

CNBMI TANZANIA LIMITED

BUSINESS PLAN

FOR

ESTABLISHING SUPER MARKET

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1.0. INTRODUCTION

CNBMI TANZANIA LIMITED is a privately owned and incorporated in Tanzania with Certificate of Incorporation No. 127673 dated 4th July 2016 which intend to establish modern super market specializing Chinese and African products in Dar es Salaam in Tanzania.

1.1 PROJECT CONCEPT

The proposed project will involve establishing of a modern super market specializing Chinese and African products; the company will rehabilitate the existing building and purchase new super market equipment. The company is targeting Mikocheni B residents and neighboring area.

The business plan by **CNBMI TANZANIA LIMITED** a Foreigner registered company, the project promoters are confident of mobilizing financial resources through equity contribution.

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

1.2 LOCATION

The project will be located at Plot No. 22, Mikocheni B Industrial Area, Kinondoni District, Dar es Salaam,

1.3 THE SPONSORS

CNBMI TANZANIA LIMITED will be sponsoring this project. The Company is currently jointly owned by two shareholders with share capital of Tsh 6,500,000,000/= divided 650,000 ordinary of Tzs 10,000

Names of Subscribers	% Shares Taken Subscriber	Nationality
CNBMI INVESTMENT COMPANY LIMITED	90	China
CNBMI LOGISTICS CO. LTD	10	China
TOTAL	100	

1.4 OBJECTIVE OF THE STUDY

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

2.0 THE PRODUCT MARKET

The market survey carried out reveals that the current demand for; modern super market in Mikocheni area to cater the demand of people who are residing in Mikocheni and neighboring area, current market and future market situations as attracted the company to venture in this business

The competitive advantage of the company's products is quality products and customer care services,

2.1 COMPETITION

Currently there are few super markets around Mikocheni specializing Chinese and African products, the big challenge for the above mentioned is quality, varieties and price charged. It is very expensive and most of people cannot afford the price, and bad enough most of super market do not have good number of varieties of goods, the quality is questionable that why the **CNBMI TANZANIA LIMITED** came in to bridge the came.

2.2 **SPECIAL STRENGTHS OF CNBMI TANZANIA LIMITED**

- The customer care provided by the company
- Products varieties
- Directors experience in supermarket business
- The location of project

2.3 **MARKETING STRATEGY**

According to expert, personal selling is the most effective method for marketing. In order to reduce sunk costs, the project will use various marketing strategies such as:

- Internet
- Specialized magazine, news paper
- Radio
- Television
- Posters
- Sponsorship etc

The project products will be aggressively promoted to domestic market and skilled personnel will be recruited

2.4 **PRODUCT PRICING**

The pricing policy for the project will be based on the service cost and competition levels from substitute services available in Tanzania market considering various variables namely:

- Service positioning
- Gain market share from competitors
- Stimulating and increasing demand and

Achieving profitability and liquidity financial performance goals

2.5 **PRODUCTS**

The company products will meet all standard set by TBS, osha, and TMDA; the state-of-the-art technology will be used,

CNBMI TANZANIA LIMITED will be selling various products such as:

- Carbonated Beverages
- Fresh Bread & Rolls
- Milk
- Salty Snacks

- Beer/Ale/Alcoholic Cider
- Natural Cheese
- Wine
- Fz Dinners/Entrees
- Cold Cereal
- Cigarettes
- Yogurt
- Rfg Juices/Drinks
- Ice Cream/Sherbet
- Bottled Water
- Soup
- Crackers
- Cookies
- Bottled Juices
- Coffee
- Luncheon Meats
- Breakfast Meats
- Rfg Fresh Eggs
- Toilet Tissue
- Dog Food
- Total Chocolate Candy
- Fz Pizza
- Rfg Salad/Coleslaw
- Fz Novelties
- Laundry Detergent
- Vegetables
- Fz Seafood
- Spirits/Liquor
- Snack Bars/Granola Bars
- Baby Formula/Electrolytes
- Processed Cheese
- Shortening & Oil
- Fz/Rfg Poultry
- Cat Food
- Spices/Seasonings
- Dinner Sausage
- Paper Towels
- Fz Plain Vegetables
- Creams/Creamers
- Processed Fz/Rfg Poultry
- Frankfurters
- Pastry/Doughnuts
- Sports Drinks
- Fz Breakfast Food
- Pasta
- Spaghetti/Italian Sauce
- Pickles/Relish/Olives
- Mexican Foods
- Canned/Bottled Fruit
- Snack Nuts/Seeds/Corn Nuts
- Seafood – Ss
- Food & Trash Bags
- Salad Dressings – Ss
- Rfg Side Dishes
- Rice

- Total Non-Chocolate Candy
- Butter
- Dry Packaged Dinners
- Fz Meat
- Margarine/Spreads/Butter Blend
- Dough/Biscuit Dough – Rfg
- Tea/Coffee Ready-To-Drink
- Mayonnaise
- Baking Needs
- Sugar
- Ss Dinners
- Cups & Plates
- Baking Mixes
- Tomato Products
- Vitamins
- Fz Potatoes/Onions
- Rfg Meat
- Soap
- Bakery Snacks
- Diapers
- Household Cleaner
- Pies & Cakes
- Mexican Sauce
- Ss Meat & Rfg Ham
- Fz Appetizers/Snack Rolls
- Dish Detergent
- Cream Cheese/Cr Chs Spread
- Peanut Butter
- Jellies/Jams/Honey
- Internal Analgesics
- Gravy/Sauce Mixes
- Cottage Cheese
- Energy Drinks
- Aseptic Juices
- Gum
- Rfg Entrees
- Hot Cereal
- Lunches – Rfg
- Sour Cream
- Mustard & Ketchup
- All Other Sauces
- Baby Food
- Cold/Allergy/Sinus Tablets
- Toothpaste
- Tea – Bags/Loose
- Weight Con/Nutrition Liq/Pwd
- Fz Bread/Fz Dough
- Pet Supplies
- Gastrointestinal – Tablets
- Facial Tissue
- Sanitary Napkins/Tampons
- Flour/Meal

- Cat/Dog Litter
- Dried Fruit
- Shampoo
- Popcorn/Popcorn Oil
- Syrup/Molasses
- Deodorant
- Drink Mixes
- Baking Nuts
- Batteries
- Air Fresheners
- Gelatin/Pudding Prd
And Mixes
- Foils & Wraps
- Desserts -Rfg
- Baked Beans/Canned
Bread
- Fz Desserts/Topping
- Skin Care
- Blades
- English Muffins
- Spreads – Rfg
- Rfg Whipped Toppings
- Canned Juices – Ss
- Rfg Dips
- Fz Pies
- Cleaning
Tools/Mops/Brooms
- Toaster Pastries/Tarts
- Dry Fruit Snacks
- Toothbrush/Dental
Accesories
- Barbeque Sauce
- Rfg Teas/Coffee
- Charcoal
- Sugar Substitutes
- Fz Fruit
- Asian Food
- Paper Napkins
- Fabric Softener Liquid
- Hair Conditioner
- Seafood – Rfg
- Moist Towelettes
- Juices – Frozen
- Dip/Dip Mixes –
Ss\Candles
- Dry Beans/Vegetables
- Mouthwash
- Misc. Snacks
- Instant Potatoes
- Coffee Creamer
- Kitchen Storage
- Vinegar
- Eye/Contact Lens Care
Product
- Evaporated/Condensed
Milk
- Milk Flavoring/Cocoa
Mixes
- Frosting
- Fz Prepared Vegetables
- Hand & Body Lotion
- Hair Coloring

- Bleach
- Breadcrumbs/Batters
- Other Rfg Products
- Non-Fruit Drinks
- Light Bulbs
- Fz Pasta
- Laundry Care
- Salad Toppings
- Smokeless Tobacco
- Fz Pot Pies
- Dessert Toppings
- Foil Pans

2.6 CAPACITY

The proposed project is projected to sell 200 tons of various goods per year

3.0 PROJECT MANAGEMENT AND MANPOWER REQUIREMENTS

CNBMI TANZANIA LIMITED will be under the Management with vast experience in managing various agribusinesses; the project will be directly managed by The Manager will be assisted by 12 employees.

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	1	2	4	7
Men	1	2	2	5
TOTAL	2	4	6	12

3.1 MONITORING AND EVALUATION

The Management has full commitment to ensuring goods and services provided maintain the safety and standards required in the market. The quality control unit will establish a system of routine checking and getting feedback from customers, management philosophy is through business process, managers will strive to ensure compliance to standards and safety of products and customers they serve.

3.2 ENVIRONMENT PROTECTION

The company intends to make environment friendly; the company will save the country's environment in particular and global environment in general.

4.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is **US\$ 149,000** out of which **US\$134,000** will be fixed investment costs.

CNBMI TANZANIA LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	0.00
Machinery & Equipment	70,000.00
Motor Vehicles	80,000.00
Furniture & Fixtures	70,000.00
Pre exp	5,000.00
Others	20,000.00
Working Capital	260,000.00
TOTAL	505,000.00

For the project to be a reality a total investment amounting to **US\$505,000** is needed

4.1 FINANCING PATTERN

The project will be financed by equity by 100%; constituting **US\$ 505,000**

5.0 PROJECT OPERATING COSTS

In order to realize its intended objective, the project will have to meet the operating costs budgeted to be 70%.

6.0 FINANCIAL ANALYSIS

6.1 Considerations and Assumptions:

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

Revenues have been conservatively estimated based on experience of the promoters and trends in the bakery industry.

6.2 FINANCIAL STATEMENTS:

6.3 Projected lodge Revenue

CNBMI TANZANIA LIMITED PROJECTED REVENUE

	1	2	3	4	5
Revenue	360,000.00	396,000.00	435,600.00	479,160.00	527,076.00

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

6.4 PROJECTED PROFIT AND LOSS STATEMENT

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$**31,150** in first year to US \$**818,606** in the 5 year,

CNBMI TANZANIA LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT
“US \$”

	1	2	3	4	5
Revenue	360,000.00	396,000.00	435,600.00	479,160.00	527,076.00
Cost of sales (77% of revenue):	277,200.00	304,920.00	335,412.00	368,953.20	405,848.52
Operating Expenses	10,800.00	11,880.00	13,068.00	14,374.80	15,812.28
Gross Profit Before Interest and Depreciation	72,000.00	79,200.00	87,120.00	95,832.00	105,415.20
Depreciation	27,500	24,063	21,055	18,423	16,120
Interest	-	-	-	-	-
Gross Profit After Interest and Depreciation	44,500.00	55,137.00	66,065.00	77,409.00	89,295.20
Tax (30%)	13,350.00	16,541.10	19,819.50	23,222.70	26,788.56
Net Profit	31,150.00	86,287.00	152,352.00	229,761.00	319,056.20
Accumulated Profit	31,150	117,437.00	269,789.00	499,550.00	818,606.20

6.5 PROJECTED CASH FLOWS

This is shown in the financial statements. The project has a positive end of year cash flow from year 1st, i.e. US\$ **58,650** of operation to the 5th year i.e. US\$ **339,847**,

Appendix II

CNBMI TANZANIA LIMITED PROJECTED CASH FLOW US\$

	0	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	0	72,000.00	79,200.00	87,120.00	95,832.00	105,415.20
Equity	505,000.00					
Total Sources	505,000.00	72,000.00	79,200.00	87,120.00	95,832.00	105,415.20
Applications:						
Capital expenditure	220,000	-	-	-	-	-
working Capital &Others	285,000.00	-	-	-	-	-
Cash	0	58,650.00	62,659.00	67,301.00	72,610.00	78,627.00
Tax	-	13,350.00	16,541.10	19,819.50	23,222.70	26,788.56
Sub total	505,000.00	72,000.00	79,200.10	87,120.50	95,832.70	105,415.56
Total applications	505,000.00	72,000.00	79,200.10	87,120.50	95,832.70	105,415.56
Accumulated cash		58,650.00	121,309.00	188,610.00	261,220.00	339,847.00

6.6 PROJECTED BALANCE SHEET

The projected Balance Sheet of the projected is shown in the financial statements under same heading.

Total capital of the project increases from US\$ **505,000** in the first year of operation to US \$ **824,056** in the 5th year.

Appendix III

CNBMI TANZANIA LIMITED PROJECTED BALANCE SHEET US \$

	0	1	2	3	4	5
Fixed Assets	-					
Opening balance	-	220,000	192,500	168,438	147,383	128,960
Total Long-term Assets	-	220,000.00	192,500.00	168,438.00	147,383.00	128,960.00
Less depreciation	-	-	-	-	-	-
Closing balance	-	220,000.00	192,500.00	168,438.00	147,383.00	128,960.00
Working capital	285,000.00	285,000.00	285,000.00	285,000.00	285,000.00	285,000.00
Accumulated cash	-	58,650.00	121,309.00	188,610.00	261,220.00	339,847.00
Total assets	285,000.00	563,650.00	598,809.00	642,048.00	693,603.00	753,807.00
Financed by						
Equity	505,000.00	505,000.00	505,000.00	505,000.00	505,000.00	505,000.00
Net profit	-	31,150.00	86,287.00	152,352.00	229,761.00	319,056.20
Total equity	505,000.00	536,150.00	591,287.00	657,352.00	734,761.00	824,056.20
Total debts	-	-	-	-	-	-
Total equity and debts	505,000.00	536,150.00	591,287.00	657,352.00	734,761.00	824,056.20

6.7 PROJECTED PAYBACK PERIOD

Total investment is US \$ **505,000** cash accumulation the fourth year is US\$ **590,591** which is more than the initial investment by US\$ **85,591** the project payback Period is within 4 years,

The project has a relatively short payback period. It is remarkably impressive for a project whose investment is as big as US\$ **505,505** being recovered within 24years.

Appendix IV

CNBMI TANZANIA LIMITED PAY BACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	31,150.00	27,500	58,650.00	58,650.00
2	86,287.00	24,063	110,350.00	169,000.00
3	152,352.00	21,055	173,407.00	342,407.00
4	229,761.00	18,423	248,184.00	590,591.00
5	319,056.20	16,120	335,176.20	925,767.20

7.0 ECONOMIC ASPECTS

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

- The project is an ideal option for utilization business opportunity available in Tanzania market
- The project will create employment for **12** people on permanent contract basis as well as on temporary basis.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge and skills as far as super market industry is concerned

8.0 IMPLEMENTATION

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

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S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	Jan 2021
2	Rehabilitation of premises	May-July 2021
4	Ordering various super market items	August 2021
5	Setting and arranging various items	September 2021
6	Testing operations	October 2021
7	Commercial Operations	November 202

9.0 CONCLUSION AND RECOMMENDATIONS

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

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