

Pat Willis Limited

Mechanised Farming & Green Technologies



**PAT WILLIS
MECHANISED FARMING
BUSINESS PLAN**

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Tractor Industry / Market Requirement - Comparison



Market Requirement

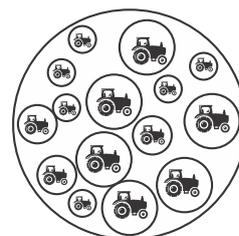
750.000 tractors



Estimated *total tractors*

in Nigeria: 45.000

%6 of Market Requirement



10 tractors : 10.000 Hectares

Tractor Industry / Current Outlook

Agriculture industry, which constitutes from 25% to 30% of GDP annually in Nigeria and continues to grow in recent years, at the brink of the cliff due to the lack of mechanization and advanced agricultural techniques and practices makes it very fragile.

Currently, due to the lack of full mechanization, larger percentage of Nigerian farmers are trying to cultivate manually and cannot compete with farmers in other countries with mechanization.

Nigeria today farmers are using about 10 tractors per 100 square kilometre, while in Kenya they use approximately 27 tractors per 100 square kilometre, 60 tractors in South Africa, 235 in Morocco and 160 in Tunisia

Average standard for Africa region as per en of 2020 data is 120 tractors per 100km²



1. Industry Overview

This is our integrated business plan for tractors, agricultural machinery and implement assembly plant. Key agricultural equipment assembled will include; tractors, combine harvesters, balers, forage harvesters, self-propelled sprayers, haying tools, seeding equipment, hobby tractors, utility vehicles, implements, and grape harvesters.

Research and Development (R&D) actually suggests that our Tractors and Agricultural Machinery assembly plant would become a manufacturing plant over time, from knockdown assemblage stage with technological advancements to manufacturing, largely due to falling costs and new users of agricultural machinery and equipment. Going forward, The demand for agricultural machinery and of course the revenue generated are projected to increase rapidly because of its popularity and demands especially in commercial farming markets. Statistics has it that in America alone, there are about 1,371 registered and agricultural machinery and equipment manufacturing companies responsible for employing about 83,779 and the industry rakes in a whopping sum of \$39 billion annually.

Our Chalion varieties of tractors allow farmers put less effort, and comes with the right tools for the job. Nigeria assembly plant is supported stakeholders making us a truly global company, present around the world through networks of production plants, research and development centres, industrial and commercial joint ventures, and worldwide dealer network. We will offer one of the widest, most flexible ranges of agricultural machinery and industrial equipment. Our outstanding commitment stems directly from worldwide industrial and design skills, market approach which begins and ends with the customers.

The industry is projected to enjoy 5.8 percent annual growth between 2025 and 2030. The industry is still pretty much open for new investors and would enjoy a large market share. We envisage that the Nigeria market size for Tractors and Agricultural Machinery Manufacturing will grow rapidly. The statistics includes competitors in the market, both public and private, ranging in size from small businesses to market leaders. In addition to revenue, the industry market analysis is encouraging with large workforces.

Research carried out by IBIS World estimates that industry revenue will decrease at an average annualised rate of 2.1 percent to \$33.94 billion over the five years. Immediately following the recession, the agricultural industry will perform strongly, with steady crop prices. These factors will boost farm income and demand for tractors and other agricultural implements.

We are looking toward to starting our tractors and agricultural machinery assembling business with enthusiasm with the culture structured on assemblage of the required management team. We will ensure that we conduct a thorough feasibility studies and market survey before situating the business in the chosen location.

2. Executive Summary

Pat Willis Limited Agricultural Equipment Assembly plant is a Nigeria based agricultural machinery company. We will be able to secure a standard knockdown production facility in a conducive environment in Nasarawa State. We chose to start here because the town is the closest to Abuja with massive land, infrastructures and less cost for investment. We will be involved in the knocked down assembling of tractors, combine harvesters, balers, forage harvesters, self-propelled sprayers, haying tools, seeding equipment, hobby tractors, utility vehicles and implements, and grape harvesters.

Our business goal is to become one of the leading agricultural machineries assembling company in Nigeria and we will make sure that every agricultural machinery that leaves our production facility can favourably compete with the best in the industry. Our workers are going to be selected from a pool of talented and highly creative engineers in Nigeria and with the support of our technical partners. We will make sure that we take all the members of our workforce through the required trainings that will position them to meet the expectation of the company.

At Pat Willis Limited plant, our client's best interest come first, and everything we do will be guided by our values and professional ethics. We will ensure that we hold ourselves accountable to the highest standards by delivering excellent and efficient tractors and agricultural machinery and also meeting our client's needs precisely and completely.

Our company is a private business that is owned and managed by Mr. Vincent Akin Williams a Nigerian with significant experience in related roles. Recognized for going the extra mile and performing due diligence when leading on health and safety matters. Experienced in supply chain and in overseeing operational logistics. He is known as a dedicated team leader and smart energy champion with a strong sense of organisation commitment and professionalism. Mr. Vincent Akin Williams (MCIJ) is the Managing Director/CEO of Pat Willis Limited. He holds Bsc. Oil and Gas Management, BA Business Management, PGD Occupational Health and Safety Management. Harvard certified Energy expert. NEBOSH/HSE certified Health and Safety Expert. Skilled and highly diversified with significant experience in Oil & Gas management.

3. Our Products and Services

Pat Willis Limited Agricultural Equipment plant is established with the aim of maximizing profits in the industry. We want to compete favourably with companies around the world which is why we have put in place a competent quality assurance team that will ensure that all the agricultural machinery that we assemble meet and even surpass our customers' expectations. We will work hard to ensure that we're not just accepted in Nigeria but also throughout Africa and beyond.

We will be involved in the;

- Assembling farm tractors and attachments
- Assembling harvesting equipment and machinery
- Assembling irrigation equipment
- Assembling seeders
- Assembling sprayers and spreaders
- Assembling Solar panels (Power Generation)
- Assembling powered agricultural mowers
- Assembling livestock feeding and watering equipment

4. Our Mission and Vision Statement

- Our vision is to establish a standard and world class agricultural machinery assembling plant whose products and brand will not only be accepted in Nigeria but throughout Africa and beyond.
- Our mission is to build a world class tractors and agricultural machinery assembling plant that will be known for
- top notch tractors and agricultural machinery products and to become the number one choice in the agriculture sector and other stake holder in Nigeria and beyond.
- We want to build a company that can favourably compete with other leading brands in the industry.

Our Business Structure

We intend starting small in Nasarawa State, and hope to grow big in order to compete favourably with leading companies in the industry. We are aware of the importance of building a solid business structure that can support the kind of world class business we want to own. This is why we are committed to only hire the best hands within our area of operation. We will ensure that we hire people that are qualified, hardworking, creative, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders.

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the board of directors of the company. In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- Managing Director and Chief Executive Officer
- Corporate Affairs and Human Resources Director
- Director Technology and Engineering
- Plant Manager
- Sales and Marketing Manager
- Accountants/Cashiers
- Customer Services Executive/Front Desk Officer

5. Job Roles and Responsibilities

Managing Director/CEO

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counselling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results.
- Responsible for fixing prices and signing business deals
- Accountable for providing direction for the business
- Creates, communicates, and implementing the organization's vision, mission, and overall direction - i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization
- Reports to the board

Director Corporate Affairs and Human Resources

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Responsible for arranging travel, meetings and appointments
- Supervises the smooth running of the daily office activities.

Director Technology and Engineering

- Responsible for designing and assembling of farm tractors and implements
- Harvesting equipment and machinery
- Irrigation equipment
- Seeders
- Sprayers and spreaders
- Powered agricultural mowers
- Livestock feeding and watering equipment

Plant Manager:

- Responsible for overseeing the smooth running of the production plant
- Responsible for approving tractors and agricultural machinery designs and concepts
- Part of the team that determines the quantity of tractors and agricultural machinery and other products that are to be produced.
- Maps out strategies that will lead to efficiency amongst workers in the factory
- Responsible for training, evaluation and assessment of factory workers
- Ensures that the steady flow of both raw materials to the factory and easy flow of finished products through wholesale distributors to the market
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Ensures that the factory meets the expected safety and health standard at all times.
- Interfaces with third - party suppliers (vendors) of raw materials
- Controls tractors and agricultural machinery distribution and supply inventory
- Supervises the workforce in the factory.

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases

- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Document all customer contact and information
- Represent the company in strategic meetings
- Help increase sales and growth for the company

Accountant/Cashier:

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

Client Service Executive/Front Desk Officer

- Welcomes guests and clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the manager in an effective and timely manner
- Consistently stays abreast of any new information on the company's products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
- Receives parcels/documents for the company
- Distribute mails in the organization
- Handles any other duties as assigned by the line manager

6. SWOT Analysis

We will employ the services of a core professional in the area of business consulting and structuring to assist our organization in building a well - structured tractors and agricultural machinery manufacturing business that can favourably compete in the highly competitive industry in the Africa. Part of what the business consultant did was to work with the management of our organization in conducting a SWOT analysis for Pat Willis Limited. Here is a summary from the result of the SWOT analysis that was conducted on our behalf.

- **Strength:** Our core strength lies in the power of our team; our workforce. We have a team of creative and highly proficient agricultural machinery manufacturing engineers and technologists, a team with excellent qualifications and experience in various niche areas in the industry. Aside from the synergy that exists in our carefully selected agricultural machinery manufacturing technologists and engineers, we have some of the latest and efficient tractors and agricultural machinery and of course our work output and products will be guided by international best practices.
- **Weakness:** As a new tractors and agricultural machinery assembling plant in Nasarawa State, it might take some time for our organization to break into the market and gain acceptance especially from the government and other high - profile clients in the highly competitive industry; that is perhaps our major weakness. Another weakness is that we may not have the required cash to promote our business the way we would want to.

- **Opportunities:** Private investment in computers and software signals a greater focus on technological change. In particular, this investment has an effect on demand for industry products. As connectivity- and autonomy- supporting technology advances in farm equipment, consumers are incentivized to purchase new equipment to take advantage of efficiency gains. The level of investment in computers and software is expected to rise in the coming year, representing a potential opportunity for this industry. Expected technological advances are forecast to incentivize new purchases.
- **Threat:** Many tractors and related machinery products are purchased on credit. When interest rates increase, demand for new products from this industry generally decreases due to higher financing costs. Farmers' inability to purchase equipment at a high prime rate drives down demand and impedes industry growth. The prime rate, a proxy for all interest rates, is expected to rise in the coming year, representing a potential threat to this industry.

7. MARKET ANALYSIS

Market Trends

Over the five years to 2030, the farming segment will experience growth in corporatization and consolidation. Price competition and consolidation may occur within the industry, causing many smaller industry players to exit the market, as larger players acquire the smaller companies. Demand for large tractors over 100 horsepower may go up in response to this trend. Profit is expected to remain stable over the five-year period to 2030 as rising labour productivity will help maintain profitability. Recent trends in the agricultural machinery manufacturing industry shows that rise and fall in market prices are key factors that affect supply, demand, and the cost of goods/services sold. Higher demand or Cost of Goods Sold (COGS) will put upward pressure on prices. Higher competition among Tractors & Agricultural Machinery Manufacturing companies will put a downward pressure on prices.

8. Our Target Market

Before starting our agricultural machinery assembling plant, we are certain that there is a wide range of both groups and individual clients who will need our products. We will ensure that we develop strategic pacts with major players in the agricultural sector. This will give us several options to generate revenue for our company. In view of that, we have created strategies that will enable us reach out to our target market and for the start, we will concentrate only on;

- Commercial crop farmers
- Cattle farmers
- Poultry farmers
- Hydroponic farmers
- Cow and calf operation business owners
- Fish and seafood farmers
- Fish hatcheries
- Tractors and agricultural machinery merchants
- Landscapers

Our competitive advantage

We are quite aware that to be highly competitive in the Tractors and Agricultural Machinery industry means that we are not only expected to be able to deliver consistent and highly efficient agricultural machinery, but you must be able to meet set targets. No one would want to continue to order products from us if our products are not reliable. Our competitive advantage lies in the power of our team; our workforce. We have a team of creative and highly proficient tractors and agricultural machinery assemblers' technology driven engineers, a team with excellent qualifications and experience in various niche areas in the industry. Aside from the synergy that exists in our carefully selected agricultural machinery assembler's, we have some of the latest and efficient production machines and equipment and of course our work output and product will be guided by international best practices in the industry.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

9. SALES AND MARKETING STRATEGY

We are not ignorant of the fact that there are growing competitions in the Tractors and Agricultural Machinery industry which is why we have been able to hire some of the best marketing experts to handle our sales and marketing. Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their set targets and the overall business goal of our company.

Our goal is to grow a company that will become one of the leading agricultural machinery companies in Nigeria which is why we have mapped out strategies that will help us take advantage of the available market and grow to become a major force to reckon with not only in Nigeria but also in Africa and beyond.

We are set to make use of the following marketing and sales strategies attract clients and win contracts;

- Introduce our tractors and agricultural machinery assembling company by sending introductory letters alongside our brochure to players in the agricultural sector and key stake holders in and around Nigeria.
- Promptness in bidding for tractors and agricultural machinery supply contracts from the government and other larger farming corporations
- Advertise our business in relevant tractors and agricultural machinery magazines, newspapers, TV and radio stations
- List our business on yellow pages ads (local directories)
- Attend relevant international and local expos, seminars, and business fairs
- Create different packages for different category of clients in order to work with their budgets
- Leverage on the internet and social media to promote our business
- Engage direct marketing approach
- Join local chambers of commerce and industries to network and market our services
- Encourage word of mouth marketing from loyal and satisfied clients

Sources of Income

We are established with the aim of maximizing profits in the Tractors and Agricultural Machinery industry and we will ensure that we do all it takes to meet and surpass the expectations of all our clients.

We will generate income by engaging in;

- Assembling farm tractors and attachments
- Assembling harvesting equipment and machinery
- Assembling irrigation equipment
- Assembling seeders
- Assembling sprayers and spreaders
- Assembling Solar Power Panels (Renewable Source of Energy)
- Assembling powered agricultural mowers
- Assembling livestock feeding and watering equipment

10. Sales Forecast

We are well positioned to take on the available market in Tractors and Agricultural Machinery Manufacturing industry and we are quite optimistic that we will meet our set target of generating enough income/profits from the first six months of operation and grow our company to enviable heights. We have been able to examine the agricultural machinery market, we have analysed our chances in the industry and we have been able to come up with the following sales forecast.

Below are our sales projections, based on the location of our business and of course the wide range of our products and target market;

- First Fiscal Year (Fy1): \$1.2 million
- Second Fiscal Year (Fy2): \$2 million
- Third Fiscal Year (Fy3): \$4.7 million

Note: This projection is based on industry benchmarks and assumes a stable economic environment, without any significant downturns. Additionally, it takes into account the presence of major competitors offering similar products and services in Nigeria. Please note that the above projection might be lower and at the same time it might be higher.

11. Publicity and Advertising Strategy

We have been able to work with brand and publicity consultants to help us map out publicity and advertising strategies that will help us walk our way into the heart of our target market. We are set to become the number one choice for both corporate and individual clients in the whole of Nigeria and beyond which is why we have made provisions for effective publicity and advertisement of our company.

Below are the platforms we intend to leverage on to promote our products and services. We will place adverts on both print (newspapers and magazines) and electronic media platforms;

- Sponsor relevant community - based events/programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, YouTube, Google + et al to promote our services
- Install our Bill Boards in strategic locations all around Lake Tahoe - Nevada
- List our tractors and agricultural machinery company in local directories / yellow pages
- Advertise our tractors and agricultural machinery company in our official website and employ strategies that will help us pull traffic to the site.
- Ensure that all our staff members wear our branded shirts and all our vehicles and trucks are well branded with our company logo et al.

12. Our Pricing Strategy

We will adopt all the pricing system as is obtainable in the industry but we will ensure that we keep the prices of our agricultural machinery and after sale maintenance services a little below the average market rate by keeping our overhead low and by collecting payment in advance from our customers. In addition, we will also offer special discounted rates to all our customers at regular intervals.

Payment Options

The payment policy adopted by us is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the country.

Here are the payment options that we will make available to her clients;

- Payment via bank transfer
- Payment via online bank transfer
- Payment via mobile money
- Payment via Point of Sales Machines
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our clients make payment for our agricultural machinery and after sale maintenance services without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

13. Start-up Expenditure (Budget)

This is what it would cost us to setup in Nasarawa State;

- Business incorporating fees in Nigeria costs - \$750.
- The budget for Liability insurance, permits and license will cost - \$3,500
- Acquiring a standard production facility that will accommodate the number of employees for at least 6 months (Re - Construction of the facility inclusive) will cost - \$350,000.

- The amount needed to purchase the needed production machines and raw materials - \$1.2 million
- Equipping the office (computers, 3D printing machines and equipment, servers / internet facility, furniture, telephones, filing cabinets, and electronics) will cost - \$150,000
- Amount required to purchase the needed software applications - \$ 3,500
- Launching an official website will cost - \$500
- Amount need to pay bills and staff members for at least 2 to 3 months - \$70,000
- Additional Expenditure such as Business cards, Signage, Adverts and Promotions will cost - \$5,000
- Going by the report from the market research and feasibility studies conducted, we will need about \$2.5 million to successfully set up a medium scale agricultural machinery manufacturing company in Nigeria.

Generating Funds/Start-up Capital for Pat Willis limited

Business owned by Mr. Vincent Akin Williams decided to restrict the sourcing of the start-up capital for the business to just three major sources.

- Generate part of the start-up capital from personal savings and sale of his stocks
- Generate part of the start-up capital from friends and other extended family members
- Generate a larger chunk of the start-up capital from the bank (loan facility).

N.B: We have been able to generate about \$700,000 (Personal savings \$500,000 and soft loan from family members \$200,000) and we are at the final stages of obtaining a loan facility of \$1.5 million from our bank. All the papers and documents have been duly signed and submitted, the loan has been approved and any moment from now our account will be credited.

14. Sustainability and Expansion Strategy

Part of the plans we have in place to sustain the business is to ensure that we continue to make available quality and reliable agricultural machinery, after sales maintenance services and improvise on how to do things faster and cheaper. We are not going to relent in providing conducive environment for our workers and also the required trainings that will help them deliver excellent services at all times.

We are quite aware that our customers are key components to the growth and survival of our business hence we are going to continuously engage them to give us ideas on how to serve them better. We will not waste time in adopting new technology, best practices and diversifying our services.

Our key sustainability and expansion strategy as a business is to ensure that we only hire competent and technically sound employees, create a conducive working environment and employee benefits for all our staff members. We know that if we implement our business strategies, we will grow our agricultural machinery business beyond Nigeria in record time.

- Check List/Milestone
- Business Name Availability Check: Completed
- Business Incorporation: Completed
- Opening of Corporate Bank Accounts: Completed
- Opening Online Payment Platforms: Completed
- Application and Obtaining Tax Payer's ID: In Progress
- Securing a standard production facility plus renovation of the facility: In Progress
- Application for business license and permit: Completed
- Purchase of Insurance for the Business: Completed
- Conducting Feasibility Studies: Completed
- Generating part of the start-up capital from the founders: Completed
- Writing of Business Plan: Completed
- Drafting of Employee's Handbook: Completed
- Drafting of Contract Documents: In Progress
- Design of Logo for the business: Completed

- Secure trademark for our products: In Progress
- Printing of Packaging Marketing/Promotional Materials: In Progress
- Recruitment of employees: In Progress
- Purchase of the needed tractors and agricultural machinery production machines and other equipment: Required
- Purchase of the needed furniture, office equipment, software applications, electronic appliances and facility facelift: In progress
- Creating Official Website for the business: In Progress
- Creating Awareness for the business: In Progress
- Health and Safety and Fire Safety Arrangement: In Progress
- Establishing business relationship with vendors and key players in the agricultural industry: In Progress








Patwillis
...preserving our ecosystem

 **UK Head Office**
 124 City Road,
 London, EC1V 2NX
 Tel: +447958168752

 **Nigeria Office**
 32 Lusaka Street,
 Wuse Zone 6,
 Abuja Nigeria
 Tel: +234 9085502025