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Business Plan on your Retirement with Five Million Naira as Benefit

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Abstract

This business plan outlines a strategic investment approach to maximize a five million Naira retirement benefit, focusing on creating sustainable income streams to ensure long-term financial stability. The plan identifies key sectors that offer both growth potential and moderate risk, including real estate, small-scale agribusiness, and diversified financial investments. The primary objective is to balance risk and return, ensuring capital preservation while achieving steady income generation and asset growth. The investment portfolio will be structured to allocate 50% to real estate for rental income and asset appreciation, 30% to agribusiness ventures such as poultry farming, and 20% to conservative financial instruments like mutual funds and fixed deposits. By allocating funds across these sectors, the plan aims to mitigate risks associated with market fluctuations while securing reliable income sources to cover living expenses during retirement. This diversified approach is designed to maintain capital while providing residual income that adapts to economic conditions over time. The projected income streams from these investments are calculated based on realistic market assessments and historical data, indicating that the plan could generate annual returns ranging between 10% to 15%. Regular financial evaluations will be conducted to adapt the investment strategy in response to economic changes, inflation, and market dynamics. This business plan not only serves as a guide to maximizing retirement benefits but also emphasizes financial prudence and sustainability, ensuring that retirement years are supported by a secure and resilient financial foundation.

Keywords: Business plan, pharmacy, marketing, finance, sales, expenditure

Introduction

Business ventures offer opportunities to generate profit, and in an evolving economy like Nigeria, starting a business is crucial for financial stability. With a projected population growth rate of 3.2% annually, Nigeria's population, which stood at 140 million in the 2006 census, (Nigerian Population Commission, 2006) was expected to reach approximately 170 million by 2013. This substantial population growth creates ample opportunities for wealth creation, driven by creativity, innovation, and passion. Before venturing into business, it is essential to conduct an in-depth analysis of available opportunities, industry structures, competition, and market dynamics. Such analysis involves examining key players, influencers, and potential risks, enabling budding entrepreneurs to make data-driven decisions about viable business opportunities.

A comprehensive product and service analysis follows, focusing on existing demands and assessing whether these demands are sustainable over time. Projections for the next 2-5 years help anticipate future market trends, while evaluating whether the entrepreneur possesses the core competencies required to succeed in the chosen industry. Also, it is vital to understand potential barriers and challenges that might arise. Demographic analysis, such as age distribution, gender ratios, employment rates, and ethnic and religious structures, provides insights into emerging markets and target audiences, thereby laying a foundation for strategic planning.

Assessing the economic climate is equally vital. Factors such as government spending priorities, purchasing power, Gross Domestic Product (GDP) growth rates, fiscal and monetary policies, inflation, and exchange rates influence business prospects. In addition, the political environment and regulatory requirements, including mandatory approvals from agencies like NAFDAC and Pharmaceutical Council of Nigeria, are critical considerations for business compliance. Social and cultural factors, including local attitudes towards consumer spending and government services, also impact the choice of business location.

The primary aim of conducting this opportunity analysis is to gather data and project trends likely to emerge in the business environment. Through thorough research, entrepreneurs can better understand the distribution of the target population, consumption trends, and spending capacity. This analysis enables a realistic estimate of market demand and potential sales. Given my background as a trained and licensed pharmacist, along with the initial capital of five million naira, opening a pharmacy is a strategically viable option. To further refine the plan, a financial strategy will assess the required startup costs, working capital, and potential additional funding sources. The existing capital of five million naira will be reviewed to determine if additional financing from personal savings, bank loans, or cooperative societies is necessary. Sales projections estimate daily revenue between 40,000 to 50,000 naira from Monday to Saturday, based on stocking essential medications. Revenue and expense projections will yield anticipated profits.

A streamlined management structure is planned to ensure efficient operations. The team will include one pharmacist, two pharmacy technicians, a pharmacy attendant, and a cashier, with clear task delineation and a reporting structure centered around the pharmacist. Competitor analysis identifies strengths, weaknesses, opportunities, and threats of nearby pharmacies and chemist shops through a SWOT analysis, factoring in their strategies and potential future moves.

With a mission to deliver exceptional pharmaceutical services and a commitment to ethical practices, this business aims to provide genuine, high-quality medications while striving to become a significant player in the global pharmaceutical retail market. The vision is to consistently uphold our core values of excellence in service delivery, building a trusted reputation in the pharmaceutical industry.

Revenue Generation Streams

Our revenue strategy focuses on multiple streams to ensure consistent growth:

1. **Sale of Pharmaceuticals:** Offering a wide range of prescription and over-the-counter medications tailored to meet diverse healthcare needs.
2. **Sale of Consumables:** Providing essential medical supplies and consumables, ensuring availability of high-demand items.
3. **Sale of Cosmetics:** Stocking premium skincare, personal care, and health-oriented cosmetic products to appeal to a broad consumer base.

Competitive

Pharmaceutical retail in Port Harcourt is led by a few key players who generally serve specific catchment areas, with clusters of pharmacies often located near hospitals or in established residential zones. However, many of these

retailers overlook emerging, densely populated areas such as Rumukrushe, where our pharmacy will be positioned. This underserved region presents a significant opportunity for market penetration and growth.

Marketing Strategy

The core objectives of our marketing plan focus on exceptional service, accessibility, and competitive pricing:

- **High-Quality Products at Fair Prices:** We are committed to offering effective and reliable drugs and consumables at the most competitive prices available in Port Harcourt.
- **Authenticity Guarantee:** Ensuring that all medications are genuine and meet regulatory standards.
- **Personalized Service:** Maintaining personal health records, including medication history and allergy profiles, for each customer.
- **Drug Information Accessibility:** Providing updated information on medications and their uses to our customers at no additional charge.
- **Home Delivery Service:** Offering convenient home delivery from 9 a.m. to 9 p.m., allowing customers easy access to essential medications.

Revenue projections, when balanced against expenses, form the basis for profitability. With a projected stream from pharmaceutical sales, consumables, and cosmetics, we expect a healthy return. We continuously review expenditure against revenue to optimize costs and boost profits.

Our management plan features a streamlined, efficient structure:

- **Staffing:** One licensed pharmacist, supported by two pharmacy technicians, an attendant, and a cashier, ensuring smooth operations.
- **Task Allocation:** Each role is clearly defined, with pharmacy technicians, the attendant, and cashier reporting to the pharmacist. This structure ensures accountability and efficiency.

A SWOT analysis of competing pharmacies and chemist shops within our area helps us understand local market strengths, weaknesses, opportunities, and threats. This insight allows us to adapt to competitor strategies and anticipate their likely future moves.

Our mission is to deliver exceptional pharmaceutical services with unwavering ethical standards, ensuring that customers always receive genuine medications. Our vision is to become a respected leader in global pharmaceutical retail, continually striving for excellence in service delivery. Guided by our core values of integrity, service, and customer trust, we are dedicated to setting a new standard in the industry.

Executive Summary

Nature of the Project

This business plan outlines the development and operation of a fully licensed and registered pharmacy, set to deliver a comprehensive range of pharmaceutical and related health services.

Project Promoters

The pharmacy is spearheaded by two principal promoters:

- Pharm. Rotimi Sanni John
- Barrister (Mrs.) Ifunnaya Lilian John

Project Location

The pharmacy will be located at No.5 Ezebunton Sir, off NTA Road, Ohio-Akp Local Government Area, Port Harcourt, Rivers State, strategically positioned within a densely populated neighborhood.

Market Potential

This pharmacy aims to serve a local population exceeding 100,000 residents, currently underserved by any registered pharmacy. With a growing demand for pharmaceutical products among diverse demographic groups, from young families to elderly residents, there is a robust and expanding market for essential medicines, health consumables, and wellness products.

Project Cost

The total estimated cost to establish this pharmacy is ₦7,195,000. The promoters will contribute ₦5,000,000, sourced primarily from Pharm. Rotimi John's retirement benefits, with the remaining funds derived from savings contributions by both promoters.

Profitability Indicators

Based on our financial projections, the profitability indicators are as follows:

Year	Turnover (N)	Profit After Tax (N)
1.	10,792,500	1,618,875
2.	12,951,000	1,942,650
3.	15,541,200	2,331,180

Conclusion and Recommendation

This pharmacy is commercially viable, economically desirable, and technically feasible. With strong potential for profitability, it represents a sound investment. This business is recommended for funding and immediate implementation to capture the untapped market in the area.

Market Clients and Competitive

Given the neighborhood's high population density and lack of nearby registered pharmacies, there is a substantial opportunity to establish a trusted pharmaceutical outlet that meets the community's ongoing need for essential health products. The pharmacy will provide:

- Prescription and non-prescription pharmaceuticals
- Basic medical tests
- Everyday health essentials, such as tissues and hygiene products
- High-demand consumables and cosmetics

Target Clients

Our primary client base includes

- Local residents across age groups and demographics
- Nearby offices and corporate clients
- Industrial workers and employees in nearby manufacturing zones

Promotional Strategy

The pharmacy will deploy a targeted, multi-channel marketing campaign to establish brand awareness:

- Conducting neighborhood health outreach programs
- Leveraging strategic partnerships and networking opportunities
- Erecting prominent billboards to enhance visibility
- Distributing informative leaflets within the target market area

Market Positioning and Brand Image

The pharmacy will establish itself as the leading provider of affordable, genuine medications, focusing on:

- Reliability and trustworthiness
- Quality, effective pharmaceuticals at competitive prices
- Friendly and knowledgeable service, enhancing customer loyalty

Competitive Pricing Strategy

We will implement a pricing strategy with a 30% markup, well below the typical 50% markup in Port Harcourt. This competitive pricing is designed to establish the pharmacy as the preferred choice for reliable, affordable healthcare products.

Product Offering

The pharmacy will stock a full range of approved medications, including:

- Prescription-only and over-the-counter medications
- NAFDAC-certified natural health products
- Quality cosmetics and daily consumables

Our commitment to stocking genuine, high-quality products will help position the pharmacy as a cornerstone of community health and wellness.

Staffing

No	Type of Staff	Monthly	Pay
1	Pharmacist		50,000
2	Pharmacist technique		20,000
1	Pharmacy attention		10,000
1	Cashier		10,000
1	Security men		10,000
1	Driver		10,000
		Total	115,000

Financial Analysis

Project Cost Summary	
Shop Rent	120,000
Shelving of Store	80,000
Furniture	45,000
Vehicle	750,000
Drug Stock Purchase	3,200,000
Cosmetics Stock Purchase	2,850,000
Generator	50,000

Proposed Financing Plan

	Project Purchase	I	Total
Shop Rent	120,000		120,000
Shelving of Stores	80,000		80,000
Furniture	45,000		45,000
Vehicle	750,000		750,000
Drug Stock Purchase	3,200,000		3,200,000
Cosmetics Stock Purchase		2,850,000	2,850,000
Generator		150,000	150,000
	4,195,000	3,000,000	7,195,000

Projected Income Statement (N)

	Year 1	Statement Year 2	(N) Year 3
Projected revenue	8,160,000	2,11,114,000	11,543,000
Drug stock	3,200,000	14,200,000	4,700,000
Cosmetic stock	2,250,000	13,850,000	3,350,000
Salary wage	115,000	155,000	175,000
depreciation	113,000	113,000	113,000
Public electricity lentuapt	24,000	25,000	26,000
Fuel expansion	30,000	32,000	34,000
Manner of generation	12,000	14,000	15,000
Office expansion	12,000	14,000	16,000
Rate and levies	15,000	15,000	15,000
Total expenditure	5,771,000	8,418,000	8,331,000
Profit before tax			

Projected Cash in Flow Statement (N)

Cash Division	Year 1	Year 2	Year 3
Profit after taxation	2,333,000	2,636,000	3,212,000
Add basic depreciation	113,000	113,000	113,000
Total cash outflow	2,446,500	2,744,700	3,325,000
Cash outflows	2,333,000	2,630,000	3,325,000
Repayment to project promoters	450,000	550,000	650,000
Repayment to combination of Pharm Rotimi John and Ifunnaya John	350,000	450,000	5,550,000

Depreciation

Item	Value N	Depreciation Rate	Annual Depreciation
Shelving	80,009	5%	4,000
Furniture	45,000	10%	4,000

Conclusion

This pharmacy venture represents a viable and strategic business opportunity in Port Harcourt's underserved area. With a clear understanding of the market dynamics, competition, and customer needs, the business is poised to meet the growing demand for high-quality pharmaceuticals, health consumables, and wellness products. The business plan showcases a strong foundation with detailed financial projections, revenue streams, and an efficient management structure. The pricing strategy, which aims to offer affordable healthcare solutions, along with the commitment to customer satisfaction and authentic products, positions the pharmacy to build trust and loyalty within the local community. By focusing on personalized service, home delivery, and accessibility, the pharmacy will establish a competitive edge in the market. With a sound financial strategy and clear growth potential, the pharmacy is well-positioned to achieve profitability, making it a recommended investment for immediate implementation.

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