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Assignment title: A business plan for the development of a two acres vineyard winery business which will be involved in the establishment and production of top taste and fine products such as Chardonnay, Merlot, Pinot, Grigio , Pinot Noir and other blends at Optimal goods farm, an industrial area in Victoria Island, Lekki, Lagos State by the Vineyard Group, Inc and Consultancy Confidentially agreement.

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### **1) EXECUTIVE SUMMARY / BRIEF DESCRIPTION OF THE PROJECT:**

The Vineyard Group®, Inc. is a standard and licensed winery business that will be located in an industrial area in Victoria island, Lekki, Lagos state. We have been able to secure a long term lease for a standard facility and 2 acres of farm land in a strategic location with an option of a long term renewal on an agreed terms and conditions that is favorable to us.

The facility has government approval for the kind of business we want to run and it is easily accessible and we are deliberate about that to facilitate easy movement of raw materials and finished products.

We are in the winery business to produce top taste and fine products such as Chardonnay, Cabernet Sauvignon, Merlot, Pinot, Grigio, Pinot Noir, Sauvignon Blanc, Zinfandel, Riesling and other blends that can compete with any other winery in the Federal Republic of Nigeria and in any part of the world.

We are also in business to make profits at the same to give our customers value for their money; we want to give people and businesses who patronize our products the opportunity to be part of the success story of The Vineyard Group®, Inc.

We are aware that there are several standard wineries scattered all around the Republic of Nigeria and Canada whose products can be found in every nooks and crannies of The republic of Nigeria.

Which is why we spent time and resources to conduct our feasibility studies and market survey so as to enable us locate the business in an area that will support the growth of the business and also for us to be able offer much more than our competitors will be offering.

We ensured that our facility is easy to locate and we have mapped out plans to develop a wide distribution network for wholesalers all around the The federal republic of Nigeria.

Much more than producing top taste and neatly bottled wines, 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 any of our wine brands.

The Vineyard Group®, Inc. will ensure that all our customers are given first class treatment whenever they visit our winery. We have a CRM software that will enable us manage a one on one relationship with our customers no matter how large the numbers of our customer base may grow to. We will ensure that we get our customers involved when making some business decisions that will directly or indirectly affect them.

The Vineyard Group®, Inc. is family business that will be owned by Ukuku George and Family. Ukuku George who is the Chief Executive Officer of the Company is a Graduate of Micro Biology (B.Sc.) and he holds a Master's Degree in Business Management (MBA).

He has well over 15 years of experience working in related industry as a senior manager prior to starting The Vineyard Group®, Inc. He will be working with a team of professionals to build the business and grow it to enviably height.

## **Sponsorship**

The project is proudly sponsored by Ukuku George a successful business owner of Vinyard Group and master in Business management. The Vineyard Group®, Inc. will ensure that all our customers are given first class treatment whenever they visit our winery. We have a CRM software that will enable us manage a one on one relationship with our customers no matter how large the numbers of our customer base may grow to. We will ensure that we get our customers involved when making some business decisions that will directly or indirectly affect them. We aim at producing top tier wines across all continents and to create employment for the youths as well.

## **Management**

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

## **Technical Assistance**

We are quite aware that there are several wineries in the republic of Nigeria and Canada which is why we are following the due process of establishing a business so as to compete favorable with them.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be welled equipped to confront our threats.

The Vineyard Group®, Inc. employed the services of an expert HR and Business Analyst with bias in start – up business to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives. This is the summary of the SWOT analysis that was conducted for The Vineyard Group®, Inc.;

Strength:

Part of what is going to count as positives for The Vineyard Group®, Inc. is the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business from the scratch to becoming a national phenomenon.

So also, we grow our own grapes and the wide varieties of wine et al that we produce our large national distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

### **Market and Sales**

One common trend in the wineries industry is that, over the last five years, it has become obvious that consumer drinking preferences have moved away from standard light beers, and loads of consumers have discovered wine for its perceived health benefits and increasingly diverse flavor profiles.

Going forward, the wineries industry will continue to benefit from a growing number of consumers, mostly among the millennial generation, who have expanded their palettes toward domestic wine. Also, the Nigerian wine region is increasingly becoming popular on a global stage.

Another trend in the wineries industry is that most wineries now produce expensive wines for the high end clients and also normal wine for everyday people. Statistics has it that consumers have experienced appreciable increasing disposable income since 2009, and as a result, many have sought out expensive wine brands that are perceived to be classy and of higher quality.

### **Our Target Market**

When it comes to selling wines, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just a group of people, but all those who drink

alcoholic drinks and non – alcoholic drinks. One thing is certain; the target market for wines, especially red wines will continue to increase.

In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in the production and wholesale distribution of assorted wines to the following groups of people:

Corporate Executives

Government Officials

Business People

Celebrities

Military Men and Women

Sports Men and Women (with the exemption of under – age)

Students (with the exemption of under – age)

Tourists

Event / Wedding Planners

Every adult in the neighborhood where our wines will be sold.

Although we are set out to establish a standard winery in Lekki, Nigeria whose products will be sold throughout Nigeria and Canada, but that those not stop us from setting up our own unique retail outlets across major cities so as to bring our brands closer to locals. This is part of the competitive advantage that we are bringing into the market.

Another competitive advantage that we have is the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business from the scratch to becoming a national phenomenon.

So also, the wide varieties of wine flavors that we produce our large national distribution network and of course, our excellent customer service culture will definitely count as a strong strength for the business. One thing is certain; we will ensure that we produce a wide range of distilled drinks with different flavors so as to give our customers various options.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category (start – ups commercial greenhouse farms in Nigeria) in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

## **SALES**

### Sources of Income

The Vineyard Group®, Inc. is established with the aim of maximizing profits in the wineries industry in both Nigeria and Canada and we are going to go all the way to ensure that we do all it takes to sell a wide range of both alcoholic and non – alcoholic wine products to a wide range of customers.

The Vineyard Group®, Inc. will generate income by offering the following services and products;

Marketing and retailing of various flavors of alcoholic and non – alcoholic wines

Manufacturing brandy, vermouth and cider

Sale of Chardonnay

Sale of Cabernet Sauvignon

Sale of Merlot

Sale of Pinot Grigio

Sale of Pinot Noir

Sale of auvignon Blanc

Sale of Zinfandel, Riesling and other blends

### **Technical feasibility**

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If any of these factors is missing from a business (company), then it won't be too long before the business close shop.

The Vineyard Group®, Inc. will ensure that all the factors listed above are reinforced on a regular basis, we will continue to improvise with our products and also we will engage in continuous capacity building of our workforce. As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of five years or more.

We will make sure that the right foundation, structures and processes are put in place to ensure that staff welfare is well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner. We have the plans of

#### Check List / Milestone

Business Name Availability Check: Completed

Business Registration: Completed

Opening of Corporate Bank Accounts: Completed

Securing Point of Sales (POS) Machines: Completed

Opening Mobile Money Accounts: Completed

Opening Online Payment Platforms: Completed

Application and Obtaining Tax Payer's ID: In Progress

Application for business license and permit: Completed

#### **Government Support and Regulations**

The project conform with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government. 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. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

#### **Timelines of Projects**

It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey and also some of the assumptions readily available on the field. Below are the sales projections that we were able to come up with for the first three years of operations;

First Year-: 180000000million naira

Second Year-: 276000000million naira



Third Year-: 560000000million 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 the arrival of a competitor in same location as ours within the period stated above. Please note that the above projection might be lower and at the same time it might be higher.

### **Estimated Project cost and revenue**

The winery business is a capital intensive venture to start and we are well prepared financially. We are aware that where you decide to locate the business, the equipment as well as structures you will build will take up a major chunk of the money you have put aside to set up the business.

We have conducted our research, analysis, feasibility studies and market survey very well before drawing up a budget and going ahead to source for funds for the business. This is the key areas where we will spend our start – up capital;

The Total Fee for Registering the Business in Nigeria – 250000naira

Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – 468000naira

Marketing promotion expenses for the grand opening of The Vineyard Group®, Inc. in the amount of 1260000naira and as well as flyer printing (2,000 flyers at 15naira per copy) for the total amount of – 1280000naira

Cost for hiring Business Consultant – 800000naira

Insurance (general liability, workers' compensation and property casualty) coverage at a total premium – 600000naira.

The budget for permits, Insurance and license – 12000000naira

The money needed to acquire land that will be suitable for the variety of grapes we will like to plant can cost you between – 360000naira-500000naira per acre

Construction of the vineyard facility and tasting rooms and other administrative blocks could cost about – 500000naira

Equipment for the offices such as filing cabinets, safety gadgets, computers, printers, telephones, fax machines, furniture and electronics could cost about – 540000naira

Creating and launching an official website could cost about – 270000naira

Other expenses such as signage, business cards, advertisements, publicity and promotions) could cost around – 4000000naira

We would need an estimate of 432000000million naira to successfully set up our Winery Business in Lekki – Lagos. Please note that this amount includes the salaries of all the staff for the first 3 month of operation.

## **Funding Mechanism**

Generating Funding / Startup Capital for the Vineyard Group®, Inc.

The Vineyard Group®, Inc. is a family business that will be owned and financed by Ukuku George and family. They do not intend to welcome any external business partners, which is why he has decided to restrict the sourcing of the start – up capital to 3 major sources.

These are the areas we intend generating our start – up capital;

Generate part of the start – up capital from personal savings and sell of stocks

Source for soft loans from family members and friends

Apply for loan from my Bank

N.B: We have been able to generate about 180000000million naira(Personal savings 144000000million naira and soft loan from family members of 36000000million naira) and we are at the final stages of obtaining a loan facility of 252000000million nairafrom 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.

## **Conclusion**

The winery feasibility template provides an excellent planning tool for entre-preneurs who are considering a wine production enterprise. The incorporation of drop-down menus for selections of grapes and wine blends helped to provide a user friendly but robust tool. The feasibility projections indicated the winery to be an attractive business investment. The profitability of the wine co-operative was found to be particularly sensitive to wine prices. This underscores the importance of market research in the business planning effort.