



Building Solid Foundations

A Business Plan for the

Apam Fish Storage Freezer

A joint venture between:

Building Solid Foundations

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and

The Citizens of Apam, Ghana

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Executive Summary

The purpose of the Apam Fish Storage Freezer (AFSF) is to stabilize the amount of fish in the community and provide a storage option for fishermen when supply exceeds demand. A series of freezers will be available for fishermen to store fish for future sale or transport out of Apam. In addition, block ice machines will create ice blocks for preserving fish while out on the sea.

Upon deposit of the fish into the Apam Fish Storage Freezer, the fisherman will make a down payment on the storage fee. Upon withdrawal of the fish, the remainder of the fee will be tendered. The fee is based on both the amount of fish in storage and the length of time spent in the freezer. All ice will be paid in full at the point of sale.

Building Solid Foundations is approaching this project as both an economic development project and a humanitarian mission in the town of Apam.

Business Description and Vision

Mission Statement

The mission of the Apam Fish Storage Freezer is to provide economic stability and increased opportunity for the citizens of Apam. Building Solid Foundations (BSF) is interested in this humanitarian mission as an outreach to efforts already underway with Apam Catholic Hospital and local schools.

Business Goals and Objectives

The objective of the Apam Fish Storage Freezer is to stabilize the fishing market in Apam, provide future opportunities for sale outside of Apam, and create economic opportunities for the citizens. Building Solid Foundations will provide the initial freezing equipment for this effort and the town of Apam will provide the facility.

Initially, all equipment will be owned by Building Solid Foundations but managed locally by the Board of Directors of AFSF. The board consists of local leaders with a vested financial interest in the success of the business. Membership on the Board of Directors must include, at a minimum, **five** local leaders and may include up to **ten**. Each board member must deposit **\$100** for an ownership share in the venture prior to joining the board.

The Board of Directors is responsible for the operation of the AFSF and for interaction with Building Solid Foundations. At a minimum, the board must appoint an AFSF Manager and Accountant, filled by two separate individuals. Detailed job descriptions can be found in the “Organization and Management” section of this document.

At the close of every quarter, the Board of Directors is responsible for submitting a detailed account of all receipts and debits along with a written status report. This is due within 30 days of the close of the quarter (quarters close at the end of months March, June, September and December).

Profit will be considered any funds collected in excess of daily operating expenses (utilities, salaries and maintenance). Profit will be dispensed as follows:

- 34% Returned to Building Solid Foundations
- 33% Held in Escrow for Upgrade to Fish Processing Capability
- 33% Distributed to Apam Board of Directors

Definition of the Market

Critical Needs of the Market

Today, block ice is imported from the distant city of **Tema** (over four hours East). There are currently no local options for the purchase of block ice. The only exception is Building Solid Foundation's test project to make ice block on a small scale. This does not adequately service the market, and will be absorbed into the future ice block production.

In the area of the Storage Freezer, there is no direct competition in or near Apam. There is a cold store available to provide refrigeration (not freezing), although it is frequently out of service.

Profile of Targeted Clients

There are two services provided by the Apam Fish Storage Freezer and therefore two client types – users of Block Ice and users of Frozen Storage.

A typical client for Block Ice is a fisherman with a need to preserve fish for short periods while out at sea. A fishing excursion can last from one to four days, and during that time block ice is used to preserve fish until they return to land. Currently, these fishermen are purchasing block ice imported from as far away as Tema. Block Ice sold by the AFSF will mimic options available in Tema without the transport complexity.

A typical client for Frozen Storage is a fisherman with a need to preserve fish for long periods. With no long term preservation methods currently available, much is wasted or sold at a loss during the height of a season when large surpluses of fish are available. This fisherman will pay for the ability to store fish during the height of the season, so that it can be sold later in the year after the fresh stock has been exhausted. This client may also pay for his fish to be frozen so that it can be transported out of Apam for sale in Accra or another large city.

Note that the term “fisherman” as used in this section may also refer to the owner of the fishing boat. In some cases, the fisherman is an independent operator of their fishing boat. In many cases however, a collection of fishing boats are owned by a local businessperson and the “fishermen” are employees of that owner. Under this arrangement, fishermen are often paid for their time in both cash and a percentage of the catch. Therefore, both the owner and the fisherman may be clients when the yield is high.

Description of the Products and Services

Block Ice

Block Ice will be produced at the Apam Fish Storage Freezer using potable water. It will weigh approximately 11-12 pounds and have dimensions of 7"x 10"x 4". The ice will be sold at market rates, or between **0.7 and 1.0 Cedis** per block paid in full at the time of purchase.

All block production to date has been subsidized by the Apam Catholic Hospital (utilities and rent) and Building Solid Foundations (equipment). It is imperative that future prices for block ice cover all expenses – including utilities, fresh water and salaries. To date, exact figures for the operation of the full-scale ice block plant are not available. Once reliable data is known, the price of block ice may rise or fall to accommodate.

Fish Freezing and Storage

Fish Freezing and Storage is altogether a new concept for the fishermen of Apam, and as such requires close observation during initial operation. All parties, including employees, customers, the AFSF Board of Directors and Building Solid Foundations must be prepared to make changes to the business plan if conditions warrant. However, all parties must agree not to make changes to the concept of operations during the first six months to ensure that accurate trend data is available.

Fees will be charged for both flash freezing fish and for storage of frozen fish. Fishermen who pay for only flash freezing will likely transport the fish to market outside of Apam. Those that pay for freezing and storage will likely sell the fish in Apam once fresh supplies dwindle. Any customer that wants to deposit fish in frozen storage must pay for flash freezing as well.

Fifty percent (50%) of fees will be paid in advance of services being rendered. The remainder will be paid when the fish is retrieved. Fees for fish storage will be assumed at 1 month, unless more time is paid for in advance. Any fish left in storage for over **three (3)** months without receiving a supplemental payment will be forfeited to AFSF ownership. The fisherman who made the deposit and failed to pay for additional time in the freezer will be penalized by requiring all payments for the next **six (6) months** to be paid in full prior to flash freezing or storage.

A table of rates follows (**all rates subject to change**):

Service	Rate	Notes
Flash Freezing	0.10 Cedis per Fish	Takes 24 hours
Daily Storage – Refrigerated	0.03 Cedis per Fish	Does not Require Flash Freezing

Weekly Storage – Refrigerated	0.12 Cedis per Fish	Does not Require Flash Freezing
Daily Storage – Frozen	0.05 Cedis per Fish	Also Requires Flash Freezing
Weekly Storage – Frozen	0.15 Cedis per Fish	Also Requires Flash Freezing
Monthly Storage – Frozen	0.50 Cedis per Fish	Also Requires Flash Freezing

Organization and Management

Building Solid Foundations

Building Solid Foundations will provide the equipment required to open the Apam Fish Storage Freezer as well as management oversight of the business. Ownership of all equipment purchased by BSF will be retained by the group. BSF is entitled to a distribution of profits as outlined in the “Business Description and Vision” section.

AFSF Board of Directors

The Apam Fish Storage Facility Board of Directors (“the Board”) is a group of between five and ten community leaders with an ownership stake in the operation of the business. After having purchased a share in the company, members of the Board are entitled to a distribution of profits as outlined in the “Business Description and Vision” section.

The Board is responsible for hiring a Manager and an Accountant as two separate, permanent positions. Other positions may also be created as necessary. The Board will elect a Chairman to serve for a term of twelve (12) months. The Chairman is responsible for regular communication with BSF as outlined in the “Business Description and Vision” section.

The Board is also responsible for ensuring the Block Ice and Frozen Storage business is a sustainable one. This includes scheduling preventative maintenance for all equipment, treating employees fairly, and satisfying customers.

Manager of the Freezer

The Manager of the Freezer is responsible for the day-to-day operation of both the Block Ice production/sale and the Fish Freezing and Storage. This person is also responsible for any advertising, maintenance and hiring/firing necessary to continue operation of the facility. The Manager reports directly to the AFSF Board of Directors and must provide written reports at least as often as is required by BSF.

The Manager is responsible for operating a safe, honest, and sanitary business that represents the AFSF and Building Solid Foundations. Any condition that would prevent a safe, honest and sanitary operation must immediately be reported to the Board of Directors and Building Solid Foundations.

Accountant of the Freezer

The Accountant of the Freezer is responsible for keeping accurate and auditable logs for all receipts and payments made to AFSF. The Accountant is also responsible for securing a satisfactory third-party location for the storage of cash such as a local bank. The accountant may not keep more than petty cash on hand at the close of business each week. The accountant must also provide financial reports to the Board and BSF as outlined in the “Business Description and Vision” section.

Financial Management

The Financial Management section of a business plan would typically require that cash and profit projections be included for the first twelve (12) months of operation at a minimum. However, since this effort is being subsidized by Building Solid Foundations (a 501(c)3 non-profit) and since it carries considerable unknowns, that information is not included in this plan.

BSF will closely monitor the financial position during the first **twelve (12) months** of operation and will make adjustments as necessary. If profits are not satisfactory, then BSF and the Board of Directors will discuss changes to pricing, profit distribution and/or governance to achieve the intended results.

Because cash and profit targets have not been set, accurate financial reporting is critical so data can be analyzed and future projections can be made. It is of highest importance that detailed financial data be collected by the Manager and the Accountant from the outset.