



**TRISTARS INVESTMENT COMPANY LIMITED**

**BUSINESS PLAN  
FOR  
MANUFACTURING OF CLEANING MATERIALS AND RELATED  
PRODUCTS**

**PREPARED FOR  
TRISTARS INVESTMENT COMPANY LIMITED  
Dar es Salaam**

## 1.0. INTRODUCTION

Project document presents a proposal by **TRISTARS INVESTMENT COMPANYLIMITED**, a company incorporated in Tanzania with Certificate of Incorporation No.57245 dated 2<sup>nd</sup> August 2006. The project promoters are confident of mobilizing financial resources through equity financing amounting to **US\$ 200,000**

This study will be used as guiding tool in implementing this project and will be presented to TIC for obtaining certificate of incentives to facilitate smooth implementation of the project.

### 1.1 Executive Summary

**TRISTARS INVESTMENT COMPANYLIMITED** has designed new products that provide total solution for clearness domestic and industrial use Proper clearness is the most effective preventative measure available to combat communicable diseases.

Improper cleanest contributes to more than 70% of deaths caused communicable diseases. Studies have shown that proper cleaning procedures in these environments could cut down the spread of disease by up to 75%.recent COVID 19 is vivid evidence of the importance of cleaning materials .The greatest contributing factor to this problem stems from the limited availability of cleaning materials at affordable cost.

**TRISTARS INVESTMENT COMPANY LIMITED** is the company which has come to provide solutions this problem and provides indisputable solutions by producing:

- Industrial disinfectants and detergents / cleaning material
- Consumer detergents and cleaning materials
- Industrial chemicals

The product is safe and meets all current TBS regulatory requirements

### 1.2 Location

The project will be located at Plot No. 44 A & B, Chuma Street, Temeke, Dar es Salaam,

### 1.3 The Sponsors

**TRISTARS INVESTMENT COMPANY LIMITED** will be sponsoring this project. The Company is currently jointly owned by two shareholders.

Names of Shareholders	% of Shares	Nationality	Date Of Birth
Ranjitsinh Hansiraj Babla P.o Box 22642, DAR ES SALAAM Email: kb@ticltd.net Tel: +25562040418	10	Tanzanian	11th Dec 1936
Kiran Ranjitsinh Babla P.o Box 22642, DAR ES SALAAM Email: kb@ticltd.net Tel: +255786605156	10	Tanzanian	20th Jan 1970
Un allotted Shares	80	Tanzanian	

#### 1.4 **Objective of Study**

The purpose of this study is to work out the technical and commercial details and financial viability of the project

#### 2.0 **Market Potential**

The market research conducted by **TRISTARS INVESTMENT COMPANY LIMITED** reveals that there is a very big market potential to absorb company's products to be manufactured, factories, Household consumers, hospitality industry, schools, government institutions, corporate customers etc are target market for companies' products; distribution to clients will be through wholesalers and retailers some time direct marketing will be employed particularly for corporate customers.

The current demand for cleaning materials industrial chemicals and any related products is at high, Tanzania population estimated to be more than 55 million presents a favorable market for company products which is fast moving consumer products such as;

- Liquid soap
- Tiles cleaners detergents
- Toilet powder
- Industrial chemicals
- Cake soap etc

Potential markets exists not only in urban areas but even in villages, the company intend to carter for the all East Africa at large such as

Uganda, Rwanda, Burundi, Kenya and some part of Sudan, Malawi and Zambia in future, the company vision is to one of bigger manufacturer of soap and related products within the East and Central Africa.

Generally there is wide gap between supply and demand and therefore, business opportunities exist for setting up additional soap and related products manufacturing facilities to satisfy the market requirements.

## **2.1 Marketing Strategy**

The executive team will first target the Dar Es Salaam area and eventually the greater Northwest using direct sales and existing distributor channels to penetrate the market. Initial capital will be used to test, patent, approve, produce, and market, as well as provide working capital for the first year

**TRISTARS INVESTMENT COMPANY LIMITED** will follow three concise strategies to achieve our desired growth:

- Exploit first-mover advantage in a highly fragmented market with a unique and differentiated product.
- Develop a strong branding campaign to build awareness, positive perception and sales of our products within our target markets.
- Continue to develop new products to satisfy an ever growing set of markets.

The key strategy as entry strategy is to sell **TRISTARS INVESTMENT COMPANYLIMITED'S** products to wholesalers, retailers in Dar es Salaam, later on the company will start selling to Arusha, Mbeya, Mwanza and Dodoma, Company's marketing team will be aggressive in introducing our products in Tanzania markets and build loyalty for company's products with decision managers of the organizations in the targeted markets and create awareness and support of the benefits of the innovative.

### **Strategy pyramid**

The main objective is to build company's products into standard for every cleaning material and related products users in Tanzania market opt our products, **TRISTARS INVESTMENT COMPANYLIMITED** intends to make sure there is consistent availability and uninterrupted supply of our products. The company plan to extend new markets into neighboring countries.

## **2.2 Specific Markets**

Although work places, restaurants, schools, industries and hospitals have tremendous market need for a product such as ours, day cares represent the best opportunity for our initial target market. Day cares are an ideal market because they have a vested interest in reducing disease transfer amongst children, and have adamant support from their clients [parents] to create as clean an environment as possible. As stated by Family Practice News, "Most day care centers are sophisticated little germ factories, exchanging bacteria and viruses

with the shake of a hand or the sharing of a toy. And many of those nasty bugs travel home where they can infect the rest

### 2.3 Supply Assessment

An assessment of the cleaning products and related products supply matrix shows that are inadequate. It is due to this shortfall that the Tanzania Government is emphasizing manufacturing sector.

The project will involve production of following products:

- Hand wash soap
- Liquid soap
- Tiles cleaners detergents
- Toilet powder
- Industrial chemicals
- Cake soap etc

### 2.4 Demand Assessment

Demand for cleaning products is very high it is obvious fact that the all Tanzania population of over 55 million are potential customers; **TRISTARS INVESTMENT COMPANY LIMITED** has come in to serve and to stimulate new markets.

## 2.5 Pricing

The pricing policy for the project will be based on the product cost and competition levels considering various variables namely:

- Production cost
- Market positioning
- Gain market share from competitors
- Stimulating and increasing demand and
- Achieving profitability and liquidity financial performance goals

Within 6 to 12 months, once the products is better positioned in the market, the pricing strategy will be evolved to a comparable pricing strategy in which our products will be priced comparable to direct competitors in the market.

## 2.6 Promotion

A combination of push and pull strategies and activities will be used to curve out space in the market.

Company strategy for local market will be to push the product onto the market and stimulate first trial in or near the point of purchase. This will be done using a team of sales representatives to engage shoppers once the product is widely available in stores.

Research findings reveal that women make lion's share of purchase decisions where family shopping is concerned. As such, a significant proportion of communication will be devoted towards mothers, wives and independent girls

## **2.7 Products**

TRISTARS INVESTMENT COMPANY LIMITED's product line provides a unique control level to managers, supervisors and parents alike. We have two basic product lines: Industrial chemical, intended for factories work places, and an antimicrobial-based product for households', hospitals schools, restaurants, individuals etc.

## **2.8 Competitive Comparison**

- TRISTARS INVESTMENT COMPANY LIMITED's products offer a high value alternative to cleaning materials and related products.
- They provide an unprecedented level of satisfaction at affordable cost.
- TRISTARS INVESTMENT COMPANY LIMITED will build brand identity, establishing the company as the standard for improving cleanest compliance.

## **2.9 Sales Literature**

In order to sell our product while creating familiarity and a positive brand image, it will be necessary to develop brochures and literature to emphasize the safety and beneficial attributes of fading dye soap, many of which may not be readily apparent to an interested

party. These will be delivered both in person during a sales presentation and by direct mail.

### **2.10 Sourcing**

The key to our success is the time-sensitive dye. Once the proper ratio of dye to base soap is isolated, the fragmented nature of the soap industry provides many options for outsourcing production. Similar to any commodity, economies of scale require the soap to be produced, packaged and distributed in large batches.

### **2.11 Technology**

The technology of our production process will be pivotal in the success of our company. The interactions between fading dyes and antibacterial or anti-microbial bases suitable for use in restaurants or hospitals are more complicated than the interactions with the glycerin or lotion soap. As soon as cash flow permits, TRISTARS INVESTMENT COMPANY LIMITED will employ a professional chemist with experience developing dye products to further the research into technological innovations that may produce antibacterial and anti-microbial versions of the soap to address additional markets.

### **2.12 Future Products**

Additional soap products, manufactured to comply with regulatory minimums for strength and effectiveness in their respective target markets will be developed to address restaurants and hospitals.

Perhaps the most promising future market opportunity for fading dye soap is the retail market. This product line will include soaps using the same or similar dye colors as the day care to encourage children to wash their hands more often at home. This will be a top priority when the company develops the financial resources enough to mount a national advertising campaign and distribution system. A complete line of fading dye products could potentially be developed, including floor, counter and body cleaning products that use fading dyes to indicate places on a surface that may not have been cleaned.

### **3.0 Market Analysis Summary**

There is tremendous potential for a product that provides supervisors and parents with the control to monitor and encourage hand washing. Considering the large scope of our potential markets, we feel it is imperative to focus our limited resources on a particular geographic region where we can establish demand for our product. After successful market penetration, we will begin implementation into the restaurant and hospital markets.

### **3.2 Market Segmentation**

TRISTARS INVESTMENT COMPANY LIMITED's first product line addresses cleanest will first be introduced in the Dar Es Salaam Tanzania, before sequential expansion to additional markets. There is currently big demand for cleaning materials in the DAR ES

SALAAM. After successful implementation in DAR, we will begin expansion into the Whole Tanzania.

Successful penetration into the day care market will be followed by implementation into the restaurant and hospital markets.

### **3.3 Industry Analysis**

The Industrial and Institutional cleaning materials industry, of which we are a part, is quite fragmented, but contains several well known main competitors, as well as generic brands that provide to distributors like. The industry is stable and growing; between 1998 and 2019 it grew by an average of 4% annually. Within the I&I sector there is fierce competition for market share among the existing popular soap offerings, leading to lean profits .

### **3.4 Distribution Patterns**

Distribution in the cleaning materials and related products industry is provided by regional providers. These distribution companies usually serve a large portion of the market based on the respective size of the market, delivering to the organizations monthly or bi-monthly depending on demand and usage patterns. Food services typically receive deliveries of cleaning products once a month. Hospitals typically have a distribution system that operates on monthly deliveries of large quantities. Restaurants typically have a weekly delivery schedule.

### 3.5 Competition and Buying Patterns

Commercial customers select cleaning materials based on the necessary minimum safety regulations for the intended user; restaurant and hospital regulations require anti-bacterial/microbial. Customers will typically select a product based on price, distributor availability, and convenience. Distributors will deliver a complete order of cleaning and maintenance products to customers. Major competitors sell to a variety of customers, including distributors like Sysco, who receive generic soap from bulk producers, then repackage and deliver it along with other products it sells, utilizing the same distribution systems.

### 3.5 Main Competitors

#### **Traditional soap producers**

Soap is a common and familiar the commodity of necessity to every company. Traditional soaps employ pleasant scents and dyes to encourage hand washing compliance. However there is no way to verify if hand washing has occurred and traditional soaps do little beyond the pleasant scents to encourage hand washing.

#### **Alternative hand washing compliance systems**

This system has limited value to business managers because they are expensive to install and lease, and do not necessarily increase employee compliance. They provide managers the ability to track

usage, but do not help control day-to-day hand washing compliance individually or immediately.

### **Disposable**

### **Gloves**

Hypo-allergenic gloves are the solution provided by some organizations to combat the threat of hand washing non-compliance. To limit the risk of hand contamination, many restaurants and all hospitals require the use of gloves. Although gloves eliminate the risk of direct hand contamination they are not without downfalls:

- Gloves can carry bacteria in-between fingers, and on the glove surface, causing similar cross contamination to that of bare hands.
- Disposable gloves can cost a location upwards of \$5,000 each year.
- Gloves can provide a false sense of security, causing employees to substitute gloves in place of proper hand washing.
- Gloves rip and tear.

## **3.6 Industry Participants**

The cleaning materials industry is highly fragmented. There are more than forty different Institutional cleaning materials products that compete in the market.

### **3.7 Target Market Segment Strategy**

Our initial market will consist of households, work place, schools and factory of medium to large organizations. Organizations are attractive because they are well managed, successful, health conscious and nationwide. Within these organizations we will target decision level managers with the power to implement use of our product in those locations.

### **3.8 Market Trends**

There have been recent efforts to promote education to increase hand use of cleaning materials. The focus of these programs is to educate and encourage preventative control measures for people and workers to help reduce diseases and lawsuits. This has led to greater awareness in our target markets about maximizing cleanliness and minimizing preventable illness.

There is an additional trend in both our target markets and industry towards cleaning materials which help in controlling COVID 19. Such products have become increasingly associated with safety and health in a variety of different markets. Our completely cleaning materials are complementary to this growing market trend.

#### **4.0 Keys to Success**

- A first-mover branding campaign to build awareness of TRISTARS INVESTMENT COMPANY LIMITED's products as the standard for ensuring hand washing compliance.
- Patent protection to defend our time-sensitive dye and product concept from competitors.

#### **4.1 Monitoring and Evaluation**

The Management has full commitment to ensuring good use of the resource and sustainable environment and well being of the community with which they do business. Thus, the management philosophy is through business process, management will strive to ensure compliance to standards and safety of products and customers they serve.

#### **4.2 Project Management and Manpower**

**TRISTARS INVESTMENT COMPANY LIMITED** will be under the Management with vast experience in managing fast consumable goods particularly soap and other cleaning products, the project will be directly managed by Managing Director assisted by two Managers i.e. General Manager who will be responsible with Production, Administration and Finance and other Manager responsible with Sales and Marketing, who will together comprise the management team. Approximately **16** staff will be directly employed.

<b>Employment</b>	<b>Foreign Skilled</b>	<b>Local Skilled</b>	<b>Local Unskilled</b>	<b>Total</b>
Women	1	2	3	6
Men	3	5	4	12
<b>TOTAL</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>18</b>

**TRISTARS INVESTMENT COMPANY LIMITED** boasts a strong founding team and experienced board of advisors. Our primary advisor, **GUANGZHOU LIBY ENTERPRISE GROUP CO LTD**, brings twenty years of industry experience and networked relationships to accelerate market penetration of the product line. **TRISTARS INVESTMENT COMPANY LIMITED** will outsource the production of its soaps to an existing soap manufacturer.

#### **4.3 Project Sustainability**

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed

#### **4.5 Production Capacity**

**TRISTARS INVESTMENT COMPANY LIMITED** is planning to operate manufacturing facility producing 7,000,000 litres per year of various cleaning materials and industrial chemicals

#### 4.6 Unit Production Cost

TRISTARS INVESTMENT COMPANY LIMITED products' Unit cost will differ package to package and product to product average an average price for 1 litre is US\$0.07

#### 4.7 Annual Operating Cost

TRISTARS INVESTMENT COMPANY LIMITED Management has estimated that operating cost will be amounting to 75% of total annual revenue

#### 5.0 PROJECT INVESTMENT

The estimated capital investment cost of the project is US\$ 222,000

##### TRISTARS INVESTMENT COMPANY LIMITED COST STRUCTURE

Land and Buildings	5,000.00
Machinery & Equipment	100,000.00
Motor Vehicles	50,000.00
Furniture & Fittings	2,000.00
Pre exp	5,000.00
Others	10,000.00
Working Capital	50,000.00
<b>TOTAL</b>	<b>222,000.00</b>

For the project to be a reality a total investment amounting to US \$222,000 is needed

Based on detailed financial projections, **TRISTARS INVESTMENT COMPANY LIMITED** will invest US\$ 222,000 within five years, from shareholders and cash generated from business.

## **6.0 FINANCIAL ANALYSIS**

### **6.1 Considerations and Assumptions:**

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the industry.

### **6.2 Financial Statements:**

#### **6.3 Projected Revenue**

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from the project commence from the first year of operation.

**SUMMARY OF REVENUE " US\$"**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Revenue	<b>490,000</b>	<b>502,250</b>	<b>527,363</b>	<b>553,731</b>	<b>581,417</b>

#### 6.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. After tax profits grow from US\$66,640 in first year to US\$361,866 in the year 5<sup>th</sup>

**TRISTARS INVESTMENT COMPANY LIMITED PROJECTED INCOME &  
EXPENDITURE STATEMENT US \$**

	1	2	3	4	5
Revenue	490,000	502,250	527,363	553,731	581,417
Operating Cost	392,000	401,800	421,890	442,985	465,134
Profit before Depreciation & Interest	98,000	100,450	105,473	110,746	116,283
Depreciation	2,800	2,800	2,800	2,800	2,800
Net Profit before Tax	95,200	97,650	102,673	107,946	113,483
Tax (30%)	28,560	29,295	30,802	32,384	34,045
Profit After Tax	66,640	68,355	71,871	75,562	79,438
Accumulated Profit	66,640	134,995	206,866	282,428	361,866

## 6.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1<sup>st</sup> US\$ **69,440** of operation to the 5th year US\$ **375,866**

### TRISTARS INVESTMENT COMPANY LIMITED PROJECTED CASH FLOW US\$

	-	1	2	3	4	5
<b>SOURCES:</b>						
Profit before interest and depreciation	-	98,000	100,450	105,473	110,746	116,283
Owners' Equity	222,000					
<b>Total Sources</b>	<b>222,000</b>	<b>98,000</b>	<b>100,450</b>	<b>105,473</b>	<b>110,746</b>	<b>116,283</b>
<b>Applications:</b>						
Capital expenditure	157,000	-	-	-	-	-
working Capital & Others	65,000	-	-	-	-	-
Cash	-	69,440	71,155	74,671	78,362	82,238
Tax	-	28,560	29,295	30,802	32,384	34,045
<b>Sub total</b>	<b>222,000</b>	<b>98,000</b>	<b>100,450</b>	<b>105,473</b>	<b>110,746</b>	<b>116,283</b>
<b>Total applications</b>	<b>222,000</b>	<b>98,000</b>	<b>100,450</b>	<b>105,473</b>	<b>110,746</b>	<b>116,283</b>
Accumulated cash		69,440	140,595	215,266	293,628	375,866

## 7.6 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial Statements under same heading. Shareholders equity increases from US\$222,000 in the first year of operation to US\$ 301,438 in the 5<sup>th</sup> year

### TRISTARS INVESTMENT COMPANY LIMITED PROJECTED BALANCE SHEET US \$

	0	1	2	3	4	5
<b>Fixed Assets</b>	-					
Opening balance	-	157,000	154,200	151,400	148,600	145,800
<b>Total Long-term Assets</b>	-	157,000	154,200	151,400	148,600	145,800
<b>Less depreciation</b>	-	2,800	2,800	2,800	2,800	2,800
<b>Closing balance</b>	-	154,200	151,400	148,600	145,800	143,000
Working capital	65,000	65,000	65,000	65,000	65,000	65,000
Accumulated cash	-	69,440	140,595	215,266	293,628	375,866
<b>Total assets</b>	<b>65,000</b>	<b>288,640</b>	<b>356,995</b>	<b>428,866</b>	<b>504,428</b>	<b>583,866</b>
Financed by						
Equity	222,000	222,000	222,000	222,000	222,000	222,000
Net profit	-	66,640	68,355	71,871	75,562	79,438
Total equity	222,000	288,640	290,355	293,871	297,562	301,438
<b>Total equity and debts</b>	<b>222,000</b>	<b>288,640</b>	<b>290,355</b>	<b>293,871</b>	<b>297,562</b>	<b>301,438</b>

## 7.7 Projected payback period

Total investment is US\$222,000 cash accumulation in 3 years is US\$ 274,479 which is more than the initial investment by US\$ US\$52,479 the project payback Period is within 3 years.

### TRISTARS INVESTMENT COMPANY LIMITED PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1				-
1	66,640	2,800.00	69,440.00	128,653.00
2	68,355	2,800.00	71,155.00	199,808.00
3	71,871	2,800.00	74,671.00	274,479.00
4	75,562	2,800.00	78,362.00	352,841.00
5	79,438	2,800.00	82,238.00	435,079.00
6	153,796.00	12,575.00	166,371.00	601,450.00

## 8.0 ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of the available market
- The project will create employment for 18 people on permanent contract basis.
- It will create more business opportunities to local suppliers which will also have a trickledown effect in the environmental issues.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.

- The project will have transfer of knowledge and skills to manufacturing sector

## 9.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction of hotel will be completed within one year:-

### Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	October 2020
2	Placing order of machines	December- March 2020
3	Installing machines	March-June 2021
4	Recruitment	August 2021
5	In house training	September- December 2021
4	Testing production	January - March 2022
6	Commercial operations	April 2022

## 10.0 CONCLUSION & RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.