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 **BUSINESS PLAN FOR GRACE TRANSPORT COMPANY**

**TITLE: BUSINESS PLAN FOR THE ESTABLISHMENT OF AGRO PRODUCE TRANSPORT COMPANY**

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**FOR: Grace Transport Company**

**NOTE: kindly ensure that the data/ information in this document are kept confidentially**

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**Executive Summary**.

 Grace Transport Company has made giant strides in the transporting industry being the champion of safety, comfort and speed in the transportation of human beings from one place to another. For the past 7 years Grace Transport Company has created a vast network of drivers, vehicles and stops around the country. After successfully grounding itself in the transportation industry and gaining the trust of many, it is time to expand to other ventures within the operations of the company.

Crops thrive under different environment conditions, therefore certain crops are not abundantly available in certain regions and yet there is demand for this food crops all over the country. This phenomenon has created the need for adequate transport mechanisms for the transportation and distribution of food substances and crops across the country.

Currently there exists food transport systems in the country that move food substances and crops from point of production to their market sites but these systems are not remotely safe or secure. Majority of the produce is lost to theft, attack by pests and rodents and bad preservation techniques and methods, therefore by the time they reach their intended location, portions have been lost to theft and the majority of whatever is left of the produce is no longer healthy for human consumption.

The food transport business in Nigeria is open for the taking, farmers and farms are looking for avenues to maximize their profit and loosing majority of their produce during transportation has inhibited them from doing that.

Grace Transport Company is poised perfectly to create a network of agro-produce transport around the country that delivers the goods safely and in good condition.

# Industry Analysis

 The use of food transport vehicles with configurable internal environment is not being applied currently in Nigeria. The use of trailers and trucks to transport agro-produce from one place to another is still being used predominantly while alternate and unsafe means are used to preserve the crops.

 With the government’s efforts to stop the use of unsafe chemicals and procedure in preserving food items and the injection of unsafe food items into the market and also farms and farmers looking to maximize profit from their produce, the introduction of this means of transport would garner support from both the government and private institutions.

# Market Analysis.

Thecompany would focus its operations on the north eastern region of Nigeria. The northern parts of the country currently produce majority of the food items consumed by the nation. Food items produced in this regions are transported to other regions of the country.

 Establishing a transport route between three major geopolitical zones should be a paramount concern. Creating transport systems between the Northeast, southeast and southwest would guarantee the highest success potential. The commercial capital of these regions would be the delivery sites of the goods and from there distributed to other states in the region. States like Lagos, Kaduna and Anambra would be the appropriate spots. This activity would guarantee a high growth rate due to the high level of commercial activity and centrality of the proposed locations.

# Strategic Human Resources Planning

At takeoff, the business will operate three routes, these routes will connect three major geopolitical zones in Nigeria (Lagos, Kaduna and Anambra). This would comprise of six (6) large scale food transport trucks.

Two (2) drivers shall be assigned to each vehicle, alternating driving duties every 6 hours to ensure efficiency and reduce chances of fatigue.

The establishment of 3 routes would therefore prompt the creation of 3 base of operations in the proposed states or delivery points. The base shall have 1 base supervisor to oversee the activities at the delivery points, 1 engineer to inspect transport vehicles before every journey and ensure they are in perfect working condition. An accountant or stock keeper shall be engaged to keep track of the goods and commodities being delivered and taking stock of the goods.

# Projected Staff Strength

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Title | Year1 | Year2 | Year3 | Year4 | Year5 | Year6  |
| Base supervisor | 1 | 1 | 1 | 1 | 1 | 1 |
| Accountant | 1 | 1 | 1 | 1 | 1 | 1 |
| Engineer | 1 | 1 | 1 | 1 | 1 | 1 |
| Marketing officer | 2 | 2 | 2 | 2 | 2 | 2 |
| Driver  | 2 | 2 | 4 | 4 | 6 | 6 |
| Security | 2 | 2 | 2 | 2 | 2 | 2 |
| Cleaner | 1 | 1 | 1 | 1 | 1 | 1 |

# Projected Total Compensation Package Per Annum

Base supervisor - 300,000

Accountant - 250,000

Engineer - 230,000

Marketing officer - 200,000

Driver - 150,000

Security - 75,000

Cleaner - 75,000

# Transportation Model or Plan

 The transportation process involves the movement of harvested food crops through the use of large food transport trucks. These vehicles are structured with configurable environment so that the optimum environment for transporting the food items can be achieved.

 3 pickup and drop off bases are created in the states, these bases would conduct the flow of the activities from each zone. The goods will be dropped off by the farm at the base, the goods would counted, weighed and recorded before they are then loaded unto the trucks for transport.

Food stuffs that require similar environmental conditions would be transported together while any one with varying environmental condition would be transported with similar products.

The foods trucks can carry up to kg of goods each and with 2 vehicles moving to each delivery point, it would meet the needs of the market efficiently.

# Marketing Plan:

The demand for appropriate and safer food substance transportation means has been on the rise in Nigeria from government agencies like NAFDAC and agricultural enterprises. Agro-produce transporters would therefore visit farms and food processing companies, showing them the available equipment we have for use. We should adopt delivery efficiency, hygienic, safe and secure storage and transportation as a winning strategy. Farm owners and food processing industries will be invited to inspect the facilities and equipment available. In addition, we would enter the market with adequate pricing and exhibit high level of human relations and efficiency in dealing with our customers.

# Organizational Plan

 The form of ownership should 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

 The poor state of roads in the Nation is always a problem when transportation and movement is being discussed. The food transport trucks are therefore fitted with high quality suspensions to prevent damage to engine parts of the vehicle. The bad roads can also cause spillage of the product being transported but the air tight and cushioned internal of the delivery trucks would prevent such occurrence.

 **FINANCIAL PLAN OF ONE YEAR**

**Raw Materials and Components**

Opening stock -

Purchases 8,000,000

Carriage on purchase 200,000

 8,200,000

Closing stock 250,000

Issued to operation 7,950,000

Direct labor 100,000

Other direct expense 20,000

Prime cost 8,070,000

**Work Overheads**

Rates 50,000

Insurance 75,000

Heat, light, power 100,000

General repairs in the factory 45,000

Miscellaneous 20,000 300,000

Factory inputs or works cost of production in one year 8,370,000

Works cost of finished goods output transferred from the transport account 8,370,000

Opening stock of the finished goods -

Total cost of transported goods 8,370,000

Closing stock -

Cost of goods to be transported 8,370,000

Sales 10,000,000

Gross profit 1,730,000

Administrative expenses 200,000

Rent 75,000

Distribution expenses 60,000

Profit before interest and tax 71,000

Interest on loan 2,000

Net profit before tax 3,000

Taxation 1,000

Profit after tax 2,500

**PERFORMA BALANCE SHEET OF ONE YEAR.**

Fixed asset N N N

 **Costs Dep**

Factory machine and office equipment 6,000 20,000 5,000

Current assets

Closing stock 500

Debtors 5,000

Cash 2,500 5,846

Current liability

Creditors 2,000

Loan 4,000 6,000

Working capital 600

 6,600

Financed by: 3,000

Capital 1,500

Net profit. 4,500

Looking at the above analysis, the long term solvency, efficiency and stability of the firm seems exceedingly promising. These are the set of ratio that re-assure investors of the sustainability of the venture.

 The viability and feasibility of these project has been tested from the above evaluation. These project looks very viable and is worthwhile to commit resources to it.

**REFRENCES**

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