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LEVEL:200LEVEL

DEPT: COMPUTER SCIENCE

MATRIC NUMBER:18/SCI01/018

BUSINESS PLAN OUTLINE

Cover sheet

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THE BUSINESS

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**DIARY FARMING business plan**

Agates

**Summary page**

**Executive summary**

**Agates is an exiting new business that allows people to consume diary products such as milk cheese and other stuffs and also deals in the customisation of souvenir**

**COMPANY SUMMARY**

Agates is a start-up organization. It has been formed as a NIGERIAN registered L.L.C. by AMUSAT TOMIWA. The L.L.C. formation was chosen as a way to minimize personal liability issues for the owner and avoiding the double taxation found in traditional corporations.

Company Ownership

AMUSAT TOMIWA is the Founder and President of Agates print

 Start-up Summary

 Agates print will incur the following expenses for start up:

Two Apple Macintosh computers -- These will be high end models and utilize the following software: Microsoft Office, Adobe Photoshop and Illustrator, Macromedia FreeHand, and QuickBooks Pro.

HP XX Laser Printer -- This is a prototype printer not available to the public.

In-store computer kiosk -- This allows customers to view options for shirts and existing imagery.

Website -- This will be used for information disbursement as well as ordering.

Shelving display unit -- To display assorted graphic images on paper for easier viewing.

Broadband Internet connection.

Two desk/chair/office supplies sets.

Small shirt inventory -- Inventory will be kept small to lower overhead. This will be accomplished by using a shirt vendor who is one shipping day away, effectively using a just-in-time (JIT) system for managing inventory.

Heat application unit -- To make the sublimation transfer.

Monograming machine—to monogram

**FINANCIAL DATA**

START-UP FUNDING

Start-up Expenses to Fund $17,100

Start-up Assets to Fund $62,900

TOTAL FUNDING REQUIRED $80,000

Assets

Non-cash Assets from Start-up $6,500

Cash Requirements from Start-up $56,400

Additional Cash Raised $0

Cash Balance on Starting Date $56,400

TOTAL ASSETS $62,900

Liabilities and Capital

Liabilities

Current Borrowing $0

Long-term Liabilities $65,000

Accounts Payable (Outstanding Bills) $0

Other Current Liabilities (interest-free) $0

TOTAL LIABILITIES $65,000

Capital

Planned Investment

D. Inkler $15,000

Investor 2 $0

Other $0

Additional Investment Requirement $0

TOTAL PLANNED INVESTMENT $15,000

Loss at Start-up (Start-up Expenses) ($17,100)

TOTAL CAPITAL ($2,100)

TOTAL CAPITAL AND LIABILITIES $62,900

Total Funding $80,000

**MARKETING**

**Market Analysis Summary**

Agates has segmented the market into two groups, organized by the type of product that they purchase. The first group is customers that desire an already created graphic image to be placed on the their shirt. The second group are those that prefer custom artwork to be placed on their shirt. Agates has decided to divide the market by the products that they purchase because it offers an intuitive, easy method of targeting the two different groups. An additional reason for segmenting the market based on the two products is because the demographics for the buyers of the two products are distinct enough to group them separately.

**Market Segmentation**

Agates has segmented their market into two distinct groups. As mentioned previously, the two segments are grouped by the type of product they chose. Although Your T-Shirt! is dividing the market by product type, it is effectively dividing the market by age as well since the customers who purchase the custom artwork shirts tend to be older than the group preferring the ready-made graphics. While this is not a hard and fast rule, it is a fairly accurate generalization.

Graphics -- This is group purchases a shirt and has an existing graphic placed on the shirt. This is the less expensive option and lends itself to low production numbers, as low as one, since there is not the inherent expense of artwork creation.

Ages 14-25

69% are students

Median individual income is $26,000

Go out to eat 3.4 times a week

Listen to 3.6 hours of music a week

**Web Plan Summary**

Agates pwill have a website developed that is based on the philosophy that the site must be user-friendly. Agates print entire product catalog will be available on the site for customers to place orders. Because of the large volume of graphic image choices, it will be imperative that the site is easy to navigate through all the different options.

The store will have a computer kiosk for customers to access the graphics catalog. The customer can then place the order online or take the information to an employee to place the order.

The initial cost of the website will be the largest. Monthly maintenance costs will be marginal relative to the development and design costs.

 **Website Marketing Strategy**

The website will be integral in Agates print marketing effort as the site is a key sales tool for both local and distant customers. The URL address will always be used in promotional material, encouraging people to check out the company, concept, and the products. In additional to inclusion in the traditional marketing campaigns, Agates print will submit their website to a variety of search engines, significantly increasing the number of inquiries from people searching out custom shirts.

 ***Development Requirements***

A computer programmer/designer has been identified as a candidate to manage the design, implementation, and maintenance of the website. The majority of the tasks will be completed by him, a few tasks that are outside of his skill set will be subcontracted to his associates.

**COMPETITION**

**Competition and Buying Patterns**

Agates print has identified two competitors, two are local companies.

Milk World -- This local competitor specializes in milk production. 70% of their business is milk production with the remaining 30% sublimation. They require a minimum order of 10 with a 2-3 week lead time.

Milk Shack -- This local retailer is geared toward organizations or teams with production runs of 20 or more. They do fairly good work but are rigid regarding custom work.

**PERSONNEL**

**Personnel Plan**

**Agates print will require the following personnel for operations:**

* **Tomiwa -- Business development, finance and high level accounting, customer service, shirt printing**
* **Printer -- Shirt printing**
* **In-store retail employee -- Help customers with placing or existing orders**
* **Bookkeeper -- Accounts receivable and payable**
* **Independent contractor --**

**PERSONNEL PLAN**

 **YEAR 1 YEAR 2 YEAR 3**

**Tomiwa $22,000 $26,000 $30,000**

**employee $13,000 $13,000 $13,000**

**employee $7,200 $11,000 $11,000**

**Printer $16,200 $21,000 $21,000**

**Bookkeeper $10,000 $12,000 $12,000**

**TOTAL PEOPLE 5 5 5**

**Total Payroll $68,400 $83,000 $87,000**

**FINANCIAL PLANS**

Business Ratios

* Accounts receivable – Agates does not extend credit
* Inventory – Agates uses just-in-time (JIT) inventory management significantly lowering overhead
* Liabilities -- This business is being financed by debt, a long term bank loan
* Gross margin -- By leveraging the power of computer technology, labor costs are significantly decreased boosting the gross margin
* Sales/administrative expenses -- These expenses are higher due to the national reach of this organization and its target market