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COURSE TITLE: INTRODUCTION TO ENTREPRENEURSHIP

COURSE CODE: GST 212

ASSIGNMENT TITLE: BUSINESS PLAN

QUESTION: Using a company or business of your choice, write a good and customised business plan, covering all aspects and analyses.

BUSINESS PLAN FOR K.CHRIS TRANSPORTATION COMPANY LIMITED

Cover Page

Title: Business plan on the provision of means of road transportation.

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For: K.Chris Transportation Company Limited

Note: kindly see to it that the data/information in this document is treated as confidential

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Executive Summary

K.Chris Transportation Company Limited is a transportation company of over seven years, which is concerned with the provision of buses, vehicles and tricycles, to enable easy and quick transportation or movement from one place to another. Due to majority of the country's citizens not owning a personal vehicle, the management has decided to provide a quick, cheap and easily accessible means of transportation.

The company is also involved in a higher purchase business, in which we give out our vehicles to other companies in need of vehicles for transporting their customers, at a particular price.

Introduction

K.Chris Transportation Company Limited is the name of the company, established to provide a means of transportation for people. It is located at 21, AGIP junction, Port-Harcourt. It is a family business of a successful business tycoon.

Description of the Venture

K.Chris Transportation Company is composed to provide buses, vehicles and tricycles and an easy transportation means for people living in Port-Harcourt, Nigeria. The target market is everyone who wishes to go somewhere but does not have a personal vehicle with which to go there. The company provides a certain amount of discount rates to those who cannot afford to pay the full amount for transportation.

Industry Analysis

The transportation industry in Nigeria is a very profitable one, looking at the fact that every single day, thousands of people travel around the world or move from one place to another. Especially during times like market days, Christmas, Easter, and the likes.

Currently, the demand for transportation is very high. People have a lot of places to be at different times, at different days, and so the need for a means of transportation is high.

Market Analysis

The company will concentrate its efforts on the medium and low income earners. This is because high income earners are most likely to have a conveying vehicle of their own. The medium and low income earners may not necessarily have the financial resources to purchase a vehicle of their own. It has been discovered that only the average of thirty-one(31) people have cars among every 1000 people. Most people depend on public transportation services for their journey because they do not have cars.

So, the company will provide buses to convey a large number of people, vehicles to convey those who may feel inconvenienced in the buses and want to feel a little more comfortable; and tricycles for those who may not be able to afford the transportation fee for either the buses or vehicles.

Strategic Human Resources Planning

At take off, the company will operate with twenty(20) buses, fifteen(15) vehicles and twenty-five(25) tricycles. the company shall operate with a single line of employees, comprising of the General Manager, a financial secretary, two clerks, twenty-five(25) bus drivers, twenty(20) vehicle drivers, and thirty(30) tricycle drivers.

The General Manager shall be responsible for overseeing and supervising the affairs of the company. The financial secretary will be in charge of the company's finances. The clerks will be responsible for issuing out transportation tickets and assisting the secretary.

The package for a two year structure is shown in the table below.

Projected Staff Strength:

| TITLE | YEAR 1 | YEAR 2 |
|---------------------|--------|--------|
| Manager/Supervisor | 1 | 1 |
| Financial Secretary | 1 | 1 |
| Clerks | 2 | 2 |
| Drivers | 75 | 75 |
| Cleaner | 2 | 2 |
| Security | 3 | 3 |

Projected Total Compensation Package Per Annum

Manager/Supervisor - 800,000

Financial Secretary - 650,000

Clerks - 500,000

Drivers - 380,000

Cleaners - 260,000

Security officers - 300,000

Transportation Plan

The demand for transportation currently in Nigeria cannot be met by all the transportation companies in the country. There are situations where a person has decided to travel to a particular destination, but was not able to make it, as a result of inadequate transportation vehicles. We would adopt a cheap transportation fare system and have a mobile app to ensure easy access to our transportation services. This would also help us to build a high level of human relations and efficiency in dealing with our customers.

The company will provide transportation services for twelve hours, every day for the whole of a week. The company will also provide service in which a customer orders for our service on our mobile app and we go to wherever our customer is to pick him or her up.

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 organisation. The manager shall report to the owners on a weekly basis on the activities of the business.

Assessment of Risks and Problems

In our research efforts, some of the risks we noticed are:

- Fuel scarcity
- Road accidents
- Competition, e.t.c

On the issue of fuel scarcity, the company will try as much as possible to manage the usage of fuel. We would take an insurance to cover the company against road accidents and we would also ensure that our drivers are certified professional drivers. In business, competition is inherent and we shall use our added value strategy to retain and grow our customers. We shall structure out a good succession plan that will take care of any exigencies.

Financial Plan

The following is the company's financial plan for two years.

| TITLE | YEAR 1 |
|-----------------|------------|
| Opening stock | - |
| Purchases | 23,000,000 |
| Closing stock | 10,000 |
| Salaries | 2,890,000 |
| Insurance | 500,000 |
| Fuel | 1,000,000 |
| General Repairs | 100,000 |
| Gross profit | 10,000,000 |
| Taxation | 20,000 |

| TITLE | YEAR 2 |
|-----------------|-----------|
| Opening stock | 10,000 |
| Purchases | 2,000,000 |
| Closing stock | 12,000 |
| Salaries | 2,890,000 |
| Insurance | 500,000 |
| Fuel | 1,000,000 |
| General Repairs | 100,000 |

| | |
|--------------|------------|
| Gross profit | 10,000,000 |
| Taxation | 20,000 |