

**ANITA PHARMACY**

INTEGRITY MULTI-CONCEPT ASSOCIATES LIMITED



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An Anita Retail company

Durumi District, Abuja

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**EXECUTIVE SUMMARY**

Abuja has experienced significant economic growth over the past decade. This growth has spurred the establishment of numerous small-scale pharmacies and supermarkets across the city. These businesses cater to the diverse needs of the local population, offering a wide range of products and services.

The small-scale pharmacy sector in Abuja plays a crucial role in providing accessible healthcare services to the community. These pharmacies typically stock a variety of prescription and over-the-counter medications, personal care products, and health supplements. They serve as convenient alternatives to larger healthcare facilities, offering personalized customer service and localized expertise. However, these businesses face challenges such as limited storage space, regulatory compliance, and competition from larger pharmacy chains.

Small-scale pharmacies in Abuja are influenced by evolving consumer trends. Increased health awareness has driven the demand for organic, natural, and locally sourced products, leading businesses to adapt their product offerings accordingly. Additionally, there is a growing interest in e-commerce and online ordering, prompting these businesses to explore digital platforms and establish an online presence to cater to a wider customer base.

To remain competitive and sustain growth, small-scale pharmacies in Abuja need to address key areas. They should invest in technology to streamline operations, enhance inventory management, and improve customer experience. Collaboration with local suppliers and manufacturers can help secure a steady supply of high-quality products while supporting the local economy. Embracing digital marketing strategies, such as social media promotion and targeted advertising can also help this business reach a broader customer base.

In conclusion, the small-scale pharmacies in Abuja are essential contributors to the local economy, providing convenient access to healthcare products. By adapting to changing consumer trends, leveraging technology, and fostering strategic partnerships, these businesses can thrive in the dynamic market landscape of Abuja.

In light of the above context and with the objective of capitalizing on the extensive prospects within the e-commerce industry, the establishment of Anita is underway in full compliance with the relevant legislations of the Federal Republic of Nigeria.

Anita Pharmacy is an esteemed retail establishment, planned to be strategically located within the Abuja metropolis. Once operational, the outlet aims to provide round-the-clock service, operating 24 hours a day, seven days a week.

Based on an initial Capital Expenditure [CAPEX] of NGN 23 million, an annual operation, maintenance and management of NGN 2.5 million, the venture would generate revenues of NGN 12 million in Year-1. The venture would generate a Net Present Value [NPV] of NGN 7.4 million [EBIT], an IRR of 30% [EBIT], Equity [NPV] of 518,303 and Equity-IRR of 16% over the 5-Years analysis period based on a 100% equity capital structure with the cost of equity priced at 15%, thus a Weighted Average Cost of Capital [WACC] of 15%.

The above financial summary demonstrates the venture is able to generate competitive return on investment enough to cover its cost of capital, meet obligations and pursue opportunities with the underlying objective of driving inclusive economic growth, shared prosperity and job creation.

**INTRODUCTION**

The objective of this business plan is to provide a working document that outlines the technical, economic and financial feasibility, viability and bankability of the proposed venture. The document seeks to address the underlying market fundamentals and demonstrate the gap that currently exists for the establishment of a quality retail pharmacy based on the feedback received from the population in Abuja. The document further provides a plan to address some of the unanswered questions about the outlet i.e. Anita Pharmacy’s management and ownership structure as well as direction setting for the implementation and routine operation of the venture.

The company's objective is to establish a healthcare outlet that will deliver a new and unique experience to the Abuja population. Our goals include but not limited to:

* + 1. Acquire and retain a 20% market share to our existing market share in Year-1 through extensive traditional and social media channel engagement with our prospective new client base;
    2. Improve gross margins within the initial five years of operation by leveraging and improving on our experience in healthcare and retail business through aggressive marketing and delivery of uniquely tailored services to our clients; and
    3. An increase in our market share by a minimum of 10% each follow post commercial operation date by robust and resilient customer acquisition and retention strategy underpinned by loyalty rewards, brand ambassadors and corporate social responsibility activities.

Anita Pharmacy’s fundamental objective is to realize how we impact the community that we do business in, knowing that we will stand the test of time where the host community approve and support the venture.

**CRITICAL SUCCESS FACTORS**

The project is well defined, and we expect to raise the bar in the small-scale healthcare and retail industry in Abuja. Anita Pharmacy’s goal is to take advantage of existing policies that promote startups and provide unique services in a manner consistent with our mission. This plan calls for three significant strategies enumerated in the following with appropriate action plans:

**Strategy 1:** We will develop a comprehensive marketing program for Anita Pharmacy;

**Strategy 2:** We will develop a plan to build a conducive outlet as well as a user-friendly online interface to ensure optimum customer experience; and

**Strategy 3:** We will continue to monitor market and local conditions to determine if the development, marketing, and management of the outlet are appropriate or need adjusting in line with prevailing economic conditions and consumer behaviour modelling.

These strategies and related action plans as outlined are made based on the following guiding principles:

1. Always ensure smooth flow among components required for service delivery;
2. Ensure service delivery standard and decisions made are in line with the mission of Anita Pharmacy; and
3. Consistent with Principles 1 & 2 above, identify and minimize negative cash flows from the operation of the venture.

A successful marketing strategy depends upon achieving balance between traditional marketing strategies and selling Anita Pharmacy unique advantages; and ensuring the entire operating processes are being carried out in a sustainable manner.

**Review of Project Location**

The **Federal Capital Territory** is the area that hosts Abuja. It was carved out in 1976 from parts of Nasarawa, Niger, and Kogi States in the central part of Nigeria. A Minister appointed by the President who heads the Federal Capital Territory Administration governs the Federal Capital Territory.

The FCTA was created on 31st December 2004 and before the creation of FCTA, the Ministry of the Federal Capital Territory [MFCT] governed the territory. The Federal Capital Territory Administration has seven administrative structures called Secretariats.  An Executive Secretary heads each secretariat. The Executive Secretaries report to the Permanent Secretary. The Secretariats are Agriculture and Rural Development, Education, Transport, Social Development, Health and Human Services, Legal Services and Area Council Secretariats.

The FCT is divided into six [6] administrative units known as Area Councils, which are administered by Elected Chairmen. These Area Councils are equivalents of Local Government Areas in other States of Nigeria and includes: Abuja Municipal Area Council; Abaji Area Council; Gwagwalada Area Council; Kuje Area Council; Kwali Area Council; and Bwari Area Council.

Abuja city is located in the central part of Nigeria North of the confluence of the Niger and Benue Rivers. The city is part of the Federal Capital Territory whose land area of about **8,000 km2** makes it almost two and a half times the size of Lagos State, the former capital territory of Nigeria. The geography of the area is defined by two renowned rock formations: Zuma Rock from whose base the FCT begins and the Aso Rock that is located to the East of the City. Abuja lies at Latitude 9.07N and Longitude 7.48E, and at an elevation of 840 m [2,760 ft.] above Sea level.

This elevation and tropical location gives Abuja a mild weather that contrasts sharply with the humid weather of Lagos, which is located on the shores of the Atlantic Ocean at 35 m [11 ft.] above Sea level. Abuja area has two distinct seasons: the rainy season that lasts from April to October with rainfall ranging from 305 to 762 mm [12–30 inch] and temperatures raising up to 40 degrees Celsius in May; and the dry season that lasts from November through March with dry winds lowering the temperature to as low as 12 degrees Celsius.

Because of its abundant rainfall, rich soil and the location within the Guinea-Savannah vegetation zone, the region is agriculturally productive, with maize and tubers as the dominant crops. Abuja’s location at the geographical centre of Nigeria and its strategic position at the intersection of two highways linking the Northern and Southern parts of the country make it more accessible than Lagos. The design of Abuja, similar to other modernist cities, is clearly based on the garden city concept of low-density development and landscaping as the master plan dedicated a whopping thirty two percent [32%] of land area to open space and parks.

Specifically, the land use allocation is as follows: 33.2% for residential; 21.9% for commercial and services; 25% for open spaces; 19.9% for roads; and 7% for parks [**Source:** International Planning Associates 1979]. The master plan of Abuja does not encourage neighborliness and high level of interaction with another disadvantage of such low-density development being the high cost of infrastructure provision, especially for a city relying heavily on Federal budgetary allocations. The Master Plan provided an organized pattern of land use and development guidelines for 500 hectares of Government activity, 891 hectares of Service, 12,486 hectares of Residential Land, 920 hectares of Light Industry, 1,840 hectares of Transport Infrastructure, 561 hectares of Commercial, and 8,300 hectares of Open and Recreational land. It stipulates a maximum population of three million [3,000,000] people after 25 years of development after which population growth would be accommodated in satellite towns.

The City of Abuja also known as the Federal Capital City, was planned to cover a total land area of 254.98 square kilometres out of the 8,000 square kilometres of the Federal Capital Territory. It is located on the Gwagwa plains in North Eastern part of the FCT and generally above elevation 366 meters below the escarpment surrounding the outer arc of the site. It is designed in a crescent shaped with Aso hill as a major focal point. It is bounded to the North by Bwari Aso range of hills, which gives it a natural boundary with beautiful landscape.

Abuja, the most rapidly growing city in Africa, is not just a modern capital city of Nigeria. It is a city that is being contested by the elites who desire to realize their modernist vision of an orderly and beautiful city and the poor who struggle to stitch together a living largely in the informal sector. Abuja is also the destination of innumerable unemployed people who migrate to the city in search of perceived employment opportunities and of those who see the city as much safer than other parts of the country. It is within this context, coupled with limited resources, that the city administration is struggling to cope with the increasing challenges of providing housing, basic public services and an efficient transportation system. The key issue is whether the Government’s partnership with the private sector in the development of Abuja in the last decade can meet these challenges.

The FCC has been developed in Phases 1 to 4. Each phase has a number of Districts with a mixture of residential, commercial, educational and recreational land uses. The neighborhood concept is adopted as the smallest unit of development within a District. Each neighborhood is designed for a population of 5,000 people with common facilities such as a nursery and primary school, a shopping center, a park, and other services. Collections of four or five neighborhood make up a District.

Each District has a District center where services such as district postal service, district fire service, secondary school, shopping malls, hotels, police department and many others can be found. The growth modules in the form of development sectors, each a mini-city of 100,000 to 250,000, focused on internal secondary employment centers and sub-divided into residential districts. The residential districts are planned for between 40,000 to 60,000 people.

**Project Location**

Anita Pharmacy & Supermarket will be in the upscale Wuse II area of Abuja on a 70sqm shop space within an accessible plaza. Infrastructure in this area, with respect to access roads and streetlights, is at its best state and the location is 10 minutes away from the Central Business District; security is guaranteed. Other notable landmarks in this neighborhood include; Grand Pella Hotel, American International School, among others.

**Services**

A team of qualified consultants sourced locally will develop Anita Pharmacy & Supermarket. The necessary goods and services would be made available to ensure the outlet successfully caters to the relevant needs of its environment. All other things being equal, fittings and stocking of inventory should be complete within six months of commencement.

The proposed outlet will consist of the following;

* + - A robustly stocked pharmacy
    - A robustly stocked supermarket
    - Ample Parking Space

With the full development, operation and management of the outlet, significant patronage is most certainly guaranteed.

**Service Description**

Anita Pharmacy would provide primary healthcare services in a unique manner that ensures maximum satisfaction to customers. The outlet would be stocked with everyday drugs and health equipment.

**Sponsorship, Management and Technical Assistance**

Anita Pharmacy is promoted by a successful pharmacist and retail entrepreneur – Ms. Anita …………..

**Ms. Anita ……………:**

**BOARD AND MANAGEMENT**

The management of the company will be responsible for more functions than traditional management. Management would ensure the venture complies with applicable health and safety standards and industry regulations. Our company philosophy is based on mutual respect for all contributions made by our participating or limited partners, investors, consultants, and employees without regard to the position held in the company. It is proposed that a prospective equity investor would have a Director on the Board of the company.

Employees of Anita Pharmacy will trust our conducive work environment that promotes continuous professional development and commensurate remuneration and on the target reward schemes.

Details on Corporate Governance and Management team are contained in the Corporate Governance Manual available upon request.

**Growth Drivers**

The small-scale pharmacy industry in Abuja, Nigeria, has experienced significant growth in recent years. Several key drivers have contributed to this expansion, enabling businesses in this sector to flourish.

1. Population Growth: Abuja, as the capital city of Nigeria, has witnessed a rapid increase in population. The rising number of residents creates a higher demand for essential goods, including pharmaceutical products thereby fueling the growth of small-scale pharmacies.
2. Urbanization and Residential Developments: Abuja has undergone extensive urbanization and residential developments, leading to the establishment of new neighborhoods and housing estates. These developments create opportunities for small-scale pharmacies to cater to the needs of the growing residential population.
3. Increasing Disposable Income: Economic growth and rising disposable incomes among the residents of Abuja have resulted in increased consumer spending. This shift allows individuals to afford a wider range of products and services, including pharmaceuticals and grocery items, thereby driving the growth of small-scale pharmacies.
4. Improved Healthcare Awareness: There has been a significant improvement in healthcare awareness among the population in Abuja. As individuals become more conscious of their health and well-being, the demand for pharmaceutical products and healthcare-related items rises. Small-scale pharmacies are well-positioned to meet this growing demand.
5. Convenience and Accessibility: Small-scale pharmacies offer convenience and accessibility to consumers. They are often situated within residential areas, making it easier for people to access essential goods without traveling long distances. This convenience factor has contributed to the growth of these businesses.
6. Government Policies and Support: Government policies aimed at promoting entrepreneurship and small business development have played a crucial role in the growth of the small-scale pharmacy industry in Abuja. Initiatives such as funding support, simplified licensing procedures, and business incentives have encouraged the establishment and expansion of these businesses.

In summary, population growth, urbanization, increasing disposable income, improved healthcare awareness, convenience, and government support have been the major drivers of growth in the small-scale pharmacy industry in Abuja. These factors collectively contribute to the thriving business environment for entrepreneurs in this sector.

**INDUSTRY OUTLOOK AND CONSUMER BEHAVIOR**

The outlook for the small-scale pharmacy business in Abuja is positive, driven by several factors shaping consumer behavior.

**Industry Outlook:**

1. Market Expansion: The market for small-scale pharmacies in Abuja is expected to continue expanding due to population growth, urbanization, and increasing disposable income. As the city develops and more residential areas emerge, the demand for convenient access to essential goods will persist, providing opportunities for business growth.
2. Competition and Innovation: The industry is likely to witness increased competition as more businesses enter the market. To stay ahead, small-scale pharmacies will need to focus on innovation, offering unique products, value-added services, and personalized experiences to attract and retain customers.
3. E-commerce Integration: The integration of e-commerce platforms and online ordering systems is becoming increasingly important in the industry. Consumers are seeking convenience and flexibility in their shopping experiences, and businesses that adapt to these digital trends are likely to gain a competitive advantage.

**Consumer Behavior:**

1. Health Consciousness: Consumers in Abuja are becoming more health-conscious, seeking out pharmacies that offer a wide range of wellness products, organic options, and specialized healthcare services. Businesses that prioritize health-related offerings and provide accurate information on product ingredients and benefits are likely to attract a growing customer base.
2. Convenience and Accessibility: Consumers value convenience and accessibility, favoring small-scale pharmacies located in close proximity to residential areas. They are likely to choose businesses that offer extended operating hours, home delivery services, and easy parking facilities to save time and effort.
3. Quality and Trust: Consumers in Abuja place high importance on product quality and trustworthiness. They are more likely to patronize pharmacies that stock genuine products from reputable brands, maintain proper storage conditions, and adhere to safety and hygiene standards.
4. Price Sensitivity and Value: While consumers seek quality, they are also price-conscious. Small-scale pharmacies that offer competitive pricing, discounts, promotions, and loyalty programs are likely to attract price-sensitive customers. Additionally, consumers are increasingly seeking value for their money, looking for comprehensive product ranges, personalized recommendations, and excellent customer service.
5. Digital Engagement: Consumers in Abuja are becoming more digitally engaged, relying on online research, social media platforms, and customer reviews to make informed purchasing decisions. Small-scale pharmacies that have a strong online presence, responsive customer support, and engage with customers through digital channels are likely to appeal to tech-savvy consumers.

In summary, the small-scale pharmacy business in Abuja has a positive industry outlook driven by market expansion, competition, and the integration of e-commerce. Consumer behavior is characterized by health consciousness, a focus on convenience and accessibility, emphasis on quality and trust, price sensitivity, and increasing digital engagement. Businesses that understand and adapt to these consumer preferences are well-positioned to thrive in Abuja's market.

## **Anita Pharmacy**

## Anita Pharmacy, being a newly developed pharmacy and supermarket outlet founded with the aim of providing primary healthcare and retail services, seeks to cater to the needs of the ever-growing consumers in the sector. The outlet comprises of a pharmacy. The outlet would be open 24hours every day of the week.

## **Competitive Comparison**

## The competition comes in several forms with the most significant competition being well-established large-scale pharmacies in the Abuja metropolis with enormous resources to engage, acquire and retain customers. Outlets such as H-Medics, Health Plus and Barkangizo etc., would serve as major competitors as they provide a variety of close substitutes;

## Another form of competition would be a new retail outlet seeking entrant into the Abuja market. On this scale, Anita Pharmacy would be faced with competition on a broader scale as two issues would need to be tackled; firstly, validating their brand quality to undecided consumers and then targeting consumers loyal to existing brands.

## **MARKETING AND SALES**

## The marketing and promotion tools and strategy for Anita Pharmacy would be underpinned by the following:

1. **Web** **Based Engagement**

Within the last 20 years, there was a worldwide shift from traditional marketing material i.e. print-based media towards marketing materials and information that can be accessed electronically.

The Internet is now the primary source for site selection information. The addition of city directory that highlights different healthcare and retail outlets, their cost estimates and services is a valuable asset, particularly if it provides all relevant information that potential clients might be seeking such as: a location map of the outlet in proximity to the surrounding area. The map needs to identify highways and roads. In addition, the map needs to be functional where the user can have a 3-D view of the outfit and its surrounding area.

There will also need to be tabs on the main site, which takes users directly to the outlet’s inventory – where they can make purchase.

1. **Prospectus**

The purpose of a prospectus is to provide interested parties seeking information with a quick way to download relevant information in one document. A prospectus is a standard document that prospective clients can easily review.

The prospectus would contain Anita Pharmacy promotional information that highlights key messages; service features and other relevant information as well as community profile.

1. **Signage**

There are two forms of signage that would be used to reach target audience market i.e. temporary and permanent signage. The purpose of temporary signage is to make drivers aware of the outlet and provide contact information and a website address. The purpose of permanent signage is to identify the outlet’s location in its neighborhood. This signage will include the name and logo of the outlet and/or other design feature. It is commonly placed at the outlet’s entrance and sometimes referred to as gateway signage.

1. **Public Relations**

The public relations would entail the following:

1. Press/News Releases – share information with media regarding product features, events, promotions and discounts;
2. Networking – establishes and expands contacts in key areas;
3. E-Newsletter – Stay in touch with direct communication to different networks.

Press releases and promotional materials included on the website and in a prospectus are much more effective if they include a few professional quality photos. A good photo can move a story to the “top of the fold” on the front page. The business will begin with a general corporate brochure establishing it’s positioning. The development of a brochure and customer engagement, acquisition and retention has been included in the annual operating cost of the business.

**Branding** is a key factor in making in-roads into the higher echelons of the healthcare and retail industry. Anita Pharmacy strategy is to lift its image, through advertising in publications, actively participating in industry trade groups, and marketing a target group of clients within its environs.

The community engagement will provide a means of indirect employment for residents and indigenes by attracting more businesses in the form of informal.

**SWOT Analysis**

A strengths, weaknesses, opportunities, and threats [SWOT] analysis provides valuable input for management leadership. These are economic development challenges that need to be overcome, opportunities ready for capture, and threats to be avoided. SWOT analysis is an important part of the foundation upon which the hotel’s economic development strategy is built.

|  |  |
| --- | --- |
| **Strengths**  * + - * Location & Access       * Infrastructure       * Experience in Industry       * Relatively inexpensive labor       * Land Availability       * Business Climate | **Threats**  * + - * Existing Alternatives: The presence of a number of retail outlets from upscale to mid-level are the primary threat to this outfit;       * New Entrants: The lack of restrictions in this industry gives room for free entry and exit.       * Unstable Economy: A fluctuating economy would result in fierce competition among retail outlets for limited resources. |
| **Opportunities**  * + - * Growing market with a significant percentage of our target market still underserved.       * Strategic alliances offering sources for referrals and joint marketing activities to extend our reach. | **Weaknesses**  * + - * New entrant into the industry       * Competing with other established outlets |

## **Competitive Edge**

Clearly, our competitive edge is the customer service experience and approach that our management team will bring to the outlet underpinned by a robust customer feedback on how to improve quality of the product and service. The high standards set by our outlet will make it extremely difficult for competitors to offer alternatives. Other competitive advantage of Anita would be based on the following:

**Pricing:** An important part of how we market to our customers will be the pricing of our products and other services. Customers would be offered discounts and promotional prices during the first four months of operation;

**Promotion Strategy:** The brochure, described earlier in this business plan, plays a pivotal role in getting the word out concerning Anita Pharmacy. Brochures will be made available in different businesses that are not direct competitors across Abuja. The company will be engaging in an aggressive marketing program that will include social media, mailers, phone solicitation, and other platforms to generate awareness, and value proposition;

**Marketing Programs:** A promoted ad across social media with room for direct interaction are all valuable for keeping community informed about the outlet.

## 

## **Marketing Strategy**

Communications and public relations involve a long-term process of building contacts and sharing professional information, cultivating media exposure in news articles and features. The following documents and activities are identified in the Marketing and Public Relations Tools and Tactics sections: Website, Prospectus, Signage, Public Relations, Networking, and High-Quality Photography. The investment-marketing plan for Anita Pharmacy will focus on many of the city’s benefits and advantages. To convey the right message to prospects, key messaging for advertising and content generation has been defined based on input from stakeholders and the Outlet’s Development Plan.

There are opportunities to expand this list of key messages, for example, to include different categories of services based on customer loyalty. The target market for Anita Pharmacy is the Abuja healthcare and consumable retail market. With the growing young population of Abuja, labor is readily available and affordable. Anita Pharmacy takes employee welfare seriously as has been shown over the years and would not engage in any activities that might be regarded as employee exploitation.

**INVESTMENT RATIONALE, REQUIREMENT AND PROJECTED RETURNS**

The project sponsors aim to develop a pharmacy in a 70sqm shop in the Durumi District of Abuja to cater for the growing upwardly mobile clientele in Abuja with enough disposable income to afford healthcare products and household consumables.

The Durumi District where the outlet will be located is a vast residential neighborhood with several businesses – making it suitable for the establishment of a retail outlet.

Project development activities commenced in 2.Q 2023 with identification of the business opportunity and relevant feasibility studies. Extensive stakeholder engagement has been carried with prospective clientele to gauge appetite and get feedback on what the market requires at the moment as well as engagement with vendors and service providers to ensure deadlines are met, cost are controlled and success is delivered. Similarly, a Memorandum of Understanding [MOU] would be initialed with leading retailers and distributors prior to the Commercial Operation Date of the venture.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Indicative Development Cost** | | | |
| S/N | **Description** | **Unit** | **Unit Cost [NGN]** | **Total Cost [NGN]** |
| 1 | Rent and Service Charge | 1 | 7,000,000 | 7,000,000 |
| 2 | Pharmacy Inventory | 1 | 10,000,000 | 10,000,000 |
| 3 | Fixtures and Fittings | 1 | 2,200,000 | 2,200,000 |
| 4 | Stationery and Branding | 1 | 650,000 | 650,000 |
| 5 | Permit and Licensing (CAC, AMAC) | 1 | 350,000 | 350,000 |
| 6 | Equipment | 1 | 850,000 | 850,000 |
| 7 | Research and Development | 1 | 180,000 | 180,000 |
| 8 | Contingency | 10.0% | 2,020,000 | 2,020,000 |
|  | **Total Transaction Cost [NGN]** | | | 23,250,000 |

Table 1: Capital Expenditure and Investment Requirement

For the purpose of appraising the project, the following assumptions will apply:

a. Total estimated cost of the entire project is NGN 23 million;

b. It is intended that project will be financed based on a 100% equity investment;

c. The project will operate as an integrated network i.e. revenues from any part of the segment will be consolidated in one pot, from which liabilities will be serviced;

d. The project is intended to operate commercially, with revenues coming in the form of commercially determined product prices;



Table 2: Basic Assumption and Parameters



Table 3: Financial Viability Evaluation



Table 4: Income and Expenditure Summary



Table 5: Profit and Loss Statement



Table 6: Cashflow Statement

Key project documentation and contracts would include:

1. **Inventory Supply Agreement:** This agreement is to be entered into between private corporate firms for the long-term supply of adequate healthcare products based on long-term contracts that would enable the venture lock-in future prices thus protection against rising costs and price volatility;
2. **Securitization Agreement:** This agreement is designed to set out the key terms pursuant to which beneficiary investors would be granted the right to the Project Company to access an agreed portion of revenue to fund financing obligations of developing the pharmacy.

**RELEVANT LEGISLATION, GOVERNMENT SUPPORT AND INCENTIVES**

**1. LIBERALISATION OF OWNERSHIP STRUCTURE**

The government in repealing the Nigerian Enterprises Promotion Act of 1972 [Amended in 1977 and in 1989] and promulgating the Nigerian Investment Promotion Commission Act of 1995 has liberalised the ownerships structure of business in Nigeria. The implication of this is that foreigners can now own 100% shares in any company as opposed to the earlier arrangement of 60%-40% in favour of Nigerians.

**2. REPATRIATION OF PROFIT**

Under the provisions of the Foreign Exchange [Monitoring & Miscellaneous Provision Act No. 17 of 1995], foreign investors are free to repatriate their profits and dividends net of taxes through an authorised dealer in freely convertible currency.

**3. GUARANTEES AGAINST EXPROPRIATION**

The Nigerian Investment Promotion Commission Act guarantees that no enterprise shall be nationalised or expropriated by any government in Nigeria.

**4. PIONEER INDUSTRY STATUS**

The grant of Pioneer Status to an industry is aimed at enabling the industry concerned to make a reasonable level of profit within its formative years. The profit so made is expected to be ploughed back into the business. Pioneer status is a tax holiday granted to qualified or [eligible] industries anywhere in the Federation and seven-year tax holiday in respect of industries located in economically disadvantaged local government area of the Federation.

**5. COMPANY INCOME TAX**

The Companies Income Tax Act has been amended in order to encourage potential and existing investors and entrepreneurs. The current rate in all sectors, except for petroleum, is 30 percent.

**6. RE-INVESTMENT ALLOWANCE**

This incentive is granted to companies engaged in manufacturing which incur qualifying capital expenditure for the purposes of approved expansion, etc. the incentive is in the form of a generalized allowance of capital expenditure incurred by companies for Expansion of production capacity; Modernization of production facilities; and Diversification into related products.

**RECOMMENDATION AND CONCLUSION**

This report examines the opportunities and challenges in setting up a pharmacy and supermarket in Wuse District of Abuja, Nigeria’s capital city to bridge the gap between demand and supply for healthcare and consumables.

The report has demonstrated the technical, economic and financial feasibility, viability and bankability of setting up the venture in the capital city of Abuja commencing with an initial capital outlay of NGN 23 million, an annual operating cost of NGN 2.5 million and revenue of NGN 12.5 million in Year-1 thus a simple payback period of over 2 Years and discounted payback period of 3 Years.

Extensive stakeholder’s engagement activities that consist of a mix of social media engagement, face-to-face interviews and interactions, and telephone conversations should be embarked upon prior to launch to ensure broad public acceptance and patronage.