

Business plan for livestock fodder company marketing essay



**ASSIGN
BUSTER**

The idea of the project was derived from market analysis, its demand and supply of camel fodder in Saudi Arabia. The problems which occurred in late 2007 in camel breed were main initiator of idea to develop and place new camel fodder in Saudi Arabia market. Due to contamination of fodder in 2007 which resulted in outrageous more than 2000 camel deaths the investigation was undertaken and the fodder was found to be stored in bad conditions and due to price efficiency, poor quality ingredients of camel fodder were used.

We are aware of substances which were found in contaminated fodder.

Designing the new product will consider following factors:

Purpose of camel breeding (racing camels, beauty contests, general breed)

possible nutrition differentiation

Camel nutrition requirements

Vitamins added value

Storage solutions

Packing solutions (vacuum packing)

Contamination awareness

Camel fodder “ preferences”

Price sensitivity

Product competitiveness

Product shape

Quality sensitiveness

Due to low labour and semi-products costs, production in Poland will give the competitive advantage based on price. Relatively high supply of ingredients in Poland which are essential to produce the fodder will be also advantageous.

Our propositions of character of this project as follows:

Establishing new brand which will cater for all kind of camel breeders.

Opening site which will cover everything from production through packing and dispatch. Establishing supply chain and finding possible sub contractors.

Subcontracting all operations to other companies in Poland. This will be less cost consuming and much faster in executing. Branding the product.

Objectives

Establishing fully working production line of Livestock fodder, prepared for transport

Setting up good distribution channels and supply chain which will lead to cost effective and save transportation to Saudi Arabia

We would like to sustain reliable service to our customers

In three years from the start we would like to meet 0, 377% of total livestock feed demand of Saudi Arabia Which will account on average sales 3459, 4 Tones Per month

This figure can be achieved when productivity of production line will be set at 70 %

In first year of operating, we would like to achieve 60% of all sales contracted for few years ahead

Mission

Royal Camel seeks to produce the lowest acceptable price and by providing the highest quality product and competitive features as vacuum packaging which affects on much longer storage possibilities. We value our relationships with future customers and hope to communicate our appreciation to them through our outstanding, guaranteed product quality, personal service, and on-time delivery. Our commitment to our customers and the country of Saudi Arabia will be reflected through honest and responsible business.

Keys to Success

Due to low labour and semi-products costs, production in Poland will give the competitive advantage based on price. Relatively high supply of ingredients in Poland which are essential to produce the fodder will be also advantageous.

Reliable and Motivated Hardworking Staff

Reasonably big financial backup will be also key to success as it will secure operational flexibility

Well Developed Business network in Saudi Arabia will lead to fast and effective product introduction in the market

Long term business relationship with suppliers and clients

After establishing company in the market, possible product modification according to customer requirements.

Developing good marketing strategy, finding new channels of communication with customers.

Potential barriers

Critical Paths and areas of Slack

Products

The Royal Camel company intention is to produce a fodder which is made from hay.

Product Description

Competitive Comparison

Distinction of product in competitive market. The product distinction will be based on price and packaging solutions. Customer in the moment of decision will chose product of a better quality. Our packaging will be main factor which will persuade customer of a great quality of the product. The other reason for customer to choose our product will be price. The mix of price and quality will give competitive advantage we are looking for. Comparing to

other products, our will not be as complicated notional wise. It is going to be cheaper and available to all customers.

Sales Literature

As a part of marketing campaign, we are planning to prepare product brochures which will be presenting our company, supply chain and describing our products.

Those brochures will be sent out to core players on the Saudi Arabian Market, to nutrition and big Camel Farms to inform them about new solution.

On the other hand, we will be trying to enter on the Saudi Arabian Market by articles in agricultural magazines and local press.

We would like also to have also strong support of authorities in Saudi Arabia because at the moment the situation on the livestock feed market is very close to monopolistic practices which are illegal and brings also lack of market balance and safety.

Technology

The technology will be based mainly on one Spanish company which is in the market for over 30 years in the market of industrial machinery. The production line will include the newest technology developed for this kind of product. (See Appendix 1)

Dryer

Bales grinders

Fiber cooling line

Milling line

Pelleting line

Control panels

Dryers

Project Organisation

8. 1 Personell Plan

8. 1. 1 Management team

People responsible for financial planning and all organizational issues

8. 1. 2 Supervisors

People responsible for labours productivity during shifts

8. 1. 3 Secretary

Person responsible for appointments, researches, data gathering, communication and other office duties

8. 1. 4 Technicians

People responsible for proper line operation

8. 1. 5 Security

Whole object security

8. 1. 6 Labours

People responsible for production

8. 1. 7 Project Consultants

Group of external specialists responsible for consultancy

8. 2 Personell Plan- Finantial Summary

According to Polish Standard pay rates, we have chosen satisfactory (but not very high) amounts.

Nevertheless, we expect 10% rise every year as a performance bonus

PROJECT CONSULTANTS ARE NOT TAKEN UNDER CONCIDERATION AS THEY ARE GOING TO BE HIRED ONLY FOR PROJECT IMPLEMENTATION PROCESS

Personnel Plan

Year 1

Year 2

Year 3

Management team

€33 600

€36 960

€40 656

Supervisors

€10 200

€11 220

€12 342

Secretary

€6 600

€7 260

€7 986

Technicians

€8 400

€9 240

€10 164

Security

€24 000

€26 400

€29 040

Labours

€24 000

€26 400

€29 040

Total People

11

11

11

Total Payroll

€106 800

€117 480

€129 228

Company Locations and Facilities

The Location the Royal Camel Production Line is going to be based in Poland in small city called Pyzdry. (52° 10' N / 17° 41' E).

We will need around: 3200 m²The reason why that particular city has been chosen is because of high amount of grass around the whole area.

We were looking for compromise between the land price and richness of the green resources surrounding production line.

Moreover we were trying to find places with networking.

On the other hand, the choice of Poland because of cheap labour and high amount of ingredients available. Facilities

We expect following Facilities on the production site:

9. 1 Production line:

Packaging section

Shredding section

Dryers

Cooling section

Grinding Section

Pelleting Section

Pellet cooling section

Structures and platforms

Control Panel

Electricity dispenser

9. 2 Offices and canteens

Canteen with kitchen

Toilets

Managers office

Secretary's office

Conference office

Technician office.

9. 3 Car Park for labours and gests

Legal and contractual issues

Risk Assesment

SWOT ANALISYS

12. 1 Strengths

12. 1. 1 The Price Value Correlation

The main Strength and advantage of Royal Camel fodder will be based on desired correlation between high quality of the product and low production cost.

The price-Value Correlation will be achieved by two advantageous factors:

The low production cost will be achieved by low labour and semi-products costs, so production in Poland will give the competitive advantage based on price.

Relatively high supply of ingredients in Poland which are essential to produce a reach and high quality fodder

12. 1. 2 Possibilities of longer Storage

Due to contamination of fodder in 2007 which resulted in outrageous more than 2000 camel deaths the investigation was undertaken and the fodder was found to be stored in bad conditions and due to price efficiency, poor quality ingredients of camel fodder were used.

The final Products of royal Camel will be pellets and bales.

Both of them, just after Pelleting and baling process will be packed in vacuum way.

This will affect with longer storage possibilities due to lack of air which impacts on reducing the anaerobic and aerobic bacteria's evolution.

12. 1. 3 High Qualified workforce

People responsible for production process will be high skilled and motivated due to innovatory motivation management strategy so we plan that no mistakes and failures will occur within production process.

12. 1. 4 Best Quality Machines

Another very important advantage of business will be cooperation with World class specialists in area of production lines.

The Spanish Company will cover whole production line design and engineering.

Moreover, they will take care about first two weeks of production period to arrange all improvements in process and train people.

12. 1. 5 Multipurpose solution

The last important Advantage of This production line offer is fact that while planning whole investment, we took under consideration other investments of Saudi Arabian Investors in Poland, so if there was a lack of Horse Fodder For some reasons we will be able to fill the demand extemporaneously at camel fodder expense.

12. 2 Weaknesses

12. 2. 1 Price Limitations

The main weakness of Royal Camel base product will be fact that its recipe is limited because of its low price.

It means that product will be reach but it won't be a Premium product.

However this Problem can be easily overcame by implementing strategy which will allow stretching the brand and preparing the production line of expensive premium product.

12. 3 Opportunities

The idea of the business opportunity was derived from market analysis, its demand and supply of camel fodder in Saudi Arabia. The problems which

occurred in late 2007 in camel breed were main initiator of idea to develop and place new camel fodder in Saudi Arabia market. Due to contamination of fodder in 2007 which resulted in outrageous more than 2000 camel deaths the investigation was undertaken and the fodder was found to be stored in bad conditions and due to price efficiency, poor quality ingredients of camel fodder were used.

We are aware of substances which were found in contaminated fodder.

Designing the new product will consider following factors:

Purpose of camel breeding (racing camels, beauty contests, general breed)

possible nutrition differentiation

Camel nutrition requirements

Vitamins added value

Storage solutions

Packing solutions (vacuum packing)

Contamination awareness

Camel fodder “ preferences”

Price sensitivity

Product competitiveness

Product shape

Quality sensitiveness

As an international company we would like to share the market with competitors based on Saudi Arabia market and Producers from other countries.

12. 4 Threths

12. 4. 1 To strong competition of ARASCO and ssssssss

There are two core competitors on the Saudi Arabian Market.

Both of them are well established companies which together hold over 60% of the market.

Nevertheless Royal Camel will be able to cover 0, 377% of the Arabian Livestock Market

12. 4. 2 Seasonal Fluctuations of Demand

It is obvious that demand can change and fluctuate. Nevertheless, we would like to contract orders onwards with customers

Seasonal Fluctuations of ingredients Price Occurrence

The harvest period is between July and August so contracting will be done whole year onwards, nevertheless because of natural disasters like floods, dry weather, wind, the wheat prices can change but according to last year's experience, the changes should not be higher than +, - 10%

12. 4. 3 Technical

Machines used in our project will be the best and most reliable on the market, nevertheless, breakdowns are possible and we have to be aware that drops in production fluency are possible.

Control of the implementation of the plan

Startup Expenses Description

Legal issues

As a Legal Issues, we understand Lawyers expenses, opening new partnership, advisory etc.

Insurance

The insurance of the company is very important in case of fire, floods and all other unpredicted threats

Building costs of factory

The issue of building costs is counted with material (steel) and cost of assembly

Building Cost of office

In case of savings, we have chosen the cheapest solutions (office containers)

this solution mixes low costs with high functionality.

Instead of building new offices, we will buy ready mobile premises which can be assembled into office

Projects

All projects of architects:

Factory project,

Offices projects

land development

spatial development

Web Design

quality sample test

Before sales, we will have to send around 20 samples of fodder and check its full specifications

Assembly of the Production line

The service of assembling, creating and starting up the whole production line by the Spanish Company

Production Line Machines:

Shredding:

Drying

Cooling

Grinding

Pelleting

Pellets cooling

Structures and platforms

Packing

Land:

Car park land

Startup Expenses Summary

Requirements

Legal Issues

€28 000

Insurance

€3000

Building costs of factory (steel construction)

€2 200 000

Building Cost of office

€19 000

Projects

€4 300

Web Design

€1 000

quality sample test

€700

Assembly of the Production line

€232 000

building car park

€10 000

Total Start-up Expenses

€2 495 000