

1.0. THE ORGANISATION

For some time now, Modern spice have dominated the Ghanaian market and this has affected the purchase and use of our local spice because, people feel that the use of local spices are time wasting since more time is required to get it ready for use. In this new age, improvement in technology and the introduction of career women, has made time a very important resource. These days, women do not want to spend too much time in the kitchen cooking and so they look for easy and more hygienic ways to cooking and because of that, they like to buy already made spices that will help cut down the time they spend in the kitchen. Most of these already made spices are made from foreign ingredients thereby losing out on our traditional and healthy spices.

So in an attempt to solving this problem, ELNAN Eduanepa Specialties Company limited was established with the aim of producing and supplying quality, healthy and well packaged spices made from our local spices and quick shito which will help make cooking simpler and faster while promoting our tradition.

The name of the company is ELNAN EDUANEPA SPECIALTIES, and it is a limited liability company which was registered on the 26th of September 2011 under the company's code ACT 179 of 1963, sections 16, 17 and 18 in Kumasi with the registration number KS 3648. The company is also a small business.

Date Actual Operations Will Begin: Elnan Eduanepa Specialties plans to commence full time operations on the 3rd of February 2012.

The company is owned by five people with equal shares who are also the share holders of the company and are in the persons of Alfred Gyan Kojo Sarfo, Ebenezer Darkwa Antwi,

Laureen Konadu Afoakwa, Nancy Owusu – Afriyie and Nina Bruce Owusu whose first names were used in forming the company's name ELNAN. The company is a small business.

The company is managed by all the five shareholders one acting as the general manager, the other as the accountant and financial administrator, the marketing and sales manager, the production manager and the Human Resource Manager.

The major products of the company are the processing of “Dawadawa Mix”, “Rosi Mix”, “Ginger Powder” and the “Instant Shito Mix”.

Elnan Eduanepa Specialties was established by five partners who contributed equal amounts. It is also managed by all the five shareholders one with the skills and experience in managing holds the General Management position, the other as the accounting/finance Administrator, another as the Marketing/sales Manager, the Production manager and the Human Resource Manager respectively.

At the moment, Elnan Eduanepa Specialties is not in business but we hope to start on the 3rd of February, 2012.

2.0. PRODUUCT IDEA AND REALIZATION OF SCHEDULE

Elnan Eduanepa Specialties though is going to produce spices which is not a new business venture, but to make our product unique and also for us to be able to penetrate and then capture the market, we plan to use local ingredients such as whintia, pepre, Dawadawa, garlic, onions, ginger, pepper, rose mary, shrimps, herrings and so much more in our production. And as we know these indigenouse local ingredients have some nutritional values, which is good for our health. The company will also use high technological machines in the drying and grinding of our raw materials to help make our products hygienic and consistent.

We will avoid the use of chemicals and preservatives in our productions and still maintain the natural taste and smell of our local spices which will be strictly unique from the other products in the market.

The packaging of the products from Elnan Eduanepa Specialties will also be made different from the other products in the market by using attractive containers and labels that are very catchy to the eye to distinguish our products from that of our competitors.

Elnan Eduanepa Specialties will be using the intensive channel of distribution where we will make sure that every supermarkets and grocery services will display our products on their selves. And also we are going to make sure that there will never be shortage of our product.

For some time now, Modern spice have dominated the Ghanaian market and this has affected the purchase and use of our local spice because, people feel that the use of local spices are time wasting since more time is required to get it ready for use. In this new age, improvement in technology and the introduction of career women, has made time a very important resource. These days, women do not want to spend too much time in the kitchen cooking and so they look for easy and more hygienic ways to cooking and because of that, they like to buy

already made spices that will help cut down the time they spend in the kitchen. Most of these already made spices are made from foreign ingredients thereby losing out on our traditional and healthy spices.

2.1. REALISATION OF SCHEDULE

	ACTIVITY	J	F	M	A	M	J	J	A	S	O	N	D	RESPONSIBLE FOR FUNDING	COST GH¢
1	REGISTRATION									-				GENERAL MANAGER	1,000
2	FUNDINGS										-			FINANCIERS	70,000
3	RENT OF OFFICE												-	PRODUCTION MANAGER	600
4	RECRUITMENT AND SELECTION	-												HUMAN RESOURCE MANAGER	-
5	PLANNING		-											FINANCIERS	-
6	COMMENCEMENT OF PRODUCTION				-									FINANCIER	-

3.0. MANAGEMENT TEAM

The management team shall comprise;

- The General Manager
- The Accounts/Administrative Manager
- Marketing/sales Manager
- Product Manager
- Human Resource Manager

3.1. General Manager

Mr. Alfred Gyan kojo Sarfo holds a Bachelor of Arts degree in banking and finance, and a CIB professional qualification and has years working experience in managerial position.

Duties

- Motivate and monitor member of management team
- He co-ordinates and supervises the daily activities of the entire organization
- He is responsible for the day to day running of the company and developing business plan for the organization.
- To represent the company in all board meetings

3.2. Accountant/Financial Administrator

Ebenezer Darkwa Antwi holds a Bachelor of Arts degree in accounting and professional qualification in CIM. He has two years working experience in finance position.

Duties

- Recording all daily transaction
- Preparing of organizational budget
- Keeping of all financial records
- Ensures daily operations of the organization

3.3. Marketing and Sales Manager

Due to her experience and qualification, Miss Nina Bruce Owusu is the marketing and sales manager. She has two years working experience and is currently a student of Christian Service University pursuing a bachelor degree in marketing.

Duties

- To assess the market and know what consumers need
- Ensures the sales and distributions of the product
- Develop a strategic marketing plan
- Develop marketing strategies to make the products known to prospective buyers.

3.4. Production Manager

Miss Nancy Owusu - Afriyie has a diploma in purchasing and supply. She has three years working experience and is currently a student of Christian Service University College and pursuing a bachelor degree in human resource management.

Duties

- Will see to the procurement of raw materials for the production of the spice.
- Inspection of raw material to ensure they are of good quality.
- See to the production of the product.
- See to it that products are of good quality and are cost effective.

3.5. Human Resource Manager

Miss Laureen Konadu Afoakwa who is the HR manager has a degree in human resource management and also a diploma in customer relations.

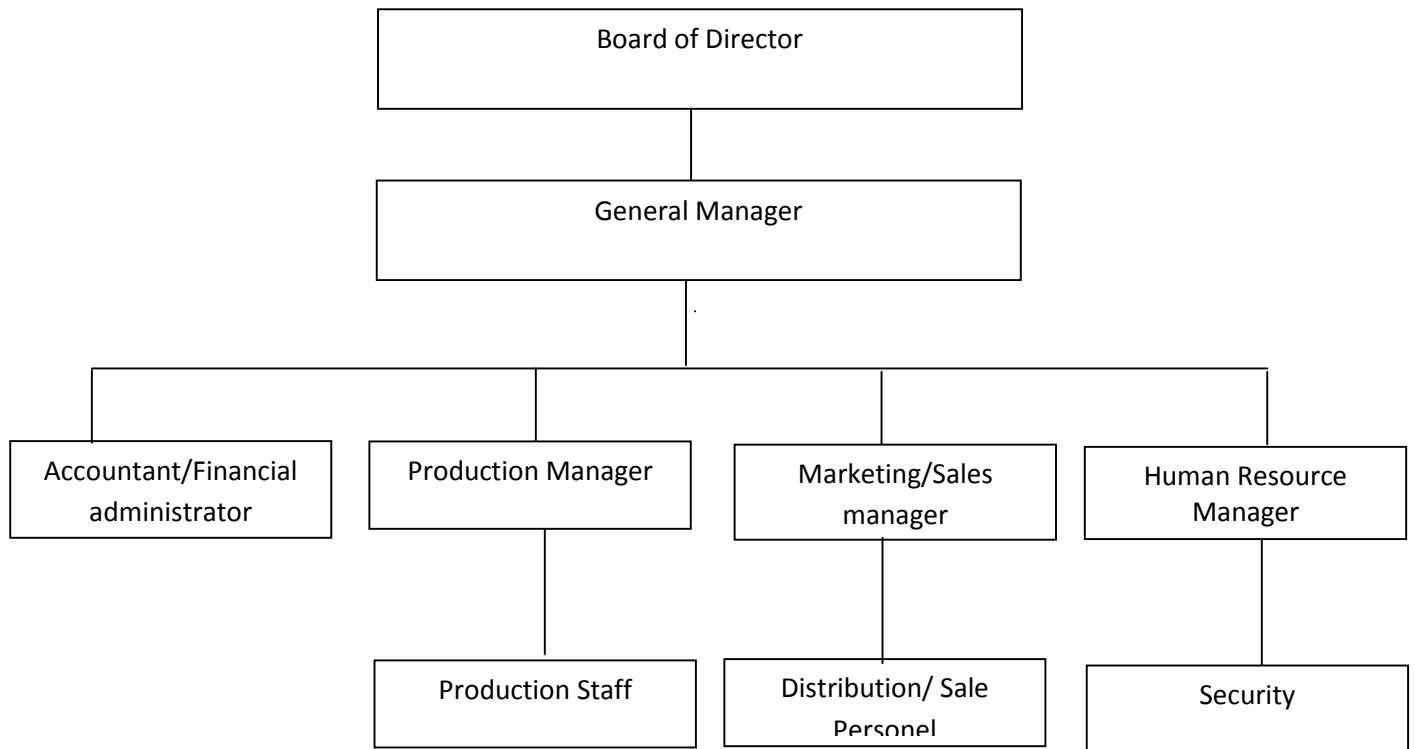
Duties

- Responsible for recruiting and training of employees
- Serves as the mediator between employees and management
- Formulation and implementation of company policies and strategies
- Responsible for designing the pay structure.

OTHER KEY PERSONNEL

Eight people will be employed as factory hands two will be responsible for the cleaning and washing of the raw material to prevent contamination. Other two will also see to it that the machine for the drying of the materials are always in good shape and also are set to the right temperature. One will take care of the grinding machine and the other two for the labeling. The last person will be the marketing and sales personnel who will take the final products to market.

ORGANISATIONAL STRUCTURE



4.0 MARKET ANALYSIS

4.1. BUSINESS SYSTEMS/OPERATIONS

To ensure our company's products conform to standards and maintain efficiency and effectiveness, Elnan Eduanepa Specialties intends to operate as given below;

Stage 1 getting the raw materials from the suppliers, and washing them off dirt.

Stage 2 Drying of the raw materials (dawadawa, ginger, garlic, onion). And also our shrimps and herrings will be smoked to make it very dry for use. Our raw materials will in a machine called kiln which is used for drying materials. And the shrimps and herrings will be smoked using industrial barbecue stand.

Stage 3 Grinding of the raw materials. For a start, we will use coffee grinder in grinding the raw materials into powdered form.

Stage 4 Packaging of the finished products for the market.

After the products have been produced, they will be sent to the company's warehouse for a period of two weeks under intensive security. This is to prevent any theft case. Final inspection will be done to eliminate default ones within the two weeks period. From there, the products will be distributed to customers including grocery shops, supermarkets, educational institutions, hotels and restaurants among others.

To ensure effective monitoring and control of the revenue generated out of the sales made, the accountant/financial administrator will be made to immediately deposit all cash sales in the company's bank account. A maximum of 28 credit days will be given to customers to pay back any amount owed. Notwithstanding that, one week warranty will be given to our customers who purchase our products in bulk.

Suggestion boxes will be placed at vintage points for customers to continuously express their views about the products. This will enable the company to continually improve on its system and provide quality but affordable products and services to our customers

4.2. ENVIRONMENTAL ANALYSIS

4.2.1. Political Environment

For some time now Ghana has been enjoying political stability and this has giving rise to an increase in the number of firms in the food industry. Politically there are no setbacks with relation to setting up companies that produces spices. For these reasons food processing companies have been enjoying an increase in profit and revenue. ELNAN Eduanepa Specialties plan to increase the company size to a bulk production capacity, due to the government's interest the production of the local commodities and the availability of support from the rural banks for local producers.

4.2.2. Economic Environment

The economic condition in the country at the moment is not stable due to the economic down turn around the world, at the moment, inflation rates are dropping. And we are of the view that, by the year we commence business the economy will be stable and demand will increase. Elnan Eduanepa Specialties as a local firm in Ghana can benefit from the ready raw material that we can get at affordable rates. The exchange rate is always moving up and this makes materials from foreign countries sell very expensive and since Elnan Eduanepa Specialties produce locally we are at an advantage.

4.2.3. Technological Environment

The use of technology is the fastest and more efficient way of producing and communicating in the new age. Due to this Elnan Eduanepa Specialties has inculcated the use of technology

in its production to help reach their customers who are very far away. Apart from communicating with our customer we plan to employ the use of high technology machines like coffee grinders and kilns in our production process. This will help produce under hygienic conditions and also increase production.

4.2.4. Socio – Cultural Environment

The society is gradually becoming more and more health conscious; due to this most people are now losing interest in some of the imported spices due to its high chemical content. On the other hand, most of our traditional foods are prepared using some of our raw materials for our products so it gives us the competitive edge and ready market. For instance “Dawadawa” is an essential ingredient most people in the northern part of Ghana cannot do away with when cooking. “Pepre” (cloves) and “whintia” are also used mostly by people in the Ashanti, Brong Ahafo, Greater Accra, Central and beyond for their soups, stews and porridges.

With this in mind, we believe that the food industry has diverse opportunities in place that we can utilize, if we are able to produce and package these spices well.

4.2.5. S.W.O.T. Analysis

STRENGTHS	WEAKNESS
<ul style="list-style-type: none">• Our packaging; our containers and the labels are going to be made in such a way that, it will stand out.• Our manufacturing process; we are going to use high technology machines that will make our product hygienic and also free from chemicals.• Pricing; our products are going to be priced relatively cheaper than our competitor while maintaining quality.• Our location; we are located in the center of Kumasi which is also a traffic free area.	Our startup capital is too small and so we will not be able to employ too many people and also buy other machines such as the packaging and labeling machine.
OPPORTUNITIES	THREATS
There are readily available markets for our products in Ghana and beyond.	The threats of Elnan Eduanepa Specialties are our competitors who already have the market so penetration will not be easy.

Competitor's Analysis

Elnan Eduanepa Specialties' direct competitors are, Kwemerc specialties, Esisel mixed, Crown spice, Aduanepaa and others. They produce similar like ours and their objective is to dominate the local market. The competitors of Elnan Eduanepa Specialties are not threats because we use advance technology like kilns and coffee grinders and that make us make a competitive advantage over them.

STRENGTH OF COMPETITOR	WEAKNESS
<ul style="list-style-type: none"> • They have already established distribution chains • They have an already established customer base. 	<ul style="list-style-type: none"> • They use chemicals in the manufacturing of their spices. • They do not have high technology machines and so they use the local way of drying that is the sun. • Most of them have poor brand awareness.

4.3. MARKET SEGMENTATION

Since we are new in the market, we will serve two regions that is the Ashanti and the Northern regions. Elnan Eduanepa Specialties plan to extent to other regions as the years go by. We will limit our self to the Northern and the Ashanti regions because; they use these local spices more in the preparation of their delicacies.

4.4. TARGET MARKET

Elnan Eduanepa Specialties Company Limited will produce its products mainly for ;

- Hotels and Restaurants
- Grocery Services
- Supermarkets
- Schools And Colleges
- Manufacturers of Food Products and
- Individual users who would like to buy but in single units examples career men and women who cook.

4.5. MARKETING MIX

4.5.1. Product

Elnan Eduanepa Specialties will be producing tasty local spice and instant shito mix. It will be packaged into family and commercial sizes. These products will have the label of the organization on them. This will make the products and their benefits known to the customers.

4.5.2. Pricing

The company wills adopt the penetration method of pricing. Our aim will be to sell at the lowest price to help us increase our customer base. Shops will also be consulted to stock our products in their places for a reduced price. Customer data base will also be created so that they can be consulted from time to time to find out how sales are moving and they will also be consulted from time to time to access how sales are moving and to educate them on how to make sales grow rapidly.

4.5.3. Promotion

Elnan Eduanepa specialty aims at positioning the products in the minds of customers. The company will be promoted throughout the country. The company's form of promotion will be through floating, advertising (electronic media advertisement like the radio, television and the internet) and promotional sales.

4.5.4. Place

The products will be distributed to supermarkets and grocery shops. This will be done by the company's distribution /sales personnel with the aid of a distribution van. The distributions will be to the Ashanti and the Northern regions for now. We plan to use the intensive channel of distribution since we will be delivering with the help of a van. We will also make our product available in such a way that it can be patronize.

5.0. FINANCIAL ANALYSIS

5.1. ELNAN EDUANEPA SPECIALTIES' COMPREHENSIVE INCOME STATEMENT

FOR THE YEARS ENDED 2012, 2013, AND 2014.

	YEAR 2012	YEAR 2013	YEAR
2014			
	GH¢	GH¢	GH¢
Sales	129,480	224,250	291,750
Less Cost of sales	<u>83,065</u>	<u>145,397</u>	<u>189,746</u>
Gross Profit	46,415	78,853	102,004
Less Expense:			
Board of Directors Allowance	4,800	6,000	6,000
Managers Allowances	600	600	600
Salary	3,600	4,800	6,000
SSNIT Fund (5%)	870	1,560	4,644
Registration Charges	1,000	500	500
Office Rent	600	600	600
Electricity	240	300	350
Fuel	3,000	3,500	4,000
Maintenance Charges	1,300	1,800	2,000
Depreciation	3,225	3,225	3,225
Advertising	<u>1,200</u>	<u>2,000</u>	<u>2,500</u>
	20,435	24,885	30,419
Net Profit before Tax	25,980	53,968	71,585
Less Tax (25%)	<u>(6,495)</u>	<u>(13,492)</u>	<u>(17,896)</u>
Net Profit after Tax	<u>19,485</u>	<u>40,476</u>	<u>53,689</u>

**5.2. ELNAN EDUANEPa SPECIALTIES COMPANYS' PROJECTED CASHFLOW
STATEMENT FOR THE YEARS 2012, 2013 AND 2014.**

	YEAR 2012	YEAR 2013	YEAR 2014
CASH FLOWS:	GH¢	GH¢	GH¢
Initial Capital	70,000	—	—
Sales	<u>129,480</u>	<u>224,250</u>	<u>291,750</u>
Total Cash Inflows	199,480	224,250	291,750
Less Cash out Flows:			
Cost of Sales	77,010	138,885	182,876
Total Expense	17,210	21,660	27,194
Purchase of fixed Asset	52,500	—	—
Tax	<u>—</u>	<u>6,495</u>	<u>13,492</u>
Total Cash Outflow	146,720	167,040	223,562
Net Cash Flow	52,760	57,210	68,188
Opening Balance	<u>—</u>	<u>52,760</u>	<u>109,970</u>
Closing Balance	<u>52,760</u>	<u>109,970</u>	<u>178,158</u>

Note

The total expense is less depreciation

**5.3. ELNAN EDUANEPa SPECIALTIES COMPANY LIMITED STATEMENT OF
FINANCIAL POSITION AS AT 31ST DECEMBER, 2012 AND 31ST DECEMBER,
2014.**

	GH¢	GH¢	GH¢
Non- Current Assets	41,525	30,550	19,575
Current Asset:			
Cash at the Bank	52,760	109,970	178,158
Stock	<u>1,695</u>	<u>2,933</u>	<u>3,813</u>
	95,980	143,453	201,456
Stated Capital	70,000	70,000	70,000
Income Surplus	19,485	59,961	113,650
Deferred Tax	<u>6,495</u>	<u>13,492</u>	<u>17,896</u>
	<u>95,980</u>	<u>143,453</u>	<u>201,456</u>

**5.4. ELNAN EDUANEPa SPECIALTIES COMPANY LIMITED INCOME SURPLUS
SCHEDULE.**

	YEAR 2012	YEAR 2013	YEAR
2014			
	GH¢	GH¢	GH¢
Balance b/d	—	19,485	59,961
Net Profit after Tax	<u>19,485</u>	<u>40,476</u>	<u>53,689</u>
	<u>19,485</u>	<u>59,961</u>	<u>113,650</u>

note

NON – CURRENT ASSETS

Depreciation of factory equipment and depreciation of Administrative assets

$$2012 - 23,250 + 18,275 = 41,525$$

$$2013 - 15500 + 15050 = 30550$$

$$2014 - 7750 + 11825 = 19, 575$$

5.5. ELNAN EDUANEPa SPECIALTIES COMPANY LIMITED NET PRESENT VALUE.

YEAR	NET CASH FLOW	DISCOUNTED FACTOR (20%)	NPV
0	—	—	(70,000)
1	52,760	0.833	43,949
2	57,210	0.694	39,704
3	68,188	0.579	<u>39,481</u>
Net Present Value			<u>53,134</u>

$$\text{Discount Factor} = \frac{1}{(1+r)^n}$$

Where r = rate and n = number of years

$$\text{Discount Factor (year 1)} = \frac{1}{(1 + 0.2)^1} = \frac{1}{1.2} = 0.833$$

$$\text{Discount factor (year 2)} = \frac{1}{(1 + 0.2)^2} = \frac{1}{1.4} = 0.694$$

$$\text{Discount Factor (year 3)} = \frac{1}{(1 + 0.2)^3} = \frac{1}{1.728} = 0.579$$

5.6. BREAK-EVEN ANALYSIS

	GH¢
Fixed Cost:	
Plant and Machinery	23,250
Vehicle	16,000
Office Equipments	3,000
Furniture and Fittings	2,500
Depreciation	3,225
Manager's allowance	600
Office Rent	<u>600</u>
	49,175
Variable Cost:	
Raw Materials	84,760
Board o Directors Allowance	4,800
Salary	3,600
Social Security Fund	870
Electricity	240
Fuel	3,000
Maintenance Charges	1,300
Advertising	<u>1,200</u>
	99,770
Total Cost	<u>148,945</u>

Break-even point = $\frac{\text{Fixed Cost}}{\text{Contribution}}$

Contribution

Contribution = Sales – Variable Cost

$$= 129,480 - 99,770 = \underline{\underline{\text{GH¢ } 29,710}}$$

$$\text{Contribution/sales Ratio} = \frac{29,710}{129,710} = \underline{\underline{0.23}}$$

$$\text{Break-even point (sales)} = \frac{\text{Fixed Cost}}{\text{C/S ratio}} = \frac{49,175}{0.23} = \underline{\underline{\text{GH¢ } 213,804}}$$

$$\text{Break-even Period} = \frac{213,804}{129,710} \times 12 = \underline{\underline{19.8}}$$

Elnan Eduanepa Specialties Company Limited will break even in the eighth month after the first year's operation.

6.0. RISK ANALYSIS

Life they say is about risk taking and so is entering into a business. Elnan Eduanepa Specialties Company may be involved in any of the various types of risk that a business can suffer from. The types of risk to our business include;

- Economic Risk
- Human Risk and
- Natural Risk

6.0.1. Economic Risk

Economic risks are risks that arise as a result of changes in interest rates and inflation. When inflation sets in a nations economy, the prices of goods and services constantly increases and this affects the buyer. It adversely reduces the customer's purchasing power and it in turn affects the quantity projected to be sold. Since Elnan Eduanepa Specialties has no control over these indicators, they will force our price of our raw material and it will directly or indirectly cause the prices of our products to also increase.

6.0.2. Human Risk

This is caused by human mistakes as well as the unpredictability of individuals working in the organization. Human risks such as negligence on the part of workers, high turnover of employees and death can have an adverse effect on the productivity of the organization. Also when unsuspected worker (s) stealing from the organization without it being detected can also go a long way to affect the business.

6.0.3. Natural Risk

This type of risk is associated with natural occurrences such as floods, fire, drought, earthquakes and disease outbreaks among others. The above mentioned occurrences can affect the business of Elnan Eduanepa Specialties Company and can cause serious damage to our factory of operations.

6.1. RISK MANAGEMENT

6.1.1. Loss Control

With regards to human risk, proper training and development on our business operations will be given to our employees in order for them to what is expected of them. The company will also motivate the employees through the use of safety gadgets, bonuses and place of convenience. We intend to provide security personnel to take charge of our premises when we close. It is also in our plans to take samples of our products to the Food and Drugs Board for proper certification and approval.

6.1.2. Risk Financing

The company as well as its employees will be insured in cases of burns and fire outbreaks. Elnan Eduanepa Specialties Company will also invest in research and developments to aid us know how the economy is fairing. This will help the company to have a competitive advantage over our competitors.

6.1.3. Internal Control Measures

Elnan Eduanepa Specialties Company will ensure that drainage systems in and around the company are well constructed to avoid blockage of waste around the premises. The company will also ensure that large machines for production are purchased when exchange rates are

low. We will also consult the forestry and the health services to know of other valuable spices that can be produced in the near future so that the company can always enjoy a competitive advantage.

APPENDIX 1

PROJECTED SALES

YEAR	PRODUCT TYPE	SIZES	QUANTITY TOBE SOLD IN A YEAR	SELLING PRIZE GH¢	AMOUNT
2012	Dawadawa Mix	Family	1,500	1.50	2,250
		Commercial	3,000	6.00	18,000
	Rosi Mix	Family	2,000	1.50	3,000
		commercial	6,000	6.00	36,000
	Instant shito mix	Family	700	1.50	10,500
		Commercial	7,280	6.00	43,680
	Ginger powder	Family	700	1.5	1,050
		Commercial	2500	6.00	15,000
	TOTAL		29,980		129,480
2013	Dawadawa Mix	Family	3000	1.5	4500
		Commercial	8000	6.00	48,000
	Rosi Mix	Family	6,000	1.5	9,000
		Commercial	10,000	6.00	60,000
	Instant Shito Mix	Family	15,000	1.5	22,500
		Commercial	10,000	6.00	60,000
	Ginger Powder	Family	1,500	1.5	2,250
		Commercial	3,000	6.00	18,000
	TOTAL		56,500		224,250
2014	Dawadawa Mix	Family	3,500	1.5	5,250
		Commercial	9,000	6.00	54,000
	Rosi Mix	Family	7,000	1.5	10,500
		Commercial	12,000	6.00	72,000
	Instant Shito Mix	Family	17,000	1.50	25,500
		Commercial	15,000	6.00	90,000
	Ginger Powder	Family	3,000	1.50	4,500
		commercial	5,000	6.00	30,000
			71,500		291,750

COST OF PRODUCTION

2012

Purchase of raw materials:

<u>INGREDIENTS</u>	<u>QUANTITY BOUGHT</u>	<u>UNIT COST PRICE</u>	<u>AMOUNT</u>
		<u>GH¢</u>	<u>GH¢</u>
Dawadawa	45 sacks	200.00	9,000
Pepre	20 sacks	80.00	1,600
Ginger	60 sacks	12.00	720.00
Whintia	30sacks	50.00	1,500
Rose Mary	50boxes	80.00	4,000
Shrimps	65 sacks	250.00	16,250
Pepper	50 sacks	80.00	4,000
Onions	100sacks	90.00	9,000
Garlic	30boxes	65.00	1,950
Salt	30sacks	50.00	<u>1,500</u>
			<u>49,520</u>
Packaging and labeling	30,000	0.50	<u>15,000</u>
			<u>64520</u>

Less Closing Stock of Raw Materials:

<u>INGREDIENTS</u>	<u>QUANTITY BOUGHT</u>	<u>UNIT COST PRICE</u>	<u>AMOUNT</u>
		GH¢	GH¢
Dawadawa	5sacks	200.00	1,000
Pepre	8sacks	80.00	640.00
Ginger	10sacks	12.00	120.00
Whintia	5sacks	50.00	250.00
Rose Mary	3Boxes	80.00	240.00
Shrimps	6sacks	250.00	1,500.00
Pepper	3sacks	80.00	240.00
Onions	7sacks	90.00	630.00
Garlic	2sacks	65.00	130.00
Salt	1sack	50.00	50.00
Packaging and labeling	<u>20bottle</u>	<u>0.50</u>	<u>10.00</u>
			4,810.00
Raw Materials Consumed	-	-	59,710.00
Direct Wages	-	-	<u>12,600.00</u>
Prime Cost			<u>72,310.00</u>

Add Factory Overheads:

Lighting and fittings	2,000.00
Factory Rent	1,500.00
Indirect Wages	1,200.00
Depreciation of factory equipments	<u>7,750.00</u>
Cost of Production	<u>84,760.00</u>

note

Cost of production will be increased by 73% in the second year and by 30% in the third year.

COST OF SALES

	<u>2012 GH¢</u>	<u>2013 GH¢</u>	<u>2014 GH¢</u>
Opening Stock	-	1,695.00	2,933.00
Add Purchases	84,760.00	146,635.00	190,626.00
Less Closing Stock	<u>(1,695.00)</u>	<u>(2,933.00)</u>	<u>(3,813.00)</u>
	<u>83,065.00</u>	<u>145,397.00</u>	<u>189,746.00</u>

Closing stock will be 2% of cost of sales.

DIRECT WAGES

YEAR	POSITION	NUMBER OF EMPLOYEES	MONTHLY WAGES	ANNUAL WAGES
2012	Production Staff	7	$150 \times 7 = 1,050$	$1050 \times 12 = 12,600$
2013	Production Staff	10	$200 \times 10 = 2,000$	$200 \times 12 = 24,000$
2014	Production Staff	10	$200 \times 10 = 2,000$	$250 \times 12 = 30,000$

INDIRECT WAGES

YEAR	POSITION	NUMBER OF EMPLOYEES	MONTHLY SALARIES	ANNUAL SALARIES
2012	Security	1	100	1,200
2013	Security	2	200	2400
2014	security	2	240	2,880

DEPRECIATION OF FACTORY EQUIPMENTS

YEAR	KILN DRYER	GRINDING MACHINE	PLANT	TOTAL
<u>2012</u>				
COST	20,000	5,000	6,000	31,000
DEPRECIATION	(5,000)	(1,250)	(1,500)	(7,750)
N.P.V	15,000	3,750	4,500	23,250
<u>2013</u>				
BALANCE B/D	15,000	3,750	4,500	23,250
DEPRECIATION	(5,000)	(1,250)	(1,500)	(7,750)
N.P.V	10,000	2,500	3,000	15,500
<u>2014</u>				
BALANCE B/D	10,000	2,500	3,000	15,500
DEPRECIATION	(5,000)	(1,250)	(1,500)	(7,750)
N.P.V	5,000	1,250	1,500	7,750

Depreciation of all factory equipments is 25% on straight line method.

DEPRECIATION OF ASSETS

YEAR	VEHICLE	OFFICE EQUIPMENTS	FUNITURE AND FITTINGS	TOTAL
<u>2012</u>				
COST	16,000	3,000	2,500	21,500
DEPRECIATION	(2,400)	(450)	(375)	(3,225)
N.P.V	13,600	2,550	2,125	18,275
<u>2013</u>				
BALANCE B/D	13,600	2,550	2,125	18,275
DEPRECIATION	(2,400)	(450)	(375)	3,225
N.P.V	11,200	2,100	1,750	15,050
<u>2014</u>				
BALANCE B/D	11,200	2,100	1,750	15,050
DEPRECIATION	2,400	450	375	3,225
N.P.V	8,800	1,650	1,375	11,825

Depreciation of other assets will be 15% on a straight line method.

LIST OF ASSETS AND EXPENCES BEFORE OPERATION.

	GH¢	GH¢
Initial Capital		70,000
Less Assets and Expenses;		
Registration Charges	1,000	
Kiln Drying Machine	20,000	
2 Grinding Machines	5,000	
Plant	6,000	
Vehicle	16,000	
Office Equipments	3,000	
Furniture and fittings	<u>2,500</u>	<u>53,500</u>
		<u>16,500</u>

SALARIES

YEAR	POSITION	NUMBER OF EMPOYEES	MONTHLY SALARIES	ANNUAL SALARIES
2012	Sales Personnel	1	150	150×12=1,800
	Driver	1	150	150×12=1,800
	Total			3,600
2013	Sales Personnel	1	200	200×12=2,400
	Driver	1	200	200×12=2,400
	Total			4,800
2014	Sales Personnel	1	250	250×12=3,000
	Driver	1	250	250×12=3,000
	Total			6,000

- Elnan Eduanepa Specialties shall give its Managers allowance of GH¢120.00 per month.
- Board of Directors will receive allowances of GH¢80.00 per monthly.
Meeting with the board of directors will be held twice every year and it shall comprise of three members.
- Office rent will be GH¢ 50 per month.

RATIO ANALYSIS

$$\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100$$

2012	2013	2014
$\frac{46415}{129480} \times 100 = 35.85\%$ 34.96%	$\frac{78853}{224250} \times 100 = 35.162\%$	$\frac{102004}{291750} \times 100 =$

2.1. NET PROFIT MARGIN

$\frac{\text{Net Profit}}{\text{Sales}} \times 100$		
$\frac{25,980}{129,480} \times 100 = 20.06\%$	$\frac{53,968}{224,250} \times 100 = 24.07\%$	$\frac{71,585}{291,750} \times 100 = 24.53\%$

2.2. RETURN ON CAPITAL EMPLOYED

$\frac{\text{Net Profit}}{\text{Capital Employed}} \times 100$		
$\frac{25,980}{70,000} \times 100 = 37.11\%$	$\frac{53,968}{70,000} \times 100 = 77.09\%$	$\frac{71,585}{70,000} \times 100 = 102.2\%$

INFORMATION ON THE BOARD OF DIRECTORS

We shall have three people constituting the board of director. They will be in the persons of

- Dr. (Mrs. Debora Quainoo) a nutritionist and Bio-chemist at OkomfoAnokye. She holds a doctorate degree in food and nutrition and bio- chemistry.
- John A. Sagoe kiln drying Specialist and legal consultant for the Forestry Commission, Ghana. He holds (Hons) wood Technology/Mphil in Law and Management.
- Mrs. Angelina Avonsige the matron for Tamale Secondary school. She holds HND in Catering .

6.2. INTERNAL RESOURCE AND CAPABILITIES

6.2.1. Financial assets

We will need a capital of GH¢70,000 as the major injection into the business which will be contributed by the owners of Elnan Eduanepa Specialties. Though this is a huge amount of money but considering the type of business we are venturing into, this amount will not be enough to help us employing more and to also buy all the high technology machines we may need in order to produce.

6.2.2. People assets

Elnan Eduanepa Specialties aspire to have a well trained and experienced work force that will help in the production of the spices. We also plan to employ qualified sales personnel who has the requisite knowledge and skills to deal with the customer base of the company.

6.2.3. Physical assets

Since we will be located at the center of town, it will be a competitive advantage to us. This can help us attract a lot of customers than our competitors because it is a traffic free area and also locating our premises will be very easy since we are located near the Kumasi sports stadium.

6.2.4. Operational assets

Elnan Eduanepa Specialties Company will be using high quality and hygienic technological machines to help produce the spices on a large scale. Machines like the kiln and the coffee grinder are going to be used which most of our competitors do not have. This will make us stand out from our competitors.

6.3. PRODUCT DESCRIPTION

PRODUCT NAME	SIZES
DAWADAWA MIX	100g (family size) 350g (commercial size)
GINGER POWDER	100g (family size) 350g (commercial size)
ROSI MIX	100g (family size) 350g (commercial size)
INSTANT SHITO MIX	100g (family size) 350g (commercial size)

ELNAN EDUANEPa SPECIALTIES Company is spice producing company that produces a wide range spices such as ginger, rosemary, dawadawa, whintia and pepre (cloves), pepper among others. The company produces the individual spices as well as the mixed spices which are made from the above mentioned spices. These local ingredients used in the preparation of the powdered spices have some nutritional value such as the ginger which helps in blood circulation, stimulates digestion and also naturally freshens breathe. The whintia and pepre (cloves) also has low fat and also relieves constipation. Garlic is good for the heart and also helps in blood circulation. Dawadawa on the other hand contains vitamins B12 and is good for the heart. The shrimps and herrings contain calcium, proteins and irons respectively.

6.4. PRODUCTION PROCESS

Here we talk about the actual production stages where the raw materials are being processed into the finished product. We plan to use the low cost strategy to penetrate into the market. We will buy relatively cheaper raw materials to produce so we can sell our products at a cheaper price than our competitors. This will help our company to stand out and also it will help us gain competitive advantage. The processed spice will be packaged with attractive packages and labels so that they will look attractive than the unpackaged ones and even more attractive than that of our competitors. The value of our production stage will be the readily available product for supply on demand and also the packaging of the product. At this stage, we will always make plans to have in stock some of our products so that we can meet market demands when the need arises.

For now, Elnan Eduanepa Specialties will start with the production of a few spices such as the dawadawa mixed with onions, garlic and ginger which we term as dawadawa mix. The rosy mix which is made from the combination of rosemary, whintia and pepere (clove), and pep mix which is of combination: pepper, shrimps, ginger, onions, and small amount of garlic, (herrings) nsesawa and a trace of salt. We will also have individual spices made from the same raw material.

Stage 1 getting the raw materials from the supplier, and washing them off dirt.

Stage 2 Drying of the raw materials (dawadawa, ginger, garlic, onion). And also our shrimps and herrings will be smoked to make it very dry for use. Our raw materials will be in a machine called kiln which is used for drying materials. And the shrimps and herrings will be smoked using industrial barbecue stand.

Stage 3 Grinding of the raw materials. For a start, we will use coffee grinder in grinding the raw materials into powdered form.

Stage 4 Packaging of the finished products for the market.

Location and premises of business

Elnan Eduanepa Specialties will be located Amakom extension in Kumasi in the Ashanti Region of Ghana. Our office and factory will be located in the City Star building near the Kumasi Sports Stadium. The plan to locate the company in Kumasi in the Ashanti Region is not particularly based on the market demand but also nearness to most of our raw materials.

Marketing and Selling Strategies

Elnan Eduanepa Specialties have a target market consisting of Hotels, Restaurants, grocery shops, supermarkets, schools and colleges, food processing companies and individual customers. We plan to implement the strategy of personal selling as well as mass selling. Hotels and restaurants will be consulted from time to time to try our products in their cooking. Shops will also be consulted to stock our products in their shops for a reduced price. They will be made to know the demand for our products and how we plan to bring them to the buyers.

Because it is our aim to export some of our products in the near future, we will advertise our product on the website so that demands can also be made from the internet. Sales promotions will be held often for the first year of operations so that awareness about our products can be strengthened for demand to go high. Individual sellers and buyers will be made to consult the warehouse and the shops for their demand.

The pricing of products in the food industry is very fragile for customers who want to make demand for the products. With this in mind, Elnan Eduanepa Specialties will price the products by accessing the prices of our competitors in the industry. Demand for our products will also be looked at for the first year of operations and if the demand for our product increases, the prices will be made to just above the normal prices. Value creation will be in place because of the reduced prices and differentiations in the sales approach form that of our competitors.

CHAPTER 5

CHAPTER 6

CHAPTER 7

POSITIONING

The main aim of ELNAN eduanepa specialties is produce tasty spices powders while maintaining its natural taste without adding any preservatives which is of the highest quality and affordable as well.

MARKET STRATEGY

Our market strategy will deal with how the products produced can be delivered to the final consumers or customer. Because we value our customers, it will be our duty to supply our products to our customers. This will mean that, we will have to go into agreement with our production manager for our distribution. It will also be a policy that customer who come to buy large quantities from our warehouse will be given special discounts rate. This will help Elnan Eduanepa Specialties to have a good customer relationship with our customers. Value creation is thus achieved because customer has their

products on time at reduced price. We also intend to use the supermarkets and the grocery shops for distribution. We will come into agreement with a these shops to sell to our customers who will be buying in bulk but cannot come to the factory to buy from them at the same factory price. These shops will be given commission based on how much they can sell. This will even help us in our distribution because if the van is not in operation the customers themselves can go in for their products with that same low cost idea in mind.

PROJECTED SALES

RESEARCH AND DEVELOPMENT

In order to be able to meet the needs and wants of our customers and also give them the value for their money, research will be conducted to know exactly what they want and produce exactly to meet their needs. Frequent workshops on hygiene, interpersonal relationships and quality improved management will also be organized in order to develop our staff for continuous improvement.

QUALITY ASSURANCE AND CONTROL

It is an established fact that, the human resource base of every organization is the most important factor to be considered. As a result of this, the company plans to employ qualified experts in our production process so that we can obtain quality production. We also plan to employ sales force personnel who have experience and are qualified to deal with the customer base of the company.

SOURCING

All the raw materials for production of the spices and the instant shito mix will be provided in time by our reliable suppliers. With our knowledge in operations management, Elnan Eduanepa Specialties has foreseen that there is a possibility of short comings and failure and so all necessary measures have been put in place to aid all possible delays and failures

GENERAL ORGANISATION/ OPERATIONS UNITS

The company is made up of four main departments which are- the administrative department, the production department, the marketing and sales department and the security department.

BUSINESS STRATEGY AND MISSION

We plan to use the approach of affordable price for quality spice. We will have the raw materials at moderate prices so that this can have positive impact on our customers. Suppliers will be required to also deliver the raw materials on time to the factory so that we can always meet our fast rate of production for our customers.

We also plan to keep the unused raw materials in our warehouse so that they can be used for production during lean seasons. They will be kept under hygienic conditions so that it will not

go bad. The quality in raw materials, the use of high technology machines and storage will help Elnan Eduanepa Specialties Company to add value to our tasty local spice than that of our competitors.

MAIN PRODUCT, MARKETS, AND CLIENTS

The main products of ELNAN EDUANEPAS SPECIALTIES are spices and instant shito mix. Spices are used during cooking to add's flavor to the cooking and also take away the nausative taste to give the food nice aroma. Elnan spices are of peculiar features that distinguishes it from other spices. The packagings of the spices have been designed in a way that is very appealing to the human eyes which makes our products so unique from other local spices. Elnan Eduanepa Specialties Company has not started operations yet but we have our target market already and they are;Hotels and restaurants, Grocery services, Supermarkets, schools and colleges, manufacturers of food products like shito and individual users who would like to buy but in single units. Examples of such individuals are career women and men who cook. ELNAN EDUANEPAS SPECIALTIES COMPANY plans to serve about 30 hotels and restaurants, and 300 individual customers within the first year of operation. We expect this to move to 150 hotels and restaurants and 1000 individual customers in the 2nd and 3rd year of operations.

KEY DATA (PERSONNEL, TOTAL PRODUCTION AND REVENUE)

Elnan Eduanepa Specialties has total working population of 12. This is made up of 5 management team and 7 working personnel. The objective of Elnan Eduanepa Specialties is to attain a net profit of aboutGH¢1000 at the end of the first year and will be increasing as the years go by.

LOCATION AND PREMISES

ELNAN EDUANEPA SPECIALTIES COMPANY is located at Amakom in the City Star building near Kumasi Sports stadium in the Ashanti Region.

Physical Address: PLOT 85 BLOCK F

Amakom-Kumasi

Ashanti Region

Telephone Numbers: +00233-246198074

+0023-207833809

Postal address: P. O. Box ks - 7398, Adum – Kumasi

CHAPTER 2

ORGANIZATION

ELNAN Specialties Companylimited, of ELNAN spice has all its five shareholders serving as the key management members. Apart from these five members having shares in the company, they are also qualified individuals with years of experience with which together, they provide effective and efficient leadership to ensure the growth of the organization.

|

CHAPTER 3

Economic Environment

The economic environment can have a critical impact on the success of companies through its effects on demand and supply. The food industry in Ghana has been fortunate to have a lot of

economic advantages like the seasonal impact on the growth of raw materials as well as the sale of finished product. ELNAN specialties can benefit from ready raw materials that can get an affordable rate. The company will grow in financial terms as a result of the increase in interest rate and market speculation in Ghana. Materials from foreign market are very expensive as exchange rate is moving up very fast, this will help enhance our successful operation.

HUMAN RESOURCE

The human resource base of every organization is the most important factor to be considered. With this idea in mind, we plan to employ qualified experts in our production process so that we can obtain quality products. We also plan to employ sales force personnel who have experience and are qualified to deal with the customer base of the company. Personnel who have the ability to persuade customers into accepting the products of the company will be rewarded accordingly. This will motivate our workers to work very hard. Salaries for management will be based on levels, educational qualifications and performance. And salaries of production staff and the other workers like the securities and others will be paid based on performance and skills.

LEGAL FRAMEWORK AND ENVIRONMENTAL AND SOCIAL FACTORS

Elnan Eduanepa Specialties have sought for the approval for our products from the Ghana Standard Board as well as the Food And Drugs Board.

FINANCING PLANNING

Assumptions

- Operating capacity will first be tagged at 50% in the first year and will be set up to 60% in the second year and 90% in the third year.
- Depreciation is calculated on a straight line method and the life spans of all fixed assets isyears.
- Cash flow is discounted over a period of 3 years using the cost of capital of ...%
- The current rate of the U.S. dollar is GH¢... is to \$1.00

Profitability Analysis

Product, selling price and revenue

We intend to produce four main spices that are, Dawadawa mix, Rosimix, Ginger powder, and Instant shito mix. With each of the products we will have two main packaging size that is the family size and the commercial size. Below are a list of product and its unit selling price as well as total selling price of goods to be produced in one year.

Market

Elnan Eduanepa Specialties has two main target groups. They are the individual customer and the business customers. Individual customers include the career women and men who cook as well as the ordinal person.

The business customers also include the grocery services, supermarkets, hotels and restaurants, educational institutions and food processing companied among others.

CHRISTIAN SERVICE UNIVERSITY COLLEGE– KUMASI

DEPARTMENT OF BUSINESS ADMINISTRATION

BACHELOR OF BUSINESS ADMINISTRATION

ELNAN EDUANEPA SPECIALTIES COMPANY LIMITED

BUSINESS PLAN

BY

EBENEZER DARKWA ANTWI

LAUREN KONADU AFOAKWA

NANCY OWUSU – AFRIYIE

ALFRED GYAN KOJO SARFO

NINA BRUCE OWUSU

DECEMBER, 2011

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

DEPARTMENT OF BUSINESS ADMINISTRATION

ELNAN EDUANEPA SPECIALTIES COMPANY LIMITD

BUSINESS PLAN

**A BUSINESS PLAN SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES OF
CHRISTIAN SERVICE UNIVERSITY COLLEDGE, KUMASI IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE COURSE CSAD 443 TEAM**

BUSINESS PROPOSAL

BY

EBENEZER DARKWA ANTWI

LAUREEN KONADU AFOAKWA

NANCY OWUSU – AFRIYIE

ALFRED GYAN KOJO SARFO

NINA BRUCE OWUSU

DECEMBER, 2011

STATEMENT OF AUTHENTICITY

I have read the Christian Service University College's regulations relating to plagiarism and certify that, this Business Plan is all my work and does not contain any unacknowledged work from any other source. I also declare that I have been under supervision for this Business Plan herein submitted.

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CERTIFIED BY:

.....
(Supervisor)	Signature	Date

CERTIFIED BY:

.....
(Head of Business)	Signature	Date

EXECUTIVE SUMMARY

Elnan Eduanepa Specialties Company limited is a limited liability company that is into the production of tasty local spices such as Dawadawa Mix, Rosi Mix, Ginger Powder and Instant shito mix. The company was registered on the 26th of September in Kumasi with the registration number ks, 3848. The company's address is PLT 85 BLk F. Elnan Eduanepa Specialties Company Limited, are going to use high technological machines like the kiln and coffee grinder which will make our products hygienic and also free from chemicals. The company is going to be managed by all the five shareholders. One will act as the general manager, the other as the accountant and the financial administrator; we will also have the marketing and sales manager, the production manager and the human resource manager. The company's mission is to reduce the time spent in the kitchen while maintaining and promoting our healthy local spices in a hygienic way. This will help offer today's busy career woman and home maker a faster choice, the man the opportunity to make a greater contribution to house chores. The vision is to aspire to create value for the shareholders, customers, employees and the community by adopting save, flexible, hygienic and environmentally friendly work practices.

The target groups of Elnan Eduanepa Specialties Company Limited are business and individual customers. The individual customers include career women men who cook, as well as the ordinary person. The business customers also include grocery services, supermarkets, hotels and restaurants, educational institutions and food processing companies among others. The direct competitors of Elnan Eduanepa Specialties, are – Kwemerc Specialities, Esisel mixed spices, Grown spice, Eduanepaa and others.

The management team of Elnan Eduanepa Specialties will be well skilled, qualified and with experience.

The projected net profits after tax for the first three years of operations are GH¢19,485, GH¢40,476 and GH¢ 53,689 respectively. The projected net present value for the whole three years will be GH¢53,134. Our total asset for the first year will be worth GH¢95,980, GH¢143,453 for the second year and GH¢201,546 for the third year. Elnan Eduanepa Specialties will produce its products in the first three years for the Ashanti and the three northern Regions of Ghana but in the near future, will expand its business into the other regions of Ghana and also look forward to purchasing high technological machines such as the packaging and labeling machines.

The company will need a startup capital of GH¢70,000 to implement our strategy which will be contributed by all the five shareholders. Our financial forecast indicates that, breakeven will be achieved in the eighth month after the first year of operations.

MISSION STATEMENT

To reduce the times spent in the kitchen while maintaining and promoting our healthy local spices in a hygienic way.

VISION STATEMENT

We aspire to create value for the shareholders, customers, employees and the community by adopting safe, flexible, hygienic and environmentally friendly work practices.

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