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**A business plan for Greenhause Productions**

Title: Business Plan for the production of bio-degradable compostable paper straw and paper plate for the replacement of plastic ware.

***Table of Contents***

1. Executive summary
2. Introduction
3. Description of venture
4. Industry analysis
5. Market Analysis
6. Strategic Human Recourse Planning

***Executive Summary***

Greenhause Productions is a bio-degradable compostable paper plates, straws and cups manufacturing and productions company for over 2 years in the UK and has now planned to set up base in Nigeria. The aim of starting this business is replace the use of plastic straws, cups and plates. The idea came about after the study of recent analysis of plastic being disposed and taking too long to degrade. In Nigeria, it has become worrisome. These plastic which ought to be thrown in waste bins or recycled are not instead they thrown into to the gutters and will eventually end up in water bodies which would make the water housing fish and other aquatic life fail in its purpose to preserve these organisms as they would all die from consumption of these plastics and also, there would be the major pollutions of the water making it unsafe for use. The target market is the food and catering service industry and as well the general public and because of this, we also offer customization of these items for companies with unique specifications as well as the standard sized ones for those who may not be seeking to get the customized ones. We also aim to sell these products to people of various backgrounds and as such must be made to be as affordable as can be. Currently the demand for disposable public food service crockery is increasing growing **(considering the pre COVID-19 times**) with a greater number of individuals, tending to have events ie. parties, dinners, luncheons and other events where these disposable crockery are an essential need. Even in some homes as it is a quick fix to having lots of dishes to do. This then makes Nigeria a suitable place for the establishment of the business and with the aim of hopeful large sales.

***Introduction***

Greenhause production is the name of the company, established to produce bio-degradable paper plates, cups and straws. It will be located at 114, Tunji Braithwaite way, Ikeja, Lagos. The business is a family owned and a franchise from Greenhause productions in the United Kingdom. The aim of starting this business is replace the use of plastic straws, cups and plates. The idea came about after the study of recent analysis of plastic being disposed and taking too long to degrade. In Nigeria, it has become worrisome. These plastic which ought to be thrown in waste bins or recycled are not instead they thrown into to the gutters and will eventually end up in water bodies which would make the water housing fish and other aquatic life fail in its purpose to preserve these organisms as they would all die from consumption of these plastics and also, there would be the major pollutions of the water making it unsafe for use and lead to a scarcity of food from aquatic bodies. With the introduction of these bio- degradable crockery for use it would eliminate pollution of water and still make the water usable and able to serve the purpose of preservation of aquatic life while still allowing the public have items they could use for public food service and are compostable meaning it would degrade and could be used for agricultural purposes too.

***Description of the venture***

Greenhause productions, has the task to produce bio-degradable paper plates and cups of different sizes, colors and shapes and straws of lengths too. The target market is the food and catering service industry and as well the general public and because of this, we also offer customization of these items for companies with unique specifications as well as the standard sized ones for those who may not be seeking to get the customized ones. We also aim to sell these products to people of various backgrounds and as such must be made to be as affordable as can be.

***Industry Analysis***

The idea bio-degradable technology is relatively new in Nigeria and with the government of Nigeria only just beginning to push for stake holders in Nigeria to take action of helping to recycle and plastics that are non-bio-degradable and if possible switch to making bio-degradable products to preserve our planet. As it stands Greenhause will be one of the first of such companies in Nigeria. Currently the demand for disposable public food service crockery is increasing growing **(considering the pre COVID-19 times**) with a greater number of individuals, tending to have events ie. parties, dinners, luncheons and other events where these disposable crockery are an essential need. Even in some homes as it is a quick fix to having lots of dishes to do. Taking into analysis by the United Nations which the Nigerian government took into consideration before crying out for help and in consideration that we could set the pace for the rest of Africa could take to fight pollution the bio-degradable products will so be set to take the continent by storm.

***Market Analysis***

The company would begin its marketing efforts on a medium scale first within Nigeria and with hopeful expansion to a large scale business that the government would also support and endorse the company in the efforts to curb pollution in Nigeria and eventually Africa. This venture is sure to succeed because the market has a high growth rate potential because there are daily and seasonal needs.

***Strategic Human Resources Planning***

At the start off of the business, will operate on a single line; comprising of a steam boiler, air compressor, pulp mixer, forming machine, shaping machine, edge cutting, UVsterilization, inspection and packaging.

Ten (10) line operators shall be engaged while one operator each for the inspection and observation of packaging for the final products all on an 8am to 8pm. A supervisor also be engaged go supervise the operation of the factory. An accountant too will be employed as well as a sales marketing officer shall also be employed.

***Projected Staff Strength***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Job title | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Supervisor | 2 | 2 | 3 | 3 | 4 |
| Sales/ marketing | 2 | 2 | 3 | 3 | 5 |
| Account | 2 | 2 | 3 | 3 | 4 |
| Line operators | 10 | 10 | 15 | 15 | 25 |
| Inspector | 2 | 2 | 3 | 3 | 4 |
| Packer | 2 | 2 | 3 | 3 | 4 |
| Security | 3 | 3 | 4 | 4 | 5 |

Projected Total Compensation Package

Per annum

Manager/Supervisor – 500,000

Sales/ Marketing officer – 400,000

Accountant - 250,000

Line operators – 150,000

Inspector/ Packer – 100,000

Cleaner - 80,000

Security – 80,000

1. ***Production Plan:***

The production process involves

1. Pulping: Soaping the pulp paperboard and put into hydraulic pulper. After pulping, pulp will go into mixture tank and add water and oil additive, then goes to pulp supply tub for forming machine, vacuum dewatering and forming.
2. Forming: Forming is the key process in production line. The process is quantitive pulp supply, back flushing power supply, vacuum dewatering and forming. With advance technology to eliminate holes, uneven thickness during production, so as to reduced effective goods. The semi-finished product will be moved into drying mould for solidity.
3. Shaping and drying: At this process, steam is used for heat drying. Compare to electrical heating, 70% energy will be saved, meeting hygiene requirements of food packaging, enhance resource utilization. Qualified production rate is up to 99%.
4. Edge cutting and sterilization: The product taken out from the shaper will be moved into edge cutting machine, where the extra edge will be trimmed. UVsterilization is applied to make sure production meeting with hygiene requirement.
5. Packaging: Final production is packed and stored.

A production line makes about 15,000 paper crockery a day as it is a necessity in our given society using 2 shifts of 12 hours each with 2 hours break.

1. ***Marketing Plan:***

The demand for disposable crockery in Nigeria, cannot be over emphasized and is on the increase with the significantly higher events that take place that would demand the use of these products and making them eco friendly all the more make it a win-win situation as the people get the products they need while the products not harming the environment. We would also have the food and beverage industry come see the facilities installed and the clean environment in which we operate. As earlier mentioned, we would enter the market with affordable pricing and exhibit high levels of human relations and efficiency in our dealing with our customers.

1. ***Organizational 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, principal managers and supervisors will report to owners on a weekly basis on the activities of the business.

1. ***Assessment of Risks and Problems:***

Some potential risks which the company may face include; power supply, raw materials supply, competition, high rate of labor turnover, availability of resource. We would solve the issue of power with the use of a generator strong enough to handle the power needed for the factory. The competition is relatively low as the business idea for bio-degradable production is only being produced by a few companies. On the basis of labor turnover, we would operate the business in the likes of family and workers welfare shall be the exclusive attention of the management.

1. ***Financial Plan***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *General Assumptions* |  |  |  |  |  |
|  | Year 1 |  | Year 2 |  | Year 3 |
|  |  |  |  |  |  |
| Plan Month | 1 |  | 2 |  | 3 |
| Current Interest Rate | 10.00% |  | 10.00% |  | 10.00% |
| Long-term Interest Rate | 10.00% |  | 10.00% |  | 10.00% |
|  |  |  |  |  |  |
| Tax Rate | 30.00% |  | 30.00% |  | 30.00% |
| **Other** | 0 |  | 0 |  | 0 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Pro Forma Profit and Loss* |  |  |  |  |  |
|  | Year 1 |  | Year 2 |  | Year 3 |
|  |  |  |  |  |
| Sales | $86,891 |  | $128,000 |  | $147,090 |
|  |  |  |  |  |  |
| Direct Cost of Sales | $6,951 |  | $10,240 |  | $11,767 |
|  |  |  |  |  |  |
| Other Production Expenses | $0 |  | $0 |  | $0 |
|  |  |  |  |  |  |
| Total Cost of Sales | $6,951 |  | $10,240 |  | $11,767 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Gross Margin | $79,940 |  | $117,760 |  | $135,323 |
|  |  |  |  |  |  |
| Gross Margin % | 92.00% |  | 92.00% |  | 92.00% |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Expenses |  |  |  |  |  |
|  |
| Payroll | $63,120 |  | $67,000 |  | $72,000 |
| Sales and Marketing and Other | $1,200 |  | $1,200 |  | $1,200 |
| Expenses |  |  |  |  |  |
| Depreciation | $456 |  | $456 |  | $456 |
|  |  |  |  |  |  |
| Leased Equipment | $0 |  | $0 |  | $0 |
|  |  |  |  |  |  |
| Utilities | $0 |  | $0 |  | $0 |
|  |  |  |  |  |  |
| Insurance | $1,800 |  | $1,800 |  | $1,800 |
|  |  |  |  |  |  |
| Rent | $18,000 |  | $18,000 |  | $18,000 |
|  |  |  |  |  |  |
| Payroll Taxes | $9,468 |  | $10,050 |  | $10,800 |
| Other | $0 |  | $0 |  | $0 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total Operating Expenses | $94,044 |  | $98,506 |  | $104,256 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Profit Before Interest and Taxes | ($14,104) |  | $19,254 |  | $31,067 |
|  |  |  |  |  |  |
| EBITDA | ($13,648) |  | $19,710 |  | $31,523 |
|  |  |  |  |  |  |
| Interest Expense | $0 |  | $0 |  | $0 |
|  |  |  |  |  |  |
| Taxes Incurred | $0 |  | $5,776 |  | $9,320 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Net Profit | ($14,104) |  | $13,478 |  | $21,747 |
| **Net Profit/Sales** | -16.23% |  | 10.53% |  | 14.78% |