

BLOCK INDUSTRY BUSINESS PLAN IN NIGERIA

[TATA BLOCK INDUSTRIES.]
Contact: Uzor Onyes
Abuja,
FCT,
07033378184,
hello@businessplan.com.ng

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Executive Summary

PATILAD BLOCKS is a business involved in the manufacturing of building concrete, bricks and blocks for masonry, builders association, housing consultant, development agencies, construction workers etc.

We make block of uniform quality and sell them at a price high enough to cover costs and make a reasonable profit.

Cement concrete blocks are modern construction materials and as such are use in all the construction viz: residential, commercial, and industrial building construction.

The business is owned by Dayo Adetiloye with over 15 years experience in Block making and construction works industry.

The project set up cost is N5 million using imported machines.

The project is very profitable. With aggressive marketing strategies, good management, and the payback period would be less than 2 years. The return on investment is very encouraging at 25 per cent of profit.

We forecasted a 40% market share. The business will generate a very high gross margin and a modest net margin after year one and comfortable margin after year three. By year three the business will have developed a respectable yearly net profit.

INTRODUCTION

Business Opportunity

The increasing need to build new residential houses, factories and offices to accommodate Nigeria's large population has made cement block production a very lucrative business in the country. Over the last 10 years, building and construction sector has undergone strong growth rates in the range of 8-10% in Nigeria (*Source: National Bureau of Statistics, 2013*). Housing and construction is one of the major drivers of growth in more than 40 allied industries, the cement block industry included. Demand for cement blocks has also risen tremendously as a result of the demand for it in the housing and construction industry. In addition to this, there is also increasing demand of cement blocks from government and multi-national contractors for building purposes.

A potential cement block producer must have a good level of patience and must have time for the job. He must also know or be willing to know about building business, as this will help a great deal and increase his profitability in the long run. Also, the business owner must have good networking relationship with individuals and corporate customers; he must possess the necessary skills to:

- Manufacture concrete blocks with highest quality cement that dries quickly for commercial production,
- Recruit skilled workforce,
- Set up the business on a dry land,

- Ensure availability of truck to deliver goods to customers' desired location,
- Provide reliable and durable equipment for the successful operation of the business

Ironically, the market is still relatively small. There is strong competition, and the cost of preparing cement block is high. The industry is also affected by non-availability of modern machinery in the local market at an affordable rate. Local customs traditions, and non-availability of infrastructural facilities are also other major hurdles in the development of the sector. The main risks associated with the business include inability of production staff to wet the blocks on the second day of production thereby preventing the blocks to command high market value, frequent rainfall to prevent blocks to congeal as at when due and inability to service vibrating machine regularly. Volatility of the price of cement is a huge threat in the blocking making industry. However, the business owner should ensure close supervision of production staff and regular servicing of vibrating block molding machine.

As a start-up business, the categories of cement blocks for production are four inches block, six inches block and nine inches block.

The business is expected to be registered with all the relevant agencies such as Corporate Affairs Commission and Concrete Blocks Manufacturer Association of Nigeria. The business is starting up with =N=5,000,000 (five

million naira) in cash part of which would be used to finance fixed assets, expenses and other running cost.

Business Description

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Form of business: A sole proprietorship.

Owner of business: Uzor Onyes

State of business: The business is a new business

Opening days: Mondays – Saturdays 8am- 6pm

Business Development

Consultant: Omoniyi Joni (MBA, PMP)
Hundred And Five Academy

Legal Adviser: Barister Amani

Board of Directors: Isiaah Ede

Oludare Mudasiru

Bunmi Arowosafe

Folashade Adegoke

Our Vision

To be among the top 3 BLOCK Making company in Nigeria by 2025

Our Objective

- Constant growth in sales in 12 months.
- To generate customer satisfaction so that at least 60% of our customer base is repeat business.
- To provide quality product at reasonable prices with exemplary services.

Our Goal

- To be a one stop-shop for building materials in Nigeria
- To run business as a profitably

- Our Mission

To exceed the customers' expectations in every sense by providing quality produce in a sustainable way.

-Success Factor

Land

Most Block Industry owners do not own the land they work from. It mostly belongs to farmers who they pay a lease to.

Make sure you are close to a water source like river, stream or water way or dig a well. Water is the life blood of the business. Do not under any circumstance entertain the idea of buying water or the business will crash before it takes off!

2. Machinery

You need a Lister engine. These are very expensive, so you want to source for the most affordable you can find. This normally means travelling out of town to buy one.

You need a moulding machine. This is what shapes your blocks. These are made to order by local manufacturers.

You need a Water Pumping Machine (Looks like a small generator) This brings in water from your source.

3. Materials

You need wooden pallets. This is where your blocks stay to dry out after moulding. Bought from local makers. Start with a few hundred pieces (200-500 pieces).

You need also

1 x Wheel Barrow

2 x Shovels

2 x Metal drums (To house water for your machines during moulding.)

2 x Security chains to secure items when you leave site.

THIS IS NOT THE COMPLETE BUSINESS PLAN FOR BLOCK INDUSTRY IN NIGERIA

TO GET THE COMPLETE BUSINESS PLAN, PAY N10, 000.00 TO:

BANK NAME: FIRST BANK PLC

ACCOUNT NAME: CHIBUZOR TOCHI ONYEMENAM

ACCOUNT NUMBER: 3066880122

After payment, Text your full name, email address and selected business plan (i.e. pharmacy business plan in Nigeria) to 07033378184.

The complete business plan/feasibility study will be sent to your email 15 minutes after payment.

For Inquiries call - 07033378184