 MANAGEMENT AND ORGANIZATION

6.2.1 OWNER

NELSON WINE MAESTRO is a sole proprietorship owned by Ojabor Nelson.

Table 4 Management and Labour Compliments

S/ N	Positions	No. Of Staff	Annual Salary Per Staff (N)	Total
1.	Wine Specialists	1	120,000	120,000
2.	Cleaners	2	10,000	20,000
3.	Cashier	1	50,000	50,000
4.	Driver	1	18,000	18,000
5.	Security man	1	10,000	10,000
				218,000
	Add 5% fringe benefits			50,000
	Grand total			268,000

6.3 EXTERNAL SUPPORT

The company will access support on technical issues from experts from Enugu state ministry of agriculture, where the Partners received training on entrepreneurship. The services of experts as stated earlier will be employed at regular intervals.

6.4 VALUE AND NORMS OF THE COMPANY

The company will plans to adopt the following norms and values:

- a. To offer the best for the benefits of her customers
- b. To see her employees as her most valuable assets.
- c. To uphold her integrity always.
- d. To remain faithful to our visions and missions
- e. To always be available to her customers.
- f. To do her business within the federal, state and local government laws.
- g. To pay taxes as at when due.

CHAPTER SEVEN

LEGAL, ENVIRONMENTAL, SOCIAL AND REGULATORY ISSUES

7.0 LEGAL ISSUES

This business will be a sole proprietorship?

7.1 ENVIRONMENTAL ISSUES

Wine selling could pose little environmental hazard if certain precautions are not taken care of especially with respect to waste disposal. It is therefore part of our plans to site huge septic tanks for effluent disposal and catalytic converters will be used to reduce the amount of toxic gases released to the atmosphere as well as the use of recycling machines to recycle the unused or damaged cans. If this is done, the company will not constitute any form of environmental threat to the community.

7.2 SOCIAL ISSUES

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

1. Creation of new jobs.
2. Help alleviate poverty.
3. Improve the economy through payment of taxes

7.3 REGULATORY ISSUES

The company will comply with all environmental regulations, as well as all relevant industrial safety regulatory requirements.

CHAPTER EIGHT

8.0 RISK ANALYSIS AND MITIGATION

	Risks	Mitigates
1	Theft	Employment of security men
2	Increased competition	Re-branding, change in packaging and also attractive to customers.
3	Fire outbreak	Insure the company

8.1 SWOT ANALYSIS

A SWOT analysis carried out on the project reveals the following:

8.1.1 Strengths

- The location of the store makes it to have easy access to its targeted customers.
- The machines are very effective and highly efficient.

The plant will build on these strengths

8.1.2 Weaknesses

- Initial problems of raising adequate capital for the project anticipated.
- The plant will have to depend on the services of outside important chemicals for its water treatment.

8.1.3 Opportunities

- Currently, Enugu and its environs lack quality wine. Therefore, **NELSON WINE MAESTRO** brings quality wine to their doorsteps.
- There is high demand of quality wine by hotels in Enugu Metropolis and its environs.

The store hopes to exploit these opportunities

8.1.4 Threats

- Low initial demand
- Increased competition due to entry of more wine stores.

8.2 EXIT STRATEGY

Below are some ways through which the company will get its money back in the event of exit.

- (1) The company may decide to seek fund and ownership from the public by issuing on initial public offer (IPO).
- (2) Liquidation, calling it quit and selling the assets to pay off creditors and Share holders.

These strategies are exit strategies lined up in the case of company failure.

CHAPTER NINE

9.1 SUMMARY OF PROJECT COST

The total cost of the project is N3, 976,500.00. This is made up of N3, 300,000 in fixed capital and N676, 500 in working capital.

9.2 FIXED CAPITAL INVESTMENTS

NELSON WINE MAESTRO is located inside Enugu metropolis, Enugu, State, Nigeria on a land area of about 5 plots. Table 9 shows the fixed capital investment required for the project

Table 9: Fixed capital Investment

S/N	DETAIL	QT Y	PRICE (N)	TOTAL
1.	Renting of building that has about 2 sections for sales and administrative purposes.	2	200000	400,000
2.	Stand-by generator	1	300000	300,000
3.	30,000 litres GP tank	1	20,000	20,000
	TOTAL			720,000

9.3 PROFITABILITY ANALYSIS

Relevant key profitability ratios for the first three years are shown here under

	Year 1 (4 months)	Year 2	Year 3
Profit after Tax	(75000)	700,000	1,600,000
% Return on turn over	N/A	40.02	52.61
% Return on equity	N/A	89.76	100.20
% Return on Investments	N/A	65.44	81.05

CHAPTER TEN

10.1 CASH FLOW PROJECTION

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

Year 2	Year 3
322,000	4,322,000

10.2 PROJECTED BALANCE SHEET

For the three years period, it became apparent that the fund available in the company grew on the average (see table below).

Years of operation	Year 1 (N)	Year 2 (N)	Year 3 (N)
Shareholders fund	(20000)	365500	233400

CHAPTER ELEVEN

11.0 ECONOMIC JUSTIFICATION

NELSON WINE MAESTRO is economically justified in that it creates food and jobs for the youth in the community it's established, create wealth therefore lending to poverty alleviation.

9.2 COMMERCIAL VIABILITY

The Establishment is commercially viable because it will enable fund circulation in the society and especially for the people working in company and also for the people living in the community where the company is located.

9.3 CONCLUSION/RECOMMENDATION

From the point of view of our analysis, the proposed business is found to be technically feasible, commercially viable and economically desirable. Therefore, the project is very lucrative and it offers good investment benefit. Therefore highly recommend it for funding and implementation.