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|  | **2020** |
|  | WATER**Business Plan****C:\Users\President Dayo\Desktop\business plan factory\Water-Copy.jpg** |

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Disclaimer

This business plan is intended solely for informational purposes to assist in determining if you with a due-diligence investigation of this project. The information contained herein is believed to be reliable, but the management team makes no representations or warranties with respect to this information. The financial projections that are part of this plan represent estimates based on extensive research and on assumptions considered reasonable, but they are of course not guaranteed. The contents of this plan are confidential and are not to be reproduced with express written consent.

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**Executive Summary**

**Overview**

PATILAD Water Bottling and Packaging is a start-up Water Bottling and Packaging firm that is involved in production of quality and affordable Bottled and Sachet water targeting consumers in southwest Nigeria and is located in Osogbo, Osun state.

**The Company**

PATILAD Water Bottling and Packaging is established as a limited liability company owned by Dayo Adetiloye, Kemi Awe, and other investors.  The Bottling and Packaging firm is managed and directed by Dayo Adetiloye, a veteran in the Water business with 8years experience and Kemi Awe, an experienced specialist with over 15years experience.

**Products and Services**

PATILAD Water Bottling and Packaging firm sellsbottled, dispenser bottle and sachet water.

Our wateris hygienic and of high quality. We produce, process and package to meet standard organization of Nigeria and international standard.

**The Market**

Nigeria as the largest nation in African with about 180million people who live in a hot humid tropical region certainly needs water. There is no saying to that. The inability of the government to provide clean safe drinking water has made it even necessary for private firm to rise to meet this huge water challenge to Nigeria’s teeming population.

Our direct markets includehouseholds, offices, corporate event planners, vendors and retailers all across the southwest. From our findings, these different categories of clients have an average daily consumption rate of about 15M litres of water/day. Our desire is to have 10% of this market in the first year of production and steadily grow that to 25 in before our fifth year of operation.

**Competition**

Our major known Competitors for PATILAD Water Bottling and Packaging Firmare Coca-Cola (Eva Water), DANA Table water, Gossy Water, Cascade Water, etc.

PATILAD Water Bottling and Packaging will establish its competitive edge through the expertise of its founders.

**Financial Considerations**

PATILAD Water Bottling and Packaging seeksN5 million in long-term financing to cover start-up costs, equipment, building expenses, and working capital. Funding for the launch of the business is provided primarily by equity from the partners and investors.

The business will reach positive cash flow in its 10th month of operation, allowing for expedited repayment of its loan obligations, as well as for dividends to be paid to the owners.  Revenue will top N14,500,000 and profit will reach about N3,843,950 in the 1st year of operation.

**INTRODUCTION**

Water Bottling and Packaging has proven to be a very lucrative business not only in Nigeria but in the world at large. As the population increases and more and more persons enter the middle class, demand for quality and hygienic water increases.

As a business, this increasing demand offer an opportunity for Water Bottling and Packaging to earn steady income and also provide employment opportunities for countless number of men and women.

Major customers for Water Bottling and Packaging products in Nigeria are households that are increasingly concerned about their health and has the need for trusted and hygienically purified drinking water. Other important clients includesmall and medium scale companies followed by hotels, restaurants, corporate institutions, etc. This high demand for water has led to an increase in Water Bottling and Packaging firm springing up in many parts of the country.

However, beyond the short fall in the supply of water, customers and clients are also concerned about getting their water product from certified and hygienically conscious firm. Hence starting a Water Bottling and Packaging firm of your own either on a large or small scale is indeed a very wise decision as this will bring you immense financial benefit both in the short and long term.

## Business Description

PATILAD Water Bottling and Packaging Firm is a start-up Water Bottling and Packaging firm that is involved in production of quality and affordable Water products targeting consumers in southwest Nigeria and is located in Osogbo, Osun state.

PATILAD Water Bottling and Packaging firm is a new business and is about to start registration process with Corporate Affairs Commission of Nigeria.

**Form of business:** Limited Liability Company

**Owners of business:** Dayo Adetiloye , Kemi Awe, and other investors

**State of business:** The business is a new business

**Opening days:** 8am -7pm, Monday to Saturday.

**Business Development**

**Consultant:**  JumobiOYEBADE (MBA)

Hundred and Five Academy

**Legal Adviser:** Barrister Adejoke Chambers.

**Board of Directors:** Dayo Adetiloye, Awe Kemi, Olufemi Ayodeji

## VISION

To be among the first 3 largest Water Bottling and Packaging firm in southwest Nigeria by 2020.

### MISSION

* To give our customer the very best products through the use of state of the art technology, impeccable technological processes and hygienically purified water.
* To give excellent customer service at all times so that we may earn their trust and loyalty that encourages repeated sales.
* To provide an excellent, flexible and workable distribution network for water wholesaling and retailing.

## OBJECTIVES

* Increase revenue from the sales of our water products to N30,000,000 over 2 years.
* To maintain profit margins at 20-25% through close attention to expenses and cost of water production.
* To drive awareness and build sales through mentions in both local print and digital media.
* Attract clients and customers to buy from us by making them aware of additional market opportunities from our retail sales

### KEYS TO SUCCESS

1. Financial stability for purchase of water purifying material and other ingredients.
2. Low operating cost.
3. Havingefficient, flexible distribution networks in major cities in the south west.
4. Hygienic and neat processing facility.
5. Provision of different types of water such as de-ionized, distilled water, etc.
6. Outstanding customer service.

Environmental impact – locating close to residential areas might pollute the environment.

Power supply – locating too far from power infrastructure might make power supply difficult.

## Product/Services

PATILAD Water Bottling and Packaging Firm offers quality water products such as;

* + 1. 50ml, 75ml De-Ionized table water
		2. 50ml, 75ml Distilled table water
		3. 10 litres water dispenser bottles
		4. Sachet water

## Market Analysis

Up till the late 90s, the most popular way of packaging water was hand-tied cellophane sachets of tap water usually called “pure water” and sold for N1.00. Though this aspect of packaging water is simpler, cheaper and enhances easy entry and exit, provided higher turnover because of the cheapness of the products, it was been abused by a lot of people.

At the turn of the new millennium, a more organized means of production of pure water emerged and gradually took over: although this time with sealed polyethylene sachet type of packaging, it inherited pure water as its name from the older means which shortly disappeared. All this while, the bottled water brands like SWAN Spring Water were in existence but since its cost was out of reach of the poor majority, pure water became the new order.

Well-packaged water in these plastic bottles or food-grade polyethylene sachets has so far become a ready alternative for the growing population of over 180 million people. Pure packaged water attracts patronage from hotels, schools, market places, hospitals, stadiums etc. No doubt water has been found to be the fastest selling commodity in Nigeria today.

Having identified our target market, we are immensely concerned about how we can continually meet our client’s demands at all times. We will work through several established distribution channels who supply carbonated drinks to hotels, institutions, etc. Their existing prominence will help to get our products to final consumers.

PATILAD Water Bottling and Packaging firm target low, medium and high end income earners and specialty consumers also.

## Our Target Market

PATILAD Water Bottling and Packaging firmwill target bulk wholesale distributors of drinks, government and private institutions, hotels and restaurants, schools, market places, stadiums, event centres, etc.

PATILAD Water Bottling and Packaging firmwill also established contract agreement with distributors. This will include those who are also distributors of water and other drinks and new ones also. This contract will encourage distributors to book products ahead of time by giving them fair discount and friendly prices. Post-paid purchases can also be given to distributors based on a track record of honesty and volume of purchase.

Lastly, PATILAD Water Bottling and Packaging firmwill target markets, supermarket, and large retail grocery establishments in places that do not yet have strong distribution networks but have high potential for sales.

## Pricing Strategy

PATILAD Water Bottling and Packaging firm products and services is relatively priced to compete in the market. We will compete not only on price, but on flexibility, the quality of services and products, and the strength of our distribution network.

PATILAD Water Bottling and Packaging firm will demonstrate flexibility through its willingness to do different hang times based on customer preferences. We will also depend strongly on our brand identity and online presence to drive both sales and customer awareness.

## Competitor Analysis

Competitors for Our Food Processing Ltd are as follows:

* 1. Nigerian Bottling Company (Coca Cola - Eva Water)

Nigerian Bottling Company Ltd (Head Office)

Iddo House, Iddo

PMB 1159 Ebute-Metta Lagos.

Nigeria.

+ 234 1 2706670; 0800 Coca-Cola (0800 26222652)

* info.nbc@cchellenic.com
	1. DANA Table Water

Aquadana Table Water, Oshodi, Lagos, Nigeria



[www.aquadana.com](http://www.aquadana.com)

* 1. Gossy Water
* [Address](https://www.google.com/search?q=gossy+water+address&stick=H4sIAAAAAAAAAOPgE-LVT9c3NEwyM89KKywq05LNTrbSz8lPTizJzM-DM6wSU1KKUouLASQVSOYwAAAA&sa=X&ved=0ahUKEwjalO-P25PPAhVqDcAKHa2cBhcQ6BMIjAEwFA): Plot 32, Kudirat Abiola Way, Oregun, LAGOS, 32 Kudirat Abiola Way, Nigeria
* [Phone](https://www.google.com/search?q=gossy+water+phone&stick=H4sIAAAAAAAAAOPgE-LVT9c3NEwyM89KKywq09LPTrbST87PyUlNLsnMz9PPzssvz0lNSU-NL0jMS80p1s9ILI4vyMjPS7UCkwCE2X4lQgAAAA&sa=X&ved=0ahUKEwjalO-P25PPAhVqDcAKHa2cBhcQ6BMIjwEwFQ): +234 704 305 0893



**4.** Cascade Water

[www.cascadenigeria.com](http://www.cascadenigeria.com)

**Cell** 234-07080563800

### Sales and Marketing Plan

**Marketing strategies**

* Signing of Contract agreement with our network of distributors.
* Word of mouth from satisfied customer.
* Online marketing though company website with a blog, social media marketing like facebook page and ads, Google ads.
* Advertisements in local newspapers and magazines.
* Direct mail of flyers to a select list of 5,000 high income households.
* Develop strong relationships with customers.

Promotion

## Promotion Strategy:

PATILAD Water Bottling and Packaging will promote its products and services to customers through:

Regular newspaper advertisements focusing on retail products;

Promotional flyers and radio announcements to advertise increased processing capacity, retail products, and speed of service; and Direct sales to local and regional distributors, wholesale, and retail establishments.

## Distribution Strategy:

Prior booking before production is encouraged and hence upon production, productsare transported to our customers’ locations. Discounts will also be given upon bulk purchase of our products.

Pricing
The price of our products is relatively competitive in the market.

The business as a policy will sell its products on cash down basis. However, customers who buy in large quantities and have maintained a track record of honesty and transparencyis considered for one month’s credit on their own merit.

Risk

**Production Efficiency**: Considerable attention is given to ensure that optimum results are guaranteed for all of our production processes.

**Product Quality**: We will ensure thatcomputerized optimum quality controland industry’s best practices is used at all times and that all inputs are received and used at optimum quality.

# Staff safety: Sound safety measures such as use of proper dresses, face and nose mask, safety boots, etc. is put in place at all time to ensure that staff safety is ensuredat all times.

### SWOT Analysis

Strengths

* Consistent quality: We will constantly produce colourless, odourless and tasteless drinkingwater that is of high quality.
* Experience: The owner is highly experience with over 8years in the industry.

Weaknesses

* Lack of funding: We will need up to N15m in fund to kick start fully
* No reputation yet: We haven’t established ourselves as a reputable firm yet compare to Eva water, SWAN spring water, etc.

Opportunities

* Customer Loyalty: Customers are looking company that produces quality water.
* Growing market: The water market is growing and the demand for feed is very high.

Threats

* Similar size Bottling and Packaging firm: Firms with similar water products have being in business. Our competitive edge will include provision of high quality, colourless, odourless and tasteless water packaged in excellent bottles and sachets.
* Government Policy. This will overcome by keeping abreast with the law and ensuring that our products become the leading desirable drinking water product in Nigeria.

## PEST Analysis

**Political** – this will include government policies concerning inspection by the ministry of health and organizations like NAFDAC, SON and ISO.

**Economic** – economic trends such as demand and supply will determine the sustenance and profitability of the business. Also inflation rates will affect the way we pay our employees and the price of the product.

**Socio-cultural** – Eating habits of our consumers will definitely affect our business. Also, the success of our Bottling and Packaging firm, customers and other firms that order our products will indirectly affect our business.

**Technological** - A good technical infrastructure would lead to better production and hence lower costs. Technology will also mean more effective business marketing.

## Operational Plan

## *Production process*

Obviously, constantly available fresh water is the major input in PATILAD Water Bottling and Packaging firm. Others are plastic cans and water treatment chemicals such as Ozone, etc. This is in view of the fact that the necessary machineries which includes the water treatment plant, sedimentation, tank, filters, suction pump, alpha chambers, pressure gauge, etc. will have been installed. This water can be gotten regularly either from borehole or natural spring water. In the absence of natural spring, drilling of a borehole fitted with a submersible water pump at the site will be necessary.

The basic production process will start from rust removal and then filtration to produce clear, colorless, tasteless drinking water. Through this process, several combination of chemicals to clear any bacteria and germ free from the water will be added. The water is then filled in the bottle and corked. Before now, the bottles will have been branded and relevant information such as batch number, manufacturing date, expiry date, etc. will have been written also. Final quality control assessment is carried out before they are packed into dozens and scores and distributed.

Now the drinks are ready for sale!

## The business will employ experienced and professional operational and salespeople

1. Factory Manger 1
2. Assistant Manager 1
3. Accounts Officer 1
4. Operations staff 5
5. Sales Associate 3
6. Store keeper 1
7. Marketing/business development 1
8. Security 1
9. Driver 1

**Total 15**

Employees of PATILAD Water Bottling and Packaging firmis paid competitively and will receive in-depth processing training.

Additionally, employees will receive special benefits including:

* 30% Purchase Discount
* Special monthly bonuses as sales goals are met.
* Paid Holidays.
* Paid Time Off (PTO) based on numbers of hours worked.

As PATILAD Water Bottling and Packaging grows, medical insurance is provided to full-time employees. Our philosophy is to empower our staff to do the best they can and give them the freedom to do so. Special awards is given for great customer service and sales target met.

## Management Team

**Dayo Adetiloye**

I have 10 years’ experience working qith and dealing with Water Bottling and Packaging business owners. I have B. Agric (Soil Science) from Obafemi Awolowo University Ile-Ife. My brief exposure to soil chemistry, physics and property gives me some insight into site selection, water treatment and the choice of additives in a firm as this. I have master in business administration (MBA) also from same school. I am in charge of strategy planning for the business.

**Kemi Awe**

I have worked at a water factory before and presently still serve on the advisory board of 2 drinking water producing firm. In the last 5 years, I had literally watched a company grown from having just a handful of distributors to now becoming a regional player in a little above 3 years of production. My continual local and international training experience both on production and the business proves exceptional needed for this team to function optimally.

We will manage the business to profitability by strategic production, marketing and sales. We will provide quality assurance in the business by always upgrade our products and services to the taste of time. We will ensure proficiency by employing more people with production, marketing, sales and advertising skills. Human resource and project managers’ services will also be duly utilized in our firm.

## Financial Plan and Projections

## Financial Plan

PATILAD Water Bottling and Packaging firmseeks N10 million in long-term financing to cover start-up costs, equipment, building expenses, and working capital. Funding for the launch of the business is provided primarily by equity from the partners and investors.

The business will reach positive cash flow in its 10th month of operation, allowing for expedited repayment of its loan obligations, as well as for dividends to be paid to the owners.  Revenue will top N27,683,000and profit will reach about N9,047,825in the 1st year of operation.

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| **Financial Diagnostics** |  | **Value** |
|  | **General Financing Assumptions** |  |  |
|  |  | **Owner's Cash Injection into the Business** | **23.4%** |
|  |  | **Cash Request as percent of Total Required Funds** | **4.7%** |
|  |  |  |  |  |  |  |
|  | **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** | **0.0%** |
|  |  |  |  |  |  |  |
|  | **Income Statement** |  |  |
|  |  | **Gross Margin as a Percent of Sales** | **32.5%** |
|  |  | **Owner's Compensation Lower Limit Check** | **N 120,000**  |
|  |  | **Owner's Compensation Upper Limit Check** | **4.9%** |
|  |  | **Advertising Expense Levels as a Percent of Sales** | **0.1%** |
|  |  | **Profitability Levels** |  | **N 2,428,888**  |
|  |  | **Profitability as a Percent of Sales** | **2.0%** |
|  |  |  |  |  |  |  |
|  | **Cash Flow Statement** |  |  |
|  |  | **Desired Operating cash Flow Levels** | **N 484,905**  |
|  |  | **Line of Credit Drawdowns** |  | **N 484,905**  |
|  |  | **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** |  | **-18.5%** |
|  |  |  |  |  |  |  |
|  | **Breakeven Analysis** |  |  |
|  |  | **Breakeven Levels** |  | **N 10,332,607**  |

**Start-up Assumptions**

What you need to get started
Factory site (must not be located near a cemetery, refuse dump, fuel depot, septic tanks and pit latrines)
Register your business name
Sink a borehole
Install overhead tanks (a reservoir to supply water to the distillation system)
Install distillation system
Get NAFDAC registration
Automatic sealing machine (get the one that can seal about 40 sachets per minute
Nylon materials
Logo and product name printed on nylon material
Labor
Operator (1) for a start
Driver (1) for a start
Motor Boys (2)
Packer (2)
Cleaner (1)
Truck for distribution
Power Generating set- 25KVA
Running cost of between N 200,000 or thereabout for six months running

**Start-up Costs Assumption**
Factory site (4 bedroom bungalow) must be fenced: N400,000 to N450,000 annually
Business registration with CAC: N25,000 –N30,000 annually
Overhead tank: Between N25,000 and N30,000
Borehole: N250,000 in Lagos
NAFDAC Requirements
Automatic sealing machine: N350,000 to N400,000 depending on the capacity.
Nylon materials: (This will be contracted to a maker; the first price is usually more because of the designing and printing of logo)
Printing names and logo on nylon
**Labor:**
Operator (1) for a start: N10,000 monthly
Driver (1) for a start: N2,000 per loading
Motor Boys (2) : N1,500 per loading
Packer (2): N1,500 per packing
Cleaner (1): N9,000 per month
Truck (Tokunbo): N900,000 to N1million (This price is not fixed, you can ask a car dealer for price list of trucks)
Power Generating set: (There are several makers which determine the price, check the price list:

**Sales**One automatic sealing machine and one delivering van at 100% utilization will produce 40 sachets of pure water per minute which is equivalent to 120 bags in one hour.

You can produce between 500 to 700 bags with one machine in a day of your operator works for 4-5 hours per day.

If a bag is sold for N100
500 bags X N100 per bag = N50,000 per day
N50,000 X 28 working days = N1,400,000
One year = N1,400,000 X 12= N16,800,000