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|  | **2017** |
|  | Patilad Ice Yoghurt Production & Sales**Business Plan** |



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| **[Patilad Nigeria Limited]**  |
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## Executive Summary

 Patilad Yoghurt is a standard and registered yoghurt drink production company that will be located in Ibafo – Ogun State (a 20minute drive to the capital of Lagos State) but hope to establish a robust distribution network all across Nigeria. We are at the final stage of leasing a facility that is spacious enough to handle the kind of production company that we intend launching and the facility is located in between Hi-impact amusement park and Emmanuel park at Car park C Area of Mowe.

Patilad Yoghurt will be involved in the production, packaging and distribution of three flavoured special recipe yoghurt drink. Our plan is to build our brand to become a household name all across Nigeria. We want our yoghurt drinks to be found in supermarkets and stores all across Nigeria.

We are aware that there are several large and small scale yoghurt production factories scattered all around, which is why we spent time and resources to conduct our feasibility studies and market survey so as to offer much more than our competitors will be offering. We have delivery service options for our customers, and our outlet is well secured with the various payment options. We have secured deals with traffic hawkers all around busy traffic sites in Lagos

Patilad Yoghurts Drink will ensure that all our customers are given first class treatment whenever they visit any of our chains of outlets. We have a CRM software that will enable us manage a one on one relationship with our customers no matter how large the numbers of our customers’ base may grow to. We will ensure that we get our customers involved when making some business decisions that directly affect them.

Patilad Yoghurts will at all times demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our client’s needs precisely and completely. We will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for our partners, employees and for our clients.

Patilad Yoghurt is owned by Patrick Dayo Adetiloye and his immediate family members. Patrick is a food drinks; he has a B.Sc. in Food Science and a Masters in Business Administration, with well over 10 years of hands on experience in the foods production industry, and worked with some of the leading brands in Nigeria. Although the business is launching out with a distribution network around Lagos, Ibadan and Ogun State but there is a plan to expand to other states in a very short while.

## Introduction

Yoghurt drinks production business belongs to the Food Drinks Production industry and operators in this industry primarily produces food drinks such as ice-cream, coke, pepsi, zobo, kunu, and beverages. Most players in this industry often times do produce Ice-creams, custard drinks, Kunu, and they generally appear on the menus of fast food restaurants or in shelves in supermarkets.

A close watch of events in the Food Drinks Production industry reveals that the industry has profited from increased demand over the last half a decade. As the economy experience grew, discretionary income levels also experience upward movement. The market for yoghurt is vast and under-supplied, particularly in the urban and semi-urban areas. This is because there are a few good quality and NAFDAC-approved producers. Even in the rural areas, its patronage is fast increasing. To vegetarians and children, its consumption is a delicacy and a drink they cannot do without. During festive periods and parties you need to observe how this is gulped down by attendee-connoisseurs to have an idea as to how popular yoghurt is with people and the consequent high demand for it.

Though recession affected the quantity produced, but sales still remain same, we hope with improvement in the economic conditions, the industry is expected to rake more revenue. Expected increases in per capita disposable income will aid some consumers to trade up to premium brands and product segments, helping drive revenue growth. In addition, as consumers demand more healthy versions of existing food products players in the industry are expected to introduce a wider variety of products especially in terms of packaging and branding.

The Food Drinks Production industry is a thriving sector of the economy of most country of the world. The industry generates a whooping sum of well over N40 billion annually from more than 1500 registered Food Drinks production outlets scattered all around Nigeria. The industry is responsible for the employment of well over 30,000 people. Experts project the industry to grow at a 3.6% annual rate from 2011 to 2016.

A recent report published by International Business Insider World shows that Food Drinks production establishments throughout are strategically located near sources of key inputs while they remain within serviceable distance to large population centres for distribution.

Over and above, the Food Drinks production line of business is a profitable business and it is open for any aspiring entrepreneur to come in and establish his or her business; you can choose to start on a small scale in a street corner like the average small family business or you can choose to start on a large – scale distributing your products across key cities all across Nigeria.

1. **Business Description**

PATILAD is the name for our yogurt drink that is being planned for the immediate Lagos and Ogun Market. PATILAD Yoghurts will sell and market a variety of 4 frozen yogurt styles and flavours that are sold in packaged in cups, cones, and as nylon push-ups. All of the store’s yogurts will be displayed in a large display case at the front of the store that is visible throughout the entire ordering process. The yogurt will be produced and supplied to quality local vendors and retailing companies in bulk. We will also run our retail outlet in specified places. All employees will wear a casual style uniform consisting of pressed jeans with a polo shirt bearing the store’s logo.

**Form of business:** A sole proprietorship.

**Owner of business:** Dayo Adetiloye

**State of business:** New business

**Opening days:** 24Hrs

**Business Development**

**Consultant:** Oyebade Adejumobi (MBA)

 Hundred and five Academy

**Legal Adviser:**  Barrister Oyewumi

 Oyewuni &Co

**Banker:** GTB

**Board of Directors:** Claro Johnson

 Kemi Philips

 Silas Filani

# VISION

Our vision is to be a household name in the food drinks business in Nigeria reaching every part of the nation and beyond.

# MISSION

Our mission is to build a Yoghurt drink production company with unique recipes and business rendition whose products can be found in supermarkets and grocery stores all across Nigeria and other African nations.

We also intend to build an international brand and export our well – packaged plantain chips to other countries of the world.

# OBJECTIVES

To produce varieties of unique tasty and delicious yoghurt drink of up to a tune of 5million pieces in the first year.

-To initiate a relationship with bulk purchasers or dealers to reach far places in Nigeria

- To establish our brand in the heart of major cities via our branded mobile partnerships with food trucks, street hawkers, supermalls, stores, and the likes.

-To achieve a net profit in year one, increasing in year two, by containing costs and meeting sales goals

-To provide quality sales service and products at fair and best possible prices

# Our Goal

* Provide high quality yoghurt drink of international standard
* To reach the nook and cranny of Nigeria, establishing our brand
* To set a pace in modernizing the food drinks industry of Nigeria
* Retain clients to generate repeat purchases and initiate referrals.
* Consistent improve on productivity.
* Lowering overall costs whilst increasing efficiency.

# THE MOTTO

Tasty, yummy and classic company

# CORE VALUES

1. Excellence
2. Creativity
3. Availability

# MILESTONE

* Business name registration and opening of cooperate bank account
* Lease of facility: completed
* Purchase of delivery van: completed
* Stocking of factory with necessary raw materials and equipment: completed
* Drafting of employee’s handbook: completed
* Recruitment of staffs in progress
* Graphic Designs of company logo and Printing of packaging, marketing/promotional materials: in progress
* Website set-up, online store set-up, digital marketing and radio jingles: in progress
* Necessary insurance and license like health, fire safety arrangement, assets insurance: secured

## KEY TO SUCCESS

* **Quality and Excellent Service:**we make quality, highly nutritious and tasty Yoghurt that is well packaged maintaining an excellent relationship with our clientele (distributors, dealers and wholesalers) which are not available everywhere. This is essential for maintaining a long lasting profitable and healthy company.
* **Reliability:**We are reliable and timely in deliveries. We never go below our standard of integrity, honesty and authenticity
* **Administration**we are committed to serve customers, prepare accurate billing, follow-up on orders and other documentation, and maintain a close watch on expenses and collection of accounts receivable.
* **Staff**

Our staffs are qualified and experienced in the environment of this company, we ensure that we conduct frequent training and seminars to improve on the efficiency of our workforce.

# Product /services

PATILAD Yoghurt will utilize only the highest quality products from the most reputable supplier in and outside the country. Each yogurt product will be of a homemade quality offered by local suppliers to ensure quality and consistency. This not only ensures PATILAD of the finest yogurt products available, but also ensures its own reputation will be enhanced. Additionally, PATILAD will also offer a series of both hot and cold drinks to augment its primary product line of frozen yogurt.

***Our first year Yoghurt Products***

This new line of strained yogurt comes in 4-ounce single-serve cups.

Varieties are **Lemon, Raspberry and Vanilla**.

The 9% milk fat yogurt—yes, close to ice cream—contains 170 calories, 10 grams of fat, a mere 8 grams of sugar and 9 grams of protein per serving.

Ingredients are very simple. They are: pasteurized whole milk, pasteurized cream, cane sugar, fruit pectin, live active cultures, and either fruit or vanilla.

**& South African-style chocolate-flavoured yoghurts**

We will be making a unique recipe chocolate and coffee with low-fat yogurt.

The company offers European Style Low-fat Yogurt in two varieties: Chocolate and Mocha.

Each 5.3-ounce container provides 130 calories, 2 grams of fat and 8 grams of protein.

# COMPETITIVE ADVANTAGE

A close study of the food drink industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative, customer centric and proactive if you must survive in this industry. We are aware of the stiffer competition and we are well prepared to compete favourably with other fruit drink companies in Nigeria.

Patilad Yoghurt has two competitive edges:

* Rich and creamy, high class, low fat, frozen desserts.
* Our friendly, neighbourly approach to customers.

Both of these selling points will help us to achieve our overall goals of a steady customer base with repeat sales. Our focus on personalized attention to our customers, and involvement in local events and clubs, will set us apart from our competition.

The business model we will be operating on (robust distribution network), varieties of payment options, different sizes and flavours of well – packaged yoghurt and our excellent customer service culture will definitely count as a strong strength for Patilad Yoghurt. So also, we have a management team that has what it takes to grow start-up business from survival to profitability within the shortest time – frame.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (start-ups food drinks production companies) in the snacks food production/fast food industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

**Other competitive advantages are:**

1. Well-trained and qualified staffs
2. Hygienically made and nicely packaged
3. Excellent business ethics
4. Our prices are very affordable with great discounts
5. To create alliances with traffic hawkers, and distributing companies.
6. Prompt delivery services

The benefits of our products and services are

* Quality and world class products
* Affordable pricing models
* Knowledgeable and qualified staff management
* Excellent customer service

My business meets a need and demand for:

* Purchase of nutritious tasty yoghurt
* Affordable high standard yoghurts
1. **Market Research**

**Market Trends**

Produced good quality yoghurt can be sold directly to eateries like snack shops, supermarkets, the various NGOs that run charity homes and a national network of appointed distributors who in turn will appoint their own agents and hawkers on bikes in specific areas. You can also carry the product to church and mosque grounds during their religious services and to events organisers during their numerous social gatherings. Other segments of the market include the colleges, higher institutions and sporting grounds especially during sporting activities and other festivals. Households are not left out. All these constitute the channels of distribution for your finished product. Consumers and distributors will queue up at the gate of your factory once the quality and flavour of your yoghurt appeal to them.

There is a high potential for the export of yoghurt to Ghana , Cote d’Ivoire, Benin Republic , other ECOWAS countries and Central African Republic to earn foreign exchange. One of the local producers is already doing it and is daily smiling to its banks.

Yoghurt is a consumable food item. Therefore, its production has to accord with the highest quality standard possible—this is of paramount importance. But, because the market is vast and the demand for yoghurt outstrips its supply, all manner of get-rich-quick charlatans and humbugs have invaded the market with poor quality product and ridiculously low prices in order to corner part of the under-supplied market. As a result, many of them scarcely care about the quality of milk they use in producing yoghurt or the observance of the due processes and the stringent rules of hygiene set down by the regulatory authorities. This has led NAFDAC to issue some public notices addressed to all the producers, distributors and marketers of yoghurt, advising them on what to do and spelling out penalties for non-compliance with those directives. All these regulatory measures are aimed at protecting the public from the hazards of improper handling and poor storage of the produced yoghurt.

Yoghurt is highly sensitive to bacteria, foreign bodies and temperature. Because of this, proper attention has to be paid at every stage of the manufacturing process. Workers must wear packaging gloves, nose and mouth covers as well as white overalls and caps.

# Our customer

Yoghurt, especially when taken frozen is a treat that almost anyone can afford to buy and one in which almost everyone loves to indulge in. Generally, the heaviest consumers of premium frozen yogurt are middle and upper income families. The food industry is one that essentially caters to consumers’ various lifestyles with super premium products, reduced-fat or fat-free products, low-carb "no sugar added" products, supplemented frozen yogurt products that have been fortified with added calcium or other nutrients, and lactose-free milk products. According to the most recent estimates, the local area coverage of our market reach has a population of over 1,000,000 giving PATILAD a large market to target. In view of that, we have positioned our Yoghurts production company to service (supply) supermarkets, grocery stores and other outlets all across Lagos, Ogun, Oyo and other key cities all over Nigeria.

We have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to retail our well – packaged yoghurts to the following groups of people and businesses;

* Supermarkets and shopping malls
* Grocery Stores
* Vegetarians
* Households
* Students and Pupils
* Streets commuters
1. **Competitor Analysis**

A close study of the food drinks production industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative, customer centric and proactive if you must survive in this industry. We are aware of the stiffer competition and we are well prepared to compete favourably with other yoghurt food drinks production companies in Lagos, Ogun and Oyo Nigeria.

**MY COMPETITORS**

1. **De-United Foods**-

Contact Address: Km. 4 Idiroko Road, Sango Ota, Abeokuta

 07056001930, 08066046607  +234 39 722266

*Is into general foods and drinks and have not made specialties in the yoghurt like we do. De-United has been existing for more than 15 years.*

1. [**Food, Agro And Allied Industries Ltd**](http://www.finelib.com/listing/Food-Agro-And-Allied-Industries-Ltd/35901/)

**Contact**: Km 40 Lagos Abeokuta Expressway, Sango-Otta, Abeokuta

Website: <http://www.foodagromalting.com/>

It’s a Food, Agro And Allied Industries Limited produces range of quality sorghum malt for brewing, distillery, confectionery and malted food industries. Has been existing for more than 15 years.

1. **Belani Investment Ltd.**
Belani Yoghurt (Sweetened)
**Address:** 4, Jimoh Street, Itamope, Opposite Lucky Fibres, Ikorodu, Lagos.
It’s still young market and not quite excellent in packaging and service.
2. **Sales and Marketing Plan**

**I will reach each type of customer and promote my service by**

Customers will be reached through

* + Fliers
	+ Posters
	+ banner
	+ Word of mouth
	+ Social media
	+ Through community leaders, social clubs etc
	+ Radio advert
	+ Television advert
	+ Branded Bus publicity

For companies, businesses, or corporate firms

* + Proposals
	+ Magazine adverts
	+ Branded materials
	+ Website, social media

**Customers will patronize us because:**

* + We make variety of nutritious, tasty and flavoured technically made yoghurts.
	+ We are vast and far reaching
	+ We have a quality assured standard
	+ We connect and bond well with customers.

#  Operational Plan

**Production Process**

Space constraint makes it impossible to give full details here of all the processes involved in production. However these briefly entail the measuring out of the appropriate weight of each raw material per batch of production, thoroughly mixing them, heating the mixture to the appropriate temperature in order to render it free from most harmful and spoilage organisms, cooling and adding starter culture (no overheating please), stabilization, fermentation, incubation, addition of preservatives and flavour(s), mixing, packaging and cooling. Cooling could be done either before or after packaging. There’s a need for quality control measures and necessary precautions to be taken to ensure a good quality finished product should be contained in a comprehensive and bankable feasibility report.

Yoghurt is highly sensitive to bacteria, foreign bodies and temperature. Because of this, proper attention has to be paid at every stage of the manufacturing process. Workers must wear packaging gloves, nose and mouth covers as well as white overalls and caps. Our product processes consist of production storing, opening, and displaying products, as well as serving them and processing payments. Inventories will be ordered and received bi-weekly in order to avoid inventory buildup and to supply fresh products to PATILAD patrons.

## *8.1 Personnel Plan*

We expect seasonal hiring of part time employees.  Because we will offer no benefits to our employees, full time employees will not be hired (nor are they necessary through the first year.)

We foresee hiring two or three part-time employees besides the two or three owners to begin working in July. Our two or three employees will share hours during the week because we expect to have a paid employee work on average of 5 hours per day for 7 days per week. Our payment table is explained below. Friday, will be the chief operation manager, with other owner substituting him when needed.

In June, we expect to be open 68 hours per week. This is our summer hourly schedule.  In winter months, we expect to have a paid employee work only 15 hours per week. During the winter months (December, January, and February) we expect to be open 52 hours per week.

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| **PATILAD YOGHURT PERSONNEL PLAN**  |
| **YEARS**  | **Year 1**  |
| Owner Manager  | N100,000  |
| & Supervisor  | N85,000  |
| staff 1 | N75,000  |
| staff 2 | N70,000  |
| staff 3 | N70,000  |
| Staff 4**TOTAL PERSONNEL**  | N65,000  |
| **TOTAL PAYROLL**  | **N465,000**  |
| *There is a 20% increment in yearly income increase.* |  |

**Products Pricing**

Our price tags ranges from products and services range starts from N100 – N1000 at selling price. We have a discount price for wholesale price at N19, 500 for 100pieces, which goes for retail price of N15o per piece and N29, 500 for 500 pieces of the N200 per pieces. Other price range and sizes have not yet been introduced till the market is ripe for it. We allow cash and all electronic payment options.

**SWOT ANALYSIS**

**Strenght**

Opportunity: health conscious public/Strength: naturally low fat products. Correct customer care service and great packaging.

**Weaknesses**

* Lack of funding: We will need up to N200m in fund to kick start fully
* No reputation yet: We haven’t established ourselves as a reputable mattress manufacturing company but we have gained good network via supplies.

**Opportunity**

* Customer Loyalty: Customers are looking for company that produces quality and wide variety of nourishing Yoghurts.

Growing market: The market is growing and the demand is very high.

**Threats**

* Heavily sized firms: bigger than our brands have being in business
* Increase in raw materials
* Machine maintenance.
1. **BUSINESS RISK**

The main risks that could affect the success of my business are

* + Inadequate money to pay staff
	+ Inadequate locally sourced materials
	+ Government policies
	+ Inadequate qualified staffs
	+ Bad roads
	+ Poor loan facilities
	+ Expiry
	+ Disasters
	+ Fire out break
	+ Accident
	+ Death

I plan to prevent or minimize the effect of these risks by:

* + Insurance- workmen compensation,
	+ Increase marketing and awareness to
	+ Hire the service of an experienced financial and legal advisor
	+ Approach investment banks.
	+ More than half of the risk will be controlled with access to money.
1. **Management and Structure**

**Management team**

**Dayo Adetiloye- He** is the founder and owner of PATILAD Yoghurts is a professional Chef and food snacks specialist; he has a B.Sc in Food Science, a Diploma in Business Administration and a certificate from the Chefs Royal Academy Lagos, with well over 10years of hands on experience in the snacks production industry, working for some of the leading brand in Nigeria.

**Claro Johnson**- Sheis a chattered accountant and has a master’s degree in business administration. She is also a certified project manager and will be assistant administrator and also in charge of book keeping, financial balancing, account management and projects head. She has a 8years experience in auditing, worked with Ascon firm in Lagos and Oris food co, in Ogun State.

**Silas Filani** – He finished Agricultural-engineering from FUTA, a certified member of NSE He is the lead engineer and projects supervisor, he is in charge of maintenance and installation of all factory equipment, he also train new recruits on factory safety measures, equipment operation and management.

**Kemi Philips-** She is head of sales marketing, she studied business administration from Uniben and she is a certified sales and marketing professional and has a 7years experience from Bright Foods.

**Materials needed for Patilad Yoghurts Company**

**Raw Materials**

The major raw materials for yoghurt production are skim milk powder (SMP), sugar, stabilizer, preservative, starter of pure culture and flavour. Sugar and stabilizer each has four major functions, preservative one, starter of pure culture one, all in the production process. About five types of milk can be used in production but the most preferred is the SMP. Some of these raw materials are imported but are locally available in the market when desired

**Equipment Required For Production**

A mixer, a homogenizer, pasteurizer, filler, fermentation vats, freezing storage are, automatic yoghurt manufacturing machine that is obtainable locally. This has the capacity to produce 1,000 litres or 16,000 sachets of yoghurt in a day of three shifts. The automatic machine is easy to operate and maintain. It has an in-built arrangement for stirring, re-constitution and incubation.

**What are my capital/ investment requirements?**

My basic things required to operate my business are:

* + Consistent Supply of Dairy Milk
	+ A factory space
	+ A delivery Van
	+ Industrial Equipment as stated above
	+ Licensing e.g NAFDAC, SON, etc.
	+ Packaging and Sealing machine
1. **Financial Plan and Projections**

## Financial Plan

* Salaries and rent are the two major expenses, while depreciation is another significant cost that will increase as the company develops.
* We want to finance growth through cash flow and also through investor grants or investment bank loans.

##  *Important Assumptions*

**Cash Sales:** Projected gross sales will be based on the average of the monthly revenues of overall sales.

**Other Income:** This income is generated through the provision of frozen yogurt and related products.

**Cost of Goods Sold:** This figure is based on a figure of 35% of revenues, which is the industry corporate standard.

**Payroll:** This figure is based on the full-time owner-manager position, the counter supervisor and the part-time staff. We accept cash and checks, Visa, MasterCard, online transfers Express. All sales paid via credit cards will be deposited in our business checking account within 48 hours.

The business will reach positive cash flow in its 2nd year of operation, allowing for expedited repayment of its loan obligations, as well as for dividends to be paid to the owners.  Revenue will top N10, 000,000, and profit will reach about N2o,ooo,ooo in the 2nd year of operation.

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| **Financial Diagnostics** |  | **Value** |
|  | **General Financing Assumptions** |  |  |
|  |  | **Owner's Cash Injection into the Business** | **60.0%** |
|  |  | **Cash Request as percent of Total Required Funds** | **10.0%** |
|  |  |  |  |  |  |  |
|  | **Loan Assumptions** |  |  |
|  |  | **Commercial Loan Interest rate** |  | **0.0%** |
|  |  | **Commercial Loan Term in Months** |  **84**  |
|  |  |  |  |  |  |  |
|  |  | **Commercial Mortgage Interest rate** | **0.0%** |
|  |  | **Commercial Mortgage Term in Months** | **240**  |
|  |  |  |  |  |  |  |
|  |  | **Loan Payments as a Percent of Projected Sales** | **0.3%** |
|  |  |  |  |  |  |  |
|  | **Income Statement** |  |  |
|  |  | **Gross Margin as a Percent of Sales** | **45.7%** |
|  |  | **Owner's Compensation Lower Limit Check** |  **N240,000**  |
|  |  | **Owner's Compensation Upper Limit Check** | **2.2%** |
|  |  | **Advertising Expense Levels as a Percent of Sales** | **3.1%** |
|  |  | **Profitability Levels** |  |  **N11,137,996**  |
|  |  | **Profitability as a Percent of Sales** | **19.3%** |
|  |  |  |  |  |  |  |
|  | **Cash Flow Statement** |  |  |
|  |  | **Desired Operating cash Flow Levels** |  **$-**  |
|  |  | **Line of Credit Drawdowns** |  |  **$-**  |
|  |  | **Accounts Receivable Ratio to Sales** | **0.0%** |
|  |  |  |  |  |  |  |
|  | **Balance Sheet** |  |  |
|  |  | **Does the Base Period Balance Sheet Balance?** |  **-**  |
|  |  | **Does the Final Balance Sheet Balance** |  **-**  |
|  |  | **Debt to Equity Ratio** |  | **-47.2%** |
|  |  |  |  |  |  |  |
|  | **Breakeven Analysis** |  |  |
|  |  | **Breakeven Levels** |  |  **N31,710,869**  |