

BUSINESS PROPOSAL 2020

**LUSH CHANZO WOOD INDUSTRIES
LIMITED**

**PROPERTY LOCATED IN RUNGEMBA
VILLAGE, MAFINGA DISTRICT, IRINGA**

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COMPANY DESCRIPTION

Background information

Lush Chanzo Wood Industries Limited is the company that deals with manufacturing and supplying of wood products including MDF Board Particle Board plywood, marine board, matches, and other wood products. The business also deals with manufacturing, importing and exporting of timber forest products. It is registered with registration number 140985341. The business will start its operation on 1st January, 2021, it will be located at Mafinga, Iringa. The business will be established with the initial capital of USD Fifteen million two hundred and seventy thousand (USD.15,270,000), however shareholders expect to increase capital on future days.

the value of MDF exports in the sector amounted to over US\$ 9,000,000 and trend seems set to continue at current growth rate. In furniture sector is one of the significant contributors to national Gross Domestic Products (GDP) employs in the manufacturing industry. In consideration of the expansion of MDF in Tanzania and global market, the idea of establishing Lush Chanzo Wood Industries Limited was perceived.

The business is owned by two shareholders who are Zhijun Zhang and Qingyun Fang. The capital of one billion One Hundred Forty Million was divided into One Million (1,000,000) ordinary shares where by each share cost One Thousand One Hundred Forty Shillings.

(1140). The following table shareholders and ordinary share distributions.

The following table show shareholders distribution:-

Shareholders	No of share	Citizenship
1 Zhijun Zhang	700,000	Chinese
2 Qingyun Fang	300,000	Chinese

Vision

To become leading company that manufacture MDF board Particle Board plywood and wood products at large in Tanzania.

Mission

Creating Value for customers through Reliability and Flexibility, our desire is to make our customers experiencing the warmth and comfort through Respect and Trust.

COMPANY PRODUCTS

Introduction

Lush Chanzo Wood Industries Limited will deal with MDF board Particle Board plywood and other wood products.

MDF BOARD

Medium-density fibreboard (MDF) is an engineered wood product made by breaking down hardwood or softwood residuals into wood fibres, often in a defibrator, combining it with wax and a resin binder, and forming it into panels by applying high temperature and pressure.^[1] MDF is generally more dense than plywood. It is made up of separated fibres, but can be used as a building material similar in application to plywood. It is stronger, and more dense, than particle board.^[2]

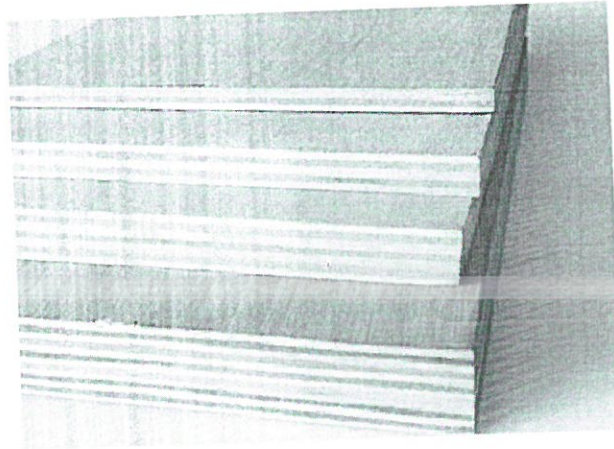
Over time, the term "MDF" has become a generic name for any dry-process fibre board. MDF is typically made up of 82% wood fibre, 9% urea-formaldehyde resin glue, 8% water, and 1% paraffin wax.^[4] and the density is typically between 500kg/m^3 (31 lb/ft³) and $1,000\text{kg/m}^3$ (62 lb/ft³).^[5] The range of density and classification as light-, standard-, or high-density board is a misnomer and confusing. The density of the board, when evaluated in relation to the density of the fibre that goes into making the panel, is important. A thick MDF panel at a density of $700\text{--}720\text{kg/m}^3$ may be considered as high density in the case of softwood fibre panels, whereas a panel of the same density made of hardwood fibres is not regarded as so. The evolution of the various types of MDF has been driven by differing need for specific applications.

Plywood

Plywood is a material manufactured from thin layers of wood veneer that are glued together with adjacent layers having their wood grain rotated up to 90 degrees to one another. Plywood is an engineered wood product made from three or more 'plies' or thin sheets of wood. These are glued together to form a thicker, flat sheet. The logs used to make plywood as a building material are prepared by steaming or dipping in hot water. They are then fed into a lathe machine, which peels the log into thin plies of wood, each ply is usually between 1 and 4 mm thick.

Plywood has a huge range of uses within the construction industry. Some of its most common uses are making of light partition or external walls, making of formwork, making of furniture, especially cupboards, kitchen cabinets, and office tables. Also plywood used in packaging and making of light doors and shutters.

Plywood consists of the face, core, and back. The face is the surface that is visible after installation, while the core lies between the face and back. Thin layers of wood veneers are glued together with a strong adhesive. This is mainly a phenol or urea formaldehyde resin. Each layer is oriented with its grain perpendicular to the adjacent layer. Plywood as a building material is generally formed into large sheets. It may also be curved for use in ceilings, aircraft, or ship building.



Plywood

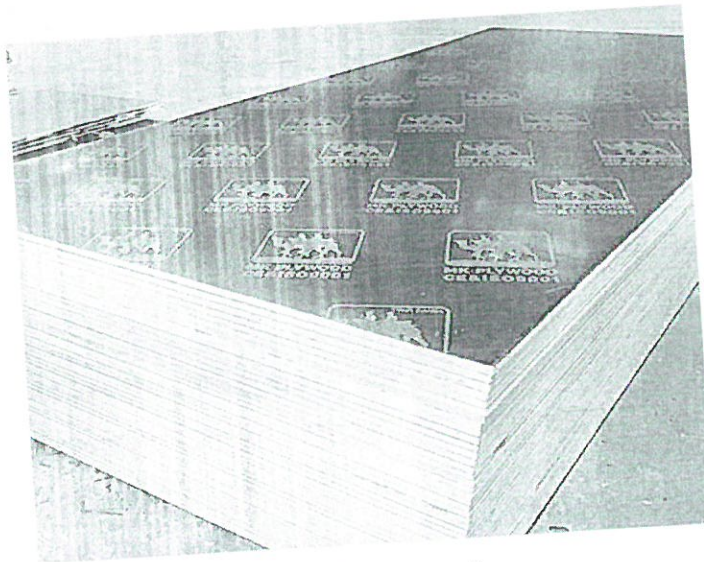
Plywood is manufactured from softwood, hardwood, or both. The hardwoods used are ash, maple, oak, and mahogany. Douglas fir is the most popular softwood for making plywood, although pine, redwood, and cedar are common. Composite plywood can also be engineered with a core of solid timber pieces or particleboard, with a wood veneer for the face and back. Composite plywood is preferable when thick sheets are require.

Marine Boards

Marine board is composed of high density polyethylene Pipe known as HDPE making this material extremely resilient to maritime weather and environments. More specifically, HDPE is durable, chemical resistant and waterproof meaning it can withstand salt water, sunlight and constant moisture.

Many old-fashioned watercrafts included boat parts fabricated from wood. Because wood is not exactly the strongest material, many boat fabricators had to consistently refinish wooden boat parts each year to ensure the watercraft was safe. Plastic manufacturers recognized this issue and offered HPDE marine board as an alternative. Boat manufacturers and fabricators were surprised by the material's ability to not rot, splinter or swell in harsh maritime environments.

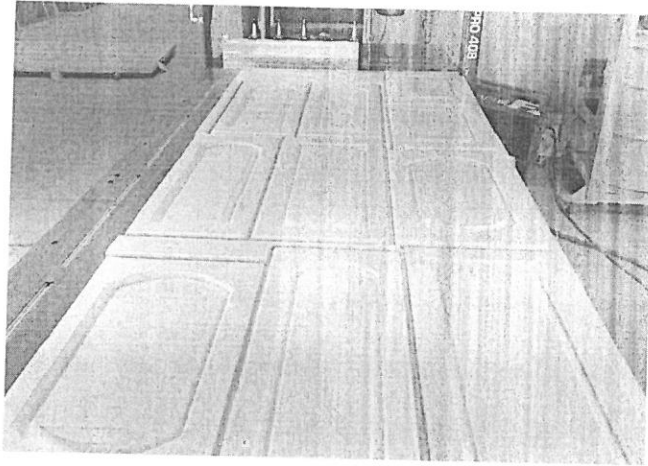
Marine Board has excellent resistance to scratches, impact, UV light and moisture absorption. Common uses include outdoor cabinetry, boat and RV components, steps and deck components, doors and trim, as well as swimming pool equipment. Acme Plastics' Marine Board comes in a variety of colors and sizes. Custom cut option is available.



Marine board

Doors

Door is a panel that covers an opening in a building, room. Doors are usually made of a hard, semi-permeable, and hard-to-break substance (such as wood), but sometimes consisting of a hard frame into which windows or screens have been fitted. Doors are often attached by hinges to a frame. Doors make ingress into or egress from a building, room, or vehicle easier to manage.



Door in production

During manufacture of our doors, various woodworking products are used as materials -taking into account their features: chipboard as door panels; MDF for facing and cladding, creating panel-type segments, installation of stiffeners, and timber for internal door filling.

Other products

Lush Chanzo Wood Industries Limited also will be specialized in production of matches, wooden boxes, plastic and veneer.

Also will produce Original wood care, wood processing, sales, and import and export; Wood products, wooden crafts, artwork, decorative materials, flooring, interior doors and accessories, cabinets, furniture and other production, processing, transport sales and import and export, architectural square, wood leather, architectural template, particleboard, fiberboard, color board, high density plate, artificial plate and so on and plate drying, transportation, sales, and import and export

PRODUCTS DEVELOPMENT

MDF Manufacturing Process

Now, almost every factory uses fully integrated state-of-the-art computerized plants to produce the MDF. These plants have a complete setup for making the MDF board right from the initial step to guaranteeing that the quality is not bargained at any stride.

Debarking and chipping

The first step in the manufacturing of MDF board is Debarking. The bark of the soft wood of eucalyptus can be used as it is but to get the better quality of the final product the bark from the log is removed. This decreases grit and organic waste. It also allows faster drainage of the water and helps in finer surface finish.

Once the bark is removed the log is then stripped. The chipper drum reduces the logs into evenly shaped chips. The resulting chips, if they are too large, may be re-chipped and the undersized chips are used for another purpose.

Chip washer

The chips are then washed to check for the defects. The process also removes bits of bark, dirt, dust and so on.

Defibrator:

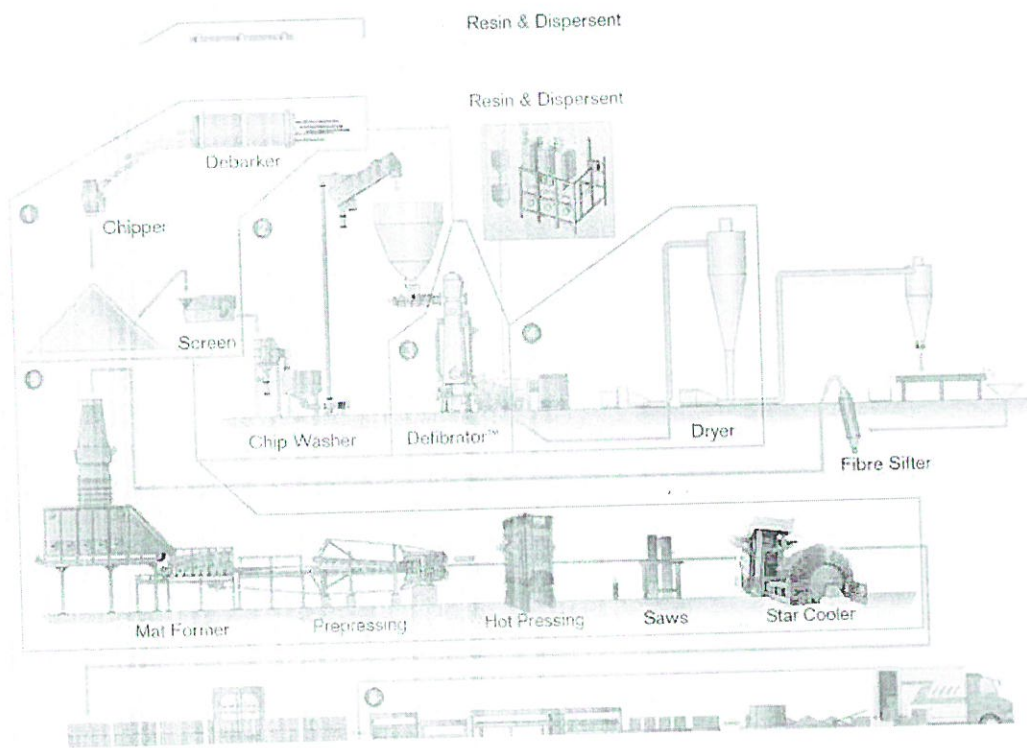
Before the defibration process, the chips are coated with molten paraffin wax. This glues the chips together. The glued chips are then dried by transporting through hot air dryer. This takes out the defective fibers.

The chips are then fed into the defibrator for few minutes under high temperature while they are ground to form a pulp. From the defibrator, the pulp enters a blowline, where it is mixed with resin. The wax improves moisture resistance and the resin initially helps reduce clumping, but ultimately is the primary binding agent. It is then passed through dryer where it dries out quickly.

Mat formation:

The dry fibers are then conveyed to the mat forming system. Here they are dropped on the belt which is converted into an even mat with the help of the distribution arms.

The mat is rolled through a series of heavy rollers which give them the desired thickness. The edge trimming saws trim the edges of the mat to give the desired length to the board. The chipped fiber from the edges is vacuumed and recycled.

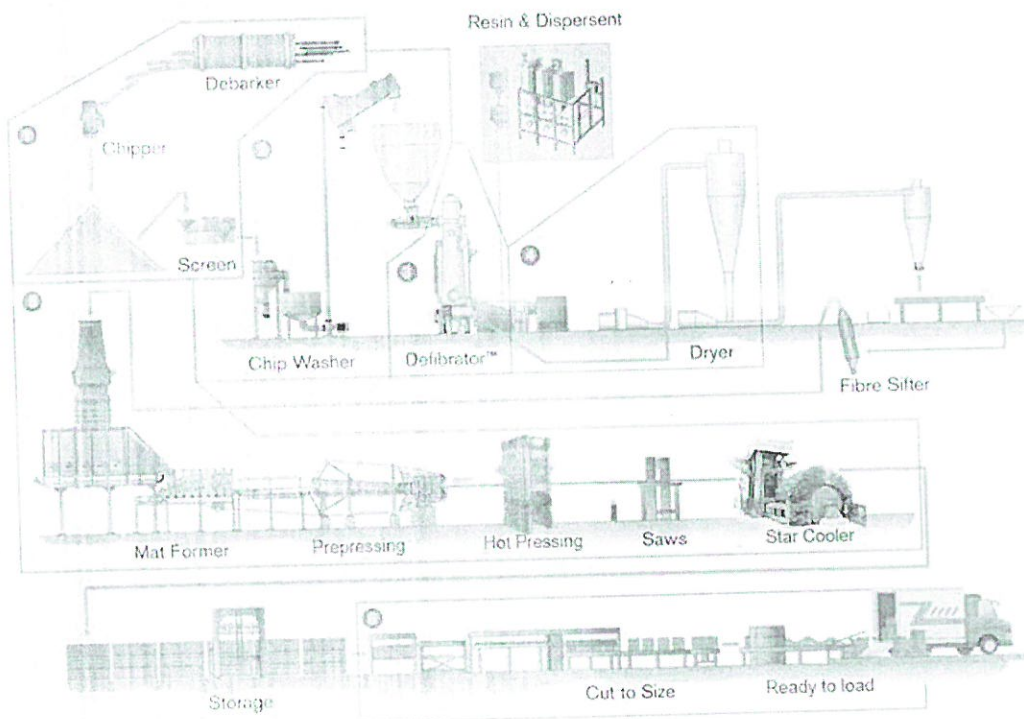


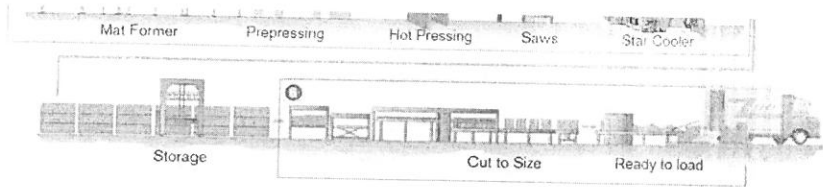
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Plywood Production

Plywood production requires a good log, called a peeler, which is generally straighter and larger in diameter than one required for processing into dimensioned lumber by a sawmill. The log is laid horizontally and rotated about its long axis while a long blade is pressed into it, causing a thin layer of wood to peel off (much as a continuous sheet of paper from a roll).

An adjustable nose bar, which may be solid or a roller, is pressed against the log during rotation, to create a "gap" for veneer to pass through between the knife and the nose bar. The nose bar partly compresses the wood as it is peeled; it controls vibration of the peeling knife; and assists in keeping the veneer being peeled to an accurate thickness. In this way the log is peeled into sheets of veneer, which are then cut to the desired oversize dimensions, to allow it to shrink (depending on wood species) when dried. The sheets are then patched, graded, glued together and then baked in a press at a temperature of at least 140 °C (284 °F), and at a pressure of up to 1.9 MPa (280 psi) (but more commonly 200 psi) to form the plywood panel.

The panel can then be patched, have minor surface defects such as splits or small knot holes filled, re-sized, sanded or otherwise refinished, depending on the market for which it is intended.

Marine board Production

Marine plywood is manufactured from durable face and core veneers, with few defects so it performs longer in both humid and wet conditions and resists delaminating and fungal attack. Its construction is such that it can be used in environments where it is exposed to moisture for long periods. Each wood veneer will be from hardwoods, have negligible core gap, limiting the chance of trapping

INDUSTRY ANALYSIS

Size of the industry

A major change has been emerging during the past decade in the traditional location patterns of MDF Board and woodworking industries throughout the world, due to changes in global demand. These changes have been caused by the globalization of modern urban lifestyle, the growth of a mass urban middle classes in developing countries, and modernization of product distribution systems. It is also becoming difficult in recent years to distinguish between furniture designs of different countries when they are exhibited side by side.

The furniture sector in Tanzania mostly consists of Small and Medium Enterprises, maintaining low levels of production aimed at serving local markets. The majority of these Small and Medium Enterprises have few permanent employees and little working capital, beyond working tools and small premises. For instance, it is estimated that only 3.0% of all permanent employees are employed in this sector. Furthermore, most of these firms are located in urban areas and only few can be found in a rural setting. Additionally, most of these firms are run by entrepreneurs who have low levels of education, and who rely on simple hand tools to make furniture.

The furniture sector is one of the significant contributors to national GDP and employs about 17.0 percent of the total workforce in the manufacturing industry. Furthermore, this sector is not particularly import-dependent because most of the raw materials used are locally sourced in Tanzanian forests, local manufacturers should utilize that advantage.

Locally produced products as furniture products, play central role in economic and social development of a particularly country like Tanzania. Tanzania locally produced furniture are less preferred by local citizen which affect its supply to the local market. Availability of local and imported products in a country is importance in meeting peoples demand, but for the case of Tanzania this has

great effect on the locally produced furniture since imported furniture such as Chinese furniture dominate almost the whole local markets. Based on this factor the government of Tanzania must embrace on long term plan of supporting and enabling manufactures in Tanzania to produce quality furniture material like MDF Board and Particle Board which is acceptable by both local Tanzania and foreigners also local.

Industrial financial position

Tanzania's manufacturing sector contributed 5.6% to the country's GDP in 2014 with USD 2.69bn, compared to USD 1.47bn in 2009, representing an increase of 82%. Tanzania's manufactured goods export tripled over the past 5 years, increasing from USD 497.7m in 2010 to USD 1.4bn in 2015, accounting for 25% of Tanzania's total export value.

Despite numerous efforts to create a dynamic industrial environment Tanzania persistently has a small and underdeveloped manufacturing sector. Most initiated manufacturing investments have not survived for long, mainly because of insufficient infrastructure and inefficient macroeconomic policies. The sector has continuously been dominated by under-funded and mismanaged parastatal ventures – leftovers from the central planning system – which are now being privatized, but will need a near complete overhaul before a substantial growth can be expected.

Competitive nature of the industry

Competition occurs when two or more firms act independently to supply their products or services to the same group of consumers. There are no bases on which firms can compete. We are the first company can produce MDF Board so far

- **Price**

This is when firms are selling identical or very similar services; they must compete on price with each firm trying to undercut the others. Successful price competition depends on cost leadership the ability to supply the product at a lower cost than any other competitor.

- **Differentiation**

This is the non-price competition depends on making a services different from those of competitors and by giving it distinctive qualities that are valued by the target market. These might include branding, styling, special features or higher levels of customer service. Such factors can allow a premium price to be charged while still offering target customers competitive value-for-money.

MARKET ANALYSIS

Targeted market

The products are targeted to the Tanzanians within the boundaries and other near counties. Person aged 18-60 are the core target market of the Lush Chanzo Wood Industries Limited products. The estimated 2019 population of Tanzania is 58.01 million, up from the 2014 estimate of 50.8 million, ranking 25th in the world. The last official census recording the population of Tanzania occurred in 2012 and showed there were 44,928,923 people living in the country.

Location

The business will be located at Mafinga Iringa, the place is located at Southern Highlands of Tanzania. Thus company can produce products and selling/distributing with the minimum set price.

Marketing goals and objectives

The most generic goal of the business is to earn more than the cost of capital, this is to say the goal is to make today's investment worth than tomorrows. This will be done on the following ways:-

1. Increasing market share

This will be done by creating customer loyalty, getting to know them better and finding more services and products they need.

2. Return on sale

Lush Chanzo Wood Industries Limited focus on achieving a certain margin, which will be done by matching it to the sales volume generated per Tanzania shillings of Asset (asset turnover)

3. Reputation

Lush Chanzo Wood Industries Limited strive for good reputation, an enterprise main reputational goals should fourfold to be;

- i. A provider of choice to customer
- ii. The employer of choice to employees
- iii. The partners of choice to distributors
- iv. The enterprise of choice to investors

Market Niche

A small but profitable segment of a market suitable for focused attention by a marketer. Market niches do not exist by themselves, but are created by identifying needs or wants that are not being addressed by competitors, and by offering products that satisfy them. Lush Chanzo Wood Industries Limited will identify customers from different areas in Tanzania so as to create a wide customers base. The company will create zonal sales and marketing team that will be targeted to create a market niche in every zone. This will help to create loyal customers who will be given discount on every purchase.

Markets growth

Growing of the market will depend on the population and economic activities of the area. Our products basically windows and doors used in construction projects like living house, hotels or offices. Thus, growing of city the cities, like Dar es salaam, Mbeya, Tanga, Dodoma, Mwanza, and towns like Singida, Mtwara, Kigoma etc. will increase market of our products.

National Bureau Statistics (2018) attributes the country's growth in the construction sector to an increase in construction activities, mainly the construction of commercial and residential buildings and ongoing infrastructure projects. Expansion of construction projects especially in construction of building increase performance of furniture sector.

Market prices

Price is a value that will purchase a finite quantity, weight, or other measure of a good or service. As the consideration given in exchange for transfer of ownership, price forms the essential basis of commercial transactions. It may be fixed by a contract, left to be determined by an agreed upon formula at a future date, or discovered or negotiated during the course of dealings between the parties

involved. In commerce, price is determined by what a buyer is willing to pay, a seller is willing to accept, and the competition is allowing to be charged. With product, promotion, and place of marketing mix, it is one of the business variables over which organizations can exercise some degree of control.

Lush Chanzo Wood Industries Limited products will be priced competitively with other small and large firms which are in the furniture industry. Our price will be based on several factors including the time and cost of production.

Products	Type	Size	Price (TZS)
MDF Board	18mm	4" x 8"	42,000
Plywood	3 mm	4" x 8"	5400
Particle Board	9mm	4" x 8"	40,000
Single door	Soft wood	6.8" x 3.6"	400,000
Double Door	Hard wood	6.8" x 5"	1,000,000
Double door	Soft wood	6.8" x 5"	700,000
Marine board	32 mm	4" x 8"	50,000

COMPETITION

Industry competition

To date, the MDF sector in Tanzania has nobody producing.

Lush Chanzo Wood Industries Limited expect to get higher competition from the imported one. we will meet competitions from international companies that import MDF Board plywood and marine board in Tanzania. However, company will use every opportunity to enter the market. The following table shows formal competitors in MDF

Company	District	Product	Location
Linyi Lanshan	Shenchen board factory	Marine, plywood MDF Board	China
Wuxi Tainuo Wood Industry Co Ltd		Marine, plywood MDF Board	China
Natta furniture		Windows, doors	Mwanza
GA-WOODWORKS		Windows, Doors	Dar es salaam, Dodoma
Furniture center		Kitchen cabinets, window, doors	Arusha, Dar es salaam
KEKO Modern furniture		Windows, doors,	Dar es salaam

However, listed above are among of the competitors who are selling the same products as we do. We have competition in every angle of urban and rural area in Tanzania.

Market Barriers

When a company enter a betting industry, has to set lower prices compared to the large companies which operate in the same market. Since competitors operate at low operation costs, they have possibility of capturing all customers in the market. Therefore, in entering the market will be so hard for us since the company operate at higher operating cost.

Bureaucracy in government organizations which deals with registration of services prolongs time of introduction of products in the market. Company can continue to pay other operating cost like rent and salary to the workers while waiting for registration from government organization, therefore this increase cost of operation of new firms.

New business has no goodwill or reputation which has already create for its products to the customers. Already operated companies have good reputation and goodwill which already create to their customers. Thus in this situation, business won't survive along huge competitors which have been surviving for years.

Strategic opportunities

In order to company to penetrate over competitors Lush Chanzo Wood Industries Limited will take every opportunity in useful actions. Company try the best to look for new opportunities arises in the market so as to increase market share at the same time increasing profit of the company. The following the opportunities which can be used by Lush Chanzo Wood Industries Limited:~

- Expansion of construction project

- Increasing of population in larger cities like Dar es salaam and Dodoma, Mbeya, Iringa etc.
- Government support in providing good economic environment
- Political stability

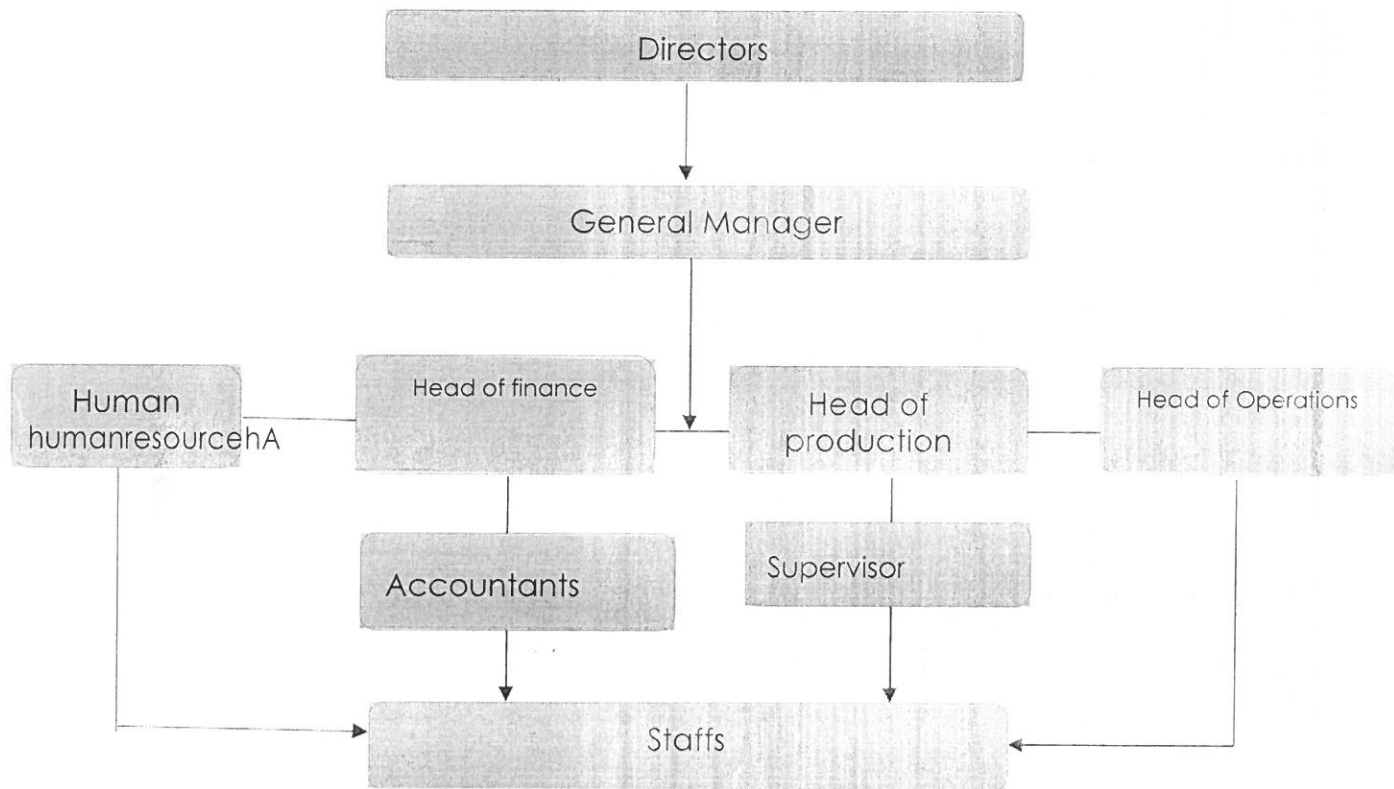
ORGANIZATION STRUCTURE

Management chart

Lush Chanzo Wood Industries Limited is a business managed by general manager who employed by shareholders with intention of providing betting services. All legal and auditing duties will be contracted out. Further all aspects of the business will be documented to ensure all records are kept. Therefore, the business must embody the vision and mission of Lush Chanzo Wood Industries Limited. Any additional staffs like security officers and cleaners required will be obtained on a subcontract basis.

The business will has four departments which finance and administration, operation and production. These departments will work separately aiming to increase business revenue, quality and quantity of services and profits. The following chart show the organization structure of Lush Chanzo Wood Industries Limited;

Organization structure



Functions of all workers

Directors

1. Overseeing companies day to day activities
2. Decision makers
3. Approving the financial statements of the company
4. Coordinating all business bank accounts and business investments.

General Manager

1. Coordinating all the activities of the business

2. Signing all contracts of the business with other companies.
3. Reviewing all reports presented by heads of departments.
4. Controlling resources of Lush Chanzo Wood Industries Limited
Representing business in any matters outside the business.
5. Developing and direct the implementation of policies and procedures to ensure that the Company complies with all health and safety and other statutory regulations.
6. Developing and maintain Total Quality Management systems through out Lush Chanzo Wood Industries Limited to ensure that the best possible services are provided to customers.
7. Undertaking measures that are unusual or extensive in view of the scope and nature of the activities of the business.
8. Authorizing expenditures of the business.
9. To find appropriate sources of funds for the Lush Chanzo Wood Industries Limited.

Head of finance

1. Management of cash and other current assets.
2. Receiving cash from cashiers and deposit to the company bank account.
3. Develop business plan, timeline and budget to perform financial projects
4. Monitor and manage expenditures within allotted budget.
5. Develop and maintain standard financial and administrative procedures.
6. Review all invoices and make the relevant payments in a timely manner
7. Supervise and manage payroll processing and tax filing activities.
8. Supervise preparation of all monthly and annual finance reports in a timely fashion

9. Provide training and guidance to finance and admin teams as needed.
10. Develop overall goals for the finance and administration departments.
11. Identify and resolve financial and administrative issues.

Accountant

1. Analyzing and advising on financial affairs.
2. Conducting monthly bank reconciliation
3. Recording day to day financial transactions
4. Financial report generation
5. Collecting debts.

Head of operations

1. Reporting to general manager
2. Controlling marketing and branding of the business services.
3. Recruiting employees when needed.
4. Ensuring that the customers are provided with quality services.
5. Respond to customer queries/issues in a timely manner.
6. Works with the General Manager and other Heads of Function to influence the creation and communication of company strategy, business priorities and targets for the Teams and ensures there are systems in place to enable the employees to receive the information in a timely manner.
7. Generates ideas about future retail activities to ensure a cutting edge strategy; maintains up to date knowledge of the market place, competitors and trends
8. Takes decisions on matters relating to the day to day retail operation within their defined work area including the strategic planning of resources
9. Managing quality assurance programmes.

Head of production

1. planning and organizing production schedule
2. assessing project and resource requirements
3. estimating, negotiating and agreeing budgets and timescales with clients and managers
4. ensuring that health and safety regulations are met
5. determining quality control standards
6. overseeing production processes
7. re-negotiating timescales or schedules as necessary
8. selecting, ordering and purchasing materials
9. organizing the repair and routine maintenance of production equipment
10. liaising with buyers and marketing and sales staff
11. supervising the work of junior staff

Salaries forecast

Lush Chanzo Wood Industries Limited intends to have two kinds of employees, this means skilled labour and unskilled labour. Skilled labour are those educated who will be allocated in professional job while unskilled labour are those uneducated workers. The company will have 400 employees who allocated in different departments, the salary of the company is set and approved by director. Increasing number of workers will depend on the demand of the market and human resource.

Gender	Men	Women	Total
Skilled	58	2	60

Unskilled	262	78	340
Total	320	80	400

The following table shows the projection of salaries for the workers of the business:-

Assumptions

1. There will no new government regulations that will affect business.
2. Salaries will remain constant for three years
3. There will new employee recruited for next three years.
4. Economic stability will remain constant.
5. Tanzania currency will remain stable for the three years.
6. Us Dollar 1 is equal to Tanzania shillings 2350.

Staff title	No	Salary per month (USD)	Salary per year (USD)	2019/2020	2020/2021	2021/2022
General manager	1	2,500	30,000	30,000	30,000	30,000
Head of finance	2	4,400	52,800	52,800	52,800	52,800
Head of operation	1	2,200	26,400	26,400	26,400	26,400
Head of Production	1	2,500	30,000	30,000	30,000	30,000

Head of human resource	1	1,000	12,000	12,000	12,000	12,000
Accountants	3	3,000	36,000	36,000	36,000	36,000
Supervisors	51	51,000	612,000	612,000	612,000	612,000
Staffs	10	1,200	14,400	14,400	14,400	14,400
Unskilled labour	330	33,000	396,000	396,000	396,000	396,000
Total	400	100,800	1,209,600	1,209,600	1,209,600	1,209,600

MARKETING STRATEGY

Marketing plan

Marketing plan is the company-wide plan that describes activities involved in achieving specific marketing objectives within a set timeframe. A market plan always begins with the identification of specific customer needs and how the firm intends to fulfill them while generating an acceptable level of return.

Marketing plan has been one of the important organization strategies in today's society especially when information for consumers is often overloaded. Brands are competing aggressively for today's mass consumers' attention when most of the time, massive advertising are often being ignored by the customers. Therefore, marketing strategy plays a vital role in making today's customers want to buy your products and services.

Therefore, the following are objectives of our marketing plan:-

Thought Leadership

Content marketing leads to obtaining of thought leadership from an archive of articles that are consistently shown to the customers. According to a study, consumers today are more convinced when the brand educates them with a relevant article or content that is of interest to them. By becoming the thought leader in the industry with content marketing, our brand will eventually win the consumer market share as well.

Subtle Marketing

Marketing has a subtle marketing impact on consumer decisions. Such that the customers may not feel that the branded content is trying to sell them something. Customers' mindset will become less defensive when it comes to marketing, thereby, making buying easier.

Soft Influential Marketing

Marketing makes the brand itself seen as an influencer to a point that even competitors may take reference from. If a brand is consistent in developing its marketing on a regular basis, it gives it a soft influential marketing power. Therefore if any new product category or term invented by the brand will be more readily accepted by the consumers than the competitors which are not active in marketing. In other words, marketing may help brand to lead the market.

Improve Brand Loyalty

Our long term goal is to ensure brand loyalty by educating the customers about services relevant to their business needs. Customers are grateful if brand can deliver what they want from not only your products and services but also educate them through branded content. This will enhance brand loyalty among a small but strong group of customers which will later become your brand advocate on social media or digital media.

Support Selling

The best word to describe the impact of marketing is support selling. It will make selling easier for the clients' sales and business division as customers are better educated of the services even before they see the sales or business development staff. Smart retailers integrate marketing in their retail stores in the form of place cards that explain the benefits of their products and services. In this manner, it will make selling easier with more cost efficient such that less retail staff is required for the store.

Marketing Programmes

One of the most important marketing programs for betting business will be to be known by large number of customers. This is why business plans to run various marketing programmes in order to reach every part of Tanzania. Through a combination of, firstly creating and running print and electronic adverts in Social networks like facebook, linkedin and instagram. Secondly making personal contacts by calling and paying personal visits to potential customers. This program is intended to establish personal relationships and inform the contacts of our products. Lastly through Radio and television advertising.

Social media marketing

Social media marketing is the use of social media platforms and websites to promote a service. Most of these social media platforms have their own built-in data analytics tools, which enable companies to track the progress, success, and engagement of ad campaigns. Companies address a range of stakeholders through social media marketing including current and potential customers, current and potential employees, journalists, bloggers, and the general public.

Lush Chanzo Wood Industries Limited will have its own website which will advertise products and services provided by the company. Also business will have facebook, instagram and twitter accounts in order to advertise products and services to the

millions viewers of these social networks. This will help to reach large number of customers in a short period of time.

This marketing tool are used by many companies in now a days due to its applicability in reaching large number of people in short period of time. By using this tool we will be assure to reach many customers thus to increase services coverage. This method tends to have low costs in its implementation.

Brochures

A brochure is an informative paper document used for advertising that can be folded into a template, pamphlet or leaflet. Brochures are promotional documents, primarily used to introduce a company services and inform prospective customers or members of the public of the benefits. Brochures can be distributed inside newspapers, handed out personally or placed in brochure racks in high traffic locations.

The business will use brochures as the medium of passing information about the services to the customers. The method is among of the cheap way of advertising products; however coverage of business through this method will depend on the one who distributes brochures to the customers.

Market research analysis

Market research is the systematic gathering, recording, and analysis of qualitative and quantitative data about issues relating to marketing products and services. The goal of marketing research is to identify and assess how changing elements of the marketing mix impacts customer behavior. The task of market research is to provide management with relevant, accurate, reliable, valid, and current information.

Business research is very importance in any business, it helps entrepreneur to detect new markets for the products and services, also helps to plan future marketing plans of the business. Therefore in Lush Chanzo Wood Industries Limited market research and analysis will be undertaken through direct interviews with customers.

Also we will conduct direct observations so as to collect data about the markets. Head of operation will make numerous strategic and tactical decisions in the process of identifying and satisfying customer needs. He will make decisions about potential opportunities, target market selection, market segmentation, planning and implementing marketing programs, marketing performance, and control. These decisions are complicated by interactions between the controllable marketing variables of product, pricing, promotion, and distribution. Further complications are added by uncontrollable environmental factors such as general economic conditions, technology, public policies and laws, political environment, competition, and social and cultural changes.

Advertisement and promotion

Advertisement is the description or presentation of a services in order to induce individuals to buy, support, or approve. In the present day marketing activities hardly is there any business in the modern world which does not advertise. However, the form of advertisement differs from business to business. The purpose of advertising is nothing but to sell something a service or an idea. The real objective of advertising is effective communication between producers and consumers.

Thereafter in our business, we will use different tools for advertisement and promotion of our products such as traditional means (word of mouth), brochures, newspapers, radio, fliers and magazines so as to communicate business to customers.

Marketing budget

Assumption

1. Advertising cost will be remain constant for three years.
2. Economic stability will remain constant.
3. Tanzania currency will remain stable for the three years.
4. Us Dollar 1 is equal to Tanzania shillings 2350.

Advertisement	Cost per Month (USD)	Cost per year	2019/2020	2020/2021	2021/2022
Brochures, flyers and posters	1,000	12,000	12,000	12,000	12,000
Social media marketing	2,000	24,000	1,200,000	1,200,000	1,200,000
Television and radio	2,000	24,000	24,000	24,000	24,000
Door to door marketing	2,000	24,000	24,000	24,000	24,000
Street promotion	3,000	36,000	36,000	36,000	36,000
Total	10,000	120,000	120,000	120,000	120,000

Production capacity

The ability to rapidly deploy and reconfigure manufacturing production capacity based on demand for goods. Companies should be able to accelerate and streamline the design and deployment of production processes. Fast product introduction in response to changing market demand is a critical competitive advantage and a key to growth.

In Lush Chanzo Wood Industries Limited service capacity is measured as maximum rate of output, which poses challenges like How to define service output? How to capture the variability in output over a period of time? Different customers need different types of resources and time in service system, Can we standardize the service output and are we considering customer's perspective of capacity measure or service organization's perspective?

Product	Production day	per Production month	per Production year
MDF Board	2500	30,000	360,000

Services providers

The business will enter into contract with various vendors in order to run its operations. Since the business didn't employ security officer and cleaners, the company will enter into agreement with cleaning Services, security company, catering company, auditing company.

FINANCIAL PLAN

Capital Requirements

The business will start with the initial capital of 1,140,000,000 to run its activities, the amount are fully provided by shareholders. On future days, shareholders will invite other investors to buy shares so as to increase capital.

Assumptions

In calculation and estimating these costs and financial statements of the business, the following assumptions were made into consideration: ~

- i. Employees contracts are in one year basis, thus employees' salaries are fixed costs
- ii. Rent are not need to be paid because of own premises
- iii. No massive inflation will occur within year
- iv. Security services are paid in one year basis
- v. Sales revenue will be increasing yearly by 10%
- vi. Cost of sales will increase by 10%
- vii. There will be no change of government regulations that will affect business
- viii. Financial year of the company starts on 1st December and end on 31st November every year.
- ix. Salary will remain fixed for three years
- x. All transactions will be in made in Tanzania Shillings and US Dollars
- xi. Sales will be at maximum production capacity
- xii. Shareholders will not take dividends for first three years.

The capital required in running the business illustrated in the following tables:~

Investment requirement

- Buy Land and leveling and Preparing	50acres	usd 350,000
- Full Production line		usd 8,200,000
- Vehicles and Cranes		USD 300,000
- Construction Factory	40,000m ²	usd 4,000,000
(inclusive office building & Furniture and interior design)		
- Installation and fees	180-200days	Usd 860,000
- Transport(Ocean freight and freight)		Usd 560,000
- Working Capital		Usd 1,000,000
Total:		USD15,270,000

Projected profit and loss statement (USD)			
	2020/2021 (USD)	2021/2022 (USD)	2022/2023 (USD)
Sales Revenues	2,565,000	12,860,000	16,750,000
Total sales	2,565,000	12,860,000	16,750,000
Less			
Cost of sale	2,180,250	8,102,000	10,552,760
Gross profit	384,750	4,758,000	6,197,240
Less operation costs			
Salary	200,000	1,209,600	1,209,600
Electricity	105,000	1,414,285	1,614,000
Security	5,000	24,000	24,000
Suppliers	400,000	25,000	25,000
Repairs/ Maintenance	10,000	120,000	120,000
Advertising	20,000	120,000	120,000
Cars hire and fuel	25,000	75,000	80,000
Telephone	1,500	21,000	23,000
Cleaning services	2,000	10,000	11,000
Stationaries	4,000	9,000	10,000
Total expenses	772,500	3,027,885	3,236,600
Net profit before Tax	-387,750	1,730,115	2,960,640
Taxes (30%)	0	519,034.5	888,191.7
Net operating income (USD)	-387,750	1,211,080.5	2,072,447.3

Projected Balance sheet

	2020/2021 (USD)	2021/2022 (USD)	2022/2023 (USD)
Assets			
Current Assets			
Cash	100,000	350,000	480,000
Bank	800,000	230,000	1,680,000
Prepaid expenses	100,000	45,680.5	200,000
Total Current Assets	1,000,000	625,680.5	2,360,000
Fixed assets production line	13,000,000	14,960,000	15,401,527.8
Furniture & fixtures	450,000	141,000	132,000
Electronics	350,000	322,000	280,000
Other fixed assets	470,000	432,400	380,000
Net Fixed Assets	14,270,000	15,855,400	16,193,527.8
Total Assets	15,270,000	16,481,080.5	18,553,527.8
Owners' Equity and Liability			
Current liability			
Account payable	15,172,644	13,172,644	11,172,644
Total Liabilities	15,172,644	13,172,644	11,172,644
Owners' Equity			
Invested Capital	485,106	2,485,106	4,485,106
Retained earnings	-387,750	823,330.5	2,895,777.8
Total owners' equity	97,356	3,308,436.5	7,380,883.8
Total owners' equity + liability	15,270,000	16,481,080.5	18,553,527.8

Statement of cash flow

	2020/2021	2021/2022	2022/2023
Beginning balance	485,106	900,000	580,000
Cash Inflow			
Sales Revenue	2,565,000	12,860,000	16,750,000
Cash outflow			
Cost of sales	1,377,606	10,152,115	11,933,400
Operating expenses	772,500	3,027,885	3,236,600
Total cash outflow	2,150,106	13,180,000	15,170,000
Closing balance	900,000	580,000	2,160,000

EXPANSION

Long range goals

The business expected run in unlimited life span, Shareholders believe that the business will expand to generate unlimited amount of profits in its operation. On future days demand of wood products will increase as the increase number of people who are aware about our products. Therefore the following goals are kept for long range:~

- Opening new branches all over the country within five years of operation
- Increasing number of workers in order to increase productions at the same time improving products provided by the business
- Improving salary and introduction of sales bonus to the workers
- Conducting social corporate responsibility activities within the areas with the businesses operate in order to increase popularity of the business at the same time helping surrounding communities.

Diversification

The business will increase services by providing other services like animal betting, boxing betting etc. which the business will add includes Soda and water. Furthermore in a long range company will provide foods services to the customers.

Going Public

In future days a owners can sell share of the business in order to improve capital of the business shareholders believe that running a business is the huge tasks which needs opinions from other people, thus by adding partners within the business, it will expand operation since there will be contributions of more than a one person.

Mile stone schedule

The following mile stone schedule will guide the business

Milestone	Date	Responsible person
Initial capital invested	February, 2020	Shareholders
Registration of business	February, 2020	Shareholders
Recruiting workers	September 2020	Shareholders
Training workers	September 2020	Shareholders
Preparation and arrangement of the business places	September 2020	Workers
Shipping the Construction machine material and part of production line	September 2020	General manage
Apply for transformer and HT Unit	September 2020	General manage
Construction Road and Power line	October 2020	Workers
Construction The wall	October 2020	Workers
	November 2020	General manage
Shipping the production Line		
Building the factory	November 2020	General manager,
Clear and transport the container	December 2020	General manager,
Shipping the production Line	December 2020	General manager,
Installation	January 2021	General manager,
Installation	February 2021	General manager
Installation	March 2021	General manager
Installation	April 2021	General manager
Installation	May 2021	General manager
Installation	June 2021	General manager
Installation	JULY 2022	General manager
Test the production line	August 2021	Workers
Test the production line	September 2021	Workers
Produce the MDF	October 2021	workers
Produce the MDF	November 2021	workers
Annual activities review	December 2021	Workers and owner
Opening new branch	February 2022	shareholders

