

SARIAKE COMPANY LIMITED

(SCLTD)

P.O. BOX 11908

MWANZA

**ESTABLISHMENT OF FISH PROCESSING FACTORY ON PLOT NO.
376 BLOCK "A" AT PASIANSI AREA IN MWANZA CITY**

BUSINESS PLAN



Managing Director

Sariake Company Ltd

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SCLTD, 2020

1.0 EXECUTIVE SUMMARY

Company Background

Sariake Company Limited is a limited liability company incorporated in Tanzania on 16th June, 2011.

The Company has a Certificate of Registration No. 83950, Valid Business license No. BL/MCC/2233, Valid Tax Identification Number 117-923-169.

The company deals in fishing, fish buying and processing for sale and has got its offices and a processing factory located at Nata area, Nyamagana district in Mwanza City. The company owns boats for fishing tilapia and Nile perch from different islands in Lake Victoria like Chembaya Island, Yozu Island, Gosba Island, and Zilagwela Island. The company also purchases fish from various fishing companies and fish mongers for processing and selling to various customers scattered around the Lake Zone regions and Tanzania in general. The company sells whole fish which accounts for over 85% of sales, fish fillets accounts for 12% of sales and fish maws account for 3% of sales.

The company's order averages 100 tons per day and with the current production capacity of 6-10 tons per day leaves a lot wanting and it's against this background that the company's directors have thought it fit to expand the current production capacity.

Sariake Company Limited plans to construct a new fish processing factory on Plot No. 376 Block "A" at pasiansi area in Nyamagana District, Mwanza City in its long term plan of increasing its current production capacity of 6 tons per day to 20 tons per day. The current plan aims at shifting fish processing from rented premises at Nata to Pasiansi where production facilities shall be improved and expanded to increase production capacity that will take the company a long way in increasing its sales turnover thus increased profitability, wealth accumulation, general company growth and overall sustainability.

The company shall construct a modern fish processing factory with a capacity **of 20 tons per day** and enough storage space to accommodate over 100 tons of fish and in order to have all facilities in place the company requires Tzs 1,837,986,614.00 equivalent to US\$ 799,124.62

The directors have already acquired the land on which the factory has been built and secured a bank loan from DTB Bank for construction works however machinery and equipments are yet to be purchased for the project.

Through this expansion, The Company will benefit the community as a whole. Some of the community members will benefit directly as more people will be employed and others will have to benefit indirectly. This business will provide permanent market to the fishing companies and individuals around Lake Victoria who shall be supplying the company with fish.

The company's management team includes:

- i. Managing Director
- ii. Production Manager
- iii. Marketing Manager
- iv. Financial Manager

It is expected that the project will increase the supply of fish products in Tanzania and neighboring countries like Kenya.

The financial analysis projection shows that the project is viable and bankable, since it's able to repay the loan and interest and is able to remain with positive net cash flows.

It is expected that with all the conditions that call for the success of the business being constant, then the business will be growing at a very high rate hence ensuring supply of quality fish products to the market and at the same time ensuring profitability to the business, to the fishermen and other beneficiaries of the business.

1.1 Industry and Business Overview

1.1.1 Industry Overview

Tanzania is a country with great potential in both inland and marine fisheries resources. It has a coastline of 800 kilometers which has been declared an Exclusive Economic Zone (EEZ). The marine water covers 64,000 square kilometers while the EEZ covers some 223,000 square kilometers (URT, 2006a). The fresh water resources are found in the shared waters of the East African Great Lakes namely, Lake Victoria, Lake Nyasa and Lake Tanganyika. In addition, the

country is endowed with other small natural and manmade lakes, rivers systems and wetlands. Recent assessment indicates that the potential yield is 730,000 metric tons (URT, 2006b) distributed as follows: Lake Victoria (200,000 metric tons), Lake Tanganyika (300,000 metric tons), Lake Nyasa (100,000 metric tons), other lakes (30,000 metric tons) and marine waters (100,000 metric tons).

The fisheries sector has a significant contribution in poverty reduction endeavors. The sector contributes about 10% of the Gross Domestic Product (URT, 206b). Its contribution in the growth of GDP for the last five years has been between 1.6% and 3.1% (GOT, 2006b). Foreign exchange earnings have been shooting up in recent years. For example, foreign exchange earnings from fish sales rose from USD 61.8 million in 1996 to USD 92.2 million in 2004 (URT, 2005). One third of the Tanzanian population derives its protein from fish. Almost fifty percent of the Tanzania population lives below the poverty line of 1USD per day. This section of the population depends to a large extent on fish for their protein intake, as they cannot afford other protein-rich foods.

The fisheries sector is one of the significant sources of employment in the country. It is estimated that 80,000 fishers are employed full time in the fisheries sector (URT, 2006b). Also, others derive their livelihood from fisheries related activities such as animal feeds industries and boat building.

Furthermore, the fisheries sector is a source of recreation, tourism and foreign exchange. In view of these potentials, the Government of Tanzania has established marine parks and reserves to conserve marine resources.

There are various types of fisheries in Tanzania, namely, marine fisheries, inland (or freshwater fisheries), industrial fisheries, artisanal fisheries and aquaculture. The marine fishery is practiced along the EEZ in the islands of Zanzibar and Pemba. Freshwater fishery is mainly on Lake Nyasa, Lake Tanganyika and Lake Victoria. Eighty five percent of the entire freshwater fisheries yield comes from Lake Tanganyika and Lake Victoria (World Bank 2005). The Nile perch (NP) is exclusively found in Lake Victoria. NP exports account for a significant part of Tanzanian exports. Aquaculture has been identified as an area of opportunity but as yet is not highly developed in Tanzania.

The Tanzanian fish market has been broadly categorized into two segments -- the marine fisheries and the fresh water fisheries. Fish processing for exports is mainly done along the Indian Ocean and Lake Victoria Zone. There are currently eleven fish processing factories along the Indian Ocean and fourteen in the lake Victoria Zone. Main species of fish processed for export are Nile perch, tilapia and sardines. The main destination for the Tanzanian exports is the European Union and to some extent the US. The fish supply chain in Tanzania can be grouped in two parallel channels. Firstly, there is the artisanal or informal trade channel which supplies to the local market. Under this channel fishers supply fish to traders at the lake side who in turn sell to the nearby market or to middlemen who finally sell to the rural market or distant urban markets. This channel makes use of both road and railway transport (and occasionally air transport). The traditional fish sub-sector is part and parcel of this channel. The processing entails either fish smoking or deep drying. The main species dealt with in this sector include tilapia and sardines.

The main actors in the formal channel include factory processors, factory agents, and artisanal fishers. Big fishers may employ up to six fishermen per canoe. The main species dealt with in this channel are Nile Perch, tilapia and prawns. Nile perch is exclusively produced in the lake Victoria Zone and forms the bulk of Tanzania fish exports. The Fisheries Department (in the ministry of natural resources and tourism), is a key Government Authority whose mandate is to oversee implementation of fishery policy and regulations and facilitates monitoring and control of the fishing business.

The formal supply chain involves the use of middlemen or 'fish agents', who operate between the factory and the fishermen. We can distinguish between two types of agents namely, company agents and independent agents. Company agents are contracted by a factory to supply fish. The contract is so binding that the agent cannot supply fish to any factory other than the one contracted for. Often, the factories provide them with insulated iced trucks. Independent agents may sell fish to any factory and have trucks of their own. Whatever the form of arrangement, factory operators have complete control over fish agents.

1.1.2 Business Description/Project Description

Sariake's general objective is to serve the community with exceptionally quality fish products. The project seeks to construct and expand its fish processing factory at Pasiansi area, Nyamagana district, Mwanza region. The factory will have a processing capacity of 20 tons per

day with enough storage capacity of over 100 tons. The project will require latest machinery equipment, an efficient marketing plan and local distribution network to deliver products to customers.

The factory shall be located at Pasiansi area, in Mwanza region (the second largest City in Tanzania), which is a business hub for most East African countries due to its proximity to Burundi, Rwanda, Kenya and Uganda. The City is growing at 2.9% annually hence is faced with fast urbanization rate. The growth of Mwanza region emanates from increased business dealings with other regions and more business people coming to Mwanza from neighboring East African Countries and the increased middle class in Tanzania as a result of recommendable continued growth of the economy at 8% GDP for consecutive 5 years.

This coupled with other factors like hospitality in the region makes Mwanza ideal for business investment.

1.1 Mission Statement

Sariake Company Ltd strives to provide high quality but affordable fish products and services to all its customers in a customer friendly environment by keeping the environment clean and engaging motivated staff that focus on the needs of its customers.

1.3 Vision

A leading regional fish-processing factory that applies technological innovation to address evolving challenges.

1.4 Guiding Principles

Sariake Company Ltd corporate governance and operations are guided by the following strategic principles

- i. Belief in people.
- ii. Respecting the dignity and worth of all people.
- iii. Keeping it local but with a global perspective.
- iv. Keeping good business ethics.
- v. Search for trusted partners who share the company's vision and working together to build long-term relationships based on trust.
- vi. Keeping our promises.

We believe that we owe it to the communities we serve, our customers, staff and government to act with integrity and manage our resources effectively and efficiently.

1.5 Goals

1.5.1 Short term goals

- Obtaining a TIC certificate
- Provide quality products and services that meet the product and price needs of our potential and prospecting customers.

1.5.2 Long term goals

- Maintenance of high quality product and service standards and customer care to sustain customers and bring in new customers.
- Expand distribution network to reach areas with scarcity in our fish products.
- Continuous expansion to provide further employment opportunities so as to improve living standards of the people within the business area and its environments.

1.6 Critical Success Factors

In order for Sariake Company Ltd to attain its goals,

- i. We will focus mainly on customers who are the core in our operations
- ii. Ensuring a stable and reliable fish products supply to our targeted market.
- iii. Experience of the directors in the fishing industry that gives us credibility.
- iv. The directors and employees have enough knowledge and experience in the fish business.

1.7 Entry and growth strategy

However much competition in business isn't that stiff, Sariake Company Ltd employs competitive pricing strategy to be able to win new customers while emphasizing quality products. The business also emphasizes cost effectiveness in order to recover all incidental costs before charging the price.

In order to continue growing and become sustainable, the following will always be done.

- Providing quality products and services that will keep customers and ensure repeat business.
- Empowerment through education (Capacity Building)
The company offers regular training to its employees through daily training courses and staff meetings organized to help them appreciate new knowledge and exposures
- Prompt payments.
Also the company has established credibility with bankers for being able to guarantee prompt and regular payment for the monies borrowed.

The Company intends to serve optimally the local market in Tanzania, but with time we expect that the business to grow into an international distributor of quality fish products.

1.8 SWOT ANALYSIS

1.8.1 Business Strength

- Good and focused management
- Good quality products and services
- Reliable products and services supply
- Strategic business positioning
- Knowledge of the local market and business acumen
- Team work
- Better strategies and structures in place

1.8.2 Business Weaknesses

- Inadequate capital to fully execute the project at hand

1.8.3 Business Opportunities

- Country's political stability that fosters business development
- Accessibility of funds from financial institutions
- Good infrastructure system which fosters business development and growth
- Regional integration that creates a common market
- Big and unexhausted demand

1.8.4 Business Threats

- Competition though not stiff especially emanating from other like minded companies
- Price fluctuations resulting from inflation

Sariake Company Ltd will always try to capitalize on the strength, take advantage/Exploit the opportunities, to curb the threats and alleviate the weaknesses with appropriate strategies like increasing its production capacity, improving the relationship with suppliers, strengthening working capital, timely delivery of orders and maintaining quality standards of products and services offered.

1.9 Exit strategy

In the case of unfavorable business environment in such a way that the business is required to be winded up, the following exit strategies will be applied:

- Customer and supplier placement strategy whereby, customers and suppliers will be smoothly handed over to another interested business as a going- concern to allow them to continue with their activities.
- Pay out any outstanding debts to creditors/suppliers.
- Collect any amounts outstanding from debtors.
- Sell all the inventory, machines and equipment to other firms in the same line of business.
- The organization can also be sold as a going concern to other firms or companies.

2.0 PRODUCTS / SERVICES

One of the consumer behaviors is to maximize utility at the possible minimum costs. Sariake Company Ltd is looking at this with serious attention so as to meet our customers' needs and expectations. In so doing Sariake Company Ltd will always provide products and services of the required quality and distributed according to the needs of our customers as well as affordable prices that will match with the products quality. Again Sariake Company Ltd will go for "after sale services strategy" to see the performance of our products, difficulties that consumers have faced and to see to what extent consumers are appreciating our products and services.

2.1 Product/Service Description

Sariake Company Ltd offers the following fish products:

- a) Whole fish
- b) Fish fillets
- c) Fish maws
- d) Plans to process milk in the old premises in the medium term

2.2 Unique Features of Product/Service

Sariake Company Ltd provides products of high quality that give our customers value for money. Our products shall be packed in high standard of packaging that portrays our company's image.

2.3 Raw Materials

The raw materials to be used in the project are fish that shall be;

- i. From our own fishermen this accounts for around 40% of the required quantities
- ii. From other fishing companies and individuals accounts for 60%.

2.4 Suppliers

Sariake Company Ltd in order to maintain its quality standards purchases its supplies from;

- i. Various fishing companies and individuals (fish mongers) around lake Victoria
- ii. The company owns boats for fishing tilapia and Nile perch from different islands in Lake Victoria like Chembaya Island, Yozu Island, Gosba Island, and Zilagwela Island.
- iii. The company also purchases fish from various fishing agents around Mwanza city

2.4.1 List of Suppliers and their supply capacities

- i. Revocatus 30 tons per month
- ii. John Sonz 20 tons per month
- iv. Manyama 15 tons per month
- v. Masota 25 tons per month

2.5 Expected capacity

S/No.	Product	Production Capacity in tons per day
1.	Whole Fish (85%)	17
2.	Fish Fillets (12%)	2.4
3.	Fish Maws (3%)	0.6
	TOTAL	20

2.6 Proposed Products

The project aims to increase the current production capacity of 6-10 tons per day to 20 tons and the company shall continue producing and supplying the following fish products;

- i. Whole fish
- ii. Fish fillets
- iii. Fish maws

3.0 THE MARKET

3.1 Industry analysis

Tanzania's economy is performing steadily, with anticipated real GDP growth of 7% over 2013-2020, exceeding the sub-Saharan average by a percentage point. Despite high reliance on the primary sector of agriculture, the main drivers of growth will be developing categories of telecommunications, financial intermediation and construction. Developments in various industries across the country will drive income growth, and are in turn expected to fuel personal consumption to a CAGR of 11% over 2013-2020. The opening up of the space (liberalization) has brought many players into play thus increasing the participation of different players into the various sectors of the economy. Market for drinking water and juice is big resulting from the increased population. The market is therefore attractive and open; however, marketing strategies are paramount in order to strengthen the customer base, bringing more customers on board and creating repeat business.

3.2 Market analysis

The current economy is stable emanating from its stable political situation; however, Sariake Company Ltd operates and shall continue to operate with a state of a strong economy stability as the products sold are highly demanded thus the business is expected to be profitable and cash flow stable and positive in this economic environment. Other factors related to the market are;

- a) The Market is liberal and accommodates all players.
- b) Unfulfilled customer demands
- c) Prices are determined by forces of demand and supply
- d) The competition in the market is minimal.

3.3 Market Segmentation.

Our market is segmented according to the products and services offered:

- **Whole fish:** this accounts for over 85% of all the company's income and our customers are;
 - i. Fish factories like Vick fish, Omega fish, Tan perch etc
 - ii. NGO's/International Companies
 - iii. Individuals
- **Fish fillets:** These are approximately 12% of the total sales and are;
 - i. Mining companies like Geita Gold Mine, Buzwagi mine
 - ii. Private institutions and individuals
 - iii. Customers from East African countries especially Kenya
- **Fish Maws:** Consists of 3% of the total sales, these are sold to various agents who collect the fish maws for Chinese companies.

3.3.1 List of current customers and their monthly order capacity

S/No.	Names	Order Capacity
1.	Priagati Sea food – Dar-Es-Salaam	50 – 100 tons
2.	Sanga Food - Mbeya	20 tons
3.	Amon - Iringa	30 tons
4.	Kipunyo Food - Arusha	10 - 20 tons

3.4 Competitor Analysis

3.4.1 Competitive landscape

The level of competition within our target market is moderate that we can face and meet our goals and objectives. The existing competitors are doing their best in product qualities, packing and other attributes related to their products so as to capture the available market but Sariake Company Ltd shall counter this competition by competitive pricing so as to meet the demand of all customers as indicated in previous pages.

3.4.2 Current Competitors

The company's immediate intention is to become one of the leading fish processors in Tanzania. However, the business faces competition that emanates from some of the renowned companies;

Table 1: Nile perch processing plants and their capacities

Name	Location	Year opened	Factory installed capacity(tons/day)	Current processing Capacity (tons/day)
Musoma Fish processors Ltd	Musoma	2002	70	40
Prime catch Ltd	Musoma	2001	150	40
Omega Fish Ltd	Mwanza	1997	15	5
Tanzania Fish processors	Mwanza	1994	150	100
Mwanza Fishing industries	Mwanza	1994	70	40
VIC Fish Ltd	Mwanza	1992	140	60
Nile perch fisheries ltd	Mwanza	1992	100	65
Tan Perch Ltd	Mwanza	1992	120	30
Mara Fish Ltd	Musoma		75	20

3.4.3 Competitive Advantages.

The following are the competitive advantages of Sariake Company Limited;

- Experience of the directors, having enough business knowledge and zeal to do business.
- The Lake Zone and Mwanza in particular neighboring East African Countries (Kenya, Uganda, Burundi and Rwanda) makes the market huge
- Sariake Company Ltd is planning to strengthen its strategic marketing and promotional activities as a means of retaining its current customers and winning prospective ones.
- Sariake Company Ltd is planning to have a more effective and efficient supply chain that will ensure timely delivery of products into the market and reliable supply of raw materials to be used at the new factory.

3.4.2 Barriers to Market Entry

Major barrier that Sariake Company Ltd faces especially for the market entry is high capital costs and adequate working capital. This business requires more capital to be able to start up the

new factory and later roll out its services to other regions and areas of Tanzania and outside Tanzania and in expanding its brand range. But Sariake Company Ltd with clear and defined strategies will influence the bankers to finance its current plan.

4.0 MARKETING STRATEGIES AND SALES

All strategies pertaining to marketing issues have been taken into considerations so as to meet our objectives. The opening up of the space (liberation) has brought many players into play thus increasing the participation of different players into the various sectors of the economy. The opening up of the space (liberation) has brought many players into play thus increasing the participation of different players into the various sectors of the economy. The market for fish is big resulting from the increased population. The market is therefore attractive and open; however, marketing strategies are paramount in order to strengthen the customer base, bringing more customers on board and creating repeat business

4.1 Market Segmentation

- **Whole fish:** This accounts for over 85% of all the company's income and our customers are;
 - i. Fish factories like Vick fish, Omega fish, Tan perch etc
 - ii. NGO's/International Companies
 - iii. Individuals
- **Fish fillets:** These are approximately 12% of the total sales and are;
 - i. Mining companies like Geita Gold Mine, Buzwagi mine
 - ii. Private institutions and individuals
 - iii. Customers from East African countries especially Kenya
- **Fish Maws:** Consists of 3% of the total sales, these are sold to various agents who collect the fish maws for Chinese companies

4.2 Targeting Strategy

Sariake Company Ltd is an established business with business associates of suppliers and potential customer, we will go for mass marketing strategy because we want to go after the market as a whole with one offer that answers common needs of our customers. With this

strategy Sariake Company Ltd meets the customers' expectations as many of our customers shall be testing our products at a right time and right place.

4.3 Positioning Strategy

Sariake Company Ltd always positions its products basing on;

- a) The quality of our products,
- b) Timely deliveries.

4.4 Product/Service Strategy

This is an interesting part where one firm gets power to kick out its competitor though it is not always easy to achieve as many of the business developers think. Sariake Co. Ltd shall adopt the best product packaging to differentiate its products with the other firms. This good designing of product packaging introduces our products in a successful way.

Our strategy will always be to sell our products within the range of customers' expectations in terms of quality, at the required time and expected location. This allows many consumers to access our products and purchase them. With this strategy Sariake Company Ltd will and is able to exploit the unexploited market in Tanzania.

4.5 Pricing Strategy

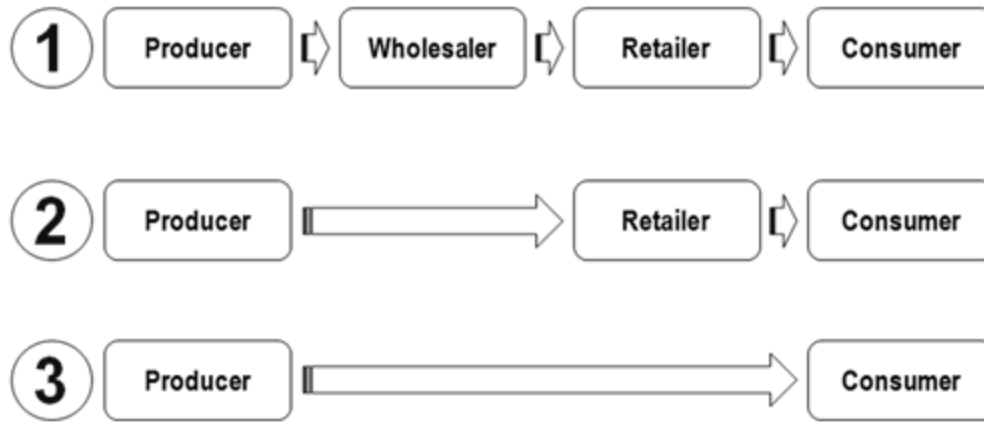
Competitive Pricing is our major pricing strategy. As explained before Sariake Co. Ltd will try to operate at the possible minimum costs of production so as to meet our pricing strategy.

4.6 Distribution Channels

Sariake Company Ltd aims at meeting the demand and expectations of all our customers. With this various method of products distribution will be used. There are number of factors that will be put into consideration when distributing our products. The following will be put into consideration:

- The nature of the targeted market
- The nature of the business as well as legal issues

Distribution channels that will be used



Channel 1: contains two stages between producer and consumer - a **wholesaler** and a **retailer**. A wholesaler will buy and store large quantities of our products and then deliveries to supply retailers with smaller quantities. From retailers our consumer will be able to access our products easily. This channel will be used to meet consumers of low income because they are part of our objective and those consumers who are in hard geographical locations.

Channel 2: will contain one intermediary. In consumer markets, this is typically a **retailer**. Retailers will be purchasing our products also in large quantities, and then final consumers will be getting our products from these retailers. This channel will be used due to the nature of competition and the size of the market share available. This second channel will be used in both rural and urban areas to meet both people of low income and medium level of income.

Channel 3: is called a "**direct-marketing**" channel, since it has no intermediary levels. Our customers will be accessing our products direct from our factory. This will be used to serve those heavy users such as big hotels, restaurants as well as big super markets. A direct distribution approach often works best for a product that the end consumer wants providing to a distinct specification like our products.

Note: Wholesalers and retailers will be providing marketing research information down and up the supply chain. Again they will play part in promoting our products.

4.7 Promotion Strategy

In case of promotion both push and Pull strategies are used.

A "**push**" promotional strategy makes use of our business sales force and trade promotion activities to create consumer demand for our products. We will always promote our products

directly and through our intermediaries to our customers thereby ensuring affordable prices thus low prices for our products.

A “**pull**” selling strategy is the next strategy Sariake shall use. This requires high spending on advertising and consumer promotion to build up consumer demand for our products.

4.8 Sales Strategy

Our products shall be distributed as explained in the distribution channel listed above. Sariake’s main objective is to maximize profit by meeting the customers need. This is done by supplying our products to all places where they are demanded at a right time so as to meet customers’ expectations.

5.0 DEVELOPMENT AND EXPANSION STRATEGY

5.1 Development Strategy

The only work remaining in the development of Sariake’s new fish processing factory project includes the following.

- i. Execute all construction works and all other civil works
- ii. Acquiring the necessary plant and machinery
- iii. Acquiring the necessary furniture, fittings and office equipments and working capital

The main factor limiting the development of Sariake Company Ltd is insufficient investment capital which hinders the execution of this business plan.

Obtaining the required funds will lead Sariake Company Ltd to overcome the investment capital challenge that is crucial for the implementation of this plan.

5.2 Expansion Plan

Sariake Company Ltd will continue to expand through;

- i. Increasing the company’s advertising budget via re-investing in after tax cash flows of the business.
- ii. Expanding the company’s operations by constructing a new and modern fish processing factory at Pasiansi area, this will increase the company’s income source base

6.0 ORGANIZATION PLAN

6.1 The Organization

The overall management of the Company is vested in the Board of directors which is charged with the task of formulating from time to time its policies and providing general guidelines to top management and its related technical departments in ensuring the smooth centering of all realistic decisions relating to social, economic and manpower development.

In order to ensure efficiency of staff, management continuously motivates staff and always tries to build capacity in areas of customer care and quality. Bonus and other incentives are means of boosting employee's morale.

6.2 Management Structure:

Sariake Company Ltd shall have five departments, these are; Production department, Marketing department, finance and administration department, supplies and transport department as well as business development. Each department has limit of authorities and report to Managing Director.

6.3 Departments

6.3.1 Production department

The production department is responsible for converting raw materials and other inputs into finished goods or services. In between the processes of production, the department works to improve the efficiency of the production or assembly line so that it can meet the output targets set by company management and ensure finished products offer consumers the best value and quality

6.3.2 Marketing department

This will be responsible for Managing Sales, Distribution of the Products and looking for orders. They always communicate to customers through sales Promotion and advertising the Products.

6.3.3 Finance and administration department.

Are responsible for preparation of Capital Budget, Prepare Financial Statement, Cash Flows Statements, Income Statements, keep and maintain Books of accounts as well as issue Payments to various activities such as Salaries and Wages to labors paid in Weekly and Monthly basis. This department is headed by the accountant.

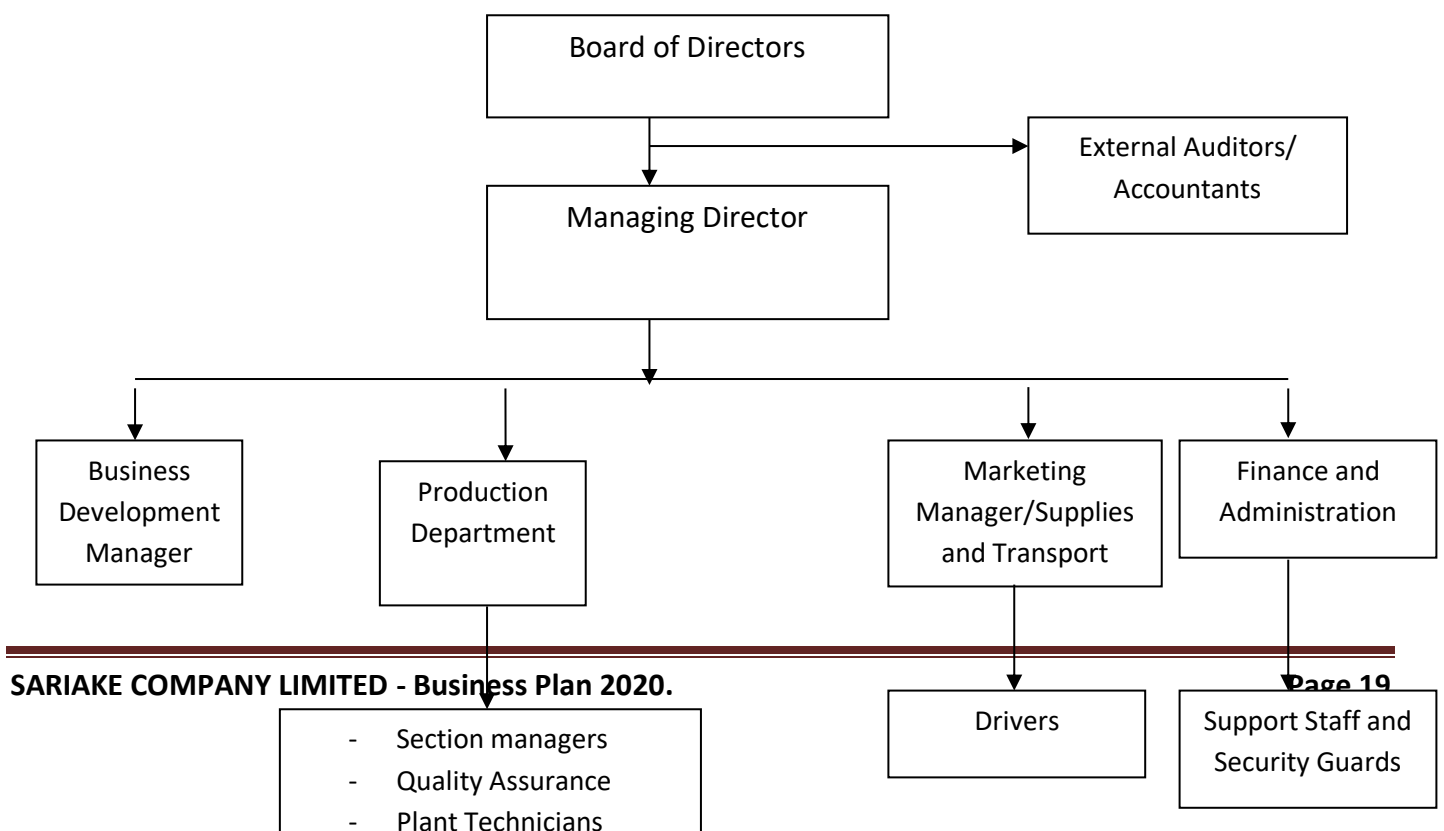
6.3.3 Supplies and Transport department.

Is responsible for arranging orders, manage the supplies centers, stores, transport, acquisition of products, inventory Management and Control and other needs. Marketing manager is in charge of this department also.

6.3.4 Business Development Department

The Business Development manager shall manage this department, he shall work to improve the organization's market position and achieve financial growth. He shall define long-term organizational strategic goals, builds key customer relationships, identifies business opportunities, negotiates and closes business deals and maintains extensive knowledge of current market conditions. He also works with the internal team, marketing staff, and other managers to increase sales opportunities and thereby maximize revenue for the organization. To achieve this, the business development manager needs to find potential new customers, present to them, ultimately convert them into clients, and continue to grow business in the future. He also helps to manage the existing clients and ensure they stay satisfied and positive. They call on clients, often being required to make presentations on solutions and services that meet or predict their clients' future needs.

6.3.5 Organization Chart.



6.3.5 Company ownership structure

Sariake Company Ltd is owned by 2 shareholders. Their details are as shown below;

Names	% shares	Nationality	Date of birth
1. John Francis Saria P. o Box 11908, Mwanza, Tanzania E-mail: satonata13@gmail.com Tel: +255-787-496-342	50%	Tanzanian	23 rd /09/1973
2. Sozzy Yusuph Mussa P.o Box 11908, Mwanza, Tanzania E-mail: yusuphsozzy@yahoo.com Tel: +255-743-547-484	30%	Tanzanian	27 th /10/1975
3. Unallotted shares	20%	<u>Tanzanian</u>	

6.3.5.1 Managing Director

Mr. John Francis Saria works in the capacity of managing director of Sariake Co. Ltd, he heads the management team with other departmental heads as shown above, his roles and responsibilities are but not limited to;

- Being accountable for the overall performance of the Business and for the day-to-day running and management of the business.
- Supervision and monitoring of Business strategies
- Manage the day-to-day operations of the Business
- Manage, motivate, develop and lead employees.
- Manage resources efficiently and effectively to achieve the business's objectives

6.4 Management Structure and Style

Sariake Company Ltd is under the unique management structure which provides it with competitive advantage based on the factor that its organized based on upward and downward

communication which facilitates easy flow of information to and fro across all managerial departments.

6.5 Recruitment and Training

Recruitment is done competitively through advertisement and interviewing the potential candidates. The recruited staffs have the minimum training requirement for the job. However, regular updating is done through sending of staff to relevant short courses offered by various training institutions

The recruitment exercise is and shall be conducted in the competitive environment to ensure the right person to have the right position. This also enables our business to achieve its desired goals and objectives by creating value to our customers and become the leading fish processing company in the Lake Zone and Tanzania in general. The following are the summary of job to be created by the project:

Employment	Foreign Skilled	Local Skilled and Semi skilled	Local Unskilled	Total
Women	NIL	6	9	15
Men	NIL	9	6	15
TOTAL	NIL	15	15	30

6.6 Relevant regulations

Sariake Company Ltd is fully and shall be registered with;

- i. The workers compensation fund (WCF)
- ii. TFDA
- iii. C.T.I
- iv. NSSF

7.0 INVESTMENT AND FINANCING

The company shall construct a modern fish processing factory with a capacity of 20 tons per day and enough storage space to accommodate over 100 tons of fish and in order to have all facilities in place the company requires US\$799,124 as detailed below;

Description	Amount in US\$
Land and Buildings	421,324.62
Machinery & Equipment	277,800.00
Motor Vehicles	65,217.39
Furniture & Fittings	13,043.48
Pre exp	NIL
Others	NIL
Working Capital	21,739.13
TOTAL	799,124.62

7.1 Financing Plan

The above business plan has been financed by both Equity and Long term debt from DTB bank

i.	Equity –Owners contribution	US\$ 355,389.56
ii.	Bank Loan-DTB Bank (5 year loan)	<u>US\$ 443,735.06</u>
	TOTAL	<u>US\$ 799,124.62</u>

7.2 Term Loan

a) Loan Terms

- Loan amount: US\$ 443,735.06
- Loan Period: 60 months
- Loan Interest: 17%
- Grace period: 12 months to cover the construction period

7.3 Loan Security

In order to secure funding Sariake Company Ltd offers the following Landed properties;

- i. Factory Landed Properties located at Pasiansi area, Mwanza shall form security of the loan in application

N.B:

- a) The above factory on completion shall have a value adequate to cover the requested loan and will ensure the risk against the loan is minimal as much as possible
- b) The above collateral shall be in the possession of DTB bank and shall transfer hands when the requested loan is fully liquidated

7.4 Loan Management

The company will use all the proposed loan of US\$ 443,735.06 for the purposes as described in this business plan. Through timely disbursement of the above facility, the company expects to finish the construction works and have all the machines fully fitted to start operations, we anticipate within 6 months the project should be inaugurated.

8.0 RISKS ANALYSIS.

The above business like any other business has risks that can be controlled not to happen if properly mitigated. The identified risks and their mitigating factor are as follows;

1. Theft – day and night security to be employed
2. Fire, Accidents and other Risks – a comprehensive insurance policy shall be sought
3. Competition – Increasing product attributes to out compete them
4. Price fluctuation-flexibility in production to be able to counter any price changes

9.0 SOCIAL AND ECONOMIC ASPECTS OF THE BUSINESS

Notwithstanding the financial returns to the owners there are other benefits of the business like,

- i. Employment opportunities
Employment and poverty reduction are among the major concerns of the central government. It's therefore important to note that the business is providing employment directly and indirectly to many others. This is a significant contribution coming from local investors like Sariake Company Limited. The company shall employ 30 people of which 10 shall be skilled, 5 shall be semi skilled and 15 shall be unskilled/locals or casuals looking for daily earning.
- ii. Revenue to Government through taxes and Licenses
The company facilitates the availability and provision of services by government through a non quid-pro-quo payment of tax, fees and licenses annually. Taxes like corporation tax, PAYE, SDL, WCF, Service levy and any withholding tax to be charged

10.0 FINANCIAL ANALYSIS

10.1 Considerations and Assumptions:

Taxation and Depreciation

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.

10.2 Production and Revenue Assumptions

It is assumed that the market and other investment and business environment will remain stable, predictable and favorable to investor. Revenues have been conservatively estimated based on experience of the promoters and trends in the fisheries industry.

10.3 Project Profit and Loss Account

For projection purposes, it is assumed that the economic life of the project is six years, and that production commence from the first year of operation, accumulated profit grow from **US\$ 132,528** in the first year to **US\$1,003,082**, in sixth year of operation

10.4 Projected Cash Flows

This is shown in the financial statements. The project accumulated cash flow gradually increase from **US\$194,002** in the year first year of operation to **US\$ 1,276,026**. the sixth year.

10.5 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Owners' equity of the project increases from **US\$ 0** in the first year of operation to **US\$ 363,233** in the sixth year.

10.6 Projected payback period

Total investment is **US\$ 799,124** cash accumulation in year sixth year is **US\$947,215** which is more than the initial investment by **US\$ US\$ 148,091** the project payback Period is within 5 years,

11.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project once been approved it is estimated the project to be implemented as below:-

	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	July 2020
2	Funds Mobilization	Ongoing
3	Machinery ordering and installation	August-July 2021
4	Testing	July- August 2021
5	Commercial Operations	September 2021

12.0 Conclusion

- a. The business is profitable and contributes to government revenue by way of taxes
- b. The business shall employ people all of whom are Tanzanian nationals
- c. The business is a clear manifestation of the country's efforts to encourage local investors and the readiness of the people to seize such opportunities.

13.0 Recommendation

After undergoing an economic and financial evaluation of the above project, we strongly recommend that this business be given full financial support as it is viable, feasible, economically sound and environmentally clean.

APPENDIX I

SARIAKE COMPANY LIMITED PROJECTED INVESTMENT COST

Description	Amount in US\$
Land and Buildings	421,324.62
Machinery & Equipment	277,800.00
Motor Vehicles	65,217.39
Furniture & Fittings	13,043.48
Pre exp	NIL
Others	NIL
Working Capital	21,739.13
TOTAL	799,124.62

APPENDIX II

SARIAKE COMPANY LIMITED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4	5	6
Land And Buildings	421,324	412,898	404,471	396,045	387,618	379,192
Machinery, Tools & Equipment	277,800	274,328	270,855	267,383	263,910	260,438
Motor Vehicles	65,217	48,913	47,608	46,304	45,000	43,696
Furniture & Fixtures	13,043	11,739	10,434	9,130	7,826	6,522
Total	777,384	747,876	733,369	718,861	704,354	689,846
DEPRECIATION	1	2	3	4	5	6
Land and buildings	8,426	8,426	8,426	8,426	8,426	8,426
Machinery tools & Equipment	3,473	3,473	3,473	3,473	3,473	3,473
Motor Vehicles	16,304	1,304	1,304	1,304	1,304	1,304
Furniture & Fixtures	1,304	1,304	1,304	1,304	1,304	1,304
ANNUAL DEPRECIATION	29,508	14,508	14,508	14,508	14,508	14,508

APPENDIX III

SARIAKE COMPANY LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5	6
Revenue	880,000.00	924,000.00	970,200.00	1,018,710.00	1,069,645.50	1,123,127.78
Cost of Sales	528,000.00	554,400.00	582,120.00	611,226.00	641,787.30	673,876.67
Operating Expenses	101,200.00	106,260.00	111,573.00	117,151.65	123,009.23	129,159.69
Profit before Depreciation &Interest	250,800.00	263,340.00	276,507.00	290,332.35	304,848.97	320,091.42
Interest	31,965.00	25,572.00	19,179.00	12,786.00	6,393.00	0
Depreciation	29,508.00	29,508.00	29,508.00	29,508.00	29,508.00	29508
Net Profit	189,327.00	208,260.00	227,820.00	248,038.35	268,947.97	290,583.42
Tax (30%)	56,798.10	62,478.00	68,346.00	74,411.51	80,684.39	87,175.02
Profit After Tax	132,528.90	145,782.00	159,474.00	173,626.85	188,263.58	203,408.39
Accumulated Profit	132,528.00	278,310.00	437,784.00	611,410.85	799,674.42	1,003,082.81

Appendix IV

SARIAKE COMPANY LIMITED PROJECTED CASH FLOW " US\$"

	0	1	2	3	4	5	6
SOURCES:							
Profit before interest and depreciation		250,800.00	263,340.00	276,507.00	290,332.35	304,848.97	320,091.42
Loan	799,124.62	-	-	-	-	-	-
Total Sources	799,124.62	250,800.00	263,340.00	276,507.00	290,332.35	304,848.97	320,091.42
Applications:							
Capital expenditure	777,384.00	-	-	-	-	-	-
working Capital &Others	21,740.00	-	-	-	-	-	-
Cash	0	194,002.00	200,862.00	208,161.00	215,921.00	224,164.00	232916
Tax	-	56,798.10	62,478.00	68,346.00	74,411.51	80,684.39	87,175.02
Sub total	799,124.00	250,800.10	263,340.00	276,507.00	290,332.51	304,848.39	320,091.02
Total applications	799,124.00	250,800.10	263,340.00	276,507.00	290,332.51	304,848.39	320,091.02
Accumulated cash		194,002.00	394,864.00	603,025.00	818,946.00	1,043,110.00	1,276,026.00

SARIAKE COMPANY LIMITED PROJECTED BALANCE SHEET " US\$"

Fixed Assets		1	2	3	4	5	6
Opening balance	-	777,384	747,876	733,369	718,861	704,354	689,846
Total Long-term Assets	-	777,384.00	747,876.00	733,369.00	718,861.00	704,354.00	689,846.00
Less depreciation	-	29,508.00	29,508.00	29,508.00	29,508.00	29,508.00	29508
Closing balance	-	747,876.00	718,368.00	703,861.00	689,353.00	674,846.00	660,338.00
Working capital	21,740.00	21,740.00	21,740.00	21,740.00	21,740.00	21,740.00	21740
Accumulated cash	-	194,002.00	394,864.00	603,025.00	818,946.00	1,043,110.00	1,276,026.00
Total assets	21,740.00	963,618.00	1,134,972.00	1,328,626.00	1,530,039.00	1,739,696.00	1,958,104.00
Financed by							
Equity	-	-	-	-	-	-	-
Net profit	-	132,528.90	145,782.00	159,474.00	173,626.85	188,263.58	203,408.39
Total equity	-	132,528.90	145,782.00	159,474.00	173,626.85	188,263.58	203,408.39
Long term loan	-	799,124.62	639,299.62	479,474.62	319,649.62	159,824.62	159,824.62
Total debts	-	799,124.62	639,299.62	479,474.62	319,649.62	159,824.62	159,824.62
Total equity and debts	-	931,653.52	785,081.62	638,948.62	493,276.47	348,088.20	363,233.01

Appendix VI

SARIAKE COMPANY LIMITED PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	132,528.90	29,508.00	162,036.90	162,036.90
2	145,782.00	29,508.00	175,290.00	337,326.90
3	159,474.00	29,508.00	188,982.00	526,308.90
4	173,626.85	29,508.00	203,134.85	729,443.75
5	188,263.58	29,508.00	217,771.58	947,215.33

SARIAKE COMPANY LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Repayments US\$				
Year	principle	Loan Interest (4%)	Total Amount Paid	Loan Balance
0				799,125
1	159,825	31,965	191,790	639,300
2	159,825	25,572	185,397	479,475
3	159,825	19,179	179,004	319,650
4	159,825	12,786	172,611	159,825
5	159,825	6,393	166,218	0
TOTAL	799,125	95,895	895,020	