

**BUSINESS PLAN FOR THE  
IMPLEMENTATION PROGRAMME  
OF  
M/S DOUBLE M COMPUTERS LIMITED  
IN  
ESTABLISHING OF MANUFACTURING ASSEMBLING  
COMPUTER PROJECT**

**PREPARED BY  
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**M/S DOUBLE M COMPUTERS LIMITED**  
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# M/S DOUBLE M COMPUTERS LIMITED

## ESTABLISHING OF MANUFACTURING ASSEMBLING COMPUTER PROJECT

### 1. INVESTMENT PLAN

The Investment Plan has been prepared by **M/S Double M Computers Limited** for setting up manufacturing assembling for computer project

The Plan has also been prepared to give an analysis of the financial, human, technical and other resources required for the implementation of the Proposed Project.

The Plan is also to assess its economic viability and commercial viability in order to allocate funds for importing Plant & Machinery, Equipment, tools, generators, transformers, firefighting equipment, forklifts, Trucks, light trucks, pickups, hardtop, delivery van and construction materials etc.

### 2. COMPANY'S BACKGROUND

**M/S Double M Computers Limited** is a private owned company registered/ incorporated in Tanzania by Registrar of Companies under company's ordinance Cap 212, on **27<sup>th</sup> of February, 2020** with Certificate of Incorporation No: **141146114**

The company has been prepared by **M/S Double M Computers Limited** is oriented company, intending to fill in the market need for a professional, customer-focused computer company. The company emphasizes service and support to differentiate itself from more price-oriented computer companies. We are on the brink of penetrating a lucrative market in a rapidly growing industry. The current trend towards an increase in the number of entrepreneurs and competition amongst existing companies presents an opportunity for **M/S Double M Computers Limited** to penetrate this market. Existing local and external market. The quality products will guarantee its customer satisfaction.

The main purpose of the project is to produce high quality products as well as to increase its production capacity to correspond with the growing demand (market).

There is an extensive market (local and external) to absorb all the Company's products which will be produced on commencement of the project. The company intends to set up such modern facilities: Plant & Machinery for the production of High Quality Computer assembling and Electronics

The Project will import and install Plant & Machinery for production process as well as to use **new technology** for the purposes of assembling computer and electronics.

The Project is estimated to cost **USD 500,000** on new and modern Plant & Machinery, Equipment, tools, generators,

#### 4. POTENTIAL MARKET

Our marketing strategy will be based mainly on ensuring that clients know what need the service(s) is able to fulfill, and making the right service and information available to the right target client. We intend to implement a market penetration strategy that will ensure that our services are well known and respected in our respective industry. Our strategy will convey a sense of quality and satisfaction in every picture, every promotion, and every publication. Our promotional strategy will involve traditional advertising, Internet marketing, personal selling, public relations, and direct marketing, details of which are provided in the marketing section of this plan

- The Company will also supply to the external market especially the neighboring countries. In actual facts the demand is growing day by day especially in local and external market.
- The current market research conducted by the promoters of the company has revealed that there is high Computer and electronics equipment
- High quality, technology and goodwill are the factors which will make the Proposed Project to dominate the local and foreign market. There are a number of manufacturers & importers in Tanzania; however few can compete with our high Quality Computer Products. The Company has set some business strategies in order to compete with other manufacturers& importers of Computer and Electronics.

**M/S Double M Computers Limited** also expects to increase export of the business strategy will revolve around the need to provide quality products and services to our various target customers. This shall be undertaken through the establishment of a professional team and the provision of quality, custom-designed services, catering to the client's particular needs. We intend to attain the following objectives:

- Develop a follow-up strategy to gauge performance with all our clients.
- To continuously formalize and measure cross-functional working communication so as to ensure that the various departments work harmoniously towards attainment of company objectives.
- To instill a culture of continuous improvement in beating standards of customer satisfaction and efficiency.
- We are fully committed to supporting growth and development in the economy.

## 5. **THE COMPANY'S OBJECTIVES**

**M/S Double M Computers Limited** is committed to the fair and ethical treatment of employees and stakeholders. This shall be undertaken through implementation of the following company values:

- We intend to be a responsible corporate citizen, fulfilling our obligations as an integral member of society. Our business decisions will give appropriate weight and consideration to social and environmental impacts.
- We intend to provide products and services of uncompromising quality.
- We intend to seek mutually beneficial and enduring relationships in all the commitments that we make, ensuring that they are straightforward and honest. Our communication will be open and accurate, both internally and externally.

5.2 We will intend to uphold all the above company values, promoting our employees to do likewise.

The proposed project will have a great advantage to the United Republic of Tanzania which are;-

- **PAYING TAXES**-M/S Double M Computers Limited will contribute to the government revenue through taxes and other levies.
- **JOB CREATION/ EMPLOYMENT** - M/S Double M Computers Limited will create more employment (more job opportunities 44 local employee from unskilled to professionals/technicians etc.)
- **TECHNOLOGY/ SKILL DEVELOPMENTS** - (human resources development) through on job training and use of new and modern machinery as well as application of new technology application.
- **INCOME GENERATION** - alleviation of poverty and improve their social welfare.
- To foster the growth of the industry for production of computer peripheral equipment and software materials in Tanzania.
- To reduce dependence on external sources for importation of computer peripheral equipment and software materials.
- To solve the shortage of quality computer peripheral equipment and software and make these products available at affordable price.
- To promote local markets for computer peripheral equipment and software equipment's
- To promote growth and expansion of private sector.

## 6. PROSPECTS/ FUTURE PLAN

- We must remain on top of any new technology, because this is our bread and butter. For networking, we need to provide better knowledge of cross platform technologies. Also, we will be under pressure to improve our understanding of direct-connect Internet and related communications.
- In putting the company together, we have attempted to offer enough services to allow us to always be in demand by our clients. However, technological developments have provided us with a new era of opportunities for the various organizations in which we can only guess at the needs. For example, current rapid innovations/development of Wireless Application Protocol (WAP) technology presents an opportunity to be realized, particularly focusing on WAP-enabled cell phones that allow individuals to access or send email messages on a cell phone. However, the most important factor in developing future services will be market need. Our understanding of the needs of our target market segments will be one of our competitive advantages.
- The very nature of the computing industry, with its extraordinary rate of technological development, creates a constant need for businesses skilled in updating and advising customers on computer-related issues. In town, the majority of potential customers are dissatisfied with existing options, creating an attractive niche for an innovative will provide the majority of our business revenue. expects the computing industry to grow at a rate of 12% and the processor speeds to continue to expand for years to come, providing a rich resource for sales.
- Hence the project to focus mainly on the small business market, as these customers typically don't have a full-time IT person, but have full-time IT needs. PC Repair will offer an affordable, on-demand service for these customers. We can also offer maintenance agreements that generate additional monthly income. For our residential customers, we will offer a very affordable and helpful service with a very flexible schedule to meet their needs.

## 7. SHAREHOLDERS (PROMOTERS)

The following sponsors are promoting the intended project for the high quality manufacturing computer assembling Fortune Electronics Limited. These are directors and shareholders of Fortune Electronics Limited with their shareholders position.

No.	Name of Shareholders	Nationality	%Shareholder Structure
1	Sahal Muhumed Abdi	Somali	2.8
2	Abdikan Muhumed Abdi	Somali	1.0
3	Abdi Issak Ibrahim	American	1.0
4	Abdirahman Gange Alan	Kenyan	0.83
5	Mohamed Adan Hussein	Somali	1.0
	Unalloted		93.37
	<b>TOTAL</b>		<b>100</b>

The share capital of the company is **Tshs 300,000,000** divided into **10,000** shares of **Tshs 30,000/=** each. The company shall have powers to increase its capital and divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the article of association of the Company

## 8. LOCATION

The Company's business premises are located at **Mbagala Industrial Area Plot No 444 Block A Postal Address P. O. Box 16310 DAR ES SALAAM**

## 9. COMPANY'S IMPLEMENTATION SCHEDULE

### 9.1 May - 2020

- Preparing feasibility study for a project to establish and operate Manufacturing facilities for **Computer assembling**
- Registration of the Proposed Project with Tanzania Investment Centre.
- Getting Certificate of Incentives.

## 9.2 June - 2020

- Application for Import Duty exemption on Deemed Capital Goods.
- Ordering/Importing the new and modern Plant & Machinery, Equipment,

## 9.3 July - 2020

- Installing the Plant & Machinery for computer assembling and accessories
- Recruiting new staffs and training them on new technology skills (new machinery).
- Fully commencement of production.

## 10. CAPACITY

The company will have the capacity of assembling computer around pieces 1,288 per year

## 11. CAPITAL INVESTMENT COST

Land/Building	USD \$	100,000
Plant/Machinery	USD \$	100,000
Vehicles	USD \$	50,000
Pre-expenses	USD \$	70,000
Working Capital	<u>USD \$</u>	<u>180,000</u>
<b>TOTAL CAPITAL</b>	<b><u>USD \$</u></b>	<b><u>500,000</u></b>

The Project in its extensive production / manufacture of assembling Computer For local and foreign market will be implemented within three years. The shareholders have resolved to register the Project with TIC and securing the certificate of incentives.

The Project will soon commence after the project is registered with TIC and being issued the Certificate of incentives. Thereafter the Project will qualify for Duty Exemption on Deemed Capital Goods

## 11. FINANCIAL PLAN (SOURCE OF FUNDS)

The Shareholders/ Promoters of M/S Fortune Electronics Limited have allocated funds for the Proposed Project by its own local fund USD \$ 400,000 and Loan USD \$100,000

Local Fund (equity)	USD \$	400,000
Local loan	<u>USD\$</u>	<u>100,000</u>
<b>TOTAL</b>	<b>USD\$</b>	<b>500,000</b>

## 11.2 INVESTMENT BREAK DOWN

- **Land/Building - USD 100,000** - To be used in for remodeling the warehouse/factory.
- **Plant/ Machinery - USD \$ 100,000** - To be used for Plant & Machinery etc
- **Vehicles - USD \$ 50,000** -To be used for buying **utility vehicles** for project facilitation work. 2 units Pick up (single cabin), Delivery Vans.
- **Pre expenses - USD \$ 70,000** To be used as expenses in setting up the project,
- **Working Capital - USD \$ 180,000** To be used for initial salaries, transportation, advertisement, raw materials etc

## 12. THE COMPANY'S PRODUCTS:-

The company was incorporated with a prime objective of setting up manufacturing facilities for producing of high quality assembling computer

## 13. SUBMISSION

**M/S Double M Computers Limited** wishes to submit the intended Project to the TIC for registration and award of certificate of incentives.

## 14. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania, have attracted more investments in the Tanzania such as the proposed project.

The economic growth resulted by various economic activities has influenced the demand of the high quality Computer and Electronics which are going to be produced by the Company. These products will be sold to people's Government Offices, Private Companies, NGO, Hospitals, homes,, supermarkets, hotels, businesses etc.

The Company will also supply to the external market especially the neighboring countries. In actual facts the demand is growing day by day for both local and external market.

## 17. COMPETITION/MARKET

There are a number of manufacturers & importers in Tanzania; however few can compete with our high quality Computer and Electronics materials. The Company has set some business strategies in order to compete with other manufacturers & importers of these products.

Though there is extensive market for high quality Computer and Electronics as the supply is not enough compared to the level of the market. As the demand/ Market size is increasing day by day due to usage in different places Government Offices, Private Companies, NGO, Hospitals, homes, supermarkets, hotels, businesses etc.

**M/S Double M Computers Limited** has staffs with experiences and specialized in production of assembling computer therefore they had been in that field for many years. The company anticipates to dominate the local and export market because he Company has set up business and marketing strategies, and also determined to manufacture high quality products.

## 18. PROMOTION/ ADVERTISEMENT

**M/S Double M Computers Limited** has set up some strategies in order to promote its well packed high quality Computer and Electronics which will be for local and foreign market. The Major strategy is advertisement which forms part of the marketing strategy; this will be embarked upon in the newspapers, street banners and in the televisions.

## 19. BUSINESS STRATEGY

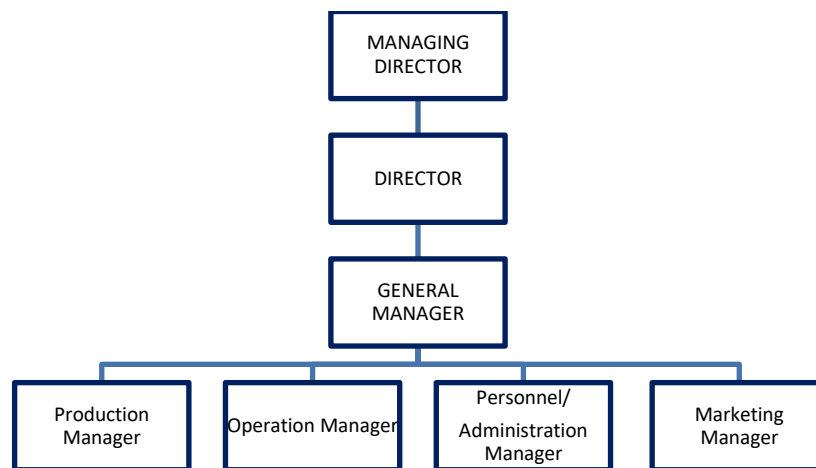
- **M/S Double M Computers Limited** has also gone further in setting up some business strategies so as We will be focusing on proactive, market seeking organizations that want to ensure an efficient and effective IT system that will assist in the realization of their business objectives.
- Our target companies are large enough to require the high-quality IT management we offer, but too small to have a separate computer management staff. However, our most important group of potential customers will be business executives in large, medium, and small corporations. These are marketing managers, general managers, sales managers, and other decision makers who often need to access company data and information in their various business decisions. They will not waste their time or money looking for bargain information, questionable expertise, or cheap computers and accessories. Company has developed and implemented the following business

strategies which are Technology/Quality, Advertisement/promotion, employing qualified and experienced personnel, on job training and business Discipline.

## 20. PROJECT MANAGEMENT

M/S Double M Computers Limited is professionally managed and headed by the Managing Director and supporting managers. Mr. Sahal Muhumed Abdi is the Managing Director of the Company; He is well versed in Abdikan Muhumed Abdi manufacturing industry. The other Director is Mr. Abdi Issak Ibrahim, Abdirahman Gange Alan and Mohamed Adan Hussein who is also assisted by managers.

### THE COMPANY'S ORGANIZATION CHART:



## 22. MANPOWER AND TRANSFER OF TECHNOLOGY

- **M/S Double M Computers Limited** in manufacturing of computer assembling. Will usher in the Country new **technology** (Transfer of knowledge/technology). The advantages to the Country are quite significant, and will get the advantage of value addition due to such incoming technology.
- Further the country can reduce its dependence on importation of these products. These will be available in the Country at reasonable price and in a good quality.
- The production of high quality shopping bags and related packaging materials are of great use in the country such as employment, technology, government revenues etc.
- The Project will cause more people to be employed in the Company about 44 local people, they will be trained how to operate the machinery (Transfer of knowledge/ skills)- New technology. Their employment will raise their income and improve their social welfare and pay taxes; it is poverty alleviation programme to them.
- Local employees will get on job training and in a long run will improve the technical competence of the production of high quality shopping bags and related packaging materials.

## 23. CONCLUSION AND RECOMMENDATION

The financial evaluation of the proposed project done so far indicates that the project will be profitable both economically and financially viable venture. There are also many other benefits direct to this project like taxes, employment, availability of products, technology etc

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives so as to commence the proposed project by importing and installing Plant & Machinery and increase its production capacity.

## **24. FINANCIAL AND ECONOMIC ANALYSIS**

### **24.1 PROJECTED PROFIT AND LOSS ACCOUNT:**

The company envisages generating a profit of USD \$ 250,000 this operating year. The profit amount is expected to steadily rise to USD \$ 260,000 in year two, USD \$ 270,000 in year three and USD \$ 285,000 in year four..

### **24.2 PROJECTED CASH FLOWS:**

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

### **24.3 PROJECTED BALANCE SHEET:**

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

## **25. SENSITIVITY ANALYSIS**

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S Double M Computers Limited**

## M/S DOUBLE M COMPUTERS LIMITED

### PROJECTED CASHFLOW STATEMENT

Appendix I  
(Fig: in USD \$ '000')

Estimated Income	Years				
	I	II	III	IV	V
Projected Sales Income	680.0	710.0	745.0	780.0	810.0
<b>Total Income</b>	<b>680.0</b>	<b>710.0</b>	<b>745.0</b>	<b>780.0</b>	<b>810.0</b>
<b>Projected Expenditure</b>					
Utilities	300.0	300.0	300.0	300.0	300.0
Administration expenses	60.0	70.0	80.0	90.0	100.0
Salaries and wages	50.0	50.0	55.0	55.0	60.0
Transportation/fuel	40.0	45.0	50.0	50.0	50.0
Promotion/ Advertisement	10.0	10.0	10.0	10.0	10.0
Postage & stationeries	5.0	5.0	5.0	5.0	5.0
Clearing & forwarding charges	40.0	40.0	40.0	50.0	50.0
Other charges	25.0	30.0	35.0	35.0	40.0
<b>Total Expenditure</b>	<b>530.0</b>	<b>550.0</b>	<b>575.0</b>	<b>595.0</b>	<b>615.0</b>
Net Profit (pretax and depreciation)	250.0	260.0	270.0	285.0	295.0

## M/S DOUBLE M COMPUTERS LIMITED

## PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	TOTAL
<b>Cash inflow</b>						
Income from operation	250.0	260.0	270.0	285.0	295.0	1,360.0
	<b>250.0</b>	<b>260.0</b>	<b>270.0</b>	<b>285.0</b>	<b>295.0</b>	<b>1,360.0</b>
<b>Cash outflow</b>						
Interest payments	50.0	40.0	30.0	20.0	10.0	150.0
Loan re-payment	100.0	100.0	100.0	100.0	100.0	500.0
Taxes	10.0	10.0	10.0	15.0	15.0	60.0
	<b>160.0</b>	<b>150.0</b>	<b>140.0</b>	<b>135.0</b>	<b>125.0</b>	<b>710.0</b>
<b>Surplus cash generated(wear &amp; tear)</b>	<b>90.0</b>	<b>110.0</b>	<b>130.0</b>	<b>150.0</b>	<b>170.0</b>	<b>650.0</b>

## M/S DOUBLE M COMPUTERS LIMITED

## PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$ '000')

Year	Repayment			
	Principal	Interest	Total	Amount
<b>O</b>				500.0
<b>I</b>	100.0	50.0	150.0	400.0
<b>II</b>	100.0	40.0	140.0	300.0
<b>III</b>	100.0	30.0	130.0	200.0
<b>IV</b>	100.0	20.0	120.0	100.0
<b>V</b>	100.0	10.0	110.0	0.0

Appendix 1V

M/S DOUBLE M COMPUTERS LIMITED

PROJECTED BALANCE SHEET

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	<b><u>Source of funds</u></b>					
1.	Shareholders' funds	200.0	200.0	200.0	200.0	200.0
2.	Long term Loan	150.0	140.0	130.0	120.0	110.0
3.	Associated Cos/ Directors	150.0	150.0	150.0	150.0	150.0
4.	Current Liabilities	250.0	350.0	450.0	550.0	650.0
		<b>750.0</b>	<b>840.0</b>	<b>930.0</b>	<b>1,020.0</b>	<b>1,110.0</b>
	<b><u>Application of funds</u></b>					
1.	Fixed Assets					
2.	Current Assets	400.0	400.0	400.0	400.0	400.0
		350.0	440.0	530.0	620.0	710.0
		<b>750.0</b>	<b>840.0</b>	<b>930.0</b>	<b>1,020.0</b>	<b>1,110.0</b>