

NATIONAL OPEN UNIVERSITY OF NIGERIA

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MCCATHY STUDY CENTRE

ENT210 BUSINESS PROPOSAL

DEPARTMENT: MANAGEMENT SCIENCE

FACULTY: MANAGEMENT SCIENCE

BS.C ENTREPRENEURSHIP & BUSINESS MANAGEMENT

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MANNY FRUIT JUICE



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1.0 **Executive Summary**

MANNY is a start-up company specialize in manufacturing fresh fruit juice targeted at all ages. The company plans to strengthen its partnership with retailers by developing brand awareness MANNY intends to market its and differentiate itself by marketing strategies, exclusiveness, and high brand awareness.

1.1 **Objectives**

The objectives of MANNY Fruit Juice are the following:

- Create a state-wide sales staff.
- Establish strong sales in the state's five metro areas by Year 2.
- Maintain tight control of cost and operation during expansion.

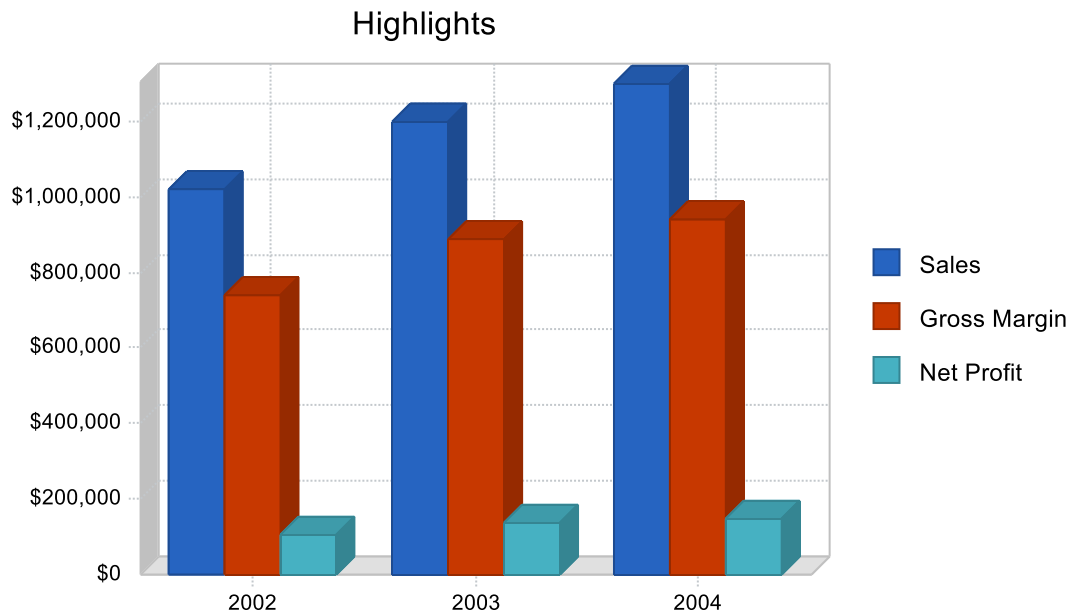
1.2 **Mission**

MANNY Fruit Juice's mission is as follows:

- Quality: Our fruit juices are the highest quality, most nutritious food products...because we will accept nothing less.
- Innovative: Our products have always been in the forefront of the health and nutrition wave. Innovative products, state of the art manufacturing, quality assurance and industry expertise are the bases for our past and future successes.
- Integrity: Our customers depend on the quality of our juice products. Our commitment to the highest standard is the foundation of our customer's trust in

MANNY Fruit Juice. Delivering freshly made juice to consumers depends on extensive cooperation and mutual reliance between supplier and retailer. We stand behind our product, our service and our word.

Chart: Highlights



2.0 Company Summary

MANNY Fruit Juice has built a reputation on offering the most delicious, nutritious, 100% natural juices with no artificial flavors, colors or preservatives.

The MANNY fruit juice is located at Mile 12, lagos state in Nigeria and offers quality fresh fruit juice at affordable prices to our customers

2.1 Company Ownership

MANNY Fruit Juice is owned by a Group of people which the Company Manager is Aboajah Emmanuel Nduka.

Table:

Manny will incur the following start-up equipment costs:

- Office equipment including chairs, file cabinets, and desks.
 - bottles, storage, cash register.
 - One computer terminal.
 - Main computer server with a laser printer, and back-up system.
 - Software: Microsoft Office, QuickBooks Pro,
 - Assorted bottles, boxes, etc. for shipment.
 - Start-up inventory.
- Filling machine
Presser
Extractor
- Rent, utilities, insurance.

Please note that some of these items will be used for more than one year and will therefore be labeled long-term assets,

Start up	
Requirements	
Start-up expenses	
Legal	70,000
Rent	N 30,000
Utilities	20,000
Insurance	30,000
Telecoms	10,000
Total startup expenses	N160,000
<u>Start-up Assets</u>	
Cash required	200,000
Start-up inventory	20,000
Other current Assets	10,000
Long term Assets	40,000
Total Assets	270,000

Total Requirements	430,000

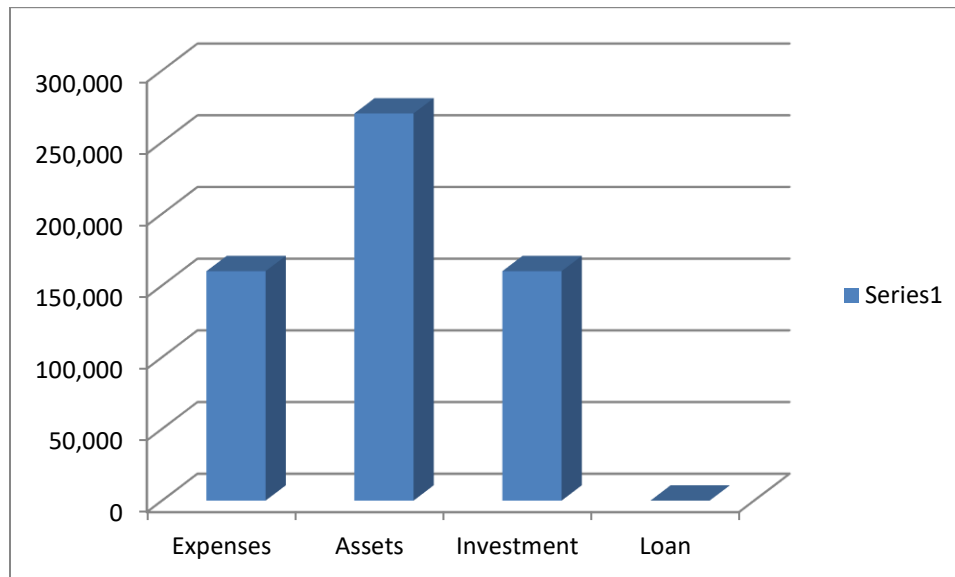
Table: Start-up Funding

<u>Start-up Expenses to Fund</u>	₦160,000
Start-up Assets to Fund	₦ 270,000
Total Funding Required	₦ 430,000

Non-cash Assets from Start-up	30,000
Cash Requirements from Start-up	100,000
Additional Cash Raised	0
Cash Balance on Starting Date	100,000
Total Assets	130,000
Liabilities and Capital	
Liabilities	₦ 0
Current Borrowing	₦ 0
Long-term Liabilities	₦ 0

Accounts Payable (Outstanding Bills)	₦ 0
Other Current Liabilities (interest-free	₦ 0
Planned Investment	
Seed Funding ₦ 50,000	
John	₦ 190,000
Friends and Family	₦ 80,000
	₦ 110,000
Additional Investment Requirement	
Total Planned Investment	₦ 50,000
	₦ 330,000
Loss at Start-up (Start-up Expenses)	
Total Capital	N160,000
Total Capital and Liabilities	₦ 270,000

Total Planned Investment	₦ 330,000
Total Assets	130,000
Expenses	₦ 160,000

Chart: START-UP

2.3 Company Locations and Facilities

MANNY Fruit Juice is located in Lagos.

3.0 Products

MANNY Fruit Juice offers the following products:

- Fruit and vegetable juices;
- Smoothies;
- Super food drinks;

4.0 Market Analysis Summary

The demographics of MANNY Fruit Juice customers are as follows:

- Young professional, ages 4 and above
- Average income of #14,400,000+ a year;
- Involved in athletic activity;

4.1 Market Segmentation

MANNY Fruit Juice has identified seven metro locations within the state where we can reach our target customers:

- MILE 12
- OJOTA
- IKEJA
- OBALENDE
- OSHODI
- IYANA-OWORO
- IKORODU

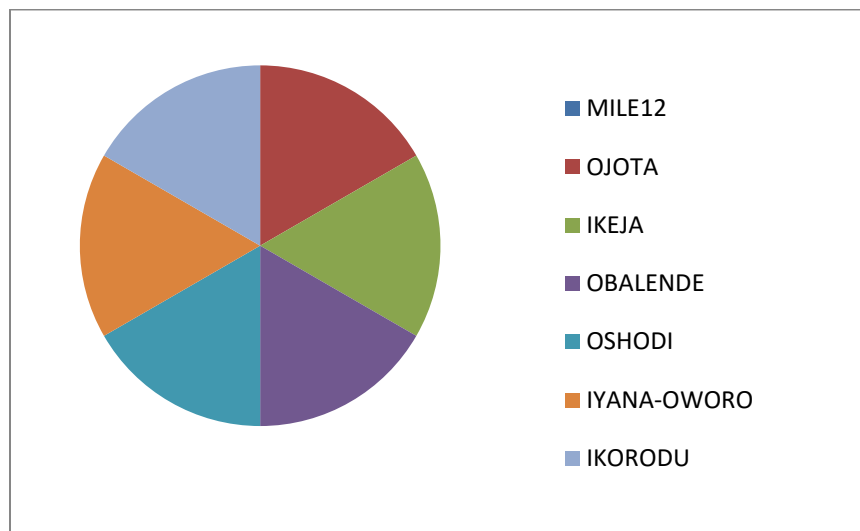
Table: Market Analysis

<i>Market Analysis</i>							
		2019	2020	2021	2022	2023	
Potential Customers	Growth						CAGR
• MILE 12	10%	60,000	66,000	72,600	79,860	87,846	10.00%
• OJOTA	10%	75,000	82,500	90,750	99,825	109,808	10.00%
• IKEJA	10%	85,000	93,500	102,850	113,135	124,449	10.00%
• OBALENDE	10%	75,000	82,500	90,750	99,825	109,808	10.00%

• OSHODI	10%	62,00	68,20	75,020	82,522	90,774	10.00
		0	0				%
• IYANA-OWORO	10%	90,00	99,00	108,90	119,79	131,76	10.00
		0	0	0	0	9	%
• IKORODU	10%	48,00	52,80	58,080	63,888	70,277	10.00
		0	0				%
						296477	

OSHIODI

Chart: Market Analysis (Pie)



5.0 Strategy and Implementation Summary

The strategy of MANNY Fruit Juice is focus on our niche market which is health/natural food stores that serve the young active professional.

5.1 Marketing Strategy

MANNY Fruit Juice will introduce its products at 20% off regular price during the first month. In addition, MANNY Fruit Juice will co-sponsor local athletic charitable events to raise the visibility of the brand name.

5.2 Sales Strategy

The sales strategy is to build customer loyalty in the new markets. MANNY Fruit Juice will increase its sales force to focus on the new markets.

5.2.1 Sales Forecast

The following table and charts show the rapid ramp-up of sales during the first twelve months of operation.

Table: **Sales Forecast**

<i>Sales Forecast</i>				
	2019	2020	2021	2022
Sales				
Products	10800	14400	18,000	21,600
Other	0	0	0	0
Total Sales	₦ 3240,000	₦ 4320,000	₦ 5400,000	₦ 8280,000
Direct Cost of Sales				
Products	2160,000	14400	1800	15600
Other	₦ 0	₦ 0	₦ 0	₦ 0
Subtotal Direct	₦ 278,000	₦ 278,000	₦ 310,000	₦ 360,000

Cost of Sales

JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEP.	OCTOBER	NOV.	DEC.
50	100	120	180	350	500	850	1000	1500	1960	1990	220

Chart: Sales Monthly

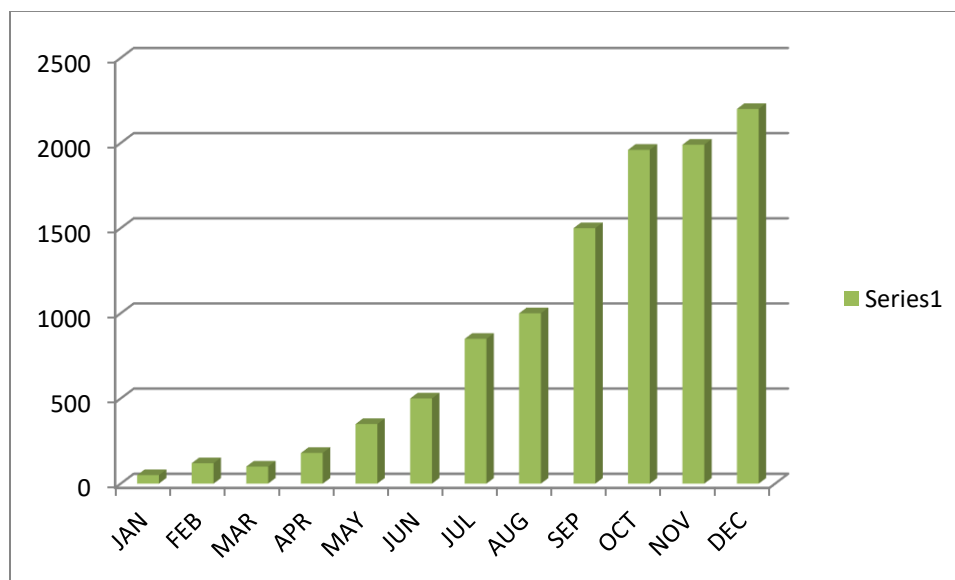
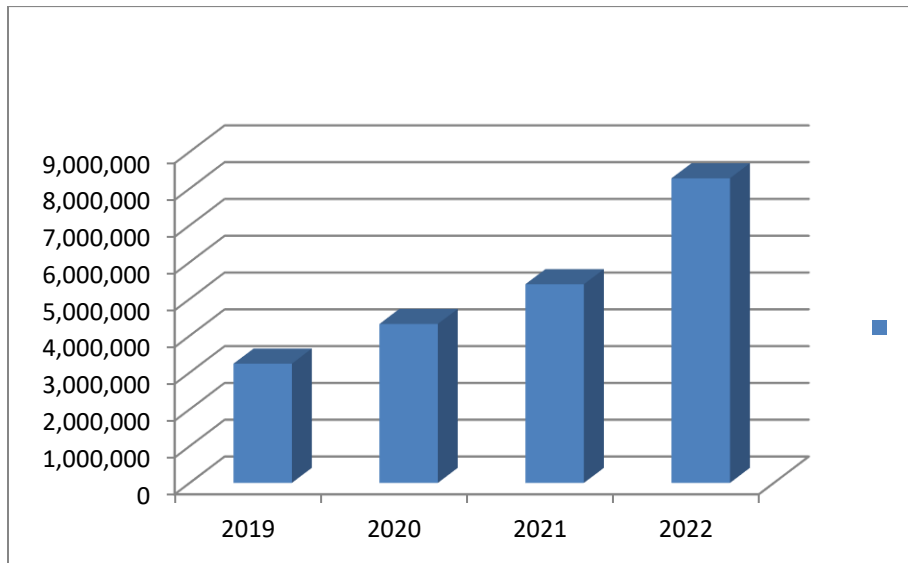


Chart: Sales by Year



6.0 Management Summary

Emmanuel currently manage the daily the daily operation of MANNY fresh fruit Juice.

7.0 Financial Plan

The following is the financial plan for MANNY Fruit Juice.

7.1 Break-even Analysis

The monthly break-even point is 23,534,988.

Chart: Break-even Analysis

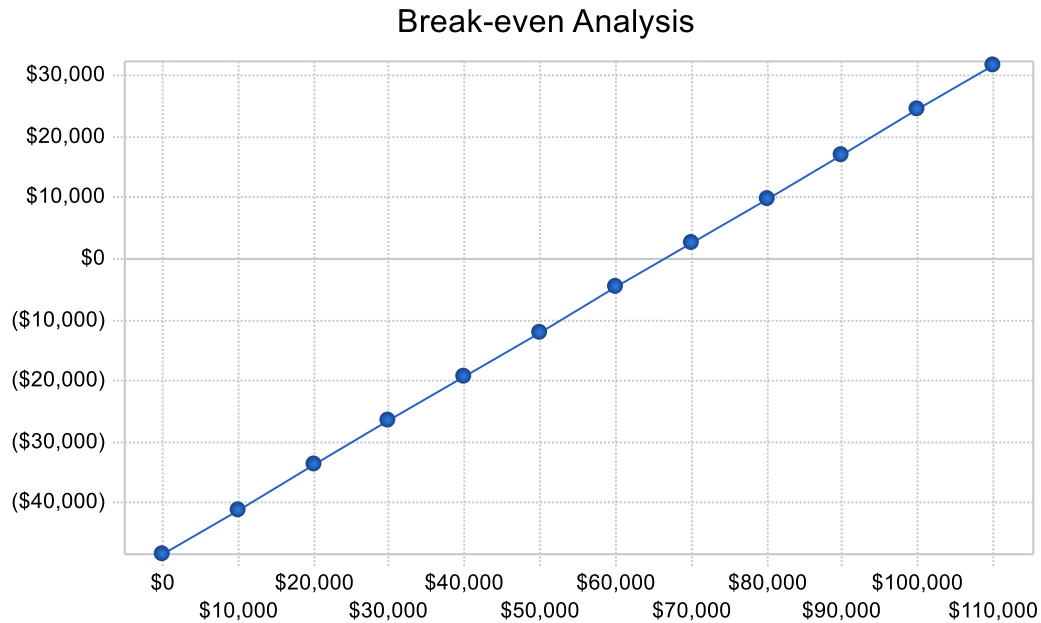


Table: **Break-even Analysis**

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	N23,534,988
Assumptions:	
Average Percent Variable Cost	27%
Estimated Monthly Fixed Cost	N17,000,400

7.2 Projected Profit and Loss

The following table and charts are the projected profit and loss for three years.

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>			
	2019	2020	2021
Sales	₦3240,000	₦4320,000	₦5,400,000
Direct Cost of Sales	₦278,000	₦278,000	₦310,000
Other Production Expenses	0	#0	#0
Total Cost of Sales	₦47,020,000	₦47,300,000	₦47,500,000
Gross Margin	₦27,000,000	₦28,890,000	₦30,400,000
Gross Margin %	72.75%	74.17%	72.31%
Expenses			
Payroll	₦250,000	₦300,000	₦1840,000
Sales and Marketing and Other Expenses	₦12,000,000	₦12,000,000	₦13,200,000
Depreciation	N0	N0	N0
Leased Equipment	₦5000	₦5000	₦5000
Utilities	₦0	₦0	₦0
Insurance	₦20,000	₦20,000	₦20,000
	30,000	30,000	30,000

Rent	₦30,000	₦30,000	₦30,000
Other	₦0	₦0	₦0
Total Operating Expenses	335,000	385,000	1,920,000
Profit Before Interest and Taxes	N161,200	N212,400	N225,600
EBITDA	N170,800	N222,000	N235,200
Interest Expense	N9,310	N13,703	N14,203
Taxes Incurred	N45,567	N59,609	N63,419
Net Profit	₦2905,000	₦3935,000	₦3480,000
Net Profit/Sales	10.42%	11.59%	11.38%

Chart: Profit Monthly

