

NAME: DYITKUKA JOANNA ROTDELMWA

MATRIC NUMBER: 18/LAW01/075

COLLEGE: LAW

DEPARTMENT: LAW

COURSE CODE: GST 212

ASSIGNMENT

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.

A BUSINESS PLAN FOR RHOMAT GLOBAL SERVICES BOTTLED WATER

INTRODUCTION

Rhomat global services limited is the name of the company, established to produce bottle water. It is located at plot 482 cluster 1 River Park Estate Lugbe, Abuja, F.C.T Nigeria. The business is a family business of a successful farmer, who has experience in water production.

TITLE: Business plan on the production of bottled water. For: Rhomat global service limited. kindly ensure that the data/ information in this document are kept confidentially. The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business. Upon request, this document is to be immediately returned to the promoters of the proposed business: Signature, name and date:

i. EXECUTIVE SUMMARY

Rhomat global services limited is a bottled water manufacturing company. It is an existing water manufacturing company which grants clean, colourless, odourless and tasteless sachet water. Our company aims for both quality and good pricing. Rhomat bottled water company has been in existence for over ten 10 years and has grown. This company was only known in river park estate

in Abuja but has grown into a business that has far bordered appeal and customers based in Jos, Kaduna and Kogi, in Nigeria.

Starting a commercial bottling business is a good way to make money as an entrepreneur. Commercial bottling business is one business that most entrepreneurs overlook because the business is not that popular like poultry, tailoring or home decoration business. Most entrepreneurs want to venture into businesses that are already making news not knowing that it is the silent business ideas that make the most money in the marketplace. Water is essential to life and it is just one of the commodities human beings cannot do without. This gives it a very high potential for success as there is a ready-made market for the business, any time any day. The growing world population as well has made the bottled water production business a highly lucrative one.

This business plan aims at examining the feasibility of bottled water by Rhomat global services. Although we intended starting out on a small scale we, have decided to expand it so that it can be known around the country. There is high domestic demand for these products because of our huge population. Bottled water is found everywhere and there is a demand for it. We will at all times demonstrate our commitment to sustainability as a business. By actively participating in our communities and integrating sustainable business practices whenever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely. The proposed project will create economic opportunities, impact positively on the people and help in employment of workers. This project will create market access and improvement. It will also generate satisfactory returns for sponsors and investors.

The benefit of our products and services is for high quality and availability of products, prompt delivery services, and excellent customer service, fair and lowest possible prices. This business meets a need and demand for trusted and quality products, availability of products, and quality water with essential natural mineral

Due to the dwindling consumer confidence on municipal water supply, channels, there has been a growing interest and patronage of bottled water products. This is good news for bottled water plant businesses as they have witnessed brisk businesses with an increase in demand. Rhomat water is a bottled water company operating provides the best quality water to consumers at competitive prices. The products and services to be provided by Rhomat global services include the hire and sale of water coolers for consumers who will either want to hire our coolers or buy

these coolers altogether. We will be producing the best quality water under the most hygienic conditions with close supervision of an effective quality control department manned by the very best and highly skilled workforce, who will be monitoring every aspect of production.

ii. **DESCRIPTION OF THE VENTURE**

Rhomat global service limited is poised to produce 50cl, 60cl and 1 litre of bottled water. Rhomat bottled water will strive to continually update our products to meet up with the best industry standards. This is through improving product look and bottling style while maintaining our tradition of hygiene. Also, we plan to start a distilled water department which will be producing distilled water for laboratory use and also for hospital use.

Our vision is to build an outstanding brand synonymous to excellent products and services. Driven by a passion for hygiene, our bottled mineral products and other products we offer will be complaint and meet all the regulatory standards set by the federal health regulatory body. We have a mission of being among the top five (5) bottled water manufacturers within the country. This will be driven by a well-motivated workforce that will share our values and a highly experienced quality control and marketing units. The Rhomat bottled water has several water products that include mineral water, distilled water and flavored water. Also, apart from the above mentioned products, Rhomat bottled water will provide water for dispenses and provide extra services which include delivering such products to their destinations which might be either public or private as the case may be. This will be done at no extra cost to the customers. Outdoor services will be provided in sports arenas and other public places.

The target market covers every segment of society, as no one can survive without water. Our target markets will include chief executives, celebrities, students, households, corporate world, sportsmen/women, shoppers, pedestrians and every other segment of society not mentioned.

3. INDUSTRY ANALYSIS: Due to the high competition within the bottled water industry, we have come up with innovations that will ensure that we stay afloat and thrive among our competition. Bottled water has been in Nigeria for a long while now.

With government efforts to stamp out sachet pure water in Nigeria because of its environmental hazards, Rhomat bottled water would be the dominant water packing approach for water producing

companies in the nearest future. Currently the demand for bottled water is high in the industry, so we aim to thrive in this industry.

4. **MARKET ANALYSIS:** The Company would focus its marketing efforts on medium and small scale bottle water companies. Firstly within Abuja and other parts around Abuja like; Plateau, kogi, Kaduna and other parts around the country. Market analysis has shown that there has been an increase in competition among bottled water businesses in the area of bottling and marketing.

There are competitions in different stages of this industry. That is competitions amongst Swan, Nestle, and Eva and also competitions amongst smaller and medium bottled water production companies. As a matter of fact, it is common to find bottled water production companies especially medium and small scale bottled water companies labelling their bottled water for specific occasions to meet the demand of their clients. Some bottled water businesses even have customized services for clients celebrating specific occasions, with the name and occasion of the client written on the water bottles. Market analysis has shown that there has been an increase in competition among bottled water businesses in the area of bottling and marketing.

Lastly, another market trend in the bottled water production industry is the adoption of eco-friendly approach towards the production and packaging of bottled water. As a matter of fact, the industry's adoption of eco-friendly practices will likely persuade environmentally conscious consumers to buy its products, while increasing operator's efficiency.

5. **STRATEGIC HUMAN RESOURCES PLANNING:** Two PET blowing operators shall be engaged while one packaging staff running from 8am to 8pm shift, a supervisor will supervise the operation of the factory and an accountant shall engaged as well as the sales/ marketing officer.

PROJECTED STAFF STRENGTH

Title	Year 1	Year 2	Year 3	Year 4	Year 5
Manager / supervisor	1	1	1	1	1
Sales marketing officer	2	2	2	4	4
Accountant	1	1	1	1	1

Bottling water operators	2	2	4	4	4
Packer	1	1	1	2	2
Cleaner	1	1	1	1	1
Security	2	2	2	2	2

PROJECTED TOTAL COMPENSATION PACKAGE: PER ANNUM

Manager/ Supervisor -260,000

Sales/ Marketing officer – 200,000

Accountant -140,000

Bottling operators -100,000

Packer -72,000

Cleaner -50,000

Security -50,000

***PRODUCTION PLAN:** The plant is a complete automatic bottle production line from treatment to filling, capping and labeling. The plant is equipped with a shrink packaging machines that packs the bottles in to 12 pieces per pack and a bottle blower that blows bottle from the preform and bagging everything is automated and would require 12 full time workers although some aspect of workforce can be outsourced or casualised on a day work plan. . It will have an installed capacity of 300 bottles per hour working on a single shift of 8 hours a day, and for 300 days a year. However to allow for brand and sales maturity the production has been planned at 120,000 bottled packs of 12 per annum in the first year The plant will use reverse Osmosis coupled with micro filtration and Ozonator water treatment method this is to ensure compliance with the National Agency for food and drug administration and control standard and to capture the high quality conscious water drinking Nigerians. Purified drinking waters which will fill the 5 gallon bottles labeled Rhomat water logo. The plastic, refillable bottles will be collected from customers when empty and returned to the bottle by weekly for cleaning and refilling. Plastic is preferred as the bottle packaging because it is lightweight, unbreakable and inexpensive to produce and ship.

Core production equipment needed are: Standard water treatment plant, Reverse osmosis system, Ozonator, Industrial Micron Filters, Industrial Ultra violet Sterilizer, Automatic bottling rinsing, filling and capping machine, Automatic shrink packaging machine, Batch number coding machine and Semi-automatic PET blowing machine.

***MARKETING PLAN:** The demand for bottled water currently in Nigeria especially for occasions are there, we therefore visit restaurants, eateries, supermarkets etc. to show them our sample product. We will adopt delivery efficiency and hygienic operation as a winning strategy. Different investors will be invited to our factory to see the kind of facilities installed and the clean environment in which, we operate. In addition, which we would enter the market with competitive pricing and exhibit high level of human relations and efficiency in our dealing with our customers.

***ORGANISATIONAL PLAN:** The form of ownership shall be private limited liability because most of our customers would prefer to deal with a legal entity separate from its owners. Also limited liability enhances the personality of the organization. Principal Managers shall report to owners on a weekly basis on the activities of the business.

***ASSESSMENT OF RISKS AND PROBLEMS:** During our research, we have noticed some potential risks which include; power supply, raw materials supply, competition and high rate of labour turnover etc. we shall structure out a good succession plan that will take care of any exigencies.

***FINANCIAL PLAN:** Proforma manufacturing, Trading, profit and loss account for two (relevant) years of the three years plan.

YEAR 1

Raw materials and components

N'000

YEAR 1

YEAR 2

Opening stock	-	946
Purchases	31,150	26380
Carriage on purchase	600	720
	31,750	28,046
Closing stock	(946)	(831)

Issued to production	30,804	27,215
Direct labour	586	635
Other direct expenses	75	88
Prime cost	31,465	27,938

Work overheads

Rates	220	220
Insurance	250	250
Heat, light, power	1,975	2,975
General repairs in the factory	500	600
Depreciation of factory		1250
Miscellaneous	200	300
Factor input or work cost of Production in one year	$3,145+31465= 34,610$	$5,595+27,938= 33,533$
Works cost of finished goods output	N	N
Transferred from the manufacturing account	34,610	33,533
Opening stock of finished goods	-	-
Total cost of produced goods	34,610	33,533
Closing stock of finished goods	-	(550)
Costs of goods to be sold	34,610	32,983
Sales	41,200	47,440
Gross profit	6,590	14,457
Administrative/selling expenses	1234	1419
Rent	450	450
distribution expenses	$500 = (2184)$	$600 = (2,469)$
Profit before interest and tax	3466	5,200
Interest on loan	(1000)	(767)
Net profit before tax	3,366	4,433
Taxation	(870)	(1050)
Profit after tax	2,496	3,383

PROFOMA BALANCE SHEET FOR (RELEVANT) TWO YEARS

YEAR ONE

Fixed assets	N	N	N
	Costs	Dep	
Factory machine and			
Office equipment	6200	14000	4000
Current assets			
Closing stocks (raw materials)		846	
Debtors		25000	
Cash		1500	4846
Current liabilities			
Creditors		1400	
Loan		3000	(4400)
Working capital			446
			4,446
Financed by:			2650
Capital			1796
Net profit			4446

PROFOMA BALANCE SHEET FOR (RELEVANT) TWO YEARS

YEAR TWO

Fixed assets	N	N	N
	Costs	Dep	
Factory machine and			

Office equipment	4000	1400	2600
Current assets			
Closing stocks (raw materials)	931		
Closing stock (finished goods)	550		
Debtors		2688	
Cash		1750	5919
Current liabilities			
Creditors		1800	
Loan		2000	(3800)
Working capital			2119
			4719
Financed by:			2246
Capital			2473
Net profit			4719

Evaluation, recommendation and conclusion: to be able to make an objective and scientific recommendation and conclusion, we shall analyze the financial statement using financial ratios.

(A). liquidity Ratio

(a) Current Ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$

Current liabilities

Year 1
 $\frac{4846}{4400} = 1:1.0$

Year 2
 $\frac{5919}{3800} = 1:1.5$

(ii). Acid Test Ratio = $\frac{\text{Current assets}-\text{stock}}{\text{Current liabilities}}$

Current liabilities

Year 1	Year 2
$\frac{4846-846}{4400} = 1:0.90$	$\frac{5919-1481}{3800} = 1:1.17$

Even though our liquidity position might not look too impressive, but it will improve yearly

(b). profitability Ratio:

(i). gross profit margin = $\frac{\text{Gross profit} \times 100}{\text{Sales}}$

Sales

Year One	Year Two
$\frac{550 \times 100}{31200} = 17.8\%$	$\frac{6569 \times 100}{37440} = 17.6\%$

(I) Net profit margin = $\frac{\text{profit before interest and Tax(PBIT)} \times 100}{\text{Sales}}$

Sales

Year One	Year Two
$\frac{5200 \times 100}{41200} = 8.4\%$	$\frac{3466 \times 100}{47440} = 11.0\%$

The profit margin seems not impressive, but we are sure it will become impressive with time.

REFERENCES

Fundamentals of entrepreneurship by Dr. Olutoye E. Adedayo

<https://www.profitableventure.com>

