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MATRIC NUMBER: 18/MHS02/190

DEPARTMENT: NURSING

COURSE CODE: GST 212

Entrepreneurship Assignment

WONDER FRUIT JUICE

Wholesale juice business plan

Executive summary:

Wonder fruit juice has been a successful product brand in the city of Nigeria for three years. The company's natural, 100% fruit juices has grown in sales by 15% each year and is now available in over 100 store outlets in most areas and states in Nigeria. Wonder fruit juice will gross \$580,000 in sales this year. This was generated from an initial investment of \$180,000.

Wonder fruit juice is planning to expand its operation to include distribution to stores within the entire state. Owner funding and internally generated cash flow will enable most the expansion plan. The company will also secure a \$100,000 short term loan. Sales projections for the next three years are based on current sales success with the target customer base in Abuja. Initial contacts have been completed with retail outlets throughout the state and the potential target markets have been identified.

This plan will result in sales revenues growing to \$1.2 million by year 2.

Objectives:

The objectives of wonder fruit juice are the following:

- Creating a state-wide sales staff.
- Establishing strong sales in the states five metro areas by year 2.
- Maintaining tight control of cost and operation during expansion.

- Quality: Our fruit juices are the highest quality, most nutritious food products..... because we accept nothing less.
- Innovative: Our products have always been in the forefront of the health and nutrition wave. Innovative products, state of the art manufacturing, quality assurance and industry expertise are the bases for our past and future successes.
- Integrity: Our customers depend on the quality of our juice products. Our commitment to the highest standard is the foundation of our customer's trust in wonder fruit juice. Delivering freshly made juice to consumers depends on extensive cooperation and mutual reliance between supplier and retailer. We stand behind our product,our service and our word.

Company summary:

Wonder fruit juice has built a reputation on offering the most delicious, nutritious,100% natural juices with no artificial flavors,colors or preservatives.

Company ownership:

Wonder fruit juice is owned by Williams Harris.

Company history:

Wonder fruit juice had it's humble beginnings in the kitchen of Tama Gardner. It was in her kitchen that she and Williams Harris first created the fruit drinks that would soon become the basis for Wonder fruit juice.

Initially,the fruit drinks were sold at Abuja's weekend craft fair. They proved to be so popular that the partnership pooled their resources and began Wonder fruit juice over the next three years, Wonder fruit drinks, shakes and smoothies have become one of the city's most visible signs of a healthy lifestyle.

Wonder fruit juice operations have expanded dramatically over the past three years.

Currently,the company has a staff of ten in production, delivery and sales.

Company's location and facilities:

Wonder fruit juice is located on 1234 Main street Abuja.

Products:

Wonder fruit juice offers the following products:

- Fruit and vegetables smoothies
- juices
- Smoothies
- Super good drinks
- Fruit and vegetable shakes.

Market analysis summary:

The demographics of Wonder fruit juice customers are as follows:

- Young and professional ages:25-45;
- Average income of \$40,000+ a year;
- Involved in athletic activity;
- Shop in upscale health/natural food stores

Market segmentation

Wonder fruit juice has identified seven metro locations within the state where we can reach out target customers:

- Maitama
- Gwarimpa
- Asokoro
- Life camp
- Bwari

- Dawaki
- Apo.
- MARKET ANALYSIS

	2002	2003	2004	2005	2006			
Potential Customers						Growth	CAGR	
Maitama		10%	60,000	66,000	72,600	79,860	87,846	10.00%
Gwarimpa		10%	75,000	82,500	90,750	99,825	109,808	10.00%
Asokoro		10%	85,000	93,500	102,850	113,135	124,449	10.00%
Life camp		10%	75,000	82,500	90,750	99,825	109,808	10.00%
Bwari	10%	62,000	68,200	75,020	82,522	90,774		10.00%
Dawaki	10%	90,000	99,000	108,900	119,790	131,769		10.00%
Apo	10%	48,000	52,800	58,080	63,888	70,277		10.00%
Total	10.00%	495,000	544,500	598,950	658,845	724,731		10.00%

Strategy and implementation summary:

The strategy of wonder fruit juice is to focus on our richer market which is health/natural food stores that serve the young active professional.

Marketing strategy:

Wonder fruit juice will introduce its products at 20% off regular price during the first month. In addition, wonder fruit juice will co-sponsor local athletic charitable events to raise the visibility of the brand name.

Sales strategy:

The sales strategy is to build customer loyalty in the new markets. Wonder fruit juice will increase its sales force to focus on the new markets.

SALES FORECAST

2002 2003 2004

Sales

Products \$1,020,000 \$1,200,000 \$1,300,000

Other \$0 \$0 \$0

TOTAL SALES \$1,020,000 \$1,200,000 \$1,300,000

Direct Cost of Sales 2002 2003 2004

Products \$278,000 \$310,000 \$360,000

Other \$0 \$0 \$0

Subtotal Direct Cost of Sales \$278,000 \$310,000 \$360,000

Management summary:

Co-owners, Tama Gardner and Williams Harris, currently manage the daily operation of Wonder fruit juice. Tama and Williams have fifteen years of experience working in natural food stores. Tama is responsible for production and distribution. Williams is the sales manager for Wonder fruit juice.

Tama Gardner was one of the founding members of the Mason peak grocery, 4th and Tyler. The grocery was established in 1992 by non-profit NEDCO, the Neighborhood Economic Development Corporation, and a number of concerned neighbours who wished to save the historic Mason peak market from destruction. Tama started as a cashier and advanced to the position of store manager in 1996. The grocery has grown into a community fixture under her management.

Williams Harris ran the university's new defunct natural food collective for three years before the program was defunded. The small on-campus store provided natural food products to student customers. Sales increased by 20% each year under his leadership. Unfortunately, the state budget shortfall impacted the continued funding of the program. Prior to this position, Williams Harris worked as buyer for Sunburas natural foods for four years.

Personnel plan:

The following table shows the project personnel plan for Wonder fruit juice:

PERSONNEL PLAN

	2002	2003	2004
Tama Gardner	\$36,000	\$40,000	\$44,000
William Harris	\$36,000	\$40,000	\$44,000
Production Staff	\$120,000	\$130,000	\$140,000
Distribution Staff	\$120,000	\$130,000	\$140,000
Sales Staff	\$72,000	\$76,000	\$80,000
TOTAL PEOPLE	13	13	13
Total Payroll	\$384,000	\$416,000	\$448,000