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**COURSE TITLE: TECHNOLOGICAL POLICY AND PLANNING**

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**FEASIBILITY STUDY ON THE SETUP OF A FACEMASK PRODUCTION FROM  
FOR THE USE OF THE ABUAD COMMUNITY**

**I. SUMMARY OF THE PROJECT**

- A. Firm Name: Akinola & Sons Manufacturing.
- B. Location: KM 8.5 Afe Babalola way, Ado-Ekiti Ekiti State.
- C. Brief description of the Project

Face mask production business is part of the Surgical Apparel Manufacturing industry and players in this industry manufacture sterile surgical apparel such as surgical gowns, drapes, shoe covers and face masks. Surgical apparel is used to reduce the transfer of bacteria from surgical staff to the patient, while also protecting the staff from blood, urine, saline or other chemicals and bodily fluids during surgical procedures.

During this corona virus pandemic, most new entrants into the face mask production line of business are small to medium – sized establishments that cater to the local community. Some of the factors that encourage aspiring entrepreneurs to venture into starting a face mask production company is the fact that the market for face masks and similar products is pretty huge, even though it is seasonal.

- D. Summary of the findings and conclusions regarding the following
  - 1. Market feasibility

Since investors are mostly attracted to businesses with high ROI and lower risk this business fits the requirement as there is a higher demand for the product than ever and hence ABUAD can venture into this industry and thrive as there is excess demand over supply and there shall be competitive market position to obtain.

## 2. Technical feasibility

After much research it has been verified that the project technical data has been sourced for and a large quantity of gloves can be produced at a minimum cost. The cost incurred from building the facilities, buying and renting some equipment, studying the process involved in the glove manufacture, observing the method and channels of distribution and quality of the product has been shouldered and can be financed adequately.

## 3. Financial feasibility

This is also feasible as the initial capital requirements, sources of financing, the total project cost and the financial statement has all been guaranteed. Also, the financing of the management team and qualifications has been looked into while at the same time offering attractive salaries as the rival competitors. In conclusion, the profit to be generated from the business outweighs the initial capital investment.

# **i. GENERAL INFORMATION**

## A. Management of Project

Segun Adedipe Face Mask Production Company, LLC is established with the aim of competing favorably with other leading face mask brands in the industry. This is why we will ensure that we put the right structures in place that will support the kind of growth that we have in mind while setting up the business.

We will ensure that we only hire people that are qualified, honest, hardworking, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more depending how fast we meet our set target. In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- i. Chief Executive Officer – CEO (Owner):
  - a) Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results
  - b) Responsible for fixing prices and signing business deals
  - c) Responsible for providing direction for the business
  - d) Creates, communicates, and implements the organization’s vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization’s strategy.
  - e) Responsible for signing checks and documents on behalf of the company
  - f) Evaluates the success of the organization.
  
- ii. Factory Manager
  - a) Responsible for overseeing the smooth running of the face mask production factory
  - b) Part of the team that determines the types, quantities and quality of face masks that are to be produced.
  - c) Maps out strategies that will lead to efficiency amongst workers in the plant
  - d) Responsible for training, evaluation and assessment of factory workers
  - e) Ensures that the steady flow of both raw materials and other packaging materials to the factory and easy flow of finished products through wholesale distributors to the market

- f) Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- g) Ensures that the factory meets the expected safety and health standard at all times.

iii. Human Resources and Admin Manager

- a) Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- b) Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.
- c) Defines job positions for recruitment and managing interviewing process
- d) Carries out staff induction for new team members
- e) Responsible for training, evaluation and assessment of employees
- f) Oversees the smooth running of the daily office and factory activities.

iv. Merchandize Manager

- a) Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams
- b) Responsible for the purchase of raw materials and packaging materials
- c) Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors

v. Sales and Marketing Manager

- a) Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- b) Models demographic information and analyze the volumes of transactional data generated by customer purchases
- c) Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- d) Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- e) Documents all customer contact and information

- f) Represents the company in strategic meetings
- g) Helps to increase sales and growth for the company

vi. Accountant/Cashier

- a) Responsible for preparing financial reports, budgets, and financial statements for the organization
- b) Provides managements with financial analyses, development budgets, and accounting reports
- c) Responsible for financial forecasting and risks analysis.
- d) Performs cash management, general ledger accounting, and financial reporting
- e) Responsible for developing and managing financial systems and policies
- f) Responsible for administering payrolls
- g) Ensuring compliance with taxation legislation
- h) Handles all financial transactions for the organization
- i) Serves as internal auditor for the organization

vii. Client Service Executive

- a) Welcomes guests and clients by greeting them in person or on the telephone; answering or directing inquiries.
- b) Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- c) Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- d) Manages administrative duties assigned by the manager in an effective and timely manner
- e) Consistently stays abreast of any new information on the company's products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
- f) Receives parcels / documents for the company
- g) Distributes mails in the organization
- h) Handles any other duties as assigned by the line manager

viii. Factory Workers/Sewing Machine Operators:

- a) Operates machines used in cutting and sewing clothe face masks and surgical face masks and also operate machines used in the production of N95 mask
- b) Assists in packaging and loading face masks into distribution trucks

ix. Distribution Truck Drivers

- a) Assists in loading and unloading face masks meant for distribution
- b) Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- c) Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- d) Assists the transport and logistics manager in planning their route according to a delivery schedule.
- e) Local-delivery drivers may be required to sell products to stores and businesses on their route, obtain signatures from recipients and collect cash.
- f) Transports finished goods and raw materials over land to and from manufacturing plants or retail and distribution centers
- g) Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- h) Comply with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- i) Collects and verifies delivery instructions
- j) Reports defects, accidents or violations

**ii. ECONOMIC ASPECT**

A. Market Study

According to the latest trends as released by IBISWorld, their analysts constantly monitor industry impacts of current events in real-time – here is an update of how this industry is likely to be impacted as a result of the global COVID-19 pandemic:

Revenue growth for the Surgical Apparel Manufacturing industry has been adjusted from 1.9 percent to 16.6 percent in 2020 due to rapidly surging demand. Since a huge percentage of face masks are currently manufactured in China, the industry's purchase costs are expected to fluctuate, leading to unsteady profit margins.

When it comes to selling different types of face masks, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just the health care industry, but all those who reside in our target market locations. We are in business to retail our face masks to the following groups of people;

- i. Hospitals
- ii. Motor Parks
- iii. Offices
- iv. Schools
- v. Churches
- vi. Government Offices
- vii. Business Premises
- viii. Homes
- ix. Markets
- x. Airlines

## B. Marketing Program

Alinola & Son carried out a detailed survey and chose the location of production and the tupe of face mask to produce. Detailed information and data that we were able to utilize to structure our business to attract the number of customers we want to attract per time and also for our products to favorable compete with other leading face mask brands in Nigeria.

We will hire experts who have good understanding of the Surgical Apparel Manufacturing industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Ekiti state and throughout Nigeria.

In conclusion, Akinola & Sons Manufacturing will adopt the following sales and marketing approach to sell our face masks;

- i. Introduce our face mask brand by sending introductory letters to hospitals, residents, merchants, retailers and other stakeholders in Ekiti State.
- ii. Engage in roadshow in targeted communities from time to time to sell our products
- iii. Advertise our products in community –based newspapers, local TV and radio stations
- iv. List our business and products on newspapers ads (local directories)
- v. Leverage on the internet to promote our face mask brands
- vi. Engage in direct marketing and sales
- vii. Encourage the use of word of mouth marketing (referrals)

### C. Projected Sales

#### Sales Forecast

When it comes to face mask production, if your products are well – packaged and branded and if your factory is centrally positioned and easily accessible, you will always attract customers cum sales and that will sure translate to increase in revenue.

We are well positioned to take on the available market in Ekiti and every city where our face masks will be sold and we are quite optimistic that we will meet our set target of generating enough income/profits from the first six months of operation and grow the business and our clientele base.

We have been able to critically examine the Surgical Apparel Manufacturing industry; we have analyzed our chances in the industry and we have been able to come up with the following sales forecast.

Below are the sales projections for Segun Adedipe Face Mask Production Company, LLC, it is based on the location of our business and other factors as it relates to small and medium scale face mask production startups in Nigeria;



First Fiscal Year (FY1): ₦40,000,000

Second Fiscal Year (FY2): ₦26,000,000

Third Fiscal Year (FY3): ₦16,000,000

### **iii. FINANCIAL STRATEGY**

#### **A. Pricing Strategy**

We are aware of the pricing trend in the Surgical Apparel Manufacturing industry which is why we have decided to produce various types of face masks.

In view of that, our prices will conform to what is obtainable in the industry but will ensure that within the first 6 to 12 months our products are sold a little bit below the average prices in Nigeria. We have put in place business strategies that will help us run on low profits for a period of 6 months; it is a way of encouraging people to buy into our face mask brands.

#### **B. Initial Capital Requirements**

These are the key areas where we will spend our startup capital;

The Total Fee for Registering the Business in Nigeria – ₦23,500.

Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – ₦15,000.

Marketing promotion expenses for the grand opening of Segun Adedipe Face Mask Production Company, LLC in the amount of ₦400,000 and as well as flyer printing for the total amount of – ₦600,000.

The cost for hiring Business Consultant – ₦1,000,000.

The cost for payment of rent for 12 months at in the total amount of ₦1,000,000.

The cost for construction of a standard face mask production factory (purchase and installation of industrial sewing machines and cutting machines et al) – ₦2,500,000.

Other start-up expenses including stationery (₦50,000) and phone and utility deposits (₦100,000).

Operational cost for the first 3 months (salaries of employees, payments of bills et al) – ₦9,000,000

The cost for Start-up inventory (raw materials such as textiles, threads, elastic and packaging materials) – ₦350,000

The cost for store equipment (cash register, security, ventilation, signage) – ₦900,000

The cost of purchase of distribution vans – ₦8,000,000

The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, Fax Machines, tables and chairs et al) – ₦400,000.

The cost for our opening party – ₦50,000

Miscellaneous – ₦100,000

We would need an estimate of thirty-six million naira (₦36,000,000) to successfully set up our face mask production plant in Ekiti State.

### C. Source of Financing

Segun Adedipe Face Mask Production Company, LLC is owned and financed by Afe Babalola. They do not intend to welcome any other business partner which is why he has decided to restrict the sourcing of the startup capital to 3 major sources.

- i. Generate part of the startup capital from personal savings and sell of stocks
- ii. Source for soft loans from family members and friends
- iii. Apply for loan from the Bank