

CHRISTIAN SERVICE UNIVERSITY COLLEGE-KUMASI

DEPARTMENT OF BUSINESS STUDIES

BARCHELOR OF BUSINESS ADMINISTRATION

CARDINAL FARMS

BUSINESS PLAN

A BUSINESS PLAN SUNMITTED TO THE DEPARTMENT OF BUSINESS
STUDIES OF CRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE COURSE

CSAD 443 TEAM BUSINESS PROPOSAL

BY

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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 other source. I also declare that I have been under supervision for this Business Plan herein submitted.

Names of Students	Index No.	Signature	Date
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Signature	Date
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Certified by:

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(Head of Business Studies Department)

Signature	Date
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Cardinal Farms

Executive Summary

Cardinal farm is an organization to be introduced into the market soon. The firm will deal in poultry products but exclusively in the production of broilers for the first five years. The company is to be set up at Bomfa-Ejisu in the Ashanti Region.

The poultry industry is quite competitive in Ashanti Region. Cardinal farms will employ a penetration pricing strategy to differentiate itself from our competitors. We will price our products at 7% - 10% less than the larger commercial run facilities. We will also differentiate ourselves by using a benchmarked customer service. A customer's centric philosophy will be infused within the organization. We will also use sales promotion among others to achieve our objectives.

Cardinal Farms is targeting restaurants; hotels allied eating places and households who want quality and highly nutritious chicken. We will make prompt delivery to our client immediately the place they request.

Cardinal Farms will be endowed with skilled, dedicated and qualified management team lead by Mr Kwame Opoku who has worked one of the big farms in the poultry industry.

An initial amount of GHS 46,800 would be needed to implement our strategy with about sixty percent going into fixed assets.

A three year financial analysis of the firm's product indicates a gain of GHS 96,730 net profit in the first year of operation increasing steadily of GHS 109,633 in the second and third years respectively. The cash flow projections reveals that the company will have a positive cash balance of GHS88,030 in the first year which will increase in the subsequent years to GHS189,675 and GHS 297,762 in the second and third year respectively. The viability of the investment has proven to be positive as indicated by the NPV of GHS 345,250.

MISSION

Our mission is to provide rich and quality poultry products and services at reasonable and competitive rates.

We shall continuously develop a high calibre of motivational staff with an orientation towards the achievement of excellence in all areas of our corporate endeavours to ensure the ultimate satisfaction of our consumers, customers and other stakeholders and thereby add to shareholder value.

VISION

We aim to be the leading producer of poultry products and services in Ghana.

CORPORATE OBJECTIVES

- i.** To be among the best three poultry companies in the market by end of year 2014.
- ii.** To be socially responsible and be a channel of development to the community.
- iii.** To achieve about 45% return on capital employed by the end of the year 2013.

CARDINAL FARMS

NOTES TO THE PROJECTED FINANCIAL STATEMENTS FOR THE THREE YEAR PERIOD ENDED 31 DECEMBER 2014

PROPERTY, PLANT & EQUIPMT.	2012			2013			2014		
	cost	depn	nbv	bal b/f	depn	nbv	bal b/f	depn	nbv
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Land and Building	16,000	200	15,800	15800	200	15600	15600	200	15400
	9730	1460	8271	8271	1460	6811	6811	1460	5352
Motor Vehicle	3600	720	2880	2880	720	2160	2160	720	1440
Furniture and Fitting	1244	187	1057	1057	187	871	871	187	684
Computer and Data Handling	500	75	425	425	75	350	350	75	275
Equipment	1350	203	1148	1148	203	945	945	203	743

TOTAL	32424	2844	29580	29580	2844	26737	26737	2844	28893
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1.0 COMPANY BACKGROUND

CARDINAL FARMS is established by four (4) final year students of Christian Service University College in Kumasi to produce broilers exclusively for the next five years of operations. Broiler provides a very good amount of protein that is needed in humans. Over the years, the government of Ghana has encouraged the youth and investors to go into farming to meet the economic and basic needs of the society.

Most of the investors that enter into the poultry industry give priority to the layer rearing which are reared specifically for eggs.

Although there is a large import of poultry products into the country, most hotels and restaurants prefer the locally reared to the imported due the difference in taste which arises because the imported has been frozen for a long period of time.

ADDRESS

P.O. BOX KS 5784

KUMASI

TEL: 0322050558

EMAIL: cardifarm@yahoo.com

RESIDENTIAL ADDRESS:

PLT A19 BLK 6-7

Bomfa - Ejisu

1.2 LOCATION:

CARDINAL FARMS is located at Bomfa in the Ejisu - Juaben District in the Ashanti Region. The reasons for choosing this location include the following:

- i. The land is relatively cheap and easy to acquire
- ii. The town has no poultry farm and this would reduce the risk of transferring infections from other farms to the site.

1.3 REGISTRATION

The company CARDINAL FARMS was registered under the companies code 1993 (Act 179) by the Registrar General Department through the Kumasi branch on 6th September, 2011 as a limited liability company.

A certificate of registration, Government of Ghana Company's code form F3 together with the certificate to commence business was obtained 19th October 2011.

The company is registered with certificate number **KIN 4471951A** and a tax certificate number **TSA 827A**.

The company also obtained a licence to operate a farm from the Ministry of Food and Agriculture (MOFA) on 30th October 2011. A certificate of approval has been received from MOFA following inspection of the farm land and site.

Further, the Environmental Protection Agency (EPA) gave its approval after assessing the minimal impact of our operation on the environment.

1.4 VISION

We aim to be the leading producer of poultry products and services in Ghana.

1.5 MISSION STATEMENT

Our mission is to provide rich and quality poultry products and services at reasonable and competitive rates.

We shall continuously develop a high calibre of motivational staff with an orientation towards the achievement of excellence in all areas of our corporate endeavours to ensure the ultimate satisfaction of our consumers, customers and other stakeholders and thereby add to shareholder value.

1.6 KEYS TO SUCCESS

At CARDINAL FARMS, we are committed to:

- i. **Customers-** they are the major stakeholders around which our operations are designed.
- ii. **Staff** – staff welfare is vital to our business operations. Staff would be motivated to ensure that they perform their duties with the least inaccuracy.
- iii. **Integrity** – our operations would be in such a way that integrity would not be undermined.
- iv. **Environment** – our operations would ensure that pollution is minimised and also work to promote general safety of the environment.
- v. **Excellence** - we seek to excel in whatever we do.

1.7 OBJECTIVES

- i. To be among the best three poultry companies in the market by end of year 2014.
- ii. To be socially responsible and be a channel of development to the community.
- iii. To achieve about 45% return on capital employed by the end of the year 2013.

1.8 GROWTH AND FINANCIAL OBJECTIVES In the first year of our operation, the business is expected to generate a current ratio of

39% and also generate about 30% awareness of our brand through a mixture of promotional activities using print and electronic media.

- i. In subsequent years of our operations, our objectives would be to increase the value of our investors yield, profit and sales that would enable us to expand our operations.

1.9 FINANCIAL PLANS FOR ESTABLISHING THE BUSINESS

The business would be initially financed through shareholders' contributions in the short term and, subsequently seek for debt financing in the long term through its bankers, Agricultural Development Bank.

SHAREHOLDERS CONTRIBUTION

NAMES	AMOUNT (GH¢)	PERCENTAGE
AGYEIWAA AGYEPONG YAA	11,700	25%
CROFFIE EKOW FRANK	11,700	25%
APPIAH-FOKUOH JANE	11,700	25%
SENCHEREY KWAME PETER	11,700	25%
TOTAL	46,800	100%

Table 1

DATE OF ACTUAL OPERATIONS:

We intend to commence operations by the first week of January, 2012.

2.0 ORGANISATIONAL STRUCTURE

The Board of Directors is made up of three part time directors. They occasionally meet to discuss major issues about the Company concerning present state of affairs based on reports submitted by the General Manager and making recommendations towards the growth of the company by virtue of their rich experience.

The management team of the business consist of the General Manager, farm manager, marketing and sales manager and the accountant.

All the management team on board have real and rich experiences in various fields that will go a long way to impact positively on CARDINAL FARMS.

2.1 Business Promoters

i. The C.E.O of McKeown Group of Companies

Dr. Adu Aninkorah Kwaku

P.O. BOX ST 380

Stadium, Kumasi

Tel: 020-8116122

ii. The Regional Director,

Mr. Boakye Gideon

MOFA – Kumasi

Tel: 0246341855

iii. The District Chief Executive of Ejisu - Juaben

Hon Yamoah Ponko Afrifa.

024-4180955

2.2.0 KEY MANAGEMENT PERSONNEL

2.2.1 General Manager – Mr Opoku Kwame

Mr Opoku Kwame is an experienced forty-one year old man. He has worked with the big names in the poultry industry such as Akropong Farms and Topman Farms. He has worked in the industry for about eighteen years.

He has knowledge about human resource and has a proven ability and skills to increase shareholders wealth as well as the firm's resources.

He holds a degree in animal science from the Kwame Nkrumah University of Science and Technology and an ABCE certificate in Administration.

2.2.2 Duties and Job Description

- i. Reports to the Board of Directors on progress of the company and all other relevant issues
- ii. Responsible for the preparation of corporate budget
- iii. Will liaise with all line managers.
- iv. The general manager is responsible for administrative activities.
 - a. recruitment and selection
 - b. training and development
 - c. Implementing structures for salaries and incentive benefits.
- v. Consults with the farm manager on all issues
- vi. Gives approval or confirms adopted strategies by all other managers
- vii. Authorises purchases of all farm inputs and major equipments above certain sums.
- viii. Makes day to day operational Decisions.

2.2.3 Farm Manager – Mr. John Sevor.

Mr. John Sevor is a thirty eight year old man who has been a farm supervisor for Akate farms for two years and has a good knowledge of best practices in aquaculture. He holds a diploma in animal science from Kwadaso Agricultural College.

2.2.4 Duties and Job Description

- i. Reports to the general manager on all farm problems and farm issues.
- ii. Writes periodic reports on all farm issues

- iii. Responsible for maintaining daily communication with farm attendants and labourers.
- iv. Have regular interactions with the agric extension officer.
- v. The farm manager is responsible for health and comfort of fishes.
- vi. The manager is responsible for the maintenance of farm equipment and property
- vii. Prepares farm budgets
- viii. Required to purchase the required feed and farm inputs

2.2.5 Accountant- Mr Oduro Richard

Mr. Oduro Richard is 29 years and he has experience in accounting and holds certificate in ACCA. He is currently working with the finance department at Medilab Diagnostic Services. He is a studying member of ACCA. He also has knowledge in Management Accounting and has a proven ability and skills to increase shareholders wealth as well as the firm's resources

2.2.6 Duties and Job Description

- i. Reports to the general manager.
- ii. Responsible for preparing financial cost and budgets.
- iii. The accountant will be responsible for preparing bank reconciliation statements.
- iv. Will administer payroll, personnel emoluments and social security contributions.
- v. Handles all bank transactions and other related issues.
- vi. Will prepare tax returns and payments.
- vii. Will be responsible for financial statements preparation.
- viii. Will supervise accounts clerks and ensure proper internal controls.

2.2.7 Marketing Manager – Mr. Quartey George

Mr. George Quartey is a thirty five year old man, with in- depth knowledge in sales and marketing. He has worked with Nestle Ghana Ltd for four years. He holds a professional certificate in CIM – UK and currently works with Angel Group of Companies.

2.2.8 Duties and Job Description

- i. Will report to the general manager.
- ii. Responsible for writing periodic sales reports

- iii. The marketing manager is responsible for preparing sales budget
- iv. Responsible for debt collection.
- v. Will frequently meet with farm manager to discuss production plans.
- vi. Responsible for all sales and marketing of the farm produce.

2.3 Other Key Personnel

CATEGORY	NUMBER	QUALIFICATION	JOB DESCRIPTION
Farm Attendants	4	SHS	Feeding & maintenance
Salesmen	2	DBS(Marketing)	Sales & distribution
Security	1	JHS	Ensuring the safety of farm assets
Accounts Clerk	1	DBS (Accounting)	Cashiering duties

Table 2

2.4 Principal Stakeholders

i. Government

The ministry of agric has interest in the growth of the poultry industry for economic growth and reduce imports. To also increase the income of citizens and provide jobs

ii. Customers (Hotels, Restaurants & General Public)

They are the reason for the company's existence and interested in the best quality of our farm produce.

iii. Banks (Agricultural Development Bank)

Keeping cash of the company safe and provide funds in the form of loans and also advice the company on profitable investments. They give cheques and make third party payments.

iv. Auditors (GMC Consulting)

Audit the accounts of the company and advice on accounting principles and methods for book keeping and preparation of financial statements and certify true copies of the financial statements.

v. Food And Drugs Board

To ensure that good and healthy quality chickens are produced for general consumption by the general public and also to maintain healthy standards in our farm.

2.5 ORGANOGRAM OF CARDINAL FARMS

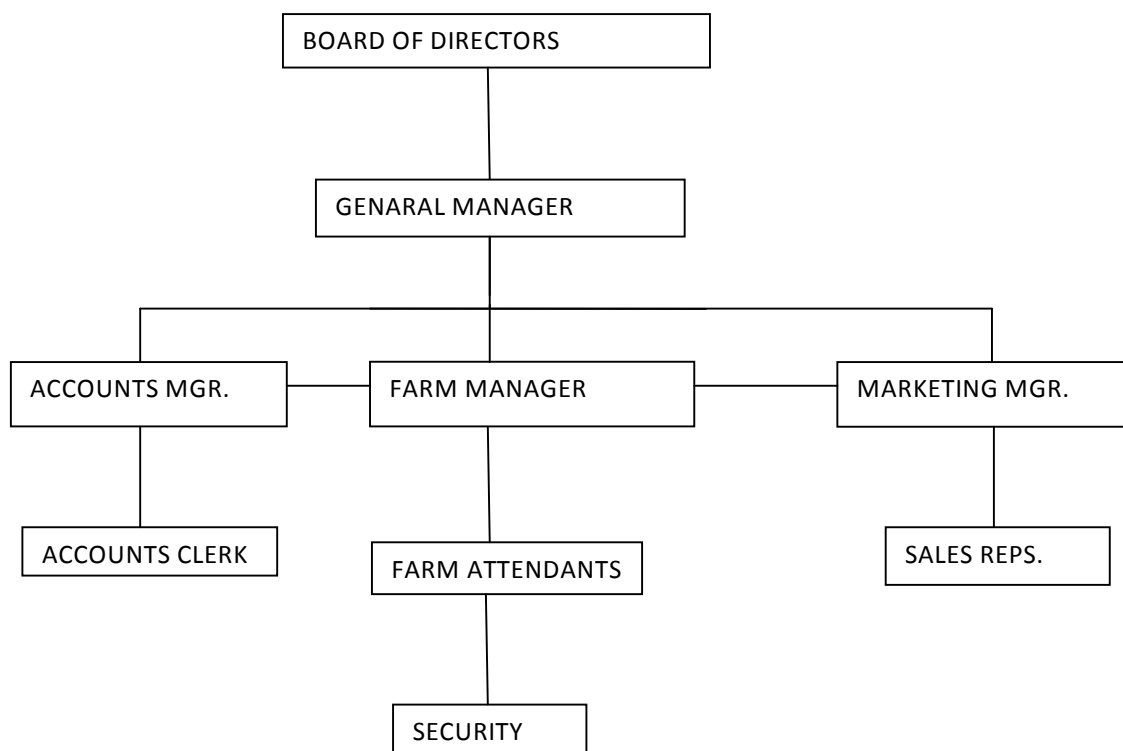


Fig. 1

3.0 INDUSTRY PROFILE

3.1 Industry Analysis

Agriculture is one of the oldest Industries in Ghana. It has always been the largest contributor to Ghana's GDP until the second quarter of 2010 that the Service sector overtook it (i.e. 32.8%). Available data from Ministry of Finance (2011 budget) indicates that Agriculture contributes 34.4% to Ghana's GDP.

The poultry industry is now growing as the government of Ghana is now discouraging the import of frozen meat by supporting domestic producers. Currently the poultry industry is battling for survival as the country imports frozen chicken to the value of US\$200 million. Although, there are several investors in the industry, there is yet to be growth as the government is now working out modalities to establish a poultry support programme to revamp the poultry industry in the coming years.

The poultry industry is a vital aspect of the agricultural industry in Ghana but constitutes a relatively small subsector. It contributes about 1.1% to the agricultural GDP. This is low because of the low tariffs in the sector.

3.2 Competitor Analysis

The market is characterised with healthy competition. The major competitors in the industry include Darko Farms, Antwi Farms, Topman Farms, Akate Farms, and Akropong Farms. There are several other small scale and medium scale producers in the country and they form about 80% in the industry. Most of the small and medium scale producers as well as even some of the large scale poultry farms produce broilers for the festive seasons (thus Christmas and Easter) when most household like live birds. Most of the farms especially the medium scale concentrate on producing mainly eggs.

National broiler/chicken market share distribution (refer to table below)

Import Influx	Small Scale Farms	Medium Scale Farms	Large Scale Farms
55%	20%	8%	17%

Table

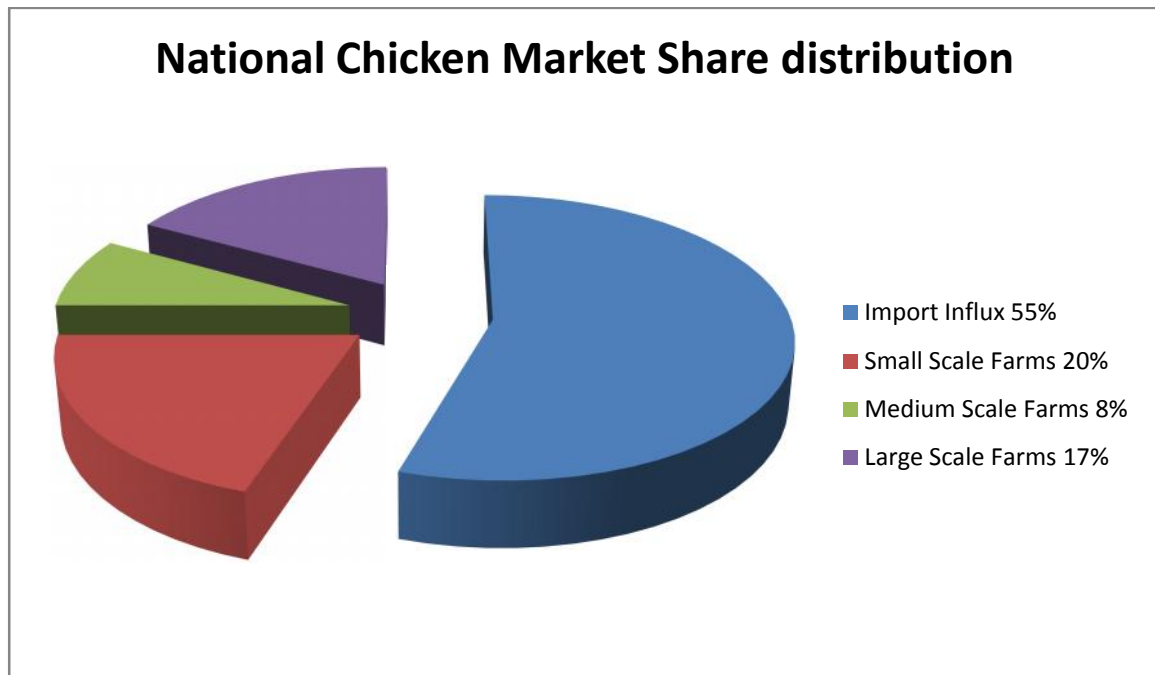


Chart was source from Ghana statistical service

In Ashanti Region where we will be operating, there are over 380 peasant farmers. Major competitors are Akate Farms, Mfum farms, Krapa Farms – Ejisu, Asamoah & Yamoah, Jokas Ventures, etc. Most of our competitors target wholesalers and other meat sellers in selling their produce. A few of the broiler producers engage in retailing to Hotels and Restaurants because they cannot meet their needs.

3.3 Critical Success Factors

- i. The critical success factor in this business is to be able to meet the key needs of customers in terms of quality and prompt delivery.
- ii. Wholesomeness of broiler with big sizes (2.5kg averagely).
- iii. Reduce the chicken mortality rate per, which in this case increases the efficiency of the general output per harvest.

4.0 BUSINESS STRATEGY

4.1 Product/Service Description

Broiler is the core product of CARDINAL FARMS. We will produce specialized broiler with an average weight of 2.5kg. This is above the industry's average broiler weight, and also meets our target market expectation. Our broilers will be produced from day old chicks that would be bought from Reiss & Co Ltd. that imports day old chicks into the country. Their chicks are believed to be of the highest standard. They will be reared under strict standards by our experienced farm manager.

CARDINAL FARMS will provide free delivery to customers within Kumasi. Our hallmark will be excellent customer service with emphasis on reliability and convenience.

4.2 Unique Features of Product/Service

What makes our broiler unique from the market is its wholesomeness at the point of delivery to the customer. This will be ensured by harvesting on demand and using big ice chest filled with ice flakes in our transportation. This provides a suitable temperature between +1°C and +4°C to make the broiler as fresh as possible.

For customers who come to our farm for their purchase, they are assured of getting broilers that are live. Our service differentiation lies in our commitment to meeting customer delivery deadlines and engaging the customer in our service delivery standards.

These, we understand are very dear to our customers and to be able to always meet these standards, we will continue to review our operations and plug out possible challenges that may arise.

4.3 Segmentation

CARDINAL FARMS intends to segment the market based on geographic variables. This implies we would divide the broiler market into regions and focus basically on the Ashanti region as our market segment.

4.4 Target Market

CARDINAL FARMS is targeting two customer groups in selling and marketing of its broiler products. These are individual consumers who are seeking high quality and nutritious broiler,

forming 20% of our market. The remaining 80% will be covered by institutions such as Hotels, Restaurants and other allied eating joints who seek reliable and fresh supplies.

4.5 SWOT ANALYSIS

A careful assessment of CARDINAL FARMS has revealed the following.

4.5.1 Strength

- i. Market Knowledge: - The knowledge of customer needs which is the size (2.5kg) and quality of the broiler that customers need which our competitors are ignoring.
- ii. Distribution efficiency: - we have dedicated sales personnel who will deliver the broilers to our customers promptly at their door steps which our competitors avoid.
- iii. The rich knowledge and experience of our management team.

4.5.2 Weakness

- i. Financial resource is a challenge that we face, as a lot of fund has been invested in our start up and operations.
- ii. Image and reputation is another weakness of CARDINAL FARMS. We are only just starting, while other farms have been operating in the industry for a while.

4.5.3 Opportunity

- i. Increasing demand for fresh and quality broiler/chicken from hotels and restaurants in Ashanti Region as a result of changing healthy life style.
- ii. Government is revamping the poultry industry and therefore encouraging more youth to develop interest in poultry farming.
- iii. Application of new and innovative technologies to ensure that the desired quality is maintained.

4.5.4 Threat

- i. The difficulty in accessing trade credit from financial institutions to support agriculture in Ghana makes it a challenge to source for funds to invest in the expansion plans of the business.
- ii. The importation of cheap poultry product into the Ghanaian market.

4.6 PESTLE FACTORS

4.6.1 Political Factor

Ghana has enjoyed a stable political environment over the past 2 decades with our democracy becoming the beacon of hope for Africa. This is good for our business. The current government, has realised the poultry industry has been going down significantly and has therefore adopted policies to revamp the industry. Government policy is biased towards agriculture of which poultry industry forms part.

4.6.2 Economic Factor

Ghana's economy is on a path of recovery from the global economic crisis. Economic growth has been consistent over the years, with the highest growth rate of over 7.2% recorded in 2008. Ghana's 2011 budget targeted growth with particular emphasis on agriculture.

Inflation has declined consistently over the past 12 months to an appreciable level. The Bank of Ghana policy rate has also declined to 13.5% with the commercial banks reducing their base rate to an industry average of 18%.

The cedi has also remained stable consistently for over a year. Ghana is now a Crude Oil producing economy with commercial production starting in last quarter of 2010. On a general note Ghana's economy is on a path of growth into the future, which is good for business. For us at CARDINAL FARMS, we are particularly excited for this good business conditions which can translate into high productivity.

4.6.3 Socio-Cultural Factor

Ghana is one of the most exciting places to live, because of cultural and religious tolerance. Our society is changing because of increase in education. People are adopting healthy lifestyles of late and are very cautious of their eating habits. CARDINAL FARMS wants to take advantage of these changing lifestyles to promote its highly nutritious broiler species.

4.6.4 Technological Factor

Available technology that CARDINAL FARMS seek to employ in its operations are, the use of poultry husbandry, developing quality local feeds, proper management to reduce chick mortality, maturity period and increase in size of production.

4.6.5 Legal Factor

CARDINAL FARMS has registered with appropriate state authorities. We have also secured permit from the Environmental Protection Agency to operate our business. These legal requirements are supposed to raise the entry barriers, but the irony is that the authorities are not enforcing them. This has lead to mushroom poultry operators all over the place.

4.6.6 Ecological Factor

Luckily for us our farm is located at a place that is not farther from the capital region of Ashanti Region. The location of the farm is not close where people live.

We seek to engage in practices that will not deteriorate the surrounding communities. We will achieve this by abiding by standards set by the Environmental Protection Agency (EPA).

4.7 Competitive Strategy

Broiler is becoming a niche market in the entire poultry market. Aside the high protein content of broiler, its consumption is in vogue. It is a delicacy enjoyed all over Ghana with particular concentration in and around Greater Accra and Ashanti Regions.

CARDINAL FARMS will employ a focus strategy. We are focusing on the small market of hotels, restaurants and eating joints and individual consumers who want fresh, large, and reliable supply of broiler.

We will meet their needs by harvesting on demand and providing reliable delivery service at a lower rate of GH¢ 7 per kilogram of broiler

5.0 MARKETING STRATEGY

For CARDINAL FARMS to be successful in the market place, we are adopting the seven (7) marketing mix to design product and service for our customers.

5.1 Product

Our broiler will be produced from healthy chicks from Reiss & Co. Every care will be taking in ensuring that feeding and extension services are adequate to generate healthy broilers.

Continuous product improvement will be our hallmark and for that matter listen to feedback from our customers in order to provide them with the best quality of broiler in the market.

5.2 Promotion

As a start up and a new entrant in the market, our communication with target customers will include the following.

- i. Radio advertisement on LUV and ANGEL FM three months continuously to create awareness for our farm and broiler produce. This will be followed by quarterly radio adverts until the end of the year. We will use these radio stations because they capture majority of our target customer.
- ii. We will also use personal selling as another promotional strategy. We will sensitize managers, purchasing officers, and chefs of Hotels, Restaurants and eating joints on the benefits of patronizing our broiler.

5.3 Place

Distribution cannot be discounted in every business success. At CARDINAL FARMS, and the peculiar needs of our customers, we will employ direct distribution as a strategy to meet the needs of our customers. It is relatively expensive but we believe it is in the best interest of our customers and the business.

We will use two (2) motor tricycles in our distribution. Our two (2) sales executives supported by the Sales and Marketing Manager will prospect for new clients take and deliver client orders with dispatch.

This distribution style will give us maximum control over the chain of supply, while attending to customer feedback in real time.

5.4 Pricing

We will implement a penetration pricing policy which takes cognizance of competition. We will price our quality broiler at GH¢ 7 per kilo which is a little below the industry price of GH¢ 7.50 per kilo. This will help us to break into the market. Our pricing strategy will change to conform to the industry price. This will take effect in the third year of our operations when the market is convinced of the value CARDINAL FARMS offers.

5.5 Process

The quality of our product and service is as good as our process. For that matter CARDINAL FARMS will leave no stone unturned in its process and procedure of operation. The entire value chain is going to be a priority for us. This care will reflect in our day old chick acquisition, managing the pens, engaging Agric extension/vetinary Officers, harvesting, order delivery and related customer service.

In order to perfect our business processes, we will establish standards for our various processes, monitor and review these standards periodically to ensure that we are providing what we promised our customers. We want to make every encounter with the customer a fulfilling experience.

5.6 People

The human factor in our business can make or break our value proposition. All the fine details that have been outlined will be implemented by people. It takes satisfied staff to unleash their best to the customer.

CARDINAL FARMS will recruit technically skilled people to manage the pens and qualified management team to run the business. Staff motivation and welfare will be vigorously pursued. Training needs will be identified and adequate measures will be put in place to meet those need.

We want to build a team that feels a sense of ownership of the business and be empowered to deliver excellent service to the customer and the Organization.

5.7 Physical Evidence

Every tangible element associated with CARDINAL FARMS should communicate what we stand for and as much as possible differentiate us from the competition.

Our housing sites will be neat with trees planted along the boundaries of our land. Our modest office at the farm will be well furnished to provide comfort to customers and other business stakeholders who visit. Our staffs will be well groomed.

We will emboss our company name and logo on our ice chest, motor tricycle and other items that we use in our work. The brochure and flyers will be well designed to communicate our image.

6.0 PRODUCTION PLAN.

6.1 Product Description and Processes

Our broiler would be bred with quality feed that would be obtained from Agricare Limited. This is to ensure tasty and healthy broiler. However, in our primary stage of harvesting, the broiler would be the large sizes of 2.5kg which will be packaged in kilograms.

6.2 Formula for Feeding

The major feed that will be used in feeding the broiler is the broiler starter feed, broiler grower feed and the broiler finisher feed. It contains sufficient vitamins and minerals that enhance the health of fingerlings, product quality, and it is environmentally friendly. This feed is used specifically to prevent malnutrition and attain optimal diet quality. The broiler starter feed contains 21% protein. This is used to feed the chicks for three weeks after which they are given the grower mash which contains 17% protein. The finisher mash is given to them between the 8th and 12th weeks when broilers are ready for sale.

6.3 Product Uniqueness:

The uniqueness of broilers from CARDINAL FARMS lies basically in the following:

- i. The size, quality and unique taste of the product.
- ii. Relatively low priced to suite every pocket.
- iii. Our broiler is low in saturated fat, low in calories and low in sodium hence making it a rich source of phosphorus, niacin, selenium,. Vitamin B12 and potassium.

6.4 Competitive Comparison

- i. We will use highly balanced broilers feed whilst most of our competitors use drugs such as “paratin” to increase the size of their broilers.
- ii. Our prices are relatively cheaper than those of our competitors in the market. For Example our competitors sell their products at GH¢ 7.50 per kilogram while ours will cost GH¢7.00 per kilogram.
- iii. We will deliver fresh broiler to our customers’ door steps whilst our competitors do not provide this service.

6.5.0 Value Chain Analysis

6.5.1 Secondary Activities

i. Procurement:

Our day old chicks, feed and other necessary materials needed for the breeding will be purchased by the farm manager in consultation with the general manager to ensure proper purchasing controls and to eliminate waste. Funds would therefore be released upon approval by the General Manager, the farm manger and the Accountant. An up to date records of all purchases, issues and usages on the farm will be kept by the Farm Manager and regularly checked by the General Manager and the accountant respectively. These are some form of internal control put in place to eliminate fraud, theft and other irregularities.

ii. Human Resource Management

The success lies basically on the overall administration of the company which we believe will enhance the growth and image of our business. Based on the rich experience of the General Manager he will see to the day – to – day operation of the farm. He will see to the selection and recruitment process of employing qualified personnel. The General Manager will see to it that personnel recruited possesses who good communication skills, good interpersonal skills, professional competence. Continuous training and development courses will be organised periodically for staff to equip their efficiency and skills. We will motivate and encourage staff to give off their best to the organisation.

iii. Infrastructure Development:

Our infrastructure will include Management Information System.

- a.** Transaction Processing System (TPS):- This will be used to support the operational level of managing records of daily routine transactions.
- b.** Executive Information System (ESS):- This is for easy access to key internal and external data for monitoring operations and scanning business conditions.
- c.** Decision Support System (DSS):- It is meant to assist management in structured and unstructured decisions, for example to keep track records of the mortality of the chicks.

iv. Research and Development

CARDINAL FARMS will keep a close eye on developments in Science and Agriculture especially monitoring bulletins and publications from the Ministries of Agric, Science and Technology. Subjects that concern poultry and can bring improvements into our operations will be integrated into our business. We will keep close contact with the Council for Scientific and Industrial Research (CSIR) to take advantage of their research findings on poultry.

6.5.2 Primary Activities:

i. Farm Logistics

Cardinal farms would adapt integrated effort design to improve on the quality and taste of our broilers to be able to achieve excellence. To this course, we will begin operations with the inspections of the quality of all incoming feed to ensure that only the best feed is used in rearing the chicks. Further, we will build a routine maintenance culture such that all poultry houses are cleaned and the water in the drinkers are changed at regular intervals and the farm area is kept in clean conditions all the time. This is to reduce the mortality rate of the chicks and minimize cost. We will ensure that all stocks of unused feed are stored properly. Some of the equipments and raw materials used are listed below:

- i. Plastic buckets.
- ii. Overalls, boots, gloves.
- iii. Brooders.
- iv. Pumping machine.
- v. Feeders.
- vi. Ice chests
- vii. Swivel chairs/desks

- vii. Drinkers

ii Operations

Our operational activities stems from the core functions of the business which we will take critical look at the following processes

a. Chick brooding

Our 30*30 m² rooms will be stocked with 5000 day old chicks from Reiss & Co. This takes into account natural chicks' mortality. We anticipate a 10% mortality rate at the end of harvest.

b. Feeding of Chicks

Feeding is done in three sections. That is at the fingerling stage, where they require highly nutritious feed that is balanced to ensure rapid and healthy growth. They are trained to respond to the feeding time which is twice a day. The chicks consume less feed in the first 3 weeks.

c. Maintaining House Quality

The success or otherwise of broiler production depends on good house quality management. We will achieve this by ensuring that wet litter are changed to minimise infection.

d. House Hygiene

Regular cleaning in and around the houses to prevent dirt and predators such as hawks and snakes will be adhered to. There will be periodic weeding around the poultry houses.

e. Harvesting

CARDINAL FARMS expects first harvest after 10 weeks rearing day old chicks. Preparation for harvest includes killing cone, large pot, ice flakes, and ice chest. To keep our broiler as fresh as possible, we will harvest, dress and supply on demand. We envisage a 4 week harvest period per pond because of the high demand for broiler.

f. Post Harvest

After harvesting a house, we prepare the house for re-stocking. This involves clearing of litter, washing of the rooms in a house and disinfecting it to minimise the risk of transferring a disease to another period.

iii. Outbound Logistics

CARDINAL FARMS operations result in a tasty healthy large size broiler. We do not stock broiler but harvest on demand in order to maintain its quality and wholesomeness.

iv. Sales and Marketing

a. Product

Our premium broiler of 2.5kg average weight is what we seek to offer our targeted customers. It is unique in the market because other broiler brands are of lesser weight which does not meet the needs of the hotels and restaurants in the market. Wholesomeness of our broiler is guaranteed because we harvest on demand in order to maintain the freshness of our broiler.

b. Place/ distribution

Our two (2) sales reps will be in charge of about 80% of our distribution and the 20% is expected to be covered by walk-in customers. Our distribution will be assisted by 2 motor tricycles with ice chest on board to maintain the freshness of the broiler. This will offer customers the convenience and reliable supply.

c. Promotion

Our communication with our target market will basically be personal selling, through which we can get enough time to inform and convince the customers on the benefits that CARDINAL FARMS brings to their business. We will also run radio adverts on LUV and ANGEL FM to create awareness and benefits of our broiler.

d. Price

As a new business in the market, we will charge GH¢ 7 per kilogram of the broiler. This is GH¢ 0.50 less than the prevailing market price. We seek to offer this price as a means of penetrating the market in the short term. We hope to charge the prevailing industry price in subsequent years when the market is convinced of the value we offer.

v. Customer Service

At CARDINAL FARMS, effective and superior customer service is one of the elements that will differentiate us. In our quest to make every encounter with our customers a fulfilling experience, we will ensure that:

- a.** Rearing operation is at optimal level in order to meet customer demands at all times.
- b.** Customer orders and information are regularly updated to make room for changing demand.

- c.** Periodic training of all staffs on customer service especially those who have regular interaction with customers.
- d.** Incorporating customer views, feedback and suggestions in decision making on quality control issues

7.0 RICKS ANALYSIS

Human endeavours are characterized with risk and, CARDINAL FARMS as an enterprise is not immune to the adverse effect posed by risk. In responding strategically to that effect, CARDINAL FARMS has to identify the significant risk associated with its chosen industry, evaluate the potential frequency in occurrences and the severity of losses and develop appropriate strategies to manage it. The operations of CARDINAL FARMS are exposed to the following types of risk:

7.1 Human Risk

Human risk is concern with human resource base of the Enterprise and this result to theft, inaccurate feed application, fire, and legal issues against the Enterprise. Priority will be given to them in the management process.

- i. The firm will outsource a qualified security firm to effectively monitor the activities of the firm and its environment to avoid theft and any illegal activities within and immediate surroundings of the enterprise.
- ii. The enterprise will set strict and transparent financial management standard and ensure that managerial actions conform to those standards. External auditors' services will be engaged periodically to ensure that management adheres to the firm's financial management principles and internal controls.
- iii. Training and development activities will be undertaken by relevant institution periodically to upgrade the knowledge of the staff, expose them to the best current practices in the poultry industry in order to build their capacity and enhance their understanding in the broiler business.
- iv. The firm will outsource external legal consultant who will deal with all the legal matters and also, counsel and advise the firm appropriately on legal issues.
- v. Fire extinguishers will be placed at all the vantage points of the firm and regular fire management training will be provided for the employees by National Fire Service on periodic bases.

7.2 Natural Risk

Natural risks such as outbreak of epidemics, flooding, earthquake, lightning and thunder are forms of natural disasters that occur that will adversely affect the operations of the firm. Vaccines against various diseases would be provided. On the other hand, Ghana and for that

matter Ejisu-Juaben District in the Ashanti Region is not noted for such natural disasters. However, the firm will not ignore it, irrespective of that event not occurring; will transfer those risks by insuring their assets against losses.

7.3 Competitor Risk

Competitor risk is another form of risk that the successes or otherwise of the firm is exposed to. Competitors are constantly seeking ways and means to consolidate their market share and probably expand to capture more of the market share. CARDINAL FARMS as a new business venture will employ strategies such as cost leadership, differentiation and focus to ensure it offers repeated excellent customer service in order to maintain our existing customers and expand our market share. The firm will monitor the activities of our competitors' continuously in the market and react accordingly in the interest of the firm when the need arises.

7.4 Economic Risk

Another major risk factor that the operation of the firm is faced with is economic risk. It is the uncertainty that the output of the project will generate enough revenue, to cover the operational cost and be able to make enough profits to repay the total cost of the investment. This may occur as result of downturn of general economic activities such as global recession, unexpected raw material price hikes, exchange rate fluctuations, and delays in raw material delivery due to vehicle breakdowns etc.

The firm will constantly monitor the general phenomenon and the behaviour of the economy and act appropriately to avoid being overtaken by economic events. The firm will maintain a fair level of feeding stocks to avoid shortage before raw material procurement. In the long run, the firm plans to enter into long term raw material procurement contract with its suppliers to lock up prices and avoid the pitfall of price fluctuations.

7.5 Political Risk

Political risk refers to the complications businesses are faced with as a result of what is commonly referred to as political decisions. A strategic financial risk or loss of a firm because of such non-market factors as confiscation, expropriation, act of terrorism, civil war and social unrest could be faced by the firm. Fortunately Ghana as a country has enjoyed political stability over the last three decades and it is the most preferred investment destination by the international investor community.

The firm has a policy that restricts any of its directors and employees from engaging in an active body politics and the firm will not align itself with any political party in order to enjoy a continuous sound business environment irrespective of which political party is in power.

CARDINAL FARMS										
PROJECTED SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT										
FOR THE THREE YEAR PERIOD ENDED 31 DECEMBER 2014										
7		2012			2013			2014		
		COST	DEPN	NBV	BAL B/F	DEPN	NBV	BAL B/F	DEPN	NBV
		GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
	Furniture and Fitting									
	5 Swivel Chairs	400	60	340	340	60	280	280	60	220
	4 Desks	200	30	170	170	30	140	140	30	110
	4 Ceilling Fans	224	34	190	190	34	157	157	34	123
	2 Wooden Cabinet	240	36	204	204	36	168	168	36	132
	3 Wooden Rags	180	27	153	153	27	126	126	27	99
		1,244	187	1,057	1,057	187	871	871	187	684
	Computer and Data Handling									
	Computer Set	500	75	425	425	75	350	350	75	275
	Equipment									
	Deep Freezer	700	105	595	595	105	490	490	105	385
	3 Ice Chest	450	68	383	383	68	315	315	68	248
	2 Pots	200	30	170	170	30	140	140	30	110
		1,350	203	1,148	1,148	203	945	945	203	743
	TOTAL	32,424	2,844	29,580	29,580	2,844	26,737	26,737	2,844	23,893