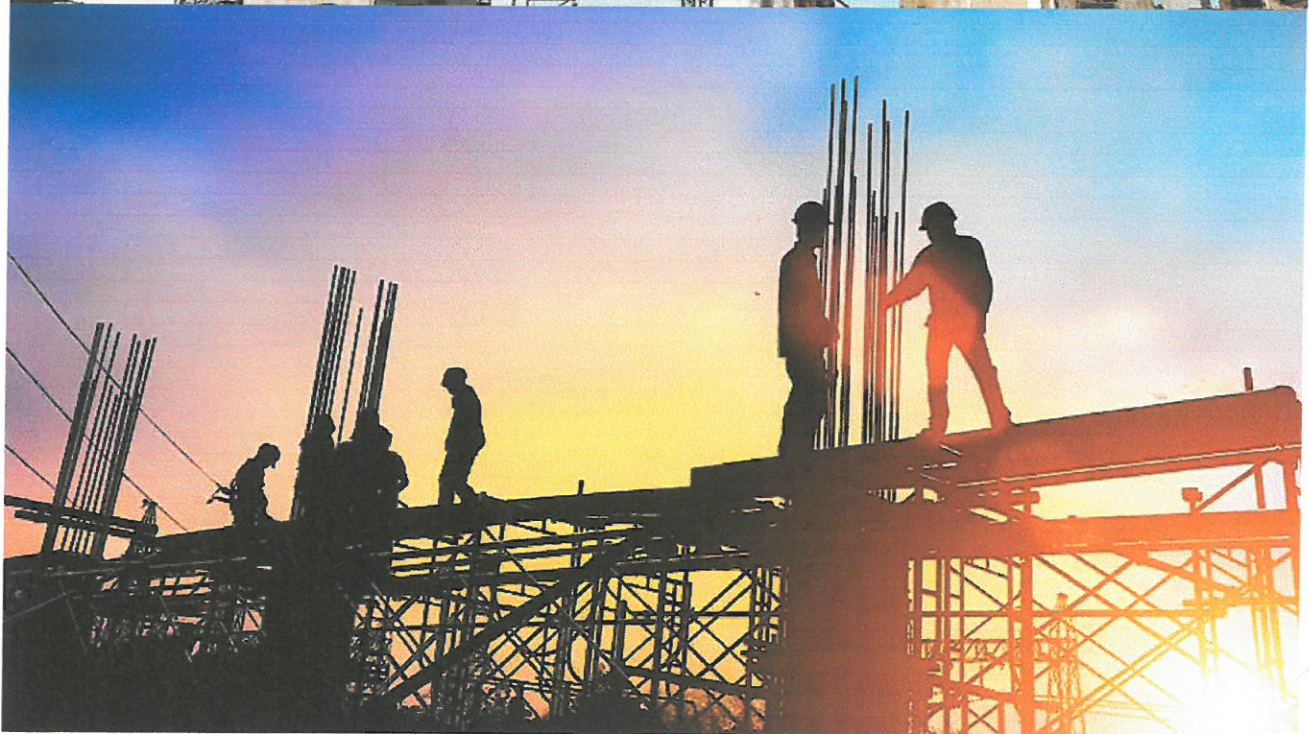


AMARACHI INVESTMENT COMPANY LIMITED

BUSINESS PLAN



P.O.BOX 40914, DAR ES SALAAM, TANZANIA. MOB: +255 658 068 760 Email: amarachiinvestmentcoltd@gmail.com



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LIST OF ABBREVIATION

PLC Public Limited Company

LTD Limited

EXECUTIVE SUMMARY

AMARACHI INVESTMENTS COMPANY LTD is a limited liability type of business which aims at Transportation of goods by road, with the use of semi-trailer trucks and Lorries. The ideas of having a transportation company came about through observing that in the society there is high demand for these medium of transportation of goods by road, heavy goods like shipment containers have to be transported from one area to another and these trucks come in handy. Hence making this a great business opportunity.

AMARACHI INVESTMENT COMPANY LIMITED is going to be positioned at Kunduchi Kilongawima area which is in Kinondoni district. Whereas this location is suitable as it is accessible by the public and it will be easier for the transportation to and fro, also the location is safe for security purposes of the vehicles.

AMARACHI INVESTMENT COMPANY LIMITED will require a sum of TSH. 1,000,000,000/=. The money will be used to acquire trailers, semi-trailer trucks, lorries and other equipments for the company.

CHAPTER ONE

1.1 BUSINESS DESCRIPTION

AMARACHI INVESTMENT COMPANY LIMITED is Limited company whose owners are legally responsible for its debts only to the extent of the amount of capital they invested. Having limited liability status means the company is an entity in its own right. This has several advantages for instance this means that one will not be personally liable for any financial losses made by the business this gives additional protection in case things go wrong. It is easier for the company to secure loans and investments. The company will exist beyond the life of its shareholders even if they retire or resign the company will continue to exist and operate.

AMARACHI INVESTMENT COMPANY LIMITED will be dealing with transportation services. We decided to deal with transportation of goods and cargo by road from one region to another, from one country to another

Incredible services. We will ensure that our business provides incredible service to our customers by hiring employees with good customer services also professionals in the field.

This venture which requires one billion as a capital. The capital will be obtained from different sources including bank loan and subsidiary companies and the owner himself.

SOURCE OF CAPITAL

SOURCE OF CAPITAL	AMOUNT IN USD
BANK	2,500,000/=
SUBSIDIARY COMPANIES	1,000,000/=
OWN CAPITAL	500,000/=
Total Amount	4,000,000/=

1.2 Uniqueness of the product/ service.

- a) Deliverance of the services to the customer: service and product delivery will be of good and great standards as customers will get exactly what they ordered in the specified time
- b) Packing and loading: the packing and loading of goods will be thoroughly and carefully making sure everything is packed and loaded as needed and in the correct amount.
- c) Incredible services. We will ensure that our business provides incredible service to our customers by hiring employees with good customer services and competent in the transportation sector.

1.3 Principal Activities.

- I. Transportation of goods by road

1.4 Business objectives

- i. To achieve high customer satisfaction and loyalty.
- ii. To generate transportation business traffic by growing our client base and having busier working hours due to deliverance of high quality services across Tanzania.
- iii. To achieve specific financial goals so as to become more profitable over time.

1.5 Vision statement.

We are aspiring to become a key partner in integrated transportation in Tanzania and Africa at large, offering higher quality of services.

1.6 Mission statement.

To provide prominent and necessary financial substance to sustain the company and its employees and to meet our customers' requirements through high quality services, cost control and the development of our human capital.

CHAPTER TWO

2.0 ENVIRONMENTAL AND INDUSTRIAL ANALYSIS

ENVIRONMENTAL ANALYSIS.

PESTL analysis is the external factors which used by the marketers to analyses and monitor the macro-environmental (external marketing environment) factors that have an impact on an organization. AMARACHI INVESTMENT COMPANY LIMITED is a transportation company which deals with transportation of goods by road to different parts of Tanzania and neighboring countries.

Political: These factors include a government may impose a new tax or duty due to which entire revenue generating structures of organizations might change. Political factors include tax policies, Fiscal policy, trade tariffs etc. that a government may levy around the fiscal year and it may affect the business environment (economic environment) to a great extent.

Economic: These factors are determinants of an economy's performance that directly impacts a company and have resonating long term effects. [For example] a rise in the inflation rate of any economy would affect the way companies' price their products and services. Adding to that, it would affect the purchasing power of a consumer and change demand/supply models for that economy. Economic factors include inflation rate, interest rates, foreign exchange rates, economic growth patterns etc. It also accounts for the FDI (foreign direct investment) depending on certain specific industries who're undergoing this analysis.

Due to the economic factor Amarachi Investment Company Limited is affected because the Tanzania currency in the market does not have stability compared to Dollar. Hence we will come

with a solution to expand to various branches inside and outside the country and we will regard the uses of dollar in our business after it has had growth.

Social Factors

Also known as socio-cultural factors are the areas that involve the shared belief and attitudes of the population. These factors include – population growth, age distribution, health consciousness, and career attitudes and so on. These factors are of particular interest as they have a direct effect on how marketers understand customers and what drives them.

Technological Factors

We all know how fast the technological landscape changes with consideration that the company is highly technologically related field and how this impacts the way we deliver and market our services and products. Amarachi Investment Tanzania limited will observe properly three technology factors:

- New ways of improving deliverance of our services
- New ways of distributing goods and services
- New ways of communicating with target market

2.1.2 SWOT Analysis

SWOT analysis is the abbreviation that stands for Strengths, Weaknesses, Opportunities, and threats related to business competition or project planning. It is intended to specify the objectives of the business venture or project and identify the internal and external factors that are favourable and unfavourable to achieving those objectives. Users of a SWOT analysis often ask and answer questions to generate meaningful information for each category to make the tool useful and identify their competitive advantage.

STRENGTHS

- experience and skills of sector and running a similar industrial businesses successfully
- Experienced and expertise from employees of the company

- Availability of finance for investment and to support cash flow

OPPORTUNITIES

- Availability of initial finance to start up business.
- Availability of an area to run business
- Economic growth

WEAKNESSESS

- Presence of other transportation companies around.
- Capital to Start-up business.

THREATS

- Lack of support from related companies and the government
- Political and economic stability
- Tax increase

2.2 INDUSTRY ANALYSIS

Future Trend

The future trend of Amarachi Investment Company Limited is to keep growing as the years go on due to high demand of transportation services hence increase in revenue and profit.

Competitors

In the industries there are large numbers of competitors but we will provide the quality product and services to the customers to enable us to flourish in the market or industry.

Industries forecast

Our plan is to be the leading transportation by Road Company in Tanzania, through providing prominent, excellent and great quality services to our clients; this will eventually lead to growth of market base and business at large.

CHAPTER THREE

3.1 MARKET ANALYSIS

Market Target

Target market can be referred to as a subset of total market. It represents a part of population that the business aims to focus on, target market can include consumers of a product on age basis, location basis and income basis. The target market for Amarachi Investment Company Limited are companies that conduct trade activities and need transportation for their merchandise from one area to another, either from warehouses to customers inside and outside of Tanzania.

Market trend

We expect to keep on growing through offering transport services and adding up more vehicles for the process and man power that is qualified and effecient, hence this will bring greater profit and growth to our business in time.

Market Strategies

Market Strategies, we plan to provide promotion through media channels like televisions, radios, billboards advertisements, social media, through conducting seminars also to educate customers on the importance of supporting local businesses and how it will aid in growth of our economy to

a significant scale. In order to make effective market planning we shall have effective use of the 4P's.

Product strategies

Amarachi Investment Company Limited mainly deals with transportation of goods and cargo through roads; we strategize in providing of quality transport services to our clients through transporting goods to and fro in the specified time and in accurate numbers, hence this will increase our client base in the long run.

Pricing strategies

Pricing strategy refers to all of the various methods that small businesses use to price their goods or services. Pricing strategies are useful for numerous reasons like maximizing profit margins, also to maintain market share and many others. In a dynamic pricing strategy, prices frequently change. These changes most often reflect differences in the delivery area or location, the products, increasing or decreasing demand and changing economic conditions. Within the realm of dynamic pricing, a number of strategy modifications allow freight and logistics businesses to tailor pricing to align with profitability goals.

The following are the pricing strategies opted for Amarachi Investment Company Limited;

Revenue and yield management pricing; revenue management pricing is common with less-than-full truck-load haulers. In addition to basing prices on the destination point, revenue management works to optimize income by setting prices based on the percentage of a full truckload the merchandise occupies, or if the customer chooses, charging the rate for a full truckload regardless of space merchandise occupies. A yield management pricing strategy sets prices based on the need for quick, timely delivery, and is often chosen by perishable good transporters. Prices reflect variables like altering established routes and changing drivers to get load delivered within an acceptable time.

Geographical pricing; long- haul businesses often utilize geographical pricing. A geographical pricing strategy allows freight and logistics businesses to account for differences in fuel costs, vehicle wear and tear, driver's wages, and in some cases, liability within the prices customers pay. Zone pricing, which sets different prices for differing geographical locations, usually based on distance from a warehouse or other shipping site, is a common example.

Although less common, short-haul or local transport businesses can adopt a variation called uniform delivery pricing that charges the same price for every customer.

Placing strategies

The company's physical location will be at Kunduchi, Kilongawima area in Kinondoni District, basically the offices are very accessible in a town area but our services will be to and from different regions in Tanzania and also outside Tanzania as long as there is a legal road route.

Promotion strategies

We plan to provide promotion through media outlets like television stations, radio stations, newspapers, banners and billboards also through social media through platforms like Instagram, Facebook, WhatsApp and others. Also through conducting seminars also to educate customers on the importance of supporting local businesses as it is significant for the economic growth of a company.

Also through Better pricing, Service that we will provide will be of good price and affordable to our customers. Through this we are hoping to attract many customers. And that is one of the reasons why we decided to open our business.

CHAPTER FOUR

4.1 OPERATIONS SEGMENT OR MANUFACTURING SEGMENT

Management and Organization of Amarachi Investment Company Limited.

The company will be under its Owners as the CHIEF EXECUTIVE OFFICER, whereas they have employed Directors, company secretary, managers, operating staff, sales persons, marketing manager, drivers and other employees.

Technology utilization

The business will apply the modern technology in the operation activities for example the use of time management software which require only a person to have a specific passwords to utilize our systems, the use of modern machinery that aid in logistics and tracking of trucks and vehicles.

Since the business is operating in the competitive industry so this application of modern technology will be advantageous daily operations especially in handling competition from similar companies hence it has cutthroat competition from companies which deal with freight transportation too.

Purchasing and Stock

Our venture will purchase our trucks, semi trailers, lorries and other vehicles from abroad as Tanzania still has no technology to manufacture our own transport means.

Health and safety

Health and safety is a set of laws that have been made to protect the health and the safety of people when they are working. Health and safety rules vary a lot from one country to another. Some countries have very strict rules. Rules about Health and Safety have been made since 1950 when the International Labour Organization (ILO) and the World Health Organization (WHO) agreed about standards of health in the workplace.

Health and safety laws will deal with such things as: the temperature in the workplace (it must not be too hot or too cold), smoking in the workplace and other things that might cause pollution or which might cause fire hazards, how many toilets per person there should be, whether they need safety equipment (e.g. hard hats in case anything falls on their heads), whether it is safe for a person to be left alone in the workplace, the rights of disabled people, how many hours in the day people can work for etc.

Amarachi Investment Company limited aims to use part of the profit it makes to provide various services to the communities also the ventures ensure that the health and safety of the employees are taken into high consideration as employees are assets to the business and should be treated with respect and fairness.

CHAPTER FIVE

5.0 ORGANIZATION PLAN

This part is mainly composed of description on polices of the organization and human resource management that will facilitate achievement of efficient production and distribution of goods.

Owners will manage the venture with assistance of the director and managers. Their duties include overall management of the business, finance management and Administration. The operation manager will manage production activities including ordering of materials and transportation activities.

5.3 Authority of Principal

The authority will comes from the top and will flow direct to the low stage of the organization which is subordinate level.

5.4 Management Team Background

The directors and management will be responsible to recruit all the employees of the venture also to review the organization various annual report.

5.5 Training and Evaluation

The organization ensures that they will get the employees who are graduate from institution or colleges or university that are known and registered and experts in the transportaion field, also training will be advocated for the employees so as to facilitate smooth operations of the company and operations.

Employees	Evaluation base
Director	Organization Performance
Managers	Organization Performance
Drivers	Volume of transport activities
Sales People	Sales turnover
Attendant	Attractiveness of environment

CHAPTER SIX

6.0 FINANCIAL PLAN

INCOME STATEMENT PROJECTIONS

STARTING CAPITAL FOR AMARACHI INVESTMENT COMPANY LIMITED	
EQUIPMENT	Amount(TZS)
Land/Building	20,000,000
Plant	-
Vehicles	80,000,000
Furniture & Fittings	10,000,000
Pre - Expenses	10,000,000
Others	20,000,000
Working Capital	10,000,000
Sub Total	150,000,000
Administrative and Building Costs	
Staffs payment	10,000,000
Insurance and Utilities	8,000,000
Marketing	5,000,000
Advertisement cost	2,000,000
Other Miscellaneous expenses	8,000,000
Sub Total	33,000,000
Total	183,000,000

SOURCE OF FUND	USD
Own Capital	100,000
Borrowings: bank loan	2,300,000

Fund from Subsidiary companies 100,000

Total Capital 2,5000,000

Business performance

Projected Cash Flow statement For the First Month

Projected Cash Flow statement For First Month		
Cash Sales	Amount(Per Day)	Amount(Per Month) USD
LPG cylinders 30kgs	3,603,333	108,100,000
LPG cylinders 15kgs	6,900,000	207,000,000
LPG cylinders 6kgs	9,583,333	287,500,000
Cash Sales Total		602,600,000
Sub Total Cash from Operations		
Pay rolls		50,000
Fuel and		50,000
Electricity		50,000
Advertisement		50,000
Marketing		15,000
Sub Total Cash from Operations		215,000,000
Profit	(Cash Sales Total-Subtotal from Operations)	387,600,000