

Proposed Business Plan for the Establishment of Small Scale Pharmaceutical Industry

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Executive Summary

The research product *Shamacure*^R is an anti dermatophilosis topical gel developed for Veterinary use against skin disease causative organisms of Veterinary and zoonotic (Public Health) importance. It is equally a product of extensive **fundamental (basic) Veterinary research** (over 10 years), involving **preclinical** evaluation and three years of field **clinical trials** in diseased animals. It has been proven to be more efficacious in treating skin diseases in animals, when compared against the existing anti dermatophilosis gels/ointments currently in the market. This Veterinary anti dermatophilosis gel have secured **patent approval** from NOTAP; **RP: NG/P/2019/87, via certificate No. 010232**. The commercialization and utilization of this product in Veterinary practice in Nigeria and beyond, is of immense economic advantages. The product was developed from raw materials that are 100 % locally sourced. These raw materials are environmentally friendly and easily biodegradable with no unwanted negative environmental impact. The industrial complex business when established will be agro-allied based in nature. Its product will be targeting diseased animals owned by nomads and pet owners that are rearing animals. Investing in establishing this product of agro allied industry in insurgent devastated Northeast of Nigeria (especially Maiduguri-Borno State) will be in line with the Federal Government of Nigeria's agricultural development plan and drive for utilization of local content in products, provide quality raw materials to other industry, enhance animal farming activity, job and wealth creation among citizens and farmers, enhancement of human health through controlling diseases of animal origin (zoonosis) and boosting the gross domestic product (GDP) of the country. This product, will cost N200/gel to be produced, and will be sold at N500/gel, Thus, having a minimum profit margin of N300/gel. The proposed budget for this investment is: **One hundred and forty one million, two hundred and fifty one thousand naira (N141, 251,000.00) only**. It is expected that this investment will have a market potential yield of an annual conservative estimated turnover of **Thirty three million, six hundred thousand naira (N33.600. 000.00) only**.

1. Production plan:

This planning process, procurement and establishment of the *Shamacure^R* production and commercialization industry will depend on availability of land, required equipments, raw materials and labour. up to output of production from the successfully established business, including Availability of these will enhance production from the successfully established business. This plan is as presented in Table 1 below.

Table 1: Duration Chart: One (1) year. (Commence as soon as the money is released)

S/N.	Activities	Outcome(s)	Period
1.	Land Acquisition.	Land for the proposed medium scale company is acquired, green houses built and industrial complex developed.	1 st Quarter
2.	Building of the complex	An industrial complex.	
3.	Commencement of raw material (plant) cultivation.	Raw material production	2 nd Quarter
2.	Purchase of consumables, conveying vans, energy generating sets and installation of production equipments.	All necessary equipments required for production are purchased, installed and test run.	
3.	Labels, certificates Registration of product with relevant agencies.	Rights for production is secured from authorizing agencies	
4.	Labour employed and training of personnel on <i>Ganoderma</i> cultivation.	Both skilled and unskilled labour is employed.	3 rd Quarter
5.	Full scale production and sales commences.	Gels of <i>Shamacure</i> is produced and distributed for Veterinary clinical practice.	
6.	Monitoring and Evaluation.	Production will be monitored and evaluated.	4 th quarter

2. Organization and Management Plan:

This company will have Chief Executive Officer/Managing Director (CEO/MD), Board of directors and financial experts to manage the company's human and financial resources. It will also to employ in its services, both skilled and unskilled labour e. g. people that can communicate easily with the target customers' e. g. herdsman, and they (labour) can also communicate with their employers effectively, to enable business growth through improved elicited productivity and sales.

3. Marketing Plan:

Successful marketing of produce from the established business will be determined by prevailing strength of market forces, weakness of our marketing strategies, available opportunities and possible threat from already established businesses. Noteworthy is that our product is locally produced, and scientifically proven to be effective in the treatment of the targeted disease (dermatophilosis) in ruminants, when compared to the existing anti dermatophilosis drugs in the market. It will be comparatively cheaper, and readily available. The location of this industry, when approved will serve a tremendous purpose of providing employment to the teeming unemployed youths in the area. With large population of animal rearing in Borno and neighboring Chad, Niger and Cameroun, coupled with abundance of the disease condition in the animals, caused by prevailing ticks (vector), it is expected that our product will be well packaged and promoted well-trained sale reps to attract large customer base among people with diseased animals.

Partnership: This business, when established, will go into partnership with pharmacies and patent stores that are involved in selling veterinary drugs, without antagonizing the existing antidermatophilosis drugs in the market. However, the products will sell themselves based on their potentials and effectiveness in treating the disease (Dermatophilosis).

Profit: This business, when established, will certainly attract a huge profit margin as presented in **table 2**.

Table 2: Expected Production cost and Output (Profit)

Serial No.	Item	Quantity produced/ Day	Cost of unit production (N)	Total cost of unit production/day (N)	Unit price /item (N)	Daily Profit margin/gel (N)	Total profit/day (N)	Weekly profit margin Million (N)
1.	<i>Shamacure Gel</i>	1000 gels	200/gel	200,000/1000 gels/day	500/gel	300/gel	300,000.00	2,100,000.00
2.	Total	1000 gels					300,000.00	2,100,000.00

With a monthly profit of **N8.4 Million (2,100,000 x 4)** and a monthly expenditure cost of **N5.6M/month** (containers, labels, reagents, container caps) the total monthly profit (including labour, to be determined) is therefore: **N8.4 M – N5.6 M= N2.8 Million / month**. Hence the total conservative annual turnover will be **N 2.8M x 12 = N33.6 Million/year**.

***(This estimate is subject to changes in labour and market forces).**

4. Financial Business Plan:

The financial business plan is as contained in Table 3 below. It encapsulates fixed cost, indirect cost (direct, indirect and variable business cost) These cost entails our spending, in establishing the business, from beginning of business (production) up to sales of products. This came after making enquiries of cost of the needed equipments, raw materials, implements based on our specific product (*Shamacure^R*).

Table 3: Proposed Budget for Industrial Complex Establishment:

Serial No.	Item & Specifications	Quantity	Unit Amount/Item(s) (N/\$)	Total amount
	Fixed Asset			
1.	Land	5 hectares	N12,000,000.00 /hectare	N60 million
2.	Industrial Complex Design	1	N2,000,000.00	N2,000,000.00
3.	Industrial Complex Construction	1	N20,000,000.00	N20,000,000.00
	Distribution Van	2	N5,800,00.00 /van (2)	N11,600,000.00
	Sub Total			N93,600,000.00
4.	Production equipments:			
a.	Jacketed Ultra Vacuum Mixer (5 kg – 10 ltr working)	1 Set	\$13500	N20,250,000.00
b.	Set of Sockets	5 Set	\$500	N3,750,000.00
c.	Piston Set of Size of Volume	5	\$600	N4, 500,000.00
d.	Paste Stirring Device	3	\$1200	N5,400,000.00
e.	Semi Automatic Single Head Plastic Tube Filling Sealing Machine (Model SBTSF-50GMP)	1	\$13000	N 19,500,000.00
f.	Attachment for cleaning of Tubes by Vacuum System	3	\$2500	N11,250,000.00
g.	Batch Code Printer-Domino Make	2	\$6000	N18,000,000.00
h.	Qualification Document for each Machine	1 Set	\$2000	N3,000,000.00
i.	Installation and Commissioning, Ticket Charges	1 week operation demonstration	\$600/day	N5,670,000.00
j.	Packaging and Freight Charges to Nigerian Port	10-12 weeks	\$4,000	N5,400,000.00
	Sub Total			N96, 720, 000.00
5.	Energy:			
a.	Solar Panels	46	N120,000/Panel	3,680,000.00
b.	Batteries	12	N300,000/1 battery	3,600,000
c.	Inverter (10 KVa)	3 (30KVa)	N800,000/inverter	2,400,000.00
	Sub Total			N9,680,000.00
6.	Consumables			
a.	Herb cultivation (Green house Construction) and training	10 (100m ² /200m ²)	N1,000,000.00/house	N10, 000, 000.00
b.	Containers	1000/gel/day	N1,000/containers	N1, 000, 000.00 /month
c.	Labels	1000/labels/day	N50/label	N50,000.00/month
d.	Gel container caps	1000/day/container	N60/cap	N60,000.00/month
7.	Reagents (Petroleum jelly, Potassium permanganate, gum arabic, chemicals agents (for	-	-	N1,000,000/month

	cultivation of herb)			
	Sub Total			N12,110,000.00
8..	Registration of product with - relevant agencies and.			
a.	National Agency for Food and Drug Administration and Control (NAFDAC)	-	100,000	N100,000
b.	Corporate affair Commission (CAC)	-	100,000	N100,000
	Sub Total			N200,000.00
	Grand Sub Total			N198,450,000.00
9.	Miscellaneous (10 % of sub-total)			N 19,845,000.00
Grand Total =				N218,295,000.00

1\$ converted @ N1, 500 (equipments prize based on companies quotation).

***equipments and reagents are subject to prevailing market prizes**

Name.....

Date.....

Sign.....