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ASSIGNMENT 1

FEASIBLITY STUDY ON THE SET UP OF SURGICAL HAND GLOVE PRODUCTION FIRM FOR THE USE WITHIN THE ABUAD COMMUNITY

**Summary of the project**

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is a licensed hand sanitizer production company that will be located in Akure – Ondo State. This project is aimed to set-up within the ABUAD community a hand sanitizer production firm in order to alleviate the never ending need for surgical gloves and to cut all associated cost that comes with the purchase of surgical gloves produced by exterior companies. The need to accomplish this project is of many importance and benefits as there is a mass flow of students into the College of Medicine and Health Sciences which are always in need of hand sanitizers to carry out the practical aspect of their respective courses and as such the cost incurred from the purchases are always on a rise and this can be potentially solved if ABUAD undertakes this project. The university can make one readily available for students without the need to buy from any company. This also saves time of delivery in case the product being ordered is to be delivered from another state.

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is in the industry to produce widely accepted hand sanitizer products in a variety of forms, including foam, gel, wipes and liquid. We are also in the business to make profits and at the same time to give our customers value for their money.

We are aware that there are several hand sanitizer production companies scattered all around the Federal Republic of Nigeria, which is why we spent time and resources to conduct our feasibility studies and market survey. We ensured that our facility is easy to locate and we have mapped out plans to develop a far-reaching distribution network for wholesalers in Akure – Ondo State and throughout the Federal Republic of Nigeria.

Beyond producing quality hand sanitizers in a variety of forms, our customer care is going to be second to none. We know that our customers are the reason why we are in business which is why we will go the extra mile to get them satisfied when they purchase our hand sanitizers.

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is family business that will be owned by Mr. Stephen Ikuomola and his immediate family members. Mr. Stephen Ikuomola who is the Chief Executive Officer of the Company is Graduate of Mechanical Engineering and he holds a Master’s Degree in Business Management (MBA).

He has a Chemical Handler’s Certificate and is a Certified Disinfectant Manufacturer. He has over 10 years experience working in related industry as a senior manager prior to starting Stephen Ikuomola™ Hand Sanitizer Production Company, LLC.

Market Projection

It is projected that the demand for hand sanitizers during this pandemic would be on a rise as the demand outweighs the supply and hence there is a need to close the gap by producing more sanitizers.

Prices

Due to the recent outbreak of the covid-19 virus there is a surge in the demand for hand sanitizers for the protection of medical practitioners but this has been made difficult as the prices of alcohol has increased due to its increase in demand and hence affecting the prices of hand sanitizers.

Source of Funding

1. Large donation from friends and associates.
2. Loans from banks with attractive interest rates.
3. Revenue from Abuad tuition fee
4. Investors
5. Initial capital

Summary of Findings and conclusion

1. Market feasibility

Since investors are mostly attracted to businesses with high ROI and lower risk this business fits the requirement as there is a higher demand for the product than ever and hence ABUAD can venture into this industry and thrive as there is excess demand over supply and there shall be competitive market position to obtain.

1. Technical feasibility

After much research it has been verified that the project technical data has been sourced for and a large quantity of gloves can be produced at a minimum cost. The cost incurred from building the facilities, buying and renting some equipment, studying the process involved in the glove manufacture, observing the method and channels of distribution and quality of the product has been shouldered and can be financed adequately.

1. Financial feasibility

This is also feasible as the initial capital requirements, sources of financing, the total project cost and the financial statement has all been guaranteed. Also the financing of the management team and qualifications has been looked into while at the same time offering attractive salaries as the rival competitors. In conclusion, the profit to be generated from the business outweighs the initial capital investment.

**General Information**

**Management of the Project**

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is going to run a standard hand sanitizer production company whose products will not only be sold in Akure – Ondo State but also throughout the Federal Republic of Nigeria and Africa as well.

We are in the industry to make profits and also to give our customers value for their money. These are some of the products that we will be offering;

1. Manufacturing and packaging hand sanitizers for wholesale distribution
2. Manufacturing and packaging related hand sanitizer products in a variety of forms, including foam, gel, wipes and liquid, along with dispensers for industry products.

As stated in the summary, the hand sanitizer company is a Limited Liability Company. Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is established with the aim of competing favorably with other leading brands in the industry. This is why we will ensure that we put the right structures in place that will support the kind of growth that we have in mind while setting up the business.

We will ensure that we only hire people that are qualified, honest, hardworking, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders.

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more depending how fast we meet our set target. In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

1. Chief Executive Officer (Owner)
2. Plant Manager
3. Human Resources and Admin Manager
4. Merchandize Manager
5. Sales and Marketing Manager
6. Machine Operators
7. Accountants/Cashiers
8. Distribution Truck Drivers

**Job Roles and Responsibilities**

**Chief Executive Officer – CEO (Owner):**

1. Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results
2. Responsible for fixing prices and signing business deals
3. Responsible for providing direction for the business
4. Creates, communicates, and implements the organization’s vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization’s strategy.
5. Responsible for signing checks and documents on behalf of the company
6. Evaluates the success of the organization.

**Plant Manager**

1. Responsible for overseeing the smooth running of the production plant
2. Part of the team that determines the quantity and quality of hand sanitizers and related products to be produced.
3. Maps out strategies that will lead to efficiency amongst workers in the plant
4. Responsible for training, evaluation and assessment of plant workers
5. Ensures that the steady flow of both raw materials and other packaging materials to the plant and easy flow of finished products through wholesale distributors to the market
6. Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
7. Ensures that the plant meets the expected safety and health standard at all times.

**Human Resources and Admin Manager**

1. Responsible for overseeing the smooth running of HR and administrative tasks for the organization
2. Defines job positions for recruitment and managing interviewing process
3. Carries out induction for new team members
4. Responsible for training, evaluation and assessment of employees
5. Oversees the smooth running of the daily office and factory activities.

**Merchandize Manager**

1. Manages vendor relations, market visits, and the ongoing education and development of the organizations’ buying teams
2. Responsible for the purchase of raw materials and packaging materials
3. Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors

**Sales and Marketing Manager**

1. Manages external research and coordinates all the internal sources of information to retain the organizations’ best customers and attract new ones
2. Models demographic information and analyze the volumes of transactional data generated by customer purchases
3. Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
4. Responsible for supervising implementation, advocate for the customer’s needs, and communicate with clients
5. Documents all customer contact and information
6. Represents the company in strategic meetings
7. Helps to increase sales and growth for the company

**Accountant/Cashier**

1. Responsible for preparing financial reports, budgets, and financial statements for the organization
2. Provides managements with financial analyses, development budgets, and accounting reports
3. Responsible for financial forecasting and risks analysis.
4. Performs cash management, general ledger accounting, and financial reporting
5. Responsible for developing and managing financial systems and policies
6. Responsible for administering payrolls
7. Ensuring compliance with taxation legislation
8. Handles all financial transactions for the organization
9. Serves as internal auditor for the organization

**Client Service Executive**

1. Welcomes guests and clients by greeting them in person or on the telephone; answering or directing inquiries.
2. Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
3. Through interaction with clients on the phone, uses every opportunity to build client’s interest in the company’s products and services
4. Manages administrative duties assigned by the manager in an effective and timely manner
5. Consistently stays abreast of any new information on the company’s products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
6. Receives parcels/documents for the company
7. Distributes mails in the organization
8. Handles any other duties as assigned by the line manager

**Production Workers/Machine Operators:**

1. Operates machines
2. Assists in packaging and loading hand sanitizers and related products into distribution trucks

**Distribution Truck Drivers**

1. Assists in loading and unloading hand sanitizers and related products
2. Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
3. Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
4. Assists the transport and logistics manager in planning their route according to a delivery schedule.
5. Transports finished goods and raw materials over land to and from manufacturing plants or retail and distribution centers
6. Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
7. Comply with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
8. Collects and verifies delivery instructions
9. Reports defects, accidents or violations

**ECONOMIC ASPECT**

**Market Study**

Research conducted by IBIS World shows that in the United States of America, over the ten years to 2019, the Hand Sanitizer Manufacturing industry has experienced healthy growth, with total industry revenue expected to rise. This growth can largely be attributed to heightened consumer health consciousness over the past five years leading to a rise in total health expenditure.

Additionally, a renewed focus on product marketing from operators has contributed to revenue growth during the ten-year period. However, this heightened interest in hand sanitizers has paved the way for increased competition among industry players.

Operators that leveraged distribution relationships often outperformed their peers during the ten-year period, since these players were able to distribute their product across the country with low up-front costs.  Over the ten years to 2024, the industry is projected to continue its upward trend, as consumers continue to focus on healthy lifestyles and become more aware and concerned of the outbreak and spreading of infectious diseases like COVID-19.

The Hand Sanitizer Manufacturing industry is a thriving sector of the economy of the Federal republic of Nigeria and they generate over 74 million Naira annually from more than 23 registered and licensed hand sanitizer manufacturing companies.

The industry is responsible for the employment of over 906 people. Experts project the industry to grow at a 3.9 percent annual rate. Dettol Industries Inc and Vi-Jon Laboratories are the leaders in the Hand Sanitizer Manufacturing industry.

Interestingly, the industry revenue has experienced healthy growth, rising from an annualized 3.9 percent to 74.4 million Naira over the ten years to 2020, including an increase of 16.6 percent in 2020 alone due to heightened demand as a result of the recent COVID-19 (coronavirus) outbreak.

Due to the high cost of manufacturing, marketing and distribution of hand sanitizers, large corporations dominate the industry and despite the fact that there are big corporations who are into the production of hand sanitizers, the fact remains that small – scale hand sanitizer production businesses have minimal barriers to entry, with low startup capital.

**Marketing Program**

A quick preview of the Hand Sanitizer Manufacturing industry reveals that the market has become much more intensely competitive in recent time. As a matter of fact, you have to be highly creative, customer centric and proactive if you must survive in this industry especially after this corona virus pandemic in the world.

We are aware of the stiff competition and we are prepared to compete favorably with other hand sanitizer production companies in North Platte – Nebraska and throughout the United States.

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is launching a standard hand sanitizer brand that will indeed become the preferred choice for residents of Akure – Ondo and every city where our hand sanitizers will be retailed.

Part of what is going to count as competitive advantage for Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is the vast experience of our management team, we have people on board who are highly experienced and understand how to grow business from the scratch to becoming a national phenomenon.

So also, closeness to some of the largest raw materials producers, our large and far reaching national distribution network and of course our excellent customer service culture will definitely count as a strong strength for us.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

Before choosing a location to start Stephen Ikuomola™ Hand Sanitizer Production Company, LLC and also the kind of hand sanitizers to produce, we conducted a thorough market survey and feasibility studies. We have detailed information and data that we were able to utilize to structure our business to attract the number of customers we want to attract per time and also for our products to favorable compete with other leading brands in the Federal Republic of Nigeria.

We hired experts who have good understanding of the hand sanitizer production industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Akure – Ondo and other cities in the Federal Republic of Nigeria.

In summary, Stephen Ikuomola ™ Hand Sanitizer Production Company, LLC will adopt the following sales and marketing approach to sell our hand sanitizers and related products;

1. Introduce our hand sanitizer brand by sending introductory letters to residents, merchants, retailers and other stakeholders in Akure – Ondo and other cities both in the Federal Republic of Nigeria and Other African countries.
2. Open our hand sanitizer production company with a party so as to capture the attention of residents who are our first targets
3. Engage in roadshows in targeted communities from time to time to sell our products
4. Advertise our products in community – based newspapers, local TV and radio stations
5. List our business and products on yellow pages’ ads (local directories)
6. Leverage on the internet to promote our hand sanitizer brands
7. Engage in direct marketing and sales
8. Encourage the use of word of mouth marketing (referrals)

**Publicity and Advertising Strategy**

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC has a long – term plan of distributing our hand sanitizers and related products in various locations all around the Federal Republic of Nigeria a which is why we will deliberately build our brand to be well accepted first in Akure – Ondo before venturing out.

Here are the platforms we intend leveraging on to promote Stephen Ikuomola™ Hand Sanitizer Production Company, LLC;

1. Place adverts on both print (community – based newspapers and magazines) and electronic media platforms
2. Sponsor relevant community programs
3. Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, et al to promote our hand sanitizer brand
4. Install our Billboards on strategic locations all around major cities in the United States of America
5. Engage in roadshow from time to time in targeted communities
6. Distribute our fliers and handbills in target areas
7. Position our Flexi Banners at strategic positions in the location where we intend getting customers to start patronizing our products.
8. Ensure that our products are well branded and that all our staff members wear our customized clothes, and all our official cars and distribution vans are customized and well branded.

We have been able to examine the hand sanitizers production industry and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast.

Below are the sales projections for Stephen Ikuomola™ Hand Sanitizer Production Company, LLC, it is based on the location of our business and other factors as it relates to small and medium scale hand sanitizer production startups in the Federal Republic of Nigeria;

1. **First Fiscal Year (FY1):**320,000 Naira
2. **Second Fiscal Year (FY2):**570,000 Naira
3. **Third Fiscal Year (FY3):**980,000 Naira

**N.B:** This projection is done based on what is obtainable in the industry and with the assumption that there won’t be any major economic meltdown and there won’t be any major competitor offering same products as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

**TECHNICAL FEASIBILITY**

The future of any business lies in the number of loyal customers that they have, the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business, then it won’t be too long before the business close shop.

One of our major goals of starting Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is to build a business that will survive off its own cash flow without injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to retail our hand sanitizers and related products a little bit cheaper than what is obtainable in the market and we are prepared to survive on lower profit margin for a while.

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken care of. Our company’s corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

We know that if this is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

**FINANCIAL FEASIBILITY**

Starting a standard hand sanitizer production company is indeed capital – intensive. The bulk of the startup capital will be spent on leasing or acquiring a facility and also in purchasing chemical mixer, vessels, crystalizing machines, burner and conveyor belt system, protective gears, a mini lab and good drainage system. These are the key areas where we will spend our startup capital;

1. The Total Fee for Registering the Business in the Federal Republic of Nigeria– 200,000 Naira.
2. Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – 347100 Naira.
3. Marketing promotion expenses for the grand opening of Stephen Ikuomola™ Hand Sanitizer Production Company, LLC in the amount of 934,500 Naira and as well as flyer printing (2,000 flyers at 10 Naira per copy) for the total amount of – 954,500 Naira.
4. The cost for hiring Business Consultant – 665000 Naira.
5. The cost for insurance (general liability, workers’ compensation and property casualty) coverage at a total premium – 638,400 Naira.
6. The cost for payment of rent for 12 months at 468.16 Naira per square feet in the total amount of 35,910,000 Naira.
7. The cost for construction of a standard hand sanitizer production plant – 26,600,000 Naira.
8. Other start-up expenses including stationery (133,000 Naira) and phone and utility deposits (66500 Naira).
9. Operational cost for the first 3 months (salaries of employees, payments of bills et al) – 26,600,000 Naira.
10. The cost for Start-up inventory – 21,280,000 Naira.
11. The cost for store equipment (cash register, security, ventilation, signage) – 3,657,500 Naira.
12. The cost of purchase of distribution vans – 15,960,000 Naira.
13. The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, Fax Machines, tables and chairs et al) – 1,064,000 Naira.
14. The cost of launching a website – 159600 Naira
15. The cost for our opening party – 2,660,000 Naira
16. Miscellaneous – 2,660,000 Naira

We would need an estimate of four hundred and fifty thousand dollars (11,970,000 Naira) to successfully set up our hand sanitizer production plant in Akure- Ondo.

Stephen Ikuomola™ Hand Sanitizer Production Company, LLC is owned and financed by Stephen Ikuomola and his immediate family members. They do not intend to welcome any other business partner which is why he has decided to restrict the sourcing of the startup capital to 3 major sources.

1. Generate part of the startup capital from personal savings and sell of stocks
2. Source for soft loans from family members and friends
3. Apply for loan from the Bank

***N.B:*** We have been able to generate about 53,200,000 Naira (Personal savings 39,900,000 Naira and soft loan from family members 13,300,000 Naira ) and we are at the final stages of obtaining a loan facility of 66,500,000 Naira from our bank. All the papers and document have been signed and submitted, the loan has been approved and any moment from now our account will be credited with the amount.