**FEASIBILITY STUDY REPORT**

**ON**

**A HAND SANITIZER PRODUCTION FIRM**

**FOR**

**JOENIB CHEMICALS LIMITED**

**PORT HARCOURT, NIGERIA**

**PREPARED BY**

**PEPPLE IBIM OBIEDIMA**

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# **EXECUTIVE SUMMARY**

JOENIB sanitizer limited is full- service company dedicated solely for the production of hand sanitizer that are suitable to kill germs and any virus. The hand sanitizers are packaged in beautiful and portable cans that make it easy to use.

The mission of JOENIB is to offer superior products (alcohol-based hand sanitizers) that fight germs and improve hand hygiene especially during this global pandemic period. Our staff ensure that with the proper use of the machine and also manually, customers get value for their money.

JOENIB is headquartered in Port Harcourt, Rivers State in Nigeria. The company has adequate knowledge on how this is produced to fit with the world health standards. We assembled a board of advisor to provide management expertise. Our motto is guaranteed customer satisfaction. The firm has been located in a place that is easily accessible to customers.

JOENIB provides products to meet customers need. We offer hand sanitizers of different fragrance to suit the customers specifications which include: lavender, strawberry, rose, woody, fresh and oriental.

Upon commencement of the company, JOENIB will sell wide range of alcohol-based hand sanitizer. The hand sanitizers are going to be in quantities ranging from small-large, different shapes, colors and fragrance. The products cost will range from ₦600 to ₦40,000. This cost tallies with the standard prices.

The hand sanitizer industry is economically stable especially during this global pandemic as it is of high demand. However, industry trends show that as time become more limited, people want better economical products.

Advertising strategy is easy: satisfied customers are our best marketing tool. When customers buy our products and they help broadcast our name and quality to the public. Most customers are referrals from existing customers. However, we also do some electronic advertising on TV’s and radios just to create more awareness. We offer discounts to our customers and lottery to win amazing price to get our products at discounted price or get it for free depending on the package. Our advertising budget will be based on approximately 10% of our sales.

The company will require a receptionist who will greet with customers and receive payment for products. The company will include a financial manager to oversee all of the expenses, bills, payroll, etc. There will be several technicians, engineers for various functions, office clerks, security. Training classes to help improve product knowledge and skills especially the use of several machines in case of any modifications, this training will also treat conduct at work place and relations with customers. The company will be operated on strict guidance with health, safety and proper dress codes. JOENIB will be organized and managed in a creative and innovative fashion to generate high level of customer satisfaction. This will also create a working climate conducive to high degree of personal development and economic satisfaction for employees.

# **PROJECT OBJECTIVES**

The objectives of JOENIB sanitizer company is basically for the production of alcohol-based hand sanitizer of different fragrance and sizes. Some of the objectives of this business are:

1. The provision of high quality and maximum flexibility in customer service delivery: the presence of flexibility is very important in this business owing to the fact that customers vary in their choice and therefore to ensure that each of the customers have the satisfaction they require.
2. Superior and personalized customer’s attention
3. To ensure customers’ expectations are exceeded this enables continuity and make them advertise the company verbally.
4. To develop a sustainable start-up business, contributing to increased employment: through this business, employment is definitely going to increase and the level of unemployment is going to reduce to some extent.
5. Provision of professional quality supplies of hand sanitizers
6. Amazing varieties and excellent quality of the hand sanitizers: variety is very important due to the different requirements of customers.
7. To help combat the spread of corona virus by the application of the hand sanitizer.
8. Increase hand hygiene generally.

# **ECONOMIC AND SOCIAL JUSTIFICATION**

The establishment of the company is going to improve the economic growth by decreasing the rate of unemployment which results from the awareness of existential opportunities. The population will thus develop new kind of self- confidence which enables them to set innovative impulses on their own.

Within the context of the company, a good system of administration is developed and therefore providing a basis for networking this will in turn improve good governance and networking at large.

The space and facility of the business will attract new businesses. For example, after the company is built and it starts producing, it can prompt an either such as plastic cans which our company can buy from for packaging.

This business also improves localized environmental control; the waste disposal system put in place improves both the customers and employees’ sense of serenity and environmental control.

Some of the listed points above specify the reason why the business is economically and socially justified.

# **ORGANISATION AND MANAGEMENT**

The organizational management plan of the business is stated below;

**The Type of Business;** the business is a full - scale production firm for hand sanitizers of various sizes and fragrance, the company has the capacity to produce up to 6,000 hand sanitizers of the various sizes and fragrances each.

**The Team Members:** the employees for the company have been specially selected based on some qualifications, skills and their individual responsibility. Some of the qualification is a certificate of extensive knowledge or security training certificate, SSCE, OND or HND for the technicians, B.Eng., B.Sc. in economical and managerial skills, accounting, etc.; this will help to ensure that quality goods are manufactured and will also improve the level of communication with the customers to avoid poor dissemination of information. The team members don’t necessarily have to be male or female regardless of the position, the best qualified for the particular job is employed. The age range of the employees is 20-45 years depending on the type of job.

# **TECHNICAL AND PRODUCTION CONSIDERATION**

During and before this global pandemic the need for personal hygiene has always been emphasized. The hand is one of the major part of the body that gets in contact with so many things (food, hand shake, face, eyes, nose, surfaces, etc.) to ensure a germ free hand the hand sanitizer is manufactured especially when provision for washing hand is not available since the hand sanitizer is portable. To achieve this the following technical consideration has been taken;

## **Materials Needed:**

1. The hand sanitizer Manufacturing Plant
2. Isopropyl or rubbing alcohol (99 percent alcohol volume)
3. Aloe vera gel
4. Essential oils (tea tree oil, lavender oil, rose, woody, fresh and oriental.)
5. Lemon juice
6. Hand Sanitizer Making Machine: generally composed of the hand sanitizer pot (Mixer), Mixing preparation pot, Transfer pump, Working platform, Operating control Panels and relevant filters, pipes and valves.
7. Hand Sanitizer Liquid Mixing Machine
8. The hand sanitizers pot: It is composed of the inner containers, steams and cooling water outer insulation layers, upper sapped-adjustable mixing devices, temperature measuring devices, and material feeding and discharging devices.
9. Hand sanitizer Bottle filling line (Bottle filler, copper, induction sealer, two side + round bottle labelers and carton packing line).

# **LABOUR**

**Table 1: A Table Showing Cost of Labor and Labor Required**

|  |  |  |
| --- | --- | --- |
| **PERSONNEL** **POSITION** | **NO OF STAFF** | **SALARY RANGE (MONTHLY)** |
| General Manager | 1 | ₦400,000-₦1,000,000 |
| Personnel Manager | 1 | ₦200,000-₦600,000 |
| Safety Manager | 2 | ₦200,000-₦500,000 |
| Operations Manager | 2 | ₦150,000-₦400,000 |
| Engineers | 8 | ₦150,000-₦550,000 |
| Financial Sectary | 3 | ₦100,000-₦150,000 |
| Receptionist | 2 | ₦100,000-₦120,000 |
| Technicians | 15 | ₦50,000-₦100,000 |
| Office Clerks | 10 | ₦50,000-₦100,000 |
| Security | 20 | ₦30,000-₦90,000 |

# **LOCATION**

The company is located in Port Harcourt which is the main city in Rivers State and it is precisely located in Trans-Amadi Industrial Layout. The company has a large building located in the compound with a lot of parking space for customers and staff.

# **DEMAND AND SUPPLY OUTLOOK**

During this global pandemic period, this business yields instant revenue on daily basis, owing to the fact that it can fight germs and the virus.

The business is a lucrative business and it has customers trooping in to buy for personal use or for commercial purpose.

Demand in hand sanitizer is very high due to the global pandemic, sometimes the demand is more than the supply. Adequate number of staff are required to ensure that the demand and supply are balanced.

# **MARKETTING STRATEGY**

JOENIB hand sanitizer company sales strategy will be based on how quality the product is when the customers buy it and returns for more and also extremely professional interactions with the customer. They also be discounts offer when particular criteria are met by the customers occasionally. The hand sanitizers are properly branded and packaged which makes them eye catching. The company also runs packages for people who intend on starting the business themselves i.e. a provision for them to have some fragrance and sizes depending on the package been paid for. There will be from ₦70,000-₦1,000,000 package depending on what the customer wants.

# **SALES FORECAST**

The first month will be used to set up the company, hire and train the employees. The company will be officially opened in the second month. Sales for month 2 through month 4 will be somewhat slow as these are the time to be building up a customer base. From month 4, sales begin to grow steadily. Figure 1, 2, 3, 4, 5 and 6 below show bar charts for the monthly sales for the first year for each fragrance

Amount in Naira

**Figure 1: A Bar Chart of the Monthly Sales of the Tea Tree Fragrance for the First Year**

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**Figure 2: A Bar Chart of the Monthly Sales of the Fresh Oil Fragrance for the First Year**

**Figure 3: A Bar Chart of the Monthly Sales of the Oriental Fragrance for the First Year**

**Figure 4: A Bar Chart of the Monthly Sales of the Woody Fragrance for the First Year**

**Figure 5: A Bar Chart of the Monthly Sales of the Rose Fragrance for the First Year**

**Figure 6: A Bar Chart of the Monthly Sales of the Lavender for the First Year**

# **LOCATION AND SITE**

The location and site of the company is a major factor for rapid growth of the business. For this company, it is located in Port Harcourt precisely in Rivers State precisely in Trans Amadi Industrial Layout. 30 plots of land to be purchased for this business. This place is fenced with see through fence and the various building with a built parking garage. The adequate right of the land is acquired from the local government; a company lawyer is contracted for the safety and securing of the land. It is located in a strategic place where it will be easily accessible by customers.

# **FINANCIAL PROJECTIONS AND PROFITABILITY**

The financial aspect in this business is judged by the total estimated cost of the project, financing of the project in terms of its capital structure, debt equity ratio and promoter’s share of the total cost, existing investment by the promoter in any other business and project cash flow and profitability. Some of the sources of capital are; bank business loan and personal savings. Based on the size of the business our defined market area, our sales projection for the first year are ₦25,000,000. We project a growth of 10% per year for the first 3 years, the growth will also affect salary of employees. There are projected profit and loss in the business, in the first month especially when there is little or no profit, loss is mostly encountered but as time goes on profit of the business will increase to a certain percent. The chart below shows progressive projected profit and loss of the first 12 months of the business in percentage.

**Figure 7: A Chart Showing Percentage Profit and Loss Variation for the First Year**

# **RISK ANALYSIS**

Every business face risks that could present threats to its success. Proper risk analysis is going to help improve the business at a fast rate. This accepts display some of the risk in the business, threats to the business and possible way by which it can be avoided.

Some of the weakness and threats of this business are;

1. New companies opening in the same area; this is a great risk in the business as it might reduce the number of customers so great attention is paid to ensuring the standard of the business is improved too high rate more than the competitors and products are quality.
2. Discounting by competitors, competitors tend to use the means of discount to get more customers, the JOENIB company has provided interesting and rigorous discount activities.
3. Cost of having the best operators and engineers will make the products more quality and attractive, this has posed as a threat because of high cost of employing and retaining. The company devised where some of them can be paid as contract staff during the period of the contract, they can be paid extra to groom other staff to doing the job better. This means has helped reduce he risk of losing the best hand to competitor who might pose a better offer to pull them out.
4. Online employment facilities; this will make appointment rapid.

This are some the risks, with perseverance and good strategies, this and some other risk can be reduced.

# **ECONOMIC EVALUATION**

This has to do with systematic identification, valuation of the inputs and outcomes of this business. This business has proven to be economically stable by helping in improving the economic growth of the nation. The inputs in the business are capital, ideas, selecting the right staff, choosing the right machines and the output of the business is the final product (the hand sanitizer). After evaluating this project economically, it has been discovered that the business is profit oriented.

# **CONCLUSION**

This report is to develop an original feasibility report that explains extensively what the company and business entails, the focus of the business, business risk encountered and possible ways of handling the threats. It is important not to give up until every idea has been tried. Most successful business today didn’t get to the level they are without obstacle or other distracting factors.

Finally, the vision of JOENIB is to provide a one-stop location for accessing high quality and reasonably priced hand sanitizers.