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ASSIGNMENT: BUSINESS PLAN ON POULTRY INDUSTRY.

A business plan is a document or a guide which outlines a proposed business objective, goals and aim as well as the method by which it can be achieved. It helps us to predict the profitability, identify the potentials, weakness of the business. It can also serve as a road map to keep one business plan successful.

COMPONENT OF A BUSINESS PLAN

At a minimum, business plan should contain the following components: an executive summary, description of the business, description of the product or service, a market research, the marketing strategy, operations, management /organization, and a financial data.

An executive summary is a short summary from business plan. It is the first component in the business plan which contains the comprehensive overview of the whole business. This must be written carefully because the investors can make a quick decision on the business by reading this only. The executive summary should contain market analysis, business opportunities and key strategies for success. This is the most important part of the business plan.

When writing the description of the business, it is important to give the legal and corporate name in this section of the business plan if the business is new, it should include the vision and mission statements and objective of the business, financial status of the business, the time of operation. Description of the product or service, here the intention is to describe the product or services offered in a unique way that this product or service provide a competitive advantage. The advantages of the product Or services can also be listed. However, it is vital to mission if any improvement.

POULTRY INDUSTRY AS A FORM OF BUSINESS

This includes business overview, the proposed business in question will be introduced in terms of the location or site of the business, the business name which is WOLEX Poultry, the owner and the promoters of the business. The poultry farm is a propose poultry farm that will be into the rearing and selling of chicken broilers both live and dressed chicken, manure for crop farmers. It is intended to start operations by year 2021 with 1000-dayold chicken and increase as it grows. immediate environment.

FININACAL PLANNING

Estimated start up capital is ₦2,453 372.00Naira (approximately €6,000.00). The business will be financed with loan which amount to about 60% of the start up capital with a sales turnover of ₦24,608000.00Naira (€61,062.03) gross profit of ₦14,765 756.00Naira(€36,639.59)and net profit of ₦13,967862.10Naira(€34,659.70).

The business of poultry farm involves some risks which are outbreak of disease, flood, inferior vaccine and fire outbreak. However, the intention is to reduce this risk by giving the birds right proportion of vaccine as well as standard and quality vaccine which will be purchase from a reliable supplier, we will locate our farm on a highland, we will maintain a safety precaution policy by making fire extinguisher available in the farm.

This

business will meet some societal needs such as improve the standard of living of our employees by creating employment, development of more entrepreneurs and serve as source of encouragement to the youths as well as contributing to the development of the state by paying tax.

DESCRIPTION OF THE BUSINESS

The business is proposed to specialize in the rearing and selling of broiler and manure. The proposed target market are families/households, restaurants, hotels, students, and event planners. The mission is to improve on the existing quality of poultry product while ensuring affordability and availability as well as to create an excellent customer relationship.

The objectives are to achieve a sales turnover of approximately ₦24,600 000.00 Naira (€60,000.00) a gross profit of ₦15,000 000.00 (€36,600.00) and a net profit after tax of approximately ₦14,000,000.00 Naira (€35,000.00) from two years of commencement of operation. Another objective is to increase staff salary by 5% by the end of second year of operation as well as to have a customer base of 4000 within the first year of operation and increase to 10,000 before the end of third year in business. Lastly, to provide job for the teeming population.

It is necessary to consider some of the things that will aid the success of the business. The essence of this it to remind the investor of the indispensable value of these factors to the success or otherwise of the business. In the following paragraphs, I will be citing some of the prerequisite to the daily up-running of the business and its success in the long run.

Firstly, availability of capital or fund is like the heart of the business. It should be noted that fund must be available at all time. Also, expertise, training and retraining of staff is necessary. It is crucial for staffs to undergo training as a way of reminder as well as means to acquire knowledge on know-how which will eventually contribute to the growth of the company. For the housing, it is intended to use alternative poultry production which is a form of deep litter system of housing such that the poultry house will be properly ventilated. One must make sure there is enough space to give the birds maximum ventilation and reduce heat in other to improve the overall health of the birds. The space required depend on body weight, climate conditions and type of housing system.

Additionally, the structure of the poultry house needs to be built to prevent the intrusion of animals. It needs to be surrounded by compacted borders. The area must be kept free of weeds, scrap and any other object or obstacle. The farm will be located at about 30

it is significant to state some of the equipment which is required for the business to stay afloat. The most used pieces of farm equipment in broiler houses are feeders, drinkers, crates and weighing scales, flame guns and other cleaning equipment are also used.

PRODUCTION TECHNIQUE

The production technique for this business refers to the processes and stages involved from sourcing the day-old chick up to the time they are grown and ready for the market. Although this is just a business plan, nevertheless, it is relevant to understand how the birds will be made ready for the final market. The system of broiler production adopted by the farmer depends on the number of broilers that will be raised. It takes about 8-9 weeks for a day-old broiler to reach maturity and all-in all-out technique will be used, under this technique day-old hybrid broiler chick are purchase in one single batch, grown until maturity and sold in one batch to the market. This technique allows the farmer to clean and disinfect the farm before receiving the next batch of broilers, making it easier to control the spread of disease.

PHASE1: day-old chicken is purchased from a reliable source and reared in the brooding facility for 4 weeks and then transferred to the broiler's cub after 4 weeks.

PHASE2: four-weeks old chicken are continued to be reared for another 4 to 5 weeks, before it's ready for the market. Production capacity of the proposed farm is One thousand broilers for the start, which is subject to change, it takes 9 weeks for a day-old broiler to grow to maturity, and the numbers of broilers will be increased during festive period by demand

FINANCIAL PLAN

Financial planning is the process of estimating the capital requirement. Here the financial plan includes the financial projections for the first 2 years of operation, pre- operating and operating expenses, start up capital, funding source, proposed selling price and financial assumptions. Required start up capital estimate For a business to succeed, start up fund plays a huge role. Since the proposal is for a business based in Nigeria, the required capital will be estimated based on the Nigerian currency. Which I have done above(financial planning).

SOURCE OF FUNDS

The source of fund for the business will be from two origins. The first being from bank, while the other will be from personal means. However, the higher portion of the fund will be sourced from the bank.

PRE- OPERATING ACTIVITIES

This comprises of the cost of land, cost of preparing the land, electricity, cost of equipment's, cost of preparing the brooding room for day old chicken and cost of registering the business. All of which are cost activity that precede the operation

OPERATING EXPENSES

The operating expenses refers to the estimated amount required to keep the business running on a periodic basis. Example In this case one period represents three month

CONCLUSIONS

In this project predictions and conclusions about the market were based on secondary data however, the aim and objective of this project was achieved. Firstly, a business plan was created which contain basic structure of a business plan, such as Business overview, marketing planning and financial calculations, marketing strategy, operational plan and financial plan. Secondly, starting a poultry business is Nigeria is demanding and requires Close monitoring. However, the financial aspect of this project was able to show from the profit and lost projection that the business is profitable in Nigeria. Nevertheless, the PESTLE and SWOT analyses show that there are so many things that could be improved in Nigeria poultry system which will boost the productivity such as the technology and availability of loan for investment. The calculated Total Start up Capital was based on the pre- operational expenses, Opening Stock and total Operating Expenses. The calculation was made by estimated data. Detail account was given on the cost of operation which includes cost of feeding, insurance per bird and tax. This project also includes comprehensive calculations of aspects such as equipment, suppliers, employee salaries, depreciation and general regulations of how to start and register a poultry business in Nigeria.

which comprise of 90 days on an average. Thus, in this aspect, the focus is on the general cost including the cost of feed, maintenance as well as salary for the staff.

FINANCIAL ASSUMPTION

In order to be able to make financial calculation, the following assumptions are considered: assumption for Inflation is 5%, assumption on Interest rate is 9%, assumption on Tax is 5%, assumption on depreciation is based on straight line method, assumption on Salary increment 5%, assumption on Insurance 5%.

ORGANIZATION STRUCTURE

The organization structure refers to the cooperate relationship between the employee and the company. There are set of roles and responsibilities assigned to each of the employee in the company. The purpose of this is to ensure that each team member understands what is expected of him or her daily.

OWNERSHIP OF THE BUSINESS

In this business plan the poultry farm is a sole proprietorship business. This type of ownership is selected because they are easy to form, and the owners enjoy sole control of his or her business profits. However, they also have disadvantages, one of which is that the owner is personally accountable for all the business losses and liabilities. This farm is intended to start small and grow gradually with easy and flexible implementation policy, the management team will consist of two men and one regular worker. Operation is from Monday to Saturday, and opening hour will be 7am and closing time will be 6pm.

KEY MANAGEMENT STAFF Key

The key management staff refers to the three levels of employee in the company namely: The manager, the market and the labour. In order to understand the assigned role for each of these employees below is very important, and it creates an opportunity to describe what is expected for each of the team Position Functions and responsibility

1. Manager Managing, supervising jobs sorting birds, sales and
2. marketing Marketer Majorly Marketing the
3. product and making delivery to customers
4. Laborers Feeding and cleaning of the poultry house change the water and clean the drinkers

TARGET MARKET

The proposed poultry farms target markets are Families/household, restaurant, hotels, student, and event planner.

DISTRIBUTION STRATEGIES/SALES METHOD

we intend to use their our costumers preference as long as no loss will be meet and knowledge of distribution within our vicinity as well as the use of our own direct sales force from our outlet. There will be discount for bulk purchase, free delivery and payment method will be through cash and online payment. Promotion strategies are the strategy that will be adopted to promote or market the business. Example are social network such as Facebook, Twitter, and Instagram. Sending of bulk text messages, complimentary

meters or more from a road connecting to the poultry farms and distance of 12 meters from another poultry farm of the same species. It therefore must be located at a distance of at least 12 meters from another house. Fencing of the poultry farm is also necessary. The proposed poultry house will be enclosed with a fence such that it will prevent entering of humans and animals. Lastly, the floors of the house will be concrete to enable the ease of cleaning and disinfection and it will be elevated to about 30 cm above the surroundings level.

Water is an importance aspect of poultry farming. It is intended to provide water for the birds through a water bore hole system which should already be made available in the location and ensure proper treatment to the water storage facilities. 1000 capacity poultry requires about 600liters of water daily

Similarly, feed is important as well, a farm may fail in the attempt to reduce cost of feeding. It is recommended to buy the feed from a reliable distributor of poultry feeds. This will prevent malnutrition as well as make the bird grow fast and healthy. Farm should only venture into self-production of feeds if they have the knowledge.

Managerial skill and technical know-how, the company will be managed by someone who has the knowledge of business, managerial and leadership skills. It is necessary to employ an experience staff who will be charged with the responsibility of feeding the birds. However, experts will be consulted when and where necessary.

The proposed market is a niche market, the farm will be located where the closest poultry farm is some kilometers away which will allow us to focus on our immediate environment. Assurance of market is based on the quality of our product and services, so by having a standard and quality product the marketing is sure. The value propositions are to produce healthy and sizable chicken, rich manure, good customer relationship and goodwill messages.

RUNNING A POULTRY BUSINESS

In this chapter, I will be discussing some of the aspects which are required to run a poultry business. For this purpose, three core parts of a business activity will be focused on. These three aspects involves the production plan - where equipment as well as the production technique will be discussed, the financial plan - where finances and budget for the farm will be looked at, and lastly the organizational structure - the structure of the business team members and their respective roles will be highlighted. The essence of this is to ensure that there is a clear-cut blueprint which can be referenced to where there is need for when the business finally kicks-off.

PRODUCTION PLAN

The production plan is a very important aspect of running the business. It is synonymous to the foundation which the business is built on. In this area, two primary aspects of the production plan will be taken into consideration namely; the required production equipment on one hand, and the production technique on the other. In the following paragraphs, these two topics will be discussed at length in light with the poultry business.

1 Required Production Equipment For this sake of understanding the business in detail.