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BUSINESS PLAN FOR CHICKEN FARM
PODNIKATELSKÝ PLÁN PRO DRŮBEŽÍ FARMU

MASTER'S THESIS
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The solution proposals
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ABSTRACT

The aim of the thesis was the development of a detailed business plan in establishing a chicken farm. It was to develop a guide that would cover pre-investment decisions up to commissioning a chicken business in Nigeria. Additionally, it was meant to show the profitability of poultry farming as well as some of the potential challenges likely to be encountered while running a poultry business in Nigeria. However, anyone willing to start his or her poultry business may take this as an advice. My desire to establish a business was initially motivated during my time in Nigeria. with over 200 million people in Nigeria, the number of unemployed or underemployed graduates keeps growing with the population. Unemployment rate in the country keeps growing year on year. It has always been my dream to open up my own business; to create jobs will be my ultimate goal. This thesis is divided into three parts: the first chapter specifies the problem definition, objective, and methodology adopted. The second part is focused mainly on the elements of a business plan and is purely based on the theoretical project method, many books, internet literature. An executive summary, start-up funds, a production plan, a marketing plan, and other components made up of the actual business plan. There were various points highlighted by both PESTLE and SWOT studies regarding the Nigerian poultry system where improvements could be implement or supported with better technology and finances to invest in for the increase of production. It additionally confirmed that Nigeria's poultry has its positive and negative aspects.

Keywords:

PESTLE and SWOT analyses, business plan, entrepreneur, broilers, day-old chick, local government, poultry farm, and Corporate Affairs Commission (C.A.C.)

ABSTRAKT

Cílem práce bylo vypracovat podrobný podnikatelský plán pro založení kuřecí farmy. Jejím cílem bylo vytvořit průvodce, který by zahrnoval předinvestiční rozhodnutí až po uvedení kuřecího podniku do provozu v Nigérii. Dále měl ukázat ziskovost chovu drůbeže a také některé potenciální výzvy, s nimiž se lze setkat při provozování drůbežářského podniku v Nigérii. Nicméně každý, kdo je ochotný založit vlastní drůbežářský podnik, by si tuto radu mohl vzít. Moje touha založit firmu vznikla během mého pobytu v Nigérii. S více než 200 miliony obyvatel v Nigérii počet nezaměstnaných nebo nedostatečně zaměstnaných absolventů neustále roste s populací. Míra nezaměstnanosti v zemi rok od roku roste. Vždycky jsem si dal za cíl otevřít vlastní firmu; mým konečným cílem bude vytvářet pracovní místa. Tato práce je rozdělena do tří částí: první kapitola specifikuje definici problému, cíl a použitou metodologii. Druhá část se zaměřuje především na prvky podnikatelského plánu a je založena čistě na teoretické metodě projektu, mnoha knihách a internetové literatuře. Součástí je shrnutí, počáteční fondy, výrobní plán, marketingový plán a další složky, které tvoří samotný podnikatelský plán. Studie PESTLE i SWOT zdůraznily řadu bodů týkajících se nigerijského drůbežářského systému, kde by bylo možné zavést vylepšení nebo podpořit lepšími technologiemi a finančními prostředky na investice pro zvýšení produkce. Dále potvrdily, že nigerijský drůbežářský systém má své pozitivní i negativní aspekty.

Klíčová slova:

PESTLE a SWOT analýzy, podnikatelský plán, podnikatel, brojleři, jednodenní kuře, místní samospráva, drůbežárna a Komise pro korporátní záležitosti (C.A.C.)

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Affidavit

I declare that the present master project is an original work that I have written myself. I declare that the citations of the sources used are complete, that I have not infringed upon any copyright (pursuant to Act. no 121/2000 Coll.).

Brno dated 30th Apr 2025

Kenneth Umukoro Mark

author's signature

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INTRODUCTION

My childhood dream has always been to become an entrepreneur. Second, the most important thing in starting a business is having a well-written business plan, and therefore I came up with the idea of this business plan as my thesis. A business plan is a written document or guide that defines a proposed business goal. Chicken farming is the business that I have chosen. The question of why I selected to have chickens is a fair one. It's a fair thing to understand about the background regarding the choice of location for the poultry farm in an effort to comprehend it.

Nigeria is the largest country in Africa and has over 200 million people (Sasu, D.D., 2024). As such, there is greater demand for chicken products compared to supply, and this is a chance for profit for would-be entrepreneurs. And with the recent steps the Nigerian government has taken to encourage local production, what better economic activities are there than raising chickens? Thus, I have come to realize that it might be a business venture. Let me be specific, poultry farming is the rearing of domestic birds for egg or meat, i.e., chickens, ducks, turkeys and geese. Most of these livestock are consumed by Nigerians and yield high and affordable animal protein.

The objective of the thesis is to plan my business strategy on how to begin a chicken farm in Nigeria, focusing on broilers. The objective is to create a manual that can be utilized to begin a poultry farm, outlining every step of beginning a broiler chicken business in Nigeria. Its profitability will also be touched upon, and some of the possible challenges one may encounter in running a chicken business in Nigeria. But whoever is willing to start his own business could use this as a guide.

“If you fail to plan, you plan to fail “

Benjamin Franklin

1. PROBLEM SPECIFICATION, GOAL, OBJECTIVE AND JUSTIFICATION.

Everybody can start-up a business following certain procedures specified by the law. Factors motivating an individual to start-up a business can be split into “push” factors and “pull” factors (Watson, Hogarth-Scott and Wilson 1998). Push factors have to do with lack of self-development opportunities at current employment or lack of possibility to find adequate and desired employment. These people start businesses out of necessity. Some individuals are more likely than others to start a business due to a variety of “pull” factors. Such as desire to seek for personal independence or means to realize own idea. Starting business is not an easy task. Entrepreneur must consider many, sometimes hard to predict, circumstances.

1.1 Issues with the business start-up

Whatever motivation is there, either for starting a new business or undergoing a new venture with an existing one, we must think critically about feasibility of our idea, goals and return of our investment. There are many financial and non-financial risks associated with any business venture. Early examination of risk involved as well as assessment of success factors can be crucial for business success. Planning plays an important role (Hormozi 2002) in determining and organizing these issues. A marketing strategy is an effective tool to organize identified goals and strategies to meet them. Additionally, it has a potential to describe and market the business to potential investors and other stakeholders. Planning process can be split into three main stages (Koráb, Peterka and Režňáková 2007):

1. Understand where we are
2. Decide where we want to go
3. Planning how to get there

Each of these stages brings its own issues associated with them. Analysis is important part in order to understand where we are. Also business has to be aware of environment which it is going to enter.

1.2 Goals

This thesis is aimed at developing a complete business plan for a chicken farm start-up in Nigeria. Development of a business plan needs to be supported by environmental research into the internal and external environments for the realization of organizational capabilities, market conditions, and awareness of industry trends. The financial evaluations, schedule, and methodology adopted for monitoring and control shall form part of the plan. It helps ensure that the business plan is comprehensive, viable, and in line with the strategic goals for the eventual Holistic concept of a chicken farm.

1.3 Objective

The objective is to provide a starter guide that covers all the steps involved in establishing a chicken business in Nigeria. The profitability of this business will also be covered, as well as some potential challenges that can come up when operating a chicken business in Nigeria. This could be helpful, nevertheless, for anyone who wishes to launch their own business. The study objective includes:

- Ascertain the initial expenses and sources of funds for a chicken farm.
- Analyze the operational steps necessary to run a successful chicken business.
- Examine the marketing strategies needed to enter the poultry industry in Nigeria.
- Look at potential risks and precautions.
- Examine the financial sustainability of Nigerian poultry farm.

1.4 Justification of the research topic

A poultry farm is a very viable business to start in Nigeria, considering the growing population, high demand for poultry products, and favorable economic conditions. Nigerians depend largely on poultry items such as chicken and eggs for their diet, and the country's increasing middle class and rapid urbanization have created a ready market for them.

The tropical climate of Nigeria reduces overheads, hence making poultry raising an inexpensive business. Its short production cycle ensures quick turnover and profitability, while government policies encourage agribusinesses through funding and training.

The industry is one of the leading contributors to rural development, job creation, and ensuring food security, hence economic empowerment among citizens. Due to export perspectives within the West African market, the company has very great potential for growth. Poultry farming will satisfy nutritional and health needs and improve economic standing; as impactful business, it makes it viable and a wise decision to make for any entrepreneur in Nigeria.

2. THEORETICAL BASIS OF THE THESIS

Before the business plan is being prepared, it is necessary to define terms and theoretical basics to secure that upcoming analysis and final statements are clear and valuable. This chapter will be divided into sections concerning main aspects of the business.

2.1 Entrepreneurship

According to Kao (1993), “Entrepreneurship is the process of doing something different for the purpose of creating wealth for the individual while adding value to society.” According to Srpová and Řehoř (2010) there are three basic entrepreneurship conceptions. Following concept is broadly accepted and it is worth mentioning.

Entrepreneurship is a process – it is an activity of which goal is to create new value that might have financial or non-financial form. It is legislatively defined in Civil Code.

Entrepreneurship is an approach – it is a dimension of man’s behavior with competency character. Enterprising approach has these features:

- An interest to create added value
- Opportunity seeking to realization of the goal
- Input and use of one’s own resources, own time and name
- Voluntary taking responsibility and risk carriage
- Reward harvesting as last in row of all stakeholders

Entrepreneurship is a value orientation – sometimes called as entrepreneurial spirit that represents typical value and approach structure that has social or individual dimension.

Social – overall meaning and appreciation of entrepreneurs, enterprising people and entrepreneurship.

Individual – entrepreneurial life style. Man is expected to behave responsibly, to be able to carry risk and uncertainty resistance but on the other hand it provides advantages in form of self-autonomy and potential better earnings.

2.2 Business Plan

A business plan is an essential factor in planning a new business, as well as in the evaluation process of an already existing one. First of all, it should clarify the goals and objectives of the business and propose the means to reach them. A well-prepared business plan, in turn, suggests the vector for the company's further movement and allows predicting the financial outcomes on the basis of deep analysis of all the aspects of business, including technology, production, marketing, and human resource management (Galai et al., 2016, Hisrich, Peters, 1996, Wupperfeld, 2003). A good business plan is a rather short document, usually ranging between 20 and 50 pages, whose task it is to convince the reader of the reality and feasibility of the proposed plan. The paper needs to convincingly analyze strengths and weaknesses of the business, highlight unique capabilities, and logically prove that it is a viable business which will flourish over time within the environment in which the business is to be set up (Galai et al., 2016, R. Ford et al., 2007, Hisrich, Peters, 1996).

2.3 Business plan structure

Business plans can be structured in various ways depending on the industry, common approaches include the traditional business plan, and the lean startup model. The structure of this thesis adopted the traditional business plan approach, which consists of, comprehensive analysis of key business components. It was chosen for its clarity, alignment with best practices, and relevance to the poultry industry. This structure enhances investor confidence, facilitates risk management, and meets financial institutions' requirements, making it ideal for long-term planning. According to Olomola (2018).

In Nigeria, many financial institutions require comprehensive business plans before granting loans or funding for agricultural enterprises.

- Title page
- Executive summary
- Description of business
- Description of product
- Market research
- Market strategy
- Operations
- Management and organization structure
- Financial plan
- Risk assessment

2.4 Title page

This is a summary of the business plan on one page. The title page should contain the name of the plan that should clearly describe the entire project. It should also include contact details of key persons (company owner's / plan creators), main business area, eventual name and headquarters. In brief, the way of financing and the structure of the company should also be introduced. Looking at the front page, a potential investor decides whether to continue reading the plan or not. (Koráb, Peterka, Režňáková, 2007).

2.5 Executive summary

As the title of this section suggests, it is a summary of the entire business plan. It must contain the most important facts. Its length must be minimized as much as possible a maximum two-page document. The main objective is to attract potential investors and make them study the whole business plan. The executive summary should contain a brief but concise description of the following areas:

- The founder / manager / executive team and the reason why these people are suitable for the realization of the business plan,
- Products / services and their main unique and competitive features,
- Identified market opportunities for the company,
- Strengths and benefits of the company over competition,
- Strategies leading to success,

- Prediction of financial flows and the amount of funds needed. (Koráb, Peterka, Režňáková, 2007)

2.6 Description of the business

This section describes the business model of the business project; target market, products, or services to be offered. In general, any business plan needs a business description section in order to present an overview of the project. According to author Gumpert (2002) in this section should answer key questions such as: What does the company do? Who are the potential customers? How big the market is, and what's the potential growth? It also needs to provide data on the organization structure of the company, the experience of its management team, as well as where it is based for an investor or business partner to get a wholesome view of what the company actually is. Also under this head, one may discuss in detail the description of products or services being offered and how different from the competitors. For this, it is necessary to invest time and energy in this phase to paint with clarity and appeal a picture of the business.

2.7 Description of the product or service

Here, we can outline the goods or services we want to promote and highlight their unique features. We might have unique, complex, and technological goods or services that merit a separate section outlining their nature and operation for external readers (creditors, investors, etc.). Barrow and Brown (2008).

The phases of evolution must be mentioned:

- Is the service or product prepared for sale?
- What must be done to help them grow?
- What resources are necessary for our development?

It is necessary to demonstrate and validate the competitive advantages and distinctiveness of our goods and services. Let's cut off the dull jargon and be direct. We must explain our concept in a concise, memorable way without divulging the trade secrets that set our goods or services apart. Observe how we shape consumers' perceptions of the quality of our products (brands). Conducting a thorough comparison of rival products and services is essential. (Barrow & Barrow & Brown, 2008).

2.8. Market research

The business strategy incorporates market research and analysis comprehensively. Market research is pivotal in accurately grasping customer desires, encompassing critical aspects like demographics, geographical locations, consumer behavior, and competitors for thorough assessment. Achieving success relies on the meticulous and precise execution of these evaluations. Various methods including online surveys, telephone interviews, and web-based resources are employed in conducting market research. Anticipating future trends from current data presents challenges due to the dynamic nature of the market. Subsequently, post-data collection, techniques like SWOT analysis, PESTLE analysis, or other business model methodologies can be applied to enrich strategic decision-making processes.

2.8.1 External Analysis

The external business environment has a major influence on the viability as well as sustainability of any enterprise. The PESTLE Analysis and the application of Porter's Five Forces tools will be used to analyze external factors affecting poultry business.

2.8.1.1 PESTLE Analysis

PESTEL analysis (political, economic, social, technological, environmental, and legal analysis) is a crucial tool in undertaking market and environmental analyses and supporting strategy decisions. Looking at the macro environmental elements aids organizations in making focused efforts in exploiting opportunities while reducing risks according to (Narayanan and Fahey, 2001).

Although, it is also largely accepted that the PESTEL model systematizes the general environment and the concept is widely used in practice. PESTEL analysis will try to determine the effect of the overall environment elements taking into consideration their interdependence. More specifically, the development of one element affects the development of others, and many authors have underlined this interdependence (Yuksel, 2012; Ho, 2014).

Political Factor

Changes in democratic governments can also bring about political instability, as can war, coups d'état, revolutions, and other forms of political unrest. Each of these elements should be taken into account individually because it is unlikely that they will all occur in one nation or have an impact on a single industry (Miller, 1992).

Economic Factor

Economic factors directly affect a company's future prospects in a given market. The state of the economy may have an effect on the price or the supply and demand model. For instance, employment rates, interest rates, foreign exchange rates, inflation rates, disposable income, and trends in economic growth (Matović & Arsić, 2020).

Social Factor

Social factors may affect how, when, and where a target market interacts with goods and services (Shtal, 2018). As the backdrop against which all interpersonal interactions and company operations occur, social factors, which include culture, are essential elements in any study of a business environment. The larger social and cultural environment in which merchants function is therefore crucial to take into account (Nandonde, 2016).

Technological Factor

Technological factors represent significant influencers that have strong impact on the country's environment. As world is getting more and more digital and there are fast changes, also technology is developing rapidly and experiencing a boom in terms of its rapid changes, whereas these changes often have strong impact on the market while coming from unexpected sources. Technological factors are usually divided between manufacture and infrastructure areas. Organizations need to be up to date with technological advances, because in case they fail doing so, they leave opportunities and room for smaller producers or new entrants which might enter the market (Bové and Thill 1992).

Legal Factor

Legal elements entail laws pertaining to equal opportunity, consumer protection, health and safety, and content of advertising as well as product labeling. In most cases, it is required to act in accordance with the legal requirements. Consequently, it is important to emphasize that regulatory ambiguity could provide serious challenges for the company (Marc Lim, 2023).

Environmental Factor

Nowadays, environmental protection is becoming more and more important in the eyes of society and companies should be well aware of this aspect and take it into account while doing business in certain country. Environmental factors consist of cyclical weather, disposal of materials, energy availability and cost, infrastructure, together with ecological aspects and consequences resulting from production processes (Kotler and Keller, 2013). PESTLE, in short, is a methodical process to study and understand the external macro environment factors which would have a bearing on the operations and strategic plans that an organization shall undertake. Utilizing the challenges of political, economic, social, technological, legal, and environmental threats and opportunities of organizations are observed outside the organization. It also makes it really easy for enterprise development projects contributing to its competitiveness and sustainability.



Figure 1: SLEPTE analysis factors
(Source: Created by author based on PESTLE analysis, 2017)

2.8.1.2 Porter's Five Forces Analysis

Porter's model is based on five main forces that drive the industry. In other words, these are forces that determine the attractiveness of the specific market through the analysis of competitive intensity. Being attractive in this case means the overall industry attractiveness measured by its profitability, that is assessed through the evaluation of potential opportunities and risks (Porter, 1998). Porter's five forces framework captured in Figure 2 aims to identify and evaluate the possible opportunities and threats, whereas the five key factors are: Threat of New Entrants, Bargaining Power of Suppliers, Bargaining Power of Customers, Threat of Substitutes and Competitive rivalry among existing firms (Porter, 1998).

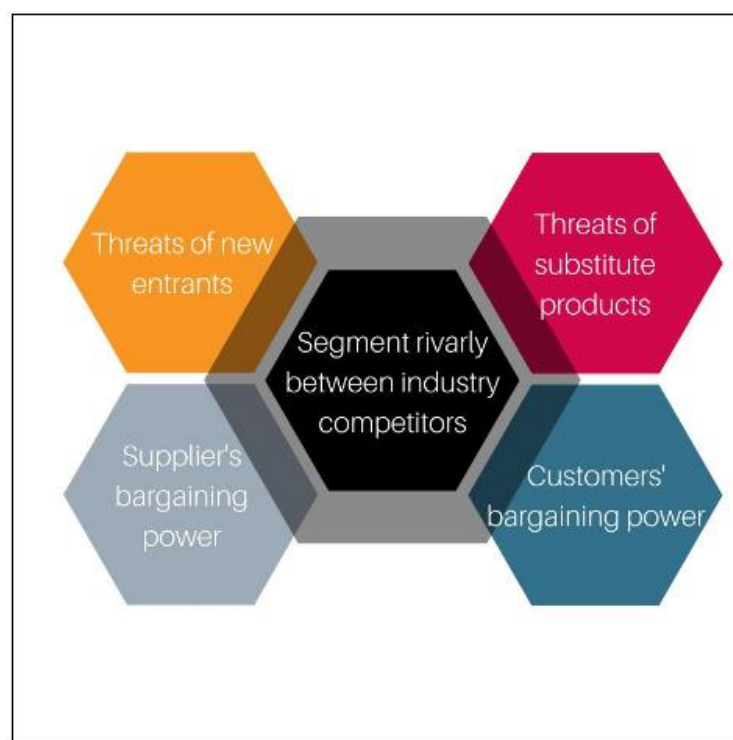


Figure 2: Porter's five forces model
(Source: Self processed based on Porter, 1998)

The Threat of New Entrants

Identification of new entrants into relevant markets and its number definitely represents an important factor that needs to be considered to a high extent. There are sectors that require really high investment levels and expertise, which represent tough challenges for new market entrants since these factors limit such an entry. In addition, it is a definite challenge considering the existing providers who will protect the levels of The profit of existing competitors on the market (Porter, 1998).

Bargaining power of suppliers

Raw materials are a necessary base for each organization and company in order to exist on the market. This consequently creates relationships between buyer and seller and between the market and the suppliers. Power that is distributed between these relationships varies, however, in case that power lies with the supplier, they can easily use this power and dictate certain conditions, in other words, influence other players through prices dictated, as well as availability of materials. Thus, it is necessary to balance the power within the industry company operates in. That is the reason why bargaining power of suppliers became part of the Porter's Five Forces framework (Porter, 1998).

Bargaining power of Customers

It is advisable for each organization within a certain market to assess the extent to which customers and/or buyers within this industry possess bargaining power. In case that customers possess high degree of power and have a strong position, as a consequence, they might significantly influence company's policy and strategy. Speaking broadly, customers who have power are able to put significant pressure to the market and demand better quality products and/or lower prices. The extent to which customers or buyers can actually put pressure and demand these special conditions depends on the level of concentration or on the degree of their own organization skills. Thus, bargaining power of customers' needs to be taken into account as well (Porter's five forces, 2013).

Threats of substitute products

Substitutes are characterized as products and services which are able to meet a specific consumer requirement and/or need, however, at the same time, are also available in another market. Substitute product can be defined as a product from another industry, which is able

to offer certain benefits to the customers. In other words, provide benefits that are similar or almost the same to the products or services that are offered or produced by other companies within the industry. Therefore, it is logical that threat of substitutes influences the industry and competitive environment in certain manner as well (Porter, 1998).

The Competitive rivalry among existing firms

For any organization to be successful in competitive jungle, it is important to understand actions its competitors take and marketing strategies they use. The degree of rivalry depends on the specific industry in which the company operates, as well as the market sectors Within them. (Porter, 1998). In a nutshell, Porter's Five factors model can potentially be used by businesses to analyses the strength of the five factors and estimate the attractiveness of an industry. Using this technique to help identify strategic opportunities and threats can help companies take advantage of opportunities or lower risks to assist companies in creating strategic plans that will strengthen their position in the market and ensure long-term success (Grundy, 2006).

2.8.2 Internal Analysis

Equally as important as conducting external research on a company is examining the internal environment. Insight will be gained into how the company maintains stability and an overall broad assessment of its capabilities and readiness for development. This section will evaluate the internal environment of the company through the McKinsey 7S Model and SWOT Analysis.

2.8.2.1 McKinsey's 7s Framework

The 7S framework, developed by McKinsey, provides businesses with a strategic approach to achieving organizational effectiveness. Created in the early 1980s by Tom Peters and Robert Waterman, consultants at McKinsey & Company, the model emphasizes the need for harmony and mutual support among its seven key components to ensure optimal organizational performance (Hami et al., 2018). The framework serves as a model for assessing an organization's performance. It looks at the seven essential components of a successful organization: shared values, strategy, structure, system, style, skills and staff who can settle internal disputes, build strong relationships with one another, and achieve organizational excellence. Every single one of these interrelated models is present in service organizations.

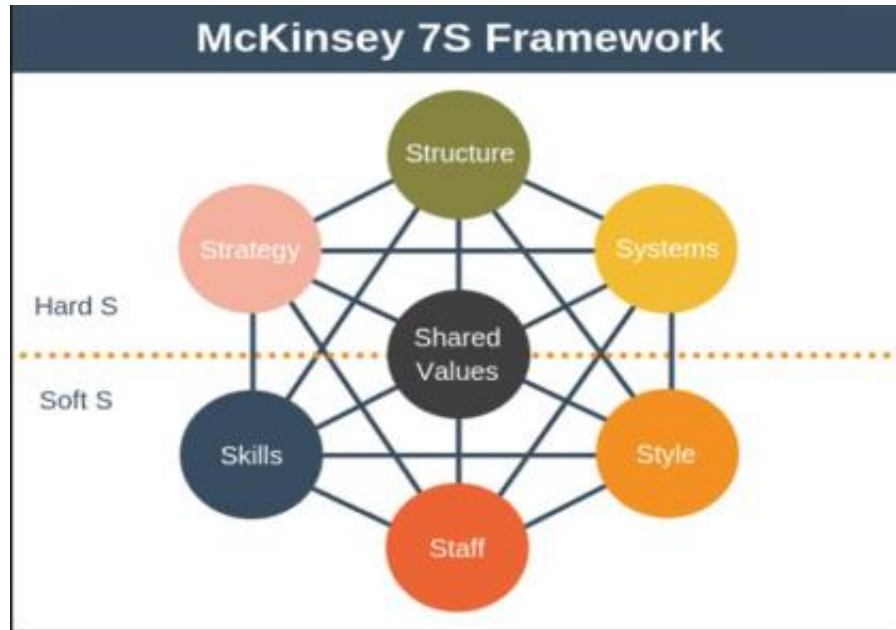


Figure 3: The McKinsey Model
 (Source: Self processed based on Ravanfar M.M., 2015)

The framework's "hard" and "soft" components are divided into seven interconnected aspects.

"Hard" elements include:

- **Strategy:** The structure employed to establish and maintain a competitive advantage over rivals. Corporate strategy is a plan to achieve the company's goals (Johnson, 2016)
- **Structure:** The reporting lines and hierarchical groupings within the organization. The flat organizational structure is more typical, where teams of professionals do the work. Boyle (2007) suggests that empowering people and eliminating middle management can increase organizational flexibility and power devolution (Boyle, 2007).
- **Systems:** The routines and actions that employees follow to complete their work each day (Singh, 2013).

"Soft" elements include:

- **Shared values:** It is the company's guiding principles for work ethics, conduct, and corporate culture. The goal and vision of the company are included in this. Employees who work for companies with weak values and shared objectives frequently pursue personal objectives that may differ from or even conflict with those of the company or their co-workers (Martins and Terblanche, 2003).
- **Skills:** These are the talents and abilities that an organization needs to have in order to effectively accomplish its goals (Jackson and Schuler 2007).
- **Style:** A particular approach to leadership. Top management behavior is a very effective management tool that conveys and reinforces powerful messages to all stakeholders, especially employees, across the company (Fleisher and Bensousan, 2007, p. 49).
- **Staff:** The workers and their overall qualifications. Because of their interdependence, changes to one will have an impact on the others. This includes talent management, staffing plans, and the workforce. As a reward for diligence, the company must give its workers assurance regarding their futures within the company and in their ability to advance professionally (Purcell and Boxai, 2003).

In general, to improve organizational performance, analyze the potential consequences of upcoming changes inside a firm, align departments and procedures after a merger or acquisition, and decide how best to implement a suggested strategy, the 7S Framework is utilized for many functions.

2.8.2.2 SWOT Analysis

SWOT analysis can be described as a business analysis technique created for the purposes of companies and organizations, whereas SWOT analysis can be constructed for each company's product, service, and market. This type of an analysis is usually performed in order to identify the best way leading to the achievement of future growth. The process itself involves identification of strengths and weaknesses within the organization, together with opportunities and threats that influence the organization through the market in which it operates in. The first letter of each factor stands for the factor itself whereas all these four factors together create the acronym SWOT (Kotler and Keller, 2013).

Strengths

Strengths form part of internal influencing factors that are favorable for the company in order to achieve its goals and objectives. In other words, strengths bring positive implications and effects for the organization. They can be also defined through its added value, or its ability to offer the organization certain competitive advantage. Strengths consist of tangible assets like capital, equipment, credit, loyal customers, distribution channels, patents and other important and valuable resources (Kotler and Keller, 2013).

Weaknesses

Weaknesses can be defined as internal factors that represents unfavorable effects on the organization, and are unfavorable for the company in case of achieving its goals and objectives. Weaknesses are in most cases the things that in some extent detract from the products/services value, or may put company into the disadvantageous position in comparison with its competitors. Perfect example of a weakness can be captured in an unsuitable location where the business is placed (Kotler and Keller, 2013).

Opportunities

This factor can be described as external influencing factor that brings favorable effects for organization in order to achieve its goals and objectives. Opportunities can be captured in changes in the market, changes in consumers' lifestyle, development of technology, new methods of production and others. In general, each successful organization should constantly review its market and services in order to observe the extent to which they can increase its market share (Kotler and Keller, 2013).

Threats

Threats are usually characterized as external influencing factor that bring unfavorable effects that influence company in terms of achievement of organizational goals and objectives. Threats creates last part of the SWOT process while involving the assessment of risks from external environment that organization needs to face. As an external force, company has usually no control over it. However, it is possible to consider creation and development of contingency plan in order to ensure that people will be more aware about potential problems and be more prepared to deal with them (Kotler and Keller, 2013).



Figure 4: SWOT analysis

(Source: Self processed based on Kotler and Keller, 2013)

	Strengths	Weakness	
Opportunities/ Threats	SO	WO	External Factors
	ST	WT	
	Internal Factors		

Figure 5. The SWOT Matrix (Self-processed processing)

The SWOT matrix may be summarized as follows:

- *S-O* means that the company's strengths and opportunities in the external environment prevail,
- *W-O* means that the company overcomes weaknesses to pursue its opportunities,
- *S-T* means that the strategy of strengths and threats of the company dominates in the external environment and thanks to the strengths, the company is able to overcome these external threats,

- *W-T* means that the company's weaknesses and threats from the company's external environment prevail.

2.9 Marketing strategy

A marketing strategy generally refers to the plan of a company on how to influence consumers in order to encourage them to buy their products or services. The marketing strategy explains how one gets to prospective consumers and converts them into customers. The value proposition, key brand messaging, and information targeting customer demographics are included amongst other high-level elements within it (Team 2024)

2.9.1 Target group segmentation

Every human is different, has different interests, values, preferences, hobbies, age and way of leisure time spending etc. Thus, there is no way for one business to please everyone at once. That is why companies usually set their target group which they focus on. The essential knowledge of the group enables company to adjust the product to attract the biggest possible percentage of the target group and simultaneously generate the highest possible profit.

The segmentation of homogeneous group of people who have relatively same needs and expectations is so called segmentation of the market. There are numerous variables that affect segmentation, and there is no precise way to accomplish it. The elements that

- Geographic
- Demographic
- Psychographic – lifestyle etc.
- Behavioral
- Socio-economic

Market segmentation helps to satisfy customers' needs by almost tailor-made products. Subsequently, it positively affects the stimulation and distribution of advertisements, sales support etc. Customers are willing to pay more for the product which is adjusted to their needs and company might also get the competitive advantage by right targeting. (Vystoupil, J., Šauer, M., Holešínská, A. et. al., 2006)

2.9.2 Marketing mix

According to P. Kotler: "marketing mix is the set of controllable variables that the firm can use to influence the buyers' response. The variables refer to 4P's – product, price, place, and promotion. The marketing mixes analyze data from several sources and try to understand more precisely the impact of different marketing activities (Kotler and Keller, 2013).

Product

The product defines what the company sells as well as it defines the characteristics of the product or service. It also describes why the customer should buy the product and other factors determining how the product or service meets expectations (McDonald, 2022).

Price

The price is the sum of money charged for the product or service. when setting the fixed prices of the product of service we have to consider many factors such as demand for the product, government restrictions or pricing of the competition. The price factor might influence the demand for the product and so the profitability of the company (University of Peshawar, 2015).

Promotion

The promotion informs, persuades, and influences the potential customers for the selection of one certain product. The promotion should provide the information on the availability and characteristics of the product as well as to arouses the potential interest in the certain product. The promotion is channeled through publicity, advertising and sales promotion (University of Peshawar, 2015).

Place

The place refers to the description where the sale occurs in addition to explaining the process and procedure of how the distribution between the seller and target customer is to happen. In online space, what we care is website look as well as web design where ads are used to present the sales offer, as explicated by (McDonald, 2022).



Figure 6: The marketing Mix 4Ps,
(Source: self-processed base on Lumen Learning, 2022)

2.10. Operations Plan

The operations plan provides a comprehensive overview of the daily activities and essential strategies vital to the business's foundation. It should offer detailed insights to demonstrate a profound understanding of daily operational aspects while avoiding excessive technical jargon that might distance readers. The major objective of this section is to highlight the crucial operating factors required for the success of the business. Operations encompass the necessary activities of the business, including the transformation of ideas or raw materials into products or services for customers. The production process is a dynamic one that requires a change in the operations plan continuously rather than remaining static on a shelf, it should be actively developed, utilized, and refined as necessary to serve as a valuable compass for the company's ventures. (Anon., 2007)

2.11 Management and Organizational plan

The organizational plan outlines the relationships and connections of each employee in the organizational structure, their rights, and responsibilities. It defines the knowledge required for the key employees and assigns duties to the positions. In addition to the internal organization of the employees, it defines information about the owners like the size of

business shares they have and the extent of their voting rights and information about the management of the company too. (Koráb, Peterka, Režňáková, 2007).

2.12 Risk assessment

First, the risks need to be identified, then assessed, and any necessary measures taken that may reduce or eliminate them. Business itself is a risk in its own way – however, it is necessary to keep all risks under control and monitor them continuously. Risks may arise from both internal and external environments. The most important risk factors include competition, environment variability, entrepreneur's and his employees' competence, weaknesses in marketing communication, production processes, etc. (Koráb, Peterka, Režňáková, 2007)

2.13 Financial plan

The financials support whole story. It must correspond to rest of the plan and show both present and past financial situation and future forecast. The financial plan shows the feasibility of the project from the economic point of view or alternatively convinces investors of profitability of the project. (Srpková, J., Řehoř, V., 2010, Koráb V. et. al., 2007) It should also include cash flow, balance sheet, loan, funding and of course the ratios that helps to summarize the overall financial situation.

3. METHODOLOGY

This study has adopted a qualitative research approach, focusing on the analysis of existing literature and secondary data related to poultry farming in Nigeria. This is done with the view to exploring salient issues bordering on challenges, opportunities, and financial considerations in the industry.

3.1 Background of the Questionnaire

The questionnaire covered essential aspects of poultry farming regarding problems and opportunities apart from considerations of finance and operations that the industry faces. The theoretical analysis of literature and industry reports was supported by this self-administered questionnaire. Saunders et al. (2019) have commented that questionnaires, even though structured, when direct data collection is not possible, can be used to secure insight into aspects.

3.2 Sample and Data Collection

The research relies on secondary sources of data represented by journal articles, industry reports, and government publications. The online questionnaire has also been conducted for the sample of 55 participants in order to allow both closed-ended and open-ended questions that can support quantitative and qualitative insights. Academic papers, government publications, and studies related to market analysis will be considered authentic sources for data collection. According to Yin (2018), secondary data enable trends and knowledge to be contemplated on a bigger scale than could be done with primary data. See Appendix 1. to the questions

3.3 Data Analysis, Classification, and Interpretation

The data obtained through the Google Forms survey was analyzed qualitatively. Thematic analysis was utilized to identify recurring themes and patterns within the feedback. Primary themes such as financial problems, operational issues, and market opportunities were categorized to provide a systematic view of the findings. The categorization allowed for a focused interpretation of the data, helping to highlight significant issues faced by poultry farmers in Nigeria. The research was placed in theoretical models like SWOT and PESTLE, placing the topics in the broader external and internal drivers of the poultry industry. By placing the findings within accessible literature, the study ensured the results were interpreted in relation to existing studies, validating the findings and complementing the general analysis (Flick, 2018; Kotler & Keller, 2013).

4. PROBLEM ANALYSIS AND CURRENT ART

4.1 External Environment

The external environment study will help in making educated strategic decisions for the business in addition to the identification of opportunities and challenges. The greater environment in which the business is set to operate is understood better by the business with this research. The external environmental analysis will therefore be a vital component necessary in guiding an organization through the dynamic complexities of the business world. This is because such an analysis gives the much-needed insight that allows

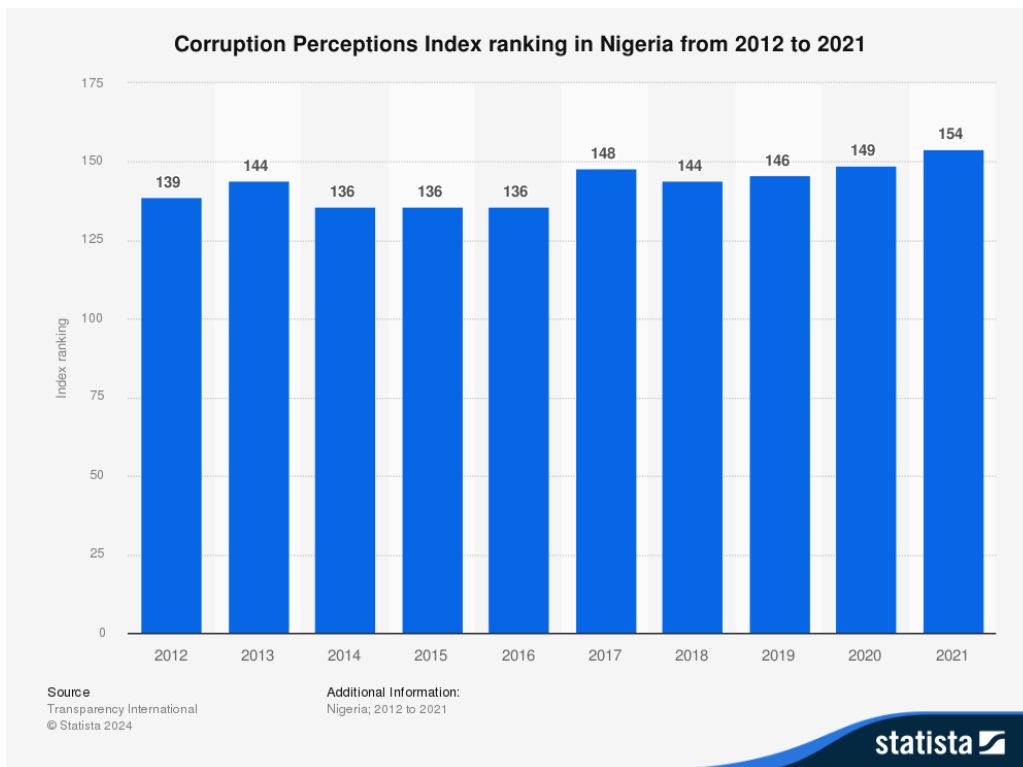
competitive positioning, strategic decision-making, and as a result, ensures that the firm is long-term viable and succeeds.

4.1.1 PESTLE Analysis

When establishing a new venture in a completely different region, research through PESTLE becomes a necessity. Essentially, this study will focus, in the main, on those important "Political, Economic, Social, Technological, Legal, and Environmental" factors that might affect the ability of the company to enter the market and expand its business therein successfully. A study is a basic tool for every new business desiring to venture into a new market as it provides a structured way in which the external environment can be comprehended. It, in turn, helps the organization to thrive and survive in the new market by facilitating thorough market analysis, informed decision-making, efficient risk management, and strategic planning.

Political Factors:

The Government of Nigeria is a democratic regime. The country is agriculturally endowed but has largely remained backward due to the high level of corruption and mismanagement of its leaders. In the 2012 - 2021 Corruption Perceptions Index as reported by Statista, Nigeria is the 154th least corrupt country out of the 180 countries listed. Over the last few months, the political situation in Nigeria gradually stabilized and the current presidency increased its efforts to combat corruption and terrorism - the two largest factors that influenced the level of economic development of the country. Several friendly agricultural policies were also implemented by the government in order to boost farming in the country. Some of these policies include outright ban on the importation of some agricultural products, tax exemption for the agricultural processing industry and making export incentives available for manufactures in the agricultural sector. (Heise et al 2015). The situation with poultry farming in Nigeria is the following: the level of productivity is very low. This situation is mainly caused by little or no availability of finances for the purchase of basic materials required for production to start. Most farmers who are into poultry farming cannot expand from small to medium scale as a result of lack of credit facilities that will assist them in achieving such a dream. (Adeyemo & Onikoyi. 2012, 388 – 389).

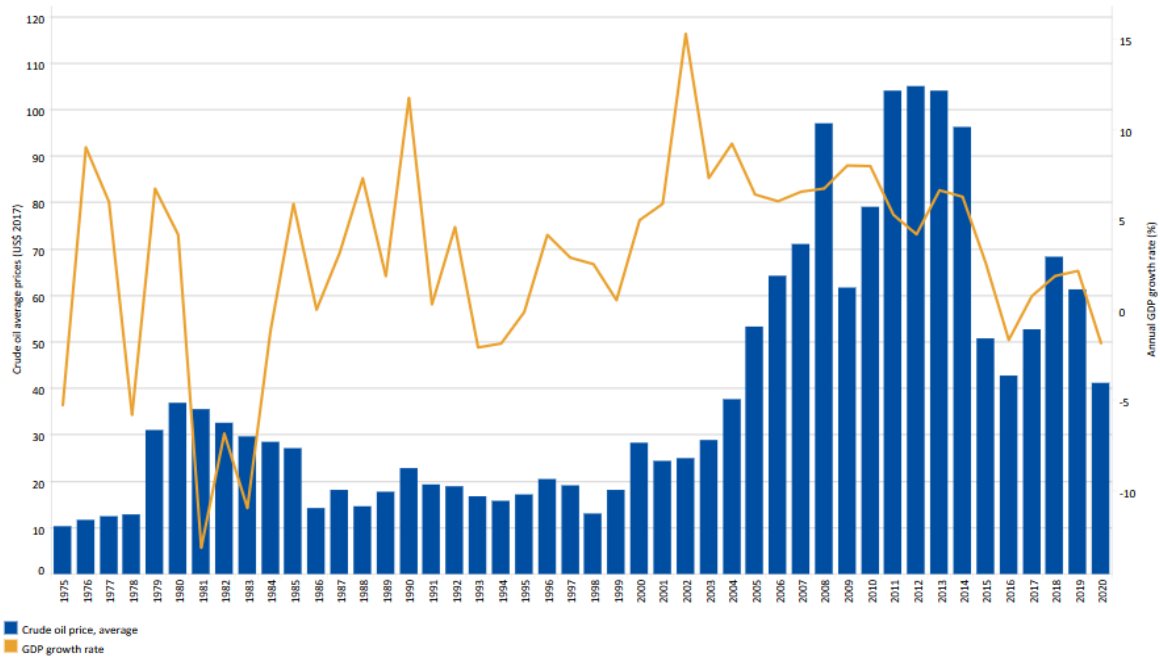


Graph 1: Bar chart of the Nigeria Corruption Index ranking from 2012 to 2021

(Source: <https://www.statista.com/statistics/1287080/corruption-perceptions-index-ranking-in-nigeria/>)

Economic Factors:

Since switching to crude oil and gas from agriculture in the late 1960s, economic growth performance in Nigeria has literally been run by succeeding oil price boom bust cycles. Graph 2: Nigeria has over the years recorded volatility and low average growth. It was from such a low 7% growth rate from 2000 to 2014 that a dip in the price of oil from mid-2014 to 2016 led the Nigerian economy into recession. The growth dropped from 6.3% in 2014 to 2.7% in 2015, then -1.6% in 2016, landing the country in a budget crisis. Though this is the 2016 recession at 2017's snail pace growth by 0.8 percent, or 1.9 and 2.2 percent for 2018 and 2019, but hit by the COVID-19 strike by an estimated average GDP growth. Because the COVID-19 crisis made many crucial commodities crash down in prices, GDP retreated a revised 1.8 percent in 2020 and fell as compared to 3.2 percent estimated upon entering the pandemic times.



Source: World Development Indicators, World Bank Commodity Price Data

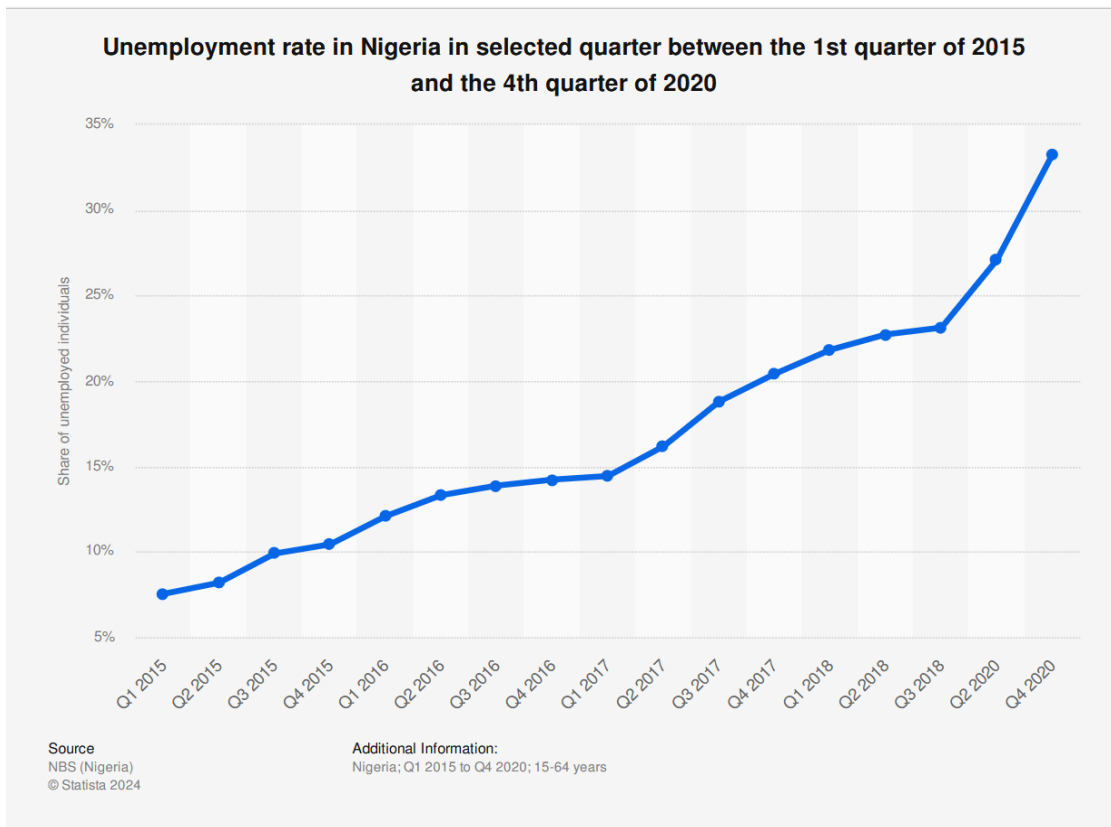
Graph 2: Representing the Trends in crude oil prices and GDP growth in Nigeria, 1975–2020

Sources: <https://futures.issafrica.org/geographic/countries/nigeria/#economy>

Social Factors:

Socially, poultry farming in Nigeria as also been severely impacted. The country has been considered as the most populous black nation with over 200 million citizens and over 250 ethnic groups. With rich diversity on all aspects, socio-economic problems have remained lingering issues: unemployment, poverty, and gaps among regions. All these things will affect labor availability and the consumer demand perspective for poultry (Ajayi, 2012).

The northern region, for instance, has suffered from instability due to security issues, which include the rise of militant groups such as Boko Haram. This instability ascertains that supply chains are disrupted, routes of transportation altered, and business operations become unpredictable. Poultry farmers in these regions may have difficulties sourcing feed, maintaining farm security, or accessing markets (Ajayi, 2012). In addition, high levels of unemployment could mean that there is an underemployed workforce available for farm labor; however, such an unprepared workforce is also unsuitable to farm productively due to lack of skill or motivation. This would increase the cost of training and reduce the overall effectiveness of the workforce (statistical, 2020).



Graph 3: Representing the unemployment rate in Nigeria between 2015-2020

(source: <https://www.statista.com/statistics/1119375/unemployment-rate-in-nigeria-by-quarter/>)

Technological Factors:

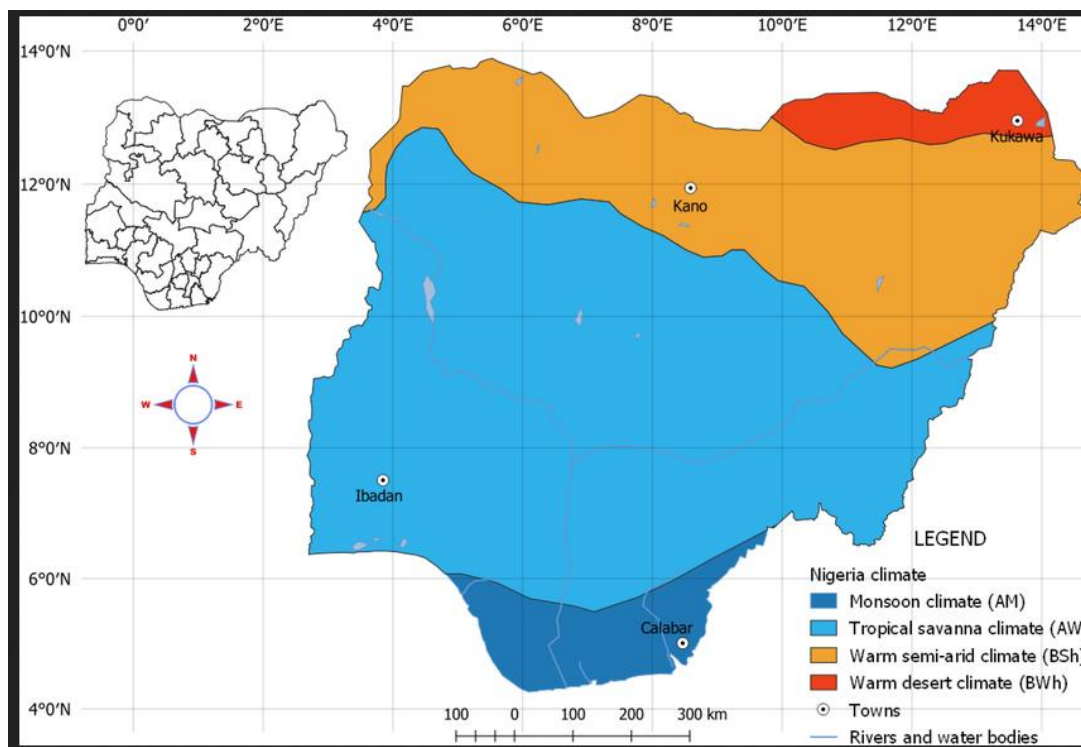
Systems of poultry production in Nigeria can be generally grouped into two, namely: Subsistent and Commercial systems. A commercial system of poultry farming can expand to small, medium and large scale if accompanied by modern technology. However, most of the poultry farms in Nigeria fall under the subsistence system and requires little veterinary input according to (Adeyemo & Onikoyi 2012, 388 - 389). Commercial pultries are industrialized and, as such mostly require modern hybrids of poultry birds. They are relatively capital-intensive, thus explaining why most poultry farmers in Nigeria have not been able to commercialize their pultries. Technology used in poultry farming enables the farmers to enjoy better disease control measures, the creation of better chick breeds, efficient storage, better feeds, and modernist approaches concerning sales and marketing (Mamun 2019,6).

Legal Factors:

The legal environment in which poultry farming exists in Nigeria is a product of several laws and policies that strike a balance between encouraging agricultural development with equity and sustainability. Legal factors would include the land ownership laws under the Nigerian Land Use Act of 1978, which complicates the process of land acquisition through its tenure system that is overly complicated (Fayemi, 2012). For instance, NESREA was enacted to ensure a minimal level of environmental pollution in the rearing process of poultry; NESREA 2020 and Labor Laws protecting farm workers by enacting minimum wages and ensuring working conditions are proper. (Nigeria Labour Act, 2004). Additionally, the government provides tax incentives and financial support through programs like the Bank of Agriculture (BOA) and agricultural subsidies to reduce the financial burdens on poultry farmers (Central Bank of Nigeria, 2021). Import policies, such as the ban on poultry imports, encourage domestic production but present challenges related to production quality and export regulations (Ogunleye, 2019). Also vital to the future of poultry farming in Nigeria is legal reform focused on better governance in the agriculture sector, enhanced access to credit, and minimal corruption levels (Adekoya, 2018).

Environmental Factors:

Poultry production in Nigeria is increasingly affected by climate change, with rising temperatures inducing heat stress in birds, reduced egg output, and excessive mortality (Anosike et al., 2018). Water shortages and erratic weather patterns lead to aberrations in feed crop yields, which also add to compounding feed costs. Waste management is also of great concern, as ineffective disposal of poultry waste leads to environmental degradation and outbreaks of disease. Improved recycling of wastes, renewable energy integration, climate-resilient poultry houses: these among several other techniques may help a lot in neutralizing environmental risk while ensuring sustainability on a long-term basis for this sector.



Graph 4 Representing Map of Nigeria showing climatic zones and exact locations of stations (Source: https://www.researchgate.net/figure/Map-of-Nigeria-showing-climatic-zones-and-exact-locations-of-stations_fig1_364109558)

ETOP Analysis: Environmental Threat and Opportunity Profile

ETOP is a strategizing tool that analyzes the industry's external environment wherein all the external factors get grouped into an opportunity or a threat and help businesses identify any potential advantages and challenges. The following table summarizes the important external factors in poultry farming within Nigeria.

External Factor	Opportunities (Favorable Impact)	Threats (Unfavorable Impact)
Political	Government incentives for poultry farming, ban on poultry imports encouraging local production	Corruption, inconsistent policies, political instability affecting agricultural funding
Economic	Switching to crude oil and gas from agriculture in the late 1960s, economic growth performance in Nigeria has literally been run by succeeding oil price boom bust cycles. economic diversification, government support, and growing poultry demand	Post-recession slow recovery: The 2016 recession and COVID-19 pandemic caused a decline in economic growth. COVID-19 impact: Market demand decline and supply chain disruptions. Oil price volatility: Economic instability affects consumer purchasing power.
Social	Large and diverse population ensuring a consistent demand for poultry products, potential workforce availability due to high unemployment.	Security challenges in northern Nigeria disrupting supply chains, lack of skilled labor

		increasing training costs and reducing workforce efficiency.
Technological	Modern technology in commercial poultry farming allows for disease control, better chick breeds, efficient storage, improved feed, and digital marketing for sales and distribution.	Most poultry farms in Nigeria operate under subsistence systems with limited veterinary input, lack of access to modern poultry technology, and high costs preventing commercialization.
Legal	Government support through tax incentives, financial assistance via the Bank of Agriculture, and agricultural subsidies reducing financial burdens on poultry farmers.	Complex land acquisition laws under the Nigerian Land Use Act, stringent food safety and environmental regulations, import restrictions affecting production quality, and limited access to credit due to policy inefficiencies.
Environmental	Sustainable farming awareness, waste recycling, potential for organic poultry markets	Climate change leading to heat stress, water scarcity, increased costs due to extreme weather events
Competitive Environment (Porter's Five Forces)	Growing consumer demand, niche market opportunities (organic poultry, antibiotic-free poultry), increased investments in commercial poultry farming	High competition, strong bargaining power of suppliers, increased rivalry from imported poultry substitutes, lack of price control
Survey Insights (Questionnaire Data)	89.1% of respondents have prior experience in poultry farming, 47.3% are motivated by business profit, 56.4% of respondent are planning medium-scale operations, 72.2% have identified a farm location, and 90.9% have conducted market research before starting their poultry business	31.5% of respondents lack access to funding or loans, 83.3% identified disease and theft as major risks, 23.6% do not have an insurance plan for their farm.

Table 1 ETOP Analysis (self-processed)

4.1.2 Porter's Five Forces Analysis Competition Environment

Porter's Five Forces is an analytical tool, which gives one insight into the competitive environment within an industry. According to Porter, (1998), this is the application of the Five Forces that is influencing the Poultry farming business in Nigeria - Market entry barriers, supplier power, buyer behavior, substitute products and industry rivalry.

Threat of New Entrants – Moderate

Poultry farming business involves pretty high capital investment. There are infrastructural, feed, and equipment investment costs that make the entry tough for any new player. For this reason, entry into Nigeria's poultry farming is not at all easy; friendly government policies regarding a ban on imported poultry products and some incentives to local farmers reduce barriers to entry to an extent. (Adeyemo & Onikoyi, 2012). Despite these positive indicators, high production costs, lack of capital, and diseases have impeded the entry of new entrants. Large-scale farms with investments in advanced technology tend to have an

edge over the smaller-scale farmers (FAO, 2023). Co-operative farming models also mean small holders are able to combine resources and thereby become more competitive.

Bargaining Power of Suppliers – High

The Nigerian poultry industry is heavily dependent on a few important inputs, such as feed, day-old chicks, vaccines, and veterinary interventions most of which are imported (Adeyemo & Onikoyi, 2012). Fluctuations in exchange rates and the restrictions to importation drive up costs, giving suppliers considerable bargaining power. Since there are few good local feed suppliers, farmers have little bargaining power in terms of prices, which raises production costs and consequently cuts profit margins (FAO, 2023). Smallholder farmers cannot negotiate a better price due to their low purchasing power.

Bargaining Power of Buyers - Moderate

The buyers have a moderate power because buyers comprise from individuals to wholesalers due to increasing demand of the poultry items. But increase in consumer awareness about quality and food safety influence the purchasing capacity. The antibiotic-free and organic poultry are also gaining momentum showing a rising trend for niche markets (NBS, 2023; FAO, 2023).

Threat of Substitutes – High

The main challenges that the poultry industry has to face in Nigeria are strong competitors such as substitutes of protein like fish, beef, and plant-based proteins such as beans and soy. According to (FAO 2023), these normally have the same nutritional values and may be even cheaper during economically bad times. Similarly, a change in consumer preference due to health attitudes and dieting waves is another facilitator for this threat, too. This high elasticity in demand side of poultry products implies that with an increase in the price level, the consumers' demand goes significantly down, which on their part works to the disadvantages of the poultry farmers' business.

Competitive Rivalry – High

Nigerian broiler production is highly competitive with small, medium, and large-scale producers numbering thousands. The competitiveness is also boosted by the ease of market access for small-scale farmers, the presence of enormous numbers of large-scale commercial farms, and rising levels of available alternative sources of proteins like beef and fish. Poultry production is the top agricultural industry as per the National Bureau of Statistics (NBS, 2024) and the Food and Agriculture Organization (FAO, 2024) with 180 million birds from various production systems. Around 85 million Nigerians produce poultry with economic instability, feed price, disease infection, and regulatory challenges vying for market share. Consumer price sensitivity and the price of poultry feed even increase competition even more, and the companies have to create efficiency and brand premium.

Benchmarking is a strategic approach used to compare business performance with industry players with the view to finding best practices that can be adopted to improve operations. Benchmarking for Kenny's Poultry Farm provides information on market strategy, technology adoption, and risk management practices in the Nigerian poultry industry. By studying leading competitors, Kenny's Poultry Farm can develop targeted improvements to enhance efficiency, expand its customer base, and optimize its supply chain. For a successful benchmarking analysis, three leading players in Nigeria poultry farming industry were selected because of their market presence, supply chain efficiency, and usage of technology

Benchmarking Analysis: The following table compares Kenny's Poultry Farm with established competitors in the Nigerian poultry industry:

Factors	Kenny's Poultry Farm	Chi Farms (Nigeria)	Olam Hatchery (Nigeria)	Amo Farms (Nigeria)
Market Strategy	Direct sales to restaurants & individuals	Retail & institutional supply	Nationwide supply chain	Wholesale market focus
Technology Use	Manual feeding and deep litter system	Fully automated feeding	Semi-automated feeding	Advanced climate-controlled housing
Risk Factors	Basic biosecurity	Comprehensive biosecurity plan	Disease monitoring system	Advanced vaccination & tracking systems

Customer Base	Local consumers and small retailers	Large-scale distributors & retailers	Poultry farmers & wholesalers	Nationwide poultry market
Supply Chain	Local distribution	Nationwide network	Regional distribution	Nationwide distribution

Table 2 Benchmarking Analysis (self-processed)

4.2 Internal Environment

Analyzing an organization's internal environment is similarly important as conducting external research. It will give details about the organization's harmony as well as a summary of the company's capabilities and general readiness for the market.

4.2.1 McKinsey's 7s Analysis

The McKinsey 7S Model refers to a technique that evaluates a company's "organizational design." The aim of the model is to illustrate how an organization's performance can be reached through the interactions of its seven key components: staff, shared values, style, skill, system, structure, and strategy.

Strategy

Kenny's Poultry Farm will adopt a cost-leadership strategy by using local inputs and a deep litter system to keep production costs low while ensuring the quality of broilers. It also intends to differentiate on the basis of manure sales and, in the future, organic broiler production.

Structure

The farm will be flatly structured with assigned duties. As a sole proprietorship, the owner will take charge, and part-time workers are hired during peak production seasons.

Systems

Operational systems will include feed management timetables, vaccination schedules, daily bird health checks, and sales records. All these systems will be documented and put in writing to enable efficiency and accountability.

Shared Values

The farm is built on pillars of sustainability, local empowerment, and production of quality food. It values ethical treatment of animals, employment opportunities in the community, and food security for Abia State.

Style

Leadership will be participative in nature. Though the owner makes key decisions, suggestions from employees are welcomed, particularly regarding issues of day-to-day business and customer comments.

Staff

The staff will include caretakers, a part-time veterinarian, and sales attendants. The staff will be selected based on general experience and trained in biosecurity and poultry handling.

Skills

The skills required are poultry management, feed rationing, disease prevention, and customer service. There will be periodic training sessions to develop skills in-house and reduce reliance on external support.

4.2.2 SWOT Analysis

SWOT analysis involves the internal strengths and weaknesses of the enterprise, considering opportunities and threats in the external environment of the Nigerian poultry industry. This is informed through an analysis that provided insight from both the external environment provided through a PESTLE Analysis, while the internal environment can be ensured by the McKinsey 7S Framework to make sure that the accurate and applicable factors affecting the business are considered.

	STRENGTHS (S)	WEAKNESSES (W)
INTERNAL	<ul style="list-style-type: none"> - Strategic location in a poultry-demanding area (Abia State) - Strong owner commitment with entrepreneurial experience - Availability of a start-up business plan and clear vision - Deep litter system supporting bird health and hygiene 	<ul style="list-style-type: none"> - High dependence on imported poultry feed, leading to cost fluctuations. - Limited access to credit and funding for small-scale farmers. -Lack of a well-structured and professionalized management system.
	OPPORTUNITIES (O)	THREATS (T)
EXTERNAL	<ul style="list-style-type: none"> - Government incentives, tax relief, and poultry import bans - Expansion of e-commerce and digital marketing for poultry sales. - Government-backed loans and grants for agribusiness. - Demand for organic and antibiotic-free poultry products 	<ul style="list-style-type: none"> - Rising feed costs due to currency fluctuations and import restrictions. -Poultry diseases and biosecurity risks. - Strong competition from large-scale farms and substitute protein sources (fish, beef). - Security concerns in Northern Nigeria disrupting supply chains.

Table 3 SWOT analysis (self-processed)

TOWS Matrix Evaluation (strategy implication)

The TOWS Matrix helps convert the SWOT factors into actionable strategies to enhance business growth and sustainability

TOWS Strategy	Strategic Approach
Dominant: SO (Strength-Opportunity) Strategies	Leverage government incentives to expand production capacity and market reach.
	Utilize digital marketing and e-commerce to reach urban consumers.
	Invest in modern disease control technologies to enhance poultry health and reduce mortality.
Supporting: WO (Weakness-Opportunity) Strategies	Partner with local feed producers to reduce dependency on imported feed.

	Seek government and private sector funding to mitigate financial constraints.
	Provide training programs to improve workforce skills and efficiency.
Supporting: ST (Strength-Threat) Strategies	Develop cost-effective feeding strategies to counter rising feed costs.
	Implement strong biosecurity measures to reduce disease risks.
	Differentiate the brand by focusing on organic and antibiotic-free poultry products.
Supporting: WT (Weakness-Threat) Strategies	Diversify revenue streams (e.g., poultry manure sales) to mitigate market risks.
	Improve physical security and establish support from industry groups like the Poultry Association of Nigeria.

Table 4 TOWS matrix evaluation (self-processed)

By leveraging the SO strategy, Kenny's Poultry Farm is expected to realize sustainable growth and develop a strong market position. Harnessing internal sources like committed leadership, convenient location, and competent operations, as well as external sources like favorable government policy and growing demand, maximizes the potential of businesses to thrive. Such coordination serves as a launching pad for profitability, stability, and competitiveness within the vibrant poultry business environment in Nigeria.

5. PROPOSAL OF THE BUSINESS PLAN

The business plan does not serve only as an important internal document of the company. It also serves as a presentation material for investors, associates, and financial institutions. The strong arguments of the project are supported by facts and calculations following from Market analysis and knowledge of regions.

5.1 Title page

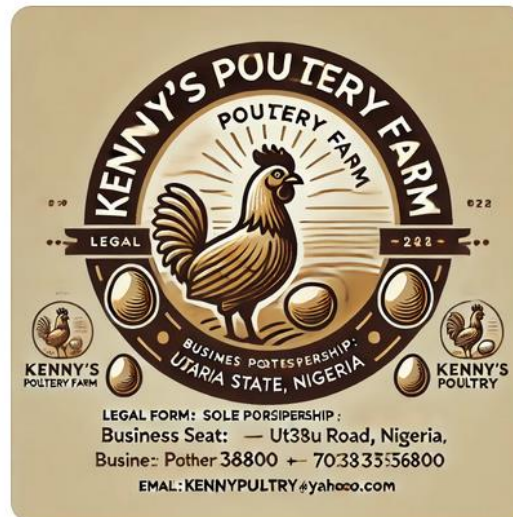


Image 1 Kenny's poultry farm (self-processed)

Business name: Kenny's Poultry Farm

Legal form: Sole Proprietorship

Business seat: Uturu Road, Abia State Nigeria

Email: Kennypoultry@yahoo.com

Website: www.kennethmarkpoultry.com

Phone Number: +234 7038356800

Founders: Kenneth Mark

5.2 Executive summary

This chapter introduces the business overview: the proposed business in question shall be introduced in terms of the location or site of the business, the business name, which is **Kenny's Poultry**, the owner, and the promoters of the business. Kenny's poultry farm is a proposed poultry farm engaged in rearing and selling chicken broilers both live and dressed chicken, manure for crop farmers. It is intended to start operation by year 2027 with 1000-day old chicks and increase as it grows.

The poultry farm by Kenny will be located at Uturu Road, Abia State Nigeria. The target markets are niche markets: hotels and restaurants, bakeries and food joints, retail shops, homes, individuals, and others. It is a sole proprietorship business. The promoter of the

business is **KENNETH MARK**, from Abia state, which is in South-East of Nigeria. The vision of the business is to be among the most extensive and very successful poultry farms in Abia State and its environs.

Estimations done put the figure of what the enterprise needed for start-up at ₦2,453 372.00 Naira about €1,532.97. It is financed with a loan about 60% of the starting capital. Its sale turnover is ₦24,600,000 Naira, €15,371.16 and the gross profit is ₦15,000,000 Naira, €9,372.66 while the net profit amounts to ₦14,000,000 Naira, €8,747.8

5.3 Description of business

The business shall focus on rearing and selling broilers and manure, hotel and restaurant, bakeries and food joint, retail shop, homes, individual and others. Its mission is to improve the quality of its poultry products so that they are affordable, convenient, and yet available to individuals, while placing great emphasis on building good customer relationships.

This means attaining a sales turnover of approximately ₦24,600,000.00 (€15,371.16), gross profit of ₦15,000,000.00 (€9,372.66), and net profit of ₦14,000,000.00 (€8,747.8) during the second year of business.

Increasing all workers' wages by 5% at the completion of year two, inquiring 4,000 customers at year one and raising to 10,000 at year three's completion are some company targets. The aim also ensures local people are employed, which is equally vital to the community. With success comes emphasizing several elements to realize such occurrence in the company. Availability of substantial funds is fundamental to any business at all times. Training and retraining are paramount for the improvement and empowering of employees so as to also be capable of expanding the business concern.

Accommodation of poultry will be done using a deep litter system that is well ventilated to comfort the birds. Sufficient space shall be provided, about 540 cm² 0.6 square feet per kilogram of body weight, depending on climate and housing conditions. The structure shall incorporate certain features that hinder the intrusion of animals into the farm-a compacted boundary of 1.20 meters in width all over, and the place should be totally fenced, at least 1.50 m high. Its floor should have a concrete ground, elevated 30 cm from ground level for easily cleaning and disinfecting it. Any farm should face at least a 30 meters' road distance and 12 meters away from other poultry houses or farms.



Image 2 Deep litter system (self-processed)

Water supply is another important aspect. A borehole system will be installed to ensure sufficient water supply, and 600 liters of water will be needed daily for every 1,000 birds. Water treatment and storage will also be done accordingly.

Feed will be supplied by a reliable distributor to ensure the health and growth of the birds. Self-production of feed will only be considered if expertise is available.

The business will be managed by individuals with appropriate managerial and technical skills. The day-to-day operations shall be handled by the experienced staff supported, when necessary, by external experts.

Situated strategically to limit competition, the farm shall seek to serve its immediate environment. With high-quality poultry and manure production, accompanied by excellent customer service, the business will guarantee demand for its products. The value proposition is going to include healthy, big chickens, good manure rich in nutrients, excellent customer relations, and goodwill, which will guarantee the business's long-term success.

5.4 Current business status

Kenny's Poultry is a start-up that will require about two and a half plots of land for its operation, with a borehole water system. The business has secured 40% of its capital requirement, amounting to ₦981,348.00, approximately €613.19, and intends to start the business in 2027. It needs to be duly registered with the Corporate Affairs Commission for commencement of work. CAC was established in 1990 through the Companies and Allied Matters Act, which controls the operations of all types of companies in Nigeria. Also needed is a food business permit from the local government environmental service department in the area where the farm is located, by the health officers for health and safety compliance approval of the farm. Every business operating in Abia State or indeed any part of Nigeria must also comply with its tax obligations. Photocopies of tax receipts should be kept for verification during official demands. While not strictly necessary, it is very advantageous to join an industry association such as the Poultry Association of Nigeria. This will grant access to industry information, networks, and support for dealing with common problems that could also foster the growth and expansion of the business.

LEGAL REQUIREMENTS	BUDGET	FREQUENCY OF PAYMENT
Corporate Affairs Registration	N20,000 (€12.50)	One-time payment
Local Government permit and licensing	N10,000 (€6.25)	Annually

TABLE 5. Legal requirement for Kenny's poultry (self-processed)

Starting a chicken farm is an economic impacting business. The company will, to a large extent, have a positive effect on the national economy as well as to the host community that may serve as a major supply of labor. Some of the impacts that can result from business establishments are listed below. Personal income and wealth: By creating jobs for the nation's growing number of unemployed people, the business will definitely provide its employees with a steady, substantial source of income. For this matter, the employees'

remunerations and wages are to be provided on time. Contribute to an increase in the level of domestic poultry production thereby improving the living standards.

At the local level, the multiplier effect strengthens the national economy, and the strengthening of the country's economy will lead to economic growth. Economic growth will increase the people's standard of living. More skills and self-development are needed because the day-to-day running of the company will involve many tasks. To finish some of these tasks, machinery would be utilized. Thus, offering such a worker training will invite the prospect of skill development and, eventually self-development. By through educating and training of our employees this will also enable them to be self-sufficient to some extent. It is possible for the state and country due to the regular payment of taxes and other duties. Thus, through regular payment of taxes annual national income will rise of the nation.

5.5 Production plan

The production plan is the most important aspects in running the business, it is the foundation which the business is built on. From this area of the production plan, two major aspects will be considered, namely, the required production equipment on one hand, and on the other, the production technique itself. In the following paragraphs these two topics will be taken into discussion at length in light with the poultry business.

5.5.1 Required Production Equipment

It is, for this sake, in understanding the business in detail significant to mention some of the equipment. Very important in the continuity of the business, actually. Most Used Farm Equipment in broiler: wherein feeding houses are feeders, drinkers, crates, and weighing scales, flame guns, among other cleaning accessories is also in use (Prabakaran 2003, 10). This apparatus features in the following table and the description of this Equipment is mentioned, too.

S/N	Equipment's	Description/ Use
1	Generator	This is use to supply electricity to the poultry house as well as to keep the poultry house gadget running
2	Feeders	They are device used to feed the birds, some of which are made from plastic or meters.
3	Lighting gadgets	Bulbs and rechargeable for light
4	Drinker	These are device used for holding water for the birds to drink.
5	Waste bin	This is use to trash waste in the poultry farm
6	Table/ chair	The table and chair are for sales representatives and customers
7	Shovel	Will be use up to clean the poultry house
8	Nose max	This will be use to protect and clean the breath of the staff when cleaning the poultry house
9	Gloves	Will be use to protect the staff while working in the farm

TABLE 6. List of Equipment (self-processed)

Materials	Description
Feeds	Feeds for poultry birds
Water	Water from drilled borehole
Vaccine	Vaccination for the birds
Saw dust	These will be used on the floor of the poultry house

Day old chick	These are day-old chicks to be raised for about 8 to 9 weeks
---------------	--

TABLE 7. List of Essentials (self-processed)

5.5.2 Production Technique

In this line of business, the production technique is said to refer to all the processes and procedures applied right from the day-old chick up to the time it would be ready for sale in the market. It takes a day-old broiler eight to nine weeks to reach maturity. With the all-in-all-out technique to be adopted, day-old hybrid broiler chicks can be bought in one lot to be raised until maturity and sold as one lot in the market. This is a very popular technique and one of its advantages is that it lets the farmer completely clean up and disinfect the poultry, before bringing in a fresh lot of broilers, thus reducing the probability of having a disease infested poultry.

PHASE 1: In this period, one-day-old chicks are bought from registered companies and kept in the brooding house for nearly four weeks. From there the broilers cub is taken away.

PHASE 2: In this, four weeks old chicks are brought from Hatcheries for further four to five weeks of rearing the birds will be taken to the markets.

5.5.3 Poultry production capacity

Initially, it will have about a thousand broilers. It will take nine weeks for the broilers to mature, and so we shall increase the number of the broilers during holidays as there is increased demand during such a period. We project an initial amount of about four thousand, four hundred (4,400) at the end of the first year, though with the festive periods, we expect it to be up to six thousand, six hundred (6,600).

5.6 Marketing plan

The marketing plan provides an overall approach in promoting and selling the products of the poultry farm. It covers essential tactics and approaches suitable for the market demands, business objectives, and customer needs. Its purpose is to position the products of the farm actively and strongly in the competitive market for long-term sustainability. This plan will

be the guideline behind all marketing efforts, guiding the farm in reaching its target audience and accomplishing its growth targets.

Marketing Plan - AI for Innovation

For greater efficiency and competitiveness, AI tools such as VenturusAI can be utilized for predictive analytics for poultry farming. AI applications include:

- **Disease detection and prevention** using image recognition and real-time health monitoring.
- **Optimized feeding strategies** using machine learning to reduce feed wastage.
- **Forecasting market demand** for better production planning.
- **Automated customer interaction** using AI-driven sales recommendations and order processing.

The implementation of AI-based solutions will give Kenny's Poultry Farm a competitive edge by improving efficiency, reducing costs, and serving customers in a better way.

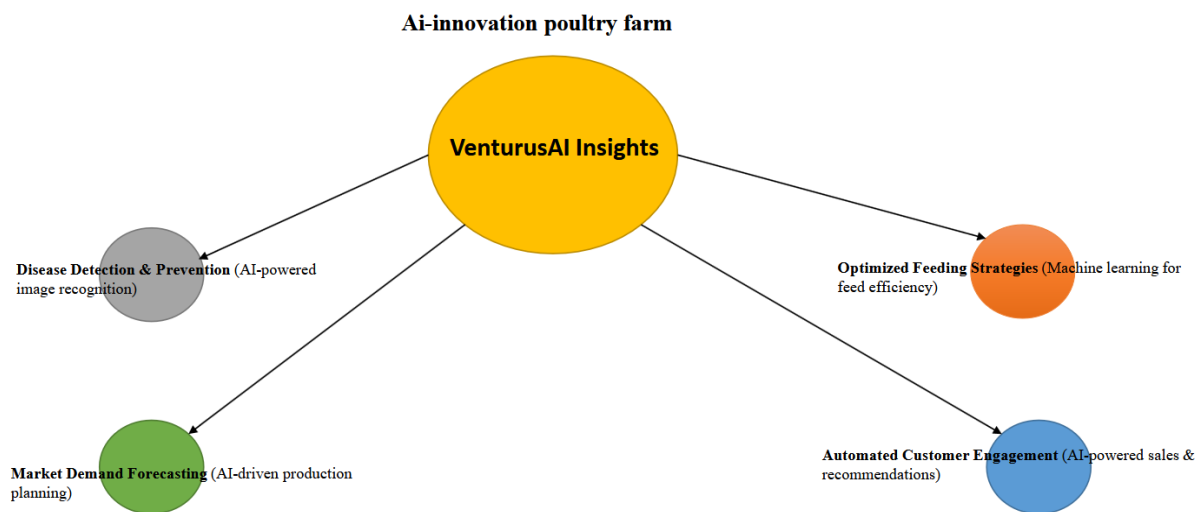


Diagram 1 AI- innovation poultry analysis (self-processed)

5.6.1 Marketing mix

The Marketing Mix are the tactics of selling a commodity, mostly highlighted as 4Ps, including Product, Price, Place, and Promotion. Below are the elements applied in its application to poultry business in the Nigerian context.

- **Product:** The company will sell organic and antibiotic-free poultry, processed chicken, and poultry manure. Value addition, such as marinated chicken and spicy options, will also be developed for a wider clientele.
- **Price:** Pricing will be competitive, with bulk discounts for businesses and medium-scale operations. Special pricing adjustments shall be made in high-demand periods like festive seasons. Flexible payment options and financing plans shall be made to ease the financial burden on small and medium-sized buyers.
- **Place:** The selling will be through local markets, supermarkets, wholesalers, and directly to customers through e-commerce. We are targeting areas that have high demand for poultry products to ensure delivery time is efficient and products are fresh.
- **Promotion:** Promotional activities include traditional advertising by local radio, pamphlets, and community events. Additionally, word-of-mouth marketing shall be encouraged through customer satisfaction programs and referral incentives. We also join in on local fairs and agricultural exhibitions for better acquaintance building within the community and creating more customers for our value addition.

Questionnaire Insights

To support the analysis, a survey was conducted among 55 poultry farmers and industry stakeholders. The findings provide real-world perspectives on industry challenges and opportunities:

Opportunities Identified:

- ✓ 89.1% of respondents have prior experience in poultry farming,
- ✓ 47.3% are motivated by business profit,
- ✓ 56.4% of respondent are planning medium-scale operations,
- ✓ 72.2% have identified a farm location, and
- ✓ 90.9% have conducted market research before starting their poultry business.

Challenges Identified:

- ✓ 31.5% of respondents lack access to funding or loans,
- ✓ 83.3% identified disease and theft as major risks,
- ✓ 23.6 % do not have an insurance plan for their farm.

5.6.2 Distribution strategies/sales method

There are numerous distributors around Abia state, we intend to make use of their service and knowledge of distribution within our vicinities as well as the usage of our direct sales force from our outlet. There will be discount for purchase in bulk. Delivery will also be free with payment through either cash or online payment. We have the following as our promotion strategy adopted to market the business. Examples are Direct sales promotions, Sending of bulk text messages, complimentary cards and printing of banners / billboard. Other note on advertising and promotional strategies discount sale, low cost pricing.

Advertisement/promotional Strategies	Budget per annum	Details on Frequency and justification of budget
Direct sales promotions	5,000	Covers market visits, relationship-building with bulk buyers.
Bulk short message sender	5,000	To remind our customer of our existence
Complimentary card	2,000	Once in 2 years
Banners and signage	5,000	Once
Total	17,000	

TABLE 8. Marketing strategies (self-processed)

5.7 Organization structure

The business will be run as a sole proprietorship, allowing absolute decision-making authority and managerial nimbleness. Employees will be employed based on their qualifications and the requirements of the position. Adepoju (2020) says clear employee hierarchies in agriculture businesses improve productivity and ensure smooth operations. Poultry farms frequently employ farmhands for daily tasks, veterinary officers to ensure the health of the animals, and administrative staff for sales and logistics (Ogunleye, 2019).

Government policies, i.e., the Nigeria Labour Act (2004), ensure decent wages and working conditions so that the rights of employees are protected. Training workshops are also mandatory to improve workers' efficiency, particularly in disease control and biosecurity (FAO, 2023).

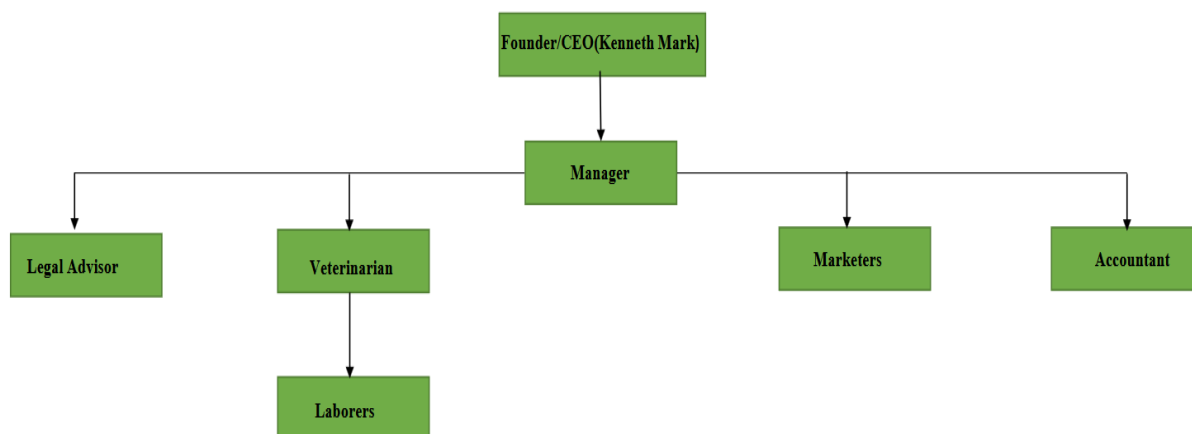


Figure 7: Diagram of the organizational structure of the company (self-processed)

5.7.1 Ownership of the business

Kenny's poultry farm is a sole proprietorship. This type of ownership was selected because it is easy to manage and the owner has full control of the business activities, and the owners have full control of their company's profits. One of their disadvantages, however is that the owner is personally liable for all company debts and losses. As the sole proprietor, Kenneth Mark will oversee all aspects of the business but will not be classified as a salaried employee. Instead, he will reinvest profits into the business and manage financial sustainability. The poultry business will start with relatively few employees and have the ability to grow over time. A sole proprietorship manager can exert control to manage day-to-day operations.

Business hours: 9 am. to 5 pm, from Monday through Friday, on Saturdays: 10 am to 5 pm

Management personnel responsible and accountable

The Six levels of employee in the company include the Manager, Legal Advisor, Accountant, Marketer, Veterinarian and the laborers. The table below is very important in

understanding the assigned roles and employment types for each of these employees, and it creates an opportunity to describe what is expected of each of the team members.

S/N	Position	Primary roles and responsibilities	Employment Type
1	Founder/CEO (Kenneth Mark)	Provides overall leadership and strategic direction.	(Owner, Not Salaried)
2	Manager	Supervises all operations and manages employees.	Full-time
3	Legal Advisor	Handles legal matters and regulatory compliance.	Part-time/Consultant
4	Accountant	Manages financial records, tax compliance, and budgeting.	Full-time
5	Marketer	Manages sales, distribution, and customer relations.	Full-time
6	Veterinarian	Oversees poultry health, vaccinations, and disease prevention.	Part-time/Consultant
7	Labourers	Perform daily farm duties such as feeding, cleaning, and handling poultry.	Temporary (5-10 workers during peak seasons)

TABLE 9. Key Management Team (self-processed)

Employment status

Organizational structure at Kenny's Poultry Farm is structured in a way that will enable the business to realize growth, profitability, and sustainability targets. The business will have full-time employees for crucial positions like farm manager, accountant, and marketing personnel while the Legal Advisor and Veterinarian will be engaged on a contract basis. Also, skilled laborers will be employed full-time to oversee routine operations of the farm. Hire seasonal or temporary workers (5-10 workers) during peak seasons to help in the work overload.

Details of salary schedule

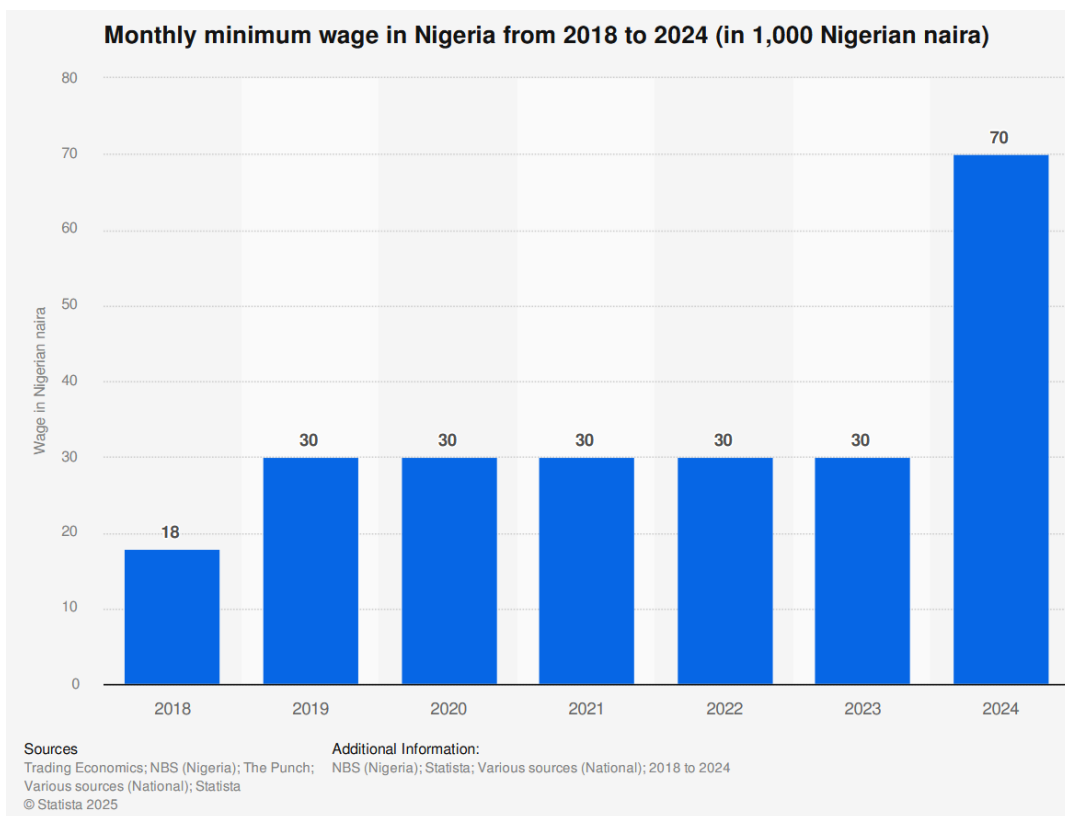
Labor charges are a critical part of Kenny's Poultry Farm's financial arrangement as they play a considerable role in operation efficiency and firm sustainability. The farm will include principal personnel who are a manager, legal advisor, accountant, marketer, veterinarian, and laborers to make day-to-day operations efficient in all departments of the firm. The compensation framework is designed such that it ensures remuneration that is comparable with similar institutions while guaranteeing long-term fiscal stability. This is achieved through the consideration of the minimum wage rate of ₦70,000 that is currently in effect in the Nigerian labor force.

Salary breakdown

The projected salary breakdown are as follows:

S/N	Position	Monthly Salary	Annual Salary
1	Manager	₦85,000	₦1,020,000
2	Legal Advisor	₦77,000	₦924,000
3	Accountant	₦75,000	₦900,000
4	Marketer	₦79,000	₦948,000
5	Veterinarian	₦80,000	₦960,000
6	Laborers	₦77,000	₦924,000
Total		₦473,000	₦5,676,000

TABLE 10. Staff Salary Schedule (self-processed)



Graph 5 Representing Monthly wages I Nigeria from 2018 to 2024

Source: <https://www.statista.com/statistics/1119133/monthly-minimum-wage-in-nigeria/>

5.8 Financial plan

The cost calculation justifies the sustainability of the poultry farm and also its profitability. Poultry rearing involves investing in capital in advance, say, setting up infrastructure, equipment, feed, and working capital. Oluwaseun et al. (2021) estimated it would take ₦2,500,000 to set up a small-scale poultry farm in Nigeria depending on size and location.

5.8.1 Required startup capital estimate

The startup capital required for Kenny's Poultry Farm is estimated at ₦2,453,372. This estimate is in line with findings from Agboola (2022), which suggests that capital requirements in poultry farming fluctuate based on land costs, feed expenses, and operational needs.

Items	Cost
Pre-operating Expenses	₦1,115,000
Opening Stock	₦27,900.00
Total Operating Expenses for 3months	₦1,310,472
Total Estimated Start-up Capital	₦2,453,372

TABLE 11. Startup capital (self-processed)

5.8.2 Revenue projection

The farm aims to generate revenue through the sale of live broilers, processed chicken, and manure. The estimated revenue for the first year is as follows:

Revenue Stream	Estimated Annual Revenue (NGN)
Sale of Live Broilers	20,000,000
Sale of Processed Chicken	3,000,000
Sale of Manure	1,600,000
Total Estimated Revenue	24,600,000

TABLE 12. Revenue projection Source (self-processed)

5.8.3 Source of funds

Financing shall come both from savings and borrowing. Central Bank of Nigeria (2021) agribusiness start-up financing schemes, like the Agricultural Credit Guarantee Scheme (ACGS), provide low-cost credit to small-scale farmers. Application of such funds as sources of finance will be given priority in capital spending sustainability. Most of the funds will be funded by the bank and the percentages are as follows:

SOURCES OF FUNDS	AMOUNT	Percentage
Bank loan	₦1,472,023.20	60%
Personal equity	₦981,348.80	40%
Total Funds	₦2,453,372	100%

TABLE 13. Source of Funds (self-processed)

5.8.4 Pre-operating activities

This includes land cost, preparation of the land, electrical cost of equipment's cost, cost for the preparation of a brooding room for day-old chicken, as well as business registration cost, and are all costs activities preceding the operation. According to Adeyemo & Onikoyi (2012), proper pre-operating planning is essential for mitigating early-stage business risks in poultry farming.

Pre-Operating Activities	Amount (₦)
Land acquisition	-
Land preparation/Building	700,000
Electrical/Plumbing	15,000
Purchase of equipment	360,000
Preparing of brooding room	10,000
Business registration/community gov tax	30,000

TABLE 14. Pre-operation expenses (self-processed)

5.8.5 Operating expenses

Operating expenses include feed, labor wages, bills for utilities, and veterinary expenses. Feed for the poultry accounts for 65-70% of the overall (FAO, 2023). Ogunbameru (2020) also found that competitive monthly salaries in Nigeria's poultry sector are between ₦30,000 - ₦80,000 depending on the type of employees involved.

Time Frame	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Total
Salary	342,000	342,000	342,000	342,000	342,000	342,000	342,000	342,000	2,736,000
Repairs	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	24,000
Feeding Cost	659,000	570,000	570,000	680,000	659,000	570,000	570,000	680,000	4,958,000
Vaccine & Medication	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	80,000
Purchase of Broilers	360,000	350,000	350,000	360,000	360,000	350,000	350,000	360,000	2,840,000
Comprehensive Farm Insurance	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	240,000
Taxes (CIT, VAT, PIT)	18,000	10,000	10,000	18,000	18,000	10,000	10,000	18,000	112,000
Total Expense	1,422,000	1,315,000	1,315,000	1,443,000	1,422,000	1,315,000	1,315,000	1,443,000	10,990,000

TABLE 15. Operating Expense Projection for Two Years (self-processed)

Stock/Item	Quantity	Unit Cost (N)	Total (₦)
Vaccination			10000
Cleaning materials	3	100	300
Face mask	3	200	600
Total			10,900

TABLE 16. Opening Stock (self-processed)

S/N	Products	Description /details	Proposed market price (₦)
1	Broiler	1 Broiler	3000
2	Manure	1 Bag of manure	200

TABLE 17. Proposed Price List (self-processed)

5.8.6 Financial Evaluation

This section assesses the profitability of the poultry farm business using three popular investment appraisal methods: Return on Investment (ROI), Net Present Value (NPV) and Internal Rate of Return (IRR). These techniques are employed to analyze the business's financial worthiness and future yield over a span of five years.

Total initial Investment

Investment Category	Estimated Cost (₦)
Land preparation and building	700,000
Electrical/Plumbing installation	15,000
Brooding room preparation	10,000
Business registration & tax (CAC + local permit fees)	30,000
Purchase of equipment (feeders, drinkers, generator, etc.)	360,000
Cleaning gear (gloves, masks, etc.)	10,900
Day-old chicks (initial stock)	2,840,000
Feed cost	4,958,000
Vaccines and medication	80,000
Total Initial Investment	9,003,900

TABLE 18. Total initial Investment (self-processed)

Return on Investment (ROI)

Return on Investment is a key indicator that measures the profitability of an investment in relation to the capital invested.

$$ROI = \frac{\text{Net Profit}}{\text{Total Investment}} \times 100$$

- Initial Investment: ₦9,003,900
- Total Net Profit (2 years): ₦14,000,000

$$ROI = \frac{₦14,000,000}{₦9,003,900} \times 100 = \mathbf{155.49\%}$$

Analysis:

A ROI of 155.49% implies that the project is highly profitable, this indicates a strong financial performance and return capacity.

Net Present Value (NPV)

Net Present Value is a method used to determine the present value of an annuity of future cash flows, discounted to include the time value of money. A discount rate of 10% is used for a five-year forecasting period.

$$NPV = \sum_{t=1}^n \frac{R_t}{(1+r)^t} - C_0$$

Where:

- R_t = net profit in year t (₦14,000,000)
- r = discount rate (10% or 0.10)
- C_0 = initial investment (₦9,003,900)
- n = year (5)

$$NPV = \sum_{t=1}^5 \frac{₦14,000,000}{(1+0.10)^t} - ₦9,003,900$$

Computation of Net Present Value (NPV)

Year	Net Cash Flow (₱)	Discount Factor @ 10%	Present Value (₱)
		$\frac{1}{(1+r)^t}$	
1	14,000,000	0.9091	12,727,273
2	14,000,000	0.8264	11,570,247
3	14,000,000	0.7513	10,518,407
4	14,000,000	0.6830	9,562,188
5	14,000,000	0.6209	8,692,898

TABLE 19. Computation of Net Present Value (self-processed)

Total PV = **₱ 53,071,013**

Less Initial Investment = **₱9,003,900**

NPV = ₱44,067,113

A positive NPV of ₱44,067,113 reveals that the investment in the poultry farm is financially justified over a 5-year period, even after accounting for the time value of money.

Internal Rate of Return (IRR)

Internal Rate of Return (IRR) is that discount rate where NPV of all future cash flows is brought to zero. It is used to determine the attractiveness of an investment or project.

$$NPV = \sum_{t=1}^n \frac{C}{(1+r)^i} - C_0$$

Where:

- *NPV* = Net Present Value
- *C* = Cash flow (5 years)
- *i* – Year
- *r* = discount rate
- *C₀* = initial investment

Computation of Internal Rate of Return (IRR)

IRR (%)	1 + r	DF (Year 1)	Year 1 PV	Year 2 PV	Year 3 PV	Year 4 PV	Year 5PV	Total PV	Init. Inv.	NPV (₦)
150.00%	2.5	0.4	₦5,600,000	₦2,240,000	₦896,000	₦358,400	₦143,360	₦9,237,760	₦9,003,900	₦233,860
152.00%	2.52	0.3968	₦5,555,200	₦2,204,303	₦874,667	₦347,068	₦137,716	₦9,118,954	₦9,003,900	₦115,054
154.00%	2.54	0.3937	₦5,511,800	₦2,169,995	₦854,327	₦336,348	₦132,420	₦9,004,890	₦9,003,900	₦990
156.00%	2.56	0.3906	₦5,468,400	₦2,135,957	₦834,304	₦325,879	₦127,288	₦8,891,828	₦9,003,900	₦-112,072
158.00%	2.58	0.3875	₦5,425,000	₦2,102,187	₦814,597	₦315,656	₦122,316	₦8,779,756	₦9,003,900	₦-224,144

TABLE 20. Computation of Internal Rate of Return (self-processed)

Analysis:

The Internal Rate of Return (IRR) was estimated using trial and error. Various discount rates were applied until the Net Present Value (NPV) was almost zero. Using a discount rate of 154% yielded an estimated NPV of approximately ₦990, which is virtually close to zero. Therefore, the IRR is estimated to be 154%.

This extremely high rate of return determines the high profitability and investment viability of the poultry farm business.

Insurance Coverage

The firm is aware of having to purchase a suitable overall insurance covering livestock insurance (insuring poultry against outbreak of disease of poultry, theft, and mortality), property insurance (insuring farm buildings, farm equipment, and storage houses against fire and acts of nature), and employee insurance (minimum health and accident insurance of regular employees to ensure the safety and well-being of the workforce) for ensuring continuity of operations even in the event of unfortunate incidents.

Taxes

The business will be in accordance with Nigerian taxation laws, e.g., company income tax, personal income tax for employees, and value-added tax (VAT).

5.8.7 Break-even Analysis

Break-even analysis is an equation that computes the point when the total costs and total revenue are equal without a net profit or loss. Break-even analysis helps firms recognize how much sale level is needed to cover the fixed and variable costs in ensuring they are financially viable before breaking even. Break-even point denotes how many broilers should be sold to satisfy all fixed and variable costs.

Break-even Formula:

$$BEP = \frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{variable cost per unit}}$$

Calculation:

Total fixed costs: (Start-up Costs + Salaries + Insurance + Taxes + Repairs & Maintenance)

$$(\text{₦}2,453,372 + \text{₦}5,676,000 + \text{₦}240,000 + \text{₦}112,000 + \text{₦}24,000)$$

$$TFC = \text{₦}8,505,372$$

Total variable cost per Broiler: (Feeding + Vaccination + Purchase of Broilers)

$$(\text{₦}4,958,000 + \text{₦}80,000 + \text{₦}2,840,000)$$

$$TVC = \text{₦}7,878,000$$

Variable cost per Broiler:

$$\frac{\text{₦}7,878,000}{\text{₦}6,600} = \text{₦}1,194$$

Selling price per Broiler: ~~₦~~3,000

$$BEP = \frac{\text{₦}8,505,372}{\text{₦}3,000 - \text{₦}1,194}$$

$$BEP = \frac{\text{₦}8,505,372}{\text{₦}1,806}$$

$$BEP = \text{₦}4,709 \text{ broilers}$$

Therefore, Kenny's Poultry Farm will have to sell approximately 4,709 broilers to break even. Sales above this level will result in profit. Break-even is estimated to be within one year and six months under the assumption of stable demand and production.

5.9 Risk assessment / Mitigation strategy

This section identifies some of the potential risks associated with operating a Poultry farm business, overviews them, and suggests additional actions and measures the company ought to take. Each risk is labeled (R1–R15). Each factor is evaluated according to its impact on company from 1 (lowest impact) to 10 (highest impact) and according to its probability from 1 (lowest probability) to 10 (highest probability). Finally, author counts the total risk which is shown in last column.

The computation of the Risk Score involves multiplying Impact by Probability and the ones with the higher numbers are our priority which means they need swift attention.

	Risk	Impact (1-10)	probability (1-10)	Risk Score	Mitigation Strategy
R1	High Mortality/Death Rate	8	7	56	Vaccinations, proper hygiene, and regular health monitoring.
R2	Infestation of Disease	7	5	35	Strict biosecurity measures, regular health checks, and vaccination protocols.
R3	Changes in Input Prices	8	8	64	Bulk purchasing, contracts with suppliers, and sourcing local feed alternatives.
R4	Power Failure/Erratic Supply	9	8	72	Use backup generators and solar energy systems.
R5	Changes in Weather/Climate	10	4	40	Invest in climate-controlled housing and monitor weather patterns.
R6	Contaminated Feed/Drinking Water	9	5	45	Regular testing and quality assurance of feed and water.
R7	Poor Housing	8	5	40	Invest in durable, well-ventilated housing suited to local conditions.

R8	Poor and Inadequate Finance	7	4	28	Explore funding options such as loans, grants, and partnerships.
R9	Breakage of Eggs/Poor Collection	4	6	24	Train staff on proper collection techniques and invest in protective packaging.
R10	Heat Stress/Poor Ventilation	8	6	48	Ensure proper ventilation and cooling systems.
R11	Attack by Predators	9	7	63	Install predator-proof fencing and seal entry points.
R12	Inconsistent Government Policy	6	7	42	Stay updated on regulations and maintain adaptability.
R13	Natural Disasters	9	6	54	Obtain insurance and develop emergency response plans.
R14	Poor Storage Facilities	7	7	49	Build or rent adequate storage with proper ventilation and pest protection.
R15	Cannibalism and Feather Pecking	5	4	20	Provide proper housing, balanced nutrition, and stress-reducing measures.

TABLE 21 List of risk factors (self-processed)

5.9.1 Risk Map

To illustrate the significance of the risk and its probability, the risk map below involves Creating a risk map for a strategy change project involves identifying potential risks and plotting them based on their likelihood of occurrence and potential impact on the project's objectives.

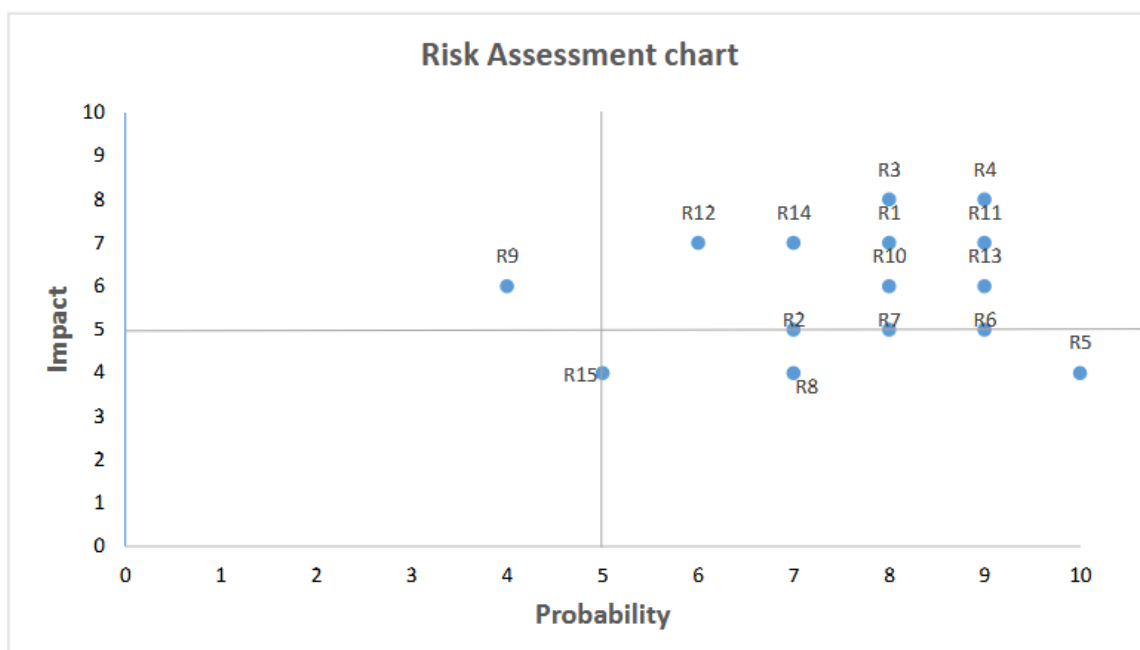


Chart 1: Risk Assessment Chart
Source: Own creation, via Excel

Figure above illustrates that all eight of the risks to the survival of the business fall into the categories of critical risk, meaning they are a threat to the poultry farm business and its future growth. The risks were placed in their respective quadrants based on their likelihood and potential impact, where the common risk falls with Risk No. 9, an insignificant risk falls with Risk No. 15, and significant/critical with Risk Nos. 2, 6, and 7, whereas Risk Nos. 5 and 8 belong to the significant risk quadrants.

6. LIMITATION OF THE STUDY

During the research, many challenges were faced. The biggest was the data collection from the intended population since they did not want the farm inspected because of the rumors about the bird fluid sickness. Methods of distributing the questionnaires to respondents and waiting for several days, as well as through corporate societies, were used because the farmers banned visits to the farm which would have made the collection of data easy.

7. CONCLUSION

This thesis has provided a clear business plan in setting up Kenny's Poultry Farm in Nigeria as a broiler. The analysis has made use of the analytical tools like PESTLE, SWOT, Porter's Five Forces, and McKinsey's 7S Model on both the internal and external factors driving the poultry industry. The tools would thus be beneficial to the business as such would inform of its strengths, weaknesses, opportunities, and threats, its competitive landscaping, and operation strategy vital towards the realization of success.

Results show that poultry farming is viable in Nigeria due to growing population, hence increasing demands for poultry accompanied by very encouraging government policy. However, there are still challenges that relate to high production cost, disease, and threat posed by available substitutes. To overcome this, the business plan will include strong biosecurity measures, appropriate risk management practices, and novel farming practices. The 4Ps of the marketing strategy that is, Product, Price, Place, and Promotion are crafted so that an edge in competition could be sustained within the marketplace. Quality products with a suitable price level, optimal availability of distribution and effective promotions would help the business to retain loyal customers at a good customer base for Kenny's Poultry Farm. The provided business plan would provide all round guidance in running a poultry farm profitably and sustainably. It shall, therefore, be a reference point for aspiring entrepreneurs into the agricultural industry, as Kenny's Poultry Farm would among those firms to be of importance in food security, economic growth, and job opportunities for Nigeria.

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LIST OF ACRONYMS AND ABBREVIATON

ACGS	- Agricultural Credit Guarantee Scheme
BOA	- Bank of Agriculture
CAC	-Corporate Affairs Commission
CBN	-Central Bank of Nigeria
CEO	-Chief Executive officer
COVID	-Coronavirus Disease
FAO	-Food and Agriculture organization
FCT	-Federal Capital Territory
GDP	-Gross Domestic Production
LG	-Local Government
NBS	-National Bureau of Statistics
NESREA	-National Environmental Standards and Regulations Enforcement Agency
PESTLE	-Political, Economic, Social, Technological, Legal and Environmental
SWOT	-Strength, Weakness, Opportunity, Threats
UAC	-United African Company of Nigeria
7S	- Strategy, Systems, Skill, Staff, Style, Structure, Shared Values

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Source 2: <https://futures.issafrica.org/geographic/countries/nigeria/#economy>

Source 3: <https://www.statista.com/statistics/1119375/unemployment-rate-in-nigeria-by-quarter/>

Source 4: [https://www.researchgate.net/figure/Map-of-Nigeria-showing-climatic-zones-and-exact-locations-of stations_fig1_364109558](https://www.researchgate.net/figure/Map-of-Nigeria-showing-climatic-zones-and-exact-locations-of-stations_fig1_364109558)

Source 5: <https://www.statista.com/statistics/1119133/monthly-minimum-wage-in-nigeria/>

Source 6: Questionnaire link:
https://docs.google.com/forms/d/e/1FAIpQLSd8_QWeCR4-aZw0-W0jdenu0_e6qIU7-uw0jX3B8WX6G_By4A/viewform?usp=sf_link

Source 7: <https://stock.adobe.com/search/images?k=nigeria+map>

Source 8: <https://empowerafrica.com/top-25-african-countries-with-the-highest-population-exploring-growth-rates-age-distribution-and-fertility-trends/>

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Appendix 1: Primary Market Research Questionnaire

Appendix 2: Questionnaire Answers

Appendix 3: Graph showing the most populous Africa countries

Appendix 4: Map of states in Nigeria

Appendix 1: Primary Market Research Questionnaire

This questionnaire consists of 26 questions: 22 are closed and 4 are open, with a total of 55 answers.

Below is the questionnaire:

We highly value the time taken to fill out this questionnaire. Your responses are very important to us in understanding and supporting initiatives on poultry farming in Nigeria.

This shall aid in collating detailed information on the feasibility, challenges, and opportunities accruing from setting up a poultry farm. These findings will in turn be useful for guiding business planning, identification of areas for improvement, and providing focused support to intending poultry farmers. This also gives an overview of what is likely to give success and possible risks in poultry farming in Nigeria.

The research was done by Mark Kenneth Umukoro, a student of the faculty of Business and Management at Vysoké učené technické v Brn, Brno University of Technology, under the guidance and direction of Prof. Ing. Vojtech Korab Dr., MBA.

Section 1:

- Gender:
- What is your age range?
- Highest level of Education:

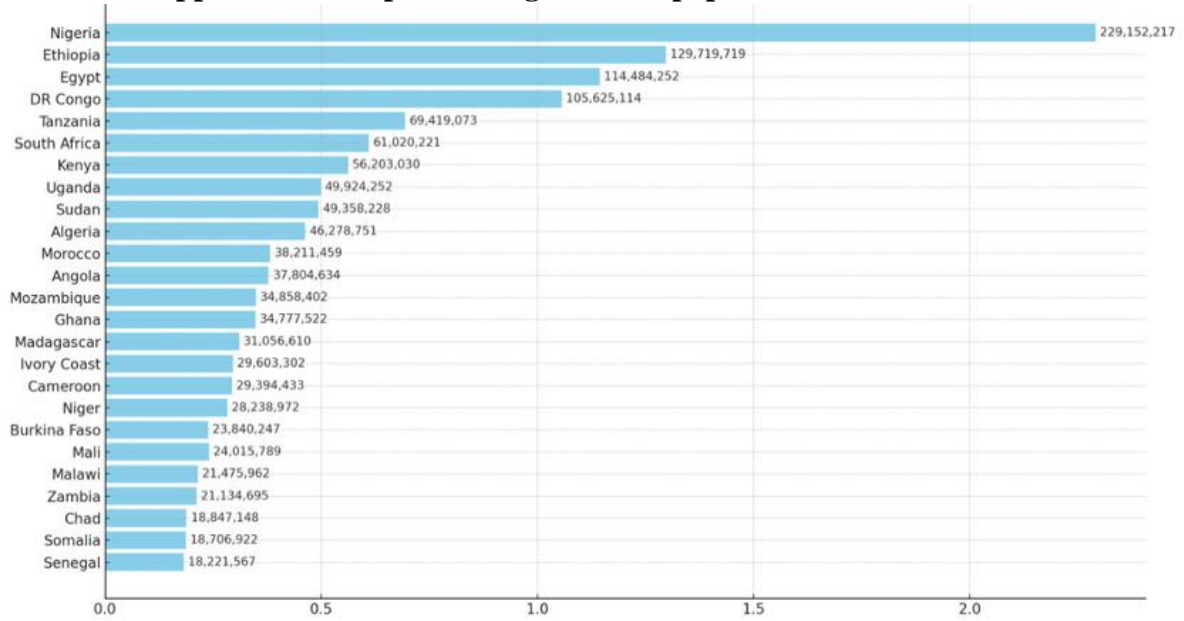
Section 2:

- Do you have any experience in agriculture or poultry farming?
- What motivate you to establish poultry farm?
- What type of poultry farming are you considering?
- What scale operation are you planning?
- Have you identified a location for the farm?
- Does the location have access to the following resource?
- What is the size of the land available for the farm?
- Have you conduct market research on the poultry product?
- What type of poultry product are the most demand in your area?
- What are your target customer?
- What is your estimated budget for starting the farm?
- Do you have access to funding or loan?
- Are you aware of the cost of breakdown for setting up and operating a poultry farm?
- What is the number of birds you plan to start with?
- Have you identified suppliers for the chick or birds?
- Do you have plan for feed sourcing?
- Have you arranged for veterinary services?
- How many staff do you plan to employ initially?
- Are you aware of the necessary permit to operate a poultry farm?
- Have you identified potential risk (eg? Disease, theft)
- Do you have an insurance plan for the farm?
- What challenges do you foresee in starting the poultry farm?
- What support would you need to make your poultry farming venture successful?

Appendix 2: Questionnaire Answers
Summary of the analysis of 9 of the questionnaire answer:

Questions	category	Response (%)
Gender	Male	33(60%)
	Female	21(38.2%)
	Prefer not to say	1(1.8%)
Age	Below 20	2(3.6%)
	21-30	18(32.7%)
	31-40	23(41.8%)
	41-50	10(18.2%)
	Above 50	2(3.6%)
Education	Primary	3(5.5%)
	Secondary	7(12.7%)
	Tertiary	41(74.5%)
	Others	4(7.3%)
Experience in Agriculture or Poultry Farm	Yes	49(89.1%)
	No	6(10.9%)
Have you identified a location for the farm?	Yes	39(72.2%)
	No	15(27.8%)
Have you conduct market research on the poultry product?	Yes	50(90.9%)
	No	5(9.1%)
Do you have access to funding or loan?	Yes	37(68.5%)
	No	17(31.5%)
Do you have an insurance plan for the farm?	Yes	42(76.4%)
	No	13(23.6%)
What motivate you to establish poultry farm?	Business profit	26(47.3%)
	Community need	14(25.5%)
	Food security	15(27.3%)
What scale operation are you planning	Small- scale (less than 500 birds)	15(27.3%)
	Medium -scale (500-5,000 birds)	31(56.4%)
	Large - scale (above 5,000 birds)	9(16.4%)
Have you identified potential risk (e.g.? Disease, theft)	Yes	45(83.3%)
	No	9(16.7%)

Appendix 3: Graph showing the most populous Africa countries



Appendix 4: Map of States in Nigeria

