Effie’s Mixed Farms: Poultry Farm Business Plan

**2.0 Company Summary**

Effie’s Mixed Farm is a new and upcoming farm started in the outskirts of Nairobi City, in Ruai area. Effie’s poultry farm is a family run business solely managed by Effie Fiona. Effie, sole owner of the farms, has two years’ experience in substinence farming and 9 years as an entrepreneur in other fields. As an entrepreneur, Effie has experience in administration, supply chain management, procurement, production, marketing, human resource management and financial management. Effie’s focus is to meet, satisfy and exceed customer needs for fresh, healthy and reliable poultry and more so, the indigenous/kienyeji chicken. Poultry from Effie’s farms sells the chicken either whole and alive to direct consumers, dressed, plucked and/eviscerated to direct consumers or sold through/ to a middle man or sold to abattoirs. With the farms initially targeting to serve consumers within the Nairobi area, Effie’s farms will serve a 696km2 area that shelters 3.5 million residents with the suburbs excluded and 6.5 million residents with the suburb population included.

The company’s location in Ruai is strategic and favorable ensuring that the farm is easily accessible by both interested consumers, authorities and suppliers but conveniently located in a secluded and serene environment conducive for poultry farming. To avoid paying high costs of rent or leases, while the startup will be set within a small available land, money to purchase more land to cater for future expansions has been accounted for in this report. Effie projects that the business should be able to buy a larger farm within an 18-month period. Poultry prices will meet competitor pricing standards and stay within the industries standard pricing. Therefore, instead of competing on pricing, Effie’s farms aim at competing on their strategic goals of practicing sustainability and creating a brand that builds trustworthy, reliable relationships with customers, suppliers and investors. Additionally, Effie’s farm works to ensure they provide equivalent or higher value for customer’s money in a bid to develop and maintain reliable relationships as a competitive strategy.

By establishing and maintaining high levels of customer satisfaction and loyalty, Effie’s farms will be able to sustain future development and organizational growth. The farm will rely both on company personal, organizational and reputable third-party transportation services to deliver supplies and poultry. With the most efficient means of delivery employed each time, the farms will optimize their spending and save on logistics costs. In the instances where suppliers or even buyers can use their own vehicles to deliver or pick up their goods at the farm, this option will also be prioritized. In the future however, the business intents on purchasing delivery vehicles and hiring drivers for delivery.

**2.1 Start-up Summary**

After spending several months searching for a convenient location, the owners decided to lease a commercial space in a densely populated area of Local Bay. The start-up capital will be used for legal expenses, kitchen inventory and equipment, packing and other materials, insurance, rent, promotion and business sign, and inventory on hand at start-up, as shown in the table below.

**Rent.**The commercial property will be leased in August, 2009 for a minimum of five years, with the option to extend the lease for another five years after that.

**Kitchen inventory** will include specific tools and accessories that are typically needed for a pizza production and service facility and includes: • Food preparation: aprons, blender, gloves, storage containers, trays, work tables, mixers, condiment bottles, cleaning supplies and equipment, tableware, pots and pans, glassware, paper, pizza pans, etc. • Pizza tools: parchment paper, oven brush, bobble popper, pizza tray rack, pizza separator, and other specific items. • Utensils: cooking utensils, wheel cutters, cutting guide, rocker knives, etc.

**Kitchen equipment** includes mainly pizza ovens, pizza dough equipment (digital scale, mixer, dough docker, automatic dough press, pizza sheeter, manual pizza press), pizza display merchandiser, refrigerated preparation tables, freezers, cooler package, and holding table with infrared warmers. Fifty thousand dollars worth of equipment (long-term assets) will be expensed over the next five years, using the straight-line depreciation method. A complete list of the equipment to be purchased, including prices and acquisition terms, will be made available for both the investor and the bank's consideration. Our company policy is to purchase only new, state-of-the-art, energy-efficient equipment from reliable suppliers in the food industry.

**Other expensed equipment** consists of neon pizza signs, tables and chairs, coffee makers, coffee filters, tea dispensers, juice dispensers, cleaning equipment, dish machines, etc.

**Inventory on hand** at start-up includes specific ingredients for pizza preparation, flour, spices and pizza condiments, sauces, juices and other soft drinks, coffee, tea, toppings, parmesan cheese, cookie doughs, bread sticks and different dessert items that can be ordered together with the main menu item. It also includes supplies that are used during the packing, sale, and delivery process, and miscellaneous supplies.

**Insurance premium** for business risk coverage is initially established at $1,500 for the first two months, and will be further negotiated with the insurance company.It will be paid by direct debit on a monthly basis.

**Promotion** expenses are initially estimated at $1,800 and will be used for various marketing information materials and advertisements.

**Legal** expenses include business formation, advice and assistance, basic contracts reviews, and general business advice.

**Office supplies** include desks, files, tape, record books, forms, etc.

**Permits** expenses are the additional costs incurred to operate legally in the Local Bay area. There are several U.S.-based manufacturers and suppliers of pizzeria equipment. The specific vendors will be chosen soon, based on competitive bidding process. All the selected manufacturers produce and supply high-quality, energy-efficient kitchen and restaurant equipment, and they compete primarily on price. Start-up Sample Business Plan