

Business name:

CHORIZO de ALABANG



TO BE SUBMITTED TO:

THE 2017 NRCO-ISP BUSINESS PLAN COMPETITION

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EXECUTIVE SUMMARY:

Our business proposal is to produce, deliver and made our very own “CHORIZO de ALABANG” to be known in the market. The idea is to develop this family recipe from personal use(where we made and serve this in different occasions such as birthdays and fiestas) and also for back-up/stock for family’s daily meals, having a big family in both sides with a lot of kids who likes this home-made Chorizo very much.

This Chorizo can be possible by a one-man production, but if provided with enough capital to purchase machineries and a vehicle to deliver will give jobs to a lot of our Kababayan, and will surely be a pride to us Muntinlupenos, because it can provide to our needs and have a big potential in reaching farther places and bigger markets.

In the next pages, we clearly stated the computation of the needed capital, target markets, ways of production and delivery, salary of workers, the minimum and average quantity to be produce and sold, and our expected income less the operational expenses. With all the information stated, it is shown that the return of investment is so fast within the first 3-9months.

It has a wide possibility of development and marketing plan. As the business grows, there will be more and more Kababayan to be given jobs and learn from the process of reproduction which they can use themselves or teach to others.

Where to get the possible fund to finance the business were also stated here.

We are very positive to the result and determine to pursue and do our best if only will have the capital needed and we see this business idea to benefit not only us, our family, the Muntinlupa City but also our economy as we become an integral part of its progress.

INTRODUCTION:

Our business proposal is to produce our very own home-made chorizo and provide to our local market in our hometown BAYANAN, MUNTINLUPA CITY and to the nearest barangays within the city, and if given the chance to have capital for more machines and vehicle to deliver, it can reach and provide for a larger market and can simply reach nationwide or can even import.

This home-made chorizo is my family-own recipe, having a big family with plenty of childrens that always like sweets, chorizo is very easy to prepare and cook, and it's healthier because it is our home-made

Now Muntinlupa City with 500,000 pollution is a big city in the Metro Manila with a lot of commercial establishments, banks, shopping malls, hospitals, public and private schools and a lot of public dry and wet markets, supermarkets, groceries, different business and there are a huge need for food services and food production to support the needs of Muntinlupeno's and even our used to be simple, quite barangay like Bayanan (our hometown) has changed drastically into a business-centered community.

The ingredients of our home-made chorizo can also be buy in the city so it can easily be produced. Now in our barangay Bayanan these population reaches into thousands of students, kids, working people, all of them can be our market target

CHORIZO PRODUCTION

(BASED ON 37.KLS MIXTURE)

(FLAVORS, REGULAR SEETS, SPICY GARLIC)



RECIPE:

20 Kls. Back Fat	Php 1300
5 Kls. Pork Meat	915
9 Kls. Wash Brown sugar	450
½ Kl. Accord Powder –	75
300 g Preak Powder	20
350ml Fish Sauce(Patis)	20
350 ml Blue label Mallorca	40
100 vetsin	20
350 ml Knorr Seasoning	90
¾ Kl. Hog Casing	600
1 Kl. Garlic	88
100 g Ginisa Mix	25
(Sewing Thread-P25 for 90 Kls.)	10
(Siling Labuyo-For spicy flavor P50 for 9Kls	50

Add ½ Kl. Of sugar for 9Kls.

25

Plastic to seal P20 per 100 pcs

10

Total

Php 3,728

To be Delivered in the Market Retailers For P160/Kl

=P5910

Initial Profit of P2182 (less more P350 For Hired Tricycle (if no Van) to get Hog Casing and Back Fat + P36 Fare to delivering to atleast 34 meat retailer In Bayanan/Alabang Market

For a One-Man Work with No Capital and Machines and Van-Net Profit is P1796/37 Kls. Or P48.84/kl

To Check the Next Computation with the next pages if there will be a delivery van, hired people for production machine(freezer, grinder, sealer, meat slicer machine) ... it will surely give a huge help not only with us, with our family but locally.. Success in the market and pride to us Muntinlupeno's

SERVICE PRODUCTION:



Meat Grinder



Meat Slicer



Weighing Scale



Freezer



Plastic Sealer



CCTV



VAN

Prepare all the ingredients as listed. Cut the meat and Back fat using a meat slicer(sixe that is good for meat grinder food producer. Start grinding t6he most with the garlic cloves. Combine all the other ingredients into the grinded mixture for atleast 30 minutes using a professional electric whisk. Then attach the end of the Hog Casing to the tube of the grand meat processor. It will take 2 hours to finish all the grind mixture to the hog casing has sewing to the chorizo and separate it individually. (1KI is ideally 20 pcs.)

In the market – it can be sold from P190-220/KI which give a meat retailer P300-600/10KI Sold.

Storage/Life Span of the Product :

4 Days if not stored in Freezer

Atleast 2 Months when stored in Freezer

“Don’t forget to put the expiring labels in each sealed plastic.”

TARGET MARKET:



Alabang Public Market



Bayanan Public Market



Stamall Alabang



Festival Mall

Living in a city with a half million of permanent and even our very own Brgy. Bayanan composes of more 40,000 people, having public schools, canteens, restaurants, food services, churches, banks and shopping malls such as Starmall Alabang, Festival Mall, Ayala Southpark and other nearby offices is a great opportunity to sell and deliver our home-made-Chorizo in several public markets in our Barangay and around the nearest Barangay to us.

CAPITAL NEEDED

How will this business makes a profit?

First is to list the proposal needed machineries to be able to make a good and stable production.

Capital Needed:

- *atleast second hand L300 Van (Php 250-280,000 or Php30,000 downpayment)
- *a meat grinder/Food Processor (Php 20,000) to loan for five years
- *CCTV (Php 4,000)
- *meat slicer (Php 18,000)
- *Chest-Type Freezer (Php24,000)
- *2 Plastic Heat Sealer (Php 1,200 each x 2= Php2,400)
- *3 months advance and deposit for Production House (Php 4,000 x 3 = Php12,000)
- *20 Tarpaulin to give to each dealer to display (marketing strategy) (Php 200 x 20 = Php 4,000)
- *Preparation tools kitchen utensils (mixing bowls, garbage container, etc) (Php 20,000)
- *Business Permit with Sanitary Permit (Php 6,000)
- *Professional Electric Whisks (Php 1,000)

Initial Capital needed – Php 146,000 (with 5years of Php 6,000 monthly amortization)
Or Php 366,000 if have paid the van in cash

Minimum Target Retailer to Supply (all based on Free Delivery 2x a week with minimum of 10kls order)

1. Meat Retailers

Distance from House	Meat Retailer	
100meters = 120kls	Bayanan Public Market	atleast 3 stalls x 20kls/week
150meters =200kls	Alabang Public Market	atleast 5 stalls x 20kls/week
170meters	Soldiers Market	atleast 2 stalls x 20kls/week =80kls
100meters	Baywalk Market	atleast 2 stalls x 20kls/week =80kls
200meters	Putatan Market	atleast 3 stalls x 20kls/week = 120kls
250meters	Poblacion Public Market	atleast 2 stalls x 20kls/week =80kls

2. Online Resellers atleast 1 in each Barangay 10kls

3. 2 Frozen Food Retailers atleast in each barangay 10kls x 4 Barangay = 80kls

4. Any freelance seller who wants extra income (those people working in any establishments like banks, grocery store, schools, clinics and hospitals or any commercial establishments that can offer the product to their co-workers, including sari-sari stores or non-working locals who wants extra income) atleast 3sellers in each area barangay = 12 freelance resellers x 5kls = 60kls

Total Minimum Target = 860kls/week
 Minimal Target Range 700-860kls a week
 Sunday(Day-Off for everybody or called "Production Closed") based on 28 Days per Month Production
 Min. No. of Chorizo 700kls x 4 = Php2800 or 100kls/day
 Average No. of Chorizo to Sell 860x 4 = Php 3,440 kls or 122kls/day

How to reach the production need:

We have to have a team that can support the production need from marketing of supplies of raw materials, workers in production, inventory and control for all the home-made chorizo, to delivery and management.

Salary of People:

Monthly Expected Operational Expenses based on 8Hour Work per day
 Delivery Man/Driver Php600 x 24Days/month = Php 14,400
 Marketer/Delivery Control Php550 x 28Days = Php 15,400
 3 Production People 3 x (Php500 x 28Days) =Php 42,000
 Owner (Manager/Inventory Controller) (Php700 x 28Days) =Php 19,600
 Electric Bill =Php 5,000
 Water Bill =Php 1,000
 House Rent =Php4,000
 Diesel =Php2,400
 Van Loan Monthly Amortization =Php6,000

Total Operational Expenses per Month : Php 109,800

Minimum Expected Sales : 2,800kls x Php160 = P448,000/month
 Average Sales: 3,440kls x P160 = Php 550,400

Based on 37kls with one-man working earning 48.54kl (3days production&delivery)
 1796 x 12 Days in a month = Php21,552

With Machine + Van + Hired people for production, delivery, marketing, control

Initial Profit is Php 2,182 for every 37kls = Php58.8/kl

Minimum : 2800x Php58.97/kl = Php165,116
 – Php 109,800(Expected Operational Expenses)
 = Php55,316 (Total Net Profit)

Average: 3440klsx Php58.97/kl = Php202,857
 – Php 109,800 (Expected Operational Expenses)
 =Php93,057 (Total Net Profit)

Return of Investment

Capital (if w/ van monthly amortization for 5years) : 2-4months
 (if with van fully paid in cash) : 7-9months

PAYMENT POLICY: Cash on Delivery

PURCHASING PLAN:

Buy all dry ingredients in grocery store once a week to save time, energy and diesel
Always provide a week stock of back fat, hog casing and meat in freezer

MARKETING PLAN:

Give/display a free tarpaulin for every meat dealer in public markets and all other retailers.

Can give a 70% initial payment basis for all dealers who will order bulk orders min. of 30kls a week

Post in Facebook/Instagram Pages and through Online sellers and other freelance earners

OPERATIONAL PLAN:

The manager will serve as the controller and inventory of all in and out production and delivery of products, schedule of people working, time and quantity to order and deliver. The owner/manager ensure the quality of the product by supervising the production. The delivery driver will also serve as the delivery man to all the public markets and all other retailers.

The marketer/delivery controller will be the one to purchase and check the delivery quantity is correct and all ingredients in time and reports directly to the owner.

The 3 people working in production(one is to manage the grinding of meat with garlic and combine all the mixture with the help of electrical whisk, and the second person continue making the long chorizo and the third one do the tie of each individual chorizo, then put all in plastic seal.

DEVELOPMENT PLAN:

If given more time, bigger production area, machinery and vehicle, more people working at the result will be double and the product can reach farther location, locally and even possible for export.

COMPETITIVE ADVANTAGE:

There are lots of food processed or even home-made products that comes from farther provinces and we are not sure if it is healthy while this product can prove that we can make ??? our own pride home-made chorizo that may be known also to the bigger market.

If just given the chance, while helping our Kababayans to have a decent jobs and the prices of our chorizo is very competitive. We are also near different province like Laguna and Cavite.

FUNDING OF BUSINESS PLAN:

*If ever given the chance to be selected in this competition, it may open window of opportunity to find investors or potential loan grants to start this business.

*Seek help from family and friends for possible loan and/or partnership

*All the different machines and vehicles needed in this business can be possible through a home credit in big appliances stores and auto shops even with higher interest

EXIT PLAN:

Due to history of business failures, for this business proposal, we also have prepared an exit plan which could be to merge with the same food business such as canteen, catering business and other in line with food production. And we can also the equipment and vehicles to other family members and friends who can use this for personal and business purposes. And also we can sell this idea and provide service to a larger well-known company.

SAMPLE ONLY