



Medical Supplies

Business Plan-2020

Msagara Investment Company Limited

**Bagamoyo
Tanzania, East Africa**

*Prepared by
Dr.Amir Binzoo
P.o.Box 15711
Dar es Salaam
Tanzana
Cellphone:+255 754 385 595
Email:info@msagara.com
www.msagara.co.tz*

Business Plan

ACRONYMS

TIB	:	Tanzania Investment Bank
MICL	:	Msagara Investment Company Limited
URT	:	United Republic of Tanzania
EA	:	East Africa
MSD	:	Medical Stores Departments
IFRS	:	International Financial Reporting Standard
CFL	:	Cash Flow
DCF	:	Discounted Cash Flow
DF	:	Discount Factor
NPV	:	Net Present Value
SADC	:	Southern African Development Community
CEO	:	Chief Executive Officer
SHIRECU	:	Shinyanga Region Cooperative Union
NCU	:	Nyanza Cooperative Union

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Executive Summary

1.1 Company.

Msagara Investment Company Limited, MICL is a medical product company focused on the field of quality medical, surgical and hospital products. Msagara Investment Company Limited (MICL) is registered under certificate of registration number 88605 under company act 2002 January 13th, 2012. It is certified by TRA, TFDA, TBS, NEMC and legally allowed to manufacture all kinds of Gauze. It's located in Dar es Salaam, owned and controlled by Tanzanian citizen.

1.2 Legal Business Description.

Msagara Investment Company Limited, MICL was founded January 13th, 2012 and commences its business September 19th, 2013. Current main business is manufacturing absorbent cotton gauze, cotton gauze bandage, dental gauze sponge, laparotomy sponge, sterilized gauze swabs, paraffin gauze and elastic bandage. The company employs over 20 workers in different departments within the factory. Share holders of the MICL include Dr. Ameir Ally Said Binzou and Faraj Ally Said Binzou.

I, Dr. Ameir Ally Said Binzou a senior professional surgeon doctor of medicine and also experiences business entrepreneur including owner and director of JMP Hospital, located at Magomeni Kagera, Dar es Salaam.

Mr Faraj Ally Said Binzou is a Tanzanian business man at executive level. He has been in business for about ten years undertaking activities commercial and industrial business including several Petro stations located in Dar es Salaam and upcountry. MICL is located at Mwananyalama Kwa Kopa, Kinondoni, Dar es Salaam, email; info@msagara.com, website: www.msagara.co.tz.

1.3 Our Mission Statement.

To become the leading manufacturers of medical disposable products in the market of Medical Supplies products in URT, EA and Southern Africa at large by producing high quality products at a reasonable price, making it affordable for both Government and private hospital. As our prime factor not only targeting market but also creating job opportunities.

1.4 Our Vision Statement

Leading industrialization of Tanzania and neighbour country, implementing strategic industrial development project partnership with user.

1.5 The Product & Services.

The main objective of MICL is to manufacture and sell high quality gauze, bandage and associated products in accordance with technical specifications, for

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the requirements of national and international standards and regulations that fully satisfy the customers' needs and expectations.

Our plan is to continue producing superior quality of medical disposable products for different medical procedures and uses. MICL has been manufacturing medical disposable products including Absorbent cotton gauze, laparotomy sponge, gauze bandage, sterilized gauze swabs, paraffin gauze and elastic bandage for about five years and its factory is located in Mwananyamala Kwa Kopa. Due to huge demanding of hospital and medical products within URT and in EA, In MICL, we intend to expand our operation by introducing new manufacturing machinery from China, which has a capacity of producing 70 tonnes per month of JUMBO ROLL or 13,200 JUMBO ROLL per year. Currently we are importing from China about 1,200 rolls per year as a raw material for manufacturing our products.

Hence, we believe that managing to acquire that machine will dramatically increase our production to meet required market, and as well as will be in a good position to introduce a new product in market like P.O.P

MICL is planning to maximize its production after higher demand in the market, therefore MICL managed to acquire land in Bagamoyo District, Kiromo ward at Kitopeni area, of which a new factory will be installed, because current factory is located in a small area. It should be understood that the main reason of this business plan is to secure Bank Loan just acquire a JUMBO ROLL MAKING MACHINERY from China. Currently we are importing Jumbo Roll material from China of which about 1,200 rolls per year are used. The cost of import range between TZS 621,000.00 to TZS 703,600.00 per Jumbo Roll.

A material used in making Jumbo Roll is a cotton yarn, of which is much available in our country because of the availability of the cotton in our country. Therefore, if we managing to install the Jumbo roll making machinery, we expect to produce around 50 rolls per day, by the price of TZS 621,000.00 per roll we will be saving about TZS.8.1 billion per year on importation. However, we will be in a capacity of produce hospital cotton as well.

1.6 Our Customers.

We have several customers in the country, including some sole proprietor, as well individual pharmacy, although our target is to supply our products not only in URT but also within the East Africa countries and some SADC member countries at large.

Gratefully we have signed contractual agreement with MSD amounted to TZS 390 million per year to supply Gauze bandage. Although there is room to supply other products to MSD for the next coming years.

1.7 Market Analysis.

Based on our research within URT and EA kind of that industry has not yet established, we are the first one to operating and to produce these medical disposable products.

Our target will be customers within URT and EA for both government and private health service providers. As per MSD database and other reliable information from private wholesaler and retailer of medical consumables products, these products are highly stock moving items.

1.8 Market Strategies.

We expect some competition from importer of similar products from China and India, but we have a competitive advantage because of our speed to market within URT and EA, as well as unique products, established brand name, and low cost producer status.

The greatest risks we may have in this business can be market risk or pricing risk, but we can overcome these risks because of experiences we have accumulated and goodwill based on our current customers.

The opportunities before us are significant; we have the opportunity to dominate a position in the marketplace, become a major force in the industry as long we will manage to manufacturer all products in a large quantity.

In a view of the growth in the health care facilities network, increase in the demand for various medicines and non-medicine items and upcoming industrial development in URT, it has been realized that some of the requirements for hospital supplies could be manufactured in the country. This approach would provide higher level of efficiency and sustainability to health care sector as well as help in the industrial development of the country.

1.9 Management.

Our factory currently consists of Chief Executive Officer Dr.Ameir Ally Banzou, General Manager Mr Bahatisha Mashaka. Additional key leaders will include of Finance and Administration Manager, Technical and Production Manager, Marketing and Sales. However we do have several extremely qualified candidates interested in joining with us in this new venture.

1.10 Financial Plan & Source of Funds.

The currently, we have invested about TZS 866,000,000.00 for this business including land and building, plant and machinery installation, just a small factory for manufacturing medical gauze. Therefore, we are seeking for Bank Loan for factory expansion just to meet our growing market demand. The table below is the analysis of current investment costs.

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Table No.1

No.	Category Item	Market Value(TZS)
1.	Land & Building	248,000,000.00
2.	Plant & Machinery	618,000,000.00
	Grand Total	866,000,000.00

Therefore the purpose of this business plan is to raise TZS 4,000,000,000 through Bank Loan with TIB for the developing and manufacturing of new medical factory at Bagamoyo industrial area. As MICL, we have already acquired land for factory building and other facilitates like water, electricity are available for machinery installations, technologies and manpower. The size of the land at Bagamoyo is 1000 square meters, however the title deed is in the process, but the master plan of the area is available.

At Bagamoyo, Kiromo ward industrial area;

- Land acquired costs TZS 120 million
- Ongoing construction costs TZS 250 million
- Other infrastructure available including;
 - i) Water
 - ii) Electricity
 - iii) Road

However, despite the availability of electricity in Bagamoyo Kitopeni area, the standby generator of 200KW and transformer of 400KVA will available also to speed up production.

1.11 Proposed Collateral

The proposed collateral to secure the loan among others will *include* land and building at Bagamoyo, imported machines, current factory which includes land, building machines, and other family assets like land, buildings and insurance premium. For an analysis as per table below.

Table No.2

No.	Category item	Market Value(TZS)
1	Machines to be imported	4,000,000,000.00
2	Land & Building at Bagamoyo	1,495,000,000.00
3	Current factory(Land, Building & Machinery)	866,000,000.00
4	Residential Houses Located at Mwanayamala and Bagamoyo	470,928,475.00
5	Insurance premium	48,000,000.00
	Total Value	6,879,928,475.00

1.12 Jumbo Roll Material

Material used in production of our products is cotton yarn, since the Cotton production in Tanzania has increased due to increased investment in the crop and strengthened regulation of agricultural inputs. Therefore, installation of Open End Spinning Production Line Machine, it will help us to process cotton to cotton yarn. We have establish the contact to the regions were cotton is growing like Simiyu, Shinyanga, Mwanza, Singida and other regions. The cotton can be acquired through farmers' cooperative society like SHIRECU, NCU or Licensed Authorized Agent. The price of the cotton per kilogram sometimes varies as per World economy, but the current selling price is Tshs 2,760 per kilogram.

Products & Services

2.1 Description.

MICL is currently setup unit for the manufacturing of hospital supplies including absorbent cotton, laparotomy sponge, gauze bandages, elastic bandage, paraffin gauze, sterilized gauze swabs and P.O.P in the future, mainly to cater to the government and private demand of hospital supplies. These products are made up of cotton and other raw materials.

The technologies for the production of these products are relatively simple technologies.

The production of absorbent cotton, laparotomy sponge, gauze bandages, elastic bandage, paraffin gauze, in the proposed unit has been envision from cotton and gray fabric as the starting raw material and the factory has to carry out the bleaching, washing, cutting of the fabric and packaging operations. This operation is relatively simple and is normally easily adapted by the workers with some initial training. To begin with the services of experience persons in this line of production need to be availed by the factory. In all products the persons having sufficient on the floor experience in a similar production factory need to be employed, so as to produce the quality products meeting the requirement of standards

In the first phase the factory normally start with the grey fabric as the basic raw material and carry out bleaching, washing, cutting and packaging and sterilization operation. In the latter phase, the unit may install the fabric weaving looms and start with the cotton yarn as their raw material. We then inspect and test our products for quality assurance.

2.2 Features & Benefits.

Quality and model of our products will be the key to distinguishing and drawing attention to our company. Once we have a particular industry or customer's attention, we will sell them on our fast turnaround, exceptional quality, unparalleled customer service and competitive pricing.

Obviously, speed, quality, service and price are qualities most of our competitors will list in their mission statement. However, MICL will from the beginning invest in top quality, highly sophisticated machinery as well as implement innovative operations policies. These steps will ensure our ability to deliver beyond normal industry standard and surpass our customers' expectations saving them time.

2.3 Competition.

Our competitors are companies that provide similar services as MICL's products. There are far too many competitors to list specifically those imported products from China and India.

However, the vast majority of our competitors are imported similar products, but they will not have competitive price as MICL because all of our products will be made within raw materials available in URT and will invest current technological machineries and implementation modern operational system.

2.4 Distribution, Advertising and Promotion.

MICL is registered in MSD, Initially the products will be distributed through existing wholesale channels and other direct to MSD. We will maintain a low distribution costs.

The promoters have allocated 4% of turnover as marketing budget. The product will primarily be promoted through news paper, sign boards, television & radio advertisements, website and other available magazine and will establish direct mail contact with Production Managers and Health and Safety Officers of target businesses. The promoters have to engage the services of a professional marketing and sales consultant.

2.5 Development.

As our company grows, we plan to expand our facility and create another manufacturing plant in future. However, we will focus on market demand within URT and East African on which category of plan to be expanded, although our plan still will be on hospital supplies and other hospital equipments. In addition, we will stay a top technology trends and upgrade equipment and processes as needed and as can be afforded. We will also continue to research and pursue shares of existing markets such as investing in pampers, syringes, sutures etc.

2.6 Description of Technology & Product Production Process

Technology of those machines is not complicated even the materials used to process the products, its a simple material and easy available in our country is just a cotton brought from farmers, processed by machines, to produce all items. The Production process of our products normally is done in a simple process is not complicated like a rocket science, is just Jumbo Roll material is required. Below is the some description of the production of our products in brief.

(i) Absorbent Cotton Gauze

First step, How to produce absorbent cotton gauze, material required is just a Jumbo roll gauze size of 1.2meters to 3000meter

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Second step, Then introduce to the cutting rewinding machinery, but the cutting will be based on different size of the products intends to produce. Therefore the will be ply 8, 12 & 16 size.

Third step, through the folding machinery, the production of absorbent cotton gauze will go on. The final step. Is packing products in each packing contains 100 pieces of swaps.

(ii)Laparatomy sponge

First step is the same as above in absorbent cotton gauze.

Second step, is to cut Jumbo roll on three sizes; large, medium and small size.

Third step, is setting machinery in two categories, that is large setting is 30 centimetres and for medium and small, machinery setting 24 centimetres.

Fourth Step, the laparatomy sponge will pass through the sewing machinery and then ply 14 manual. The final step, is the packing laparatomy sponge.

(iii)Gauze bandage

First step is the same as absorbent cotton gauze.

The second step is applied to the rewinding and cutting machinery for very 4 meters of jumbo roll.

Third step is to cover the bandage gauze.

The final step is selecting, cutting machinery at different size either by 7.5 centimetres by 4centimetre or 15 centimetres by 4centimetre, and pack the bandage gauze in one dozen in each box.

(iv)Elastic bandage

It's just an elastic yarn, but the process is the same as the bandage gauze.

(v)Paraffin gauze

It's just cotton gauze swabs we pass them through a liquid known as paraffin solution, but the process is the same as gauze swaps.

(vi)Sterilized gauze swabs

It's just cotton gauze swabs, after packing we insert for the temperature sterilized by using Ethylene Oxide (ETO) gas.

Market Analysis

Msagara Investment Company Limited intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of the business.

3.1 Marketing Objectives

- Establish relationships with hospitals, inpatient/outpatient facilities, assisted living facilities, health services and physician offices.
- Implement a local campaign with the Company's targeted market via the use of flyers, local newspaper advertisements, and word of mouth advertising among consumers.
- Develop an online presence by developing a website and placing the Company's name and contact information with online directories

3.2 Market Size

A wide range of products both medicines and non drug items are required as consumables in hospitals and basic health units. In URT majority of these items are procured by Medical Stores Department and then supplied to hospitals and sometimes other items are procured directly by hospitals. The list of consumable items required by hospitals particularly medicines is quite exhaustive and the demand level keeps on changing depending on the requirements and health programmes conducted both in private and government. However, certain items are consistently required in large quantities and constitute major portion of hospitals supplies in terms of consumables. Some of these items being include the following:-

- Absorbent Cotton Gauze
- Laparatomy sponge
- Gauze bandage
- Elastic bandage
- Paraffin gauze
- Sterilized gauze swabs
- P.O.P (in our future plan)

Gauze and bandages in various sizes and surgical cotton rolls are mainly procured MSD, for distribution to various Government hospitals & basic health provider all over URT. Some quantity of bandages and surgical cotton is also imported by private trade channels and marketed through private medical stores in various area of Tanzania. Presently, the entire requirement, both for hospitals and medical stores is being met through imports as there is no indigenous production of these items in Tanzania. Besides medical applications, absorbent cotton finds many other applications and this product has a good potential for sales. With the emerging scenario of health care sector in Tanzania, the demand for these items is likely to grow at a fast pace.

3.3 Marketing Strategies

In our marketing policy, it is quite relevant to mention that in the current circumstances, the government's health providers happens to be the major buyer of these products and In MICL, we will work in close co-ordination with the concerned authorities with a view to ensure that their products meet the quality standards prescribed by the government and products have competitive in prices. As the local requirement is meeting with required demands, MICL will strongly explore the possibilities of export of their product to neighbouring markets. This would enable them to achieve the economics of production and be competitive in the market. In the existing scenario of market, the following marketing strategies need to be adopted by the MICL including, marketing to hospitals as some of the hospitals are directly procuring these products, The MICL needs to get its new products approved as per relevant standard and specifications of the Ministry of Health, Government of Tanzania, Sales to medical stores through medical / sales representatives, export to adjoining markets in East Africa Countries and other countries

However, MICL intends on using a number of marketing strategies that will allow its products to easily target the business plan within the target market. These strategies include traditional print advertisements and ads placed on search engines on the Internet. MICL will also use an internet based strategy. This is very important as many people seeking specialized products, now the Internet to conduct their preliminary searches. The Company will also develop its own online website showcasing the operations, inventories, contact information, and preliminary pricing information .The Company will maintain a sizable amount of print and traditional advertising methods among local and regional medical publications so that hospital and practice administrators can become aware of the MICL products.

3.4 Sales Strategy.

MICL will build a sales team focused on securing new business in the short and long term. The sales team will be motivated by commissions and performance-based bonuses.

Under the direction of executive management, we will employ an outside sales staff as well as an inside sales staff, which will be cross-trained to handle general customer service calls. The outside sales staff will focus primarily on trade show attendance, comprehensive follow up, relationship building, closing deals, and securing referrals.

3.5 Competitive Advantages.

By relying on our technology and an activity-based costing system, rather than a time-based system, we will be able to maintain competitive prices and sustain high profitability.

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In our competitive unique market, particularly in URT, qualities are very important. Our target customer is not making selections based on price. The high-tech, innovative aspect, the easy to implant aspect, the reduced time of procedure, the anatomical shape, the physiological process and the clinical results are more important than pricing.

However, all of our products the entire manufacturing process has to be adopted starting from raw ginned cotton. The competitive advantage factors of the indigenous production over the imported products could be summarized as under: -

- Better inventory control management leading to lower cost of production, the production can be planned as per demand.
- The concerned agency from the stakeholder could also minimize their inventory cost as the products could be procured at a short notice from the factory as per demand.
- Against the bulk order from the MSD and other private medical supplier to individual hospitals based on their demand could also be explored resulting in saving in the transport and the inventory and storage costs.
- Direct purchase of raw materials and raw ginned cotton and grey material at most competitive rates leading to lower input cost.
- Lower cost inputs in terms of power, transport and labour.
- Value addition leading to saving of foreign exchange.

Keeping in view these competitive advantage factors, it is predicted that the factory would be able to capture a substantial market both in government supplies as well as in the open market sales.

3.6 Market Potential & Product Range.

The demand of Hospital supplies is directly related with the increase in population and expansion of public health services in the country. The demand of our products like absorbent cotton gauze and laparotomy sponge increases with the increase in population and number of hospitals, dispensaries, nursing homes, health care centers etc. Progressive increase in health amenities offered by Government and coming up of new hospitals and health care centres in private sector even at small towns are contributing to the growth of absorbent cotton industry. Government hospitals and private hospitals are the largest consumer for cotton wool.

With the development of medical facilities and growing awareness towards personal hygiene, the absorbent cotton, gauze bandage, laparotomy sponge industry registered steady growth rate in past and is picking up pace with the spread of education and upward economic growth of towns and villages.



Construction Period Eight Month

3.6.1 Absorbent Cotton Gauze

Absorbent Cotton is also known as Surgical Cotton or Cotton Wool and mainly used for medical purposes in hospitals, nursing homes, dispensaries and at home (for first aid) etc. because of its property of high fluid absorbency, it is better known among masses as Absorbent Cotton. The raw cotton is processed by series of steps which render the cotton hydrophilic in character and free from external impurities needed to be fit for use in surgical dressings and personal hygiene. Apart from medical purposes absorbent cotton is also used for making conventional type of sanitary napkins or pads. Fairly good quality of absorbent cotton is also used for removing make-up and dirt at beauty parlours.





Absorbent Cotton Gauze

3.6.2 Laparotomy sponge

A laparotomy sponge is a special sponge used inside of the body (internally) during invasive surgical procedures. The sponge may be used to soak up blood or other liquids, to hold an organ or other part of the body in place, or at the discretion of the surgeon.

A laparotomy sponge is an absorbent pad used in surgical procedures on the abdomen. They have a number of applications and are a common inclusion in surgical kits laid out to prepare an operating room for a surgery. MICL produce several sizes in packages that may or may not come sterilized, allowing operating room technicians to select the most appropriate options for a given surgical case. Laparotomy sponges also enjoy some notoriety, as they are infamous for being accidentally left behind at the end of procedures.



Laparotomy sponge

Typical designs include absorbent cotton, usually washed to make sure it can soak up fluids. A common use for a laparotomy sponge is as a tool to absorb fluids around the surgical field. This can make it easier for the surgeon to see. In combination with suction, the sponges can keep the field as dry as possible, allowing the team to clearly visualize the area of interest so they can perform the procedure. Laparotomy sponges can also be used when it's necessary to apply pressure, as they help distribute the pressure and stop bleeding. To help counteract this problem, most of today's laparotomy sponges are x-ray

detectable, so that they can be seen on an x-ray and removed right away if they are accidentally retained inside of the body. Surgeons are also required to make sure that they have all surgical items in place and accounted for at all times.



3.6.3 Gauze bandage.

A gauze bandage is a thin, woven fabric material that is placed over a wound to keep it clean while allowing air to penetrate and promote healing. It can be used to secure a dressing in place, or it can be used directly on a wound. These bandages are the most common type and they will be available in many sizes. They are good for hard to reach areas that may be difficult to dress.

A bandage is a piece of material used either to support a medical device such as a dressing or splint, or on its own to provide support to or to restrict the movement of a part of the body. When used with a dressing, the dressing is applied directly on a wound, and a bandage used to hold the dressing in place. Other bandages are used without dressings, such as elastic bandages that are used to reduce swelling or provide support to a sprained ankle. Tight bandages can be used to slow blood flow to an extremity, such as when a leg or arm is bleeding heavily.

Bandages will be available in a wide range of types, from generic cloth strips to specialized shaped bandages designed for a specific limb or part of the body. Bandages can often be improvised as the situation demands, using clothing, blankets or other material.

The MICL bandages will be very versatile and can cover a wound on just about any part of the body. High quality on burns, head injuries, and large lacerations that need more than a simple adhesive bandage. Can be used even at home, can be used to cover scrapes on the knees or elbows, or cuts on fingers and hands. In the hospital, medical professionals will be in the position to use them to cover surgical sites.



Above are gauze bandage roll and stretch gauze bandage

3.6.4 Elastic bandage

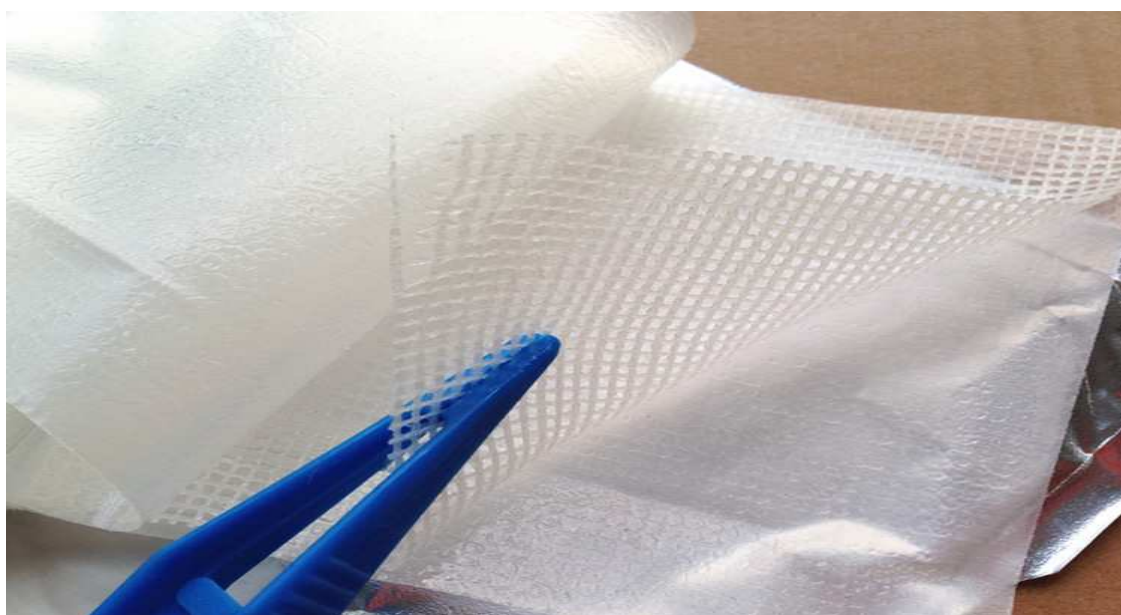
An elastic bandage is a stretchable bandage used to create localized pressure. Elastic bandages are commonly used to treat muscle sprains and strains by reducing the flow of blood to a particular area by the application of even stable pressure which can restrict swelling at the place of injury. Elastic bandages are also used to treat bone fractures. Padding is applied to the fractured limb, then a splint is applied. The elastic bandage is then applied to hold the splint in place and to protect it. This is a common technique for fractures which may swell, which would cause a cast to function improperly. These types of splints are usually removed after swelling has decreased and then a fiberglass or plaster cast can be applied. Elastic bandages do a good job of compressing a new injury or inflammation and help keep swelling down. However, there's a limit to how long you should compress an injury. At some point, blood flow to the injured area needs to increase to encourage healing.



3.6.5 Paraffin gauze.

Paraffin Gauze has low adhesion, is non-absorbent and non-shedding which makes it a very effective dressing to use in a variety of injury scenarios. Paraffin gauze is applied directly over the contact layer and calm and protect the wound. Paraffin Gauze Dressings protect from bacteria and other antibodies and enhance the healing process. Paraffin gauze is used as an additional layer when dressing wounds and should be used in conjunction with an appropriate secondary dressing. The dressings are made from one hundred percent of cotton, impregnated with yellow soft paraffin. The paraffin coating prevents these dressings from adhering to wounds.





Paraffin gauze dressing

3.6.6 Sterilized gauze swabs.

A gauze swab is a common tool used in the medical field and is found in most first aid kits. It is a white, sterile piece of material that is primarily made of cotton and is commonly used along with an antibacterial cream or ointment to clean and cover open cuts or wounds. Gauze is generally distributed in prepackaged singles that frequently contain two sterilized gauze swabs.

Before administering any common first aid kit accessory such as gauze swabs to an injured person, one should assess the severity of the injury. Any moderate to severe injuries should be treated by a medical doctor. When applying gauze to a minor wound, one should inspect the gauze package before use to ensure that the package is intact. One should not administer any gauze that has not been stored in a sterilized intact package, because there is a risk of infection

When one is administering gauze, it is essential that the swabs remain uncontaminated while the package is being opened and the swabs are being applied to the wound. Before opening a package of gauze swabs, one should first wash his or her hands thoroughly with soap and water. When opening a package of gauze swabs, one should firmly grasp the corner of the package and tear the corner of the package, ensuring that the corner of the gauze swab is also grasped and simply pull the corner of the package away from the rest while grasping the corner of the gauze between the corner edges of the package. After the gauze has been removed from the package without it being directly touched, it can be then used to clean a small wound or cut. If touching the gauze swab cannot be avoided, only the corner of the swab should be touched, to ensure that the sections making direct contact with the open wound remain germ-free.

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Any gauze swabs that are required for the long-term care of an injury should be changed frequently. If a gauze swab appears to be wet or dirty, it is best for it to be replaced with a new sterilized swab. After a swab has been used or contaminated, it should be disposed of in a sanitary fashion.



3.6.7 Plaster of Paris (P.O.P).

A white powder that sets to a hard solid when mixed with water, used for making sculptures and casts, as an additive for lime plasters, and for making casts for setting broken limbs. The hard plaster produced when the powder is mixed with water a fully hydrated form of calcium sulphate.

Plaster Of Paris (P.O.P), quick setting gypsum plaster consisting of a fine white powder of calcium sulfate hemihydrates, which hardens when moistened and allowed to dry. Known since ancient times, plaster of Paris is so called because of its preparation from the abundant gypsum found near Paris.

Plaster of Paris does not generally shrink or crack when dry, making it an excellent medium for casting moulds. It is commonly used to precast and hold parts of ornamental plasterwork placed on ceilings and cornices. It is also used in medicine to make plaster casts to immobilize broken bones while they heal,

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though some orthopaedic casts are made of fibreglass or thermoplastics. Some sculptors work directly in plaster of Paris, as the speed at which the plaster sets gives the work a sense of immediacy and enables the sculptor to achieve the original idea quickly.



P.O.P

Packing: The product cloth shall be folded and packed with such materials and in a manner so as to protect its absorbency and allow normal handling and transport without teasing and exposing the content.

The product so folded or rolled shall be covered completely in blue or white nylon paper wrapping and securely glued or gummed. Such individually wrapped dressing in requisite number shall be wrapped in one layer of paper securely glued or gummed to form a packet. In case of cotton gauze, the pieces may be individually wrapped or rolled in a single layer of slimy paper and securely sealed at both ends with gum tape to form a packet.

Marking: Each pack shall have a label marked with following information:

- Name of material
- Manufacturers name or trade mark
- Month & year of manufacture
- Width in cent meter and length in meters
- The word non-sterilized or sterilized.

Strengths, Weakness, Opportunities and Threat Analysis

Strengths

- Potential for global customer base

Business Plan

- Manufacturing & production expertise
- Understanding of emerging technologies
- Understanding of target markets
- Competitive product pricing
- Exceptional quality and customer service
- Implementation of cost saving processes

Weaknesses

- Company history
- Small initial customer base
- New staff
- Lack of leverage with new relationships

Opportunities

- New products & processes
- Bringing new technology into the industry
- Developing a new reputation
- Hiring new talent
- New innovations and applications of our technology

Threats

- Technologies developed by competitors
- Challenges in building a talented staff
- Retaining key staff members
- Market demand fluctuations

3.7 Our Prospective Customers

Since we commencing our production year 2012, several customers have shown an interest in buying our products. We have many numbers of health providers who has been our best customers to our products and they have the financial resources to buy it. The table below are some of them, although we have a very long list of individual or small customers, like pharmacy, dispensaries etc., however the list below are some of our clients in the year 2018.

Table No.3.0

Name of Customer	Product	Quantity
Aga Khan Hospital	Laparatomy Sponge large	5600pack
	Laparatomy Sponge Medium	1600pack
	Absorbent Cotton Gauze16ply	720pack
Regency Hospital	Laparatomy Sponge13ply	1000pack
	Absorbent Cotton Gauze16ply	5000pack
Sanitas Hospital	Absorbent Cotton Gauze16ply	100pack
	Absorbent Cotton Gauze12ply	160pack

Business Plan

	Laparatomy Sponge large	600pack
Kairuki Hospital	Absorbent Cotton Gauze16ply	500pack
	Absorbent Cotton Gauze12ply	1000pack
	Laparatomy Sponge Medium	800pack
	Laparatomy Sponge Extra larger	4700pack
	Laparatomy Sponge Extra larger-X-ray detector	2100pack
Burhan Hospital	Absorbent Cotton Gauze16ply	240pack
	Laparatomy Sponge Small	500pack
	Absorbent Cotton Gauze16ply	400pack
	Absorbent Cotton Gauze 8ply	100pack
Emilio Mzena Hospital	Absorbent Cotton Gauze16ply	1500pack
	Absorbent Cotton Gauze12ply	200pack
	Laparatomy Sponge large	1000pack
Sali International	Absorbent Cotton Gauze16ply	200pack
	Laparatomy Sponge large	600pack
Turkey Hospital	Absorbent Cotton Gauze16ply	660pack
	Absorbent Cotton Gauze12ply	300pack
KCMC Moshi Hospital	Laparatomy Sponge large	3600pack
Robination Hospital	Laparatomy Sponge Size Min Small	2000pack
	Laparatomy Sponge Min Small	500pack
Dr Hammer	Absorbent Cotton Gauze16ply	200pack
	Absorbent Cotton Gauze12ply	50pack
J,P.M Hospital	Absorbent Cotton Gauze16ply	140pack
	Absorbent Cotton Gauze12ply	20pack
	Absorbent Cotton Gauze 8ply	440pack
Bariki Pharmacy	Absorbent Cotton Gauze12ply	250pack

Business Plan

London Hospital	Absorbent Cotton Gauze 8ply	120pack
SNV Hospital	Absorbent Cotton Gauze 8ply	60pack
	Laparatomy Sponge Min Small	300pack
Cardinal Rugambwa Hosp	Absorbent Cotton Gauze16ply	300pack
	Laparatomy Sponge large short	200pack
Dr Mwambo Hospital	Absorbent Cotton Gauze16ply	120pack
	Laparatomy Sponge large-long16ply	300pack
Muhimbili National Hospital	Laparatomy Sponge large	100pack
	Absorbent Cotton Gauze16ply	180pack

Strategy & Implementation

4.1 Attitude.

MICL's business philosophy is to make the needs of our customers our main priority. It is our mission to provide our customers with fast turnaround, exceptional quality, unparalleled customer service and competitive pricing. With the introduction of our patented effective design program and the unveiling of our modern design and manufacturing facility, we will position MICL as a superbly innovative company and a future industry leader.

To achieve this position, we will implement our company's plan to create a state of the art pattern manufacturing facility and invest in the most accurate precision machinery available. We will implement good working environment and set the standards of operational systems and quality control.

4.2 Supply Chain Strategies.

For encompass the end to end flow of information, products, and money. Therefore, managed strongly affects an organization's competitiveness in such areas as product cost, working capital requirements, speed to market, and service perception, among others. In this context, the proper alignment of the supply chain with business strategy is essential to ensure a high level of business performance.

In order to address this shortcoming, we have conducted an analysis of the most widely recognized theories and case studies about supply chain strategy. In our analysis we have identified a set of common patterns that reveal key drivers of supply chain strategy and make sure these can be aligned in a coherent strategy. Those common patterns are summarized in a strategy formulation model called the Supply Chain Roadmap which provides:

- A compilation of the most relevant key drivers of a supply chain strategy;
- An understanding of the interrelation of these key drivers with an industry's competitive framework and a business's competitive positioning; and
- The characteristic profile of six generic supply chain types: efficient, fast, continuous flow, custom configured, and flexible.

4.3 Strategic Alliances.

We plan to develop strategic alliances with local and regional medical suppliers and any other interesting agents to receive our products and we will introduce two type of mode of operation with our strategic alliances. Mode will base on payment and transport services. One such alliance has been developed with MICL the agents can have access to our products with credit facility for 30 days.

4.4 Operations.

Our facility's space will be divided in proportion to our needs and will include product development and engineering labs, quality control and testing area, inventory storage and administrative offices. Each area will be staffed with trained employees and wherever possible factory-floor technicians will be cross-trained. Our administrative offices will include space for executive, marketing and sales, accounting, information technology, security, maintenance, and human resource departments. To become a fully operational manufacturing facility, we will require the following machinery and equipments.



Plaster of Paris bandage slitting and rolling machine POP bandage machine.



YGA-1 High speed warping machine



Production



Gauze Roll Production

Business Plan



Laparotomy sponge making machine & Laparotomy sponge fold machine



Gauze Roll Packing

Business Plan



Packing on progress

By utilizing the latest precision machinery and superior operational and quality control processes. MICL will control costs while ensuring quality. MICL will also follow TFDA & TBS requirements and comply with Medical Directive standards to further ensure quality control.

Operationally, our strengths lie in our knowledge and expertise within the manufacturing industry. We know what fixed assets we require and what regulations we must adhere to. However, while we cannot know for certain the quality of our managerial team at this point, we expect to hire and implement a top notch team. As previously mentioned we have several promising prospects and will, of course, strive to recruit top talent.



Technical and packaging team

Business Plan



JLH425S medical gauze air jet loom



Our Tailor

4.5 Target

The following is a list of business goals and landmarks we wish to accomplish within the coming period

- Secure necessary funds.
- Locate and lease suitable manufacturing facility.
- Purchase machinery, equipment and supplies.
- Hire skilled employees to complete our team.
- Establishing & signing agreement with MSD
- Set up Agency and medical suppliers for business.
- Successfully penetrate targeted markets.
- Secure contracts to achieve projected sales goals.
- Become a profitable company.
- Establish a solid reputation as an industry leader.

Our first major landmarks will be securing funds and setting up our business. This is our primary focus right now. In three years, we hope to have established our company in the community and within our industry.

4.6 Machinery Cost & Supplier

The table below shows the breakdown of costs of machinery, country of origin, supplier name and type of machinery. However, the pro forma invoice is disclosed in this business plan.

Supplier Name: Qingdao Lebon Industry Company Ltd

Table No.4.0

Machinery Description	Country of Origin	Price(TZS)
Open End Spinning Production Line Machine	China	709,973,200.00
Medical & Surgical Absorbent Cotton Roll Production Line & ADDITIONAL PARTS	China	284,064,800.00
Medical gauze production line(weaving-bleaching)	China	2,686,262,000.00
Blister packing machine,Paraffin gauze making and packing machine,Automatic coreless bandage rolling and cutting machine,ETO sterilization machine	China	319,700,000.00
Costs(TZS)		4,000,000,000.00
Freight & Insurance (TZS)		128,800,000.00
CIF(TZS)		4,128,800,000.00

Note, estimated exchange rate used Tsh2,300/USD

Business Plan

As per above schedule, machines will be purchased from different suppliers due to different lines of production. For instance, cotton processing lines are different from crepe bandage machinery. So is not easy to get all from one manufacture due to different techniques in the process.

However, it's not the first time we procure machines from that supplier, it's easy to repair by our local technicians and its spare are so cheap, high quality machines and all suppliers provides one year warrant certificates.

Table No.5

Machinery Description	Production Capacity
Open End Spinning Production Line Machine	800kg/hr
Medical & Surgical Absorbent Cotton Roll Production Line	1,000kg/ day
Medical gauze production line (weaving-bleaching)	2,400kg/ day
1) Blister packing machine	1 Roll/Min
2) Paraffin gauze making and packing machine	3,600,000 packs/Month
3) Warping machine	1,000 Meters/Min
4) Crepe bandage weaving machine	2,000 Meters/12 hrs
5) Automatic coreless bandage rolling and cutting Machine	1 Roll/Min
6) 3side seal bandage packing machine	25-30 Pouch/Min
7) ETO sterilization machine	10m ³ -80m ³

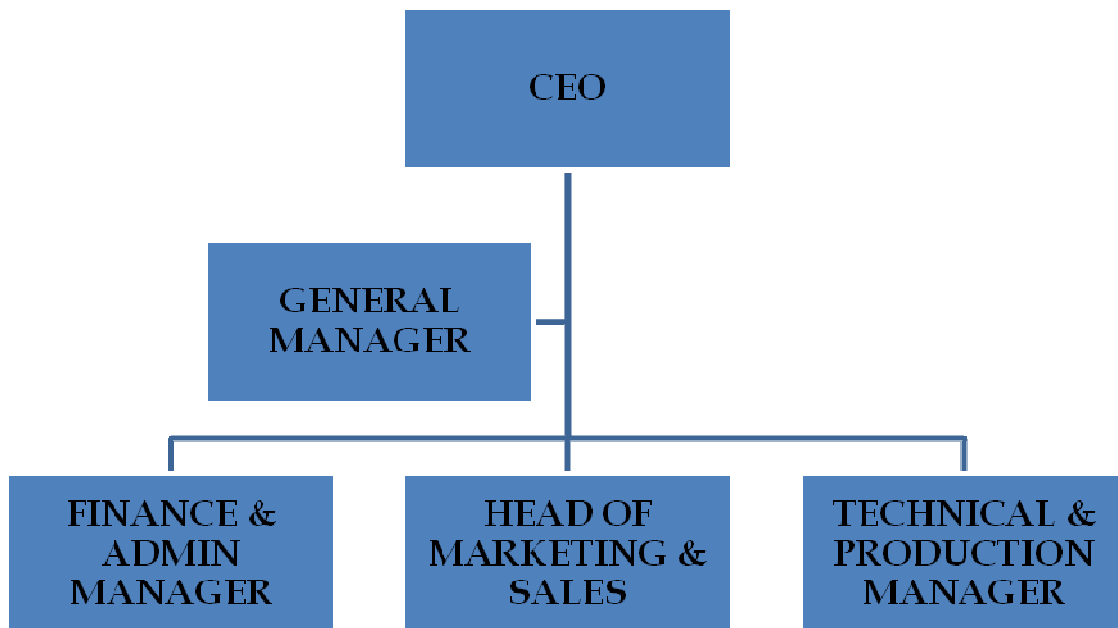
All Machines above, normal lifetime, an aging Machine average of 26 useful life (years).

Management & Organization Structure

5.1 Organization Structure.

MICL understands the importance of a royal and excited team to increase turnover and to raise productivity. Our company's management philosophy will encourage responsibility and mutual respect. While we will present a strong decisive management team, we will also foster an atmosphere of genuine employee appreciation and open communication.

Organization Chart



5.2 Leadership.

MICL managed and run by our General Manager Mr.Bahatisha Mashaka including Chief Executive Officer Dr.Ameir Ally Binzou, as well as our Board of Directors. Our staff management and supervisors will oversee daily operations. However, as a small manufacturing facility starting out, the CEO, General Manager will be responsible for the majority of purchasing, hiring, training, quality control, and additional day to day duties.

Additional key leaders will include finance and Administration manager, marketing and sales manager, technical and production manager. While information technology this position remain unfilled at this time, we do have several extremely qualified candidates interested in joining with us in this new venture.



MICL Staff.

As we proceed on our hospital suppliers manufacturing business, we will implement a plan strengthen our management and production staff first and fill in with mid level management and administrative staff as our budget and needs change.

5.2.1 MICL Management Team

Table No.6

No.	Employee Name	Position
1	Dr.Ameir Ally Binzou	Chief Executive Officer
2	Mr.Bahatisha Mashaka	General Manager
3.	Mr.Linus L Kasiani	Finance & Admin Manager
4.	Mr.Abdul Fakih	Marketing & Sales Manager
5.	Mr.Abdalah Mnyehe	Technical & Production Manger

5.3 Management and Personnel

5.3.1 Management

The company's management team is well capable of building and growing this business. Key persons are as follow;

5.3.2 Management team

The MICL management team will have direct knowledge of the hospitality industry and will possess the necessary professional administration skills. Our team will include a CEO, General Manager, Technical & Production

Business Plan

Manager, Marketing & Sales Manager and Finance And Administration Manager. The team will tailor to the needs of the corporate client and will provide complementary personal services where needed. The MICL will offer all of its management team competitive salaries.

Dr.Ameir Ally Said Binzou CEO

He is a Tanzanian, has been in freight business for the last 10 years altogether and because of his vast experience in the business he is desired to invest more in the country as advancement has been in the medical industry for about 10 years, as a doctor of medicine and founder of MICL. He is an effective professional in the medical industry with a background of providing leadership and management. He has a solid history of success in delivering high quality projects; analyzing the situation and presenting cost saving strategies. He possesses effective communication skills and grasps new concepts quickly. Current is the one of the owner and managing director of JPM Hospital, located at Magomeni Kagera, Kinondoni.



**Dr.Ameir Ally Said Binzou
CEO**

Mr Bahatisha Mashaka

General Manager

He is IT graduate, with the experiences of marketing, business administration and factory production and management. He has been working with us for more than a year now. His duties and responsibilities include allocating budget resources, formulating policies, coordinating business operations, monitoring and motivating staff, managing operational costs, ensuring good customer service, improving administration processes, engaging with vendors, hiring and training employees. Also he is responsible for overseeing daily business activities, improving overall business functions, training heads of departments, managing budgets, developing strategic plans, creating policies, and communicating business goals.

Mr Linus Leonce

Finance and Administration Manager

He is a Tanzanian, he is Certified Public Accountant (CPA) and holder of a Masters of Science in Finance and Investment (MSCF&I), having experience of about sixteen years in Accounting and finance. He has worked with different organizations from private sector, NGO and in Government Institute.

Mr. Abdallah. Mnyehe

Technical & Production Manager

He is VETA certificate holder with vast experience in medical factory; he has been working with us for about eight years. His main responsibility within the factory including planning and organizing production schedules, assessing project and resource requirements, ensuring that health and safety regulations are met and determining quality control standards overseeing production processes. Report progress, including any changes made to plans and production.

Mr. Abdul Fakihi.

Marketing & Sales Manager

He is a Tanzania holder of Bachelor degree in Business Administration and Diploma in Business Administration. He has been working with MICL for about four years in that position. He is young, energetic, hardworking, visionary, and motivated person who believes can do something for the benefit of both organization and himself. He has both marketing and sales skills.

5.3.3 Personnel Plan

MICL will be accountable to its employees, all men and women who will continue to perform with the organization at all time. At MICL, everyone will be considered as an individual and the organization will regard their pleasure and identify their benefit. Employees will be motivated to have a sense of security and pleasure in their tasks. Additionally, employees will be free to make recommendations and to raise any problems. The organization will manage

Business Plan

equivalent opportunity for a career, development, and progression for all employees, without segregation.

5.3.4 Personnel Projection

Table No.7

No	Job Title	No. of Persons	Monthly Salary(TZS)	Annual(TZ)
1	General Manager	1	1,750,000.00	21,000,000.00
2	Technical & Production Manager	1	1,650,000.00	19,800,000.00
3	Finance and Administration head	1	1,600,000.00	19,200,000.00
4	Marketing & Sales Manager	1	1,520,000.00	18,240,000.00
5	Sales Officer	2	750,000.00	18,000,000.00
6	Store keeper	2	350,000.00	8,400,000.00
7	Procurement officer	2	550,000.00	13,200,000.00
8	Accountant/Cashier	3	750,000.00	27,000,000.00
9	Secretary/Office assistance	3	450,000.00	16,200,000.00
10	Drivers	3	300,000.00	10,800,000.00
11	Skilled labor(production)	10	360,000.00	51,840,000.00
12	Unskilled labor	12	170,000.00	20,400,000.00
13	Guard	4	250,000.00	12,000,000.00
	Total	57	10,450,000.00	256,080,000.00

5.4 Board Members & Advisors

Our Board of Directors is not yet fully formed. CEO Dr.Amir Ally Binzoo will serve as Chairman. The board will consist of company owners (shareholders), officers and directors.

Duties of the Board of Directors may include:

- Establishing broad company policies and objectives.
- Selecting, appointing, and reviewing the performance of executive staff.
- Insuring the availability of adequate financial resources and approving annual budgets.
- Accounting to the stakeholders for the organization's performance.

We will actively seek individuals to sit on our Board of Directors who will have the ability to add to and advise our organization such as lawyers, accountants, and professionals in the automotive or medical fields.

Board Member Team

Table No.8

No.	Name of Board Member	Position
1	Dr Ameer Ally Binzou	Chairman
2	Mr.Faraj Ally Binzoo	Deputy Chairman
3	Mr.Bahatisha Mashaka	Secretary
4.	Mr.Thabit Karwani	Member

5.5 Administrative Organization.

The administration is done by the General Manager with the management team. They will also produce the annual profit and loss account and balance sheet as well as file our tax return. The day to day bookkeeping is done by computer (Accounting package). All work will be overseen by the CEO/ Board of Directors

5.5.1 Contingency.

In the event anything might occur that prevents the General Manager to conduct his / her business the following persons will ensure the continuation of the company, CEO/ Board of Directors.

5.5.2 Information.

MICL will have systems in place to provide the appropriate information needed by staff and board to make sound financial decisions and to fulfil IFRS require.

5.5.3 Accounting principles.

The projections have been prepared using generally accepted accounting principles that MICL expects to use when preparing its financial statements. The company's Head of Accounts will prepare management letters containing recommendations for improvements in the financial operations of the organization. This will be reviewed by the Board of Directors. The report will be made available upon written request.

5.5.4 Insurance.

MICL will have suitable insurance coverage which will be periodically reviewed to ensure that the appropriate levels and types of coverage are in place.

- fire insurance
- building insurance
- liability insurance
- burglary & dishonesty insurance

Financial Plan

6.1 Funding Requirements and Uses.

The MICL Management is seeking to raising TZS 4,000,000,000.00 for the purpose of extension its factory located Mwananyamala Kwa Kopa, by building new factory with modern machine from China at Bagamoyo just to meet a growing demand for its services. We as MICL have reason to believe that an increase of hospital supplies demanding will assist our management in its effort to widen its market offering and increase services.

Table No.9

Break up of Total Project Cost	TZS
Plant Machinery and Equipment(Bank Loan)	4,000,000,000
MICL Contribution	
Building and Civil Work	1,495,000,000
Freight & Insurance charges for importation of machinery from China	128,800,000
Installation costs for 35 days 4 engineers	32,200,000
Airplane tickets 4 engineers	7,820,000
Accommodation, food and medical 35 days 4 engineers	14,000,000
Cost of 1 interpreter for 35 days	3,500,000
Costs of 2 technician for 35 days per diem	7,000,000
Government expenses like duties & other fees, Preproduction expenses like training & other operation costs	621,180,000
Total Investment cost (TZS)	6,309,500,000

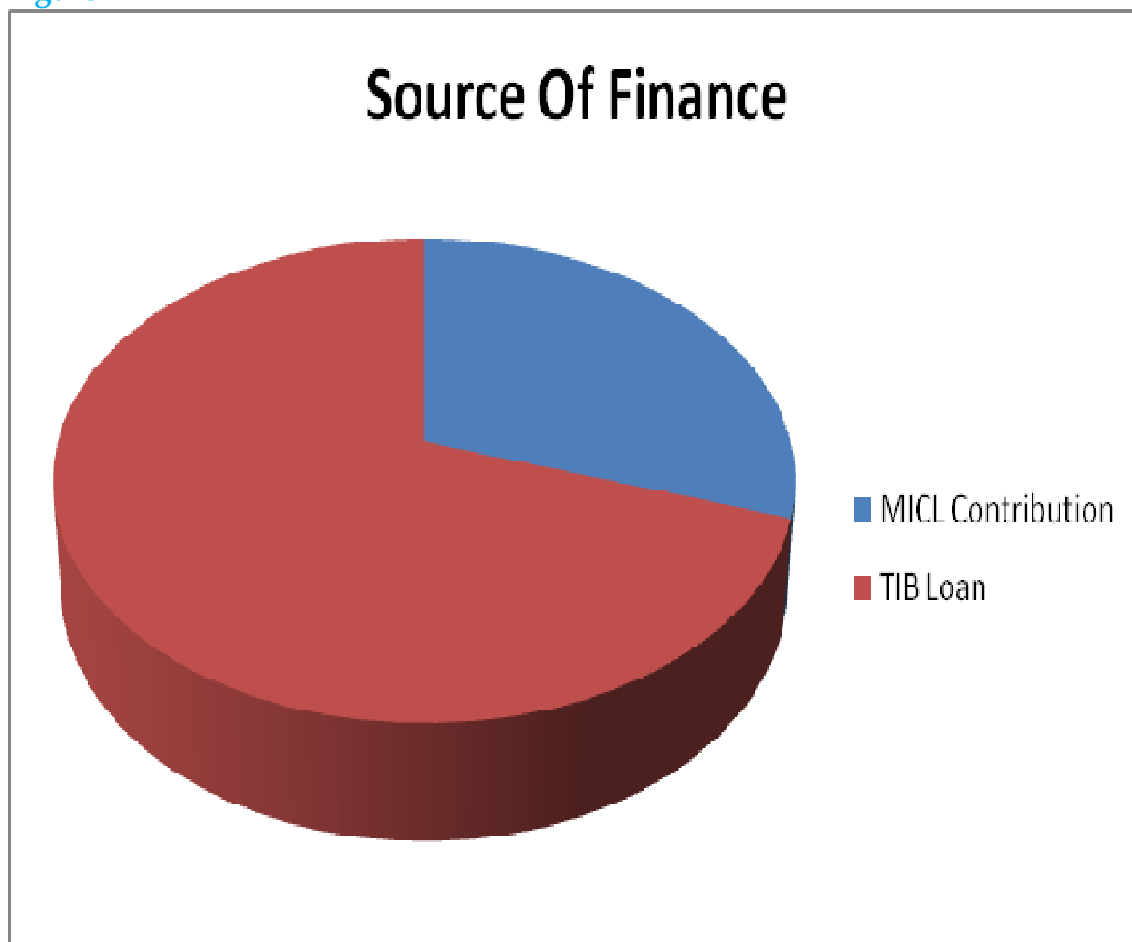
Exchange rate Tshs2,300/Usd

6.1.1 Source of finance

Table No.10

Description	TZS	Percentage
MICL Contribution	2,309,500,000	37%
TIB Loan	4,000,000,000	63%
Total Project Costs	6,309,500,000	100%

Figure 2



6.1.2 Projected Profit and Loss.

The projected profit & loss account as shown below reveals a profitable trend from the beginning with a profit TZS 506,337,500 in the financial year 2020, projected TZS 1,069,638,025 in the financial year 2021, increasing in year 2022 TZS 1,143,889,449 keep on ascending profit year 2023 projected to be TZS 1,189,178,574 and projected year 2024 TZS 1,263,196,109 as presented all five years financial statements.

Projected Profit and Loss

Pro Forma Profit and Loss	2020 (TZS)	2021(TZS)	2022(TZS)	2023(TZS)	2024(TZS)
Sales	2,874,085,100	3,685,882,055	3,994,791,272	4,270,422,169	4,483,943,278
Direct Cost of sales	404,430,000	646,386,600	681,375,800	670,044,600	667,771,400
Gross Profit	2,469,655,100	3,281,452,055	3,590,361,272	3,865,992,169	4,079,513,278

Business Plan

Operating expenses					
Printing & Stationeries	23,982,000	26,380,000	26,380,000	26,644,000	26,644,000
Transport expenses	23,800,000	23,800,000	23,800,000	23,800,000	28,662,000
Motor Vehicle Running Expenses	16,713,000	16,847,000	16,984,000	17,124,000	17,267,000
Repair & Maintenance	22,203,000	22,247,000	22,292,000	22,338,000	22,384,000
Insurance Expenses	68,000,000	68,000,000	68,000,000	68,000,000	68,000,000
Fuel & Lubricants	17,444,000	17,895,000	17,895,000	21,816,000	22,034,000
Communication Expenses	3,700,000	3,750,000	4,555,000	4,700,000	4,700,000
Fumigation Expenses	1,924,000	1,962,000	2,001,000	2,041,000	2,082,000
Staff Medical Expenses	24,300,000	24,300,000	24,300,000	24,543,000	24,543,000
Security Expenses	27,000,000	27,570,000	27,570,000	33,960,000	34,356,000
Office Cleaning	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
Payroll Expenses	247,192,000	269,392,000	269,392,000	269,392,000	275,646,000
Utility Expenses	36,000,000	36,000,000	36,000,000	36,360,000	36,724,000
Licenses & related Expenses	1,246,000	1,271,000	1,297,000	1,323,000	1,349,000
Audit fees	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Bank Charges	2,078,000	2,120,000	2,162,000	2,206,000	2,250,000
Miscellaneous Expenses	62,000,000	62,000,000	62,620,000	68,882,000	75,770,000
Depreciation	165,210,000	168,515,000	171,885,000	169,323,000	170,829,000
Total Operating expenses	752,492,000	781,749,000	762,533,000	802,152,000	822,940,000
NPBI&T	1,717,163,100	2,499,703,055	2,827,828,272	3,063,840,169	3,256,573,278
Loan Interest	491,578,291	600,000,000	511,009,833	408,671,141	290,981,645
Net Profit before Tax	1,225,584,809	1,899,703,055	2,316,818,439	2,655,169,028	2,965,591,633
Corporate Tax	367,675,443	569,910,917	695,045,532	796,550,708	8,89,677,490
Net Profit After Tax	857,909,366	1,329,792,138	1,621,772,907	1,858,618,320	2,075,914,143

6.1.3 Sales Projection

Year	2020 (TZS)	2021(TZS)	2022(TZS)	2023(TZS)	2024TZS)
Absorbent Cotton Gauze Swabs	461,940,500	600,522,650	660,574,915	706,815,159	742,155,917
Laparotomy sponge	430,495,100	559,643,630	615,607,993	658,700,553	691,635,581
Absorbent Cotton Gauze Roll	529,445,000	688,278,500	757,106,350	810,103,795	850,608,985

Business Plan

Gauze bandage	423,500,000	550,550,000	605,605,000	666,165,500	699,473,775
Elastic bandage	331,087,500	413,859,375	434,552,344	456,279,961	479,093,959
Paraffin gauze	338,742,000	406,490,400	426,814,920	448,155,666	470,563,449
Sterilized gauze swabs	358,875,000	466,537,500	494,529,750	524,201,535	550,411,612
Total Sales	2,874,085,100	3,685,882,055	3,994,791,272	4,270,422,169	4,483,943,278

6.1.4 Assumption on Production

(i) Absorbent Cotton Gauze Swabs

As per current production on an Absorbent Cotton Gauze is 22,712 packets per year. The production is in a three categories (5,028 for 16ply, 7,332 for 12ply and 10,352 for 8 ply with price of tshs17,500 ,tshs12,000 and tshs8,500 respectively). In year 2021 where after addition of new machinery we anticipate the production will increase significantly by 75% in all products. We believe that in year 2021 production will grow by 30% in all three products, as well as in the following years production will keep growing, in year 2022 we assume it will grow by 10%, as well in year 2023 by 7% and in year 2024 by 5% .

However ,the price per packet may change but not below the current price, but all this may depends on demand and materials availability.

(ii) Laparatomy Sponge

The production of laparatomy sponge now is 77,156 packet per year, that means (36,400 large pcs, 21,00 medium pcs and 20,00 small pcs), by 2020 we expect production will grow by 15%, of large pcs, 10% of medium pcs as well as for small pcs. Our assumption on year 2021, due to the introduction of new plant our expectation, we assume production will raise to 138,974 pieces per year (65% for large pcs, 55% for medium pcs and 55% form small pcs) while we assume that on the next year 2022 there will be production growth by 8% for large pcs, 6% for medium pcs and 4% for small pcs. For the year 2023, still we expect production growth of 1.5% for large pcs, 2% for medium pcs and small pcs as well. Final in year 2024 production growth we anticipate to be 3% in all pieces. But, we assume the prices will not change for the whole period, tshs3,800 for large pcs, tshs3,600 for medium pcs and tshs 2,500 for small pcs.

(iii) Absorbent Cotton Gauze Roll

Current production is 60,500 dozen per year, we anticipate production grow in year 2020 after addition of new machinery . Therefore in year 2020 production will grow by 75%, and in year 2021 production will grow by 30% and the following year 2022 will grow by margin of 10% , in year 2023 by 7% and year 2024 by 5%. However the price price of product will remain tshs28,000 per dozen

(iv) Gauze bandage

Our expectation on production of gauze bandage is much positive, although current production is 60,500 dozen per year, but in the year 2020 we expect

Business Plan

growth of about 75% after additional of new machinery and the product is much demanded in the market, however, is the one of the products which we have contractual agreements with MSD, and still we assume by the year 2021 production will grow by 30% dozen per year and then will keep growing by 10% year 2022, 10% year 2023 and 5% year 2024 meanwhile price still will be TZS 4,000 per dozen

(v) Elastic bandage

The current production of Elastic bandage is 54,500 pieces per year, therefore we anticipate the production will rise by 35% in year 2020 as a result of implementing of a new plant in year 2021, we assume production will grow by 25% per year. The product will keep on growing by 5% for the next three years. However the price still will remain Tshs 4,000 per piece.

(vi) Paraffin gauze

The paraffin gauze is much demanded by many individual clients, current production is about 209,100 pieces per year. We assume that on year 2020 production will rise by 35%, after installation of new machine we estimate that in year 2021 the production will grow by 20% per year, and then in year 2022 up to 2024 we anticipate production will grow by 5% in each year, while the price will remain tshs 1,200 per pieces.

(vii) Sterilized gauze swabs

The current production of Sterilized gauze swabs is 16,500 packets per year, our expectation is from the year 2020 the production will grow by 45% after implementation of new machinery, we anticipate production growth of 30% packet per year in 2021. Then, production will keep growing by 6% in the year 2022 and 2023. In year 2024 by 6%. Meanwhile the price will remain of TZS 15,000 per packet.

6.1.6 Other Assumption

The SWOT Analysis

A SWOT analysis, which stands for Strengths, Weaknesses, Opportunities, and Threats and is a popular strategic framework for business planners, is a great tool for questioning assumptions. The first two items refer to qualities that are internal to the business. The second two items are external factors. We are considering the following in questioning in our assumptions while in writing this business plan:

Strengths

- What does this company do well?
- What are our assets?
- What expert or specialized knowledge does the company have?
- What advantages do we have over competitors?

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- What makes us unique?

Weaknesses

- What resources do we lack?
- Where can we improve?
- What parts of the business are not profitable?
- What costs us the most time and money?

Opportunities

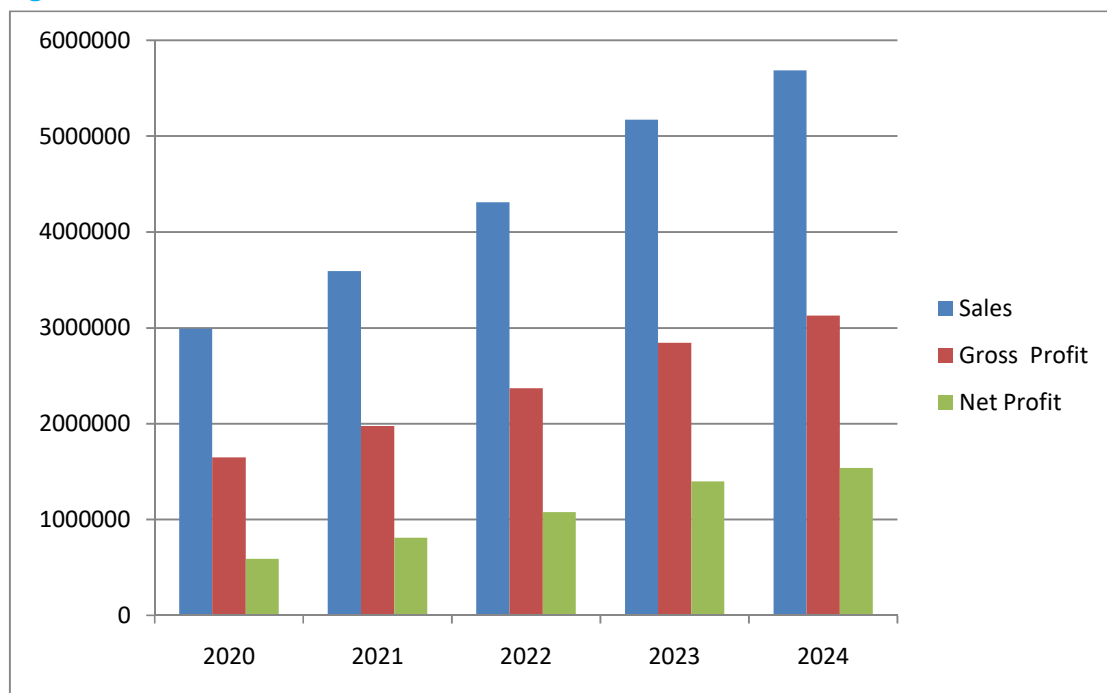
- What has the competition missed?
- What are the emerging needs of the customer?
- How can we use technology to cut costs and enhance reach?
- Are there new market segments to exploit?

Threats

- What are our competitors doing well?
- How do larger forces in the economy affecting our business?
- What is happening in the industry?

Highlights

Figure No.3



6.1.4 Balance Sheets-Projected.

Summaries the projected balance sheet for the year for the year 2020,year 2021,year 2022,year 2023 and year 2024 showing that the assets are positive

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through the period and net worth of the projected is seen to grow steadily from TZS 1,086,750,000 year 2020 to TZS 1,421,800,000 year 2021, TZS 1,454,824,000 year 2022 to TZS 1,489,372,000 year 2023 and finally TZS 1,538,309,000 year 2024

Balance Sheets-Projected.

Pro-forma Balance Sheet	2020 (TZS)	2021(TZS)	2022(TZS)	2023(TZS)	2024(TZS)
NON CURRENT ASSETS	1,086,750,000	1,421,800,000	1,454,824,000	1,489,372,000	1,538,309,000
Less: Depreciation	165,210,000	168,515,000	171,885,000	169,323,000	170,829,000
Net Non Current Asset	921,540,000	1,253,285,000	1,282,939,000	1,320,049,000	1,367,480,000
CURRENT ASSET					
Inventories	594,247,309	634,565,030	1,263,178,990	1,710,265,454	2,038,997,524
Trade Debtors	886,000,000	988,000,000	896,000,000	884,000,000	868,200,000
Sundry & Prepayments	112,500,000	183,750,000	115,125,000	286,637,000	235,301,000
Cash and Cash Equivalents	125,281,000	126,950,000	129,645,000	282,609,000	390,870,000
Sub total	1,718,028,309	1,933,265,030	2,403,948,990	3,163,511,454	3,533,368,524
Total Asset	2,639,568,309	3,186,550,030	3,686,887,990	4,483,560,454	4,900,848,524
Less: Current Liabilities					
Trade Creditors & Accruals	413,983,500	286,846,975	370,069,551	828,391,426	935,256,891
Taxation	367,675,443	569,910,917	695,045,532	796,550,708	889,677,490
Total Liabilities	781,658,943	856,757,892	1,065,115,083	1,624,942,134	1,824,934,381
Net worth	1,857,909,366	2,329,792,138	2,621,772,907	2,858,618,320	3,075,914,143
Financed By					
Issued Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Profit for the Year	857,909,366	1,329,792,138	1,621,772,907	1,858,618,320	2,075,914,143
Total Asset	1,857,909,366	2,329,792,138	2,621,772,907	2,858,618,320	3,075,914,143

6.2 Financial Evaluation.

Profitability

According to the projected income statement, the project will start generating profit in the first year of operation. Important ratios such as profit to total sales, net profit to equity (Return on equity) and net profit plus interest on total investment (return on total investment) show an increasing trend during the life-time of the project.

The income statement and the other indicators of profitability show that the project is viable

6.3 Projection Cash Flow.

Our expected of money that will come into the business during six years together with expenses which will go out, is shown in the Appendix I and II, including one year (2020) of grace period

6.4 Business Ratios.

The business ratios for the years of this plan are shown below. They point out MICL liquidity, debt, performance and some other important aspects. We expect to generate acceptable ratios for our profitability and return

Table No.11

Ratio Analysis	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Net Worth	46%	54%	61%	63%	65%
Gross Margin Ratio	76%	111%	115%	120%	125%
Current Ratio	1:6	1:5	1:6	1:2	1:2
Total Debt to Total Assets	28%	25%	24%	30%	30%
Return on Investment	33%	40%	46%	47%	42%
Net Profit Margin	20%	23%	25%	27%	27%
Debt to Equity ratios	42%	35%	40%	65%	70%

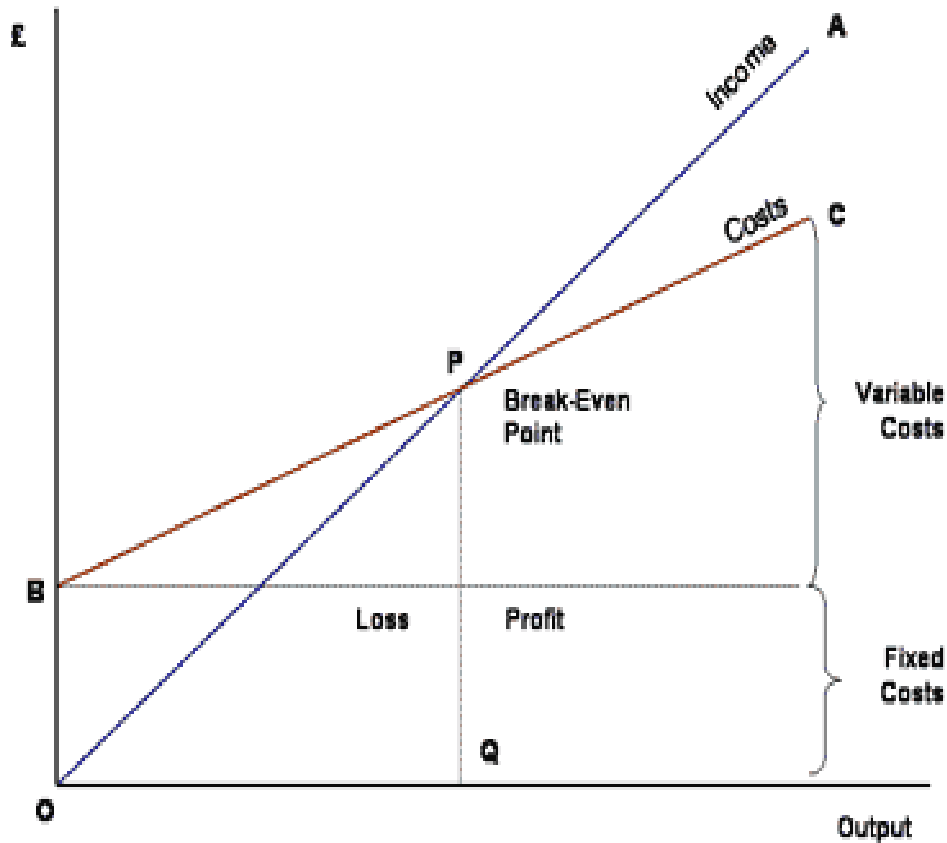
6.5 Break-Even Analysis

6.5.1 Break-even Point

The break-even point is the point where the business's sales have generated enough income to cover all of its fixed costs and expenses. At that point, all of the business's incoming revenue is profit as long as the expenses and costs are not increased and the sales amounts are not reduced.

MICL will attain break point at which cost or expenses and revenue are equal there is no net loss or gain after one year of operation at fixed cost of TZS 1,260,571,663 while variable cost is TZS 1,540,698,699 meanwhile the sales of 76% and yield revenue of TZS 2,801,270,362. The following table and chart summarize our break-even analysis

Break - Even Point Chart



X=Output-Revenue
 Y=Input Costs/Expenses

6.5.2 Fixed Costs.

Fixed costs are those business costs that are not directly related to the level of production or out. In other words, even if the business has a zero output or high output, the level of fixed costs will remain broadly the same. In the long term fixed costs can alter perhaps as a result of investment in production capacity or through the growth in overheads required to support larger, more complex business. Example fixed costs are depreciation, research & development, marketing costs, administration costs etc.

6.5.3 Variable Costs.

Those costs which vary directly with the level of output. They represent payment output related inputs such as raw materials, direct labour, fuel and revenue related costs such as commission.

6.5.4 Pay Back Period

The investment cost and income statement projection are used to project the payback period. The project's initial investment will be fully recovered within 5 years.

6.6 Refining the Plan.

Fund requested for joint venture is TZS 4,000,000,000 will be used as to support our working capital in the initial building of factory especial on importation of machine and installation. The fund will be used only on this project under your close supervision.

Management believes that, the business plan and pro forma's presented here illustrate that this services carries a reasonable level of risk to MICL.

A careful analysis of the project shows that the if the joint venture will be success full implemented will facilitates construction of new factory and give a positive returns on completion of these long term loan.

A careful analysis of the project shows that the fund will facilitates the following.

- Construction of extension of factory at Kiromo industrial area Bagamoyo including building and other civil work, importation of machines, purchase of fixed asset including other movable equipments, training and pre production expenses.
- Substantial the project will be completed in time, and other risk will be avoided however the project indicate positive return.
- The fund will enable the project to move very quickly, successfully implementation of the project indicate greater liquidity and flexibility.
- The project will contribute effectively to the development of the country once this requested fund had been acquired, we shall have good and modern factory also will strengthen social and economic development and excellent well designed services to the national public and historic area of Bagamoyo at large.

6.7 Source of Funds for Loan Repayment.

Source of funds to repay the loan will bear from our products like Absorbent Cotton Gauze, Laparatomy sponge, Gauze bandage, Elastic bandage, Paraffin gauze, Sterilized gauze swabs, which will be produced in a huge number after installation of new modern machines. We anticipate revenue will increase up to US 2,874,085,100 in the first year of production.

6.8 Repayment Plan.

If manage to secure the loan, grateful will be granted one year grace period of which will include completion of the building at Bagamoyo, importation and installation of new machinery. The plan is to repay the loan in five years as per below schedule of payment. Loan request is TZS 4,000,000,000 exclude interest of 16% per annum. On the loan and interest of 16% repayment, assumption is that the Tanzania economy will remain stable during the period and the interest will remain unchanged or will be determined based on the current inflation.

6.8.1 Repayment Schedule.

Table No.12

Year	18months	Year 1	Year 2	Year 3	Year 4	Year 5	Total(TZS)
Loan Amount(TZS)	4,000,000,000						
Principal amount		59,3267,780	68,225,7947	784,596,639	902,286,134	1,037,629.055	4,000,037,554
Interest 15%	491,578,291	600,000,000	511,009,833	408,671,141	290,981,645	155,638,725	1,966,301,344
Payment amount per year(TZS)		1,193,267,780	1,193,267,780	1,193,267,780	1,193,267,780	1,193,267,780	5,966,338,900

6.8.2 Net Present Value

It's known that NPV is the difference between the present value of cash inflows and the present value of cash outflows over a period of time.NPV is used in investment and capital budgeting planning to evaluate the profitability of a projected investment. A Table below shows the calculation of NPV for the five year cash flow.

Table No.13

	Year	Year End CFL	DF(16%)	NPV(TZS)
Investment Cost(TZS)	2020	-	-	(4,000,000,000)
	2021	848,238,734	1.15	737,598,899
	2022	2,451,982,844	1.32	1,857,562,761
	2023	4,094,981,798	1.52	2,694,066,972
	2024	5,797,648,388	1.75	3,312,941,936
	2025	7,532,556,062	2.01	3,747,540,329
NPV(TZS)				8,349,710,897

Since the calculated NPV is greater than zero, then MICL can proceed with the investment.

6.8.3 Internal Rate of Return

Below is the table shows the computation of IRR,by discounting rate makes the NPV of a project zero. In other words, it is the expected compound annual rate of return that will be earned on a project or investment.

Table No.14

	Year	Year End CFL	DF	MICL PROJECT (TZS)
Investment Cost(TZS)	2020	-	-	(4,000,000,000)
	2021	848,238,734	1.62	523.604.157
	2022	2,451,982,844	2.62	935.871.315
	2023	4,094,981,798	4.24	965.797.594
	2024	5,797,648,388	6.87	843.908.062
	2025	7,532,556,062	11.13	676.779.520
NPV				0.00
IRR Approx				62%

Since IRR 62% is greater than opportunity cost/or cost of capital 15%, then the project/investment is viable, it should be accepted

6.8.4 Discounted Cash Flow

Below is the table shows the computation of DCF, as an important method of evaluating and comparing investment projects.

Table No.15

Year	Year End CFL(\$)	DF	DCF(\$)
2021	848,238,734	0.87	737,967,699
2022	2,451,982,844	0.76	1,863,506,961
2023	4,094,981,798	0.66	2,702,687,987
2024	5,797,648,388	0.57	3,304,659,581
2025	7,532,556,062	0.5	3,766,278,031
			12,375,100,259

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As per above computation, the loan amount (TZS 4,000,000,000.00) is less than the sum of discounted cash flows (TZS 12,375,100,259), then it is profitable from the point of view to invest in this project.

6.8.5 Payback Period

Below is the payback table shows, length of time on which it takes to recover the cost of an investment. It's the length of time an investment reaches a break even point.

Table No.16

Year	Invested Amount(TZS)	Year End CFL(\$)	Balance(TZS)
2020	4,000,000,000.00		
2021		848,238,734	848,238,734
2022		2,451,982,844	3,300,221,578
2023		4,094,981,798	7,395,203,376
2024		5,797,648,388	13,192,851,764
2025		7,532,556,062	20,725,407,826

As per table above shows that, it's within the mid of the year 2025, is the time where will earn back the amount invested.

6.9 Economic Benefits.

The project can create employment about 150 workers in a different designation. In addition to supply of the domestic needs, the project will generate TZS 146 million in terms of tax revenue in a first year of income. The establishment of such factory will have a foreign exchange saving effect to the country by exporting the products.

Project Implementation Plan

7.1 Project Implementation Timeline.

Below Gantt chart, it explains our implantation tine lime of our project. From the gantt chat you may note that construction of the building and importation of machines will be done at the same time, while we are importing, construction is going on. However, on the test of the machinery and training of the new employees, it will be done in parallel. We believe that Project Implementation plans will take about 360 days before full production, of which to complete full circle we will need about 30 or 60 days of full production of products.

7.2 Gantt chart for the Project

	Number of Monthly	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Construction of Building													
2	Importation of Machines													
3	Installation of Machines													
4	Testing of the Machines													
5	New Staff Training													
6	Pilot Study & Preliminary Production													
7	Full Production													

7.3 Description of Gantt Chat

1. Construction of Building-Eight months
2. Importation of Machines-Three months
3. Installation of Machines-One Month
4. Testing of the Machines-Two months
5. New Staff Training-Two months
6. Pilot Study & Preliminary Production-
7. Full Production-after twelve months

Industrial Sector Analysis

It's a market assessment tool used by businesses and analysts to understand the competitive dynamics of the industry. In our Business Plan, just to get a sense of what is happening in this industry, therefore below analysis were observed.

(i). Strength of industry competition

The number of participants in this industry and their respective market shares are a direct representation of the competitiveness of the industry. However, currently there is no type of this industry in the Tanzania. Lack of differentiation in products in the market likely to add to the neutralize intensity of competition.

(ii). Threat of potential entrants

This indicates the ease with which new firms can enter the market of a particular industry. Although it's not difficult for the new firm to enter into the market, but our company will enjoys little competitive advantage reaps the benefits for a longer period.

(iii). Bargaining power of suppliers

This refers to the bargaining power of suppliers. If the industry relies on a small number of suppliers, they enjoy a considerable amount of bargaining power. This can affect small businesses because it directly influences the quality and the price of the final product. Suppliers of Cotton available both in small and in large number in Tanzania as per Tanzania Cotton Board.

(iv). Bargaining power of consumers/buyers

The complete opposite happens when the bargaining power lies with the customers. If consumers/buyers enjoy market power, they are in a position to negotiate lower prices, better quality, or additional services and discounts. This is the case in an industry with more competitors but with a single buyer constituting a large share of the industry's sales.

(v). Threat of substitute goods/services

The industry is always competing with another industry in producing a similar substitute product, but currently there no industries in Tanzania producing the same or similar products like MICL. Hence potential competitors from other industries are vulnerable.

(vi). Product Demand

According to MSD current demand of Cotton Roll in Tanzania is 430,000 cotton rolls and this is only for the Government Health providers, while MICL can produce 120,000 cotton rolls per year.. Still market is so huge and demand is high within the country