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CHEMICAL ENGINEERING
AFE 202

BUSINESS PLAN

For

**"PROCESSED AND PACKAGED BEEF"
(Wholesale and Retail)**

Prepared by:

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EXECUTIVE SUMMARY

Zimoa Meat Marts will be going into the production and distribution of “*hygienically processed and packaged beef*” of 1kg sizes upward to meet the daily protein need of both local and international demand. This enterprise will be set-up primarily to key into the Lagos State Government Mega-City project by establishing hygienic meat marts in Lagos State that will meet up with global standard. Furthermore, the meat marts will also create a steady market for the sales of fattened cattle produced by Zimoa International Ltd’s Farm through their feedlot system.

The enterprise will commence her operation with one (1) location (Lagos Island – Sura Shopping Complex) and progressively try to expand to four (4) locations at the beginning of 4th year of operation. About 1200 heads of cattle at an average range of 350kg, 2500 heads of sheep’s, goats and rams will be slaughtered annually at this location. Also sales of heads of cattle, sheep, goat and ram will be sold directly to various customers during the period.

FINANCIAL IMPLICATION OF THE ENTERPRISE

ESTIMATED ANNUAL REVENUE	₦ 445,500,000 : 00
ESTIMATED COST OF THE PROJECT	₦ 405,280,000: 00
NET BEFORE PROFIT	₦ 40,220,000: 00
GROSS PROFIT AFTER TAX	₦ <u>30,118,301: 00</u>

In conclusion, the business is highly profitable, sustainable and worth investing into. This point is justified based on the high return, established target markets and steady supply of our major raw material (cattle, sheep, goat and ram) from Zimoa Farms.

Note: The financial implications has been fully explained in the cost analysis and cash flow tables on the excel spreadsheets attached to the document.

Business Overview

1.1 Description of the Business

It is has been estimated that annual domestic and imported slaughtering in Nigeria is around 7.5 million cattle with a livestock value of ₦300 –₦375 billion annually. The Nigeria red meat production is in the same order of magnitude as production in other countries such as Mexico, France, Canada, Germany and New-Zealand, which are the 8th to 12th biggest global red meat producers. This is based on the population of the country.

Livestock processing occurs at the levels of public, private abattoirs, local public slaughter slabs, household, and festival periods.

It is in this vein that, Zimoa International Limited (ZIL) an exciting new company that specializes in animal husbandry, agro allied and general agricultural products that aim to meet an in-satiated need for quality processed meat and beef products to their numerous customers and the full

understanding of rearing and fattening of cattle in a feedlot system ensures production and a steady flow of the raw material (cattle, sheep, goat and ram) for processing to the final consumers.

ZIL will be located in Eleko Beach, of Lekki-Epe Expressway, Lekki, Lagos, Nigeria. The farm specialises in raising cattle from calf to maturity stage and weight before slaughtering and processing into packaged beef for its consumers consumption. The cattle breeds on the farm several species of cattle such as white Fulani , Red Bororo, Sokoto Gudali, Azawaks and Localised Friesian breeds due to their body size, adaptability and mature weight., and intends to have its other farmland located in other suitable locations in Nigeria.

ZIL has keyed into the Federal Government's new policy formulation of putting Nigeria's agriculture sector on a path to growth, which will require actions to solve two major gaps of producing enough fresh, high quality foods for the Nigerian market; and serve the export market successfully in order to earn foreign exchange.

1.2 The Vision and Mission Statement

Our vision

To be a leading farm in cattle fattening operation, processing and marketing of wholesome meat with special emphasis on quality delivery and in consonance with global standards.

Our mission

- ❖ To source for cattle, sheep, goat and ram of high meat quality
- ❖ Constant staff capacity development training and retraining
- ❖ Public-Private-Partnership with relevant institutions
- ❖ As well as Excellent customer care services

1.3 Business Objectives

The goals we are aiming to achieve for holistic, profitable and sustainable enterprise are;

- ❖ A minimum annual sale of ~~₦~~ ₦ 445.5 Million for a mixture of cattle, sheep, goat and ram. And net profit of before tax ₦ 40.2 Million by the end of the first year of operation (12 months)
- ❖ To establish 4 more additional meat mart by the beginning of the 4th year of operation
- ❖ To embark on staff training and re-training programmes.
- ❖ To increase staff strength by 30% at the beginning of 3rd year of business commencement

1.4 Critical Success Factors of the Business are:

- ❖ Availability of market: From the information gathered during market survey, Lagos State is the second largest state in Nigeria in term of population. Also, according to my statistics six persons out of ten eat meat on daily basis. Furthermore, it was gathered that more than 8,000 mixture heads of cattle, sheep, goat and ram were slaughtered daily in Lagos State

with close to 16 Million Lagos residents to supply. So clearly we can see that the market share is huge.

- ❖ Access to loan: The present government policy on developing agriculture and other sectors of the economy has mandated some government financial institution to provide soft loans to various entrepreneurs in order to develop their enterprise or ideas, provided all conditions are meant.
 - ❖ Presence of Insurance Companies: To reduce the effect of any loss, the farm will be insured under a reputable insurance company.
 - ❖ Technical know-how: The staffing will be done with full attention on those with professional and technical acumen.
 - ❖ Availability of inputs locally: Various inputs like the feed, breed of the animal, medication and equipment are available locally. Even there is easy access to labour in Nigeria due to current hike in unemployment rate
- Others include;
- ❖ High turn-over.
 - ❖ Favourable government policies on agriculture development and other related sectors

1.5 Current Status of Business

Zimoa Farm is in production and fattening stage preparing to move to processing and marketing stage.

1.6 Legal Requirement

Legal Requirement	Budget	Details On Frequency of Payment and other Information
NAFDAC Registration	₦ 0.500 m	Registration with NAFDAC which is also once
Lagos State Abattoir and Meat Mart Permit	₦ 0.500 m	Permit is once in the business life time subject to Government Regulation Policy

2.0 Marketing Plan

2.1 Description of Product

The product is processed and packaged beef of various kilograms starting from 1 kg. The uniqueness of our packaged beef is the traceability of our product to our production farm (Quality Assurance) compared to some meat marts that source for their raw material from public abattoirs.

Freshness, free of zoonotic diseases, super taste and highly nutritious beef will be our major priority. Furthermore, the benefits of our product to our prospective and amiable customers are:

- a. Affordability of our product and constant availability
- b. Thorough screening of our product to ensure consumer safety
- c. High nutrient content
- d. Discounts and customer care services

2.2 Target Market

We are going to be rolling out approximately 450 tonnes of beef annual which shows that about 37.5 tonnes of beef will be sold monthly at initial stage (Note: The expected annual beef consumption for Nigeria according WHO is 50,000 tonnes per annum). The markets we are targeting within our processing site are Hotels & Restaurants, Caterers, staff of corporate Organizations and individuals that will visit the mart or place order on our e-commerce enable website. But for alternative buyers, we are going to put more effort in partnering with organizations that are into catering services, events planning etc.

2.3 Marketing Strategy

Advert Strategies	Budget per annum(Naira)	Details on frequency and justification of budget
Phone call and Customized Bulk SMS	300,000	N25,000 per month
Use of website and social media pages	250,000	The web page annual fee is renewed annually with the sum of \$30.00

Promotional Strategies;

1. After sale calls and SMS to appreciate the buyer within 24hrs of transaction
2. We will employ loyalty club and seasonal promotional discount.
3. Advertisement through various media such as Blog, TV, Radio Promotions etc.

In conclusion, under our marketing strategies, the sales/distribution strategies we are going to employ are customer physical presence at the meat mart and office/home delivery services.

Note; Customers would be encouraged to embrace cashless payment policy or Pay on delivery mode with more emphasis on cashless transaction.

3.0 SWOT Analysis

Table 3.1: Business SWOT Analysis Schedule

Factors	Implications
<u>Strength</u>	

<ol style="list-style-type: none"> 1. Established raw materials (i.e. availability of steady stream of cattle, sheep, goat and ram at Zimoa Farms) 2. Creation of various meat mart stations 3. Home delivery services 	<ol style="list-style-type: none"> 1. No lack of raw materials because we have our production farm already 2. Prospective customers will not have to drive for many kilometres before patronage, because of our door step delivery 3. To increase sales and customers convenience.
<p><u>Weakness</u></p> <ol style="list-style-type: none"> 1. Newly established business and yet to win the heart of customers 2. Lack of adequate capital for expansion 	<ol style="list-style-type: none"> 1. Market penetration will be a major challenge, but through our promotional and advertisement strategies we will surely overcome it 2. Inability to drive the business as planned
<p><u>Opportunities</u></p> <ol style="list-style-type: none"> 1. Grants from donor and development agencies. 2. Business development assistance programme from State and Federal Government e.g. Bank of Industry Loans. 3. High rate of unemployment in Nigeria is an opportunity for the business 4. Increasing population and urbanization especially in Lagos State is also a good opportunity for the business 	<ol style="list-style-type: none"> 1. These opportunities will surely skyrocket the business if well harnessed in holistic approach
<p><u>Threats</u></p> <ol style="list-style-type: none"> 1. Competitors in the industry (meat marts) 2. High rate of inflation 3. Power problem that may affect storage 4. People orientation about eating red meat 	<ol style="list-style-type: none"> 1. Competitors are majorly a threat but, the market share is so huge for Zimoa Mart to penetrate 2. The issue of power problem will be settled by the use of solar powered or generator 3. The orientation of not eating red meat is only applicable to elderly people, meat generally is good for growing children, youths, young men and women and these categories of people take the large percentage of the human populace in Nigeria and beyond

Competitive Analysis

Competitor's Analysis plan for Agric Cattle Beef

Factors	Zimoa Meat Mart	Mister Meat	Grills & Stake Meat Shop
Location	Sura , Lagos Island	Oniru Estate	Lekki-Epe Exp Way
Products offered	Processed and packaged beef	Processed and packaged beef	Processed and packaged beef
Pricing strategy	Penetrating pricing strategy	Prevailing market pricing strategy	Prevailing market pricing strategy
Uniqueness	Traceability and Quality Assurance	Price and quality	They ensure quality
Strengths	Established raw materials (i.e. availability of steady stream of cattle, sheep, goat and ram at Zimoa Farms), creation of additional meat mart stations and home delivery services	Many years of production and established customers	Availability of customers
Weakness	New to processing of meat mart business yet to win the heart of customers	Constraint of production capacity, lack of home delivery services	Constraint of production capacity, lack of home delivery services and expansion capacity
Year(s) of existence	10 yrs in animal fattening	12	5
Customer relation approach	After sales customer care services calls;office/home delivery services strategy, partnership strategies with concerned parties i.e caterers, hotels & restaurants other smaller butchers	Selling in discounts	Selling in discounts

4.0 Production Plan/Operational Plan

ZIL production plan is the stocking up of feeder cattle, sheep, goat and ram for adequate fattening over a specific period of time. Furthermore, production of more cattle, sheep, goat and ram in the farm through improved reproduction system i.e. oestrus synchronisation (artificial insemination). This strategy is to ensure adequate and continuous supply chain of raw material (cattle, sheep, goat and ram) to the meat mart(s) and sale of live animals for festive seasons and other major needs from customers.

Consequently, the production process of our packaged beef will follow this sequence;

1. The cattle on arrival at the abattoir will be slaughtered 3-hours later to reduce the stress they might have been exposed to during transportation.
2. Immediately after slaughtering in a humane manner, the meat inspection officer will inspect the carcass to certify its consumption.
3. The butchers will commence the butchering processes, i.e. the cutting of the carcass into various parts and categories e.g. topside, shank, brisket, flank, shoulder roast etc. Immediately after this, the packaging will be done by our personnel in-charge of packaging. The processed meat weight will be from 1/2kg upward depending on customers' preference and purchasing power.

Consequently, our operational plan will be carried out through adequate and use of standardised facilities i.e. transportation of the animal with specialised van to avoid stress, provision of lirage, availability of certified meat inspection officers, provision of modern processing and packaging facilities to ensure hygienic processing of the meat.

We will commence sales from **8:00am** in the morning and closing time will be **6:00pm** in the evening Monday to Saturday. Our staff resumption time to office will be **7:30am** so as to have ample time to get set or prepare for the work of the day before customers starts arriving while our online sales portal will be on 24/7.

Consumables needed

Table 4.1 showing consumables and details

Consumables	Description/Uses	Key Supplier/Source
Cattle, sheep, goat and ram	The major raw material for the meat mart	Zimoa Farms, Lekki
Fuel	To power the generator that supply electricity in the farm	Petrol Filling Stations within our reach.
Packaging Materials	Use of customized transparent polythene bags to neatly packed our beef in various sizes	TBD
Cleaning Materials/Disinfectants	Detergent inform of stain removal	TBD
Telephone bill	Marketing and customer care units	All network service providers in Nigeria

4.2 Production Equipment/Capital Expenses

Table 4.1a below is showing the list of capital equipment, description, uses and suppliers

S/N	Equipment	Description/uses	Supplier
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1.	Cutting table	For manual Cutting and slicing	To Be Determined
2	Weighing scale	To weigh the meat	TBD
3	Cutting tools	Cutlass, Knife, hand axe, cutting saw etc	TBD
4	Protective aprons	Aprons, hand gloves, mouth/nose mask, head cap, eye goggle etc	TBD
5.	Cleaning facilities	Brush, mopping stick, detergents etc.	TBD
6.	Generator Set	To supply power	TBD
7	Freezers	For preservation	Locally sourced from electronics Store
8	Solar System	To power Meat Mart	Locally fabricated and installed
9	Sealing machine	To seal the polythene bags after packaging	Locally sourced from electronics Store

Others include;

- Sealing machine
- Office space
- Office furniture
- Computers
- Refrigerated Display cases
- Motorcycle
- Air conditioner/fan

5.0 Record Keeping

Table 5.1(a). The record to be kept in this project are stated in the table below

S/N	Books to be kept	Reason
1	Purchases Record	To document every inputs brought in to the production process
2	Sales Record	To document every sales made on the farm
3	Equipments Record	To monitor the usage and maintenance of the farm equipment
4	Stock Record	To monitor cattle number, average weight, unit cost and total cost
5.	Financial Record	To monitor the money inflow and outflow
6.	Staff Record	Database of staff

Electronic database will also be used to store our information.

4.0. Organisational and Management Plan

Ownership of the business

The business is a Limited Liability Company i.e. a form of money making incorporated company where ownership is divided into shares and where the governing rules are set forth in agreement entered by all initial shareholders.

4.1. Profile of the Promoter(s) and details of Management Team

KEY MANAGEMENT TEAM

<u>Position</u>	<u>Skill, qualification and experience required</u>	<u>Functions and Responsibility</u>
MD/CEO	Bsc, MBA, and over 20 years requisite years of experience on Business	General business administration and decision making
CFO (Chief Finance Officer)	HND, ACA with over 15 years of business and financial management	Operations and Finance functions
Personnel/Sales Manager	University graduates, business drivers' and goal getter	Management of each branches to achieve and surpass daily sales target and revenue generation

4.3 Details of Employee

All our employees will be seasoned, enthusiastic, diligent, smart and visionary. We will employ the service of a reputable recruiting firm to manage our employee in order to reduce the staff management burden and to encourage professionalism.

A. Branch Manager

Our branch managers are preferably graduates of Business Administration, Economics, Animal Science, Marketing or Accountancy with at least second class lower degree. He/ She will undertake 2month training by our business advisory experts before resuming to duty. The age bracket will be between 27- 40years with relevant job experience.

B. Meat Mart Accountant

For the Meat Mart Accountant, he or she must be a registered Chartered Accountant, preferably with banking experience, undaunted character, highly skilled in financial and other related matters management, age between 25 - 40, smart and fluent in written and spoken English and finally must be a computer literate that can use latest financial management softwares.

C. Butchers

Our butchers will be preferably those that are experience in butchering, especially with previous experience in meat shop either as an employee or owner of the business. He must be cool tempered,

good looking, healthy with no record of tuberculosis, skin infection or asthma. He must be able to at least communicate in English language, Pigin or Yoruba. The age bracket will be between 30 - 45years

D. Packaging Personnel

Young ladies and men of age bracket 23-30. He or she must be Holders of National Diploma Degree (OND) or Higher National Diploma (HND) in any discipline. He or she must be energetic and hardworking.

E. Dispatch Riders

Our dispatch riders must be residents of Lagos state with good knowledge of Lagos and it's environ as well as traffic rules. Good looking, smart, intelligent and educated will be part of the attributes we are looking for in them. Also, they must be able to ride motorcycle perfectly and will be solely be men with good human relation acumen. They will be specially trained on how to interact with people in a polite, cautious and marketing strategies orientation. We will keep training and retraining them periodically because they are the first point of contact with our prospective customers.

F. Security Officer

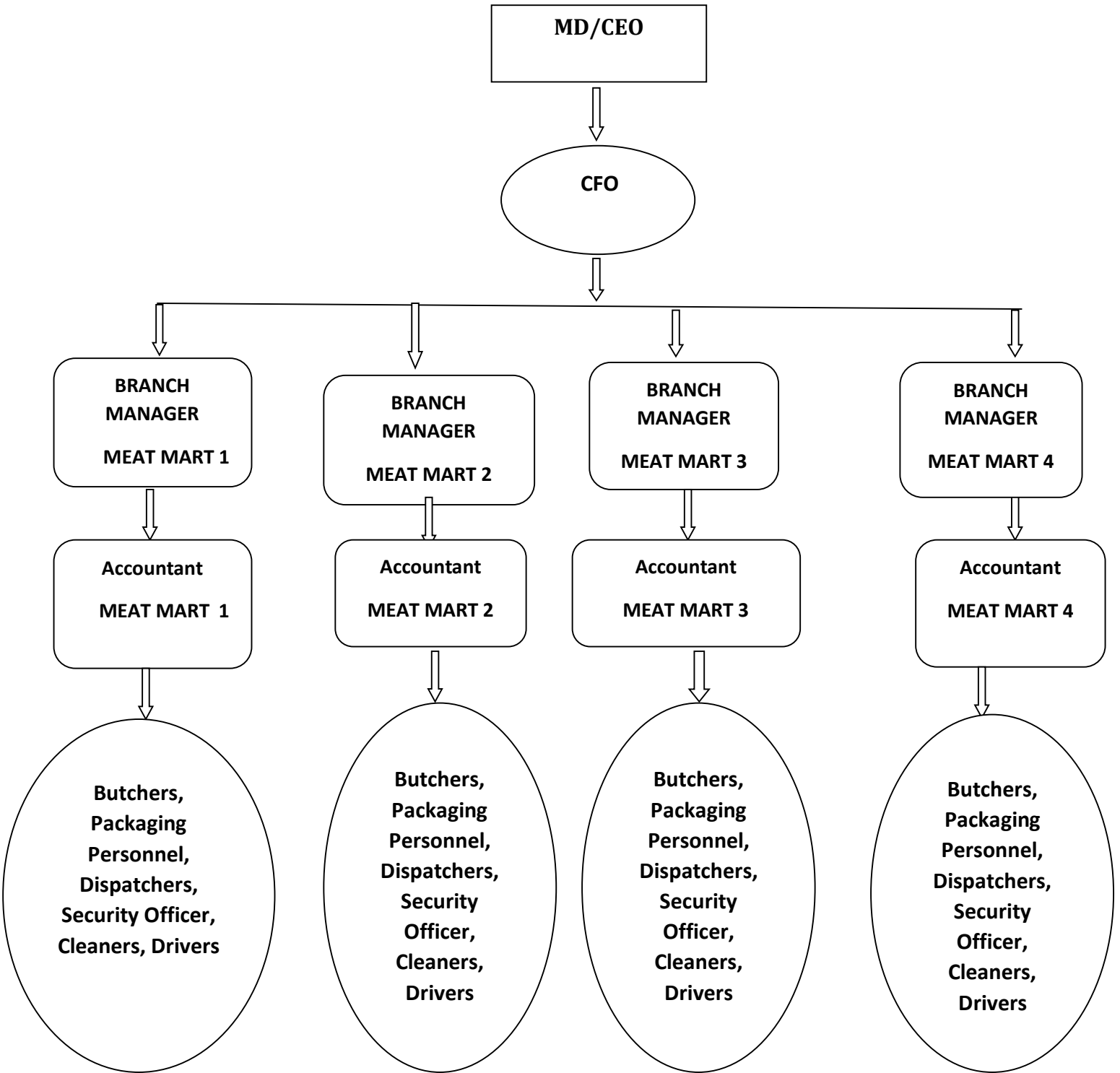
Our security officers will be sourced from a reputable security outfit in Lagos State. The officers will be well informed on our Organisation's objectives.

Others include; Drivers and The cleaners(most preferably women).

4.4. Details of salary schedule

Staff salary schedule as provided on cost analysis

THE ORGANISATION STRUCTURE



5.0. Business risk and mitigating factor

5.1. Business risks

- a. Theft or stealing by staff
- b. Accident i.e. the van carrying the animals may have accident on the road
- c. Sudden death of the animals on arrival at the abattoir
- d. Total condemnation of carcass by Inspection officers due to infections
- e. Inflation in prices of consumables
- f. Arrest of our dispatcher by government law enforcing officers which may cause disappointment in delivery
- g. Insufficient supply of cattle from our major supplier
- h. Change in present government policies on meat mart operations in Nigeria or Lagos State in particular
- i. Sudden outgrow of competitor close to our site of operation

And we will adopt the following strategies to mitigate it;

- a. Use of Close Circuit Camera (CCTV) within and outside our meat mart to monitor staffs and customers activities in conjunction with the assistance of our security officer
- b. Installation of speed limit device on our vehicle and motorcycle to avoid unnecessary over speed by our drivers and riders.
- c. Only healthy animals will be ordered for in our abattoir to avoid sudden death and they will be well fed and water supply before embarking on the journey
- d. We have considered inflation percentage in formulating all our financial projections
- e. Every necessary permits, documents and licence will be acquired for our riders and drivers to avoid harassment by law enforcement agencies
- f. We will ensure steady supply of cattle, sheep, goat and ram to our from ZIL
- g. Emergence of competitors will be taken care of by our business core values, flexibility and dynamism. i.e. we will keep improving on our products and services to our customers through our various business tools

6.0 Conclusion

In conclusion, this business from all the statistics above will be bring about an amazing profit and is a wonderful agricultural based product