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**COLLEGE: LAW**

**COURSE: INTRODUCTION TO ENTREPRENEURSHIP**

**COURSE CODE: GST 212**

Using a company or business of your choice, write a good and customized business plan, covering all relevant aspects and analyses. Your submission should strictly be in the following format and saved as pdf; Times New Roman, 12, and 1.5 line spacing. Page limit, minimum of 5 and maximum of 10.

**ANSWER**

**A TYPICAL BUSINESS PLAN FOR DANGOTE SUGAR REFINERY LTD**

Title: Business plan to produce and sell refined sugar.

Prepared by: Anyaduba consultants

For: Dangote Sugar Refinery Ltd

Note: kindly ensure that the information in these documents are kept confidentially.

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**INTRODUCTION**

Dangote Sugar Refinery is the name of the company established to produce Granulated sugar. It is located at GDNL, 3rd Floor, Terminal E Shed 20 NPA Wharf Port Complex, Apapa, Lagos. The Business is owned by Alhaji Aliko Dangote GCON who is a Nigerian businessman and philanthropist who is the founder and chairman of Dangote Group, an industrial conglomerate in Africa.

## **EXECUTIVE SUMMARY**

Dangote Sugar Refinery Ltd is a company that deals with the production of refined granulated sugar. Dangote Sugar Refinery Plc commenced business in March 2000 as the sugar division of Dangote Industries Limited. The sugar refining factory at Apapa port was commissioned in 2001 with an initial installed capacity to process 600,000 MT of raw sugar per annum

Dangote Sugar's leading position in the Nigerian Sugar Industry is driven by our 1.44MT/PA refining capacity with warehouses strategically located across the country to serve our target markets. Our operations are supported by a fleet of over 400 haulage trucks for delivery of products.

Dangote Sugar is the major supplier of refined sugar to consumers and industrial markets in Nigeria, and strategically positioned to serve the regional markets through exports of its finished products.

We refine Vitamin A fortified granulated white sugar packaged in 50kg, 1kg, 500grams and 250grams for direct consumption under the brand name "Dangote Sugar", as well as the unfortified white sugar for industrial use.

Dangote Vitamin A fortified refined granulated fine white sugar is produced to the highest quality and is packaged in 50kg, 1kg, 500grams and 250grams sizes. An all-purpose white sugar for direct consumption, and as an addition to baked foods, sweetening of cereals, beverages etc.

Dangote sugar management: At Dangote Sugar Refinery, the actions and interactions with consumers, employees, regulators, suppliers, shareholders, and other stakeholders reflect its values, beliefs, and principles. Management Team. The Board of Directors is responsible for the oversight of the business, determining the strategies, policies, and objectives. In addition, the oversight of the Company's risks while evaluating and directing the implementation of controls

and procedures including maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The executive committee are responsible for running the day-to-day business activities of the company, and to ensure that the Board of Directors decisions are implemented in accordance with the mandates given to it.

Our business provides key value-added support services for our customers including Logistics, Supply Chain Management, Credit and Risk Advice, Sales and Merchandising.

We operate to international standards of food production, health and safety and have been honored with numerous awards for our quality standards. Dangote Sugar Refinery Plc was listed on the main board of the Nigerian Stock Exchange (NSE) in March 2007.

With more than 100,000 shareholders, the authorized share capital of DSR Plc is 6 billion, amounting to 12 billion shares of 50 kobo each.

### **Strategic Initiatives**

- To Move from port-based refining to fully integrated sugar production within Nigeria, thereby helping Nigeria to achieve self-sufficiency in sugar production
- To develop, the capacity to produce 1.5 million tons of sugar annually within the next 5-10 years, from more than 150,000 hectares of locally grown cane at existing and new plantations
- Create more than 100,000 new employment opportunities, and maximize the extended value chain in sugar production by using by-products to produce fuel ethanol, animal feeds, in-house electricity and to supply surplus power to the national grid
- Develop a significant export market for our sugar products

### **MARKET ANALYSIS**

Market orientation: All regions of Nigeria and Sub-Saharan Africa.

Market Share: 60% niche market, sub-Saharan Africa

Users of Products: edible sugar for human consumption, an addition to baked foods like Cakes, Donuts e.tc, sweetening of cereals, beverages etc. Bagasse (by product of sugarcane) used as fuel in sugar factories, paper manufacturing, cardboard, fiber board, wall board and plastic, cattle

feed and in producing furfural. This segment of the market has a high growth rate and market potential.

## **COMPETITION ANALYSIS**

The top sugarcane producing states in Nigeria include: Kwara, kano, Niger, Jigawa, Taraba, katsina, Sokoto, and Kaduna states, respectively. Commercial cultivation of sugarcane did not start until 1950 while industrial production of refined sugar started in the early 1960s with the establishment of the Nigeria Sugar Company (NISUCO), at Bacita, Kwara State in 1964. Since then another mill, the Savannah Sugar Company (SSCL) has taken off at Numan, Adamawa State in 1980 and smaller one in Lafiagi in 1983. Similarly, National Sugar Development Council, Abuja, is installing a medium-size 250 ton-cane-day Mini sugar plant at Sunti, Niger State. Based on this above analysis, competition in terms of production is non-existent compared to the demand for produce.

### **Competitive Edge**

- Iconic Nigerian consumer brand with market recognition.
- Clearly defined Strategy to maintain leadership position in the Domestic and Regional Markets
- Largest Sugar Refinery Sub Saharan Africa
- The largest distribution network in Nigeria with over 450 haulage trucks
- Dynamic management team with significant industry experience

## **GOVERNMENT SUPPORT AND REGULATION**

The project mainly supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access and improved income for farmers. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. The project will also widen market opportunity. The project will also contribute to employment increase, output increase, stable price, and stable exchange rate.

## FINANCIAL PLAN

### PROFORMA BALANCE SHEET FOR (RELEVANT) TWO YEARS

YEAR 1:

<b>Fixed assets</b>	<b>Costs (N)</b>	<b>Dep (N)</b>	<b>N</b>
Factory machine and office equipment	4200	14000	2900
<b>Current assets</b>			
Closing stock (raw materials)		356	
Debtors		3500	
Cash		2500	5957
<b>Current liabilities</b>			
creditors		1400	
loan		4000	4400
Working capital			546
			<b>4447</b>
Financed by:			2560
Capital			1796
Net profit			<b>4447</b>

YEAR 2:

<b>Fixed assets</b>	<b>N</b>	<b>N</b>	<b>N</b>
Factory machine and office equipment	4000	1300	2600
<b>Current assets</b>			
Closing stock (raw materials)	931		
Closing stock (finished goods)	550		
Debtors		2688	
Cash		1750	5919
<b>Current liabilities</b>			
Creditors		1800	

loan		2000	(3800)
Working capital			2119
			<b>4719</b>
Financed by:			2246
capital			2473
Net profit			<b>4719</b>

Note: values are not accurate, neither is the calculation. This is just a demo.

**CONCLUSION**

Looking at the above analysis, the long-term solvency, efficiency, and stability of the firm seems exceedingly promising. These are a set of analysis that reassure you, the investors, of the sustainability of the venture. The project portrayed above is technically feasible & economically and commercially viable. Therefore, is recommended for funding.