

COURSE GUIDE

ENT 210

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INTRODUCTION

Start up funding in Entrepreneurship is a 2 credit unit course for year two students of B.Sc. Entrepreneurship. The course is an independent presentation. It is compulsory for all students that intend to write their Bachelor's degree thesis in the session under consideration. Each student will present a paper on the topic approved by the supervisor. The presentation shall be within the time stipulated by the seminar panel (Academics staff, Coordinator and Facilitators). Students' assessment will be based on the demonstrated knowledge of the topic in relation to the relevant branch of cooperative management, comporment and communication skills. The course seminar presentation will normally be conducted in a conducive environment.

OBJECTIVES OF THE SEMINAR

1. The objectives of the Course Seminar are to: Familiarize the students to appreciate and determine how to Source for funding in establishing business, problems and other the basic issues in small, medium and large scale Entrepreneurship.
2. Preparing viable business feasibility that will attract funding study under the following heading- a. Executive Summary, b. Description of Products and Services, c . Technology Considerations, d Product/Service Marketplace, f. Marketing Strategy, g. Organization and Staffing, h. Schedule, i. Financial Projections, j. Findings and Recommendations.
3. Analysing and Preparing Business Feasibility Study Template and fill or work on for presentation see page 11-22
4. Analysing each major competitor in the business for start up see page 26
5. Develop the analytical skills of students in Business Plan Outline for start up Funding Entrepreneurship research and field surveys
6. Develop the confidence of students in written and financial document project reporting skills of students to start up.
7. Develop competence in financial statistical analyses of data and public presentations skills in writing start up funding for academic papers.

FEASIBILITY STUDY TEMPLATE

1. EXECUTIVE SUMMARY

The executive summary provides an overview of the content contained in the feasibility study document. Many people write this section after the rest of the document is completed. This section is important in that it provides a higher level summary of the detail contained within the rest of the document.

Alan's Best Chocolates (ABC) is a leader in the sales of chocolates and confections throughout the United States. ABC's products are sold from 50 stores throughout the country and maintain a reputation for superior taste and quality. While ABC's sales have grown over the past 10 years, the rate of growth has slowed significantly. One key factor for this slowing growth rate is the shift in the marketplace to purchasing chocolates and confections online. While ABC maintains a web site, it is not capable of hosting an ecommerce platform for online sales. ABC's sales occur only in its brick and mortar facilities and the company is losing potential customers to competitors who provide online sales. The chocolate and confections marketplace is healthy and shows a continued growth trajectory over the next five to ten years. ABC is in a position to capitalize on this online marketplace by leveraging existing technologies, industry best practices, and an aggressive marketing and sales campaign to ramp up the company's growth projections for the foreseeable future.

2. DESCRIPTION OF PRODUCTS AND SERVICES

This section provides a high level description of the products and/or services which are being considered as part of the feasibility study. The purpose of this section is to provide detailed descriptions of exactly what the organization is considering so this information can be applied to the following sections of the document. It is important that this description captures the most important aspects of the products and/or services that the organization is considering as well as how it may benefit customers and the organization.

ABC is considering a move to create and provide an online platform from which to sell its existing product line. Until now ABC has only sold its products from its chain of brick and mortar facilities and has been limited to sales within the geographical regions where its stores reside. By doing so, ABC has not been able to capitalize on the growing trend of online sales within the chocolate and confections marketplace. By offering its products through an online platform, ABC can market its products to an entirely new market, increase revenue and growth projections, and allow customers to purchase our products from the convenience of their own homes.

There are no proposed changes to ABC's current product offerings as a result of this study. Online sales will include only current products and any changes to this product line must be considered outside of the purpose of this document.

3. TECHNOLOGY CONSIDERATIONS

This section should explain any considerations the organization must make with regards to technology. Many new initiatives rely on technology to manage or monitor various business functions. New technology may be developed internally or contracted through a service provider and always result in costs which must be weighed in determining the path forward.

Upgraded technological capability will be required for ABC to move toward offering an online marketplace from which customers may purchase our products. Customers demand a simple and easy way by which to conduct online transactions and it is imperative that all transactions are conducted in a secure manner. While ABC maintains a web site with product lists and descriptions, it does not currently allow for purchasing to be done online. This functionality must be integrated with our current web site to allow for secure purchases to be made. Additionally, new online marketing functionality must be considered in order to target existing and potential customers through methods such as e-mailing lists, promotional advertisements, and loyalty discounts.

While ABC maintains a small information technology (IT) group, the expertise does not currently exist internally to design build and implement the sort of extensive online platform required for this effort. Therefore the recommendation is to contract this work out of an internet marketplace provider who can work with ABC to meet its needs within the determined timeframe and budget. It should be noted that while ABC does not have this expertise internally, the technology exists and is in use throughout the marketplace which lowers the risk of this concept considerably.

ABC currently maintains a high speed internet connection, web server, and the latest, software. With the addition of an e-commerce portal it is expected that there will be an overall cost increase of 5 – 10% for web server operations and maintenance costs.

4. PRODUCT/SERVICE MARKETPLACE

This section describes the existing marketplace for the products and/or services the organization is considering. It may describe who the target market consists of for these products or services, who the competitors are, how products will be distributed, and why customers might choose to buy our products/services. Most marketplaces are dynamic *environments* in which things change constantly. To enter a new marketplace blindly will usually result in an organization not fully understanding its role and not maximizing its resulting benefits.

The online marketplace for chocolates and confections has been thriving for many years. In FY20xx online chocolate sales accounted for approximately 20 million or 20% of total chocolate sales worldwide. While chocolates and confections are available in almost every store, our primary marketplace consists of specialty chocolates and confections. All of ABC's current major competitors already have an established online presence of at least 3-5 years. The top 3 competitors are currently: Smith's Chocolates, worldwide Candy, and Chocolate International. A large majority of ABC's customer base are returning customers and referrals from existing customers. By providing a more convenient means of purchasing our products online it is expected that we will retain these customers while conducting an online marketing campaign for new customers as well.

ABC will distribute online purchases via direct shipping from the nearest store location. This will allow ABC to provide timely shipping and eliminate the need for a central warehouse or facility from which to store and ship its products. Such a facility would require a significant capital investment as well as increased operation and maintenance costs. However, based on anticipated growth projections, ABC must ensure that all store locations maintain adequate inventories on hand to satisfy customer demand.

5. MARKETING STRATEGY

This section provides a high level description of how the organization will market its product or service. Some topics which should be included are: how does an organization differentiate itself from its competitors; types of marketing the organization will utilize; and who the organization will target. Marketing efforts must be focused on the right target groups in order to yield the greatest return on investment.

In order to be successful, ABC must differentiate itself from competitors in order to appeal to customers in the online marketplace. To do this, ABC will utilize its practice of personalizing its product packaging which it currently offers in-store customers. Current competitors do not currently provide any personalization of packaging. Customers will have the ability to personalize messages on or inside of product packaging, request specific color based themes, or tailor packaging for special occasions or events.

ABC will implement a customer e mailing list in order to send product promotions, sales advertisements, and other special offerings to customers who register. Additionally, **ABC** will offer referral incentives to customers who refer our products to friends and **family** in order to provide additional incentives. ABC will also maintain a customer database in order to determine its target customer groups and geographical regions. ABC will research marketing intelligence providers to determine the benefits and costs of purchasing customer information for bulk email campaigns as well. Another important consideration of ABC's online marketing strategy is cost. Electronic marketing communication costs are very small in comparison to direct mail marketing which ABC currently utilizes. However, we expect the additional revenue from online sales to greatly outweigh these additional electronic marketing costs.

It is important to note that ABC's current marketing and sales staff will require training in online marketing and sales practices. This training will need to be contracted to a training provider as part of our startup costs and schedule.

6. ORGANIZATION AND STAFFING

With many new products or services there may be a need for additional staffing or for an organization to restructure in order to accommodate the change. These are important considerations as they may result in increased costs or require an organization to change its practices and processes.

The ABC online sales campaign is not anticipated to significantly affect the organizational structure of the company. There are, however, several staffing additions required to successfully implement the online sales campaign. All of these positions will work within existing departments and report to department managers.

Staffing Position #1: Online Sales Manager - this full time position will lead sales staff in identifying sales opportunities and converting these opportunities to actual sales. This person will report to ABC's Director of Sales and will work in ABC headquarters.

Staffing Position #2: Online Marketing Manager - this full time position will lead marketing staff in identifying target customer groups/markets and conducting online advertising/marketing efforts to maximize traffic to ABC's online marketplace. This person will report to ABC's Director of Marketing and will work in ABC headquarters.

7. SCHEDULE

This section is intended to provide a high level framework for implementation of the product or service being considered. This section is not intended to include a detailed schedule as this would be developed during project planning should this initiative be approved. This section may include some targeted milestones and timeframes for completion as a guideline only.

The ABC online sales campaign is expected to take six months from project approval to launch of the e-commerce platform. Many of the foundations for this platform, such as highspeed internet and web server capability, are already available. The following is a high level schedule of some significant milestones for this initiative:

Jan 1, 20xx: Initiate Project

February 1, 20 xx: Project kickoff meeting

March 1, 20 xx: Complete online sales site design

April 1, 20 xx: Complete testing of online sales site

June 1, 20 xx: Complete beta testing trials of online sales site

July 2, 20 xx: Go live with site launch

Upon approval of this project a detailed schedule will be created by the assigned project team to include all tasks and deliverables.

8. FINANCIAL PROJECTIONS

This section provides a description of the financial projections the new initiative is expected to yield versus additional costs. Financial projections are one key aspect of new project selection criteria. There are many ways to present these projections. Net present value (NPV), cost-benefit calculations, and balance sheets are just some examples of how financial projections may be illustrated. This section should also provide the assumptions on which the illustrated financial projections are based.

The financial projections for the addition of an online sales platform for ABC are highlighted in the table below. These figures account for projected online sales, additional staffing requirements, shipping, material, and insurance costs, contract support for IT and training needs, and web server and hosting costs.

The assumptions for these projections are as follows:

- In store sales projections remain unchanged
- All milestones are performed in accordance with the schedule
- All transactions are closed yearly with no carry-over to subsequent years.

Measure	Year 1	Year 2	Year 3	Year 4	Year 5	5 year total Online
Online Sales Projection	N350,000	N425,000	N500,000	N650,000	N800,000	N2,725,000
Additional Staffing Costs	N160,000	N170,000	N200,000	N235,000	N255,000	N1,020,000
Projected Materials, Shipping, Insurance Costs	N42,000	N58,000	N70,000	N78,000	N84,000	N332,000
Additional Web Server and IT Hosting/Maintenance	N22,000	N25,000	N30,000	N35,000	N40,000	N152,000
Training for sales and Marketing Staff	N75,000	N0	N0	N0	N0	N75,000
Contract for Design, Build and Implementation of Online Store	N100,000	N0	N0	N0	N0	N100,000
Total Additional Costs for Online Sales	N399,000	N253,000	N300,000	N348,000	N379,000	N1,679,000
Cash Inflow	N49,000.00	N172,000.00	N200,000.00	N302,000.00	N421,000.00	N1,046,000.00

Extracted from: Feasibility Study Template www.ProjectmanagementDocs.com 2017

FINDINGS AND RECOMMENDATIONS

This section should summarize the findings of the feasibility study and explain why this course of *action* is or is not recommended. This section may include a description of pros and cons for the initiative being considered. This section should be brief since most of the detail is included elsewhere in the document. Additionally, it should capture the likelihood of success for the business idea being studied.

Based on the information presented in this feasibility study, it is recommended that ABC approves the online sales initiative and begins project initiation. The findings of this feasibility study show that this initiative will be highly beneficial to the organization and has a high probability of success.

Key findings are as follows:

Technology:

- Will utilize existing technology which lowers project risk
- Ecommerce infrastructure will be contracted out to vendor which allows ABC to share
- Once in place this technology is simple to operate and maintain for a relatively low cost

Marketing:

- This initiative will allow ABC to reach large number of target groups electronically at a low cost
- ABC can expand customer base beyond geographic areas where stores are currently
- The marketplace for online chocolate and confection sales is in a steady state of growth
- ABC is able to differentiate itself from its competitors and will utilize incentive programs to target new consumers.

Organizational:

- Minimal increases to staffing are required with no changes to organizational structure
- No new facilities or capital investments are required

Financial:

- Break-even point occurs early in the second year of operation
- Five year projections show online sales accounting for 25 of total sales

- ABC will be in position to capture greater market share by maintaining both an in store and online presence.

BUSINESS FEASIBILITY STUDY TEMPLATE

Name: -----

Address: -----

Phone: ----- **Mobile:** -----

Proposed business: -----

YOUR BUSINESS IDEA

The following questions are designed to assist you in the development of your business idea, your vision for the future of the business and to detail the expertise that you bring to your new business venture. What are your reasons for wanting to start your own small business? -----

What are your objectives for your business over the next twelve months? -----

What are your objectives for your business over the following two years? -----

List all the products and/or services that you plan to provide at the commencement of the business -----

List all the products and/or services that you plan to provide in the future. -----

Who will operate the business?-----

Who else will be employed by the business immediately?-----

Who else will be employed by the business in the future?-----

FINANCES

CAPITAL REQUIREMENTS

This section will help you to calculate the amount of money you need to get your business underway. It also looks at your ability to gain finances and whom you will approach if finance is necessary.

List all the equipment that you will need for the business, e.g.: Plant and equipment fittings, tools, office furniture, and computer equipment.

Already Own

Approximate value

Total

N-----

Need to acquire

Approximate value

Total

N-----

START UP EXPENSES

What are your Start Up Expenses?

Complete the following checklist of Business start up expenses.

Business Name	N-----
Registration	N-----
Insurance	N-----
Initial Stock	N-----
Licences and Permits	N-----
Advertising and Promotion	N-----
Printing and Stationery	N-----
Lease/Bond	N-----
Telephone (M o b i l e	N-----
Other	N-----
Other	N-----
TOTAL	N-----

What finance do you need to raise now? and how do you intend to raise the Finance?

- Personal Income
- Bank Loan
- Cooperative Society
- Family
- Friends
- Government & NGO grants
- Others

POTENTIAL INCOME/TURNOVER

Pricing Explain how you calculated the cost of producing your product/service -----

Turnover Expected turnover in the 1st year - how did you calculate this?-----

WHAT EXPENSES WILL YOU INCUR OVER THE FIRST 12 MONTHS OF OPERATION

Complete the following checklists of projected business expenses for the first 12 months of operation of your business.

- Accounting N-----
- Advertising N-----
- Bank Charges N-----
- Cleaning N-----
- Fuel, Light & Power N-----
- Insurance N-----
- Interest N-----
- Internet Service Provider N-----
- Lease N-----
- Legal N-----
- Motor Vehicle - Fuel and Oil N-----
- Repairs and Maintenance N-----
- Postage N-----
- Printing N-----
- Protective Clothing N-----
- Equipment N-----
- Stock N-----
- Raw materials N-----
- Rent/Bond N-----
- Stationery N-----
- TOTAL** N-----

What are your current monthly financial commitments?

- Rent/Mortgage N-----
- Personal loans N-----
- Schooling N-----
- Petrol N-----
- Car running N-----
- Food N-----
- Clothing N-----
- Recreation N-----
- Medical N-----
- Other N-----
- Other N-----
- Other N-----
- Other N-----
- TOTAL** N-----

MARKET RESEARCH

Market research involves collecting information about your market segment where they live, what their income is, what they spend their income on - anything about them that will help you ensure your product is attractive to them.

Market research will involve:

- Talking to people who are in similar fields jewellery
- Talking to your "target market" (i.e. people you believe will use/buy your product or service).
- Talking to people who have specialist knowledge of the industry you are entering.
- Sourcing written material specific to your area of interest.
- Gathering statistical data relevant to your area of interest.

Prepare your questions before you approach people. To find out about your target market you must be prepared to ask "hard questions" or exploratory questions that will give you a sound understanding of your target market, how they think and what will appeal **to** them. To ensure that the information gathered is relevant, select people who have detailed knowledge and experience in the industry sector you propose to enter. Ask targeted questions, designed to provide realistic feedback on your business idea. Accordingly questions should be framed to draw information on the positives and negatives of the industry sector you propose entering.

For a business to be successful there must be enough people who want to buy your product or service. You also need to ensure your product or service is accessible to the people who may want to buy it. It has to be available in the right places in the right quantities and presented in a way that will be attractive to your customer. The people you are aiming your product at are your "target market" or "market segment".

In the space below, write down the questions you will ask to identify your market segment e.g.

1. Why would you choose this product/service?
2. How would you describe most people who buy this product/service?
3. Where would you look to find this product/service?
4. What would you expect to pay for this product/service?
5. How often would you buy this product?
6. If you would like more information about this product, contact...-----

Summarize the information collected during this consultation. -----

Profile your prospective customer or "market segment" (i.e.: - where do they live? how much do they earn? how old are they? are they men? women? etc.) -----

SALES & DISTRIBUTION

Why will your prospective clients use your product or service? -----

How will you sell your product or service? (e.g.: from home, production point, door to door, wholesale, retail, mail order etc.)-----

Will you sell your product to the wholesale or retail market? -----

Who will the wholesaler sell to? -----

Will you sell locally, regionally, statewide, nationally or internationally?-----

How will you deliver your product to the point of sale? -----

COMPETITION

Find out if other businesses are providing the same or a similar product or service. To do this, look at ads in the local paper, check the phone book and talk to people.

If there are other businesses providing your product or service, then you need to establish very clearly that there is an unsatisfied demand in the marketplace which your business will target.

It is important that you know your competition. Learn from what they do well, identify what you can do better.

Competition does not just come from businesses that are the same or similar to yours, you are competing for the dollars that people spend in that "market segment".

Report your findings.

Who is your competition? -----

at dothey do well? -----

What can you do better/differently? How does your business address unsatisfied market need? -----

GETTING STARTED

Look in the phone book and/or local paper and talk to other people in the service or .industry to find out who provides the best service delivery or has the best equipment and follow up service. Consider terms, discounts, delivery time, maintenance contracts, second hand goods etc. Where will you obtain the equipment for your business?

- %Local suppliers.
- Interstate.
- A nearby town.
- Overseas

Do you intend to buy, lease, hire purchase or rent the equipment for your business?

STOCK

When considering which supplier you will obtain your stock from, you need to first find out the reliability of that supplier, the credit terms they provide, the type and quality of the stock they distribute, the

consistency of supply, what follow up support and technical advice they provide.

What stock will you purchase on a regular basis? -----

What essential licences/permits do you need to operate your business? -----

Proposed Premises - Home based or Commercial Premises Location -----

Ownership Structure - Sole trader/ Partnership/Company -----

What Small Business experience do you have? -----

List the skills you need to operate this business. -----

What skills do you have now that will allow you to produce your proposed product or provide your service?-----

What skills do you need to gain to further develop your product or provide your service? -----

Tick areas that you currently hold business management skills in

- Bookkeeping
- Record Keeping
- Marketing
- Personnel Management
- Time Management
- Motivation
- Communication skills
- Planning and Goal Setting

- Insurance
- Business Licensing and regulation
- Customer Service
- Other

Source: *Extracted from © RMIT 2003 15; V5 March 2005 YOUR BUSINESS IDEA*

BUSINESS PLAN

Introduction

The business plan consists of a narrative and several financial worksheets. The narrative template is the body of the business plan. It contains more than 150 questions divided into several sections. Work through the sections in any order that you like, except for the Executive Summary, which should be done last. Skip any questions that do not apply to your type of business. When you are finished writing your first draft, you'll have a collection of small essays on the various topics of the business plan. Then you'll want to edit them into a smooth-flowing narrative.

The real value of creating a business plan is not in having the finished product in hand; rather, the value lies in the process of researching and thinking about your business in a systematic way. The act of planning helps you to think things through thoroughly, study and research if you are not sure of the facts, and look at your ideas critically. It takes time now, but avoids costly, perhaps disastrous, mistakes later. It typically takes several weeks to complete a good plan. Most of that time is spent in research and re-thinking your ideas and assumptions. But then, that's the value of the process. So make time to do the job properly. And finally, be sure to keep detailed notes on your sources of information and on the assumptions underlying your financial data.

WHY DO YOU NEED A BUSINESS PLAN?

This is a valid question asked by all operators when planning to establish a small business and it vital from the very outset that you see the importance of preparing a business plan, no matter how small your proposed venture is. The four most important reasons for having a plan are:

- a. **The Business Plan is a Roadmap:** without clear direction (goals, strategy and plans) for your business, how are you going to achieve your vision for the venture? How will you know what the potential for your business is likely to be in Year 1, and beyond that to Years 2 and 3? The most important function of the plan is that it is your document; it clarifies and structures your ideas, formalizes your financial plans and maps out how you will market and then manage the business. You develop the plan for yourself first, not for others; but of course it has many other uses such as being a requirement when seeking funding, or serving as a communication tool for informing stakeholders about your proposals. It is really important to understand that you should never develop your plan solely for others, do it for yourself because it will help you to maximize your potential for success.
- b. **The Business Plan is necessary for Investors/Lenders:** it is unlikely that anyone, outside of your family and close friends that is, will be willing to support you financially, if you cannot produce a realistic business plan. A well-structured and fact based plan demonstrates to the bank, and other possible funders, that you are serious about your proposal and that you have given careful thought to the future direction of your business. Although, as just stated, you don't prepare the plan just for others, it is important nonetheless to structure it in a manner that meets the needs of lenders/investors; consequently, the business plan format shown later in this guide is considered to be a recommended approach by leading financial institutions.
- c. **The Business Plan Help to Track Progress:** as part of preparing your plan, you will set clear goals and objectives for your business which can later be used to help you measure progress.
- d. **The Business Plan Help to Tests the Feasibility of Business Idea:** completing the plan

helps you to check the practicality of your ideas in the sense that the research you conduct, and the discussions you will have with independent advisors in compiling the plan, will serve to test the feasibility of your proposals. Maybe, when viewed under the microscope, your idea doesn't stack up as well as you first thought, but even if you find that negative outcomes arise from the planning process, isn't it better to know this before you invest all your time and money?

HOW SHOULD YOU STRUCTURE YOUR BUSINESS PLAN?

Many business owners avoid preparing a business plan because the task seems too onerous or time consuming. This is a mistake and one of the most common causes of business failure is poor planning. There is no pretence that preparing a plan for your business is going to be an entirely painless activity, but it is a vital one in terms of maximizing your chances for success. For most small businesses, the plan does not have to be an overly complicated document, although at the same time, you should understand that it will take your time and effort to put it together and that certain information is required to make the plan worthwhile.

In tackling the development of your business plan, you can structure the information as follows:

1. Cover Sheet (Title Page)

The first page of your business plan will be the cover sheet. It serves as the title page of your plan. It should contain the following information:

- Name of the company
- Company address
- Company phone number (include area code)
- Logo (if you have one)
- Names, titles, addresses, phone numbers (include area code) of owners
- Month and year in which the plan is issued
- Name of preparer.

2. Executive Summary

The executive summary section is a snapshot of the highlights of your business plan and is usually the last thing you write. For a standard business plan, the executive summary generally includes the following information:

- Purpose of the plan
- Market opportunity
- Management team
- Track record, if any
- Financial projections.
- Funding requirements.

As well as summarizing your plan, you should keep in mind that the executive summary must grab the attention of the reader. In many cases, this is the section that is read first and if you fail to excite them about your proposals, then they will be unlikely to read any further. In that sense the executive summary is your chance to 'sell' as well as 'tell'. It is advisable to make the executive summary two pages or fewer and include everything that supposed to be covered in a five-minute interview. Make it enthusiastic, professional, complete, and concise.

Business Description and Vision

When describing your business, generally you should explain

a. **Mission Statement:** Many companies have a brief mission statement, usually in 30 words or fewer, explaining their reason for being and their guiding principles. If you want to draft a mission statement, this is a good place to put it in the plan, followed by:

b. Company Goals and Objectives: Goals are destinations where you want your business to be. Objectives are progress markers along the way to goal achievement. For example, a goal might be to have a healthy, successful company that is a leader in customer service and that has a loyal customer following. Objectives might be annual sales targets and some specific measures of customer satisfaction.

c. Business Philosophy: What is important to you in business? To whom will you market your products? Legalities of the business form (i.e proprietorship, partnership; corporation) the licenses or permits you will need; Business type (merchandizing, manufacturing or service); what your product or service is? Is it a new independent business, a takeover, an expansion, a franchise? When your business will be open (days, hours)?

d. Location: The location of your business can play a decisive role in its success or failure. Your location should be built around your customers, it should be accessible and it should provide a sense of security. Probably you do not have a precise location picked out yet. This is the time to think about what you want and need in a location. Many startups run successfully from home for a while. Here, analyze your location criteria as they will affect your customers.

Consider these questions when addressing this section of your business plan Is your location important to your customers? If yes, how?

If customers come to your place of business: Is it convenient? Parking? Interior spaces? Not out of the way? Is it consistent with your image?

Is it what customers want and expect?

Where is the competition located?

Is it better for you to be near them (like car dealers or fast food restaurants) or distant (like convenience food stores)?

It may be a good idea to make a checklist of questions you identify when developing your business plan. Categorize your questions and, as you answer each question, remove it from your list.

3. Definition of the Market

Marketing plays a vital role in successful business ventures. How well you market your business, along with a few other considerations, will ultimately determine your degree of success or failure. The key element of a successful marketing plan is to know your customers -- their likes, dislikes, expectations. By identifying these factors, you can develop a marketing strategy that will allow you to arouse and fulfill their needs.

a. Industry Description. Is it a growth industry? What changes do you foresee in the industry, short term and long term? How will your company be poised to take advantage of them? Describe your most important company strengths and core competencies. What factors will make the company succeed? What do you think your major competitive strengths will be? What background experience, skills, and strengths do you personally bring to this new venture?

b. Competition Analysis

Competition is a way of life. We compete for jobs, promotions, and scholarships to institutes of higher learning, in sports-and in almost every aspect of our lives. Nations compete for the consumer in the global marketplace, as do individual business owners. Advances in technology can send the profit margins of a successful business into a tailspin causing them to plummet overnight or within a few hours. When considering these and other factors, we can conclude that business is a highly competitive, volatile arena. Because of this volatility and competitiveness, it is important to know your competitors.

Use the Competitive Analysis table below to compare your company with your two most important competitors. In the first column are key competitive factors. Since these vary from one industry to another, you may want to customize the list of factors.

In the column labeled Me, state how you honestly think you will stack up in customers minds. Then check whether you think this factor will be very honest here. Better yet, get some disinterested strangers to assess you. This can be a real eye-opener. And remember that you cannot be all things to all people. In fact, strength or a weakness for you. Sometimes it is hard to analyze our own weaknesses. Try to be trying to be causes many business failures because efforts become scattered and diluted. You want an honest assessment of your firm is strong and weak points.

Now analyze each major competitor. In a few words, state how you think they compare. In the final column, estimate the importance of each competitive factor to the customer. 1 = critical; 5 = not very important.

Table 1: Competitive Analysis

Factor	Me	Strength	Weakness	Competitor A	Competitor B	Importance to Customer
Products						
Price						
Quality						
Selection						
Service						
Reliability						
Stability						
Expertise						
Company						
Reputation						
Location						
Appearance						
Sales Method						
Credit Policies						
Advertising						
Image						

Anticipating Problems

Try to see ahead and determine what possible problems may plague you. For example, you may have to deal with costs that exceed your projections. At the same time, you may experience a sharp decline in sales. These two factors occurring simultaneously can portend disaster if you are not ready for them. Also, be cautious when things are too good. The increased profits may only be temporary. A product or service that is in demand this year may not be popular next year. You might think about developing an alternate budget based on possible problems. Awareness of changes in your industry and revision according to those changes will benefit you greatly.

SAMPLE BUSINESS PLAN OLTLINE

This sample of business plan is a generic model suitable for all types of businesses. However, you should modify it to suit your particular circumstances. Before you begin, review the section titled Refining the Plan. It suggests emphasizing certain areas depending upon your type of business (manufacturing, retail, service, etc.). It also has tips for fine tuning your plan to make an effective presentation to investors or bankers. If this is why you're creating your plan, pay particular attention to your writing style. You will be judged by the quality and appearance of your work as well as by your ideas.

Sample (A) of a Business Plan Outline

1. Name of Firm

State the business's legal name

State owner(s) name, as well as the form and percent of ownership

3. Information on the Business

A. Type of Business and Product or Service

- State the general and specific nature of the business, (i.e., restaurant, catering, fanning, ice cream production; beer parlor, day care, and craft - etc). State the type of business (manufacturing, service, construction, wholesale, retail, other). State the company's goals and objectives
- Describe your product and/or services. Briefly state who buys the product/service and who the final users are (you will discuss your customers very thoroughly under Market Analysis).
- Describe how the product/service is sold to customers (walk-in stores, sales, representatives, mail order catalogs, telephone orders, etc.).
- Describe how and where buyers get the product/service (walk-in stores, mail delivery, etc.).
- Comment on the quality of the product/service
- Estimate average price of product/service.

B. History

If new, say so. If existing, discuss age of business, prior owners, how acquired and length of time operated by you, image or reputation; number of employees, last year's sales volume and profit and any significant events that have affected the company's development.

c. Office/Plant

- Give addresses and description of area and building.
- State whether rented, leased or owned. If rented or leased, state from whom and under what conditions. State size (square footage).

- Describe type of access to building (major roads, freeways, walking, parking, etc.).
- Is the location a good one that is convenient to customers?
- State business hours.

D. Personnel

- For the present and future, state number of employees, type of labor (skilled and unskilled, etc.), sources of labor (especially minorities, handicapped veterans or other socially or economically disadvantaged grouped), timing of hiring (or layoffs).
- Comment on the quality of the staff.

E. Economic/Accounting

- Describe how this business makes money.
- State how prices are or will be determined and by whom.

f. Inventory, Supplies, Suppliers, and Equipment

- Describe what inventory, raw materials and/or supplies the business uses (initial and continuing).
- List your suppliers: name, address, type and percent of supplies furnished and length of time you have been buying from each, reliability and frequency of purchase.
- How easy or difficult is it to get necessary supplies? If it is difficult, how will you deal with potential or actual shortages?

Are the prices of your supplies steady or fluctuating? If fluctuating, how do you deal with changing costs?

List the equipment used by the business and comment on its condition. If the equipment has been appraised, include values and state who did the appraisal.

G. Legal

- State form of business (sole proprietorship, partnership, LLC, corporation) and status (already formed or in process of formation).
- State licensing requirements (type and licensing sources) and status (not yet applied, applied and pending, obtained).
- State zoning requirements and status.
- State insurance requirements (type, source) and status.
- Have building codes been complied with?
- State any health code requirements.
- Describe any other laws and regulations that affect the business. Describe lease, if any.
- Trademarks, patents, licenses and copyrights should be checked for legality

H. Future Plans

- What are your plans for the future (maintain, expand, diversify, sell, etc.)?

4. Market Analysis

A. Customers (market)

- What is your market, or, who are your customers (wholesalers, retailers, consumers, government, etc.).

Why does this market need your product/service? (All markets are created on the basis of need). One product/service often satisfies several needs.

How long will this market need your product/service? If your product/service a fad or continuing need; being phased out or created by new technology?

- List the characteristics of your average customers: age, location (market area), average income/sales, sex, life style (family or single), working and other important information. The more you understand about your market, the better you can see to it.
- What do customers like and dislike about your product/service or business?
Estimate how much the total market will spend on this or similar products/services in the next year

B. Environment

- Discuss any environmental factors (economic, legal, social or technological) which affect your market or product/service. Environmental factors are those which have significant effects on your operation, but over which you have no control (i.e., county growth, rising energy costs, prices, etc.).

C. Competition

- Discuss your competition; number of competitors (direct or indirect), type of company (i.e., product or service), location, age, reputation, size (sales or customers), market share.
- Estimate how much of your product/service ALL the competitors will provide in the next year.
- List major competitors (names and addresses). Discuss their product/service, features, age of business, price, location/distribution, reputation/image, market share, size, product/service quality and marketing strategy.

D. Competitive Advantages and Disadvantages

- Discuss how your product/service meets market needs and how you can compare with the competition in terms of product/service features, location, distribution, price, other.
- Compare your estimates of the market's demand and the competition's supply.
- The relationship of supply and demand will affect your marketing and sales strategy.

High demand with low supply usually means less competition and less advertising.

Low demand and high supply indicates a very competitive situation and a need for extensive marketing.

E. Projections

- Give your projections in terms of either the number of customers, items sold, or contracts obtained, etc.

5. Market Strategy A.

Sales Strategy

- Present your marketing strategy. In other words, tell how you will get the edge on your competition and get customers. This is your action plan to get business.

- Your product/service will sell because one or more of the following is attractive: advertising, pricing (high, medium, low), distribution system (limited, widespread, etc.) and promotion.

B. Promoting Strategy

- Describe how you plan to promote your product/service. State how you will promote: advertising, direct mail, personal contacts, sponsoring events or other word of mouth, trade associations, etc.).
- If you plan to advertise what media you will use: radio, television, newspaper, magazines, telephone book yellow pages, Internet, and/or other (billboard, etc.). State why you consider the media you have chosen to be the most effective.
- State the content of your promotion or advertising: what your product/service is, why it is attractive, business location, business hours, business phone number, web site, and other. When you are designing your advertising, remember you are selling to satisfy someone's needs. Refer back to your Market Analysis on need.

6. Management

- Why have you chosen this type of business?
- For key management personnel (e.g., the owners), include the following: resumes, personal financial statements, tax returns for the last three years and personal family budget.
- Describe prior experience that qualifies management to run this type of business.
- State why you can run this business.
- State how much time management will devote to running this business. Discuss local contacts that may assist you in your business.

7. Financial

A. Source and Uses

- Describe the project to be financed.
- State where the money to pay for the project will come from (sources) and show in detail how it will be used (uses). The most common uses are equipment, leasehold improvements, inventory and working capital.

B. Statement

- If business is an existing one, include business tax returns and financial statements for the last three years. Financial statements should include:
 - Balance Sheet
 - Income Statement
 - Accounts Receivable and Aging + Accounts Payable and Aging
 - Debt Schedule
 - Reconciliation of Net Worth.
 -
- For both existing and new businesses, project the following financial statements for the next three years (monthly for the 1st year, quarterly for 2nd and 3rd years).
- Operating (or Income) Statement with explanation (sales, expenses, profit):

- Balance Sheet
- Reconciliation of Net Worth
- Cash Flow with Explanation
- Break-even Analysis.

Sample (B) of a Business Plan Outline

ABC NIGERIA LIMITED
872 Main Market Street Lagos, Nigeria

Okafor Mohamed Abayomi, President 724
Oroki Street Surulere, Lagos State.

Adedeji; Chinaza Aisha, Vice President No, 88
Gariki Avenue Abuja

Aminu Chukwudi Oluyemi, Secretary 423
Allen Avenue Lagos Nigeria

Nnamdi Hassan Temitope, Treasurer 21 Kano
Street Onitsha, Anambra state

Plan prepared September 2017 by Company Officers

Executive Summary

The statement of purpose is also called the executive summary. If your lender were to read only this information, he or she would know the name and nature of your business, its legal structure, the amount and purpose of your loan request and your plan for repayment. Use the key word approach mentioned earlier. Be concise and clear. The executive summary is contained on one page. Although it is positioned after the cover sheet, it is most effectively written after the plan has been completed. At that time, all the information and financial data needed are available.

If you are writing your plan for a lender, be specific about the use of funds. Support the amount requested with information such as purchase orders, estimates from suppliers, rate sheets and marketing results. Include this information in the supporting documents section. Address the question of loan repayment. You want to show the lender your company's ability to meet payments of interest as well as principal. Some investors like to see two ways out, i.e., two different sources of repayment. When you have answered the key word questions, you are ready to present that information in one or two concise paragraphs. A sample statement of purpose follows.

Mission Statement

ABC Nigeria Limited is a private limited liability company established in 2017. ABC Nig Ltd is a tool and equipment company that manufactures specialized parts for the aerospace industry and is located at 872 Main Market Street Lagos, Nigeria. The company is seeking growth capital in the amount of N500,000 for the purpose of purchasing new and more modern equipment and for training existing personnel in the use of that new equipment.

Funding is needed in time for the equipment to be delivered and in place by 11 January 2018.

There is a two-month period between order placement and delivery date.

The modernized equipment will result in a 35 percent increase in production and a 25 percent decrease in the unit cost. Repayment of the loan and interest can begin promptly within 30 days

of receipt and can be further secured by real estate, which is owned by the company and which has a 2017 assessed valuation of N 185,000.

The Business

The first major section of your plan covers the details of your business. Begin this section with a one-page summary addressing the key elements of your business. The following text will expand on each area presented in the summary. Use the key word system to help you write concisely. Address all of the topics as they relate to your business in an order that seems logical to you. Include information about your industry in general, and your business in particular. Be prepared to back up statements and justify projections with data in the supporting documents section.

Legal Structure

State the reasons for your choice of legal structure. If you are a sole proprietor, you may include a copy of your business license. If you have formed a partnership, include a copy of your partnership agreement in the supporting documents section. Your agreement should include provisions for partners to exit and for the dissolution of the company. It must spell out the distribution of the profits and the financial responsibility for any losses. Explain the reasoning behind the terms of the agreement. If you have formed a corporation, explain why this legal form was chosen and how the company will operate within the corporate structure, and include a copy of the charter and articles In the supporting document section.

Description of the Business

This is the section of the plan in which you go into greater detail about your business. Answer the key word questions regarding the business's history and present status, and your future projections for research and development. Outline your current business assets and report your inventory in terms of size, value, rate of turnover and marketability. Include industry trends. Stress the uniqueness of your product or service and state how you can benefit the customer. Project a sense of what you expect to accomplish three to five years into the future.

Products or Services

Give a detailed description of your product from raw materials to finished item. What raw materials are used, how much do they cost, who are your suppliers, where are they located and why did you choose them? Include cost breakdowns and rate sheets to back up your statements. Although you may order from one main supplier, include information on alternate suppliers. Address how you could handle a sudden increase of orders or a loss of a major supplier.

You may hear a lender refer to the worst case scenario. This means that the lender wants you to be able to anticipate and solve potential problems. It is also to your advantage to think in terms of alternatives and to prepare for the unexpected so that your business can continue to run smoothly. Some businesses fail because they become too successful *too* soon. Therefore, it is also good to plan for the best case scenario. If you are inundated with orders, your business plan should contain information needed to hire staff and contact additional suppliers.

If you are providing a service, tell what your service is, why you are able to provide it, how it is

provided, who will be doing the work and where the service will be performed. Tell why your business is unique and what you have that is special to offer to your customers. If you have both a product and a service that work together to benefit your customer (such as warranty service for the products you sell) be sure to mention this in your plan. Again the key words come into use. List future services you plan to add to your business. Also, anticipate any potential problem areas and work out a plan for action.

You should state any proprietary rights, such as copyrights, patents or trademarks, in this section.

Location

If location is important to your marketing plan, you may focus on it in the marketing section. For example, if you are opening retail shop, your choice of location will be determined by your target market. If you are a manufacturer and ship by common carrier, your location is not directly tied to your target market so you can discuss location in the business section. You may begin this topic with a sentence such as "ABC ABC Nig Ltd is housed in 25,000 square feet of warehouse space located at 872 Main Market Street Lagos, Nigeria. This site was chosen because of accessibility to shipping facilities, good security provisions, low square footage costs and proximity to sources of supplies. "

Now expand on each reason for choosing that location and back up your statements with a physical description of the site and a copy of the lease agreement. Give background information on your site choice and list other possible locations. You may want to include copies of pictures, layouts or drawings of the location in the supporting document section.

Use the worksheet on as a guideline for writing a location (site) analysis. Cover only those topics that are relevant to your business.

Location Analysis Worksheet

1. Address:
2. Name of realtor/contact person:
3. Square footage/cost:
4. History of location:
5. Location in relation to target market:
6. Traffic patterns for customers:
7. Traffic patterns for suppliers:
8. Availability of parking: (include diagram)
9. Crime rate for area:
10. Quality of public services (e.g. police, fire protection)
11. Notes on walking tour of area:
12. Neighboring shops and local business climate:
13. Zoning regulations:
14. Adequacy of utilities (get information from utility company representatives):
15. Availability of raw materials/supplies:
16. Availability of labor force;
17. Labor rate of pay for the area:
18. Housing availability for employees:
19. Tax rates (state, county, income, payroll, special assessments):

20. Evaluation of site in relation to competition:

Management

This section describes who is behind the business. If you are a sole proprietor, tell about your abilities and include your resume. Be honest about areas in which you will need help and state how you will get that help. Will you take a marketing seminar, work with an accountant or seek the advice of someone in advertising?

If you have formed a partnership, explain why the partners were chosen, what they bring to the company and how their abilities complement each other's. Experience, background and qualifications will be covered in their resumes in the supporting documents section.

If your business is incorporated, give detailed information on the corporate structure and officers. Include a resume for each officer and describe each one by answering the following questions: Who are they? What are their skills? Why were they chosen? What will they bring to the organization?

Personnel

Who will be doing the work? Why are they qualified? How will they be hired? What is their wage? What will they be doing? Outline the duties and job descriptions for all personnel. Explain any employee benefits. If you are inundated with orders for your product or items to be serviced, do you have a plan for increasing personnel?

Methods of Record Keeping

Tell what accounting system will be used and why the system was chosen. What portion of your record keeping will be done internally? Who will be responsible for keeping those records? Will you be using an outside accountant to maximize your profits? If so, who within your company will be skilled at reading and analyzing financial statements provided by the accountant? It is important not only to show that your accounting will be taken care of, but that you will have some means of using your financial statements to implement changes to make your company more profitable. After reading this section, the lender should have confidence in your company's ability to keep and interpret a complete set of financial records.

Insurance

Insurance is an important consideration for every business. Product liability is a major consideration, especially in certain industries. Service businesses are concerned with personal liability, insuring customers' goods while on the premises or during the transporting of those goods. If a vehicle is used for business purposes, your insurance must reflect that use. If you own your business location, you will need property insurance. Some types of businesses require bonding. Partners may want life insurance naming each other as the beneficiary. Consider the types of coverage appropriate to your business. Tell what coverage you have, why you chose it,

what time period it covers and who the carrier is. Keep your insurance information current.

Security

Address the issue of security as it relates to your business. Anticipate problem areas in your business, identify security measures you will put into practice, tell why you chose them and what you project they will accomplish. Discuss this area with your insurance agent. By installing security devices you may be able to lower certain insurance costs along with protecting your business.

Marketing

The second major section of your business plan covers the details of your marketing plan. A good marketing plan is essential to your business development and success. Include information about the total market with emphasis on your target market. You must take the time to identify your customers and find the means to make your product or service available to them. The key here is time. It takes time to research and develop a marketing plan, but it is time well spent. Most of the information you need will be found in your public library and in the publications of the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS) etc. Remember that you need a clear understanding of who will purchase your product, who will make use of your service, why they will choose your company and how they will find out about it.

Begin this section with a one-page summary covering the key elements of your marketing plan. The following text will expand on each area presented in the summary. Back up statements and justify projections with data in the supporting documents section. Again, the key word approach will help you to thoroughly cover each area. The topics may be covered in any order that seems logical to you.

Target Market

The target market has been defined as that group of customers with a set of common characteristics that distinguish them from other customers. You want to identify that set of common characteristics that will make those customers yours. Tell how you did your market research. What were your resources and your results? What are the demographics of your target market? Where do your customers live, work and shop? Do they shop where they live or where they work? If you are in the business of video cassette recorder (VCR) repair, how many VCRs are owned within a certain radius of your shop? Would in-home service be cost-effective and a benefit to your customers? State how you feel you can serve this market in terms of your resources, strengths and weaknesses. Focus on reasonable, believable and obtainable projections regarding the size of your potential market.

Competition

Direct competition is a business offering the same product or service to the same market. Indirect competition is a company with the same product or service but with a different target market. Evaluate both types of competitors. You want to determine the competitors' images. To what part of the market are they trying to appeal? Can you appeal to the same market in a better way? Or can you find an untapped market?

Use the worksheet to compile, organize and evaluate information on your competition. Your analysis of this information will help you plan your market entry. What is the competition's current market share (what percent of the total customer base is theirs)? Can you tap into this share or will you need to carve out your own market niche?

Competitor Profile Worksheet

Competitors Item	1	2	3
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1. Name of Competitor(s):
2. Location:
3. Products or services offered:
4. Methods of distribution (wholesale, retail, marketing reps, personal selling, and corporate sales):
5. Image Packaging:

Promotional materials:

Methods of advertising:

Positioning (customers' perception of quality of product or service):

6. Pricing structure:
7. Performance (past and present):
8. Market share (by number, type and location of customers):
9. Strengths (The strengths of the competition become your strengths):
10. Weaknesses (Looking at the weaknesses of the competition can help you find ways of being unique and of benefiting the customer.):

Methods of Distribution

Distribution is the manner in which products are physically transported to the consumer or the way services are made available to the customer. Distribution is closely related to your target market.

Establish the purchasing patterns of your customers. If you are selling a product, do your customers purchase by direct mail, buy through catalogues or make in-store purchases? Will you sell directly or through a manufacturer's representative? If you are shipping the product, who will absorb the shipping costs and what carrier will be used? Use the key words to answer questions regarding your distribution plan. Back up your decisions with statistical reports, rate sheets from shippers, contracts with manufacturer's representatives or any other supporting documents. If you are involved in a service business, will you provide in-shop service? Will you make service calls, and, if so, how will mileage costs be handled? What is your planned response time to fill your customers' needs?

List the pros and cons of the various methods of distribution and give reasons for your choices. Keep in mind the worst case scenarios mentioned above. Present alternatives. For example, if your major supplier, were to go on strike, how would you distribute your products? If your mobile service van were to break down, do you have a vehicle which could be used as backup? Provide for a smooth business flow.

Advertising

Advertising presents the message to your customer that your product or service is good and desirable. Tailor your advertising to your target market. Your marketing research will have spelled out which television and radio stations and which publications are of interest to your target market. Those are the ones you will use. Analyze your competitors' advertising in these publications. Be ready to back up your decisions. Include copies of your promotional materials, such as brochures, direct mail advertisements and flyers. Tell the lender where you will put your advertising money, why you chose those methods, how your message will reach your target market, when your advertising campaign will begin, how much your plan will cost and what format your advertising will take.

Pricing

Your pricing structure is critical to the success of your business and is determined through market research and analysis of financial considerations. Basic marketing strategy is to price within the range between the price ceiling and the price floor. The price ceiling is determined by the market; it is the highest cost a consumer will pay for a product or service and is based on perceived value. What is the competition charging? What is the quality of the product or service you are offering? What is the nature of the demand and what is the image you are projecting? The price floor is the lowest amount at which you can offer a product or service, meet all your costs and still make your desired profit. Consider all costs of raw materials, office overhead, shipping, vehicle expense, taxes, loan and interest payments and owner draws are a few. The profitable business operates between the price ceiling and the price floor. The difference allows for discounts, bad debt and returns. Be specific about how you arrived at your pricing structure and leave room for some flexibility.

Positioning - predetermining the perceived value in the eyes of the consumer can be accomplished through promotional activities. To be successful, you must decide what your product or service offers that your competitor's does not and promote it as the unique benefit. Very few items on the market have universal appeal your product or service cannot be all things to all people. However, if you position your product or service properly, prospective purchasers or users will immediately recognize its benefits to them.

Product Design

Packaging and product design can play a major role in the success of your business. It's what first catches the customer's eye. Consider the tastes of your target market in the ultimate design of your product and your package design. Decide what will be most appealing in terms of size. Shape color, material and wording. Packaging attracts a great deal of public attention. Be advised of the Fair Packaging and Labeling regulations, which established mandatory labeling requirements. The NAFDAC and SON have strict procedures for the labeling of items falling within its jurisdiction.

Use key words to answer questions regarding your product design and packaging. Include sketches or photographs. Also include information on any proprietary rights, such as copyrights, trademarks or patents.

Timing of Market Entry

The timing of your entry into the marketplace is critical and takes careful planning and research. Having your products and services available at the right time and the right place depends more

on understanding consumer readiness than on your organizational schedule. The manner in which a new product is received by the consumer can be affected by the season, the weather and holidays. Early January and September are the best times to mail flyers and catalogs, as consumers seem to be more receptive to mail order purchasing in those months. The major gift shows are held in the summer months (June, July, and August) and again in January and February. Most wholesale buying takes place at these shows. November and December are not good months for introducing new service businesses unless they relate in some way to the holiday season. Spring is a better time to introduce a service. Trade journals and trade associations in your field can provide the information you need on the timing patterns of your industry. Tell the lender when you plan to enter the market and how you arrived at your decision.

Location

If your choice of location is related to your target market, cover it in this section of your business plan. List the reasons for your choice. What is the character of the neighborhood? Does the site project your business image? Where is the competition in the area? What is the traffic pattern? What are the terms of the lease? What services, if any, does the landlord provide? What is the occupancy history of your location? Did any companies in the area go out of business within the past few months? If so, try to find out if it was related to location. Is the area in which you plan to locate supported by a strong economic base? What alternate sites were considered? These are some of the questions to be considered. Refer to Location in the business section for additional information.

Industry Trends

Be alert for changes in your industry. New technology may bring new products into the market place that will generate new service businesses. Read trade journals and industry reports in your field. Project how your market may change and what you plan to do to keep up.

Financial Documents

You are now ready to develop the third area of your plan. Financial records are used to show past, current and projected finances. In this section we will cover the major documents you will want to include in your business plan. They will consist of both pro forma (projected) and actual financial statements. Your work will be easier if these are done in the order presented.

- Summary of Financial
- Needs Application of Loan Funds
- Cash Flow Statement (Budget) Three-year Projection Break-even Analysis
- Actual Performance Statements:
 - Balance Sheet
 - Income (Profit and Loss) Statement
 - Loan Application/Financial History.

Summary of Financial Needs

If you are applying for a loan, your lenders and investors will analyze the needs of your business. They will distinguish among the three types of capital to be used as follows:

Working capital -- Used to meet fluctuating needs that are to be repaid through cash during the business's next full operating cycle, generally one year.

Growth capital-- Used to meet needs that are to be repaid with profits over a period of a few years. If you seek growth capital, you will be expected to show how the capital will be used to increase your profits enough to be able to repay the loan within several years (usually not more than seven).

Equity capital -- Used to meet permanent needs. If you seek equity capital, it must be raised from investors who will take the risk in return for some combination of dividend returns, capital gains or a specific share of the business.

Keeping the above in mind, you must now prepare a summary of financial needs. This document is an outline telling why you are applying for a loan and how much you need.

Summary of Financial Needs

- I. ABC Nig Ltd is seeking a loan to increase its growth capital in the following areas of production:
 - A. Equipment (new and more modem)
 - B. Training of personnel in operation of above.

- II. Funds needed to accomplish above goal will be N50,000.
 - A. See "Use of Funds" for distribution of funds and backup statement.

Uses of Funds Statement

The potential lender will require a statement of how the money you intend to borrow will be used. It will be necessary for you to tell how you intend to disperse the loan funds. Back up your statement with supporting data.

You must be sure that your supporting data can be easily found by the loan officer who is examining your application. If you do not have your information well organized and retrievable, your application may be refused for the simple reason that the material cannot be found. It will be necessary to have a well written table of contents.

USES OF FUNDS

1. Dispersal of Loan Funds

ABC Nig Ltd will use anticipated loan funds in the amount of N50,000 to modernize its production equipment. This will necessitate the purchase of two new pieces of equipment and the training of present personnel in the operation of this equipment.

2. Backup Statement

a. The equipment needed is as follows:

- (1) High-speed F-34 Atlas Press (purchase price -- N32,900)
- (2) S71 Jaworski Ebber (purchase price -- N2,800)

b. The training is available from the manufacturer as a three-week intensive program (cost: 10 employees @ N1 ,200 = S 12,000).

c. The remaining N2,300 will be used for the first monthly installment on loan repayment -- a period of low production due to employee training.

d. The equipment will result in a 35 percent increase in production, a 25 percent decrease in unit cost, and a net profit increase sufficient to repay the loan and interest within three years with a profit margin of 15 percent.

When writing your business plan be sure that your production plan includes a description of the equipment, how the work will be done, by whom and at what cost.

The market research will show projected needs for your product, and thus show how increased production will results in increased sales and ultimately in the capability to enable you to repay the loan.

Cash Flow Statement (Budget)

Cash flow statements are the documents that project what your business plan means in terms of dollars. They show cash inflow and outflow over a period of time and are used for internal planning. If you have been in business for some time, worksheets can be put together from the actual figures of income and expenses of previous years combined with projected changes for the next period. If you are starting a new business, you will have to project your financial needs and disbursements. Your profit at the end of the year will depend on the proper balance between cash inflow and outflow. The cash flow statement identifies

When cash is expected to be received?
How much cash will be received?
When cash must be spent to pay bills and debts?
How much cash will be needed to pay expenses?

It also allows the manager to identify the source of necessary cash, i.e., will it come from sales and services rendered or must it be borrowed? Be sure that your projections take into account receivables and how long it will take your customer to pay. The cash flow statement deals only with actual cash transactions and not with depreciation and amortization of goodwill or other noncash expense items.

A cash flow statement can be prepared for any period of time. It is recommended that you match the fiscal year of your business. It should be prepared on a monthly basis for the next year and revised not less than quarterly to reflect actual performance in the preceding three months of operations.

In preparing your cash flow statement, it might be useful to compile several individual budgets. They could be as follows:

1. Cost of sales budget.
2. Fixed expenses budget.
3. Variable expenses budget.

Two worksheets can be used in developing a cash flow statement:

Sources of cash worksheet -- Contains all the financing sources for the business.
Cash to be paid out worksheet -- Identifies how much cash is expected to be spent to pay expenses and obligations.

Note: Projections in the two worksheets must be made for the same time period (monthly, quarterly or annually).

Once you have completed the two worksheets, you are ready to transfer the information into your cash flow statement. You will need to think your way through each month, projecting what amount from each category of the worksheets will be appropriate to what month. For example, if your total sales amount to 5100,000, you will have to project the individual amounts that will probably occur in each month.

Sources of Cash Worksheet

(Cash Flowing Into Your Business)

Cash on Hand _____

Sales- Revenues

Sales _____

Service Income

Deposits on sales or services _____

Collections on accounts receivable _____

Miscellaneous income
Interest income _____
Sale of long-term assets _____

Liabilities
Loans (banks, finance companies, MFB, etc) _____

Equity
Owner investments (sole proprietor or partnership) _____
Contributed capital (corporation) _____
Venture capital _____

Total Cash Available

Cash to Be Paid Out Worksheet

(Cash Flowing Out of Your Business)

Start-up costs
Business license (annual expense) _____
Stamp duty filing fee (one time cost) _____
Other start-up costs _____

Inventory purchases
Cash out for items for resale or services _____
Variable expenses (controllable)
Advertising _____
Freight _____
Packaging costs _____
Pans and supplies _____
Sales salaries _____
Misc. direct expenses _____

Total direct expenses _____

Fixed expenses (overhead)

Insurance

Licenses & permits

Office salaries

Utilities _____

Misc. indirect expenses _____

Total indirect expenses _____

Assets (long-term purchases)

Cash to be paid in current period _____
Owner equity
Cash to be withdrawn by owner _____

Total cash to be paid out _____

Completing Your Cash Flow Statement

The vertical columns of a cash flow statement represent the twelve months, preceded by a total column. Horizontal rows on the statement contain figures for the sources of cash and cash to be paid out copied from the two previous worksheets and from individual budgets.

The figures are projected for each month, reflecting the flow of cash in and out of your business for a one-year period. Begin with the first month of the business cycle and proceed as follows:

1. Project the beginning cash balance. Enter under the first month of the business cycle.
2. Project the cash receipts for the first month.
3. Add beginning cash balance and cash receipts to determine total cash available.
4. Project the direct, indirect and interest expenses for the first month.
5. Project monies due on taxes, long-term assets and loan repayments. Also project any amounts to be drawn by owners.
6. Total all expenses and draws. This is total cash paid out.
7. Subtract total cash paid out from total cash available. Enter the result under cash balance/deficiency. If the result is negative, be sure to bracket this figure.
8. Project loans to be received and equity deposits to be made. Add to cash balance/deficiency to get ending cash balance.
9. Carry forward the ending cash balance for January as February's beginning cash balance.
10. Repeat the process through the last month of the business cycle.

To complete the total column, proceed as follows:

1. Enter the beginning cash balance for the first month in the first space of the total column.
2. Add the monthly figures for each category horizontally and enter the result in the corresponding total category.
3. Compute the total column in the same manner as each of the individual months. If you have been accurate in your computations, the December ending cash balance will be exactly the same as the total ending cash balance.

Note: If your business is new, you will have to base your projections solely on market research and industry trends. If you have an established business, you will also use your financial statements from the previous tax years.

A quarterly budget analysis should be used as a record to compare your cash flow statement (or budget) with your business's actual performance. Its purpose is to let you know whether or not you are operating within your projections and to help you maintain control of all phases of your business operations. If your analysis shows that you have gone over budget in some areas you

will have to compensate by adjusting your cash flow statement with future cuts in those or other areas. If properly used, a cash flow statement can prove to be an invaluable tool to help you reach your financial goals.

Your cash flow statement can be compiled on a month-by-month basis and then 'compared with actual monthly performance. Prepared in this manner, your statement can provide an annual projection for your next fiscal year.

Three-year Income Projection

The three-year income projection is a pro forma income statement (profit and loss statement for more information, see Income Statement). The difference is that the three-year projection only includes income and deductible expenses while the cash flow statement includes all sources of cash and cash to be paid out.

There are various opinions as to what period of time should be covered in estimating income and expenses, i.e., whether it should be on an annual or monthly basis. If this income projection is for the purpose of obtaining a loan, talk to the lender about his or her specific requirements. If the projections are for your own use, a three-year projection is suggested with annual rather than monthly projections.

Sources of Information

Information for a three-year income projection can be found in your cash flow statement, sales forecast and individual budgets, and your business and marketing analyses if you are new in business. Again, if you are an established business, you will also be able to use past financial statements to help determine future projections for your business. Be sure to take into account fluctuations anticipated in costs, efficiency of operation, changes in the market and any other factors. Increases and decreases in income and expenses are only realistic. These changes should be reflected in any projections. Remember, too, that industry trends can cause decreases in both income and expenses. An example of this might be the computer industry, where competition has increased greatly and standardization of components has caused a decrease in both the cost and the sales price of certain items.

Break-Even Analysis (BEA)

The break-even point is the point at which a company's expenses exactly match its sales or service volume. It is the point at which the business will neither make a profit nor incur a loss. The break-even point can be calculated in either mathematical or graph form. It can be expressed in total dollars or revenue exactly offset by total expenses or in total units of production (cost of which equals exactly the income derived by sales).

To apply a break-even analysis to a business operation, two types of expenses must first be projected: fixed costs and variable costs. Fixed costs do not vary with sales or output. Variable costs vary in direct proportion to the output. The greater the volume of sales, the higher the cost. For purposes of the break-even analysis, make sure to include cost of sales in your variable costs figure.

Sources of Information for a Break-even Analysis

All of your figures can be derived from your three-year projection. In fact, by now you should be able to see that each financial document in your business plan builds on the ones done previously. It should be a simple matter to retrieve the figures to plug into the following formula.

Mathematically

An example of calculating the break-even point using a mathematical formula is shown below.

Formula:

B-E point sales (at break-even point) = fixed costs ÷ [1 - variable costs expressed as % of total sales]

Terms used:

B-E point sales = volume of sales at break-even point

Fixed costs = fixed expenses, depreciation, interest

Variable costs = cost of sales and variable expenses

Sales revenues = income from sales of goods/services over a specified period

Values used: B-E point sales (S) =?

Fixed costs = 525,000

Variable costs = N45,000

Sales revenues = N90,000

Composition:

$$S \text{ (at break-even point)} = \frac{N25,000}{1 - (545,000/90,000)}$$

$$S = \frac{525,000}{(1 - 0.50)}$$

$$S = \frac{N25,000}{(.50)}$$

$$.50S = 525,000$$

S = N50,000 (break-even point in terms of revenue exactly offset by total expenses)

Graphically

A firm's sales at break-even point can be plotted as in the following break-even analysis graph.

Using the same figures as in the above formula, draw three lines in the graph: horizontal line at point representing Fixed costs (25); total expenses (TC = FC + VC) line from left end of fixed cost line sloping upward to point where total (fixed plus variable) costs on vertical scale (7) meet total sales revenues on the horizontal scale (9); total revenues (sales) line from zero through a

point describing total revenues (sales) on both scales (9).

The point on the graph where the total expenses line intersects the total sales revenues line is the break-even point. This business estimates that it will break even when sales volume reaches N50,000. The triangular area below that point represents company losses. The triangular area above and to the right of the point represents potential profit.

Actual Performance Statements

Actual performance statements are those financial statements reflecting the activity of your business in the past. If you are a new business owner, you have no business history. Your financial section will end with the projected statements and a personal financial history. If you are an established business, you will include the following actual performance statements:

- Balance sheet
- Profit and loss (income) statement
- Business financial history or loan application

Balance Sheet

The balance sheet is a financial statement, usually prepared at the close of an accounting period that shows the financial position of the business as of a fixed date. It is a picture of your firm's financial condition at a particular moment. By regularly preparing this statement, you will be able to identify and analyze trends in the financial strength of your business and thus implement timely modifications.

Categories

All balance sheets must contain three categories -- assets, liabilities and net worth -- that have been established by a system known as generally accepted accounting principles. The three are related in that at any given time a business's assets equal the total contributions by its creditors and owners.

Assets = Anything your business owns that has monetary value.

Liabilities = Debts owed by the business to any of its creditors.

Net worth (capital) = An amount equal to the owner's equity.

The relationship between these terms is simply illustrated in the following accounting formula:

Assets = Liabilities + Net Worth

Examined as such, it becomes apparent that if a business possesses more assets than it owes to creditors, its net worth will be a positive value. Conversely, if a business owes more money to creditors than it possesses in assets, the net worth will be a negative value.

Format

The balance sheet also must follow an accepted format. By so doing, anyone reading the balance sheet can readily interpret it.

All assets are divided under three headings:

Current assets -- Assets that can be converted into cash within one year of the date on the balance sheet.

Long-term investments -- Stocks, bonds and special savings accounts to be kept for at least one year.

Fixed assets -- The resources a business owns and does not intend for resale (land, buildings, equipment, automobiles, etc.).

Liabilities are divided into Current and Long-term Liabilities:

Current liabilities -- Those obligations payable within one operating cycle.

Long-term liabilities -- Outstanding balance less current portion due (e.g., mortgage, vehicle).

Net worth is documented according to the legal structure of the business:

Proprietorship or Partnership -- Each owner's original investment plus earnings after withdrawals.

Corporation -- The sum of contributions by owners or stockholders plus earnings retained after paying dividends.

Company Name

As of _____, 19 _____

Assets	Liabilities
Current assets	Current Liabilities
Cash _____	Accounts
Payable _____	
Petty Cash _____	Notes Payable _____
Accounts Receivable _____	Interest Payable _____
Inventory _____	Taxes Payable _____
Fed. Income tax _____	
Short-term Investments _____	State income tax _____
	Self-employment _____
Sales tax (SBE) _____	Property tax _____
Prepaid expenses _____	Payroll accrual _____
Long-term investments _____	Long-term liabilities _____
Fixed assets	Notes payable _____
Land _____	Total liabilities _____
Buildings _____	
Improvements _____	
Equipment _____	Net worth (Owner equity)
Furniture _____	Proprietorship or Partnership
Automobiles/vehicles _____	(name's) equity _____
(Name's) equity _____	
Other assets _____	Corporation
Capital stock _____	
1. _____	Surplus paid in _____
2. _____	Retained earnings _____
3. _____	

Total net worth _____

Total liabilities Total assets _____ and net worth _____

(Total assets will always equal total liabilities and total net worth)

Income Statement

The income (profit and loss) statement shows your business financial activity over a period of time, usually your tax year. In contrast to the balance sheet, which shows a picture of your business at a given moment, this statement can be likened to a moving picture, which shows what has happened in your business over a period of time. The income statement is an excellent tool for assessing your business. You will be able to pick out weaknesses in your operation and plan ways to run your business more effectively and thereby increase your profits. For example, you may find that some heavy advertising you did in March did not effectively increase your sales. In following years, you may decide to use your advertising funds more effectively by using them at a time of increased customer spending. Along the same vein, you might examine your income statement to see what months have the heaviest sales volume and plan your inventory accordingly. Comparison of the income statements from several years will give you an even better picture of the trends in your business. Do not underestimate the value of this particular tool when planning your tactics.

Development

The income statement shows where your money has come from and where it was spent over a specific period of time. It should be prepared not only at the end of the fiscal year, but at the close of each business month. It is one of the two principal financial statements prepared from the ledgers and records of a business. All profit and loss statements contain income and expense account balances. The remaining asset, liability and capital information provides the figures for the balance sheet.

At the end of each month, the accounts in the general ledger are balanced and closed. Balances from the revenue accounts and the expense accounts must be transferred to your profit and loss statement.

Format

A profit and loss statement must also follow an accepted format and contain the following categories:

Income Net sales (gross sales returns and allowances). Cost of goods sold (see IRS Form 1040, Schedule C for computation). Gross profit (net sales cost of goods sold).

Expenses Selling expenses (direct, controllable, variable). Administrative expenses (indirect, fixed, office overhead).

Total expenses

Income from operations (gross profit total expenses) Other income (interest income)

Other expenses (interest expense)

Net profit (loss) before income taxes Income taxes (federal, state, self-employment) Net profit (loss) after income taxes

Two sample income statements are shown for your use. The first is divided into 12 months. Fill it in monthly after balancing your ledgers. At the end of the year, this form will provide an accurate picture of your financial activity. The second form can be used for your monthly and annual profit and loss statements.

INCOME STATEMENT (Also known as Profit and Loss Statement)

For the year _____

INCOME

- 1. Net Sales -----
- 2. Cost of Sales -----
- 3. Gross profit (1 minus 2) -----

EXPENSES

- 1. Variable exp. (controllable)
 - a. Advertising -----
 - b. Freight -----
 - c. Packaging costs -----
 - d. Parts &supplies -----
 - e. Sales salaries -----
 - f. Misc. direct expenses -----
 - g. Legal fees -----
- 2. Fixed expenses (overhead)
 - a. Insurance
 - b. Licenses &permits
 - c. Office salaries
 - d. Rent
 - e. Utilities
 - f. Misc. indirect expenses

Income from Operations (Gross Sales Minus Expenses)

Other Incomes (Interest) _____

Other Expenses (Interest) _____

Income before Taxes
Income Taxes
Net Income

INCOME STATEMENT

For the period beginning _____ and ending _____

Income

1. Net Sales (Gross>Returns @ Allowance) _____
2. Cost of Sales
 - a. Inventory (J an. 1) _____
 - b. Purchases _____
 - c. Cost of goods available for sale [(a)+(b)] _____
 - d. Deduct inventory (Dec.31) _____
3. Gross profit on sales _____

Expenses

1. Variable expenses (control-label) (selling)
 - a. Advertising _____
 - b. Freight _____
 - c. Packaging costs _____
 - d. Parts &supplies _____
 - e. Sales salaries _____
 - f. Misc. direct expenses _____
2. Fixed expenses (overhead) (administrative)
 - a. Insurance _____
 - b. Licenses &permits _____
 - c. Office salaries _____
 - d. Rent expense _____
 - e. Utilities _____
 - f. Misc. indirect expenses _____

Total expenses

Income from operations (gross profit less expenses) _____
Other income _____

1. Interest income _____
Other expenses _____

1. Interest expenses _____

Net profit (loss) before taxes _____
Income taxes _____
Net profit (loss) after income taxes _____

Business Financial History

The financial history is the last of the financial statements required in your business plan. It is a summary of financial information about your company from its start to the present.

If you are a new business, you will have only projections for your business. If you are applying for a loan, the lender will require a personal balance sheet. This will be of benefit in that it will show the lender the manner in which you have conducted your personal business and be an indication as to the probability of succeeding in your new business.

If you are using your business plan to apply for a loan, your business financial history and the loan application are the same. This document should be completed last, but placed first in the financial section of your plan. When you indicate that you are interested in obtaining a business loan, the institution considering the loan will supply you with an application. The format may vary slightly. When you receive your loan application, be sure to review it and think about how you are going to answer each item. Answer all questions and, by all means, be certain that your information is accurate and that it can be verified if the need should arise.

Information Needed and Sources

As you complete your business financial history or loan application, it should become immediately evident why this is the last financial document to be completed. All of the information needed will have been compiled in earlier parts of your plan and in the completed financials. To help you with your financial history, the following is a list of information usually included and the source you will refer to for that information:

Assets, liabilities and net worth -- You should be able to recognize these three as balance sheet terms. Go back to your balance sheet and bring these figures forward.

Contingent liabilities -- These are debts you may come to owe in the future (e.g., default on cosigned note or settlement of a pending lawsuit).

Inventory details -- Information about inventory is derived from your inventory record. Also, the business section should have a summary of your current policies and methods of evaluation.

Income statement -- This is revenue and expense information. Depending on the period of time to be covered, you will transfer the information from your most recent annual profit and loss statement or from a compilation of several if required by the lender.

Real estate holdings, stocks and bonds -- Refer back to the business portion of your plan. You

may also have to go through your investment records for more comprehensive information.

Sole proprietorship, partnership or corporation information -- There are generally three separate schedules on the financial history one for each form of legal structure. You will be required to fill out the one that is appropriate to yours. In the business section, you will have covered two areas that will serve as the source of this information -- legal structure and management. Your supporting documents may also contain some of the information that you will need.

Audit information -- Refer back to your business section under record keeping. You may also be asked questions about other prospective lenders, whether you are seeking credit, who audits your books and when they were last audited.

Insurance coverage -- You will be asked to provide detailed information on the amounts of different types of coverage (i.e., merchandise, equipment, public liability, earthquake, automobile, etc.). Your business section contains coverage information that can be brought forth to the financial history.

Summary

The financial documents covered in this section will probably be sufficient for both your own use and that of potential lenders. Some lenders may not require all documents and other lenders may require additional documents. The important thing to note in compiling any financial statements is that the information must be correct and that you must have records to support your figures.

Remember, you can use the information in your business plan not only to aid you in dealing with a lender, but also to assist you on an on-going basis. If you have done your homework, the financial documents you have prepared will be invaluable to you in the assessment of your operation and may very well be the determining factor in whether or not you succeed in your business.

SUPPORTING DOCUMENTS

Now that you have completed the main body of your business plan, you will need to include a separate section for any additional records that should be included to support your plan. Supporting documents are the records that back up the statements and decisions made in the three main parts of your plan. As you are compiling the first three sections, it is a good idea to keep a separate list of the supporting documents that you mention or that come to mind. For instance, discussion of your business location might indicate a need for demographic studies, location maps, area studies, leases, etc. If you are considering applying for a loan to purchase equipment, your supporting documents might be existing equipment purchase agreements or lease contracts. By listing these items as you think of them, you will have a fairly complete list of all of your supporting documents by the time you reach this part of your task. You will be ready to sort them into a logical sequence and add any new ones that come to mind.

SEMINAR PAPER OUTLINE

Leaners (Students) are expected to cover the following areas:**YOUR BUSINESS IDEA**
The following questions are designed to assist you in the development of your business idea, your vision for the future of the business and to detail the expertise that you bring to your new business venture start up funding.

1. BUSINESS FEASIBILITY STUDY TEMPLATE

Name: -----

Address: -----

Phone: ----- **Mobile:** -----

Proposed business: -----

- What are your reasons for wanting to start your own small business?
- What are your objectives for your business over the next twelve months? -
- What are your objectives for your business over the following two years?
- List all the products and/or services that you plan to provide at the commencement of the business
- List all the products and/or services that you plan to provide in the future.
- Who will operate the business?
- Who else will be employed by the business immediately?
- Who else will be employed by the business in the future?

2. FINANCES *CAPITAL REQUIREMENTS*

This section that will help you to calculate the amount of money you need to get your business underway. It also looks at your ability to gain finances and whom you will approach if finance is necessary.

List all the equipment that you will need for the business, e.g.: Plant and equipment fittings, tools, office furniture, and computer equipment.

Already Own	Approximate value
-------------	-------------------

3. *START UP EXPENSES*

- What are your Start Up Expenses?
- Complete the checklist of Business start up expenses.
- What finance do you need to raise now? and how do you intend to raise the Finance?

- Personal Income
- Bank Loan
- Cooperative Society
- Family
- Friends
- Government & NGO grants
- Others

4. POTENTIAL INCOME/TURNOVER

Pricing Explain how you calculated the cost of producing your product/service

Turnover Expected turnover in the 1st year - how did you calculate this?

5. WHAT EXPENSES WILL YOU INCUR OVER THE FIRST 12 MONTHS OF OPERATION

Complete the checklists of projected business expenses for the first 12 months of operation of your business.

What are your current monthly financial commitments?

Prepare your questions before you approach people. To find out about your target market you must be prepared to ask "hard questions" or exploratory questions that will give you a sound understanding of your target market, how they think and what will appeal **to** them. To ensure that the information gathered is relevant, select people who have detailed knowledge and experience in the industry sector you propose to enter. Ask targeted questions, designed to provide realistic feedback on your business idea. Accordingly questions should be framed to draw information on the positives and negatives of the industry sector you propose entering.

In the space below, write down the questions you will ask to identify your market segment e.g.

1. Why would you choose this product/service?
2. How would you describe most people who buy this product/service?
3. Where would you look to find this product/service?
4. What would you expect to pay for this product/service?
5. How often would you buy this product?
6. If you would like more information about this product, contact...

Summarize the information collected during this consultation.

Profile your prospective customer or "market segment" (i.e.:- where do they live? how much do they earn? how old are they? are they men? women? etc.)

6. SALES & DISTRIBUTION

Why will your prospective clients use your product or service?

How will you sell your product or service? (e.g.: from home, production point, door to door, wholesale, retail, mail order etc.).

Will you sell your product to the wholesale or retail market?

Who will the wholesaler sell to?

Will you sell locally, regionally, statewide, nationally or internationally?

How will you deliver your product to the point of sale?

Report your findings.

Who is your competition?

Do they do well?

What can you do better/differently? How does your business address unsatisfied market need?

Do you intend to buy, lease, hire purchase or rent the equipment for your business?

7. STOCK

When considering which supplier you will obtain your stock from, you need to first find out the reliability of that supplier, the credit terms they provide, the type and quality of the stock they

distribute, the consistency of supply, what follow up support and technical advice they provide.

What stock will you purchase on a regular basis?

What essential licences/permits do you need to operate your business?

Proposed Premises - Home based or Commercial Premises Location

Ownership Structure - Sole trader/ Partnership/Company

What Small Business experience do you have?

List the skills you need to operate this business. -----

What skills do you have now that will allow you to produce your proposed product or provide your service?

What skills do you need to gain to further develop your product or provide your service?

8. Competitive Analysis

**9. Sample (A) of a Business Plan Outline OR
Sample (B) of a Business Plan Outline**

10. Location Analysis Worksheet

11. Competitor Profile Worksheet

12. Cash Flow Statement

13. Three-year Income Projection

14. Balance Sheet

15. INCOME STATEMENT (Also known as Profit and Loss Statement)

16. INCOME STATEMENT

17. Conclusion and Recommendations.

18. References.

OTHER AREAS FROM WHICH STUDENTS CAN SOURCE OR SEARCH FOR TOPICS

These are the areas in which student can generate their presentation topic from:

1. Business feasibility study.
2. Bankable business proposals.
3. Entrepreneurship business finance identification and use of Micro-Credit Institution.
4. Pricing principles and competitive business analysis.
5. Demand analysis.
6. Entrepreneurship management problems and financing
7. Risk identification and risk management in Entrepreneurship
8. Fund from Local and State Government, Indigenous and Family
9. Feasibility Study, Business Plan and the Entrepreneur
10. Planning and Budgeting in Entrepreneurship
11. Financing New Ventures and Small and Medium Scale Enterprises

PREPARATION AND PRESENTATION OF A SEMINAR PAPER

The seminar presentation will normally take place at the end of the second semester examination or any other convenient time as agreed by the Study Centre Director with Department. Each student will present a report of his/her research case study project work in the presence of facilitators and at least a resident academic staff in the centre. Each student is allowed a presentation time of 10 minutes and a question and answer time of 30 minutes maximum. It is assumed that questions posed should test the students' understanding of the research aim and his/her ability to independently conduct the research. Each student must be able to relate the research questions to the objectives and analytical methods.

It is recommended that the presentation shall be done in Microsoft Power Point where the facility exists. The printout of the slides presentation should be submitted at least a day to the defence. Learners (Students) are expected to arrange for all materials needed (generators, projectors, screen and laptop).

REFERENCES

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- LAWAL, K.A.A (2012) Seminar Guide for COP 415
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- RMIT 2003 15; V5 March 2005 YOUR BUSINESS IDEA



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AMADU BELLO WAY, VICTORIA ISLAND, LAGOS
DEPARTMENT OF ENTREPRENEURIAL STUDIES
FACULTY OF MANAGEMENT SCIENCES

ASSESSMENT SHEET ENS 210

PROGRAMME: B.Sc. ENTREPRENEURSHIP

COURSE CODE: ENS210

COURSE TITLE: START UP FUNDING SEMINAR SCORE SHEET CREDIT: 02

NAME OF CENTER:.....

MATRIC NO:.....

S/N	Seminar presentation	Max Score (%)	Facilitator Score (%)	Head/Coordinator, Hq Score (%)	Remark
I	Content mastery: • Relevance and Comprehensiveness • Correctness	10			
II	Comportment of the presenter	5			
III	• Confidence • Demonstration of boldness to address the audience	10			
IV	• Response to questions • Ease attending to audience's questions and observation	10			
VI	Dressing-Simplicity and neatness	5			
VII	Literature review • Relevancy of cited works • Comprehensiveness of the review • Extensive of the sources – textual, interact, journals, government and company financial report etc.	15			
VIII	Summary, conclusion and recommendation:	10			
IX	Referencing: • Materials – correctly cited using the APA format, Comprehensive cited	10			
X	Others: • Typing/Neatness/consistency of character • Overall impression	5			
XI	Applicability: • Relevance of the topic to the course • Applicability of findings	10			
	Grand total 100%				

Internal Examiner Name/Signature.....

External Examiner Name/Signature.....