

**CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI**

**CSAD 466 TEAM PROJECT**

**FIRST SEMESTER, LEVEL 400**

**BUSINESS PLAN DEVELOPMENT.**

**BESTFISH**

**Fresh Fish For Unique People**

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**December, 2011**

**NAME: BESTFISH PARTNERSHIP**

**BUSINESS SECTOR: AGRIBUSINESS**

BestFish Partnership is into the production and distribution of healthy fish (tilapia) in Ghana.

**A PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES OF  
CHRISTIAN SERVICE UNIVERSITY COLLEGE, IN PARTIAL FULFILLMENT OF  
THE REQUIREMENT FOR THE COURSE CSAD 466 BUSINESS PROPOSALS –  
TEAM PROJECT.**

## 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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## **EXECUTIVE SUMMARY**

BestFish partnership was established out of concern and interest of its noble members as professionals to bring together their skills and experiences to create a successful agribusiness that caters for the nutritional needs of the general public. BestFish partnership is committed to providing unique and quality services that meet the needs of our clients. We believe that our dedication to providing superior and innovative customer service with satisfactory recovery rate, coupled with our affordable pricing policies. We intend creating a distinction between us and our numerous competitors, by eliminating the poor handling of fresh fish by maintaining a very well skilled workforce and to desensitize the use of chemicals to kill fishes especially DDT.

### **Objective**

The partners intend to build a strong business by maintaining a well skilled workforce with the primary aim of satisfying the consumers.

### **Mission Statement**

BestFish desires to satisfy the needs of all fish consumers by providing quality and hygienically produced tilapia for our target consumers at a reasonable price.

### **Vision Statement**

Our Vision is to become the leading and relied tilapia supplier in Ghana, stresslessly.

### **Core Values**

- High Integrity:
- Excellence in Product Delivery:
- Professional Management:
- Responsiveness:

## **Location**

Bestfish partnership shall be located at kwabrakwa - Obuasi which is quiet near the central business district of Kumasi. The postal address Box 312 Obuasi, with the following telephone nos.0276674411, 0246419568 and 0543111419.

## **Marketing Analysis**

We would have in place two vans to help us deliver our promise of on-time delivery of orders whilst relying on the use the following promotional tools personal selling and advertisement such as radio, to mention but a few as our main forms of advertisements and also establish two ponds with the first on having an area of 25m \* 25m and the second, 15m\* 20m.

We hope to take full advantage of our strengths which include the availability of highly Skilled and committed management team, guaranteed fresh and nutritious fish, strategic location close to the central business district of Kumasi to mention but a few to maximize revenue and to control the large market available whilst trying not to let our weaknesses of being new entrants stand in the way of achieving our goals and objectives which include customer satisfaction at all times and the provision of healthy and quality fish for public consumption to deliver our promise of affordability whilst positioning ourselves to withstand the environmental factors.

Bestfish partnership is a partnership involving five persons with the purpose of maximizing the business value.

BestFish partnership desires to be the yardstick in the provision of nutritious fish at an affordable price and as such will adopt cost leadership (price penetration) and differentiation as our market strategies whilst falling on the hotels, restaurants, catering services, supermarkets, coldstores,



bank employees as well as the upcoming and established Tilapia joints as our main target market, we intend to join the fish farmers association of Obuasi to take advantage of the wide market available.

### **Risk Analysis**

BestFish partnership hopes to manage all risks that may be liable to, by using loss control mechanisms such as reduced levels of risky activities and increase precautions combined with insurance (NHIS) and other prudent risk management methods to control such situations such as and when they occur in relation to the company.

### **Financial Analysis**

Based on the accurate accounting analysis we are determined to breakeven within the first eight (8) months in the first year of operation and generate a profit B/f tax of ₵89462.31 in the year ending 2012 and increase the profit margin by 15.4% and 5.7% for the subsequent years respectively.

## **MISSION STATEMENT**

BestFish desires to satisfy the needs of all fish consumers by providing quality and hygienically produced tilapia for our target consumers at a reasonable price.

## **VISION STATEMENT**

Our Vision is to become the leading and relied tilapia supplier in Ghana, stresslessly.

## **CORE VALUES**

- High Integrity:
- Excellence in Product Delivery:
- Professional Management:
- Responsiveness:

## 1.0 ORGANISATION

One of the management team by name Peter realizing that getting a job after school was a predicament in the country; he decided to engage in fish farming as a way of making a living. Upon discussion with the father, who is a medical officer, he realized also that most Ghanaians especially the youth in the country are suffering from fatty and unhealthy sources of animal protein (goat meats, pig meats etc.). Upon discussion with some of his colleagues, he realized that they also have the same desire as he did, with the two having the interest and the skills needed to support this course. BestFish as partnership came into being.

Bestfish is a business which has a legal form of partnership because it falls under the regulatory framework. According to the partnership 1962, Act 152, which is defines as an association of two or more person, pooling up their resources together with the purpose of maximizing profit. The company is owned by all the five (5) members who are active partners thus the role of management is assume by all the members according to their area of specialization. BestFish partnership is into the production and distribution of healthy fish (tilapia) in Ghana.

General organization/operating units - the various operating units of the company are as follows; operational, marketing and finance.

- ❖ Operational units; they are the subsection of the organization which is responsible for the actual production of the tilapia. They are required to produce high quality and nutritious fish to ensure optimal satisfaction to the potential customers.
- ❖ Marketing unit; they are responsible for creating demand for our product. They are there to ensure that our promise of on-time delivery is adhered to perfectly and increase the customer base

Finance unit; this operating unit is responsible for the managing the financial resources of the business to avoid unnecessary cost and expenses which will help to breakeven within the first eight (8) months in the first year of operation and generate a profit B/f tax of C89462.31 in the year ending 2012 and increase the profit margin by 15.4% and 5.7% for the subsequent years respectively.

- ❖ They are also to advise the management on key financial issues and policies that will improve the financial health of the company.
- ❖ Business strategy and mission – the main product of the company is tilapia which is used as a meal to consumers. Tilapia is the lower fat, non-oily fish that has fewer omega-3acids than oily fish, but still provides many beneficial heart-healthy nutrients compared to other meat choices such as chickens, pork or beef. Our main target will be the Hotels, restaurants, Catering services, Coldstores, Supermarkets, Bank employees, as well as the upcoming and established tilapia joints. The market share of Bestfish is expected to be 35% of the entire tilapia market size and a potential growth of 2% in the market share for the ensuing years.

## **LOCATION**

Bestfish partnership shall be located at Obuasi, but have it main office at Kumasi precisely Adum. The company's postal address Box 312 Obuasi, with the following telephone nos.0276674411, 0246419568 and 0543111419.

## ORGANIZATIONAL CHART

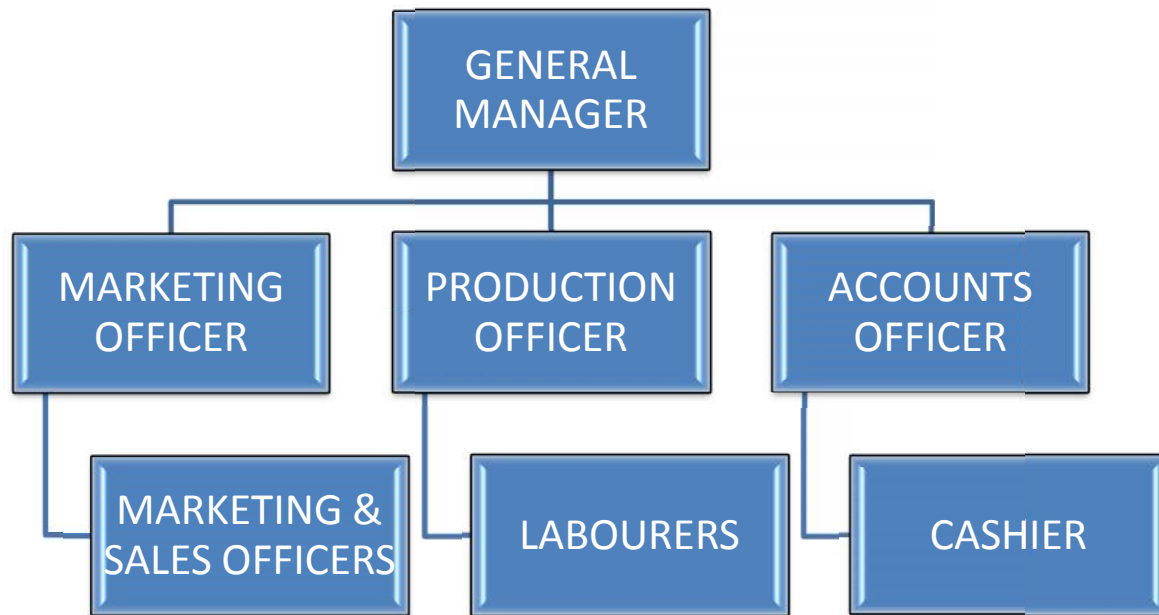


fig. 1

## **2.0 PRODUCT IDEA AND REALIZATION OF SCHEDULE**

### **2.1 Product Idea**

Our product being tilapia, which was initiated by Peter Yaw Adjei, the company intends to start its operation in January 2012, which will always seek to provide fresh, hygienic and nutritious tilapia produced and processed under very healthy and hygienic conditions. The services available in the short-term will be to have an ordering and delivery service unit. A strong and able marketing team will also be on the market creating the awareness and bringing the knowledge of our existence to our target consumers.

#### **Importance of Tilapia**

- Low saturated fat
- Low calorie
- Phosphorous
- Vitamins B12
- Potassium
- Low carbohydrates



**Tilapia (Oreochromis niloticus)**

According to USDA Database (SR18)

There are 27 calories in 1 ounce of Fish

- i) 16%(0.48g) fats
- ii) 80%(5.86g) proteins
- iii) 0%(0g) Carbohydrates
- iv) Excellent source of phosphorous (required for good teeth and bones and also nourish the brain and nerves),
- v) vitamin B3 or niacin (for maintaining good blood circulation and healthy robust skin condition),

- vi) selenium (an antioxidant which helps combat free radicals such as smoke and pollution reducing the risk of bronchitis and related heart diseases),
- vii) vitamin B ( boost energy, beneficial to metabolism and combating stress and anemia) and also
- viii) a good source of Potassium (helps regulate body's fluid levels and regulates blood pressure)

Tilapia is a widely popular fish native to tropical climates around the world, farmed largely in china, Tilapia is a fast growing, prolific and strong fish that provides an excellent source of protein along with low fat and calorie content. Relatively large in size, tilapia is prized by producers by and the ease with which it can be farmed. Its mild flavor, light texture and white colour have contributed to its worldwide popularity. It is set to overtake salmon as the number one farmed fish in Ghana.

### **Nutritious**

Tilapia is a high protein fish that is low in carbohydrate, it has a low sodium content and contains healthy levels of phosphorous and niacin. It is also rich in selenium and vitamins B12, an essential vitamins and healthy cell function.

### **2.1.1 COMPARISM TO COMPETITIVE PRODUCT**

Tilapia is a key point of a muscle-building diet. For patients in recovery and therapy that are rebuilding muscle, people looking to build muscle to naturally burn body fat and people seeking strength-building food, tilapia is used due to its rich levels of proteins and low level of fat. The USDA reports that tilapia contains 2g of fat per 3.5 ounces of fish, that's an amazingly low fat



volume and low calorie. Tilapia is the lower fats, non-oily fish that has fewer omega-3 acids than oily fish, but still provides many beneficial heart healthy nutrients compared to other meat choices such as chicken, pork or beef.

The uniqueness of Bestfish is to package our product with a new brand which is entirely different from what our competitors are doing. Looking at most of our target customers who are business people (especially banks employees) it is very difficult to find them at the market place, So Bestfish is meeting them with already spiced fresh fish in small ice chest or a fresh frozen fish in small ice chest at an affordable price for all to purchase.

To the other target consumers a well package fresh tilapia in white rubber with a price tag on them to be given to everybody to reduce the mishandling of the tilapia.

In place will be a bulk of fresh tilapia to supply to our catering services, hotels, restaurants etc which will be well arrange in a very big ice chest.

And also to the supermarkets a well arrange fresh and spiced tilapia in a disposable plate with ice around them to buy.

#### **Company's strategies to distribute the product;**

- ❖ We will establish a cordial relationship between our customers and us, and we intend to intensify it.
- ❖ Delivery to ensure that orders are delivered on-time and at the convenience to our customers. Also to attract new customers and retain the existing ones.
- ❖ Flexibility in the pricing system of the tilapia.

- ❖ Mass production of tilapia to avoid shortage.

### **2.1.2 Regulatory Restrictions**

The Fisheries Act of 2002 (Act 625) is the main legislative instrument that governs the practice of aquaculture in Ghana. The relevant sections are:

- i) Section 60, on licenses for aquaculture and recreational fishing. This section stipulates that a license is required for an aquaculture project, an application for which must be made to the Fisheries Commission and accompanied by an environmental impact assessment.
- ii) Schedule 2, regulation 3 of the Environmental Assessment Regulations, 1999, prescribes land-based aquaculture as one of the undertakings for which an environmental impact assessment (EIA) is mandatory.

## 2.2 REALISATION SCHEDULE

ACTIVITIES	TIME								RESPONSIBLE
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Funding	√								Account Officer
Land acquisition	√								Production Officer
Pond construction		√							Production Officer
Developing of the site		√							Production Officer
Rent at Obuasi		√							Account Officer
Recruitment of labour @ Obuasi		√							Production Officer
Actual production			√						Production Officer
Office rent @ Kumasi				√					Account Officer
Recruitment of staff @ Kumasi				√					Account Officer
Market testing					√	√	√		Marketing Officer
Launching of product								√	Marketing Officer
Advertising & Promotion								√	Marketing Officer

### **3.0 MANAGEMENT TEAM**

#### **KEY MANAGER AND EMPLOYEES RESUMES**

##### **Mr. DAVID ASANTE- ADJEI**

##### **GENERAL MANAGER**

##### **Qualifications**

- i) Have a first Degree in Business Management
- ii) Have at least 3 years working experience in any agribusiness.
- iii) A Professional Certificate in Law
- iv) Have good communicational and motivational skills

##### **Duties**

- i) Responsible for guiding employees in achieving the goals and ambitions of the organization. They ensure that all processes and practices are working in a proper manner.
- ii) They discuss with other members of the top management and devise any specific goals, which are to be accomplished within a certain time period.
- iii) Paying attention to monthly or quarterly functioning of each individual practices.
- iv) Hiring well-experienced and efficient managers for handling the operations of individual practices in a company.

- v) Conduct presentations to the higher management pertaining to business, marketing, and advertising strategies, and all other necessary aspects of the company processes.
- vi) Communicating with clients and attracting new projects to the company for execution and finalization are also important general manager duties.
- vii) Advising the company on legal issues.

**HANNAH SERWAA BONSU,**

**SALES & MARKETING OFFICER**

**Qualifications**

- i) Hold a degree in Marketing
- ii) Have Certificate in Marketing (CIM – UK)
- iii) Have two years working Experience.

**Duties**

- i) Will work within the Marketing Department of a company.
- ii) Responsible for establishing and developing distribution [networks](#) for the company.
- iii) They are also responsible for quality services provided to all customers by marketing staffs.
- iv) They initiate market research studies or surveys and is responsible for analyzing and advertising toward new and better, packaging and delivery of products.

- iv) They also direct and evaluate ongoing marketing strategies, which allow for sales departments continually update themselves if necessary.
- v) Willingness to work with and being a team player.

**PETER YAW ADJEI**

**SALES & MARKETING OFFICER**

**Qualifications**

- I. Holds a degree in Human Resource Management
- II. Have Certificate in Marketing (ICM – UK)
- III. Have two years working Experience.

**Duties**

- v) Will work within the Marketing Department of a company.
- vi) Responsible for establishing and developing distribution [networks](#) for the company.
- vii) They are also responsible for quality services provided to all customers by marketing staffs.
- viii) They initiate market research studies or surveys and is responsible for analyzing and advertising toward new and better, packaging and delivery of products.
- i) They also direct and evaluate ongoing marketing strategies, which allow for sales departments continually update themselves if necessary.
- ii) Willingness to work with and being a team player.

## **SAMUEL GARIBA**

### **3.1.4 ACCOUNTANT**

#### **Qualifications**

- i) Holds a degree in Accounting
- ii) Detail oriented and efficient
- iii) Strong analytical ability
- iv) Have HND in Accounting

#### **Duties**

- i) Prepare, examine, and analyze accounting records, financial statements, and other financial reports to assess accuracy, completeness, and conformance to reporting and procedural standards.
- ii) Compute taxes owed and prepare tax returns, ensuring compliance with payment, reporting and other tax requirements.
- iii) Analyze business operations, trends, costs, revenues, financial commitments, and obligations, to project future revenues and expenses or to provide advice.
- iv) Develop, maintain, and analyze budgets, preparing periodic reports that compare budgeted costs to actual costs.

- v) Prepare forms and manuals for accounting and bookkeeping personnel, and direct their work activities.

## **KWABENA BOATENG**

### **3.1.4 ACCOUNTANT**

#### **Qualifications**

- i) Holds a degree in Accounting.
- ii) Detail oriented and efficient
- iii) Strong analytical ability

#### **Duties**

- I. Prepare, examine, and analyze accounting records, financial statements, and other financial reports to assess accuracy, completeness, and conformance to reporting and procedural standards.
- II. Compute taxes owed and prepare tax returns, ensuring compliance with payment, reporting and other tax requirements.
- III. Analyze business operations, trends, costs, revenues, financial commitments, and obligations, to project future revenues and expenses or to provide advice.
- IV. Develop, maintain, and analyze budgets, preparing periodic reports that compare budgeted costs to actual costs.



- V. Prepare forms and manuals for accounting and bookkeeping personnel, and direct their work activities.

**BENEDICTA TWUMWAA AMOABIN**

**PRODUCTION OFFICER**

**Qualifications**

- I. Holds a degree in Banking & Finance
- II. A certificate in aquaculture
- III. Have at least three years working experience in a related position.

**Duties**

- I. Will be involved with the planning, coordination and control of fish production.
- II. Ensure that the fish production is undertaken efficiently from fingerlings to harvesting.
- III. Ensure that the fish is produced; having all the elements needed to get the nutritious quality of fish that is expected.
- IV. Working out the human and material resources needed on the pond and at what time.
- V. Being responsible for the selection and maintenance of equipment
- VI. Working with managers to implement the company's policies and goals
- VII. Identifying training needs.

## **4.0 MARKETING ANALYSIS**

The fish industry in Ghana has the industrialized, semi-industrialized and artisanal or canoe as being the options available. The artisanal sector provides over 70% of the total fish requirements and consequently the bulk of the country's protein requirements.

The industry according to the Ministry of Agriculture employs estimated 10% of the country's population which stands at around 2.2 million people.

Out of the 2.2million people the sector also employs 60% women and links with other sectors in providing raw materials especially the food processing companies and the hospitality industry whiles employing the services and products of other sectors in order to operate. Modern technology has made available fast growing species of fish (Gift Tilapia), which combines good taste and large size, and it is accepted all over the world. Ghana should not be satisfied with its gold and cocoa but the country should explore other areas such as its fish resources, especially aquaculture farming in order to improve on the nation's economy.

## **4.1 BUSINESS SYSTEMS/OPERATIONS**

### **PRODUCTION PROCESS**

Pond construction

Land surveying which include;

- Topographical survey
- Contour mapping
- Leveling and elevation

The above processes will be undertaken by professional surveyors and these processes will be necessary to ensure that the land chosen will be less liable to flood and/or any other natural disaster.

#### ii) Pond excavation and dunking

The excavation of the pond normally takes five days and would require an excavator operated by a technician and an assistant.

The load loader is also used after the excavation to raise the banks of the pond and this is termed Dunking.

In all, there shall be two ponds constructed.

#### iii) Drainage and Filling

Drainage facilities are incorporated in the pond and they include inlets (for filling the pond with water), outlets (for draining the pond) and overflow (for helping maintain the desired water levels)

#### **4.1.1 Breeding Stock**

Our ponds are going to be stocked with mono-sex fingerlings and with a stocking density of 2,500 fingerlings for 25m\*25m and 1,500 fingerlings for 15m\*20m

#### **4.1.2 Feeding the Fish**

We will feed our fishes with proper diet such as maize barn, soya bean and chicken manure for plankton which will boost their immune system and lead to an optimal growth which our

competitors lack, since they use cow and sheep for manuring which have low quality and groundnut peels as their feed.

#### **4.1.3 Manuring and Liming**

We will use the manure from chickens for plankton which will boost their immune system.

Liming is also done to maintain a good pH level of the water.

#### **4.1.4 Harvesting**

Complete harvesting will be done at the end of every 6months with the help of a cast nets.

However, the harvesting could be done anytime depending on the size and weight of the fish in demand.

#### **4.1.5 Packaging**

To our consumers the product will be package in white rubber with a price tag on them and delivered to our customers.

### **4.2 Environmental Analysis**

#### **4.2.1 Competitors Analysis**

Bestfish will face numerous competitors in their operations; the popularly known direct competitors are the Volta catch at Akosombo with other competitors at the operating jurisdiction along our operating site at Obuasi, who also seek to capture the same market, having similar resources as Bestfish. Again Felibat Coldstore at Kumasi which has carved a niche for itself where they concentrate on the fish needs of the hotels and other restaurants available in the metropolis. And also our quest to employ the cost leadership strategy where we hope to sell at

affordable prices, we are faced with competition from other retailers such as market women who also have such strategy in mind.

#### **4.2.2 Competitors Objectives**

Volta Catch at Akosombo; their main objective is to produce fresh and quality fish (Tilapia).

Operating jurisdiction competitors; due to the increasing rate in the consumption of tilapia in the market, they have directed their resources into fish farming to fill the gap created by excess demand over supply.

Falibat coldstores; their main objective is to provide an on-time delivery and prompt customer service.

#### **4.2.3 Past & Current Strategies of competitors;**

- ❖ They have established a cordial relationship between themselves and their clients, customers and they have intended to intensify it.
- ❖ Flexibility in the pricing system of the tilapia by the market women.

#### **4.2.4 Competitors Reactions;**

- ❖ They react to new entrants by setting their products at the lowest possible price which will encourage more consumers to patronize their product which is a major threat to deter new entrants.
- ❖ Increasing their promotion and advertising rate to maintain their customers and increase their market share.

#### **4.2.5 Competitors Weakness;**

##### **Volta catch at Akosomobo**

- Location; Volta catch is only located at Akosombo which is quite far from Accra, Kumasi, Takoradi where they could record very high sales.
- Their concentration is on individuals rather than the hotels and other institutions that would rather bulk purchase.
- Loss of fish in their concession when the water is at its highest level.

##### **Felibat Cold stores**

- The excessive freezing which reduces the freshness of the fish
- The niche they have carved that prevents other individuals who may not be interested in bulk purchases from buying in units and smaller quantities.
- Unhygienic environments.
- Unreliable supply of fresh fish.

##### **Market women**

- Poor customer services.
- Smaller market share due to lack of adequate marketing skills.
- Lack of capital and insurance (in relation to compensation for injury and stuff).

## 4.2.6 Macro Analysis (External)

### ➤ **Political**

Due to the stability of the political system in Ghana the government has given the opportunity for small scale fish farmers to also operate along side with what we get from the sea and lakes which is not enough in serving the whole nation. We also hope to make use of the opportunities presented to us by the government in the form of tax exemptions to deliver our promise of affordability.

### ➤ **Economic**

Ghana's economy has stabilize for some time now with an inflationary rate of 8.4 which has controlled the movement of prices of goods and services, this control has also reduced the interest rates of bank borrowings.

### ➤ **Social**

Sex, occupation, income, beliefs, values, behavior etc are some of the factors that have influences on our product and Bestfish has any negative impact on such affluences.

### ➤ **Technology**

Technology has great impact on our product; this influence can help to fulfill our promise of on-time deliver because nowadays Ghanaians' are technological advance.

### 4.2.7 SWOT Analysis

<b>Strength</b> <ul style="list-style-type: none"><li>• Quality of product-fresh and nutritious</li><li>• Location, nearness to the business centre</li><li>• Quality customer services</li><li>• Highly skilled and committed management team</li><li>• Affordable price</li><li>• Our unique brand and packaging</li></ul>	<b>Weakness</b> <ul style="list-style-type: none"><li>• New entrants into the industry</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• There is an increase in the demand of tilapia due to healthy education on the dangers associated with fatty foods.</li><li>• We will enjoy tax free during the year of assessment for five (5) years Section 11 of the Act 152.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Closely related products – substitutes such as meats and other fishes.</li><li>• Already established tilapia business-competitors.</li><li>• Predator like snake.</li><li>• Flood.</li></ul>

### 4.3 Market Segmentation



In terms of geographical area, Bestfish intends to operate within Obuasi and Kumasi business area for the short term, and middle class customers who are known to be health conscious who wish to purchase their fish under hygienic conditions as they believe in quality and so will appreciate our products. Due to healthy lifestyle Ghanaians now want to reduce their fatty food intake and concentrate on more fresh and nutritious foods which happen to what we are there for production of tilapia.

#### **4.4 Target Market**

Our main target will be the Hotels, restaurants, Catering services, Coldstores, Supermarkets, Bank employees as well as the upcoming and established tilapia food joints. The problems to be solved here will be reduced, if not eliminate the delays in supply, be able to provide a healthy and more nutritious fish in addition to being able to provide our customers with the desired size of fish for the various purposes for which they make their purchases.

##### **4.4.1 Potential Market**

We wish to have 35% as our market share of the target market which will enable Bestfish cover all its operational cost in the first year and increase the market share by 2% for the ensuing years which will lead to profit maximization all things being equal. In order to achieve this objective we have put in place marketing measures to make our product affordable using price penetration and also a ready supply of our product to deliver on promise and on-time. Product differentiation in terms of quality handling and packaging

#### **Future Outlook**

We seek to expand in the long-term by forming a training centre where students and other stakeholders can visit to learn about the healthy and more hygienic way of producing and processing fish for consumption.

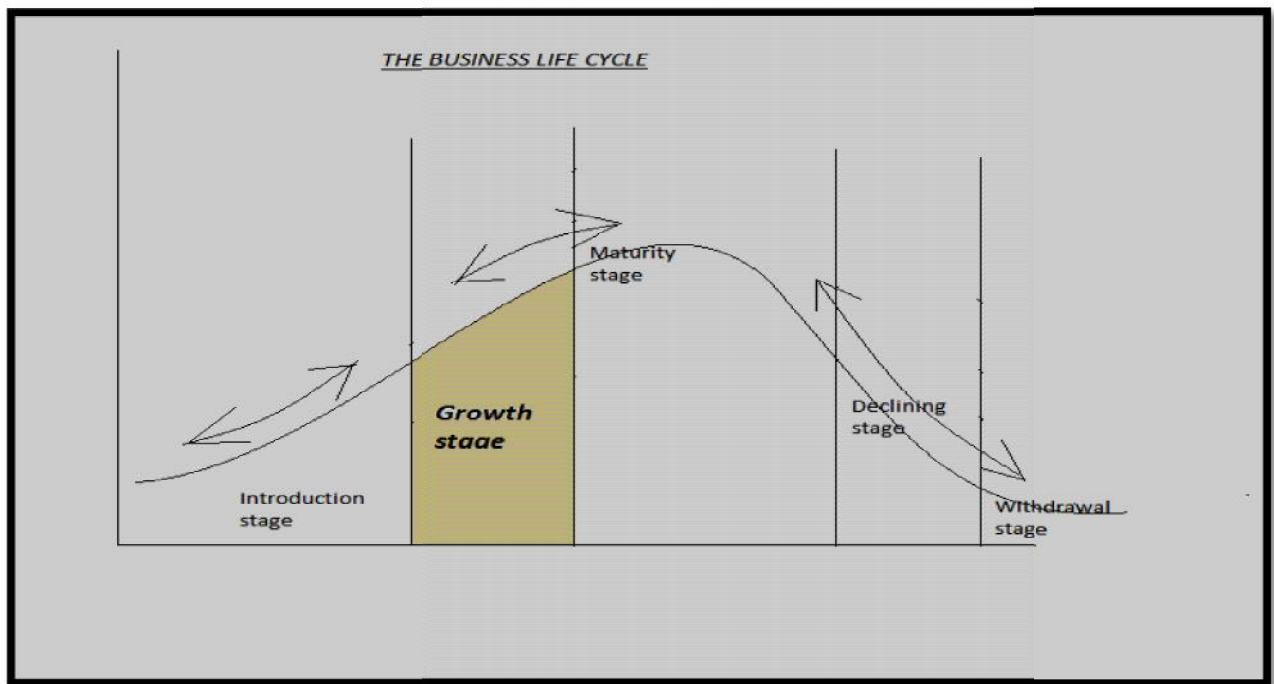


Fig 2

**Master thesis by Petit Kwaku Heheglo, Department of Social Science and Marketing Studies, Norwegian College of Fishery Science, University Of Tromso, Norway. May 2008.**

This the business life cycle for the tilapia industry is at its growth stage, looking at the entire market size people now consumes tilapia a lot because of the attribute attached to the product and the health consciousness of Ghanaians.

Key data – Since we are partners, management will be part of day to day running of the business and employ additional three (3) workforce making it eight (8) personnel in all.

### **PROJECTED PRODUCTION**

Total production in quantitative terms for year 1 – 110,000, year 2 – 112,600 and year 3 –106,252.

Sales revenues are as follows; year 1 – ₦176,500, year 2 – ₦180,083 and year 3 – ₦183,630.6.

Number of Clients – we have arranged with the following target markets; Financial Institutions – 17, Catering Services – 7 Supermarkets – 3, Coldstores – 2, Restaurants – 5 and Hotels – 5.

#### **4.4.2 Market Trend**

The seasons where the demand for tilapia is at its peak is “Christmas festive”, therefore we will strategized our operations to meet the massive demand, which will increase our total returns and reduce our production for the ensuing seasons (January to June) with a lean season to avoid uneconomical cost such as storage and wastage as a result of the decrease in demand which is economically hygienic.

#### **4.4.3 Distribution Channel**

Since we have our specified target market, we will have in place two vans for each to operate in Obuasi and Kumasi to fulfill our promise of on-time-delivery when an order is placed. We will

also have an office in Kumasi precisely Adum to meet the needs of our target market on time which will widen our market share.

## **4.5 PRODUCT/ MARKETING MIX**

### **4.5.1 Product**

Tilapia is a widely popular fish native to tropical climates around the world, farmed largely in china, Tilapia is a fast growing, prolife and strong fish that provides an excellent source of protein along with low fat and calorie content. Relatively large in size, tilapia is prized by producers by and the ease with which it can be farmed. Its mild flavor, light texture and white colour have contributed to its worldwide popularity. It is set to overtake salmon as the number one farmed fish in Ghana.

Our product being tilapia will always be fresh, hygienic and nutritious, produced and processed under very healthy conditions. The services available in the short-term will be to have an ordering and delivery service unit. A strong and able marketing team will also be on the market creating the awareness and bringing the knowledge of our existence to our target consumers. We will feed our fishes with proper diet such as maize barn, soya bean, wheat barn and chicken manure for plankton which will boost their immune system and lead to an optimal growth which our competitors lack, since they use cow and sheep for manuring which have low quality and groundnut peels as their feed. There are various attributes which will be derived from our products.

- i) vitamin B3 or niacin (for maintaining good blood circulation and healthy robust skin condition),
- ii) selenium (an antioxidant which helps combat free radicals such as smoke and pollution reducing the risk of bronchitis and related heart diseases),
- iii) vitamin B ( boost energy, beneficial to metabolism and combating stress and anemia) and also
- iv) a good source of Potassium (helps regulate body's fluid levels and regulates blood pressure)
- v) 16%(0.48g) fats
- vi) 80%(5.86g) proteins
- vii) 0%(0g) Carbohydrates
- viii) Excellent source of phosphorous (required for good teeth and bones and also nourish the brain and nerves),

#### **4.5.2 Pricing**

The pricing policy of Bestfish is cost based which is making our price based on the cost we incurred. Since management believes that we have excellent workforce to produce quality goods and services efficiently this will enable and encourage our potential customers to buy the product.

#### **4.5.3 Promotion and Advertising**

The kind of promotional tool to be adopted will be the proper development of our website to make our business more informative. We will use personal selling to our target customers in creating the awareness of our existence to them and making our business look very attractive to them. We will also put up adverts on Luv Fm and Shaft Fm to reach out target customers in the Kumasi and Obuasi Metropolis as a higher percentage of our target market are the educated populace and so these methods will be efficient and very effective in getting their attention.

In relation to the sales promotion, we will be using discounting on particular basis and also give out some souvenirs such as t-shirts and pens bearing our name and a little information about us all to increase the awareness of our company. Also, we will be using free delivery as a means of also promoting our products and getting a competitive advantage over our potential competitors. These methods will be applied periodically as and when deemed necessary by our able marketing team since we believe that these will be the relatively less expensive means of promoting our products.

#### **4.5.4 Place and distribution channel**

Since we have our specified target market and also have done our personnel launching of our product through personal selling, we will have in place two vans, to operate within Obuasi and Kumasi as we deliver the product at their doorstep as they place the order in order to fulfill our promise of on-time-delivery. And also our product will be available at some reliable places such as Coldstores and other supermarkets around Adum. The business can benefit by maintaining our existing and new customers and also making the company liable to build our corporate image.

## **4.6 RESEARCH AND DEVELOPMENT**

We will put in the requisite resources (finance, labour and equipments) relevant to the production process which will take us six months to launch the product.

Taking the long-term into consideration, interested customers will be given the training required at our training centre and this will be used as an opportunity to show to the public our products on sale. Bestfish wishes to setup branches in the other regions of the nation in order to be closer to a greater percentage of the market.

## **4.7 QUALITY ASSURANCE AND CONTROL**

We intend outsourcing an agric officer to take all staffs through training and incentives to motivate them, to give their best which will make us meet the quality requirement of our clients.

## **4.8 SOURCES**

Adequate measures have being put in place to eliminate the delays in supply of raw materials since there is a nearby poultry farm to supply us with chicken manure and also from a milling facility which is quite close to our production site for the maize barn and wheat barns and a market to buy our soya bean. Our fingerlings with other equipment needed for production are also available at the fisherman's market to buy.

## 4.9 Labor Needs

Labour Category	Number Needed
Sales personals	2
Pond Caretaker	1
<b>Total</b>	<b>3</b>

The payment will be in accordance with the minimum wage rate of Ghana which is not less than Gh¢.

### **Pond Caretaker**

At least high school certificates, with the ability to read, write and communicate frequently.

There will be casual employees that will help during harvest season, this will be temporal no benefit would be attached to them.

## **COMPENSATION METHOD**

For our staffs, we shall use an incentive – based pay structure.

We are basically putting in place a pay plan that rewards him for profitable work.

## **Financial analysis**



## 5.1 PROJECTED INCOME STATEMENT FOR THE YEAR ENDED 2012,2013,AND 2014

	YEAR 1¢	YEAR 2¢	YEAR 3¢
Turnover(3)	176500.00	180030.00	183630.60
Cost of sales (2)	19342.00	15605.80	11114.04
Gross profit	157158.00	164424.20	172516.56
Admini,selling&distribution(4)	57695.69	51142.00	53382.80
Profit from operating activities	99462.32	113282.20	119133.76
Finance cost	10000.00	10000.00	10000.00
Profit before tax	89462.31	103282.20	109133.76

	<b>PBIT</b>	<b>DEP</b>	<b>CASH FLOWS</b>
YEAR 1	99462.31	1287.69	98174.62
YEAR 2	113282.2	1886	111396.2
YEAR 3	119133.76	1886	117247.76

A

YEAR	CASHFLOW	DCF 25%	PV
0	115280.00		(115280.00)
1	98174.64	0.8	78539.71
2	111396.00	0.64	71293.44
3	119133.76	0.51	60758.22
NPV			95311.37

Interpretation; the positive npv shows that the project is viable and should be undertaken.

B

ROCE = (AVERAGE ACCOUNTING PROFIT)/3

AVERAGE INVESTMENT

= ( 98174.64 + 111396 + 119133 )/3

115280

= 95%

NET PROFIT MARGIN = NET PROFIT BEFORE TAX \*100

SALE

= 8946231.00%	103282.2	109133.76
176500.00%	180030	183630.6
51.00%	57%	59%

YEAR	CASHFLOW	DCF(96)	PV
0	115280		(115280.00)

1	98174.64	0.51	50069.07
2	111396	0.26	28962.96
3	119133	0.13	15487.29
		NPV	(20760.68)

$$IRR = R1 + (R2 - R1) * NPV$$

$$(NPV1 + NPV2)$$

$$= 6767132.27$$

$$(95311.37 + 20760.68)$$

$$= 83.30\%$$

## 5.2

## BESTFISH COMPANY

# PROJECTED CASHFLOW STATEMENT FOR THE YEAR ENDED 2012,2013,2014

	YEAR 1	YEAR 2	YEAR 3
INFLOWS			
Capital	115280.00		
Sales	141200.00	178618.00	182190.48
	256480.00		
OUTFLOWS			
Property	34210.00		
Raw material	6400.00		
Direct wages	2400.00	2640.00	2772.00
Direct expense-feeding	1748.00	1922.80	2018.94
Indirect material catfish	1800.00	500.00	500.00
Indirect labour harvesting	680.00	748.00	785.40
Rent of rooms	360.00		
Packaging cost	200.00	220.00	231.00
Insurance NHIS	304.00	40.00	40.00
Operating tools	500.00	50.00	50.00
Maintenance and repairs	1000.00	1100.00	1155.00
Bank charges(finance)	10000.00	10000.00	10000.00
Comm and telephone	1000.00	1100.00	1155.00
Rent of office	15000.00		
Staff training	500.00	550.00	577.50
Gen. mgr & partners all	26000.00	28600.00	30030.00
Electricity bills	360.00	396.00	145.80
Audit fees	2000.00	2200.00	2310.00

Staff bonus	500.00	550.00	577.50
Promotional cost	1500.00	1650.00	1732.50
Fuel	5200.00	5720.00	6006.00
Storewoman	1620.00	3600.00	3600.00
Sales personnel	1500.00	3240.00	3360.00
Stationary	498.00	550.00	577.50
Total outflows	115280.00	65376.80	67894.14
Net cash flow	141200.00	113241.20	114296.34
b/f		141200.00	254441.20
total net cash flow	141200.00	254441.20	368737.54

**5.3 PROJECTED STATEMENT OF FINANCIAL POSITION FOR  
THE YEAR ENDED 2012, 2013, 2014**

		<b>2012</b>	<b>2013</b>	<b>2014</b>
ASSETS		₹	₹	₹
property,plant and equipment	32,922.31	31,036.31	29,150.31	
current assets				
inventory(7)	4,950.00	2,295.00	2,340.90	
trade receivables	35,300.00	36,006.00	36,726.12	
cash and bank	141,200.00	254,441.20	368,737.54	
	<b>214,372.31</b>	<b>323,778.51</b>	<b>436,954.87</b>	
equity and liabilty				
capital employed	115,280.00	115,280.00	115,280.00	
income surplus	89,462.31	192,744.51	301,878.27	
non-current liabilities				
retirement &welfare fund	9,630.00	15,754.00	19,796.60	
	<b>214,372.31</b>	<b>323,778.51</b>	<b>436,954.87</b>	

## 5.4

### BREAKEVEN ANALYSIS

**A.**

Contribution

Total sales                176500.00

Variable cost               - 9628

166872

**B**

Contribution per sales value

Contribution               166872

Total sales                176500

94.50%

**C**

Breakeven in value

Fixed cost                 106939.69

Contribution per sales 0.945

113163.69

**D**

Breakeven period        113163.69\* 12

176500

Number of months        7.7

The company will breakeven approximately 8 months in the first year of operation

**E**

Breakeven ( units) = fixed cost

Contribution per unit

$$= 106939.69$$

$$0.63$$

$$= 169746$$

$$\text{Contribution per unit} = 1.60 - 0.97$$

$$= 0.63$$

$$\text{Sales/ units} = 1765500$$

$$110000$$

$$= 1.6/\text{units}$$

$$\text{Variable cost/units} = 106939.69$$

$$110000$$

$$= 0.97/\text{units}$$

## **FIXED COST**

Electricity 360



Operational tools	500
Stationary	498
Communication and telephone	1000
Mgr & partners allowance	26000
Audit fee	2000
Store woman	1620
Sales personnel	1500
Depreciation	1287.69
Non current asset	34210
Raw materials	6400
Direct wages	2400
Rent of rooms	360
Insurance NHIS	304
Maintenance & repairs	1000
Bank charges	10000
Rent of office	15000
Saff training	500
Staff bonus	500
Promotional cost	1500
	<b>106939.69</b>

#### **VARIABLE COST**

Fuel	5200
Feed	1748
Harvesting	680
Packaging	200
Catfish	1800
<b>Total variable cost</b>	<b>9628</b>

#### **NOTE 1**

Manufacturing accounts

	Year 1	¢	Year 2	¢	Year 3	¢
Raw materials		6400				
direct wages		2400		2640		2772
direct expenses		1748		1922.8		2018.94
prime cost		10548		4562.8		4790.94
factory overheads						
indirect material		1800		500		500
indirect labour-havestting		680		748		785.4
indirect expenses-rent of rooms		360				
packaging cost		200		220		231
insurance (NHIS)		304		40		40
operating tools		500		50		50
manufacturing\production cost		14392		6120.8		6397.34
add o/wip				2200		1000
				9114.52		8069.06
less c/wip		-2200		-1000		-1500
production cost of goods computed		12192		7320.8		5897.34
cost per unit		<u>14392</u>		<u>6120.8</u>		<u>6397.34</u>
	130000 units		132600 units		135252 units	
	¢0.11 per unit		¢ 0.05 per unit		¢0.05 per unit	
work in progress		20000*0.11		20000*0.05		30000*0.05
		¢2200		¢1000		¢1500
finished goods		110000*0.11		112600*0.05		105252*0.05
		¢12100		¢5630		¢5262.6

closing stock	25000*0.11	25900*0.05	16818*0.05
	¢2750	¢1295	¢840.9

## NOTE 2

cost of goods sold	Year 1	¢	Year 2	¢	Year 3	¢
opening stocks			4950		2295	
finished goods		12100		5630		5262.6
add production cost 1		12192		7320.8		5897.34
less closing stock		-4950		-2295		-2340.9
cost of sales		19342		15605.8		11114.04

## NOTE 3

sales revenue computation	Year 1	¢	Year 2	¢	Year 3	¢
ready for market (finished goods)	110000					
those purchased (sales)	85000					
price structure						
medium(40000/5)*8	64000					
large 45000*2.5	132500					
	176500		180030		183630	

## NOTE 4

SELLING,DISTRIBUTION AND ADMINISTRATIVE COST

	₺	₺	₺
Repairs and maintenance	1000	1100	1155
communication and telephone	1000	1100	1155
rent of rooms	15000		
staff training	500	550	577.5
partners allowance	26000	28600	30030
electricity bills	360	396	415.8
audit fee	2000	2200	2310
staff bonus	500	550	577.5
promotional cost	1500	1650	1732.5
fuel	5200	5720	6006
store woman	1620	3600	3600
sales personnel	1500	3240	3360
stationary	498	550	577.5
dep; non-current asset(8)	1287.69	1886	1886
	57965.69	51142	53382.8

## NOTE 6

working capital	non current asset	total expense		
	34,210	81,070	=	₺115,280

NOTE 7						
Inventory	Year 1	¢	Year 2	¢	Year 3	¢
closing finished goods		2750		1295		840.9
closing work in progree		2200		1000		1500
total inventory		4950		2295		2340.9

## Note 8

### Property, Plant & Equipment

	Scale	Van	Cage	Cast net	Fridge	Ice chest	Pond	Fan	Furniture	Total
Yr1 cost	1,000	26,000	300	300	500	1,860	3,900	50	300	<b>34,210</b>
Less Dep	58.33	583.33	60	35	29.2	108.5	390	5.83	17.5	<b>1287.69</b>
<b>NBV</b>	<b>941.67</b>	<b>25,416.67</b>	<b>240</b>	<b>265</b>	<b>470.8</b>	<b>1,751.5</b>	<b>3,510</b>	<b>44.17</b>	<b>282.5</b>	<b>32,922.31</b>
Yr 2 Dep	100	1,000	60	60	50	186	390	10	30	<b>1,886</b>

<b>NBV</b>	<b>841.67</b>	<b>24,416.67</b>	<b>180</b>	<b>205</b>	<b>420.8</b>	<b>1,565.5</b>	<b>3,120</b>	<b>34.17</b>	<b>252.5</b>	<b>31,036.31</b>
Yr 3	100	1,000	60	60	50	186	390	10	30	<b>1886</b>
Dep										
<b>NBV</b>	<b>741.67</b>	<b>23,416.67</b>	<b>120</b>	<b>145</b>	<b>370.8</b>	<b>1,379.5</b>	<b>2,730</b>	<b>24.17</b>	<b>222.5</b>	<b>29,150.31</b>

## **5.5            ASSUMPTIONS**

### **Notes to financial statement**

- a. The above statement have been prepared in accordance with the IFRS and the companies code of Ghana
- b. Stocks have been valued at the lower of cost and the net relisable values and the cost was chosen
- c. Fixed asset and depreciation (straight line)

Non current asset	useful life (pa)	cost
Land	freehold	3600
Vans at 31/05/2012	20	26000
Cage 1/1/2012	5	300
Cast net 31/05/2012	5	300
Weighing scale 31/05/2012	10	1000
Deep freezers 31/05/2012	10	500
Ice chest 31/05/2012	10	1860
Pond 1/1/2012	10	3900
Fan 31/05/2012	5	50
Furniture 31/05/2012	10	300

It was depreciated by taking into accounts the date of acquisition

- d. Sales are to be increased by 2% for the ensuing years.
- e. All non-current assets are to be paid for at the date at the date of acquisition.
- f. It is assume that there will be 80% cash sales and 20% credit.
- g. All other cost incurred increased by 10% and 5% for year 2013 &2014 respectively, except for stationary, store woman, and sales personnel salary.
- h. Retirement fund consist of retirement and welfare contribution by General Manager, partners, labourers and causal workers of Best fish Company. It is assumed that nothing will happen within the first three years of operation and the balance C/D will be carried to the subsequent years as B/f. with a corresponding decrease in the contribution quota.



### **5.5.1 RISK ANALYSIS**

With our business being aquaculture and the marketing of products of aquaculture, Bestfish will definitely be faced with several uncertainties. Businesses are exposed to several risks which have been categorised into three, namely;

- i) Pure risk
- ii) Price risk
- iii) Credit risk

#### **PURE RISK**

Bestfish could be exposed to risk such as

- Flood-due to the unpredicted rainfalls especially during raining season.
- Operational risk – the rate at which the caretaker will be absent from work.

With the frequency of the above risks expected to be quite on the low, Bestfish hopes to combine loss control measures such as reduced level of risky activity and increased precautions and then augment these efforts with other contractual risk transfers and some level of insurance against some natural disasters.

- Disability to employees (employees can be injured in the cause of operation) and Theft – when community members try to steal from the pond.

The company will seek the services of security personnel to protect its premises against thievery. In order to prevent or minimize injuries, workers will be supplied with protective clothing such as nose and mouth masks, hand gloves, safety boots, overcoat and aprons.

- Illness and Death- this is a natural disaster that can occur

We also intend to register all employees under the National Health Insurance Scheme and also encourage them to undergo regular medical check-ups in order to reduce the frequent illness and death. Effective internal control measures will also be put in place to prevent, deter or detect theft, fraud and irregularities.

- Labour turnover – when employees tend to move from the company

Last but not the least, Bestfish intends to reduce and/or minimize labour turnover by adequately motivating workers for them to stay loyal. As long as Bestfish is into the production of a consumable, it is liable to the risk of legal liability for damages and would therefore seek legal advice in all its contractual dealings.

## **PRICE RISK**

Bestfish can face price risk as to the uncertainty over the magnitude of cashflows due to possible changes in output and input prices of commodities, in these times of

- Inflation Bestfish could be faced with increase in input prices such as prices of fingerlings, chemicals and feed of fingerlings.

In managing the above risk, Bestfish intends to buy in bulk and as such raise the stock levels of materials at inflationary times, and also maintain low levels of cash. Bestfish also intends to keep

some of its money in the more stable currencies of major trading partners which are quite resistant to depreciation.

## **CREDIT RISK**

Since the company has made provisions for giving out our products on credit due to the cordial relationship built between the customers and the firm,

- It is easy to pinpoint that Bestfish faces credit risks for account receivables.

Bestfish intends to undertake an effective debt recovery policy and also reduce credit sales and as such reduce the amount of account receivables.

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